

**FY 23-24**

# **ADOPTED BUDGET**



# CITY OF KANNAPOLIS

## Fiscal Year 2024 Budget

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# City of Kannapolis

## City Council



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



# City of Kannapolis

## Adopted Budget

### Fiscal Year 2023-2024



**Prepared by:**

City of Kannapolis Staff

**Special Thanks to:**

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





### PROFILE OF THE GOVERNMENT

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

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

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

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



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

LOCAL ECONOMY

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



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

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



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

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



## COMMUNITY PROFILE

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

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

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

### LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

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

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

### AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award to the City of Kannapolis, North Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2023. The Certificate of Achievement is the highest form of recognition for excellence in state and local government budgeting. To qualify for the Distinguished Budget Presentation Award, the City of Kannapolis budget document had to be judged proficient as a policy document, a financial plan, an operating guide, and a communication device.

## COMMUNITY PROFILE

### Local Trends

#### City of Kannapolis Building Permit Activity

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Single-Family Residential Permits (Value millions)	183 \$15.8	65 \$7.8	130 \$16.0	434 \$43.9	291 \$51.3	270 \$34.4	301 \$42.9	349 \$55.9	210 \$26.7	329 \$50.8	1,035 \$159.0
Commercial /Industrial Building Permit (Value millions)	119 \$17.8	102 \$9.2	102 \$2.1	71 \$73.7	89 \$90.7	94 \$40.3	73 \$114.3	200 \$81.2	82 \$17.7	54 \$53.7	95 \$102.9
Total Building Permit (Value millions)	302 \$33.6	167 \$17.0	232 \$18.1	505 \$117.6	380 \$142.0	364 \$74.7	374 \$157.2	920 \$139.7	451 \$46.6	383 \$104.5	1,130 \$261.9

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

County	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Cabarrus	34,452	38,079	31,576	33,576	37,947	38,142	38,879	43,920	45,220	46,615	49,679	53,647
Rowan	37,700	31,365	28,155	29,583	31,209	32,305	32,565	36,994	38,089	40,213	43,724	46,763

Source: Access NC

#### Unemployment Rate in Cabarrus and Rowan County

County	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019*	FY 2020	FY 2021	FY 2022	FY 2023
Cabarrus	9.3%	7.9%	6.8%	4.7%	4.8%	4.0%	3.9%	3.7%	7.8%	7.0%	3.4%	3.2%
Rowan	10.3%	8.8%	8.0%	5.3%	5.5%	4.4%	4.4%	4.0%	8.4%	7.9%	3.7%	3.6%

\*Data through June 2023

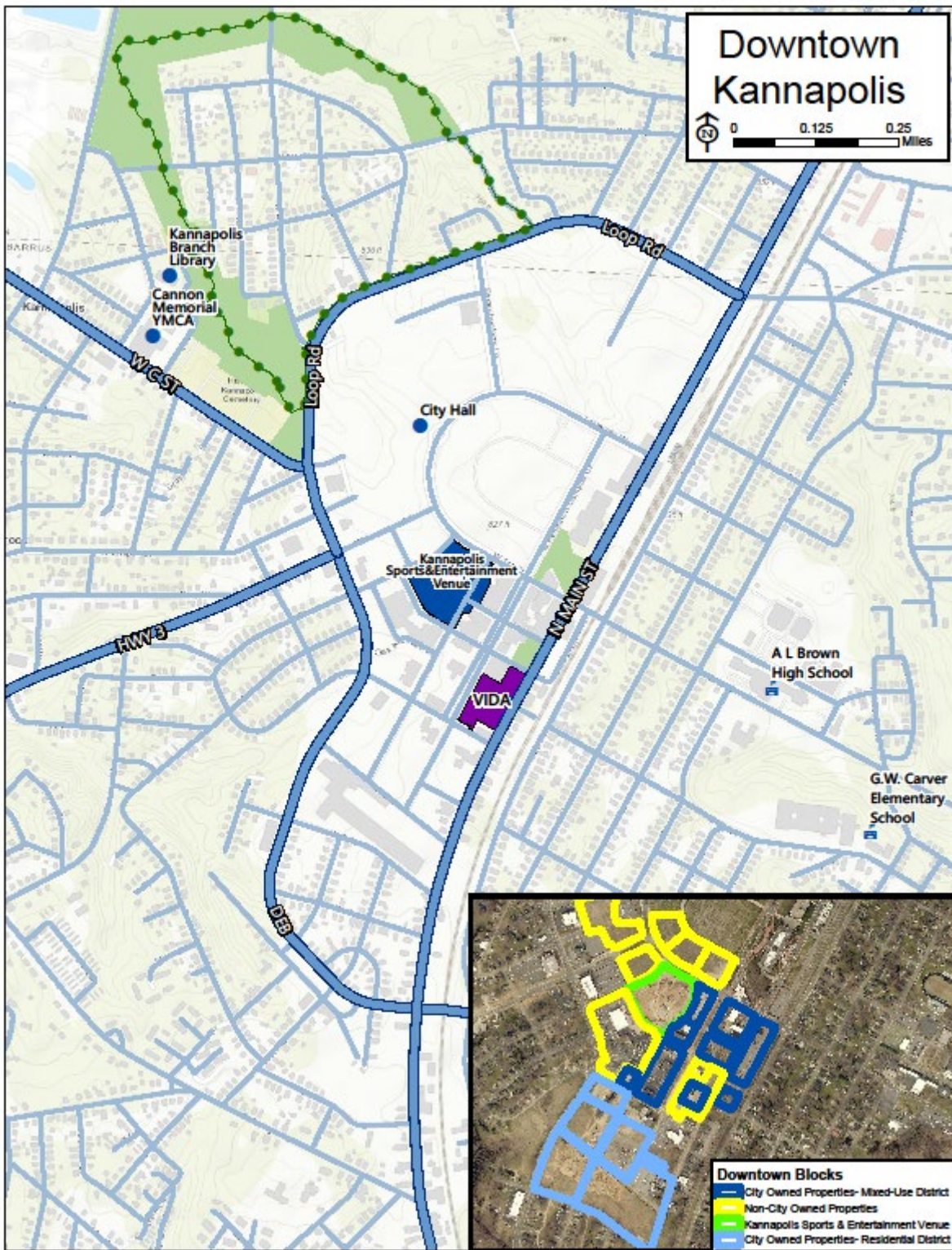
Source: Bureau of Labor Statistics

## Kannapolis, North Carolina Location Map

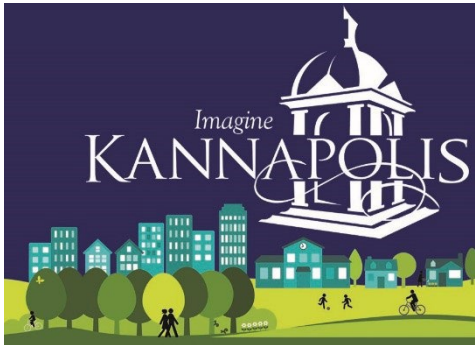




### Downtown Kannapolis



City of Kannapolis  
Strategic Plan: Imagine Kannapolis



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

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

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

**Situation Report- Executive Summary:**



**Demographic Trends and Issues**

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

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

## STRATEGIC VISIONING PROCESS GOALS

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



## Economic Trends and Issues

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

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

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

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



## STRATEGIC VISIONING PROCESS GOALS

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

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



## Growth & Development Trends and Issues

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

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



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

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

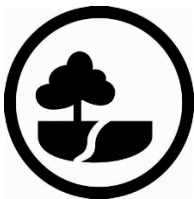


## Infrastructure Trends and Issues

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

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

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



## Environmental Trends and Issues

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

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

## STRATEGIC VISIONING PROCESS GOALS

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

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



## Social, Housing, & Health Trends and Issues

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

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

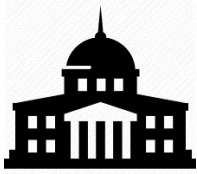
## STRATEGIC VISIONING PROCESS GOALS

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



## Community Safety Trends and Issues

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



## City Government Trends and Issues

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

## STRATEGIC VISIONING PROCESS GOALS

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

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

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

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

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

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



## STRATEGIC VISIONING PROCESS GOALS

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

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

### Timeline:

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

### Steps:

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

## STRATEGIC VISIONING PROCESS GOALS

### Focus Areas:



**Focus Area 1:  
Health & Safety**



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



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



**Focus Area 4:  
Education & Learning**



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



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



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





## Focus Area 1: Health & Safety

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

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

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

*Likely Cost of Implementation:* Very High

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

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

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

*Likely Cost of Implementation:* Moderate

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

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

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

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

*Likely Cost of Implementation:* High

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

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

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

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

*Likely Cost of Implementation:* Moderate to High

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

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

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

*Likely Cost of Implementation:* Moderate to High



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

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

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

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

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

*Likely Cost of Implementation:* High

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

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

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

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

*Likely Cost of Implementation:* Low

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

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

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

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

*Likely Cost of Implementation:* Low to Very High



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

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

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

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

*Likely Cost of Implementation:* Moderate to Very High

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

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

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

*Likely Cost of Implementation:* Very High

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

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

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

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

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

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

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

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

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

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

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

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

*Likely Cost of Implementation:* Low to Moderate

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

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

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

*Likely Cost of Implementation:* Low



**Focus Area 4:  
Education & Learning**

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

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

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

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

*Likely Cost of Implementation:* Moderate to High

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

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

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

*Likely Cost of Implementation:* Low to Moderate



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

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

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

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

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

*Likely Cost of Implementation:* High to Very High

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

*Expected Outcomes:* Develop recommended strategies to address:

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

*Likely Cost of Implementation:* Moderate to High



## Focus Area 6: Natural & Built Environment

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

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

- Eastside and Westside parks.
- Skate Park.

## STRATEGIC VISIONING PROCESS GOALS

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

*Likely Cost of Implementation:* Very High

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

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

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

*Likely Cost of Implementation:* Moderate to High

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

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

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

*Likely Cost of Implementation:* Very High

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

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

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



## STRATEGIC VISIONING PROCESS GOALS

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

*Likely Cost of Implementation:* Very High

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

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

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

*Likely Cost of Implementation:* Moderate to High



## Focus Area 7: Government Leadership & Service

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

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

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

*Likely Cost of Implementation:* High

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

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

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



*Likely Cost of Implementation: Low*

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

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

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

*Likely Cost of Implementation: Low*



**May 22, 2023**

**Subject: Proposed FY 2023-24 Budget**

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

I am pleased to present to you the proposed Fiscal Year 2023-24 Budget for the City of Kannapolis, North Carolina, which begins July 1, 2023, and ends June 30, 2024. 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 2024.

The overarching themes for the proposed FY 2023-24 Budget are: 1) to begin implementation of the City's Strategic Plan - Imagine Kannapolis, 2) continued emphasis on employee retention and recruitment, 3) establishment of a new Insurance and Risk Fund, and 4) leveraging the City's financial capacity, including its cash assets, to improve the City's quality of life and service delivery. This Budget also continues to invest in the replacement of equipment and vehicles and renovation and upgrades to several City facilities. Finally, the Budget is designed to continue with numerous economic development activities.

## ***Looking Back: FY 23***

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

- Imagine Kannapolis Strategic Plan work with numerous Focus Group meetings and presentations to City Council.
- Compensation Study completion and implementation including a back pay bonus for employees.
- New longevity policy established including a longevity back pay bonus.
- Downtown continued to thrive. More than 80% of the retail spaces downtown are now occupied with the remaining spaces likely filled by the end of FY 24. Private development began on block 3 ("200 Main" mixed use) and block 4 ("Stadium Lofts" mixed use including Cannon Ballers Team Store and offices and a new restaurant).
- Kannapolis Crossing/Overlook 85 began construction. City's utility extensions completed.
- Metro 63 industrial building completed.
- Sale of Lane Street ballpark property and construction of Lakeshore Corporate Park began.
- Development of Gateway Business Park 7-acre tract underway.

- Castle and Cooke sale of all North Carolina real estate assets completed to Insite Properties (excluding the Core Lab and related properties, Club at Irish Creek and Irish Creek/Kannapolis Lake properties)
- Implementation of Wastewater Treatment Allocation policy.
- Established parking fee structure for VIDA deck.
- Hiring rate for seasonal employees raised.
- Acquisition of the Gem Theatre business to preserve as a Parks and Recreation asset for the community.
- Established 11 new positions and completed 15 reclassifications of existing positions.
- Established a new full cost recovery approach to water and sewer tap installations.
- Debt service began on the complete replacement of public safety radio system.
- One of two planned fire engine replacements are underway.
- Initial improvements to the Dixie Youth athletic facility on Pleasant Avenue.
- Purchase of 19 replacement vehicles.
- Addition of approximately \$15 million to cash reserves from a variety of sources.
- Numerous voluntary annexations processed.
- Several KDO amendments approved.
- New agreement executed with the United States Performance Center.
- Hired a new Finance Director.
- Trinity Church Road rezoning.
- Established a Downtown Ambassadors Program.
- Project agreement executed for new concessions building at Atrium Health Ballpark.
- Purchased a new train engine for Village Park.
- Established a Solid Waste Rapid Response Team to address contractor service lapses.
- Successful Jiggy with the Piggy festival.
- Kannapolis named a Top 15 City for Corporate Headquarter Relocation.

## ***FY 2023-24 Budget Overview***

The total proposed FY 2023-24 (FY 24) Budget for the City of Kannapolis is **\$104,385,876** a 9.98% increase (\$9,469,837 actual) from the FY 2022-23 budget. This is the first time in our City's 39 year history that the total City budget has exceeded \$100 million. As a point of reference, the FY 2003-04 Budget (20 years ago) was \$30 million which translates into a \$54 million budget in today's dollars assuming 3% inflationary growth annually. In reality, the City's budget growth (largely facilitated by private sector investment in the City) has been nearly six times the inflationary growth factor.

This FY 24 Budget total is the sum of the General Fund, the Water and Sewer Fund, the Stormwater Fund, the Environmental Fund, the Public Transit Fund, the Separation Pay Fund, and the

Insurance and Risk Fund (new for FY 24). This total budget figure excludes any interfund transfers (as defined by transfers between the annually adopted funds). Interfund transfers total \$7,252,080, all from the General Fund (\$496,912 to the Separation Pay Fund, \$323,031 to the Transit Fund, and \$1,147,817 to the Environmental Fund and \$5,284,320 to a new Insurance and Risk Fund).

Recent Budget History						
FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Proposed
\$68,125,000	\$69,679,864	\$77,279,526	\$80,523,452	\$85,250,848	\$94,916,039	\$104,385,876

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

The following overarching themes have driven the proposed FY 24 Budget:

1. **Budget Process and Structure.** The FY 24 budget again includes the implementation of distinct budget levels (continuation and expansion):

- *Continuation* budget items are defined as essentially “keeping the lights on.” These items maintain the same service levels in FY 24 that were included in the adopted FY 23 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 was not previously approved through the budget process. Examples are enhancements to programs or services, new employee positions, new capital improvement projects, and new capital outlay (operating capital) items.

2. **Employee Retention and Recruitment.** Similar to the past two budget years, the FY 24 Budget continues with enhancements to employee pay and benefits. Regarding this effort, the following is included in the proposed Budget:

- **Cost of Living Adjustment (COLA)** for all employees at 3% (\$900,577 budget impact across all funds). The CPI index for April 2023 is 4.9%. As a reminder, a minimum 2% pay increase was also included for all employees in the 4<sup>th</sup> quarter of FY 23 as part of the compensation study implementation. Many employees received higher increases based on the study results. In recent years COLAs have ranged from 1.5% to 5% based on a variety of external economic factors.
- **Pay for Performance (Merit Pay)** continues for all eligible employees based on performance evaluations. This pay is budgeted in all funds using a 2.5% average, up to a maximum of 3%; those in developmental ranges qualify for 5%. This budget impact across all funds is \$825,469.
- A new change for the FY 24 Budget is an adjustment to the **implementation of the developmental range for Merit Pay**. This change will increase the developmental range from the 15<sup>th</sup> percentile to the midpoint of each salary range. This will allow employees to move up within the grade more rapidly. This will be an additional employee retention tool. This budget impact across all funds is estimated to be approximately \$497,000. \$400,000 is budgeted in the General Fund as an estimate. Lapsed salaries will be used to fund this change in the other funds. The FY 25 budget will include more definitive numbers after a year of implementation is completed.

- **Increased funding for the State Retirement System** to 12.89% from 12.14% (Law Enforcement Officers 14.04% from 13.10%). This is the fifth year of required contributions by North Carolina cities to the retirement program. This has a \$563,861 FY 24 budget impact (General Fund only). While this is not a direct immediate benefit to employees, keeping the State Retirement System financially strong is certainly a long-term benefit.
- There is only one minor **change to health insurance costs** to employees. All dependent coverage premium deductions are to be rounded up to the next \$10 increment (example: a \$45.25 deduction will be \$50.00). There are no changes other changes to premiums, co-pays or out of pocket expenses. However, there are significant new budget impacts related to the establishment of the new Insurance and Risk Fund and a more proactive approach to administering the City’s medical expenses – but these expenses are not being passed on to employees.
- Part of retaining good employees is to ensure that they are not burdened with unmanageable workloads that negatively impact their work-life balance. To that end the FY 24 budget includes **fourteen (14) new positions** in three funds bringing the total full time City employee count to 436. The total budget impact across all funds for these new employees is \$928,100 in recurring costs and \$497,000 in one-time start-up costs (vehicles and equipment).

The FY 24 Budget also includes the full year’s budget impact of the following employee salary and benefit changes that were adopted by City Council in the 4<sup>th</sup> quarter of FY 23:

- Funding for employee **compensation study implementation**. The result was a movement of salary ranges to 110% of the market to be more competitive. Employees who were below the market, received up to a 3% increase per grade or to the minimum of the new proposed grade (whichever was higher). Many employees were also adjusted based on internal inequities and those who were at market received a 2% increase to their base pay.
- At City Council’s own initiative, **compensation study back pay** for its originally intended implementation date (January 2023) was provided to all employees in the form of a one-time bonus.
- Funding for **longevity pay** policy per the following schedule (increase of \$390,383).

<b>Longevity Pay Schedule</b>	
<b>Length of Service</b>	<b>Annual Bonus</b>
5<10 years of service	\$1,100
10<15 years of service	\$1,900
15<20 years of service	\$2,700
20<25 years of service	\$3,500
25<30 years of service	\$4,300
30+ years of service	\$5,100

- Also at City Council’s own initiative, **longevity back pay** was provided back to January 2023 in the form of a one-time bonus.

The FY 24 Budget continues funding and/or implementation of the following employee benefits that have been established or improved over the past three years:

- 3% match contribution to 401k (5% for police officers).
- \$1,960 (HRA) or \$2,110 (HSA) per employee annual contribution to the medical flex savings accounts.
- Free memberships for all employees to the Cabarrus-Rowan YMCA system (\$125,000 annual budget impact).
- Separation Pay (retirement supplement for those aged 55-62).
- Police Department fixed shift schedule replacing rotating shifts.
- Differential pay in the Police Department and the Water Resources Department.

**3. Implementation of the Imagine Kannapolis Strategic Plan.** A new strategic planning process, Imagine Kannapolis was launched in March 2022. It is anticipated that the final Plan will be considered for adoption by City Council in late summer/early fall 2023.

While not every new strategy, initiative, project, or program emerging from the Strategic Plan will require significant financial commitments, many will. To that end a “Watch List” of items included in this budget is intended to move forward once the final Plan is adopted. The “Watch List” projects and initiatives are included in the draft Plan’s initial implementation in FY 24. Most of these projects and initiatives are one-time costs which will be funded with cash reserves; however, a few are recurring in nature (operating and/or debt service) which may be initiated with either existing budget capacity or cash reserves in FY 24 and incorporated into future budgets starting in FY 25.

Unlike previous budgets, the “Watch List” for the FY 24 Budget is exclusively related to the Strategic Plan initiatives. The scope and specific budget for each will be better defined in the coming months. Some different projects may emerge as higher priorities and some that are listed below may get delayed. The projects and initiatives will proceed upon adoption of the Plan.

