



2021-2022 ADOPTED BUDGET



CITY OF KANNAPOLIS

Fiscal Year 2022 Budget

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City of Kannapolis

Annual Budget

Fiscal Year 2021-2022



Prepared by:

City of Kannapolis Staff

Special Thanks to:

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



City of Kannapolis

City Council



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

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



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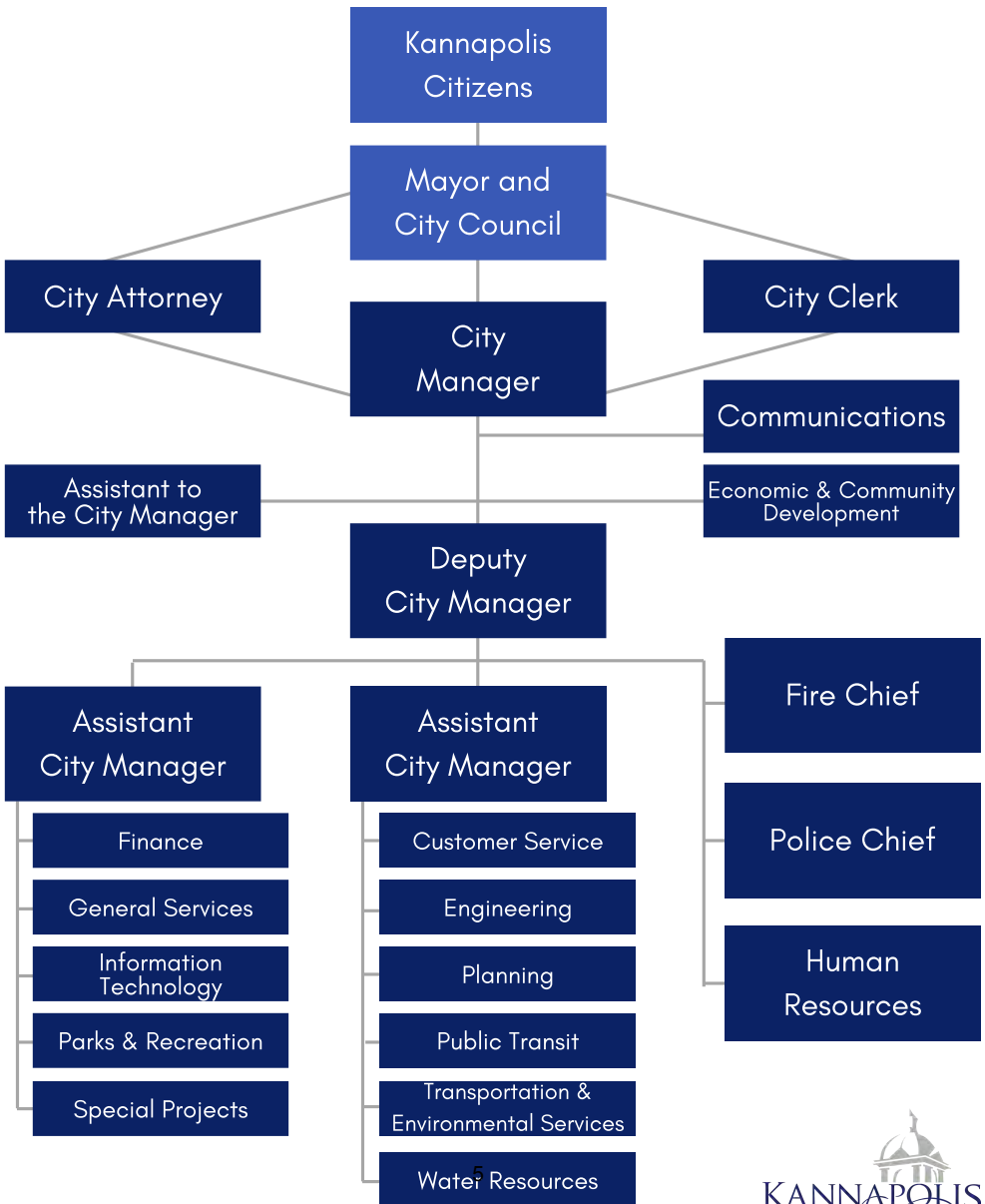
For the Fiscal Year Beginning

July 01, 2020

Christopher P. Morill

Executive Director

CITY ORGANIZATION





May 24, 2021

Subject: Proposed FY 2021-22 Budget

Dear Mayor Hinnant and Members of the Kannapolis City Council:

I am pleased to present to you the proposed Fiscal Year 2021-22 Budget for the City of Kannapolis, North Carolina, which begins July 1, 2021 and ends June 30, 2022. 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 2022.

The past 12 months since I presented the current fiscal year budget has been a year like no other in our City's history. The COVID pandemic created a year-long feeling of uncertainty, frustration, stress and to some degree fear. The COVID crisis changed the way we think and act as a community – in some ways temporarily, in some ways permanently. COVID changed the way the City delivers certain services and conducts business, including a re-imagining of our customer service function and meeting protocols using virtual and remote technology that existed but rarely used prior to this time last year.

While the uncertainty of the COVID crisis forced us to proceed cautiously over the past year from a budgeting standpoint, in reality the current budget was only marginally influenced by the crisis. We were not forced to make any cuts or adjustments due to funding challenges and there were no changes in service levels. In last year's budget message, \$2.2 million in decreased revenue streams due to the impacts of COVID-19 was projected; fortunately those impacts never materialized.

Looking Back: FY 21

By and large, we were quite fortunate to have weathered the pandemic financial storm that could have been. Even so, there were still substantial changes that impacted our community including following:

- Completion of Atrium Health Ballpark just in time for the opening season only to be delayed, then ultimately canceled.
- Cancellation of Jiggy with the Piggy, all concerts and movies at Village and Veteran's parks.
- Cancellation of the annual Christmas Parade and all other holiday activities.

- Closure of City Hall to the public including the shutdown of Laureate Center and Village Park rentals.
- Remote/hybrid City Council and other public meetings.
- Ribbon cuttings and other economic development celebrations were canceled.
- The temporary loss of employment in the community, especially in certain sectors (notably, restaurants and hospitality-oriented businesses) which had ripple effects in rent and utility payments and discretionary spending in the community.
- School closures or hybrid learning with likely short-term (and possibly lasting) negative impacts on well-being of our school aged populations.
- Fortunately, the City has received approximately \$2.5 million in relief funding from various COVID-related federal programs from the Federal Government. These funds have been used in a variety investments (personal protective equipment, public safety salary subsidies, health and safety related building improvements, technology improvements, conversion of in-person customer service to online services, CK Rider financial support, and grants to various non-profits (most notably Cooperative Christian Ministries for rent and utility relief for struggling Kannapolis residents). An additional \$9,352,893 has been allocated to the City as part of the American Rescue Plan (ARP). The use of those funds has not been determined. The following is a summary of these funds:

COVID-Related Federal Funds	
Source	Amount
CARES via Cabarrus	\$524,531
CARES via Rowan	\$184,623
FEMA Reimbursement	\$44,719
CARES I - CDBG	\$264,857
CARES II - CBDG	\$230,437
CARES - Transit – FY 21	\$432,657
CARES - Transit – FY 22	\$429,300
CARES Transit – FY 23 (estimated)	\$400,000
American Rescue Plan I (FY 22)	\$4,676,447
American Rescue Plan II (FY 23)	\$4,676,447
Total	\$11,864,017

For a community that over the past two decades has survived two major droughts, loss of its largest and longest-standing employment center, a complete upheaval of its local economy (textiles to tourism/research), and the Great Recession, it is not surprising that Kannapolis has survived a global pandemic as well. In May 2021 we find ourselves in a place of far more certainty with a very positive outlook. The past 12 months have been dominated by the pandemic; even so, there are quite a few things to celebrate as we transition to a new budget year:

- A fully functioning professional baseball season in Atrium Health Ballpark, including restored revenue streams to both the team ownership and the City in the coming months.
- A thriving downtown far exceeding expectations in both pace, and type of local investments.
- Continued significant growth and private sector investment City wide.

- The conversion of the City’s Customer Service Center to a predominately remote, online service delivery model.
- Sale of Block 2 Downtown.
- Sale of Block 1 – Main Street Downtown.
- Sale of Swanee Theatre – renovations underway.
- Establishment of interim downtown parking regulations.
- Hiring of a number of new department heads including Police Chief, Fire Chief, Finance Director, Customer Service Director, General Services Director, and Planning Director.
- 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.
- Sale of Pennant Square land and groundbreaking – construction under way.
- Sale of Oak Avenue (Block 7) property Downtown.
- Creation of the Kannapolis Youth Council.
- Water Treatment Plant improvements.
- Mooresville Road Waterline replacement.
- Lane Street Waterline replacement.
- City Council Virtual Planning Retreat.
- Wyrick Property under contract.
- Remaining 7.25- and 1.6-acre Gateway Business Park properties under contract.
- Development Agreement approved for Kannapolis Crossing.
- I-85 Exit 65 Utility Extension Project started.
- Old Stadium Property Development Agreement approved.
- Agreement to accept Castle and Cooke Donations, including the “Horseshoe Property.”
- Agreement to accept Dixie Youth Ballfields.
- Completion of the Irish Buffalo Creek Greenway and ribbon cutting.
- Completion of the due diligence phase of our partnership with the United States Performance Center. Work continues in search of a path forward.

The budget goals for FY 22 are quite different than they were in FY 21. While the Downtown revitalization efforts will continue to be a driving force for the next several budgets, FY 22 will be the beginning of an expanded set of objectives, largely based on the results of the recently completed Virtual Planning Retreat. This FY 22 Budget also represents a post-COVID return to some sense of normalcy. Economic development in general will remain a top priority but investments in quality of life improvements will be important as well. Perhaps most importantly, this FY 22 Budget attempts to address support for our 400+ employees in a variety of ways

including giving them the needed tools to perform their job duties more effectively. The improving economic and financial picture has also cleared the path to putting in place a salary advancement and benefit package that will both reward and retain current employees while attracting new ones.

FY 21 was certainly filled with short-term pain – pain we all hope to never have to endure again - but, as noted above, there is plenty that has occurred in the last year for our City to be extremely proud of.

FY 2021-22 Budget Overview

The total proposed FY 2021-22 (FY 22) Budget for the City of Kannapolis is **\$85,250,849** a 5.87% increase (\$4,727,396 actual) from the FY 2021 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 and excludes any interfund transfers (as defined by transfers between the annually adopted funds). This doesn't include the General Management Services fee, which is a fee charged by the enterprise funds to pay for the indirect support from the General Fund.

Recent Budget History						
FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Proposed
\$59,539,383	\$64,012,300	\$68,125,000	\$69,679,864	\$77,279,526	\$80,523,452	\$85,250,848

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

The past three annual budgets have been primarily focused on the significant downtown revitalization project. The FY 22 Budget continues the downtown efforts but adds a broader set of short- and long-term investments in a varied array of projects, initiatives and service delivery enhancements.

In preparing the proposed FY 22 Budget the following guiding principles were adhered to:

1. **Budget Process and Structure.** Similar to FY 21, 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 22 that were included in the adopted FY 21 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 positions, new capital improvement projects, and new capital outlay items.

Additionally, the Downtown/College Station Fund has been closed out now that the City owns very little bricks and mortar real estate to maintain and operate. The proposed FY 22 Budget moves all remaining Downtown/College Station expenditures into the General Fund. These changes separate the maintenance and operation of the downtown buildings and the College Station building (managed by the General Services Department) from the park-like activities such as mowing, landscaping, tree maintenance, restroom oversight

(managed by the Parks and Recreation Department). Debt service (including the Ballpark) and special events expenses have also been moved to the General Fund.

2. **Implementation of City Council Virtual Planning Retreat.** In March and April 2021 City Council participated in a COVID-friendly Virtual Planning Retreat which set City Council project and initiative priorities for the next five years. The following was the starting point for the priority setting and the overall implementation plan:

- 58 projects/initiatives with an estimated capital cost \$189.8 million and \$9.5 million in annual recurring cost. The proposed 2022-26 funding implementation plan addresses 22 of these projects and initiatives.
- 28 studies/plans with an estimated \$1 million in initial estimated study costs (figure does not include implementation costs). The proposed 2022-26 funding implementation plan addresses 9 studies and plans, and in some cases includes initial implementation funding to jump-start the projects upon completion of the plan or study.
- 10 small projects/initiatives with an estimated \$648,000 in capital cost and \$406,000 annual recurring cost. The proposed 2022-26 funding implementation plan addresses 5 of these small projects/initiatives.

More specifically, the FY 22 Budget includes a number of initial funding priorities emerging from the Retreat:

- Employee Retention and Recruitment Efforts (budgeted in Non-Departmental budget):
 - Additional 1% contribution to 401k - brings the City's match up to 3%.
 - Additional \$420 per employee contribution to the medical flex savings accounts.
 - Free employee memberships to the Cabarrus-Rowan YMCA system.
- Code Enforcement Officer.
- Gem Theatre Operating Partnership.

Additionally, the majority of the Virtual Planning Retreat implementation in FY 22 will come in the form of an aggressive Cash Reserves Funding Plan described in the following two sections below.

3. **Cash Reserves/Fund Balance.** One of the foundational elements of the City's financial planning for the past decade has been to improve cash reserves. Target percentages of expenditures for each fund were established. The table on the following page depicts the current cash reserves and fund balance estimates and the cash that is available for appropriation in FY 22. 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.

Unrestricted Cash Reserves and Fund Balance				
Fund	Minimum Target %	Projected Total Reserves, June 30, 2021	Available for Appropriation in FY 22	Amount needed to reach Target %
General	25%	\$21,960,915	\$5,935,000	Above Target
Water and Sewer	25%	\$8,685,478	\$1,480,020	Above Target
Stormwater	25%	\$2,985,745	\$1,612,473	Above Target
Environmental	10%	\$846,690	\$0	\$288,223
Transit*	NA	\$420,878	\$420,878	NA
Totals		\$34,899,706	\$9,448,371	\$288,223

*The proposed FY 22 Budget includes an appropriation of \$200,000 in fund balance in the Transit Fund.

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 (including Downtown). This asset divestiture is a critical part of the new 5-Year Financial Plan going forward. The following are the real estate assets that can (and will) strengthen cash reserves which will be available for appropriation in FY 22.

Completed Additions to Fund Balance in FY 21	
One-Time Revenue	Actual Amount
Block 2 Sale - Initial Payment	\$298,964
Cabarrus Avenue Property Sale to Kimball Lutheran	\$127,000
Oak Avenue Building Sale	\$930,000
Plant 4 Townhomes Site Sale	\$827,950
Block 3 Sale	\$1,200,000
Block 1 West Avenue Sale – Final Payment	\$400,000
Total	\$3,783,914

Projected Additions to Fund Balance in FY 22	
New One-Time Revenue	Projected Amount
Block 1 Main Street Sale - First Payment	\$150,000
Block 2 Sale – Final Payment	\$1,100,000
Rowan County - Kannapolis Crossing First Payment	\$500,000
Rowan County - Kannapolis Crossing Second Payment	\$500,000
Wyrick Property Sale	\$300,000
Sale of Old Stadium	\$3,000,000
Swanee Theatre - Initial Payment	\$100,000
Gateway Business Park 7.25-acre Land Sale (restricted)	\$1,692,000
Gateway Business Park 1.6-acre Land Sale (restricted)	\$354,876
Block 4 Sale (0.94 acre)	\$0
Block 5 Sale (0.74 acre)	\$0
Total	\$7,696,876

4. **Cash-Focused Funding Plan.** One significant component of the FY 22 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.

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 22 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.

It is projected that \$17,415,790 in cash, largely from land sale proceeds as described above (but also in part due to sound financial planning) will be available for appropriation by the end of FY 22. A projected \$6,311,100 is included in the FY 22 Cash Reserves Funding Plan. The projects/initiatives and capital outlay included for FY 22 are described in the following table.

General Fund			
FY 22 Cash Reserves Funding Plan			
	Estimate	Department(s)	Description
1	\$1,000,000	Parks and Recreation	Skate Park Design and Construction. An additional \$1,000,000 is planned for FY 23 but could be accelerated should the project timeline accelerate.
2	\$475,000	Fire	Fire Station #1 Remodel Phase 1. This phase includes a new roof and interior renovations. Phase 2 (\$525,000) is planned in FY 23 and Phase 3 (\$235,000) in FY 24.

General Fund			
FY 22 Cash Reserves Funding Plan			
	Estimate	Department(s)	Description
3	\$55,000	Transportation and Environmental Services; Communications	Litter Clean-up program kickoff (Phase 1). Funding for a volunteer coordinator and associated public education campaign for FY 22. Funds may potentially be allocated towards a County-wide initiative. Phase 2 would include a \$3.00/month solid waste fee to offset a full litter clean-up crew in FY 23 to cover these costs.
4	\$162,000	General Services	Gates for the Vida Parking Deck. Purchase and installation.
5	\$750,000	Transportation and Environmental Services	Kannapolis Parkway/Highway 3 Decorative Streetlights and Landscaping Phase 1. An additional \$25,000 in operating impact for electricity and another \$750,000 for Phase 2 planned for FY 23.
6	\$275,000	Parks and Recreation	Bakers Creek Park Improvements. Includes parking lot paving, lighting, ADA accommodations for restrooms and concessions. An additional \$150,000 is planned in future years for potential pickleball courts.
7	\$150,000	Economic and Community Development; Planning; Engineering	Midway (South Main Street) Corridor Plan – Consultant Services. The plan will likely also include a high-level plan for the North Main Street Small Area. An additional \$1,500,000 (spread evenly of three years, FY 23 through FY 25) is planned as seed funding for implementation once plan is developed.
8	\$100,000	Economic and Community Development	Transitional Housing/Homeless Shelter Strategy – Consultant Services. An additional \$1,000,000 slated in FY 23 for actual implementation once parameters are defined. This initiative needs more definition before committing to these funds. Will likely involved a multi-jurisdictional effort.
9	\$50,000	Economic and Community Development	NCRC for (Next Decade Growth) Strategy – Consultant Services. This initiative needs more definition before committing to these funds.
10	\$200,000	Parks and Recreation	Gem Theatre Shortfall. This is a potential subsidy to cover likely revenue shortfalls in the first year of operating the Gem Theatre due to COVID impacts slowly improving. An additional \$100,000 slated for FY 23 and then the funding plan assumes the Theatre function breaks-even.
11	\$130,000	Parks and Recreation; Engineering	Irish Buffalo Creek Greenway Parking Lot at Rogers Lake Rd. This includes property acquisition, design and construction.
12	\$300,000	Transportation and Environmental Services; Engineering	Road Improvements at the Old Intimidators Stadium. These improvements are part of the negotiated sale of the property for redevelopment as a Corporate Park.

General Fund			
FY 22 Cash Reserves Funding Plan			
	Estimate	Department(s)	Description
13	\$200,000	Fire	Fire Station #4 Remodel. Improvements to living quarters, interior, kitchen upgrades, failing concrete, paint, carpet, and tile.
14	\$470,000	Multiple Departments	Downtown Enhancements. Includes \$250,000 security camera system downtown (may include cameras for Vida parking deck); \$100,000 electric charging stations; \$60,000 parking lot signage; \$12,000 decorative banners; \$40,000 removable bollards; \$8,000 additional downtown lighting.
15	\$50,000	Parks and Recreation	Existing Diamond Sport Field Enhancements. This is funding to partner with KCS or First Baptist Church or others for upgrades to existing non-City fields for City use. Note: \$100,000 is accounted for Parks operating budget for Dixie improvements/operations.
16	\$100,000	Transportation and Environmental Services	Bobcat 85. This is a replacement of Hyundai wheeled excavator; Hyundai is inoperable.
17	\$313,800	Police	Axon Body Worn Cameras/In- Car Cameras/Tasers. This an annual recurring amount that would combine all body worn cameras, in car cameras and tasers from one company as a sole source provider, cloud data storage the DA offices are moving to (evidence.com). Body worn cameras will be replaced at 2 years and in car cameras will be replaced at 5 years. Current in-car cameras have a failure rate of 50% and must go to the manufacturer for repairs which can take weeks. Cash Reserves are proposed to fund the program in FY 22 and FY 23 then future years would be impacting the annual operating budgets.
18	\$575,500	Police	Replacement of (12) Police Vehicles. The vehicles selected for replacement meet or exceed established threshold amounts relating to year of vehicle and/or mileage. Keeps in line with annual replacement. The 5-Year Financial Plan includes annual replacement in the operating budget beginning in FY 23 (\$750,000 annually for City-wide vehicle replacement). Cash Reserves are proposed for FY 22.
19	\$450,000	Fire	Replacement of 15-year old Self-Contained Breathing Apparatus.
20	\$150,000	Fire	Used Fire Light/Air/Rescue Apparatus.
21	\$79,800	Parks and Recreation	40-foot Man/Boom Lift. To be used downtown for installation of materials (such as tree lighting) and maintenance.

General Fund			
FY 22 Cash Reserves Funding Plan			
	Estimate	Department(s)	Description
22	\$275,000	Parks and Recreation	Village Park Phase IV. Playground equipment. A future phase includes a green room slated for FY 24 at \$500,000 with corresponding operating expenditures.

General Fund Overview

The proposed FY 22 General Fund budget is \$56,514,506 which represents a 9.37% increase over FY 21 Adopted Budget (\$4,843,157 actual).

General Fund Revenue Highlights:

1. The projected total **Property Tax revenue** for FY 22 is \$32,860,158 (which represents a 3.86% *increase* from FY 21 (\$1,221,525 actual). The projection is based on a collection rate of 97.95%. Property taxes now represent 58% of the proposed FY 22 Budget (compared to 61% in FY 21).

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

Each penny on the tax rate is now equal to approximately \$515,240 (up from \$495,295 in FY 21 and \$425,107 in FY 20).

2. The City-wide **property tax base** is projected to be \$5,260,241,092 in FY 22 (an increase of \$210,951,347 from FY 21). The full amount of this increase and the corresponding projection of \$1,221,525 in property tax revenues is due solely to new private sector investment in our City. This is the sixth consecutive year of greater than \$700,000 in projected new tax revenues from private sector growth.
3. **Sales Tax revenue** is projected to *increase* 26% to \$11,131,082 (\$2,305,961 actual). However, it is important to note that the FY 21 Budget included a very conservative estimate in projecting sales taxed due to unknown impacts of the COVID-19 pandemic. Decreased baseline growth projections of 30% in Q1 and 20% in Q2 were included. Fortunately, those reductions never materialized during the pandemic.

The proposed sales tax revenue for FY 22 is based on projected FY 21 year-end actual receipts which are projected at \$10,923,143 which results in an over collection \$2,098,022 from what was included in the FY 21 original budget proposal. As a result, this more accurate calculation results in a 1.9% increase (\$207,939 actual) in sales tax revenue for FY 22.

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

4. **Powell Bill** funding is projected to *increase* by 21.7% which represents a budget impact of \$232,990 in the FY 22 Budget. Similar to sales taxes, the original FY 21 Budget included a 20% reduction in projected revenues which did not materialize. Based on actual receipts for FY 21, this revenue line item is essentially the same as FY 20.

5. **Franchise Tax** revenues are projected to *increase* by \$38,000 due to projected impacts from COVID (less economic activity). Like sales tax and Powell Bill revenues, the FY 21 Budget include a 20% franchise tax revenue reduction for the Q1 (\$124,193) which also did not materialize. The FY 22 Budget is based, in part, on projected actual receipts for FY 21. These revenues increased by a modest \$67,941 in FY 20.
6. **Ballpark-Related Revenues** include the lease budgeted at \$450,000 an *increase* of \$200,000 from FY 21 when a pro-rated team lease payment of \$250,000 was included based on delayed season in FY 21. Since the adoption of the FY 21 Budget, an additional lease amendment was adopted by City Council which delayed all payments in FY 21 in exchange for a one-year lease extension. This action results in an actual cash increase of the full \$450,000 in FY 22 when compared to FY 21. Additionally, the FY 21 Budget included a payment from the Cabarrus Convention and Visitors Bureau (CCCVB) of \$500,000 which, as of the writing of this budget message, has yet to be realized and may not in FY 21. Negotiations are continuing in an effort to reach a final agreement on the CVB participation in our downtown and ballpark related efforts. The increased sales tax revenues helped account for this unrealized revenue. An additional \$100,000 on CVB contribution is budgeted for FY 22 per the preliminary agreement which included the above-described \$500,000 initial contribution and then \$100,000 over the following 7 years.
7. The enterprise fund reimbursement for **General Fund Management Service Fee** remains unchanged from FY 21 at \$2,614,500. Water and Sewer Fund (\$2,143,921) and Stormwater Fund (\$470,579) pays back the General Fund for indirect support throughout the year
8. **Commercial Lease Revenues at College Station** show as increasing in the General Fund by \$401,630. This is NOT an overall budget increase. These funds previously were housed in the now closed Downtown Fund and have been moved to the General Fund.
9. **Parks and Recreation Charges & Fees** is projected to *increase* by \$750,545 (total of \$1,310,545) due to: 1) the plan to add the operation of the Gem Theatre to the Parks and Recreation Department, and 2) the establishment of a youth baseball program.
10. No appropriation of **Fund Balance** is proposed in the FY 22 General Fund Budget. However, the use of fund balance/cash reserves throughout the year is recommended as previously described Cash Reserves Funding Plan.

General Fund Expenditure Highlights:

Due to the uncertainties of FY 21 due to COVID, a wide range of expenditures (personnel, employee recruitment/retention, capital outlay) were put on hold. The proposed FY 22 Budget attempts to “catch up” from the COVID year to the greatest extent possible within our current financial resources.

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

1. The General Fund includes **14 new positions and 1 reclassification** in 6 departments. These positions and related operating capital expenditures are listed on the table beginning on the following page.

Position (number)	FY 22 Budget Impact	One-Time Capital Outlay	Notes
Police Officers* (4)	\$0	\$0	The Department re-assigned officers to the Downtown to meet immediate demands. These new officers would allow the temporary assigned officers to return to regular duties. *Due to high vacancies in this department, no funding is allocated for these positions. The recommendation is to facilitate “over-hiring.” If the department becomes fully staffed before June 30, 2022, cash reserves will be used to supplement the funding. Vehicles were purchased for these officers in FY 21 in anticipation of full funding in FY 22.
Park Maintenance Tech III (1)	\$51,912	\$0	Assigned to new 2.7-mile Irish Buffalo Creek Greenway. In FY 21 approximately \$78,000 was expended in capital outlay to support this position.
Park Maintenance Tech IIs (3)	\$149,820	\$0	Will allow for full time coverage in grounds department and on weekend. Primarily covered now by Part-time help. This will also allow for internal mobility (promotions) in the department. These costs are offset by a \$40,000 reduction in part time funding.
Assistant Athletics Coordinator (1)	\$54,270	\$0	Assistance with youth athletics program; especially at the City takes on youth baseball and softball.
Planner (1)	\$71,686	\$0	Needed for growth/plan review/permitting.
Code Enforcement Officer (1)	\$63,354	\$25,000	Emerges as a priority from City Council retreat. A vehicle purchase will be required for this position.
Engineering Technician (1)	\$63,354	\$25,000	Fats, Oils and Grease (FOG) compliance, Stormwater BMP Inspections, Stormwater Control measures (SCM) maintenance inspections program for Stormwater Phase II MS4 Permit compliance (currently non-existent); Right-of-Way acquisitions for City projects (currently accomplished through part-time staff); transfer responsibilities of Backflow & Cross Connection program from Water Resources; provide additional construction inspection services for existing field staff. A vehicle purchase will be required for this position.
Building Maintenance Technician I (1)	\$48,062	\$0	Offset by reclassifying Facility Manager to lower grade of Building Maintenance Tech (cost savings approx. \$30,000). Will assist with parking deck and janitorial duties and event set-up city wide.

Position (number)	FY 22 Budget Impact	One-Time Capital Outlay	Notes
Streets Construction Maintenance Worker II (1)	\$53,983	\$81,000	Mower operations, increased coverage on right-of-way areas of mowing and herbicide program. Capital Outlay: zero turn mower, weed eater, leaf blowers, 1 truck and 1 trailer
Finance Accountant (Reclassification)	\$20,000	\$0	Converting part-time accountant to a full-time accountant. Budget impact is net; there is a corresponding \$50,000 reduction in part-time expenses.

2. General Government.

- No notable highlights in Human Resources, Legal Services, or City Manager’s Office budgets.
- \$49,396 increase for municipal election expenses for both Rowan and Cabarrus counties.
- Salary increases for elected officials (new salaries: \$21,300 Mayor, \$15,600 Mayor Pro Tem, Councilmember \$15,000). These increases are accounted for in the special expenses line item.
- \$15,000 increase for enhanced marketing and promotional graphics/videos to highlight economic development initiatives.
- \$133,500 *decrease* in incentive grant payments (\$212,000 for Amazon - down from \$259,500 in FY 21 and \$227,000 for Gordon Foods - down from \$313,000 in FY 21)
- \$13,200 increase for marketing and branding needed for e-hosting tools and increased publication and printing costs
- \$50,000 increase for: a) consultant services or part time salaries for contract work to assist with increased workload, and b) for a shared consultant to assist Cabarrus County on zip code project implementation.
- Increase of \$7,800 for website hosting. This is an additional server to serve as a secure backup for the City’s website to avoid any downtime or loss due to internal or external impacts (i.e., hacks or crashes).
- \$40,000 increase for Munis Financial software upgrade.
- \$20,000 increase for base management service contracts.
- \$15,000 increase for fuel master software upgrades
- \$64,452 increase in annual maintenance of various software contracts (projected 7% increases)
- \$30,000 increase for bathroom repairs at Village Park and replacement of underground conduit at Operations Center fuel island.
- \$53,500 for on-going maintenance efforts related to the parking deck at VIDA
- \$37,330 increase in building maintenance contracted services (breakdown below):

- \$20,300 was moved from Public Works Operations Center budget to General Services for the administering of contracts related to PWOC (this is NOT an overall budget increase).
- \$13,000 for quarterly preventative maintenance on the 18 rollup doors at all five City Fire Stations.
- \$4,030 for standard contractual increases for all buildings.

3. Police.

- A new Special Operations Division is proposed beginning in FY 22. All increases in this budget are due to the Community Services Division moving to the Special Operations budget from Support Services. This includes: (1) Sergeant, (1) Training Officer and (1) Dare Officer and (3) School Resource Officers This is NOT an overall budget increase.

To balance the administrative and operational responsibilities of the Field Operations and Support Services Division Commanders the Special Operations Division is being created. The Special Operations Division will provide operational support to the Patrol Division and will consist of three components: Auxiliary/Reserve Officer Program, Community Services and Training. The Division will be commanded by a Captain.

- All personnel and operating expense increases are due to moving a Captain position from the new Special Operations budget to the Administration budget. This is NOT an overall budget increase
- \$14,500 increase in travel and training for CALEA national conference for three employees, Polygraph Examiner Conference for two employees, CALEA onsite expenses to maintain accreditation.
- \$50,320 *decrease* in contracted services due to the completion of the Radio Ethernet Backhaul Edge and Refresh project.
- All *decreases* in the Support Services budget are due to the Community Services division moving to the new Special Operations budget. This includes: (1) Sergeant, (1) Training Officer and (1) Dare Officer and (3) School Resource Officers. This is NOT an overall budget impact.
- \$20,000 increase in repair and maintenance due to adding 14 new vehicles to the fleet in FY 21.

4. Fire.

- \$29,162 increase in contracted Services for Odell Volunteer Fire Department due to additional homes built and the increase in property tax value. This was \$48,358 in FY 21.
- \$34,124 *decrease* in on time costs for utility vehicle and small tools and equipment for Fire Mechanic position funded in FY 21.
- \$40,000 increase for "in-frame" engine rebuild to salvage 26-year old reserve engine
- \$35,000 increase to establish a refurbishment program which will increase the life expectancy of frontline apparatus. This new refurbishment program would allow the

department to upfit/repair/upgrade the mid-term apparatus.

- \$7,500 increase in small equipment and tools to replace outdated and obsolete equipment that has exceeded useful life (hose, ladders, hand tools, etc.)
- \$35,000 – Increase in public safety supplies is the increase for PPE due to added personnel as well as increased vendor costs for this PPE (this includes phased replacement of ballistic protection as well as turn-out gear, helmets, medical supplies, hazmat, and rescue PPE).
- \$7,200 decrease in contracted services with Motorola for the radios which were taken out of service with the purchase of the new radios that occurred in FY 21.

5. **Public Works.**

Note: the FY 22 Budget mirrors previous annual budgets by grouping various functions of into the grouping of “Public Works” that are now divided into several different departments (Engineering, Transportation and Environmental Services, etc.). In FY 23 consideration will be given to more accurately matching this budget group with the new organizational structure.

- \$20,300 *decrease* in contracted services for the Operations Center which is being moved to the General Services budget since it oversees the contracts Operations Center. This is NOT an overall budget decrease.
- \$40,000 increase due to a projected 17% increase in asphalt costs.
- \$266,435 increase for street resurfacing. This account was decreased in FY 21 due to a projected 20% decline in Powell Bill funding due to COVID-19 impacts.
- \$35,000 increase in street repair and maintenance for utility cuts and paver items.
- \$100,000 increase for the purchase of a mid-size sweeper to maintain the parking deck at VIDA.

6. **Planning.**

- There are no notable highlights in the Planning Department budget except the personnel additions described above.

7. **Parks and Recreation.**

- \$735,545 increase in operation expenditures is solely related to bringing the Gem Theatre into the City Parks and Recreation Department per the planned transitional agreement with the current owner of the Theatre. These expenditures are offset by a corresponding revenue.
- \$100,000 increase for improvements and maintenance at Dixie Youth baseball fields. (\$75,000 in renovation costs and \$25,000 in operations).
- \$24,000 increase in for the increased cost in plant materials, replacement of downtown materials, irrigation repairs and greenway supplies.
- \$120,000 increase in utilities related to the linear park/West Avenue and pump house. These expenses were formerly accounted for in the now closed Downtown Fund. This is NOT an overall budget increase.

- \$61,075 increase in contracted grounds maintenance due to contractual increases and the addition of newly acquired properties from Castle and Cooke in and around the Downtown area.
- \$11,000 in one-time capital outlay for a new screen at the Gem Theatre and new Clover point of sale system (to match the other Parks and Recreation systems).
- \$46,000 increase in program supplies for the greater than projected popularity in the new youth sports programs and the addition of baseball/softball program planned for FY 22.
- \$8,000 increase for Kannapolis Christmas events.
- \$25,000 increase for electricity at Atrium Health Ballpark based on trends.
- \$100,000 transfer to the Capital Expenditure Fund (“CapX”) funding for capital improvements made to the Ballpark over time. This is a requirement of the Ballpark Lease with Temerity Baseball.

8. **Non-Departmental.**

- The final of three phases of the **Employee Recruitment and Retention** efforts put in place by City Council in FY 19. Included in this phase are the following:
 - \$200,000 increase to fund an additional 1% increase to the City’s **401K matching program** bringing the current rate to 3%.
 - \$168,000 increase to fund an additional \$420 in contributions to the **medical flex spending plan** for all current full time and part-time 2A & 2B employees, bringing the plan total per employee to \$2,110 annually (HSA) or \$1,960 (HRA).
- Management of the **Employee Compensation Plan**:
 - \$285,351 increase for a **Cost of Living (COLA) Adjustment** for all employees based on the CPI index (1.5%) with a budget impact of \$285,351. Note: a 2.5% COLA was approved in FY 21 in July 2020 and a mid-year COLA of 1.5% was approved in January based on sales tax collections exceeding budget projections.
 - \$482,719 for **Merit (performance based) Pay** increases for all eligible employees (based on 2.5% average, up to 3% max with those in developmental range qualifying for 5%). Note: no merit increases were funded last year due to projected revenue shortfalls related to COVID.
- \$303,600 increase for the final year of mandatory **Local Government Retirement System (LGRS) employer contribution** increase. The Local Government Employee’s Retirement System Board voted to increase its rates by 1.2% annually over three years (first year being FY 20). The increase is based on a revised actuarial study completed to ensure that the system remains solvent and can meet its future obligations.
- An increase of \$124,800 for **YMCA memberships** for all eligible City employees. 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. Because of the dual purpose, the funding number will not be based on those employees that choose to take advantage of the membership. However, as a point

of information, all employees were given the opportunity to respond to a survey related to this new benefit. The following are the very promising results:

- 285 employees responded to the survey which is a good representative sample.
- Only 7% are current members of any YMCA.
- 84% indicated that they would take advantage of a free YMCA membership.
- 47% would use the Kannapolis YMCA at least 50% of the time (only 188 employees responded to this question – still a good sample). China Grove/South Rowan was second with 23%.
- \$454,902 *decrease* in **Contingency Funding** from the FY 21 adopted budget. This is NOT an overall budget decrease – only in the Non- Departmental account. The reason for the decrease is that the FY 21 budget included funds for a 2.5% COLA for all eligible employees in this line item. In FY 22 this is now accounted for in the special expenses account. Internal policy suggests contingency funding should be 0.5% of total General Fund expenditures which is included in the proposed FY 22 at \$456,093.
- \$69,738 increase in **Workers Compensation and General Liability Insurance** based on trends and estimates from the City’s brokers. An increase of 7% is the typical impact for most of these coverages in FY 22.
- \$17,500 increase in moving **College Station** expenses into the General Fund (formally the now closed out Downtown Fund). These include electricity, gas, water and sewer and contracted services.
- \$6,892,318 *decrease* in **Transfers to other Funds** as explained below:
 - \$6,809,289 *decrease* in a transfer to the Downtown Fund which has now been closed out. This accounted for debt service in the Downtown Fund which is now budgeted in General Fund debt service.
 - \$18,571 *decrease* in the transfer to Separation Pay Fund based on 2 employees rolling off.
 - \$64,458 *decrease* in the transfer to the Environmental Fund. The proposed fee increase in the Environmental Fund reduces the subsidy needed from the General Fund.

For FY 22, the following transfers between funds are proposed:

Transfers out:

- General Fund to Environmental Fund: \$85,542
- General Fund to Separation Pay Fund: \$484,210

Transfers in:

- Transit Fund to General Fund: \$200,000. This helps to offset past the reverse transfers from the General Fund). Our ability to accomplish this is due to the multi-year CARES subsidy in transit
- \$10,000 increase for employer provided **Dental Insurance** (increased by \$2/month per employee).

- \$625,000 *decrease* for **Health Insurance**. This is NOT an overall budget decrease - only in the Non-Departmental account. The reason for the decrease is that this expense is now accounted for in every departmental budget individually as opposed to a lump sum in medical plan expense.
- The **employer contribution in Health Insurance** remains the same as FY 21 (\$7,980 per employee). No reduction is projected in FY 22 but that could change based on the modifications described below and the impacts of these proposed changes on the City's medical claims.
- **Retiree Health Insurance Modifications.** As in previous years, the FY 22 Budget will continue to include retirement continuation coverage but the eligibility requirements are recommended to be modified through a restructuring of the years of service and percentage paid by the employer for anyone hired on or after July 1, 2021 (see below). It is anticipated that these changes will result in a savings of at least \$200,000 per year. However, because there are so many variables to our health insurance funding plan, these savings are not included in the FY 22 Budget and likely will not be in future budgets until a trend can be established.
 - All years of service must be with the City of Kannapolis.
 - Retire with 10 years of service but less than 15 years = 25% employer paid premium.
 - Retire with 15 years of service but less than 20 years = 50% employer paid premium.
 - Retire with 20 or more years of service = 75% employer paid premium.
 - Discontinue offering a Medicare Supplement plan to anyone hired on or after July 1, 2021.
 - Move current Pre-65 retirees to a new plan in the Health Care Marketplace
 - Amend policy to allow covered retirees to exit the plan temporarily if medical insurance is available with their current employer and allow them to reinstate upon termination or with proof insurance is no longer offered by their new employer.
- **Additional Health Insurance Modifications.** Similar to the retiree health insurance modifications, additional policy changes are proposed for FY 22 (See below). It is anticipated that these changes will result in a savings of at least \$164,000 per year. However, like the retiree insurance modifications, these savings are not included in the FY 22 Budget and likely will not be in future budgets until a trend can be established,
 - Eliminate the PPO and 123 plans through attrition. Employees can stay on the PPO plan or 123 plan until a future date, but no one can move to those plans.
 - Offer only the HSA plan to new hires hired on or after June 30, 2021 (the first pay period of the new fiscal year).
 - Increase the premium differential between the PPO and HSA plans to reflect the cost of the PPO plan more accurately.
 - Implement the Blue Cross Blue Shield Specialty Co-Pay program.

- Implement musculoskeletal and autoimmune disease management programs.
 - Implement the new fee structure as presented (additional \$10 per subscriber per month, drop the network fee, drop the % savings charge).
10. There were several **Unfunded Expansion Items** of note that are not included in the proposed FY 22 Budget. These are all worthy expenditures but were not included due to budget limitations, management priorities or other reasons. They are provided in the table on the following page as information.

FY 22 General Fund: Unfunded Expansion Items		
Transportation	\$200,000	Tandem dump truck. A higher priority excavator is included in the funding recommendations.
Fire	\$170,000	(3) Firefighters due to increased service demands (backfill due to re-org). Includes necessary PPE for each. This is potentially slated for FY 23
Fire	\$45,000	Replacement of 2002 pickup truck.
Fire	\$14,000	Third Party PPE testing to prevent failure of PPE and enhance life cycle (10 years). This can be funded in public safety supplies out of operational budget.
Parks	\$50,000	Increase in summer event series. This was a holdover from the 2018 City Council Retreat. In emerged as a lower priority from the 2021 City Council Retreat.
Parks & Recreation	\$30,000	Enhancement of community program offerings and special events Downtown. This may be revisited in the future but for now letting Kannapolis Retail Ventures, LMG, Cannon Ballers and individual merchants drive this is the preferred plan of action.
Parks & Recreation	\$150,000	Add (4) pickleball courts to Bakers Creek Park. This has been added to the funding plan but for now it is in post years (after FY 26)
\$659,000		TOTAL FY 22 General Fund Unfunded Expansion Items

11. New **General Fund Debt Service** obligations \$1,147,360 from FY 20 and FY 21 Capital Projects have been added to the FY 22 Budget - see table on the following page. The new debt service obligations for FY 22 are shown in **red** and include the VIDA Parking Deck at \$14.7 million (20-year debt at 2% interest) and a Fire Engine replacement at \$850,000 (10-year debt, 2% interest).

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	\$374,569
City Hall/Police Headquarters	\$1,370,000	\$739,056
NCRC “TIF” Projects	\$2,388,000	\$274,804
Irish Buffalo Creek Greenway	\$92,000	\$28,593
College Station Renovations/Duct Bank/Downtown Streetscape	\$394,999	\$243,082
Stadium (Atrium Health Ballpark)	\$2,600,000	\$2,010,450
Parking Deck at VIDA	\$740,000	\$305,357
Other Debt		
Wayfinding Signs	\$34,775	175
Misc. Equipment Financing	\$42,153	\$7,895
Main Street Warehouse/Fire Truck	\$162,139	\$5,901
Village Park Improvements/Fire Truck	\$221,533	\$92,612
Refinancing Multiple Debt Issuances	\$337,330	\$9,293
Kannapolis Business Park	\$50,000	\$1,392
Downtown Property Purchase	\$733,000	\$332,158
Phase 1 Downtown Infrastructure/College Station Purchase	\$225,466	\$94,256
Fire Engine	\$102,003	-
Total	\$10,048,398	\$4,519,593

Water and Sewer Fund Overview

The proposed FY 22 Water and Sewer Budget is 20,992,624 which represents a 2.4% increase from the FY 21 Budget (\$492,624 actual increase).

Water and Sewer Fund Revenue Highlights:

No water or sewer rate increases are recommended for the FY 22 Budget for the second straight year.

There is little organic growth in charges and fees primarily due to impacts from the COVID pandemic. Commercial usage declined significantly while many businesses were closed. Residential usage actually increased while more people were at home, but not enough to offset the commercial decline. It is possible that the FY 22 revenues recover to pre-pandemic receipts, but it is too early to tell.

The primary drivers in overall fund increase are related to steady growth due to development on tap and connection fees. In February 2020 (mid- year of the FY 21 Budget) City Council approved funding for an additional crew to help keep up with demand on water and sewer tap installs.

The revenue highlights for the FY 22 Budget include the following:

- **Tap Fees** are projected at \$450,000 or 80% growth over \$250,000 included in the FY 21 Budget.
- **Connection Fees** are projected at \$1,250,000 or 25% growth over \$1,00,000 included in the FY 21 Budget.

- The proposed FY 22 Budget includes an increase in the **Fire Service Availability Fee** based on size of line (see table below). The proposal is for an incremental increase over the next 5 years. This impacts commercial and institutional uses like schools but not residential. To budget the impact of the proposed fire line service increase, a conservative approach has been taken and staff budgeted the increase at the lowest fee proposed on the 6-inch line for 222 accounts in the City. Staff has an estimate on the number of lines, but not the various sizes. This fee increase is projected to generate \$42,624 in additional revenue for FY 22. The fee is currently well below what surrounding jurisdictions charge.

This additional revenue is to be used for a Locator position in the Water and Sewer Fund which provides an enhanced level of service to the development community (which will be paying the majority of these fees).

Fire Line Service : Current Rates	Inside City	Outside City
Monthly service rate (2 inch)	\$47.60	\$55.65
Fire Line Service : Proposed Rates	Inside City	Outside City
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

Water and Sewer Fund Expenditure Highlights:

- The Water and Sewer Fund includes **3 new positions and 1 reclassification** in two departments. These positions and related operating capital expenditures are listed below.

Position (number)	FY 22 Budget Impact	One-Time Capital Outlay	Notes
Customer Care Advocates (2)	\$0	\$0	The funding for these positions is completely offset by a proposed \$75,000 decrease in part-time funding for four (4) existing Part-Time positions. Two of the existing positions are Part-Time 2B which receive full City benefits. As a result, this change is considered a Reduction in Force (RIF) which will be managed by the City's Human Resource Department.
Customer Care Supervisor (Reclassification)	\$10,000	\$0	Reclassification of a Customer Care Advocate position.
Locator (1)	\$64,000	\$0	This position is offset by proposed Fire Availability Fee increase (see above in revenue description). Will require a truck purchase. The position will serve Stormwater Fund activities as well.

2. Customer Service.

- \$15,000 increase in postage costs due to an increase in customer base and PDF printing efforts of customer history; increase in mailing costs.
- \$64,000 increase in banking fees (\$45,000 Lockbox/E-Box services and the City paying the portion of the bank fees for using the kiosk and bank draft payment options (based on 3,000 customers at \$2.75 each or \$99,000/year).

3. Distribution.

- \$12,000 increase for a spare pump at the golf course and replacement of South Ridge pump replacement.
- \$4,500 increase for the purchase of a new fork spreader.
- \$59,182 increase in water and sewer materials based on trends.
- \$81,400 increase in contracted services for outfall maintenance contract for deferred maintenance efforts.
- \$216,000 in Capital Outlay (breakdown below):
 - \$38,000 - Replacement of W62 (2008 Chevy single cab; 170,130 miles).
 - \$50,000 - Replacement of W7 (2013 F 250; 185,322 miles).
 - \$50,000 - Replacement of W9 (2013 F 250; 183,191 miles).
 - \$38,000 - Replacement of W61 (2008 Chevy single cab; 126,735 miles).

4. Water Treatment Plant.

- \$25,000 increase in bulk water purchases based on trends.
- \$8,800 increase for improved water tank maintenance efforts.
- \$46,301 increase in contracted services for SCADA improvements and upgrades.
- \$16,000 increase in Capital Outlay for a purchase of a turbidity meter and replacement of an analytical piece of equipment.

5. Sewage Treatment.

- \$18,935 increase in Interceptor Fixed Rate.
- \$210,765 *decrease* Sewage Treatment Variable rate charges. This decrease is in large part due to improvements in the City's inflow and infiltration (I&I) rates from replacement of old sewer lines (most notably downtown).
- \$21,118 *decrease* in Treatment Fixed Rate charges.

6. Water and Sewer Fund Transfers.

- No change in the General Management Services fee (remains \$2,143,921). This is the fee charged by enterprise funds to pay General Fund for support).
- No change in the transfer to Environmental Fund (remains \$495,700).

7. **Water and Sewer Debt Service.** There are no additions to Water and Sewer Debt Service in the FY 22 Budget although some adjustments in the actual debt issuance is possible in the early part of the fiscal year – notably related to the structure of the debt associated with Kannapolis Crossing. The table below shows the current debt obligations.

Revenue Bonds	Principal	Interest
Vac Truck	\$615,007	\$623,816
Kannapolis Crossing/Lane St/WTP Improvements	\$1,305,000	\$155,188
Downtown Water and Sewer	\$279,000	\$180,404
Davidson Road Water	\$672,000	\$594,548
Reducing Series 2011/2014	\$890,000	\$833,040
Other Debt		
Jet Vac Truck	\$39,215	\$197
Equipment	\$76,527	\$14,334
Water Line-NCRC	\$76,633	\$3,134
Afton Run Sewer	\$59,863	\$3,723
Kannapolis Parkway	\$42,932	\$1,182
Second Creek	\$15,171	\$4,138
Total	\$4,071,348	\$2,413,704

8. There are no new Water and Sewer **Capital Improvement Projects** included in the proposed FY 22 Budget for the Water and Sewer Fund. However, there are available cash reserves and budgeted debt service that may not be fully used in FY 22 that will be considered for the advancement of one or more capital projects on the current Capital Improvement Program. There are also a number of other unfunded expansion items (see below) that these funds could also be used to advance. These options will be revisited with City Council after the FY 22 Budget is adopted.
9. There were several **Unfunded Expansion Items** of note that are not included in the proposed FY 22 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.

FY 22 Water and Sewer Fund: Unfunded Expansion Items	
\$43,000	Electrical and valve replacements \$43,000 (Push out a year)
\$50,000	Midlake force main clearing-1 time (expansion)
\$80,000	Outfall storm damage repair-1 time (expansion)
\$50,000	Dukes root control-deferred main (discretionary)
\$ 60,000	Manhole rehab-deferred maintenance (discretionary)
\$ 95,000	Replacement of W2 (#5 priority)
\$145,000	Replace W31 Tractor (#6 priority)
\$90,000	Replace W 41 (#7 priority)
\$6,000	New water mole (#8 priority)
\$85,000	Replace side tapping equipment (#9)
\$60,000	Replacement of 2004 WTP Forklift (expansion)
\$100,000	(2) new tech positions to operate and maintain all new sewer infrastructure associated with KC and Shiloh Church

FY 22 Water and Sewer Fund: Unfunded Expansion Items	
\$125,000	2 vehicles for the new positions requested (one heavy duty truck and one van). These are the vehicles for the staff members listed above for maintenance needs.
\$50,000	Sewer Master Hydraulic model
\$14,000	Lift Station Backflows
\$15,000	Forest brook Lift Station analysis
\$85,000	Ballpark Station Upfits
\$18,000	New safety trench boxes
\$18,400	Filter Media Assessment
\$5,200	New Trailer (10,000 lbs.)
\$50,000	Second Creek Dredging
\$15,000	IBT phase 2 hydraulic model
\$50,000	Outfall Clearing Priority Water Lines- contracted services
\$700,000	New construction crew
\$35,000	(1) Construction Maintenance Worker II -New worker position for service maintenance, meter repairs, and construction.
\$2,044,600	TOTAL FY 22 Water and Sewer Fund Unfunded Expansion Items

Stormwater Fund Overview

Stormwater Fund Revenue Highlights:

The proposed FY 2022 Stormwater Fund Budget is **\$3,195,831**, which represents an 8.69% *decrease* from the FY 21 adopted budget of \$3,500,000 (\$304,169 actual). The sole source of the decrease is related to a fund balance appropriation that occurred in FY 21 (\$400,000 appropriated) to subsidize the Environmental Fund. This is no longer planned for FY 22 because the Environmental fund has a proposed \$2.50 fee increase to offset the need for this transfer. An increase in charges and fees is projected at a 3% growth rate. No fee increase is proposed for FY 22 (the fifth consecutive year with no increased fees).

The Stormwater Fund continues to be fully self-sustaining.

Stormwater Fund Expenditure Highlights:

1. No new **Stormwater Fund Personnel** are included in the proposed FY 22 budget. However, the Locator position proposed to be funded in the Water and Sewer Fund will assist with stormwater location requests. Currently Stormwater utilities are not located for 811 calls which is not ideal. This new position will help resolve those conflicts.
2. \$169,661 increase in **personnel costs** accounts for cost of living adjustments that took place during FY 21, retirement increases and moving the Director of Transportation and Environmental Services from the Environmental Fund to the Stormwater Fund starting in FY 22.
3. There is no change in the **General Management Services Fee** (transfer to the General Fund). The FY 22 transfer remains at \$470,579.
4. **Stormwater Debt Service.** There are no additions to Stormwater Fund Debt Service in the FY 22 Budget. The table below shows the current debt obligations. The fund includes

a \$75,250 decrease (7.28%) in debt service due to the retirement of debt service from FY 21.

Installment Debt	Principal	Interest
Equipment	\$17,561	\$3,290
Stormwater various projects	\$710,927	\$226,565
Total	\$728,488	\$229,755

- There are no new Stormwater **Capital Improvement Projects** included in the proposed FY 22 Budget for the Stormwater Fund.
- There were several **Unfunded Expansion Items** of note that are not included in the proposed FY 22 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.

FY 22 Stormwater Fund: Unfunded Expansion Items	
\$100,000	Contracted services: Ditching and shoulder cutting program. This is needed to catch up back log of infrastructure maintenance and curtail public concerns
\$100,000	Contracted services: Stormwater System Environmental Resource Permitting. Impervious Area Audit (results in avg. total collection increase of 8 to 15 % of fees). This would increase SW revenue without raising the fee rate. This should be done prior to investigating a rate hike
\$200,000	TOTAL FY 22 Stormwater Fund Unfunded Expansion Items

Environmental Fund Overview

Environmental Fund Revenue Highlights:

The proposed FY 22 Environmental Fund Budget is **\$4,629,129**, which represents a 2.18% increase from the FY 21 Budget of \$4,530,1897 (\$98,942 actual). The sole source of the increase is related a proposed \$2.50 per month per account fee increase, which will bring the fee from \$15.60 to \$18.10 to reduce the inter-fund transfers to 1) make this fund closer to being self-sustaining, and 2) offset the increased cost in the recycling program. The proposed fee increase helps reduce subsidy from the General Fund and Stormwater Funds to offset costs (see table below). The fee increase is projected to generate an additional \$563,400 in FY 22 revenue based on \$18,780 customers.

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

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.

Environmental Fund Expenditure Highlights:

1. No new Environmental Fund personnel are included in the proposed FY 22 Budget.
2. \$97,108 *decrease* (23%) in personnel costs is related to moving the Director of Transportation and Environmental Services from the Environmental Fund to the Stormwater fund.
3. \$33,000 increase in container purchases for replacement carts and new carts due to growth.
4. \$37,000 increase in peak time supplemental contract services for loose leaf collection.
5. \$60,751 increase for standard CPI adjustment under the Waste Management service contract.
6. \$15,300 increase in landfill cost due to tipping fee increase from \$39.70/ton to \$40.90/ton.
7. \$50,000 increase in yard waste tipping fees based on trends
8. **Environmental Fund Debt Service.** There are no additions to Environmental Fund Debt Service in the FY 22 Budget. The table below shows the current debt obligations which has only changed slightly from FY 21.

Special Obligation Bonds	Principal	Interest
Leaf Collection Trucks	\$224,716	\$7,319
Totals	\$224,716	\$7,319

9. There are no new **Capital Improvement Projects** included in the proposed FY 22 Budget for the Environmental Fund.
10. There were several **Unfunded Expansion Items** of note that are not included in the proposed FY 22 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.

FY 22 Environmental Fund: Unfunded Expansion Items	
\$73,330	Construction Maintenance Techs (2). Positions would operate 2nd bag truck reduces which reduces the number of personnel substituted from other divisions and overtime cost.
\$70,000	Manager to oversee yard waste/garbage collection.
\$155,000	16-ton rear load truck and mid-size truck for Manager position.
\$25,000	Increase need in use of contractor to maintain schedule during November and December (holiday season); vendor has been instrumental in our maintenance of our schedule, but our service can continue with reduced assistance.
\$17,000	Increase requested our hourly pay from \$11 to \$13. We hire 1 employee for 15 weeks and 4 employees for 10 weeks; Vendor is having trouble providing workers for COK due higher rates paid by other entities.
\$340,330	TOTAL FY 22 Environmental Fund Unfunded Expansion Items

Separation Pay Fund Overview

The proposed FY 22 Separation Pay Fund Budget is **\$484,210** which represents a 3.69% *decrease* from the FY 21 adopted budget of \$502,781 (\$18,571 actual). The full amount of the Separation Pay Fund is projected to be spent on separation pay obligations for retired City employees. From FY 21 to FY 22, two (2) former employees rolled off that are no longer eligible to receive special separation pay because they are over age 62. No new employees are projected to roll on to receive this benefit in FY 22 although this is always difficult to accurately project at any given point in time.

Thirty (30) former employees currently receive separation pay benefits.

Transit Fund Overview

The proposed FY 22 Transit Fund budget is **\$700,000**, which represents no change from the FY 21 Budget. Last year, the Concord/Kannapolis Transit System (CK Rider) was eligible for CARES Act funding due to impacts of the COVID-19 pandemic. This funding will be split between the two municipalities over the next three years (FY 21 being the first year). In the past, the Transit Fund received funding from two sources: the vehicle license tax and a transfer from the General Fund. The vehicle license tax is \$30 per vehicle; \$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 is allocated towards road paving/improvements.

In FY 22, the vehicle license tax revenue is projected at \$500,000 with no transfer from the General Fund due to CARES Act funding subsidy. For FY 22, the Transit Fund includes a \$200,000 appropriation of fund balance, which will then be transferred back to the General Fund. Historically, this fund has received a transfer from the General Fund to offset operations and therefore has accumulated a fund balance.

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

Downtown/College Station Fund Overview

FY 22 Budget includes the close out of the Downtown Fund since the City no longer owns/maintains most of the properties in downtown. All expenses related to West Avenue and the linear park are now in Parks and Recreation Department budget (approximately \$120,000 related to utilities downtown (pump house, lights, etc.). College Station expenses (approximately \$10,000 in utilities and \$401,630 in rental/lease revenue) have been moved to the Non-Departmental budget and administered by the General Services Department.

Existing debt service in the former Downtown Fund is now budgeted in the General Fund.

Looking Ahead – FY 2023 to FY 2026

In spite of COVID, we were fortunate to conduct a City Council Virtual Planning Retreat which will help chart the next five years of project and initiative priorities. These projects and initiatives (and other non-retreat items) are shown on the following pages as information; they are still in the formulation stage. City Council will be requested to formally adopt a new 5-Year Capital Improvement Plan and 5-Year Financial Plan prior to adoption of the FY 22 Budget.

FY 22 to FY 26 Projects and Initiatives
<i>CIP and Major Initiatives</i>
Skateboard Park
Employee Retention and Recruitment
Fire Station #1 Remodel
Village Park Phase IV
Litter Clean-Up Program
Irish Buffalo Creek Greenway
Community Center
500-Space Downtown Parking Deck
Western Cabarrus Fire Station - Permanent
Kann. Parkway/Highway 3 Decorative Street Lights Landscaping
Cannon Blvd Southern Entryway Aesthetic Improvements
I-85 Monuments
North Loop Road Safety Improvements
Bakers Creek Park Improvements
Westside Park
Gem Theatre Phase II Renovation
Enhanced Street Paving
Cannon Blvd+DEB Intersection Aesthetic Enhancements
Cannon Blvd/Mt. Olivet Intersection Improvements
Five Year Personnel Additions
Five Year Capital Outlay
Fire Station #4 Re-model
<i>Studies and Plans</i>
Midway (South Main Street) Corridor Plan
Transitional Housing/Homeless Shelter Strategy
Community Appearance and Code Enforcement
Active Seniors - Housing/Marketing Strategy
NCRC Organization (Next Decade Growth) Strategy
North Main Street Small Area Plan (<i>see Midway</i>)
Downtown Farmers Market Plan
Development Fiscal Impact Model
Affordable Housing Strategy
<i>Small Projects and Initiatives</i>
Additional Bus Shelters
Gem Theater Operating Partnership
McLain Road - Fairview Street Connector
Downtown Development Organization
Parking Lot - Irish Buff Creek Greenway at Rogers Lake Rd
<i>Other</i>
Downtown Enhancements

FY 22 to FY 26 Projects and Initiatives
Laureate Traffic Circle Repair
Existing Diamond Sport Enhancements
Capital Outlay (see below)
Radio Purchase for Police and Fire
Fire Engine - Financing
New Personnel (see below)
Axon Program (Taser and Camera Replacement)
Transit Cares Subsidy Ending
Central Energy Plant Operations
Western Cabarrus Communication Tower
Old Intimidators Stadium – Road Improvements
Downtown Parking Program (Phase 1 and 2)

The following are the personnel and capital outlay requests from all departments over the next 5 years. Obviously, how much of this is added each budget year will be a function of many factors. This information is provided here only as a long-range planning tool. Most of the 5-year revenue forecasts in the 5-Year Financial Plan are somewhat conservative. Any under-projected, additional revenue realized over time will be used to help fund more of these requests.

Personnel - Departmental Request (all funds)

FY 22 Requested: 32 positions

FY 22 Included in Budget/Cash Reserves Funding Plan: 17 funded (1 is Code enforcement officer as part of retreat initiative)

FY 23 Requested: 44 positions

FY 23 Worked into Funding Plan: 15 positions worked into funding plan (associated with Western Cabarrus Fire Station and 5-person litter crew)

FY 24 Requested: 6 positions

FY 24 Worked into Funding Plan: 0

FY 25 Requested: 16 positions

FY 25 Worked into Funding Plan: 3 worked into funding plan (associated with Westside Park - (1) Park Manager and (2) Park Maintenance Technicians)

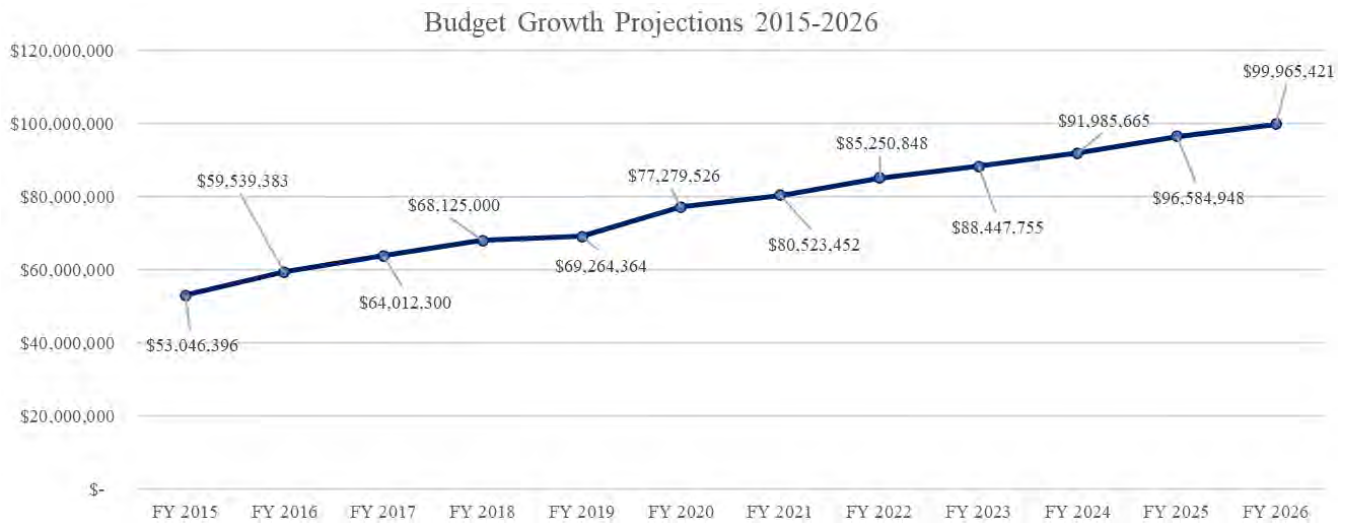
FY 26 Requested: 19 positions

FY 26 Worked into Funding Plan: 0

Capital Outlay – Departmental Requests (all funds)

FY 22: \$3,324,325 (various vehicles and equipment) *Budget and Cash Reserves Funding Plan addresses: \$2,243,100 (includes \$574,000 worked into budget: \$1,669,100 cash funding plan)
 FY 23: \$4,012,725 (various vehicles and equipment) *funding plan addresses: \$750,000
 FY 24: \$5,051,700 (various vehicles and equipment) *funding plan addresses: \$750,000
 FY 25: \$3,819,000 (various vehicles and equipment) *funding plan addresses: \$750,000
 FY 26: \$2,957,425 (various vehicles and equipment) *funding plan addresses: \$750,000

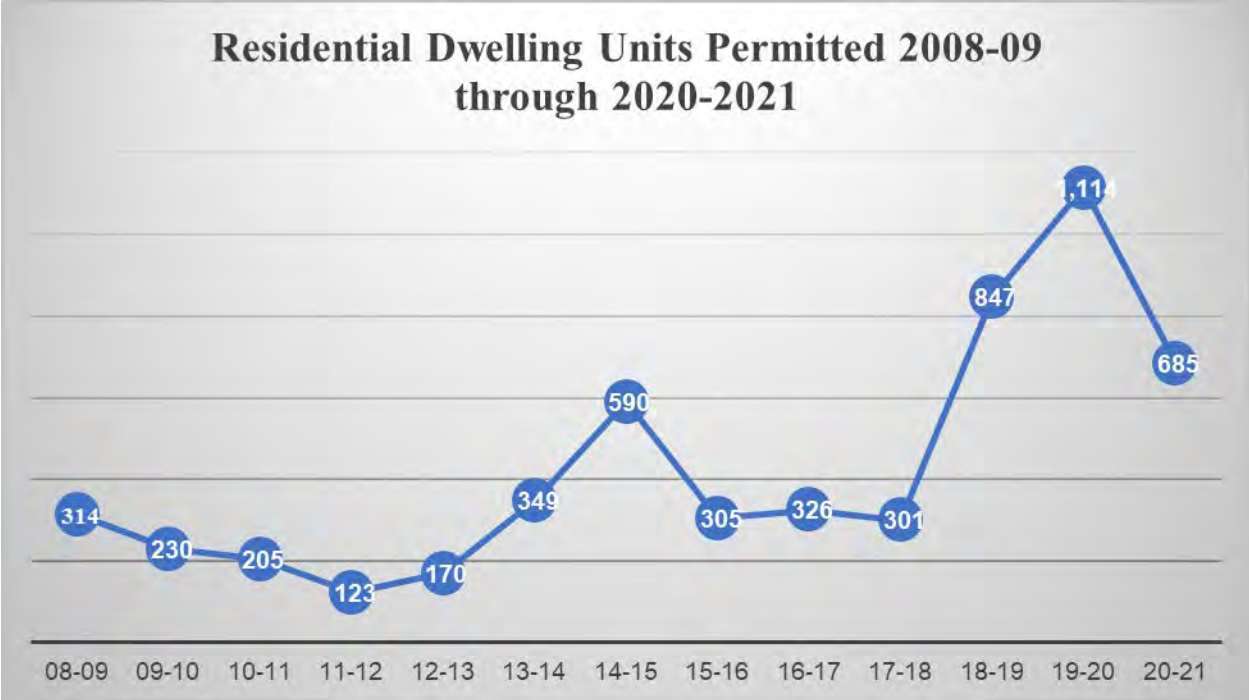
For the public investments described above to come to be realized, continued healthy private sector investment will be required. The trends from the past decade (post Great Recession) point toward this growth continuing. As depicted on the following graph, the total City budget has increased by 50% since 2015 and is expected to double by about 2027.



The City’s rapid private sector development trends have continued in the past decade. Over the past seven years (April 2014 to March 2021) 4,168 residential dwelling units were permitted with an average of nearly 600 units per year. This ultimately translates into about 10,000 new residents. From April 2018 through March 2021 the City permitted the largest total number dwelling units (2,646) in a three-year period in our history (more than doubling any other 3-year period).

This past year single-family homes accounted for about 66% of the total permits issued (compared to 50% the previous year). Even so, multi-family development continues to explode at a pace not seen before.

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



Non-residential development appears to have been impacted both positively and negatively by the COVID crisis. Distribution facility development is growing faster than could have ever been projected. Hotel development has slowed significantly and may not rebound for a few years. These are all trends to watch in the next few years. There are several potential large investments in the pipeline, most notably: Kannapolis Crossing (I-85 exit 65), Mill Creek Crossing (Kannapolis Parkway@NC73, the injection of the NCRC properties into the marketplace possibly with 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.

Closing Thoughts

The COVID crisis has had immeasurable social, economic and mental health impacts on our community, state, nation and world. There is no denying that fact. It has changed the way we look at the world around us and more practically has changed the way we conduct our daily lives. Some changes will be permanent, some will be but a distant memory in the coming months and years.

Through it all, it appears that the growth and prosperity in Kannapolis has and will continue with limited long-term damage. For that we should all pause and be thankful. There are many communities that are not in the same place. Growth in our local economy remains the number one factor for the current and long-term success in our City and our region. Kannapolis has matured as a City exponentially over the past five years. As hard as it may be to contemplate at this time, it is quite possible that the next five years might be more impactful in shaping our long-term future than the previous five. The planned City Council investments coupled with a healthy level of commercial and residential development in the approval pipeline seems to confirm an extraordinarily bright future for our City. Kannapolis is firmly planted in the middle of the dynamic Charlotte Region which serves as the ultimate foundation for local prosperity.

On November 27, 1998 the Kannapolis City Council adopted a resolution defining the principles emerging from *Weaving a Shared Future*, an 18-month City-wide visioning process. The following was the Vision Statement in that Resolution:

Vision
To become the most dynamic and desirable community in the Piedmont that is attractive to families, loved for its neighborhoods, appreciated for its uniqueness and respected for its contribution to the economic vitality of the region.

While we still have to work to do, much of this vision seems to have been realized, especially the second part. Our collective goal over the coming years should be to leave no doubt that this vision has been fully achieved.

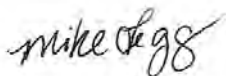
This proposed FY 2021-22 Budget is balanced in accordance with N.C. Statutes and it aggressively addresses the project and initiative priorities City Council established through the recent Virtual Planning Retreat. This Budget also continues to advance and improve the quality of basic public services that is the primary reason that our municipal government exists. As always, this Budget is the result 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 final product that all should be proud of. Our management team (me, Eddie Smith, Eric Davis and Wilmer Melton) and all of our department heads also played key roles in getting this budget to the finish line.

City Council should be commended for its steadfast commitment to establishing well thought through priorities for the next five years as part of the Virtual Planning Retreat. I am grateful to each of you for your support of City staff in our work to implement City Council's new set of priorities starting with this FY 22 Budget.

I will end this budget message as I have the past several. Very few communities have the opportunities we have. Even fewer communities have the commitment and vision to take bold steps to capitalize on them. In my view this is what sets Kannapolis apart. The hope is that this dynamic continues well into the future.

Without reservation, I respectfully submit this proposed FY 2021-22 Budget to the City Council for its thoughtful consideration.

Sincerely,



Mike Legg
City Manager

**AN ORDINANCE ADOPTING A BUDGET FOR THE
CITY OF KANNAPOLIS, NORTH CAROLINA FOR THE
FISCAL YEAR BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022**

BE IT ORDAINED by the City Council of the City of Kannapolis, North Carolina, meeting in open session this 28th day of June 2021, 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, 2021 and ending June 30, 2022:

Ad Valorem taxes	\$ 32,860,158
Sales taxes	11,131,082
Intergovernmental	5,917,136
Miscellaneous	6,406,130
Transfer from Transit Fund	<u>200,000</u>
TOTAL	<u>\$56,514,506</u>

SECTION II - WATER AND SEWER FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Charges for Services	\$18,292,624
Other Revenues	<u>2,700,000</u>
TOTAL	<u>\$20,992,624</u>

SECTION III – STORM WATER FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Storm Water Fees	<u>\$ 3,195,831</u>
TOTAL	<u>\$ 3,195,831</u>

SECTION IV – ENVIRONMENTAL FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2021 and ending June 30, 2022:

User Fees	\$ 4,011,887
Transfer from Other Funds	581,242
Solid Waste Disposal Tax	<u>36,000</u>
TOTAL	<u>\$ 4,629,129</u>

SECTION V – PUBLIC TRANSIT SYSTEM FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2021 and ending June 30, 2022:

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

SECTION VI – SEPARATION PAY FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Transfer from General Fund	<u>\$ 484,210</u>
TOTAL	<u>\$ 484,210</u>

SECTION VII - GENERAL FUND: A total of \$56,514,506 is hereby authorized to be expended from the departmental accounts of the General Fund as follows:

General Government	\$ 8,954,860
Public Safety	18,496,645
Parks and Recreation	5,128,222
Public Works, incl. Powell Bill	4,755,278
Other	4,155,412
Contingency	456,093
Debt Service	<u>14,567,996</u>
TOTAL	<u>\$56,514,506</u>

SECTION VIII - WATER AND SEWER FUND: A total of \$20,992,624 is hereby authorized to be expended from the Water and Sewer Fund as follows:

General Management Services Fee	\$ 2,143,921
Billing and Collections – Water and Sewer	1,008,472
Distribution - Water and Sewer	3,946,885
WSACC – Sewage Treatment	3,194,670
Water Treatment Plant	3,217,924
Transfer to Other Funds	495,700
Debt Service	<u>6,985,052</u>
TOTAL	<u>\$20,992,624</u>

SECTION IX – STORM WATER FUND: A total of \$3,195,831 is hereby authorized to be expended from the Storm Water Fund as follows:

Personnel	\$ 1,055,989
Operations	711,020
Debt Service	958,243
General Management Services Fee	<u>470,579</u>
TOTAL	<u>\$ 3,195,831</u>

SECTION X – ENVIRONMENTAL FUND: A total of \$4,629,129 is hereby authorized to be expended from the Environmental Fund as follows:

Personnel	\$ 318,717
Operations	4,078,377
Debt Service	<u>232,035</u>
TOTAL	<u>\$ 4,629,129</u>

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

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

SECTION XII - SEPARATION PAY FUND: A total of \$484,210 is hereby authorized to be expended from the Separation Pay Fund as follows:

Personnel-Separation Pay	\$ <u>484,210</u>
TOTAL	<u>\$ 484,210</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 2021-2022. This rate is based on an estimated valuation of \$5,260,241,092 and an estimated 97.95 percent collection rate, the audited FY 20 collection rate. Allocation of the 2021-2022 tax rate will be as follows:

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

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:

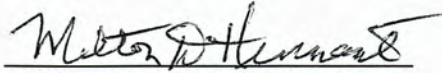
1. The City Manager or designee may transfer amounts between objects of expenditures within a function (i.e. general government, public safety, public works, planning, parks and recreation).
2. The City Manager may transfer amounts between objects of expenditures and revenues without limitation.
3. The 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 409 Full Time positions for fiscal year 2022.

This Ordinance is approved and adopted this 28th day of June 2021.


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 53,114 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. Project length budget to actual comparisons for each governmental fund for which a project length budget has been adopted is also included in this report.



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 21st 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 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. The North Carolina Food Innovation Lab opened late 2019 as a pilot plant that assists companies with product research, development, and getting new products to market.

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.

City of Kannapolis Population

FY2015	FY2016	FY2017	FY2018	FY2019	FY 2020	FY 2021
44,359	46,144	47,839	48,806	49,652	52,053	53,114

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

The non-manufacturing properties retained by Murdock initially included approximately 1,500 residential units, and the water and sewer systems serving the Mill Village. In 1989, the City purchased the water filtration plant and lines serving the Mill Village. The water filtration plant currently supplies water for the rest of the City as well as

supplementing supplies for the Cities of Concord and Landis, North Carolina. The central business district of the City features nationally recognized stores as well as home-owned shops. Access to and around the central business district has been enhanced by the construction of Dale Earnhardt Boulevard, a major thoroughfare that provides access from Interstate Highway 85 and distributes traffic in and around the central business district.

Unfortunately, during 2003 the massive manufacturing facilities in downtown closed and nationwide over 7,000 people lost their jobs including 4,800 in Cabarrus and Rowan counties. The assets of Fieldcrest Cannon, Inc., owned by Pillowtex Corporation, were sold. Because Kannapolis is located in a high growth area of the Southeast, there was considerable interest by developers in these facilities. The new owner is David Murdock, who had previously purchased the facilities from the Cannon family in 1982 and sold them to Fieldcrest in 1986. On February 23, 2006 Mr. Murdock, owner of Castle & Cooke, Inc. and Dole Food Co., Inc. along with leaders from the University of North Carolina system, Duke University and the N.C. Community College System, and local, State and federal elected officials broke ground on the North Carolina Research Campus in downtown Kannapolis. This research campus will focus primarily on biotechnology research related to nutrition. The 350 acre Research Campus is a joint venture between Dole Foods, the University of North Carolina system, and Duke University. Murdock has invested over \$1.3 billion to build the research facilities, office space, town homes and a retail center. The UNC and Duke institutions will fund and operate their programs. As of January 1, 2013 Castle & Cooke, Inc. had constructed buildings on the Research Campus at a cost of approximately \$270 million making up the TIF District. The TIF District's incremental increase in value since being formed equates to \$2,526,182 of the approximate \$26,294,382 tax levy for all of Kannapolis.

EDUCATION

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

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

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

TRANSPORTATION

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

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

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

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

MEDICAL FACILITIES

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

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

The top taxpayers for the City of Kannapolis:

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

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

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

Local Trends
City of Kannapolis Building Permit Activity

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Single-Family Residential Permits (Value in millions)	92 \$7.8	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 in millions)	9 \$5.6	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 in millions)	101 \$13.4	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 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Cabarrus	34,444	34,452	38,079	31,576	33,576	37,947	38,142	38,879	43,920	45,220	46,615
Rowan	29,750	37,700	31,365	28,155	29,583	31,209	32,305	32,565	36,994	38,089	40,213

Source: Access NC

Unemployment Rate in Cabarrus and Rowan County

County	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019*	FY 2020	FY 2021
Cabarrus	10.1%	9.3%	7.9%	6.8%	4.7%	4.8%	4.0%	3.9%	3.7%	7.8%	7.0%
Rowan	11.3%	10.3%	8.8%	8.0%	5.3%	5.5%	4.4%	4.4%	4.0%	8.4%	7.9%

*Data through June 2021

Source: Bureau of Labor Statistics

COMMERCE AND INDUSTRY

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

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

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

PUBLIC SERVICE ENTERPRISES

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

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

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

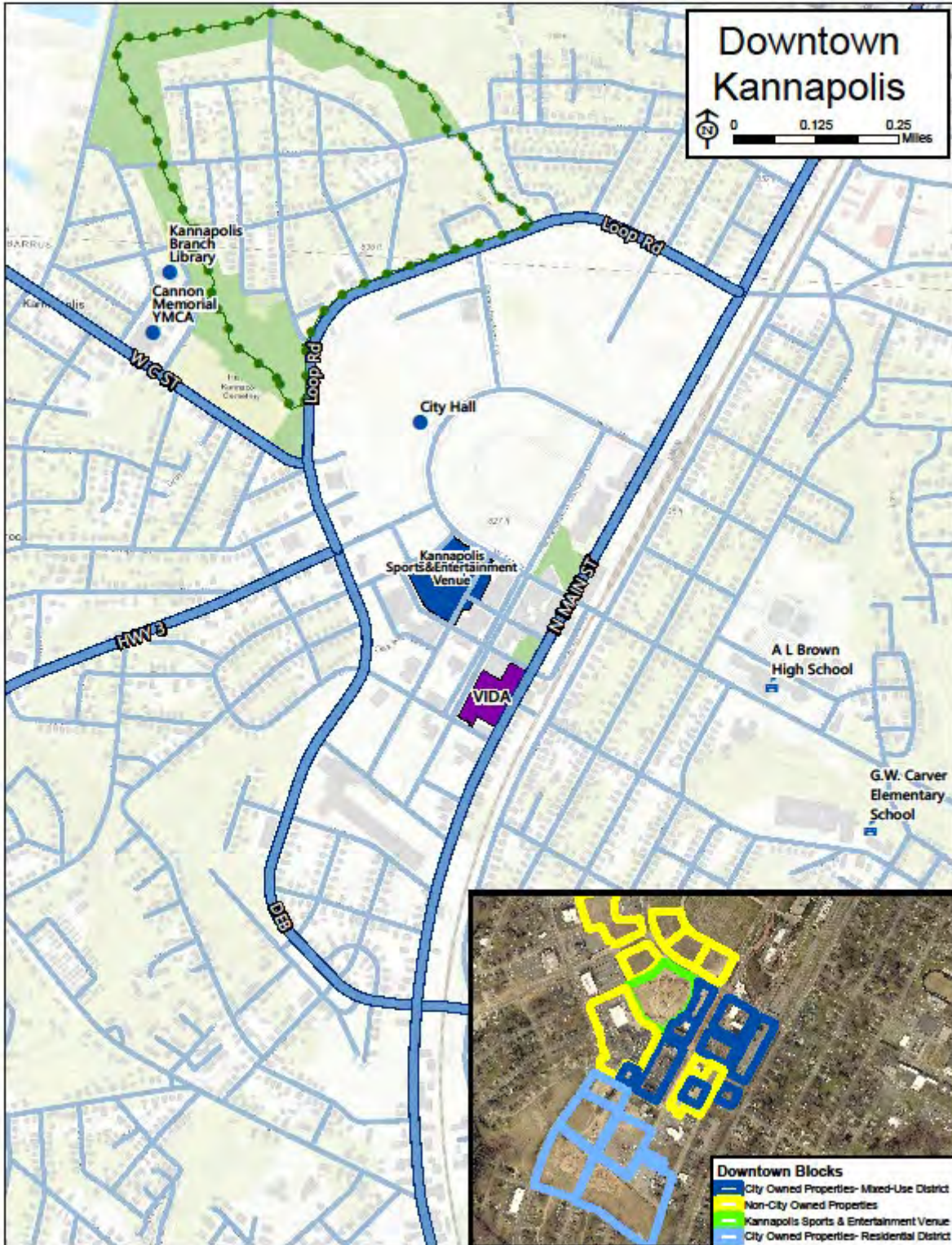
OTHER SERVICES

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

Kannapolis, North Carolina Location Map



Downtown Kannapolis



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, 2021. 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.

City of Kannapolis Strategic Visioning Process Goals

I. Vision Statement

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

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

II. Mission Statement

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

III. Core Values

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

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

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

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

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

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

We practice good **Stewardship**.

STRATEGIC VISIONING PROCESS GOALS

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

City of Kannapolis - Policy Agenda FY 2020*

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

Community Outreach, Education and Service

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

Economic Growth and Development

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

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

Quality of Life

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

STRATEGIC VISIONING PROCESS GOALS

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

16. Develop an environmentally sensitive culture in the community.

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

Growth Management and Sustainability

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

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

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

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

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

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

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

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

General City Management

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

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

22. Support the City's workforce.

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

23. Maintain a reasonable and economically competitive tax rate.

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

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

City of Kannapolis City Government Core Businesses

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

City of Kannapolis core businesses are:

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

BUDGET PROCESS

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

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

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

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

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

Formulate Historical Data

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

Preparation of Departmental Requests

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

Consolidate Preliminary Budget

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

Evaluate Service Priorities and Objectives

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

Balance Proposed Budget

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

Legislative Review

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

Budget Adoption

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

BUDGET PROCESS AND POLICIES

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

BUDGET CALENDAR

Date	Deliverables	Description
Wednesday, February 10, 2021	City Manager's Office produces the FY 22 base budget, which is the FY 21 adopted budget less any one-time costs or projects.	Base budget: starting point. Last year (FY 21) adopted budget less any one-time projects or costs.
Thursday, February 18, 2021	Departments receive base budgets and begin to develop their continuation budgets. This includes reviewing and reassessing each base budget to reflect any updated budget amounts for all recurring line items.	Continuation budget: review of the base budget with any updated contractual costs and salary and fringe adjustments. Examples include: inflation of goods, utility increases, cost of labor increases, rate changes on contracts. All salary and fringe information is handled by Budget and Human Resources.
Wednesday, March 3, 2021	Department continuation budgets are due with any changes in line items noted and justified.	All proposed adjustments need a brief justification for the proposed change.
Thursday, March 4, 2021	Departments submit expansion budget requests based on template distributed. This should include a 5-year forecast of the department's personnel requests, increase in operations outside of contractual obligations and operating capital (including rolling stock).	Expansion budget: anything new that wasn't previously approved or adopted with the budget. These requests are new and don't include items currently in a department's annual operating budget. Examples include: new positions, new vehicles, new programs or services, new capital items and new technology.
Wednesday, March 24, 2021	Department expansion budgets are due.	Budget will key all expansion requests in Munis and note any one-time projections and/or initiatives.
Monday, April 12, 2021	City Council Retreat Funding Implementation Presented	Staff will present the 5- year funding implementation plan and General Fund Capital Improvement Plan.
Monday, April 19, 2021 - Friday, April 23, 2021 <i>*subject to change</i>	Budget conferences begin. Budget conferences will consist of the City Manager, respective Deputy or Assistant City Manager(s) and Assistant to the City Manager with corresponding Department staff.	Continuation and Expansion departmental budgets will be discussed in these meetings.
Tuesday, April 13, 2021	Preliminary budget is prepared and compiled by staff	This includes changes reflected by the City Manager and City Council.

BUDGET PROCESS AND POLICIES

Date	Deliverables	Description
Monday, May 24, 2021	FY 22 Preliminary Budget is presented to City Council.	
Tuesday, May 25 - Friday, June, 4, 2021	Staff makes final revisions and recommendations to the budget.	
Monday, June 14, 2021	City Council holds public hearing on the proposed FY 2022 Budget.	
Monday, June 28, 2021	City Council adopts FY 2022 Budget.	This includes corresponding budget ordinances for all annually adopted funds and any fee schedule changes.
Tuesday, June 29 - Friday, July 2, 2021	FY 22 Adopted Budget is disseminated to Department Heads.	Enables Department Heads to view their FY 22 adopted operating budgets which will note any expansionary items that were adopted with the budget.
Wednesday, July 14, 2021	Department program templates are distributed. Departments will be responsible for updating their accomplishments from this past year (FY 21), an action plan for the upcoming year (FY 22) and performance measurement data for 3 years (FY 20 actual, FY 21 estimated and FY 22 target). *performance measures will be revamped and will undergo a separate process in the summer of 2021.	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. Departments will be responsible for updating their existing performance metrics. Particularly, to update FY 21 estimated to FY 21 actual and to amend any FY 22 targets/estimates as they see best fit.
Tuesday, June 29 Monday, August 2	Departmental Program templates are shared with Department Heads and staff.	Departmental Program templates consist of the following: department's mission, major accomplishments, performance indicators and action plans for the upcoming budget year.

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.

BUDGET PROCESS AND POLICIES

Level 1 - Department Continuation: This level started with the FY 2021 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 22, 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>Description: Continuation requests are for funding above FY 21 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>Description: Expansion requests are for anything new that wasn’t previously reviewed/approved by City Council or Management via the budget process. These requests are new and do not include items in the department’s annual operating budget.</p>
<p>Examples include:</p>	<p>Examples include:</p>
<p>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.</p>	<p>1. New position requests with associated costs including: uniforms, technology, vehicles, supplies, travel and training, memberships, etc.</p>

BUDGET PROCESS AND POLICIES

Continuation	Expansion
2. Rate changes on contractual obligations	2. Position Reclassifications
3. Inflation or deflation on items to be purchased -Facility expenses such as rent and utilities	3. New programs, projects or services and all associated expenses and/or revenues that go with them.
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 from one-line item to another line item within each Fund of said budget with the exception of the general contingency

account. Utilization of any contingency funding appropriation shall be accomplished with City Council approval only.

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

BASIS OF BUDGETING

The accounts of the City are organized based on funds or account groups of which each is considered a separate accounting entity. Government resources are allocated for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. This segregation of revenues and costs allows close monitoring of attributable accounts to provide assurance that each fund is self-supporting and that revenues which are earmarked by law for specific purposes are identifiable. The City of Kannapolis' operating budget consists of 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

similar to private business enterprises. The intent of the Government Body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

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

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

The **Transit Fund** is a Special Revenue Fund and was established by the City to set aside funds for payment of the City's share of expenses related to the new Concord-Kannapolis Local Public Transportation System. Revenues are provided by a special vehicle license tax. Special revenue funds are used by government to account for special revenues that are legally restricted to expenditures for a particular purpose. The vehicle license tax levied to support this fund is restricted by law to be used only for transit systems.

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

The 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.

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- **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 in order to maintain or improve the quality and the level of service which has been provided in the past.

The major expenditures by function are shown as follows:

- **General Government:** Expenditures for the Governing Body; City Manager; Human Resource Director; Legal Services; Finance Administration; Information Technology; Economic Development; City Memberships; 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.

**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 2021-2022 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 \$5,260,241,092 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 97.95%, which was the collection rate for FY 20. The prior year tax budget amount is based upon previous historical trends. **Estimate – General Fund – Current year tax - \$32,460,158; 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 22. **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

BUDGET PROCESS AND POLICIES

provides the estimated value to place on each. Powell Bill funding is projected based on FY 20 actuals. **Estimate – Powell Bill revenues \$1,298,734.**

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 21 actuals/year end projections with a 2% growth rate. **Estimate – General Fund \$11,131,082.**

Investment Income

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

Planning and Zoning Fees

Projections are based on comparisons of past operating data and consideration for a slow recovering housing activity. **Estimate – General Fund \$80,000.**

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 \$393,455; Transit Fund \$500,000.**

BUDGET PROCESS AND POLICIES

City Code Violation Revenues

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

Real Property Rental

The City collects rental revenue from certain properties owned by the city and used by others. These properties include a cellular tower, and some vacant land used by farmers. Projections are based on comparisons of past operating data. **Estimate – General Fund – Tower Rental \$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 on historical trend information. **Estimate – General Fund \$2,614,500.**

Water and Sewer Charges

Proceeds are from the sale of treated water both retail and wholesale and retail charges for wastewater disposal service through their respective distribution and disposal systems. Revenue estimates are based on historical user trends of consumption times the rates charged to customers. **Estimate – Water and Sewer Fund – Retail \$18,292,624; Wholesale \$415,000.**

Taps and Connections

Fees are charged to customers for connections to the City's water or wastewater system. Revenues are based on historical trends and the projections of connection fees due from developers. **Estimate – Water and Sewer Fund \$1,700,000.**

Penalties for Late Payment

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

Solid Waste Fee

A new fee was added in 2007 for solid waste pickup for commercial dumpster containers located at apartment complexes and mobile

BUDGET PROCESS AND POLICIES

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 \$1,331,402.**

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. Policies are reviewed annually throughout the budget process.

Operating Budget Policies

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

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

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

services provided. The Powell Bill Fund will be compensated by the Enterprise Fund for repairs to City streets caused by water and sewer line repairs.

Investment Policy

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

Reserve Policy

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

Debt Policy

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

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

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

Capital Improvement Policy

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

Section Contents

Objectives

Budget Development Policies

Capital Improvement Budget Policies

Debt Policies

Reserve Policies

Cash Management and Investment Policy

FISCAL POLICY GUIDELINES - OBJECTIVES

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

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

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

BUDGET DEVELOPMENT POLICIES

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

CAPITAL IMPROVEMENT BUDGET POLICIES

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

CAPITAL IMPROVEMENT BUDGET POLICIES (continued)

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

DEBT POLICIES

General

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

Tax Supported Debt

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

Revenue Supported Debt

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

RESERVE POLICIES

1. The City will establish an emergency reserve to pay for needs caused by unforeseen emergencies, including unanticipated expenditures of a nonrecurring nature, or to meet unexpected small increases in service delivery costs. This **contingency** reserve will be budgeted at not less than 0.5% of the operating funds. 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%

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY

Introduction

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

Objectives

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

Legality

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

Scope

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

Prudence

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

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

Responsibility

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

Objectives

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

Safety

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

Liquidity

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

Yield

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

Ethics and Conflicts of Interest

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

Authorized Financial Dealers and Financial Institutions

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

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

Internal Control

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

Collateralization

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

Delivery and Custody

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

Authorized Investments

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

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

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

Diversification

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

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

Maturity Scheduling

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

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

Selection of Securities

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

Active Trading of Securities

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

Pooled Cash and Allocation of Interest Income

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

Marking to Market

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

Software

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

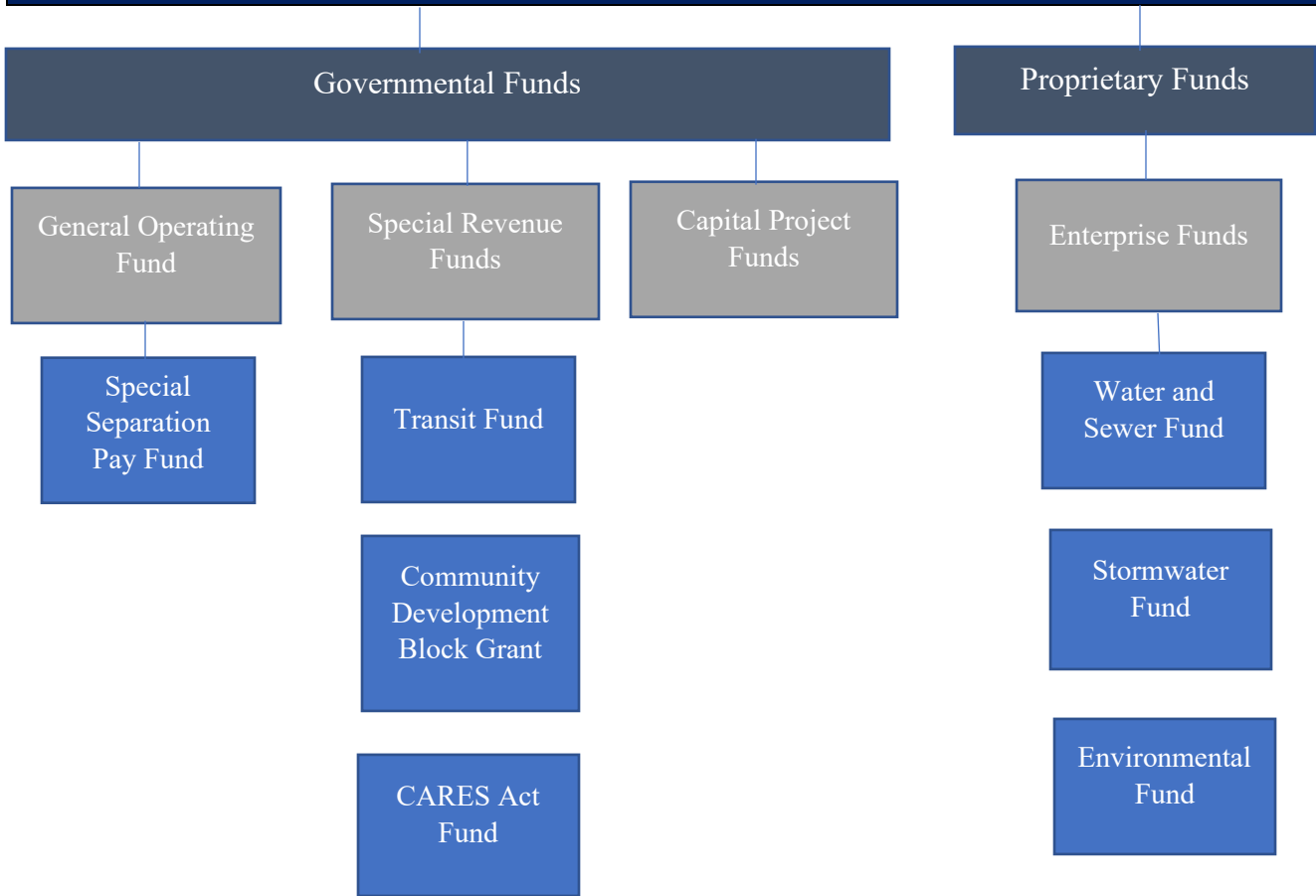
INVESTMENT POLICY – *continued*

Reporting

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

FINANCIAL STRUCTURE

ALL FUNDS



Fund Relationships

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

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

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

Departments:

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

- Field Operations
- Fire
 - Administration
 - Technical Services
 - Emergency Services

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.

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.

FINANCIAL STRUCTURE

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

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

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

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 2022

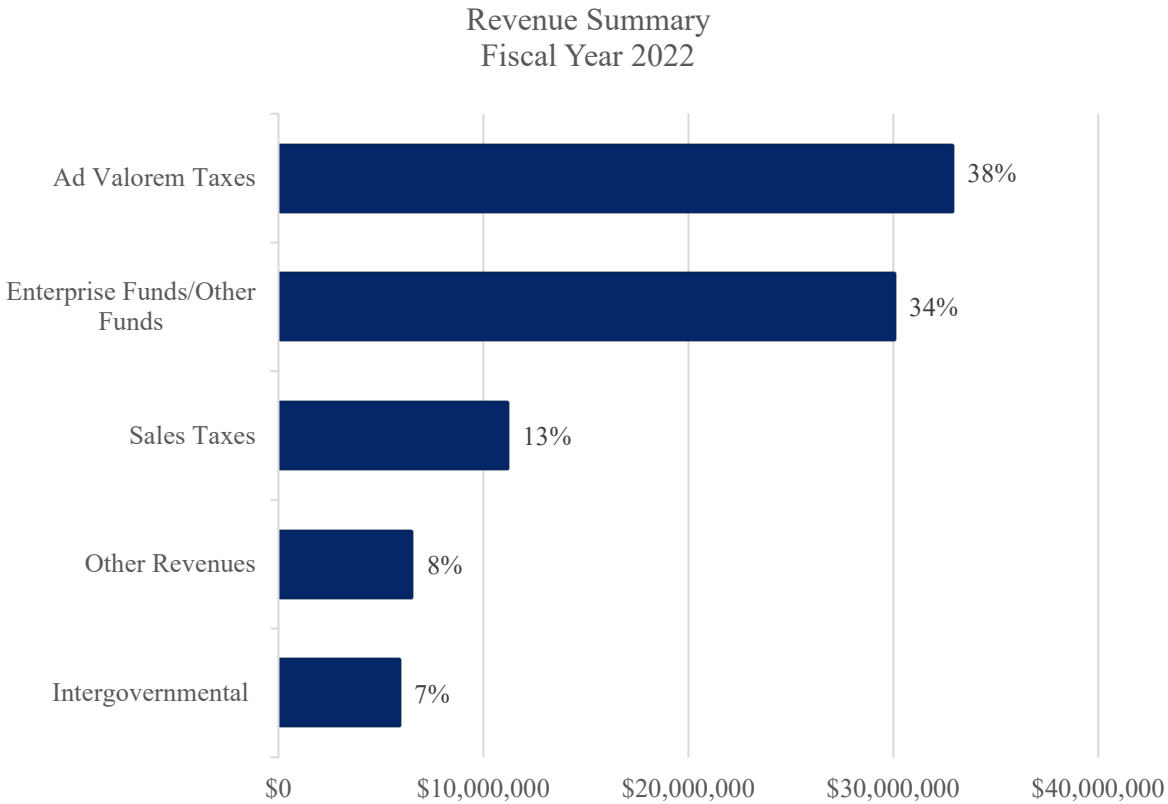
	FY 2020 Adopted	FY 2021 Adopted	FY 2022 Adopted	Difference
Ad Valorem Taxes	27,267,110	31,638,633	32,860,158	1,221,525
Sales Taxes	10,500,000	8,825,121	11,131,082	2,305,961
Intergovernmental	6,552,238	5,586,536	5,917,136	330,600
Other Revenues	5,703,652	5,441,059	6,406,130	985,071
Appropriated Fund Balance/Transfers In	6,000	200,000	200,000	-
Total General Fund	\$ 50,029,000	\$ 51,671,349	\$ 56,514,506	\$ 4,843,157
Total Water and Sewer Fund	\$ 19,275,000	\$ 20,500,000	\$ 20,992,624	\$ 492,624
Total Stormwater Fund	\$ 3,050,000	\$ 3,500,000	\$ 3,195,831	\$ (304,169)
Total Environmental Fund	\$ 4,153,000	\$ 4,530,187	\$ 4,629,129	\$ 98,942
Total Separation Pay Fund	\$ 490,000	\$ 502,781	\$ 484,210	\$ (18,571)
Total Transit Fund	\$ 864,000	\$ 700,000	\$ 700,000	\$ -
Total Downtown Fund	\$ 7,004,000	\$ 7,676,905	\$ -	\$ 672,905
Grand Total All Funds	\$ 84,865,000	\$ 89,081,222	\$ 86,516,300	\$ (2,564,922)
Less Inter-Fund Transfers	\$ 7,585,474	\$ 8,557,770	\$ 1,265,452	\$ (7,292,318)
Grand Total All Funds	\$ 77,279,526	\$ 80,523,452	\$ 85,250,848	\$ 4,727,396

*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 Downtown Fund are all enterprise funds that the City operates. These funds run more similarly to a business and primarily operate off user charges and fees. The Transit Fund is a special revenue fund due to having

BUDGET SUMMARY

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 38% 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 34%. 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 13%. 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 8% 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. 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

BUDGET SUMMARY

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

Source of Revenues by Fund

	FY 19 Actual	FY 20 Adopted	FY 21 Manager Proposed	FY 21 Adopted	FY 22 Adopted
Revenues					
Ad Valorem Taxes	26,133,411	27,267,110	31,043,121	31,638,633	32,860,158
Sales Taxes	10,754,189	10,500,000	8,825,121	8,825,121	11,131,082
Intergovernmental	8,412,783	6,552,238	5,586,536	5,586,536	5,917,136
Other	3,189,288	5,703,652	5,421,059	5,421,059	6,406,130
Fund Balance	-	6,000	-	-	-
Transfers	-	-	200,000	200,000	200,000
Total General Fund	\$ 48,489,671	\$ 50,029,000	\$ 51,075,837	\$ 51,671,349	\$ 56,514,506
Total Water and Sewer Fund	17,715,411	19,275,000	20,500,000	20,500,000	20,992,624
Total Stormwater Fund	2,991,457	3,050,000	3,500,000	3,500,000	3,195,831
Total Environmental Fund	3,987,225	4,153,000	4,530,187	4,530,187	4,629,129
Total Separation Fund	500,000	490,000	502,781	502,781	484,210
Total Transit Fund	727,888	864,000	700,000	700,000	700,000
Total Downtown Fund	5,879,126	7,004,000	2,979,355	7,676,905	-
Grand Total All Funds	\$ 80,290,778	\$ 84,865,000	\$ 83,788,160	\$ 89,081,222	\$ 86,516,300
Less Interfund Transfers	\$ (9,214,136)	\$ (7,585,474)	\$ (3,860,220)	\$ (8,557,770)	\$ (1,265,452)
Grand Total All Funds	\$ 71,076,642	\$ 77,279,526	\$ 79,927,940	\$ 80,523,452	\$ 85,250,848

The following table shows a comparison of revenue sources across all funds for the FY 22 budget.

	FY 22 General Fund	FY 22 Water and Sewer	FY 22 Stormwater	FY 22 Environmental	FY 22 Separation Pay	FY 22 Transit Fund	FY 22 Total All Funds
Source of Funds							
Ad Valorem Taxes	32,860,158	-	-	-	-	-	32,860,158
Sales Taxes	11,131,082	-	-	-	-	-	11,131,082
Intergovernmental	5,917,136	-	-	-	-	-	5,917,136
Investment Income	210,000	30,000	-	-	-	-	240,000
Other	5,802,675	415,000	-	36,000	-	-	6,253,675
Charges for Services	-	18,707,624	3,195,831	4,011,887	-	-	25,915,342
Tap/Connection Fees	-	1,840,000	-	-	-	-	1,840,000
Vehicle License Tax	393,455	-	-	-	-	500,000	893,455
Fund Balance	-	-	-	-	-	200,000	200,000
Transfers	200,000	-	-	581,242	484,210	-	1,265,452
Total Sources	\$ 56,514,506	\$ 20,992,624	\$ 3,195,831	\$ 4,629,129	\$ 484,210	\$ 700,000	\$ 86,516,300

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 19 Actual	FY 20 Adopted	FY 21 Manager Proposed	FY 21 Adopted	FY 22 Adopted
Revenues					
Ad Valorem Taxes- Current	25,609,191	26,781,721	30,616,974	31,212,486	32,460,158
Ad Valorem Taxes- Prior	524,220	485,389	426,147	426,147	400,000
Total Ad Valorem Taxes	\$ 26,133,411	\$ 27,267,110	\$ 31,043,121	\$ 31,638,633	\$ 32,860,158
1% Sales Tax (State)	4,133,987	4,500,000	3,587,034	3,587,034	4,520,317
1/2% Sales Tax (Local)	6,002,590	6,000,000	5,238,087	5,238,087	6,610,765
Total Sales Taxes	\$ 10,136,577	\$ 10,500,000	\$ 8,825,121	\$ 8,825,121	\$ 11,131,082
Fire District Sales Tax	221,058	80,000	150,000	150,000	215,000
Franchise Tax	2,765,942	2,784,193	2,660,000	2,660,000	2,698,000
Beer and Wine Tax	204,271	231,923	210,000	210,000	210,000
ABC Funds	88,875	100,000	90,000	90,000	90,000
Cabarrus Contributions	1,522,960	1,512,133	1,336,792	1,336,792	1,331,402
Powell Bill Funds	1,296,666	1,318,989	1,065,744	1,065,744	1,298,734
State Grants	2,394,007	-	-	-	-
Fire - Rowan County Contributions	4,020	4,000	4,000	4,000	4,000
Controlled Substance Tax	47,072	-	-	-	-
Federal Asset Forfeiture Funds	8,970	-	-	-	-
NC Dept of Commerce	80,000	-	-	-	-
Build America Bond Subsidy Pay	454,090	451,000	-	-	-
CDBG Administration Revenues	85,372	70,000	70,000	70,000	70,000
Total Intergovernmental	\$ 9,173,303	\$ 6,552,238	\$ 5,586,536	\$ 5,586,536	\$ 5,917,136
Vehicle License	369,723	384,750	389,559	389,559	393,455
Vehicle Rental Tax	26,831	5,000	20,000	20,000	25,000
Buildings Rental	120,933	90,000	90,000	90,000	90,000
Tower Rental	93,254	70,000	70,000	70,000	84,000
Commercial Rent/Lease-College Station	-	-	-	-	401,630
Enterprise Management Fee	-	2,084,402	2,614,500	2,614,500	2,614,500
Miscellaneous Revenue	664,825	225,000	300,000	300,000	310,000
Investment Income	756,108	1,952,500	210,000	210,000	210,000
Police - Charges and Fees	168,799	69,000	169,000	169,000	169,000
Officer Court Reimbursement	28,330	20,000	20,000	20,000	20,000
False Alarm Fees	6,016	8,000	8,000	8,000	8,000
Fire- Technical Services Charges and Fees	26,627	18,000	25,000	25,000	25,000
Street Lighting Fees and Charges	116,091	75,000	-	-	-
Code Enforcement - Charges and Fees	80,706	100,000	80,000	80,000	80,000
City Code Violations	102,837	36,000	65,000	65,000	65,000
Parks - Charges and Fees	387,534	471,000	450,000	450,000	1,185,545
Recreation Programs - Charges and Fees	37,856	45,000	110,000	110,000	125,000
Recreation Programs - Donations	59,910	50,000	50,000	50,000	50,000
CVB Contribution	-	-	500,000	500,000	100,000
Team Lease	-	-	250,000	250,000	450,000
Total Other	\$ 3,046,380	\$ 5,703,652	\$ 5,421,059	\$ 5,421,059	\$ 6,406,130
Transfers In from Other Funds	-	-	200,000	200,000	200,000
Appropriated Fund Balance	-	6,000	-	-	-
Total Transfers/Appropriated Fund Balance	\$ -	\$ 6,000	\$ 200,000	\$ 200,000	\$ 200,000
Total General Fund	\$ 48,489,671	\$ 50,029,000	\$ 51,075,837	\$ 51,671,349	\$ 56,514,506

BUDGET SUMMARY

Enterprise/Other Funds Detailed Revenue Sources

	FY 19 Actual	FY 20 Adopted	FY 21 Manager Proposed	FY 21 Adopted	FY 22 Adopted
Revenues					
Charges and Fees	15,131,247	17,325,000	18,250,000	18,250,000	18,292,624
Wholesale Water Sales	330,235	375,000	415,000	415,000	415,000
Tap Fees	285,100	200,000	250,000	250,000	450,000
Connection Fees	717,316	700,000	1,000,000	1,000,000	1,250,000
Reconnection Fees	157,793	150,000	140,000	140,000	140,000
Penalties	478,407	450,000	400,000	400,000	400,000
Miscellaneous Revenue	12,538	15,000	15,000	15,000	15,000
Investment Income	162,069	60,000	30,000	30,000	30,000
Transfers In	440,706	-	-	-	-
Total Water and Sewer Fund	\$ 17,715,411	\$ 19,275,000	\$ 20,500,000	\$ 20,500,000	\$ 20,992,624
Charges and Fees	2,991,457	3,050,000	3,100,000	3,100,000	3,195,831
Investment Income	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-
Fund Balance Appropriated	-	-	400,000	400,000	-
Transfer from Water and Sewer Fund	-	-	-	-	-
Total Stormwater Fund	\$ 2,991,457	\$ 3,050,000	\$ 3,500,000	\$ 3,500,000	\$ 3,195,831
Solid Waste Disposal Tax	35,124	32,300	36,000	36,000	36,000
Charges and Fees	3,152,622	3,275,000	3,448,487	3,448,487	4,011,887
Miscellaneous Revenue	85,779	-	-	-	-
Transfers from General Fund	453,700	350,000	150,000	150,000	85,542
Transfers from Water and Sewer Fund	260,000	495,700	495,700	495,700	495,700
Transfers from Stormwater Fund	-	-	400,000	400,000	-
Proceeds from Debt Financing	-	-	-	-	-
Total Environmental Fund	\$ 3,987,225	\$ 4,153,000	\$ 4,530,187	\$ 4,530,187	\$ 4,629,129
Transfer from General Fund	500,000	490,000.0	502,781	502,781	484,210
Total Separation Pay Fund	\$ 500,000	\$ 490,000	\$ 502,781	\$ 502,781	\$ 484,210
Vehicle License Tax	679,888	760,000	500,000	500,000	500,000
Transfer from General Fund	48,000.00	104,000	-	-	-
Appropriated Fund Balance	-	-	200,000	200,000	200,000
Total Transit Fund	\$ 727,888	\$ 864,000	\$ 700,000	\$ 700,000	\$ 700,000
State Grant	42,389	-	-	-	-
Common Area Maintenance Fee	26,830	5,000	5,000	5,000	-
Building Rental	24,782	20,000	20,000	20,000	-
Commercial Rent/Lease	584,639	661,824	473,918	473,918	-
Residential Rent/Lease	76,951	96,000	105,000	105,000	-
Special Event Fees	51,514	75,800	-	-	-
Miscellaneous Revenue	9,137	-	-	-	-
Sale of Assets	439,974	-	-	-	-
Investment Income	23,710	-	-	-	-
Proceeds from Debt Financing	-	-	-	-	-
Transfers from General Fund	4,599,200	4,714,252	2,111,739	6,809,289	-
Transfers from Water and Sewer Fund	-	1,431,124	-	-	-
Fund Balance Appropriated	-	-	263,698	263,698	-
Total Downtown Fund	\$ 5,879,126	\$ 7,004,000	\$ 2,979,355	\$ 7,676,905	\$ -

BUDGET SUMMARY

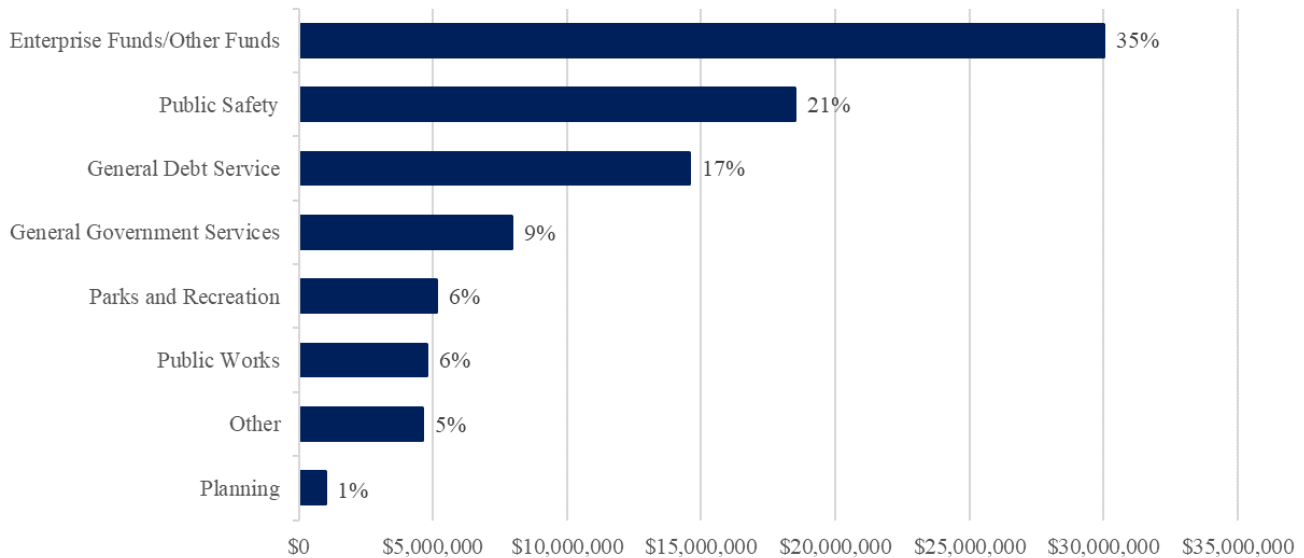
City of Kannapolis Expenditure Summary Fiscal Year 2022

	FY 2020 Adopted	FY 2021 Adopted	FY 2022 Adopted	Difference
General Government Services	6,755,101	7,344,675	7,941,379	596,704
Planning	771,326	809,503	1,013,481	203,978
Public Safety	17,087,276	17,456,525	18,496,645	1,040,120
Parks and Recreation	2,915,200	3,557,789	5,128,222	1,570,433
Public Works	4,421,075	4,014,929	4,755,278	740,349
Other	8,093,892	11,220,617	4,611,505	(6,609,112)
General Debt Service	9,985,130	7,267,311	14,567,996	7,300,685
Total General Fund	\$ 50,029,000	\$ 51,671,349	\$ 56,514,506	\$ 4,843,157
Water and Sewer Fund	\$ 19,275,000	\$ 20,500,000	\$ 20,992,624	\$ 492,624
Stormwater Fund	\$ 3,050,000	\$ 3,500,000	\$ 3,195,831	\$ (304,169)
Environmental Fund	\$ 4,153,000	\$ 4,530,187	\$ 4,629,129	\$ 98,942
Separation Pay Fund	\$ 490,000	\$ 502,781	\$ 484,210	\$ (18,571)
Transit Fund	\$ 864,000	\$ 700,000	\$ 700,000	\$ -
Downtown Fund	\$ 7,004,000	\$ 7,676,905	\$ -	\$ (7,676,905)
Grand Total All Funds	\$ 84,865,000	\$ 89,081,222	\$ 86,516,300	\$ (2,564,922)

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. The public safety area is comprised of the Police and Fire Departments. Public works includes: Engineering, Street Lighting, Operations Center, Signs and Markings, Powell Bill, and Street Maintenance. Parks and recreation include: Parks and Recreation and the Stadium. The Other category consists of the Non-Departmental service area as well as any transfers that the General Fund makes to the other funds. Last, debt service is any principal and interest payments accounted for in the General Fund.

BUDGET SUMMARY

Expenditure Summary
Fiscal Year 2022



The chart above gives a breakdown in expenditures by fund. The Enterprise funds/other funds which consists of: Water and Sewer, Stormwater, Environmental, Transit and Special Separation pay comprise 35% of total spending for the City. The next largest expenditure area is public safety at 21% then general debt service at 17%. 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. General government services area comprises 9% of all spending, while parks and recreation and public works comprise 6% of total spending. Next, is the other category, which comprises our non-departmental budget and transfers at 5%. Last is planning at 1% of total spending city-wide.

BUDGET SUMMARY

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

	FY 19 Actual	FY 20 Adopted	FY 21 Manager Proposed	FY 21 Adopted	FY 22 Adopted
Expenditures					
General Government Services	8,467,614	14,848,993	13,272,230	18,565,292	12,552,884
Planning	736,232	771,326	809,503	809,503	1,013,481
Public Safety	16,012,378	17,087,276	17,456,525	17,456,525	18,496,645
Parks and Recreation	2,598,425	2,915,200	3,557,789	3,557,789	5,128,222
Public Works	3,518,263	4,421,075	4,014,929	4,014,929	4,755,278
General Debt Service	8,428,016	9,985,130	11,964,861	7,267,311	14,567,996
Total General Fund	\$ 39,760,928	\$ 50,029,000	\$ 51,075,837	\$ 51,671,349	\$ 56,514,506
Water and Sewer Fund	19,402,345	19,275,000	20,500,000	20,500,000	20,992,624
Stormwater Fund	3,301,471	3,050,000	3,500,000	3,500,000	3,195,831
Environmental Fund	3,772,767	4,153,000	4,530,187	4,530,187	4,629,129
Separation Pay Fund	396,169	490,000	502,781	502,781	484,210
Transit Fund	620,127	864,000	700,000	700,000	700,000
Downtown Fund	4,874,034	7,004,000	2,979,355	7,676,905	-
Grand Total All Funds	\$ 72,127,841	\$ 84,865,000	\$ 83,788,160	\$ 89,081,222	\$ 86,516,300

The following table shows a comparison of expenditure uses across all funds for the FY 22 budget.

	FY 22 General Fund	FY 22 Water and Sewer	FY 22 Stormwater	FY 22 Environmental	FY 22 Separation Pay	FY 22 Transit Fund	FY 22 Total All Funds
Uses of Funds							
General Government	7,941,379	-	-	-	-	-	7,941,379
Planning	1,013,481	-	-	-	-	-	1,013,481
Public Safety	18,496,645	-	-	-	-	-	18,496,645
Parks and Recreation	5,128,222	-	-	-	-	-	5,128,222
Public Works	4,755,278	-	-	-	-	-	4,755,278
Other	4,611,505	-	1,767,009	4,397,094	484,210	700,000	11,959,818
Debt Service	14,567,996	6,985,052	958,243	232,035	-	-	22,743,326
Distribution	-	3,946,885	-	-	-	-	3,946,885
Water Treatment Plant	-	3,217,924	-	-	-	-	3,217,924
Sewage Treatment (WSACC)	-	3,194,670	-	-	-	-	3,194,670
Billing and Collections	-	1,008,472	-	-	-	-	1,008,472
Transfers Other Funds	-	2,639,621	470,579	-	-	-	3,110,200
Total Uses	\$ 56,514,506	\$ 20,992,624	\$ 3,195,831	\$ 4,629,129	\$ 484,210	\$ 700,000	\$ 86,516,300

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

BUDGET SUMMARY

General Fund Detailed Expenditures

	FY 19 Actual	FY 20 Adopted	FY 21 Manager Proposed	FY 21 Adopted	FY 22 Adopted
Expenditures					
City Council	204,143	247,500	219,663	219,663	274,059
City Manager - Administration	881,449	1,002,385	1,421,627	1,421,627	1,498,649
Economic Development	3,062,107	715,000	712,750	712,750	594,250
Communications	119,867	154,200	167,700	167,700	258,700
Human Resources	494,426	536,370	537,560	537,560	566,245
City Attorney	418,407	372,320	416,958	416,958	433,204
Finance	913,505	860,284	831,184	831,184	961,900
Information Technology	1,260,235	1,268,027	1,427,035	1,427,035	1,546,793
General Services	1,435,057	1,599,015	1,610,198	1,610,198	1,807,579
Total General Government	\$ 8,789,196	\$ 6,755,101	\$ 7,344,675	\$ 7,344,675	\$ 7,941,379
Police - Administration	1,039,933	897,432	788,674	788,674	929,250
Police - Support Services	2,811,995	3,175,453	3,358,847	3,358,847	2,833,984
Police - Field Operations	4,301,241	4,761,101	4,856,246	4,856,246	5,199,144
Police - Special Operations	-	-	-	-	510,042
Total Police	\$ 8,153,169	\$ 8,833,986	\$ 9,003,767	\$ 9,003,767	\$ 9,472,420
Fire - Administration	882,143	934,237	1,090,066	1,090,066	1,150,605
Fire- Emergency Services	6,528,667	6,853,963	6,875,507	6,875,507	7,362,825
Fire- Technical Services	448,399	465,090	487,185	487,185	510,795
Total Fire	\$ 7,859,209	\$ 8,253,290	\$ 8,452,758	\$ 8,452,758	\$ 9,024,225
Public Works - Engineering	1,119,669	1,239,676	986,229	986,229	1,126,255
Public Works - Street Lighting	610,895	683,000	730,400	730,400	730,400
Public Works - Operations Center	114,247	138,300	138,300	138,300	118,000
Public Works - Signs and Markings	392,700	432,078	413,435	413,435	432,051
Public Works- Powell Bill	573,494	1,175,500	943,065	943,065	1,249,500
Public Works - Street Maintenance	707,258	752,521	803,500	803,500	1,099,072
Total Public Works	\$ 3,518,263	\$ 4,421,075	\$ 4,014,929	\$ 4,014,929	\$ 4,755,278
Planning	736,232	771,326	809,503	809,503	1,013,481
Total Planning	\$ 736,232	\$ 771,326	\$ 809,503	\$ 809,503	\$ 1,013,481
Parks and Recreation - Parks	1,961,790	2,309,200	2,698,789	2,698,789	4,090,222
Parks and Recreation - Recreation Programs	376,188	390,000	734,000	734,000	788,000
Stadium	260,447	216,000	125,000	125,000	250,000
Total Parks and Recreation	\$ 2,598,425	\$ 2,915,200	\$ 3,557,789	\$ 3,557,789	\$ 5,128,222
Non-Departmental	(321,582)	2,435,242	3,163,035	3,758,547	4,041,753
Transfers	-	5,658,650	2,764,520	7,462,070	569,752
Total Other	\$ (321,582)	\$ 8,093,892	\$ 5,927,555	\$ 11,220,617	\$ 4,611,505
Debt Service	8,428,016	9,985,130	11,964,861	7,267,311	14,567,996
Total Debt Service	\$ 8,428,016	\$ 9,985,130	\$ 11,964,861	\$ 7,267,311	\$ 14,567,996
Total General Fund Expenditures	\$ 39,760,928	\$ 50,029,000	\$ 51,075,837	\$ 51,671,349	\$ 56,514,506

BUDGET SUMMARY

Enterprise/Other Funds Detailed Expenditures

	FY 19 Actual	FY 20 Adopted	FY 21 Manager Proposed	FY 21 Adopted	FY 22 Adopted
Expenditures					
Billing and Collections	822,945	928,721	907,348	907,348	1,008,472
Distribution	3,189,262	2,842,216	3,334,251	3,334,251	3,946,885
Water Treatment Plant	3,354,158	3,004,814	3,106,448	3,106,448	3,217,924
Sewage Treatment (WSACC)	3,512,330	3,185,467	3,407,618	3,407,618	3,194,670
General Management Services	1,765,800	1,765,800	2,143,921	2,143,921	2,143,921
Transfer to Capital/Other Funds	1,947,436	1,926,824	495,700	495,700	495,700
Debt Service	4,810,414	5,621,158	7,104,714	7,104,714	6,985,052
Total Water and Sewer Fund	\$ 19,402,345	\$ 19,275,000	\$ 20,500,000	\$ 20,500,000	\$ 20,992,624
Total Stormwater Fund	\$ 3,301,471	\$ 3,050,000	\$ 3,500,000	\$ 3,500,000	\$ 3,195,831
Total Environmental Fund	\$ 3,772,767	\$ 4,153,000	\$ 4,530,187	\$ 4,530,187	\$ 4,629,129
Total Separation Pay Fund	\$ 396,169	\$ 490,000	\$ 502,781	\$ 502,781	\$ 484,210
Total Transit Fund	\$ 620,127	\$ 864,000	\$ 700,000	\$ 700,000	\$ 700,000
Total Downtown Fund	\$ 4,874,034	\$ 7,004,000	\$ 2,979,355	\$ 7,676,905	\$ -

BUDGET SUMMARY

The following tables show a comparison of expenditures for each fund by three major categories, which are: personnel; operating and capital expenses. Personnel expenses are those associated with employment including salaries and benefits. The operations category includes all the expenses associated to operate that department. Examples include office supplies, uniforms, technology, printing, equipment, contracted services, etc. The capital category includes any capital purchase over \$5,000 but under the \$100,000 threshold, which qualifies the purchase to be a capital improvement project. Examples include vehicle, machinery, and equipment purchases. Also included in the tables below are full-time positions by each fund from FY 2019 - FY 2022.

Expenditures by Category

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

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

	FY 20 General Fund	FY 20 Water and Sewer	FY 20 Stormwater	FY 20 Environmental	FY 20 Separation Pay	FY 20 Transit Fund	FY 20 Downtown Fund	FY 20 Total All Funds
Expenditures								
Personnel	21,872,270	3,483,256	900,157	306,334	-	-	-	26,562,017
Operating	28,098,730	15,791,744	2,149,843	3,846,666	490,000	864,000	7,004,000	58,244,983
Capital	58,000	-	-	-	-	-	-	-
Total	\$ 50,029,000	\$ 19,275,000	\$ 3,050,000	\$ 4,153,000	\$ 490,000	\$ 864,000	\$ 7,004,000	\$ 84,807,000
Positions	303	62	16	6	-	-	-	387

	FY 21 General Fund	FY 21 Water and Sewer	FY 21 Stormwater	FY 21 Environmental	FY 21 Separation Pay	FY 21 Transit Fund	FY 21 Downtown Fund	FY 21 Total All Funds
Expenditures								
Personnel	25,448,497	3,773,012	886,328	415,825	-	-	-	30,523,662
Operating	26,154,894	16,710,188	2,613,672	4,114,362	502,781	700,000	7,676,905	58,472,802
Capital	67,958	16,800	-	-	-	-	-	84,758
Total	\$ 51,671,349	\$ 20,500,000	\$ 3,500,000	\$ 4,530,187	\$ 502,781	\$ 700,000	\$ 7,676,905	\$ 89,081,222
Positions	305	64	16	6	-	-	-	391

	FY 22 General Fund	FY 22 Water and Sewer	FY 22 Stormwater	FY 22 Environmental	FY 22 Separation Pay	FY 22 Transit Fund	FY 22 Downtown Fund	FY 22 Total All Funds
Expenditures								
Personnel	26,992,610	4,056,158	1,055,989	318,717	-	-	-	32,423,474
Operating	29,179,896	16,704,466	2,139,842	4,310,412	484,210	700,000	-	53,518,826
Capital	342,000	232,000	-	-	-	-	-	574,000
Total	\$ 56,514,506	\$ 20,992,624	\$ 3,195,831	\$ 4,629,129	\$ 484,210	\$ 700,000	\$ -	\$ 86,516,300
Positions	320	67	17	5	-	-	-	409

FUND SUMMARIES

GENERAL FUND				
	FY 2021 Adopted	FY 2022 Adopted	Difference	% Change
Revenues				
Ad Valorem Taxes	31,638,633	32,860,158	1,221,525	3.86%
Sales Taxes	8,825,121	11,131,082	2,305,961	26.13%
Intergovernmental	5,586,536	5,917,136	330,600	5.92%
Other Revenues	5,421,059	6,406,130	985,071	18.17%
Appropriated Fund Balance/Transfers In	200,000	200,000	-	0.00%
Total	\$ 51,671,349	\$ 56,514,506	\$ 4,843,157	9.37%
Expenditures				
Personnel	25,448,497	26,992,610	1,544,113	6.07%
Operating	26,154,894	29,179,896	3,025,002	11.57%
Capital	67,958	342,000	274,042	403.25%
Total	\$ 51,671,349	\$ 56,514,506	\$ 4,843,157	9.37%

The FY 2022 adopted General Fund budget totals \$56,514,506 which is an increase of 9.37% or \$4,843,157 over the FY 2021 adopted budget of \$51,671,349.

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. Sales tax is projected to increase by 26% over the FY 21 adopted budget. This is primarily due to conservative budgeting in FY 21 due to unknowns related to the COVID-19 pandemic. Intergovernmental revenue is also estimated to increase by 5.92% primarily due to conservative budgeting in FY 21. The other revenue category is increasing by 18.71% primarily due to moving rental and lease revenues associated with the city owned property at College Station. Another key driver in the increase is the addition of the city taking ownership in operating the historic Gem Theatre. Last, the General Fund is receiving a \$200,000 transfer in from the Transit Fund.

Expenditures in the personnel category include all expenses associated with employment including salaries and benefits. Also included in this category is special separation pay. The primary increase in salary and benefit increases is related to the 1.2% retirement rate increase for all eligible employees. For FY 22, the general government the rate is 11.35% and law enforcement is 12.10%. Another key driver is the new personnel requests for FY 22. There are currently 14 new positions requested in FY 22 across multiple departments in the General Fund, in addition to 1 reclass of a part-time position to a full-time position.

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 11.57% from the FY 21 adopted budget. The primary increase is related to contractual increases across all departments. Another key driver is the debt service

FUND SUMMARIES

that was formerly accounted for in the downtown fund for the linear park/streetscape and baseball stadium is now budgeted in the General Fund. Other operational increases are related to the city taking ownership over Dixie youth baseball fields and the Gem Theatre operations.

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 22, \$50,000 is budgeted in capital outlay for vehicle purchases for a code enforcement officer in the Planning Department and an Engineering Technician in Engineering Department. Other capital costs include: equipment and a vehicle purchase for a Construction Maintenance Worker II in the Street Maintenance Division and the purchase of a sweeper truck for the recently constructed downtown parking deck at VIDA.

WATER AND SEWER FUND				
	FY 2021 Adopted	FY 2022 Adopted	Difference	% Change
Revenues				
Charges and Fees	18,250,000	18,292,624	42,624	0.23%
Wholesale Water Sales	415,000	415,000	-	0.00%
Tap Fees	250,000	450,000	200,000	80.00%
Connection Fees	1,000,000	1,250,000	250,000	25.00%
Reconnection Fees	140,000	140,000	-	0.00%
Penalties	400,000	400,000	-	0.00%
Miscellaneous Revenue	15,000	15,000	-	0.00%
Investment Income	30,000	30,000	-	0.00%
Total	\$ 20,500,000	\$ 20,992,624	\$ 492,624	2.40%
Expenditures				
Personnel	3,773,012	4,056,158	283,146	7.50%
Operating	16,710,188	16,704,466	(5,722)	-0.03%
Capital	16,800	232,000	215,200	0.00%
Total	\$ 20,500,000	\$ 20,992,624	\$ 492,624	2.40%

The FY 22 adopted Water and Sewer budget totals \$20,992,624, which represents a \$492,624 or 2.40% increase over the FY 2021 adopted budget of \$20,500,000. For FY 22, charges and fees remains relatively flat due to lingering impacts of the COVID-19 pandemic. There is a fee increase proposed in the fire service availability fee increase based on the size of the line. Incremental increases are proposed over the next 5 years. Staff is taking a conservative approach and is budgeting an additional \$42,624 related to this increase. This is based on a \$16 dollar increase/month on a 6" line based on 222 accounts. The city has various size lines based on fire service availability needed but is unsure of the various types. This fee increase will be offset by a Locator position housed in the Water Resources budget to identify all fire lines throughout the city based on size. Tap and connection fees are projected to increase by over \$450,000 due to growth and a recent fee increase that took place mid-fiscal year 2020. Due to lingering impacts of COVID-19, staff is projecting to keep penalty revenue flat over FY 21 adopted budget.

FUND SUMMARIES

Personnel increases include the new locator position, in addition (2) full-time in the Customer Service Department (offset by a reduction in part-time funding) as well as reclassifying a current customer care advocate to a supervisory position.

The operations category is relatively flat over the FY 21 budget, but major increases in capital outlay are due to equipment and vehicle replacements in the distribution and water treatment plant budgets. In addition, is \$100,000 in deferred maintenance efforts related to outfall maintenance efforts.

STORMWATER FUND					
	FY 2021 Adopted		FY 2022 Adopted	Difference	% Change
Revenues					
Charges and Fees	3,100,000		3,195,831	95,831	3.09%
Appropriated Fund Balance	400,000		-	(400,000)	100.00%
Total	\$ 3,500,000		\$ 3,195,831	\$ (304,169)	-8.69%
Expenditures					
Personnel	886,328		1,055,989	169,661	19.14%
Operating	2,613,672		2,139,842	(473,830)	-18.13%
Capital	-		-	-	0.00%
Total	\$ 3,500,000		\$ 3,195,831	\$ (304,169)	-8.69%

The adopted FY 22 Stormwater budget totals \$3,195,831, which represents a \$304,169 or 8.69% decrease from the FY 21 adopted budget of \$3,500,000. For FY 22, charges and fees is projected to increase by \$95,831 due to organic growth. The large decrease is due to the lack of fund balance transfer for FY 22. This transfer took place in FY 21 to mitigate the General Fund's transfer to the Environmental fund to offset the increase in recycling costs. Personnel costs increased due to the transfer of the Director of Transportation and Environmental Services to this budget from the Environmental Services budget.

FUND SUMMARIES

ENVIRONMENTAL FUND							
	FY 2021 Adopted		FY 2022 Adopted		Difference		% Change
Revenues							
Solid Waste Disposal Tax	36,000		36,000		-		0.00%
Charges and Fees	3,448,487		4,011,887		563,400		16.34%
Transfers from General Fund	150,000		85,542		(64,458)		-42.97%
Transfers from Water and Fund	495,700		495,700		-		0.00%
Transfers from Stormwater	400,000		-		(400,000)		100.00%
Total	\$ 4,530,187		\$ 4,629,129		\$ 98,942		2.18%
Expenditures							
Personnel	415,825		318,717		(97,108)		-23.35%
Operating	4,114,362		4,310,412		196,050		4.77%
Capital	-		-		-		0.00%
Total	\$ 4,530,187		\$ 4,629,129		\$ 98,942		2.18%

The adopted FY 22 Environmental budget totals \$4,629,129, which represents a \$98,942 or 2.18% increase over the FY 21 adopted budget of \$4,530,187. For FY 22, charges and fees is projected to increase by \$563,400 due to a \$2.50 fee increase/month based off 18,780 customers. This fund was scheduled to have a fee increase of \$2.50 for FY 21 according to the City's long-range financial plan in an effort to help this fund become self-sustaining. Due to the impacts of COVID-19, no fee increase is proposed for FY 21. This fund still relies on inter-fund transfers from the General and Water and Sewer Fund in order to operate. The primary driver in operational increases in this fund is an increase in recycling and solid waste disposal costs. A ton of solid waste disposed at the landfill is \$40.90 ton while a ton of recyclable materials is \$95/ton. Other increases include: replacing aging carts and an increase in contracted services for loose leaf collections. Personnel costs decreased due to moving the Director of Transportation and Environmental services to the Stormwater budget.

FUND SUMMARIES

SEPARATION PAY FUND							
	FY 2021 Adopted		FY 2022 Adopted		Difference		% Change
Revenues							
Transfers from General Fund	502,781		484,210		(18,571)		-3.69%
Total	\$ 502,781		\$ 484,210		\$ (18,571)		-3.69%
Expenditures							
Personnel	-		-		-		0.00%
Operating	502,781		484,210		(18,571)		-3.69%
Capital	-		-		-		0.00%
Total	\$ 502,781		\$ 484,210		\$ (18,571)		-3.69%

The FY 22 Separation Pay Fund is funded through a contribution from the General Fund. For FY 22, the contribution is \$484,210, which is a \$18,571 or 3.69% decrease over the FY 21 adopted budget of \$502,781. The primary driver for the decrease is employees rolling off the plan and due to no new employees projecting to roll on that are eligible for the benefit. Currently, thirty employees receive this benefit. Expenditures are calculated based off .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the employee for each year of credible service. Benefits such as Social Security and Medicare are also calculated off the total projected contribution.

FUND SUMMARIES

TRANSIT FUND							
	FY 2021 Adopted		FY 2022 Adopted		Difference		% Change
Revenues							
Vehicle License	500,000		500,000		-		0.00%
Transfers from General Fund	-		-		-		0.00%
Appropriated Fund Balance	200,000		200,000		-		0.00%
Total	\$ 700,000		\$ 700,000		\$ -		0.00%
Expenditures							
Personnel	-		-		-		0.00%
Operating	700,000		700,000		-		0.00%
Capital	-		-		-		0.00%
Total	\$ 700,000		\$ 700,000		\$ -		0.00%

The FY 22 adopted Transit Fund budget totals \$700,000, which is flat over the FY 21 adopted budget. Due to the impacts of the COVID-19 pandemic, public transit systems received additional funding via the CARES Act. This additional funding is used to offset operational expenses related to public transit systems. In conjunction with the City of Concord, Kannapolis will receive this funding over the next three years. In addition, the Transit Fund receives revenue from the vehicle license tax, which is \$30. \$20 goes directly to the Transit Fund to support the public transit system and \$5 goes back to support to the General Fund for support and \$5 goes towards road paving/improvements. For FY 22, there is a fund balance appropriation of \$200,000 which will be transferred back to the General Fund. Historically, this fund has received a transfer from the General Fund in order to offset operations and therefore has accumulated a fund balance.

GENERAL FUND

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

GENERAL FUND SUMMARY

General Fund Revenues

Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
Ad Valorem Taxes - Current Year	31,212,486	32,460,158	1,247,672	4.00%
Ad Valorem Taxes - Prior Year	426,147	400,000	(26,147)	-6.14%
Total Ad Valorem Taxes	\$ 31,638,633	\$ 32,860,158	\$ 1,221,525	3.86%
1% Sales Tax (State)	3,587,034	4,520,317	933,283	26.02%
1/2% Sales Tax (Local)	5,238,087	6,610,765	1,372,678	26.21%
Total Sales Tax	\$ 8,825,121	\$ 11,131,082	\$ 2,305,961	26.13%
Fire District Sales Tax	150,000	215,000	65,000	43.33%
Franchise Tax	2,660,000	2,698,000	38,000	1.43%
Beer & Wine Tax	210,000	210,000	-	0.00%
ABC Funds	90,000	90,000	-	0.00%
Cabarrus Contributions	1,336,792	1,331,402	(5,390)	-0.40%
Build America Bond Subsidy Pay	-	-	-	0.00%
CDBG Administration Revenues	70,000	70,000	-	0.00%
Rowan County Contributions	4,000	4,000	-	0.00%
Powell Bill Funds	1,065,744	1,298,734	232,990	21.86%
Total Intergovernmental	\$ 5,586,536	\$ 5,917,136	\$ 330,600	5.92%
Vehicle License	389,559	393,455	3,896	1.00%
Vehicle Rental Tax	20,000	25,000	5,000	25.00%
Buildings Rental	90,000	90,000	-	0.00%
Tower Rental	70,000	84,000	14,000	20.00%
Miscellaneous Revenue	300,000	310,000	10,000	3.33%
Investment Income	210,000	210,000	-	0.00%
Enterprise Fund Management Fee Reimbursement	2,614,500	2,614,500	-	0.00%
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%
Street Lighting Fees and Charges	-	-	-	0.00%
Code Enforcement - Charges and Fees	80,000	80,000	-	0.00%
City Code Violations	65,000	65,000	-	0.00%
Parks - Charges and Fees	450,000	1,185,545	735,545	163.45%
Recreation Programs - Charges and Fees	110,000	125,000	15,000	13.64%
Recreation Programs - Donations	50,000	50,000	-	0.00%
Commercial Rent/Lease-College Station	-	401,630	401,630	100.00%
CVB Contribution	500,000	100,000	(400,000)	-80.00%
Team Lease	250,000	450,000	200,000	80.00%
Total Other	\$ 5,421,059	\$ 6,406,130	\$ 985,071	18.17%
Appropriated Fund Balance	-	-	-	0.00%
Transfer from Transit Fund	200,000	200,000	-	0.00%
Total Fund Balance Appropriation/Transfers In	\$ 200,000	\$ 200,000	\$ -	0.00%
	\$ 51,671,349	\$ 56,514,506	\$ 4,843,157	9.37%

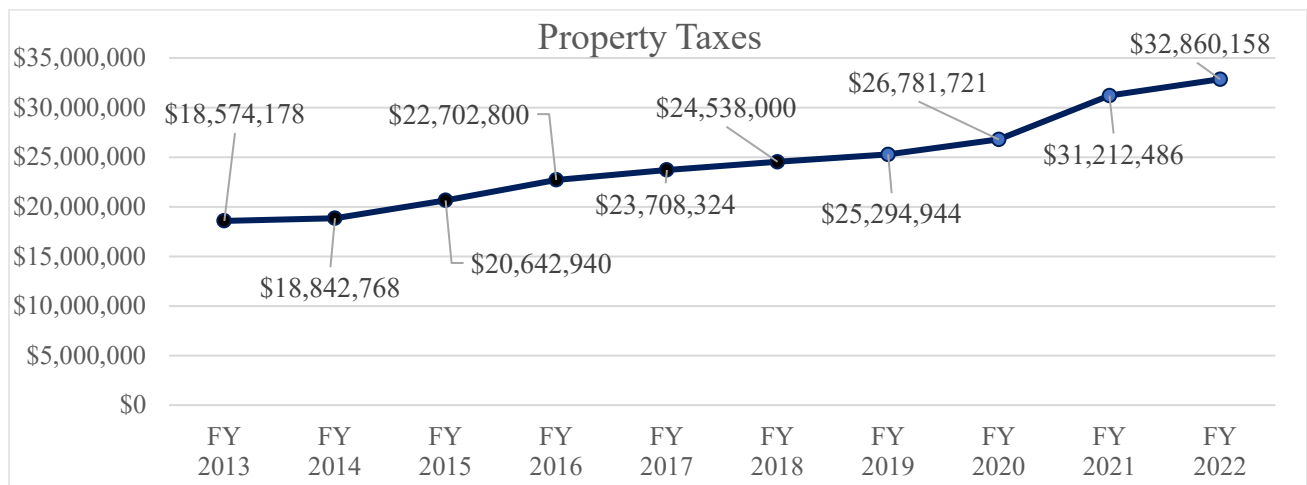
Property (Ad Valorem) Taxes

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 3.86% or \$1,221,525 in FY 22 over the FY 21 adopted budget. This increase is attributed to organic growth in Cabarrus and Rowan County (both outside revaluation years).

The proposed tax rate for the City remains at 63 cents. The FY 2022 property tax revenue is based off an adopted rate of \$0.63 per \$100 of assessed valuation. The total taxable property value is estimated at \$5,260,241,092, which is a 4.18% over the FY 21 adopted valuation of \$5,049,289,745. The City used a combined collection rate from the FY 20 audit at 97.9%. One penny on the tax rate equates to \$515,240 in property tax revenue. FY 22 adopted property tax revenue is estimated at \$32,860,158 and comprises 58% of all General Fund revenue. This includes \$32,460,158 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.

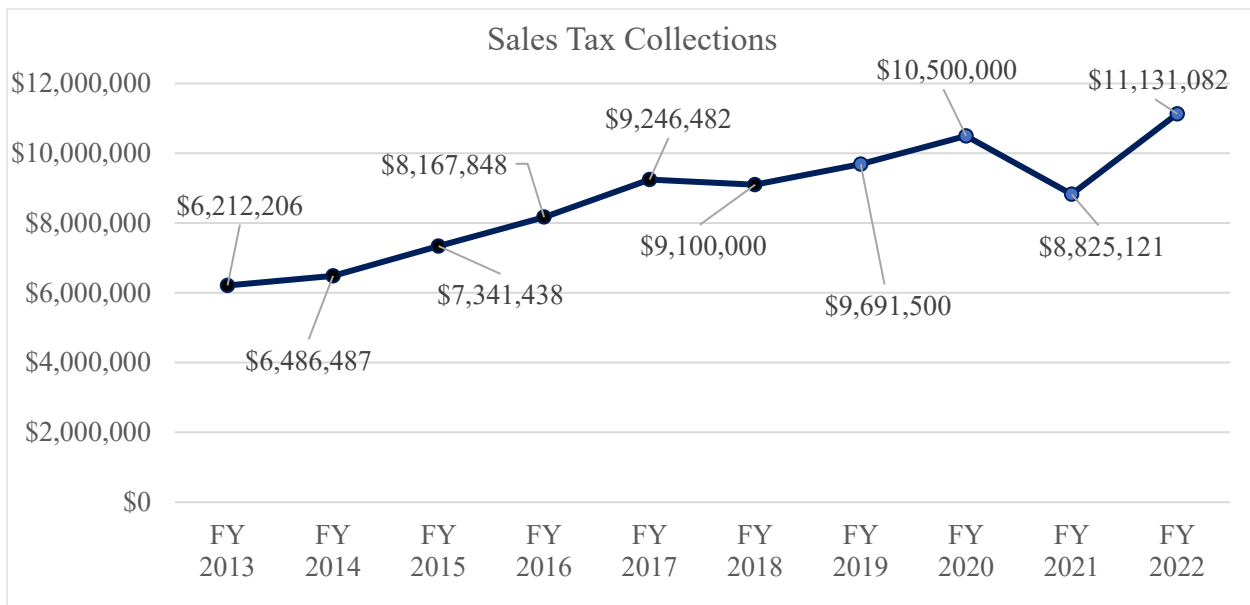


Sales Taxes

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 expect 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

GENERAL FUND SUMMARY

distributed on a per capita and ad-valorem tax basis. Sales tax comprises 20% of the proposed General Fund budget. The city projected conservative sales tax revenue in FY 21 based on unknowns related to the COVID-19 pandemic. Major retailers and businesses were forced to close during March 2020– May 2020 and are projected to have phased openings based on a percentage of their total capacity in June and into fiscal year 2021. Staff used the following methodology in forecasting sales tax revenue for FY 21: 30% decline for the first quarter, 20% decline for the second quarter and baseline (flat) growth for the third and fourth quarter (all quarters based off FY 19 actuals). The impacts that staff projected from COVID-19 didn't materialize as originally forecasted. For FY 21, staff is projecting to come in over budget by \$2 million dollars. This has a positive impact on FY 22 sales tax projections. Sales tax projections are based off FY 21 actuals with a 2% growth rate. For FY 22, sales tax is budgeted at \$11,131,082, which is an increase of 26% over the FY 21 adopted budget of \$8,825,121.

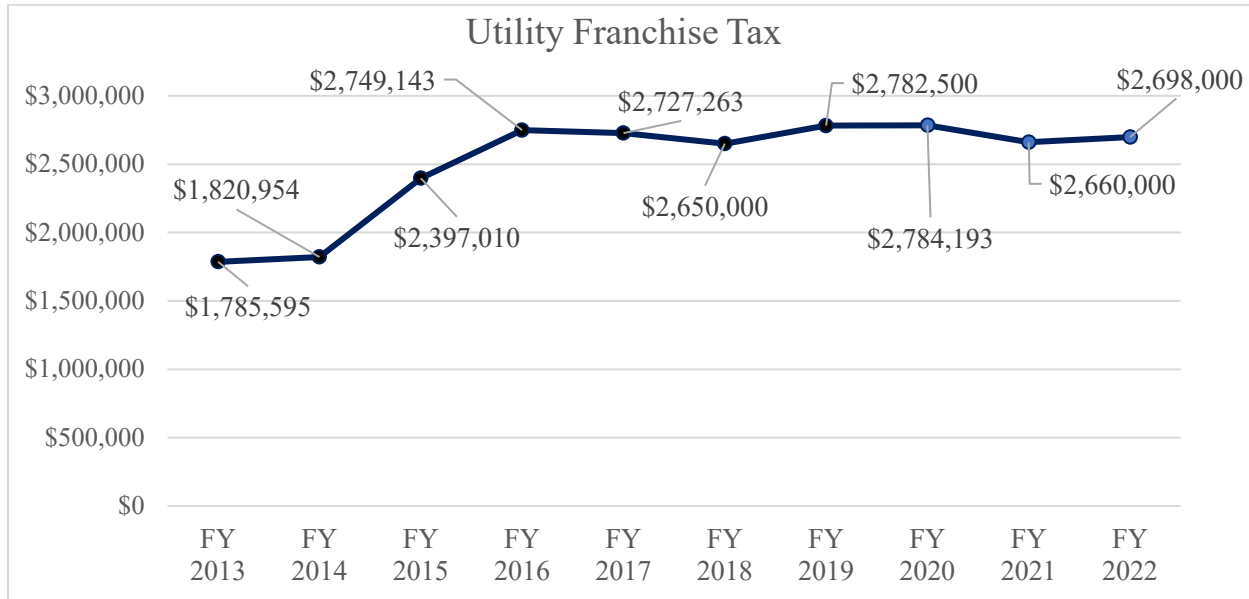


Intergovernmental Revenue

Intergovernmental revenue is received from the Federal, State and Local levels that provide financial assistance to the City. Revenues in this category include utility franchise tax, beer and wine tax, Powell Bill funds, refunds of sales and gas taxes, ABC Board distributions, receipts from other local governments and state grants. Included in this category are the funds the City will receive from Cabarrus County related to the purchase of Limited Obligation Bonds. This category comprises 10% of the proposed General Fund budget for FY 22. This is a 5.92% increase over the FY 21 adopted budget. The primary driver behind the increase is related to fire district sales tax revenues based on trends. Other drivers are related to conservative budgeting practices that took place in FY 21 related to unknowns with the COVID-19 pandemic. For FY 21, a 20% decline in Powell Bill funding was estimated as well as a 20% decline in first quarter franchise tax receipts. Both revenue streams have rebounded back to FY 20 levels with no declines but minimal growth. Franchise tax receipts are the third largest source of revenue for the General Fund. These receipts have increased for the City in the past, but the source has shown

GENERAL FUND SUMMARY

limited growth over the past few years. For FY 22, franchise tax is projected at \$2,698,000 or 1.43% increase over the FY 21 adopted budget of \$2,660,000.

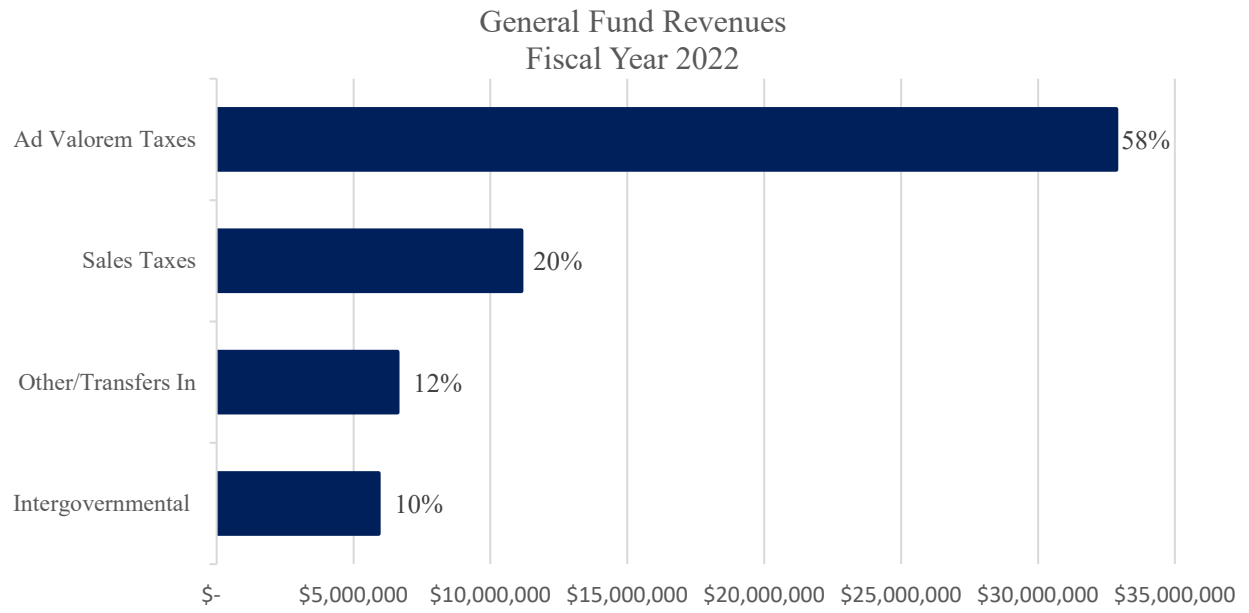


Other Revenues

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 12% of the General Fund budget. Revenues in this category consist of the \$5 vehicle license fee that goes to support operations of the General fund, vehicle rental tax, building and tower rental, miscellaneous revenue, investment income, and charges and fees from various city departments. Other revenues in this area include the enterprise fund management fee, which is charged by services by the General Fund to the Water and Sewer Fund and the Stormwater Fund within the City. Also included in the other category is a transfer from the Transit Fund to the General Fund. Historically, the Transit Fund has received a transfer from the General Fund in order to offset operations and therefore has accumulated a fund balance. \$200,000 of this fund balance is proposed to be returned to the General Fund.

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

GENERAL FUND SUMMARY



GENERAL FUND SUMMARY

General Fund Expenditures

Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
City Council	219,663	274,059	54,396	24.76%
City Manager - Administration	1,421,627	1,498,649	77,022	5.42%
Economic Development	712,750	594,250	(118,500)	-16.63%
Communications	167,700	258,700	91,000	54.26%
Human Resources	537,560	566,245	28,685	5.34%
City Attorney	416,958	433,204	16,246	3.90%
Finance	831,184	961,900	130,716	15.73%
Information Technology	1,427,035	1,546,793	119,758	8.39%
General Services	1,610,198	1,807,579	197,381	12.26%
Total General Government	\$ 7,344,675	\$ 7,941,379	\$ 596,704	8.12%
Police - Administration	788,674	929,250	140,576	17.82%
Police - Support Services	3,358,847	2,833,984	(524,863)	-15.63%
Police - Field Operations	4,856,246	5,199,144	342,898	7.06%
Police - Special Operations	-	510,042	510,042	100.00%
Total Police	\$ 9,003,767	\$ 9,472,420	\$ 468,653	5.21%
Fire - Administration	1,090,066	1,150,605	60,539	5.55%
Fire - Emergency Services	6,875,507	7,362,825	487,318	7.09%
Fire - Technical Services	487,185	510,795	23,610	4.85%
Total Fire	\$ 8,452,758	\$ 9,024,225	\$ 571,467	6.76%
Public Works - Engineering	986,229	1,126,255	140,026	14.20%
Public Works - Street Lighting	730,400	730,400	-	0.00%
Public Works - Operations Center	138,300	118,000	(20,300)	-14.68%
Public Works - Signs and Markings	413,435	432,051	18,616	4.50%
Powell Bill	943,065	1,249,500	306,435	32.49%
Public Works - Street Maintenance	803,500	1,099,072	295,572	36.79%
Total Public Works	\$ 4,014,929	\$ 4,755,278	\$ 740,349	18.44%
Planning	\$ 809,503	\$ 1,013,481	203,978	25.20%
Total Planning	\$ 809,503	\$ 1,013,481	\$ 203,978	25.20%
Parks and Recreation - Parks	2,698,789	4,090,222	1,391,433	51.56%
Parks and Recreation - Recreation Programs	734,000	788,000	54,000	7.36%
Stadium	125,000	250,000	125,000	100.00%
Total Parks and Recreation	\$ 3,557,789	\$ 5,128,222	\$ 1,570,433	44.14%
Non - Departmental	3,758,547	4,041,753	283,206	7.53%
Transfers	7,462,070	569,752	(6,892,318)	-92.36%
Total Other	\$ 11,220,617	\$ 4,611,505	\$ (6,609,112)	-58.90%
Debt Service Payments (Principal and Interest)	7,267,311	14,567,996	7,300,685	100.46%
Total Debt Service	\$ 7,267,311	\$ 14,567,996	\$ 7,300,685	100.46%
Total General Fund Expenditures	\$ 51,671,349	\$ 56,514,506	\$ 4,843,157	9.37%

GENERAL FUND SUMMARY

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

General Government

The General Government Services area accounts for services provided by the City for the benefit of the public and the government body as a whole. This service area encompasses the following departments: City Council, City Manager's Office, Economic Development, Communications, Human Resources, Legal Services, Finance, Information Technology and General Services. This service area comprises 14% of total General Fund spending. This service area increased by 8.12% or \$596,704 from the FY 21 adopted budget to the FY 22 adopted budget. The primary reason behind this increase is due to a projected 7% increase in annual maintenance costs and due to the Munis Financial Software System upgrade which is slated for FY 2022. Also included is the addition of a Building Maintenance Technician in the General Services budget to support maintenance efforts of the newly constructed parking deck at VIDA.

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 33% of all General Fund spending. Both departments increased incrementally over the FY 21 adopted budget due to standard contractual and inflation increases. Included in the FY 22 adopted budget is the addition of four police officers for the newly created downtown division. No funding is allocated for these positions as this department has a history of carrying vacancies year over year. If the department becomes fully staffed, an appropriation of fund balance will have to take place to fund these positions.

Public Works

Public Works is responsible for enhancing the quality of life by providing dependable, high quality and responsive services. The following departments comprise this service area: Engineering, Street Lighting, Operations Center, Signs and Markings, Powell Bill, and Street Maintenance. This area comprises 8% of total General Fund spending. Overall, this area decreased by \$740,349 or 18.44% over the FY 21 adopted budget. Multiple divisions in this area have adopted personnel additions with corresponding capital outlay purchases. Engineering has requested an Engineering Technician for assistance with the Fat, Oils and Grease program and assistance with backflows in the Stormwater division. Streets Maintenance requested a Construction Maintenance Worker to assist with right of way mowing and to continue herbicide program. Associated equipment is budgeted for both positions as well as a sweeper truck to help maintain the new city owned parking deck.

Planning

Planning provides for orderly planning of growth and development within the City. This area comprises 2% of all General Fund spending. The Planning Department has two positions budgeted in the proposed FY 22 budget: one Planner and one Code Enforcement Officer to assist with growth in permits and code violations in the City.

Parks and Recreation

Parks and Recreation provides City residents with opportunities and facilities for recreational and educational programs and activities. The departments that make up this service area are: Parks, Recreation Programs, and the Stadium. Parks and Recreation include the maintenance of all city parks, youth athletics, summer events and concert series and the newly opened Atrium Health Ballpark. Overall, this service area is projected to increase by 44% or \$1,570,433 over the FY 21 adopted budget. The primary increase is related to five new position requests in this department, which include: one Park Maintenance Tech III for the maintenance of the newly opened Irish Buffalo Creek Greenway, 3 Park Maintenance Tech II's for full-time assistance in the grounds division and the opportunity for internal promotions for part-time staff (\$40,000 reduction in part-time funding) and an Assistant Athletics Coordinator to assist with the youth baseball and softball programs. Other increases are related to ownership and maintenance efforts related to Dixie Youth Athletic Fields and the proposed operations of the Gem Theatre, although there is an offsetting revenue tied. Also, included in this budget are all utility costs associated with the linear park and Pump house located downtown. These expenses were formerly accounted for in the Downtown Fund. Overall, parks and recreation funding accounts for 9% of all General Fund spending.

Other

The other category includes the Non-Departmental department, fund balance appropriations and transfers from other funds. This area comprises around 8% of all General Fund spending. This category decreased by 59% compared to the FY 21 adopted budget due to the lack of transfer from the General Fund to the former Downtown Fund. Expenses in the Non-Departmental budget include: \$285,351 for a 1.5% COLA for all eligible employees, \$482,719 merit increases for all eligible employees based on a 2.5% average, an additional 1% local match to employee's 401k estimated at \$200,000 (bringing the local match to 3%), \$168,000 to fund an additional \$420 in employees flex dollar account and \$124,800 for employee paid memberships to the YMCA.

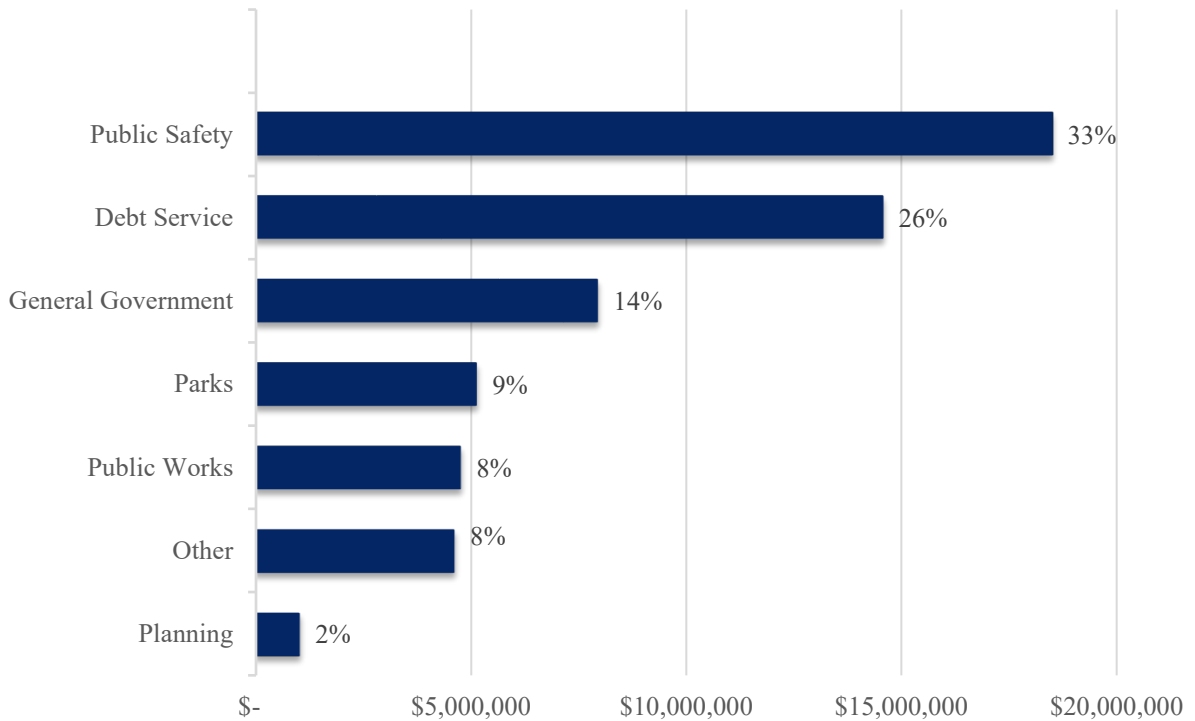
For FY 22, the General Fund is transferring \$85,542 to the Environmental Fund to help offset increases in recycling expenses and \$484,210 to fund the Special Separation Pay Fund.

GENERAL FUND SUMMARY

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 baseball stadium and the first principal and interest payment for the newly constructed parking deck downtown at the VIDA apartment complex. Overall, this category comprises 26% of all General Fund spending

General Fund Expenditures
Fiscal Year 2022



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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	104,077	102,863	104,863	102,863
Operating	115,927	116,800	115,800	171,196
Capital	-	-	-	-
Total Expenditures	\$ 220,004	\$ 219,663	\$ 220,663	\$ 274,059
Revenues				
Sales and Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	7	7	7	7

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$102,863
Operating Expenses	\$171,196
Total Budget	\$274,059

Increases:

- \$5,000 in advertising expenses for public notice requirements.
- \$49,396 in election expenses for both Counties.

Items of Interest:

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

GENERAL GOVERNMENT

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

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	95,550	95,550	-	0.00%
41400	Board Member Fees	-	-	-	0.00%
42000	FICA	7,313	7,313	-	0.00%
Sub-Total for Personnel		\$ 102,863	\$ 102,863	\$ -	0.00%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
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	79,200	-	0.00%
51100	Travel and Training	15,000	15,000	-	0.00%
51200	Elections	-	49,396	49,396	100.00%
51300	Special Expenses	17,500	17,500	-	0.00%
Sub-Total for Operating Expenditures		\$ 116,800	\$ 171,196	\$ 54,396	46.57%
TOTAL CITY COUNCIL					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	102,863	102,863	-	0.00%
	Operating Expenditures	116,800	171,196	54,396	46.57%
Total for All Categories of Expenses		\$ 219,663	\$ 274,059	\$ 54,396	24.76%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	1,057,220	1,351,627	1,485,627	1,428,649
Operating	54,460	70,000	60,000	70,000
Capital	-	-	-	-
Total Expenditures	\$ 1,111,680	\$ 1,421,627	\$ 1,545,627	\$ 1,498,649
Revenues				
Sales and Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	7	9	9	9

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$1,428,649
Operating Expenses	\$70,000
Total Budget	\$1,498,649

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

Increases:

- \$77,0222 in increased personnel expenses related to cost of living adjustments and standard personnel increases (i.e. retirement) that occurred in FY 21.

Reduction/Decreases:

- None

GENERAL GOVERNMENT

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	1,029,131	1,073,445	44,314	4.31%
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	74,081	77,178	3,097	4.18%
42210	401k	19,237	20,066	829	4.31%
42200	State Retirement	105,482	117,550	12,068	11.44%
42230	Deferred Compensation	10,707	11,139	432	4.03%
42300	Medical Insurance	57,321	71,820	14,499	25.29%
42400	Life Insurance	2,000	3,567	1,567	78.35%
42500	Dental Insurance	3,240	3,456	216	6.67%
42600	Disability Insurance	914	914	-	0.00%
Sub-Total for Personnel		\$ 1,351,627	\$ 1,428,649	\$ 77,022	5.70%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
45250	Telephone	10,500	10,500	-	0.00%
46100	Office Supplies	10,000	10,000	-	0.00%
46300	Dues and Subscriptions	12,500	12,500	-	0.00%
51100	Travel and Training	31,000	31,000	-	0.00%
51300	Special Expenses	3,000	3,000	-	0.00%
51800	Meetings	3,000	3,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 70,000	\$ 70,000	\$ -	0.00%
TOTAL CITY MANAGER					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	1,351,627	1,428,649	77,022	5.70%
	Operating Expenditures	70,000	70,000	-	0.00%
Total for All Categories of Expenses		\$ 1,421,627	\$ 1,498,649	\$ 77,022	5.42%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	370,773	712,750	1,272,809	594,250
Capital	-	-	-	-
Total Expenditures	\$ 370,773	\$ 712,750	\$ 1,272,809	\$ 594,250
Revenues				
Sales and Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	-	-	-	-

PERFORMANCE MEASUREMENT:

Accomplishments:

- Over 30 locally owned businesses opened in downtown Kannapolis during the pandemic as a result of the City's downtown revitalization efforts.
- Vida, the first residential project in downtown Kannapolis, opened to the public, in addition to the public parking deck associated with it.
- Pennant Square townhomes broke ground on the former Plant 4 site. This is the first townhome product in the downtown area.
- City completed the sale of Blocks 2 and 7 in downtown Kannapolis to private developers/investors.
- City Council approved the sale of Block 1 and the Swanee Theatre to private developers as part of the downtown revitalization efforts.
- City Council approved the sale of the former Intimidators Baseball Stadium to Fortius Capital Partners for industrial development.
- City staff implemented an economic development marketing campaign to feature existing businesses as a way of showing the City as a compelling place for new businesses.

GENERAL GOVERNMENT

8. City Council approved the development agreement for Kannapolis Crossing, which involves extension of water and sewer infrastructure to facilitate \$90 in new development over the next eight years.
9. City is a key partner in the launch of the Cabarrus Center for Innovation and Entrepreneurship.

Action Plan:

1. Respond to requests for incentives and support for economic development projects during FY22.
2. Continue supporting the growth of new and existing businesses in downtown Kannapolis.
3. Complete the sale of the former baseball stadium to support industrial development for the new Lakeshore Corporate Park.
4. Complete the water and sewer infrastructure extensions to support the growth of Kannapolis Crossing.
5. Consider and plan for additional downtown and NCRC development.
6. Develop a strategy for revitalization in the Midway area.
7. Work with regional partners to identify and apply for federal grant opportunities that benefit the local and regional economies.

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
Number of major, new companies announced in Kannapolis	2	0	1
Number of new businesses opening in downtown Kannapolis	3	25	10
Number of new residential units completed in downtown Kannapolis	0	285	50
Number of new projects announced for downtown Kannapolis	2	1	2

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$594,250
Total Budget	\$594,250

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

Increases:

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

Reduction/Decreases:

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

GENERAL GOVERNMENT

Items of Interest:

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

OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43405	EDC Contribution	66,000	66,000	-	0.00%
43415	Economic Development Initiatives	-	15,000	15,000	100.00%
46350	Community Support	74,250	74,250	-	0.00%
51310	Incentive Grant	572,500	439,000	(133,500)	-23.32%
Sub-Total for Operating		\$ 712,750	\$ 594,250	\$ (118,500)	-16.63%
TOTAL ECONOMIC DEVELOPMENT					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	715,000	594,250	(118,500)	-16.63%
Total for All Categories of Expenses		\$ 712,750	\$ 594,250	\$ (118,500)	-16.63%

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 as well as implementation and promotion of the City's "Discover a Healthy Life Brand".

BUDGET AND STAFFING SUMMARY:

	FY 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	87,871	167,700	194,700	258,700
Capital	9,930	-	-	-
Total Expenditures	\$ 97,802	\$ 167,700	\$ 194,700	\$ 258,700
Revenues				
Sales and Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	-	-	-	-

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Continue to implement the City's Brand and Strategic Marketing Plan with an emphasis on economic development.
2. Initiated the Kannapolis Youth Council with 23 members.
3. Instrumental in countywide COVID Emergency Communications Strategies.
4. Launched countywide Recycle Right Promotional Campaign.
5. Hosted various citywide special events and numerous public outreach programs
6. Advanced the Public Art Program with installation of two new sculptures.
7. Produce communication daily for social media, website, news releases and newsletter platforms resulting in national and regional media coverage an average of 36 times a month and growth in on every social media platform occurred with an average of 20%.
5. Advance the Adopt-A-Street program from 8 groups to 19 groups.
6. Won three N.C. Awards for Communications and Marketing.
7. Assist all departments with their communications needs.

Action Plan:

1. Continue to implement the City’s Brand and Strategic Marketing Plan with an emphasis on economic development.
2. Continue to grow the City’s communication channels (social media, website, news releases and newsletter platforms).
3. Continue to advance the Youth Council.
4. Restore and maintain (if possible due to COVID restrictions) the environmental education programs, K101, 3rd Grade Civic Education, Adopt-A-Street.
5. Continue to transition city internal materials to electronic forms.

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
Increase public outreach via communication channels by 3% (SM, web, newsletters, media)	NA	37%	3%
Grow the Adopt-A-Street Program	8	8	20
Increase Cartology App Audience Members	1,730	2,947	3,500

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$258,700
Total Budget	\$258,700

Personnel includes: No personnel cost are paid from this department

Increases:

- \$13,200 - increase in marketing and branding needed for e-hosting tools and increased publication and printing costs
- \$50,000 - increase consultants for contract work and for a shared consultant to assist the County on zip code project clean up
- \$7,800 – increase in website hosting
- \$10,000 - increase in academy programs due to an increase in participants and Kannapolis Leadership academy for potential elected officials
- \$10,000- increase in youth council program (mid-year implementation in FY 21)

Items of Interest:

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

GENERAL GOVERNMENT

OPERATING EXPENDITURES

Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43425	Marketing/Branding	135,000	148,200	13,200	9.78%
48300	Consultants	-	50,000	50,000	100.00%
48540	Website	-	7,800	7,800	100.00%
51100	Travel and Training	5,000	5,000	-	0.00%
51300	Special Expenses	9,200	9,200	-	0.00%
51421	Academy Programs	4,000	14,000	10,000	250.00%
51422	Outreach Education Programs	14,500	14,500	-	0.00%
51422-YTH	Outreach Education Programs -YTH	-	10,000	10,000	100.00%
Sub-Total for Operating Expenditures		\$ 167,700	\$ 258,700	\$ 91,000	54.26%

TOTAL COMMUNICATIONS

	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	167,700	258,700	91,000	54.26%
Total for All Categories of Expenses		\$ 167,700	\$ 258,700	\$ 91,000	54.26%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	430,375	425,860	465,860	452,545
Operating	70,809	111,700	112,650	113,700
Capital	-	-	-	-
Total Expenditures	\$ 501,184	\$ 537,560	\$ 578,510	\$ 566,245
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	5	5	5	5

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Administered the City's employee benefits program and provided daily assistance to employees, retirees, and COBRA participants with benefit plan changes, claims and general questions.
2. Administered the City's general, property, public officials, police professional, environment and workers compensation liability insurance programs.
3. Ensured the City Compliance with local, state and federal regulations affecting safety, employee benefits, personnel policies, procedures and practices.
4. Continued to monitor, revise, and implement policies and strategies in response to COVID-19 pandemic to protect the health and safety of City employees and other visitors to City.
5. Continued to build out human resource functions in Munis to more fully automate payroll processes.
6. Tracked and managed 568 COVID related cases since the beginning of the pandemic and assisted 133 employees navigate through and successfully return to work from positive COVID illness.
7. Worked with departments and employees to improve safety records. As a result, every department was recognized by the NC Department of Labor having received Gold and or Silver safety awards.

GENERAL GOVERNMENT

Action Plan:

1. Refer 95% of all employment applications within one week of receipt. (can track this)
2. Increase percentage of new hires successfully completing the probationary period to 95%.
3. Implement policies, protocols, and training to reduce overall risk and minimize claims frequency and exposure.
4. Audit personnel policies against the NCLM Best Practices Guide and update as needed to ensure all policies are current.

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
# of applications processed	699	669	1,000
% of applications referred within one week of closing date	100% (5.3 days)	92% (7.2 says)	100%
Percentage of new hires successfully completion probationary period (6 months)	85%	84.6%	95%
Workers Compensation Claims	52	32	40
Workers Compensation claims with lost time	13	2	0
Workers Compensation claims paid	\$52,980	\$27,427.70	\$75,000

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

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$452,545
Operating Expenses	\$113,700
Total Budget	\$566,245

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

Increases:

- \$500 - increase in dues and subscriptions for HR Analyst to join SHRM and NCPA
- \$1,500 – increase in travel and training for HR analyst to attend trainings and professional development opportunities

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

GENERAL GOVERNMENT

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	326,267	339,828	13,561	4.16%
41200	Salaries - Overtime	2,300	2,300	-	0.00%
41300	Longevity Pay	1,932	1,932	-	0.00%
42000	FICA	24,570	25,538	968	3.94%
42200	State Retirement	33,479	37,253	3,774	11.27%
42210	401k	3,057	3,264	207	6.77%
42300	Medical Insurance	31,845	39,900	8,055	25.29%
42400	Life Insurance	610	610	-	0.00%
42500	Dental Insurance	1,800	1,920	120	6.67%
42800	Tuition Reimbursement	-	-	-	0.00%
Sub-Total for Personnel		\$ 425,860	\$ 452,545	\$ 26,685	6.27%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	500	500	-	0.00%
43200	Advertising	12,000	12,000	-	0.00%
43710	Medical Expenses	30,000	30,000	-	0.00%
44200	Repair & Maintenance: Vehicles	500	500	-	0.00%
45250	Telephone	1,700	1,700	-	0.00%
45610	Motor Fuel	1,000	1,000	-	0.00%
46100	Office Supplies	3,000	3,000	-	0.00%
46300	Dues and Subscriptions	3,000	3,500	500	0.00%
48000	Contracted Services	49,500	49,500	-	0.00%
51100	Travel and Training	9,000	10,500	1,500	16.67%
51110	Departmental Training	1,500	1,500	-	0.00%
Sub-Total for Operating Expenditures		\$ 111,700	\$ 113,700	\$ 2,000	1.79%
TOTAL HUMAN RESOURCES					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	425,860	452,545	42,613	6.27%
	Operating Expenditures	111,700	113,700	26,900	1.79%
Total for All Categories of Expenses		\$ 537,560	\$ 566,245	\$ 28,685	5.34%

Legal Services 11300

MISSION STATEMENT:

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

BUDGET AND STAFFING SUMMARY:

	FY 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	303,300	307,258	342,258	323,504
Operating	173,419	109,700	108,330	109,700
Capital	-	-	-	-
Total Expenditures	\$ 476,719	\$ 416,958	\$ 450,588	\$ 433,204
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	2	2	2	2

PERFORMANCE MEASUREMENT:

Accomplishments:

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

Action Plan:

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

GENERAL GOVERNMENT

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$323,504
Operating Expenses	\$109,700
Total Budget	\$433,204

Personnel Includes: City Attorney, Administrative Assistant

Increases:

- \$16,246 – increase in standard personnel costs based on mid-year cost of living adjustments that occurred in FY 21

Reductions/Decreases:

- None

Items of Interest:

- No operational increases

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	237,164	246,740	9,576	4.04%
41600	Vehicle Allowance	7,200	7,200	-	0.00%
42000	FICA	17,475	18,054	579	3.31%
42210	401k	24,192	26,896	2,704	11.18%
42200	State Retirement	2,869	2,986	117	4.08%
42300	Medical Insurance	12,738	15,960	3,222	25.29%
42400	Life Insurance	2,000	2,000	-	0.00%
42500	Dental Insurance	720	768	48	6.67%
42600	Disability Insurance	2,900	2,900	-	0.00%
Sub-Total for Personnel		\$ 307,258	\$ 323,504	\$ 16,246	5.29%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43300	Postage	500	500	-	0.00%
45250	Telephone	900	900	-	0.00%
46100	Office Supplies	1,500	1,500	-	0.00%
46300	Dues and Subscriptions	4,500	4,500	-	0.00%
48000	Contracted Services	90,000	90,000	-	0.00%

GENERAL GOVERNMENT

51100	Travel and Training	12,000	12,000	-	0.00%
51800	Meetings	300	300	-	0.00%
Sub-Total for Operating Expenditures		\$ 109,700	\$ 109,700	\$ -	0.00%

TOTAL CITY ATTORNEY

	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	307,258	323,504	16,246	5.29%
	Operating Expenditures	109,700	109,700	-	0.00%
Total for All Categories of Expenses		\$ 416,958	\$ 433,204	\$ 16,246	3.90%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	615,089	529,184	549,184	668,900
Operating	234,746	302,000	282,000	293,000
Capital	-	-	-	-
Total Expenditures	\$ 849,835	\$ 831,184	\$ 831,184	\$ 961,900
Revenues				
Sales and Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	8	6	6	6

PERFORMANCE MEASUREMENT:

Accomplishments:

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

Action Plan:

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

GENERAL GOVERNMENT

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
# of accounts payable and EFT issued	3,466	3,466	3,500
# of purchase orders processed	612	612	600
# of direct deposit of payroll checks	12,084	12,084	12,100
# of financing applications filed with the LGC	2	2	2
# of accounting entries processed (JE and BA)	694	694	690
# of bank statements reconciled	84	84	84

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$668,900
Operating Expenses	\$293,000
Total Budget	\$961,900

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

Increases:

- \$50,000 – Contracted Services to assist with audit compilation
- \$15,000 – including benefits to make a part-time accountant position to full-time
- \$1,000 – Audit contract with Martin Starnes

Reductions/Decreases:

- 10,000 – Tax collection services based on current year/prior year fees

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
- Budget Includes:
 - \$44,000 for Audit
 - Required Munis Financial Software system upgrade (Information Technology budget)

GENERAL GOVERNMENT

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	402,332	506,067	103,735	25.78%
41100	Salaries - Part Time	-	-	-	0.00%
41200	Salaries - Overtime	5,500	5,500	-	0.00%
41300	Longevity Pay	1,770	1,472	(298)	-16.84%
42000	FICA	30,222	37,449	7,227	23.91%
42210	401k	6,866	5,286	(1,580)	-23.01%
42200	State Retirement	41,220	53,678	12,458	30.22%
42300	Medical Insurance	38,214	55,860	17,646	46.18%
42400	Life Insurance	900	900	-	0.00%
42500	Dental Insurance	2,160	2,688	528	24.44%
Sub-Total for Personnel		\$ 529,184	\$ 668,900	\$ 139,716	26.40%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
46100	Office Supplies	6,000	6,000	-	0.00%
46300	Dues and Subscriptions	2,500	2,500	-	0.00%
48000	Contracted Services	50,000	50,000	-	0.00%
48410	Tax Collection	180,000	170,000	(10,000)	-5.56%
48420	Audit	43,000	44,000	1,000	2.33%
51100	Travel and Training	19,000	19,000	-	0.00%
51800	Meetings	1,500	1,500	-	0.00%
Sub-Total for Operating Expenditures		\$ 302,000	\$ 293,000	\$ (9,000)	-2.98%
TOTAL FINANCE					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	529,184	668,900	139,716	26.40%
	Operating Expenditures	302,000	293,000	(9,000)	-2.98%
Total for All Categories of Expenses		\$ 831,184	\$ 961,900	\$ 130,716	15.73%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	250,919	515,391	547,391	547,697
Operating	1,028,687	911,644	1,176,864	999,096
Capital	-	-	-	-
Total Expenditures	\$ 1,279,606	\$ 1,427,035	\$ 1,724,255	\$ 1,546,793
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	0	0	5	5

PERFORMANCE MEASUREMENT:

Accomplishments:

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

Action Plan:

1. Continuing network security and implementation of MFA (multi-factor authentication)
2. Continue remote meeting setup and support
3. Attending NCLGISA fall symposium in Asheville, NC
4. Implement Service Ticketing System for calls and user issues
5. Continue to update and enhance our main software applications

GENERAL GOVERNMENT

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
# of software applications supported	34	34	37
# of departmental requests answered within 72 hours of receipt	90%	95%	97%
% of hosted technology services vs on premise	40	40	40
% of workers using mobile platform	60	75	100
# applications remote accessible for Kannapolis customers	7	10	13

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$547,697
Operating Expenses	\$999,096
Capital Machinery	\$0
Total Budget	\$1,546,793

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

Increases:

- \$20,000 – Contractes Services for data base management
- \$15,000 – Fuel master software upgrades
- \$64,452 – Annual maintenance due to projected 7% increase

Reductions/Decreases:

- 12,000 – 911 recording software that was a one-time expense that occurred in FY 21.

Items of Interest:

- All annual maintenance for IT is in the Information Technology budget
- \$40,000 – Small tools and equipment for Munis Financial software upgrade
 - Includes purchase of printers for W-2/1099 purposes and additional server

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	398,181	414,261	16,080	4.04%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	29,756	31,373	1,617	5.43%
42210	401k	40,618	45,157	4,539	11.17%
42200	State Retirement	6,391	8,286	1,895	29.65%
42300	Medical Insurance	31,845	39,900	8,055	25.29%
42400	Life Insurance	800	800	800	0.00%
42500	Dental Insurance	1,800	1,920	120	6.67%

GENERAL GOVERNMENT

Sub-Total for Personnel		\$ 515,391	\$ 547,697	\$ 32,306	6.27%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
45250	Telephone	5,000	5,000	-	0.00%
46100	Office Supplies	500	500	-	0.00%
46200	Small Equipment and Tools	162,653	150,653	(12,000)	-7.38%
46300	Dues and Subscriptions	3,000	3,000	-	0.00%
48000	Contracted Services	-	20,000	20,000	-100.00%
48530	Annual Maintenance	730,491	809,943	79,452	10.88%
51100	Travel and Training	10,000	10,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 911,644	\$ 999,096	\$ 87,452	9.59%
TOTAL INFORMATION TECHNOLOGY					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	515,391	547,697	32,306	100.00%
	Operating Expenditures	911,644	999,096	87,452	9.59%
	Capital Machinery and Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 1,427,035	\$ 1,546,793	\$ 119,758	8.39%

General Services 11600

MISSION STATEMENT:

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

BUDGET AND STAFFING SUMMARY:

	FY 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	562,938	578,242	628,242	644,193
Operating	966,154	1,031,956	1,523,235	1,163,386
Capital	-	-	-	-
Total Expenditures	\$ 1,529,092	\$ 1,610,198	\$ 2,151,477	\$ 1,807,579
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	7	10	10	11

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Continued to maintain all City buildings and ensure the facilities are in excellent condition.
2. Restroom replacement at the Gem theater.
3. Marquee sign restoration for the Gem theater.
4. HVAC replacement at the Gem theater.
5. Completed Gem Theater restroom upfit project.
6. Installed new BTU Meter Panel at City Hall.
7. Demolished Fire Station #3.
8. Installed new doors at City Hall entrance.

Action Plan:

1. Work with all administrative personnel to make sure City administrative facilities are kept in excellent condition and all equipment is maintained and working properly.
2. Respond to departmental requests within 24 hours received? (tracking this in Facility dude)
3. Increased nightly deep cleanings of facilities to ensure sanitation.

GENERAL GOVERNMENT

4. Fire Station# 1 roof replacement
5. Renovations to interior FS#1 and FS#4
6. Organize the Main St. Warehouse 1230 S. Main St.
7. Service Agreements for Parking deck
8. Bid out projects and get a vendor to replace the roof at Fire Station #1
9. Renovations to Fire Stations- meet with Executive Fire Staff and make renovations based on their needs, bid out work to one contractor to perform interior renovations at both Fire Stations #1 & #4.
10. Clean-out/liquidate materials at the warehouse located at 1230 S. Main St.