General Fund: Proposed Expansion Funding (Imagine Kannapolis Strategic Plan Watch List)			
Responsible Department(s)	Preliminary Cost Estimate	Project/Initiative Description	Funding Options
Fire/General Services	\$1,550,000	Fire Training Tower and Storage Facility (\$345,000 Federal Grant to be added to project budget)	One-Time Cash (Possibly Debt if paired with FS 1&4+ 2 <sup>nd</sup> Floor City Hall renovations)
Fire/General Services	\$2,800,000	Fire Station #1 and #4 Renovations (interior and exterior work, bay floor and parking lot)	One-time cash (or debt paired with City Hall 2 <sup>nd</sup> Floor)
City Manager/Engineering	\$700,000	Downtown Parking Management Plan Phase 1 (S. Main St. lot construction and N. Main St. lot upgrades)	One-time cash (or debt with land as collateral)

<b>General Fund: Proposed Expansion Funding (Imagine Kannapolis Strategic Plan Watch List)</b>			
<b>Responsible Department(s)</b>	<b>Preliminary Cost Estimate</b>	<b>Project/Initiative Description</b>	<b>Funding Options</b>
City Manager	\$60,000	NCRC Planning Support (Organization, Real Estate and Economic Development Strategy)	One-Time Cash
City Manager/ Parks & Recreation	\$50,000	NC Music Hall of Fame Growth Plan	One-Time Cash
City Manager	\$20,000	Promotion of Motorsports Assets	Recurring (operating)
City Manager/ Transportation	\$1,200,000	I-85 Monument Signage Phase 1 (I-85 Exits 58, 60, 63)	One-time cash
General Services	\$750,000	City Hall 2nd Floor Upfit Project	One-time cash (or debt paired with FS 1&4 renovations)
Parks & Recreation	\$400,000	Downtown Dog Park (construction)	One-time cash (or debt with land as collateral or paired with larger project)
Parks & Recreation	\$50,000	Downtown Dog Park (operations)	Recurring (operating)
Parks & Recreation	\$180,000	Cultural Arts and Historic Preservation Work Program (Grass Roots movement, historical milestones and markers, interactive digital map, transfer historic markers, transfer historic assets to the City, historic/cultural advisory board, reprint history book, walking tour, oral and written history)	One-time cash
Parks & Recreation	\$100,000	Cultural Arts Program Coordination (consultant services – may evolve into a full time coordinator position)	Recurring (operating)
Parks & Recreation	\$30,000	Local part-time Professional Symphony Orchestra Exploratory Program	One-time cash
Parks & Recreation	\$1,200,000	Gem Theatre Renovations - Phase 3. (grant pending which may pay for most).	One-time cash
Parks & Recreation	\$1,290,500	Existing Park Facility Upgrades - Phase 1	One-time cash
Planning	\$50,000	Open Space and Tree Preservation Plan	One-time cash
Transportation	\$1,340,000	Little Texas Road Sidewalk (local match)	One-time cash
<b>Total</b>	<b>\$11,776,000</b>		

At the time of this budget message, the strategic planning process is winding down with only a handful of potential projects and initiatives with budget and funding implications to be



discussed by City Council in June and July 2023 which may alter this Watch List for FY 24. These projects and initiatives are described at the end of this budget message.

4. **Establishment of a new Insurance and Risk Fund.** As our City organization continues to grow and mature it is prudent to continually improve our financial management practices. One such change is to establish a new stand-alone Insurance and Risk Fund as part of the City’s financial management structure. This step will facilitate better tracking of revenues and expenditures directly related to the City’s different insurance and risk management programs. This new Fund includes both premiums and claims for health insurance for all active and retired employees and dependents participating in the City’s medical plan. It also includes the City’s workers compensation expenses. In the future it will include other insurance and risk management programs (e.g., general liability, dental, vision).

More details on this new fund and its impact on the FY 24 Budget are included towards the end of this budget message.

5. **Cash Reserves/Fund Balance.** A key component of the City’s financial planning for the past decade has been to improve cash reserves. Target percentages of expenditures for each fund have long been established (generally 25% of previous year’s expenditures to be set aside in the City’s “Savings Account”). Additionally, the City’s real estate development activities in recent years has resulted in an infusion of cash which has grown the available fund balance in a substantial way. \$9.3 million in Federal ARPA funds are also included in the fund balance numbers. The tables that follow depict the current cash reserves and fund balance estimates and the cash that is available for appropriation in FY 24.

<b>Unrestricted Cash Reserves and Fund Balance</b>				
<b>Fund</b>	<b>Minimum Target %</b>	<b>Projected Total Reserves, June 30, 2023</b>	<b>Available for Appropriation in FY 24</b>	<b>Amount needed to reach Target %</b>
General	25%	\$43,137,352	\$18,912,482	Above Target
Water and Sewer	25%	\$18,118,708	\$5,313,618	Above Target
Stormwater	25%	\$1,964,839	\$1,082,339	Above Target
Environmental	10%	\$1,375,324	\$361,942	Above Target
Transit	NA	\$812,606	\$812,606	NA
<b>Totals</b>		<b>\$65,408,829</b>	<b>\$26,482,987</b>	

Cash Reserves/Fund Balance Notes:

- \$900,000 of the General Fund cash reserves estimate has been removed and set aside to establish a fund balance for the new Insurance and Risk Fund. These funds will be transferred to the new fund after the FY 24 Budget is adopted.
- The General Fund cash reserves estimate is also the net of many of the expenditures that were included in the FY 23 Budget “Watch List” that have already been appropriated by City Council.
- \$145,000 of the General Fund cash reserves estimate has been removed as this was used to fund the Solid Waste Rapid Response Unit in FY 23.

- The Water and Sewer cash reserves are the net of \$6.5 million which has been removed from the Water and Sewer fund and reappropriated to various previously approved capital project funds for (e.g., Downtown Sewer, WTP Clearwell).

It is likely these cash reserve numbers will grow in the next few years mostly due to the City continuing to sell its real estate assets that have been generated from the active economic development programs over the years (predominantly, but not exclusively Downtown).

The following are the real estate assets that will further strengthen cash reserves which will be available for appropriation beginning in FY 24 extending through several years. **The total cash availability for appropriation is currently \$29.3 million** including several restricted funds (see below). It is possible this number will grow by an additional **\$14.7 million** or approximately **\$44 million** total should the remaining real estate assets be sold at market value.

It should be noted much of the draft financial plan linked to the Strategic Plan hinges on the availability of significant cash reserves.

<b>One Time Restricted Revenues</b>		
<b>New One-Time Revenue</b>	<b>Received Amount</b>	<b>Potential Revenues</b>
Gateway Business Park Lot 3 Sale (HUD eligible activities)	\$1,492,935	
Gateway Business Park Lot 2 Sale (HUD eligible activities)		\$377,528
HOME/ARP Funding (HUD eligible activities)	\$766,001	
Safe Streets Grant (Transportation/Traffic Plan)	\$160,000	
Federal Earmark (Fire storage building construction)	\$345,000	
<b>Total One-Time Restricted Revenues FY 24-29</b>	<b>\$2,763,936</b>	<b>\$377,528</b>

<b>Likely One-Time Additions to Fund Balance FY 24-29</b>	
<b>New One-Time Revenue</b>	<b>Projected Amount</b>
Kannapolis Crossing - Rowan County payment #2	\$500,000
Swanee Theatre Sale - Developer payment #1	\$100,000
Kannapolis Crossing - Developer payment #3	\$500,000
Swanee Theatre Sale - Developer payment #2	\$467,000
8th Street Landfill Sale - USPC Repayment #2	\$755,862
Swanee Theatre Upfit Reimbursement	\$950,000
<b>Total</b>	<b>\$3,272,862</b>

<b>Potential Future Additions to Fund Balance</b>	
<b>New One-Time Revenue</b>	<b>Projected Amount</b>
College Station Outparcels	\$320,000
Plant 4 – 14.66 acres @ \$500,000/acre	\$7,330,000
Block 6 West Avenue	\$3,450,830
<b>Total</b>	<b>\$11,180,830</b>

# General Fund Overview

The proposed FY 24 General Fund Budget is **\$70,371,279** which represents a 12.62% increase over FY 23 Budget (\$7,884,120 actual).

## General Fund Revenue Highlights:

1. The projected total **Property Tax revenue** for FY 24 is \$39,027,140 (which represents a 9.66% *increase* from FY 23 (\$3,438,408 actual). The projection is based on a collection rate of 98.95%. Property taxes represent 55% of the proposed FY 24 Budget (FY 21 and FY 22 were 57%).

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 \$619,076 (up from \$567,284 in FY 23 \$515,240 in FY 22, \$495,295 in FY 21 and \$425,107 in FY 20).

2. The City-wide **property tax base** is projected to be \$6,190,764,848 in FY 24 (an increase of \$517,925,849 from FY 23). \$5,297,534,835 (85.6%) is attributed to the Cabarrus County side of the City and \$893,230,013 (14.4%) is attributed to the Rowan County side. The increase was \$412,597,907 from FY 22 to FY 23 and \$210,951,347 from FY 21 to FY 22. This increase and the corresponding projection of \$3.4 million in property tax revenues is the result of a) new private sector investment in our City, and b) the Rowan County property revaluation as shown below.

Property Tax Base Increase FY 23 to FY 24	
Rowan County Revaluation (44.8% increase)	\$265,709,758
Rowan County Natural Growth (private investment)*	\$35,132,129
Cabarrus County Natural Growth (private investment)	\$217,143,207
<b>Total</b>	<b>\$517,925,849</b>

\*average 3-year non-revaluation growth rate of 5.93% x FY 23 valuation.

3. **Revaluation – Revenue Neutral Analysis.** Cabarrus County and Rowan County conduct revaluations every four years. The past tax year resulted in the revaluation of property on the Rowan County side of Kannapolis. State law requires that units of local government publish a revenue-neutral tax rate in the budget immediately following the completion of the general reappraisal of real property. The purpose of the revenue-neutral tax rate is to provide the citizens with comparative information. The revenue-neutral tax rate, as defined by G.S. 159-11 (e), is the rate estimated to produce revenue for the next fiscal year equal to the revenue for the current fiscal year if no reappraisal had occurred. The rate is then adjusted by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. The Rowan County reappraisal contributed to a projected FY 24 tax base of \$6,190,764,848 for all of Kannapolis (both counties). The tax levy for the current fiscal year is \$39,027,140 and the growth factor since the last general appraisal is 9.42%. Using the formula mandated by State law, **the revenue-neutral rate for the City of Kannapolis for FY 24 is 63.17 cents per \$100 valuation** (essentially the current rate).

The above revenue neutral calculation is a combined approach accounting for the Kannapolis tax base change in both counties together. This calculation is much more accurate due to the difference in the City’s tax base by county with Cabarrus comprising such a large portion (86% vs. 14% in Rowan).

It should be noted a revenue neutral calculation that separates the City by the two counties provides a significantly different result. The Rowan only revenue neutral rate would be 44.26 cents per \$100 valuation and a corresponding Cabarrus rate would be 68.99 cents per \$100 valuation. Essentially, in this scenario the Cabarrus rate would have to be increased to cover the revenue loss on the Rowan side. Of course, the City cannot have two separate tax rates so adjusting the rate to only impact properties located in one of the two counties is not relevant or practical but is provided here as information.

4. **Sales Tax revenue** is projected to *increase* 20.65% to \$16,440,102 (\$2,813,941 actual). Due to lingering pandemic impacts, the past two budgets have been conservatively drafted. It is projected sales tax collections in the current FY 23 Budget will exceed the budget projections by about \$2 million. As a result, the FY 24 Budget includes a more realistic projection. The 6% increase is based on projected FY 23 actuals (\$15,509,530) and guidance from the League of Municipalities.

Sales taxes comprise 23% of the FY 24 General Fund revenues; this was 22% in FY 23 and 20% in FY 22.

5. **Powell Bill** funding is projected to *increase* by 0.66% which represents a budget impact of \$10,324 in the FY 24 Budget. No General Assembly changes are expected for the per capita and mileage-based allocations for FY 24. The growth is simply adding streets from new private developments to the City system.
6. **Franchise Tax** revenues are projected to *increase* by 3.98% to \$2,805,308 (\$107,308 actual) based on collections from FY 23. Modest to slight growth will be the prudent approach for this revenue source for the foreseeable future.
7. **Ballpark-Related Revenues** includes a contribution from the Cabarrus Convention and Visitors Bureau (CCCVB) of \$100,000, an amount that will continue for next 5 more years. These revenues help pay for the annual debt service on the new ballpark. The CCCVB has contributed \$600,000 to date.
8. The enterprise fund reimbursement in the form of the **General Fund Management Service Fee** is *decreased* 2.66% (-\$62,407 actual) from FY 23 to \$2,287,295. The Water and Sewer Fund (\$1,823,413) and the Stormwater Fund (\$463,882) “pays back” the General Fund for indirect support throughout the year. This is based on a formula of employee allocation across funds. The decrease in transfers is attributed to updated audited figures used in the calculation as well as budgeting health insurance and workers compensation insurance in the enterprise funds initially as opposed to Non-Departmental in the General Fund as had been the practice in the past.
9. **Commercial Rent/Lease - College Station** is projected to increase by 18.27% to \$475,000 (\$73,370 actual). The majority of this revenue comes from the Rowan Cabarrus Community College lease for its cosmetology program. Prior year overly conservative budgeting is the driver of this increase.
10. **Planning and Zoning Charges and Fees** are projected to increase by \$80,000 over the FY 23 Budget to \$200,000 based on trends in permitting.
11. **Parks and Recreation Charges and Fees** are projected to *decrease* by 6.81% to \$1,100,000 (-\$85,545). This change represents a combination of increased fee collection for programming and user charges at parks coupled with a more conservative budget approach to the Gem

Theatre revenues (\$600,000 vs. \$735,545). With only four months of City operations data at the Gem and the evolving movie business, it is recommended that more conservative budgeting occur until more data is available. The Gem Theatre budget will likely fluctuate until we have two years of operations completed.

- An appropriation of \$1,242,385 in **Fund Balance** (was \$753,458 in FY 23) is proposed in the FY 24 General Fund Budget for the following one-time, or short-term purposes (these are described in more detail in the General Fund Expenditures section of this budget message):

<b>FUND BALANCE APPROPRIATION USES</b>		
\$330,000	Hot Patch Asphalt Truck	Transportation
\$120,000	Mini Excavator	Transportation
\$90,000	Dump Truck	Parks and Recreation
\$72,000	Park Master Plan update	Parks and Recreation
\$30,000	Trailer	Transportation
\$323,406	Axon lease payment - body worn/in-car cameras	Police
80,000	Cart Truck in Environmental Fund (GF support)	Environmental
<b>\$1,045,406</b>	<b>Total (7-10 year Operating Life)</b>	
\$1,048,000	Vehicles (15 replacements and 2 new)	Police
\$60,000	Truck (new)	General Service
\$75,000	Truck (replacement)	Fire
\$30,000	Vehicle (replacement)	Planning
\$45,000	Parks Superintendent vehicle (new)	Parks and Recreation
\$45,000	Recreation Superintendent vehicle (new)	Parks and Recreation
\$68,000	Pressure wash system	Parks and Recreation
\$33,000	Ballfield maintenance unit	Parks and Recreation
<b>\$1,404,000</b>	<b>Total (less than 7 year Operating Life)</b>	

It is important to note that this is not a one-to-one match between the Fund Balance number and the projects. The ultimate budget goal is for the Fund Balance appropriation to be earmarked for one-time items that will not be replaced or reoccur within 7-10 years. For the FY 24 Budget this amount is \$1,045,406 with the remaining \$196,976 of the proposed Fund Balance appropriation being used to subsidize the 24 vehicle and large equipment purchases, the bulk of which are funded with recurring revenues.

### **General Fund Expenditure Highlights**

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

- The General Fund includes **8 new positions and 1 reclassification** in three departments representing a projected total recurring budget impact of \$516,000 (salaries and benefits) and \$362,000 in initial start-up costs for vehicles and personal safety supplies and equipment. These positions are listed on the table below. By comparison, the FY 22 budget included 7 new positions and 14 reclassifications in ten departments.

NEW POSITIONS AND RECLASSIFICATIONS		
Position (number)		Notes
School Resource/DARE Officer (2) <i>New</i>		To compensate for growth and evolving community needs in Kannapolis City Schools. Offset by \$88,000 grant with KCS.
Telecommunicators (2) <i>New</i>		To compensate for growth and evolving agency needs. Used for mid-shift during peak hours.
Firefighters (3) <i>New</i>		Growth positions to meet increased service demands/workload, in conjunction with existing staffing plan from FY20. This would allow the department to meet NFPA 1710 Staffing Standard on all but one truck, which recommends four personnel on all engine companies.
Recreation Superintendent (1) <i>Reclassification</i>		This superintendent would directly oversee city-wide recreational programming, special events including the Gem Theatre operation. The position will directly report to the Parks and Recreation Director. A vehicle is included with this new position.
Parks Superintendent (1) <i>New</i>		Reclass existing Assistant Parks and Recreation Director position to Recreation Superintendent. The Assistant Director position was not filled in FY 23 in anticipation of this new organizational structure. This superintendent would directly oversee the physical maintenance and operation of all parks and other outdoor properties. The position will directly report to the Parks and Recreation Director. A vehicle is included with this reclassified position.

## 2. Unfunded Expansion Items.

There were several expansion expenditures of note not included in the proposed FY 24 Budget or in the FY 24 Watch List. These are all worthy of consideration but are not included in the proposed budget due to revenue limitations, management priorities, or other reasons. They are provided in the following table as information.

General Fund: Unfunded Expansion Items requested in FY 2024		
Information Technology	\$35,000	Silver Blaze bill formatting and printing add on feature.
Information Technology	\$35,000	Firewalls for fire, operations, warehouse (less of a priority with City's move to cloud-based technology and other security measures already taken).
Fire	\$125,684	Fire Inspector: Need based on call volume. Was pre-approved for mid-year funding in FY 19, but never funded; Potential PT option, Need more workload data.
Parks	\$20,000	Replace current Bobcat vehicle
Parks	\$12,000	Walker Tracker App for Loop the Loop participants
Parks	\$12,000	Clean-up MLK/Cannon Blvd interchange of underbrush and dead trees. Delayed due to bridge replacement.
Communications	\$15,000	Backup to the backup server for the website.
Public Works	\$200,000	Resurface motor pool asphalt area at PWOC.
Public Works	\$120,000	Laureate traffic circle repair and paver replacement.



General Fund: Unfunded Expansion Items requested in FY 2024		
Public Works	\$100,000	1.5 ton truck 4x4 utility bed-S-26 replacement. (2000 model, brine truck, rusted out)
Public Works	\$70,687	Crew Chief for additional supervision in the field.
Public Works	\$240,000	Tandem Dump with Snow equipment to replace single axle dump (1994 model).
<b>Total</b>	<b>\$985,371</b>	

### 3. General Government Operating Expenditures.

(City Council, City Manager, Human Resources, Legal, Finance)

- \$49,220 **increase** in municipal election expenses for both Rowan and Cabarrus counties (2023 is a municipal election year).
- \$5,735 increase in **City Council salaries** (same 3% COLA recommended for employees and an additional 2% included in the FY 23 Compensation Study adjustment for all employees).
- \$50,000 increase in **consultant services to help manage, write and track grants** the City pursues. This is currently completed in house by multiple departments. This is an effort to consolidate and better manage the process. The grant consultant will work closely with Strategics, the City's Federal lobbyist.
- \$20,000 increase in **GEM theatre marketing** and branding initiatives (\$5,000 net as \$15,000 was moved from the Parks and Recreation Department budget).
- \$36,168 increase in marketing and branding due to **increased publication and printing costs**.
- \$5,000 increase in Youth Council program supplies for **state conference attendance**.
- \$50,000 increase in **part time accounting and professional finance services** to streamline functions, provide complex financial management tasks.
- \$50,000 increase in **contracted services** for the addition of a long-term part-time role and/or contract with a CPA for internal audit type functions.
- \$25,000 increase in **tax collection fees** from both Cabarrus and Rowan Counties.
- \$19,500 increase in on-site and remote **MUNIS (finance and HR software) training**.
- \$50,000 increase in **contracted legal services** based on current trends and projections.
- \$20,000 increase in **medical administrative expenses** (employee drug testing, etc.) based on recent trends.

### 4. Information Technology Operating Expenditures.

- \$20,000 increase to **replace two projectors** in Laureate Center.
- 21,000 increase to **replace data switches**.
- \$20,000 **decrease** in contracted services for data base administration due to a **move of data to cloud-based services**.

- \$23,000 increase in consultants for a security intrusion audit to test vulnerabilities in the network.
- \$181,250 increase in **software subscriptions** due to projected 15% increase.
- \$15,000 increase for additional **Accella (permitting software) licenses** in the Planning Department.
- \$3,600 increase in annual maintenance costs for **Armor Link software** for Police Department inventory management.
- \$162,000 for **audio-visual upgrades at City Hall** in the Laureate Center II, executive conference room and Emergency Operations Center.
- \$10,000 increase for new **door control software** to increase security in the City Hall building.
- \$50,000 increase for **software integration efforts for City Works**.
- \$80,000 increase for **Silver Blaze (customer service software) by NorthStar** to replace Customer Connect in Customer Service. This change enhances customer experience to allow for payments via text, creation of a mobile application, and allows customers to modify bank draft dates. Customer Connect is being phased out and eventually will not be supported.
- \$109,000 increase for **NEWCOM global, redundancy for 911 and CAD/RMS** for Fire/Police.
- \$55,691 increase for **NorthStar (utility billing) automation**. This will reduce manual processes in utility billing and the general ledger.
- \$44,356 increase for **sync of police interview rooms with body worn and in-car cameras**.
- \$50,000 increase for **cloud storage of surveillance cameras**. Currently data is stored on SD cards and is not available to be stored in the cloud as a backup.
- \$40,000 increase to **move Laserfiche online document filing** to a cloud-based service.
- \$8,000 increase for **SWS storage, firewall in cloud for redundancy efforts**.
- \$12,000 increase in **Vida parking deck** annual maintenance software.