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
# of facilities managed	77	77	77
# of departmental tickets submitted/completed	2,797	2,797	Status quo
% of tickets responded to within 24 hours of receipt	100%	100%	100%
Square footage of facilities managed	776,645	776,645	536,959

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$644,193
Operating Expenses	\$1,163,386
Capital Machinery	\$0
Total Budget	\$1,807,579

Personnel Includes: General Services Director, Warehouse Assistant, Building Engineer I (6), Building Engineer III, and Administrative Assistant

Proposed: (1) Building Maintenance Technician

Increases:

- Increase in personnel related to adding Building Maintenance Technician position (offset by a reclassification of a Facility Manager to a Building Maintenance Technician position)
- \$5,000 – Overtime based on trends
- \$2,000 – Vehicle maintenance for needed repairs
- \$30,000 – Repair and Maintenance: Buildings and Grounds
 - \$5,000 for bathroom repairs at Village Park
 - \$25,000 for the replacement of underground conduit at PWOC fuel island
- \$53,500 - Repair and Maintenance: Buildings and Grounds for maintenance efforts related to the parking deck at VIDA
- \$3,600 – Real property rental for use of train station
- \$5,000 – increase in cleaning supplies based on trends
- \$37,330 – increase in contracted services
 - \$20,300 moved from Public Works Operations Center budget to General Services for the administering of contracts related to PWOC

GENERAL GOVERNMENT

- \$13,000 - Quarterly Preventative Maintenance on the 18 rollup doors at all 5 City Fire Station
- \$4,030 – standard contractual increases

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

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	405,896	428,672	22,776	5.61%
41100	Salaries - Part Time	-	-	-	0.00%
41200	Salaries - Overtime	20,000	25,000	5,000	25.00%
41300	Longevity Pay	-	-	-	0.00%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	32,675	35,763	3,088	9.45%
42200	State Retirement	41,407	50,056	8,649	20.89%
42210	401k	4,174	5,898	1,724	41.30%
42300	Medical Insurance	63,690	87,780	24,090	37.82%
42400	Life Insurance	800	800	-	0.00%
42500	Dental Insurance	3,600	4,224	624	17.33%
Sub-Total for Personnel		\$ 578,242	\$ 644,193	\$ 65,951	11.41%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43300	Postage	13,000	13,000	-	0.00%
43810	Transaction Fees	7,000	7,000	-	0.00%
44100	Repair & Maintenance: Office	500	500	-	0.00%
44200	Repair & Maintenance: Vehicles	3,000	5,000	2,000	66.67%
44300	Repair & Maintenance: Bld & Gds	168,388	198,388	30,000	17.82%
44300-DECK	Repair & Maintenance: Bld & Gds DECK	0	53,500	53,500	100.00%

GENERAL GOVERNMENT

44400	Repair & Maintenance: Equipment	17,000	17,000	-	0.00%
44500	Repair & Maintenance: RR Depot	13,900	13,900	-	0.00%
45220	Electricity	131,000	131,000	-	0.00%
45230	Water & Sewer	210,000	210,000	-	0.00%
45240	Gas Utilities	7,000	7,000	-	0.00%
45250	Telephone	150,000	150,000	-	0.00%
45430	Real Property Rental	-	3,600	3,600	100.00%
45410	Equipment Rental	100,000	100,000	-	0.00%
45610	Motor Fuel	4,500	4,500	-	0.00%
46100	Office Supplies	15,000	15,000	-	0.00%
46200	Small Equipment and Tools	5,000	5,000	2,500	100.00%
46300	Dues and Subscriptions	2,000	2,000	-	0.00%
46820	Cleaning Supplies	35,000	40,000	5,000	14.29%
47100	Uniforms	4,000	4,000	-	0.00%
48000	Contracted Services	133,668	170,998	37,330	27.93
51100	Travel and Training	10,000	10,000	-	0.00%
51300	Special Expenses	2,000	2,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 1,031,956	\$ 1,031,956	\$ (18,944)	-1.80%
TOTAL GENERAL SERVICES					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	578,242	644,193	65,951	11.41%
	Operating Expenditures	1,031,956	1,163,386	131,430	12.74%
	Capital - Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 1,610,198	\$ 1,807,579	\$ 197,381	12.26%

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	\$4,041,753
Total Budget	\$4,041,753

Increases:

- \$11,536– 7% projected increase in workers compensation insurance
- \$7,500 – Electricity for College Station (formerly budgeted in Downtown Fund)
- \$2,000 – Water and Sewer for College Station (formerly budgeted in Downtown Fund)
- \$2,000 – Gas Utilities for College Station (formerly budgeted in Downtown Fund)
- \$6,000 – Contracted Services for College Station (formerly budgeted in Downtown Fund)
- \$1,282,070 – Special Expenses
 - \$124,800 - YMCA memberships for all eligible City employees
 - \$168,000 – Additional \$420 in flex dollar program to be used towards qualifying medical expenses.
 - \$200,000 – Additional 1% match to employees 401k (bringing local match to 3%)
 - \$482,719 – Merit for all eligible employees (based on average performance review of 2.5%)
 - \$285,351 – 1.5% Cost of Living Adjustment (COLA) for all eligible employees
 - \$6,000 – hearing tests for select departments
 - \$200 – Lead testing for PD employees on the range
 - \$15,000 – miscellaneous
- \$29,484 – Insurance – General Liability
 - Based on 7% increase from League of Municipalities
- \$4,830 – Insurance – Public Officials
 - Based on 7% increase from League of Municipalities
- \$23,888 – Insurance – Self Insured
 - Based on 7% increase from League of Municipalities

Reductions:

- \$625,000 – projected decrease in employer paid contribution for health insurance. The employer contribution remained the same for FY 22 (\$7,980 per employee/ annually). This expense is now accounted for in every departmental budget as opposed to a lump sum in medical plan expense.
- \$454,902 – decrease in contingency funding. FY 21 budgeted the 2.5% COLA for all eligible employees in this line item. This is now accounted for in the special expenses account.

OTHER PROGRAMS

Items of Interest:

- Contingency funding – internal policy is .5% of total General Fund budget = \$456,093

Non-Departmental 10000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Proposed	Actual Increase/ Decrease (\$)	% Change
42100	Workers Comp Insurance	164,800	176,336	11,536	7.00%
42310	Medical Plan Expense	625,000	-	(625,000)	100.00%
42330	Retiree Insurance	300,000	300,000	-	0.00%
42340	HSA & HRA Benefits	860,902	860,902	-	0.00%
42700	Unemployment Insurance	15,000	15,000	-	0.00%
45220-COLL	Electricity-College Station	-	7,500	7,500	100.00%
45230-COLL	Water and Sewer-College Station	-	2,000	2,000	100.00%
45240-COLL	Gas Utilities-College Station	-	2,000	2,000	100.00%
48000-COLL	Contracted Services-College Station	-	6,000	6,000	100.00%
48430	Banking Fees	14,000	14,000	-	0.00%
51300	Special Expenses	6,200	1,282,070	1,275,870	100.00%
51320	Contingency Appropriation	910,995	456,093	(454,902)	-49.93%
51610	Insurance - Public Officials	69,000	73,830	4,830	7.00%
51620	Insurance - General Liability	421,200	450,684	29,484	7.00%
51630	Insurance - Buildings	30,000	30,000	-	0.00%
51640	Insurance - Self Insured	341,250	365,138	23,888	7.00%
51650	Encroachment Bond	200	200	-	0.00%
Sub-Total for Operating Expenditures		\$ 3,758,547	\$ 4,041,753	\$ 283,206	7.53%
TOTAL NON-DEPARTMENTAL					
	Expense Category	FY 2021 Adopted	FY 2022 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	3,758,547	4,041,753	283,206	7.53%
Total for All Categories of Expenses		\$ 3,758,547	\$ 4,041,753	\$ 283,206	7.53%

OTHER PROGRAMS

General Fund Debt Service 18000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Proposed	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	5,536,252	10,048,398	4,512,146	81.50%
58200	Bond Interest	1,731,059	4,519,598	2,788,539	161.09%
58300	Debt Issuance Cost	-	-	-	0.00%
Sub-Total for Operating Expenditures		\$ 7,267,311	\$ 14,567,996	\$ 7,300,685	100.46%
TOTAL GENERAL FUND DEBT SERVICE					
	Expense Category	FY 2021 Adopted	FY 2022 Proposed	Actual Increase/ Decrease (\$)	% Change
	Debt Service Expenditures	7,267,311	14,567,996	7,300,685	0.00%
Total for All Categories of Expenses		\$ 7,267,311	\$ 14,567,996	\$ 7,300,685	100.46%

LOBS	Principal	Interest
Fire Stations 2 and 3	555,000	374,569
City Hall/Police Headquarters	1,370,000	739,056
NCRC Projects	2,388,000	274,804
Irish Buffalo Creek *	92,000	28,593
College Station/ Duct Bank/Street Scape	394,999	243,082
Stadium	2,600,000	2,010,450
Parking Deck Estimated	740,000	305,357
Other		
Way finding Signs	34,775	180
Equipment	42,153	7,895
Warehouse/Fire Truck	162,139	5,901
Village Park/Fire Truck	221,533	92,612
Refinancing	337,330	9,293
Kannapolis Business Park	50,000	1,392
Downtown Purchase	733,000	332,158
Sterling National (50.44%)	225,466	94,256
Fire Engine	102,003	-
Total	\$10,048,398	\$4,519,598

*New to FY 2022

Transfers General Fund 19000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Proposed	Actual Increase/ Decrease (\$)	% Change
41800	Separation Pay	502,781	484,210	(18,571)	-3.69%
57100	Transfer to Transit Fund	-	-	-	0.00%
57400	Transfer to Environmental Fund	150,000	85,542	(64,458)	-42.97%
57600	Transfer to Downtown Fund	6,809,289	-	(6,809,289)	-100.00%
Sub-Total for Transfers		\$ 7,462,070	\$ 569,752	\$ (6,892,318)	-92.36%
TOTAL TRANSFERS GENERAL FUND					
	Expense Category	FY 2021 Adopted	FY 2022 Proposed	Actual Increase/ Decrease (\$)	% Change
	Transfers	7,462,070	569,752	(6,892,318)	-92.36%
Total for All Categories of Expenses		\$ 7,462,070	\$ 569,752	\$ (6,892,318)	-92.36%

Increases:

- None

Reductions:

- \$6,809,289 – Reduction in a transfer to the Downtown Fund. This accounted for debt service in the Downtown Fund, which is now budgeted in General Fund debt service.
- \$18,571 – Separation pay based on eligible employees receiving this benefit.
- \$64,458 – Reduction in the transfer to the Environmental Fund. Proposed fee increases in Environmental reduces the subsidy needed from the General Fund.

Items of Interest:

- General Fund transfer to Environmental Fund assists with Waste Management contract costs and recycling costs

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	561,024	523,674	600,124	692,970
Operating	286,833	265,000	353,714	236,280
Capital	-	-	-	-
Total Expenditures	\$ 847,857	\$ 788,674	\$ 953,838	\$ 929,250
Revenues				
Charges and Fees	200,311	197,000	197,000	197,000
Miscellaneous	-	-	-	-
Total Revenues	\$ 200,311	\$ 197,000	\$ 197,000	\$ 197,000
Staffing				
FTE Positions	6	6	6	6

PERFORMANCE MEASUREMENT:

Accomplishments:

1. The Kannapolis Police Department was awarded the International Accreditation by the Commission on Accreditation for Law Enforcement agencies, Inc. (CALEA) for the 21ST consecutive year. This is a major accomplishment considering less than 6% of police agencies are accredited.
2. Reported crimes continue to be well below that of similar sized cities in North Carolina, a trend that has proven consistent for more than a decade.
3. Continued to utilize innovative technologies such as Leads Online and CellBrite in the investigation of criminal activity.
4. Signed a five-year contract with Axon to create a Taser, body worn camera, and in car camera replacement program that will cover maintenance and replacement. Existing equipment was severely degraded and in need of replacement.
5. With the rapidly growing commerce and foot traffic in the downtown portion of Kannapolis it was necessary to create an additional patrol zone. We successfully created “Zone Nine” which allows for the placement of an officer twenty-four hours a day. This has been a much-needed addition as the City continues to grow. This addition has created multiple positive comments

from the citizens visiting the downtown area who see the officers daily and feel safe enjoying the atmosphere.

6. Created a Special Operations Bureau that will focus on community service, training, internal affairs, and background investigations.
7. Created a plan for an Auxiliary Police Force to assist in staffing. This plan and budget were adopted in this budget for creation this fiscal year.
8. Conducted numerous promotional processes which entailed creating a professional process to identify talent, work ethic, and leadership. These processes allowed us to assign highly qualified individuals to Criminal Investigations, Vice/Narcotics, Administrative Assistant positions, and promote individuals to the ranks of Sergeant, Lieutenant, and Captains within this fiscal year.
9. We reclassified an Administrative Assistant position in Administration to include a Human Resource component to allow this position to expedite and assist with pay transactions and other issues that may arise.
10. Created a policy revision committee that fosters communication from all employees to the administration team. This committee allows employees the opportunity to communicate any ideas they may have to make the job safer or more efficient but would require a policy change. At present this committee has been a major success and is currently reviewing the potential use of outer shell carriers for patrol officers.
11. Completed a much-needed radio upgrade through Motorola. This upgrade replaced all handheld and in car radio systems that were approximately 20 years old.

Action Plan:

1. Maintain fully accredited status by the Commission on Accreditation for Law Enforcement agencies, Inc. (CALEA)
2. Although the radio system upgrade was completed, an upgrade to the radio towers has become necessary to address spotty coverage in the Northwest corner of the City. This upgrade will take approximately four years to complete. During this next budget cycle, the first phase of this plan will need to be completed. This will include the site survey work, contract negotiations, and future funds planning.
3. To assist with recruitment the agency will explore options to help retain and hire new officers. A committee was formed to address fixed shifts which may include a night shift differential compensation package. The agency will also look at implementing bonuses for employees that recommend or recruit new hires. The Administration will work diligently to create innovative ways to recruit and retain Police Officer positions.
4. During the previous budget cycle, the Telecommunication Manager's position was reclassified from a pay grade 73 to a pay grade 76. This was done to address span of control and to recruit a more highly qualified individual. During this next budget cycle, the Administration will develop an assessment to locate talented and professional individuals and test their abilities to perform in this position. The hiring process will take place in the first quarter of the fiscal year.
5. Maintain crime rate below the national average for like size cities.
6. Considering the current climate of anti-police behaviors being portrayed in the media the Administration along with the Training Coordinator will seek out de-escalation training to be attended by the entire Police Department. The agency recently received a JAG grant to assist in funding this endeavor.

PUBLIC SAFETY

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Estimate
Homicide	1	2	0
Rape	12	18	10
Robbery	27	27	20
Burglary	9	9	5
Aggravated Assault	42	42	35

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$692,970
Operating Expenses	\$236,280
Capital Machinery	\$0
Total Budget	\$929,250

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

Increases:

- All personnel increases are due to moving Special Operations Captain to this budget
- \$200 – increase in printing due to moving Special Operations Captain to this budget
- \$100 – increase in repair and maintenance: office equipment due to moving Special Operations Captain to this budget
- \$1,200 – increase in repair and maintenance: vehicles due to moving Special Operations Captain to this budget
- \$200 – increase in repair and maintenance: equipment due to moving Special Operations Captain to this budget
- \$1,500 – increase in motor fuel due to moving Special Operations Captain to this budget
- \$1,000 – increase in office supplies due to moving Special Operations Captain to this budget
- \$500 – increase in dues and subscriptions due to moving Special Operations Captain to this budget
- \$1,500 – increase in public safety supplies due to moving Special Operations Captain to this budget
- \$900 – increase in uniforms due to moving Special Operations Captain to this budget
- \$14,500 – increase in travel and training
 - \$8,500 for CALEA national conference for three employees
 - \$4,000 associated with Polygraph Examiner Conference for two employees
 - \$750 for CALEA onsite expenses to maintain accreditation
 - \$1,500 increase due to Special Operations Captain moving to this budget

Reductions/Decreases:

- \$50,320 – decrease in contracted services due to the completion of the Radio Ethernet Backhaul Edge and Refresh project.

Capital:

PUBLIC SAFETY

- None

Items of Interest:

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

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	411,245	523,447	112,202	27.28%
41300	Longevity Pay	2,207	2,514	307	13.91%
42000	FICA	11,925	13,997	2,072	17.38%
42200	State Retirement	43,236	62,266	19,030	44.01%
42210	401K	13,787	31,298	17,511	27.01%
42300	Medical Insurance	38,214	55,860	17,646	46.18%
42400	Life Insurance	900	900	-	0.00%
42500	Dental Insurance	2,160	2,688	528	24.44%
Sub-Total for Personnel		\$ 523,674	\$ 692,970	\$ 169,296	32.33%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	2,000	2,200	200	10.00%
43300	Postage	5,000	5,000	-	0.00%
43710	Repair & Maintenance: Office Equipment	500	600	100	20.00%
44200	Repair & Maintenance: Vehicles	5,500	6,700	1,200	21.82%
44400	Repair & Maintenance: Equipment	1,500	1,700	200	13.33%
45250	Telephone	60,000	60,000	-	0.00%
45410	Equipment Rental	4,000	4,000	-	0.00%
45610	Motor Fuel	6,000	7,500	1,500	25.00%
46100	Office Supplies	7,600	8,600	1,000	13.16%
46300	Dues and Subscriptions	2,500	3,000	500	20.00%
46400	Public Safety Supplies	30,000	31,500	1,500	5.00%
47100	Uniforms	3,500	4,400	900	25.71%
48000	Contracted Services	112,400	62,080	(50,320)	-44.77%

PUBLIC SAFETY

48300	Consultants	12,500	12,500	-	0.00%
51100	Travel and Training	9,000	23,500	14,500	161.11%
51800	Meetings	3,000	3,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 265,000	\$ 236,280	\$ (28,720)	-10.84%

TOTAL POLICE ADMINISTRATION

	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	523,674	692,970	169,296	32.33%
	Operating Expenditures	265,000	236,280	(28,720)	-10.84%
	Capital - Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 788,674	\$ 929,250	\$ 140,576	17.82%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	2,804,073	2,985,789	3,009,997	2,557,557
Operating	257,896	333,100	304,175	276,427
Capital	-	39,958	-	-
Total Expenditures	\$ 3,061,969	\$ 3,358,847	\$ 3,314,172	\$ 2,833,984
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	43	43	43	44

PERFORMANCE MEASUREMENT:

Accomplishments:

1. The Criminal Investigations Division continues to exceed national average case clearance rates. The national average clearance rate is 45.5% for violent crimes and 17.2% for property crimes. In FY21, the Criminal Investigations Division had clearance rates of 62% for violent crimes and 44% for property crimes.
2. The Vice, Narcotics, and Organized Crime Unit sergeant was sworn in as a task force officer with the Homeland Security Investigations Task Force. This partnership led to the seizure of \$168,384 in FY21 which can be shared with the Kannapolis Police Department through the Equitable Sharing Program.
3. The Communications Center lowered the time from the receiving of a priority call to the time an officer is first dispatched to one minute and 57 seconds. This is below the target time of two minutes.
4. A Gang Intelligence Module was purchased to be added on to the agency's Records Management System to further assist in tracking validated gang members living in and frequenting the City.
5. Schedules of the personnel in the Records Unit were modified to extend their business hours by an additional hour in the evening without requiring the need for overtime.

PUBLIC SAFETY

Action Plan:

1. The Criminal Investigations Division is to work to upgrade the current Cellebrite (cell phone forensics) system and use this to maximize the use of digital evidence in their investigations.
2. The Communications Center is to continue their work in maintaining an average time below two minutes of the time from receiving a priority call to the first dispatch of an officer.
3. The need for an additional radio tower has been identified to address “spotty” radio coverage in the western portion of Cabarrus County. The Technical Services Sergeant is to work with city staff and outside contractors in planning for the implementation of radio equipment in that portion of the county to improve the radio reception.
4. The Vice, Narcotics, and Organized Crime Unit is continuing its task force partnership with Homeland Security Investigations in an effort to prosecute high level narcotics traffickers and continue participation in the Equitable Sharing Program.
5. The Criminal Investigations Division will work to identify and validate known gang members living in and frequenting the City of Kannapolis. A vast majority of known gang members will be entered into the RMS Gang Intelligence Module by the end of FY22.

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
Dispatch Times	2:12	1:57	< 2:00
Violent Crime Clearance Rates	45.6%	62.0%	55%
Property Crime Clearance Rates	50%	44%	50%

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$2,557,557
Operating Expenses	\$276,427
Capital Machinery	\$0
Total Budget	\$2,833,984

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

Increases:

- None

Reductions/Decreases:

- All reductions in this budget are due to the Community Services division moving to the Special Operations budget. This includes: (1) Sergeant, (1) Training Officer and (1) Dare Officer and (4) School Resource Officers

Capital:

- None

PUBLIC SAFETY

Items of Interest:

- Contracted Services funds the City's portion for P-25 maintenance of the Radio Network Services for the County

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	2,056,750	1,685,347	(371,403)	-18.06%
41200	Salaries - Overtime	225,000	200,000	(25,000)	-11.11%
41300	Longevity Pay	1,169	1,169	-	0.00%
41700	Clothing Allowance	11,900	11,900	-	0.00%
42000	FICA	85,745	81,733	(4,012)	-4.68%
42200	State Retirement	218,068	193,075	(24,993)	-11.46%
42210	401K	92,194	78,897	(13,297)	-14.42%
42300	Medical Insurance	275,511	287,280	11,769	4.27%
42400	Life Insurance	3,600	3,600	-	0.00%
42500	Dental Insurance	15,852	14,556	(1,296)	-8.81%
Sub-Total for Personnel		\$ 2,985,789	\$ 2,557,557	\$ (428,232)	-14.34%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	1,000	600	(400)	-40.00%
44200	Repair & Maintenance: Vehicles	30,000	21,000	(9,000)	-30.00%
44400	Repair & Maintenance: Equipment	4,000	3,000	(1,000)	-25.00%
45250	Telephone	25,000	20,000	(5,000)	-20.00%
45410	Equipment Rental	5,000	4,000	(1,000)	-20.00%
45610	Motor Fuel	15,000	10,000	(5,000)	-33.33%
46100	Office Supplies	14,000	11,500	(2,500)	-17.86%
46200	Small Equipment and Tools	1,000	700	(300)	-30.00%
46300	Dues and Subscriptions	1,800	1,300	(500)	-27.78%
46400	Public Safety Supplies	26,000	18,000	(8,000)	-30.77%
47100	Uniforms	15,750	11,500	(4,250)	-26.98%
48000	Contracted Services	138,200	124,827	(13,373)	-9.68%
51100	Travel and Training	21,350	16,000	(5,350)	-25.06%
51300	Special Expenses	32,000	32,000	-	0.00%
51800	Meetings	3,000	2,000	(1,000)	-33.33%
Sub-Total for Operating Expenditures		\$ 333,100	\$ 276,427	\$ (56,673)	-17.01%

PUBLIC SAFETY

TOTAL POLICE SUPPORT SERVICES				
Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
Personnel Expenditures	2,985,789	2,557,577	(428,232)	-14.34%
Operating Expenditures	333,100	276,427	(56,673)	-17.01%
Capital - Machinery & Equipment	39,958	-	(39,958)	-100.00%
Total for All Categories of Expenses	\$ 3,358,847	\$ 2,833,984	\$ (524,863)	-15.63%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	\$4,169,402	\$4,334,821	\$4,113,052	\$4,637,358
Operating	\$437,398	\$521,425	\$530,200	\$561,786
Capital	\$99,067	-	\$426,777	-
Total Expenditures	\$4,705,867	\$4,856,246	\$5,070,029	\$5,199,144
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	64	64	64	69

PERFORMANCE MEASUREMENT:

Accomplishments:

1. The national average for response times to calls for service for police agencies is approximately 10 minutes. The Kannapolis Police Department maintained patrol response times to calls for service at 1:47 seconds faster than the national average.
2. The Police Department’s Special Response Team recently went through major upgrades and replaced a portion of the ballistic kits for team members. These upgrades made sure that officers had the best equipment available to help keep them safe during high-risk situations. This upgrade is ongoing and will continue through fiscal year 2023.
3. We maintained adequate staffing during the COVID-19 pandemic by following strict personal protective equipment protocols when facing the public daily.
4. Replaced thirteen of the department’s vehicles which included one K-9 vehicle, two administrative vehicles, and ten patrol vehicles.
5. Introduced four electric assisted bicycles to be used by patrol officers when working the downtown patrol zone, special events, patrolling the greenways, and other special projects within the City.
6. Funded the creation of the Civil Emergency Response Team to address crowd management and potential civil unrest.

PUBLIC SAFETY

Action Plan:

1. Implementation of the Axon program that will replace existing Body Worn Cameras, In-Car Cameras, and our current out of date Tasers for the department.
2. This will be year one of a three-year study to test Hybrid patrol vehicles. The purpose is to reduce the overall operating costs associated with the use of traditional gasoline power vehicles. The Hybrid patrol vehicle utilizes a traditional gasoline powered engine along with an onboard electric motor that will operate the vehicle when stopped or idling.
3. Increase directed patrols in the downtown district that will utilize foot patrol and bicycle patrol. The purpose will be to engage with citizens, visitors, and downtown merchants to address problems and foster community engagement.
4. Expand the staffing level and service capacity of the police department to compensate for area growth and to decrease patrol response times.
5. Work with business owners, property owners, and Code Enforcement to address the homeless encampments within the City and address the litter associated with these encampments.

Measurement	FY 20 Actual	FY 21 Actual	FY 23 Target
All calls for service response times for Patrol Officers (National average is 10 minutes)	8:19	8:13	8:00
Priority 1 response times for Patrol Officers	4:51	4:59	4:15
Calls for service city-wide	45,304	47,550	50,000

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$4,637,358
Operating Expenses	\$561,786
Capital Machinery	\$0
Total Budget	\$5,199,144

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

Proposed: 4 Police Officers

Increases:

- \$20,000 – increase in repair and maintenance vehicles due to adding 14 new vehicles to the fleet in FY 21
- \$10,000 – increase in motor fuel for added vehicles to the fleet
- \$2,000 – increase in small equipment and tools due to the increase costs in printers
- \$1,500 – increase in dues and subscriptions for a IACP membership for (4) Lieutenants for drone operators to house flight logs
- \$3,000 – increase in public safety supplies due to increase in ink costs for in-car printers
- \$3,861 – increase in uniforms

PUBLIC SAFETY

- Standard 5% contractual increase

Reductions/Decreases:

- \$25,562 – decrease in part-time salaries. This position was reclassified to a full-time position in FY 21.

Capital:

- None (4 vehicles for the downtown officers were already purchased in FY 21)

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	2,988,024	3,097,166	109,142	3.65%
41200	Salaries - Part Time	25,562	-	(25,562)	-100.00%
41200	Salaries - Overtime	305,000	350,000	45,000	14.75%
41300	Longevity Pay	1,545	1,238	(307)	-19.87%
42000	FICA	49,419	51,888	2,469	5.00%
42200	State Retirement	326,982	374,484	47,502	14.53%
42210	401K	202,033	212,962	10,929	5.41%
42300	Medical Insurance	407,616	518,700	111,084	27.25%
42400	Life Insurance	5,600	5,600	-	0.00%
42500	Dental Insurance	23,040	25,320	2,280	9.90%
Sub-Total for Personnel		\$ 4,334,821	\$ 4,637,358	\$ 302,537	6.98%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	1,500	1,500	-	0.00%
44200	Repair & Maintenance: Vehicles	150,000	170,000	20,000	13.33%
44400	Repair & Maintenance: Equipment	3,500	3,500	-	0.00%
45250	Telephone	6,500	6,500	-	0.00%
45410	Equipment Rental	8,000	8,000	-	0.00%
45610	Motor Fuel	140,000	150,000	10,000	7.14%
46100	Office Supplies	13,000	13,000	-	0.00%
46200	Small Equipment and Tools	4,000	6,000	2,000	50.00%
46300	Dues and Subscriptions	2,000	3,500	1,500	75.00%
46400	Public Safety Supplies	95,000	98,000	3,000	3.16%
47100	Uniforms	77,225	81,086	3,861	5.00%
51100	Travel and Training	20,000	20,000	-	0.00%
51800	Meetings	700	700	-	0.00%

PUBLIC SAFETY

Sub-Total for Operating Expenditures		\$ 521,425	\$ 561,786	\$ 40,361	7.74%
TOTAL POLICE-FIELD OPERATIONS					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	4,334,821	4,637,358	302,537	6.98%
	Operating Expenditures	521,425	561,786	40,361	7.74%
	Capital Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 4,856,246	\$ 5,199,144	\$ 342,898	7.06%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	-	-	-	474,092
Operating	-	-	-	35,950
Capital	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ 510,042
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	-	-	-	6

PERFORMANCE MEASUREMENT:

Accomplishments:

1. This budget code was new in this fiscal year therefore has no accomplishments.

Action Plan:

1. Kannapolis City School has recently expanded their services to the City of Kannapolis with the addition of a second building at KMS. The sixth-grade students are in the original KMS building at 1445 Oakwood Avenue. In addition, McKnight Head Start is also being housed in the original KMS building. Seventh and eighth grade students are in the new building located at 1000 Virginia Dare Street. With this expansion, comes the need for an additional School Resource Officer at KMS to assist in providing services in both locations. The existing building housed approximately 930 students. The additional building increased the number of students to 1,350. McKnight Headstart will bring the total on campus to approximately 1,400. The additional SRO on campus will bring us into compliance with the recommendation of one SRO per 800 students.
2. The State of North Carolina requires that every School Resource Officer attend a 40-hour certification course within 12 months of being appointed. During FY 2022 every SRO will become certified as a School Resource Officer.

PUBLIC SAFETY

3. The need for community outreach is more important than ever and Community Services Unit is committed to serving the citizens of Kannapolis. During FY 2022, the Community Services Unit will orchestrate at least eight events focused on community outreach. The completion of this goal could be impacted by the COVID-19 pandemic.
4. The need for qualified Police Officers is at an all-time high. During FY 2021, it was found that applicants were having a difficult time passing the required reading placement test (TABE) to move forward in our hiring process. During FY 2022, we will research other options for placement tests that are accepted by local BLET programs. Providing a secondary test will give us a better chance of securing candidates to send to BLET.
- 5.

Expense Summary	
Personnel Expenses	\$474,092
Operating Expenses	\$35,950
Capital Machinery	\$0
Total Budget	\$510,042

Personnel includes: Sergeant (1), Training Officer (1), School Resource Officers (4), (1) DARE Officer

Increases:

- All increases in this budget are due to the Community Services division moving to the Special Operations budget from Support Services. This includes: (1) Sergeant, (1) Training Officer and (1) Dare Officer and (4) School Resource Officers

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- FY 22 is the first year for this newly formed Bureau. The Special Operations Bureau was created to balance the administrative and operational responsibilities of the Field Operations and Support Services Bureau Commanders.
- 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. The Bureau is commanded by a Captain who exercises direct supervision over the components listed above.

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	-	322,131	322,131	100.00%
41200	Salaries – Overtime	-	35,000	35,000	100.00%
42000	FICA	-	5,049	5,049	100.00%

PUBLIC SAFETY

42200	State Retirement	-	38,980	38,980	100.00%
42210	401K	-	21,548	21,548	100.00%
42300	Medical Insurance	-	47,880	47,880	100.00%
42400	Life Insurance	-	1,200	1,200	100.00%
42500	Dental Insurance	-	2,304	2,304	100.00%
Sub-Total for Personnel		\$ -	\$ 474,092	\$ 474,092	100.00%

OPERATING EXPENDITURES

Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	-	400	400	100.00%
44200	Repair & Maintenance: Vehicles	-	900	900	100.00%
44400	Repair & Maintenance: Equipment	-	1,000	1,000	100.00%
45250	Telephone	-	5,000	5,000	100.00%
45410	Equipment Rental	-	1,000	1,000	100.00%
45610	Motor Fuel	-	5,000	5,000	100.00%
46100	Office Supplies	-	2,500	2,500	100.00%
46200	Small Equipment and Tools	-	300	300	100.00%
46300	Dues and Subscriptions	-	500	500	100.00%
46400	Public Safety Supplies	-	8,000	8,000	100.00%
47100	Uniforms	-	5,000	5,000	100.00%
51100	Travel and Training	-	5,350	5,350	100.00%
51800	Meetings	-	1,000	1,000	100.00%
Sub-Total for Operating Expenditures		\$ -	\$ 35,950	\$ 35,950	100.00%

TOTAL POLICE-FIELD OPERATIONS

	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	-	474,092	474,092	100.00%
	Operating Expenditures	-	35,950	35,950	100.00%
	Capital Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ -	\$ 510,042	\$ 510,042	100.00%

Fire – Administration 12510

MISSION STATEMENT:

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

BUDGET AND STAFFING SUMMARY:

	FY 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	314,127	468,284	538,784	533,785
Operating	471,307	593,782	581,082	616,820
Capital	-	28,000	-	-
Total Expenditures	\$ 785,434	\$ 1,090,066	\$ 1,119,866	\$ 1,150,605
Revenues				
Charges and Fees	4,020	4,000	5,000	4,000
Total Revenues	\$ 4,020	\$ 4,000	\$ 5,000	\$ 4,000
Staffing				
FTE Positions	5	5	5	6

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Established a 5-year comprehensive financial plan to include recommended replacement schedules of facilities, apparatus, and equipment. (FY22)
2. Completed a comprehensive staffing study based on local, state, and national standards to ensure an effective response force to various emergency incidents.
3. Implemented traffic safety and calming measures to reduce the risk of personnel while working on roadway incidents.
4. Developed an outreach schedule to ensure a minimum of 1 social media interaction per week.
5. With the addition of the fleet manager and increased funds, maintained a frontline apparatus in service time of 90%

Action Plan:

1. Develop improved cancer decon policies based on recognized best practices to reduce firefighter exposure to various carcinogens.

PUBLIC SAFETY

2. Increase the number of NFPA Physicals from 1-2-3 to 1-2 and then yearly.
3. Improve equipment repair time turnaround to 10 days
4. Decrease the number of work related injuries by 25% from FY20

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
Frontline apparatus maintained in service time of 90%	80	82	85
% of equipment repair turned around within 10 days	82	86	90
% of work related injuries to total FTE count resulting in lost time	3	3	4

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$533,785
Operating Expenses	\$616,820
Capital Machinery	\$0
Total Budget	\$1,150,605

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

Increases:

- Standard personnel increases
- \$29,162 – Contracted Services for Odell Volunteer Fire Department due to additional homes built and the increase in property tax value

Reductions/Decreases:

- \$6,124 – reduction in small tools and equipment. This was one time start up tool cost for the fire mechanic, which was hired in FY 21.

Capital:

- \$28,000 – reduction due to one-time cost for the purchase of a utility vehicle for Fire Mechanic position

Items of Interest:

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

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	358,740	399,059	40,319	11.24%
41300	Longevity Pay	724	596	(128)	-17.68%
42000	FICA	26,472	32,602	6,130	23.16%
42200	State Retirement	36,669	43,565	6,896	18.81%

PUBLIC SAFETY

42210	401k	4,406	6,551	2,145	48.68%
42300	Medical Insurance	38,245	47,880	9,635	25.19%
42400	Life Insurance	868	868	-	0.00%
42500	Dental Insurance	2,160	2,664	504	23.33%
Sub-Total for Personnel		\$ 468,284	\$ 533,785	\$ 65,501	13.99%

OPERATING EXPENDITURES

Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	2,500	2,500	-	0.00%
43300	Postage	1,500	1,500	-	0.00%
43710	Repair & Maintenance: Office Equipment	400	400	-	0.00%
44200	Repair & Maintenance: Vehicles	2,000	2,000	-	0.00%
44400	Repair & Maintenance: Equipment	10,000	10,000	-	0.00%
45220	Electricity	58,000	58,000	-	0.00%
45230	Water & Sewer	25,000	25,000	-	0.00%
45240	Gas Utilities	15,000	15,000	-	0.00%
45250	Telephone	96,000	96,000	-	0.00%
45410	Equipment Rental	1,000	1,000	-	0.00%
45610	Motor Fuel	3,500	3,500	-	0.00%
46100	Office Supplies	7,500	7,500	-	0.00%
46200	Small Equipment and Tools	18,124	12,000	(6,124)	-33.79%
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	323,358	352,520	29,162	9.02%
51100	Travel and Training	8,000	8,000	-	0.00%
51800	Meetings	5,500	5,500	-	0.00%
Sub-Total for Operating Expenditures		\$ 593,782	\$ 593,782	\$ 23,038	3.88%

TOTAL FIRE ADMINISTRATION

	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	468,284	533,785	40,147	9.38%
	Operating Expenditures	593,782	616,820	87,682	17.33%
	Capital Machinery & Equipment	28,000	-	(28,000)	-100.00%
Total for All Categories of Expenses		\$ 1,090,066	\$ 1,150,605	\$ 60,539	16.68%

Fire – Emergency Services 12540

MISSION STATEMENT:

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

BUDGET AND STAFFING SUMMARY:

	FY 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	6,318,817	6,413,720	6,352,166	6,790,738
Operating	513,499	461,787	564,787	572,087
Capital	-	-	-	-
Total Expenditures	\$ 6,832,316	\$ 6,875,507	\$ 6,916,953	\$ 7,362,825
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	85	85	85	86

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Continued the implementation of a multi-year operational improvement plan.
2. Received recognition for the number of lives saved as it relates to cardiac arrests through the Hearts and Hero's program.
3. Held the department's first mid-year awards reception, recognizing eligible members for their performance and contribution through the past year.
4. Received funding for a used light/air and rescue truck to increase on scene productivity without the dependency of mutual aid departments.
5. Obtained North Carolina Association of Rescue and EMS's Heavy Rescue Certification allowing Kannapolis Fire to improve service delivery to meet growth demands.

Action Plan:

1. Decrease the companies' turnout times which includes dispatch to response.
2. Increase the department's effectiveness as it relates to NFPA 1710 staffing and response models by implementing recommendations of staffing plan for additional firefighters.

PUBLIC SAFETY

3. Ensure an initial arriving company of at least 4 personnel to 80% of all structure fires within 4 minutes.
4. Respond to 80% of the department's structure fire incidents with 16 personnel within 8 minutes
5. Improve the department's Return of Pulse on Cardiac Arrest incidents to 40%

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
# of reported incidents	8,846	8,846	N/A
% of response to structure fire incidents with 16 personnel within 8 minutes	35%	78%	50%
% of response to structure fire incidents with at least 4 personnel within 4 minutes	26%	42%	50%
% save rate on CPR incidents	30%	32%	35%

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$6,790,738
Operating Expenses	\$572,087
Capital Machinery	\$0
Total Budget	\$7,362,825

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

Increases:

- \$75,000– increase in repair and maintenance: vehicles
 - \$40,000 - increase is requested for "in-frame" engine rebuild to salvage 26 year old reserve engine
 - \$35,000 - Establishment of refurbishment program which will increase the life expectancy of frontline apparatus. This new refurbishment program would allow the department to upfit/repair/upgrade the mid-term apparatus.
- \$7,500 – increase in small equipment and tools to replace outdated and obsolete equipment that has exceeded useful life (hose, ladders, hand tools, etc.)
- \$35,000 – increase in public safety supplies is the increase for PPE due to added personnel as well as increased vendor costs for this PPE (this includes phased replacement of ballistic protection as well as turn-out gear, helmets, medical supplies, hazmat, and rescue PPE)
- \$52,270 – standard increase in part-time funding

Reductions/Decreases:

- \$7,200 – reduction in contracted services with Motorola for the radios which went away with the purchase of the new radios that occurred in FY 21.

Capital:

- None

PUBLIC SAFETY

Items of Interest:

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

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	4,298,964	4,438,037	139,073	3.24%
41100	Salaries - Part Time	160,000	212,270	52,270	32.67%
41200	Salaries - Overtime	485,000	485,000	-	0.00%
41300	Longevity Pay	5,059	4,994	(65)	-1.28%
42000	FICA	362,552	372,961	10,409	2.87%
42200	State Retirement	435,635	483,373	47,738	10.96%
42210	401k	71,949	73,663	1,714	2.38%
512658	Medical Insurance	554,101	678,300	124,199	22.41%
42400	Life Insurance	9,500	9,500	-	0.00%
42500	Dental Insurance	30,960	32,640	1,680	5.43%
Sub-Total for Personnel		\$ 6,413,720	\$ 6,790,738	\$ 377,018	5.88%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	139,787	214,7878	75,000	53.65%
44400	Repair & Maintenance: Equipment	23,000	23,000	-	0.00%
45250	Telephone	24,000	24,000	-	0.00%
45610	Motor Fuel	72,000	72,000	-	0.00%
46100	Office Supplies	800	800	-	0.00%
46200	Small Equipment and Tools	15,000	22,500	7,500	50.00%
46400	Public Safety Supplies	120,000	155,000	35,000	29.17%
46820	Cleaning Supplies	12,000	12,000	-	0.00%
47100	Uniforms	44,000	44,000	-	0.00%
48000	Contracted Services	7,200	-	(7,200)	-100.00%
51300	Special Expenses	4,000	4,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 461,787	\$ 572,087	\$ 110,300	23.89%
TOTAL FIRE EMERGENCY SERVICES					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	6,413,720	6,790,738	377,018	5.88%
	Operating Expenditures	461,787	572,087	110,300	23.89%
	Capital Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 6,875,507	\$ 7,362,825	\$ 487,318	7.09%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	415,066	416,235	510,235	439,845
Operating	43,827	70,950	49,975	70,950
Capital	-	-	-	-
Total Expenditures	\$ 458,893	\$ 487,185	\$ 560,210	\$ 510,795
Revenues				
Charges and Fees	40,507	25,000	25,000	25,000
Miscellaneous	-	-	-	-
Total Revenues	\$ 40,507	\$ 25,000	\$ 25,000	\$ 25,000
Staffing				
FTE Positions	5	5	5	5

PERFORMANCE MEASUREMENT:

Accomplishments:

1. 31,647 total training hours department wide.
2. Increase of available training props as related to Strategic Plan Goal # 6. Department has purchased a forcible entry simulator, window prop, and hose bed props for each station.
3. Training committee was restructured, and instructors identified for in house training events as related to Strategic Plan Goal # 1 & 2.
4. Completed a departmental policy detailing Post Incident Action procedure as related to Strategic Plan Goal # 5.
5. Administered 2 hiring processes for firefighters and - hired a total of 7 FTE due to resignations and retirements.
6. Implemented a Current Construction Projects Organizational Chart/ Listing
7. Completed 43 fire inspections and over 160 substantial plan reviews.

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8. Increase available training props at each station to accommodate realistic training without having to take primary apparatus out of service or district as often.

Action Plan:

1. In lieu of a fire department training facility, continue use of college facilities and acquired structures to aid in boots on the ground style training aiding in the implementation of standardized operational procedures allowing quicker on scene actions and service to citizens.
2. Ensure that 100% of developmental plans are reviewed and returned within 7 days of receipt through Acela
3. A Fire Marshall and vehicle was approved in FY20, however was removed due to budget constraints. In FY21, a reclassification was completed but no new position was added. In order to reach the department’s pre-covid inspection level of 1200 and manage the 300% increase in plan submittals, the new inspector position will need to be added.

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
% of working incidents reviewed through a Post Incident Action Plan	10	78	80
% of developmental plans reviewed and returned within 7 days of receipt through Acela	100	100	100
# of officers participating in the Officer Development Program	7	0	15

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$439,845
Operating Expenses	\$70,950
Capital Machinery	\$0
Total Budget	\$510,795

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

Increases:

- Standard personnel increases
- No new operational increases

Reductions/Decreases:

- None

Capital:

- None

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Items of Interest:

- None

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	318,758	330,019	11,261	3.53%
41300	Longevity Pay	611	313	(298)	-48.77%
42000	FICA	23,654	24,477	823	3.48%
42200	State Retirement	32,578	36,007	3,429	10.53%
42210	401k	6,389	6,609	220	3.44%
42300	Medical Insurance	31,845	39,900	8,055	25.29%
42400	Life Insurance	600	600	-	0.00%
42500	Dental Insurance	1,800	1,920	120	6.67%
Sub-Total for Personnel		\$ 416,235	\$ 438,845	\$ 23,610	5.67%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	5,000	5,000	-	0.00%
44400	Repair & Maintenance: Equipment	150	150	-	0.00%
45250	Telephone	8,500	8,500	-	0.00%
45610	Motor Fuel	9,500	9,500	-	0.00%
46100	Office Supplies	5,000	5,000	-	0.00%
46300	Dues and Subscriptions	2,400	2,400	-	0.00%
46400	Public Safety Supplies	15,000	15,000	-	0.00%
47100	Uniforms	6,400	6,400	-	0.00%
51100	Travel and Training	16,000	16,000	-	0.00%
51800	Meetings	3,000	3,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 70,950	\$ 70,950	\$ -	0.00%
TOTAL FIRE TECHNICAL SERVICES					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	416,235	439,845	23,610	5.67%
	Operating Expenditures	70,950	70,950	-	0.00%
	Capital - Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 487,185	\$ 510,795	\$ 23,6610	4.85%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	874,765	778,429	798,429	893,455
Operating	227,776	207,800	218,282	207,800
Capital	-	-	-	25,000
Total Expenditures	\$ 1,102,541	\$ 986,229	\$ 1,016,711	\$ 1,126,255
Revenues				
Sales and Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	9	9	9	9

PERFORMANCE MEASUREMENT:

Accomplishments:

1. **Plan Review** : Individual development projects involve multiple reviews from initial sketch plan review to final construction plan review. Over the last fiscal year, staff provided a total of 299 plan reviews to include: 28 major subdivision, 42 minor subdivision, 34 multi-family, 4 industrial, 38 preliminary/final plats, 64 exempt plats, 25 water & sewer as-builts, 1 state project, and 32 miscellaneous projects, and 14 private utility encroachment agreements.
2. **In-house GIS Data and Mapping & Civil Design**: Provided 50 GIS utility information and mapping requests from City departments and developers; provided in-house design services for 7 local infrastructure projects including water, sewer, stormwater, sidewalks, and parking lots.
3. **Construction Engineering and Inspection (CEI), Project Management, Right-of-Way**: Provided CEI services for all public infrastructure projects (except the downtown development) and construction inspection services for all private land development projects requiring a grading permit; provided 465 water & sewer verifications for potential development; conducted 392

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driveway inspections, and 21 erosion control violation inspections; serve as City project manager for all NCDOT projects within corporate limits; served as liaison in the acquisition of easements and Right-of-Way for 12 parcels for various projects.

4. **Infrastructure Inventory & Assessment:** Provide on-going inventory and condition assessment of all public sidewalks, accessible ramps, and storm drainage culverts.

Action Plan:

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

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
% inventory & assessment of sidewalks, ramps, and culverts	25%	25%	40%
Provide review land development comments on time	80%	80%	90%
Provide random QC inspections of permitted SCM's	N/A	N/A	20%

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$893,455
Operating Expenses	\$207,800
Capital Machinery	\$25,000
Total Budget	\$1,126,255

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

Proposed: (1) Engineering Technician

Increases:

- All personnel increases are related to the addition of the Engineering Technician position

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Reductions/Decreases:

- None

Capital:

- \$25,000 for a vehicle for the Engineering Technician position

Items of Interest:

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

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	576,347	649,091	72,744	12.62%
41100	Salaries- Part Time	18,000	18,000	-	0.00%
41200	Salaries - Overtime	1,800	1,800	-	0.00%
41300	Longevity Pay	285	285	-	0.00%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	44,602	49,519	4,917	11.02%
42200	State Retirement	58,821	70,962	12,141	20.64%
42210	401k	10,513	12,583	2,070	19.69%
42300	Medical Insurance	57,321	79,800	22,479	39.22%
42400	Life Insurance	1,500	1,575	75	5.00%
42500	Dental Insurance	3,240	3,840	600	18.52%
Sub-Total for Personnel		\$ 778,429	\$ 893,455	\$ 115,026	14.78%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43200	Advertising	2,000	2,000	-	0.00%
43300	Postage	500	500	-	0.00%
44200	Repair & Maintenance: Vehicles	5,000	5,000	-	0.00%
44400	Repair & Maintenance: Equipment	500	500	-	0.00%
45250	Telephone	10,500	10,500	-	0.00%
45610	Motor Fuel	5,000	5,000	-	0.00%
46100	Office Supplies	7,500	7,500	-	0.00%
46300	Dues and Subscriptions	9,000	9,000	-	0.00%
47100	Uniforms	5,000	5,000	-	0.00%
48800	Contract - Engineering	150,000	150,000	-	0.00%
51100	Travel and Training	12,000	12,000	-	0.00%
51800	Meetings	800	800	-	0.00%
Sub-Total for Operating Expenditures		\$ 207,800	\$ 207,800	\$ (50,000)	-19.39%

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TOTAL ENGINEERING

	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	778,429	893,455	115,026	14.78%
	Operating Expenditures	207,800	207,800	-	0.00%
	Capital Machinery and Equipment	-	25,000	25,000	100.00%
Total for All Categories of Expenses		\$ 986,229	\$ 1,126,255	\$ 140,026	14.20%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	517,181	730,400	730,400	730,400
Capital	-	-	-	-
Total Expenditures	\$ 517,181	\$ 730,400	\$ 730,400	\$ 730,400
Revenues				
Charges and Fees	105,170	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ 105,170	\$ -	\$ -	\$ -
Staffing				
FTE Positions	-	-	-	-

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Responded to 14 customer complaints regarding street light outages within 24 hours
2. Responded to 12 customer requests for new street light additions within 48-72 hours.

Action Plan:

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

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
Respond to customer complaints regarding outages wi 24 hrs	48 hrs	48 hrs	24 hrs
Respond to customer requests for new installations wi 48 hrs	72 hrs	72 hrs	48 hrs

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BUDGET HIGHLIGHTS AND CHANGES:

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

No Personnel included in this Division.

Increases:

- None

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

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

OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
45220	Electricity	631,400	631,400	-	0.00%
48000	Contracted Services	50,000	50,000	-	0.00%
48650	Contract - New Lights	49,000	49,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 730,400	\$ 730,400	\$ -	0.00%
TOTAL STREET LIGHTING					
Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change	
Operating Expenditures	730,400	730,400	-	0.00%	
Capital - Improvements	-	-	-	0.00%	
Total for All Categories of Expenses	\$ 730,400	\$ 730,400	\$ -	0.00%	

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	106,042	138,300	143,300	118,000
Capital	-	-	-	-
Total Expenditures	\$ 106,042	\$ 138,300	\$ 143,300	\$ 118,000
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	-	-	-	-

PERFORMANCE MEASUREMENT:

Action Plan:

1. Complete installation of anti- bird netting in motorpool

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$118,000
Total Budget	\$118,000

No Personnel included in this Division.

Increases:

- None

Reductions/Decreases:

- \$20,300 in contracted services. This was moved to General Services budget since they oversee

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the contracts at the Public Works Operations Center.

Capital:

- None

Items of Interest:

- None

OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
44100	Repair & Maintenance: Office Equipment	500	500	-	0.00%
45220	Electricity	50,000	50,000	-	0.00%
45230	Water & Sewer	12,000	12,000	-	0.00%
45240	Gas Utilities	6,000	6,000	-	0.00%
45250	Telephone	35,000	35,000	-	0.00%
45410	Equipment Rental	10,000	10,000	-	0.00%
45610	Motor Fuel	500	500	-	0.00%
46100	Office Supplies	4,000	4,000	-	0.00%
48000	Contracted Services	20,300	-	(20,300)	-100.00%
Sub-Total for Operating Expenditures		\$ 138,300	\$ 118,000	\$ (20,300)	-14.68%
TOTAL OPERATIONS CENTER					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	138,300	118,000	-	0.00%
Total for All Categories of Expenses		\$ 138,300	\$ 118,000	\$ -	0.00%

Public Works – Signs and Markings 13300

MISSION STATEMENT:

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

BUDGET AND STAFFING SUMMARY:

	FY 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	178,869	186,235	201,235	198,351
Operating	173,758	227,200	214,379	233,700
Capital	-	-	-	-
Total Expenditures	\$ 352,627	\$ 413,435	\$ 415,614	\$ 432,051
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	3	3	3	3

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Maintained and repaired all signs throughout the City in a timely manner

Action Plan:

1. Continue schedule of work in additions, replacement, reflectivity checks and on call response.
2. Increase traffic studies in order to plan crack sealing and resurfacing efforts.

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
# of street name signs installed or repaired	293	293	400
# of information signs installed or repaired	1,330	1,330	1,300

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$198,351
Operating Expenses	\$233,700
Capital Machinery	\$0
Total Budget	\$432,051

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

Increases:

- Standard personnel increases
- \$6,500 increase in small tools and equipment to replace the plotter at the sign shop

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

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

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PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	131,458	136,766	5,308	4.04%
41200	Salaries - Overtime	8,000	8,000	-	0.00%
41300	Longevity Pay	227	227	-	0.00%
42000	FICA	10,406	10,716	310	2.98%
42200	State Retirement	13,433	14,934	1,501	11.17%
42210	401k	2,274	2,366	92	4.05%
42300	Medical Insurance	19,107	23,940	4,833	25.29%
42400	Life Insurance	250	250	-	0.00%
42500	Dental Insurance	1,080	1,152	72	6.67%
Sub-Total for Personnel		\$ 186,235	\$ 198,351	\$ 12,116	6.51%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	7,500	7,500	-	0.00%
44400	Repair & Maintenance: Equipment	1,000	1,000	-	0.00%
45250	Telephone	6,900	6,900	-	0.00%
45610	Motor Fuel	6,500	6,500	-	0.00%
46100	Office Supplies	2,500	2,500	-	0.00%
46200	Small Equipment and Tools	1,500	8,000	6,500	433.33%
46810	Sign Supplies	95,000	95,000	-	0.00%
47100	Uniforms	300	300	-	0.00%
48000	Contracted Services	100,000	100,000	-	0.00%
51100	Travel and Training	6,000	6,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 227,200	\$ 233,700	\$ 6,500	2.86%
TOTAL SIGNS AND MARKINGS					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	186,235	198,351	12,116	6.51%
	Operating Expenditures	227,200	233,700	6,500	2.86%
	Capital - Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 413,435	\$ 432,051	\$ 18,616	4.50%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	1,008,118	943,065	1,551,099	1,249,500
Capital	-	-	-	-
Total Expenditures	\$ 1,008,118	\$ 943,065	\$ 1,551,099	\$ 1,249,500
Revenues				
Powell Bill	1,298,734	1,065,744	1,065,744	1,298,734
Total Revenues	\$ 1,298,734	\$ 1,065,744	\$ 1,065,744	\$ 1,298,734
Staffing				
FTE Positions	-	-	-	-

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$1,249,500
Capital Machinery	\$0
Total Budget	\$1,249,500

No personnel in this budget

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Resurfaced 12 street with funding from FY 20 and FY 21.
2. Completed bridge maintenance on items listed in NCDOT inspection report.

Action Plan:

1. Study addition of crosswalk markings and schedule of crosswalk maintenance
2. Study Cost effectiveness of contracted maintenance of traffic signals(NCDOT vs COC)
3. Expand traffic survey program to enhance the asphalt resurfacing planning

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4. Complete street asphalt condition survey with assistance from WitherRevenel Engineering.

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
Reconstruction resurfacing (miles)	0	2.3	1.5

Increases:

- \$40,000 – Repair and Maintenance: streets based on 17% increase in projected asphalt costs
- \$266,435 – increase in contract for resurfacing of streets. This account was decreased in FY 21 due to a projected 20% decline in Powell Bill funding due to COVID-19 impacts.

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- Budget includes:
 - \$274,000 for R&M: Streets (repairs to existing streets, pothole repair)
 - \$350,000 for Contracted Services (small street repaving projects)
 - \$600,000 for Contract – Resurfacing (Covers the annual resurfacing plan)

OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
44900	Repair & Maintenance: Streets	234,000	274,000	40,000	17.09%
45220	Electricity	5,000	5,000	-	0.00%
45410	Equipment Rental	3,000	3,000	-	0.00%
46200	Small Equipment and Tools	2,500	2,500	-	0.00%
48000	Contracted Services	350,000	350,000	-	0.00%
48300	Consultants	15,000	15,000	-	0.00%
48850	Contract - Resurfacing	333,565	600,000	266,435	79.87%
Sub-Total for Operating Expenditures		\$ 943,065	\$ 1,249,500	\$ 306,435	32.49%
TOTAL POWELL BILL					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	-	-	-	0.00%
	Operating Expenditures	943 065	943 065	(232 435)	-19.77%
	Capital Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 943,065	\$ 1,249,500	\$ 306,435	32.49%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	575,178	673,500	688,500	753,072
Operating	118,055	130,000	140,000	165,000
Capital	-	-	-	181,000
Total Expenditures	\$ 693,233	\$ 803,500	\$ 828,500	\$ 1,099,072
Revenues				
Powell Bill	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	12	12	12	12

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Maintaining of exist streets, 236 miles
2. Maintaining mowing of ROW, Herbicide application and maintenance of curb and gutter throughout the city system

Action Plan:

1. Repair of utility cuts after receiving work order from Water Resources and Stormwater Departments. Increase number due to the growth in housing numbers and Water Resources increased efforts in maintenance.
2. Increase frequency of mowing.
3. Increase frequency of herbicide application.
4. Increase prevent maintenance by applying crack sealant of asphalted street.

PUBLIC WORKS

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
# of utility cuts repaired	343	317	250
# of pavement repairs (includes potholes)	4,678	5,297	5,000
Mowing (miles) ROW tractors ran	3,929	2,132	2,500
Sidewalk maintenance cleaning (feet)	879,788	722,780	900,00
Reconstruction resurfacing (miles)	.73	1.4	1

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$753,072
Operating Expenses	\$165,000
Capital Machinery	\$181,000
Total Budget	\$1,099,072

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

Proposed: (1) Construction Maintenance Worker

Increases:

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

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- None

PUBLIC WORKS

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	472,992	515,177	42,185	8.92%
41200	Salaries - Overtime	24,000	24,000	-	0.00%
41300	Longevity Pay	2,830	712	(2,118)	-74.84%
42000	FICA	37,317	40,175	2,858	7.66%
42200	State Retirement	48,540	56,361	7,821	16.11%
42210	401k	6,198	6,988	790	12.75%
42300	Medical Insurance	76,428	103,740	27,312	35.74%
42400	Life Insurance	875	927	52	5.94%
42500	Dental Insurance	4,320	4,992	672	15.56%
Sub-Total for Personnel		\$ 673,50	\$ 673,500	\$ 79,572	11.81%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	45,000	45,000	-	0.00%
44400	Repair & Maintenance: Equipment	40,000	40,000	-	0.00%
44900	Repair & Maintenance: Streets	-	35,000	35,000	100.00%
45610	Motor Fuel	32,000	32,000	-	0.00%
47100	Uniforms	13,000	13,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 130,000	\$ 165,000	\$ 35,000	26.92%
TOTAL STREET MAINTENANCE					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	673,500	753,072	79,572	11.81%
	Operating Expenditures	130,000	165,000	35,000	26.97%
	Capital Machinery & Equipment	-	181,000	181,000	100.00%
Total for All Categories of Expenses		\$ 803,500	\$ 1,099,072	\$ 295,572	36.79%

Planning 14000

MISSION STATEMENT:

The Kannapolis Planning Department is committed to excellent public service and enhancing the quality of life in our community by guiding orderly growth and development while preserving 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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	659,050	684,103	754,103	856,381
Operating	284,989	125,400	219,331	132,100
Capital	-	-	-	25,000
Total Expenditures	\$ 944,039	\$ 809,503	\$ 973,434	\$ 1,013,481
Revenues				
Charges and Fees	155,168	145,000	145,000	145,000
Miscellaneous	-	-	-	-
Total Revenues	\$ 155,168	\$ 145,000	\$ 145,000	\$ 145,000
Staffing				
FTE Positions	8	8	8	9

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Worked through pandemic safely and adjusted accordingly in order to maintain overall services
2. Plan Review timelines – reduced review times for “Exempt” plats and other development plans
3. Enhanced Development Activity Map – online interactive map created which displays development plan activity in City (Residential and non-residential plan review 383 SF permits issued; 23 MF permits issued; \$74,477,559.22 non-residential construction permit value)
4. Implemented General Statute 160D amendments to current Unified Development Ordinance (UDO)
5. GIS – Support for departments, including (IT, Engineering, Public Works, Communications, Economic Development, Police, Fire and City Manager)
6. Development Plan Review Meetings – Schedule implemented for weekly development review meetings with applicants
7. TRC – Weekly TRC meetings for staff discussion and review of development related issues implemented

Action Plan:

1. Complete Cannon Boulevard Corridor Plan (CBCP)
2. Complete Kannapolis Development Ordinance (KDO)
3. Midway/South Main Street Redevelopment Plan – Complete Plan in Conjunction with New Recreational Facility (Skate Park)
4. GIS Training – coordinate needs identification and training of City Departments for ESRI services; include training to assist departments to complete small tasks internally
5. GIS Support – provide support to all city departments as needed
6. Code Enforcement – Community Appearance/Code Enforcement Strategy
7. Code Enforcement – conduct full “sweep” of City to identify potential code violations; along with regular inspection of gateway corridors into City
8. Downtown Redevelopment – support implementation of Downtown Master Plan
9. Boards and Commissions – provide training to Planning and Zoning Commission and Board of Adjustment
10. Board and Commissions – update by-laws for both Planning and Zoning Commission and Board of Adjustment
11. Development Plan Review – complete all development plan review within established plan review timeframes
12. Accela – improve efficiency of electronic plan review, and coordination process with other city departments and County building standards; get TRC fully on-board
13. Enhance Planning page of City website in order to make it more user-friendly
14. Enhance Development Project map to make it more interactive
15. Create Searchable database of Planning and Zoning Commission and Board of Adjustment cases
16. Follow up on case files to ensure overall completion
17. Create greenway map in order to further coordinate with existing and future development projects
18. Conduct team building exercises

Long Range Planning Efforts:

1. Ensure KDO and Comprehensive Plan remain updated and working documents
2. Cannon Boulevard Corridor Plan (CBCP) – finalize plan for redevelopment of Cannon Boulevard.
3. Midway Redevelopment Plan
4. North Main Street Area Plan
5. Comprehensive Plan Amendments – 2030 Comprehensive Plan amended on-going as needed
6. Annexations - enhance overall process to make as efficient and seamless as possible

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
Planning and Zoning Commission			
# of Planning and Zoning Commission meetings held	10	9	12
# of rezoning(s)	20	22	20
# of text amendments	3	1	5
# of comprehensive plan amendments	3	0	3
# of special intensity allocations	0	0	3
Board of Adjustment			
# of variances		6	8

PLANNING

# of conditional use permits	7	10	12
# continuation of non-conformity adjustment (CONA)	1	1	2
# of comprehensive sign packages	2	0	1
# of administrative appeals	0	0	1
Code Enforcement			
# of cases processed	1,663	1,415	3,071
# junk cars	162	100	184
# public nuisance	1,367	1,204	2,610
# zoning (UDO)	122	81	154
# minimum housing	41	30	115
# demolitions	5	0	8

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$856,381
Operating Expenses	\$132,100
Capital Machinery	\$25,000
Total Budget	\$1,013,481

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

Proposed: (1) Planner and (1) Code Enforcement Officer

Increases:

- \$115,182 – increase in salaries for cost of living adjustments implemented in FY 21 and (2) new positions (one Planner and one Code Enforcement Officer)
- \$700 – increase in printing for the publication of the new UDO (25+ copies)
- \$4,000 – increase in advertising for public notices based on trends
- \$1,000 – increase in dues and subscriptions for AICP dues and Clerk dues
- \$1,000 – increase in travel and training for AICP accreditation and Clerk training

Reductions/Decreases:

- None

Capital:

- \$25,000 – vehicle for Code Enforcement Officer

PLANNING

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	519,374	634,566	115,182	22.18%
41400	Board Member Fees	5,000	5,000	-	0.00%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	37,406	44,867	7,461	19.95%
42200	State Retirement	52,980	69,499	16,519	31.18%
42210	401k	8,561	11,733	3,172	37.05%
42300	Medical Insurance	50,952	79,800	28,848	56.62%
42400	Life Insurance	950	1,086	136	14.32%
42500	Dental Insurance	2,880	3,840	960	33.33%
Sub-Total for Personnel		\$ 684,103	\$ 856,381	\$ 172,278	25.18%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	500	1,200	700	140.00%
43200	Advertising	12,000	16,000	4,000	33.33%
43300	Postage	300	300	-	0.00%
43610	Demolition Expenditures	75,000	75,000	-	0.00%
44200	Repair & Maintenance: Vehicles	2,000	2,000	-	0.00%
45250	Telephone	6,000	6,000	-	0.00%
45610	Motor Fuel	1,500	1,500	-	0.00%
46100	Office Supplies	7,000	7,000	-	0.00%
46200	Small Equipment and Tools	1,000	1,000	-	0.00%
46300	Dues and Subscriptions	4,000	5,000	1,000	25.00%
48100	Minute Preparation	100	100	-	0.00%
48610	Contract - Planning	-	-	-	0.00%
51100	Travel and Training	14,000	15,000	1,000	7.14%
51300	Special Expenses	2,000	2,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 125,400	\$ 132,100	\$ 6,700	5.34%
TOTAL PLANNING					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	684,103	684,103	36,827	5.69%
	Operating Expenditures	125,400	125,400	1,350	1.09%
	Capital Machinery	-	25,000	25,000	100.00%
Total for All Categories of Expenses		\$ 809,503	\$ 1,013,481	\$ 38,177	4.95%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	1,450,878	1,704,799	1,693,799	2,160,207
Operating	622,269	993,990	1,531,091	1,919,015
Capital	-	-	-	11,000
Total Expenditures	\$ 2,073,147	\$ 2,698,789	\$ 3,224,890	\$ 4,090,222
Revenues				
Charges and Fees	335,987	450,000	450,000	1,185,545
Miscellaneous	-	-	-	-
Total Revenues	\$ 335,987	\$ 450,000	\$ 450,000	\$ 1,185,545
Staffing				
FTE Positions	12	18	18	18

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Completed construction of the Irish Buffalo Creek Greenway adding 2.7 miles to the system
2. Completed our reaccreditation process as one of the top 1% of all P&R Depts in the country
3. Completed acquisition of +/- 12 acres of land for the Westside Park
4. Opened the kidszone as part of the baseball stadium/park complex
5. Managed 143 building reservations, 448 shelter reservations and 218 external athletic field reservations

Action Plan:

1. Acquire and begin renovations of Dixie Youth ballfield complex
2. Complete renovation of Bakers Creek Park parking lot and parking lot lights
3. Begin formal design of new Kannapolis skatepark
4. Install trailhead parking lot on Rogers Lake Rd for greenway parking
5. Begin GEM Theatre Operations as a City P&R facility
6. Replace 20-year-old playground at Village Park

PARKS AND RECREATION

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
# of shelter reservations	505	448	500 *
# of external field reservations	222	218	150 *
# of external building reservations	168	143	225 *
# of greenway miles maintained	2	4.7	4.7
# of acres maintained	219	219	255

*Estimates skewed based on COVID-19 pandemic

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$2,160,207
Operating Expenses	\$1,919,015
Capital Machinery	\$11,000
Total Budget	\$4,090,222

Personnel: Parks and Recreation Director (1), Park Manager I (1), Park Manager II (1), Recreation Program Coordinators (3), Grounds Manager (1), Park Maintenance Tech IV (4), and Parks Maintenance Tech III (3), Athletics Coordinator (1), Sr. Admin. Support Specialist (1), Administrative Asst. (1), Operations Specialist- Concessions (1)

Proposed: (1) Park Maintenance Tech III, (3) Park Maintenance Tech II, (1) Assistant Athletics Coordinator

Increases:

- \$201,369 – increases for new positions (1) Park Maintenance Tech III, (3) Park Maintenance Tech II, (1) Assistant Athletics Coordinator (PM Techs were offset by a \$40,000 reduction in part-time funding)
- \$735,545 – increase in operations related to Gem Theatre (offset by corresponding revenue)
- \$100,000 – increase in R&M: Building and Grounds for improvements and maintenance at Dixie Youth baseball fields.
- \$24,500 - increase in R&M: Building and Ground: Grounds for the increased cost in plant materials, replacement of downtown materials, irrigation repairs and greenway supplies
- \$120,000 – increase in utilities related to the linear park/West Avenue and pump house. These expenses were formerly accounted for in the Downtown fund
- \$61,075 – increase in contracted grounds maintenance due to contractual increases and the addition of newly acquired properties on research campus and near downtown.

Reductions/Decreases:

- \$19,000 – decrease in Bakers Creek part time funding to offset requested full time help
- \$19,000 – decrease in Village Park part time funding to offset requested full time help

Capital:

- \$11,000 – New screen at the Gem Theatre and new Clover (point of sale systems)

PARKS AND RECREATION

Items of Interest:

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

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	785,722	987,091	201,369	25.63%
41100-BCPK	Salaries - Part Time-Bakers Creek Park	89,525	70,525	(19,000)	-21.22%
41100-BUILD	Salaries - Part Time-Building Monitor	78,005	78,005	-	0.00%
41100-EVENT	Salaries - Part Time-Events	48,044	57,544	9,500	19.77%
41100-GROUN	Salaries - Part Time-Grounds Maintenance	63,500	115,000	51,500	81.10%
41100-VILPK	Salaries - Part Time-Village Park	296,926	277,926	(19,000)	-6.40%
41100-GEM	Salaries - Part Time-GEM	-	110,000	110,000	100.00%
41200	Salaries - Overtime	9,500	9,500	-	0.00%
41300	Longevity Pay	752	752	-	0.00%
41600	Vehicle Allowance	1,800	1,800	-	0.00%
41600 - GEM	Vehicle Allowance – GEM	0	3,600	3,600	100.00%
42000	FICA	109,227	131,624	22,397	20.51%
42200	State Retirement	87,343	110,817	23,474	26.88%
42210	401k	11,933	13,914	1,981	16.60%
42300	Medical Insurance	114,642	182,927	68,285	59.56%
42400	Life Insurance	1,400	1,502	102	7.29%
42500	Dental Insurance	6,480	7,680	1,200	18.52%
Sub-Total for Personnel		\$ 1,704,799	\$ 2,160,207	\$ 455,408	26.71%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	1,500	1,500	-	0.00%
43100-GEM	Printing- GEM	-	4,000	4,000	100.00%
43200	Advertising	2,000	2,000	-	0.00%
43200-GEM	Advertising-GEM	-	15,000	15,000	100.00%
43300	Postage	200	200	-	0.00%
43300-GEM	Postage-GEM	-	500	500	100%
43800	Credit Card Fees	17,500	17,500	12,500	250.00%
43800-GEM	Credit Card Fees-GEM	-	20,000	20,000	100.00%

PARKS AND RECREATION

44200	Repair & Maintenance: Vehicles	3,000	3,000	-	0.00%
44200-BCPK	Repair & Maint: Vehicles – BC	4,500	4,500	-	0.00%
44200-GROUN	Repair & Maintenance: Vehicles - Grounds	2,500	3,000	500	20.00%
44200-VILPK	Repair & Maintenance : Vehicles - VP	3,500	3,500	-	0.00%
44300	Repair & Maintenance: Buildings and Grds	12,500	12,500	-	0.00%

OPERATING EXPENDITURES

Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
44300-BCPK	Repair & Maint: Buildings and Grounds-BC	17,000	17,000	-	0.00%
44300-DIXIE	Repair & Maint: Buildings and Grounds-DIXIE	-	100,000	100,000	100.00%
44300-GEM	Repair & Maint: Buildings and Grounds-GEM	-	36,000	36,000	100.00%
44300-GROUN	Repair & Maint: Buildings and Grounds	33,000	57,500	24,500	74.24%
44300-SAFPK	Repair & Maint: Buildings and Grounds-SP	22,000	22,000	-	0.00%
44300-VILPK	Repair & Maint: Buildings and Grounds-VP	48,000	48,000	-	0.00%
44400-BCPK	Repair & Maintenance: Equipment-BC	5,300	5,300	-	0.00%
44400-GEM	Repair & Maintenance: Equipment-GEM	-	5,500	5,500	100.00%
44400-GROUN	Repair & Maintenance: Equipment-Grounds	5,000	5,000	-	0.00%
44400-VILPK	Repair & Maintenance: Equipment-VP	5,000	5,000	-	0.00%
45220	Electricity	84,000	144,000	60,000	71.43%
45220-GEM	Electricity-GEM	-	15,000	15,000	100.00%
45230	Water & Sewer	56,000	94,000	38,000	67.86%
45230-GEM	Water & Sewer-GEM	-	15,000	15,000	100.00%
45240	Gas Utilities	4,000	24,000	20,000	500.00%
45240-GEM	Gas Utilities-GEM	-	5,000	5,000	100.00%
45250	Telephone	36,000	38,000	2,000	9.09%
45250-GEM	Telephone-GEM	-	4,500	4,500	100.00%
45410	Equipment Rental	5,000	5,000	-	0.00%
4540	Laundry	15,000	15,000	-	0.00%
45610	Motor Fuel	22,000	24,000	2,000	9.09%
46100	Office Supplies	5,200	5,200	-	0.00%
46100-GEM	Office Supplies	-	14,000	14,000	100.00%

PARKS AND RECREATION

46200	Small Equipment and Tools	400	400	-	0.00%
46200-BCPK	Small Equipment and Tools-BC	1,500	1,500	-	0.00%
46200-GEM	Small Equipment and Tools-GEM	-	15,000	15,000	100.00%
46200-GROUN	Small Equipment and Tools-Grounds	400	5,400	5,000	100.00%
46200-VILPK	Small Equipment and Tools-VP	1,500	1,500	-	0.00%
46300	Dues and Subscriptions	2,200	2,800	600	27.27%
46300-GEM	Dues and Subscriptions-GEM	-	5,000	5,000	100.00%
46620	Concession Supplies	67,000	67,000	-	0.00%
46620-GEM	Concession Supplies-GEM	-	85,000	85,000	100.00%
46640	Cemetery Supplies	3,000	3,000	-	0.00%
46820	Cleaning Supplies	300	300	-	0.00%
46820-BCPK	Cleaning Supplies-BC	2,300	2,300	-	0.00%
46820-GEM	Cleaning Supplies-GEM	-	35,000	35,000	100.00%
46820-GROUN	Cleaning Supplies-Grounds	1,500	3,000	1,500	100.00%
46820-VILPK	Cleaning Supplies-VP	4,500	4,500	-	0.00%
47100	Uniforms	12,000	12,000	-	0.00%
48000	Contracted Services	10,000	12,400	2,400	24.00%
48220	Contract - Grounds Maintenance	459,890	520,965	61,075	13.28%
48300-GEM	Consultants-GEM	-	125,000	125,000	100.00%
51100	Travel and Training	16,000	16,000	-	0.00%
51100-GEM	Travel and Training	-	1,000	1,000	100.00%
51800	Meetings	1,800	2,500	700	38.89%
51800-GEM	Meetings-GEM	-	250	250	100.00%
Sub-Total for Operating Expenditures		\$ 994,190	\$ 1,919,015	\$ 924,825	93.02%
TOTAL PARKS					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/Decrease (\$)	% Change
	Personnel Expenditures	1,704,799	2,160,207	455,408	26.71%
	Operating Expenditures	994,190	1,919,015	924,825	93.02%
	Capital Machinery and Equipment	-	11,000	11,000	100.00%
Total for All Categories of Expenses		\$ 2,698,989	\$ 4,090,222	\$ 1,391,233	51.55%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	330,446	734,000	510,950	788,000
Capital	-	-	-	-
Total Expenditures	\$ 330,446	\$ 734,000	\$ 510,950	\$ 788,000
Revenues				
Charges and Fees	45,000	110,000	120,000	125,000
Donations	15,990	50,000	50,000	50,000
Total Revenues	\$ 60,990	\$ 160,000	\$ 170,000	\$ 175,000
Staffing				
FTE Positions	-	-	-	-

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Offered two new youth athletic programs (flag football and spring soccer)
2. Offered 79 take-home/virtual programs during covid restrictions
3. Coordinated and executed 4,262 train reservations during the Celebration of Lights
4. The P&R Department offered 15 collaborative programs with other City of Kannapolis departments or outside organizations.

Action Plan:

1. Hire new Assistant Athletics Coordinator to assist with citywide athletics program
2. Offer two new youth diamond sports athletic programs in Spring of '22 (Covid permitting)
3. Increase number of adult day trips to area residents and non-residents to 3 per month (Covid permitting)
4. Implement at least four collaboration programs with outside organizations/providers to develop additional health and wellness programs. (FY22) (Covid permitting)
5. Offer 1 new 5k route as part of Run Kannapolis series

PARKS AND RECREATION

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
# of programs offered	359	115	325 *
# of events	20	11	21 *
# of adult day trips	26	2	32 *
# of Run Kannapolis Races held	4	0	4 *
# of concerts presented by the City	6	4	10 *
# of youth athletic participants	333	819	860 *
# of Loop the Loop participants	1,262	718	1,200

*Estimates skewed based on COVID

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$788,000
Total Budget	\$788,000

Increases:

- \$46,000 – Program Supply Sports for the increased popularity in youth sports programs and addition of baseball/softball program
- \$8,000 – Kannapolis Christmas increased costs

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

OPERATING EXPENDITURES

Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
46630	Program Supplies	366,000	366,000	286,000	357.50%
46635	Program Supplies-Sports	58,000	104,000	46,000	79.31%
51441	Summer Event Series	270,000	270,000	-	0.00%
51442	Kannapolis Christmas	40,000	48,000	8,000	20.00%
Sub-Total for Operating Expenditures		\$ 734,000	\$ 788,000	\$ 54,000	7.36%

TOTAL RECREATION PROGRAMS

	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	734,000	788,000	54,000	7.36%
Total for All Categories of Expenses		\$ 734,000	\$ 788,000	\$ 54,000	7.36%

Parks and Recreation - Stadium 15200

BUDGET AND STAFFING SUMMARY:

	FY 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	260,449	125,000	125,000	250,000
Capital	-	-	-	-
Total Expenditures	\$ 260,449	\$ 125,000	\$ 125,000	\$ 250,000
Revenues				
Charges and Fees	-	500,000	500,000	100,000
Donations	-	250,000	250,000	450,000
Total Revenues	\$ -	\$ 750,000	\$ 750,000	\$ 550,000
Staffing				
FTE Positions	-	-	-	-

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$250,000
Total Budget	\$250,000

Increases:

- \$25,000 – Electricity based on trends
- \$100,000 – capital investment to the Capital “X” funding for capital improvements made to the stadium over time.

Reductions/Decreases:

- None

Items of Interest:

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

PARKS AND RECREATION

OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
44300	Repair & Maintenance: Buildings and Grounds	20,000	20,000	-	0.00%
44450	Repair & Maintenance: Reimbursement	-	-	-	0.00%
45220	Electricity	50,000	75,000	25,000	50.00%
45230	Water and Sewer	50,000	50,000	-	0.00%
45540	Gas	5,000	5,000	-	0.00%
45255	Utility Reimbursement	-	-	-	0.00%
48000	Contracted Services	-	-	-	0.00%
59400	Capital- Improvements	-	100,000	100,000	100.00%
Sub-Total for Operating Expenditures		\$ 125,000	\$ 250,000	\$ 125,000	100.00%
TOTAL STADIUM					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	125,000	250,000	125,000	100.00%
Total for All Categories of Expenses		\$ 125,000	\$ 250,000	\$ 125,000	100.00%

WATER & SEWER FUND

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

WATER AND SEWER

Water & Sewer Revenue Summary

Fiscal Year 2022

REVENUES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease	% Change
36000	Charges and Fees	18,250,000	18,292,624	42,624	0.23%
36600	Wholesale Water Sales	415,000	415,000	-	0.00%
36610	Tap Fees	250,000	450,000	200,000	80.00%
36620	Connection Fees	1,000,000	1,250,000	250,000	25.00%
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%
Total Water and Sewer Fund		\$ 20,500,000	\$ 20,992,624	\$ 492,624	2.40%

Water & Sewer Expenditure Summary

Fiscal Year 2022

EXPENSES				
Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease	% Change
Water & Sewer - Billing & Collections	907,348	1,008,472	101,124	11.15%
Water & Sewer - Distribution	3,334,251	3,946,885	612,634	18.37%
Water & Sewer - Water Treatment Plant	3,106,448	3,217,924	111,476	3.59%
Water & Sewer - WSACC	3,407,618	3,194,670	(212,948)	-6.25%
General Management Services - Transfer To General Fund	2,143,921	2,143,921	-	0.00%
Transfer to Other Funds	495,700	495,700	-	0.00%
Total Operating	\$ 13,395,286	\$ 14,007,572	\$ 612,286	4.57%
Total Debt Service	\$ 7,104,71	\$ 6,985,052	\$ 1,483,556	26.39%
Total Water and Sewer Fund Expenditures	\$ 20,500,000	\$ 20,992,624	\$ 492,624	2.40%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2021 Adopted
Expenditures				
Personnel	638,551	663,248	633,248	683,372
Operating	180,400	244,100	429,863	325,100
Capital	-	-	-	-
Total Expenditures	\$ 818,951	\$ 907,348	\$ 1,063,111	\$ 1,008,472
Revenues				
Charges and Fees	21,990,708	20,455,000	20,455,000	20,977,624
Miscellaneous	12,387	15,000	254,310	15,000
Donations	-	-	-	-
Investment Income	119,365	30,000	30,000	30,000
Total Revenues	\$ 22,003,095	\$ 20,500,000	\$ 20,739,310	\$ 20,992,624
Staffing				
FTE Positions	8	9	9	11

PERFORMANCE MEASUREMENT:

Accomplishments:

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

Action Plan:

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

WATER AND SEWER

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
Maintain collection rate	N/A	No/covid	85% or higher
Continue to encourage use of COK technology by residents	N/A	Yes/customer connect	Drive online bill pay
Implement the call center format/one call Phone #	N/A	No/not identified	Call Center status by 10/1

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$683,372
Operating Expenses	\$325,100
Total Budget	\$1,008,472

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

Proposed: (2) Customer Service Advocates

Increases:

- Increase in personnel costs due to adding 2 new full time Customer Care Advocate positions and reclassifying 1 Customer Care Advocate to a supervisory position
- \$1,000 - increase in printing based on trends
- \$1,000 - increase in uniforms for new staff members proposed
- \$10,000 - increase in postage costs due to a increase in customer base and PDF printing efforts of customer history
- \$64,000 - increase in banking fees (\$45,000 lockbox/ebox services and the city paying the portion of the bank fees for using the kiosk and bank draft payment options (based on 3,000 customers at \$2.75 each or \$99,000/year)
- \$5,000 - contractual increase in mailing services contract

Reductions/Decreases:

- \$75,000 – reduction in part-time funding to offset adding 2 full time customer service advocates

Capital:

- none

Items of Interest:

- Banking fees includes: Lockbox and e-box services

WATER AND SEWER

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	423,907	486,587	62,680	14.79%
41100	Salaries - Part Time	75,000	-	(75,000)	-100.00%
41200	Salaries - Overtime	3,000	3,000	-	0.00%
41300	Longevity Pay	5,714	5,714	-	0.00%
42000	FICA	39,638	41,908	2,270	5.73%
42200	State Retirement	43,825	50,250	6,425	14.66%
42210	401k	10,378	11,048	670	6.64%
42300	Medical Insurance	57,321	79,800	22,479	39.22%
42400	Life Insurance	1,225	1,225	-	0.00%
42500	Dental Insurance	3,240	3,840	600	18.52%
Sub-Total for Personnel		\$ 663,248	\$ 683,372	\$ 20,124	3.03%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	3,500	4,500	1,000	28.57%
43300	Postage	90,000	100,000	10,000	11.11%
44100	Repair & Maintenance: Office Equipment	500	500	-	0.00%
45250	Telephone	600	600	-	0.00%
46100	Office Supplies	5,000	5,000	-	0.00%
46200	Small Equipment and Tools	1,500	1,500	-	0.00%
46300	Dues and Subscriptions	1,000	1,000	-	0.00%
47100	Uniforms	2,000	3,000	1,000	50.00%
48000	Contracted Services	20,000	20,000	-	0.00%
48430	Banking Fees	80,000	144,000	64,000	80.00%
48440	Mailing Services	30,000	35,000	5,000	16.67%
51100	Travel and Training	10,000	10,000	-	0.00%
Sub-Total for Operating		\$ 244,100	\$ 325,100	\$ 81,000	33.18%
TOTAL BILLING AND COLLECTIONS					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	663,248	683,372	20,124	3.03%
	Operating Expenditures	244,100	325,100	81,000	33.18%
Total for All Categories of Expenses		\$ 907,348	\$ 1,008,472	\$ 101,124	11.15%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	2,410,615	2,126,451	2,121,451	2,382,053
Operating	1,103,406	1,191,000	1,876,903	1,348,832
Capital	-	16,800	1,353,107	216,000
Total Expenditures	\$ 3,513,721	\$ 3,334,251	\$ 5,351,461	\$ 3,946,995
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	33	38	38	39

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Repaired 54 water main breaks
2. Repaired/inspected 812 leaks
3. Installed 144 water services

Action Plan:

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

WATER AND SEWER

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
Water services installed	157	144	175
Sewer services installed	126	130	150
Sewer mains jet washed (feet)	197,323	220,031	220,000
# of cut-offs for non-payment	3,192	4,002	3,000
# of reconnects	2,905	3,628	3,000

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$2,382,053
Operating Expenses	\$1,348,832
Capital Expenses	\$216,000
Total Budget	\$3,946,995

Personnel includes: Water Resources Manager (1), Crew Supervisor (3), Crew Chief (5), Construction Maintenance Technician (7), Heavy Equipment Operator (3), Construction Maintenance Worker II (14), Meter Technician (3), Senior Office Assistant (1), Warehouse Assistant (1).

Proposed: (1) Locator

Increases:

- Personnel increases related to the addition of a Locator position
- \$12,000 – repair and Maintenance: Lift Station
 - \$6,000 for spare pump at the golf course
 - \$6,000 for south ridge 3 pump replacement
- \$750 – increase in water and sewer based on trends
- \$4,500 – small Equipment and Tools for the purchase of a new fork spreader
- \$59,182 – increase in water and sewer materials based on trends
- \$81,400 – contracted services for outfall maintenance contract for deferred maintenance efforts

Reductions/Decreases:

- None

Capital:

- \$216,000 – vehicle and equipment replacement
 - \$38,000 - Replacement of W62 (2008) (miles 170,130) - Chevy single cab
 - \$50,000 - Replacement of W7 (2013) (miles 185,322) – F 250
 - \$50,000 - Replacement of W9 (2013) (miles 183,191) – F 250
 - \$38,000 - Replacement of W61 (2008) (miles 126,735) - Chevy single cab
 - \$40,000 – Truck purchase for Locator position

Items of Interest:

- Locator position is offset by a fire availability increase based on the size of the fire line

WATER AND SEWER

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	1,429,382	1,570,346	140,964	9.86%
41200	Salaries - Overtime	153,000	153,000	-	0.00%
41300	Longevity Pay	973	2,618	1,645	169.06%
42000	FICA	118,006	125,535	7,529	6.38%
42200	State Retirement	145,916	167,845	21,929	15.03%
42210	401k	28,291	26,300	(1,991)	-7.04%
42300	Medical Insurance	235,163	318,587	83,424	35.47%
42400	Life Insurance	2,400	2,462	62	2.58%
42500	Dental Insurance	13,320	15,360	2,040	15.32%
Sub-Total for Personnel		\$ 2,126,451	\$ 2,382,053	\$ 255,602	12.02%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	3,000	3,000	-	0.00%
43300	Postage	1,800	1,800	-	0.00%
44200	Repair & Maintenance: Vehicles	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	115,000	127,000	12,000	10.43%
44900	Repair & Maintenance: Streets	10,000	10,000	-	0.00%
45220	Electricity	50,000	50,000	-	0.00%
45230	Water and Sewer	5,000	5,750	750	15.00%
45249	Gas Utilities	1,000	1,000	-	0.00%
45250	Telephone	42,000	42,000	-	0.00%
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	10,000	14,500	4,500	45.00%
46300	Dues and Subscriptions	2,500	2,500	-	0.00%
46850	Materials for W&S Services	441,200	500,382	59,182	13.41%
47100	Uniforms	31,000	31,000	-	0.00%
48000	Contracted Services	228,600	310,000	81,400	35.61%
51100	Travel and Training	15,100	15,100	-	0.00%

WATER AND SEWER

OPERATING EXPENDITURES

Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
Sub-Total for Operating Expenditures		\$ 1,191,000	\$ 1,348,832	\$ 157,832	13.25%

TOTAL DISTRIBUTION

Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
Personnel Expenditures	2,126,451	2,382,053	255,602	12.02%
Operating Expenditures	1,191,000	1,348,832	157,832	13.25%
Capital - Machinery and Equipment	16,800	216,000	216,000	100.00%
Total for All Categories of Expenses	\$ 3,334,251	\$ 3,946,885	\$ 629,434	18.97%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	951,208	983,313	1,023,313	990,733
Operating	2,039,181	2,123,135	2,236,265	2,211,191
Capital	-	-	-	16,000
Total Expenditures	\$ 2,990,389	\$ 3,106,448	\$ 3,259,578	\$ 3,217,924
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	14	15	15	15

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Continued bacteriology monitoring – had no violations in FY20
2. Continued to refine WTP process and distribution system water quality – had no violations in FY 20
3. Continued to monitor the Kannapolis Lake watershed to improve water quality
4. Completed 5 Consecutive years of meeting the water treatment goals of the N.C. Area-Wide Optimization Program (AWOP).

Action Plan:

1. Continue operating with 100% compliance of all State and Federal water quality standards. Compliance is verified by routine sampling, testing and reporting of the following:
 - a. Continuous automated monitoring of plant conditions including chemical feed rates, turbidity and chlorine residual supplemented by daily sampling of raw water, water in process and finished water for biological and chemical concentration

WATER AND SEWER

- b. Continue State approved sampling by scheduling routine collection and testing of 64 samples monthly throughout the distribution system for chlorine residual and bacteria.
 - c. Continue annual testing of raw finished water for approximately 150 organic and inorganic chemical compounds
 - d. Submit monthly reporting to the NC Department of Environmental Resources, Water Supply Division
2. Continue to meet DDBP and Corrosion Control requirements and make necessary improvements to ensure compliance.
3. Prepare to move into next tier of bacteria monitoring for Shiloh Church Rd due to population growth.
4. Request funding in FY 22 for redundancy study implementation and system reliability improvements to meet demands of population growth.

Measurement	FY 20 Actual		FY 21 Actual		FY 22 Target	
	Billion Gal	MGD	Billion Gal	MGD	Billion Gal	MGD
Total Water Treated	1.39	3.799	1.45	3.97	1.41	3.8
City Water Use	1.21	3.443	1.36	3.73	1.30	3.56
Unit cost of Treatment (\$/1,000 gallons)		\$1.26		\$1.36		\$1.25
% of scheduled routine collection and testing of samples monthly		100%		100%		100%
\$ of annual testing of raw finished water completed		100%		100%		100%

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$990,733
Operating Expenses	\$2,211,191
Capital Expenses	\$16,000
Total Budget	\$3,217,924

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), Maintenance Technicians (2), Crew Chief (1) and Senior Office Assistant (1).