#### 5. **General Services Operating Expenditures.**

- \$8,000 increase in **overtime** based on trends.
- \$100,000 increase to replace **HVAC systems** at Fire Station #5, Public Works Operation Center and the Gem Theatre (small unit).
- \$80,000 increase in **copier leases** based on trends.
- \$24,002 increase in contracted services based on **contractual increases**.
- \$60,000 increase in capital outlay for the addition of a **F-150 Truck**. General Services currently has 11 employees and only 7 staff vehicles.

## 6. Non-Departmental Operating Expenditures.

- Note: Some decreases in the Non-Departmental account (retiree insurance, HSA/HRA contributions, workers compensation claims) are attributed to the move from the General Fund to the new Insurance and Risk Fund.
- \$148,839 increase in General Fund special expenses. The total of this budget line is \$2,040,955 which includes:
  - \$705,754 increase to fund a **3% Cost of Living Adjustment (COLA)** for all employees.
  - \$663,119 **Merit and Developmental pay increases** (includes an increase based on salary changes in FY 23 and new positions included in the FY 24 Budget. Merit Pay for all eligible employees is based on performance evaluations (with a 2.5% average, up to a maximum of 3%).
- \$400,000 increase to fund **changes to the employee Pay for Performance (Merit Pay) implementation**. This change increased the developmental range from 15<sup>th</sup> percentile to midpoint to remain competitive and move employees within the grade faster.
- \$125,000 for the employee **YMCA memberships** (no change in this amount)
- \$117,348 increase in funding that was moved from the Legal account to Non-Departmental to serve as a buffer for unknown expenses in this account. This was originally funding in the FY 23 Budget for an Assistant City Attorney which is currently not contemplated to be filled (but could be should the need emerge to do so) .
- A \$325,000 *decrease* in special expenses for the one time **Gem Theatre stock/asset purchase** that occurred in FY 23.
- \$54,533 increase in **General Liability Insurance** (11% increase from NC League of Municipalities).
- \$16,500 increase in **Building and Contents Insurance** (11% increase from the NCLM).
- \$260,788 *decrease* in **Contingency Funding**. In FY 23 a larger amount of funds was added to contingency due to the anticipated Compensation Study implementation mid-year. \$351,856 is budgeted as Contingency for FY 24. Current budget policy provides at least 0.5% of all General Fund expenditures are added to the contingency line item.

## 7. Police Department Operating Expenditures.

- \$29,000 increase for one additional **Auxiliary Police Officer** (\$12,000 in part-time salaries and \$17,000 in one-time equipment needs).
- \$149,890 *reduction* in one-time **Internet Crimes Against Kids Grant funds** and related operating expenses (travel, office supplies) from FY 23.
- \$10,000 increase in **recruitment initiatives** (total of \$30,000) to assist with the high number of vacancies in this department. Related to the new position and general supplies for job fairs, publication, and promotional materials. This was moved from administration to special operations budget (was \$20,000 in FY 23).

- \$67,500 *decrease* in capital outlay for **recruiter vehicle** purchased in FY 23.
  - \$20,418 *reduction* in one-time costs for **equipment related to 911** becoming hosted solutions in FY 23.
  - \$1,048,000 increase for **replacement of 15 police vehicles** (\$910,000) and **2 new vehicles for DARE/SRO positions** (\$138,000).
  - \$12,000 increase in SRT training/Sustainment training.
  - \$35,000 *decrease* for a park ranger vehicle which was funded in FY 23.
8. **Fire Department Operating Expenditures.**
- \$25,000 increase to pursue **Fire Department Accreditation.**
  - \$74,029 increase in **contracted services with the Odell Volunteer Fire District.**
  - \$22,000 for the purchase of an **air supply replacement unit** for FS #2.
  - \$75,000 increase for the replacement of **Safety and Logistics Vehicle**, a 2008 Ford Expedition with 170,000 miles. Vehicle is used by the Safety and Logistics Officer as a daily work and response vehicle (includes emergency equipment).
9. **Transportation Operating Expenditures.**
- \$70,026 increase in Powell Bill funding for street maintenance and resurfacing.
  - \$480,000 increase in **Operating Capital:**
    - \$30,000 for tilt deck trailer to replace a 1969 trailer.
    - \$330,000 for asphalt hot patch truck.
    - \$120,000 for mini excavator to replace 2005 model.
10. **Planning Department Operating Expenditures.**
- \$30,000 increase in **Operating Capital** for the replacement of code enforcement vehicle that has significant maintenance issues. Replacement expected to be an economy size truck.
11. **Parks and Recreation Department Operating Expenditures.**
- \$122,480 increase in corresponding **part-time budgets** due to the FY 23 salary study adjustments and COLA.
  - \$210,244 increase in **contract grounds maintenance** including half a year's worth of Highway 3 corridor maintenance (upon completion), aeration of the Village Park lawn and normal contractual increases.
  - \$72,000 for update to the **10-year Parks and Recreation Master Plan** and technical assistance for PARTF application for Eastside park.
  - \$281,000 increase in **Operating Capital:**
    - \$90,000 one-ton dump truck to replace a 1997 truck.
    - \$45,000 for F-150 truck for new Parks Superintendent.
    - \$45,000 for F-150 truck for new Recreation Superintendent.

- \$33,000 for ballfield maintenance unit.
- \$68,000 Ventrac pressure washing system for grounds.
- \$67,500 increase in **program supplies** for summer event series, Kannapolis Christmas, youth athletics, senior programming, adult programming and Gem theatre programming.
- **General Fund Transfers** to other funds:
  - General Fund to Environmental: Fund \$1,147,817 (\$85,542 in the FY 23 budget). This will reduce the entire amount of the Water and Sewer Fund subsidy (\$495,700) due to revenue bond covenant requirements. This also addresses \$206,457 in increased capital outlay in the Environmental Fund. This also addresses a \$342,776 increase in the Waste Management contract (CPI and increased housing counts).
  - General Fund to Separation Pay Fund: \$496,912 (\$506,407 in FY 23 budget) based on an estimated 28 employees receiving this benefit. This assumes a net of four additional employees receiving the benefit in FY 24.
  - General Fund to Transit Fund: \$323,031 (\$303,235 in the FY 23 Budget) based on an increase in operations in contracts, fuel, paratransit/ADA trips.

12. There are no new **General Fund Debt Service** obligations added to the FY 24 Budget. The existing debt includes a principal balance of \$10,106,904 (down from \$10,742,368 in FY 23). Interest obligations on this debt is currently \$3,877,187 (down from \$4,218,027 in FY 23). The current General Fund Obligations are shown in the table below.

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.

<b>Limited Obligation Bonds</b>	<b>Principal</b>	<b>Interest</b>	<b>Maturity Date</b>
Fire Stations 2 and 3	\$555,000	\$330,503	04/01/2038
City Hall/Police Headquarters	\$1,365,000	\$607,306	04/01/2034
NCRC Projects	\$2,466,000	\$186,226	03/01/2027
Irish Buffalo Creek Greenway	\$92,000	\$24,509	04/01/2035
College Station/Downtown Streetscape	\$395,000	\$214,485	04/01/2038
Atrium Health Ballpark	\$2,600,000	\$1,826,890	10/01/2039
Parking Deck at VIDA	\$735,000	\$264,262	04/01/2041
<b>Other Debt</b>	<b>Principal</b>	<b>Interest</b>	<b>Maturity Date</b>
Misc. Equipment	\$42,154	\$4,481	06/10/2026
Village Park and Fire Engine	\$446,000	\$156,294	04/01/2037
Downtown Property Purchase	\$733,000	\$262,231	08/01/2030
Motorola (Radio) Lease Payment	\$677,750		06/30/2025
<b>Total</b>	<b>\$10,106,904</b>	<b>\$3,877,187</b>	



# Water and Sewer Fund Overview

The proposed FY 24 Water and Sewer Fund Budget is \$24,286,437 which represents an 3.92% increase from the FY 23 Budget (\$916,437 actual increase).

## Water and Sewer Fund Revenue Highlights

The revenue highlights for the FY 24 Budget include the following:

1. **No water or sewer rate increases** are recommended for the FY 24 Budget for the fourth straight year.
2. **Steady organic growth** is likely on both the residential and commercial side. The budget projects a 5% increase in overall water and sewer charges and fees revenue.
3. **Tap fees** are budgeted more conservatively at \$800,000 based on FY 23 trends. This is a reduction of \$375,000 from FY 23 budget of \$1,175,000. Tap installation has slowed largely due to inability to maintain adequate staffing levels. These tap installation delays have the cumulative effect of impacting the full growth potential in this revenue stream.

At some point a slight decline in tap and connection fee revenue may occur based on external economic factors, decreasing infill homebuilding opportunities, as well as local wastewater treatment constraints. This budget takes into account conservative forecasting for these factors.

4. **Connection fees** are projected to increase by 20% (\$250,000 to \$1,500,000 totals). In accordance with a new state law, all utility providers were required to complete an independent analysis of connection fee (“system development fee”) amounts tied to its capital improvement program. The results of this study for Kannapolis are shown below. The fees set forth in the analysis are not to exceed amounts, so City’s current fee structure for these fees is in compliance with the law. No fee increases are included in the FY 24 Budget but this may be revisited at some point.

Description	Fee Per ERU		
	Existing	Proposed	Difference
<b>Combined Fees:</b>			
Water	\$ 1,350	\$ 2,660	\$ 1,310
Wastewater	1,000	1,220	220
<b>City Total</b>	<b>\$ 2,350</b>	<b>\$ 3,880</b>	<b>\$ 1,530</b>
WASACC (Sewer)	2,040	2,968	928
<b>Total</b>	<b>\$ 4,390</b>	<b>\$ 6,848</b>	<b>\$ 2,458</b>

5. **Wholesale water sales** are projected to increase by \$40,000 (to \$400,000) based on monthly averages in FY 23. This includes water sales to Landis and Concord.

6. **Other revenues** are budgeted with no increases (reconnection, penalties, miscellaneous revenues, and investment income).

**Water and Sewer Fund Expenditure Highlights:**

1. The Water and Sewer Fund includes **5 new positions** representing a projected total recurring budget impact of \$331,500 (salaries and benefits) and \$135,000 in initial start-up costs for vehicles and equipment. These positions are listed on the table below. By comparison, the FY 23 Budget included four new positions and one reclassification.

NEW POSITIONS	
Position (number)	Notes
Meter Technician (1)	This position will perform additional cutoffs daily. The increased number of cutoff/disconnect fees is anticipated to cover the majority of the salary. Additional duties include daily management and maintenance of the meter reading system.
Lead Service Line Inventory Technician (3)	The new Lead and Copper Revision Rule is requiring the physical determination of public and private water service line materials. The rule compliance date is October 14, 2024. To be complaint with this EPA rule, a service line inventory must be completed along with a plan to determine unknow service line materials, and a plan for the removal and replacement of lead service lines at a minimum of 3% per year. This task will require a crew of (3) WTP maintenance worker employees, a service truck, small mini, and tool budget. This task will be their primary work for possibly the next 3-5 years depending on the number of unknown service line materials in the distribution system (est. could be as many as 5,000) and the number the crew can determine per day. Once these tasks are complete these employees would comprise a full time maintenance crew for the water plant.
Lab Analyst (1)	The landscape of water quality regulations is constantly increasing as well as the increased workload in managing testing, calibration of equipment, additional sampling record keeping, and quality control needs. This position would focus on these specific needs and staying ahead of the constantly changing requirements and quality control procedures.

2. \$139,224 increase for 3% **Cost of Living Adjustment (COLA)** for all employees.
3. \$116,018 increase for **Merit (Performance-Based) Pay** for all eligible employees (based on 2.5% average, up to 3% maximum with those in developmental range qualifying for 5%).
4. **Customer Service.**
- \$57,000 increase in postage costs due to an increase in customer base printing.
  - \$40,000 increase in contracted services due to increases in DataMax collection services contract.
  - \$18,000 increase in banking fees based on trends.
  - \$13,000 increase in mailing services based on projected increased costs.

## 5. Distribution.

- \$150,000 increase in repair and maintenance of lift stations (this was moved from the Water Treatment Plant budget). This is a standard yearly rate to make the necessary Lift Station upfits. Several pump stations are beyond the expected 25 year life cycle and will need maintenance replacements.
- \$150,000 increase in contracted services for 12 manhole lids to be re-lined on the Irish Buffalo Creek outfall line.
- \$50,000 increase in contracted services for root control of the system. This effort is focused on older parts of the sewer system that are subject to root intrusion.
- Standard contractual and utility increases in other line items.
- \$843,000 increase in **Operating Capital**:
  - \$475,000 for replacement of W-42, a 2005 Chevrolet Suburban with CCTV camera system with 125,860 miles. This is the CCTV main line camera vehicle and system.
  - \$165,000 for replacement of W-41, a 2003 flat-bed construction truck with 80,186 miles.
  - \$165,000 for replacement of W-10, a 2007 Chevrolet C4500 with 89,881 miles. This is the maintenance division crew truck.
  - \$38,000 for replacement of W-70, a 2005 Chevrolet Colorado truck with 266,497 miles. This is a water meter maintenance vehicle.

## 6. Water Treatment Plant.

- \$100,000 increase in chemicals based on inflation.
- \$25,000 increase in contracted services for lead and copper rule revision.
- \$240,000 increase in **Operating Capital**:
  - \$135,000 for a new truck for Lead Service Line Inventory crew.
  - \$80,000 for a mini excavator for Lead Service Line Inventory crew.
  - \$25,000 for a trailer for transport of the mini excavator.
- \$150,000 *decrease* in repair and maintenance to lift stations (this moved to the Distribution Division Budget).

## 7. Wastewater Treatment (Water and Sewer Authority of Cabarrus County).

- \$33,460 increase in Interceptor Fixed Rate (\$62,869 increase in FY 23).
- \$189,150 increase in Sewage Treatment Variable rate charges (\$160,920 increase in FY 23).
- \$41,590 *decrease* in Treatment Fixed Rate charges (\$856,001 increase in FY 23 driven by the first phase expansion of the Rocky River Wastewater Treatment Plant).
- Wastewater Treatment expenditures total \$4,455,480 in the FY 24 Budget.
- It should be noted that substantial increases are expected in FY 25 as WSACC enters the next phase of expansion of the Rocky River Wastewater Treatment Plant. This is

accounted for in the City’s long range financial forecast (estimated at \$1 million impact to Kannapolis – although this estimate is very early in the process).

**8. Water and Sewer Fund Transfers.**

- \$99,069 *decrease* in the General Management Services Fee (to \$1,823,413 based on updated audit figures used in the employee allocation. This decrease attributed to updated audited figures used in calculation.
- \$495,700 *decrease* in the transfer to Environmental Fund (\$0 in FY 24). In the FY 24 Budget the Environmental Fund is fully subsidized by the General Fund in order to stay in compliance with revenue bond covenants related to the debt service parity ratio in the Water and Sewer Fund.

**9. Water and Sewer Debt Service.** There are no new debt obligations added to the FY 24 Budget. The existing debt includes a principal balance of \$4,371,699 (down from \$4,387,194 in FY 23). Interest obligations on this debt is currently \$1,351,510 (down from \$2,094,833 in FY 23). The current Water and Sewer Fund debt obligations are shown in the table below.

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.

Revenue Bonds	Principal	Interest	Maturity Date
Kannapolis Crossing/Lane St/WTP Improvements	\$2,644,000	\$454,244	02/01/2042
Downtown Water and Sewer	\$1,340,000	\$723,281	04/01/2038
Davidson Road Water	\$296,000	\$162,463	04/01/2041
Other	Principal	Interest	Maturity Date
Misc. Equipment	\$76,528	\$8,136	06/10/2026
Second Creek	\$15,171	\$3,386	05/01/2032
<b>Total</b>	<b>\$4,371,699</b>	<b>\$1,351,510</b>	

**10.** There are no new Water and Sewer **Capital Improvement Projects** included in the proposed FY 24 Budget for the Water and Sewer Fund.

**11.** There were a few expansion expenditures of note not included in the proposed FY 24 Budget. These are all worthy of consideration but are not included in the proposed budget due to revenue limitations, management priorities, or other reasons. They are provided in the following table as information.

Water and Sewer Fund: Unfunded Expansion Requests	
\$340,000	Heavy construction crew to address growth demands and aging infrastructure. The purpose would be to perform more complex water and sewer replacement work in-house (vs. contracting). Should a future priority emerge to aggressively pursue the replacement of aging water and sewer lines then this approach may have some merit. Additionally, in this current labor environment, finding qualified employees for this program would prove difficult.
\$360,000	Heavy construction crew equipment to support the heavy construction crew.
\$100,000	Sewer outfalls (ROW) contracted maintenance due to all available staff being assigned to construction.

Water and Sewer Fund: Unfunded Expansion Requests	
\$50,500	New maintenance position for service maintenance, meter repairs, and construction. This position is needed to service the large and growing service area. As the City continues to expand to the North and West increase demands for service will continue. In lieu of this position additional funds were added to contracted services to focus on utility line root control. The current difficulty in securing job qualified job applicants makes this delay prudent.
<b>\$850,500</b>	<b>Total</b>

## Stormwater Fund Overview

### Stormwater Fund Revenue Highlights:

The proposed FY 2024 Stormwater Fund Budget is **\$3,530,000** which represents an 7.24% increase over the FY 23 adopted budget of \$3,291,706 (\$238,294 actual). Charges and Fees revenues are experiencing organic growth (budgeted at 6%). No fee increase is proposed for FY 24.

The Stormwater Fund continues to be fully self-sustaining.

### Stormwater Fund Expenditure Highlights:

1. \$34,599 increase for a 3% **Cost of Living Adjustment (COLA)** for all employees.
2. \$28,832 increase for **Merit (Performance-Based)** Pay for all eligible employees (based on 2.5% average, up to 3% maximum with those in developmental range qualifying for 5%).
3. No new Stormwater positions are included in the FY 24 Budget.
4. \$25,000 increase in contracted services for **asset management capital lifecycle model**.
5. \$26,000 trailer for skid steer. This is a task specific **trailer designed for the skid steer**; it will be a safer hauling option than what is currently used).
6. \$180,000 for mini excavator. This is a small **hydraulic excavator** to allow a backhoe to be returned to the Transportation Department. The current equipment is aging out, has increase downtime and parts are becoming obsolete).
6. **General Management Services fee** increased to \$463,882 (was \$427,220) based on updated audit figures used in the employee allocation.
7. \$171,526 decrease in **Stormwater Debt Service** due to retired obligations for various projects and equipment. \$559,479 remains. No new debt service is included in the FY 24 Budget. The current debt obligations are show on the table below.

Installment Obligations	Principal	Interest	Maturity Date
Equipment	\$17,562	\$1,867	06/10/2026
Stormwater various projects	\$350,000	\$190,050	04/01/2038
<b>Total</b>	<b>\$367,562</b>	<b>\$191,917</b>	

8. There are no new **Capital Improvement Projects** included in the proposed FY 24 Budget for the Stormwater Fund.



- There are no **Unfunded Expansion Items** of note in the proposed FY 24 Budget for the Stormwater Fund.

## *Environmental Fund Overview*

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

The proposed FY 24 Environmental Fund budget totals **\$5,683,817** which represents a 15.81% increase over the FY 23 Budget of \$4,908,080 (\$775,737 actual increase).

Charges and Fees in the Environmental Fund are expected to experience organic growth (1.64% growth rate). No fee increase is proposed for FY 24. \$160,000 is budgeted for surcharges for missed pick-ups from the City’s solid waste collection contractor.

This Fund is still reliant upon inter-fund transfers to support its operations – all from the General Fund in FY 24 (see table below). The Environmental Fund was projected in the City’s 10-year Financial Plan to become self-sufficient by FY 23 with two planned \$2.50 fee increases (one in FY 21 and one in FY 23). The FY 21 adjustment was postponed due to the unknown COVID impacts but it was implemented in FY 22 which brought the fee from \$15.60 to \$18.10. Significant increases in recycling costs and more recently, the addition of supplemental funding to address service delivery lapses by the City’s solid waste collection contractor, have prevented these fee increase from achieving the goal of self-sustainability. To make the Fund fully self-sustaining a fee increase of at least \$5.00 would be necessary. This is not recommended in this year’s budget.