Increases:

- Standard personnel increases
- \$25,000 – Bulk Water purchases based on trends
- \$8,800 – Repair and Maintenance: Water tanks for tank maintenance efforts
- \$3,000 – increase in telephone based on trends

WATER AND SEWER

- \$3,000 – increase in uniforms based on trends
- \$46,301 – increase in contracted services for SCADA improvements and upgrades
- \$1,955 – increase in contracted services-grounds based on contractual increases

Reductions/Decreases:

- None

Capital:

- \$16,000 increase in capital outlay
 - \$5,500 for a turb meter
 - \$10,500 replacement of analytical piece of equipment

Items of Interest:

- Increase to Bulk Water Purchase is contractual

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	692,520	682,373	(10,147)	-1.47%
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	54,313	53,175	(1,138)	-2.10%
42200	State Retirement	70,841	74,384	3,543	5.00%
42210	401k	11,057	12,118	1,061	9.60%
42300	Medical Insurance	95,045	111,107	16,062	16.90%
42400	Life Insurance	1,200	1,200	-	0.00%
42500	Dental Insurance	5,400	5,376	(24)	-0.44%
Sub-Total for Personnel		\$ 983,313	\$ 990,733	\$ 7,420	0.75%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43200	Advertising	500	500	-	0.00%
43300	Postage	300	300	-	0.00%
44200	Repair & Maint: Vehicles	4,500	4,500	-	0.00%
44400	Repair & Maint: Equipment	128,500	128,500	-	0.00%
44600	Repair & Maint: Lift Station	31,000	31,000	-	0.00%
44700	Repair & Maint: Water Tank	92,300	101,100	8,800	100.00%
45220	Electricity	300,000	300,000	-	0.00%
45240	Gas Utilities	1,000	1,000	-	0.00%

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45250	Telephone	16,500	19,500	3,000	100.00%
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	290,000	-	100.00%
46840	Raw Water Purchases	49,000	49,000	-	100.00%
47100	Uniforms	9,000	12,000	3,000	100.00%
48000	Contracted Services	193,390	239,691	46,301	100.00%
48220	Contract: Grounds Maintenance	48,045	50,000	1,955	100.00%

OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/Decrease (\$)	% Change
48240	Bulk Water Purchases	925,000	950,000	25,000	100.00%
51100	Travel and Training	10,500	10,500	-	0.00
Sub-Total for Operating Expenditures		\$ 2,123,135	\$ 2,211,191	\$ 88,056	4.15%

TOTAL WATER TREATMENT PLANT					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/Decrease (\$)	% Change
	Personnel Expenditures	918,819	990,733	7,420	100.00%
	Operating Expenditures	2,123,135	2,211,191	88,056	100.00%
	Capital Machinery	-	16,000	16,000	100.00%
Total for All Categories of Expenses		\$ 3,106,448	\$ 3,217,924	\$ 111,476	3.59%

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 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	-	-	-	-
Operating	3,632,835	3,407,618	3,407,618	3,194,670
Capital	-	-	-	-
Total Expenditures	\$ 3,632,835	\$ 3,407,618	\$ 3,407,618	\$ 3,194,670
Revenues				
Charges and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Staffing				
FTE Positions	-	-	-	-

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Continue to refine the adopted inflow/infiltration (I/I) policy to reduce capital costs for treatment expansion and interceptor upgrades by identifying inflow and infiltration, then repairing the sewer infrastructure.
2. Responded to and unstopped 932 sewer blockages
3. Hydraulically cleaned 220,031 feet of sewer main
4. Performed CCTV inspections of 51,477 feet of sewer main
5. Performed 728 inspections and 31 emergency inspections to the wastewater lift stations within one hour.
6. Repaired 67 sewer mains and laterals
7. Compliant with NCDENR regulations and sewer main cleaning and inspections

WATER AND SEWER

Action Plan:

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

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
# of sewer outfall lines cleared	391,646	65,491	450,000

BUDGET AND STAFFING SUMMARY:

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$3,194,670
Total Budget	\$3,194,670

No Personnel included in this Division.

Increases:

- \$18,935 – Interceptor Fixed Rate based on update from WSACC

Reductions/Decreases:

- \$210,765 – Sewage Treatment Variable (based on update from WSACC)
- \$21,118 – Treatment Fixed Rate based on update from WSACC

Capital:

- None

Items of Interest:

- Doesn't account for I/I that occurs throughout the year due to heavy rainfall that is then treated.

WATER AND SEWER

OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
49020	Sewage Treatment Variable	2,430,225	2,219,460	(210,765)	-8.67%
49030	Treatment Fixed Rate	502,319	481,201	(21,118)	-4.20%
49050	Interceptor Fixed Rate	379,034	397,969	18,935	5.00%
49060	Capital Assessments	31,040	31,040	-	0.00%
49070	Concord Northlite Sewer	65,000	65,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 3,407,618	\$ 3,194,670	\$ (212,948)	-6.25%
TOTAL SEWAGE TREATMENT (WSACC)					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 3,407,618	\$ 3,194,670	\$ (212,948)	-6.25%%
Total for All Categories of Expenses		\$ 3,407,618	\$ 3,194,670	\$ (212,948)	-6.25%

WATER AND SEWER

Water and Sewer – Debt Service 38000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	4,028,310	4,071,348	43,038	1.07%
58200	Bond Interest	2,576,404	2,413,704	(162,700)	-6.32%
58300	Debt Issuance Cost	500,000	500,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 7,104,714	\$ 6,985,052	\$ (119,662)	-1.68%
TOTAL WATER AND SEWER DEBT SERVICE					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Debt Service Expenditures	7,104,714	6,985,052	1,483,556	26.39%
Total for All Categories of Expenses		\$ 7,104,714	\$ 6,985,052	\$ (119,662)	-1.68%

Revenue Bonds	Principal	Interest
Vac Truck	615,007	623,816
Kannapolis Crossing/Lane St/WTP Improvements	1,305,000	155,188
Downtown Water and Sewer	279,000	180,404
Davidson Road Water	672,000	594,548
Reducing Series 2011/2014	890,000	833,040
Other		
Jet Vac Truck	39,215	197
Equipment	76,527	14,334
Water Line-NCRC	76,633	3,134
Afton Run Sewer	59,863	3,723
Kannapolis Parkway	42,932	1,182
Second Creek	15,171	4,138
Total	\$4,071,348	\$2,413,704

No new debt service for FY 22

Water and Sewer – General Management Services Fee and Transfers 39000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
56000	General Management Services	2,143,921	2,143,921	-	0.00%
57200	Transfer to Other Funds	-	-	-	0.00%
57400	Transfer to Env Fund	495,700	495,700	-	0.00%
%Sub-Total for Transfers		\$ 2,639,621	\$ 2,639,621	\$ -	0.00%
TOTAL GENERAL MANAGEMENT SERVICES WATER AND SEWER/TRANSFERS					
	Expense Category	FY 2021 Adopted	FY 2021 Adopted	Actual Increase/ Decrease (\$)	% Change
	Transfers	2,639,621	2,639,621	(1,053,003)	-28.52%
Total for All Categories of Expenses		\$ 2,639,621	\$ 2,639,621	\$ -	0.00%

Items of Interest:

- General Management Services fee flat over FY 21 budget
- Transfer to other funds flat over FY 21 budget. This is a transfer to the Environmental Fund to account for the solid waste disposal contract increase and the increase in recycling expenses

STORMWATER FUND

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

Stormwater Fund 40000

MISSION STATEMENT:

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

BUDGET AND STAFFING SUMMARY:

	FY 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	962,005	886,328	886,328	1,055,989
Operating	809,565	2,613,672	2,613,672	2,139,942
Capital	-	-	-	-
Total Expenditures	\$ 1,982,095	\$ 3,500,000	\$ 3,500,000	\$ 3,195,831
Revenues				
Charges and Fees	3,081,293	3,100,000	3,100,000	3,195,831
Miscellaneous/Other	-	400,000	400,000	-
Total Revenues	\$ 3,081,293	\$ 3,500,000	\$ 3,500,000	\$ 3,195,831
Staffing				
FTE Positions	16	16	16	17

PERFORMANCE MEASUREMENT:

Accomplishments:

1. Inspected critical pipe list and maintained
2. NCDENR audit was performed and we reworked program

Action Plan:

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

STORMWATER FUND

3. Increase Catch basin annual checks to be in compliance with MS4 permit
4. Plan to replace Fisher St Culvert, 42 inch.

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
Shoulder work and ditches cleared (miles)	2.1	2.3	3.5
Drainage structures (repaired and constructed)	46	38	60
Linear feet of drainage culvert hydraulically cleaned	4,966	11,991	18,000
# of stormwater complaints resolved within 30 days	641	766	500
Miles of streets swept	360	354	530
Culvert maintenance performed in-house	8	15	22

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$1,055,989
Operating Expenses	\$2,139,942
Capital Machinery	\$0
Total Budget	\$3,195,831

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

Increases:

- Personnel increases related to moving the Director of Transportation and Environmental Services to this budget since it is more stable than Environmental Fund, which requires substantial transfers

Reductions/Decreases:

- \$400,000 – reduction in fund balance appropriated due to the fee increase proposed in the Environmental Fund which reduces the need for a transfer from the Stormwater Fund to offset costs in recycling

Capital:

- None

Items of Interest:

- No new debt service for FY 22
- Contracted services include culvert replacement jobs, concrete replacement jobs and the ditching program
- No fund balance appropriation for FY 22. The fund balance appropriation of \$400,000 in FY 21 was transferred to the Environmental Fund to help offset the increases in solid waste contract and recycling expenses

Stormwater Revenue Summary

Fiscal Year 2022

REVENUES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease	% Change
36000	Charges and Fees	3,100,000	3,195,831	95,831	3.09%
39900	Fund Balance Appropriation	400,000	-	(400,000)	-100.00%
Total Stormwater Fund		\$ 3,500,000	\$ 3,195,831	\$ (304,169)	-8.69%

Stormwater Expenditure Summary

Fiscal Year 2022

EXPENSES				
Account Description	FY 2022 Adopted	FY 2022 Adopted	Actual Increase/ Decrease	% Change
Personnel	886,328	1,055,989	169,661	19.14%
Operations	709,600	711,020	1,420	0.20%
Debt Service	1,033,493	958,243	(75,250)	-7.28%
Capital Outlay	-	-	-	0.00%
General Management Services	470,579	470,579	-	0.00%
Transfer to Environmental Fund	400,000	-	(400,000)	-100.00%
Total Stormwater Fund	\$ 3,500,000	\$ 3,195,831	\$ (304,169)	-8.69%

STORMWATER FUND

Stormwater 40000

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	637,667	745,590	107,923	16.92%
41200	Salaries - Overtime	19,195	19,195	-	0.00%
41300	Longevity Pay	712	712	-	0.00%
42000	FICA	48,995	57,321	8,326	16.99%
42200	State Retirement	65,122	82,009	16,887	25.93%
42210	401k	5,723	8,827	3,104	54.24%
42300	Medical Insurance	101,904	134,579	32,675	32.06%
42400	Life Insurance	1,250	1,250	-	0.00%
42500	Dental Insurance	5,760	6,506	746	12.95%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
43300	Postage	100	100	-	0.00%
44200	Repair & Maintenance: Vehicles	60,000	60,000	-	0.00%
44400	Repair & Maintenance: Equipment	55,000	55,000	-	0.00%
44900	Repair & Maintenance: Streets	170,000	170,000	-	0.00%
45250	Telephone	8,100	8,100	-	0.00%
45410	Equipment Rental	13,000	13,000	-	0.00%
45610	Motor Fuel	30,000	30,000	-	0.00%
46100	Office Supplies	3,500	3,500	-	0.00%
46200	Small Equipment and Tools	10,000	10,000	-	0.00%
46300	Dues and Subscriptions	2,000	2,000	-	0.00%
47100	Uniforms	14,000	14,000	-	0.00%
48000	Contracted Services	186,400	187,820	1,420	0.76%
48300	Consultants	150,000	150,000	-	0.00%
51100	Travel and Training	7,500	7,500	-	0.00%
56000	General Management Service Fee	470,579	470,579	-	0.00%
57400	Transfer to the Environmental Fund	400,000	-	(400,000)	100.00%
Sub-Total for Operating Expenditures		\$ 1,580,179	\$ 1,181,599	\$ (398,580)	-25.22%
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	886,328	1,055,989	169,661	19.14%
	Operating Expenditures	1,580,179	1,181,599	(398,580)	-25.22%
Total for All Categories of Expenses		\$ 2,066,507	\$ 2,237,588	\$ 228,919	8.28%

STORMWATER FUND

Stormwater Debt Service 48000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	782,284	728,488	(53,796)	-6.88%
58200	Bond Interest	251,209	229,755	(21,454)	-8.54%
Sub-Total for Operating Expenditures		\$ 1,033,493	\$ 958,243	\$ (75,250)	-7.28%
TOTAL STORMWATER					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	1,033,493	958,243	(75,250)	-7.28%
Total for All Categories of Expenses		\$ 1,033,493	\$ 958,243	\$ (75,250)	-7.28%

Installment Obligations	Principal	Interest
Equipment	17,561	3,290
Stormwater various projects	710,927	226,465
Total	\$728,488	\$229,755

No new debt service for FY 22

Stormwater General Management Services Fee and Transfers 49000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
56000	General Management Services Fee	470,579	470,579	-	0.00%
57400	Transfer to Env Fund	400,000	-	(400,000)	-100.00%
Sub-Total for Transfers		\$ 870,579	\$ 470,579	\$ (400,000)	-45.95%
TOTAL STORMWATER GENERAL MANAGEMENT SERVICES FEE/TRANSFERS					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Transfers	870,579	470,579	(400,000)	-45.95%
Total for All Categories of Expenses		\$ 870,579	\$ 470,579	\$ (400,000)	-45.95%

Items of Interest:

- General Management Services Fee remains flat over FY 21 budget
- No fund balance appropriation in FY 22 needed to offset increases in the Environmental Fund

ENVIRONMENTAL FUND

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

Environmental Fund 50000

MISSION STATEMENT:

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

BUDGET AND STAFFING SUMMARY:

	FY 2020 Actual	FY 2021 Budget	FY 2021 Revised	FY 2022 Adopted
Expenditures				
Personnel	403,716	415,825	415,825	318,717
Operating	3,968,424	4,114,362	4,114,362	4,078,377
Capital	-	-	-	-
Total Expenditures	\$ 4,372,140	\$ 4,530,187	\$ 4,530,187	\$ 4,629,129
Revenues				
Charges and Fees	3,233,691	3,448,487	3,448,487	4,011,887
Miscellaneous	98,959	-	-	-
Solid Waste Disposal Tax	36,249	36,000	36,000	36,000
Transfers from GF	350,000	150,000	150,000	85,542
Transfer from SW	-	400,000	400,000	-
Transfer from WS	495,700	495,700	495,700	495,700
Total Revenues	\$ 4,214,599	\$ 4,530,187	\$ 4,530,187	\$ 4,629,129
Staffing				
FTE Positions	4	6	6	5

PERFORMANCE MEASUREMENT:

Accomplishments:

1. The commercial recycling program continues to grow
2. Continued single-stream recycling program for all Kannapolis residents
3. Continued diversion of recyclables from the landfill and reduced waste stream
4. Continued participation in the recycling program by all Kannapolis City Schools and Cabarrus County Schools within Kannapolis
5. Continued education and outreach through community and school events
6. "Recycle Right" has reduced contamination

ENVIRONMENTAL FUND

Action Plan:

1. Promote the commercial recycling program direct mailers, the website, monthly newsletters, and social media
2. Increase multi-lingual education and outreach in areas with low participation rates through COK Communication Department.
3. Continue monitoring and communicating with our hauler to identify and reduce recycle contamination.

Measurement	FY 20 Actual	FY 21 Actual	FY 22 Target
Residential customers served	18,527	18,851	18,976
Commercial customers served	166	184	200
Tons recycled	3,202	3,466	3,650
Yard waste tonnage collected	9,169	9,729	9,500
# of outreach events held	2	0	2

BUDGET HIGHLIGHTS AND CHANGES:

Expense Summary	
Personnel Expenses	\$318,717
Operating Expenses	\$4,310,412
Capital Machinery	\$0
Total Budget	\$4,629,129

Personnel includes: Yard Waste Crew Leader (1) and Yard Waste Technician (4)

Increases:

- \$33,000- increase in container purchases for replacement carts and new carts due to growth.
- \$37,000 – increase in the contracted for loose leaf collection.
- \$60,751- standard CPI increase with Waste Management
- \$15,300 – increase in landfill cost due to tipping fee increase from \$39.70/ton to \$40.90/ton
- \$50,000- increase in yard waste tipping fees based on trends

Reductions/Decreases:

- Personnel decreases related to moving the Director of Transportation and Environmental Services to this budget since it is more stable than Environmental Fund, which requires substantial transfers

Capital:

- None

Items of Interest:

- Solid Waste increase is due to increase in tipping fee and accounts for Waste Management contract and recycling expenses

ENVIRONMENTAL FUND

- 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 22

Environmental Fund Revenue Summary

Fiscal Year 2022

REVENUES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease	% Change
32200	Solid Waste Disposal Tax	36,000	36,000	-	0.00%
36000	Charges and Fees	3,448,487	4,011,887	563,400	16.34%
39200	Transfers from General Fund	150,000	85,542	(64,458)	-42.97%
39210	Transfers from Water & Sewer Fund	495,700	495,700	-	0.00%
39230	Transfers from Stormwater	400,000	-	(400,000)	-100.00%
Total Environmental Fund		\$ 4,530,187	\$ 4,629,129	\$ 98,942	2.18%

Environmental Fund Expenditure Summary

Fiscal Year 2022

EXPENSE SUMMARY				
Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease	% Change
Personnel	415,825	318,717	(97,108)	-23.35%
Operations	3,882,326	4,078,377	196,051	5.05%
Debt Service	232,036	232,035	(1)	0.00%
Total Environmental Fund	\$ 4,530,187	\$ 4,629,129	\$ 98,942	2.18%

ENVIRONMENTAL FUND

Environmental Fund 50000

PERSONNEL					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	298,394	216,093	(82,301)	-27.58%
41200	Salaries - Overtime	10,000	15,000	5,000	100.00%
41300	Longevity Pay	1,161	1,161	-	0.00%
41600	Vehicle Allowance	6,000	-	(6,000)	100.00%
42000	FICA	23,623	16,924	(6,699)	-28.36%
42200	State Retirement	30,559	23,683	(6,876)	-22.50%
42210	401k	5,214	3,536	(1,678)	-32.18%
42300	Medical Insurance	38,214	39,900	1,686	4.14%
42400	Life Insurance	500	500	-	0.00%
42500	Dental Insurance	2,160	1,920	(240)	-11.11%
Sub-Total for Personnel		\$ 415,825	\$ 318,717	\$ (97,108)	-23.35%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	100,000	100,000	-	0.00%
44400	Repair & Maintenance: Equipment	15,000	15,000	-	0.00%
45250	Telephone	5,000	5,000	-	0.00%
45410	Equipment Rental	10,000	10,000	-	0.00%
45670	Motor Fuel	40,000	40,000	-	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	7,000	-	0.00%
46860	Container Purchases	110,000	143,000	33,000	30.00%
48000	Contracted Services	80,000	117,000	37,000	46.25%
48910	Solid Waste	2,692,404	2,753,155	60,751	2.26%
48920	Bulk Containers	90,672	90,672	-	0.00%
48930	Landfill	650,000	650,000	-	0.00%
48940	Recycling	-	-	-	0.00%
48950	Yard Waste - Tipping Fees	75,000	125,000	50,000	66.67%
51300	Special Expenses	-	-	-	0.00%
Sub-Total for Operating Expenditures		\$ 3,882,326	\$ 4,078,377	\$ 196,051	5.05%
TOTAL ENVIRONMENTAL					

Environmental Debt Service 58000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	218,398	224,716	6,318	2.89%
58200	Bond Interest	13,638	7,319	(6,319)	-46.33%
Sub-Total for Operating Expenditures		\$ 232,036	\$ 232,035	\$ 1	0.00%
TOTAL ENVIRONMENTAL DEBT SERVICE					
	Expense Category	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	232,036	232,035	(1)	0.00%
Total for All Categories of Expenses		\$ 232,036	\$ 232,035	\$ 1	0.00%

Special Obligation Bonds	Principal	Interest
Leaf Collection Trucks	224,716	7,319
Total	\$224,716	\$7,319

- No new debt service is proposed for FY 22

SEPARATION PAY FUND

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

Separation Pay Fund 60000

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$484,210
Total Budget	\$484,210

Budget:

- \$449,799- Separation Pay
- \$34,411 - FICA

Capital:

- None

Items of Interest:

- Two employees will receive final supplements in FY 21
- Thirty former employees currently receive separation pay benefits for FY 22

Separation Pay Revenue Summary Fiscal Year 2022

REVENUES				
Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
Transfer from General Fund	502,781	484,210	(18,571)	-3.69%
Total Separation Pay Revenues	\$ 502,781	\$ 484,210	\$ (18,571)	-3.69%

Separation Pay Expenditure Summary Fiscal Year 2022

EXPENSES				
Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
Separation Pay	467,066	449,799	(17,267)	-3.70%
FICA	35,715	34,411	(1,304)	-3.65%
Total Separation Pay Expenses	\$ 502,781	\$ 484,210	\$ (18,571)	-3.69%

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 2022 Transit System Fund Budget is \$700,000. This is the twenty first year this fund has existed. This year it will be funded from a combination of revenues from the dedicated Vehicle License Tax and anticipated CARES Act Funds. City Council has adopted a formal inter-local agreement with the City of Concord to establish a jointly supported Urban Area Transit System for our two cities. The largest part of this entire initiative would be funded by the State and Federal governments.

Transit Fund 77500

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

Increases:

- None

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- CARES Act funding reduces the need for a transfer from the General Fund to offset operational funding
 - In conjunction with the City of Concord, Kannapolis should see budget relief from CARES Act funding over the next three fiscal years
- Fund balance appropriation of \$200,000 which will be transferred back to the General Fund
 - Historically, this fund has received a transfer from the General Fund in order to offset operations and therefore has accumulated a fund balance.
- Vehicle license tax is \$30, \$20 goes directly to the Transit fund to support the public transit system and \$5 goes back to support to the General Fund for support and \$5 goes towards road paving/improvements.

Transit Fund Revenue Summary Fiscal Year 2022

REVENUES				
Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
Vehicle License Tax	500,000	500,000	-	0.00%
Transfer from General Fund	-	-	-	0.00%
Appropriated Fund Balance	200,000	200,000	-	0.00%
Total Transit Fund Revenues	\$ 700,000	\$ 700,000	\$ -	0.00%

Transit Fund Expenditure Summary Fiscal Year 2022

EXPENSES				
Account Description	FY 2021 Adopted	FY 2022 Adopted	Actual Increase/ Decrease (\$)	% Change
Contracted Services	500,000	500,000	-	0.00%
Transfer to the General Fund	200,000	200,000	-	0.00%
Total Transit Fund Expenses	\$ 700,000	\$ 700,000	\$ -	0.00%

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. During FY 22, the City held its first virtual City Council Retreat where City Council ranked and voted on its projects and priorities over a five-year window.

City of Kannapolis Capital Improvement Plan

A capital project is defined using the following criteria:

1. The purchase or acquisition of a City asset, land purchase or the replacement or rehabilitation of an existing asset
2. Has a value of \$100,000 or greater;
3. Has a useful life of five years or more;
4. Spans more than one fiscal year from planning to completion

The Capital Improvement Plan in the pages to follow show the capital projects that will take place this fiscal year and upcoming fiscal years in the City. One significant component of the FY 22 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.

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 22 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 an outline of City Council's main goals as they prioritized projects during the retreat process:

Virtual Planning Retreat Goals:

- Maintain our progress and keep community enthusiasm high.
- Establish City Council priorities for the next five years with a fiscally responsible Financial Plan to achieve as any of these priorities as possible.
- Eliminate "random." With all that is occurring in our City we need to maintain a very deliberate, well-defined plan based on City Council's vision coupled with sound financial principles.

CAPITAL IMPROVEMENT PLAN

- Define what the City staff (and by extension City Council) work program should look like for the next five years. This will, in part, involve spending some time and funding in the short term to plan for the next 10-20 years.
- Allow for new ideas for initiatives and projects from councilmembers, staff, citizens, and community leaders with a pathway into the City's work program and/or budgets based on Planning Retreat priorities.
- Ensure that operations and service delivery do not suffer (at a minimum: maintain what we are doing – especially in the next few years).

The Virtual Planning Retreat focused on the General Fund and to some extent the Stormwater Fund with discussion of Water and Sewer, Transit, Environmental primarily as they relate to the General Fund or as they may impact the 5-Year Financial Plan.

Implementation of City Council Virtual Planning Retreat. In March and April 2021 City Council participated in a COVID-friendly Virtual Planning Retreat which set City Council project and initiative priorities for the next five years. The following was the starting point for the priority setting and the overall implementation plan:

- 58 projects/initiatives with an estimated capital cost \$189.8 million and \$9.5 million in annual recurring cost. The proposed 2022-26 funding implementation plan addresses 22 of these projects and initiatives.
- 28 studies/plans with an estimated \$1 million in initial estimated study costs (figure does not include implementation costs). The proposed 2022-26 funding implementation plan addresses 9 studies and plans, and in some cases includes initial implementation funding to jump-start the projects upon completion of the plan or study.
- 10 small projects/initiatives with an estimated \$648,000 in capital cost and \$406,000 annual recurring cost. The proposed 2022-26 funding implementation plan addresses 5 of these small projects/initiatives.

More specifically, the FY 22 Budget includes a number of initial funding priorities emerging from the Retreat:

- Employee Retention and Recruitment Efforts (budgeted in Non-Departmental budget):
- Additional 1% contribution to 401k - brings the City's match up to 3%.
- Additional \$420 per employee contribution to the medical flex savings accounts.
- Free employee memberships to the Cabarrus-Rowan YMCA system.
- Code Enforcement Officer
- Gem Theatre Operating Partnership.

Additionally, the majority of the Virtual Planning Retreat implementation in FY 22 will come in the form of an aggressive Cash Reserves Funding Plan described in the Five Year Plan section of the document.

CAPITAL IMPROVEMENT PLAN

Below is the full list of capital projects and initiatives and studies and plans that City Council prioritized and voted on with the top priority being the skateboard park.

Project or Initiative	Capital Cost Estimate	Annual Net Operating Cost Estimate (includes revenue offsets)
Skateboard Park	\$2,000,000	\$50,000
Employee Retention and Recruitment - Year 3	\$0	\$492,800
Fire Station #1 Remodel	\$1,325,000	\$0
Village Park Phase IV	\$1,225,000	\$9,000
Eastside Fire Station - Permanent	\$6,700,000	\$550,000
Westside Park	\$13,000,000	\$395,000
Litter Clean-Up Program	\$260,000	\$572,600
Gem Theatre - Phase II Renovations	\$3,300,000	\$0
Community Center w/ Swimming Pool	\$12,000,000	\$315,000
Kann. Parkway/Highway 3 Decorative Street Lights+Landscaping	\$2,686,000	\$50,000
200-Space Downtown Parking Lot	\$1,500,000	\$0
Cannon Blvd Southern Entryway Aesthetic Improvements	\$1,500,000	\$0
Western Cabarrus Fire Station - Permanent	\$7,000,000	\$350,000
North Loop Road Safety Improvements	\$425,000	\$0
Bakers Creek Park Improvements	\$1,175,000	\$0
Economic Development Partnership Incentives	\$2,000,000	\$0
Cannon Blvd+DEB Intersection Aesthetic Enhancements	\$375,000	\$0
Eastside Fire Protection w/ Temporary Station	\$1,100,000	\$550,000
Cannon Blvd/Mt. Olivet Intersection Improvements	\$2,750,000	\$0
Project or Initiative	Capital Cost Estimate	Annual Net Operating Cost Estimate (includes revenue offsets)
Enhanced Street Paving	\$5,000,000	\$0
Woodrow Wilson Elementary Sidewalks	\$5,360,000	\$0
Five-Year Personnel Additions	\$0	\$3,290,520
Irish Buffalo Creek Greenway	\$7,000,000	\$275,000
Fire Department Storage Facility at Fire Station #2	\$300,000	\$0
Fire Department Training Facility	\$850,000	\$0
Eastside Park	\$4,300,000	\$205,000
Five-Year Capital Outlay	\$12,329,200	\$0

CAPITAL IMPROVEMENT PLAN

Enhanced Summer Concert Series	\$0	\$200,000
First Street Bridge Replacement Aesthetic Enhancements	\$1,500,000	\$0
Vance Avenue/West Avenue Roundabout	\$1,875,000	\$0
Bethpage Road Sidewalk Phase I	\$2,500,000	\$0
Lane Street Sidewalk	\$8,800,000	\$0
Western Cabarrus Fire Protection w/ Temporary Station	\$1,200,000	\$350,000
Fire Station #4 Replacement	\$6,100,000	\$0
Neighborhood Improvement Initiative	\$5,000,000	\$0
New Business Park	\$9,000,000	\$50,000
North Bakers Branch Greenway	\$1,400,000	\$15,000
Rocky River Greenway	\$1,700,000	\$20,000
School Athletic Facility Upgrades	\$4,500,000	\$0
Campus Lawn Improvements	\$1,700,000	\$75,000
I-85 Decorative Monuments	\$1,000,000	\$0
Kannapolis Middle School and A.L. Brown Tennis Court Lights	\$375,000	\$0
Dog Park	\$400,000	\$24,000
Rogers Lake Road Sidewalk	\$9,010,000	\$0
Cultural Arts Program	\$0	\$108,500
Shell Space Upfits at City Hall	\$2,050,000	\$25,000
Gem Theatre - Phase III Renovations	\$3,700,000	\$0
Stormwater Improvements	\$5,000,000	\$0
Municipal Par 3 Golf Course	\$1,800,000	\$100,000
Sidewalk Repair and Replacement	\$2,500,000	\$0
Vietnam Veterans Park Operations	\$30,000	\$254,000
Midlake Road Sidewalk	\$4,400,000	\$0
Pine Street Sidewalk	\$1,440,000	\$0
Small Lake-Front Park/Trail at Old Intimidators Stadium	\$1,500,000	\$0
Project or Initiative	Capital Cost Estimate	Annual Net Operating Cost Estimate (includes revenue offsets)
Oakwood Avenue Street Extension	\$6,228,000	\$0
Pennsylvania Avenue Sidewalk	\$5,440,000	\$0
Archery Facility	\$600,000	\$45,000
Oakwood Avenue Sidewalk Phase III	\$3,600,000	\$0

Individual project pages follow for the full Capital Improvement Plan that details project overview, costs, need and community benefit, consequences of not funding, alternatives to funding and City Manager observations.

Capital Project/Major Initiative:

Archery Facility
\$600,000 (Capital)
\$45,000 (Recurring)

Department(s):
 Parks and Recreation

Staff Lead:
 Gary Mills

Description:

Creation of an indoor/outdoor archery range. The ideal size would be between 2-5 acres and allow the opportunity to shoot at a variety of targets and distances. It could be a stand-alone facility or part of an existing park. Finding a suitable location would likely pose the largest challenge. Obviously safety considerations would be part of the decision.

Need/Community Benefit:

While the need for an archery range ranked #15 out of 16 facilities in the P&R master plan, archery is growing in popularity and has become a national trend.

Consequences if not Funded:

There is a small private archery range in China Grove that is available for public use so perhaps some existing demand is being met already. A publicly funded facility would open up the sport to a larger group of citizens.

Alternative(s) if not Funded:

- Seek outside organizations to lead the initiative and generate private funding, perhaps with the City as a partner.
- There are a number of grants that may be available to assist in construction.
- Consider the use of Atrium Health Ballpark (outdoors or indoors using batting cages) although this would limit the availability due to conflicts with ballgames or other events.

City Manager Observations:

The primary concern with this project is the limited number of participants and demand compared with other parks investment opportunities. Would likely need to be a regional draw to be successful. If it were located at Vietnam Veterans Park or another south Kannapolis location, Cabarrus County may be willing to consider a partnership.

This project cannot be phased.

Pictures below are from the Metroparks Toledo Static Range.



Pictures of outdoor archery facility in Woodland, Texas below.



Capital Project/Major Initiative:

Community Center w/ Swimming Pool

\$12,000,000 (Capital)

\$315,000 (Recurring)

Department(s):

Parks and Recreation

Staff Lead:

Gary Mills

Description:

Develop a community center with swimming pool facility for the residents of Kannapolis. As envisioned for the purposes of this analysis, the proposed facility would include the following:

- Approximately 24,000 square feet with the ability to be expanded in the future.
- 16,000 square feet of court space that can accommodate 4 regulation volleyball courts, 4 pickleball courts, 2 regulation basketball courts and 4 practice courts
- 14 tip and roll bleachers that can seat around 400 people.
- Storage room of at least 700 square feet connected to the gym area, a support area which is about 2 1/2 feet above the court area
- Lounge/cafe area that accommodates 40 people, concession stand,
- Gallery area that overlooks the courts that can accommodate 45 people,
- Staff offices,
- A multiple-purpose room that can accommodate up to 50 people with tables and chairs.
- Restrooms as well as a family change room with a shower.
- Swimming pool would include a zero-depth entry area for smaller children with spray features as well as 50-meter lap area. It should also include the opportunity for slides and other play features to make the facility more inviting for a wider variety of users. The swimming pool could be added in a future phase of development.

Need/Community Benefit:

Per the adopted P&R Master Plan, the standard set for Kannapolis is one Recreation Center for every 25,000 residents; the standard for a swimming pool is also one per every 25,000 residents. To that end it could be argued that even with the YMCA in full and efficient operation, the community lacks enough of these facilities.

A recreation center and swimming pool were 4th and 5th respectively in the Parks and Recreation Master Plan. It should also be noted that a recreation center and swimming pool were two of the highest ranked amenities by both households with children and households without children as a need for the community.

Consequences if not Funded:

The City would continue to fall behind on the recommended recreational opportunities for our community. More pressure would continue be placed on the YMCA to deliver these services to the City's residents.

Alternative(s) if not Funded:

- The most feasible alternative to funding a new facility would be to strengthen the City's partnership with the Cabarrus-Rowan YMCA – specifically the Kannapolis Branch facility. The existing YMCA currently serves the role of the City's community center by default. The YMCA staff has indicated that there have greater than 50% capacity available for additional users. With targeted renovations, this capacity availability might be even greater. There could be a scenario where the City would increase funding in a way that subsidizes YMCA memberships for City residents to maximize existing capacity.
- Another alternative to constructing a new facility would be to approach the YMCA about an outright purchase of the Kannapolis YMCA branch facility and its conversion to a user fee based versus membership-based community center. This could be phased in over time to allow for the transition. However, with likely renovations and upgrades this may not end up being a money saver but certainly would avoid duplicating facilities. This could also include a creative long-term operating partnership with the YMCA.
- One additional alternative would be tied to the potential for the US Performance Center and a facilities partnership on that project. This is not a highly likely option but one to keep on the table for now.
- A final alternative is to seek outside funding opportunities, but this would be very limited for such a large investment).

City Manager Observations:

This project could be phased to an limited extend by constructing the swimming pool separately from the larger facility. Considering that both project phases may need to be financed it doesn't make much sense to phase it.

It is clear that the construction of a new community center would have tremendous negative impacts on the YMCA likely resulting in its closure at some future point.

Capital Project/Major Initiative:

Irish Buffalo Creek Greenway

(Phases 2, 3 & 4)

\$7,000,000 (Capital)

\$275,000 (Recurring)

Department(s):

Parks and Recreation / Public Works

Staff Lead:

Gary Mills

Description:

This Irish Buffalo Creek Greenway Phase 2 project will complete approximately 1.0 miles of greenway from Rogers Lake Road to Mooresville Highway/Safrit Park. This 10-foot wide paved trail will provide connection from the Kellswater Bridge residential and commercial development to Mooresville Highway and the soon to be developed sidewalks and bike lanes that will lead to the Downtown Central Business District.

The Irish Buffalo Creek Greenway phase 3 project will go from Hwy 3/Safrit Park to Pine St/Fred L. Wilson Elementary School. This 10-foot wide paved trail is approximately 1.0 miles long and will cross Rainbow Drive. It will also connect the proposed Summerlyn development to the new greenway.

This Irish Buffalo Creek Greenway Phase 4 project will complete approximately 1.8 miles of greenway from Pine St. to Bakers Creek Park. This 10-foot wide paved trail will provide connection from Fred L. Wilson Elementary School where it will proceed north and go under West C Street at Pump Station Road, cross the pump station property and connect to the Bakers Creek Greenway at Glenn Avenue.

Currently there is no outside funding secured for this project, though the Carolina Thread Trail has expressed interest in helping with these proposed trails.

Need/Community Benefit:

Greenways were the **most requested** recreational amenity by the citizens of Kannapolis in the recently adopted Parks and Recreation Master Plan. The Irish Buffalo Creek Greenway is the highest-ranking greenway project in the plan. Phase 2 connects to Phase 1 of the Irish Buffalo Creek Greenway at Rogers Lake Road which provides connectivity to numerous neighborhoods, Vietnam Veterans Park and the I-85 crossing. Phase 3 connects to Phase 2 at Safrit Park which provides connectivity to numerous neighborhoods, an elementary school and the downtown

business district. Phase 4 will connect to phase 3 at Pine St and run north to connect to the current Bakers Creek Greenway and 8th Street Greenway.

Consequences if not Funded:

The greenway does not get built and connectivity within the City is diminished.

Alternative(s) if not Funded:

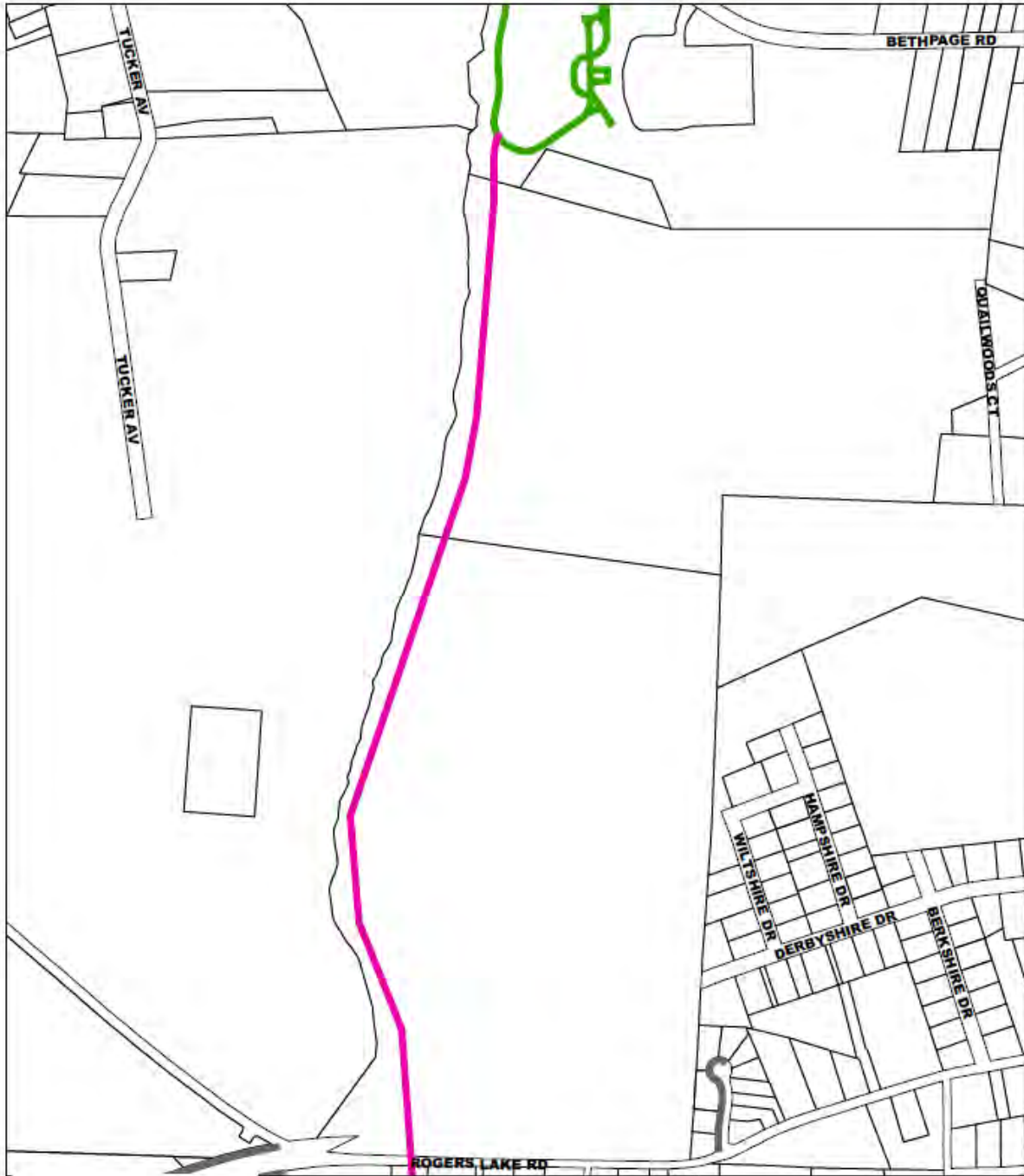
Seek additional outside grant funding and NCDOT funds.

City Manager Observations:

Greenways are consistently a highly desired recreation asset for our citizens. These phases provided a much-needed link between Downtown (via the planned Highway 3 sidewalk) and the Kannapolis Parkway/Oakwood Avenue corridors. In some ways this project would serve to bridge “old Kannapolis” and “new Kannapolis.”

This project is excellent phasing options. It also could be eligible for NCDOT funding.

ACTIVE PARKS AND RECREATION



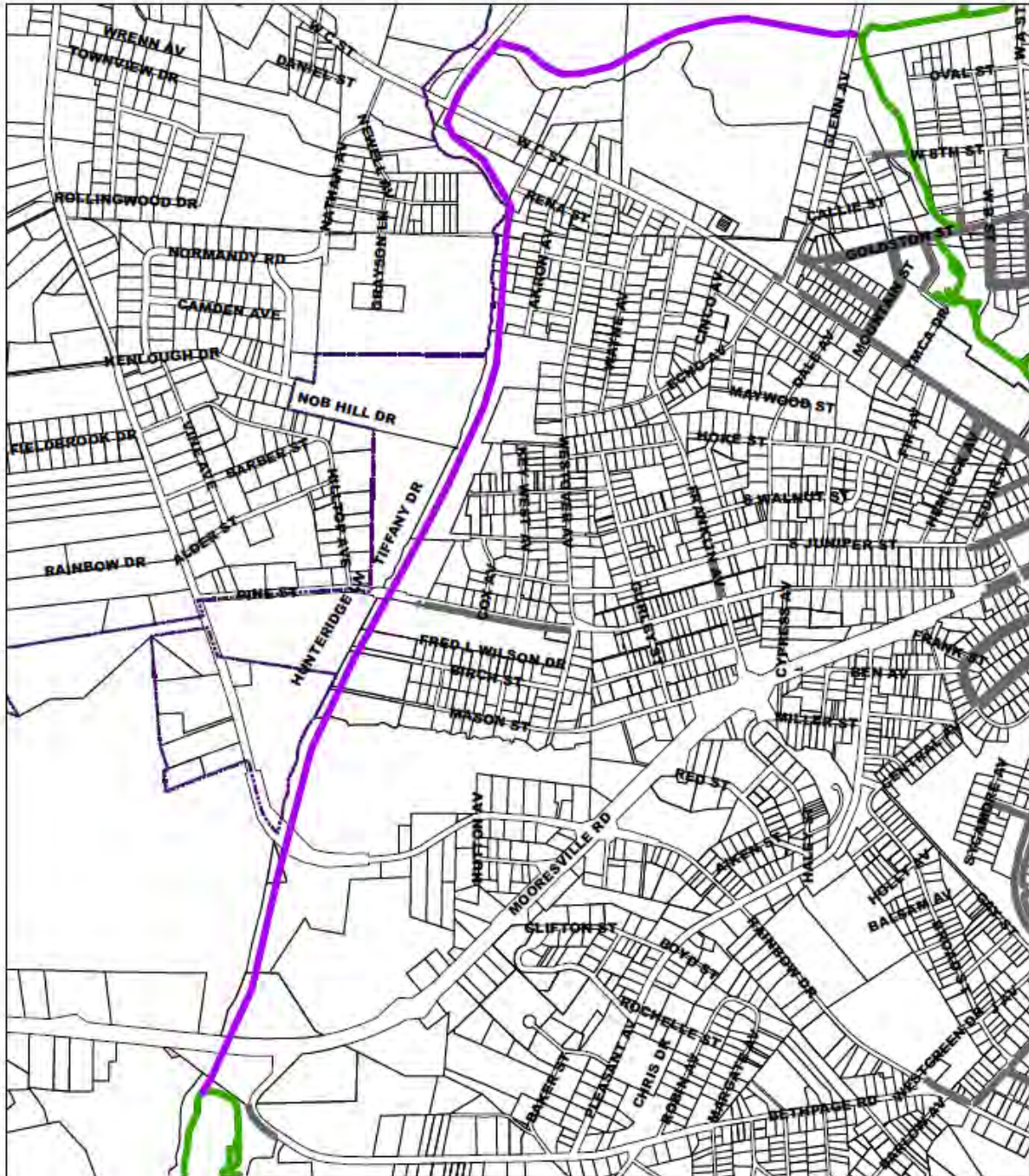
- EXISTING SIDEWALK
- EXISTING GREENWAY



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ACTIVE PARKS AND RECREATION



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- EXISTING SIDEWALK
- EXISTING GREENWAY



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*Capital Project/Major Initiative:***Kannapolis Middle School and A.L. Brown Tennis Court Lights****\$375,000***Department(s):*
Parks and Recreation*Staff Lead:*
Gary Mills**Description:**

Add lights to the six A.L. Brown Tennis Courts and add lights to the six new tennis courts that were recently built behind the new middle school on Oakwood Ave./Virginia Dare St.

During construction of the new school six tennis courts were added as a recreational amenity. The school ran conduit for the lighting system, but did not install the lights. The school was receptive to working with the City to add lights and utilize them as a community recreational opportunity.

The Lights at A.L. Brown are more expensive due to auxiliary gym and all the additional asphalt next to the courts. At one time residents near these tennis courts were opposed to light installation out of concern for glare and lights bleeding over into their properties. Today's technology can keep lighting contained within close proximity of the pole so that should be less of a concern.

Need/Community Benefit:

Adding lights to the six new courts would provide lighted tennis courts on the south side of the City and six in the center city at A.L. Brown. The only other lighted tennis courts in the City are the four new courts located at Bakers Creek Park on the Rowan County (north) side of the City. The Parks and Recreation Master plan recommends that eleven tennis courts be added now with seventeen by 2024. Since the school built six courts, the City could light them and make them available for community use with longer operating hours. Interest in tennis has started to gain major attention again with participation trends in leagues and clinics rising.

Consequences if not Funded:

The courts will likely remain unlit until other funding is available.

Alternative(s) if not Funded:

- Seek outside funding support to light the courts.
- The proposed USPC project includes lighted tennis courts as part of their project, which, should it come to fruition might be an alternative public investment.

City Manager Observations:

This project appears to be a cost-effective way to expand the use of existing facilities in the City. It could be phased by investing in one location every couple of years.

Capital Project/Major Initiative:

Municipal Par 3 Golf Course

\$1,800,000 (Capital)

\$100,000 (Recurring)

Department(s):

Parks and Recreation

Staff Lead:

Gary Mills

Description:

This project would consist of the development of a 9-hole par 3 golf course, likely on the old Cannon landfill property off of 8th Street. A 9-hole par 3 could likely be developed on the recently cleared and capped Cannon landfill and be redeveloped as a recreational area. With golf holes of 100 yards or less with matted tee areas and a few sand bunkers, a nice community amenity could be developed.

Need/Community Benefit:

There has been talk for many years of developing some type of golf facility that would be available to residents and visitors alike. A 9-hole par 3 allows for anyone to try the game at an inexpensive rate and a round could be finished in about an hour. The closest par 3 course is in Charlotte.

A par 3 golf course ranked 13th in requested facilities in the P&R Master plan (13th out of 16), though 40% of households had interest in a par 3 course; with 54% of households with an income of \$50k or higher expressing interest. While it may only meet the need for a smaller population of the City, it would draw a good number of individuals from out of town to experience the course. In the on-line survey and community workshops with residents, the desire for a par 3 golf course ranked 15th and 6th respectively.

Consequences if not Funded:

We wouldn't provide this recreational amenity to our residents and would eliminate a recreational opportunity that would likely draw outside visitors to the community.

Alternative(s) if not Funded:

Could potentially partner with a for-profit management/development company to develop the facility.

There is also the remote possibility that the City could be involved in the future operation and/or ownership of the Club at Irish Creek which might serve some (but certainly not all) of the same citizens.

City Manager Observations:

This would likely be a regional draw for both Cabarrus and Rowan counties based upon the lack of such facilities in the area. It would in all likelihood be very successful. This project could not feasibly be phased.

The 8th Street landfill property has been capped and certified clean by the State of North Carolina so acquisition (likely with little to no cost) is feasible now.

*Capital Project/Major Initiative:***North Bakers Branch Greenway****\$1,400,000 (Capital)****\$15,000 (Recurring)***Department(s):*

Parks and Recreation

Staff Lead:

Gary Mills

Description:

The North Bakers Branch Greenway project would begin near the bridge on the current 8th Street Greenway and run north along the edge of the old Cannon landfill property where it intersects with 22nd Street. This greenway is approximately 1.0 miles in length. This 10-foot wide paved trail will provide connection from the downtown area as well as Bakers Creek Park and Village Park.

Need/Community Benefit:

Greenways were the most requested recreational amenity by the citizens of Kannapolis in the recently adopted Parks and Recreation Master Plan. This project was originally on the NCDOT State Transportation Plan (STIP), but when the list was last revised, this greenway project was not shown. Accordingly, it has a reasonable chance at future NCDOT funding but for the foreseeable future would be a 100% City-funded project.

Consequences if not Funded:

The greenway does not get built and connectivity within the City is diminished.

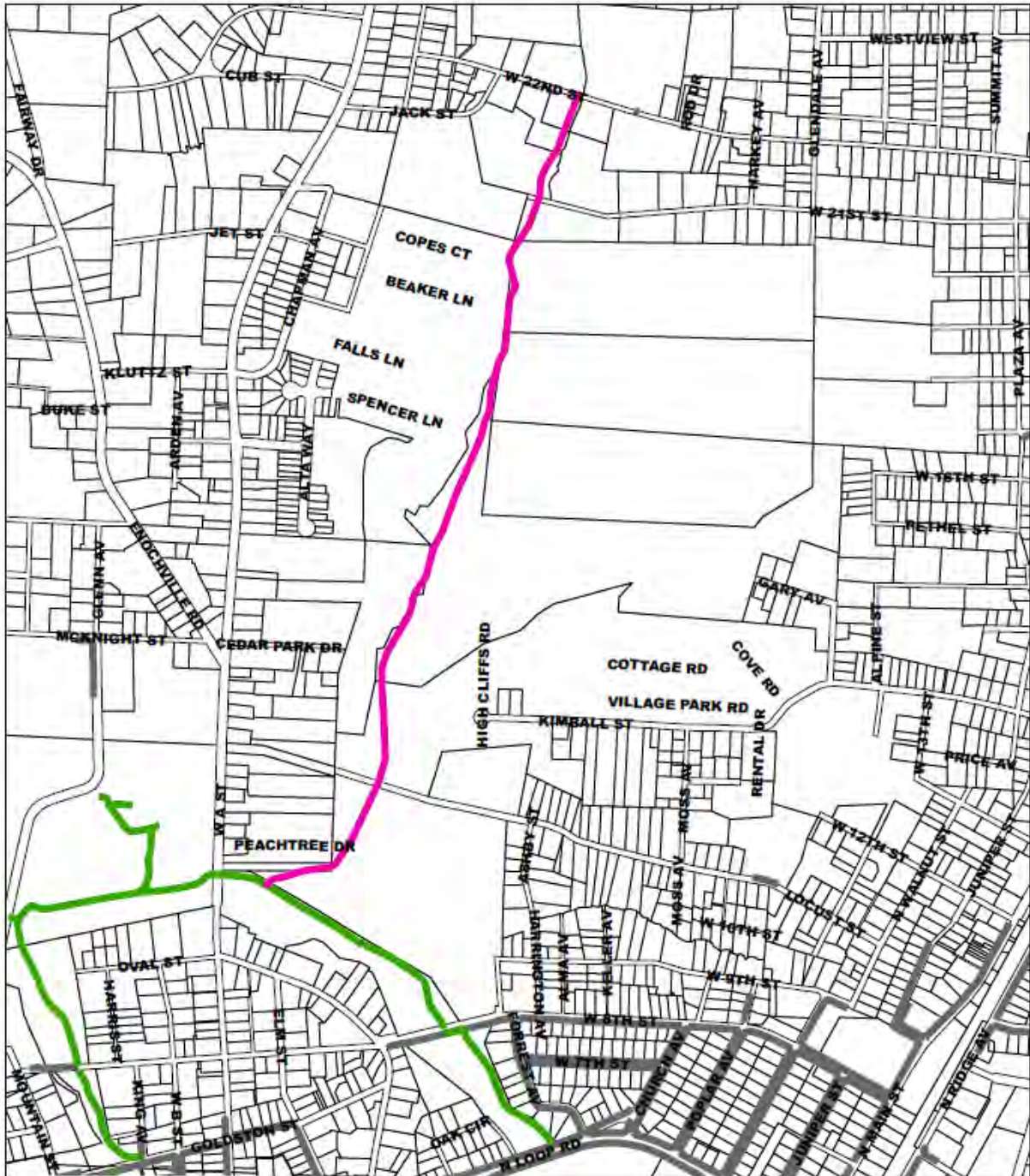
Alternative(s) if not Funded:

Seek additional outside grant funding and NCDOT funding.

City Manager Observations:

This project may not have the potential users of some of the other greenway proposals but it does expand the greenway system into Rowan County which no other project does. Phasing could be done by splitting the project into two but this is not ideal. The other concerns is the lack of sidewalks on W. 22nd Street to the east and west of the proposed terminus of the greenway. This prevents easy access to a significant number of homes in that area of the city.

ACTIVE PARKS AND RECREATION



- EXISTING SIDEWALK
- EXISTING GREENWAY



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Capital Project/Major Initiative:

Rocky River Greenway

\$1,700,000 (Capital)

\$20,000 (Recurring)

Department(s):

Parks and Recreation / Public Works

Staff Lead:

Gary Mills

Description:

The remaining portion of the Rocky River Greenway project will consist of approximately 1 mile of greenway from the Mecklenburg County line to Highway 73. There is an existing ½ mile of greenway currently installed with a trailhead just off Shiloh Church Rd. This 10-foot wide paved trail will provide multiple connections to neighborhoods including Summers Walk, The Farm at Riverpointe, Waterford, and Pelham Point. Additional destinations include Renaissance Square and Christ the King High School. Future connections to the south will link numerous neighborhoods as well as Concord Mills, the Charlotte Motor Speedway and the Town of Harrisburg. Connections to the north will include the Town of Davidson and eventually the Town of Mooresville.

There is an opportunity to obtain funding support from the Carolina Thread Trail to assist in development. We have also received \$100,000 and the necessary land from the developers of Summers Walk phase 5 to help with finishing the greenway connection.

Need/Community Benefit:

Greenways were the **most requested** recreational amenity by the citizens of Kannapolis in the recently adopted Parks and Recreation Master Plan. This project is the second highest-ranking greenway project in the plan. This entire greenway will serve as a major alternative transportation route with multiple connections to commercial developments, neighborhoods, schools and parks in our western growth area. This project is just a piece of a larger greenway project that will connect to planned projects by Davidson and Concord. The City of Concord and the Town of Davidson are currently working on the plans for their connector pieces. It should also be noted that the City provides no recreational amenities in our western growth area.

Consequences if not Funded:

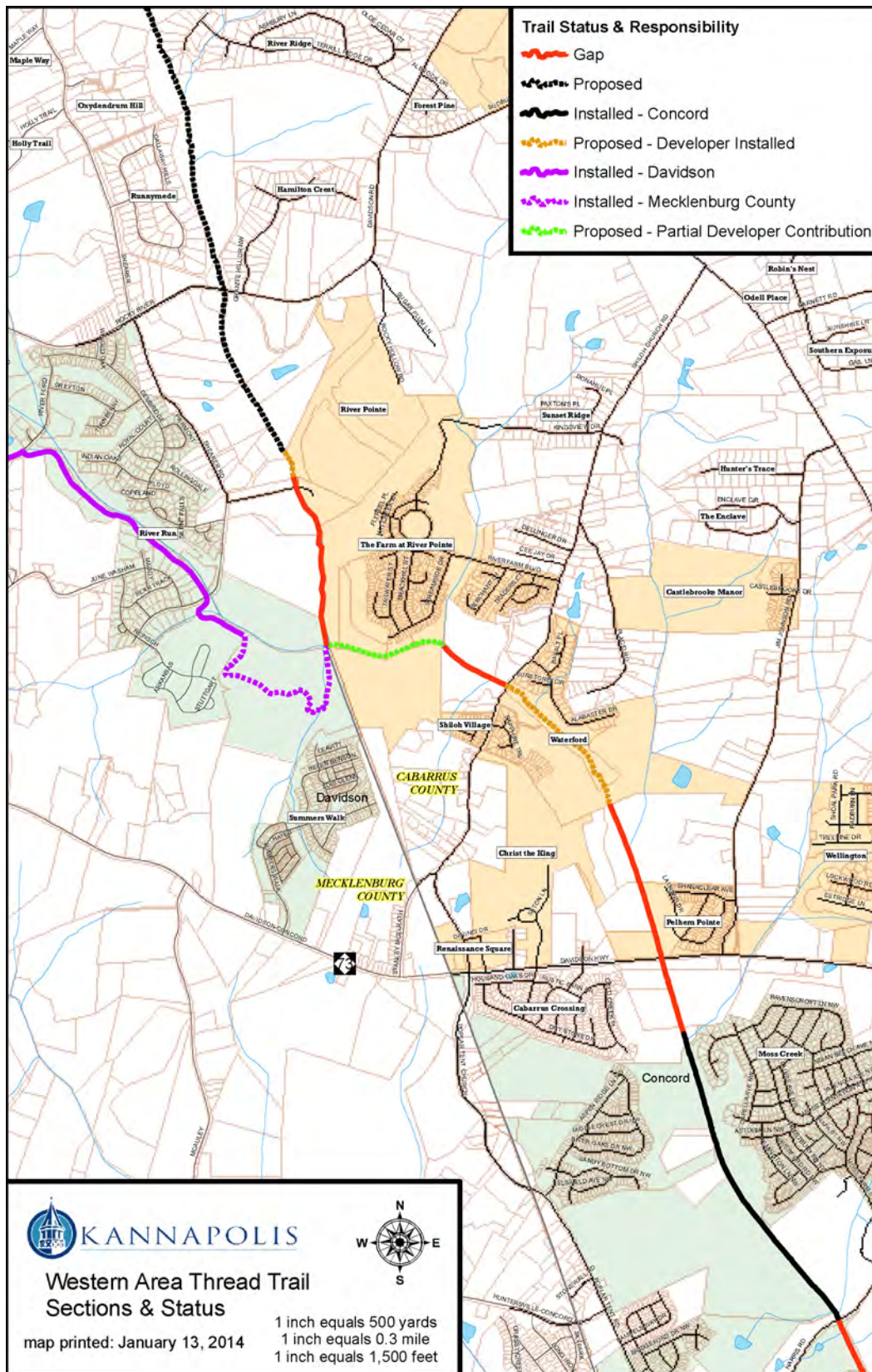
The greenway does not get built and connectivity within the City (and to neighboring communities) is diminished. The City has the vital missing link on completing this key cross County greenway connection.

Alternative(s) if not Funded:

Seek additional outside grant funding including NCDOT funding.

City Manager Observations:

The value to this greenway as opposed to others is its regional nature – connecting multiple jurisdictions. This also in the middle of an area of the City where the vast majority of the current residential building permits are being issued by the City. Phasing is a possibility in partnership with developers and neighborhoods in the area but constructing it at once is probably more cost effective.



*Capital Project/Major Initiative:***School Athletic Facility Upgrades****\$4,500,000***Department(s):*
Parks and Recreation*Staff Lead:*
Gary Mills**Description:**

Work with the Kannapolis City Schools and Cabarrus County Schools to upgrade existing, or in some cases, new facilities to make them more available for the City's Parks and Recreation Department program usage. Examples of opportunities could be:

- Upgrade the rectangular fields at the middle schools on Oakwood Avenue to synthetic turf fields for multi-purpose use to include football, soccer, and lacrosse.
- Upgrade numerous elementary school gymnasiums to add adjustable goals for use by different age groups in the City's basketball program.
- Improve the field below McKnight Child development Center on Glenn Ave to make the field usable with irrigation, new turf, or the addition of lights.
- Work with Cabarrus County schools to add a gym annex or possibly synthetic turf to the new Northwest Cabarrus High School to be constructed on Kannapolis Parkway if those improvements are not already being planned.

While no specifics have been identified yet, this project could also be expanded to include upgrades and expansions to the YMCA to facilitate City programming.

Need/Community Benefit:

The school system has multiple facilities that could be used for community use after school hours and would also provide a benefit to the schools during school days. Since they have the facilities, the City could partner with the school system to make the facilities better and more community friendly. We have a great working relationship with KCS now and I'm certain they would be willing to work with us further to make their facilities even more usable. Not only could we look at the new high school to offer additional facilities, we may even be able to discuss improvements at the current Northwest Middle and High School for potential facility enhancements to have priority usage of their facilities when not being used for school use.

Consequences if not Funded:

The residents would have fewer facilities for recreational use and would put more burden on the City to find additional land and incur construction costs to build new facilities.

Alternative(s) if not Funded:

These improvements could be done in phases to allow for the creation of additional facilities over the next few years as our programs expand. If we do nothing, we could continue to request the school system to make the improvements, but it is more likely they would look for a partnership.

City Manager Observations:

This set of projects could be phased in multiple ways over many years with some phases being less than \$100,000. Partnerships such as these are almost always more cost-effective ways to provide public services. As noted, these improvements could be phased in over multiple years.

Capital Project/Major Initiative:

Skateboard Park

\$1,500,000 (Capital)

\$20,000 (Recurring)

Department(s):

Parks and Recreation

Staff Lead:

Gary Mills

Description:

It has been the desire of some residents over the years to add a skateboard park to the list of recreational opportunities in the City of Kannapolis. This pressure has grown in the past six months – especially with the completion of the downtown streetscape along West Avenue. If a skateboard park is pursued it is recommended that a concrete facility with bowls, rails and stairs versus a flat pad with wood ramps. Similar facilities have been built across the state and there are several national companies that could come in and lead the design and construction of such a facility.

Need/Community Benefit:

A skateboard park ranked last in requested facilities in the P&R Master plan (16th out of 16), though it would meet the need for a small population of the City and would draw individuals in from out of town to experience the park. In the on-line survey and community workshops with residents, the desire for a skateboard park ranked 16th and 11th respectively.

Consequences if not Funded:

Skateboarders would not have a safe designed place to “perform” and would likely continue to be an issue on the NCRC and in the downtown area.

Alternative(s) if not Funded:

Seek outside organizations to fund the construction.

City Manager Observations:

There is undoubtedly a problem with skateboarders on the NCRC and in the downtown area. This has become more of a problem now that the West Avenue Linear Parks and Sports and Entertainment Venue have been completed. Transportation to and from such a facility would need to be considered in the location decision. The only concern is that the expressed desire of residents as reflected in the Parks and Recreation Master Plan was very low. This is clearly a project that would benefit a small segment of our City – but that segment is very active and vocal in its desire for this facility.

A joint venture with the City of Concord and Cabarrus County in a centrally located place between the two cities might be an option worth pursuing. The downside is that those locations might be more remote with less transportation options for its users.



Capital Project/Major Initiative:

Westside Park

\$13,000,000 (Capital)

\$395,000 (Recurring)

Department(s):

Parks and Recreation

Staff Lead:

Gary Mills

Description:

Development of a 45-acre multi-use park focusing on the construction of athletic facilities. Preliminary plans include 2 rectangular synthetic multi-purpose fields, 3 lighted soccer fields, 2 lighted ballfields (300' field and 400' field). The park would also include 2 restroom/concession buildings, 2 playgrounds, 3 picnic shelters, walking paths and large parking area. The installation of artificial turf on two of the fields will allow for year-round play and lower maintenance requirements.

Need/Community Benefit:

Land for the purchase of a potential west side park has been recently completed. The Masterplan for the Westside Park was completed and adopted by City Council in 2019. The demand for athletic facilities is overwhelming and a number of outside organizations have interest in the fields and may also be of financial assistance or in-kind donations. There is great interest from the Convention and Visitors Bureaus in both Cabarrus and Mecklenburg counties as the close proximity to Bradford Park just across the county line would enable much larger tournaments to be hosted in the area bringing in thousands of visitors.

Additionally, there is some talk among staff in Concord and Cabarrus County regarding a joint effort in creating more parks and recreation opportunities in this part of the County. Cabarrus County's involvement might make a significant difference in the affordability of this project.

In the Parks and Recreation Master Plan, the desire for athletic fields was #7 out of 16; in the on-line poll and in-person community meetings, the need was ranked # 6 and #2 respectively. There is also a great opportunity to obtain up to \$500,000 from the NC Parks and Recreation Trust Fund for the development of this facility.

Consequences if not Funded:

The City would be missing out on a great opportunity to create a public/private development of much needed facilities that have the potential to bring in thousands of visitors to the area.

Alternative(s) if not Funded:

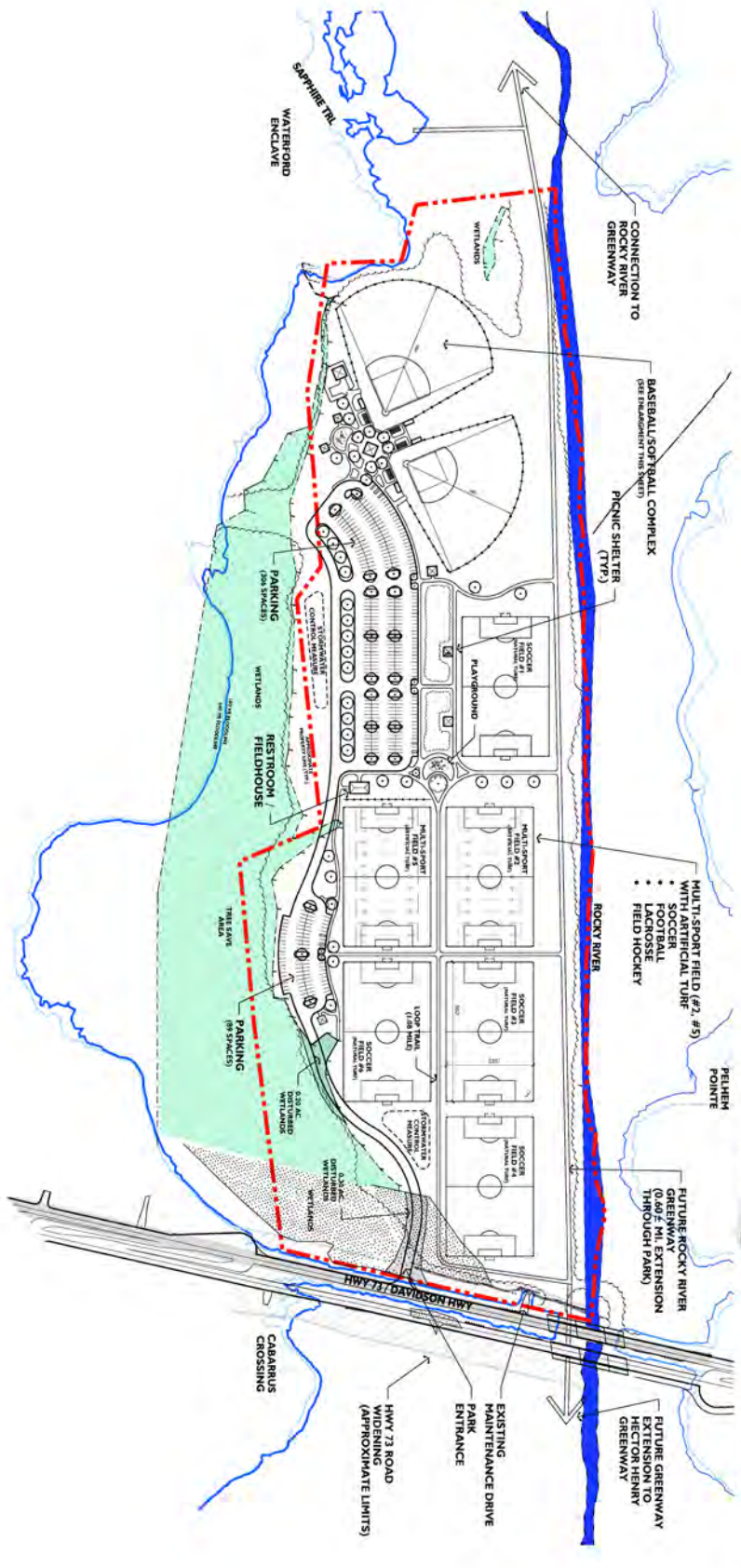
- Continue to seek outside groups to make this project happen.
- There is also the option to develop the park in multiple phases, though that may increase the cost in the long run.

City Manager Observations:

There are several factors that make this project quite attractive: 1) City owns the land, 2) there are multiple potential funding partners, 3) Cabarrus County has expressed a desire to participate – potentially with funding, and 4) the project can be phased in over multiple years (although it is unlikely that it could be funded without financing so no more than two phases seems to be the limit).

This project will be a regional facility used by both residents and non-residents (including many that live in Mecklenburg County).

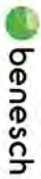
Kannapolis Westside Park | Master Site Plan
Kannapolis, NC



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Kannapolis Parks & Recreation Dept. | 09.04.2020



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www.arlund.com | 704.262.5888

Capital Project/Major Initiative:

Bakers Creek Park Improvements

\$1,175,000

Department(s):
Parks and Recreation

Staff Lead:
Gary Mills

Description:

The Bakers Creek Park improvements would consist of replacing the building that houses the concession stand, restrooms, and park offices. This is the only restroom building in this 40-acre park facility. The improvements would also be to demolish and replace the entrance drive and parking lot and replace with a new base and asphalt coating. During this process the aging (and leaning) parking lot lights would be replaced with new energy efficient fixtures that would provide additional lighting to the area for public safety and security. Additional security measures in the way of video cameras would also be added as part of the improvements.

The improvements would also replace the old, unsafe, and rusted backstop fence and sideline fencing on the ballfield and replace with new black vinyl coated fencing as well as add irrigation to help better maintain the ballfield turf.

Need/Community Benefit:

Bakers Creek Park was built in 1982 and has had limited changes since its construction. While we have made some improvements over the last 16 years (new ballfield lighting, new playground area, new picnic tables and the recently constructed tennis courts) the main building, parking lot, and fencing has not been replaced and is showing significant wear to the point that they are becoming unsafe or falling into disrepair. These necessary improvements were identified 12 years ago. It should also be noted that the building is non-ADA compliant and is listed in the City's ADA audit and the ADA transition plan for needed improvements.

Consequences if not Funded:

The facility will continue to fall into disrepair and replacement and/or maintenance costs will continue to grow. The safety and integrity of the parking lot lights and ballfield fencing is becoming a bigger concern.

Alternative(s) if not Funded:

Remove the parking lot lighting and backstop at the ballfield and hope to stretch a few more years out of the building.

City Manager Observations:

This park is in very poor shape and up until the past few years no significant improvements have been completed since the park's construction more than 30 years ago. There is the possibility of phasing the improvements based on what is most critical. To some degree this project has already been phased with improvements to the tennis courts, ballfield lights and playground equipment replacement.

Capital Project/Major Initiative:

Campus Lawn Improvements

\$1,700,000 (Capital)

\$75,000 (Recurring)

Department(s):

Parks and Recreation, City Manager's Office

Staff Lead:

Gary Mills

Description:

Included in the original NCRC Land Development Plan was an improved central park to the NCRC (inside the horseshoe between the Core Lab and City Hall). The original plan; prepared by Castle and Cooke; included sunken gardens, extensive landscaping and an orchid conservatory, with an approximate cost of \$8 million (in 2009). This park was originally envisioned to be funded by Castle and Cooke/David Murdock which is no longer a possibility.

The new, more subdued (and far less expensive) concept, would involve an enhanced landscaping plan, with the creation of sidewalk linkages, benches, public art, and shaded areas for visitors to sit and enjoy the open space.

The current plan is for the Castle and Cooke to donate this property to the City. It is assumed that this would be the case and there would be no land acquisition costs.

Need/Community Benefit:

Creating usable open space was #3 of 16 in the Parks and Recreation Master Plan.

Consequences if not Funded:

It would remain un-programmed open space for multiple uses.

Alternative(s) if not Funded:

Do nothing or scale back the envisioned scope to a much smaller scale. It does make sense to consider creating a few additional pedestrian linkages through this space to make the walk from the NCRC buildings to downtown more inviting. Also, completing the brick paver installation along the horseshoe could also be considered. These two projects would still have a cost (TBD) but far less than a complete park development.

City Manager Observations:

There are a lot of positive impacts to this project. There are also a few concerns:

- An argument can be made that the large open space with no improvements has value for unstructured recreation (flying kites, throwing footballs, etc.). It certainly has value for special events like Jiggy with the Piggy. An improved park would eliminate some of these uses.
- The City invested substantial funds to construct the new West Avenue Streetscape/Linear Park and Atrium Health Ballpark. Constructing another park between downtown and the NCRC might take away from the attraction and use of downtown.
- This area is proposed to be included in the USPC plans and that project remains in a state of flux, but the plan would be an active, developed athletic facility use. If this greenspace improvement project emerges as a high priority for City Council, it would probably not move forward until we have a clear indication of the viability of the USPC.



Capital Project/Major Initiative:

Cannon Mills Office Cupola Reuse Project

\$250,000

Department(s):

Communications, Parks & Rec, Eco. Dev., General Services

Staff Lead:

Annette Privette Keller

Description:

The project would involve the possible reuse of the Cannon Mills Office Cupola. The cupola is made of wood and has been outdoors for several years. It is in very poor condition and needs significant structural repairs if it were to be saved.

If restored it could be possibly reused as an information kiosk with an electronic element on its interior; an Uber or transit station; a decorative feature in the new green space behind city hall or an architectural feature near a future proposed performing arts center, park, downtown (or other public facility). A rendering was developed a few years ago (see rendering following this summary).

Further study and direction on the appropriate reuse versus the restoration costs is needed.

Need/Community Benefit:

There is no immediate need for this project. It would be a community benefit to salvage this architectural heritage.

Consequences if not Funded:

The cupola will continue to deteriorate if not restored. At some point, and probably soon, it will not be cost effective to restore or reuse the structure. It may be more cost effective to construct an exact replica of this structure using salvageable components of the authentic cupola.

Alternative(s) if not Funded:

It cannot be used at this time due to its condition. If the desire is to salvage it for later use it is recommended that it is stored out of the weather elements. Secondly, it could be donated to the History Associates or the Cannon Foundation.

City Manager Observations:

This monument could have a positive impact on the image of the City. There are very few physical remnants of Cannon Mills in prominent positions in the City. As noted above, the condition of the cupola may make this project less cost effective – perhaps not even feasible. If it emerges as a top City Council priority an architect will need to offer an opinion about its usefulness.

The location for this monument would need to be determined. It is assumed it would be somewhere inside the loop perhaps in or around Veterans Park. It could also be coupled with another public or private investment downtown. The project can't be phased.





KANNA POWS & ELIPOLA
MEMORIAL WITH MILL
ETCHING AT BASE.

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3/2012

Capital Project/Major Initiative:

Dog Park

\$400,000 (Capital)

\$24,000 (Recurring)

Department(s):

Parks and Recreation

Staff Lead:

Gary Mills

Description:

The City could develop a dog park as part of an existing park facility or as a stand-alone facility. The dog park would consist of fenced in areas for small dogs and a larger fenced area for larger dogs to play off leash. The dog park would also need abundant shade (natural or artificial), benches, and a watering area.

The assumption is that the dog park would be constructed within an existing park or other City facility or part of a larger new facility where parking and restrooms are nearby. If developed as a stand-alone facility the costs would double to account for a possible restroom facility, parking and access to the entrance area as well as additional landscaping. A good location would be near the downtown area to serve all the potential new residents as well as draw additional visitors to the downtown area.

Need/Community Benefit:

While a dog park ranked in the middle of requested facilities in the Parks and Recreation Master Plan's research survey (10th out of 16), the trends of adding dog parks in communities has grown substantially in the last few years. In the on-line survey and community workshops with residents, the desire for a dog park ranked 5th and 3rd respectively. The closest dog parks are off Bruton Smith Blvd in Concord and in the Town of Davidson.

Consequences if not Funded:

We would fail to meet the requests of our citizens and miss out on the opportunity to provide an amenity to match the growing trend and desire of community residents and potential residents looking to move into our area.

Alternative(s) if not Funded:

Seek other outside funding opportunities.

City Manager Observations:

A downtown location might be more expensive due to the restroom needs but with the much higher density housing coming to the downtown this would be a welcomed amenity. IT would also reduce (but not eliminate) the headaches of clean up along West Avenue with the number of new residents (and their dogs) relocating here.

This project can't feasibly be phased.

If the right property is located, this use could conceivably be co-located with a skateboard park and both facilities could share restrooms.



Capital Project/Major Initiative:

Eastside Park

\$4,300,000 (Capital)

\$205,000 (Recurring)

Department(s):

Parks and Recreation

Staff Lead:

Gary Mills

Description:

Development of an Eastside Park on Midlake Road to be designed and constructed in a “community park” feel. The Masterplan for the Eastside Park was completed and adopted by City Council in 2019. As envisioned, this park would have little bit of something for everyone that would draw visitors from across the City and surrounding areas. The park could include a variety of amenities to include a dog park, splash pad, picnic shelters, playgrounds, walking trails, restrooms, paddle boats/dock facilities and restrooms. An adventure course/high ropes activity area is also suggested and could be operated through a contract with an outside company.

It is estimated that the park of this kind could generate as much as \$100,000 of revenue annually, which would offset approximately 30% of the cost of operations.

Need/Community Benefit:

There are no City parks east of Main Street in Kannapolis. The City bought the land on Midlake recognizing the need for a park facility on that side of the City. In the Parks and Recreation Master Plan, greenway trails for biking/walking were #1 of 16; additional picnic shelters were #2 of 16; access to City lakes was ranked #4 of 16; playgrounds were #5 of 16; splash pads were #6 of 16; and a dog park was #8 of 16. The proposed park design would meet a lot of the desires of Kannapolis residents.

This park would be an ideal candidate for a NC Parks and Recreation Trust Fund grant in the neighborhood of \$300,00 - \$450,000.

Consequences if not Funded:

The residents on the east side of the City would continue to wait for a park facility that would be close to their residence.

Alternative(s) if not Funded:

The park could be built in phases, though the up-front expense of grading, parking, restrooms, utilities, etc. could be of substantial expense.

City Manager Observations:

As noted, there are no parks on the east side of the City. This appears to be a pretty important reason to accelerate this project somewhat. It can be phased over multiple years in as many as three phases.

Kannapolis Eastside Park | Preliminary Master Plan
Kannapolis, NC



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www.benesch.com | 703.521.2880
City of Kannapolis | Land Use Master Plan | Exhibit A

Capital Project/Major Initiative:

Enhance Summer Concert Series

\$200,000 (annual operating)

Department(s):

Parks and Recreation

Staff Lead:

Gary Mills

Description:

Enhance the budget for the Summer Event Series at Village Park. The City has set a standard for the level of shows we are now bringing to the region by adding multiple national acts each year. For the 2021 summer, this includes four well known national performers (Jo Dee Messina, Uncle Kracker, Plain White T's, and KC and the Sunshine Band) in addition to the Charlotte Symphony and one regional group (Too Much Sylvia). This also includes the very popular Thursdays on Main series at Veterans Park which occurs from May to August with great regional acts including groups like The Embers and the Band of Oz. This overall series has the potential to grow further with an increased budget to hold more events throughout the summer. The Summer Event Series now brings in over 60,000 visitors annually to Village Park and the Downtown area.

The Summer Concert Series is currently broken down by the following:

4 – National Act concerts:	Village Park
1 – Regional Act concert:	Village Park
1 – Charlotte Symphony concert:	Village Park
4 – Regional / local concerts:	Veterans Park

A national act is obviously more costly than a regional or local act. An all-in cost for an evening (artist fee, opening band, production, insurance, etc.) can span from \$119,000 for KC and the Sunshine Band, to \$99,000 for Rick Springfield, to \$49,600 for Jo Dee Messina. A regional act (like Too Much Sylvia) will cost about \$10,000 for the night (artist fees and production costs). The Thursday on Main concerts (Embers, Band of Oz) will cost about \$2,900 for the evening.

Adding the additional proposed funding can accomplish one of two things:

1. Increase the numbers of concerts with similar national and regional acts as described above. \$200,000 could add anywhere from two to ten - or more - concert dates depending on the type of act. The only caveat to that is that more concerts means more part-time staffing, more impacts on police and fire support services and more conflicts with events downtown like ballgames and other offerings at Atrium Health Ballparks. It

2. is important to remember also that the Swanee Theatre may be up and running as early as fall 2021 which will also offer live performances. The last thing the City should do is over-compete with our private sector partners making it difficult for them financially.
3. Add one concert date(s) – or replace one existing date - with a bigger performer with a larger following. The current line-ups at Village Park are usually new performers on the rise or older performers that still have a solid following, especially among older age groups. Most cost under \$75,000 each (some substantially less than that). It is difficult to find current performers that younger residents enjoy with the current budget. A very high-level list of performers in the \$200,000 range is included in a 2017 article attached at the end of this summary. Some of these performers are likely higher now (and COVID has changes this industry significantly so some may actually be lower) but this provides a general sense of what this amount of additional funding could offer to our Village Park concert patrons in the way of concert quality.

If this initiative ranks highly in City Council’s final priority list it will have arrived there for one of the two reasons above and those reasons may be different for different councilmembers (more concerts vs. bigger performers). This will need to be discussed further at the end of the Planning Retreat process if that is indeed the end result.

Need/Community Benefit:

This program accomplishes several things, a few of which are: 1) it provides several free events for our citizens (good return on tax dollars), 2) it showcases our City to regional and out-of-state visitors, and 3) it builds a sense of pride in the community.

Consequences if not Funded:

The City will continue to provide the best entertainment possible with the current budget provided. However, there are only so many performers within our current budget range and with requests for bigger names it will become difficult to enhance the series.

Alternative(s) if not Funded:

- Maintain the existing series with no additional enhancements.
- Phase in the enhancements over more than two years. The original plan was \$100,000 for the two fiscal years but this could be a more gradual increase (perhaps \$30,000 for the next seven years). It does not have to all be at once. The downside is that it would take larger dollars to substantially upgrade the type of act that could be afforded.
- Seek additional sponsorships.
- Charge admission for one event a year to generate funds to enhance the rest of the series. There has been discussion with the NC Music Hall of Fame about a joint ticketed event to generate revenue for the City and as a fundraiser for the NC Music HOF.

City Manager Observations:

It was determined that this initiative (even though previously authorized by City Council) warranted a second look - not because the program is no longer a good program to pursue – but simply because there are so many other potential projects and initiatives competing for limited funds over the next five years.

Nevertheless, there are very few things the City has accomplished in the past decade that has received as much popular support than the summer events series. It seems that the City should always build on its successes where possible.

It should be noted that there are capacity limitations at Village Park. Estimates taken from the .38 Special concert a few years ago indicated that the reconfigured park can now safely and comfortably accommodate about 7,500 people. Accommodating a performer that has a substantially bigger following at a free concert could create crowd problems with no easy solution. The lawn in front of City Hall could probably accommodate 12,000-15,000 people but there are added expenses for a temporary stage, etc. The Atrium Health Ballpark capacity would be in a similar range to Village Park. The key point is that wanting bigger names is a worthy goal but making that happen might be complicated.



How Much Does It Cost to Book Your Favorite Band?

05/30/2014 11:36 am ET Updated Dec 06, 2017

Zachary Crockett, Contributor

Writer for Priceonomics

Ever wonder how much it costs to book your favorite band?

Thanks to Degy Entertainment, a booking agency, we can give you a rough idea: an anonymous source passed along a list of the rates suggested by the artists' agents per show, pre-expense.

(Note: as a reader pointed out, these are asking prices from a third-party booking agency that specializes in college shows; as such, the numbers are likely inflated. Actual prices negotiated by many of these performers are contingent on a variety of factors.)

Before you read these lists, a few things should be clarified. First of all, they aren't perfect: a few acts are out of place, or suspiciously off — we'll try to address these below. You'll also notice that there are a few anomalies, and acts that aren't music-related (i.e. Myth Busters, who you can rent for a mere \$100k); Degy books speakers and corporate entertainment acts too, and a few slipped into these listings. Lastly, keep in mind that these lists aren't comprehensive.

311	\$100-150k	Daughtry	\$200-300k+	Jessica Simpson	\$150k+
3 Doors Down	\$150-250k	Dave Matthews	\$1 mil+	John Legend	\$150-200k
50 Cent	\$250-350k+	David Gray	\$100-200k	John Mayer	\$500k+
Adele	\$750k+	David Guetta	\$150-250k	Josh Groban	\$350-500k+
Alanis Morissette	\$100-150k	Deadmau5	\$200-250k+	Juanes	\$200k+
Alicia Keys	\$350-500k	Demi Lovato	\$100-200k+	Justin Bieber	\$1 mil+
Arcade Fire	\$150k+	Dierks Bentley	\$100-150k	Justin Timberlake	\$1 mil+
Avenged Sevenfold	\$100k+	DJ Red Foo	\$100-150k	Kanye West	\$400-600k+
Avicii	\$150-200k+	Drake	\$300-500k+	Kaskade	\$100k+
Axwell	\$100k+	Ed Sheeren	\$125k+	Katherine McPhee	\$100k
Bassnectar	\$100-150k+	Ellie Goulding	\$100-200k	Katy Perry	\$500k+
Ben Harper	\$100-150k	Eric Church	\$150-200k+	Ke\$ha	\$150-200k
Big & Rich	\$100k+	Faith Hill	\$500k+	Keith Urban	\$400-600k+
Black Eyed Peas	\$400-500k	Fall Out Boy	\$100-150k+	Kelly Clarkson	\$150-300k
Blake Shelton	\$250-400k	Fantasia	\$100k+	Kendrick Lamar	\$150k+
Bob Dylan	\$150-300k	Flo Rida	\$100-150k+	Kid Cudi	\$150k+
Bon Jovi	\$1 mil+	Florence & the Machi	\$150-250k+	Kid Rock	\$200-300k+
Bonnie Raitt	\$100-150k	Florida Georgia Line	\$250-500k	Kings of Leon	\$400-500k+
Brantley Gilbert	\$150-200k+	Foo Fighters	\$500k+	Kip Moore	\$100-150k
Breaking Benjamin	\$100-200k	Foster The People	\$150-250k+	Lady Antebellum	\$250-400k+
Britney Spears	\$500k+	Frank Ocean	\$100-150k+	Lady Gaga	\$750k+
Bruce Springsteen	\$1 mil+	Fun.	\$200-400k	Lil' Wayne	\$350-500k+
Bruno Mars	\$200-400k	Green Day	\$500k+	Linkin Park	\$400-500k+
Caifanes	\$100k+	Hank Williams Jr.	\$100k+	Little Big Town	\$100-150k
Calvin Harris	\$150k+	Hunter Hayes	\$150-200k+	LL Cool J	\$100-150k+
Carrie Underwood	\$400-500k+	Imagine Dragons	\$400-600k	LMFAO	\$250k+
Cee Lo Green	\$100-150k+	J. Cole	\$150k+	Lorde	\$150-250k
Chris Brown	\$250-400k+	Jake Owen	\$150-250k	Luke Bryan	\$250-400k
Christina Aguilera	\$350-500k+	James Taylor	\$1 mil+	Macklemore	\$200-300k+
Coldplay	\$750k+	Janes Addicton	\$100k	Madonna	\$1 mil+
Counting Crows	\$150k+	Jason Aldean	\$500k+	Maroon 5	\$400-600k+
Creed	\$100k+	Jason Mraz	\$150-250k+	Martina McBride	\$125-175k
Damian Marley	\$100k+	Jennifer Hudson	\$200-400k+	Matchbox 20	\$150-250k

PASSIVE PARKS AND RECREATION AND CULTURAL ARTS

Maxwell	\$100k+	Sublime w/ Rome	\$100-150k+
Merle Haggard	\$100k	Sugarland	\$200-300k
Miranda Lambert	\$150-250k+	Susan Boyle	\$150-250k
Morrissey	\$100k	Taylor Swift	\$1 mil+
Mumford & Sons	\$500-750k+	The Avett Bros	\$175-250k
Muse	\$150k+	The Band Perry	\$150-250k+
Myth Busters	\$100-150k	The Flaming Lips	\$100-125k
Nicki Minaj	\$200-300k+	The Fray	\$150-200k+
Nickleback	\$350-500k	The Killers	\$500k+
No Doubt	\$500-750k+	The Lumineers	\$150-250k+
Of Monsters & Men	\$150-250k+	The Offspring	\$100k+
One Direction	\$150-200k+	The Script	\$125-175k+
One Republic	\$100-200k	Tiesto	\$200-400k+
Paramore	\$125-175k	Tim McGraw	\$500k+
Passion Pit	\$100-150k	Toby Keith	\$350-500k
Pearl Jam	\$300-500k	Train	\$200-300k+
Pharrell Williams	\$125-175k+	Usher	\$150-250k+
Phoenix	\$100k+	Vampire Weekend	\$100-200k+
Pink	\$400-600k+	Weezer	\$100-150k
Pitbull	\$200-300k+	Willie Nelson	\$100-200k
Pretty Lights	\$150k+	Wiz Khalifa	\$150-250k+
PSY	\$100-150k	Zac Brown Band	\$250-400k+
Queens of the Stone A	\$75-125k		
Rascal Flatts	\$400-600k+		
Rihanna	\$500-750k+		
Rob Thomas	\$100-200k		
Robin Thicke	\$150-250k+		
Sebastian Ingrosso	\$100k		
Shakira	\$300-500k		
Sheryl Crow	\$150-200k		
Smashing Pumpkins	\$200-400k		
Steve Miller Band	\$100-200k		
Stone Temple Pilots	\$250-400k+		

Capital Project/Major Initiative:

Gem Theatre Phase II Renovations

\$3,800,000

Department(s):

City Manager's Office, General Services

Staff Lead:

Irene Sacks/Trent Marlow

Description:

When Clearscapes worked with the City on the Gem Theatre master plan in 2018, they proposed the first-floor lobby renovation and the theatre main house renovation as the first two phases. The City decided to proceed with a portion of the recommended first phase, which will be completed this year. These include a new HVAC system and new handicap accessible restrooms on the first floor.

The remaining recommended improvements for the lobby/front of house area include: expanding the lobby and event spaces, moving the concessions to a new location for improved traffic flow, updating electrical and lighting needs, and adding stairs in the adjacent building to provide access to the 2nd floor. The theatre main house recommended improvements include:

- New seating (750)
- Updated interior floor, wall, and ceiling finishes
- New house lighting
- Conduits and raceways for future performance lighting, sound, video, & communication systems
- Electrical service upgrade
- New code minimum fire alarm system

Need/Community Benefit:

The lobby and theatre spaces are the most noticeable areas from a customer perspective and have a large impact on a customer's experience. The existing fixtures and circulation are very dated and not geared towards modern day audiences. There still must be a balance between new improvements and the historic nature of the building which is part of the widespread community support for the restoration efforts.

Consequences if not Funded:

There is no immediate need to undergo these improvements but they certainly have value to both the operations of the facility and the enjoyment of the patrons. The Gem Theatre will continue to operate as usual without these changes. At some point the need to renovate will become more pressing or desired by the community.

Alternative(s) if not Funded:

It is likely that multiple funding streams and approaches will yield the most benefit for the City and Gem Theatre.

Because the Gem Theatre is such a beloved community facility, it is quite possible that a community fundraising effort could be successful to raise funds for renovations of the Gem Theatre. This is most likely to be successful if the effort is run by a community-led group rather than the City, and if the City is not guaranteeing the funding of the entire cost of the improvements. Seat sponsorships are a very real possibility to gain community support.

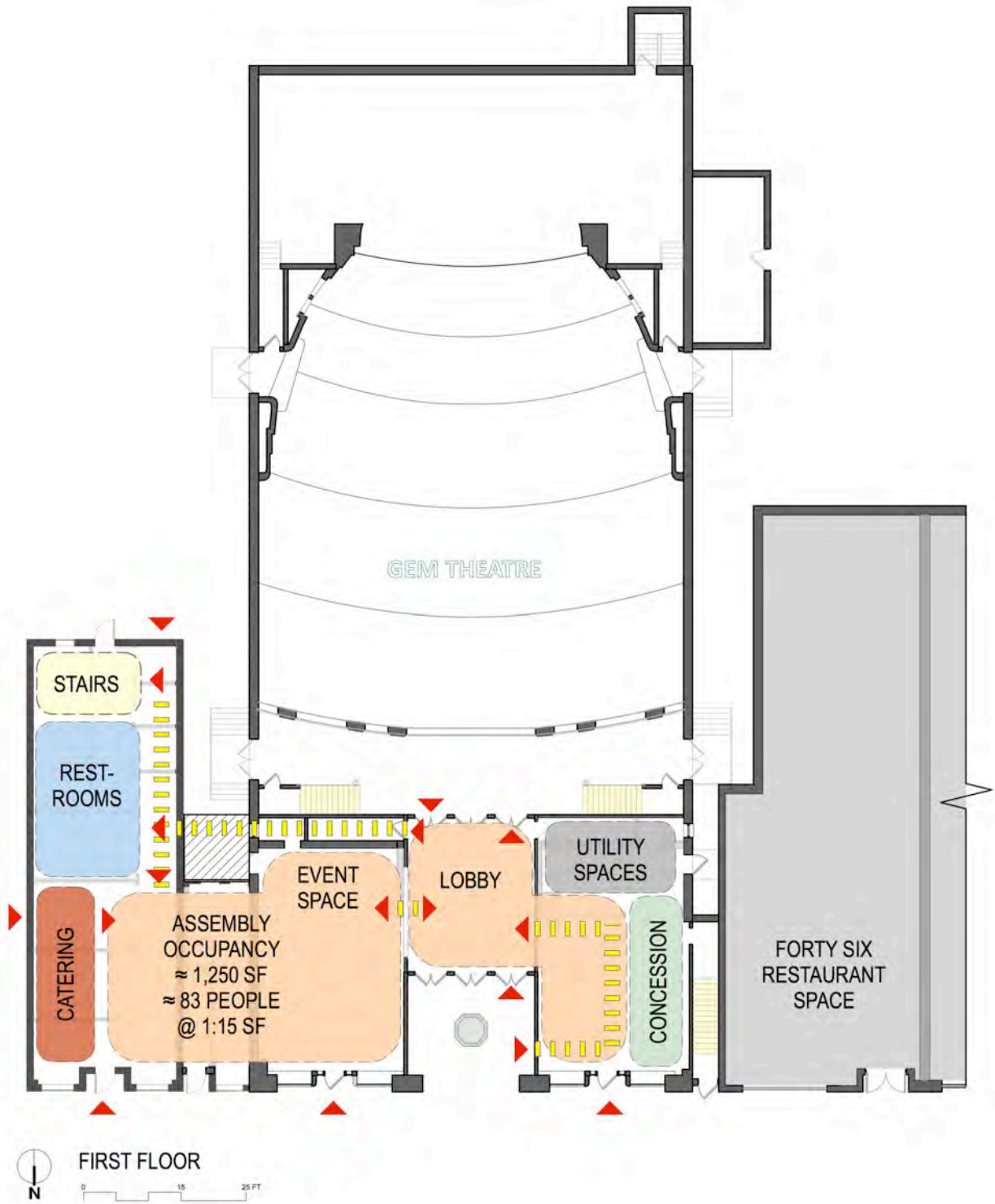
Another approach for funding is to take advantage of historic tax credits which can substantially reduce the actual cost of the renovations. This requires transferring the property to another entity that can then undertake the renovation and sell the tax credits. While more complicated, this is an effective funding mechanism used on historic structures across the U.S.

City Manager Observations:

The Phase I renovations are underway including HVAC replacement (\$375,000), first floor restrooms and upfits (\$580,000) and marquee restoration (\$74,000). The potential Phase III renovations (conversion to performing arts, building expansion, elevator and second floor renovations) are estimated at \$3.7 million.

This project could be possibly phased although there would almost certainly be a cost savings by completing the improvements at once. Perhaps more importantly, the interruption of the business operations of the theatre might be a consideration in the phasing approach. These improvements would be a good investment for either the movie business or performing arts uses.

The future Gem Theatre improvements (Phase II and especially Phase III) should be contingent upon a transitional agreement with the current owner addressing the long-term facilitation of the movie business as a sustainable business model and/or the City becoming directly involved in the business side of the building (movies, performing arts, hybrid, other uses).



Capital Project/Major Initiative:

Gem Theatre Phase III Renovations

\$3,700,000

Department(s):

City Manager's Office, General Services

Staff Lead:

Irene Sacks/Trent Marlow

Description:

The third and final phase of the Gem Theatre renovations consists of a conversion of the theatre to a Performing Arts Center which includes the following improvements:

- Equipment upgrades (lighting, sound, curtains).
- New elevator
- Rear building expansion
- Upfits to the second floor including the 2nd floor restrooms.

This phase would build on the first two phases of this renovation effort. The first phase (underway or complete) includes a new roof, new HVAC system, handicap accessible restrooms on the first floor and restoration of the marquee. The second phase is a separate retreat project which includes lobby and event spaces, moving the concessions to a new location for improved traffic flow, updating electrical and lighting needs, replacing theatre seats, improvements to the basement space, adding stairs in the adjacent building to provide access to the 2nd floor, and theatre house improvements such as new seating.

Need/Community Benefit:

A Performing Arts Center has been a possible people attractor/anchor project for the downtown revitalization effort since 2016. It was originally considered as a new construction project located in Block 6 with a parking deck. However, a new state of the art Performance Center would cost more than \$20 million which is not realistically feasible for the next 5-10 years. It is believed that there is demand for additional live entertainment in the community, specifically downtown, but the cost-benefit analysis of a new structure may not be strong enough at this time.

A more feasible approach to meeting this need in the community is a combination of a partnership with the Swanee Theatre in the short-term (which is underway) and the potential future conversion of the Gem Theatre to a Performing Arts (or hybrid) facility.

Consequences if not Funded:

There is no immediate need to undergo these improvements. All indications are that the Gem Theatre will continue to operate as usual either by the current owner or in partnership with the City.

Alternative(s) if not Funded:

It is likely that multiple funding streams and approaches will yield the most benefit for the City and Gem Theatre. However, any fundraising efforts are more likely to be successful with the Phase II renovation project which involves improvements to the theatre house (seats, etc.)

Another approach for funding is to take advantage of historic tax credits which can substantially reduce the actual cost of the renovations. This requires transferring the property to another entity that can then undertake the renovation and sell the tax credits. While more complicated, this is an effective funding mechanism used on historic structures across the U.S.

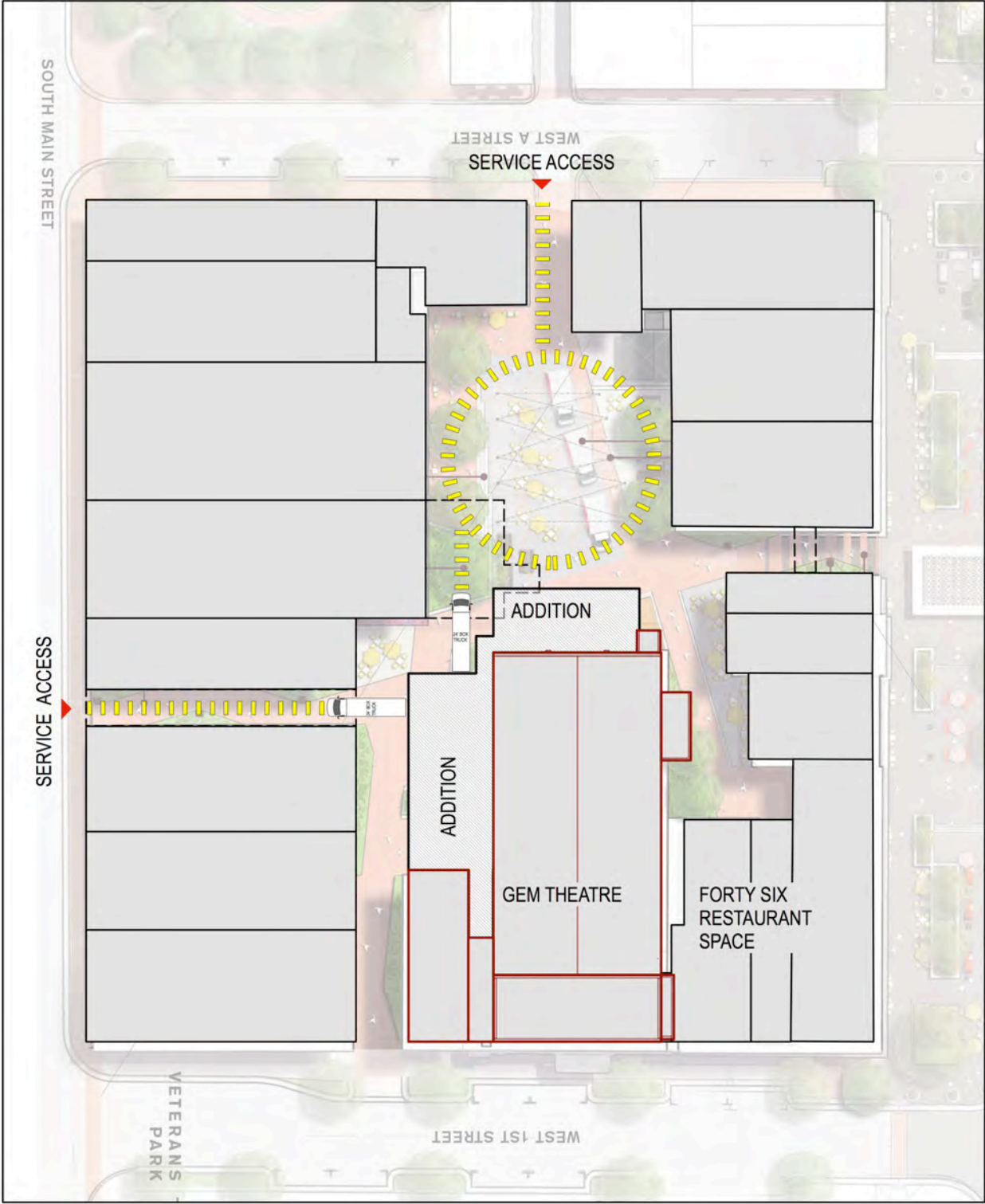
City Manager Observations:

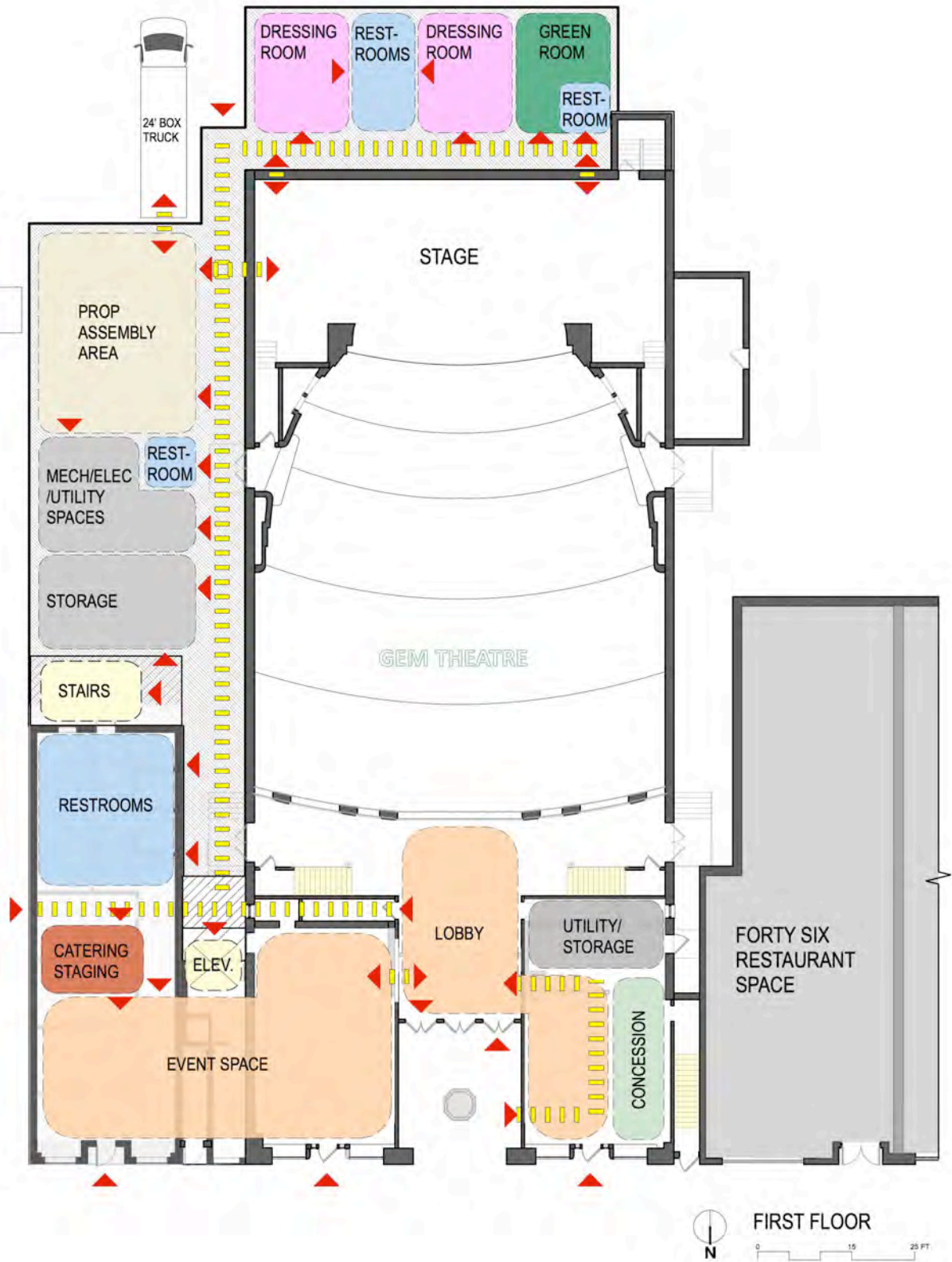
The Phase I improvements are underway including HVAC replacement (\$375,000), and for restroom/1st floor renovations (\$580,000) and marquee restoration (\$74,000). The potential Phase II renovations (lobby/concessions reconfiguration, theatre house/seats, stage, basement) are estimated at \$3.8 million.

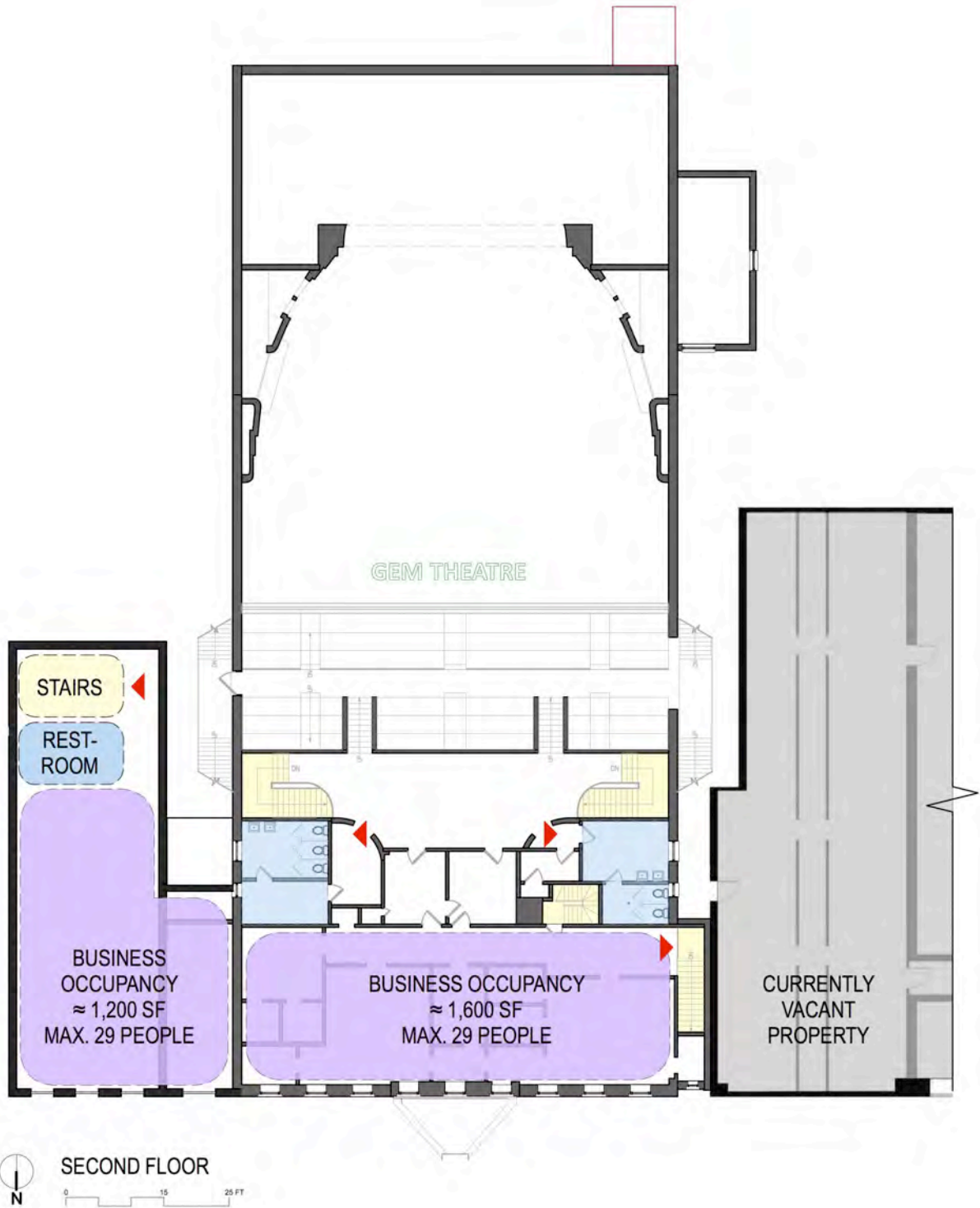
At some point in the future when the decision is made to operate the Gem as something other than a movie house (all live performances` or a hybrid with movies) then this project takes on far more relevance and importance.

This project could be possibly phased although there would almost certainly be a cost savings by completing the improvements at once. Perhaps more importantly, the interruption of the business operations of the theatre might be a consideration in the phasing approach.

The future Gem Theatre improvements (Phase II and especially Phase III) should be contingent upon a transitional agreement with the current owner addressing the long-term facilitation of the movie business as a sustainable business model and/or the City becoming directly involved in the business side of the building (movies, performing arts, hybrid, other uses).







Capital Project/Major Initiative:

Cultural Arts Program

\$108,500 + space solution

Department(s):

City Manager's Office, Parks and Recreation

Staff Lead:

Mike Legg, Gary Mills, Annette Privette Keller, Irene Sacks

Description:

To consider establishing a City-managed Cultural Arts Program with City staffing.

Please refer to the Cultural Arts Plan in the Studies and Plans section as it is related to this initiative in many ways.

Over the course of the past two years several meetings have been held with groups that support the broad promotion and celebration of many facets of cultural arts and history in our City including the Kannapolis History Associates, the Kannapolis African-American Museum and Cultural Center, Inc. and the North Carolina Music Hall of Fame. These meetings have been focused on several diverse topics: 1) stability and sustainability of the organizations, 2) promotion and marketing, 3) capital improvements to support the organizations and mission (museums, center of learning, etc.), 4) fund raising, 5) direct City involvement either financially or directly in operations.

The Kannapolis History Associates (KHA) have made a specific request that the City: 1) take over the historic preservation efforts in Kannapolis with staffing, and 2) the City provides a location and capital investment for a permanent history museum. The City currently provides no funding for KHA. The KHA has been in operation for a number of years. Part of the concerns from KHA is the lack of volunteers and the age of the core group of local historians – there are few if any younger people interested in volunteering to keep this effort afloat. The KHA leaders are concerned that without some stability it may not survive into the future.

The Kannapolis African American Museum and Cultural Center, Inc. (KAAMaCC) has made a similar request, focused (as the organization's name implies) on the development of a physical African American Museum and Cultural Center and the overall preservation and celebration of the history of the African American community in Kannapolis as well the promotion of education and awareness of the cultural diversity on our community. The KAAMaCC is relatively new organization. The City currently provides no funding for KAAMaCC.

By contrast, the NC Music Hall of Fame (NCMHOF) receives an operating grant from the City in the amount of \$25,000 per year and has for the decade. The NCMHOF has been in operation

since the late 1990s. It was created in the Greensboro area and developed its relationship with Kannapolis through Curb Records executive Mike Curb and his ties to both the racing industry and David Murdock. Mike Curb funds the majority of the operating expenses of the NCMHOF with the abovementioned support from the City. It holds several fundraisers per year. NCMHOF employs one full time executive director and a variety of interns each year. Mike Curb owns the museum on Dale Earnhardt Boulevard that houses the NCMHOF. The NCMHOF has issues with long term sustainability and, while the current location is inexpensive it is not in the best position to maximize its growth.

All of the above described organizations and their visions are, and should be, coordinated on many levels. They should not be isolated efforts which is a waste of precious non-profit, corporate and governmental funding streams. There are likely other cultural arts efforts in the City that could be part of a comprehensive joint, coordinated effort.

In an effort to devote more direct time and energy to these efforts, it is anticipated that the City would hire a new Cultural Arts professional to be housed in the Parks and Recreation Department with funding for operating expenses and part-time salaries (as necessary). This new program would take on the following tasks and progressive steps in the first year:

1. Investigate what other cities similar to Kannapolis are doing regarding museums and on-going historic preservation and cultural awareness efforts. Establish a work plan based on those findings.
2. Establish a memorandum of understanding with KHA, KAAMaCC and NCMHOF that would spell out current and future roles and set future goals and objectives. Each agreement may be different based on the desired objectives. For KHA it likely involves taking over operations with volunteers working with the new City staff person. For KAAMaCC it likely involves professional staff time and assistance to continue to develop and move towards the organization's goals. The change in the relationship with the NCMHOF is not as clear but it will almost certainly involve the City having a more direct relationship with the organization and its decision making (as part of ensuring that the City's funding is a good long-term investment).
3. While not tied specifically to the three organizations described in this summary, this new program could take a more active role in coordinating with downtown partners regarding live performances and other activities at the Swanee Theatre, Gem Theatre, and Atrium Health Ballpark. These, coupled with the Summer Concert Series, should be coordinated and this new City program in the Parks and Recreation Department could take on this role. The relationship of the NCMHOF and live music in the City has not been explored at all but probably should be.
4. Establish locations in City Hall for small displays supporting these organizations.
5. The City would explore options for a temporary facility for KHA in the possible scenario where A.L. Brown would ask KHA to leave in the short-term.
6. Establishment of a Cultural Arts Advisory Board (likely consisting of some members of the existing organizations).
7. Raise awareness of the mission and activities of the three organizations.
8. Develop a plan to fund and establish permanent physical locations for museums/centers for the above efforts and even a relocated NCMHOF museum. Both KAAMaCC and

KHA have expressed specific objectives for a facility. Ideally this would be part of the below-described Cultural Arts Plan. Obviously, the establishment of even a small multi-organization museum would take more effort than just hiring a person, requiring significant capital for facilities as well as the exhibits. Funding for such a facility would need to become another City Council priority at some point.

Need/Community Benefit:

Most local leaders in places big or small value the history of its community and view it as worthy of preservation and promotion. That is clearly the case in Kannapolis which enjoys a rich, unique and interesting history. Similarly, most communities the size of Kannapolis and larger embrace and celebrate the diversity of its history and its people. A community that embraces its history and its culture can be a positive influence on economic growth provided that it is expressed to visitors and community investors in a fun, exciting and relevant way.

Consequences if not Funded:

There is the real possibility that without direct city involvement that all three organizations noted above are no longer in existence and their efforts disappear in the not too distant future. While government can't take on all problems in a community, in this case, the City government may be the only entity that has long-term stability to keep these efforts alive. Whether that needs to happen now or in a few years is the question.

All three organizations and any other organizations that exist now or in the future would be operating in a vacuum and there is the possibility that all eventually fail without joint coordination, the sharing of resources, and common vision (where appropriate).

There is an assumption in this document that each of the three organizations brings tangible value to the City and are worth preserving and/or advancing their missions. None have a sustainable operating model or even proven "market demand" if viewed from a purely economic development standpoint. One, KAAMaCC, is relatively new, and for the most part, starting from scratch. In the deliberation about where this initiative fits in the overall priorities, this question of value is important to answer.

Alternative(s) if not Funded:

- Many of the ideas described in this summary are expected to be explored as part of a City-wide Cultural Arts Plan which is also included as a separate initiative in the "Studies and Plans" part of the 2021 City Council Virtual Planning Retreat. One approach might be to complete the cultural arts plan first which would take 6-9 months and hold out enough resources in the financial plan to consider funding this program starting after the plan is completed (the FY 22-23 Budget year). It is highly likely that the establishment of this City-funded Cultural Arts Program will ultimately be necessary if effective implementation of this Plan is the desired outcome. However, they do not have to be pursued at the same time.

- The City could form a financial and operating partnership with all three organizations. Currently there is a funding agreement with the NCMHOF but there is no contractual City influence over operations. If funds are provided to each organization (two new and one continuing) more accountability should be established that defines specific, measurable expectations for all three. Additionally, a staff person could be assigned as a liaison to the three organizations to assist them with finding a path to formally or informally merge the organizations together with a shared vision and plan for next steps, facility needs, budgets, etc. before City funding is committed to the organizations.
- The City could establish a competitive non-profit grant program and require the three organizations to apply each year. This would be separate from the CDBG non-profit funding process and could involve the recommendations of a citizen advisory board. The three organizations would then be compared to other community non-profit initiatives to determine which are higher priorities to provide funding for operational support.

City Manager Observations:

Cultural arts and historic preservation and promotion in recent years has been a commitment evidenced in Kannapolis through actions more than words: 1) preservation of an entire block of downtown historic buildings (facing pressure to demolish and re-build), 2) beginning the multi-phased renovation and restoration of the Gem Theatre, 3) securing National Register of Historic Places designation for the Gem, and 4) early commitments to preserving and restoring the historic Swanee Theatre, 5) commitments to the NCMHOF, 6) unwavering commitments to the Cabarrus Arts Council, and 7) the highly successful Summer Concert Series and Movies in the Park.

It is highly likely that if the City pursues the establishment of a Cultural Arts program pressures to establish physical locations for two of the three organizations described in this summary will quickly follow. There may be short term solutions needed if the KHA is forced to move out of A.L. Brown High School.

This new program would focus on what we know that is described in this summary. With an active program such as this a wide range of other cultural arts programming could emerge. The aforementioned Cultural Arts Plan is critical to understand this possibility in a comprehensive way.

It is important to recognize this program is not intended to supplant the financial or operating support for the Cabarrus Arts Council. That said, there could be overlaps of activity which all those involved should be conscious of if this initiative takes root.

Clearly additional staffing support can help move all these initiatives forward. Without it, it may be difficult to successfully achieve any of what is described in this summary.

There are also several projects or initiatives included as part of the City Council Retreat discussion (Gem Theatre renovations, Cannon Family Memorial, Cultural Arts Plan, Cannon Mills Office Cupola monument, Mill Village Preservation Plan, Human/Race Relations

Strategy). Any of these priorities that emerge as highly ranked by City Council will likely fall to this new Cultural Arts professional to manage and oversee - with significant support from other City departments and community volunteers.

Capital Project/Major Initiative:

Small Lake-Front Park/Trail at Old Intimidators Stadium

\$1,500,000

Department(s):

Parks and Recreation

Staff Lead:

Gary Mills

Description:

This new project is a proposed walking trail along or near the shoreline of the adjacent lake at the old Intimidators stadium off of Lane Street. The budget of \$1,500,000 is for the most part a plug number at this time for conceptual purposes only. The proposed project would consist of a walking trail of a design similar to the City's greenway with a couple of picnic shelters strategically placed upon the property. In order to accomplish this project, the City would have to secure approval from the City of Concord and WASACC in order to construct a facility close to the water.

Need/Community Benefit:

This project would be a direct benefit for employees of the businesses that would locate here. The general public would also have access to this park, but almost all residents would have to drive to this walking trail. Specific elements of this project: Picnic Shelters, Open space or Natural Areas, and lake access of some kind – perhaps paddle boats of other non-motorize craft. All three of these elements were identified as a priority in the City's 2014 – 2024 Master Plan.

Consequences if not Funded:

The same elements that were listed above as a priority in the City's 2014 – 2024 Masterplan are also planned in the City's Eastside Park; proposed to be located off of Midlake Road on land that the City currently owns. The City also controls access to the lake on the proposed Eastside park. If this project is not funded, then Kannapolis residents still will not have a recreational opportunity involving a lake.

Alternative(s) if not Funded:

As stated above, the components of this project are also part of the Eastside Park off of Midlake Road. The City could construct the same amenities at the Eastside Park however the total cost of construction for the entire Eastside Park is more than double the proposed cost on this property.

City Manager Observations:

The future of this property is moving in the direction of demolition of the old stadium and reuse for industrial uses. The suggestion has been made that the ultimate developer of the property might be willing to construct recreational components on the property as part of the development. This is a very real possibility, but it is unlikely that the developer would do so without public participation – the use of this property for those purposes by the end users of industrial buildings is possible but not in a significant way.

One concern as noted above is that this project would be a duplication of the same or similar amenities with what is planned at another proposed lake front park off Midlake Road. Even so, there is probably enough demand for both facilities due to the lack of any park facilities on the east side of Kannapolis. If both of these projects end up high on the final City Council priority list, further discussion will be warranted.

This is a project that could (and probably would) be paid with cash and could easily be phased into components. The developer of the industrial properties might agree to construct them for the City via a development agreement which may be a cost savings to the City. It could also be part of the land sale negotiation although keeping those issues separate is often preferred.



Capital Project/Major Initiative:

Vietnam Veterans Park Operations

\$254,000 (annually)

Department(s):

Parks and Recreation

Staff Lead:

Gary Mills

Description:

Take over operation and maintenance of Vietnam Veterans Park from Cabarrus County. This initiative would not involve any capital improvements in the near future – only operation of a County park that is within the Kannapolis City limits and is constructed partially on approximately 90 acres of City-owned property. This park will tie in directly to the Irish Buffalo Creek Greenway and be the crossing point under I-85 to connect the greenway to Concord.

Cabarrus County has a working goal to decrease the amount of parks and recreation operations in its annual operating budgets. To that end, the County has indicated they would transfer all of the assets and improvements in the park to the City.

Need/Community Benefit:

There is much confusion that arises from the County operating a park within the City of Kannapolis' limits. In the on-line survey for the Parks and Recreation Master Plan when asked if the City should take over Vietnam Veterans Park, almost 75% of respondents stated that they thought the City should take over operations. In the public meetings, almost 95% of respondents said that the City should take over operations there.

There is a lot of undeveloped land upon which to expand park offerings over time.

Consequences if not Funded:

The County will likely continue operation; however we will still handle a number of phone calls regarding park operations there.

Alternative(s) if not Funded:

The County can continue operating that facility.

City Manager Observations:

This seems like a good opportunity to receive a major park asset with no capital cost. However, it could also be viewed as an asset as it sits now (with no City expense). As noted, Cabarrus County will continue to encourage the City to take over this facility. Based upon our excellent relationship with the County, that should be taken into consideration. Unfortunately, because of the recurring expenses this is not an inexpensive proposition. The effort cannot be phased and the budget impacts continue permanently.

There is the possibility that this “burden” is taken from the County in exchange for another park capital improvement partnership.

Capital Project/Major Initiative:

Village Park Phase 4

\$1,225,000 (Capital)

\$9,000 (Recurring)

Department(s):

Parks and Recreation

Staff Lead:

Gary Mills

Description:

This would complete the last of the proposed improvements to Village Park. This project includes three primary components:

Amphitheatre Improvements. The planned addition since 2004 to the back of the Amphitheatre which would include a “green room” for the performers, storage facility for stage equipment, and restrooms for the performers. It is approximately 50’ wide and 30’ deep behind the back of the Amphitheatre towards B Street.

Patio Cover: This component involves installing a cover over the back of the patio behind the Village Park building with a permanent structure. The original building design had a covered patio but was removed during the value engineering process prior to building construction due to the additional cost.

Replacement Playground Equipment: The first phase of the Village Park playground area was installed in the spring of 2001. With Village Park receiving over 200,000 park visits a year, equipment is starting to wear down fairly quickly. Over the last few years staff has been expending a few thousand dollars a year to make the unit safe and operational for children to enjoy. The unit is showing age and becoming more of a maintenance issue with each passing year. The proposal is to remove the old unit and replace with a newer unit which fits more of the recent trends of play to include climbers and other multi-opportunity play features to stimulate children’s creativity while continuing to develop their dexterity and imagination. This change would also allow to us to add additional play features for special needs children visiting the park.

Need/Community Benefit:

Amphitheatre: With the larger performances being hosted at Village Park and the inability to access the back of the stage with tour busses or equipment trailers, the need for an area nicer than a tent is required for performers to prepare prior to taking the stage. This improvement has

always been planned but is now a necessary improvement if we are going to continue to grow and bring in larger performances.

Patio: This improvement could be a marketable area during the summer concert series. The area could be enclosed during cooler months for additional rental space and open during the summer months to provide additional shaded seating.

Playground Equipment: With Village Park receiving a large number of visits each year and being the largest revenue producer in the park system, the City needs to keep the park and its equipment safe, functional and attractive for its park users.

Consequences if not Funded:

Amphitheatre: We will be limited on our performances as many of the national acts will not come without these types of amenities.

Patio: The patio set-up will remain the same which will limit its use to that of the previous years.

Playground Equipment: The unit will continue to fall into disrepair though staff will do its best to keep it safe and functional.

Alternative(s) if not Funded:

Amphitheatre: Use tents where possible or some bands will have to park busses on the road and walk down to the stage area just prior to performing.

Patio: No alternative. Leave patio set-up the way it is currently.

Playground Equipment: No alternative. Continue to try and maintain a safe play structure until such time it can be replaced.

City Manager Observations:

Village Park is our strongest and most used Park and Recreation asset. Any enhancements would be a wise choice and would make the park an even greater asset. The three components described here could easily be spread over multiple years.

Capital Project/Major Initiative:

Bethpage Road Sidewalk - Phase 1

\$2,500,000

Department(s):
Engineering

Staff Lead:
Scott Kaufhold

Description:

The Bethpage Road Sidewalk - Phase 1 project consists of the installation of approximately 2,700 linear feet of 7-ft concrete sidewalk, curb and gutter, and associated storm drainage along the south side of Bethpage Road from South Main Street to Klondale Avenue. The project will connect to the existing sidewalk along Leonard Avenue and Bethpage Road providing pedestrians connectivity to existing pedestrian facilities along Dale Earnhardt Boulevard, as well as Main Street. This project originally received funding through NCDOT's Congestion Mitigation and Air Quality (CMAQ) Program with the City responsible for 20% of the entire project. However, the project design phase was suspended by NCDOT in November 2019 for a minimum of six (6) months. The rights-of-way and construction phases of the project were subject to rescission requiring reapplication for future project funding.

Need/Community Benefit:

The Bethpage Road sidewalk will encourage residents in the area to access Downtown via the sidewalk connecting to Main Street, Leonard Avenue, and Dale Earnhardt Boulevard. A future Bethpage Road Phase 2 sidewalk, along the western portion of Bethpage Road, will connect to Safrit Park to encourage access via the sidewalk, rather than traveling in vehicles. The project also provides pedestrians a safe means of transportation, so they are not in conflict with vehicular traffic.

Consequences if not Funded:

- Pedestrian connectivity will not be provided and residents accessing nearby businesses will continue to have to walk in or along the roadway unsafely.
- Loss of CMAQ funds to another jurisdiction.
- Without DOT funds the project may be five times more expensive to the City as a stand-alone City project.

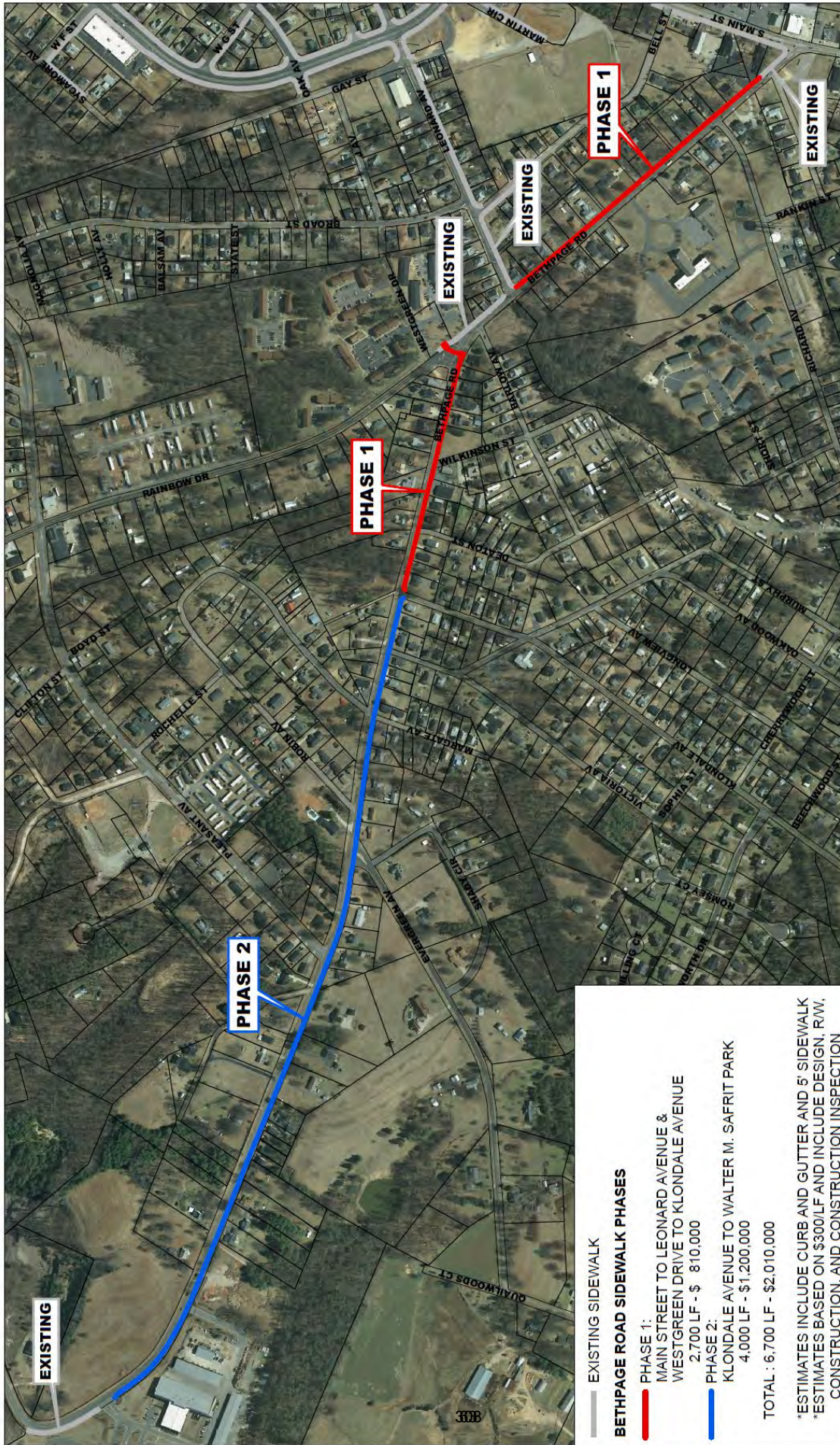
Alternative(s) if not Funded:

Maintain the current road cross-section whereby residents are walking in and along the existing roads to access pedestrian facilities.

City Manager Observations:

A sidewalk along the stretch of Bethpage Road between Klondale and South Main Street is as much a safety issue as a quality of life or pedestrian mobility issue. Residents are consistently walking in the street or on the street edge. A serious vehicle-pedestrian accident is almost inevitable.

While a second phase from Klondale to Mooresville Road is a future possibility, the proposed first phase cannot practically be phased any further.



DISCLAIMER: This map is provided for general informational purposes only. It is not intended to be used for legal or financial purposes. The City of Kannapolis is not responsible for any errors or omissions in this map. The City of Kannapolis is not responsible for any damages or liabilities arising from the use of this map. The City of Kannapolis is not responsible for any inaccuracies or misstatements in this map. The City of Kannapolis is not responsible for any delays or interruptions in the use of this map. The City of Kannapolis is not responsible for any loss of data or information in the use of this map. The City of Kannapolis is not responsible for any other damages or liabilities arising from the use of this map.

Scale: 1 inch = 400 feet
 0 400 800 Feet

SIGIS Maps Public Works Bethpage Sidewalk (MML) 1-5-17

BETHPAGE ROAD SIDEWALK PHASES

- EXISTING SIDEWALK
- PHASE 1:**
 MAIN STREET TO LEONARD AVENUE &
 WEST GREEN DRIVE TO KLONDALE AVENUE
 2,700 LF - \$ 810,000
- PHASE 2:**
 KLONDALE AVENUE TO WALTER M. SAFRIT PARK
 4,000 LF - \$1,200,000
- TOTAL : 6,700 LF - \$2,010,000**

*ESTIMATES INCLUDE CURB AND GUTTER AND 5' SIDEWALK
 *ESTIMATES BASED ON \$300/LF AND INCLUDE DESIGN, R.W.,
 CONSTRUCTION, AND CONSTRUCTION INSPECTION

BETHPAGE ROAD SIDEWALK



Capital Project/Major Initiative:

Cannon Blvd/Mt. Olivet Intersection Improvements

\$2,750,000

Department(s):

Planning, Engineering, Transportation, NCDOT

Staff Lead:

Zac Gordon

Description:

Protected phasing for northbound and southbound left turns. “Signal Ahead” signage for eastbound and westbound approaches. Provide additional travel lanes and revise signal phasing. Install pedestrian amenities at existing signalized intersections (high visibility crosswalks, lighting, etc.).

Need/Community Benefit:

Mt. Olivet improvements are identified within the Cloverleaf Plaza Node, which is the gateway into the City at the southern end of the corridor. The node includes Cloverleaf Plaza shopping center, one that is largely underdeveloped and represents opportunities to develop fully and influence surrounding properties and businesses to locate within the node. Improvements to the Mt. Olivet/Cannon Boulevard intersection would enhance traffic flow as well as alleviate turning conflict with protected left turns. While making improvements to the intersection itself makes walking safer overall, without connecting sidewalks pedestrians are still forced to walk along the road or shoulder without any protection from vehicular traffic. Public investments that enhance the safety, aesthetics, and visual appeal will promote the image of the City, provide a more welcoming front door to the residents and businesses, and support private investment in properties.

Consequences if not Funded:

Traffic conflicts and crashes are likely to continue at this intersection.

Alternative(s) if not Funded:

Request NCDOT consider future improvements to the intersection that may require City participation.

City Manager Observations:

This is a very congested and unsafe intersection due to the poor intersection alignment, signal timing issues, limited site distances and vehicular speeds. To be effective in creating a more function and safer intersection, the different components should be construction together. As such this project is not a good candidate for phasing. This project is included in the draft Cannon Blvd Corridor Plan and is recommended to be considered as a potential pilot project. This Plan is nearing completion and will be presented to City Council in the next 60 days.

Cannon Blvd at Mt. Olivet Rd

- ▶ Level of Service (signalized)
 - ▶ AM peak Base/Future: B/C
 - ▶ PM peak Base/Future: C/E
- ▶ Number of Crashes: 61
 - ▶ Angle (39%), Left Turn Same Roadway (33%), Rear End (13%)
- ▶ Crash Patterns
 - ▶ On Mt. Olivet Rd – Ran Red Lights
 - ▶ Permitted lefts from Cannon Blvd to Mt. Olivet Rd
- ▶ Potential Solutions
 - ▶ Protected phasing for NB/SB left turns
 - ▶ "Signal Ahead" signage for EB/WB approaches
 - ▶ Provide additional side street laneage & revise signal phasing



CLOVERLEAF PLAZA NODE CONCEPTUAL PLAN

While this core does not represent the most significant redevelopment/investment location in the corridor, it does function as the gateway to Cannon Boulevard from I-85 and is in need of cleanup and investment.

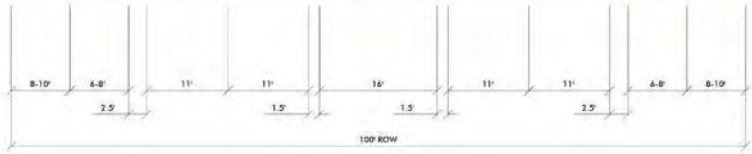


- 1 Connect to existing neighborhood
- 2 Commercial transitions to residential along walkable streets
- 3 Existing Brian Center (senior living)
- 4 Potential structured parking areas
- 5 Maintain Home Depot and other "big box"
- 6 Redevelopment of commercial, organized around central green
- 7 Realign streets to create better circulation and pocket parks as foreground to development.
- 8 Extension of Three-Mile Branch Greenway proposed with commercial fronting on it
- 9 Maintain newer hotels and businesses, and promote infill around them
- 10 Enhance creek corridor and flanking properties for quality open space

DEVELOPMENT DATA SUMMARY		LEGEND	
EXISTING COMMERCIAL	40,195 SF	FUTURE 0.5 R CORRIDOR	--- --- ---
EXISTING SENIOR LIVING	51,306 SF	COUNTY BOUNDARY	--- ---
EXISTING CLAC	3,861 SF	1/4 MILE RADIUS	○
PROPOSED COMMERCIAL	215,480 SF	RAILROAD	+++++
PROPOSED MULTIFAMILY	46,881 SF	TEMA FLOODPLAIN	
OPEN SPACE	2.6 AC		
GREENWAY/TRAILS	~2,000 LF		

CROSS SECTION A: 100' ROW

- Four 11' travel lanes with a 10' center landscaped median to be used as a pedestrian crossing refuge and space for turn lanes at intersections.
- Behind the curb, a flexible 10 feet can provide for a planting strip (6'-8') and a sidewalk/Multi-Use Path (6'-10').
- The width of the planting strip determines the allowed street trees (small maturing or shade trees) and lighting or utility poles per NCDOT's requirements for clear zones. The planting strip can also give way to a bus pull-out at key boarding and alighting locations.
- In the street context, a planting strip of less than 8' is infeasible to support a large-maturing tree or other immovable objects (such as light poles), due to the NCDOT required clear zone of 12' from the edge of travel lanes.



Capital Project/Major Initiative:

Lane Street Sidewalk

\$8,800,000

Department(s):
Engineering

Staff Lead:
Scott Kaufhold

Description:

NCDOT plans to convert the existing 4-lane curb & gutter cross-section to a 3-lane curb & gutter cross-section with bike lanes from Main Street connecting to the limits of the I-85 project improvements to support multi-modal transportation. As proposed, this project would include installation of 11,000 linear feet of 5-foot sidewalk along Lane Street from North Cannon Boulevard to the limits of the I-85 project.

This project would supersede a previously considered Brantley Road sidewalk. Lane Street has become a more appropriate east-west sidewalk in this area due to the planned NCDOT improvements. Both Brantley Road and Lane Street essentially serve the same neighborhoods via the numerous grid-pattern streets.

Need/Community Benefit:

The NCDOT project will provide a safe and efficient multi-modal facility that will afford the City with the opportunity to include 5-foot concrete sidewalk due to the separation of vehicular traffic from the pedestrian facility.

Consequences if not Funded:

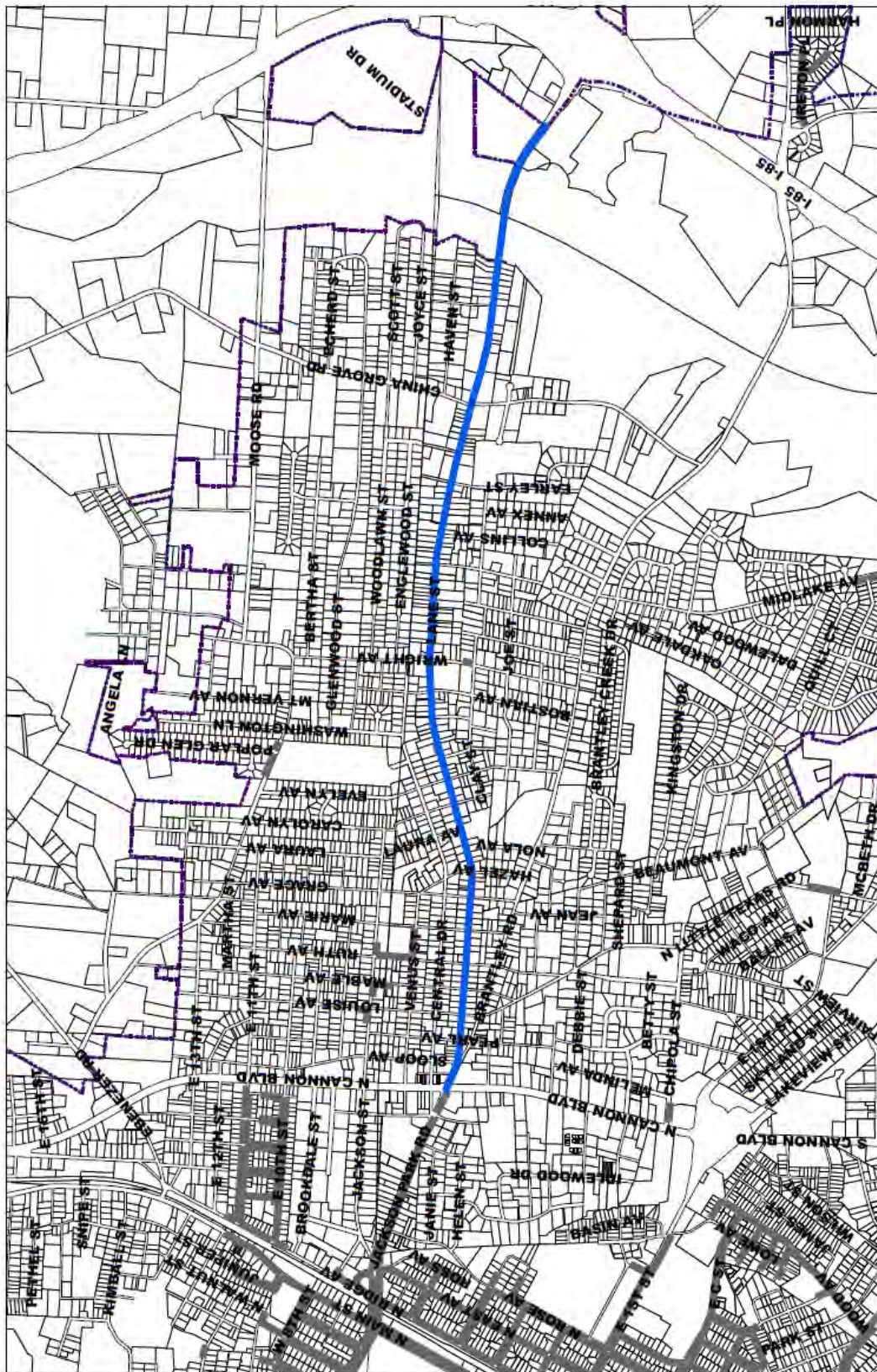
Pedestrian safety will be compromised, and Lane Street will remain dangerous for those using it for pleasure walking or to walk to destinations along the street.

Alternative(s) if not Funded:

- Install the sidewalk at a later date and at a potentially higher cost.
- Install sidewalk in phases over the course of several years.

City Manager Observations:

This project would serve recreational and quality of life needs as well as establish a safe pedestrian way into the downtown area of the City for a significant segment of the community. The project can be phased in at least three segments, possibly more to make it more feasible. Accordingly, the total cost should not be a deterrent to considering this project a top priority.



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- EXISTING SIDEWALK
- EXISTING GREENWAY



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*Capital Project/Major Initiative:***North Loop Road Safety Improvements****\$425,000***Department(s):*

Transportation and Environmental Services

Staff Lead:

Michael Rattler

Description:

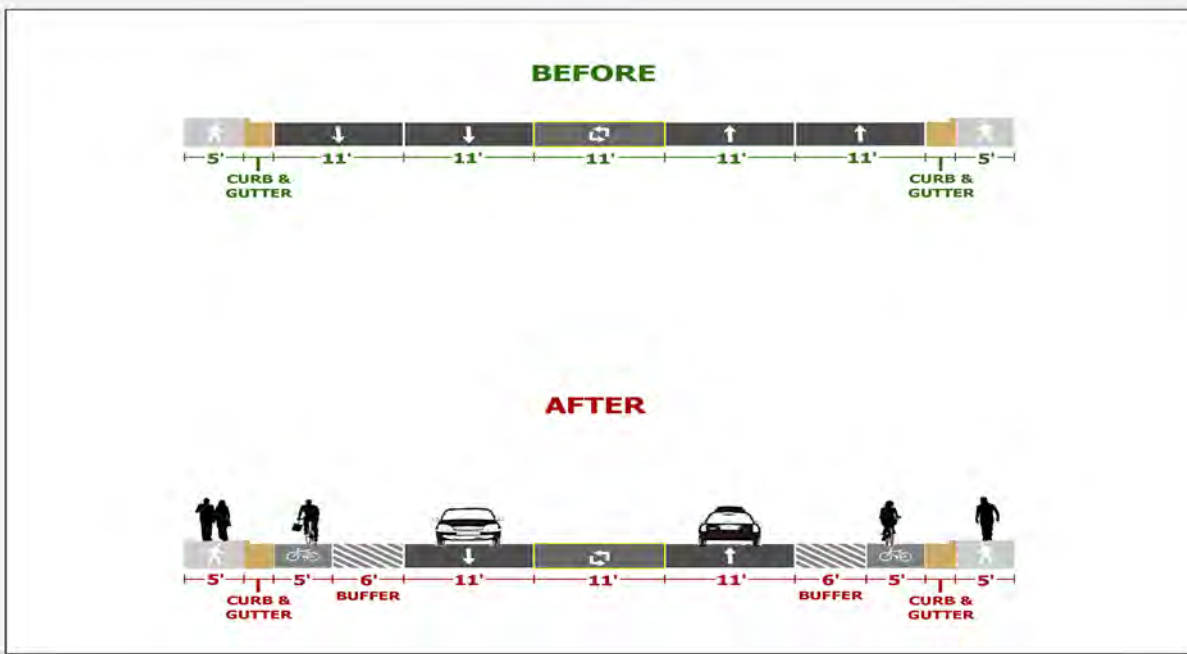
The project includes enhancements to the existing pedestrian network, installation of designated bike lanes, and lighting improvements along North Loop Road between North Main Street and West C Street. This project will support and enhance our Healthy Living brand adding designated bike lanes that provide a safer means for cyclists along North Loop Road as well as enhancing pedestrian safety by providing a buffer for walkers between vehicular traffic. This project would involve mostly re-striping the street surfaces to facilitate bike lanes and, a pedestrian buffer zone, middle turn land and reduction of travel lanes from 4 to 2. A cross section of this new design is included at the end of this summary.

Unfortunately, it is not possible for this street reconfiguration to be extended onto Dale Earnhardt Boulevard from West C Street towards South Main Street due to higher traffic volumes. Currently, the traffic volumes on North Loop Road are between 9,000 and 11,000 vehicles per day. The traffic volume on Dale Earnhardt Boulevard between Mooresville Road and South Main Street are between 13,000 and 17,500 vehicles per day. It is projected that volumes on the Dale Earnhardt Blvd section will grow at a much faster rate than the North Loop Road section.

Need/Community Benefit:

North Loop Road is a very popular destination for pedestrians to enjoy Loop-the-Loop and our revitalized Downtown and Campus area. Several years ago, we conducted a study and one of the primary concerns was safety along this portion of Loop Road due to the proximity to motorists.

The project would provide a sufficient buffer for cyclists and pedestrians to feel more comfortable utilizing this portion of our Loop-the-Loop network as well as connection to the 8th Street Greenway and nearby park facilities. This project would also have the added benefit of providing traffic calming along the corridor.



Consequences if not Funded:

If this project is not funded, the improvements on this portion of Loop Road will continue to remain in the planning stage. Pedestrian and bicycle safety will continue to be an issue unaddressed.

Alternative(s) if not Funded:

The only realistic alternative to this project is to install a multi-use path internal to the Loop Road to further separate pedestrians and bicyclists from the vehicular traffic. Challenges to this approach are grade differences, rights-of-way acquisition, and the significant cost to construct.

City Manager Observations:

This project has been debated and dismissed in previous discussions by City Council. However, safety issues for this corridor have continue to be raised so the project has been again added to the potential capital project mix for consideration. This project would be an extension of the NCDOT Lane Street project slated to begin this year. It goes without saying that the Lane Street section has not been well received by some in our community. It is unclear if these same concerns would be expressed as part of this project.

A significant concern with this project is that the most congested area of the Loop is the Dale Earnhardt section which cannot be improved the same way as the North Loop Road. That makes the safety impacts of the proposed project less evident.

Capital Project/Major Initiative:

Midlake Road Sidewalk

\$4,400,000

Department(s):
Engineering

Staff Lead:
Scott Kaufhold

Description:

The Midlake Road Sidewalk project consists of the installation of approximately 5,500 linear feet of 5-ft concrete sidewalk, curb and gutter, and associated storm drainage and utility relocation along the east side of Midlake Road from Brantley Road to Centergrove Road.

Need/Community Benefit:

The Midlake Road sidewalk will provide a safe pedestrian facility to all residents along Midlake Drive, so they are not in conflict with vehicular traffic. The project also provides connectivity for all residents within the area to safely walk to the newly proposed Eastside Park that will include picnic shelter, splashpad, playgrounds, dog park, and trails for all to enjoy.

Consequences if not Funded:

- Residents will not have safe pedestrian facility along Midlake Road that is not in conflict with traffic.
- Residents within area will not have pedestrian connectivity to the proposed Eastside Park.

Alternative(s) if not Funded:

Maintain the current road cross-section whereby residents are walking in and along the existing road as a pedestrian facility.

City Manager Observations:

This project should probably be timed within a year or two of the Eastside Park construction. They don't necessarily need to be constructed together but if the park is delayed due to borrow capacity limits or becomes a lower City Council priority, the sidewalk project might need to follow suit. There is the possibility that this project could be phased but splitting it in half would probably still require financing, so it makes sense to construct the entire project at once and reap the benefits of the economy of scale and to avoid the inflationary increases of a future phase.

VEHICLE, PEDESTRIAN AND BICYCLE MOBILITY



VEHICLE, PEDESTRIAN AND BICYCLE MOBILITY



*Capital Project/Major Initiative:***Oakwood Avenue Street Extension****\$6,228,000***Department(s):*
Engineering*Staff Lead:*
Scott Kaufhold**Description:**

This project will provide a more direct connection from south-central Kannapolis to Dale Earnhardt Blvd. and Downtown by extending Oakwood Avenue 1,700 linear feet to Leonard Avenue. The project also includes the construction of approximately 2,950 linear feet of sidewalk along Oakwood Avenue from Rogers Lake Road to Murphy Street. This would require property acquisition to complete the connection. Please see the proposed alignment depicted at the end of this summary.

Need/Community Benefit:

Providing a more direct connection will enhance drive times, reduce perceived cut-through traffic and exposure to additional intersection movements.

Consequences if not Funded:

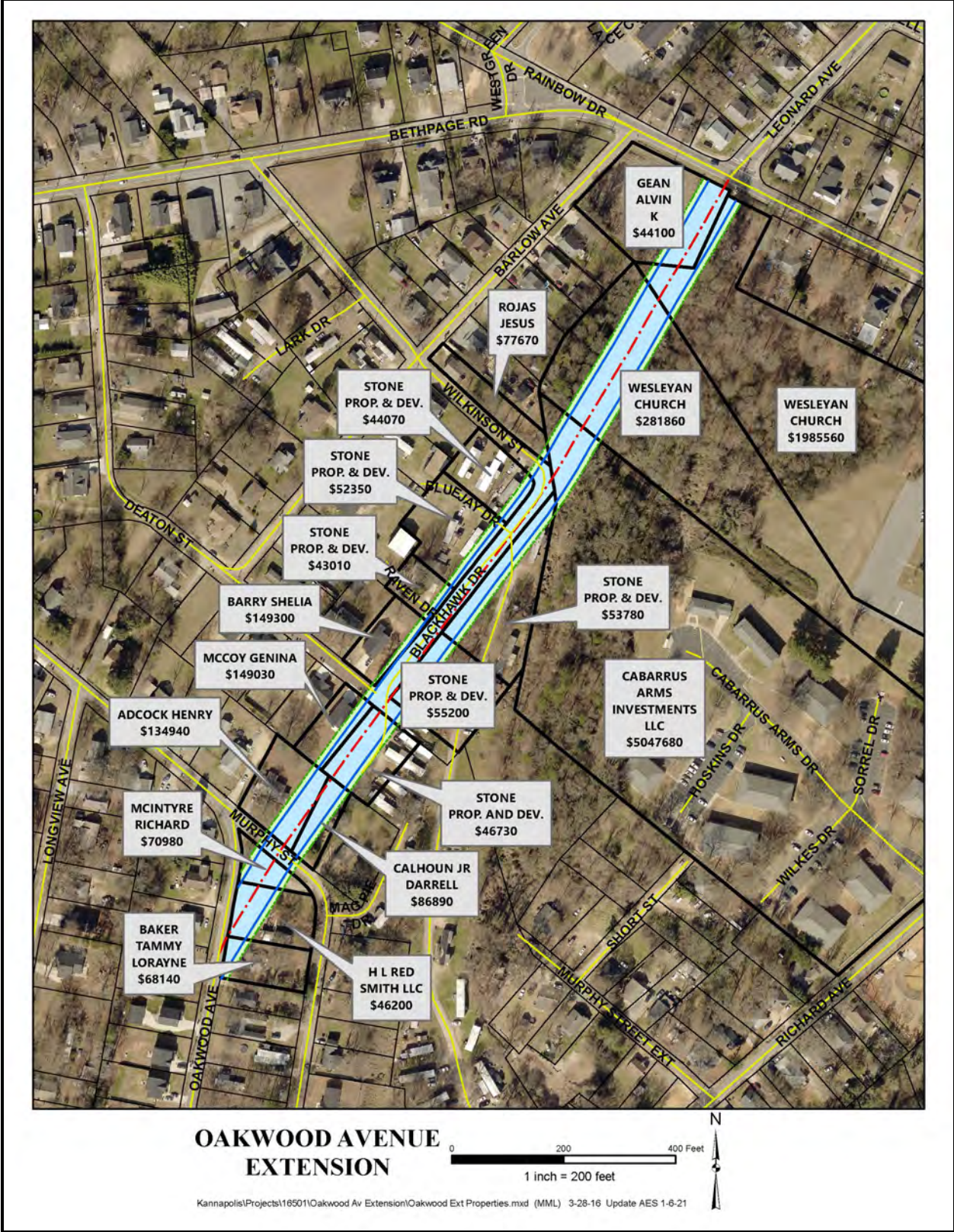
Drivers will continue to take a longer route with more turning movements and navigation through additional intersections.

Alternative(s) if not Funded:

This is not a good NCDOT candidate project. The proposed connector will not be constructed without 100% City funding.

City Manager Observations:

There are obvious benefits to this project. The concern is the cost-benefit of a \$6 million project when compared to other projects might not be as positive. Additionally, the amount of disruption to existing single family residences is significant. This project proposal does include sidewalks so the cost for the proposed Oakwood Avenue Phase III sidewalk project would be reduced slightly if both projects ultimately are funded. This project cannot be phased and would require financing to accomplish.



Capital Project/Major Initiative:

Oakwood Avenue Sidewalk Phase III

\$3,600,000

Department(s):
Engineering

Staff Lead:
Scott Kaufhold

Description:

This project consists of the extension of 4,500 linear feet of sidewalk along Oakwood Avenue from Rogers Lake Road to Bethpage Road in part via Murphy Street and Klondale Avenue.

Need/Community Benefit:

The completion of sidewalk in this area removes those paths of desire providing connectivity and a safe means for pedestrians to walk to transit stops, worship facilities, restaurants, shops, as well as downtown center. The project also supports our brand of a Healthy Life and provides improved connectivity in accordance with the Walkable Community Program that was launched in conjunction with the Cabarrus County Health Alliance.

Consequences if not Funded:

Pedestrian safety will continue to be a challenge along this section of Oakwood Avenue for those using it for exercise or attempting to reach desired destinations.

Alternative(s) if not Funded:

- Install the sidewalk at a later date and at a potentially higher cost.
- Install sidewalk in phases over the course of several years.

City Manager Observations:

The first and second phases of the Oakwood Avenue sidewalk have been tremendously successful from a citizen use perspective. This next segment would further connect neighborhoods to the major points along the corridor (three schools, one major park, access to Irish Buffalo Greenway, and the commercial node at Oakwood and Rogers Lake Road). Further, this segment (if coupled with the Bethpage Road sidewalk would essentially connect the entire corridor to the entire downtown area.

This project is not a good candidate for phasing. The project would need to be financed.

Assessments are a financing tool the City has not used in the past, but it is certainly an option to fund part or all of a project like this. This is a philosophical issue about whether all residents should pay for all of a project for a small segment of the population vs. residents directly benefiting should pay a greater share. Obviously the more property owners there are contributing to a project, the lower cost for everyone. This is most effective on sidewalk projects in more isolated neighborhood streets where those along the street benefit the most. It is less fair for projects where significant users pay nothing because they are not immediately adjacent to the project (like a regional sidewalk such as Oakwood or Lane Street).

Capital Project/Major Initiative:

Pennsylvania Avenue Sidewalk

\$5,440,000

Department(s):
Engineering

Staff Lead:
Scott Kaufhold

Description:

Upgrade the existing 6,800 linear feet of ribbon pavement cross-section from Dale Earnhardt Boulevard to Mt. Olivet Road to include bike lanes, curb & gutter, sidewalk, and storm drainage improvements. Water and sewer improvements are also planned along Pennsylvania Avenue that were included as a part of our Water and Sewer Master Plan. The Master Plan identified the entire Royal Oaks area as a primary need with Pennsylvania Avenue scheduled to be completed in Phases 3 and 4 of the Water and Sewer Master Plan.

Need/Community Benefit:

Provide a safe and efficient local multi-modal facility that provides connectivity from Dale Earnhardt Boulevard to Mt. Olivet Road. This project will also address a number of infrastructure deficiencies within the transportation and storm system.

Consequences if not Funded:

Pedestrians will continue to utilize the road shoulder when walking along Pennsylvania Avenue.

Alternative(s) if not Funded:

Install sidewalk or multi-use path behind roadside drainage ditch but this will result in additional property impacts.

City Manager Observations:

If the sidewalk and street improvements are funded, it is recommended that the above described water and sewer projects be combined with the Transportation project for efficiency and cost savings.

This is a project that could conceivably be phased as could some of the water and sewer improvements. It is likely that all of these improvements would be financed together but all options would be considered.

Assessments are a financing tool the City has not used in the past, but it is certainly an option to fund part or all of a project like this. This is a philosophical issue about whether all residents should pay for all of a project for a small segment of the population vs. residents directly benefiting should pay a greater share. Obviously the more property owners there are contributing to a project, the lower cost for everyone. This is most effective on sidewalk projects in more isolated neighborhood streets where those along the street benefit the most. It is less fair for projects where significant users pay nothing because they are not immediately adjacent to the project (like a regional sidewalk such as Oakwood or Lane Street).

Capital Project/Major Initiative:

Pine Street Sidewalk

\$1,440,000

Department(s):
Engineering

Staff Lead:
Scott Kaufhold

Description:

Installation of approximately 1,800 linear feet of sidewalk along Pine Street from Rainbow Drive to Fred L. Wilson Elementary School. This project would be 100% City-funded as there is no identified NCDOT funding.

Need/Community Benefit:

The proposed project will provide a safe pedestrian facility for students walking to school as well as prove to be an asset to the surrounding community. As part of CK Rider's brown route, there are multiple bus stops along Pine Street, two (2) along the short corridor identified in the project scope. Sidewalk would complement the overall transit initiatives along the corridor. In addition, the project supports our brand of a Healthy Life and provides improved connectivity to the Walkable Community Program that was launched in conjunction with the Cabarrus County Health Alliance.

Consequences if not Funded:

Students and residents will continue to walk in the roadway along this heavily traveled section of Pine Street.

Alternative(s) if not Funded:

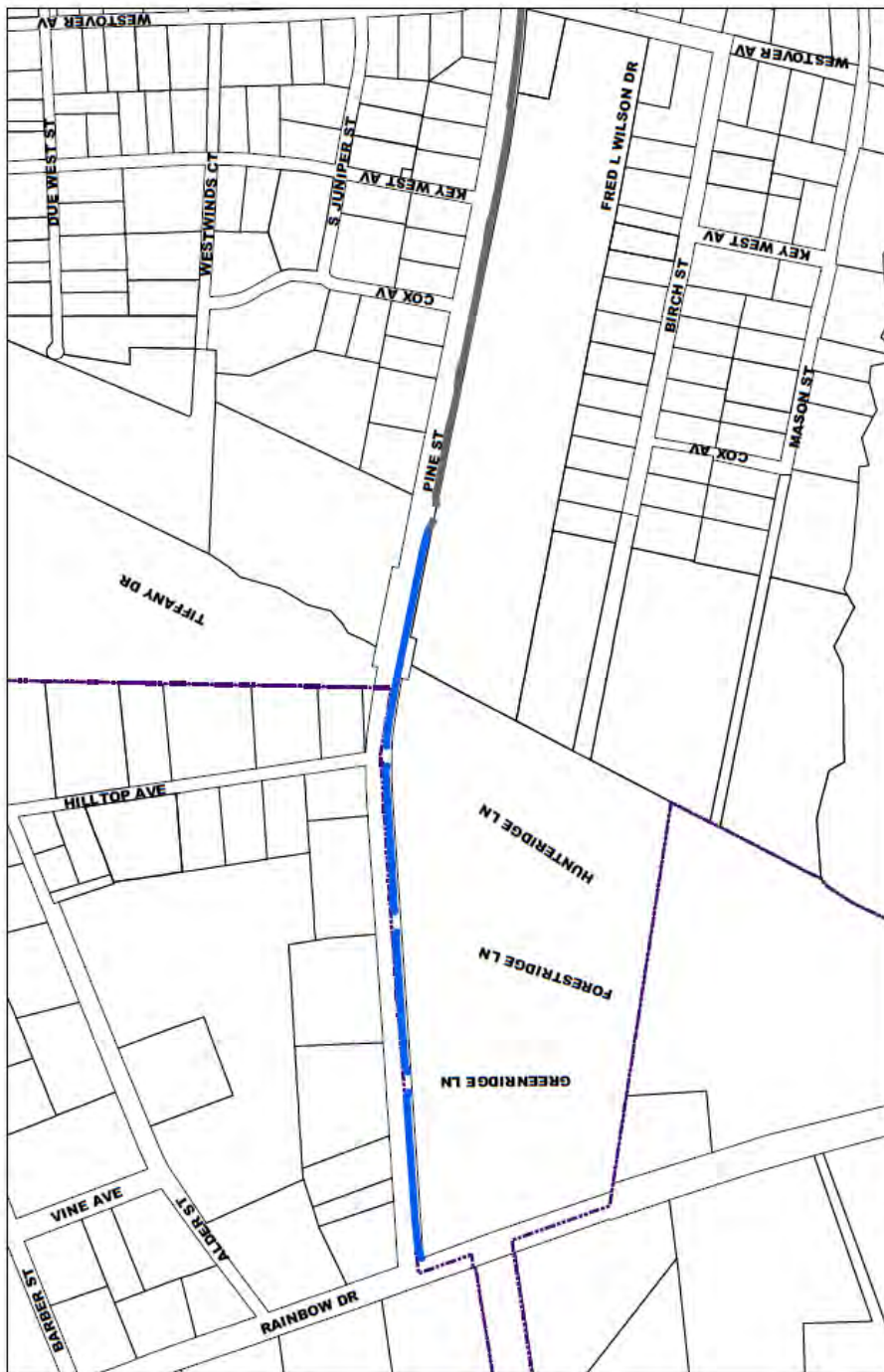
- Sidewalk will not be installed.
- Pursue Safe Routes to School funds over multiple years to complete connection.

City Manager Observations:

This project serves as a connector to high density residential locations to the elementary school where there are some walkers to and from school. There are a limited number of residents that would benefit from the project, but the cost is fairly reasonable to make this connector. This

project could be paid in cash. It is not a good candidate project for phasing. It is also not a very good candidate project for outside (CMAQ) funding.

Assessments are a financing tool the City has not used in the past, but it is certainly an option to fund part or all of a project like this. This is a philosophical issue about whether all residents should pay for all of a project for a small segment of the population vs. residents directly benefiting should pay a greater share. Obviously the more property owners there are contributing to a project, the lower cost for everyone. This is most effective on sidewalk projects in more isolated neighborhood streets where those along the street benefit the most. It is less fair for projects where significant users pay nothing because they are not immediately adjacent to the project (like a regional sidewalk such as Oakwood or Lane Street).



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- EXISTING SIDEWALK
- EXISTING GREENWAY



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Capital Project/Major Initiative:

Rogers Lake Road Sidewalk

\$9,010,000

Department(s):

Engineering/Transportation and Environmental Services

Staff Lead:

Michael Rattler

Description:

Provide resources to facilitate installation of sidewalk along Rogers Lake Road. This could include the portion of Rogers Lake Road starting at Dale Earnhardt Boulevard and extending to the bridge near the Irish- Buffalo Creek Greenway. The complete length of the project consists of 11,355 linear feet.

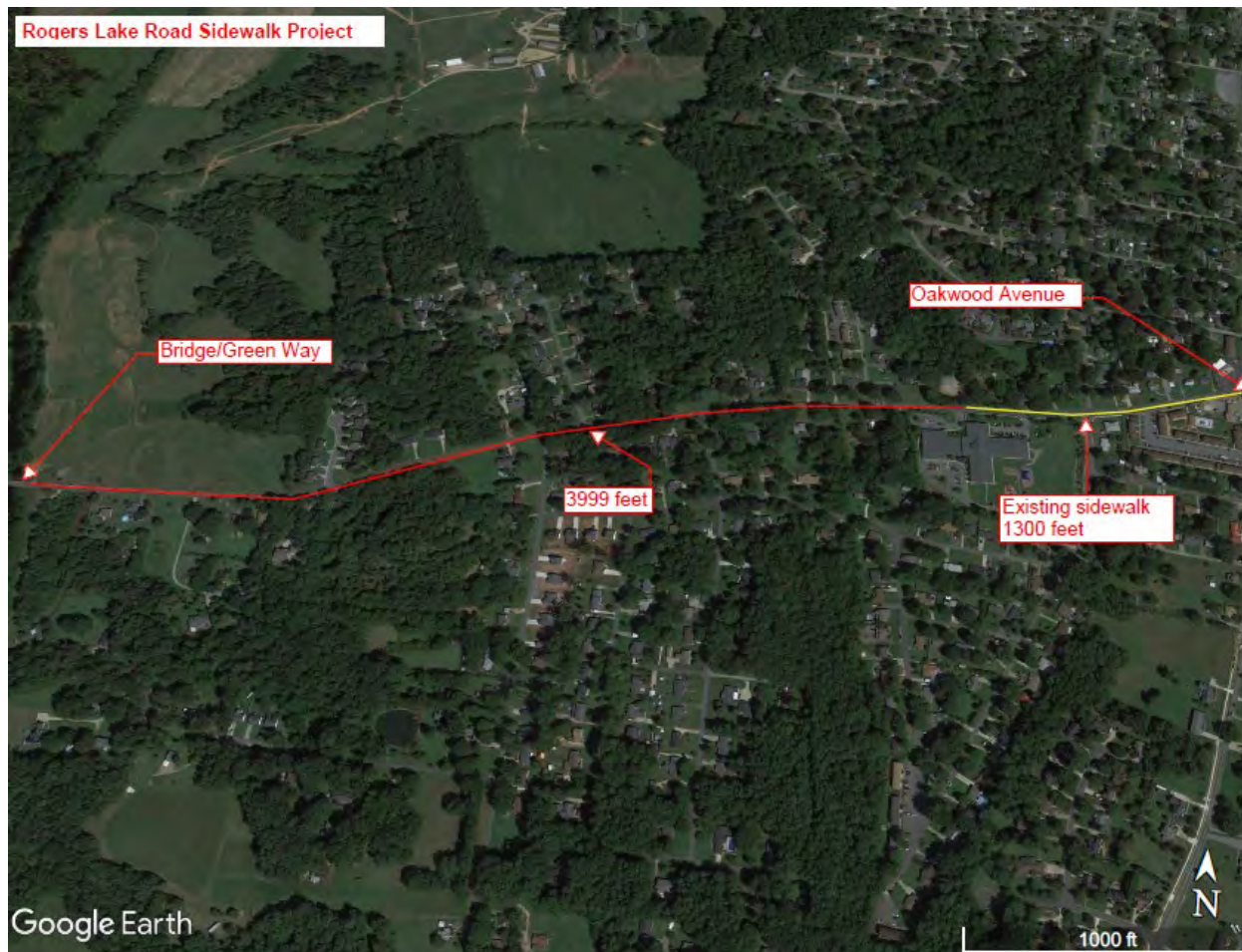
Need/Community Benefit:

Provides improved pedestrian access to the Irish-Buffalo Creek Greenway and an increase of public safety. This project could be constructed as one project or in phases. The plans would be to install sidewalk on one side of Rogers Lake Road.



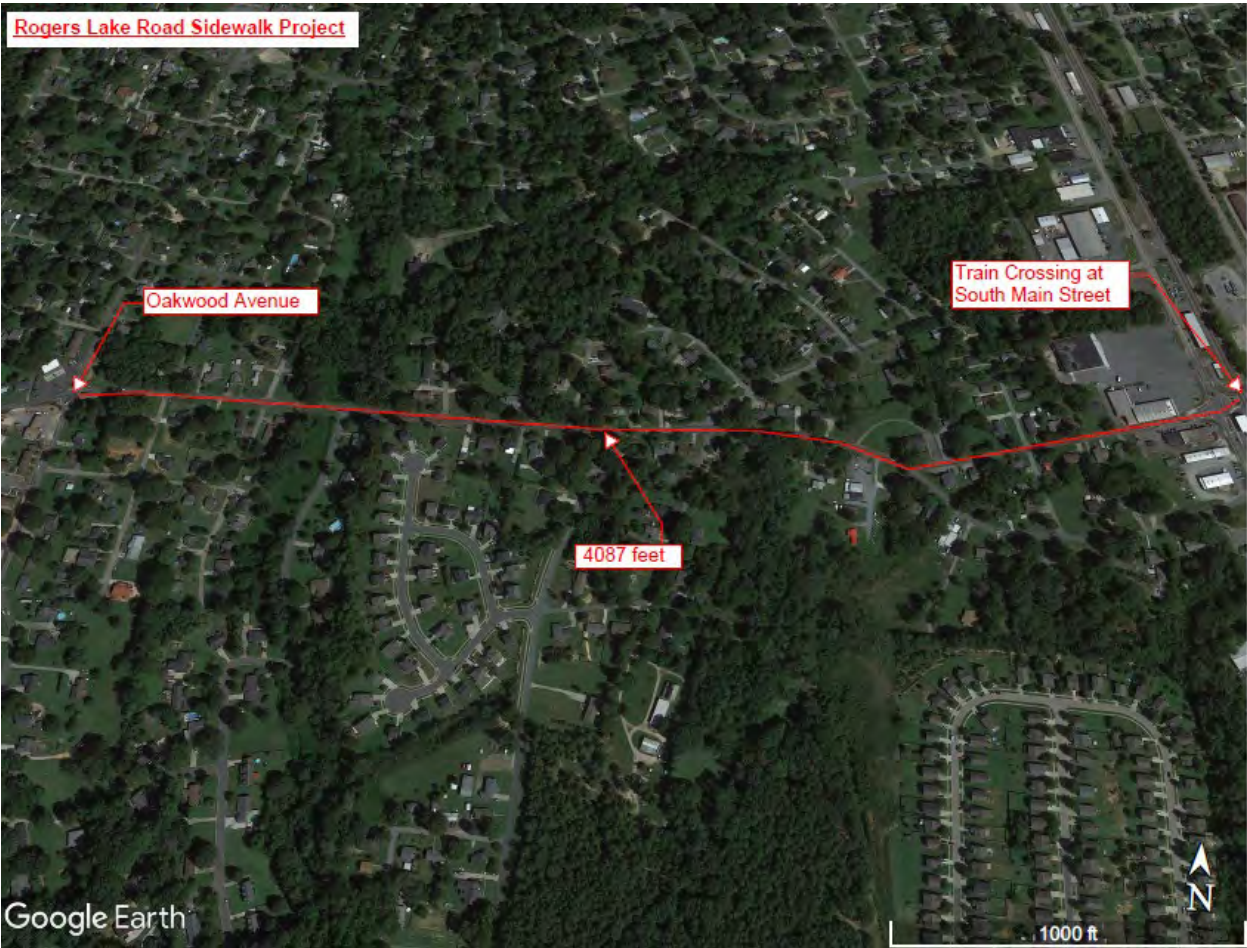
VEHICLE, PEDESTRIAN AND BICYCLE MOBILITY

The Oakwood to Greenway section that would extend from the Shady Brook Elementary School to the bridge at Irish-Buffalo Creek Greenway, providing access for students and surrounding single family homes and two apartment complexes. This would connect two portions of existing sidewalk.



VEHICLE, PEDESTRIAN AND BICYCLE MOBILITY

The railroad crossing at Main Street to Oakwood Section would extend along the section of Rogers Lake Road that is primarily residential. It would improve the walkable access of the neighborhood.



The Dale Earnhardt Boulevard to South Ridge Avenue railroad crossing section would improve the residential area with a walkable access to shopping, restaurants, and services in the area of Dale Earnhardt Boulevard and the intersection with Cannon Boulevard.



Consequences if not Funded:

If not funded the sidewalk project would remain in the planning stages.

Alternative(s) if not Funded:

There are no alternatives.

City Manager Observations:

This project would be an east west connector to the Irish Buffalo Creek Greenway and the Oakwood Avenue Sidewalk (current and future phases) to numerous neighborhoods. It would also connect neighborhoods and commercial areas on both sides of the new Rogers Lake Road Bridge over Main, Ridge and the RR tracks. A sidewalk is planned for the new bridge.

The project could easily be divided into the three phases described above, each consisting of between about 2,000 and 3,000 linear feet. However, even at \$3 million or less per segment, each project would still need to be financed.

Assessments are a financing tool the City has not used in the past, but it is certainly an option to fund part or all of a project like this. This is a philosophical issue about whether all residents should pay for all of a project for a small segment of the population vs. residents directly benefiting should pay a greater share. Obviously the more property owners there are contributing to a project, the lower cost for everyone. This is most effective on sidewalk projects in more isolated neighborhood streets where those along the street benefit the most. It is less fair for projects where significant users pay nothing because they are not immediately adjacent to the project (like a regional sidewalk such as Oakwood or Lane Street).

Capital Project/Major Initiative:

Vance Avenue /West Avenue Roundabout

\$1,875,000

Department(s):

Transportation and Environmental Services

Staff Lead:

Michael Rattler

Description:

Removal of the existing all-way stop condition at this intersection and construct a roundabout similar to the others along West Avenue.

Need/Community Benefit:

The addition of the roundabout at this location will provide fluid movement to all adjacent roadway connections, parking deck access, on street parking. This will also provide additional traffic calming effects to the southern part of West Avenue. Parking along the VIDA/Brewery side of West Avenue is awkward for those traveling southbound on West Avenue. An additional traffic circle helps with that traffic movement.

Consequences if not Funded:

The positive effects described above will not occur.

Alternative(s) if not Funded:

The only other realistic option to address the parking conflicts would be to permanently close this portion of West Avenue to vehicles which has been suggested by LMG and the Old Armor owners. That option would result in a three way stop condition at this intersection.

City Manager Observations:

This would be a good continued investment in downtown. It would be further enhancement to the West Avenue appearance and more importantly it would improve traffic flow and pedestrian safety. There is no doubt that the pedestrian and vehicular activity at this intersection is going to continue to grow as VIDA and the Pennant Square Townhomes are fully populated (and other development on Block 6 in the future). The biggest hurdle would be the amount of land that would have to be acquired, almost exclusively from the two churches at this intersection.

Capital Project/Major Initiative:

Woodrow Wilson Elementary Sidewalks

\$5,360,000

Department(s):
Engineering

Staff Lead:
Scott Kaufhold

Description:

This project has two distinct sidewalk components, but both are designed to improve pedestrian accessibility to Woodrow Wilson Elementary School. This was originally a CMAQ project that was re-scoped due to increased construction cost, essentially splitting the project into two segments.

One segment consists of the installation of 3,900 linear feet of sidewalk, curb and gutter, and associated storm drainage on Walnut Street and Locust Street. This segment is show in **green** on the maps at the end of this summary.

The second segment is located along North Walnut and West 9th Street consists of the installation of approximately 2,800 linear feet of sidewalk, curb and gutter, and associated storm drainage. This segment is show in **red** on the maps at the end of this summary.

There are no longer NCDOT funds available for this project since they were merged with the Irish Buffalo Creek Greenway and Oakwood Avenue Sidewalk projects. Accordingly, it would be a 100% City-funded project.

There are limited rights-of-way along the project corridor. This project would require rights-of-way acquisition that would result in impacts to homes that are in close proximity to the edge of the existing roadway. The extent of the property impacts is unknown at this time. Additional study would be required to determine if the project could be completed without acquisitions that could include demolition of houses. One alternate to mitigate extensive property impacts may be to consider conversation of some of the roadways within the project limits to one-way travel so that the travel way can be narrowed.

Need/Community Benefit:

The completion of a sidewalk in this area will provide connectivity for students to walk to school and a safe means for residents to walk within the neighborhood. The project also supports our brand of a Healthy Life and provides improved connectivity in accordance with the Walkable

Community Program that was launched in conjunction with the Cabarrus County Health Alliance. The project also connects to the City's greenway in this area.

Consequences if not Funded:

Project will not be constructed, and residents and students will continue to walk in the streets within this area.

Alternative(s) if not Funded:

- Pursue Safe Routes to School funds over multiple years to complete connection.
- Re-submit this project for CMAQ funding.
- Assess property owners for some or all of the cost of the sidewalk.

City Manager Observations:

This project has many of the attributes of a good project (school safety, greenway access/connectivity). However, it might not be the most cost-effective sidewalk project because it has a relatively limited number of residents that would be offered access and would utilize the two segments.

This sidewalk investment can clearly be phased into two distinct projects, which, as noted above, it was originally phased during the CMAQ project review process. This approach would make each phase a \$2 million to \$3 million project. The second segment along W. 9th Street does provide better access to the existing sidewalk network and the greenway and should probably be constructed first in such a scenario.

Assessments are a financing tool the City has not used in the past, but it is certainly an option to fund part or all of a project like this. This is a philosophical issue about whether all residents should pay for all of a project for a small segment of the population vs. residents directly benefiting should pay a greater share. Obviously the more property owners there are contributing to a project, the lower cost for everyone. This is most effective on sidewalk projects in more isolated neighborhood streets where those along the street benefit the most. It is less fair for projects where significant users pay nothing because they are not immediately adjacent to the project (like a regional sidewalk such as Oakwood or Lane Street).

VEHICLE, PEDESTRIAN AND BICYCLE MOBILITY



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WOODROW WILSON SIDEWALK MAP



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- EXISTING SIDEWALK
- EXISTING GREENWAY



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Capital Project/Major Initiative:

Employee Retention and Recruitment -Year 3

\$492,800 (annual operating)

Department(s):

Human Resources, City Manager

Staff Lead:

Kristin Jones

Description:

At the March 2018 City Council Retreat, “Employee Recruitment and Retention” emerged as City Council’s top priority, ahead of numerous capital, service delivery and economic development projects. As a result, in the FY 19 and FY 20 budgets, there were substantial efforts made to implement employee benefits. Staff set forth a three-year implementation plan beginning in FY 19 and ending in FY 21 for some of the benefits highlighted below.

Employee recruitment and retention efforts included:

- An additional 1% match to employee’s 401k (up to 3% by FY 21).
- An additional \$420 flex dollar program for employees (up to \$1,260/employee by FY 21).
- Implementation of the Employee Compensation Study completed in March 2019. The study revealed that many of our employees were behind the market in compensation.
- Up to 3% performance-based merit raises at employee’s hiring anniversary (or 5% merit raise for employees in the development range of the first 15% of the total salary range).
- \$20,000 allocation to fund Employee Workplace and Benefit Enhancements. An employee collaboration committee met throughout the year and finalized its long-term recommendations and priorities for future years.
 - Three of their suggestions were recently implemented in December 2020, which included: amending the bereavement policy to allow for more time and for that time to come from a city-wide bank and not an employee’s personal bank of time and creation of an employee volunteer policy and a birthday leave policy.

- Required City funding increase to the Local Government Retirement System (LGRS). The Local Governmental Employee’s Retirement System Board voted to increase its rate for 3 years, starting in Fiscal Year 20. This is to ensure the pension is fully funded for local government employees. The increases are based on actuarial studies they have done to make sure the system remains solvent and can meet its future obligations. The latest increase was included in the FY 21 budget. FY 22 is slated to be the final year in which the 1.2% increase year over year occurs.

The items below were part of the three-year phased employee recruitment and retention implementation efforts that were unable to be funded in fiscal year 21 due to revenue shortfalls related to the COVID-19 pandemic. If employee recruitment and retention emerge as a top priority again for City Council, we recommend implementation of the following:

- The additional 1% 401k match to an employee’s contributions, which would bring the employer match up to 3%. **Cost to implement: \$200,000.**
- The additional \$420 flex dollar program investment providing up to \$1,260 per employee. **Cost to implement: \$168,000.**

In addition, the Employee Collaboration Committee ranked providing gym memberships to City employees as a top priority. This evolved into a potential partnership with the YMCA to provide memberships to all eligible City employees. Subsequently, the YMCA offered the City a deep membership discount for this program which will help them with their own financial challenges.

- The average single adult membership currently costs \$52/month, based off 400 full-time employees, $\$52 \times 400 \text{ (employees)} \times 12 \text{ months} = \$249,600$. The YMCA is offering a rate of 50% or \$26/month per employee to the City. **Cost to implement: \$124,800.**
 - This paid membership for employees would also include: Health Screenings for City Employees, Nutrition Education, Personalized tours and orientations, YMCA participation and presentations at City Employee staff events, early registration opportunities for programs and more.
 - The benefit could also be tied to a wellness plan incentive meant to address high risk factors among members of our group health plan. Our most recent plan review indicates average medical claims for eligible employees who do not participate in the annual health risk assessment are 239% greater than average claims for active participants who score within the ideal range. Based on plan costs by risk factor, claims paid for blood pressure issues were 130% that of all average claims and glucose claims were 87% greater than average claims. This is consistent with the risk factors identified by the biometric testing: obesity and HDL cholesterol. Of the total employees (291) participating in the Health Risk Assessment, 52% were classified as obese and 32% with high cholesterol. By partnering with the YMCA, this encourages employees to utilize their facilities, which consist of workout centers, swimming pools and group fitness classes.

Need/Community Benefit:

It benefits the City to consider adding to the slate of benefits options that allow us to remain competitive with our market peers to improve our overall attractiveness to future potential employees and encourage longevity of existing employees. These options should not only provide greater income stability to our employees but should also compliment the City's responsibility to balance employee compensation and benefits with other financial obligations and needs.

The need and community benefit are two-fold. It allows the City to partner with a local non-profit organization while encouraging our employees to become more active and healthier. Partnering with employees and the YMCA to encourage and facilitate a healthier and more active lifestyle will have a positive impact on health insurance claims, on the job injuries, and employee morale, which will save the City money since we are self-insured for both medical and workers compensation insurance.

Consequences if not Funded:

The City of Kannapolis could lag its competitors in the market and continue to experience difficulty recruiting preferred applicants in a highly competitive market. We will continue to see savvy applicants negotiate higher starting rates of starting pay to compensate for the lack of or cost of premium benefits. This will ultimately create salary compression and morale concerns for existing and often more experienced employees and could ultimately result in a decline in the level of service we are able to provide our citizens.

Alternative(s) if not Funded:

Continue to provide existing benefit options.

City Manager Observations:

Our employees are ultimately the City's greatest asset. City Council goals and objectives are not met without a well-trained, effective, committed work force. Nevertheless, this initiative is quite expensive as it involves lots of recurring costs and could significantly impact other initiatives – especially those requiring on-going operating costs and/or debt service.