<b>Environmental Fund Transfers In</b>				
<b>Transfer</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>
From Stormwater Fund	\$400,000	\$0	\$0	\$0
From General Fund	\$150,000	\$85,542	\$85,542	\$1,147,817
From Water and Sewer Fund	\$495,700	\$495,700	\$495,700	\$0
<b>Total Transfers to the Environmental Fund</b>	<b>\$1,045,700</b>	<b>\$581,242</b>	<b>\$581,242</b>	<b>\$1,147,817</b>

As of the writing of this budget message, City staff has released a Request for Proposals (RFP) for all solid waste services except yard waste. The agreement with the current contractor expires in June 2024 but does include an additional one-year extension option. The intent is for the City to award a new bid for these services starting July 1, 2024. Concurrently, City staff is preparing a proposal to bring this service in-house as an alternative. Final options are anticipated to be presented to City Council in late summer/early fall 2023.

### **Environmental Fund Expenditure Highlights:**

- \$65,000 total budget impact for the addition of **one (1) Construction Maintenance Technician position**. This position will provide full time cart delivery services. Currently stormwater employees provide this service which impacts their existing job duties.
- \$21,000 increase for a 3% **Cost of Living Adjustment (COLA)** for all employees.
- \$17,500 increase for **Merit (Performance-Based) Pay** for all eligible employees (based on 2.5% average, up to 3% maximum with those in developmental range qualifying for 5%).

4. \$342,776 **increase in the City's solid waste contract** (includes a 5.84% CPI increase per contract provisions and addition of the new house count estimated at 393 additional houses which represents \$46,000 of the increase).
5. \$270,000 increase for the full year funding to support three **(3) new waste collection operator positions** which were added in February FY 23 to serve as the **Rapid Response Unit** to supplement the City's solid waste collection contractor with missed pickups and other service delivery problems. Only half a year's costs were included in February. This new service also included the one-time purchase of two used garbage collection trucks (one rear loader and one side loader) in FY 23.
6. \$20,000 increase in contracted services for a **supplemental leaf collection contractor**. It is anticipated this contractor will assist the City with two personnel for 10 weeks at the peak of leaf collection season.
7. \$35,000 increase in contracted services to maintain a service schedule with Keller Mining trash truck service to **supplement solid waste collection** during peak times, holidays and to assist with service delivery shortcomings by the City's primary solid waste collection contractor.
8. \$20,000 increase in **repair and maintenance of equipment**.
9. \$32,000 increase in **yard waste collection costs**.
10. \$10,000 increase in travel and training due to additional staff and increase in **Commercial Driver's License (CDL) training**.
11. \$52,000 in one-time costs for a **mid-size truck** for the Environmental Operations Manager.
12. \$80,000 in one-time costs for the replacement of current **cart delivery truck**. The current 1990 F350 cart truck has 209,000 miles.
13. \$232,036 *decrease* in **Environmental Fund Debt Service**. The only debt was paid off in FY 23 (leaf collection trucks). There are no additions to Environmental Fund Debt Service in the FY 24 Budget.
14. There are no new **Capital Improvement Projects** included in the proposed FY 24 Budget for the Environmental Fund.
15. There are no **Unfunded Expansion Items** of note in the proposed FY 24 Budget for the Environmental Fund.

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

The proposed FY 24 Separation Pay Fund Budget is **\$496,412** which represents a 1.87% *decrease* from the FY 23 adopted budget of \$506,407 (\$9,495 actual).

The full amount of the Separation Pay Fund is projected for separation pay obligations for retired City employees. From FY 23 to FY 24, six former employees are no longer eligible to receive special separation pay because they are now over 62 years of age. Two new employees will begin receiving benefits in FY 24.

Twenty-eight former employees currently receive separation pay benefits.

## ***Transit Fund Overview***

The proposed FY 24 Transit Fund budget is **\$1,223,031** which is a 29.85% *decrease* from the FY 23 Budget of \$1,743,571 (\$520,540 actual). The decrease is the result of one-time capital purchases for bus and van replacements that will not occur in FY 24.

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

In the past two fiscal years, the Concord/Kannapolis Transit System (CK Rider) was eligible for Federal CARES Act funding due to impacts of the COVID-19 pandemic. The funding was split between the two municipalities. This federal subsidy helped delay several increases until FY 23.

The current vehicle license tax is \$30 per vehicle with \$20 going directly to the Transit Fund to support the public transit system. \$5 goes back to the General Fund and \$5 goes towards road paving/improvements. In FY 24, the vehicle license tax revenue is projected at \$900,000 (based on \$20 for each of the City's estimated 44,000 registered vehicles).

A transfer from the General Fund is also required in the amount of \$323,031 (was \$303,235 in FY 23). This transfer is necessary to supplement other funding sources. The \$19,796 increase from FY 23 is due to normal increase in the costs of operations.

### **Transit Fund Expenditure Highlights:**

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

## ***Insurance and Risk Fund Overview***

The proposed FY 24 Insurance and Risk Fund budget is **\$6,046,460** which is a 100% increase over FY 23 because this is a new internal service fund in FY 24. This new fund brings all Medical and Workers Compensation insurance components together in one place in the City's budget structure. Other insurance premiums and claims (liability, dental, vision, etc.) will be added to this fund in the future. The intent is establish a foundation for the new Fund in the first year then adjust in subsequent budget years.

Over the past two years a number of insurance related changes have been implemented through various City Council policy and staff administrative adjustments:

- Retirement continuation coverage eligibility requirement modifications.
- Discontinuation of the Medicare Supplement plan to anyone hired on or after July 1, 2021.
- Movement of Pre-65 aged retirees to new plans in the marketplace (retirees make up 10% of the City's population coverage and result in over 50% of the claims).
- Policy amendment to allow covered retirees to exit the plan temporarily in certain circumstances.
- Elimination of the PPO and 123 plans through attrition.
- Offering only the HSA plan to new hires hired on or after June 30, 2021
- Increasing the premium differential between the PPO and HSA plans to more accurately reflect the cost of the PPO plan.
- Implementation of the BCBS Specialty Copay program.

The full impact of these changes has yet to be fully realized but the establishment of all insurance programming under one fund will assist in making those assessments going forward.

## **Insurance and Risk Fund Revenue Highlights**

Revenues for this Fund come for four sources (two internal and two external):

- \$4,813,440 from employee **Medical Insurance premiums** which is accomplished through a transfer from the General Fund. These premiums are budgeted by individual City departments so as to provide an accurate picture of the total cost of each City service/department. This projection includes the 14 new positions including in the proposed FY 24 Budget. For FY 24 the projection is based on 436 full time positions budgeted at \$11,040 per position.

This revenue includes an **increase in the employer contribution per employee** of \$414,200 (\$950 increase per employee). Since the City transitioned to being self-insured, these revenues have not been adequate on a consistent basis to cover the cost of the claims. Those shortfalls have been addressed through year end budget amendments (typically fund balance appropriations). The expectation is this new formula will more accurately balance revenues with expenditures. Of course, there is no way to completely predict employee, dependent and retiree health insurance claims in a single year. No portion of these costs are being passed along to employees in FY 24.

- \$578,160 is from **employee dependents Health Insurance premiums** that will be credited to this Fund directly as collected through employee payroll deductions.
- \$184,000 from **retiree Health Insurance premiums** that will be credited to this Fund directly upon collection from retiree payments.
- \$470,880 from **Workers Compensation premiums** which is also a transfer from the General Fund. These premiums are budgeted similarly to Medical Insurance premiums. They are based on 436 full time positions budgeted at \$1,080 per position. This revenue stream includes a \$111,240 increase from FY 23 based on trends and having each enterprise fund pay its appropriate share.

An additional revenue that will occur mid-year FY 24 will be the transfer of \$900,000 from the General Fund - Fund Balance into the Insurance and Risk Fund to establish a “buffer” to this fund for its first year with the goal of it becoming self-sustaining in the future. Several years of budget data will be needed to fully understand how the Fund performs.

## **Insurance and Risk Fund Expenditure Highlights**

This new Fund includes the following expenditures:

- \$800,000 for Retiree Medical Insurance claims.
- \$959,200 for Employee HSA and HRA benefits (estimated at 436 employees at \$2,200).
- \$38,250 for Retiree HSA and HRA benefits.
- \$10,000 for Contracted Services for required Other Post-Employment Benefits (OPEB) reporting.
- \$240,000 to operate the Employee Health Clinic (currently at Fire Station 1). These are fees paid to the City’s contract operator Synergy.

- \$3,360,726 for employee Medical Insurance Claims. This is an estimate based on trends forecasted from the City’s broker (USI).
- \$197,880 for Workers Compensation Claims. This estimate is based on trends forecasted from the City’s administrative consultant Gallagher.
- \$167,424 for Medical Administration Fees. These are fees for Blue Cross Blue Shield NC to administer the medical plan. The fee is based on \$32/person at 436 employees at 12 months.
- \$18,000 for Workers Compensation Administration Fees (Gallagher).
- \$255,000 for Workers Compensation Insurance.

## *Looking Ahead – FY 2025 and beyond*

### **Imagine Kannapolis**

Over the past 15 months City staff, City Council and about 75 engaged citizens have worked to develop a series of programs, projects, initiatives and strategies as part of the Imagine Kannapolis Strategic Plan. The intent of Imagine Kannapolis, the City’s strategic planning process, is to understand where we are as a City, develop a vision of what Kannapolis should look like in the immediate and distant future, and develop a set of strategies to achieve the vision. The planning process has addressed a wide range of issues including, but not limited to, affordable housing and homelessness, economic development historic preservation, environmental sustainability, growth management, changing demographics, and enhanced service delivery. The FY 24 Budget and many future budgets will be guided by this new Plan.



The following is a list of projects and initiatives that are currently in the *draft* Strategic Plan to be initiated (many completed) in the next six years through June 2030.

<b>DRAFT - IMAGINE KANNAPOLIS - DRAFT FY 24-26 Projects and Initiatives</b>	
Police Community Response Program	Public Safety
Fire Training Tower and Storage Facility	Public Safety
Fire Station #1 and #4 Renovations	Public Safety
Downtown Dog Park	Parks, Recreation, Culture
NCRC Economic Development/Organizational Plan	Economic Development
Cultural Arts/Historic Preservation Program	Parks, Recreation & Culture
NC Music Hall of Fame Growth Plan	Economic Development
Professional Symphony Orchestra Exploratory Program	Parks, Recreation & Culture
Open Space and Tree Preservation Plan	Planning
Upgrade School Athletic Sites Phase 1	Parks, Recreation & Culture
Upgrade School Athletic Sites Phase 2	Parks, Recreation & Culture
I-85 Monument Signage Phase 1	Economic Development

<b>DRAFT - IMAGINE KANNAPOLIS - DRAFT FY 24-26 Projects and Initiatives</b>	
Little Texas Road Sidewalk	Transportation
Stormwater Master Plan	Government Services
City Hall 2 <sup>nd</sup> Floor Upfit Project	Government Services
City Hall 1 <sup>st</sup> Floor Upfit Project	Government Services
Downtown Kannapolis Ambassador Pilot Program	Economic Development
Eastside Park Phase 1	Parks, Recreation & Culture
Eastside Park Phase 2	Parks, Recreation & Culture
Gem Theatre Renovations Phase 3	Parks, Recreation & Culture
Façade and Site Improvement Matching Grant Program	Economic Development
Six-Year Personnel Plan	Government Services
Solid Waste Plan of Action	Government Services
Public Art Master Plan	Parks, Recreation & Culture
Existing Park Facility Upgrades Phase 1	Parks, Recreation & Culture
“Last Mile” Transportation Plan	Transportation
Manufactured Home Park Improvement Strategy	Planning
Electric Charging Station Expansion Plan	Transportation
Code Enforcement Repeat Offender Policy	Planning
Enhanced Residential Code Enforcement Program	Planning
Rental Registration Program	Planning
Plant 4 Property Development Strategy	Economic Development
U.S. Performance Center Support/Promotion Program	Economic Development
Performance Venue Sustainability Strategy	Parks, Recreation & Culture
Downtown Architectural Review Committee	Economic Development
Amtrak Expansion/Commuter Rail Support Initiative	Transportation

<b>DRAFT - IMAGINE KANNAPOLIS - DRAFT FY 27-29 Projects and Initiatives</b>	
Motorsports Asset Promotion Program	Economic Development
Westside Park Phase 1	Parks, Recreation & Culture
Existing Park Facility Upgrades Phase 2	Parks, Recreation & Culture
Establish Environmental Stewardship & Beautification Commission	Environmental Sustainability
Establish Keep Cabarrus/Rowan Beautiful Organization	Environmental Sustainability
Neighborhood Improvement Program	Planning
Warehouse Improvement Project	Government Services
Public Works Operations Center Improvements Phase I	Government Services



<b>DRAFT - IMAGINE KANNAPOLIS - DRAFT Post FY 29 Projects and Initiatives</b>	
Western Cabarrus Fire Station	Public Safety
Permanent Farmers Market	Economic Development
Upgrade to School Athletic Sites Phase 3	Parks, Recreation & Culture
I-85 Monument Signage Phase 2	Economic Development
Mt. Olivet Road/South Cannon Boulevard Intersection Improvements	Transportation
Rogers Lake Road/ Oakwood Avenue Intersection Improvements	Transportation
North Loop Road Safety Improvements	Transportation
S. Cannon Blvd/DEB Intersection Improvements	Transportation
Cabarrus Joint Public Safety Training Facility	Public Safety
Eastside Fire Station	Public Safety
North Kannapolis Revitalization	Economic Development
Eastside Park Phase 3	Parks, Recreation & Culture
Westside Park Phase 2	Parks, Recreation & Culture
Gem Theatre Renovations Phase 4	Parks, Recreation & Culture
Vietnam Veterans Park Acquisition and Improvements	Parks, Recreation & Culture
Enhanced Street Paving/Pavement Preservation Program	Government Services
Public Works Operation Center Improvements Phase 2 and 3	Government Services

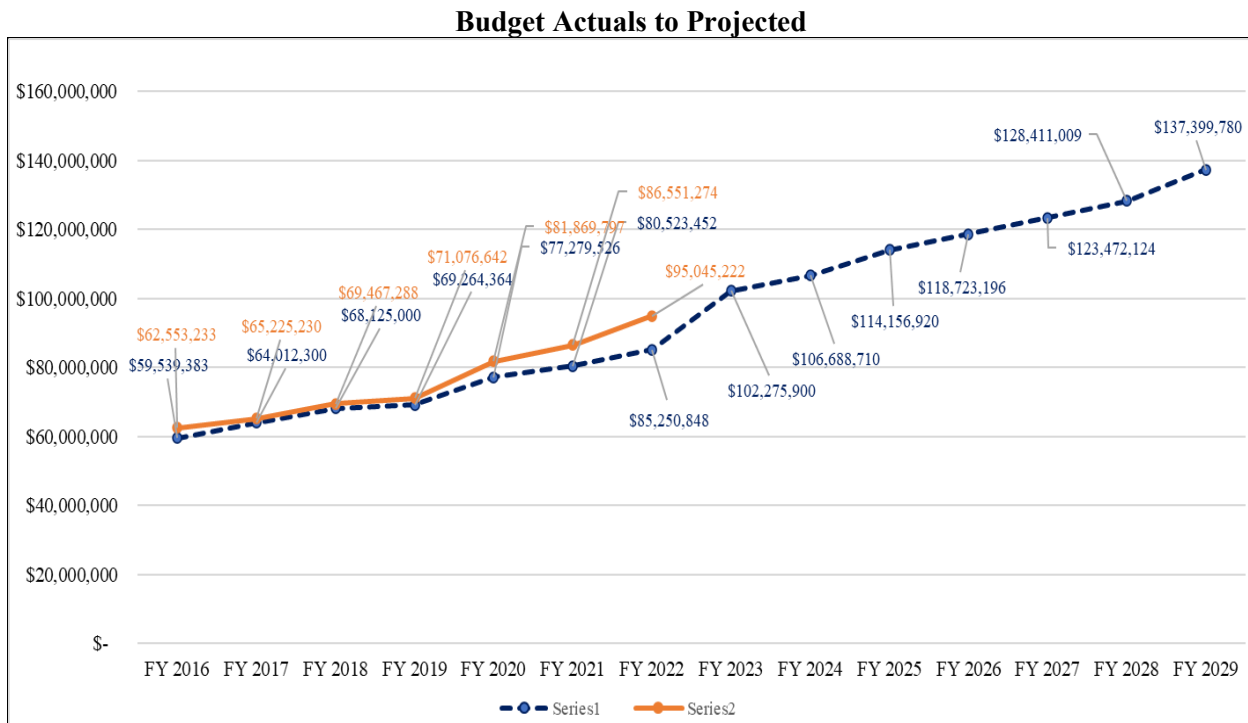
<b>DRAFT - IMAGINE KANNAPOLIS - DRAFT Projects and Initiatives - Active City Council Discussion</b>	
Homelessness/Affordable Housing	Community Development
Alternative School Program (KCS)	Community Development
Six Year Capital Outlay Programming	Government Services
Eastside Park Phase 2 (potential addition of event space to gymnasium)	Parks, Recreation & Culture
Greenways (Rocky River Phase 2 and Irish Buffalo Creek Phase 2)	Parks, Recreation & Culture
Kannapolis Parkway/NC 3 Lighting and Landscaping	Transportation
Midway Revitalization	Economic Development
Park Ranger Program/Auxiliary Police/Downtown Coverage	Public Safety
Fire Adaptive Response Vehicle Program	Public Safety
Downtown - Parking Management Plan (phases 2 and 3)	Economic Development
Downtown - Association/Organization	Economic Development
Downtown - Main Street Streetscape Improvement Project	Economic Development
Community/Recreation Center/YMCA Support (multiple options)	Parks, Recreation & Culture
Public Transit Plan (implementation, system consolidation/structure)	Transportation
NCRC Pillowtex Glenn Avenue Property Acquisition	Environmental Sustainability
Wyrick Property Disposition	Environmental Sustainability

Collectively, over the next 6 years these projects and initiatives will require an **estimated \$44 million in one-time cash investments** and an **estimated \$45 million in million in annual operating expenditures**.

## Financial Forecast

Several factors should provide a certain level of confidence that the City’s financial picture in the coming years will be supportive of facilitating the implementation of the Strategic Plan. The following factors support this conclusion:

- Conservative and Responsible Budgeting.** As depicted on the following graph, the total City budget has increased by 50% since 2015 and is expected to double by 2027. This graph also shows we have consistently exceeded budget projections for the past six years. This has been achieved by sound revenue forecasting and the establishment of important budget policies by City Council a decade ago. These actions are allowing the City to prosper today.



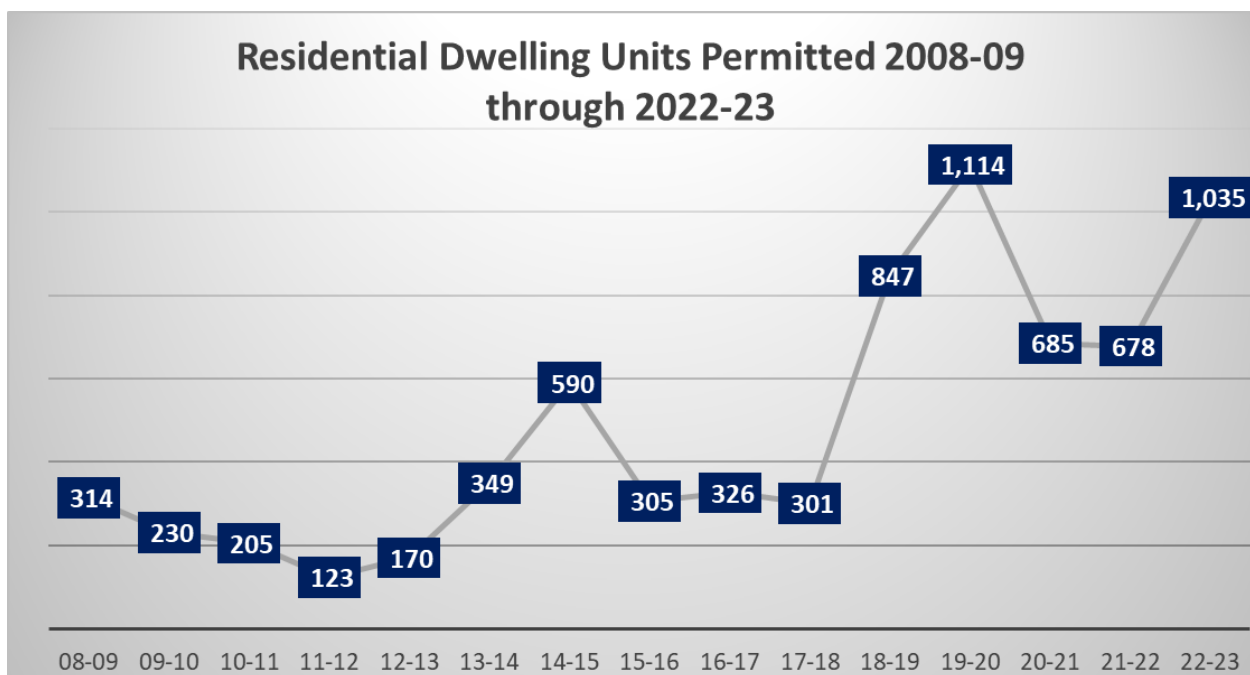
- Public-Private Partnerships Paying Dividends.** While local governments are not always the best organizations to directly engage in real estate development, for Kannapolis this has not been the case. Over the past 30 years Kannapolis has been quite aggressive in directly facilitating economic growth. Generally, these bold actions have been taken out of necessity to incentivize and reduce risk to the private sector. Examples include construction of the first baseball stadium in 1995, construction of the Gateway Business Park in 2001, partnering with Cabarrus County to issue bonds to support the NC Research Campus in 2010, and more recently major water and sewer extension to the I-85 Exit 65 interchange and the aggressive \$120 million investment to revitalize Downtown Kannapolis.

These bold decisions have fueled private economic growth and will continue to do so in the coming years. These investments will continue to translate into new local revenues which will help pay for the implementation of the new Strategic Plan initiatives and projects.

- Continued Private Sector Growth and Development.** The City’s rapid private sector development trends have continued over the past decade. In the past 10-years more than 6,000 residential dwelling units were permitted. However, this is only the beginning of what is likely an exponentially more rapid growth. Nearly twice as many residential dwelling units have been permitted in the past 5 years (4,359) than in the previous 10 years combined.

As land prices escalate and household sizes decrease, higher density residential projects will become more of the norm. The economics of low-density large lot single family development are no longer realistic in most settings. Over the past 24 months, the City has seen 920 multi-family dwelling units with a total tax value of \$157 million. In the same time period, 793 single family permits were issued with total value of \$104 million.

The City’s residential growth trends from the past 15 years are depicted on the graph below.



Commercial and industrial development (i.e., tax base) has also rapidly grown in recent years:

- 2022-23 = \$102.9 million
- 2021-22 = \$41.8 million
- 2020-21 = \$13.6 million

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

- Wastewater Treatment Capacity Limitations (not really a short term factor).** One unavoidable challenge to the City’s growth narrative is related to the limited wastewater

treatment capacity which will be part of the decision-making process for the better part of the next decade as the Water and Sewer Authority of Cabarrus County (WSACC) facilitates three successive treatment plant expansions; the first one is under construction now with a spring/summer 2024 completion target and the second expansion slated to overlap with the first one starting in early late 2023 or 2024.

However, we should not lose sight of how significant even a heavily managed growth plan will be. The City's current wastewater allocation plans are projected to facilitate more than 7,000 dwelling units, more than 10 million square feet of non-residential space and more than 500 hotel rooms. These developments are projected to generate \$3.5 billion in new private investment (current City-wide total tax base is \$6.2 billion). This level of investment will generate \$22 million in new annual property tax revenues and \$12 million in new annual water and sewer use revenues over the next decade. This level of development alone will generate an estimated 15,000 new residents. How rapidly this all occurs remains to be seen and external factors such as another recession could impact this. Even so, the growth is coming and will produce new revenue streams to help pay for improvements to our City.

One note of caution, at some future point the lack of maximum development permitting over the coming 4-5 years may result in a dip in private investment but it is also quite possible that the development community will "catch up" once the wastewater capacity issue is less restrictive. This growth dynamic is hard to predict.

## ***Closing Thoughts***

This proposed FY 2023-24 Budget is balanced in accordance with N.C. Statutes and continues to move our City forward in both its service delivery to our citizens as well as our economic growth and prosperity. For each of those participating in the development of this budget I am extremely thankful. Our budget manager, Assistant to the City Manager, Kristin Jones worked tirelessly to oversee a streamlined and effective budget process resulting in an exceptionally good final product. Our Finance Director Brian Roberts played a significant role this year, especially with the establishment of the new Insurance and Risk Fund. Our management team and each of our department heads also played key roles in the development of this Budget.

I will also use this message to express my appreciation to a departing member of our management team. Assistant City Manager Eric Davis recently announced his retirement. Eric came to the City in 2010 as the City's second Finance Director. At that time, I asked Eric to help us get to a better place financially – to help give us the ability to take bold actions in the future to better our City. Eric delivered in that charge; he was a big part of helping establish the City's solid financial foundation that serves us well today.

City Council is commended for continuing to lead our City to new heights. What makes Kannapolis different from other similar communities is a commitment of its elected leadership to not rest on its laurels and continually strive to make our City even better than it already is. The issues are sometimes complicated and difficult but these tough decisions will have lasting positive impacts on our City. I offer my appreciation to each of you for your support of City staff in our work to implement City Council's priorities including finalizing our new Imagine Kannapolis Strategic Plan and this year's budget.

Without reservation, I respectfully submit this proposed FY 2023-24 Budget to the City Council for its thoughtful consideration.

Sincerely,

A handwritten signature in blue ink that reads "Mike Legg". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mike Legg  
City Manager

### **BUDGET PROCESS**

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

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

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

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

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

#### **Formulate Historical Data**

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



### **Preparation of Departmental Requests**

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

### **Consolidate Preliminary Budget**

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

### **Evaluate Service Priorities and Objectives**

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

### **Balance Proposed Budget**

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

### **Legislative Review**

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

### **Budget Adoption**

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

## BUDGET PROCESS AND POLICIES

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

### BUDGET CALENDAR

Date	Deliverables	Description
Monday, February 13, 2023	City Manager's Office produces the FY 24 base budget, which is the FY 23 adopted budget less any one-time expenses.	Base budget: starting point. Last year (FY 23) adopted budget less any one-time projects or costs. <a href="#">Munis Level 1: Base budget opens for viewing purposes only.</a>
Monday, February 27, 2023	Departments receive base budgets and begin to develop their continuation budgets. This includes reviewing and reassessing each base budget to reflect any updated budget amounts for all recurring line items.	Continuation budget: review of the base budget with any updated contractual costs and salary and fringe adjustments. Examples include inflation of goods, utility increases, cost of labor increases, rate changes on contracts. All salary and fringe information are handled by Budget and Human Resources. <a href="#">Munis Level 2: Department Continuation budget</a>
Tuesday, February 28, 2023	Budget/Finance reviews and assesses revenue forecasts and provides updated debt service figures.	Budget will enter the estimated revenues related to each department. If
Monday, March 13, 2023	Department continuation budgets <b>DUE</b> .	All proposed adjustments need a brief justification for the proposed change.
Thursday, March 16, 2023	Departmental expansion templates will be distributed. This should include a 3-year forecast of the department's personnel requests, increase in operations outside of contractual obligations, operating capital (including rolling stock).	Expansion budget: anything new that wasn't previously approved or adopted with the budget. These requests are new and don't include items currently in a department's annual operating budget. Examples include new positions, new vehicles, new programs or services, new capital items and new technology. <a href="#">Munis Level 3: Department Expansion budget.</a>
Monday, April 3, 2023	Department expansion budgets <b>DUE</b> .	Budget will key all expansion requests in Munis and note any one-time projections and/or initiatives.
Thursday, April 20, 2023 - Tuesday, May 2, 2023 <i>*subject to change</i>	<b>Budget conferences begin.</b> Budget conferences will consist of the City Manager, respective Deputy or Assistant City Manager(s), Assistant to the City Manager and Department staff.	Continuation and Expansion departmental budgets will be discussed in these meetings as well any capital projects. <a href="#">Munis Level 4: Manager recommended budget opens. Any changes suggested in budget conferences will be reflected in this level.</a>

## BUDGET PROCESS AND POLICIES

Date	Deliverables	Description
End of April/Early May 2023	Preliminary budget is prepared and compiled by staff	This includes changes reflected by the City Manager and City Council. <a href="#">Munis Level 5: Board level opens. Any changes suggested during the retreat and up until Board adoption will be reflected in this level.</a>
Monday, May 22, 2023	FY 24 Preliminary Budget is presented to City Council.	Manger presents recommended budget via presentation and the budget message.
Tuesday, May 23 - Friday, June 9, 2023	Staff makes final revisions and recommendations to the budget.	
Monday, June 12, 2023	City Council holds public hearing on the proposed FY 2024 Budget.	Required by State statute. This is where the public is able to voice comments/concerns on the budget.
Tuesday, June 13, 2023	Department program templates are distributed. Departments will be responsible for updating their accomplishments from this past year (FY 23), an action plan for the upcoming year (FY 24) and performance measurement data for 3 years (FY 22 actual, FY 23 estimated and FY 24 target).	Department program templates are used for the final budget document. They provide an overview of each department and/or division. It show's department's mission statements, budget and staffing summary and key performance metric data. Departments will be expected to keep up and update their performance metric data throughout the year.
Monday, June 26, 2023	City Council adopts FY 2024 Budget.	This includes corresponding budget ordinances for all annually adopted funds and any fee schedule changes.
Tuesday, June 27 - Friday, June 30, 2023	FY 24 Adopted Budget is disseminated to Department Heads.	Enables Department Heads to view their FY 24 adopted operating budgets which will note any expansionary items that were adopted with the budget.
Friday, July 14, 2023	Department program templates <b>DUE</b>	
Tuesday, June 27 - Tuesday, August 1, 2023	Final Budget Document is compiled by City staff.	

**BUDGET LEVELS**

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

**Level 1 - Department Continuation:** This level started with the FY 2022 adopted budgeted amounts less any one-time projects or costs. This detail served as a starting point, but departments still assessed and updated all prior year detail and amounts while adding new detail if necessary. Continuation budgets are those that provide the same level of service in the coming year that the department is providing in the current year. Such budgets typically include items that repeat year after year. It is ok to have increases in this column due to an increase in the cost of doing business year over year (i.e., inflation costs in operations, supplies, fuel, utilities, etc.)

**Level 2 - Department Expansion:** This level consisted of new requests only. The following classified as an expansion request: new personnel, new software, new technology for new personnel, new projects, new upgrades, new programs, new services, new vehicles for new personnel or adding to the fleet outside of the normal replacement cycle. Not every department had expansion requests. If departments were not asking for anything new in FY 23, then they only worked in the continuation budget level. Expansion requests required justification and for departments to project three years out. The following revenues classified as expansion: those tied to a new grant, new reimbursement due to a new position or a new fee structure.

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

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

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

Continuation	Expansion
<p><b>Description:</b> Continuation requests are for funding above FY 23 levels that are required to provide the same level of service. Most often continuation requests include salary and benefit adjustments and contractual increases.</p>	<p><b>Description:</b> Expansion requests are for anything new that wasn’t previously reviewed/approved by City Council or Management via the budget process. These requests are new and do not include items in the department’s annual operating budget.</p>
<p>Examples on following page:</p>	<p>Examples on following page:</p>

## BUDGET PROCESS AND POLICIES

Continuation	Expansion
1. Salary and Benefit adjustments for existing positions - No department action is need here. This is handled by Budget and Human Resources through the salary projection.	1. New position requests with associated costs including: uniforms, technology, vehicles, supplies, travel and training, memberships, etc.
2. Rate changes on contractual obligations	2. Position Reclassifications
3. Inflation or deflation on items to be purchased -Facility expenses such as rent and utilities	3. New programs, projects, or services and all associated expenses and/or revenues.
4. Mandated program or service expenses	4. An increase in expenses associated with a major change in a program or project (i.e., adding another location).
5. Scheduled replacement in accordance with the replacement cycle of vehicles/equipment -Consult with General Services and IT	5. New software, technology, or upgrades
	6. Operating costs associated with CIP Projects which includes: personnel, technology, furniture, supplies, etc.
	7. Maintenance projects that are out of the ordinary
	8. Professional/Contracted Services that don't occur regularly

### **BUDGET ADOPTION**

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

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

- a. The City Manager is hereby authorized to transfer funds form one-line item to another line item within each Fund of said budget except for the general contingency account. Utilization of any contingency funding appropriation shall be accomplished with City Council approval only.

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

### **BASIS OF BUDGETING**

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

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

The **General Fund** is a governmental fund and accounts for the revenues and expenditures of all City departments except those required to be accounted for in other funds. The General Fund is the City's main operating fund. The primary revenue sources are ad valorem taxes and State shared revenues. The primary expenditures are public safety, public works, community development, parks and recreation, general government services, and debt service. In the past, the City had a **Downtown/College Station Fund**, which was an Enterprise Fund and accounted for the operations of the downtown properties purchased by the City of Kannapolis. FY 16 was the first year for this fund. During FY 18, the City purchased a commercial property for the location of the RCCC Cosmetology School. In addition to the Downtown properties purchased, and the operations and management of those properties, this fund accounted for all activity related to the newly named College Station properties. Due to the sale of the remaining properties, FY 22 accounts for the closing of the Downtown Fund any remaining expenses were moved to the **General Fund**

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



## BUDGET PROCESS AND POLICIES

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 **Insurance and Risk Fund** is an Internal Service Fund to account for the administration and operation of the City's healthcare for active and retired employees as well as the operation of the City's workers compensation.

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.

## BUDGET PROCESS AND POLICIES

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

- **Ad Valorem Taxes:** Collections of current year and prior year tax levies; interest on delinquent taxes; late listing penalties; and other costs of collection delinquent taxes.
- **Intergovernmental:** Federal, State, and Local financial assistance; utility franchise tax; beer & wine tax; Powell Bill funds; refunds of sales and gas taxes; ABC Board distributions; receipt from other local governments; and state grants.
- **Sales Tax:** Collections of the one percent (1%) local options-sales tax and both the one-half (½) of one percent (1%) local option sales taxes (Articles 40 and 42).
- **User Charges:** Water and sewer sales; non-payment penalties; taps and connection fees and stormwater fees.
- **Other Revenue:** Vehicle License taxes, Business Privilege licenses, Zoning, and other permits; interest income; court cost fees; civil violations; sale of materials; charges to other funds; sale of surplus properties; and other miscellaneous revenue.

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

The major expenditures by function are shown as follows:

- **General Government:** Expenditures for the Governing Body; City Manager; Human Resource Director; Legal Services; Finance Administration; Information Technology; Economic Development; City Memberships; Planning and General Services.
- **Public Safety:** Expenditures for the Police Department (administration, support services, and field operations); and Fire Department (administration, medical response, prevention, and suppression, and general services).
- **Parks and Recreation:** Expenditures for Parks and Recreation, maintenance, and operations of all city owned parks and greenways, operations related to the Linear Park downtown and all City run programs and events.
- **Public Works:** Expenditures for Public Works (engineering, streets – Powell Bill, street lighting, traffic signs and markings, solid waste – yard waste solid waste-residential garbage, and operations center).
- **Debt Service:** Expenditures related to General Fund Debt service and any debt service related to Downtown (i.e. Atrium Health Ballpark, Parking Deck).
- **Non-departmental:** Expenditures for General Fund not otherwise classified by department.

- **Contingency:** Provision for unexpected expenditures.
- **Water and Sewer Fund:** Expenditures for administration, billing and collection, distribution, sewage treatment, water treatment plant, and debt service.
- **Stormwater Fund:** Expenditures for maintenance of the stormwater drainage system and federally mandated stormwater runoff education program.
- **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.
- **Insurance and Risk Fund:** Expenditures related to the administration and operation of the City's healthcare for active and retired employees as well as expenditures related to the administration and operation of the City's workers compensation.

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 2022-2023 Budget.

**REVENUES**

**FORECAST RATIONALE**

Ad Valorem Taxes

Property valuations are established by the County Tax Assessor. The City of Kannapolis is in two (2) counties, Rowan and Cabarrus and the property values are set by each respective County Tax Assessor. Projections of \$6,190,765,028 assessed valuations are based on preliminary tax information received from the respective County tax assessors. The tax rate per \$100 of value was set at 63.0 cents by City Council. The estimated collection percentage is 98.95%, which was the collection rate for FY 22. The prior year tax budget amount is based upon previous historical trends. **Estimate – General Fund – Current year tax - \$38,627,140; 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 23 actuals the City received is what is projected for FY 24. **Appropriation – General Fund - \$2,805,308.**

Beer & Wine Tax

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

Powell Bill

One and three quarters (1¾) cents per gallon of the State gasoline tax is distributed to municipalities to be earmarked for street construction and maintenance. Seventy five percent (75%) is based on per capita and the remaining twenty five percent (25%) is based on number of miles of streets maintained. The State provides the estimated value to place on each. Powell Bill funding

## BUDGET PROCESS AND POLICIES

is projected based on FY 23 actuals. **Estimate – Powell Bill revenues \$1,583,146.**

### 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 23 actuals/year end projections with a 6% growth rate. **Estimate – General Fund \$16,370,550.**

### Investment Income

Investment or interest income revenues are projected based on estimated average available cash balances at an anticipated realistic rate of return. **Estimate General Fund \$1,000,000, Water & Sewer Fund \$30,000, Stormwater Fund \$30,000 and Environmental Fund \$20,000.**

### Planning and Zoning Fees

Projections are based on comparisons of past operating data and consideration for a slow recovering housing activity. **Estimate – General Fund \$200,000.**

### 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 \$420,000; Transit Fund \$900,000.**

## BUDGET PROCESS AND POLICIES

### City Code Violation Revenues

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

### Real Property Rental

The City collects rental revenue from certain properties owned by the city and used by others. These properties include a cellular tower, and some vacant land used by farmers. Projections are based on comparisons of past operating data. **Estimate – General Fund – Tower Rental \$95,000; Building Rental \$200,000.**

### 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 \$35,000.** *(Fire - Technical Services charges and fees)*

### Police Officer Court Cost Reimbursements

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

### Enterprise Fund Management Fees

Charges for services by the General Fund to the Water and Sewer Fund and the Stormwater Fund within the City. Funding is projected by estimating cost of services provided, debt service obligations and employee allocations. **Estimate – General Fund \$2,260,295.**

### 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 \$22,215,000, Wholesale \$400,000.**

### 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 \$2,300,000.**

### Penalties for Late Payment

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



## BUDGET PROCESS AND POLICIES

### Solid Waste Fee

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

### Intergovernmental Revenues

The City will receive funds from Cabarrus County related to the purchase of Limited Obligation Bonds. **Estimate – General Fund \$1,326,113.**

### Community Development Block Grant Reimbursement

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



## **CITY OF KANNAPOLIS FINANCIAL POLICIES**

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

### **Operating Budget Policies**

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

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

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

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### **Investment Policy**

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

### **Reserve Policy**

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

### **Debt Policy**

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

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

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

### **Capital Improvement Policy**

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

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# FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

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## *Section Contents*

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*Objectives*

*Budget Development Policies*

*Capital Improvement Budget Policies*

*Debt Policies*

*Reserve Policies*

*Cash Management and Investment Policy*

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## **FISCAL POLICY GUIDELINES - OBJECTIVES**

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

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

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

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# **FISCAL POLICY GUIDELINES**

**City of Kannapolis, North Carolina**

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## **BUDGET DEVELOPMENT POLICIES**

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

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# FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

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## CAPITAL IMPROVEMENT BUDGET POLICIES

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



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## **FISCAL POLICY GUIDELINES**

**City of Kannapolis, North Carolina**

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### **CAPITAL IMPROVEMENT BUDGET POLICIES (continued)**

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

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# FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

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## DEBT POLICIES

### General

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

### Tax Supported Debt

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

### Revenue Supported Debt

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

# FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

## RESERVE POLICIES

1. The City will establish an emergency reserve to pay for needs caused by unforeseen emergencies, including unanticipated expenditures of a nonrecurring nature, or to meet unexpected small increases in service delivery costs. This **contingency** reserve will be budgeted at not less than 0.5% of the operating funds. FY22: .5% equates to \$282,572.
  
2. Unreserved, Undesignated Fund Balances will mean funds that remain available for appropriation by the City Council after all commitments for future expenditures, required reserves defined by State statutes, and previous Council designations have been calculated. The City will define these remaining amounts as “available fund balances.”
  
3. Available fund balances at the close of each fiscal year should be within a range of at least 25% and no more than 33% (13 to 17 weeks) of the Total Annual Operating Budget of the City.
  
4. The City Council may, from time-to-time, appropriate fund balances that will reduce available fund balances below the 25% policy for the purposes of a declared fiscal emergency or other such global purpose as to protect the long-term fiscal security of the City of Kannapolis. In such circumstances, the Council will adopt a plan to restore the available fund balances to the policy level within 36 months from the date of the appropriation. If restoration cannot be accomplished within such time period without severe hardship to the City, then the Council will establish a different but appropriate time period.
  