Capital Project/Major Initiative:

Enhanced Street Paving

\$5,000,000

Department(s):

Transportation and Environmental Services

Staff Lead:

Michael Rattler

Description:

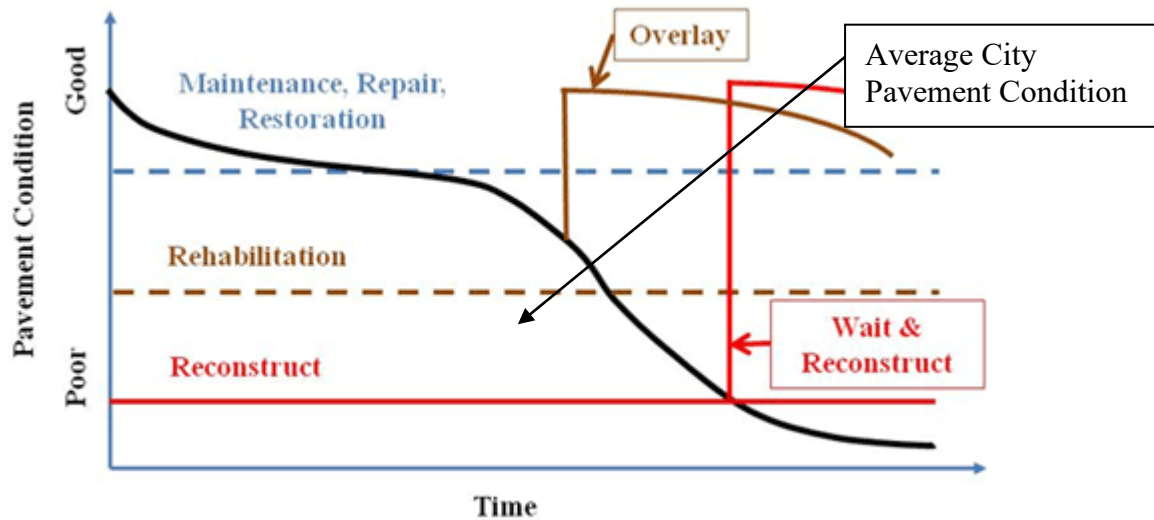
The City maintains 234 miles of streets with many having a poor pavement condition rating. Our average annual \$600,000 resurfacing contract provides some level of maintenance, from basic milling and resurfacing to the more drastic and costly pavement reclamation, to 1.5 miles of streets. Thus, our street resurfacing cycle is well over 100 years – our goal is over time to bring that to 25 years.

Referring to the chart below, the proposed Pavement Preservation Program would extend the life cycle of existing streets in the Good-Fair condition by incorporating lower cost preventative maintenance measures, such as chip sealing, micro-surfacing, or slurry sealing. This would be in addition to our standard resurfacing and reclamation efforts to streets that are below Fair condition.

Need/Community Benefit:

To maximize the effectiveness of City funds, preventative maintenance measures should be incorporated into the proposed resurfacing program. Pavement Preservation provides the maximum benefit of the resurfacing dollars spent to address immediate needs, while providing a benefit for the long-term preservation of City-maintained streets.

The following charts from the Federal Highway Administration outline the benefits of including preventative maintenance as a part of an asphalt resurfacing program to prolong the life expectancy of the streets.



Three treatment zones as a function of pavement condition. (Source FHWA-HRT-13-038, Nov. 2013)

his concept is based on pavement deterioration rates accelerating as the pavement accumulates more damage.

- The optimum schedule for us to resurface streets is 25 years.
- With 234 miles of City-maintained streets, a 25-year schedule would equate to just under 10 miles of streets maintained per year.

While fully funding a resurfacing program as described above at a level of \$2,500,000 per year may not be possible; funding a Pavement Preservation Program will increase the life cycle of existing streets by using lower cost maintenance measures, allowing for expansion of our resurfacing efforts, and decreasing the paving cycle in our infrastructure inventory.

Consequences if not Funded:

We face an increasing challenge of streets degrading at a rate beyond our ability to effectively maintain and are at the point of reclaiming (rebuilding) more streets than we are resurfacing. While reclamation essentially builds a new road, it is 4-times more expensive than resurfacing.

Alternative(s) if not Funded:

Continue with Powell Bill as sole source for street maintenance needs.

City Manager Observations:

Unfortunately, street paving is a purely maintenance expenditure and cannot feasibly be financed even though the life of a paved street is well beyond typical City debt terms. Accordingly, cash investments in this effort are the only reasonable solution. As proposed, \$5 million over five years (more or less \$1 million/year) would be spent as described above. This could be funded at a lower level as well. The decision for this initiative and its place in the priorities should be based on the big picture of adding more funding to the current street paving and less so on the actual amount included in this summary. Part of the funding could be using cash reserves which is reasonable because of the duration of the resulting work. The downside to this approach is once the cash is exhausted the program ends unless it is budgeted with recurring expenditures.

Capital Project/Major Initiative:

Five-Year Capital Outlay

\$12,329,200

Department(s):
All Departments

Staff Lead:
Kristin Jones

Description:

As part of major investments in downtown over the past few years, many departmental operating requests were put on hold. As a result, there are extensive capital outlay needs city-wide. Capital outlay refers to any capital purchase over \$5,000 but under the \$100,000 Capital Improvement Project threshold. Items in this category are related to vehicle, machinery and equipment purchases. Most of these capital outlay requests are replacement of existing vehicles, machinery and equipment, which are past their useful life and have a history of high maintenance costs and repairs. Other capital outlay requests are tied to new position requests over the next 5 years and the vehicles and equipment necessary to carry out those specific functions.

Departments were tasked to develop a 5-year capital outlay outlook for their service areas with recommended fiscal year implementation. Below is a summary of the requests submitted. Ultimately, if City Council recognizes capital outlay as a top priority, staff will recommend throughout the budget process the replacement and/or additions for each department based on immediate need and resources to fund them. This proposal doesn't imply that over \$12.3 million in funding for capital outlay within the next year is required or even feasible. That would amount to a 24-cent tax increase to fund this outside of current revenue streams.

These projects would be phased over a 5-year period (probably longer) if identified as a top priority.

Over the next 5 years, there are requests for 82 replacement vehicles and pieces of machinery, such as: crew trucks, fire engines, mowers, trailers and other equipment needs. This includes 60 police cruisers (12 each year) that are recommended to be replaced based on mileage and maintenance concerns

Over the next 5 years, there are 20 vehicle requests tied to new personnel requests solely. Lastly, there are 21 pieces additional pieces of machinery/equipment/vehicles requested outside of personnel requests. Many are additional pieces of equipment necessary to keep up with service demand and delivery.

The breakdown of capital outlay requests are as follows:

FY 22: \$2,820,900 (19 replacement vehicles, 5 tied to new positions, 8 additions)
FY 23: \$2,969,300 (15 replacement vehicles, 7 tied to new positions, 8 additions)
FY 24: \$3,190,000 (19 replacement vehicles, 4 tied to new positions, 1 addition)
FY 25: \$1,695,000 (15 replacement vehicles, 4 tied to new positions, 4 additions)
FY 26: \$1,654,000 (14 replacement vehicles)

Need/Community Benefit:

By replacing capital outlay on an annual basis, it equips the departments with the necessary tools to carry out service delivery for City residents with minimal repairs and down time for vehicles and equipment. In addition, it keeps up with the growth demands of the City by expanding services, programs and personnel with the applicable equipment to do so.

Consequences if not Funded:

- High maintenance and repair on existing equipment.
- Safety issues using past end of life machinery, equipment and vehicles.
- Inability to operate and efficiently and effectively to provide service in multiple departments with the lack of proper equipment.

Alternative(s) if not Funded:

Continue to utilize existing equipment and provide the high-quality service to City residents. City departmental operating budgets may have to reflect substantial increases to cover necessary repair and maintenance on aged equipment.

City Manager Observations:

As noted above, the decision regarding this initiative and its place in City Council's priorities should be based on the big picture of adding more funding the City's operating capital needs and not focused on a \$12 million price tag for multiple years. Where this lands in the City Council priorities will determine how aggressively these expenditures find their way into annual budgets over the next five years. To that end, details on each capital item will be provided as part of the annual budgets and the specifics can be debated and discussed at that time. Some of the funding for these capital outlay items can be paid for with cash reserves to help alleviate pressure on the general fund budgets going forward. Short-term (59-month financing) is a likely financing tool for certain items as well.

Capital Project/Major Initiative:

Five-Year Personnel Additions

\$3,290,520 (annually operating)

Department(s):
All Departments

Staff Lead:
Kristin Jones

Description:

The past two budgets have been centered on the premise that a temporary refocus of resources to achieve the best possible outcomes for the massive downtown revitalization was necessary. This approach meant that there would be a pause in meeting the full personnel and operational needs of every department. It was recommended that at the time the downtown efforts were nearing completion, that departmental personnel and operating requests would be revisited in order to compensate for the extensive growth that has occurred and impacted every department City-wide.

Departments were tasked to develop a 5-year personnel outlook for their service areas with recommended fiscal year implementation. Below is a summary of the requests submitted. Ultimately, if City Council recognizes personnel additions as a top priority, staff will recommend throughout the budget process the personnel additions for each department based on immediate need and resources to fund them. This proposal doesn't imply that over \$3.2 million in funding for new personnel within the next year is required or even feasible. That would amount to a 6.5-cent tax increase to fund this outside of current revenue streams. This would be phased over a 5-year period (probably longer) if identified as a top priority. All positions include applicable benefits. Vehicles associated for the positions are accounted for on the 5-year capital outlay request as new vehicles tied to personnel.

The breakdown of personnel requests are as follows:

FY 22: \$1,041,340 (18 positions)

- Positions include: Communications Specialist, Payroll Technician, 3 Firefighters, Janitorial Supervisor, 2 Building Technicians, 5 Park Maintenance Technicians, Planner, 2 Police Officers and 2 Construction Maintenance Workers and additional part-time funding for Parks.

FY 23: \$1,167,580 (17 Positions)

- Positions include: Engineering Technician, Fire Inspector, 3 Firefighters, Building Maintenance Technician, IT Technician, Recreation Superintendent, Parks Superintendent, Assistant Athletics Coordinator, 4 Police Officers, 2 Telecommunicators, a Crime Analyst and stipends for the Police Department as part of tactical training.

FY 24: \$485,600 (7 Positions)

- Positions include: Assistant Human Resources Director, Planner, 2 Police Officers, Training and Recruiting officer for Police and 1 DARE/School Resource Officer and funding for a part time- administrative assistant in Fire.

FY 25: \$596,000 (9 Positions)

- Positions include: Data/Planning/Accreditation Manager for Fire, Parks Maintenance Technician, GIS Specialist, 4 Police Officers and 2 Telecommunicators

Need/Community Benefit:

Adding new personnel across all departments will compensate for growth and evolving community needs. In addition, it supports the operations of expanding and enhancing services and programs city-wide.

Consequences if not Funded:

- Unable to meet the service delivery needs and requests as the City continues to grow.
- Existing pressures on City departments.
- Turnover in existing departments based on burnout.

Alternative(s) if not Funded:

Continue to provide the high-quality service to City residents. City departmental operating budgets may have to reflect substantial increases in part-time and/or contracted service accounts to help offset increase in workload and demand.

City Manager Observations:

The decision for this initiative and its place in City Council's priorities should be based on the big picture of adding more funding the City's staffing needs and not focused on a \$3.2 million price tag for multiple years. Where this lands in the City Council priorities will determine how aggressively these positions find their way into annual budgets over the next five years. To that end, details on each position will be provided as part of the annual budgets and the specifics can be debated and discussed at that time. Some of the funding for vehicles could be paid for with cash reserves to help alleviate pressure on the general fund budgets going forward. It is not recommended that cash reserves be used for recurring cost of employee salaries and benefits.

Capital Project/Major Initiative:

Litter Clean-Up Program

\$260,000 (Capital Outlay)

\$572,600 (Annual Operating)

Department(s):

Transportation and Environmental Services

Staff Lead:

Michael Rattler

Description:

Citywide roadside litter collection along all City-maintained streets as well as our primary gateways into the City which are currently maintained by the North Carolina Department of Transportation. This would involve capital purchases of two mid-sized rear loaders and one pick-up truck, hiring of five new employees (one crew chief and four construction maintenance workers), equipment and operating expenses.

Need/Community Benefit:

The program would provide Citywide litter collection once a year on all City-maintained streets and collection twelve (12) times per year along Cannon Boulevard, Dale Earnhardt Boulevard, Highway 3, Kannapolis Parkway and Main Street.

Consequences if not Funded:

Littering will continue to be a problem in some parts of the City due to a lack of interest and pride in the community.

Alternative(s) if not Funded:

1. Continue to encourage resident participation in Adopt-A-Street, "I Love My City" weekend, and neighborhood clean-up programs. This is a hit or miss program as volunteer groups are difficult to keep consistently on top of their commitments.
2. Increase contract service for roadside clean-up that currently costs approximately \$200 per mile/per pick-up. This could be a less expensive option, but the number of streets and frequency of pick-up would be substantially less. It would likely work on a complaint basis or used only when corridors became very unattractive.
3. Reduce the pick-ups to seven times a year for major street arteries and one-time year for all City streets. While this would cut the costs (but not by a full 50% as some expenses would be incurred regardless of the size of the program).

4. Enhance proactive Code Enforcement against “violating” property owners. This probably would not adequately address roadside trash.

City Manager Observations:

This is one initiative that is heard in the community on a regular basis. If implemented, this would certainly be in response to citizen desires. Unfortunately, it involves lots of annually recurring expenses. From an annual budget impact standpoint, the cost of a full clean-up program is approximately the same cost as financing the construction of a \$6 million capital project like a major greenway/sidewalk extension, new fire station or a passive park.

This initiative could be phased by focusing on less roadways or less personnel, but the results would be significantly different until it is at full funding. If it is ultimately funded, the capital outlay would likely be paid for with cash.

Capital Project/Major Initiative:

Neighborhood Improvement Initiative

\$5,000,000

Department(s):

City Manager's Office, Planning

Staff Lead:

Zac Gordon

Description:

This would be a multi-year, multi-neighborhood infusion of focused time and funding to make physical changes to one or two fragile neighborhoods per year. A primary focus would be on property acquisitions of poorly maintained housing for demolition and transferring the house to the private sector for renovations and resale to increase home ownership. Public investments could be entrance signage, landscaping additions, open space improvements (e.g., community gardens), neighborhood branding initiatives, communication channels (neighbor to neighbor and resident to City), establishment of neighborhood organizational structure (homeowners or residents association), quarterly clean up days (City provided dumpsters), code enforcement (where necessary), exploration of private funding for homeowner improvements, coordination of home maintenance resources. In some cases, use of CDBG funds might be possible.

Need/Community Benefit:

Many of the older residential neighborhoods in the City were developed prior to incorporation and the adoption of development standards. As such, these neighborhoods do not have the same level of improvements or amenities that are present in neighborhoods developed under current development standards. As development continues to occur in the western portions of the city, the need for retrofitting existing neighborhoods becomes more pronounced and, in some cases, urgent. A targeted program to promote the revitalization of the City's older neighborhoods would be beneficial to current residents and serve to make these neighborhoods more attractive to new residents. The revitalization of these neighborhoods will help to ensure that all areas of the City are benefitting from the economic growth that is occurring and will continue to occur in the future.

Consequences if not Funded:

In the absence of a concerted effort to revitalize these fragile or transitioning neighborhoods in the City, it is likely that conditions will continue to decline and that these neighborhoods will not attract new residents and the accompanying economic vitality that they would bring. This has potential impacts on property values and may lead to crime and other social problems which will

make it even more difficult for these neighborhoods to thrive as they will be competing with newer residential neighborhoods.

Alternative(s) if not Funded:

In the absence of funding for a Neighborhood Improvement Initiative, the City will need to continue to “react” to issues in these neighborhoods. Police, code enforcement and community development staff will need to devote an ever-increasing level of staff and financial resources on these neighborhoods unless a more proactive approach is taken.

City Manager Observations:

As contemplated, a target of about \$1 million a year in cash reserve allocation would be the funding mechanism for this initiative for the next five years. It could certainly be more or less than this amount. The challenge to using cash is that when it is no longer there, the program will either stop or a new revenue stream is identified. That should not be a driving factor in this decision however because a lot of positive impacts can be made in 5-10 neighborhoods with these funds even if the program doesn’t continue.

One of the critical first steps is to establish the criteria for determining eligible neighborhoods with measurable criteria for a ranking system. One of the intangible factors should be neighborhood willingness and enthusiasm. If they neighborhood is opposed or indifferent to the City’s involvement, we should move on to the next one.

It is anticipated that this effort will be an “all hands on deck” approach involving multiple City departments, non-profit partners, financial institutions, etc.

Finally, the initiative may not only focus on “older” neighborhoods in the traditional sense. There are neighborhoods built in the past 10-15 years that are already suffering with many different issues. Those may actually be neighborhoods that should be an initial focus to prevent further deterioration that is more difficult to resolve over time.

This initiative has the potentially to be quite impactful to our City’s well-being on many levels.

Capital Project/Major Initiative:

Shell Space Upfits at City Hall

\$2,050,000 (Capital)

\$25,000 (Recurring)

Department(s):

City Manager's Office, General Services

Staff Lead:

Eddie Smith, Trent Marlow

Description:

After five years in the new City Hall, several observations have been made about the public's use of the building as well as the service demands of several departments. This project is to up-fit the existing 1st and 2nd floor shell (7,763 sq. feet) space inside City Hall to include several possibilities for improved operations related to General Services, Human Resources, Parks & Recreation, Planning, Engineering, and Fire Administration. There are pre- and post-COVID advantages to relocating one or more of these service departments to the shell space area. (1) Planning and Engineering would provide easier access for developers who visit city hall every day; (2) Relocating General Services would create much needed expansion space for Legal, Human Resources, and Finance in the Executive wing (as the city employee base has grown, these internal service delivery departments have not kept pace, and succession planning will soon need to be implemented in several of these areas); (3) Relocating Parks & Recreation to the 1st floor would allow for quick/easy access for facility renters and provide easier access to storage area for programs; (4) Relocating Human Resources would provide better internal service delivery for employees and applicants who all must track up to the 2nd floor which is not an easy option for visiting public works employees (muddy boots) or fire fighters (who already have a long walk to and from their fire apparatuses parked along Laureate Way), nor for potential job applicants who frequently get lost looking for HR; and (5) the space could be used for more cubicle or larger conference room space in a post-COVID world.

Need/Community Benefit:

Soon after opening City Hall with departments in their current locations, several operational challenges emerged:

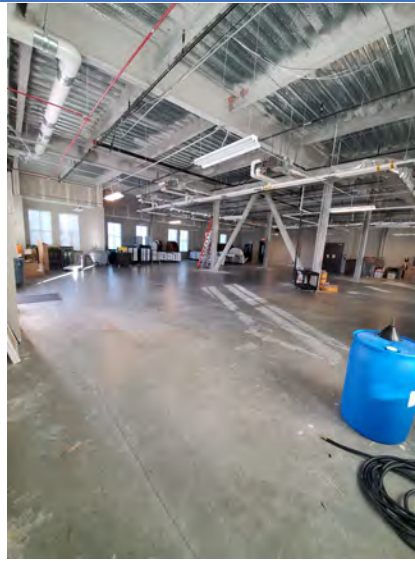
#1: Eliminating Illegal Parking/Standing and Traffic Circle Congestion. On a daily basis customers visiting city hall for various reasons park or "stand" in the traffic round-a-bout for several minutes blocking other vehicles from traveling safely and creating traffic congestion.



#2: Improved Access for ADA/Physically Challenged Customers. There are no ADA parking spaces near the front entrance, thereby forcing physically challenged customers to park in the side parking lot and walk a significant distance to the front door. Moving any one or two of the departments mentioned in the description to the shell space area provides front door access to ADA accessible parking spaces.

#3: Improved Public Access to Parks & Recreation Department, and Improved Efficiency of Facility Rentals. The rental of the Laureate Center has been a huge success. On a daily basis, multiple renters visit the 3rd floor if they want to rent the Laureate Center, Veterans Park, Village Park Building, Train Station or shelters. Choosing which floor to visit can be confusing for the public, plus, with add staff and resources for Youth Athletics, there is limited space in Parks & Recreation to meet with families when they want to make reservations (Most reservation discussions involve multiple people visiting city hall).





Consequences if not Funded:

- **Continued struggle to find expansion space for internal service-delivery departments such as Legal, HR, and Finance.**
- **Continued Traffic Congestion in Round-a-bout:** Staff has used signage to notify vehicle drivers that the area in front of city hall is a “no parking/standing zone” but drivers would just drive a few feet past the signs or in between the signs and park. Staff has also used “light duty” employees to stand outside and ask motorist to keep moving, but if the employee wasn’t outside to keep motorist moving, the parking and traffic congestion would continue.
- **Continued Lack of ADA Accessible Parking close to the front door. Potential for ADA claims or request for improvements.**
- **Continued lack of efficiency when meeting the growing needs of potential renters.**

Alternative(s) if not Funded:

- **Traffic Congestion:** There are no alternatives to the traffic circle congestion knowing staff has tried to implement alternatives over the past two years.
- **Lack of ADA Accessible Parking:** Retrofitting existing parking spaces in front of city hall would require removal of existing curb/gutter and widening spaces.
- **Lack of Facility Rental Efficiency:** Renters will continue to roam aimlessly around City Hall looking for Parks & Rec, and once there, find a congested office location. Plus, 80% of all renter usually have to go back downstairs to view the Laureate Center, or to leave the building to travel over to the Train Station or Village/Veteran’s Park.

- **Lack of Efficiency in Human Resources Service Delivery (internally and externally):** Current employees, especially public works and fire personnel, will continued to visit 2nd floor; and job applicants are often lost searching for Human Resources (which is not the best first impression for potential new employees).

City Manager Observations:

The traffic congestion in the round-a-bout is a major problem every day, and most of the violators can be traced to the Customer Service Center, but many violators are also visiting city hall for facility rentals, zoning permits, plan reviews, or human resources visits. The 1st floor is the right location for several departments, but we will be strategic in relocating the “right” departments to the shell space (which was always planned for future expansion space). Re-evaluating the location of one or more of these services to the shell space would allow customers the opportunity to park closer to the new entrance, provide adequate ADA parking, and allow possibilities for Parks & Recreation, Engineering, Planning, Human Resources, or Fire Admin to provide better customer service delivery for our internal and external customers.

Part of the space should be retained as storage as it will always been needed to support the Laureate Center activities – perhaps 20 percent of the space. Other public uses like a history room (mini – museum) could be a future use but our department needs are quickly reaching or exceeded full capacity on the 2nd and 3rd floors.

One significant concern about proceeding at this time with this project is a that we do not know what the impacts of COVID will be over the long term as it relates to our operations. Since COVID begin impacting our operations there have been generally fewer than 50% of our employees at City Hall at any one time due to remote working options. A significant discussion about what that looks like in the post-COVID world is already underway.

If those trends continue, then a complete reset on how to most effectively use the building will probably be warranted. That actually could involve certain smaller renovations to make some spaces more efficient.

At some point well into the future, it is envisioned that a separate Police HQ is constructed somewhere in the City and other City operations migrate into the current Police space. That would obviously be contingent upon growth demands and might not happen for 20+ years but that is hard to predict,

The project could conceivably be phased and by doing so it could be paid for with cash. There would be a lost economy of scale to doing a small project versus a larger one. If the post COVID reset described above occurs, this phased, cash approach will make sense.

Capital Project/Major Initiative:

Sidewalk Repair and Replacement

\$2,500,000

Department(s):
Engineering

Staff Lead:
Michael Rattler and Scott Kaufhold

Description:

Staff recently completed an inventory and condition assessment of all City-maintained sidewalks. A significant portion are in poor condition, many with trip hazards, limited width, and adjacent to well-traveled streets.

Need/Community Benefit:

Pedestrian connectivity is essential to a healthy vibrant community. Considering the tremendous downtown development and revitalization efforts occurring, it's expected that pedestrian activities will continue to increase in the area. Having a dedicated sidewalk maintenance program will reduce trip hazards, help foster a pedestrian friendly atmosphere, and encourage residents and visitors to walk more and drive less.

Consequences if not Funded:

Existing sidewalks will continue to deteriorate, exacerbating current problems and potentially introducing significant trip hazards to the public.

Alternative(s) if not Funded:

Continue with Powell Bill as sole source for sidewalk maintenance needs.

City Manager Observations:

Unfortunately, this activity is purely a maintenance expenditure and cannot feasibly be financed even though the life of a sidewalk is well beyond typical City debt terms. Accordingly, cash investments in this effort are the only reasonable solution. As proposed, \$2.5 million over five years (more or less \$500,000/year) would be spent as described above. This could be funded at a lower level as well. The decision for this initiative and its place in the priorities should be based on the big picture of adding more funding to the current sidewalk maintenance and replacement effort and less so on the actual amount included in this summary. Part of the funding could be

using cash reserves which is reasonable because of the duration of the resulting work. The downside to this approach is once the cash is exhausted the program ends unless it is budgeted with recurring expenditures.

Capital Project/Major Initiative:

Stormwater Improvements

\$5,000,000

Department(s):

Transportation and Environmental Services

Staff Lead:

Michael Rattler

Description:

Installation of public stormwater system improvements throughout the City to address flooding and property impacts. Improvements may include but are not limited to crossing pipe replacement, ditch maintenance and stabilization, stormwater retention facilities or property acquisition.

Need/Community Benefit:

Additional annual funding will allow the department to address the significant backlog of public drainage concerns throughout the system. The storm system improvements may reduce public and private property impacts by improving conveyance systems to current standards, so they accommodate design storm events.

Consequences if not Funded:

Stormwater operations will continue with the funding allocated. However, there will be some delays in service, back log in routine maintenance that will result in citizen complaints regarding property impacts due to lack of system maintenance. The back log of routine maintenance has a direct effect on the decreased life span of our streets.

Alternative(s) if not Funded:

Complete within the funding allocated over time with little progress made in improving the flooding situations.

City Manager Observations:

Unlike street paving, stormwater projects can sometimes be funded through financing. However, in this particular proposal \$5 million over five years (more or less \$1 million/year) would probably be spent with cash reserves as described above – although some level of financing and

operating funds could be used as well. This could also be funded at a lower level as well. The decision for this initiative and its place in the priorities should be based on the big picture of

adding more funding to the current stormwater program and less so on the actual amount included in this summary.

Completion of a comprehensive stormwater master plan was considered during the development of this proposal; however it was determined that a more effective use of funding would be to spend time identifying and scoping out projects that have had the most complaints over the years and pursue improvements projects one by one as long as cash allocations remain. A small amount of funds might be used early in the process to identify and perform preliminary engineering scope analysis to help define and prioritize the individual projects.

Capital Project/Major Initiative:

Eastside Fire Protection w/ Temporary Station

\$1,100,000 (Capital)

\$750,000 (Recurring)

Department(s):

Fire

Staff Lead:

Tracy Winecoff

Description:

This project will include the construction of a temporary station (likely a mobile unit), new engine and personnel to staff the station. This station would provide fire protection services to the eastern part of Kannapolis, Lane St, Kannapolis Crossing and surrounding areas. An engine and twelve personnel will need to be added as well to staff the station. The existing stadium or property nearby would be the best location. This station will be in a prime location for additional district coverage in Cabarrus and Rowan Counties and to support the Lane Street corridor. If, for some reason, the existing stadium property is not an option, the acquisition of 3-acres nearby would be required (estimate \$100,000).

Temporary Station Construction/Modular Unit - \$300,000

Apparatus Purchase- \$800,000

Personnel - \$750,000 (recurring); 12 Fire Fighters





Need/Community Benefit:

The Lane Street/I-85 corridor and future growth in the newly annexed area of Kannapolis Crossing will need an additional fire station to respond effectively to this area. Currently, this area is serviced by Fire Station 1. The Lane St Road diet will decrease the number of lanes of travel, reduce speed and add additional obstacles for fire apparatus to navigate increasing response times to an already distant area.

Consequences if not Funded:

Increased response times in and around the Lane Street area, and traffic-dependent response times associated with the distance between Station 1 and Kannapolis Crossing. It is not certain that our ISO rating would be impacted when it comes up for review, but station locations, number of apparatuses, and response times are part of the equation.

Alternative(s) if not Funded:

Continue depending on Fire Station 1 to provide coverage in the area. The city could enter into mutual aid agreements with the all-volunteer Mount Mitchell VFD and/or Bostian Heights VFD (to help with Kannapolis Crossing), but response times may be significantly lower due to those stations not having the equivalent full-time resources.

City Manager Observations:

With regards to Kannapolis Crossing, the city could try to negotiate with Kannapolis Crossing to locate a new station on or adjacent to their property. While this alternative may provide access to low-cost or no-cost land, it would only be a direct benefit to Kannapolis Crossing and any future

development in the immediate area. The issue with response times on and around Lane Street and near I-85 corridor would continue to be a challenge.

Retaining a small footprint on the old ballpark site will provide a good location for the Eastside station since future developers have agreed to set aside 3-acres for a future station. If for some reason that plan falls through, staff may pursue other options along Lane Street that might be beneficial.

There is a possibility of the city applying for and receiving a grant to help defer personnel costs for 1-2 years, but the full personnel costs would most definitely hit our books in year 3.

There will also be about an 18-month lead time on hiring/training personnel, as well as ordering the appropriate engine for this station.

Capital Project/Major Initiative:

Eastside Fire Station - Permanent
\$2,000,000- \$6,700,000 (Capital)
\$750,000 (Recurring)

Department(s):
 Fire Department

Staff Lead:
 Tracy Winecoff

Description:

This project will include the construction of a new fire station for fire protection services to the eastern part of Kannapolis, Lane St, Kannapolis Crossing and surrounding areas. An engine and twelve personnel will need to be added as well to staff the station. The existing stadium or property nearby would be the best location. This station will be in a prime location for additional district coverage in Cabarrus and Rowan Counties and to support the Lane Street corridor. Two options are included, which range from a remodel of an existing City property, to the construction of a new fire station.

Option 1- Earmark existing City property at the old stadium site, remodel existing structure, add apparatus bay, and purchase one new apparatus.

Renovation Costs- \$1,200,000
 Apparatus Purchase – \$800,000
 Personnel Costs - \$750,000 (includes 12 Fire fighters)





Option 2- Earmark existing City property at the old stadium site, construct new fire station, and purchase one new apparatus.

Construction Cost- \$5,900,000

Apparatus Purchase - \$800,000

Personnel Costs - \$750,000 (includes 12 Fire fighters)



Need/Community Benefit:

The Lane Street/I-85 corridor and future growth in the newly annexed area of Kannapolis Crossing will need an additional fire station to respond effectively to this area. Currently, this area is serviced by Fire Station 1. The Lane St Road diet will decrease the number of lanes of travel, reduce speed and add additional obstacles for fire apparatus to navigate increasing response times to an already distant area.

Consequences if not Funded:

Increased response times in and around the Lane Street area, and traffic-dependent response times associated with the distance between Station 1 and Kannapolis Crossing. It is not certain that our ISO rating would be impacted when it comes up for review, but station locations, number of apparatuses, and response times are part of the equation.

Alternative(s) if not Funded:

Continue depending on Fire Station 1 to provide coverage in the area. The city could enter into mutual aid agreements with the all-volunteer Mount Mitchell VFD and/or Bostian Heights VFD (to help with Kannapolis Crossing), but response times may be significantly lower due to those stations not having the equivalent full-time resources.

City Manager Observations:

With regards to Kannapolis Crossing, the city could try to negotiate with Kannapolis Crossing to locate a new station on or adjacent to their property. While this alternative may provide access to low-cost or no-cost land, it would only be a direct benefit to Kannapolis Crossing and any future development in the immediate area. The issue with response times on and around Lane Street and near I-85 corridor would continue to be a challenge.

Retaining a small footprint on the old ballpark site will provide a good location for the Eastside station since future developers have agreed to set aside 3-acres for a future station. If for some reason that plan falls through, staff may pursue other options along Lane Street that might be beneficial.

There is a possibility of the city applying for and receiving a grant to help defer personnel costs for 1-2 years, but the full personnel costs would most definitely hit our books in year 3.

There will also be about an 18-month lead time on hiring/training personnel, as well as ordering the appropriate engine for this station.

Capital Project/Major Initiative:

Fire Department Storage Facility at Fire Station #2

\$300,000

Department(s):
Fire Department

Staff Lead:
Tracy Winecoff

Description:

This project will include the construction of a new fire department storage facility constructed on existing property at KFD Station 2. Currently, many pieces of the department's rolling stock, including reserve apparatus and trailers are stored outside, unprotected.

Need/Community Benefit:

The construction of a fire department storage facility would allow reserve apparatus and support vehicles and trailers to be stored in a protected, secure building which would drastically improve the useful life of these assets. Currently, many of these assets are kept outside in various locations, making it difficult to maintain or secure them, or to effectively use them when needed for emergency incident. This facility was approved as part of the new station 2 construction, however, due to concerns for cost overruns, this phase of the project was removed.

Consequences if not Funded:

Several City assets would continue to be left in unprotected environments, thus potentially decreasing their functional and mechanical life.

Alternative(s) if not Funded:

No alternatives are recommended.

City Manager Observations:

This project was originally part of the Fire Station 2 replacement project but was put on hold due to other project budget needs. The project budget has since been closed out so it is now a stand alone project but still needed. This is a good project to fund with cash. Its specific location has been identified. It obviously can't be phased.

Capital Project/Major Initiative:

Fire Training Facility

\$850,000

Department(s):

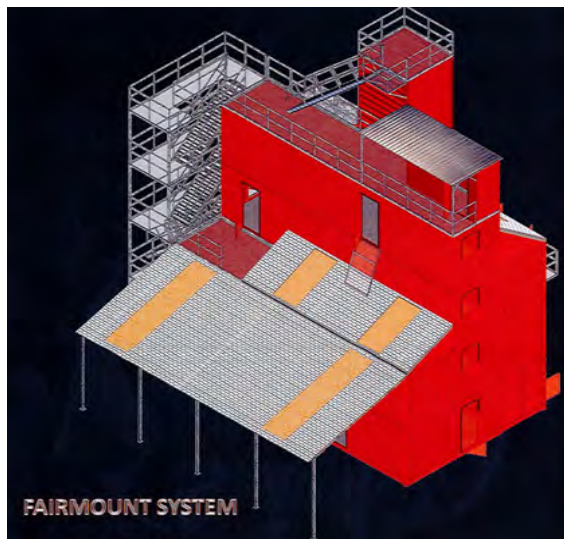
Fire Department

Staff Lead:

Tracy Winecoff

Description:

This project will include acquiring property and constructing a pre-engineered training facility to replace the current training tower which was constructed in 1996 and has reached its functional relevance to the department.



Need/Community Benefit:

The current training tower located at Kannapolis Fire Station 1 was constructed in 1996 and has served the members of the department as well as the department's mutual aid partners for more than 24 years. The ability to train firefighters on site versus transporting to other facilities is crucial to the continuity of service, especially a department of KFD's size. The current facility offered the ability to perform searches and to advance hoses, however flowing of water or using the structure for live fire was not possible due the design. In addition to the functional issues, several maintenance issues, such as the roof and various structural components have become cost prohibitive due to continual repairs. With the significant growth of the department, the KFD has

outgrown the existing facility and proposes a new, modular constructed facility, located on existing city property to fulfill the training needs for years to come.

Consequences if not Funded:

Funds have been requested to make additional repairs to the existing training tower as part of the KFD Station 1 remodel project. If those funds are allocated, short term repairs can be made however the lack of functional efficiency will exist. Personnel can continue to travel to the Rowan Cabarrus Community College Fire Training Facility to ensure an acceptable level of training. With that option, the department will continue to function with no impacts to service.



Alternative(s) if not Funded:

A potential cost savings could be realized by designing and constructing a public safety training facility to be shared by both the fire and police departments. This multi-use facility could serve both departments more efficiently by sharing the same components. If so desired, staff could develop a more in-depth proposal evaluating this alternative.

City Manager Observations:

This project is not suitable for phasing but is the right size for a cash funded project.

Capital Project/Major Initiative:

Fire Station #1 Remodel

\$1,325,000

Department(s):

Fire

Staff Lead:

Tracy Winecoff/ Trent Marlow

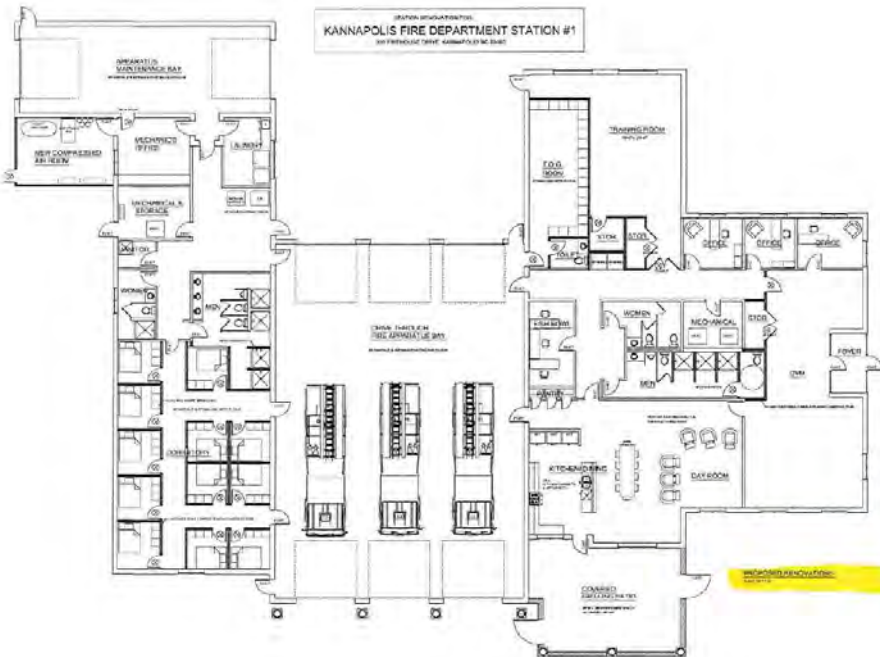
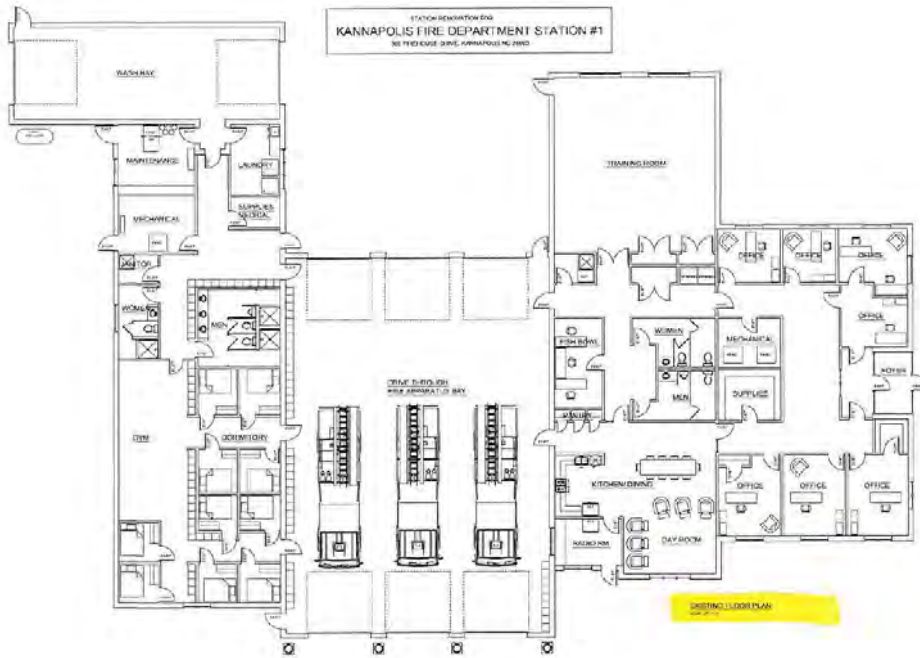
Description:

This project includes engineering, designing and remodeling for Fire Station #1. The remodel will better utilize fire department resources and improve the living conditions at this station. Improvements will include expanded living quarters, improved kitchen facilities (including a safe, outdoor grilling patio area – similar to Station #2 and #3), a new physical fitness room, new compressor/maintenance room for mechanic, replace cracked and failing concrete, new roofs, paint, carpet, tile and more.

Need/Community Benefit:

This station was constructed in 1996 when the staffing level included only two paid Engineers working daily. The station is now staffed with nine firefighters working 24-hour shifts. When Fire Administration moved to City Hall, this created room for the station to be reconfigured to accommodate the increased number of personnel, including female fire fighters. This facility has only benefitted from limited maintenance (minor touch-up painting and appliance replacement) the past 24 years. The station needs some significant repairs due to previous roof leaks to ensure the building realizes its full life expectancy. Staff proposes to make the station more presentable for employees and visitors and create more flexible use space that meets current needs.

The training tower was constructed the same year and has not seen any improvements. A major roof leak (hole in the roof) has developed causing electrical circuits to trip. Sandblasting and painting of stairwells (exterior/interior) and interior walls is needed. These conditions are making it difficult to create a safe or functional environment for training. In addition, several structure issues have been noted which likely will lead to certain portions of the facility to become unusable if not repaired.



Consequences if not Funded:

The Station will continue to operate in its present condition. Issues within the station going unchecked will lead to more significant cost in the future. Sinking of the front concrete apron has grown increasingly worse, which could impact access to the building. Morale could start to wain if some of these issues are not addressed, but service delivery would not be immediately impacted.

Alternative(s) if not Funded:

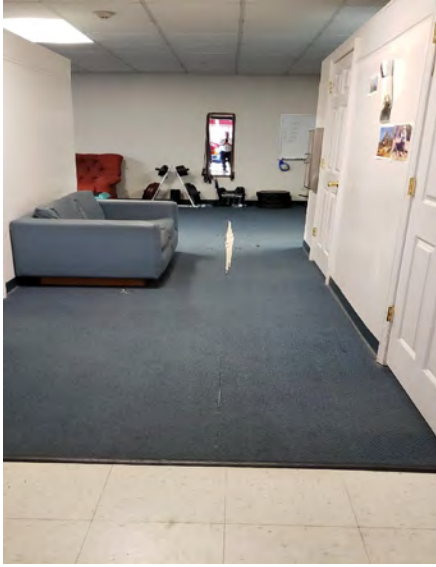
An alternative to a larger capital project would be to phase the incremental improvements through several annual budgets. This might resemble a substantial facelift (roof, paint, hardware, cabinets, flooring, and carpet) rather than a long-term solution, and may not address improved functionality. With that, the alternative could be phased as follows:

- Phase 1- Shingle Roof and Interior Remodel- \$475,000.00
- Phase 2- Repair/ Refinish Apparatus Bay Floor, Concrete Aprons and Resurface Asphalt Parking Lot- \$525,000.00
- Phase 3- Exterior Remodel, Landscaping- \$325,000.00

City Manager Observations:

The timing is right for this project for a variety of reasons. It was constructed as a FD HQ building plus an operating station. Now it is primarily the latter and needs to be reconfigured as such. The different components of this proposal could easily be phased over time as noted above. Since many of them are performed by separate trades the City could act in a quasi-General Contractor to bid out separate packages over time.

PUBLIC SAFETY



Capital Project/Major Initiative:

Fire Station #4 Replacement

\$6,100,000

Department(s):

Fire

Staff Lead:

Tracy Winecoff

Description:

This project includes engineering, designing, site preparation and construction for a new Fire Station #4.

Need/Community Benefit:

To keep up with population growth, annexation, and service demands, the department is proposing to relocate Fire Station #4 from 328 Stewart Street (adjacent to Winecoff Elementary School) to an area on Orphanage Road. This relocation will better utilize fire department resources and reduce response times. The current Station, geographically located within the city limits of Concord, was constructed in 1955 as a volunteer facility. It currently houses four personnel and three fire apparatus.

Consequences if not Funded:

If this new fire station is not funded, the department will continue operating out of a fire station actually located in the City of Concord with significantly longer response times.

Alternative(s) if not Funded:

Due to the constraints of the present site, a new location will be required. The City could purchase the necessary property now and build the station in the future

City Manager Observations:

However, funding is likely going to be included in the recommended FY 2021-22 Budget for renovations to the existing FS#4 facility unless this replacement station ranks very high in the Retreat priority setting. This interim step is fairly cost effective (less than \$200,000) and will by some time before a new facility is at the critical stage of needing to be replaced.

This project cannot be phased and would need to be financed.

Capital Project/Major Initiative:

Western Cabarrus Communication Tower

\$1,200,000-\$2,100,000

Department(s):

Police, Fire

Staff Lead:

Terry Spry

Description:

This project would be the addition of a 6th communication tower on the western part of Cabarrus County to improve communication gaps and failures in this area. There are various options to provide coverage in this area that range in complexity and price. Option 1 is to utilize an existing tower owned by the City of Charlotte on Shearer Road. Option 2 would be to utilize the existing Kannapolis Water Tower as a potential site for the communication tower. This tower would be located at Mooresville Rd. and Sudbury Rd. Option 3 is to build a standalone tower, near the existing Kannapolis Water Tower site. Option 3 would be an alternative option if the water tower site doesn't provide adequate coverage needed in Option 2. All three options ultimately provide communication coverage, which is critically needed in the western part of the County when responding to calls.

There is a potential cost share component and benefit for all three options because the site would benefit not only Kannapolis Police and Fire Departments but also Cabarrus County and the City of Concord.

A further explanation of the three options and potential advantages and disadvantages are discussed below:

Option 1 (Recommended): Use City of Charlotte Tower on Shearer Rd. The estimated cost is \$1,200,000. This option wouldn't require the need for a building and generator since tower is already in place (cost savings around \$200,000 and no maintenance and upkeep of the site). This option would most likely be a lease agreement with the City of Charlotte. There could be potential cost share associated from other jurisdictions with this site.

Option 2: (Next best option): Utilize the current Kannapolis Water Tower for the site of the communication tower. One coverage point is at 200 ft on the water tower and the other at 150 ft. The estimated cost is \$1,400,000. This includes \$200,000 for a building and generator and maintenance and upkeep. The equipment would be on City owned property, but there are unknowns related to the height for adequate coverage. There could be potential cost share associated from other jurisdictions with this site.

Option 3: (Least favorable option): Build a standalone tower site (possibly beside water tower). The estimated cost is \$2,100,000. This includes all necessary equipment plus the additional \$700,000 for the tower itself and additional maintenance and upkeep. This option is the most expensive and time consuming, but it would be City owned equipment with the possibility of getting cell phone carriers on the tower for potential revenue. In addition, there could be potential cost share associated from other jurisdictions with this site.

Need/Community Benefit:

Improved communication and response by providing adequate coverage in the Western portion of Cabarrus County, which is a high growth area that will continue to develop.

Consequences if not Funded:

Kannapolis Police and Fire Departments will still respond to calls but the connection and communications gaps in coverage prove to be a safety issue in this area.

Alternative(s) if not Funded:

Unfortunately, this project is most likely unable to be phased into smaller components that would be cost effective for the City. An alternative to constructing a new tower is to enter in an agreement with the City of Charlotte to utilize their existing tower off Shearer Road, which has substantial cost savings.

City Manager Observations :

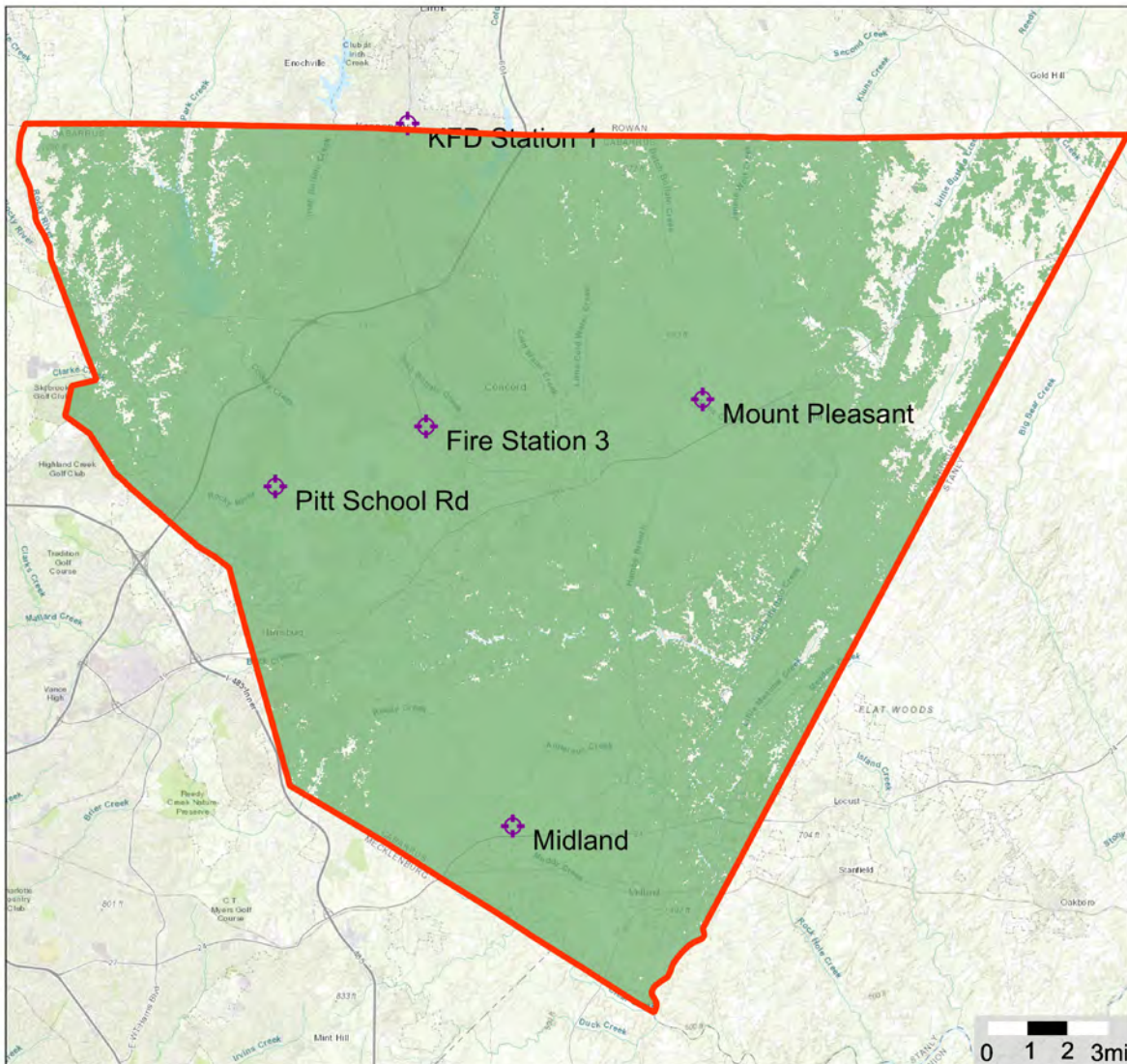
Obviously effective in the field communications for our public safety personnel should be a high priority. In this case it is currently functional but not always reliable, which has led the push to improve the reliability factor. The project costs could be cut by a substantial amount with the participation from the other jurisdictions. This project could be financed or paid with cash. If there is participation by others it will likely be a cash project.

This project cannot be phased other than the possibility of buying land now (and constructing later) in a situation we construct a stand-alone tower.

Picture below is of existing coverage without additional tower:




Cabarrus P25: On Street



Tiles © ArcGIS

Scale 1 : 225000

Legend

 95% Area inbound BER 402m APX6000

DAQ 3.4 Tx/Rx at Hip Level (Swivel Case) Existing Coverage PRELIMINARY

Solution: Cabarrus P25

Project: Cabarrus 6th Site

Design: Design 68 Pitt School Rd

Job ID: 6183055176.1.Design 68 Pitt School Rd

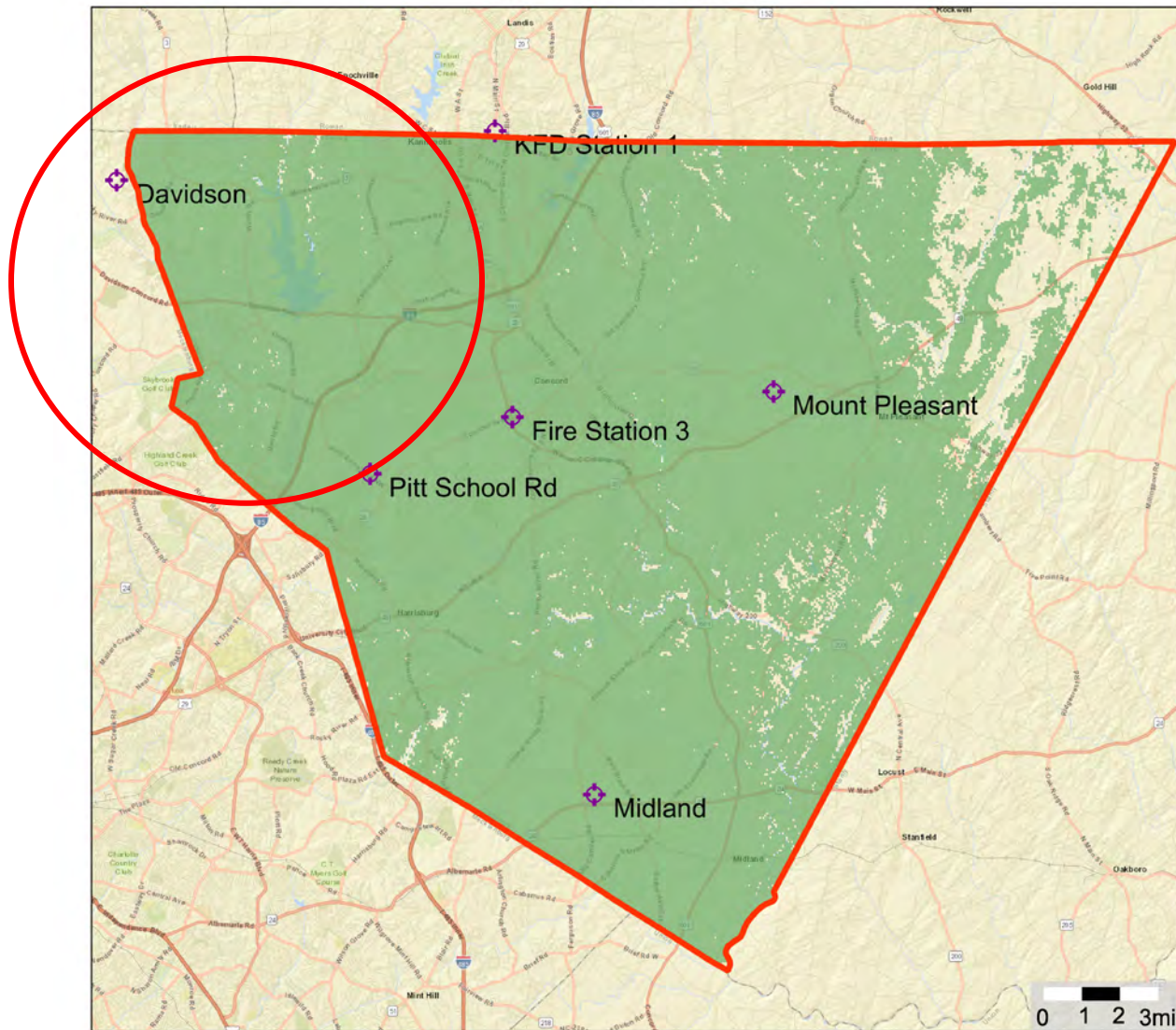
System version: 20200602, N/A, 2.7.6

Printed: 6/25/2020

Picture below is of improved coverage with the additional tower (red circle shows improved coverage area and proposed additional site location):



Cabarrus P25: On Street



Tiles © ArcGIS

Scale 1 : 230000

Legend

95% Area inbound BER 402m APX6000

DAQ 3.4 Tx/Rx at Hip Level (Swivel Case) Davidson 300' PRELIMINARY

Solution: Cabarrus P25

Project: Davidson Site Evaluation

Design: Design 95 Davidson 300

Job ID: 6548251001.1.Design 95 Davidson 300

System version: 20201207, N/A, 2.7.12

Printed: 1/05/2021

Capital Project/Major Initiative:

Western Cabarrus Fire Protection w/ Temporary Station

\$1,200,000 (One-time Capital)

\$750,000 (Recurring)

Department(s):

Fire

Staff Lead:

Tracy Winecoff

Description:

To provide Fire Protection services to the Western Growth Area of Kannapolis which is now provided via an agreement with Odell Volunteer Fire Department. Discussions have taken place with Cabarrus County since the last budget retreat and at this point, they are not interested in pursuing a joint venture with the City. Therefore, this project would need to be fully funded by the City for implementation.

This project will include property purchase, temporary station construction (likely a modular unit but could be an existing home), new engine and personnel to staff the station. This could be a phased project, as noted below:

Phase 1- Land Acquisition - \$100,000

Phase 2- Temporary Station Construction - \$300,000 (Modular Unit w/ Apparatus Shelter)

Phase 3- Apparatus Purchase - \$800,000

Phase 4- New Personnel - \$750,000/ yearly (12 Fire Fighters)





Need/Community Benefit:

To make it cost effective to be able to provide service in the parts of the Western area inside the City limits, the City would provide service in the incorporated area west of the reservoir and north of NC 73. The residents in this area have a ten or eleven-minute response time that would be reduced with service provided by Kannapolis Fire Department.

Consequences if not Funded:

The City will continue to contract with Odell VFD to provide this service and the response times will stay the same. The contract cost will continue to grow over time as more annexations occur, and residential developments are constructed. The City currently pays \$400,000 for the annual contract with Odell.

Alternative(s) if not Funded:

There are no alternates currently except to maintain the contract with Odell VFD.

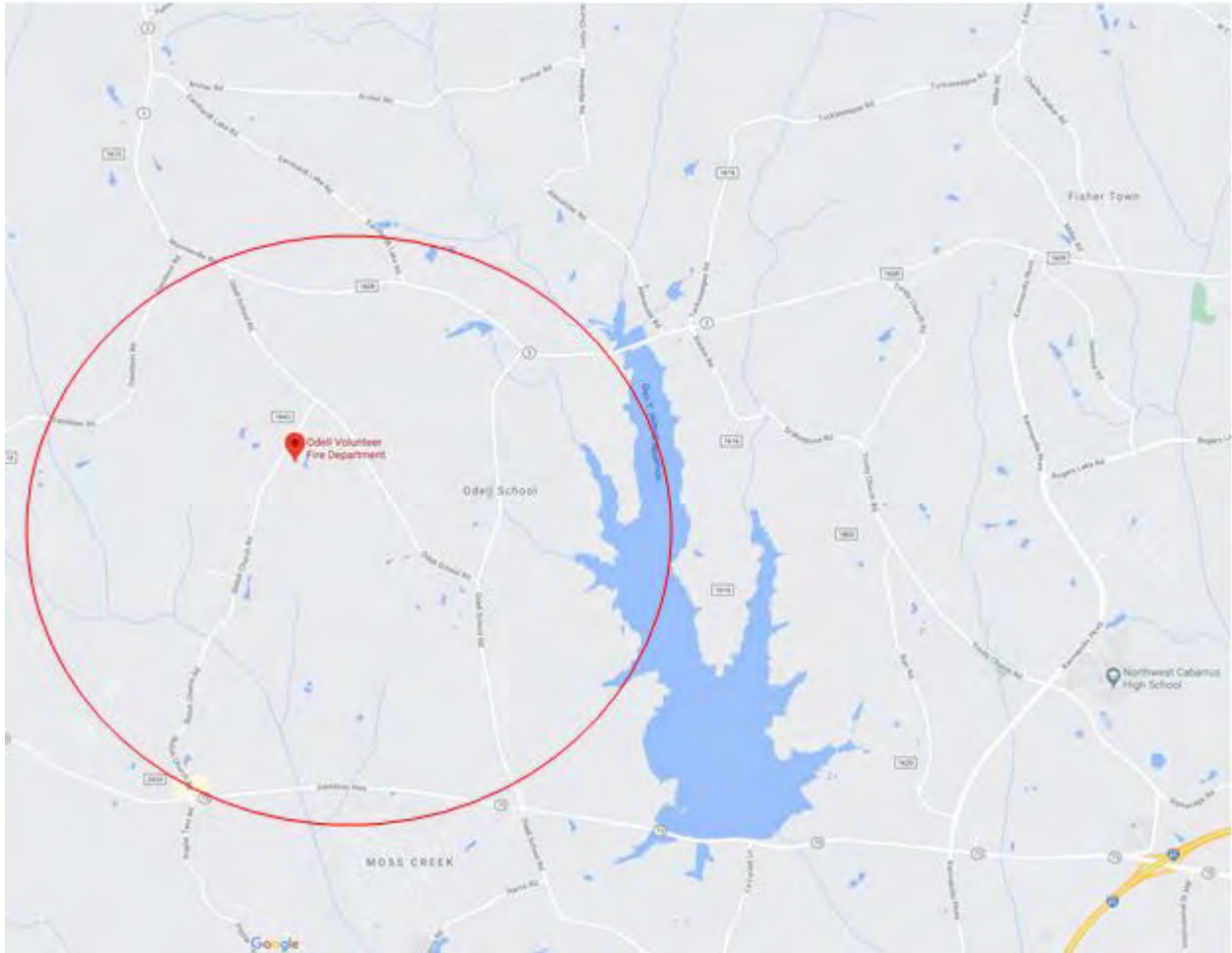
City Manager Observations:

While this is ultimately the path the City needs to take - for the next few years it now seems that this is not as urgent of an issue as has been discussed over the past few years. In the not-to-distant future there will be a better break point of increased contract service with Odell versus in-house service. For now, this seems like it can wait a few more years but the tipping point grows closer with each new annexation.

This could be phased as described above to spread out the investments over several years. The big budget impact is the fourth phase which is the hiring of personnel to staff the station. As the City currently pays Odell \$400,000 per year for fire protection services, the net impact to the budget would be about \$350,000 annually (assuming the first three phases were paid with cash).

A permanent fire station is a separate project with substantial debt service impacts. That project could come into play later.

See service delivery area below:



Capital Project/Major Initiative:

**Western Cabarrus Fire Station - Permanent
\$7,000,000 (Construction/One-time Apparatus)
\$750,000 (Recurring)**

Department(s):

Fire

Staff Lead:

Tracy Winecoff

Description:

To provide Fire Protection services to the Western Growth Area of Cabarrus County which is now provided via an agreement with Odell Volunteer Fire Department.

The best scenario would be for Odell VFD to allow the City to take over debt service payments for Odell VFD Station #2 on Shiloh Church Road, rehab the station for permanent duty personnel, and assume any lingering debt for Odell's engine and tanker assigned to the station. However, during recent discussions with Cabarrus County and Odell VFD, there is no interest in pursuing this joint venture. Therefore, this project would need to be fully funded by the City for implementation, including the purchase of at least one apparatus.

This project will include property purchase, construction of a permanent station (similar to Stations 2 and 3), purchase of a new engine, and personnel to staff the station. This could be a phased project, as noted below:

Phase 1: Land Acquisition - \$300,000

Phase 2: Construction Cost - \$5,900,000

Phase 3: Apparatus Purchase - \$800,000

New Personnel - \$750,000/ Annual Recurring (12 Fire Fighters)



Need/Community Benefit:

To make it cost effective to be able to provide service in the parts of the Western area inside the City limits, the City would need to provide service in the entire area west of the reservoir and north of NC 73 through an agreement with Cabarrus County. The residents in this area have a ten or eleven-minute response time that would be reduced to three minutes with service provided by Kannapolis Fire Department.

Consequences if not Funded:

The City will continue to contract with Odell VFD to provide this service and the response times will stay the same. The contract cost will continue to grow over time as more annexations occur, and residential developments are constructed. The City currently pays \$400,000 for the annual contract with Odell.

Alternative(s) if not Funded:

There are no alternates at this time except to maintain the contract with Odell VFD.

City Manager Observations:

While this is ultimately the path the City needs to take - for the next few years it now seems that this is not as urgent of an issue as has been discussed over the past few years. In the not-to-distant future there will be a better break point of increased contract service with Odell versus in-house service. For now this seems like it can wait a few more years.

While this is ultimately the path the City needs to take - for the next few years it now seems that this is not as urgent of an issue as has been discussed over the past few years. In the not-to-distant future there will be a better break point of increased contract service with Odell versus in-house service.

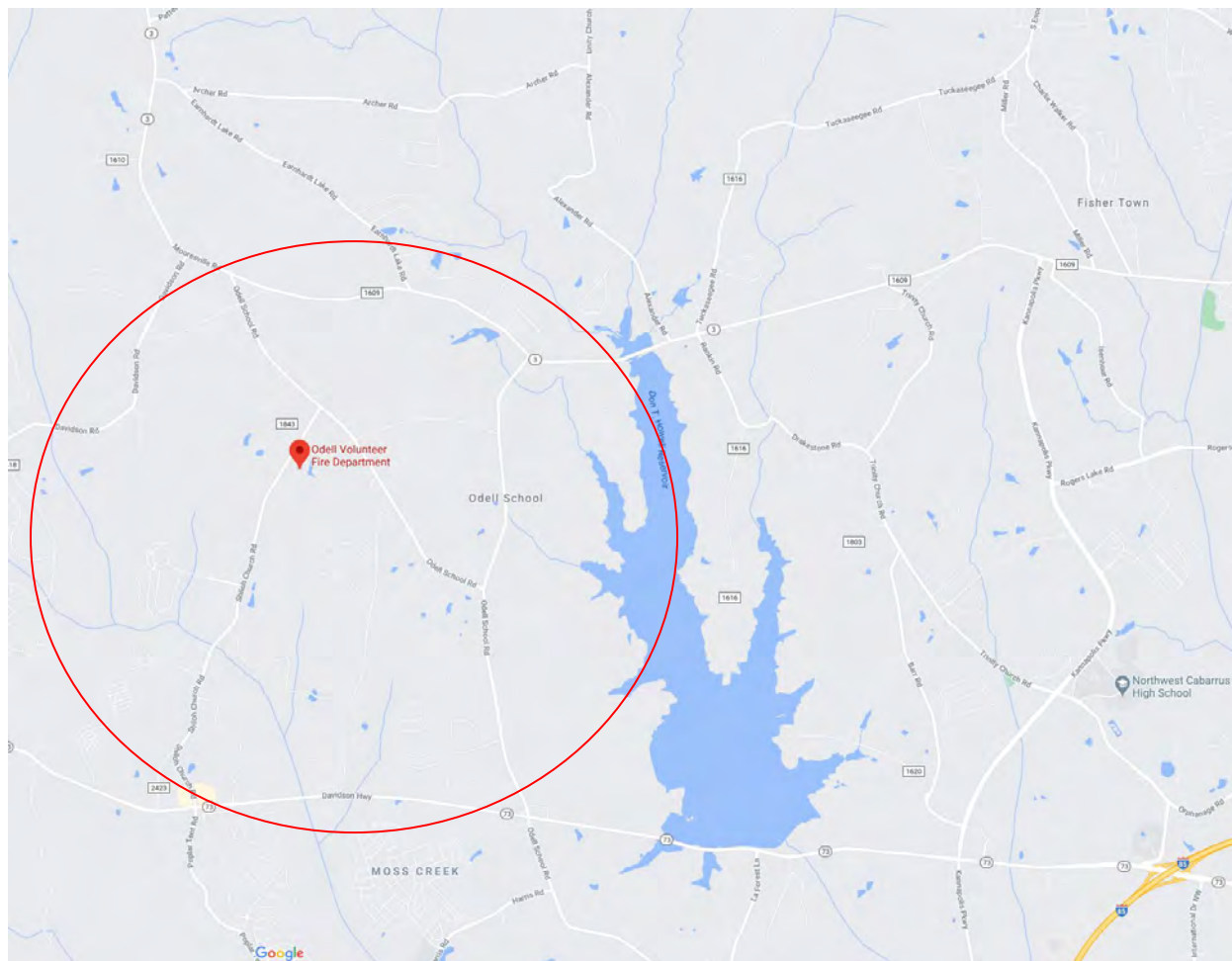
PUBLIC SAFETY

For now, this seems like it can wait a few more years but the tipping point grows closer with each new annexation.

This could be phased as described above to spread out the investments over several years. One-time funds could be used to land-bank property for the future station. The long-lasting budget impact would be debt service on construction and the hiring of personnel to staff the station. As the City currently pays Odell \$400,000 per year for fire protection services, the net impact to the budget would be about \$350,000 annually personnel plus new debt payments of \$700,000 (Total \$1,050,000 annually)

A temporary fire station is a separate project with lower construction costs but identical personnel costs. Biggest decision for a Western Fire Station is Permanent Construction versus Temporary Modular Unit.

See service area map below:



Capital Project/Major Initiative:

Cannon Boulevard Southern Entryway Aesthetic Improvements

\$1,500,000

Department(s):

Planning, Engineering, Transportation, NCDOT

Staff Lead:

Zac Gordon

Description:

As a primary entrance into the City, the node - or the quality of its appearance - affects the image of the City. This project would invest in initial streetscape upgrades, particularly along cemetery frontage, to improve and achieve a fresh, welcoming gateway appearance.

Need/Community Benefit:

The Cloverleaf Plaza Node is the gateway into the City at the southern end of the corridor. The node includes Cloverleaf Plaza Shopping Center, one that is largely underdeveloped, and represents opportunities to develop fully, and influence surrounding properties and businesses to locate within the node.

Current conditions of the stretch of Cannon Boulevard, between Cloverleaf Plaza and Mt. Olivet Road show ribbon pavement and ditch sections without any sidewalks along most of the roadway link. Streetscape improvement recommendations include a center landscape median, 2 eleven-foot travel lanes in each direction, curb, gutter and sidewalk with a flexible planting strip on both sides of the road. Enhancement recommendations for multi-modal travel include a multi-use path for pedestrians and cyclists, which may double as an 8' to 10' foot sidewalk, bicycle infrastructure, improved shelter stop lighting, and signage.

Investment of this type would enhance the safety, aesthetics, and visual appeal as you enter the corridor. As such, it would promote the image of the City, provide a more welcoming front door to the residents and businesses, and support private investment in surrounding properties.

**CLOVERLEAF PLAZA NODE
CONCEPTUAL PLAN**

While this core does not represent the most significant redevelopment/investment location in the corridor, it does function as the gateway to Cannon Boulevard from I-85 and is in need of cleanup and investment.

DEVELOPMENT DATA SUMMARY		LEGEND	
MULTIFAMILY/TOWNHOMES:	102,000 SF	KANAWHOLA BOUNDARY	-----
COMMERCIAL:	287,706 SF	COUNTY BOUNDARY	-----
EXISTING CHURCH:	3,606 SF	40' DEEL 1/4 MILE RADII	-----
OPEN SPACE:	+25 AC	RAILROAD	+++++
GREENWAY TRAILS:	+2,000 LF	FORMAT CO-PLAN	-----



38 Cannon Boulevard Corridor Study

Consequences if not Funded:

Lack of funding within this link of the corridor could be a missed opportunity to encourage more private investment in Cloverleaf Plaza and surrounding properties.

Alternative(s) if not Funded:

Approach the owners of Cloverleaf Plaza to assess interest in shared cost of improvements along the Cloverleaf Plaza frontage to help jump start future private investment.

City Manager Observations:

This project is included in the draft Cannon Blvd Corridor Plan and is recommended to be considered as a potential pilot project. This Plan is nearing completion and will be presented to City Council in the next 60 days. It is possible that this project could be phased considering the different components

The reality is this project is only at the conceptual stage and should be viewed more as a funding capacity holder if it ultimately ranks high in the final Planning Retreat priority list. Significant site analysis and project scoping would need to occur before significant funds were expended.

Cannon Blvd at Mt. Olivet Rd

- ▶ Level of Service (signalized)
 - ▶ AM peak Base/Future: B/C
 - ▶ PM peak Base/Future: C/E
- ▶ Number of Crashes: 61
 - ▶ Angle (39%), Left Turn Same Roadway (33%), Rear End (13%)
- ▶ Crash Patterns
 - ▶ On Mt. Olivet Rd – Ran Red Lights
 - ▶ Permitted lefts from Cannon Blvd to Mt. Olivet Rd
- ▶ Potential Solutions
 - ▶ Protected phasing for NB/SB left turns
 - ▶ "Signal Ahead" signage for EB/WB approaches
 - ▶ Provide additional side street laneage & revise signal phasing



CROSS SECTION A: 100' ROW

- Four 11' travel lanes with a 10' center landscaped median to be used as a pedestrian crossing refuge and space for turn lanes at intersections.
- Behind the curb, a flexible 10 feet can provide for a planting strip (8'-8") and a sidewalk/Multi-Use Path (8'-10").
- The width of the planting strip determines the allowed street trees (small maturing or shade trees) and lighting or utility poles per NCDOT's requirements for clear zones. The planting strip can also give way to a bus pull-out at key boarding and alighting locations.
- In the street context, a planting strip of less than 8' is infeasible to support a large-maturing tree or other immovable objects (such as light poles), due to the NCDOT required clear zone of 12' from the edge of travel lanes.



Capital Project/Major Initiative:

Cannon Boulevard and Dale Earnhardt Boulevard Intersection Aesthetic Enhancements

\$375,000

Department(s):
Engineering

Staff Lead:
Scott Kaufhold

Description:

The Cannon Boulevard/Dale Earnhardt Boulevard Intersection Improvement project will incorporate the “Michigan-Left” type intersection design, eliminating left turn movements at the existing signalized intersection. The proposed Michigan-Left design will incorporate two protected U-turn movements along Cannon Boulevard improving traffic flow at this intersection. The map at the end of this summary depicts the design of this larger NCDOT project.

The City project related to the NCDOT project is one of opportunity to contribute to the aesthetic and pedestrian upgrades at the intersection; 100% participation to install decorative mast arms (\$300,000) in place of regular wooden pole and wire signal strands and 10% participation on sidewalk improvements along Cannon Blvd, (\$30,000). A small amount of contingency funding is also included in the project estimate.

Need/Community Benefit:

While there are a number of positive impacts to the City’s motorists through the traffic improvements, the decision for City Council on this project is to participate in the aesthetic and pedestrian upgrades as a means to enhance for visual attractiveness of the interchange and improve pedestrian access.

Consequences if not Funded:

If not funded, the sidewalk and the mast arms will not be installed in conjunction with the project. Standard poles and wires will be used.

Alternative(s) if not Funded:

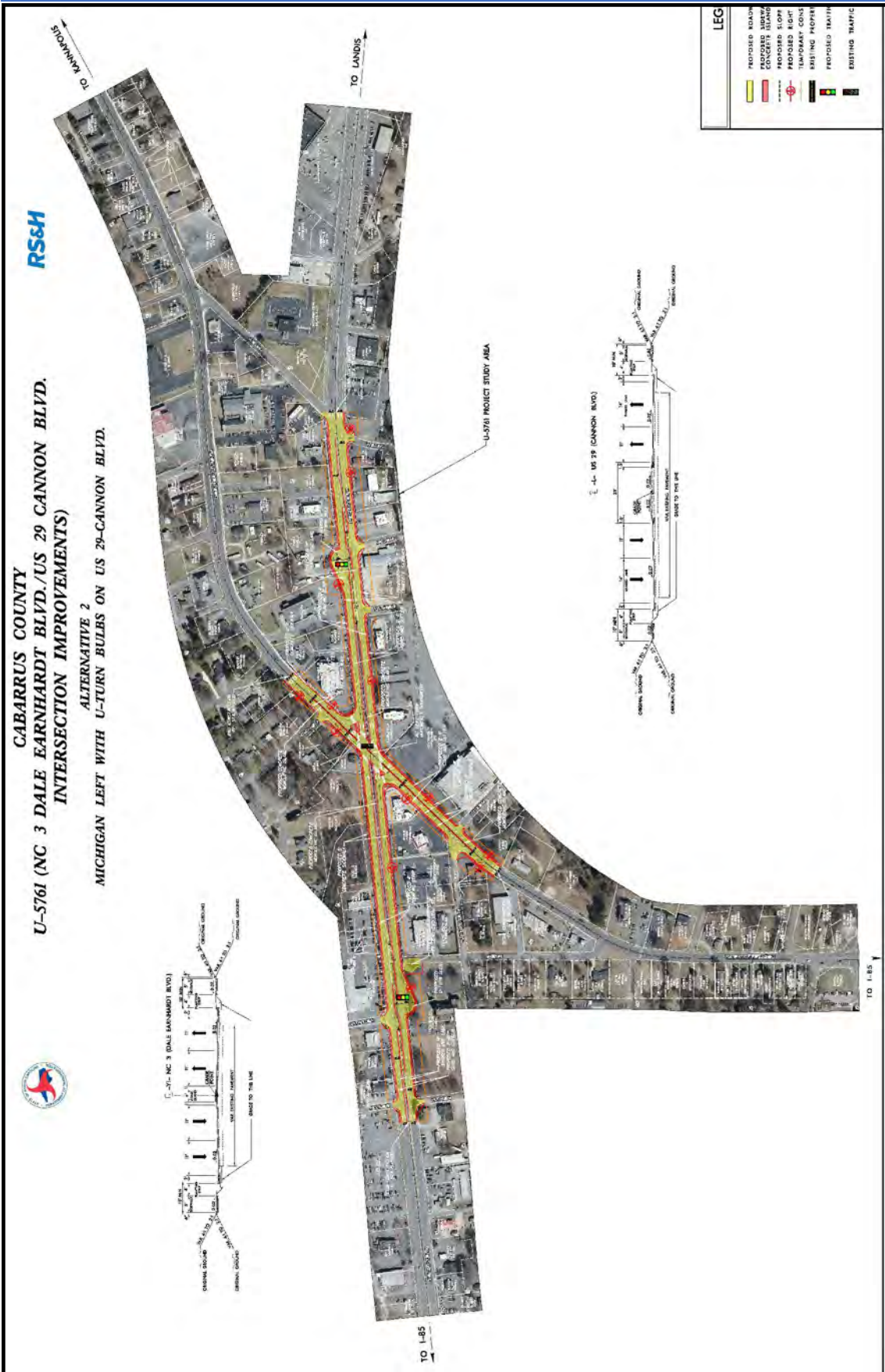
If delayed, the City will be responsible for the full cost of the sidewalk, mast arm installation along the proposed project at a later date, should the decision be made to install - at a substantially higher cost

City Manager Observations:

This is a major gateway into the City, especially into our revitalized downtown. Mast arms are an important visual upgrade to wooden poles and span wire at the intersection. There will never be a more cost-effective time to install the sidewalk than as part of the NCDOT Project – the City will pay more than three times the amount at a later date (with no DOT funds).

It should be noted that this project was ranked #2 in the 2018 Retreat. Even so, it was determined that this project warranted a second look in this year's retreat - not because the project is no longer a good project to pursue – but simply because there are so many other potential projects competing for limited funds over the next five years. Staff believes this is still a very important project and one that will be more expensive to do outside of NCDOT's project management.

As a point of information, NCDOT has requested City participation in relocation of a waterline for this project (estimated at \$2 million) and drainage improvements along Eastwood Drive (\$480,000) impacted by the larger project. Staff is continuing to have conversations with NCDOT about the feasibility of these two projects. The hope is the City can avoid having the invest in these improvements directly.



Capital Project/Major Initiative:

200 Space Downtown Parking Lot

\$1,500,000

Department(s):
City Manager's Office

Staff Lead:
Irene Sacks, Mike Legg

Description:

Construction of a surface parking lot on the north side of the downtown West Avenue corridor. The likely location of this parking lot would be on the property located on the northwest corner of West Avenue/Research Campus Drive and Laureate Way (across from First Baptist Church). This property is owned by Castle and Cooke so an agreement to utilize this property for this purpose would need to be negotiated and executed.

Need/Community Benefit:

It is highly likely that demand for parking in this part of downtown will increase exponentially in the post-COVID time when the Gem Theatre is fully operational again and the Atrium Health Ballpark is open for baseball, concerts, etc. While, in the short term there appears to be adequate parking within reasonable walking distance to the core parts of downtown including this location. However, as restaurants continue to open and VIDA begins to populate with residents, parking demands will continue to grow. This parking lot provides an additional solution to these challenges.

In the past two years Castle and Cooke spent a small amount of money to grade a small portion of the property to facilitate some limited parking. It is clear that, unless Castle and Cooke physically installs a fence or other barrier to the property, visitors to our downtown will continue to use this property to park, albeit in a haphazard way because of the unfinished state of the property.

Consequences if not Funded:

Castle and Cooke may not own this property in the not to distant future so this project may have a narrow time-window to have it come to fruition.

Alternative(s) if not Funded:

There are no real alternatives other than to respond to future parking challenges as they arise and pursue solutions at that time.

City Manager Observations:

This location is likely the only realistic place for this parking to serve the northern part of West Avenue. Representatives from Castle and Cooke have expressed willingness to discuss the various options to facilitate this new parking asset. There is the possibility of a role for Temerity Baseball in this effort as the construction of parking at this location is clearly an asset for the team operations and the fan experience.

There is the real possibility that a future parking deck would be constructed in this area and any agreement that would permit a parking lot construction on this site should be coupled with public access to any future parking garage constructed on this site. It is reasonable to expect that the City would be involved in the construction of any future parking deck that would facilitate substantial new commercial construction on the NCRC campus.

The project could be financed, could be funded with cash or could be a hybrid. Any financing would likely require City ownership which may not be the final agreement.



Capital Project/Major Initiative:

Economic Development Partnership Incentives

\$2,000,000

Department(s):
City Manager's Office

Staff Lead:
Irene Sacks, Mike Legg

Description:

This initiative simply represents a conscious decision to hold an amount of cash in reserve for the sole purpose of supporting future economic development partnerships of a wide variety of types and amounts.

Need/Community Benefit:

Economic development facilitates an expanding tax base, new jobs, increase community wealth and secondary spin-off impacts. In many cases local government incentives are necessary to bring competitive projects to the finish line. In many cases performance incentives (property tax rebates) are the only tools needed to recruit projects. In those cases, the City and County does not need to provide funding up front to complete a project recruitment.

However, there are some projects that require more active local government partnerships. Past examples of these types of projects in Kannapolis include:

- Glen Afton improvements (federal earmark to facilitate Afton Ridge development)
- Winecoff Commons - Food Lion (waterline extension)
- USPC (due diligence partnership)
- Amazon (various road improvements)
- Kellswater Bridge (Rogers Lake Road extension - part City, part developer funding)
- RCCC/College Station (upfits to facilitate the new ballpark and downtown revitalization)
- Shoppes on the Parkway (intersection improvements at Glen Afton Blvd)
- Gordon Foods (Goodman Road Extension funded by Golden Leaf Foundation)
- Gateway Business Park (turn lane on Kannapolis Parkway to enhance leasing efforts)
- Gene Haas Spec Building (sewerline extension)
- Temerity Baseball (ballpark lease delay for one year due to COVID)
- Pine Creek (sewerline extension)
- Numerous special event funding with various non-profits (mostly smaller amounts)

Larger cash commitments on the front end of projects include the NCRC bond package, Western Cabarrus Water and Sewer lines (Concrescere Business Park and other development) and more recently the consideration of utility extensions to serve Kannapolis Crossing.

Consequences if not Funded:

Some smaller projects could be lost without having some financial flexibility to partner with developers and other investors in competitive projects.

Alternative(s) if not Funded:

For the right project the deeper use of cash reserves to partner is a possibility; however, doing this too many times could cause the City's fund balance to fall below the minimum target level City Council has set. The City's cash reserves are currently as healthy as they have been in many years and this approach would have a negative impact on that if it occurs with more than one or two projects. The funds described in this summary would come from reserves above and beyond minimum cash reserve balances.

City Manager Observations:

The project cannot be financed because there is no specific project. Also, some projects are not suitable for financing. The size of the incentive would be to be determined based on the private investment commitment.

Capital Project/Major Initiative:

First Street Bridge Replacement Aesthetic Enhancements

\$1,500,000

Department(s):

Planning, Engineering, Transportation, NCDOT

Staff Lead:

Scott Kaufhold, Zac Gordon

Description:

The North Carolina Department of Transportation will be replacing the bridge on East First Street over US 29. The replacement of this structure provides a unique opportunity for the City to provide input and participate in the overall appearance of this structure incorporating decorative material and enhanced landscaping as part of the bridge replacement project.

Need/Community Benefit:

The bridge replacement will alleviate turning conflicts and crashes associated with typical at-grade intersection layouts. With bike lanes and sidewalks on the bridge and sidewalks along Cannon Boulevard, pedestrian safety will be enhanced overall. In addition to the other project benefits the incorporation of decorative enhancements to the structure and streetscape, similar to those done along the Monroe Bypass or at University City Boulevard (see images below), will significantly enhance the appearance of this node along Cannon Boulevard.

Further public investments through development that enhance the safety, aesthetics, and visual appeal of the First Street bridge and Cannon Boulevard will promote the image of downtown, provide a more welcoming entry to the residents, businesses, visitors, and support private investment in Kannapolis' signature Center City District.



Consequences if not Funded:

The existing First Street bridge will be replaced without the addition of decorative features enhancing the structures appearance that is a gateway into downtown.

Alternative(s) if not Funded:

None. Now is the only one realistic opportunity to fund this project in partnership with NCDOT. Future retrofitting an existing bridge with aesthetic improvements is not financially feasible (or effective).

City Manager Observations:

This project is included in the draft Cannon Blvd Corridor Plan and is recommended to be considered as a potential pilot project. This Plan is nearing completion and will be presented to City Council in the next 60 days. This project cannot be phased. It is likely to be paid with cash directly to NCDOT through a municipal agreement.

Bridges are constructed to last 50+ years so this is a once in a generation opportunity to drastically improve the visual image of the Cannon Blvd Corridor.

**FIRST STREET NODE
CONCEPTUAL PLAN**

First Street
The First Street node represents the strongest potential location in which to leverage change along the Cannon Blvd corridor. The core represents solid opportunities for additional residential development, including

both attached and detached, ownership and rental product, along with additional retail and office uses. It also represents a strong opportunity to build on the investment Kinnagoche has undertaken in its downtown. As with other nodes in the corridor, value creation plays

a key role in revitalization and redevelopment in the First Street node. Critical to this value creation is the addition of a park or greenway within the adjacent floodplain, an amenity that can leverage development and redevelopment of properties in the surrounding node.



46 Cannon Boulevard Corridor Study

Cannon Boulevard Corridor Study 47

FIRST STREET NODE
TRANSPORTATION DIAGRAM



48

Cannon Boulevard Corridor Study

1 SHARED LANES



2 1ST STREET BRIDGE REPLACEMENT

Design in progress. Ensure that the design provides high quality accommodations for pedestrians and bicyclists.



LEGEND

- SIDEWALK
- BICYCLE BOULEVARD
- BIKE LANE
- MULTIUSE PATH
- PROPOSED ROAD
- PEDESTRIAN CROSSING IMPROVEMENT - EXISTING SIGNAL

Cannon Boulevard Corridor Study

49

Capital Project/Major Initiative:

I-85 Decorative Monuments

\$1,000,000

Department(s):

City Manager's Office

Staff Lead:

Annette Privette Keller

Description:

City of Kannapolis Staff approached NCDOT in regard to the opportunity to embellish the bridge abutments and landscape areas at the exits as part of this widening project. NCDOT approved the project contingent upon the City of Concord participating as well.

This project consists branding these Interstate 85 exists as gateways to our two cities. Each exit would have structural signage & landscaping which would bring our brand to life. The monuments will be off the exits and adjacent to the bridge abutments that cross over I-85. The goal is for the monuments to be seen by motorists as they drive by on the Interstate and the connect streets where they are located.

There are two designs – Type A is more elaborate and larger. Type A would have a height of 20 feet. Type B would have a height of 17 feet. We would use a combination of the two designs at the exits. Type A would be at Kannapolis Parkway and Cannon Boulevard. Type B would be at NC 73 and Dale Earnhardt Boulevard and Lane Street. In the future we would like to add one on NC 3 at Kannapolis Parkway as part of the widening project. NCDOT has approved the gateway monuments at three interchanges (which is what this project consists of): **Exit 58 Cannon Boulevard, Exit 60 Dale Earnhardt Boulevard, and Exit 63 Lane Street**. There will be two Type A monuments at Cannon Boulevard; two Type A monuments at Lane Street and four Type B monuments at Exit 60. The design and engineering phases have been completed and paid for by Concord and Kannapolis for these exits.

The rendering at the end of this summary provides details on the materials, height and lighting. The design is similar to the Williamsburg architecture used in the downtown and the brick will be identical to that used for City Hall and includes a tower structure and knee walls featuring the City's name and logo. The goal is for the monuments to be functional but also serve as pieces of public art. The height and exact location of the structures will vary at each exit based on topography, line of sight needed for vehicles and other variables of the widening project.

Detailed landscaping plans will be completed later as the project progresses. The plan is for the landscaping to include white crepe myrtles (identical to the ones planted on Cannon Boulevard), blue flowers (coordinate with the City Logo) and other plants that are low maintenance. Installation of the landscaping would be paid for by NCDOT. The City will assume any future maintenance.

At the time of the approval in 2015 Exits 49, 52, 54, 55, 58 were completed and NCDOT agreed to work with the cities to retroactively add the monuments to those sites. Exit 65 has also been added to this list for future enhancements.

Need/Community Benefit:

The project would result in a collaborative comprehensive system that will welcome and shepherd residents and visitors as they navigate to and around Kannapolis and Concord. This would also be a collaboration with the Cabarrus Visitors Bureau to ensure the project ties into the countywide Wayfinding System.

Kannapolis's image is continually improving due to both City and private sectors investments in our City. The downtown revitalization alone is a dramatic shift in how the outside world views our community. Relatively small investments like these monuments have a significant collective impact on the City and its brand and image.

Consequences if not Funded:

The City of Concord is proceeding with this project regardless of Kannapolis' participation. One downside to not funding this project would be the awkwardness of having one side of the interchanges enhanced and more attractive than the other side. There is also the possibility that NCDOT would only allow the project to proceed with both jurisdictions committed. That could potentially create some political tensions.

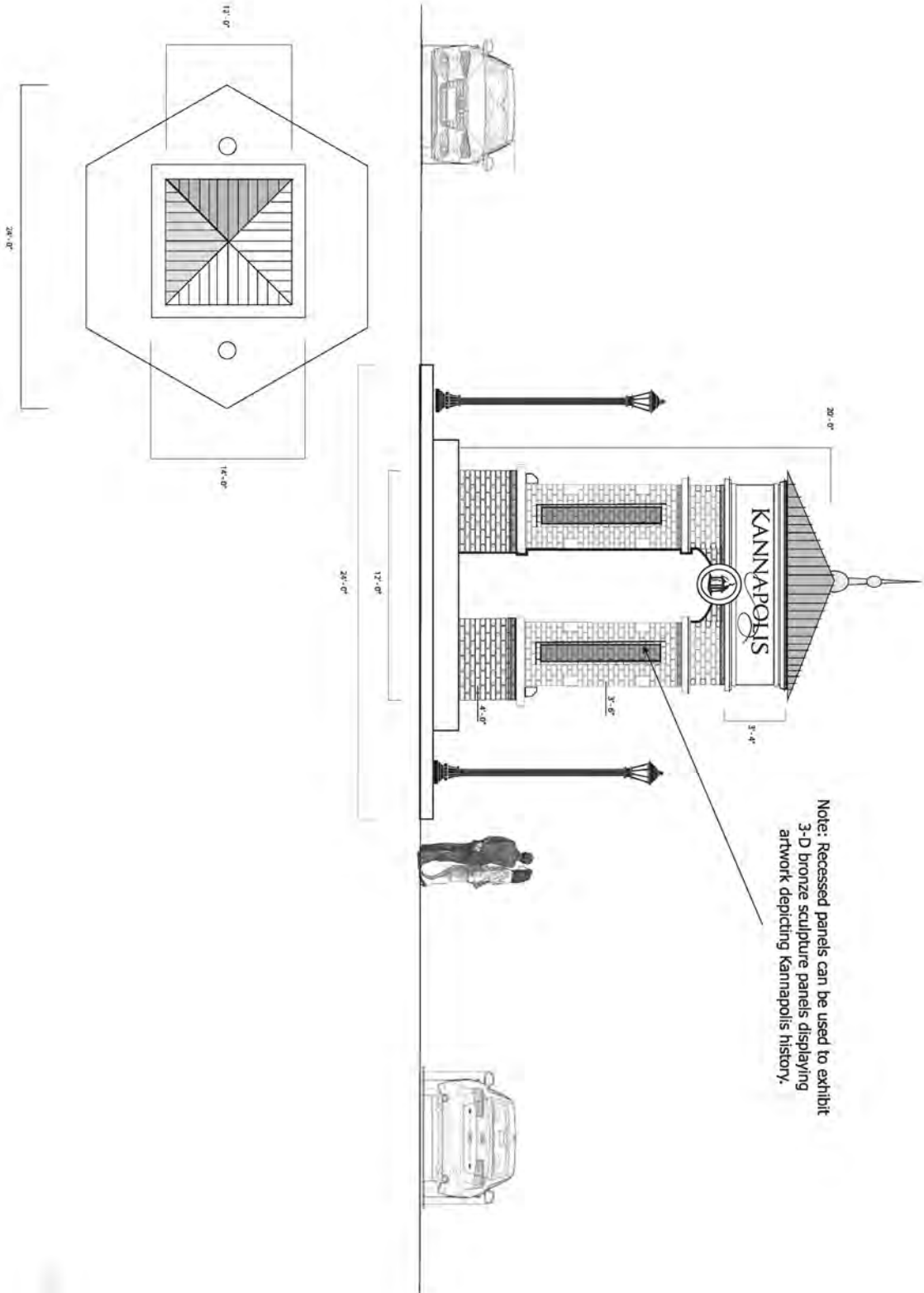
Alternative(s) if not Funded:

The only alternative would be to simply fund enhanced landscaping and other minor improvements to the interchanges.