5. In the event that available fund balances are in excess of 33%, then the City will develop a spending plan utilizing more cash payments for capital projects, or other capital assets.
  
6. The City will adopt a comprehensive strategy for the long-term stability and financial health of the Water and Sewer Fund, Stormwater Fund, and Environmental Fund. Each fund will maintain a targeted cash balance reserve as compared to that fund’s annual expenditures. The targeted cash balance reserve is stated below:

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

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# FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

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## INVESTMENT POLICY

### Introduction

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

### Objectives

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

### Legality

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

### Scope

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

### Prudence

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

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# FISCAL POLICY GUIDELINES

## City of Kannapolis, North Carolina

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### **INVESTMENT POLICY** – *continued*

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

#### **Responsibility**

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

#### **Objectives**

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

##### ***Safety***

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

##### ***Liquidity***

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

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# FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

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## INVESTMENT POLICY – *continued*

### *Yield*

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

### **Ethics and Conflicts of Interest**

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

### **Authorized Financial Dealers and Financial Institutions**

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

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

### **Internal Control**

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

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## FISCAL POLICY GUIDELINES

### City of Kannapolis, North Carolina

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#### INVESTMENT POLICY – *continued*

##### **Collateralization**

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

##### **Delivery and Custody**

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

##### **Authorized Investments**

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

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



## FISCAL POLICY GUIDELINES

### City of Kannapolis, North Carolina

#### INVESTMENT POLICY – *continued*

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

#### Diversification

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

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

## **FISCAL POLICY GUIDELINES**

**City of Kannapolis, North Carolina**

### **INVESTMENT POLICY – *continued***

#### **Maturity Scheduling**

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

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

#### **Selection of Securities**

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

#### **Active Trading of Securities**

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

#### **Pooled Cash and Allocation of Interest Income**

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

#### **Marking to Market**

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

#### **Software**

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

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## **FISCAL POLICY GUIDELINES**

**City of Kannapolis, North Carolina**

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### **INVESTMENT POLICY – *continued***

#### **Reporting**

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

# FINANCIAL STRUCTURE

## ALL FUNDS

### Governmental Funds

General Operating Fund

**Departments include:**  
 City Council  
 City Manager’s Office  
 Legal Services  
 Economic Development  
 Communications  
 Human Resources  
 Finance  
 Information Technology  
 General Services  
 Public Works (Op Center, Street Lighting, Signs, Maintenance)  
 Engineering  
 Powell Bill  
 Operations Center  
 Planning  
 Parks (Recreation, Programs, Stadium)  
 Police (Admin, Support, Field and Special Ops)  
 Fire (Admin, Technical and Emergency Services)

Special Revenue Funds

Transit Fund

Community Development Block Grant

CARES Act Fund

ARPA Fund

Capital Project Funds

**Examples include:**  
 Irish Buffalo Creek  
 Bethpage Road Sidewalk  
 Little Texas Sidewalk  
 Fire Station #1 and #4 Remodels  
 Revenue Bonds 2020:

- Kannapolis Crossing
- Clearwell

Revenue Bonds 2021:

- Lane Street
- Mooresville Road
- Alum Sludge Lagoon
- Bulk Storage Container
- Vac Truck

### Proprietary Funds

Enterprise Funds

Water and Sewer Fund

**Departments include:**  
 Customer Service  
 Distribution  
 Water Treatment Plant  
 Sewage Treatment (WSACC)

Stormwater Fund

Environmental Fund

Insurance and Risk Fund

Special Separation Pay Fund

## Fund Relationships

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

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

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

Departments:

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

## FINANCIAL STRUCTURE

**Enterprise Funds:** These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to finance or recover primarily through user charges the costs of providing goods or services to the general public on a continuing basis; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

Departments:

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

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

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

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

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

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

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

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

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

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

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

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

## FINANCIAL STRUCTURE

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

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

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

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

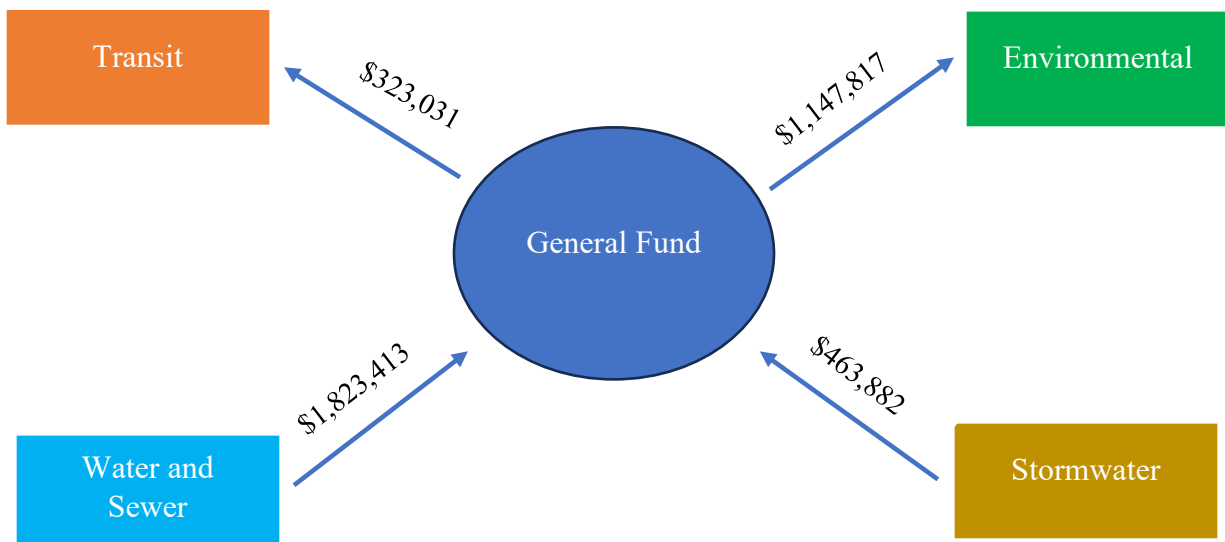
**Internal Service Funds:** These funds are for the financing of goods or services provided by one department or agency to another or to other government units on a cost reimbursement basis.

**Insurance and Risk Fund:** Expenditures related to the administration and operation of the City's healthcare for active and retired employees as well as workers compensation and other liability claims.

**Interfund Transfers:** transfers that occur across multiple funds. See chart below.

The General Fund subsidizes the Transit Fund for operational and capital costs that aren't fully covered by the \$30 Tag and Tax fee. The General Fund also subsidizes the Environmental Fund due to increased costs in solid waste and recycling. For the Environmental Fund to become fully self-sufficient, an additional \$5.00 fee increase is required.

The Water and Sewer Fund and Stormwater Fund both pay an Enterprise Management Fee to the General Fund for indirect support and is calculated based on employee allocation and cost of providing support to these enterprise funds (i.e. Legal, City Administration, City Council, Human Resources, Finance, Information Technology, General Services, etc.).





# City of Kannapolis

## Revenue Summary

### Fiscal Year 2024

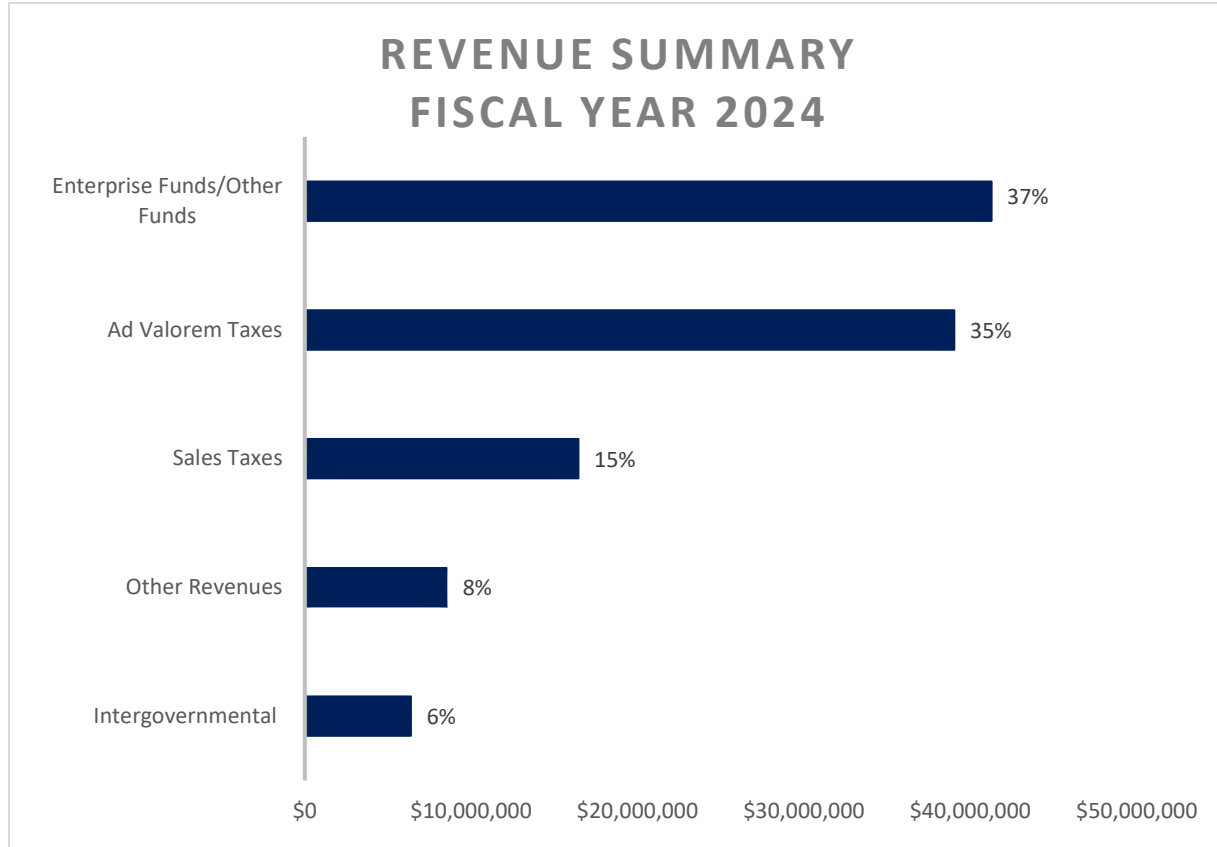
	FY 2022 Adopted	FY 2023 Adopted	FY 2024 Adopted	Difference
Ad Valorem Taxes	32,860,158	35,588,732	39,027,140	3,438,408
Sales Taxes	11,131,082	13,626,161	16,440,102	2,813,941
Intergovernmental	5,917,136	6,333,541	6,373,357	39,816
Other Revenues	6,406,130	6,185,267	7,288,295	1,103,028
Appropriated Fund Balance/Transfers In	200,000	753,458	1,242,385	488,927
<b>Total General Fund</b>	<b>\$ 56,514,506</b>	<b>\$ 62,487,159</b>	<b>\$ 70,371,279</b>	<b>\$ 7,884,120</b>
<b>Total Water and Sewer Fund</b>	<b>\$ 20,992,624</b>	<b>\$ 23,370,000</b>	<b>\$ 24,286,437</b>	<b>\$ 916,437</b>
<b>Total Stormwater Fund</b>	<b>\$ 3,195,831</b>	<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>	<b>\$ 238,294</b>
<b>Total Environmental Fund</b>	<b>\$ 4,629,129</b>	<b>\$ 4,908,080</b>	<b>\$ 5,683,817</b>	<b>\$ 775,737</b>
<b>Total Separation Pay Fund</b>	<b>\$ 484,210</b>	<b>\$ 506,407</b>	<b>\$ 496,912</b>	<b>\$ (9,495)</b>
<b>Total Transit Fund</b>	<b>\$ 700,000</b>	<b>\$ 1,743,571</b>	<b>\$1,223,031</b>	<b>\$ (520,540)</b>
<b>Total Insurance and Risk Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$6,046,480</b>	<b>\$6,046,480</b>
<b>Grand Total All Funds</b>	<b>\$ 86,516,300</b>	<b>\$ 96,306,923</b>	<b>\$ 111,637,956</b>	<b>\$ 15,331,033</b>
<b>Less Inter-Fund Transfers</b>	<b>\$ 1,265,452</b>	<b>\$ 1,390,884</b>	<b>\$ 7,252,080</b>	<b>\$ 5,861,196</b>
<b>Grand Total All Funds</b>	<b>\$ 85,250,848</b>	<b>\$ 94,916,039</b>	<b>\$ 104,385,876</b>	<b>\$ 9,469,837</b>

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

The City of Kannapolis' operating budget consists of seven funds: General Fund, Water and Sewer Fund, Stormwater Fund, Environmental Fund, Transit Fund, the Separation Pay Fund and the Insurance and Risk 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

## BUDGET SUMMARY

works, community development, and parks and recreation. The Water and Sewer Fund, Stormwater, Environmental Fund and are all enterprise funds that the City operates. These funds run more similarly to a business and primarily operate off user charges and fees. The Transit Fund is a special revenue fund due to having specific revenues that the City is legally restricted to expend for purposes, such as the public transit system. Last, is the Special Separation Pay Fund, which is a pension trust fund. For law enforcement officers, the State has made this separation allowance mandatory by Article 12D of the North Carolina General Statute 143. The City has chosen to make this benefit available for all City employees. The seven funds mentioned will be further discussed in each fund summary section of the budget document.



The largest revenue across all funds, the **enterprise funds/other funds** revenue source of primarily charges and fees comprise the total budget at **37%**. Outside of the enterprise funds, the Transit and Separation Pay Funds and Insurance and Risk Insurance Fund are also accounted for in this area.

The second largest category at **35%** is **ad valorem taxes**, which is the collection of current and prior year tax levied on all property.

**Sales tax** is the third largest source of revenue for the City at **15%**. 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,

## BUDGET SUMMARY

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 **6%** of the total budget. Revenues in this category consist of the following: franchise tax, beer and wine tax, ABC funds, contributions from Cabarrus County and Rowan County, Community Development Block Grant (CDBG) revenue and Powell Bill funds, which come from the State.

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

### Source of Revenues by Fund

	FY 21 Actual	FY 22 Adopted	FY 22 Actual	FY 23 Adopted	FY 24 Adopted
<b>Revenues</b>					
Ad Valorem Taxes	32,888,681	32,860,158	34,727,004	35,588,732	39,027,140
Sales Taxes	11,635,617	11,131,082	14,084,123	13,626,161	16,440,102
Intergovernmental	5,830,737	5,917,136	6,512,774	6,333,541	6,373,357
Other	4,963,205	6,406,130	6,118,410	6,185,267	7,288,295
Fund Balance	-	-	-	753,458	1,242,385
Transfers	200,000	200,000	200,000	-	-
<b>Total General Fund</b>	<b>\$ 55,518,240</b>	<b>\$ 56,514,506</b>	<b>\$ 61,642,311</b>	<b>\$ 62,487,159</b>	<b>\$ 70,371,279</b>
<b>Total Water and Sewer Fund</b>	21,030,851	21,242,624	25,550,307	23,370,000	24,286,437
<b>Total Stormwater Fund</b>	3,078,995	3,195,831	3,142,858	3,291,706	3,530,000
<b>Total Environmental Fund</b>	4,503,966	5,195,704	4,659,918	4,908,080	5,683,817
<b>Total Separation Fund</b>	502,781	484,210	484,210	506,407	496,912
<b>Total Transit Fund</b>	857,338	700,000	843,070	1,743,571	1,223,031
<b>Total Downtown Fund</b>	9,616,873	-	-	-	-
<b>Total Insurance and Risk Fund</b>	-	-	-	-	6,046,480
<b>Grand Total All Funds</b>	<b>\$ 95,109,044</b>	<b>\$ 87,332,875</b>	<b>\$ 96,322,674</b>	<b>\$ 96,306,923</b>	<b>\$ 111,637,956</b>
<b>Less Interfund Transfers</b>	<b>\$ (8,557,770)</b>	<b>\$ (1,265,452)</b>	<b>\$ (1,277,452)</b>	<b>\$ (1,390,884)</b>	<b>\$ (1,967,760)</b>
<b>Grand Total All Funds</b>	<b>\$ 86,551,274</b>	<b>\$ 86,067,423</b>	<b>\$ 95,045,222</b>	<b>\$ 94,916,039</b>	<b>\$ 109,670,196</b>

The following table shows a comparison of revenue sources across all funds for the FY 24 budget.

	FY 24 General Fund	FY 24 Water and Sewer	FY 24 Stormwater	FY 24 Environmental	FY 24 Separation Pay	FY 24 Transit Fund	FY 24 Insurance and Risk	FY 24 Total All Funds
<b>Source of Funds</b>								
Ad Valorem Taxes	39,027,140	-	-	-	-	-	-	39,027,140
Sales Taxes	16,440,102	-	-	-	-	-	-	16,440,102
Intergovernmental	6,373,357	-	-	-	-	-	-	6,373,357
Investment Income	1,000,000	30,000	30,000	20,000	-	-	-	1,080,000
Other	5,890,905	555,000	-	196,000	-	-	6,046,480	12,688,385
Charges for Services	-	21,401,437	3,500,000	4,320,000	-	-	-	29,221,437
Tap/Connection Fees	-	2,300,000	-	-	-	-	-	2,300,000
Vehicle License Tax	397,390	-	-	-	-	900,000	-	1,297,390
Fund Balance	1,242,385	-	-	-	-	-	-	1,242,385
Transfers	-	-	-	1,147,817	496,912	323,031	-	1,967,760
<b>Total Sources</b>	<b>\$ 70,371,279</b>	<b>\$ 24,286,437</b>	<b>\$ 3,530,000</b>	<b>\$ 5,683,817</b>	<b>\$ 496,912</b>	<b>\$ 1,223,031</b>	<b>\$ 6,046,480</b>	<b>\$ 111,637,956</b>

A line-item breakdown of the major revenue sources in the General Fund is on the following page with the remaining funds to follow.