City Manager Observations:

City Council has previously authorized this project to proceed via an agreement with NCDOT and its I-85 contractor. When those cost quotes came back from NCDOT (double the estimate) the decision to made to pursue the project through an easement from NCDOT and partnering with Concord to bid and award one contractor to construct the improvements. Once the agreement is approved the Cities could bid the project in spring of 2021 while NCDOT finishes their punch list at Exits 58, 60, and 63. Construction of the monuments could begin in summer/fall 2021.

It was determined that this project (even though previously authorized by City Council) warranted a second look - not because the project is no longer a good project to pursue – but simply because there are so many other potential projects competing for limited funds over the next five years. Staff believes this is still a very important project.

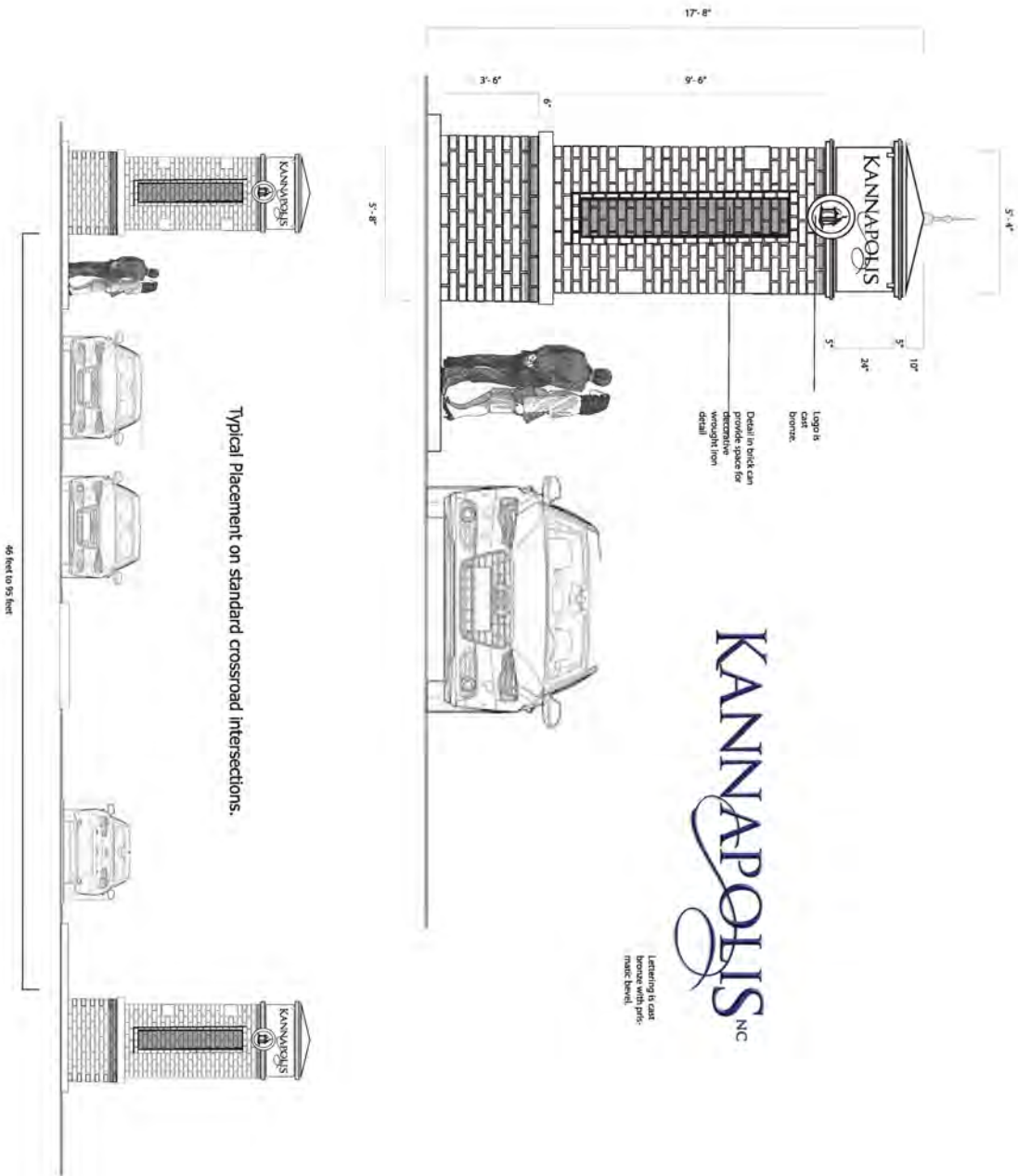


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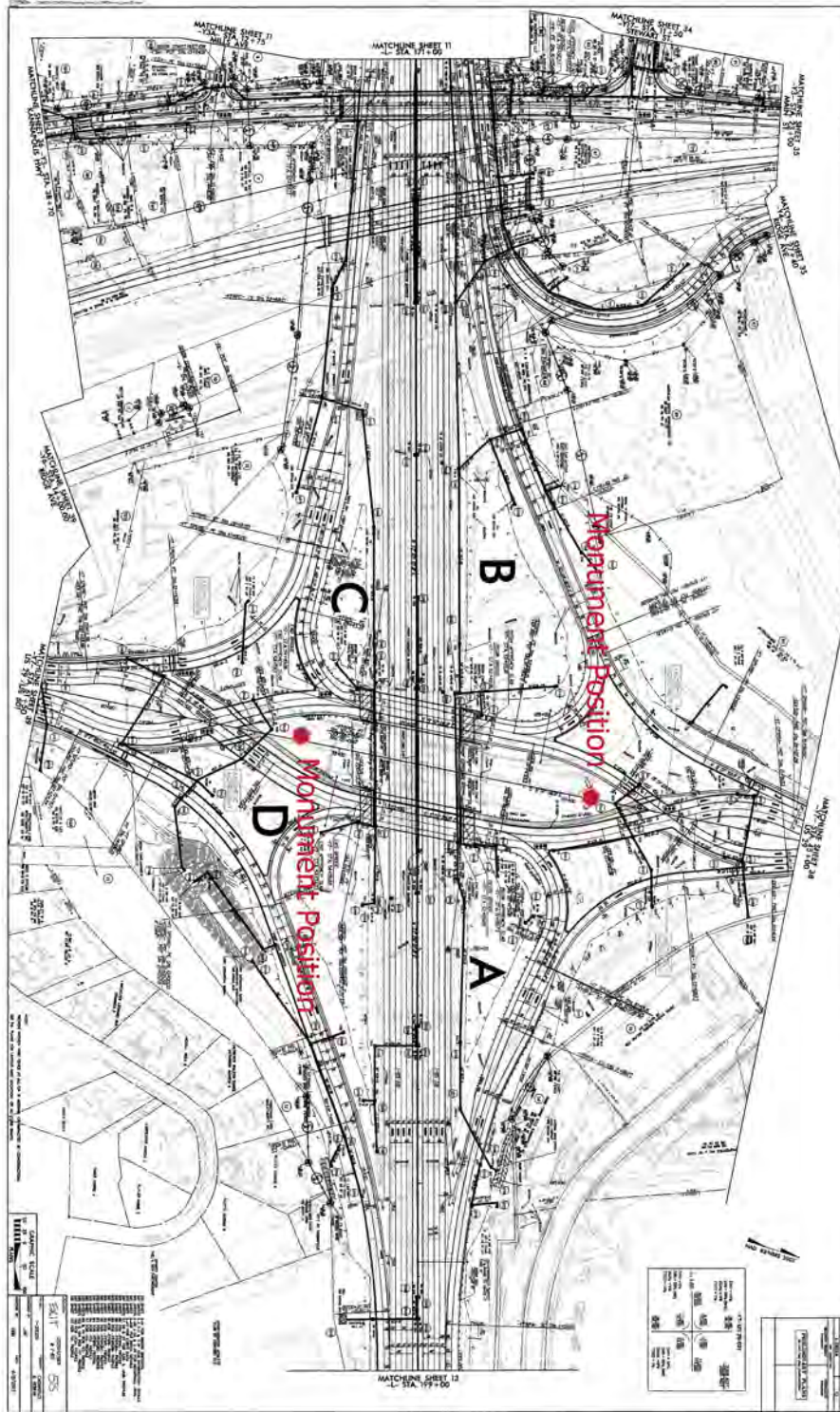


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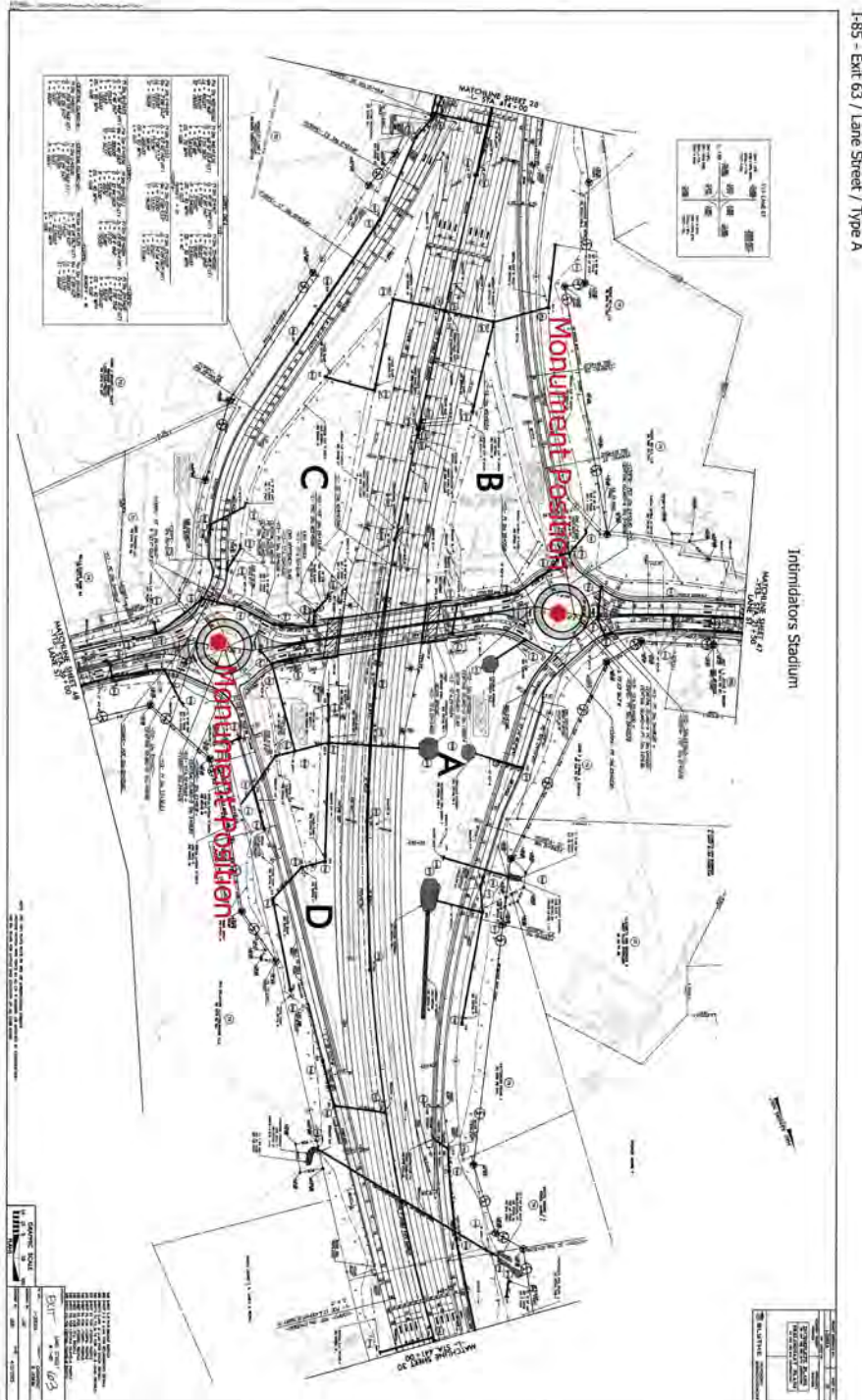
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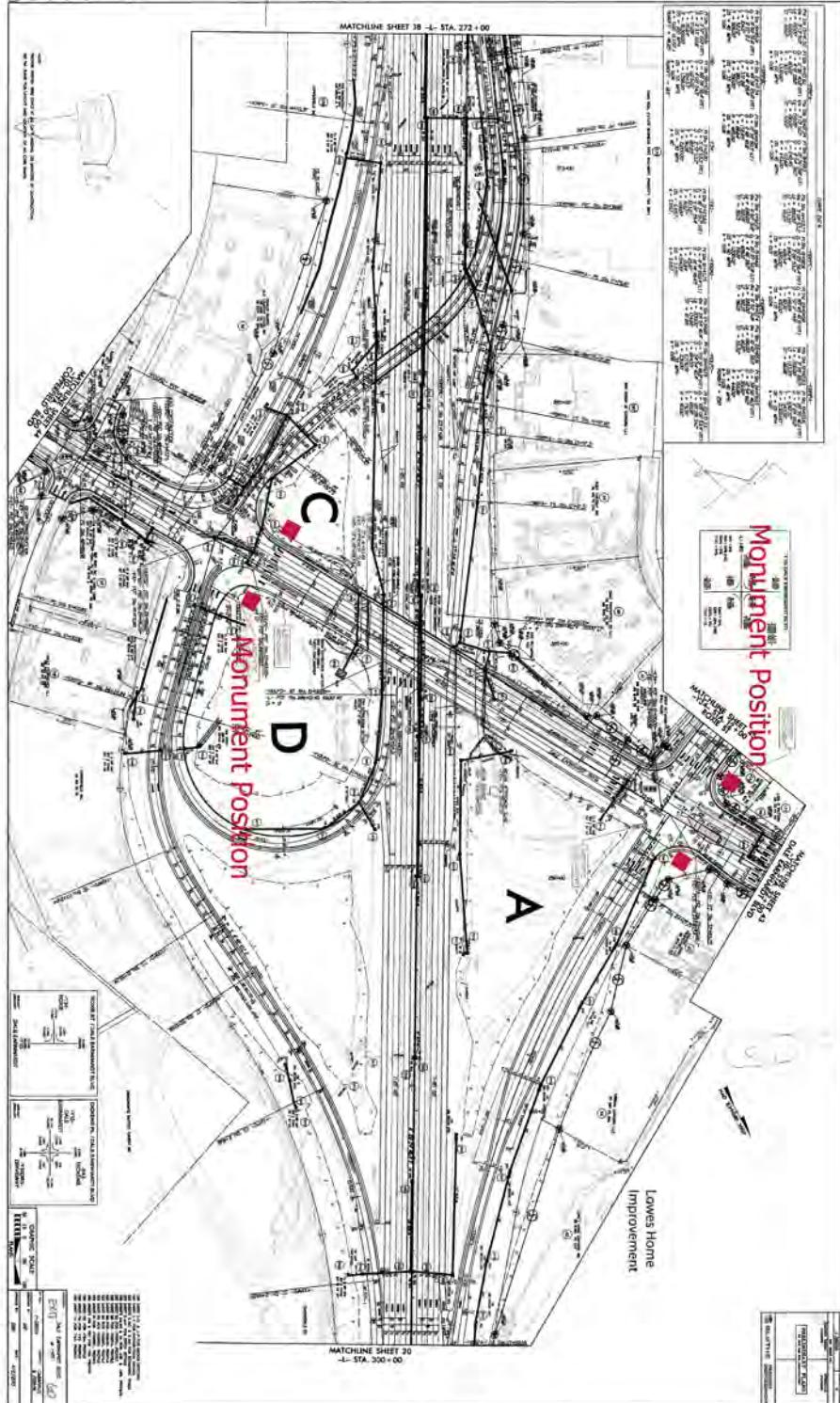


US 21 - 601 - Exit 58 / Cannon Blvd. / Type A

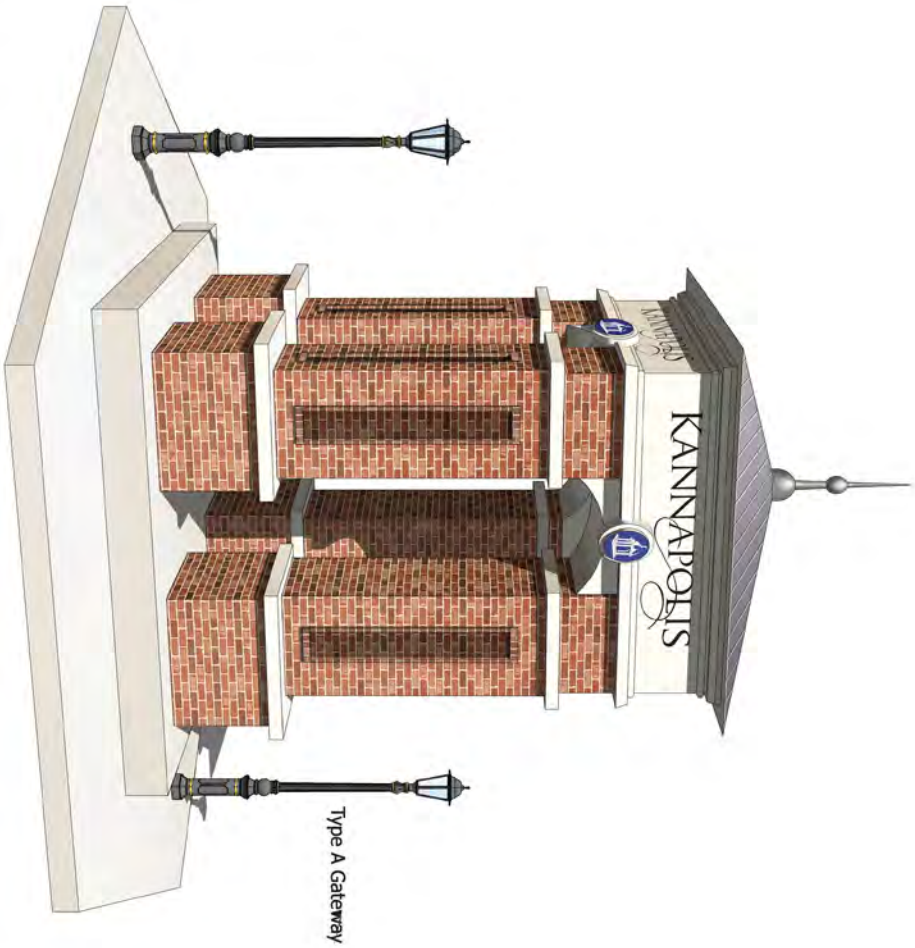
Hillesh Ford



I-85 - Exit 63 / Lane Street / Type A



Dale Earnhardt Blvd. - Exit 60 / I-85 Existing Improvement / Type B



Type A Gateway

CITY OF KANNAPOLIS INTERSTATE GATEWAY ENHANCEMENT PROGRAM

CITY OF
KANNAPOLIS
NC

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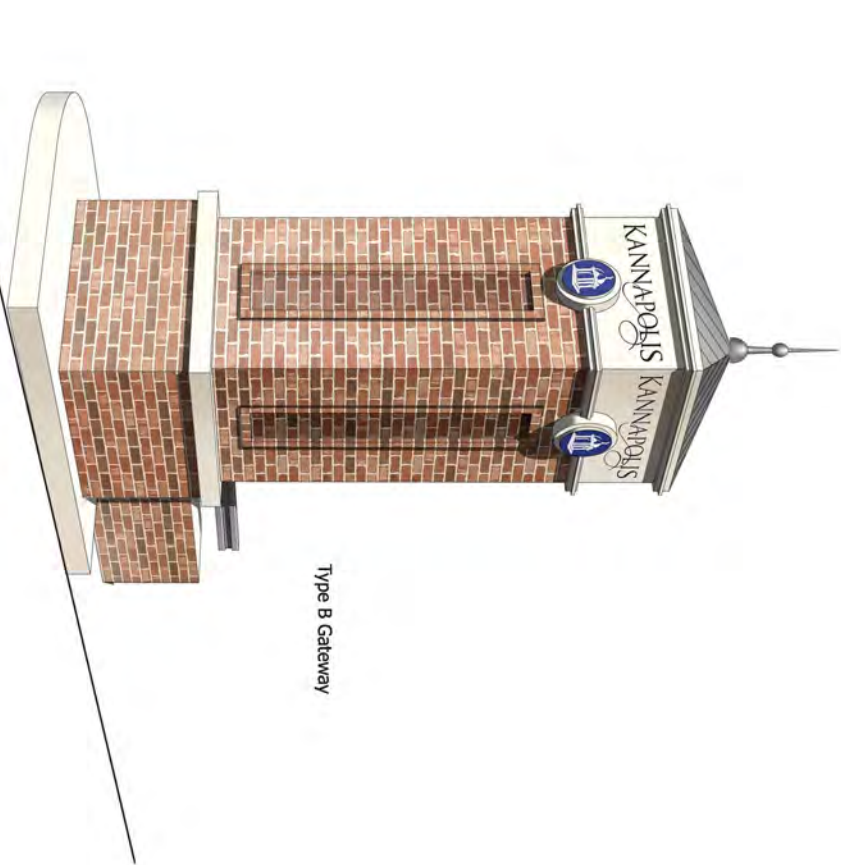
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Type B Gateway



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Capital Project/Major Initiative:

Kannapolis Parkway/Highway 3 Decorative Street Lights and Landscaping

\$2,686,000 (Capital)

\$50,000 (Recurring)

Department(s):

Transportation and Environmental Services

Staff Lead:

Michael Rattler

Description:

This project includes enhanced streetscape and roadway lighting along Kannapolis Parkway, from I-85 to NC Highway 3 and along Highway 3 to Dale Earnhardt Blvd. The project assumes the installation of more than 300 decorative lights as well as necessary bores to provide power feed. It also assumes the installation of dwarf crepe myrtles in the medians along the Parkway and Highway 3. Capital costs includes cost of initial landscape purchase.

Need/Community Benefit:

The stretch of Kannapolis Parkway from I-85 to Highway 3 and Highway 3 from Kannapolis Parkway to Dale Earnhardt Blvd. is currently sparsely illuminated with wooden poles and cobra head light fixtures. This area has grown rapidly in the last few years with multiple residential and commercial projects. By updating the existing fixtures and adding decorative lighting consistently along these major thoroughfares into Kannapolis, it will continue to draw interest to the area and offer residents and visitors a well-lit passageway into the Downtown Central Business District. In addition, this project includes landscaping that will enhance the aesthetics of the corridor.

Consequences if not Funded:

If these projects are not funded, these stretches of roadways will continue to remain inadequately illuminated potentially creating safety issues and citizen concerns regarding the inability to see as they travel along Kannapolis Parkway and Highway 3. If the proposed corridor beautification measures are not funded, the existing grassed median will remain in place but no other enhancements.

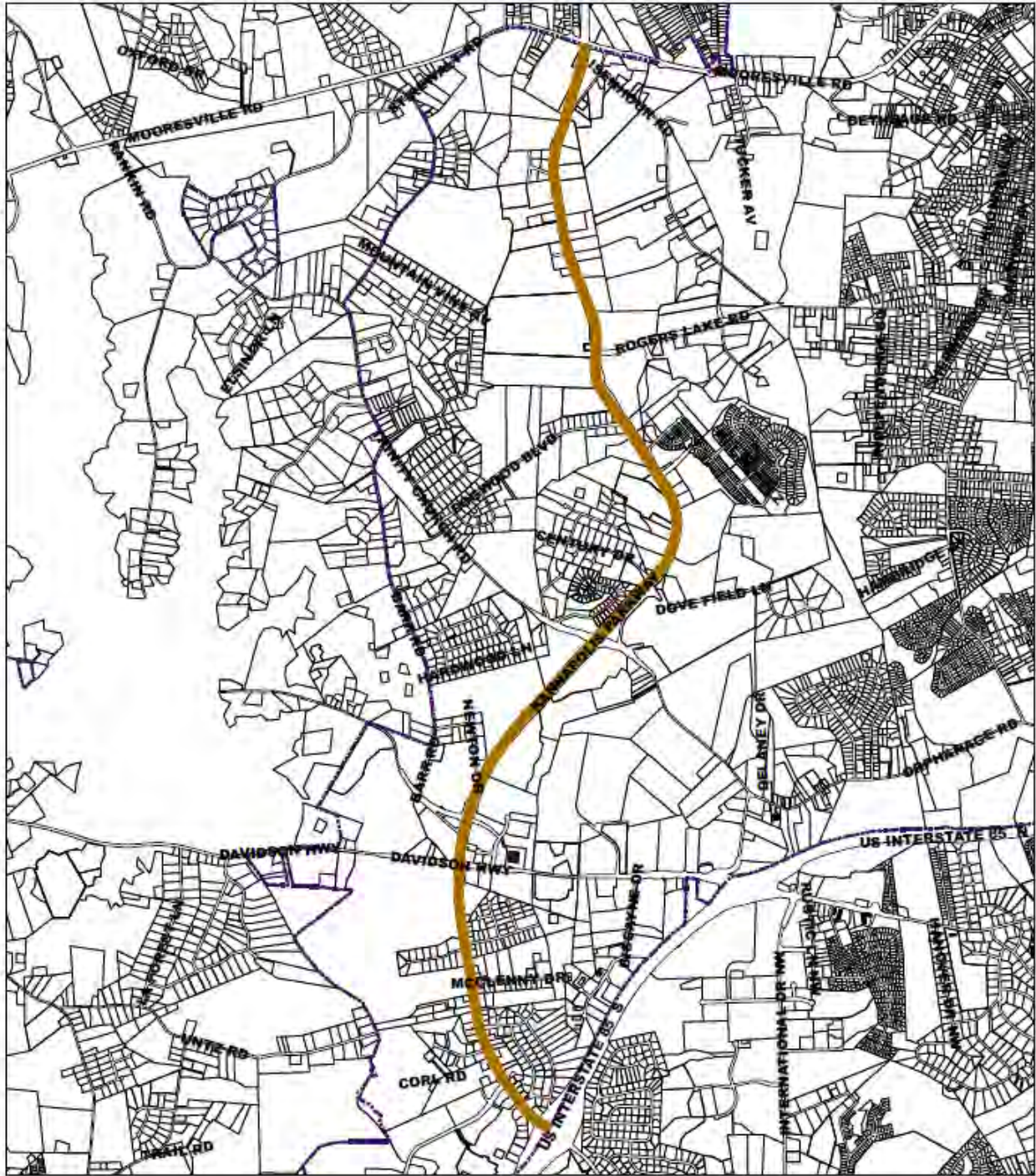
Alternative(s) if not Funded:

1. Fund decorative lighting at key intersections only. This would include a total of 36 lights including the necessary bores for power feed. The key intersections along Kannapolis Parkway would include Glen Afton Boulevard, Highway 73, Barr Road, Trinity Church Road, Rogers Lake Road, and Mooresville Road.
2. One key consideration with this option is that NCDOT may not allow us to provide intersection lighting only as their preference is to have continuous lighting along their facilities if lighting is provided. This cost would be about 25% of the full installation cost of decorative lights.
3. Add 300 non-decorative lights new wooden poles (existing poles are too far away from the street). This would be about 40% of the full installation cost of decorative lights.
4. Lease 300 decorative lights from Duke Energy. This would be the most expensive option long term as the payments are permanent.
5. Add landscaping only. This would likely be as expensive as the leasing of lights to Duke Energy for one year as it would be difficult to finance unless it is part of a larger project with streetlights. In this scenario it would be a large budget hit (but for only one year). However, it could be phased and spread over 3-4 years which might make it more manageable.
6. Leave the existing grass median without additional landscape improvements.

City Manager Observations

One of the City's largest economic development assets is the Kannapolis Parkway. Its visual image is less than desirable and needs substantial enhancement. The widening of Highway 3 has provided the City with the opportunity to further enhance a new and efficient entryway into the City's downtown.

This project is a good candidate to be phased in over the course of several years as described above. If phased, cash funding is the likely source. Financing projects like this can prove difficult to complete due to the lack of significant collateral. The concentration at the intersections is a reasonable first phase should it be funded over time.



S:\GIS\PublicWorks\Slidewalk-Greenway\Slidewalk Phases.mxd (MML) 2-25-18



DISCLAIMER: This map is prepared from recorded deeds, plats, tax maps, surveys, planimetric maps, and other public records and data from various federal, state, and local agencies. Maps and associated information must be accepted and used by the recipient with the understanding that the primary information sources should be consulted for verification of the information contained on these maps. As such, the City of Kannapolis provides no warranties, expressed or implied, concerning the accuracy, completeness or reliability, or suitability of this data. Furthermore, the City of Kannapolis assumes no liability whatsoever associated with the use or misuse of such data.

Capital Project/Major Initiative:

New Business Park
\$9,000,000 (Capital)
\$50,000 (Recurring)

Department(s):
 City Manager's Office

Staff Lead:
 Irene Sacks, Mike Legg

Description:

The City has not directly invested in industrial land development since the Kannapolis Gateway Business Park was constructed in 2001. Approximately \$5.1 million was invested in KGBP development (including \$1.8 million in land purchases). Today the tax value is \$46.4 million (including land-only value of \$9.3 million). Approximately 350 jobs have been created. Currently the park generates approximately \$300,000 in annual taxes to the City. Two City-owned properties are on the market (approx.. \$2 million value) and private investment on those properties should ultimately be \$5-10 million.

Since the KGBP was developed the City has invested and partnered in numerous specific industrial and distribution projects but this was the first and only City-developed industrial park.

A new business park project will require much more definition; however, because it is a potentially expensive venture, staff needs to know where it ranks in the list of Council priorities. If it emerges as a high priority enough financial capacity over the next 10 years will need to be established. The final form of what this project entails is subject to a lot more discussion. Using an inflationary factor coupled with the original KGBP budget, a minimum \$9 million is likely to develop a similar project today.

Need/Community Benefit:

Creating opportunities for diverse job growth is a major priority in our community (like most communities). As large land parcels become harder to find, it is important for there to be land reserved for industrial development in the City so that there is opportunity for job growth and tax base growth in the future.

Consequences if not Funded:

- The City has very limited finished industrial space for new projects. This could be a concern beyond 3-5 years.
- Limited ability to attract potential industrial development and jobs.

Alternative(s) if not Funded:

- City partners with a private developer and provides infrastructure support (roads and utilities) rather than owning the park.
- Put more time and money into recruitment and marketing to try to attract purely private sector industrial development.
- Zone more land for industrial uses.

City Manager Observations:

The project would have to be financed but could be supplemented with cash to reduce the borrowing costs.

This was a high priority a 20-years ago to jump start industrial development along the Kannapolis Parkway and even as recently as ten years ago elsewhere in the City - but the City has come a long way since then. There may be more cost-effective ways to encourage traditional industrial economic development in our City (partnerships versus out right land development). Note the funding alternatives above.

Project/Initiative Needing Further Study:

Affordable Housing Strategy

Department(s):
City Manager's Office

Staff Lead:
Irene Sacks

Description:

An Affordable Housing Market Study has just been completed as part of our 2020-24 Consolidated Plan which the City is required to submit to HUD in May 2020. This preliminary analysis shows that there is a need for more affordable housing for 5,000 households in Kannapolis (2,800 renter, 2,200 owner-occupied) and this does not include homeless numbers. Housing is considered to be affordable if it makes up less than 30% of a household's income. The Consolidated Plan will serve as the City's affordable housing strategy; however, it will be limited to using the HUD funds the City currently receives, which is quite limited in meeting this need. In a typical year, the HUD funding allows the City to create one new affordable housing unit and the repair of approximately ten existing units. Occasionally, the City is able to provide funding for a multi-family project in partnership with other funding sources, which then creates dozens of affordable units once the project is complete. This Strategy would address the affordable housing need on a larger scale including funding strategies and/or policy changes (ex: requiring developers to incorporate affordable units). It may also be linked to the City's potential Homeless Shelter Strategy.

Need/Community Benefit:

The City of Kannapolis is considered to be a relatively affordable community compared to other locations in Charlotte, the Lake Norman area, or even other parts of Cabarrus County. Even so, property values in Kannapolis have risen quickly and sharply over the past decade and it is becoming more difficult to find housing that is affordable for low or moderate-income households. Investors have actively purchased entry level housing units for the purpose of flipping them or renting them, making it harder for residents to obtain affordable housing. The prevalence of investor-held properties may also destabilize neighborhoods if they are not ensuring property upkeep or if they are allowing problem-causing tenants.

It should be noted that there are concerns about promoting affordable housing from Kannapolis City Schools and from others in the community. It is viewed by some as having a negative impact on the growth of the overall wealth of the City's residents and the impact that has on things like social services and school performance. Demand for middle-range housing in

Kannapolis is strong, and new subdivisions are doing well. New subdivisions tend to be located on greenfield sites in the outer portions of the City, while dilapidated and subsidized housing units are primarily in the older, central areas of the City. Affordable housing needs will persist if not addressed but needs to be balanced with growth and demand for market rate housing in downtown as well as the newer subdivisions.

Study Complexity:

Low-Moderate. Complexity depends on how much the City is willing to commit to funding the affordable housing strategies or changing development policies to promote affordable housing in the private development market. It can likely be done in-house by staff.

Implementation Complexity:

Low-Moderate-High. The cost and complexity depends on the level of funding the City is willing to commit. To make a meaningful impact, the City will need to commit more than what it receives through the CDBG and HOME programs. An affordable housing unit can cost in the range of \$100,000 to \$150,000 to build (excluding land costs); with the City's CDBG and HOME allocation, we could buy and renovate, or build only about one or two units a year. Partnerships with private developers are required to make a sizeable dent in the need for affordable units. This could involve development or financial incentives to developers, or a requirement that a certain percentage of residential development need to be affordable. (Davidson has such a policy.)

Partnerships with non-profits such as Habitat Cabarrus and Cooperative Christian Ministry have worked well in the past and are successful at leveraging the non-profits' access to donors and other funding sources. The current challenge is the lack of available land and the need to compete with the private market to acquire land for affordable housing.

Study Cost Estimate:

Probably \$0; the major costs come with implementation.

Project/Initiative Needing Further Study:

Cannon Family Memorial

Department(s):
City Manager's Office

Staff Lead:
Annette Privette Keller

Description:

- Some in the community believe that a physical memorial specific to the Cannon family is overdue. This could take the form of a statue, museum (perhaps part of a larger History Museum) or similar project.
- The first step in this effort would be to secure the endorsement (and preferably pledge of financial support) from the Cannon family and related entities such as the Cannon Foundation.
- Professional services for concept development, site selection and preliminary site design would then be the next step.
- A fundraising plan would be the third step.

Need/Community Benefit:

- Memorials to past community leaders are important to bridge the past to the future. In a city changing as much as Kannapolis is, this effort has the potential to have more value than a typical project in another community.

Study Complexity:

Moderate. The complexity depends primarily on the type of memorial that is chosen.

Implementation Complexity:

Moderate. Implementation would simply be a construction project. The only real complexity is community fundraising should that be a path the project plan recommends.

Study Cost Estimate:

\$50,000. Primarily architectural or other consultant services.

Project/Initiative Needing Further Study:

Community Appearance and Code Enforcement Strategy

Department(s):

Planning, City Manager's Office

Staff Lead:

Zac Gordon

Description:

Develop a strategy to address community appearance, dilapidated housing, and code enforcement in a comprehensive way. There are two aspects to this – residential and commercial, requiring different approaches. The City has worked on this periodically in the past and developed the façade and site improvement matching grant for commercial corridors, which has been appreciated by local businesses but not budgeted in recent years. The Adopt-a-Street program has been resumed but is not effective; volunteers do not want to commit to it. A comprehensive approach would require more financial and leadership commitment in the community.

Need/Community Benefit:

An emphasis on community appearance would give visitors to Kannapolis a better first impression as a desirable place to live, work, and visit. It would also project an image of Kannapolis as a place that has a sense of community pride and commitment to quality. Bringing up the quality of residential properties would also provide citizens with improved housing conditions. It is contemplated that a focus on corridors, entryways and other visible locations of the City would be the highest priority.

Study Complexity:

High. The initial analysis of needs is labor intensive and may require extensive amounts of time or outside assistance. Steps include:

- Conduct windshield survey of: 1) all corridors and commercial concentrations, and 2) residential structures to determine physical condition and/or code violations. The purpose of the corridor inventory would be to determine areas in need of removal or renovation to improve the commercial viability and appearance of these areas. The purpose of the residential inventory is to identify the number, location, and severity of substandard housing in Kannapolis.

- Analyze/sort data to determine priority properties/issues and to help formulate strategy. Software may be needed to be able to analyze and track the data.
- Develop strategies to address commercial properties, corridors/rights-of-way, and residential properties.

Implementation Complexity:

High. Implementation approaches could include incentive-based programs, regulatory/punitive policies, education, positive recognition, and other approaches. Specific ideas include a new Citizen's Commission, graffiti removal programs, new adoption programs, reinstating the façade improvement grant, rental registration program, code changes, special local legislation, proactive code enforcement, neighborhood clean-up days, eyes on the street program (“deputizing” residents), robust public education program, yard of the month, programs to systematically reduce litter and illegal dumping. Acquisition of key properties by the City might be a strategy as well.

Part of the strategy could include consideration of the previously discussed City funded roadside cleanup program. Different strategies are needed for different types of properties (residential, commercial, and corridors). Implementation cost depends on level of commitment and effort desired; and whether the efforts are aimed at being widespread and comprehensive, or targeted and strategic.

Study Cost Estimate:

\$50,000. Funding might include temporary part time employees to assist in conducting the windshield surveys.

Project/Initiative Needing Further Study:

Community Sustainability Plan

Department(s):
City Manager's Office

Staff Lead:
Irene Sacks

Description:

A sustainability plan typically includes an overarching goal to reduce greenhouse gas emissions, in addition to addressing a set of environmental, economic, and social equity goals. It takes into account the interrelated issues of climate change, population change, land use, infrastructure, natural resource management, quality of life, public health, and economic development. The plan should not only include a goal to reduce greenhouse gas emissions and mitigate other environmental issues, but also goals to equitably improve land use practices and infrastructure such as by increasing open space, tree planting/tree preservation, reducing stormwater runoff, or providing more efficient and affordable housing options.

The idea of a City of Kannapolis Sustainability Plan is meant to provide a way to consider various initiatives that have come up and could be considered as part of a sustainability effort. These include:

- Electric vehicle charging and car share program.
- Conversion of City fleet to electrical vehicles.
- Low impact development policies or projects, such as tree protection ordinances, increased greenspace or landscaping requirements, green roofs, permeable pavers, rainwater harvesting,
- Open space acquisition to protect natural areas.
- Solar power for City facilities and street lights.
- Tree City USA participation.
- National Wildlife Federation's Community Wildlife Habitat Program participation.
- Constructing more sidewalks, greenways, and bike lanes.
- Re-establishing the City's Environmental Stewardship Commission with dedicated City staff.

Need/Community Benefit:

Climate change is affecting communities more than ever and all communities need to take action. Severe weather, agricultural and wildlife impacts, and dangers to human health are just some of the negative impacts of climate change. Millennials and other residents recognize the importance of addressing climate change and are beginning to expect that their community leaders take

meaningful steps. This is one way to engage citizens in the City around a common cause, as well as educate children about how they can help.

Study Complexity:

Moderate. A consultant is likely needed to conduct a sustainability assessment, help establish sustainability goals, develop a sustainability plan, and prioritize implementation actions. The initiatives mentioned above can be incorporated into this process and may be identified in the plan as a recommendation.

Implementation Complexity:

High. Making meaningful progress in implementing a sustainability plan requires not only financial resources, but also the commitment of City leadership to be advocates and to set an example for other organizations and private citizens in the community. In fact, there is no need to prepare this plan if there is not a commitment to pursue some of the potential environmental programs described above.

Study Cost Estimate:

\$50,000 for consultant services.

Project/Initiative Needing Further Study:

Cultural Arts Plan

Department(s):

Parks and Recreation, City Manager's Office

Staff Lead:

Gary Mills, Annette Privette Keller

Description:

- A Cultural Arts Plan is intended to examine and strengthen the community through the exploration of arts, humanities, culture, and heritage throughout all parts of the City.
- The plan will analyze the City's current cultural assets, priorities, opportunities, community support and plan how the City remain/develop as a place where arts, history and culture are vital to the City's health and wellbeing.
- Examples of what the plan might address include: historic preservation/promotion (ex: mill village preservation, historic trail or markers), celebration and education of cultural diversity, museum development (North Carolina Music Hall of Fame (existing), Curb Motorsports Museum (existing), Kannapolis History Museum (potential), African American Museum and Cultural Center (proposed), Children's Science Museum – NCRC focused (potential), support for local artists/musicians, live music strategy, theatre arts, visual arts, future of the Gem Theatre and Swanee Theatre, and public art.
- The role of Parks and Recreation in managing these new activities will be addressed as well.

Please refer to the Cultural Arts Program in the Major Capital Projects and Initiatives section as it is related to this Plan in many ways.

Need/Community Benefit:

- Historic preservation and the performing/cultural arts have a long list of economic, cultural, and environmental benefits to a community. As the City of Kannapolis has emerged from the textile era and the growth of new industries has emerged, the City's historic areas have been impacted.
- The City should make every effort to preserve and enhance its historic, performing and cultural art assets.

Study Complexity:

Moderate. The complexity depends on how details of an analysis is agreed upon as well as the level of community input. The complexity is not high, but the time and resource commitment could be significant.

Implementation Complexity:

Moderate/High. Implementation would depend on access to funding streams, level of involvement from the City, level of public involvement and prioritization. The scope of historic preservation, cultural and performing arts plans could be narrowed down to incremental strategic focal points in order to ensure progress is made. The Parks and Recreation Commission could aid in developing these focal points.

Study Cost Estimate:

\$50,000 for consultant services to assist with the plan.

Project/Initiative Needing Further Study:

Healthy Food Access Strategy

Department(s):
City Manager's Office

Staff Lead:
Irene Sacks

Description:

Increase access of Kannapolis residents to fresh produce and eliminate “food deserts”, defined as being more than one mile from a large grocery store or supermarket. (For rural areas, this distance is defined as more than ten miles.) The Cabarrus Health Alliance has identified two census tracts in Kannapolis as being in a food desert. The 2016 Community Needs Assessment identifies childhood obesity as a key community priority, with 31% of Cabarrus County’s children being overweight or obese. The 2019 State of the County Health Report also confirmed that obesity is an ongoing issue in the community.

Need/Community Benefit:

Access to fresh produce and other healthy food results in improved nutrition and health, lower obesity and disease rates, and healthier children who may perform better in school.

Study Complexity:

Low-Moderate. The City would likely partner with Cabarrus Health Alliance to analyze what can be done to provide great access to fresh produce. In fact, CHA has studied this situation in Cabarrus County and has looked at several action steps to improve access. They are working on similar initiatives through their REACH grant and also the Cabarrus Wellness Coalition.

Implementation Complexity:

Moderate. The cost is dependent on the extent to which the City wants to be involved in this issue. Implementation options include mobile farmers markets, neighborhood gardens, providing grants to convenience stores to stock fresh produce, and backpack buddy programs. Some programs can be funded through CDBG, but it will take more than \$5,000 to make a dent in the issue.

Study Cost Estimate:

\$1,000 for possible surveys, public meetings, or other tools.

Project/Initiative Needing Further Study:

Human/Race Relations Strategy

Department(s):

Police, City Manager's Office

Staff Leads:

Terry Spry, Mike Legg, Annette Privette Keller, Sherry Gordon

Description:

Explore and define a strategy to develop and improve human and race relationships in the community.

The Municipal Civil Rights Policy Task Force and U.S. Department of Justice developed a document "Avoiding Racial Conflict: A Guide for Municipalities." The Task Force was aided by a Review Committee, which included scholars, law enforcement experts, community leaders, and elected municipal officials. This document includes a Prescriptive Model for Communities to Avoid Racial Conflict aimed at averting discriminatory acts in the first place through proactive actions. These recommended actions could be the framework for a Human/Racial Relations Strategy for Kannapolis:

1. Ordinances and policies to ensure for the local enforcement and protection of civil rights. These may focus on hate activity, fair housing, City business relationships, voting rights, fair representation on boards and commissions, and new or improved/revised City departmental policies.
2. Establishing a Human Relations Commission (HRC) to focus on:
 - a. Protecting and safeguarding civil rights.
 - b. Promoting harmonious race relations.
 - c. Working closely with local community activists, political leaders, and elected officials.
 - d. Being a resource and a partner in addressing the civil rights problems of the aggrieved community.
 - e. Conducting ongoing outreach to the entire community, including both the minority and non-minority communities.
 - f. Building support from the various sectors of the community including academic, civic, religious, business, labor, and philanthropic.
 - g. Informing the public about positive human relations developments and its own proactive efforts within the community.

Additionally, several opportunities exist in the Police Department (with support from other City departments) to engage with the community in a more proactive way (some are already occurring or underway):

1. Increase community watch involvement by hosting events similar to National Night Out.
2. Schedule "coffee with a cop" events at local restaurants.
3. Development of a police athletic league for local children.
4. Communication of job opportunities and economic development to churches and other community groups.
5. Getting young people engaged in the community through the new Kannapolis Youth Council.
6. Community basketball games with Police Dept.
7. More police visibility in the community.
8. Officers attending churches and other events to visit.
9. Officers random outreach to communities - esp. to kids and early teens.
10. Making Police officers heroes to kids.
11. (Beginning with resource officers) educating on how to develop relationships with police.
12. Education sessions/driver training – traveling sessions to certain community groups (topics might include things like traffic stops - why/how they occur, how to respond, etc.)

Need/Community Benefit:

Over the past several decades significant success has been made in the nation's struggle to address issues that create racial conflict. The judicial system has affirmed constitutional guarantees for equal rights and equal protection for all people. There has been a general increase in tolerance to cultural differences on the part of the average American citizen. Even so, racial and ethnic tension still arises as was apparent throughout much of 2020. When these conflicts occur, it serves to undermine the strength and unity of the affected community.

Fortunately, in Kannapolis we have avoided many of the racial and ethnic (and political) tensions that have impacted cities across the nation. That good fortune should not be taken lightly and expected to continue without proactive steps to further solidify the relationships among all people in our community of all racial and ethnic backgrounds

The goal of this effort would be to enhance transparency, build trust and promote cooperation between the City government and among and between citizens and community organizations. This effort is also intended to create a bond of trust in the event that we have civil unrest on the scale witnessed by all this past year.

Study Complexity:

Low. A loosely developed group of community religious leaders has been meeting for the past 4 months to discuss these issues in response to the civil unrest across the nation over the past year. This group is considering the need to formalize itself – therefore the commitment to this particular strategy development would put the City's role in a more prominent position related to the effort. The complexity of this strategy development is low, but the staff time commitment could be significant.

Implementation Complexity:

Low/Moderate. To make this effort the most effective an additional staff person (at least part-time) would likely be necessary. Staff time to support the strategy implementation (especially if an HRC is established) would be the key to success. Some of the specific actions that emerge from the strategy could potentially be emotionally and politically sensitive with some level of disagreement among elected and community leaders. If there is not the political will to support the strategy (which would emerge from the larger Community – not only the City government) and the potential actions described above, the strategy development itself should not be considered seriously.

Study Cost Estimate:

\$10,000 for miscellaneous support of the strategy development (community meetings, input sessions, etc.).

Project/Initiative Needing Further Study:

Manufactured Home Inventory and Improvement Plan

Department(s):
Planning

Staff Lead:
Zac Gordon

Description:

In the late 1990's, an inventory and assessment of manufactured housing units in Kannapolis was undertaken. The purpose of this study was to ensure compliance with the City's zoning ordinance in effect at the time. As a result of this study, a number of mobile home parks were closed, and non-conforming units removed. The remaining manufactured housing parks were required to comply with the City's Zoning Ordinance. Two Mobile Home Overlay Districts were created where manufactured housing parks were allowed. Manufactured housing units located outside these districts could continue as non-conforming uses (in compliance with zoning regulations), or until they were discontinued – at which time they were required to be removed.

Currently, there are manufactured housing units located throughout the City, with a high concentration located in close proximity to downtown. With the passage of time, it is appropriate to update the inventory of manufactured housing units in the City (both within and outside designated parks) and to develop a strategy for the future use of these manufactured units as the City continues to experience rapid growth and redevelopment. This study will inventory and assess existing manufactured housing units in the City and present a strategy for the improvement of these units and/or the transitioning of these units to permanent residential housing units.

Need/Community Benefit:

Manufactured housing has its place in most communities, but only well-maintained communities and/or single units are a positive contributor to the City's well-being. Conversely, older, deteriorating housing of this type has significant negative impacts on the community (lowered or stagnant property values, crime, concentration of poverty, public health concerns, etc.). There is a clear need in our City to remove substandard housing (of all types including manufactured homes).

Ideally there should be a plan for addressing affordable housing issues in tandem with any effort to remove or replace manufactured housing.

Study Complexity:

High. The first step in this effort would be a fairly significant inventory and inspection of all manufactured homes and manufacture housing parks in the City. Potential court permissions for some of this effort might be necessary. From this inventory a variety of implementation strategies would be developed.

Implementation Complexity:

Moderate-High. The forced removal of housing through code enforcement is often a long, complicated process with many legal hurdles to overcome. This would be far more complex and challenging when it is implemented as a multi-property, City-wide effort. More than anything, the political will to stick to the plan of action will be critical. The last effort in the 1990s was less than effective due to pressures from the property owners to water down the enforcement. As a result, numerous homes slated to be removed still remain today 20+ years later.

Among the tools to be considered would be code enforcement (minimum housing standards), amortization (giving the owners several years to remove homes), property acquisition, financial or regulatory incentives for redevelopment to more stable uses.

Study Cost Estimate:

\$50,000. Part-time temporary employment may be necessary to assist with the inventory. However, because there are many complexities and legal issues with this kind of work it may be that additional permanent code enforcement staff may be needed. This could be shared work with other code enforcement initiatives.

Project/Initiative Needing Further Study:

Mill Village Preservation and Promotion

Department(s):
Planning, City Manager's Office

Staff Lead:
Zac Gordon

Description:

- Kannapolis maintains a uniquely large and mostly intact inventory of “mill homes,” that is, those homes, mostly constructed by Cannon Mills in the first half of the 1900’s.
- The preservation of these neighborhoods would have the following purposes:
 - Provide stability of the residential areas surrounding the Downtown Revitalization Project.
 - Protect the distinctive character, fabric and setting of these historic neighborhoods.
 - Discouraging the demolition of structures that contribute to the district's historic character.
 - Plan for new infill construction that is compatible and complementary to the character of existing neighborhood areas.
 - Raise property values.
 - Encourage individuals and companies to choose the areas around downtown to live and invest.
 - Facilitate the promotion of the neighborhoods as a unique tourism and character asset for the City.

Need/Community Benefit:

- Historic preservation has a long list of economic, cultural, and environmental benefits. With much of the industrial textile history removed and replaced through the emergence of the NCRC, the value of the residential structures and neighborhood that were original tied to Cannon Mills now take on a greater importance in the community.
- From a practical standpoint, the City cannot afford to have its neighborhoods surrounding downtown deteriorate in any way. In fact, the City should do everything it can to ensure that the value and stability of these neighborhoods increases significantly in response to the downtown effort. However, the question remains about the significance of protecting the current state of the homes, versus encouraging new construction through the demolition of existing properties. In recent years, investors have purchased several dilapidated properties and put new housing on those lots in response to the strong housing demand locally. This is probably a very localized decision (some areas may need to be preserved some open for redevelopment).

Study Complexity:

Moderate/High. The most complex part of the study would be an historic inventory to understand if the mill village qualifies for listing on the national Register of Historic Places. The Town of Mooresville received such a designation in 2012 for around 600 homes in one of its Mill Villages. This first part of this study might examine other potential historic preservation ideas: 1) Heritage trail, 2) historic markers, 3) Cannon Village National Register of Historic Places designation, 4) development and promotion of small “mini-museums” including the Kannapolis History Associates History Room and Museum at A.L. Brown, UNC NRI History Wall, and Veterans Park.

It should be noted that preliminary advice from a variety of history preservation experts over the past 15 years or so has indicated potential challenges to large scale historic district designation due to so many of the homes being altered or demolished over the years. The first step in this effort would be to address this potential roadblock early in the process. Nevertheless, the potential denial of National Register designation does not mean other efforts should not be pursued.

Implementation Complexity:

Moderate/High. The implementation phase would likely involve establishing local and/or national historic district designations, installation of signage and other appearance improvements, and implementation of marketing programs. The study implementation may involve recommended infrastructure improvements which would need to be programmed into future Capital Improvement Plans.

Study Cost Estimate:

\$100,000.

Project/Initiative Needing Further Study:

Neighborhood Engagement Program

Department(s):
City Manager's Office, Planning, Police

Staff Lead:
Annette Privette Keller

Description:

This effort involves the creation of a neighborhood program aimed at engaging citizens to provide them with tools that create positive changes in their neighborhoods.

Need/Community Benefit:

Engaging citizens and helping to organize them within their neighborhoods helps to build trust between the City and its citizens, provides an avenue for addressing community concerns, begins to build leadership within the community, and allow neighbors to connect with each other and work together. These groups can serve as sources of volunteers or sources of representatives for City boards and commissions.

Study Complexity:

Low. Relevant departments can work together to develop a plan. It could be modeled after other cities' neighborhood programs and could involve programs such as: neighborhood improvement grants, setting up neighborhood watch groups, community leadership and recognition programs. Some of the first steps include establishing the goals of the program and identifying the potential geographic boundaries of each area. A "Neighborhood Connections" program could convene neighborhood leaders quarterly to network and provide training on issues that they deem to be priorities.

Implementation Complexity:

Low-Moderate-High. The cost and commitment involved is dependent on the extent to which this is a priority. A full-scale neighborhood program is likely to require additional staff assistance or reallocation of existing staff time. Any neighborhood grant programs will require funding sources. CDBG may be a source of funding for projects in certain areas. The level of commitment defined in the plan will define how complex the implementation will be.

Study Cost Estimate:

\$0 initially. Neighborhood grants would likely cost anywhere from \$10,000 to \$50,000 annually.

Project/Initiative Needing Further Study:

Transitional Housing/Homeless Shelter Strategy

Department(s):

City Manager's Office, Planning

Staff Lead:

Irene Sacks

Description:

The study would identify needs and develop a strategy for addressing transitional housing and homelessness in Kannapolis. The City's involvement so far has been primarily through using CDBG funds to provide grants to non-profits that assist with the homeless and using HOME funds to purchase and rehab houses that Cooperative Christian Ministries (CCM) uses for transitional housing. CCM is prepared to work with the community to develop solutions to address the growing housing crisis. Additionally, the Salvation Army is working on a plan to actively address this issue as well.

Need/Community Benefit:

The 2019 Point in Time Count showed that there were 41 unsheltered homeless individuals, 132 homeless individuals in an emergency shelter or transitional housing, and 265 individuals in a rehousing or permanent housing program in Cabarrus County. However, the true count of homelessness is more nuanced and much higher. The 3rd Quarter 2019 Cabarrus Homelessness Indicators Dashboard of the Cabarrus County Homelessness Task Force noted that there are 575 students identified as homeless by Cabarrus County and Kannapolis City Schools. In addition, CCM received 222 applications for housing, representing 631 individuals. In its homelessness action plan based on 2019 data, CCM estimates the emergency and transitional housing need to be 200 to 300 units in Cabarrus County, representing 350 to 500 people. The following table shows these needs. Specific groups include families, females aging out of foster care, elderly homelessness, and the chronically homeless. Reducing homelessness helps improve stability of families, easing the ability to hold down a job and go to school regularly.

The Salvation Army is in the midst of raising capital for its Center of Hope. This emergency shelter will be located across the street from the existing Patterson Avenue shelter in Concord. The new 16,000 square foot facility will more than double the current capacity, with 62 beds meant to better serve families in groups. More than \$4 million has been raised from private donors, but they need a total of \$7 million to build the facility,

Additional Shelter & Housing Needs (2019)

The various populations represent shortfalls against current demand.

<u>Populations of Need</u>	<u>Shortfall</u>	
Single Family (transitional)	80 to 100	(240 – 300 people)
Single Adult (supervised)	25 to 35	Beds
Family Shelter	15 to 20	Beds (5 -7 units)
Senior Adults (independent)	50 to 100	Beds/Units
Young Adults (19-21)	10 to 15	Aging out of Foster Care
Chronically homeless	20 to 30	Beds
Emergency & Transitional Housing Total:	----- 200 – 300	(350 – 500 people)
Workforce Housing	1000 – 2000	“Affordable” housing (2000 – 5000 people)

Study Complexity:

Low-Moderate. Complexity depends on how much the City is willing to commit to funding the homelessness strategies. The initial step would be to work with CCM and possibly the Salvation Army to understand their recommendations and current planning and further develop this into actionable implementation steps. The following table shows the five-year goals that CCM has set to develop housing units for each category of need.

Capacity Building Goals 2019 - 2024

Our challenges are neither simple nor short term. Our solutions will need to be innovative and require collaborative long term investment. Our returns will be considerable when measured across all sectors and over time.

<u>Capacity Goals</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>5-Year Total</u>
Families w/ Children	20	20	20	10	10	80
Single Adults w/ Disability	10	5	5	5	5	30
Young Adults o/o Foster Care	5	10	-	-	-	15
Senior Adults	50	-	-	-	-	50
Previously Incarcerated	5	5	5	5	5	25
Residential Rehabilitation	5	5	5	5	5	25
Chronically Homeless	5	5	5	5	5	25
	100	50	40	30	30	<u>250</u>

Implementation Complexity:

Low-Moderate-High. The cost and complexity depends on the level of funding the City is willing to commit. To make a meaningful impact, the City will need to commit more than what it receives through the CDBG and HOME programs. Options for addressing homelessness may range from funding existing organizations in the area, to creating a jobs/housing program, to buying property that could be converted into a temporary housing solution or contributing funds to the Salvation Army plan.

The following table shows the projects that CCM is trying to move forward to build capacity to address current needs. The City could partner with CCM with these or other projects. CCM owns property on Bessie Street (near 16th St in north Kannapolis) and has proposed this site for its Butterfly & Pearl project, a group home setting for young adults aging out of foster care and senior citizens. There are some infrastructure and access challenges that make this site difficult to develop. The City could provide assistance with the infrastructure needs and/or provide funding towards the facility itself. City staff currently sits on the Cabarrus County Homeless Task Force.

Projects currently in design:

TSA - Emergency Housing for Families

Five to ten two-bedroom units with additional sleeping capacity and secure parking.
Low cost or no cost with immediate access, available meal assistance, laundry, transportation, childcare, medical care

TSA - Controlled Housing Environment for the Chronically Homeless

Twenty to thirty bed facility with accommodations for single male, single female, and couples.
Congregate prepared meals and living space, monitored activities & programs
Private sleeping space; shared shower and laundry
May include community meal/soup kitchen; work opportunities for residents
Staff and clinical space for offices, counseling, meetings, medical treatment and assessments
Access to transportation services and parking

CCM-The Butterfly & Pearl project - Young Adults aging out of foster care & Senior Adults

A campus design; partnering with a specialized service provider to house young adults aging out of foster care (typically female; 19-21 years old) in a community living environment and senior adults (often single females) in independent housing with on-site supervision and case management/support services.

Study Cost Estimate:

Probably \$0; the major costs come with implementation.

Project/Initiative Needing Further Study:

Active Seniors - Housing and Marketing Strategy

Department(s):

City Manager's Office, Planning

Staff Lead:

Irene Sacks/Annette Privette Keller

Description:

The proposed strategy is focused on attracting active adults/seniors (age 55+) to live in Kannapolis.

Need/Community Benefit:

Active seniors are at or nearing retirement age and can be a great source of community volunteerism, engagement and economic growth. Seniors housing typically does not place a burden on the school system. Some, but not all, enjoy living in an environment with their similar-age peers. Additionally, certain segments of the active adult population enjoy relatively high disposable incomes which can be good for the local economy. It is likely that these are the senior populations this strategy would look to attract.

NOTE: a Solicitation for Developers for an active adult multifamily project on the Plant 4 site was shelved due to the developer viewing the market as not ready for that kind of project. However, this shouldn't necessarily indicate this is a bad strategy to pursue; that specific proposal was for a very high-amenity, high-rate, rental product which may be pre-mature for Kannapolis. This doesn't in and of itself indicate that there is not an active adult market in Kannapolis. In fact, the developer of the project at Irish Creek and Kannapolis Lake is focusing more than half if its project on active adults. It is also quite likely that the Pennant Square Townhome project will have a fair amount of interest from active adults/seniors

Study Complexity:

Moderate. This may require a market study by outside consultant, although DFI did a bit of market analysis as they prepared for the solicitation for developers for the active adult multifamily project on Plant 4. The study would focus on policy, market/economic analysis, marketing strategies, incentives, and needed public and private amenity and entertainment investments.

Implementation Complexity:

Low-Moderate. The market study could be provided to potential developers as a tool to encourage developers to look at Kannapolis for a senior housing community. Questions include:

- How much senior-specific housing is the City looking for?
- Is a senior housing strategy meant to be citywide or downtown-focused?
- Is the City interested in market rate units or affordable (tax credit) units? (see note above about disposable incomes)
- Does the City want to use financial incentives to lure developers? Incentives for residential development are typically not something that the City is involved with, unless it is tied to downtown redevelopment or other strategic efforts.
- Does the City want to spend resources marketing itself to the active senior market or developers?

Study Cost Estimate:

\$20,000.

Project/Initiative Needing Further Study:

Downtown Farmers Market

Department(s):
City Manager's Office

Staff Lead:
Irene Sacks

Description:

Find a permanent site and build a structure for the farmers market. The Farmers Market vendors very much like their current location in the Oak Avenue Mall parking lot due to the traffic counts and visibility of Dale Earnhardt Blvd. They may be reluctant to move anywhere with less visibility and traffic, even with a permanent structure. However, with Castle & Cooke having sold the shopping center to another party, the new owners may not be willing to allow the farmers market to continue operating in its current location. This will need to be explored early in the process.

At one point, the old Train Depot was discussed as an option to be used as a Farmers Market structure. However, Norfolk Southern has now demolished the building due to its poor condition. Another location or building would need to be identified (along the Railroad Right of Way is still a possibility). An example of a structure/pavilion previously discussed for Block 5 downtown is shown in the photo below. While this block appears to be moving more rapidly towards private development, this same design could be duplicated in another location.

Need/Community Benefit:

The structure will provide permanency for the farmers market.

The farmers market operates once per week for five months a year. Whatever site is chosen needs to be programmed for other activities throughout the rest of the year.

Study Complexity:

Low/Moderate. Identify site criteria and look at options for locations and costs.

Implementation Complexity:

Moderate. A structure is likely to cost around \$150,000. The bigger question is the sustainability of the operations of the market. In order to grow the farmers market, 1) the vendors need to be organized, and 2) the market needs to expand to include Saturdays. The vendors in the

region are already committed to other Saturday markets, making it difficult for them to agree to be in Kannapolis on Saturdays, unless the market is much stronger here than elsewhere. The Piedmont Farmers Market has not indicated interest in working in Kannapolis, so a separate organization may need to be formed to govern the Kannapolis market.

Study Cost Estimate:

\$15,000 (architecture – cost feasibility analysis)



Project/Initiative Needing Further Study:

Entrepreneurship Growth Strategy

Department(s):
City Manager's Office

Staff Lead:
Irene Sacks

Description:

Entrepreneurship is a critical part of a healthy economy. There are many ways to support the growth of new businesses. These include providing physical space (like an incubator or accelerator), providing technical support (expertise in an industry, technology, or business areas), providing mentoring and networking opportunities, and providing access to capital.

There are organizations in the community that provide a piece of the support for entrepreneurs and small businesses. The RCCC Small Business Center provides free seminars and one-on-one advising, typically to new, less sophisticated businesses. The Chamber of Commerce provides networking and learning opportunities. Last year, the NC Food Innovation Lab at NCRC opened to provide production support for food-related businesses, including start-ups. The Food Innovation Lab is an important catalyst to business growth at NCRC, but it is not the only ingredient needed.

The most comprehensive effort is by the Cabarrus EDC to launch the Cabarrus Center, which is expected to open around February 2021. The EDC partnered with Flywheel Coworking, a private entity, to operate the Cabarrus Center located in downtown Concord. Flywheel has established locations in Davidson and Winston-Salem, with coworking spaces that individuals and businesses can lease for short-term and flexible offices. This provides a revenue stream, which allows the non-profit side of Flywheel to provide programming (classes and events) to nurture start-ups and create some grants and funding sources for new businesses. The Cabarrus Center is intended to serve all of Cabarrus County, and City staff have discussed the possibility of holding their events and programs in Kannapolis, with a future goal of having a satellite location in downtown Kannapolis. Flywheel's model is broad to serve many different types of start-ups, but the ultimate goal is to target those that are interested in scaling up to grow quickly.

In addition, the Cabarrus EDC has a pilot program called Grow Cabarrus, which is working with existing businesses who have an interest in and the potential to grow significantly. They are using the "economic gardening" approach that was developed in Littleton, CO to help businesses use various technical resources to find new markets, identify potential partners, etc.

ECONOMIC DEVELOPMENT

Rowan County is also trying to establish the Rowan IDEA Center, which will have an incubator and programming for entrepreneurs operated by Flywheel. It is meant to be located in the Empire Hotel. The project is currently stalled due to inadequate funding.

Need/Community Benefit:

Small businesses growth provides a key component of job creation and resilience in a community.

Developing an entrepreneur-friendly community can help attract and grow businesses that are connected to Kannapolis and the other businesses here. Start-ups are often attracted to areas that have a certain level of energy and expertise, and being able to attract entrepreneurs to downtown Kannapolis will help downtown thrive and create demand for commercial space. Attracting science or research-based start-ups is also an important strategy for the future of the NC Research Campus, by taking on vacant spaces and establishing the private sector economy that is so needed at the campus.

Study Complexity:

Low-Moderate. An entrepreneurial growth strategy should focus on the most achievable projects, at least initially. With momentum for the Cabarrus Center already underway, the most logical step is to connect Kannapolis to this effort and help develop it as much as possible. The amount of resources dedicated to this effort is largely determined by the priority that City Council places on growing entrepreneurs.

Growth of new businesses at NCRC is likely to come at a later stage, as more pieces of the “ecosystem” fall into place and is likely to be connected to the growth of new startups in downtown. It is premature to spend significant time and resources developing the NCRC component. Focusing on supporting the NC Food Innovation Lab is likely to be the most fruitful effort at this point.

Implementation Complexity:

Low-Moderate. Support of the Cabarrus Center and NC Food Innovation Lab will primarily involve staff time and funding. Staff would assist with marketing, coordination, and strategic planning. Funding (likely anywhere from \$5,000 to \$100,000 per year) would go towards creating events and programming in Kannapolis for entrepreneurs (i.e. a business plan competition), grants or other types of financial assistance for entrepreneurs, and possibly establishing a physical space that could serve as a satellite location for the Cabarrus Center.

Study Cost Estimate:

\$0 initially, can be largely done internally with existing staff. The most important step is to determine the priority that City Council places on entrepreneurship, and subsequently allocate financial and staff resources to support the growth of the Cabarrus Center and NC Food Innovation Lab.

Project/Initiative Needing Further Study:

Midway (South Main Street) Corridor Plan

Department(s):
City Manager's Office, Planning

Staff Lead:
Zac Gordon, Irene Sacks

Description:

Over the past five years the City of Kannapolis has invested more than \$100 million in the complete transformation of its historic downtown. Early indications are that this investment will be the catalyst for bringing life to a downtown that was hit by the loss of textile jobs and changes in the retail industry.

Less than one mile south of Downtown Kannapolis along South Main Street is an area long referred to as "Midway." This is an urban corridor in need of significant redevelopment efforts – not unlike the downtown effort of recent years. Midway has "good bones" with a few traditional buildings, but also faces substantial challenges to redevelopment including vacant and dilapidated structures, fragmented and unmotivated private ownership, poor or non-existent housing options, aging or incomplete public infrastructure (notably the lack of sidewalks and streetscaping), small parcel sizes and impacts of the adjacent railroad right of way.

However, there are positives. Midway has the feel of a more traditional Main Street, and has some interesting history include a time when the corridor was for more vibrant and active than it is today. This corridor has the potential to be a cool, artsy, hip area similar in a general way to the NODA (North Davidson Street) section of Charlotte.. It could be an excellent location for a culturally diverse, mixed-income focal point for our City. It can also "feed" off of the significant public investment already made in the nearby Downtown.

The entire Midway area is included in a Federally and State-designated Opportunity Zone.

A strategy is needed to understand how this area can revitalize and perhaps link to the activity occurring in downtown.

Need/Community Benefit:

The vision for this corridor was established with the adoption of the City's Comprehensive Plan where the Midway area is designated as an "Urban Corridor," which includes a mixed-use activity corridor with places to live, work, and shop in a walkable configuration. Streetscape

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improvements such as sidewalks, street trees, and crosswalks are needed to accommodate safe and comfortable areas for pedestrians to walk and shop, and for cycling as a mode of transportation. Primary uses are likely to be retail, office, and multi-family residential, while secondary uses could include limited light manufacturing and civic or institutional facilities. The design of infill development would put midrise buildings (2-5 stories) closer to the street and parking to the rear to encourage walkability.

It is envisioned that Midway represents an excellent opportunity to facilitate well designed, high amenity affordable housing investments. The mixed-use nature of the redevelopment effort, coupled with improved public transit service and improved pedestrian access presents the opportunity to create a far more functional workforce housing environment than most isolated, stand-alone housing projects that are more typical in our City.

Current statistics of this area:

- \$10,454,550 tax value (includes Midway Ballfields and commercial buildings off Leonard Ave but not Fifth Third Bank)
- 19.88 acres (31.19 acres with Midway Ballfields and Leonard Street buildings)
- 51 separate parcels (33 different owners)
- Approximately 178,866 square feet of existing building space, much of which is under-utilized or substandard.

Note the project area could shrink or grow as the initiative is more completely defined.

An image of the kind of conversion contemplated for this Midway redevelopment initiative is depicted following this summary.

An aggressive strategy is contemplated to facilitate the revitalization and build off of the positive activity occurring downtown. The approach would be similar to the downtown strategy and would likely include an additional partnership with the Development Finance Initiative at UNC-Chapel Hill. The work would occur in multiple phases and would likely take as long as 10 years to complete:

- **Phase 1:** Conduct a market study, site analysis, and develop a site-specific vision and master plan.
- **Phase 2:** Strategic property acquisition, identification, design and construction of the types of public investments needed (traffic, streetscape, signage, utilities, etc.) and types of uses and structures that are feasible for the land along the Main St corridor. This phase would be subject to the findings of phase 1. This could be broken down into multiple sub-phases.
- **Phase 3:** Solicitation of development partners to invest in new construction and/or renovations of existing structures.
- **Phase 4:** Implementation of private sector development.

Study Complexity:

High. The City could take the approach similar to downtown, by partnering with DFI to conduct a market study, site analysis, and then develop a master plan. Other considerations include property ownership or acquisition options, types of public investments needed, and types of uses and structures that are feasible for the land along the South Main St corridor. Urban design services are needed to assist with the visioning effort.

Implementation Complexity:

High. Significant public investment is likely needed to spur private investment. This could include infrastructure (street, stormwater, possibly water and sewer work), landscaping and other aesthetic improvements, public investments like a linear park or rail trail along the NCRRT Right of Way. One potential approach which would require significant resources and might dominate the City's priorities for several years (similar to the way downtown has since 2015).

- **Phase 1:** \$200,000
- **Phase 2:** \$15 million (range of \$3-4 million for infrastructure, \$8-11 million for property acquisition).
- **Phase 3:** \$0 (the assumption is that the private sector would fully fund development costs).

Note: these costs are at a very high level and represent more of an order of magnitude at this stage of the process.

It seems that without an aggressive public investment strategy a plan for this area would have limited value.

Study Cost Estimate:

\$100,000. This estimate would be for consultant services. One alternative would be to increase staffing to perform more of these studies in-house however this is not preferable. Since this plan would be similar to the master plan for Downtown (but of a smaller nature). DFI's services may be the best option.

How Kannapolis Could Change Over Time

The images below show what public improvements and redevelopment could look like along an urban corridor in Kannapolis. Initial investments might be made in the right-of-way, with street trees and a bio-swale median retrofit, setting the stage for redevelopment along the corridor. With the right mix of removing barriers, establishing design provisions, offering incentives and marketing of places, the corridor could change dramatically over time.



Project/Initiative Needing Further Study:

NCRC Organization (Next Decade Growth) Strategy

Department(s):
City Manager's Office

Staff Lead:
Mike Legg, Irene Sacks

Description

A 2006 report completed by the Research Triangle Foundation of North Carolina identified four factors critical to RTP's success. Timing and connection to universities were two of the factors which were also factors in the initial success of the North Carolina Research Campus.

This report also provided two additional success factors that the NCRC has yet to fully realize:

- *Critical Mass.* The critical mass of companies and workers in the area provides the region with a broad and deep labor pool. It enables RTP to attract more high-quality employers and companies. And it provides an environment that fosters collaboration and entrepreneurship among researchers, knowledge workers, and university professors. This, in turn, creates more innovation and potential for further economic growth. The NCRC partners must continue to pursue this end game.
- *Long-Term Commitment.* RTP's founders recognized that it could take decades to see the benefits of their investment. Its leadership, local elected officials, and area residents share this long-term vision for the park. This is from the RTP website:

“The concept for RTP was difficult to get off the ground. Our founders knew the idea had to grow from within the state. The plan needed to spark the hearts and minds of North Carolinians. The bold idea: transition RTP from a for-profit real estate model to a not-for-profit venture. Instead of profiting personally, all profits would go directly into strengthening the community. The founders' spirit of generosity made all the difference. A Foundation was established to carry out this mission.”

To be sure, RTP and the NCRC are significantly different - one is primarily a huge big box research park within 20 minutes of three major research universities; the other is a smaller, mixed use project with transplanted university entities. Mission support leadership at the Campus is incorporating lessons learned from RTP in the consensus driven deliberations and planning efforts of the newly established non-profit entity, incorporated as the Foundation for Human Health (FHH). With the intent to inheriting the NCRC mission support and leadership role, the FHH has defined its initial goal as one of taking those steps necessary to establish the NCRC and the City of Kannapolis as a regional biotechnology eco-system and center for economic growth.

With support from key community and campus stakeholders the FHH is working at a rapid pace to accomplish an aggressive and substantial agenda (below) ahead of the sale of the Main Campus buildings and assets to a new owner.

- Creating an interim Board of Directors to include representation from the City of Kannapolis, CHA, RCCC, UNC System Office, Duke University, Flywheel (Cabarrus Center), DHMRI, and the North Carolina Biotechnology Center.
- Drafting bylaws, a mission statement and a strategic plan.
- Developing a sustainable business model.
- Engaging a consulting firm to create a go-forward brand for the campus.
- Seeking a donation of the “J” shaped vacant land surrounding the “U” shaped concrete walkway.
- Determining the best approach to standing up a business development and recruitment campaign to bring new universities and commercial partners to campus.
- Determining the best approach for establishing a centralized communication and public relations function to support campus growth and development.
- Establishing interim support in the identification of grant opportunities for collaborative research within the scientific disciplines represented on campus.
- Establishing research, social impact, economic development and educational advisory boards to guide and support NCRC initiatives in each of these areas.
- Expanding the current life science disciplines resident at the campus by adding social scientists to enable and facilitate social and community impact initiatives.

Need/Community Benefit:

With the looming departure of Castle & Cooke toward the end of (or soon after) 2021, the success of the Foundation of Human Health is very important to the City. Clearly, Kannapolis stands to be the major beneficiary of a carefully crafted and well thought out long-term plan for the growth and prosperity of the NCRC. Supporting the efforts of the Foundation of Human Health to execute its ambitious start-up agenda and establish a sound footing to pursue its long-term objective of creating a regional biotechnology eco-system deserves the City’s backing and support.

Study Complexity:

Low-Moderate. While there is some complexity in developing the plan, it is mostly a matter of accessing support from experts and aligning support from the various campus constituencies behind the strategic plan.

Implementation Complexity:

High. Accomplishing FHH’s start-up agenda and doing so expeditiously is an aggressive undertaking particularly given its consensus decision making model and the number of diverse interests involved.

Study Cost Estimate:

Up to \$50,000 to support one or more FHH start-up agenda items. Other funding partnerships with the entities described above and other foundations and no profit support agencies will be pursued as well.

Project/Initiative Needing Further Study:

North Kannapolis Parkway/Highway 3 Corridor Plan

Department(s):
Planning, City Manager's Office

Staff Lead:
Zac Gordon

Description:

The Highway 3 Corridor from Kannapolis Parkway to Dale Earnhardt Boulevard is currently being widened from a two to a four-lane median divided road with sidewalks, bike lanes and street trees. Once improvements are completed (anticipated by end of 2021) it is expected that nearby land values will rise, resulting in a significant increase in development pressure for commercial, office and residential land uses. Additionally, the northern section of Kannapolis Parkway has experienced some new private and non-profit investments over the past several years with significant land available for new opportunities. A new Northwest Cabarrus High School is planned for the intersection of Kannapolis Parkway and Rogers Lake Road which could have some impact on how this part of the corridor develops.

The North Kannapolis Parkway/Highway 3 Corridor Plan would provide a vision for both new development and redevelopment along the corridor, with specific guidelines and standards to ensure high quality development along and adjacent to the corridor. It is contemplated that the study area would be from Dale Earnhardt Blvd to Kannapolis Parkway then south on the Parkway to Rogers Lake Road (although it could extend slightly further south).

Need/Community Benefit:

This corridor is one of the main gateways into the City of Kannapolis, and its downtown. In order to ensure that future development along this corridor is of the highest possible quality, it is vital to have a plan which provides a clear vision to accomplish this objective. Benefits of this plan will include the attraction of higher quality development and establishment of a first-class gateway into downtown.

Study Complexity:

Low-Moderate. Due to its largely undeveloped, "blank canvas" attributes, this effort is not nearly as complicated as other past or proposed plans (Midway, Cannon Blvd, downtown).

Implementation Complexity:

Low-Moderate. The majority of the investments along this corridor will be via the private sector so it is not contemplated that there will be a lot of direct City investment and or involvement other than to help establish a vision for the corridor and facilitate its development in a high quality manner.

Study Cost Estimate:

\$100,000. This estimate would be for consultant services. One alternative would be to increase staffing to perform more of these studies in-house.

Project/Initiative Needing Further Study:

North Main Street Small Area Plan

Department(s):
Planning, City Manager's Office

Staff Lead:
Zac Gordon, Irene Sacks

Description:

The North Main Street area (north of Loop Road) is the location of a once-vibrant commercial center with residential and civic uses that has been in continued decline since closure of the mill in 2003 (and before). The Move Kannapolis Forward 2030 Comprehensive Plan identified this area as a Secondary Activity Center ripe for redevelopment.

Current Conditions:

- Proximate to established neighborhoods and rail line
- Small vacant strip of commercial and industrial properties
- Sidewalks on western side of Main Street corridor, not on eastern side adjacent to rail

Future Vision:

- Arts or Makers District to reuse commercial/industrial buildings
- Opportunity for “pop up” spaces on vacant lots

Area Improvements Needed:

- Sidewalks on both sides of area to better frame buildings and make safer for pedestrians
- Streetscape improvements

Need/Community Benefit:

Redevelopment of North Main Street area will result in a revitalized commercial/residential/civic center, leading to new investment, improved appearance and enhanced tax base. Staff has put a slightly more thought into a potential Midway (South Main Street) revitalization effort but North Main Street has many of the same characteristics, just less visibility and traffic volumes than the area south of the Loop.

Study Complexity:

Moderate – High. The City could take the approach similar to downtown, by partnering with DFI to conduct a market study, site analysis, and then develop a master plan. Other considerations include property ownership or acquisition options, types of public investments needed, and types

of uses and structures that are feasible for the land along the Main Street corridor. Urban design services are needed to assist with the visioning effort.

Implementation Complexity:

Moderate - High. Public investment is likely needed to spur private investment.

Study Cost Estimate:

\$50,000. This estimate would be for consultant services. One alternative would be to increase staffing to perform more of these studies in-house. Since this plan would be similar to the master plan for Downtown (but of a smaller nature), DFI's services may be an option as well.

Project/Initiative Needing Further Study:

Rail Trail

Department(s):
Engineering, Planning, Parks & Recreation

Staff Lead:
Gary Mills/Irene Sacks

Description:

Work with NC Railroad Company and NCDOT to secure buy-in for multi-use path along Main Street & Ridge Avenue near rail line. The proposed route utilizes existing sidewalks, proposed sidewalks, and proposed trails. The route was developed as part of the Downtown Connectivity Study completed by Land Planning consultant, Stewart in March 2017. The contemplated route is from Loop Road on the north end down to Rogers Lake Road on the south end.

Need/Community Benefit:

The trail would provide a continuous path to enjoy exercise in downtown Kannapolis. The trail is also a way to productively use land along the rail line that is less than ideal for development due to the size of the parcel and the railroad right-of-way.

Study Complexity:

High. Full development of the trail path would require design and engineering, once DOT and NC Railroad were willing to approve. This could be an actual CIP project for consideration but there are many hurdles to cross before this project would be ready for funding consideration.

Implementation Complexity:

High. While the rail trail would use some existing sidewalks, additional facilities would need to be built, including additional sidewalks and multi-use paths, and parking lots at either end of the facility. Some right-of-way would need to be purchased, and signage would need to be installed.

Study Cost Estimate:

\$15,000 for preparation of documents for rail approval (doesn't include design/engineering).
\$40,000 for preliminary design/engineering if the project is determined to be feasible

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Project/Initiative Needing Further Study:

Workforce Development

Department(s):
City Manager's Office

Staff Lead:
Irene Sacks

Description:

Develop one or two key strategies for the City to engage with the larger community on workforce development, in partnership with groups such as the school system, RCCC, and economic development groups.

Need/Community Benefit:

The #1 thing that companies say they are looking for when locating in an area is an available, trained workforce. Workforce development yields economic development returns over the long run. Because of this long-term return on investment, this issue has not been able to gain significant support to make it a top priority over the years (at the City or County levels).

Study Complexity:

Low. It is likely that analysis and strategy development can be completed with internal staff by talking to community partners and looking at best practices. There were two studies developed after the NCRC was announced. One by the City and one by the Cabarrus Chamber of Commerce. These strategies could be updated, and specific recommendation defined further to determine a path forward.

Potential workforce development initiatives include funding internship programs for high school or college students, providing training grants to local businesses, and promoting the establishment of higher education at NCRC. Cabarrus College of Health Sciences is preparing to grow, and the expansion of the Wake Forest Medical School into Charlotte could create some opportunities for facilities at NCRC.

Implementation Complexity:

Moderate. Implementation will likely be a joint effort with other community partners. The City's role may be primarily financial, marketing, and guidance, or it may take on a larger role, depending on the strategy and City Council's commitment.

As an example, the City tried to partner with KCS and RCCC to promote a welding program for adult learners located in the Carver area to help provide these residents with skills that are currently in demand.

Study Cost Estimate:

\$0 Initially.

Project/Initiative Needing Further Study:

Development Fiscal Impact Model

Department(s):

City Manager's Office, Finance, Planning

Staff Lead:

Zac Gordon, Kristin Jones

Description:

All development is not the same. Residential development has more fiscal impacts on the City than does industrial development. Some residential development is more fiscally beneficial than other types of residential development. Different types of non-residential development have different fiscal impacts as well.

Over the years the City has attempted to perform a cost benefit analysis on all new development and both owner-initiated and city-initiated annexations. However, these efforts have been limited by the depth and breadth of the analysis.

Need/Community Benefit:

Because much of the City's ongoing financial planning is based upon new revenue from private sector development, understanding the full impacts of this is very important. Good, fiscally beneficial private sector development will be one factor in keeping the tax rate growth in check over the next decade.

The spinoff effects of good development are far and wide (higher disposable income, more educated workforce, job creation, community stability, etc.)

Study Complexity:

Moderate. This effort can be performed in-house to establish a basic model using a variety of techniques. This can be a Phase I approach. If we choose to take this to another level (Phase II) and address larger impacts to the community, then consultant assistance will be necessary. There are complexities to the secondary impacts of new development that could be in such a model (e.g., consumer spending locally).

Implementation Complexity:

Low. Once the model is developed, using it will be as simple as plugging in numbers. The complexity will come when the data is used for development and annexation-related decisions as

this can be viewed as only one piece of information in the decision-making process. This model can probably be customized to assist with decision making on development incentives as well.

Study Cost Estimate:

\$50,000 Estimated Study Cost

Project/Initiative Needing Further Study:

East of I-85 Small Area Plan

Department(s):
Planning, City Manager's Office

Staff Lead:
Zac Gordon

Description:

The area east of I-85 is currently largely undeveloped, due primarily to the absence of utilities and market demand. However, development of this area is both anticipated and expected due to its proximity to the I-85 Lane Street interchange, planned completion of improvements to this interchange and the I-85 mainline, as well as continued growth in both Kannapolis and the Charlotte metropolitan region.

Need/Community Benefit:

It is important to plan for anticipated future growth in the area east of I-85 well in advance of when this growth occurs. A well-thought out plan for the area east of I-85 will serve to provide clear direction to private investors and landowners and help the City to take the necessary steps to facilitate and support that growth before it occurs. Once major utilities are in place and the market for this area has arrived, a plan will help to ensure that development can occur in an orderly manner.

Both Cabarrus County and the City of Concord have viewed this area as a low development and services priority which has resulted in the delay of the WSACC Little Coldwater Creek Sewer outfall line which has a direct impact on the development pressures of this area. Additionally, there are no currently programmed City water or sewer investments planned for this area at this time which further delays the development pressures. However, if this emerges as a top priority for City Council then the above challenges will need to be addressed.

Study Complexity:

Low-Moderate. There are not many complex issues in this area as it consists of mostly vacant undeveloped land.

Implementation Complexity:

Low. This plan would largely be a policy and vision document and would not have significant direct public investment or involvement in its implementation.

Study Cost Estimate:

\$50,000. This estimate would be for consultant services. One alternative would be to increase staffing to perform more of these studies in-house.

Project/Initiative Needing Further Study:

Incentive Plan for Targeted Growth Areas

Department(s):
Planning, City Manager's Office

Staff Lead:
Zac Gordon

Description:

The Move Kannapolis Forward 2030 Comprehensive Plan includes a “Tiered Growth Map” which identifies “Targeted Growth Areas” where the City should promote new development and redevelopment. Specifically, the 2030 Plan calls for the following:

Action 2.3 Evaluate Tools to Incentivize Growth in Targeted Growth Areas

To encourage development within the targeted growth areas identified on the Tiered Growth Map, the City will evaluate tools to incentivize growth in these areas. This could include tools such as transferring development rights, development density bonuses, City participation in infrastructure, express development review processes, reduction or waiving of fees, reduction of certain landscaping or parking requirements, or other similar tools.

Need/Community Benefit:

Encouraging development and redevelopment in targeted growth areas is necessary to ensure that private investment is focused in those areas where the City has made prior public investments. This targeted growth initiative will result in a higher return on public investments in infrastructure and other capital improvements, leading to higher tax yields.

Study Complexity:

Low–Moderate. There would be multiple steps to this effort with the first being final establishment of the target areas. There are numerous legal issues with many of the incentives that might be included so thorough legal vetting will be important.

Implementation Complexity:

Low. Once the plan is in place implementation becomes largely an administrative function.

Study Cost Estimate:

\$30,000. This estimate would be for consultant services. One alternative would be to increase staffing to perform more of these studies in-house.

Project/Initiative Needing Further Study:

Interlocal Growth Management Agreements

Department(s):
Planning

Staff Lead:
Zac Gordon, Mike Legg, Kristin Jones, Wilmer Melton

Description:

The City of Kannapolis has been a strong proponent of regional planning and been engaged in a broad range of inter-municipal cooperative endeavors throughout the course of its history. The Move Kannapolis Forward 2030 Comprehensive Plan, in recognition of this practice states:

***Action 8.1 Adopt Interlocal Growth Management Agreement** Form a task force of representatives from city, county, and utility entities for the purposes of enabling the City of Kannapolis and partnering utilities to make long-term plans with known borders, minimizing potential for conflicts regarding utility service areas and future annexation areas, and managing growth in a fiscally-balanced way. Adopt a growth management agreement with Cabarrus County that identifies the Tiered Growth Map identified in Chapter 2: Growing Smart, as the guiding policy document for growth management within the planning area. Work with Cabarrus County to ensure that land use plans are consistent between the City and Kannapolis and the County.*

Need/Community Benefit:

Coordination with nearby and overlapping jurisdictions is becoming more important than ever as the major challenges facing Kannapolis and adjacent communities become increasingly interlinked. Collaboration on growth related issues such as transit, water/wastewater, emergency services, workforce development, education and public health and wellness are essential to insure sustainable long-term growth for the City. The City already has strong annexation, growth boundary and service delivery agreements with the City of Concord. It also has annexation agreements with the towns of Davidson and Huntersville (more could be done in this area. There are no agreements on land use planning with Cabarrus County or Rowan County or the Town of Landis.

Study Complexity:

Low-Moderate. The agreements with either County are primary focused on land use types, utility extension timing and jurisdictional issues with the potential for co-locating fire stations and parks. Agreements with municipalities focus more on utility and service delivery expansion

plans and ways to cooperate on those expansions. These can be complex issues that require some analysis to serve as the foundation for the actual agreements.

Implementation Complexity:

Low. Once the studies and agreements are in place implementation is not complicated.

Study Cost Estimate:

\$50,000. This initiative can be managed in-house. Some outside consultant assistance may be necessary regarding service delivery discussions (especially utilities),

Project/Initiative Needing Further Study:

Land Banking Strategy

Department(s):
City Manager's Office

Staff Lead:
Eddie Smith, Kristin Jones

Description:

As our City continues to grow so does the need for future facilities strategically located to support the need and desire for services. This long-range plan would evaluate our needs over the next 20-years throughout the City, so we appropriately locate fire stations, parks, greenways, streets, training facilities, elevated tanks, pump stations, etc. The intent is to identify properties that meet those needs as well as development of a funding strategy to acquire the properties while they are more affordable.

Need/Community Benefit:

- Meet the long-range facility needs of the City
- Purchase land at more economical prices prior to development
- Enhance response time
- Provide facilities to meet the needs of Citizens

Study Complexity:

Low. This in-house study would involve the review of various master plans as well as determination of future needs based on current growth patterns to compile a comprehensive assessment of our facility needs.

Implementation Complexity:

Moderate. Upon completion of the comprehensive facility needs assessment and determining locations the City would need to strategically begin acquisition of properties for future facility needs. Future property acquisitions will need to be accounted for within our financial model at the appropriate time.

Study Cost Estimate:

\$0

Project/Initiative Needing Further Study:

Local Comprehensive Transportation Plan

Department(s):
Engineering, Planning

Staff Lead:
Scott Kaufhold

Description:

Planned improvements for most major NCDOT-maintained roadways are addressed in the regional CRMPO CTP. However, there are several good reasons that the City should also develop a long-range, multi-modal transportation plan to include major roadways and local streets. A local CTP provides guidance to where new connections should be made as part of local land development; identifies preferred corridor typologies and roadway classifications; and prioritizes local projects such as greenways, bike lanes, and streetscape improvements.

Need/Community Benefit:

Bring connectivity and alternative transportation options to the public. Provides a detailed platform to request state funding. Such a plan removes uncertainty in the private land development process and also serves as a foundation for future capital improvement planning.

Study Complexity:

Moderate – High. Significant technical analysis is required as part of this kind a plan.

Implementation Complexity:

Moderate - High. Inventory current infrastructure; consider future land use, growth, and identify feasible locations for city-wide multi-modal and connectivity type projects.

Study Cost Estimate:

\$250,000 for a complete plan although this can be reduced depending on the level of sophistication desired.

Project/Initiative Needing Further Study:

Parks and Recreation Master Plan

Department(s):
Parks and Recreation Department

Staff Lead:
Gary Mills

Description:

The current Parks and Recreation Master Plan was completed in October 2014. It needs to be updated to serve as the roadmap for the Parks and Recreation Department. It is also an important part of maintaining the department's accreditation and is needed to apply for PARTF grants and any other funding opportunities. This needs to be completed by FY 22-23 at the latest.

Need/Community Benefit:

It is very important to have a guide to assist in the direction of future parks and recreation facilities. Receiving citizen feedback is also critical in providing direction and feedback in assisting City officials in making decisions regarding future facilities and programs.

Study Complexity:

Moderate. will involve doing a community-wide citizen survey again as part of the plan development inclusive of facilities and programs. The inclusion of program feedback would be an important addition to the survey this time. Will also need to contain all documentation to meet the accreditation standards set forth by NRPA.

Implementation Complexity:

Low. will work with a consultant to update the current masterplan with new data and citizen feedback. Will need to be formally approved by the P&R Commission as well as City Council.

Study Cost Estimate:

\$75,000

Project/Initiative Needing Further Study:

Western Kannapolis Growth Plan

Department(s):
Planning

Staff Lead:
Zac Gordon

Description:

Since 2000, the predominant residential growth that has occurred in the City of Kannapolis has taken place in the western area of Kannapolis. In response to the County's policy to not provide utility service, the City has approved a number of voluntary satellite annexations for new residential subdivisions in this area. Currently, this western area is characterized by a mix of medium density residential developments (3-5 units/acres) and large tracts of low density residential and farm uses, which are expected to continue to transition to residential use. The recent extension of water and sewer services north along Rocky River will serve to reinforce the recent residential development pattern, resulting in an increased demand for public services and amenities.

Need/Community Benefit:

The future growth of the western area of Kannapolis will generate the need for additional public services and amenities. In addition, traffic and the need for additional schools will continue to grow. A small area plan for the western area of Kannapolis will help to assess and address the growth challenges facing this area of the City and will help the City to be more responsive and efficient in the delivery of services.

Study Complexity:

Low-Moderate. There are not many complex issues in this area as it consists of mostly vacant undeveloped land.

Implementation Complexity:

Low. This plan would largely be a policy and vision document and would not have significant direct public investment or involvement in its implementation.

Study Cost Estimate:

\$50,000. This estimate would be for consultant services. One alternative would be to increase staffing to perform more of these studies in-house.

FIVE YEAR FUNDING 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 FY 2022 Five Year funding plan is unique because it pairs one-time sale proceeds from assets the City owns with one-time projects. Organic growth in recurring operating revenues is worked into the financial plan and are paired with any capital project or initiative that will have a recurring operating impact.

The following pages outline the City's Five Year Financial Forecast/ Capital Improvement Plan by fiscal year. 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 of time. This fiscal year, the City of Kannapolis imposed no rate adjustment for property taxes. The property tax rate remains unchanged at \$0.63 per \$100 assessed valuation. The Environmental Fund was scheduled to have a rate increases in FY 2021. Due to the COVID-19 pandemic, City Council opted against any rate changes to take place. This rate change was implemented in FY 22. There will most likely have to be one more rate change in the Environmental Fund to make it self-sustaining.

NOTE: This funding plan was not formally adopted by City Council as part of the budget process.

FIVE YEAR FUNDING PLAN

General Fund Revenue Assumptions:

- One-time revenue sources are tied to one-time projects
- Recurring revenues such as operating budget capacity or proposed new revenue streams are tied to projects that have a recurring budget impact
- The following projects have proposed earmarked revenue sources associated (some of these projects are tentative and can be eliminated without impacting the overall plan):
 - Enhanced Street Paving: half a penny on the tax rate in FY 25 and FY 26
 - Western Cabarrus Fire Station: Odell Fire District revenues beginning in FY 23
 - Eastside Fire Station: Mt. Mitchell Fire District revenues- post years
 - Litter Clean-up Program- \$3.00 Solid Waste Disposal fee
 - Downtown Development Organization: MSD Tax beginning in FY 23
 - Downtown Parking Program: Parking revenues prorated beginning FY 22
 - Gem Theatre Operations: Gem Theatre revenues (*assumes breakeven after FY 23*)
 - Central Entergy Plant Operations: Central Energy Plant Revenues beginning in FY 24
 - Skateboard Park/Midway/Transitional Housing/Homeless Shelter- CDBG restricted revenues
 - American Rescue Plan (*project yet defined*): American Rescue Plan (ARP) Funding
- Budget capacity is based on conservative growth year over year in the operating budget.
- Any unused cash is carried forward from year to year on the plan.
- Cash reserves are projected to be utilized through FY 23- FY 26 to cover operational deficits should they occur. Through conservative forecasting this may not be needed.
- **Projected cash reserves at the end of the 5-year window approximately \$2.6 million.**
 - Doesn't include fund balance appropriations above the 25% target after FY 22.

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

Description	Projected Amount	Fiscal Year
General Fund - Fund Balance Available for Appropriation <i>(above 25% minimum target balance)</i>	\$5,935,000	FY 22
Block 2 Sale - Initial Payment	\$298,964	FY 22
Cabarrus Avenue Property Sale to Kimball Lutheran	\$127,000	FY 22
Oak Avenue Building Sale	\$930,000	FY 22
Plant 4 Townhomes Sale	\$827,950	FY 22
Block 1 West Avenue Sale - Final Payment	\$406,554	FY 22
Block 1 Main Street Sale - First Payment	\$150,000	FY 22
Block 2 Sale	\$1,141,250	FY 22
Block 3 Sale	\$1,204,434	FY 22
Wyrick Property Sale	\$300,000	FY 22
Sale of Old Stadium	\$3,000,000	FY 22

FIVE YEAR FUNDING PLAN

Description	Projected Amount	Fiscal Year
Swanee Theatre - Initial Payment	\$100,000	FY 22
Projected Cash Availability for FY 22	\$14,421,152	
Restricted:		
Gateway Business Park Land Sale (7.25 acres)	\$1,800,000	FY 22
Gateway Business Park Land Sale (1.6 acres)	\$377,528	FY 22
ARP Funding	\$9,300,000	FY 22
Projected Restricted Funding for FY 22	\$11,477,528	
Block 1 Main Street Sale - Final Payment	\$350,000	FY 23
Swanee Theatre - Final Payment	\$467,000	FY 23
Projected Cash Availability for FY 23	\$817,000	
College Station Outparcels (1 acre)	\$320,000	FY 24
Block 6 Sale (2.82 acres)	\$2,330,000	FY 24
Plant 4 Land Sale (18 acres)	\$4,398,000	FY 24
Projected Cash Availability for FY 24	\$7,048,000	
Block 4 Sale (1 acre) - Incentive grant contribution.	-	-
Block 5 Sale (1 acre) - Incentive grant contribution.	-	-

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 22 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.

FIVE YEAR FUNDING PLAN

Revenue Sources	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Cash Availability	\$14,421,152	\$10,244,977	\$9,864,731	\$6,178,670	\$3,671,155
CDBG restricted revenue <i>(tied to Gateway Business Park Land)</i>	\$2,177,528	\$0	\$0	\$0	\$0
Grants <i>(PARTF and CMAQ)</i>	\$0	\$0	\$2,200,000	\$500,000	\$0
ARP Funding	\$9,300,000	\$0	\$0	\$0	\$0
Subtotal One-Time Cash Revenues	\$25,898,680	\$10,244,977	\$12,064,731	\$6,678,670	\$3,671,155
Budget Capacity <i>(based on conservative growth YOY in operating budget)</i>	\$1,642,805	\$2,188,260	\$2,591,764	\$4,065,571	\$4,518,680
Half a penny on the Tax Rate to offset enhanced street paving	\$0	\$0	\$0	\$280,285	\$288,693
Odell Fire District Revenues - estimate from Cabarrus County (3% growth rate)	\$0	\$600,000	\$618,000	\$636,540	\$655,636
Mt. Mitchell Fire District Revenues - estimate from Cabarrus and Rowan Counties	\$0	\$0	\$0	\$0	\$0
Solid Waste Disposal Fee- (\$3.00/month) for Litter Crew	\$0	\$720,000	\$741,600	\$763,848	\$786,763
MSD Tax - (\$100M @ 20 cent rate+ 10% growth rate)	\$0	\$200,000	\$220,000	\$242,000	\$266,200
Parking Revenues (3% growth rate) (VIDA 1 and VIDA 2 estimated at \$218,000 and doesn't include second vehicles)	\$46,000	\$92,000	\$138,000	\$184,000	\$230,000
Gem Theatre Revenues	\$735,000	\$600,000	\$700,000	\$700,000	\$700,000
Central Energy Plant Revenues	\$0	\$0	\$50,000	\$100,000	\$150,000
Subtotal Recurring Revenues	\$2,423,805	\$4,400,260	\$5,059,364	\$6,972,244	\$7,595,973

FIVE YEAR FUNDING PLAN

GRAND TOTAL (ALL PROJECTS)	\$18,719,506	\$11,828,506	\$10,945,425	\$9,979,758	\$8,677,220
GRAND TOTAL CASH PROJECTS	\$16,470,703	\$6,903,153	\$4,874,153	\$1,648,403	\$698,403
GRAND TOTAL OPERATING (INCLUDES DEBT SERVICE)	\$2,248,803	\$4,925,353	\$6,071,272	\$8,331,355	\$7,978,817
Remaining Cash Capacity	\$9,427,977	\$3,341,824	\$7,190,578	\$5,030,267	\$2,972,752
Operating Capacity/Deficit	\$175,002	-\$525,093	-\$1,011,908	-\$1,359,111	-\$382,844
Remaining Cash after FB appropriation	\$9,427,977	\$2,816,731	\$6,178,670	\$3,671,155	\$2,589,908

General Fund Expenditure Assumptions:

- Projects are broken down between cash funded projects and those that have a recurring operating impact.
- Personnel costs assume 6% growth rate year over year.
- Operational costs assume 3% growth rate year over year .

Projects and Initiatives - Cash Projects	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Midway Revitalization Efforts (includes Skateboard Park as anchor project)	1,000,000	1,500,000	500,000	500,000	-
Fire Station #1 Remodel (Roof, interior and exterior work, bay floor and parking lot)	475,000	525,000	325,000	-	-
Village Park Phase IV (Playground equipment/ green room)	275,000	-	500,000	-	-
Litter Clean-Up Program (Crew truck purchase)	-	80,000	-	-	-

FIVE YEAR FUNDING PLAN

Litter Clean-Up Program <i>(PR campaign/PT Volunteer Coordinator)</i>	55,000	-	-	-	-
Radio Purchase at \$2.7 million <i>(Cash as opposed to debt service issuance for first 2 years)</i>	-	677,750	677,750	-	-
Irish Buffalo Creek Greenway <i>(Cash for \$1.5 million for 1 mile to Safrtit)</i>	-	-	1,500,000	-	-
Community Center - <i>(annual campaign contribution in following years)</i>	-	250,000	150,000	100,000	-
ARP <i>(project to be identified)</i>	9,300,000	-	-	-	-
Downtown Parking Program (Phase 1 and 2) <i>*Estimates from KH (software, gates, technology) *capitalized purchase first year</i>	162,000	242,000	-	-	-
Western Cabarrus Fire Station - Permanent <i>(Renovation and Apparatus)</i>	-	985,000	-	-	-
Eastside Fire Station - Permanent	-	-	-	-	-
Kann. Parkway/Highway 3 Decorative Street Lights Landscaping	750,000	750,000	-	-	-
Cannon Blvd Southern Entryway Aesthetic Improvements <i>(includes I-85 monument)</i>	-	-	150,000	-	-
North Loop Road Safety Improvements	-	-	-	575,000	-
Bakers Creek Park Improvements <i>(parking lot, lights, fixing handicap spots, ADA accommodations for RR and concessions)</i>	275,000	-	-	-	-
Economic Development Partnership Incentives	-	-	-	-	-
Enhanced Street Paving - (annual	-	-	-	-	-

FIVE YEAR FUNDING PLAN

<i>appropriation over and above operating budget)</i>					
Cannon Blvd+DEB Intersection Aesthetic Enhancements	-	-	-	-	375,000
Cannon Blvd/Mt. Olivet Intersection Improvements <i>(assumes CMAQ funding)</i>	-	-	550,000	-	-
Fire Department Storage Facility at Fire Station #2	-	-	-	-	-
Fire Department Training Facility	-	-	-	-	-
Midway (South Main Street) Corridor Plan-consultants	150,000	-	-	-	-
Transitional Housing/Homeless Shelter Strategy consultants	100,000	-	-	-	-
Active Seniors - Housing/Marketing Strategy	-	20,000	-	-	-
Incentive Plan for Targeted Growth Areas	-	-	-	-	-
NCRC Organization (Next Decade Growth) Strategy	50,000	-	-	-	-
North Main Street Small Area Plan <i>(see Midway)</i>	-	-	-	-	-
Downtown Farmers Market Plan	-	25,000	-	-	-
Development Fiscal Impact Model	-	-	25,000	-	-
Affordable Housing Strategy	-	-	20,000	-	-
Additional Bus Shelters	-	-	153,000	-	-
Gem Theater Operating Partnership <i>(first 2 years are cash to bridge operating gap)</i>	200,000	100,000	-	-	-
Auxiliary Policing Program	-	-	-	-	-
Information Kiosks at City Hall/Downtown	-	-	-	-	-
Cannon Mills Office Cupola Reuse Project	-	-	-	-	-

FIVE YEAR FUNDING PLAN

McLain Road - Fairview Street Connector	-	425,000	-	-	-
Parking Lot - Irish Buff Creek Greenway @ Rogers Lake Rd	130,000	-	-	-	-
Transitional Housing/Homeless Shelter Strategy - Implementation	-	1,000,000	-	-	-
Old Intimidators Stadium – Road Improvements (watch-list)	300,000	-	-	-	-
Fire Station #4 Re-model (<i>interior, living quarters, fitness room, kitchen upgrades, failing concrete, paint, carpet, tile</i>)	200,000	-	-	-	-
Downtown Enhancements (<i>camera system, electric vehicle charging stations, lighting, signage</i>)	470,000	-	-	-	-
Laureate Traffic Circle Repair	-	-	-	150,000	-
Existing Diamond Sport Enhancements	50,000	-	-	-	-
Engine Financing (\$850,000)	850,000	-	-	-	-
FY 22 Capital Outlay + Axon Program (in car cameras/tasers/body worn cameras)	1,678,703	323,403	323,403	323,403	323,403
Sub-total Total Cash Projects	\$ 16,470,703	\$ 6,903,153	\$ 4,874,153	\$ 1,648,403	\$ 698,403
Projects and Initiatives - Operating Budget Impact	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Skateboard Park - Operating for part-time staff and utilities (3% growth rate)	50,000	51,500	53,045	54,636	56,275

FIVE YEAR FUNDING PLAN

Employee Retention and Recruitment - Year 3- Additional 1%, YMCA memberships and \$420 flex dollars (6% growth rate)	492,800	522,368	553,710	586,933	622,149
Village Park Phase IV - Operating costs associated with green room (3% growth rate)	-	-	9,000	9,270	9,548
Bakers Creek (Debt Service on \$900,000 for RR and concessions)	-	-	-	90,000	90,000
Radio Purchase at \$2.7 million- (Debt service issuance for final 2 payments)	-	-	-	677,750	677,750
Enhanced Street Paving - (over and above operating budget)	-	-	-	280,285	288,693
Westside Park - Phase 1 at \$8 million; (Debt service at 20 years, 3% interest)	-	-	-	640,000	628,000
Westside Park- Staffing and operational costs (6% growth rate)	-	-	-	240,950	255,407
Eastside Fire Station - Permanent - Debt Service on \$6.7 million, 20 years, 3% interest	-	-	-	-	-
Eastside Fire Station - Permanent - Operating costs (6% growth rate)	-	-	-	-	-
Litter Clean-Up Program -5 person crew + volunteer coordinator (6% growth rate)	-	560,000	593,600	611,408	-
Litter Clean-Up Program - Debt service on rear loader at 3 years, 2% interest	-	70,677	69,333	68,000	-
Gem Theatre - Phase II Renovations - Debt service on \$3.1 million, 10 years at 2% interest	-	-	396,000	389,400	382,200
Kann. Parkway/Highway 3 Decorative Street Lights Landscaping - utility costs (3% growth rate)	25,000	25,750	26,523	27,318	28,138

FIVE YEAR FUNDING PLAN

Western Cabarrus Fire Station - Permanent - Operating costs (6% growth rate)	-	789,900	837,294	887,532	940,784
Western Cabarrus Fire Station - Permanent (Existing Debt Service at \$1m)	-	80,000	78,500	77,000	75,500
Irish Buffalo Creek Greenway - Operating costs of \$25k for part-time staff	-	-	25,000	25,000	25,000
Eastside Park	-	-	-	-	-
Eastside Park - Operating costs; assumes revenues	-	-	-	-	-
Western Cabarrus Communication Tower - Debt service at \$1.7 million at 10 years; 2% interest	-	-	204,000	200,600	197,200
Additional Bus Shelters- (3% growth rate)	-	-	-	5,000	5,300
Information Kiosks at City Hall/Downtown (3% growth rate)	-	-	-	-	-
Downtown Development Organization (matches revenues tied to MSD at 10% growth rate)	-	200,000	220,000	242,000	266,200
Transit CARES subsidy ending (impact to General Fund due to transfer)	-	-	200,000	200,000	200,000
Central Energy Plant - operating costs (3% growth rate)	-	51,500	53,045	54,636	56,275
Downtown Parking Program- includes: \$85k meter/software ongoing maintenance, Parking Admin at \$80k with benefits and 4 Parking Ambassadors at \$100k	-	299,000	314,900	349,619	368,556
Gem Theatre- Operating costs (6% growth rate)	735,000	779,100	825,846	875,397	927,921

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Replacement Capital Outlay to be worked into the budget each year	-	750,000	750,000	750,000	750,000
FY 22 One-time Operating (includes vehicle purchase of Code Enforcement)	306,000	-	-	-	-
FY 22 Personnel and Operating (includes Code Enforcement initiative from retreat)	640,003	745,558	861,477	988,621	1,127,922
Sub-total Total					
Recurring Impact	\$ 2,248,803	\$ 4,925,353	\$ 6,071,272	\$ 8,331,355	\$ 7,978,817

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. This total year over year matches the budget capacity seen on the funding implementation plan for capital projects.

City of Kannapolis: Five Year Financial Plan - General Fund						
REVENUES	2021	2022	2023	2024	2025	2026
				Rowan Reval	Cabarrus Reval	
Property Taxes (3% growth rate)	27,751,824	32,682,929	33,663,417	34,673,319	36,006,783	38,846,570
Revaluation component (Rowan additional 1% revaluation; Cabarrus additional 6% revaluation)	3,886,809	-	-	284,722	1,708,334	-
Value add (January 1, 2021 compared to January 1, 2020 - add to VIDA coming online)		180,000	360,000	370,800	381,924	393,382
Sales Tax (7.5% growth for FY 22-25) based of FY 21 projected	8,825,121	11,131,082	11,965,913	12,863,357	13,828,108	14,865,217
Franchise Tax (based off FY 20 actuals) *not seeing growth	2,660,000	2,698,000	2,698,000	2,698,000	2,698,000	2,698,000
Powell Bill (flat at FY 20 actual) *not seeing growth	1,065,744	1,298,734	1,298,734	1,298,734	1,298,734	1,298,734
Stadium Fees (CVB-\$500k first year,	750,000	550,000	550,000	550,000	550,000	550,000

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\$100k for 7 subsequent years, team lease- \$450k until FY 25 goes up to \$500k)						
Enterprise Management Fee (Reduced based on FY 20 Fee calculation)	2,614,500	2,614,500	2,368,281	2,368,281	2,368,281	2,368,281
Investment Income (flat)	210,000	210,000	210,000	210,000	210,000	210,000
Fire Districts Sales Tax (8%)	150,000	162,000	174,960	188,957	204,073	220,399
Vehicle License (1%) \$15 GF; \$15 Transit	389,559	393,455	397,389	401,363	405,377	409,430
TIF Contribution (Cabarrus County TIF contribution)	1,336,792	1,331,402	1,328,433	1,326,113	1,325,926	1,325,926
SRO Grant (recurring as long as grant is approved)	100,000	100,000	100,000	100,000	100,000	100,000
Parks and Rec Fees (based on FY 19 actuals, more typical year with growth rate at 3%)	610,000	489,250	503,928	519,045	534,617	550,655
Permits and Fees (based off FY 20 actual with 2.5% growth rate)	145,000	153,750	157,594	161,534	165,572	169,711
Beer and Wine Tax (*most received was \$206k dating back to 2017)	210,000	205,000	205,000	205,000	205,000	205,000
ABC Funds (5% growth rate based off FY 20 actuals)	90,000	102,296	107,411	112,782	118,421	124,342
Other Revenues (1% growth rate)	876,000	884,760	893,608	902,544	911,569	920,685
Sub-total Recurring Revenues	51,671,349	55,187,158	56,982,667	59,234,550	63,020,718	65,256,332
Increase/Decrease in Revenues	-	(59,674)	-	(66,625)	81,709	89,002
Sub-total One-Time Revenues	-	(59,674)	-	(66,625)	81,709	89,002

FIVE YEAR FUNDING PLAN

Total Revenues	51,671,349	55,127,484	56,982,667	59,167,925	63,102,427	65,345,334
Personnel Costs	22,925,580	25,448,497	27,410,555	29,124,493	30,896,814	32,729,328
New Positions	-	-	-	-	-	-
Auxiliary Police Efforts	-	-	-	-	-	-
Merit increase - (2.5% average for FY 22-FY 25)	-	482,719	489,960	497,310	504,769	512,228
Cost of Living Adjustment - (2.5% FY21, 1.5% FY22-FY 25)	571,667	285,351	289,632	293,976	298,386	303,386
Health Insurance increases (includes retirees)	625,000	150,000	150,000	150,000	150,000	150,000
Workers Compensation (avg increase 7%)	164,800	11,536	11,882	12,239	12,606	5,565
Liability Insurance (avg increase 7%)	861,450	60,302	62,111	65,216	68,477	51,358
Retirement Rate increase (1.2% through FY 22) (FY 22: 11.35 % for regular; 12.10% law)	300,000	303,600	-	-	-	-
Sub- total Personnel Costs	25,448,497	26,742,005	28,414,139	30,143,233	31,931,052	33,751,864
Operational Costs						
Departmental Operations (2% increase based on inflation)	11,996,252	12,236,177	12,480,901	12,730,519	12,985,129	13,244,832
Parking Deck Operations	-	143,500	143,500	143,500	143,500	143,500
Expansion of Services	-	-	-	-	-	-
Potential 911Software (\$75k in FY 23)	-	-	75,000	75,000	75,000	75,000
Cannon Baller's Team Store/Office/Ticketing Lease (\$256,000 for 15 years) starting in FY 24	-	-	-	256,000	256,000	256,000

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Replacement Policy Implementation(Fleet, machinery, equipment) capital outlay	-	-	-	-	-	-
Deferred or (preventative) Maintenance	-	-	-	-	-	-
Sub- total Operating Costs	11,996,252	12,379,677	12,699,401	13,205,019	13,459,629	13,719,332
Debt						
Existing Debt Service	7,267,311	6,787,226	6,462,650	5,971,676	5,869,709	5,760,914
VIDA Parking Deck (tied with transfer to downtown fund) \$14.3 million	-	1,042,357	1,007,259	999,262	994,992	988,619
Motorola Lease for Police and Fire Radio Replacement (\$2.4 m) ends in FY 26 *cash first 2 years	-	-	-	-	677,750	677,750
Sub- total Debt Service	7,267,311	7,829,583	7,469,909	6,970,938	7,542,451	7,427,283
Transfers						
Transfer to Downtown Fund (Debt Service of Stadium)	6,809,289	6,633,414	6,485,960	6,356,971	6,203,725	6,028,175
Transfer to Environmental (not necessary if fee increase takes place in FY 22) assumes fee increase takes place (additional \$2.50)	150,000	-	-	-	-	-
Sub- total Transfers	6,959,289	6,633,414	6,485,960	6,356,971	6,203,725	6,028,175
Total Recurring Expenditures	51,671,349	53,584,679	55,069,409	56,676,161	59,136,857	60,926,654
Other						
Increase (Decrease) in Expenditures	-	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)

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Total One Time Expenditures	-	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Total Expenditures	51,671,349	53,484,679	54,969,409	56,576,161	59,036,857	60,826,654
Revenues over (under) Expenditures	-	1,642,805	2,013,258	2,591,764	4,065,571	4,518,680

Water and Sewer Revenue Assumptions:

- Budget capacity is based on conservative growth year over year in the operating budget.
- There is a potential rate increase projected in FY 23 to offset projected debt service.
- Any unused cash is carried forward from year to year on the plan.
- Cash reserves are projected to be utilized through FY 24 - FY 25 to cover operational deficits. Through conservative forecasting this may not be needed.
- **Projected cash reserves at the end of the 5-year window approximately \$2.5 million.**
 - Doesn't include fund balance appropriations above the 25% target after FY 22

Description	Projected Amount	Fiscal Year
Water and Sewer - Fund Balance Available for Appropriation <i>(above 25% minimum target balance)</i>	\$2,580,000	FY 22
Kannapolis Crossing <i>(budgeted debt service)</i>	\$960,000	FY 22
Projected Cash Availability for FY 22	\$3,540,020	
Kannapolis Crossing Developer Contribution	\$2,000,000	FY 23
Rowan County Contribution for Kannapolis Crossing	\$1,000,000	FY 23
Projected Cash Availability for FY 23	\$3,000,000	
Kannapolis Crossing Developer Contribution	\$500,000	FY 24
Projected Cash Availability for FY 24	\$500,000	
Kannapolis Crossing Developer Contribution	\$500,000	FY 25
Projected Cash Availability for FY 25	\$500,000	

Revenue Sources	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Cash Availability (Fund Balance above 25% target)	\$2,580,020	\$0	\$0	\$0	\$0
Kannapolis Crossing Developer Contribution		\$2,000,000	\$500,000	\$500,000	\$0
Rowan County Contribution for Kannapolis Crossing		\$1,000,000	\$0	\$0	\$0
Kannapolis Crossing Budgeted Debt Service	\$960,000	\$0	\$0	\$0	\$0

FIVE YEAR FUNDING PLAN

Remaining Cash Capacity	\$0	\$2,255,020	\$4,275,020	\$4,062,082	\$2,860,681
Subtotal One-Time Cash Revenues	\$3,540,020	\$5,255,020	\$4,775,020	\$4,562,082	\$2,860,681
Budget Capacity	\$0	\$644,292	\$577,537	\$78,464	\$1,134,213
Potential Rate Increase	\$0	\$750,000	\$772,500	\$795,675	\$819,545
Subtotal Recurring Revenues	\$0	\$1,394,292	\$1,350,037	\$874,139	\$1,953,758
Subtotal Total Revenues	\$3,540,020	\$6,649,312	\$6,125,057	\$5,436,221	\$4,814,439
GRAND TOTAL (ALL PROJECTS)	\$1,285,000	\$1,967,500	\$2,062,975	\$2,575,540	\$2,012,105
GRAND TOTAL CASH PROJECTS	\$1,285,000	\$980,000	\$350,000	\$888,000	\$350,000
GRAND TOTAL OPERATING (INCLUDES DEBT SERVICE)	\$0	\$987,500	\$1,712,975	\$1,687,540	\$1,662,105
Remaining Cash Capacity	\$2,255,020	\$4,275,020	\$4,425,020	\$3,674,082	\$2,510,681
Operating Capacity/Deficit	\$0	\$406,792	-\$362,938	-\$813,401	\$291,653
Remaining Cash after FB appropriation	\$2,255,020	\$4,275,020	\$4,062,082	\$2,860,681	\$2,510,681

Water and Sewer Expense Assumptions:

- Projects are broken down between cash funded projects and those that have a recurring operating impact.
- Capital Improvement Projects include only projects within FY 25 seen on the CIP matrix provided.
 - All post FY 26 projects are not worked into the funding implementation plan at this time.
- Capital outlay replacement is worked in year over year based on an average of past trends.
- Operational costs include projected debt service and deferred/preventive maintenance.
 - Potentially two revenue bond issuances in early FY 22 and late FY 22
 - \$10.5 million for Kannapolis Crossing
 - \$9.84 million for the following projects:
 - Concrete Spillway Upgrade and Repair - \$4.3 million
 - Downtown Sewer Outfall - \$3.1 million
 - North Kannapolis Primary Water Loop- Phase 1- \$1.4 million (*estimated at 50% - Kannapolis portion*)
 - Irish Creek Sewer Improvements (force main) - \$179,500 (*estimated at 50% - Kannapolis portion*)

FIVE YEAR FUNDING PLAN

- Irish Creek Water Phase 2- \$826,500 (*estimated at 50% - Kannapolis portion*)
 - Deferred and preventative maintenance will address infiltration and inflow and sewage repairs (*alternating each year between the two*)

Projects and Initiatives - Cash Projects	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
<i>Expansion Requests</i>					
Capital outlay replacement	350,000	350,000	350,000	350,000	350,000
<i>CIP</i>					
HWY 136 Lift Station Abandonment	-	180,000	-	-	-
Nathan Avenue Waterline Loop - water quality/fire flow/redundancy	260,000	-	-	-	-
Brantley Lift Station Improvements - upgrades to electrical, force main	275,000	-	-	-	-
13th Street and North Cannon Sewer Replacement - facilitates capacity for Kannapolis Crossing	400,000	-	-	-	-
U-5761 DEB and Cannon Water and Sewer Replacement - NCDOT driven	-	-	-	538,000	-
Midlake Lift Station Improvements	-	450,000	-	-	-
Sub-total Total Cash Projects	\$ 1,285,000	\$ 980,000	\$ 350,000	\$ 888,000	\$ 350,000
<i>Operating</i>					
Deferred/Preventative Maintenance (<i>I/I problems and sewage repairs-alternate YOY</i>)	-	200,000	200,000	200,000	200,000
Kannapolis Crossing - \$10.5 million (<i>20 years at 2.5% interest</i>)	-	787,500	774,375	761,250	748,125
Potential Revenue Bond Issuance- Total 9.84 million at 20 years, 2.5% interest -Spillway Concrete Upgrade and Repair-	-	-	738,600	726,290	713,980

FIVE YEAR FUNDING PLAN

\$4.3 million -Downtown Sewer Outfall -\$3.1 million -North Kannapolis Primary Water Loop - Phase 1 (Irish Creek 50%) -\$2.88 million <i>Kannapolis Portion at 50% - \$1.44 million</i> -Irish Creek Sewer Improvements (50 % of force main cost) - \$359,000 <i>Kannapolis Portion at 50% - \$179,500</i> -Irish Creek Water Phase 2 (50 % Bore, Enochville and Cannon Farm Rd)-\$1.65 million <i>Kannapolis Portion at 50% - \$826,500</i>						
Sub-total Total Recurring Impact	\$	-	\$ 987,500	\$ 1,712,975	\$ 1,687,540	\$ 1,662,105

The table below shows the post fiscal year 2026 capital projects that are currently not worked into the Water and Sewer Five Year Plan.

Project	Priority	Total Project Cost	Fiscal Year
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
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

FIVE YEAR FUNDING PLAN

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
Dechlorination 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

The Water and Sewer 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. This total year over year matches the budget capacity seen on the funding implementation plan for capital projects.

City of Kannapolis: Five Year Financial Plan - Water and Sewer Fund

	2021	2022	2023	2024	2025	2026
REVENUES						
Charges and Fees (1% growth rate)	18,250,000	18,250,000	18,432,500	18,616,825	18,802,993	18,991,023
Fire line service fee increase (based off 6 inch line-could be more once lines are identified)	-	42,624	43,050	43,481	43,916	45,699
Wholesale Water Sales (3% growth rate in FY 23-FY 26)	415,000	415,000	419,150	423,342	427,575	444,936

FIVE YEAR FUNDING PLAN

Tap Fees (3% growth rate in FY 23-FY 26)	250,000	450,000	463,500	477,405	491,727	506,479
Connection Fees (3% growth rate in FY 23-FY 26)	1,000,000	1,250,000	1,287,500	1,326,125	1,365,909	1,537,342
Development Driven Growth	-	-	200,000	206,000	212,180	212,177
Reconnection Fees - kept flat	140,000	140,000	140,000	140,000	140,000	140,000
Penalties- see rebound from COVID	400,000	400,000	400,000	400,000	400,000	400,000
Miscellaneous Revenue (Flat)	15,000	15,000	15,000	15,000	15,000	15,000
Investment Income (Flat)	30,000	30,000	30,000	30,000	30,000	30,000
Sub-total Recurring Revenues	20,500,000	20,992,624	21,430,700	21,678,177	21,929,300	22,322,656
Total Revenues	\$ 20,500,000	\$ 20,992,624	\$ 21,430,700	\$ 21,678,177	\$ 21,929,300	\$ 22,322,656
Personnel Costs (6% growth rate)	3,773,012	4,056,158	4,299,527	4,557,499	4,830,949	5,120,806
Sub- total Personnel Costs	3,773,012	4,056,158	4,299,527	4,557,499	4,830,949	5,120,806
Operational Costs		-	-	-	-	-
Customer Service (3% growth rate)	244,100	325,100	334,853	344,899	355,246	365,903
Distribution (increased this based on bulk water and materials acct) increased 7%	1,207,800	1,348,832	1,443,250	1,544,278	1,652,377	1,768,044
Water Treatment Plant (increased based on trends- 3%)	2,123,135	2,211,191	2,277,527	2,345,853	2,416,228	2,488,715
Sewage Treatment Plant (based off 7% increase YOY to account for I/I)	3,407,618	3,194,670	3,418,297	3,657,578	3,913,608	4,187,561
Sub- total Operating Costs	6,982,653	7,079,793	7,473,927	7,892,607	8,337,459	8,810,222
Debt						
Existing Debt Service (excludes Kannapolis Crossing)	6,604,714	5,525,052	5,349,015	5,216,049	5,179,707	3,684,413

FIVE YEAR FUNDING PLAN

Kannapolis Crossing			960,000	960,000	960,000	960,000	960,000
Debt Issuance Costs		500,000	500,000				
Sub- total Debt Service		7,104,714	6,985,052	6,309,015	6,176,049	6,139,707	4,644,413
Transfers							
Transfer to General Fund (assumes standard growth for WS)		2,143,921	2,143,921	2,208,239	2,274,486	2,342,720	2,413,002
Transfer to Environmental Fund (assumes in FY 24 additional \$2.50 occurs; less of impact to Env)		495,700	495,700	495,700	200,000	200,000	200,000
Sub- total Transfers		2,639,621	2,639,621	2,703,939	2,474,486	2,542,720	2,613,002
Total Recurring Expenditures		20,500,000	20,760,624	20,786,408	21,100,640	21,850,835	21,188,443
Other							
Increase (Decrease) in Expenditures		-	232,000	-	-	-	-
Total One Time Expenditures		-	232,000	-	-	-	-
Total Expenditures		20,500,000	20,992,624	20,786,408	21,100,640	21,850,835	21,188,443
Revenues over (under) Expenditures		-	-	644,292	577,537	78,464	1,134,213

DEBT SERVICE AND FUND BALANCE

DEBT SERVICE AND FUND BALANCE

Debt Service is mandated by General Statute 159-36, 159-25 (a) (5). The debt service cost center is maintained to track the annual principal and interest requirements of General Obligation Bonds (GO), Certificates of Participation (COPS)/Limited Obligation Bonds (LOBS), Revenue Bonds, Notes Payable and Lease and Installment Financing Agreements.

The following tables outline the debt service budgeted for FY 22. Any new debt service is denoted with an (*).

GENERAL FUND DEBT SERVICE		
LOBS	Principal	Interest
Fire Stations 2 and 3	555,000	374,569
City Hall/Police Headquarters	1,370,000	739,056
NCRC Projects	2,388,000	274,804
Irish Buffalo Creek	92,000	28,593
College Station/ Duct Bank/Street Scape	394,999	243,082
Stadium	2,600,000	2,010,450
Parking Deck at VIDA	740,000	305,357
Other		
Way finding Signs	34,775	175
Equipment	42,153	7,895
Warehouse/Fire Truck	162,139	5,901
Village Park/Fire Truck	221,533	92,612
Refinancing	337,330	9,293
Kannapolis Business Park	50,000	1,392
Downtown Purchase	733,000	332,158
Phase Infrastructure/College Station Land	225,466	94,256
Fire Engine	102,003	-
Total	\$10,048,398	\$4,519,593

NEW: \$14.7 million -VIDA parking deck debt service hits in FY 22 (20 year debt at 2% interest)

Downtown Fund:

FY 22 budget includes the close out of the Downtown Fund since the City no longer owns/maintains most of the properties in downtown. All expenses related to West avenue and the linear park are now in Park's budget (approx. \$120,000 related to utilities downtown (Pump house, lights, etc.). College Station expenses (approx. \$10,000 in utilities and \$401,630 in rental/lease revenue) are moved to the Non-Departmental budget.

DEBT SERVICE AND FUND BALANCE

WATER AND SEWER FUND DEBT SERVICE		
Revenue Bonds	Principal	Interest
Vac Truck	615,007	623,816
Kannapolis Crossing/Lane St/WTP Improvements	1,305,000	155,188
Downtown Water and Sewer	279,000	180,404
Davidson Road Water	672,000	594,548
Reducing Series 2011/2014	890,000	833,040
Other		
Jet Vac Truck	39,215	197
Equipment	76,527	14,334
Water Line-NCRC	76,633	3,134
Afton Run Sewer	59,863	3,723
Kannapolis Parkway	42,932	1,182
Second Creek	15,171	4,138
Total	\$4,071,348	\$2,413,704

STORMWATER FUND DEBT SERVICE		
Installment Obligations	Principal	Interest
Equipment	17,561	3,290
Stormwater various projects	710,927	226,465
Total	\$728,488	\$229,755

ENVIORNMENTAL FUND DEBT SERVICE		
Special Obligation Bonds	Principal	Interest
Equipment	224,716	7,319
Total	\$224,716	\$7,319

Legal debt margin: North Carolina General Statute 159-55 limits the City's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds. The legal debt margin is the difference between the debt limit and the City's net debt outstanding applicable to the limit and represents the City's legal borrowing authority.

See the next page for the City's legal debt margin calculation

DEBT SERVICE AND FUND BALANCE

	Principal Balance	Principal Payment	Interest Payment	Total Payment
General Fund				
Existing Debt at June 30, 2021	49,896,998	5,266,121	1,673,443	6,939,564
New Proposed Debt for FY 22 (Budgeted)	-	842,003	305,357	1,147,360
Total General Fund Debt	\$ 49,896,998	\$ 6,108,124	\$ 1,978,800	\$ 8,086,924

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
Water and Sewer Fund				
Existing Debt at June 30, 2021	53,882,647	3,219,630	1,648,183	4,867,813
New Proposed Debt for FY 22 (Budgeted)	-	955,000	893,750	1,848,750
Total Water and Sewer Fund Debt	\$ 53,882,647	\$ 4,174,630	\$ 2,541,933	\$ 6,716,563

	Principal Balance	Principal Payment	Interest Payment	Total Payment
Stormwater Fund				
Existing Debt at June 30, 2021	6,703,319	728,487	251,159	979,646
New Proposed Debt for FY 22	-	-	-	-
Total Stormwater Debt	\$ 6,703,319	\$ 728,487	\$ 251,159	\$ 979,646

	Principal Balance	Principal Payment	Interest Payment	Total Payment
Environmental Fund				
Existing Debt at June 30, 2021	339,500	121,102	13,638	134,740
New Proposed Debt for FY 22	-	-	-	-
Total Environmental Debt	\$ 339,500	\$ 121,102	\$ 13,638	\$ 134,740

	Principal Balance	Principal Payment	Interest Payment	Total Payment
Downtown Fund				
Existing Debt at June 30, 2021	66,200,986	3,953,466	2,807,558	6,761,024
New Proposed Debt for FY 22 (Budgeted)	-	-	-	-
Total Downtown Debt	\$ 66,200,986	\$ 3,953,466	\$ 2,807,558	\$ 6,761,024

	Principal Balance	Principal Payment	Interest Payment	Total Payment
Total Debt				
Existing Debt at June 30, 2021	177,023,450	13,288,806	6,393,981	19,682,787
New Proposed Debt for FY 22	-	1,797,003	1,199,107	2,996,110
Total City Debt for FY 21	\$ 177,023,450	\$ 15,085,809	\$ 7,593,088	\$ 22,678,897

Assessed Value \$5,260,241,092 Taxable Property for Ad Valorem Tax located in the City.

Legal Debt Limit \$420,819,287 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 \$ 49,896,998 Note: the City's revenue bonds (Water and Sewer, Stormwater, and Environmental) are excluded from this calculation.

City Legal Debt Margin \$370,922,289

Source: LTD 2022 and Future Debt Payments FY 22

DEBT SERVICE AND FUND BALANCE

Fund balance is generally defined as the difference between a fund's assets and liabilities. Adequate fund balance is necessary for numerous reasons, such as the availability of funds in an emergency or unprecedented event, to maintain or enhance the City's financial position and bond rating, to provide cash for operations prior to receipt of property tax revenues, and to maximize investment earnings. Not all fund balance is available for appropriation. State statutes define the available amount as "cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts" in Chapter 159-8 of the North Carolina General Statutes. Fund balance may be reserved for specific uses, such as special revenue funds, where fund balance may only be used for a designated purpose.

Unrestricted Cash Reserves and Fund Balance				
Fund	Minimum Target %	Projected Total Reserves, June 30, 2021	Available for Appropriation in FY 22	Amount needed to reach Target %
General	25%	\$21,960,915	\$5,935,000	Above Target
Water and Sewer	25%	\$8,685,478	\$1,480,020	Above Target
Stormwater	25%	\$2,985,745	\$1,612,473	Above Target
Environmental	10%	\$846,690	\$0	\$288,223
Transit*	NA	\$420,878	\$420,878	NA
Totals		\$34,899,706	\$9,448,371	\$288,223

**The recommend FY 22 Budget includes an appropriation of \$200,000 in fund balance in the Transit Fund.*

	General Fund	Water and Sewer	Stormwater	Environmental	Seperation Pay	Transit Fund	Downtown Fund	Total All Funds
Actual Balance June 30, 2020	20,866,134	8,685,478	2,985,745	846,690	-	660,878	4,041,488	38,086,413
Projected Revenues FY 2021	58,159,364	21,030,850	3,078,995	4,503,966	-	857,338	9,596,181	97,226,694
Projected Expenditures FY 2021	48,828,496	20,744,339	3,710,423	4,646,983	-	-	9,657,913	87,588,154
Projected Balance June 30, 2021	30,197,002	8,971,989	2,354,317	703,673	-	1,518,216	4,041,488	47,786,685
Budgeted Revenues FY 2022	56,514,506	20,992,624	3,195,831	4,629,129	484,210	700,000	-	86,516,300
Budgeted Expenditures FY 2022	56,514,506	20,992,624	3,195,831	4,629,129	484,210	700,000	-	86,516,300
Projected Balance June 30, 2022	30,197,002	8,971,989	2,354,317	703,673	-	1,518,216	4,041,488	47,786,685

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.

PERSONNEL

Full Time Employees

DEPARTMENT	ACTUAL FY2018	ACTUAL FY2019	ACTUAL FY2020	BUDGET FY2021	BUDGET FY2022	CHANGE/ ADDITIONS
GENERAL GOVERNMENT						
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	-
TOTAL GENERAL GOVERNMENT	43	45	53	53	57	4
PUBLIC SAFETY						
POLICE	112	113	113	114	118	4
FIRE	94	95	95	96	96	0
TOTAL PUBLIC SAFETY	206	208	208	210	214	4
TOTAL PARKS AND RECREATION	10	12	18	18	23	5
TOTAL PUBLIC WORKS (INCLUDING POWELL BILL)	22	24	24	24	26	2
TOTAL GENERAL FUND	281	289	303	305	320	15
WATER & SEWER FUND						
BILLING AND COLLECTIONS	8	8	9	10	12	2
WATER TREATMENT PLANT	11	14	15	15	15	-
DISTRIBUTION	29	33	38	39	40	1
TOTAL WATER & SEWER	48	55	62	64	67	3
TOTAL STORMWATER FUND	16	16	16	16	17	-
TOTAL ENVIRONMENTAL	4	4	6	6	5	-
TOTAL ALL FUNDS	349	364	387	391	409	18

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

NEW POSITIONS					
DEPARTMENT	POSITION REQUESTED	GRADE	POSITIONS REQUESTED	SALARY (all at 15%)	NOTES
Police Department- Field Operations	Police Officer	70	4	-	Assigned for Downtown district. These positions are recommended with no funding assigned due to high vacancies in this department. If the department comes fully staffed during the fiscal year, an appropriation of fund balance will need to take place to.
Parks Department	Park Maintenance Technician III	64	1	\$34,115	Park Maintenance Tech III position associated with the maintenance for the new 2.7 mile Irish Buffalo Creek Greenway and existing portion of the Rocky River Greenway.

PERSONNEL

Parks Department	Park Maintenance Technician II	63	3	\$32,491	Park Maintenance Tech II's to provide full- time coverage at parks/grounds on weekends and provide the opportunity for promotions within the department. Offset by reducing part-time funding.
Parks Department	Assistant Athletics Coordinator <i>(new job class)</i>	68	1	\$36,057	Need for additional staff help for rapidly growing youth athletics program.
Planning	Planner	72	1	\$50,403	Due to heavy growth the city is experiencing. This position will assist with plan reviews and permitting.
Planning	Code Enforcement Officer	69	1	\$43,540	City Council retreat initiative for more focus on code enforcement and compliance city -wide.
General Services	Building Maintenance Technician I	62	1	\$30,944	Building Technician to accommodate janitorial duties city-wide; including new Parking Deck. Offset by reclassifying Facility Manger to a Building Technician position.
Engineering	Engineering Technician	72	1	\$50,403	This position will assist with the Fats, Oils and Grease (FOG) program and compliance, BMP Inspections and backflow related to Stormwater, SCM maintenance inspections program for Stormwater Phase II MS4 Permit compliance (currently non-existent); Right-of-Way acquisitions for City projects (currently accomplished through part-time staff); transfer responsibilities of Backflow & Cross Connection program from Water Resources; provide additional construction inspection services for existing field staff.

PERSONNEL

Transportation	Construction Maintenance Worker II	65	1	\$35,821	Mower operators, this will allow for our increased Right of Way and PDE areas of mowing and herbicide program. This addition allows us to maintain and improve this core service.
Water Resources	Locator <i>(new job class)</i>	69	1	\$43,540	This position would locate fire lines and locate electric for lights in NCRC area and stormwater utilities, which are not located for 811 calls. This position will be a shared position with Stormwater department but housed and budgeted within the Water and Sewer Fund.
Customer Service	Customer Service Advocate	65	2	\$35,821	As the City moves forward with the new Customer Service Initiative, an increased use of technology and a decrease in the manual processes, advances the need for full-time invested employees. These full-time positions assist customers through a call center operation, where general knowledge of ALL city services and departments is required.
RECLASSIFICATIONS					
Finance	(1) Part-Time Accountant to Full-Time	72			Additional hours will allow a back-up for Payroll.
Customer Service	(1) Customer Service Representative to Customer Service Manager <i>(new job class)</i>	70			Necessary to divide the Customer Service Center into two sub-division that serve as primary functions within the department: Utility Billing and Customer Service.

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)	409
County location	Cabarrus and Rowan

Area Statistics	
Population	53,411
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	97
Police Services	
Number of sworn personnel	89
Number of civilians	25
Number of patrol units	110

Education	
Public School Enrollment *Kannapolis City Schools	5,626
Elementary Schools	6
Middle School	1
High School	1
Graduation Rate	81.6%

Economy	
Unemployment rate	7.0% Cabarrus; 7.9% Rowan
Per capita personal income	\$45,220 Cabarrus; \$38,089 Rowan
Single Family permits issued (July 1-June 30)	348
Non-residential construction permit value	\$3,862,187

SUPPLEMENTAL INFORMATION

City of Kannapolis

Top 10 Taxpayers

Top 10 Taxpayers		Percent of Tax Base
1.	Atlantic American Properties	5.8%
2.	Kannapolis Logistics Center	1.4%
3.	Glen Afton LLC	1.22%
4.	Show Show Inc	1.04%
5.	Duke Energy Corporation	0.86%
6.	Kannapolis Investments LLC	0.83%
7.	Gateway Afton Ridge Inc	0.81%
8.	Centennial Afton Ridge LLC	0.72%
9.	Integra POE LP	0.67%
10.	Wells Fargo	0.66%

SUPPLEMENTAL INFORMATION

CITY OF KANNAPOLIS CLASSIFICATION PLAN EFFECTIVE JULY 15, 2020

*updated based on 2.5% COLA

Job Class				Salary Range			
				Development Range		Merit Range	
Code	Department	Job Classification	Grade	Minimum	15%	Midpoint	Maximum
			52	\$16,275	\$18,715	\$20,750	\$25,225
			53	\$17,088	\$19,651	\$21,787	\$26,487
			54	\$17,943	\$20,634	\$22,877	\$27,811
1900	Parks	Concession Worker	55	\$18,841	\$21,665	\$24,021	\$29,202
			56	\$19,781	\$22,749	\$25,221	\$30,662
1905	Parks	Park Attendant	57	\$20,771	\$23,887	\$26,482	\$32,195
			58	\$21,810	\$25,081	\$27,807	\$33,805
			59	\$22,900	\$26,335	\$29,197	\$35,495
1915	Parks	Park Operations Specialist	60	\$24,045	\$27,651	\$30,657	\$37,269
			61	\$25,247	\$29,034	\$32,190	\$39,132
5220	General Services	Building Maintenance Technician I	62	\$26,510	\$30,486	\$33,799	\$41,090

SUPPLEMENTAL INFORMATION

1910	Parks	Park Maintenance Technician I					
1000	Global	Administrative Support Specialist	63	\$27,835	\$32,010	\$35,490	\$43,144
5215	General Services	Building Maintenance Technician II					
1920	Parks	Park Maintenance Technician II					
1300	Customer Service	Customer Service Representative					
5210	General Services	Building Maintenance Technician III	64	\$29,227	\$33,611	\$37,264	\$45,301
1400	Public Works	Construction Maintenance Worker I					
1925	Parks	Park Maintenance Technician III					
1800	Police	Police Records Specialist					
1930	Parks	Recreation Program Assistant					
1010/ 1100	Global	Senior Administrative Support Specialist					
1310	Customer Service	Senior Customer Service Representative					
1210	Finance	Accounting Technician I	65	\$30,689	\$35,291	\$39,127	\$47,566
1405	Public Works	Construction Maintenance Worker II					
1330	Customer Service	Customer Care Representative					
1445	Public Works	Meter Service Technician					
1320	Customer Service	Utility Billing Specialist					
1710	Fire	Reserve Firefighter					

SUPPLEMENTAL INFORMATION

1450	Public Works	Warehouse Assistant					
1020	Global	Administrative Assistant	66	\$32,222	\$37,056	\$41,084	\$49,944
5205	General Services	Building Maintenance Technician IV					
1408	Public Works	Heavy Equipment Operator					
1926	Parks	Park Maintenance Technician IV					
1220	Finance	Accounting Technician II	67	\$33,834	\$38,909	\$43,138	\$52,442
1345	Customer Service	Revenue Collection Specialist					
1340	Customer Service	Senior Utility Billing Specialist					
1810	Police	Telecommunicator					
1460	Public Works	Water Quality Technician					
1465	Public Works	Water Treatment Plant Maintenance Worker					
1422	Public Works	Construction Maintenance Technician	68	\$35,524	\$40,854	\$45,295	\$55,064
1705/ 1700	Fire	Firefighter/ Firefighter P/T					
1935	Parks	Park Manager I					
1470	Public Works	Water Treatment Plant Operator I					
4030	Planning	Code Enforcement Officer	69	\$37,302	\$42,896	\$47,559	\$57,817
1817	Police	Evidence/Property Control Technician					
4025	Planning	Planning Technician					
1715	Fire	Quality Assurance Coordinator					
1805	Police	Records Supervisor					

SUPPLEMENTAL INFORMATION

1815	Police	Telecommunicator Shift Supervisor					
1110	City Manager	Communications Specialist	70	\$39,166	\$45,042	\$49,937	\$60,708
1951	Parks	Athletic Program Coordinator					
1425	Public Works	Crew Chief					
1830	Police	DARE Officer					
1720	Fire	Fire Engineer					
5400	General Services	Grounds Manager					
1600	Human Resources	Human Resource Technician					
1940	Parks	Park Manager II					
1850	Police	Police Detective					
1820	Police	Police Officer					
1840	Police	School Resource Officer					
1865	Police	Training Coordinator					
1455	Public Works	Warehouse Manager					
1475	Public Works	Water Treatment Plant Operator II					
1816	Police	Police Planner/Accreditatio n Manager	71	\$41,125	\$47,294	\$52,435	\$63,744
1950	Parks	Recreation Programmer/Special Events Coordinator					
1230	Finance	Accountant I	72	\$43,181	\$49,658	\$55,056	\$66,931
1350	Customer Service	Billing and Collections Supervisor					
1430	Public Works	Crew Supervisor					
1490	Public Works	Engineering Technician					
4020	Planning	Planner					
1435	Public Works	Planner/Scheduler					

SUPPLEMENTAL INFORMATION

1730	Fire	Fire & Life Safety Educator	73	\$45,340	\$52,141	\$57,809	\$70,277
1725	Fire	Fire Inspector					
1610	Human Resources	Human Resource Analyst					
1250	Finance	Purchasing Agent					
1260/ 1262	Finance	Senior Accountant / Sr Accountant P/T					
1811	Police	Telecommunications Center Manager					
1480	Public Works	Water Treatment Plant Supervisor					
1120	City Manager	City Clerk	74	\$47,607	\$54,748	\$60,699	\$73,792
1735	City Manager	Communications Multimedia Specialist					
4015	Fire	Fire Captain					
1860	Planning	GIS Specialist					
	Fire	Safety and Logistics Officer					
	Police	Sergeant					
1265	Finance	Budget Analyst	75	\$49,987	\$57,486	\$63,735	\$77,481
5200	General Services	Facility Manager					
1495	Fire	Fire Vehicle Mechanic					
	Public Works	Operations Manager					
1740	Fire	Battalion Chief	76	\$52,487	\$60,360	\$66,920	\$81,355
1491	Public Works	Civil Engineer I					
1728	Fire	Fire Marshal					
1738	Fire	Health and Wellness Manager					
1870	Police	Police Lieutenant					
1615	Human Resource	Risk Manager					
	Information Technology	Software Support Specialist					

SUPPLEMENTAL INFORMATION

1130	City Manager	Community Development Program Administrator	77	\$55,111	\$63,378	\$70,267	\$85,422
1494	Information Technology	Information Technology Systems Engineer					
4010	Public Works	Senior Engineer Technician					
1737	Planning	Senior Planner					
	Fire	Training Manager					
1485	Public Works	Water Treatment Plant Manager	78	\$57,866	\$66,547	\$73,781	\$89,694
1492	Public Works	Civil Engineer II	79	\$60,761	\$69,874	\$77,468	\$94,178
1750	Fire	Division Chief					
	Information Technology	Network Administrator					
1270	Finance	Deputy Finance Director	80	\$63,798	\$73,367	\$81,342	\$98,887
1140		Director of Customer Service					
1880	Police	Police Captain					
	Engineering	Assistant Director of Engineering	81	\$66,988	\$77,036	\$85,410	\$103,831
1155	Planning	Assistant Planning Director					
	City Manager	Communications Director					
1150	City Manager	Director of Economic & Community Development					
5000	General Services	General Services Director					
1755	Fire	Assistant Fire Chief	82	\$70,338	\$80,888	\$89,680	\$109,023
1500		Director of Transportation and					

SUPPLEMENTAL INFORMATION

1161	City Manager Information Technology	Environmental Services Director of Water Resources Assistant to the City Manager Senior Network Administrator					
1955	Parks	Parks & Recreation Director	83	\$73,854	\$84,933	\$94,164	\$114,475
1885 1755	Police Fire	Deputy Chief of Police Deputy Fire Chief					
1620	Human Resource	Human Resource Director	84	\$77,546	\$89,179	\$98,873	\$120,198
1493 4000	Public Works Planning	Director of Engineering Planning Director	85	\$81,424	\$93,638	\$103,816	\$126,207
1280	Finance Information Technology	Finance Director Information Technology Director	86	\$85,495	\$98,320	\$109,007	\$132,518
1890 1760	Police Fire	Chief of Police Fire Chief	87	\$89,771	\$103,236	\$114,458	\$139,144
-	Global	Assistant City Manager	88	\$94,259	\$108,398	\$120,180	\$146,101
-	-	-	89	\$98,972	\$113,818	\$126,189	\$153,407
			90	\$103,921	\$116,594	\$129,267	\$157,148

SUPPLEMENTAL INFORMATION

1160	City Manager	Deputy City Manager	91	\$109,116	\$125,484	\$139,123	\$169,130
			92	\$114,572	\$129,175	\$143,215	\$174,105
			93	\$120,301	\$138,346	\$153,384	\$186,467

SUPPLEMENTAL INFORMATION

**CITY OF KANNAPOLIS
TAX RATES AND ASSESSED VALUATION**

FISCAL YEAR	TAX RATE PER \$100	ASSESSED VALUATION	TAX LEVY	% INCREASE (DECREASE)
1990	0.38	\$710,502,765	\$2,716,471	22%
1991	0.45	756,215,698	3,402,971	25%
1992	0.37	937,808,108 *	3,469,890	2%
1993	0.39	969,630,566	3,781,559	9%
1994	0.42	1,008,377,099	4,223,979	12%
1995	0.46	1,049,078,046	4,810,874	14%
1996	0.46	1,192,811,135 *	5,491,956	14%
1997	0.46	1,241,130,090	5,709,717	4%
1998	0.49	1,293,059,850	6,345,535	11%
1999	0.49	1,359,260,351	6,666,506	5%
2000	0.49	1,803,928,729 **	8,492,318	27%
2001	.047	1,847,521,353	9,052,855	7%
2002	0.49	1,983,954,396	9,721,377	7%
2003	0.49	2,027,762,094	10,717,459	10%
2004	0.53	1,969,103,832 ???	10,543,899	(1.6)%
2005	0.53	2,178,372,302 ****	10,826,510	3%
2006	0.497	2,270,062,374	11,282,210	4%
2007	0.497	2,375,528,118	12,054,762	7%
2008	0.497	2,560,383,000 ***	12,725,104	6%
2009	0.497	3,540,416,000 ****	17,348,038	36%
2010	0.49	3,699,101,000	18,225,595	4%
2011	0.49	3,733,730,000	18,295,595	0.4%
2012	0.49	3,762,762,000	18,437,534	0.7%
2013	0.56	3,405,337,747 ***	19,069,891	3.4%
2014	0.56	3,468,844,752 ****	19,425,531	1.8%

SUPPLEMENTAL INFORMATION

2015	0.60	3,546,893,759	21,281,363	10%
2016	0.63	3,653,710,000 ***	23,404,948	10%
2017	0.63	3,859,718,981 *****	23,708,300	2%
2018	0.63	3,981,333,560	24,538,000	3.5%
2019	0.63	4,080,738,159	25,294,944	5%
2020	0.63	4,337,823,300 ***	26,781,721	6%
2021	0.63	5,049,289,745 *****	31,212,488	14%

Legend:

*	A Citywide re-valuation of real property was conducted by Rowan County and Cabarrus County
**	In addition to a Citywide re-valuation being conducted, the City annexed ten square miles on its west side.
???	Rowan County re-valued property and the Pillowtex property was de-valued due to bankruptcy.
***	A re-valuation was done in the Rowan County portion of the City.
*****	A re-valuation was done in the Cabarrus County portion of the City.



Adopted Fiscal Year 2022 Fee Schedule

Adopted June 22nd, 2020

Revised May 10th, 2021

Adopted June 28th, 2021

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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 st 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)

Planning and Zoning

	<u>Fee</u>
Zoning Map Amendment: <i>*plus applicable Legal Ad & Mailed notification fees</i>	\$500.00
Conditional Zoning Map Amendment: <i>*plus applicable Legal Ad & Mailed notification fees</i>	\$600.00
UDO Text Amendment:	\$400.00
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>): <i>*plus \$25 per additional acre</i>	\$50.00
Driveway Permit:	\$25.00
Zoning Clearance Permit (Fees are for each item separately, even if combined in a single zoning clearance permit application)	
Residential 1F:	\$25.00
Residential 2F:	\$25.00
Multi-family (<i>5 units or less</i>):	\$250.00
Multi-family (<i>more than 5 units & whichever is greater</i>):	\$300.00 or \$.04/SF
Accessory (<i>Residential and Non-Residential</i>):	\$25.00

Non-Residential	\$30.00
Temporary Use	\$50.00
Temporary Construction Trailer	\$50.00
Home Occupation	\$50.00
Signs	\$40.00
Certification Letter	\$25.00

**Zoning, Watershed, Floodplain, etc.*

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

PUBLICATION FEES.

Land Use Plan	\$25.00
Unified Development Ordinance	\$50.00
Zoning Map	\$20.00

** All fees established are due and payable at the time of product delivery or upon initial submittal of any item or items to be reviewed, processed or approved. All fees are non-refundable with the following exception: 75% of processing and notification fees for map amendments listed in Part 1 of this ordinance may be refunded if an application is withdrawn within seven (7) days following a pre-hearing neighborhood meeting.

** There will be a \$25.00 returned check fee for any check received by the City.

Fire

REQUIRED CERTIFICATE OF COMPLIANCE

Certificate of Compliance

	<u>Fee</u>
1-1,000 SF	\$20.00
1,001-20,000 SF	\$50.00
20,000-50,000 SF	\$100.00
50,000-70,000 SF	\$200.00
Every 20,000 SF over 70,000 SF is an additional	\$50.00

Certificate of Compliance Re-inspections	\$ 50.00
Plan Review	
Construction	\$50.00+ .025/sf
Up-Fit	\$50.00+ .025/sf
Site Plan	\$50.00
Re-review fee	\$50.00
<i>* applied on third submittal & each re-submittal thereafter</i>	
Hydrant flow test (fee per hydrant)	\$150.00
Temporary Power Inspection	\$50.00
Load Merchandise Inspection	\$50.00
(1) For multi-tenant building, fees are per tenant.	
(2) For multiple building owned by the same owner(s), fees are per building as defined by the NC Building Code, Vol. 1.	
(3) Individuals or companies that have not secured permits or Certificates of Compliance prior to beginning work or occupying the structure shall be charged double the listed amount.	
(4) Re-inspections of the sprinkler system, fire alarm system, or building for Certificate of Compliance will result in an additional fee per inspection.	

REQUIRED CONSTRUCTION PERMITS

	<u>Permit Fee</u>	<u>Test Fee</u>
Automatic Fire Extinguishing Systems (Ansul/Sprinkler)	\$150.00	\$150.00**
Compressed Gases	\$150.00	\$150.00
Fire Alarm & Detection Systems	\$150.00	\$150.00**
Fire Pumps	\$150.00	\$150.00
Flammable & Combustible liquids	\$150.00	\$150.00
Hazardous Materials	\$150.00	\$150.00
Industrial Ovens	\$150.00	\$150.00
Spraying or Dipping Operations	\$150.00	\$150.00
Standpipe Systems	\$150.00	\$150.00

NOTE: Any system installation prior to plan review and/or a permit being issues will incur a double fee.

Any structure over 70,000 SF x .002 + \$150 **
(DOES NOT INCLUDE HOOD SYSTEM/ANSUL)

REQUIRED OPERATION PERMITS

	<u>Fee</u>
Amusement Buildings	\$150.00
Carnivals and Fairs	\$300.00
Covered Mall Buildings	\$150.00
Exhibits and Trade Shows	\$2,500/yr or \$150.00/event
Explosives (blasting)	\$100/1-day or \$300/90-days
Liquids Use, Dispensing, Storage, Transportation	\$150.00
UGST/AGST Install, Alter, Remove, Abandon	\$250.00/site
Change in Liquid in Tanks	\$150.00

Liquid Dispensing – AGST/UGST to Vehicles	\$150.00
Liquid Dispensing – Tanker to Vehicles	\$150.00
Pyrotechnic Special Effects Material (Fireworks)	\$300.00/day & site
Spraying or Dipping	\$150.00
Tents & Canopies	\$50.00/tent

REQUIRED OTHER CHARGES/FEEES

	<u>Fee</u>
Environmental Site Assessment Research	\$25.00 per hour (<i>one hour minimum</i>)
Fire Flow request/Special Request (fee per hydrant)	\$150.00/hydrant
Stand-by firefighters	\$20.00/hr per firefighter
<i>* when required by fire official or requested by occupant</i>	
After Hours Inspection – Special Request	\$35.00/hr (<i>minimum of 2 hours</i>)
After Hour Plan Review – Special Request	\$150.00/submittal
Other inspections by request	\$100.00
Knox/Lock Box Maintenance (Found with incorrect key)	\$100.00
Re-inspections (third visit or additional inspections)	\$50.00
State License Inspection Fee (ABC, State Bar, etc.)	\$100.00
Daycare & Nursing Home License Inspection Fee	\$ 75.00
Group Home License Inspection Fee (annually)	\$75.00
Foster License Inspection Fee (annually)	\$20.00 (<i>second visit \$50.00</i>)
Fire Incident Report Copy(s)	\$1.00 (<i>per report</i>)
Fire Extinguisher Recharge use for class	Current Market Rate per Ext.
Fire Extinguisher Program (Training Class)	\$ 50.00/On-site (Fire Station/City Hall)
Fire Extinguisher Program (Training Class)	\$75.00/Off-site at Requested Business

ANNUAL FIRE INSPECTION PROGRAM

	<u>Fee</u>
First Inspection (initial)	\$0.00
Second Visit Re-inspection	\$0.00
Third Visit Re-inspection	\$50.00
Fourth Visit Re-inspection	\$100.00

Additional Re-inspections will increase at \$50 per inspection until violations are corrected.

HAZARDOUS MATERIALS FEES:

Solids (lbs)	Liquids (gals)	Gases (SCF)	<u>Fee</u>
< 501	< 56	< 201	\$50.00
501 – 5,000	56 – 550	201 - 2000	\$150.00
5,001 – 25,000	551 – 2,750	2,001 – 10,000	\$200.00
25,001 – 50,000	2751 – 5500	10,001 – 20,000	\$250.00
50,001 – 75,000	5501 – 10,000	20,001 – 40,000	\$300.00
>75,000	> 10,000	>40,000	\$300.00
pound ** (plus .01/per gallon//scf in excess of listed amount)			

NOTE: Excluding LPG/Medical gases	
LPG (Excludes LPG used ONLY for heating and cooking)	\$150.00/tank
Medical Gasses	\$150.00/tank
Radioactive Materials any amount	\$125.00

STAND-BY PERSONNEL/EQUIPMENT

	<u>Fee(work hrs.)</u>	<u>Fee(Overtime)</u>
Ladder/Hazmat	\$125.00/\$95.00	
Engine/Tanker	\$95.00	
Crash Truck/ Heavy Rescue	\$95.00	
Rescue Units	\$95.00	
Mobile Command Unit/Bus	\$30.00	
USAR	\$28.00	
Light Vehicles (Cars/Pick-ups)	\$17.00/\$27.00	
Trailers	\$10.25	
Mules/ATV	\$8.00	
Assistant Chief/Division Chief	\$35.87	\$53.81
Battalion Chief	\$23.39	\$35.08
Fire Captain	\$21.21	\$31.82
Engineer	\$17.45	\$26.18
Firefighter	\$15.07	\$22.61
Risk Reduction Personnel	\$25.49	\$38.24

Based on Stand-by per quarter hour, minimum 2 hours.

HAZMAT SUPPLIES

Item	Rate
Level "A" (enclosed, splash, and vapor protection)	
Large-XLarge	1775.00
2XLarge	1975.00
Level "A" Suits (Flash protection)	
Large – Xlarge	2495.00
XXLarge	2695.00
Level B Suits (Splash protection)	
S- XLarge	170.50
2XL to 4XL	207.00
Tyvek Disposable Coveralls	17.00
Butyl Gloves	76.25 pair
Silver Shield Gloves	10.95 pair
Nitrile Gloves	5.30 pair
Rain fair Latex Nuke Boots (yellow over boots)	6.00 pair
Chem-Tape (for sealing gaps in suits at sleeve, ankle, hood and storm flap)	42.00
Pipettes	1.00 ea
Boom 8 x 10	72.64
Boom 3 x 10	10.77
Boom 3 x 4	6.40
Absorbent	15.00/bag

Item	Rate
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
Drager CMS Chips	
Acetic Acid 2 -50 ppm	77.95
Acetone 40-600 ppm	81.25
Ammonia 2-50 ppm	55.31
Ammonia 10-150 ppm	55.31
Benzene 10-250 ppm	147.91
Benzene 0.2-10 ppm	144.65
Carbon Dioxide 200-3000ppm	55.52
Carbon Dioxide 1000-25000ppm	55.52
Carbon Monoxide 5-150ppm	53.70
Chlorine 0.2-10 ppm	55.31
Formaldehyde 0.2-5 ppm	75.85
Hydrochloric Acid 1-25 ppm	70.17
Hydrogen Peroxide .2-2 ppm	79.49
Hydrogen Sulfide 2-50 ppm	55.31
Methanol 20-500 ppm	89.20
Nitrogen Dioxide .5-25 ppm	55.24
Nitrous Fumes (NO + NO2) 0.5-15ppm	53.70
Perchloroethylene 5-500 ppm	64.74
Petroleum Hydrocarbons 100 – 3000ppm	78.53
Petroleum Hydrocarbons 20-500ppm	79.42
Phosgene .05-2.0ppm	89.20

Item	Rate
Phosphine 1-25 ppm	66.91
Sulfur Dioxide 0.4-10 ppm	55.24
Trichloroethylene 5 – 100 ppm	64.00
Vinyl Chloride 0.3-10 ppm	70.87
Drager and GasTec Detector Tubes	
Acetaldehyde 100-1000ppm	66.71
Acetic Acid 5-80ppm	62.81
Ammonia 5-700ppm	55.75
Carbon Dioxide 0.5-20% Vol	88.30
Chlorine 0.3 – 5ppm	66.03
Chlorine 50-500ppm	63.97
Chlorobenzene 5-200ppm	63.97
Clan Lab Simultaneous Test Set	75.92
Cyanogen Chloride .25-5ppm	85.03
Haz-Mat Simultaneous Test Set 1 (inorganic)	127.16
Haz-Mat Simultaneous Test Set 2 (inorganic)	127.16
Haz-Mat Simultaneous Test Set 3 (organic)	127.16
Hydrocyanic Acid 2-150ppm	58.26
Hydrogen Cyanide 0.36-120 ppm	78.51
Hydrogen Flouride .5-90ppm	67.44
Nitrogen Dioxide 0.1-30ppm	80.12
Nitrogen Dioxide 0.5-125 ppm	52.97
Organic Arsenic Qualitative	80.26
Organic Basic Nitrogen Comp 1mg/ m3	85.73
Phenol 0.4-187 ppm	80.97
Phosphoric Acids Esters Up to .05ppm	104.94
Thioether 1mg/ m3	86.08
Vinyl Chloride 0.25-54 ppm	80.26
Decon Pools/Burms	360.00 ea
Chemical Classifiers Strips	10.00 ea
PH Papers	10.00 roll
Chemical Agent Detection Paper/Tape	50.00 ea
35 gallon trash can	30.00
Drum Sampler Tube	7.00 ea
Decon Solution	88.00/gallon
Tarp	57.00 ea
Mercury Spill Kit	24.00 ea
1 lb of 8p nails	3.47
1 lb of 16p nails	4.20
1 lb of 3” deck screws	9.94
4’ x 8’ 7/16” OSB Sheathing	7.25
4” x 6” x 12’ Lumber	22.00
4” x 4” x 16’ Lumber	21.00

Item	Rate
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 th 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

PUNCH CARDS

Punch Card of 12	\$15.00
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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

	Kannapolis Based Organization (Resident)	Non-Kannapolis Based Organization (Non-Resident)
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

Fields available for reservations:			
	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			

Rainout Hotline & Program Information number: 704-920-4344
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.

Rate	Lining	Turf	Additional Fees	Lights	Deposit
\$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

	Kannapolis Based Organization (Resident)	Non-Kannapolis Based Organization (Non-Resident)
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: (proposed 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
* base monthly charge per user as determined by number of dwelling units or commercial spaces on site, occupied or vacant (Note 2)	\$ 3.80		\$ 3.80

(Note 1) Water rates for customers with 2 inch meter or larger shall pay inside City rates.

(Note 2) All City customers will pay the base charge in addition to the per 1,000 gallon charge. Master metered customers will pay the base charge times the number of units served in addition to the per 1,000 gallon charge. Residential water customers using metered service for irrigation purposes only, shall not (during periods when level II or higher water restrictions are in effect) be billed a minimum bill for zero (-0-) usage.

(Note 3) Unmetered service is based upon an average bill of 7,000 gallons usage within a given month.

WATER TAP AND CONNECTION FEES	Inside City		Outside City	
Individual Water Tap Fees:				
* 3/4" service (installation by City)	\$ 1,300.00	*	\$ 1,300.00	*
* 1" service (installation by City)	\$ 1,500.00	*	\$ 1,500.00	*
* 1-1/2" service (installation by City)	\$ 1,800.00	*	\$ 1,800.00	*
* 2" service (installation by City)	\$ 2,100.00	*	\$ 2,100.00	*
* Larger than 2" (installation by customer or City)	All Cost Borne By Customer		All Cost Borne By Customer	

Fire Line Service Tap:

* All sizes (installation by the customer)	All Cost Borne By Customer		All Cost Borne By Customer
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Tap on of New Water Main to Existing:

* All sizes (installation by the customer)	All Cost Borne By Customer		All Cost Borne By Customer
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Individual Water connection fees: These fees were derived from meter factors as developed in the American Water Works Association Standards Manual. (See Note A)

Water meter Size

* 3/4" service	\$ 1,350.00		\$ 1,350.00
* 1" service	\$ 3,000.00		\$ 3,000.00
* 1-1/2" service	\$ 6,000.00		\$ 6,000.00
* 2" service	\$ 9,600.00		\$ 9,600.00
* 3" service	\$ 18,000.00		\$ 18,000.00

* 4" service	\$ 30,000.00		\$ 30,000.00
* 6" service	\$ 60,000.00		\$ 60,000.00
* 8" service	\$ 96,000.00		\$ 96,000.00
* 10" service	\$ 138,000.00		\$ 138,000.00

(Note A)

(1) Tap fee and connection fee shall be per lot or per unit to be served. 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.

**SEWER TAP AND
CONNECTION FEES**

**Inside
City**

**Outside
City**

Individual Sewer Service Tap Fees:

* 4" service (installation by the City) (includes any size pumped by customer)	\$ 1,700.00		\$ 1,700.00
* 6" or larger or where utility encasement may be required (installation by customer or City)	All Cost Borne By Customer		All Cost Borne By Customer

Tap on of New Sewer Line to Existing:

* All sizes (installation by the customer)	All Cost Borne By Customer		All Cost Borne By Customer
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Individual Sewer Connection Fees: These fees were derived from meter factors as developed in the American Water Works Association Standards Manual. (See Note B)

Water meter Size

* 3/4" service	\$ 1,000.00		\$ 1,000.00
* 1" service	\$ 1,625.00		\$ 1,625.00
* 1-1/2" service	\$ 3,250.00		\$ 3,250.00

* 2" service	\$ 5,200.00		\$ 5,200.00
* 3" service	\$ 9,750.00		\$ 9,750.00
* 4" service	\$ 16,250.00		\$ 16,250.00
* 6" service	\$ 32,500.00		\$ 32,500.00
* 8" service	\$ 52,000.00		\$ 52,000.00
* 10" service	\$ 74,750.00		\$ 74,750.00

(Note B)

(1) Tap fee and connection fee shall be per lot or per unit to be served. 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.

SERVICE FEES -AND DEPOSITS	Inside City	Outside City
Service Disconnect / Administrative Fee	\$ 30.00	\$ 30.00
Service Deposit (Non-Property Owners)		
* Water or sewer; water and sewer – secured	\$ 75.00	\$ 75.00
* Water or sewer; water and sewer – unsecured	\$ 225.00	\$ 225.00
Returned Payment Item		
* Each	\$ 25.00	\$ 25.00

HYDRANT METER FEES	Inside City	Outside City
Construction Hydrant Meter (refundable)	\$ 750.00	\$ 750.00
Fire Hydrant Use Account (refundable)	\$ 250.00	\$ 250.00
Annual Hydrant Use Permit Fee * Per vehicle	\$ 25.00	\$ 25.00

**NORTHWEST CABARRUS SERVICE AREA
CAPITAL COST RECOVERY FEES**

Water meter Size	Water	Sewer
* 3/4" service	\$ 450.00	\$ 967.00
*1" service	\$ 1,125.00	\$ 2,418.00
*1.5" service	\$ 2,250.00	\$ 4,835.00
* 2" service	\$ 3,600.00	\$ 7,736.00
* 3" service	\$ 6,750.00	\$ 14,505.00
* 4" service	\$ 11,250.00	\$ 24,175.00
* 6" service	\$ 22,500.00	\$ 48,350.00
* 8" service	\$ 36,000.00	\$ 77,360.00
* 10" service	\$ 51,750.00	\$ 111,205.00

*The above fees are in addition to the normal capital cost recovery fees (also known as "connection fees") currently charged by the City of Kannapolis for service connection. In the case of new development, the current fees are due at the time of zoning clearance permit issuance. Conversely, the capital cost recovery fees described above for the Northwest Cabarrus Services Areas shall be paid in full to the City of Kannapolis prior to obtaining individual zoning clearance permits. These fees may be modified by City Council at any time without prior notification.

**WATER & SEWER SYSTEM
ADMINISTRATIVE FEES**

Non-payment administrative service disconnect fee	\$ 30.00
Re-connection Fee (after normal business hours)	\$100.00
Physical notification of non-payment bill	\$ 0.00
Unauthorized / illegal connection or re-connection	\$300.00
Locking Devices cut or damaged	\$300.00
Meter Yokes damaged	\$300.00
Tampering, altering, removing, or replacing meter	\$400.00
Water meter bypass	\$300.00
Re-read / No Error	\$ 50.00
Meter Test Fee	\$100.00

**WATER & SEWER SYSTEM
ADMINISTRATIVE FEES**

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.

Stormwater

STORMWATER RATE TIER SCHEDULE

<u>Impervious Area Size (per Equivalent Residential Unit)</u>	<u>Fee</u>
Tier 1 – < 1,200 square feet	\$5.75
Tier 2 – 1,200 – 3,250 square feet	\$7.25
Tier 3 - > 3,250 square feet	\$8.75
Commercial – Per 3,250 square feet	\$7.25

Environmental

<u>Residential Environmental Fees (per occupied dwelling)</u>	<u>Fee</u>
Recycling/ Solid Waste	\$18.10
Additional Trash Bin Fee	\$2.50
Additional Recycle Cart	\$2.50
Garbage Ordinance Violation	\$50.00

Commercial Environmental Fees

Container Size (Business)	1X per Wk	2X per Wk	3X per Wk	4X per Wk	5X per Wk
4 Yd	\$100.23	\$190.37	\$284.90	\$380.70	\$464.25
6 Yd	\$119.67	\$229.24	\$345.10	\$460.99	\$575.60
8 Yd	\$134.27	\$268.53	\$402.80	\$537.04	\$671.32
Container Size (Recycle)	1X per Wk				
4 Yd	\$100.23				
6 Yd	\$119.67				
8 Yd	\$134.27				

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
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

Private Use Zone ID	Hourly Rate	After Hours Hourly Rate	Annual License Fee
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

GLOSSARY

AAP – Atlantic American Properties, a real estate dealer in Kannapolis.

ABC Revenues - Contributions from the local Alcoholic Beverage Control Board. The City is appropriated a portion of the net operating revenue derived from the operation of the local liquor stores.

Accrual Accounting - A basis of accounting in which revenues and expenses are recorded at the time they are incurred, instead of when cash is actually received or disbursed. For example, in accrual accounting, revenue earned between June 1 and June 30, but for which payment was not received until July 12, is recorded as earned on June 30, rather than on July 12.

Activity - A specific service or unit of work performed.

Ad Valorem Taxes - Revenue accounts showing taxes paid on real property, personal property to include property of public service companies allocated by the Ad Valorem Tax Division of the State Department of Revenue.

Adopted Budget - Term used to describe revenues and expenditures for the upcoming year beginning July 1 as adopted by the City Council.

And procedures necessary to define accepted accounting practices.

Annexation – Method by which a city may expand its boundaries (procedures are set forth in North Carolina General Statute 160A-46)

Appropriation (Budgeting) - An authorization granted by the City Council to make budgeted expenditures and to incur obligations for purposes specified in the budget ordinances.

Appropriation - An authorization made by the City Council which permits the City to incur obligations and to make expenditures of resources.

Assessed Valuation - A value that is established for real or personal property for use as a basis to levy property taxes.

AWWA – American Water Works Association

Balanced Budget - Occurs when planned expenditures equal anticipated revenues. In North Carolina, it is a requirement that the budget submitted to the City Council be balanced.

GLOSSARY

Basis of Accounting - A term used to refer to when revenues, expenditures, expenses, and transfers--and the related assets and liabilities-are recognized in the accounts and reported in the financial statements; the City of Kannapolis uses the modified accrual basis of accounting for budget preparation, as required by the North Carolina Local Government Budget and Fiscal Control Act.

Biotechnology – A term used to describe any technological application that uses biological systems, living organisms, or derivatives thereof, to make or modify products or processes most commonly related to human health and disease.

Bond - A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets and bridges.

Bond Funds - Resources derived from issuance of bonds for specific purposes and related Federal project grants used to finance capital expenditures.

Budget - A statement in dollar terms of the City's program of service delivery for the ensuing fiscal year.

Budget Amendment - A legal procedure utilized by the City staff and City Council to revise a budget appropriation.

Budget Calendar - The schedule of key dates which the City's departments follow in the preparation, adoption and administration of the budget.

Budget Document - The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

Budget Message - The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the City Manager.

Budget Ordinance - The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

Budgetary Control - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

GLOSSARY

C.O.P. – Community Oriented Policing

CAD - Acronym for Computer Aided Design.

CAFR – Certificate of Achievement in Excellence for Financial Reporting

CALEA – Commission on Accreditation for Law Enforcement Agencies

Capital Equipment - Vehicles, equipment, software, and furniture purchased by the City which individually amount to a value in excess of \$500 and an expected life of more than one year.

Capital Improvement Program - A plan for major capital expenditures to provide long-lasting physical improvements to be incurred over a fixed period of several future years.

Capital Improvements - Major construction, repair of or addition to buildings, parks, streets, bridges and other City facilities. Capital Improvements projects cost \$10,000 or more, and have a useful life of more than three years.

Capital Improvements Budget - The schedule of project expenditures for the acquisition and construction of capital assets for the current fiscal year.

Capital Outlays - Expenditures for the acquisition of capital assets. Includes the cost of land, buildings, permanent improvements, machinery, large tools, rolling and stationary equipment.

Capital Reserve Fund - A special fund used as a clearing house for monies being transferred from General Fund and Water and Sewer Fund operations.

Cash Accounting - A basis of accounting in which transactions are recorded when cash is either received or expended for goods and services.

Cash Management - The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships.

CD – Community Development.

GLOSSARY

CDBG – Community Development Block Grant given by the Federal Department of Housing and Urban Development.

CIP – Capital Improvement Program.

Classification - Assignment of a position title and an associated pay range based on the job skills required for a particular position.

Contingency Account - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

Contributed Capital – Donations of capital property to the City. Streets and water and sewer lines installed by developers and turned over to the City in order to be owned and maintained by the City are examples of contributed capital.

D.A.R.E. – Drug Abuse Resistance Education

Debt Services - The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Deficit - An excess of expenditures over revenues or expense over income.

Delinquent Taxes - Taxes that remain unpaid on and after the due date on which a penalty for non-payment is attached.

Department - An organizational unit responsible for carrying out a major governmental function.

Depreciation - The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replace. The cost of the fixed assets lost usefulness is the depreciation or the cost to reserve in order to replace tile item at the end of its useful life.

Disbursement - Payment for goods and services in cash or by check.

DS1 – Digital Service broad ban hookup. Telephone line for high speed service measured at 1,544,000 bits per second.

GLOSSARY

DWI – Driving under the influence of drugs or alcohol.

Encumbrance - The commitment of appropriated funds to purchase an item or service. To encumber funds is to set aside or commit funds for future expenditures.

Encumbrance Accounting - The system under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

Enterprise Fund - A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to insure that revenues are adequate to meet all necessary expenditures. Enterprise funds in Kannapolis are established for services such as water and sewer.

Estimated Revenue - The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by the City Council.

Expenditure - This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services regardless of when the expense is actually paid. This term applies to all funds.

Expenses - Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest and other charges.

Fiscal Year - The time period designating the beginning and ending period for recording financial transactions. The City of Kannapolis's fiscal year begins July 1st and ends June 30th.

Fixed Assets - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

FPS – Finkbeiner, Pettis & Strout, Inc., Consulting Engineers.

FTO – Field Training Officer.

Function - A group of related programs crossing organizational (department) boundaries and aimed at accomplishing a broad goal or accomplishing a major service.

Fund - An accounting entity that has a set of self-balancing accounts and that records all financial transactions for specific activities or government functions.

GLOSSARY

Fund Balance - Amounts shown as fund balance represent monies which remain unspent after all budgeted expenditures have been made. North Carolina statute declares that a portion of fund balance is not available for appropriation.

FY – Fiscal Year.

GASB - Acronym for Government Accounting Standards Board.

Generally Accepted Accounting Principles (GAAP) - Uniform minimum standards of and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures that organizations use to compile their financial statements. GAAP are a combination of authoritative standards set by policy boards and simply the most common ways of recording and reporting accounting information.

General Fund - The largest fund within the City, the General Fund accounts for most of the financial resources of the government. General Fund revenue include property taxes, licenses and permits, local taxes and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, finance, data processing, public works, and general administration.

General Ledger - A file that contains a listing of the various accounts necessary to reflect the financial position of the government.

General Obligation Bonds - Bonds that finance a variety of public projects such as streets, buildings and improvements; the repayment of these bonds is usually made from the General Fund and these bonds are backed by the full faith and credit of the issuing government.

Geographic Information System - A project which will link the City to a county-wide database, including hardware, software, and added personnel. This system is to be utilized as a planning tool by the City departments.

GF – General Fund.

GFOA - Acronym for Government Finance Officers Association.

GHSP – Governors Highway Safety Program.

GIS – Geographic Information System.

GLOSSARY

Goal - A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given time period.

Grant - A contribution by a government or other organizations to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed by the grantee.

HACV (HVAC) – heating, Air Conditioning, Ventilation

Interfund Transfers - Amounts transferred from one fund to another.

Intergovernmental Revenue - Revenue received from another government for a specified purpose.

Internal Service Fund - Funds used to account for the financing of goods or services provided by one department to another department on a cost reimbursement basis.

Inventory - A detailed listing of property currently held by the government.

Investment Revenue - Revenue earned on investments with a third party. The City uses a pooled cash system. We pool all funds' cash and invest it in total. The interest earned is then allocated back to individual funds by average cash balance in that fund.

K9 – Police canine program.

KPD – Kannapolis Police Department.

Lease-Purchase Agreement - An agreement that conveys the right to property or equipment for a stated period of item that allows the City to spread the cost of the acquisition over several budget years.

Levy - To impose taxes, special assessments, or service charges for the support of City activities.

LGC – Local Government Commission in the State Treasurer's office. Oversees local government Finance and Debt issuance.

LLEBG – Local Law Enforcement Block Grant.

GLOSSARY

Line Item Budget - A budget that lists each expenditure category (salaries, material, telephone, travel, etc.) separately, along with the dollar amount budgeted for each specified category.

Local Government Budget and Fiscal Control Act - This act governs all financial activities of local Governments within the State of North Carolina.

Long Term Debt - Debt with a maturity of more than one year after the date of issuance.

Maturities - The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

Merit Program - An established system to recognize and financially reward employee performance that exceeds the City's standards for a classification.

Modified Accrual Accounting - The accounting approach under which revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period, and expenditures are recognized in the accounting period in which a fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, which is recognized when due.

MPO – Metropolitan Planning Organization

NC ALE – North Carolina Alcohol Law Enforcement

NC SAFIS – North Carolina State Automated Fingerprint Identification System

NCDOT - Acronym for North Carolina Department of Transportation.

NCGS – North Carolina General Statute

NCSBI – North Carolina State Bureau of Investigations

NFPA – National Fire Protection Association

GLOSSARY

North Carolina Research Campus – A 157 acre biotechnology research center including laboratories, offices, housing, parking decks, retail shopping, and other amenities, being built in Kannapolis on the former Fieldcrest Cannon textile industrial plant site.

Object Code - An expenditure category, such as salaries, supplies or vehicles.

Objectives - A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. A good statement of objective should imply a specific standard of performance for a given program.

Operating Budget - The City's financial plan which outlines proposed expenditures for the coming fiscal year and estimates the revenues which will be used to finance them.

Operating Funds - Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

Operating Transfers - Routine and/or recurring transfers of assets between funds.

Operations - The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as supplies, utilities, materials and travel. Generally, all expenses that do not meet the personal services and capital outlay criteria.

OSHA – Occupational Safety and Health Administration

PARTF – Parks and Recreation Trust Fund. A Trust Fund with the State of North Carolina.

Performance Measures - Descriptions of a program's effectiveness or efficiency (i.e., response time to public requests, frequency of document updates).

Personnel Services - General category that includes salaries and wages, pensions, health insurance and other fringe benefits.

Powell Bill Funds - Funding from state-shared gasoline tax which is restricted for use on maintenance of local streets and roads.

GLOSSARY

Productivity - A measure of the increase of service output of City programs compared to the per unit of resource input invested.

Program - An organized set of related work activities which are directed toward accomplishing a common goal. Each City department is usually responsible for a number of related service programs.

Property Tax - Property taxes are levied on both real and personal property according to the property's valuation and tax rate.

Property Tax Rate - The rate at which real and personal property in the City is taxed in order to produce revenues sufficient to conduct necessary governmental activities. This rate is currently \$.47 per \$100 of assessed valuation.

PWOC – Public Work Operations Center.

Reappropriation - Appropriations which are not expended at the end of a fiscal year that were earmarked for a specific purpose and are funded in the subsequent year.

Reclassification - Change in a position title and /or the associated pay range based on changes in the job skills required for a given position.

Requisition - A written request from a department to the purchasing office for specific goods or services. This action precedes the authorization of a purchase order.

Reserve - A portion of fund balance earmarked to indicate 1) that is not available for expenditure, or 2) is legally segregated for a specific future use.

Resources - Assets that can be used to fund expenditures. These can be such things as Property Taxes, Charges for Service, Beginning Fund Balance or Working Capital.

Restricted Reserve - An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Retained Earnings - An equity account reflecting the accumulated earnings of an Enterprise or Internal Service Fund.

GLOSSARY

Re-valuation - Assignment of value to properties, buildings, vehicles, and equipment used for business purposes by the County Tax Assessor's Office; under State law, all property must be revalued no less frequently than once every eight years.

Revenue - Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

Revenue Bonds - Bonds whose principal and interest are payable exclusively from earnings of an Enterprise Fund.

SCADA – Supervisory Control and Data Acquisition. Type of communication system used at the water treatment plant to monitor all plant functions as well as water tanks throughout the City.

Service Level - Services(s) or product(s) which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

SFR – Single Family Residential.

Source of Revenue - Revenues are classified according to their source or point of origin.

Special Assessment - A compulsory levy made against certain properties to defray part or all of the cost of a **specific** improvement or service deemed to primarily benefit those properties.

Special Revenue Fund - A fund used to account for the revenues from specific sources which are to be used for legally specified expenditures.

SRO – School Resource Officer.

STEP – Selective Traffic Enforcement Plan

Tax Base - The assessed valuation of all taxable real and personal property within the City's corporate limits.

TEA-21 – Transportation Efficiency Act of the 21st Century.

GLOSSARY

TIF – Tax Increment Financing. This is a type of financing authorized by North Carolina which stipulates that City property taxes received on the incremental value of a development can be pledged to pay debt service related to infrastructure improvements done by the City related to the development.

Transfers - All interfund transactions except loans or advances, quasi-external transactions and reimbursements.

UDO – Unified Development Ordinance.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

WAN – Wide Area Network .

WSACC – Water and Sewer Authority of Cabarrus County.

WTP – Water Treatment Plant.