## BUDGET SUMMARY

	FY 21 Actual	FY 22 Adopted	FY 22 Actual	FY 23 Adopted	FY 24 Adopted
<b>Revenues</b>					
Ad Valorem Taxes- Current	32,490,419	32,460,158	34,154,940	35,188,732	38,627,140
Ad Valorem Taxes- Prior	398,262	400,000	572,064	400,000	400,000
<b>Total Ad Valorem Taxes</b>	<b>\$ 32,888,681</b>	<b>\$ 32,860,158</b>	<b>\$ 34,727,004</b>	<b>\$ 35,588,732</b>	<b>\$ 39,027,140</b>
1% Sales Tax (State)	4,689,119	4,520,317	5,580,405	5,458,782	6,480,219
1/2% Sales Tax (Local)	6,946,498	6,610,765	8,503,718	8,167,379	9,959,883
<b>Total Sales Taxes</b>	<b>\$ 11,635,617</b>	<b>\$ 11,131,082</b>	<b>\$ 14,084,123</b>	<b>\$ 13,626,161</b>	<b>\$ 16,440,102</b>
Fire District Sales Tax	270,070	215,000	333,571	273,000	236,790
Franchise Tax	2,601,306	2,698,000	2,805,308	2,698,000	2,805,308
Beer and Wine Tax	206,004	210,000	212,049	210,000	210,000
Interlocal Agreement MSD	-	-	77,675	-	-
ABC Funds	140,850	90,000	119,925	102,296	138,000
Cabarrus Contributions	1,347,324	1,331,402	1,331,402	1,328,433	1,326,113
Powell Bill Funds	1,259,163	1,298,734	1,572,822	1,572,822	1,583,146
State Asset Forfeiture	-	-	13,823	-	-
State Grants	-	-	-	-	-
Police- ICAC/JAG Grant	-	-	9,028	74,990	-
Fire - Rowan County Contributions	6,020	4,000	4,020	4,000	4,000
Federal Asset Forfeiture	-	-	33,151	-	-
Build America Bond Subsidy Pay	-	-	-	-	-
CDBG Administration Revenues	-	70,000	-	70,000	70,000
<b>Total Intergovernmental</b>	<b>\$ 5,830,737</b>	<b>\$ 5,917,136</b>	<b>\$ 6,512,774</b>	<b>\$ 6,333,541</b>	<b>\$ 6,373,357</b>
Vehicle License	428,740	393,455	422,428	397,390	420,000
Vehicle Rental Tax	29,356	25,000	32,700	25,000	25,000
Buildings Rental	37,727	90,000	186,845	90,000	200,000
Tower Rental	91,616	84,000	94,494	84,000	95,000
Commercial Rent/Lease-College Station	-	401,630	761,070	401,630	475,000
Enterprise Management Fee	2,614,500	2,614,500	2,614,500	2,349,702	2,287,295
Miscellaneous Revenue	970,616	310,000	282,399	310,000	310,000
Investment Income	105,945	210,000	72,261	210,000	1,000,000
Interest Income Leases	-	-	496,590	-	-
Police - Charges and Fees	208,104	169,000	214,961	169,000	323,000
Officer Court Reimbursement	11,614	20,000	13,684	20,000	20,000
False Alarm Fees	6,658	8,000	8,205	8,000	8,000
Fire- Technical Services Charges and Fees	36,488	25,000	32,535	25,000	35,000
Street Lighting Fees and Charges	-	-	-	-	-
Planning - Charges and Fees	119,480	80,000	117,578	120,000	200,000
City Code Violations	58,860	65,000	79,211	65,000	65,000
Parks - Charges and Fees	174,235	1,185,545	438,298	1,185,545	1,100,000
Recreation Programs - Charges and Fees	36,791	125,000	212,151	125,000	125,000
Recreation Programs - Donations	32,475	50,000	38,500	50,000	50,000
CVB Contribution	-	100,000	-	100,000	100,000
Team Lease	-	450,000	-	450,000	450,000
<b>Total Other</b>	<b>\$ 4,963,205</b>	<b>\$ 6,406,130</b>	<b>\$ 6,118,410</b>	<b>\$ 6,185,267</b>	<b>\$ 7,288,295</b>
Transfers In from Other Funds	200,000	200,000	200,000	-	-
Appropriated Fund Balance	-	-	-	753,458	1,242,385
<b>Reserves/Appropriated Fund Balance</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 753,458</b>	<b>\$ 1,242,385</b>
<b>Total General Fund</b>	<b>\$ 55,518,240</b>	<b>\$ 56,514,506</b>	<b>\$ 61,642,311</b>	<b>\$ 62,487,159</b>	<b>\$ 70,371,279</b>

## BUDGET SUMMARY

	FY 21 Actual	FY 22 Adopted	FY 22 Actual	FY 23 Adopted	FY 24 Adopted
<b>Revenues</b>					
Charges and Fees	18,257,360	18,292,624	21,069,202	20,000,000	21,001,437
Wholesale Water Sales	381,996	415,000	329,644	360,000	400,000
Tap Fees	468,400	450,000	495,156	1,175,000	800,000
Connection Fees	1,444,990	1,500,000	1,132,825	1,250,000	1,500,000
Reconnection Fees	124,685	140,000	94,010	140,000	140,000
Penalties	71,130	400,000	336,965	400,000	400,000
Miscellaneous Revenue	279,858	15,000	90,073	15,000	15,000
Investment Income	2,432	30,000	2,432	30,000	30,000
Developer Contribution	-	-	2,000,000	-	-
Transfers In/Other	-	-	-	-	-
<b>Total Water and Sewer Fund</b>	<b>\$ 21,030,851</b>	<b>\$ 21,242,624</b>	<b>\$ 25,550,307</b>	<b>\$ 23,370,000</b>	<b>\$ 24,286,437</b>
Charges and Fees	3,078,995	3,195,831	3,139,170	3,291,706	3,500,000
Investment Income	-	-	-	-	30,000
Miscellaneous Revenue	-	-	3,688	-	-
Fund Balance Appropriated	-	-	-	-	-
Transfer from Water and Sewer Fund	-	-	-	-	-
<b>Total Stormwater Fund</b>	<b>\$ 3,078,995</b>	<b>\$ 3,195,831</b>	<b>\$ 3,142,858</b>	<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>
Solid Waste Disposal Tax	36,917	36,000	39,858	36,000	36,000
Charges and Fees	3,318,845	4,011,887	3,906,644	4,132,244	4,200,000
Commercial Revenue	-	-	-	-	120,000
Miscellaneous Revenue	102,504	-	120,174	158,594	160,000
Investment Income	-	-	-	-	20,000
Transfers from General Fund	150,000	1,147,817	97,542	85,542	1,147,817
Transfers from Water and Sewer Fund	495,700	-	495,700	495,700	-
Transfers from Stormwater Fund	400,000	-	-	-	-
Proceeds from Debt Financing	-	-	-	-	-
<b>Total Environmental Fund</b>	<b>\$ 4,503,966</b>	<b>\$ 5,195,704</b>	<b>\$ 4,659,918</b>	<b>\$ 4,908,080</b>	<b>\$ 5,683,817</b>
Transfer from General Fund	502,781.0	484,210	484,210	506,407	496,912
<b>Total Separation Pay Fund</b>	<b>\$ 502,781</b>	<b>\$ 484,210</b>	<b>\$ 484,210</b>	<b>\$ 506,407</b>	<b>\$ 496,912</b>
Vehicle License Tax	857,338	500,000	843,070	900,000	900,000
Transfer from General Fund	-	-	-	303,235	323,031
Appropriated Fund Balance	-	200,000	-	540,336	-
<b>Total Transit Fund</b>	<b>\$ 857,338</b>	<b>\$ 700,000</b>	<b>\$ 843,070</b>	<b>\$ 1,743,571</b>	<b>\$ 1,223,031</b>
Charges and Fees	-	-	-	-	-
Common Area Maintenance Fee	69,834	-	-	-	-
Building Rental	4,747	-	-	-	-
Commercial Rent/Lease	448,092	-	-	-	-
Residential Rent/Lease	8,730	-	-	-	-
Special Event Fees	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-
Sale of Assets	2,234,504	-	-	-	-
Investment Income	41,677	-	-	-	-
Proceeds from Debt Financing	-	-	-	-	-
Transfers from General Fund	6,809,289	-	-	-	-
Transfers from Water and Sewer Fund	-	-	-	-	-
Fund Balance Appropriated/Other	-	-	-	-	-
<b>Total Downtown Fund</b>	<b>\$ 9,616,873</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Health Insurance Premiums	-	-	-	-	5,391,600
Workers Compensation Premiums	-	-	-	-	470,880
Retiree Premiums (Health Insurance)	-	108	-	-	184,000
Fund Balance Appropriated/Other	-	-	-	-	-
<b>Total Insurance and Risk Fund</b>	<b>\$ -</b>	<b>\$ 108</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,046,480</b>

BUDGET SUMMARY

# City of Kannapolis

## Expenditure Summary

### Fiscal Year 2024

	FY 2022 Adopted	FY 2023 Adopted	FY 2024 Adopted	Difference
General Government	7,941,379	9,117,500	11,518,036	2,400,536
Planning	1,013,481	1,102,225	1,263,207	160,982
Public Safety	18,496,645	20,265,066	24,950,736	4,685,670
Parks and Recreation	5,128,222	5,650,799	7,027,545	1,376,746
Public Works	4,755,278	4,853,405	5,719,735	866,330
Other	4,611,505	6,537,498	5,907,929	(629,569)
General Debt Service	14,567,996	14,960,666	13,984,091	(976,575)
<b>Total General Fund</b>	<b>\$ 51,679,349</b>	<b>\$ 62,487,159</b>	<b>\$ 70,371,279</b>	<b>\$ 7,884,120</b>
<b>Total Water and Sewer Fund</b>	<b>\$ 20,992,624</b>	<b>\$ 23,370,000</b>	<b>\$ 24,286,437</b>	<b>\$ 916,437</b>
<b>Total Stormwater Fund</b>	<b>\$ 3,195,831</b>	<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>	<b>\$ 238,294</b>
<b>Total Environmental Fund</b>	<b>\$ 4,629,129</b>	<b>\$ 4,908,080</b>	<b>\$ 5,683,817</b>	<b>\$ 775,737</b>
<b>Total Separation Pay Fund</b>	<b>\$ 484,210</b>	<b>\$ 506,407</b>	<b>\$ 496,912</b>	<b>\$ (9,495)</b>
<b>Total Transit Fund</b>	<b>\$ 700,000</b>	<b>\$ 1,743,571</b>	<b>\$ 1,223,031</b>	<b>\$ (520,540)</b>
<b>Total Insurance and Risk Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,046,480</b>	<b>\$ -</b>
<b>Grand Total All Funds</b>	<b>\$ 86,516,300</b>	<b>\$ 96,306,923</b>	<b>\$ 111,637,956</b>	<b>\$ 15,331,033</b>

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

The City’s **General Fund** is broken out by the major function areas, which are: general government services, planning, public safety, parks and recreation, public works, other and debt service.

The **general government services** area is made up of the following departments: City Council, City Manager’s Office, Economic Development, Communications, Human Resources, City Attorney, Finance, Information Technology and General Services. The planning area is made up solely of the City’s Planning Department.

## BUDGET SUMMARY

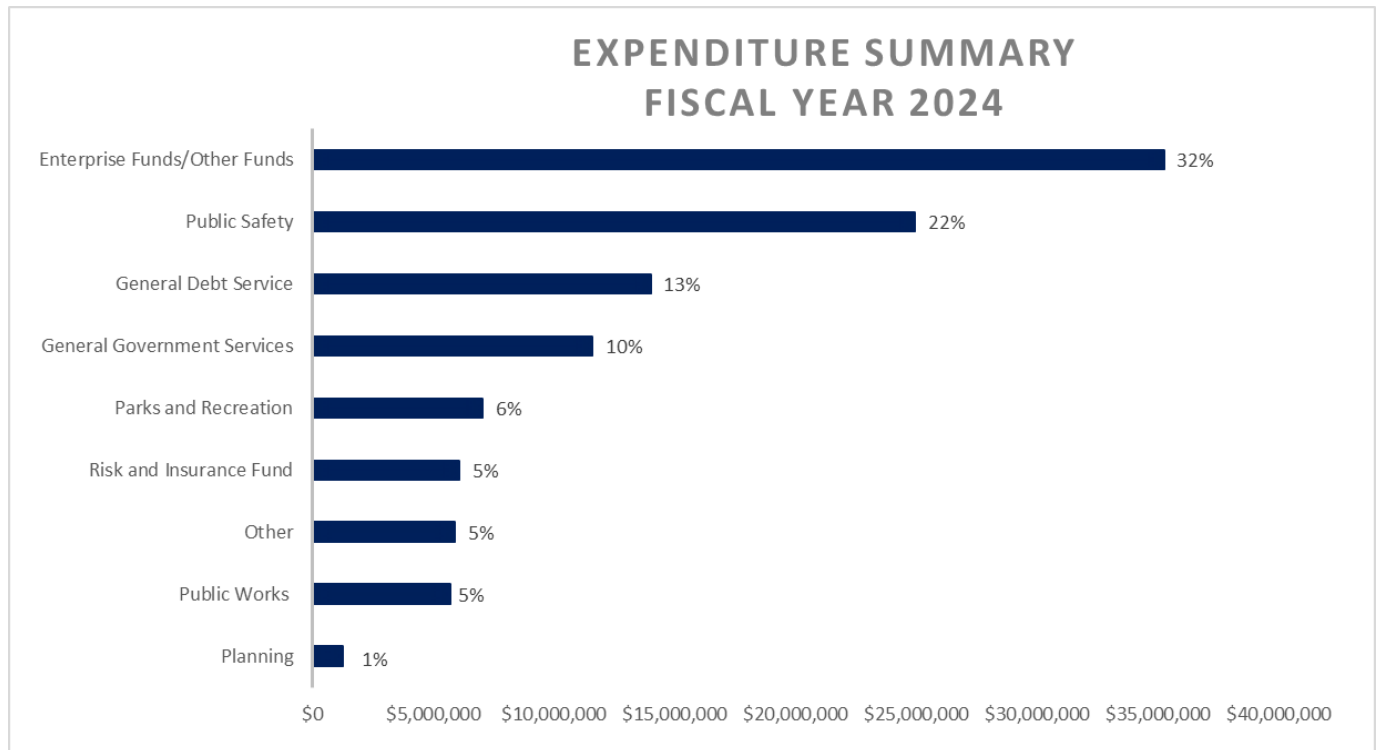
The **public safety** area is comprised of the Police and Fire Departments.

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

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

The **other category** consists of the Non-Departmental service area as well as any transfers that the General Fund makes to the other funds.

Last, **debt service** is any principal and interest payments accounted for in the General Fund.



The chart above gives a breakdown in expenditures by fund.

- The **Enterprise Funds/Other Funds** category consists of: Water and Sewer, Stormwater, Environmental, Transit and Special Separation pay comprise **32%** of total spending for the City.
- **Public Safety** comprises **22%** of total spending. This includes the Police and Fire Department.
- **General Debt Service** comprises **13%** of total spending. The debt service area includes debt service on City Hall/Police Headquarters, various fire stations and equipment and parks projects. This area also now includes debt service that was formerly in the downtown fund for the liner park and baseball stadium and the new debt service for the downtown parking deck. Further breakdown in the City's debt service payments can be found in the debt service program summary of the budget document.



## BUDGET SUMMARY

- **General Government** services area comprises **10%** of all spending. This includes the following departments: City Council, City Manager’s Office, Economic Development, Communications and Outreach, Human Resources, Legal Services, Finance, Information Technology and General Services.
- **Parks and Recreation** comprises **6%** of total spending and includes: Parks and Recreation, Programs, and expenses related to Atrium Health Ballpark.
- **Risk and Insurance** comprises **5%** of total spending and includes expenses related to health insurance and workers compensation insurance.
- **Other service** area comprises **5%** of total spending includes the Non-Departmental budget and any transfers out to other funds.
- **Public Works** comprises **5%** of total spending and includes the following departments: Engineering, Street Signs, Lightings and Markings, Public Works Operations Center, and Powell Bill.
- **Planning** comprises **1%** of total spending and includes the Planning department and code enforcement efforts.

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

	FY 24	FY 24	FY 24	FY 24	FY 24	FY 24	FY 24	FY 24
	General Fund	Water and Sewer	Stormwater	Environmental	Separation Pay	Transit Fund	Insurance and Risk	Total All Funds
<b>Uses of Funds</b>								
General Government	11,518,036	-	-	-	-	-	-	11,518,036
Planning	1,263,207	-	-	-	-	-	-	1,263,207
Public Safety	24,950,736	-	-	-	-	-	-	24,950,736
Parks and Recreation	7,027,545	-	-	-	-	-	-	7,027,545
Public Works	5,719,735	-	-	-	-	-	-	5,719,735
Other	5,907,929	-	2,371,775	5,451,781	496,912	1,223,031	-	15,451,428
Debt Service	13,984,091	5,723,209	731,005	232,036	-	-	-	20,670,341
Risk and Insurance	-	-	-	-	-	-	6,046,480	6,046,480
Distribution	-	6,299,389	-	-	-	-	-	6,299,389
Water Treatment Plant	-	4,428,892	-	-	-	-	-	4,428,892
Sewage Treatment (WSACC)	-	4,455,480	-	-	-	-	-	4,455,480
Billing and Collections	-	1,556,054	-	-	-	-	-	1,556,054
Transfers Other Funds	-	1,823,413	427,220	-	-	-	-	2,250,633
<b>Total Uses</b>	<b>\$ 70,371,279</b>	<b>\$ 24,286,437</b>	<b>\$ 3,530,000</b>	<b>\$ 5,683,817</b>	<b>\$ 496,912</b>	<b>\$ 1,223,031</b>	<b>\$ 6,046,480</b>	<b>\$ 111,637,956</b>

The following table shows a comparison of expenditure uses across all funds for the FY 24 budget.

## BUDGET SUMMARY

### General Fund Detailed Expenditures

	FY 21 Actual	FY 22 Adopted	FY 22 Actual	FY 23 Adopted	FY 24 Adopted
<b>Expenditures</b>					
City Council	216,476	274,059	289,838	327,592	336,560
City Manager - Administration	1,541,443	1,498,649	1,584,497	1,683,345	2,041,514
Economic Development	363,853	594,250	420,242	377,887	375,887
Communications	112,110	258,700	140,782	322,740	388,908
Human Resources	550,371	566,245	542,093	717,750	830,135
City Attorney	399,276	433,204	497,284	628,377	585,760
Finance	814,159	961,900	879,553	1,035,053	1,326,491
Information Technology	1,607,873	1,546,793	1,607,873	2,119,622	3,131,988
General Services	2,021,897	1,807,579	2,413,785	1,905,134	2,500,793
<b>Total General Government</b>	<b>\$ 7,627,458</b>	<b>\$ 7,941,379</b>	<b>\$ 8,375,947</b>	<b>\$ 9,117,500</b>	<b>\$ 11,518,036</b>
Police - Administration	845,633	929,250	1,372,323	1,200,317	1,080,807
Police - Support Services	3,303,264	2,833,984	2,753,905	3,102,224	3,709,993
Police - Field Operations	5,548,740	5,199,144	5,564,782	5,806,123	7,611,955
Police - Special Operations	-	510,042	-	704,948	1,166,360
<b>Total Police</b>	<b>\$ 9,697,637</b>	<b>\$ 9,472,420</b>	<b>\$ 9,691,010</b>	<b>\$ 10,813,612</b>	<b>\$ 13,569,115</b>
Fire - Administration	1,098,483	1,150,605	1,124,395	1,246,627	1,482,736
Fire- Emergency Services	7197132	7,362,825	8,846,023	7,648,966	9,270,350
Fire- Technical Services	526,128	510,795	544,982	555,861	628,535
<b>Total Fire</b>	<b>\$ 8,821,743</b>	<b>\$ 9,024,225</b>	<b>\$ 10,515,400</b>	<b>\$ 9,451,454</b>	<b>\$ 11,381,621</b>
Public Works - Engineering	991,376	1,126,255	985,145	1,036,308	1,213,486
Public Works - Street Lighting	498,295	730,400	533,004	740,300	613,900
Public Works - Operations Center	95,575	118,000	94,793	138,700	147,100
Public Works - Signs and Markings	397,668	432,051	432,156	463,006	529,538
Public Works- Powell Bill	468,181	1,249,500	1,463,646	1,513,120	1,583,146
Public Works - Street Maintenance	781,958	1,099,072	1,261,428	961,971	1,632,565
<b>Total Public Works</b>	<b>\$ 3,233,053</b>	<b>\$ 4,755,278</b>	<b>\$ 4,770,172</b>	<b>\$ 4,853,405</b>	<b>\$ 5,719,735</b>
Planning	921,213	1,013,481	992,702	1,102,225	1,263,207
<b>Total Planning</b>	<b>\$ 921,213</b>	<b>\$ 1,013,481</b>	<b>\$ 992,702</b>	<b>\$ 1,102,225</b>	<b>\$ 1,263,207</b>
Parks and Recreation - Parks	2,700,298	4,090,222	3,937,411	4,470,299	5,679,545
Parks and Recreation - Recreation Programs	292,949	788,000	781,356	930,500	998,000
Stadium	87,689	250,000	232,001	250,000	350,000
<b>Total Parks and Recreation</b>	<b>\$ 3,080,936</b>	<b>\$ 5,128,222</b>	<b>\$ 4,950,768</b>	<b>\$ 5,650,799</b>	<b>\$ 7,027,545</b>
Non-Departmental	1,705,415	4,041,753	3,910,833	5,642,314	3,940,169
Transfers	7,462,070	569,752	15,082,500	895,184	1,967,760
<b>Total Other</b>	<b>\$ 9,167,485</b>	<b>\$ 4,611,505</b>	<b>\$ 18,993,333</b>	<b>\$ 6,537,498</b>	<b>\$ 5,907,929</b>
Debt Service	7,053,594	14,567,996	14,421,899	14,960,666	13,984,091
<b>Total Debt Service</b>	<b>\$ 7,053,594</b>	<b>\$ 14,567,996</b>	<b>\$ 14,421,899</b>	<b>\$ 14,960,666</b>	<b>\$ 13,984,091</b>
<b>Total General Fund Expenditures</b>	<b>\$ 49,603,119</b>	<b>\$ 56,514,506</b>	<b>\$ 72,711,230</b>	<b>\$ 62,487,159</b>	<b>\$ 70,371,279</b>

## BUDGET SUMMARY

	FY 21 Actual	FY 22 Adopted	FY 22 Actual	FY 23 Adopted	FY 24 Adopted
<b>Expenditures</b>					
Billing and Collections	1,028,198	1,008,472	1,029,040	1,306,070	1,556,054
Distribution	3,809,527	3,946,885	3,663,984	5,248,474	6,299,389
Water Treatment Plant	3,300,221	3,217,924	3,271,704	3,640,787	4,428,892
Sewage Treatment (WSACC)	2,934,389	3,194,670	3,478,271	4,274,460	4,455,480
General Management Services	2,143,921	2,143,921	2,143,921	1,922,482	1,823,413
Transfer to Capital/Other Funds	495,700	495,700	495,700	495,700	-
Debt Service	1,839,074	6,985,052	11,289,701	6,482,027	5,723,209
<b>Total Water and Sewer Fund</b>	<b>\$ 15,551,030</b>	<b>\$ 20,992,624</b>	<b>\$ 25,372,321</b>	<b>\$ 23,370,000</b>	<b>\$ 24,286,437</b>
<b>Total Stormwater Fund</b>	<b>\$ 3,323,378</b>	<b>\$ 3,195,831</b>	<b>\$ 2,934,069</b>	<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>
<b>Total Environmental Fund</b>	<b>\$ 4,547,656</b>	<b>\$ 4,629,129</b>	<b>\$ 4,035,705</b>	<b>\$ 4,908,080</b>	<b>\$ 5,683,817</b>
<b>Total Separation Pay Fund</b>	<b>\$ 488,233</b>	<b>\$ 484,210</b>	<b>\$ 185,761</b>	<b>\$ 506,407</b>	<b>\$ 496,912</b>
<b>Total Transit Fund</b>	<b>\$ 709,155</b>	<b>\$ 700,000</b>	<b>\$ 483,704</b>	<b>\$ 1,743,571</b>	<b>\$ 1,223,031</b>
<b>Total Downtown Fund</b>	<b>\$ 5,149,713</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Insurance and Risk Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,046,480</b>

## FUND SUMMARIES

<b>GENERAL FUND</b>						
	<b>FY 2023 Adopted</b>		<b>FY 2024 Adopted</b>		<b>Difference</b>	<b>% Change</b>
<b>Revenues</b>						
Ad Valorem Taxes	35,588,732		39,027,140		3,438,408	9.66%
Sales Taxes	13,626,161		16,440,102		2,813,941	20.65%
Intergovernmental	6,333,541		6,373,357		39,816	0.63%
Other Revenues	6,185,267		7,288,295		1,103,028	17.83%
Appropriated Fund Balance/Transfers In	753,458		1,242,385		488,927	64.89%
<b>Total</b>	<b>\$ 62,487,159</b>		<b>\$ 70,371,279</b>		<b>\$ 7,884,120</b>	<b>12.62%</b>
<b>Expenditures</b>						
Personnel	29,108,302		32,989,305		3,881,003	13.33%
Operating	33,167,357		35,207,974		2,040,617	6.15%
Capital	211,500		2,174,000		1,962,500	927.90%
<b>Total</b>	<b>\$ 62,487,159</b>		<b>\$ 70,371,279</b>		<b>\$ 7,884,120</b>	<b>12.62%</b>

The FY 2024 adopted General Fund budget totals \$70,371,279 which is an increase of 12.62% or \$7,884,120 over the FY 2023 adopted budget of \$62,487,159.

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 revaluation growth in Rowan County based on increases in the total taxable property. There were substantial valuation updates in the real and personal property categories. Rowan County alone increased by 295,782,642 in valuation which resulted in an additional \$1,760,467 in property tax collections.

Sales tax is projected to increase by 20.62% over the FY 23 adopted budget. We have seen steady growth in sales tax and are projecting 6% growth over where we are projected to end FY 23 in actual receipt collections.

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 overall increased by \$39,816 from the prior year due to some minor increases across some line items and the reduction of \$74,990 from the Police Internet crimes against children (ICAC) grant. This was a one-year grant that expired in FY 23. This category comprises 9% of the proposed General Fund budget for FY 24. This is a 0.63% increase over the FY 23 adopted budget.

The other revenue category is increasing by 23%. This is primarily attributed to the \$1,242,385 fund balance appropriation. This fund balance appropriation is used to fund the following one-

## FUND SUMMARIES

time/cash focused initiatives: \$330,000 hot patch in Streets, \$120,000 mini excavator in Streets, \$90,000 dump in Parks, \$72,000 (Master Park plan update) and 44% of all capital outlay city-wide totaling \$1,434,000. The eventual goal is to fund capital outlay replacements as part of the operating budget. This is a first step to an eventual goal of 100%.

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 retirement rate increase for all eligible employees. For FY 23, the general government the rate is 12.89% and law enforcement is 14.10%. Personnel costs also reflect the recent salary study implementation efforts that adjusted the job classification schedule to 110% of the market. This means that employees below the market received up to 3% per grade to the new market level or the minimum of the suggested grade, whichever was higher. All other positions that were at market or above, received a 2% base salary increase. Another key driver is the new personnel requests for FY 24. There are currently 8 new positions requested in FY 24 across multiple departments in the General Fund (5 new in the Water and Sewer Fund) and (1 new in the Environmental Fund).

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 6.15% over the FY 23 adopted budget. The primary increase is related to contractual increases across all departments. This area also includes increases related to new position requests, addition of the Axon lease agreement and Motorola lease agreement for the replacement of all public safety radios as well as new debt service to replace 2 fire engines.

The capital category includes any capital purchase over \$5,000 but under the \$100,000 threshold, which qualifies the purchase to be a capital improvement project. Examples in this category include: vehicles, furniture, and equipment. For FY 24, \$60,000 is budgeted in General Services for a new utility truck, \$1,048,000 for 17 vehicles for the Police Department (15 replacements and 2 for new positions), \$75,000 in the Fire Department for a replacement truck, \$30,000 in the Planning Department for a replacement vehicle for a Codes Enforcement officer, \$480,000 in the Streets Department (\$330,000 for a new hot asphalt patch truck, \$30,000 for a trailer and \$120,000 for a mini excavator) and \$281,000 in Parks and Recreation capital to include staff vehicles, a pressure wash system and a dump truck.

## FUND SUMMARIES

<b>WATER AND SEWER FUND</b>				
	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Difference</b>	<b>% Change</b>
<b>Revenues</b>				
Charges and Fees	20,000,000	21,001,437	1,001,437	5.01%
Wholesale Water Sales	360,000	400,000	40,000	11.11%
Tap Fees	1,175,000	800,000	(375,000)	-31.91%
Connection Fees	1,250,000	1,500,000	250,000	20.00%
Reconnection Fees	140,000	140,000	-	-
Penalties	400,000	400,000	-	-
Miscellaneous Revenue	15,000	15,000	-	-
Investment Income	30,000	30,000	-	-
<b>Total</b>	<b>\$ 23,370,000</b>	<b>\$ 24,286,437</b>	<b>\$ 916,437</b>	<b>3.92%</b>
<b>Expenditures</b>				
Personnel	4,899,482	5,955,691	1,056,209	21.56%
Operating	17,740,518	17,247,746	(492,772)	-2.78%
Capital	730,000	1,083,000	353,000	48.36%
<b>Total</b>	<b>\$ 23,370,000</b>	<b>\$ 24,286,437</b>	<b>\$ 916,437</b>	<b>3.92%</b>

The FY 24 adopted Water and Sewer budget totals \$24,286,437, which represents a \$916,437 or 3.92% increase over the FY 2023 adopted budget of \$23,370,000.

Charges and fees is projected to increase at 5% over FY 23. This increase is due to natural growth in the system via new customers. Staff is projecting to come in around \$21 million in charges and fees for FY 24. Wholesale water sales is projected to increase by \$40,000 based on trend data in FY 23. This is primarily the water the City sells to Landis and Concord.

The tap fee revenue category isn't experiencing the steady growth as originally projected because of a high number of vacancies in the Water Department, tap install is unable to be completed. We are projecting a decrease in this revenue of \$375,000. To recover cost, the City did increase of an additional \$4,500/tap to be charged per tap which was projected to generate around an additional \$675,000 in tap revenue and will offset the City's cost of installation and materials. Connection fees is expected to increase by \$250,000 for FY 24.

All other revenues are projected to remain flat over the FY 23 budget based on trends.

Personnel increases include: (1) Meter Technician (3) Lead Service Line workers and (1) Lab Analyst representative as well as a 3% COLA and merit and a full year's worth of the salary study implementation efforts which included the new longevity policy changes.

Overall operations is expected to decrease around 2.78%. This primary decrease is related to debt service rolling off which reduced debt service payments by 11.71% or 758,818.

## FUND SUMMARIES

<b>STORMWATER FUND</b>				
	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Difference</b>	<b>% Change</b>
<b>Revenues</b>				
Charges and Fees	3,291,706	3,500,000	208,294	6.33%
Investment Income	-	30,000	30,000	100.00%
<b>Total</b>	<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>	<b>\$ 238,294</b>	<b>7.24%</b>
<b>Expenditures</b>				
Personnel	1,203,061	1,431,652	228,591	19.00%
Operating	1,993,645	1,892,348	(101,297)	-5.08%
Capital	95,000	206,000	111,000	100.00%
<b>Total</b>	<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>	<b>\$ 238,294</b>	<b>7.24%</b>

The adopted FY 24 Stormwater budget totals \$3,530,000, which represents a \$238,294 or 7.24% increase over the FY 23 adopted budget of \$3,291,706. For FY 23, charges and fees is projected to increase by \$208,294 or 6.33% due to organic growth.

Personnel costs increased due to a 3% COLA and merit based on employee performance as well as a full year's worth of the salary study implementation efforts which included the new longevity policy changes.

Operations decreased due to the retirement of debt service. Included in operations is \$206,000 in capital machinery and equipment consisting of: \$26,000 for a trailer for a skid steer and \$180,000 for a mini excavator. The mini excavator is an addition to the fleet. The current equipment is gaining out and has increased downtime and parts are becoming obsolete. There is also an increase of \$25,000 in contracted services for an asset management capital lifecycle model to be completed on the system. The General Management Services fee also increased from \$427,220 to \$463,882. This is the fee that the Water and Sewer and Stormwater Fund pays back to the General Fund for indirect support throughout the year. The fee is based on a formula that calculates employee allocations across all departments using the prior year's audited figures.



## FUND SUMMARIES

<b>ENVIRONMENTAL FUND</b>				
	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Difference</b>	<b>% Change</b>
<b>Revenues</b>				
Solid Waste Disposal Tax	36,000	36,000	-	-
Charges and Fees	4,132,244	4,200,000	67,756	1.64%
Commercial Revenue	-	120,000	120,000	100.00%
Miscellaneous Revenue	158,594	160,000	1,406	0.89%
Investment Income	-	20,000	20,000	100.00%
Transfer from General Fund	85,542	1,147,817	1,062,275	1241.82%
Transfer from Water and Sewer Fund	495,700	-	(495,700)	-100.00%
<b>Total</b>	<b>\$ 4,908,080</b>	<b>\$ 5,683,817</b>	<b>\$ 775,737</b>	<b>15.81%</b>
<b>Expenditures</b>				
Personnel	450,262	838,659	388,397	86.26%
Operating	4,457,818	4,713,158	255,340	5.73%
Capital	-	132,000	132,000	100.00%
<b>Total</b>	<b>\$ 4,908,080</b>	<b>\$ 5,683,817</b>	<b>\$ 775,737</b>	<b>15.81%</b>

The adopted FY 24 Environmental budget totals \$5,683,817 which represents a \$775,737 or 15.81% increase over the FY 23 adopted budget of \$4,908,080.

For FY 23, charges and fees is projected to increase by \$67,756 based on organic growth of new customers based on new development. As a reminder, this fund experienced an increase of \$2.50 fee increase/month based off 18,780 customers in FY 22. This generated an additional \$563,400 in revenue. Another fee increase will be needed to reduce the transfers from the General Fund in the future. The final fee increase of around \$5/month will close the gap and make this fund fully sufficient as an enterprise fund.

Personnel costs increased due to a 3% COLA and merit based on employee performance as well as a full year's worth of the salary study implementation efforts which included the new longevity policy changes. This fund also received (3) new positions mid-year called the Rapid Response Unit to cover shortfalls with Waste Management contract. In FY 24, there is also an additional Construction Maintenance Technician position budgeted to help with cart service.

The primary driver in operational increases in this fund is an increase in recycling and solid waste disposal costs based on a 5.84% CPI increase in our contract with Waste Management. This results in additional \$342,776. Other increases include capital funding for the replacement of a cart truck at \$80,000 and a mid-size truck for the Operations Manager at \$52,000.

**FUND SUMMARIES**

<b>SEPARATION PAY FUND</b>						
	<b>FY 2023 Adopted</b>		<b>FY 2024 Adopted</b>		<b>Difference</b>	<b>% Change</b>
<b>Revenues</b>						
Transfer from General Fund	506,407		496,912		(9,495)	-1.87%
<b>Total</b>	<b>\$ 506,407</b>		<b>\$ 496,912</b>		<b>\$ (9,495)</b>	<b>-1.87%</b>
<b>Expenditures</b>						
Personnel	506,407		496,912		(9,495)	-1.87%
Operating	-		-		-	-
Capital	-		-		-	-
<b>Total</b>	<b>\$ 506,407</b>		<b>\$ 496,912</b>		<b>\$ (9,495)</b>	<b>-1.87%</b>

The FY 24 Separation Pay Fund is funded through a contribution from the General Fund. For FY 24, the contribution is \$496,912 which is a \$9,495 or 1.87% decrease from the FY 23 adopted budget of \$506,407.

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

Expenditures are calculated based off .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the employee for each year of credible service. Benefits such as Social Security and Medicare are also calculated off the total projected contribution.

From FY 23 to FY 24, six (6) former employees rolled off that are no longer eligible to receive special separation pay because they are over 62. For FY 24, (2) new employees rolled on.

Twenty-eight (28) former employees currently receive separation pay benefits.

## FUND SUMMARIES

<b>TRANSIT FUND</b>				
	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Difference</b>	<b>% Change</b>
<b>Revenues</b>				
Vehicle License	900,000	900,000	-	0.00%
Transfer from General Fund	303,235	323,031	19,796	6.53%
Appropriated Fund Balance	540,336	-	(540,336)	-
<b>Total</b>	<b>\$ 1,743,571</b>	<b>\$ 1,223,031</b>	<b>\$ (520,540)</b>	<b>-29.85%</b>
<b>Expenditures</b>				
Operating	1,203,235	1,081,835	(121,400)	-10.09%
Capital	540,336	141,196	(399,140)	100.00%
<b>Total</b>	<b>\$ 1,743,571</b>	<b>\$ 1,223,031</b>	<b>\$ (520,540)</b>	<b>-29.85%</b>

The FY 24 adopted Transit Fund budget totals \$1,223,031, which is an decrease of \$520,540 from the FY 23 adopted budget of \$1,743,571 due to substantial decreases in capital funding of \$57,495 in capital and 2021 transit vehicle replacement and \$482,841 in capital bus purchases.

The Transit Fund receives revenue from the vehicle license tax, which is \$30. \$20 goes directly to the Transit Fund to support the public transit system and \$5 goes back to support to the General Fund for support and \$5 goes towards road paving/improvements. This vehicle license revenue is projected at \$900,00 for FY 24. This is based on \$20 paid on all registered vehicles, which is an estimated 44,000 (*data from Cabarrus and Rowan counties*).

There is a \$121,400 decrease in operations due to reductions in the 5307 fixed route service maintenance contract.

There is \$141,196 in capital for the following:

- \$99,697 for Kannapolis' portion of the capital cost of the fixed route contract with Transdev at 65/35 split.
- \$5,913 for Kannapolis' portion of the capital cost of the paratransit contract with Transdev at 65/36 split.
- \$35,586 for Kannapolis' portion of the capital costs related to bus enhancements, security, safety, bus and bus facilities, and facility maintenance efforts (50/50 split).

Kannapolis pays its portion of the following:

- Contract related to the fixed route (bus) service.
- Passenger enhancements per FTA 5307 funds - 1% must be spent on passenger enhancements.
- Safety enhancements- per FTA 5307 funds - at least .75% spent on safety.
- Security enhancements- per FTA 5307 funds - at least 1% spent on security.
- Contract related to ADA Paratransit program ridership.

## FUND SUMMARIES

<b>INSURANCE AND RISK FUND</b>						
	<b>FY 2023 Adopted</b>		<b>FY 2024 Adopted</b>		<b>Difference</b>	<b>% Change</b>
<b>Revenues</b>						
Health Insurance Premiums	-		5,391,600		5,391,600	100.00%
Workers Comp Premiums	-		470,880		470,880	100.00%
Retiree Premiums	-		184,000		184,000	100.00%
<b>Total</b>	<b>\$ -</b>		<b>\$ 6,046,480</b>		<b>\$ 6,046,480</b>	<b>100.00%</b>
<b>Expenditures</b>						
Operating	-		6,046,480		6,046,480	100.00%
<b>Total</b>	<b>\$ -</b>		<b>\$ 6,046,480</b>		<b>\$ 6,046,480</b>	<b>100.00%</b>

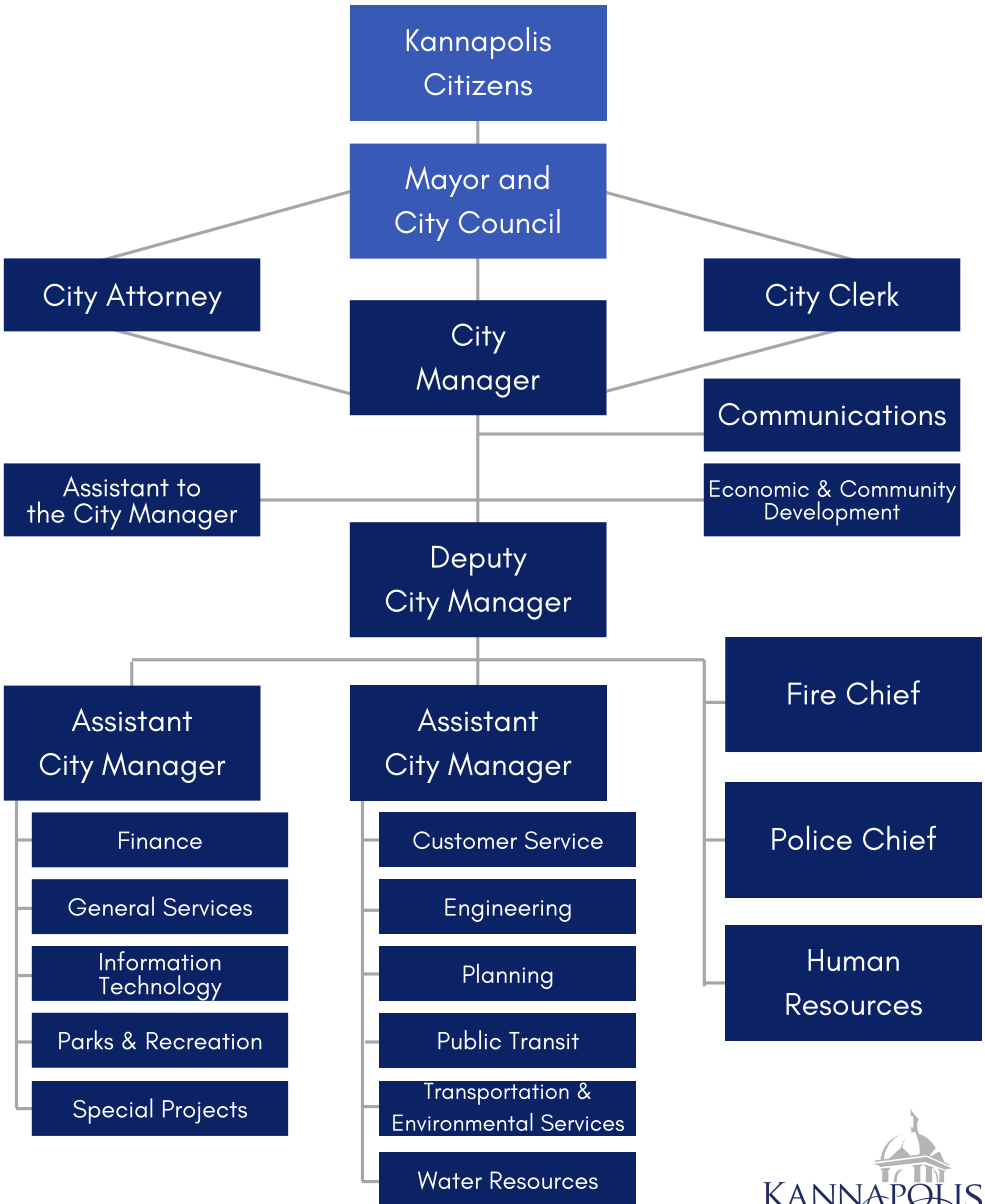
The Insurance and Risk Fund was established by the City in FY 24 to better track revenues and expenses tied to the City’s self-insured health insurance and workers compensation policies. In the past, this funding ran through a payable account and the Enterprise Funds were not paying their adequate share of health and workers compensation costs. This fund accounts for all health-related costs associated with active and retired employees on the plan as well as active employees covered by the City’s workers compensation policy.

To make sure this fund is solvent as an internal service fund, the City increased the employer contribution per employee from \$10,090 to \$11,040. This covers the City’s portion to offset projected claims and includes the \$2,110 HSA contribution provided to each employee. Revenue estimates were based off 436 full time positions budgeted at \$11,040/position. This includes the 14 new proposed positions in the FY 24 budget. The remainder makes up dependent premiums based on current estimates provided by USI; the City’s broker. Workers’ compensation premiums are budgeted an equivalent way based on 436 full time positions budgeted at \$1,080/position.

Expenses are broken down as follows:

- \$800,000 - retiree insurance (claims)
- \$959,200 - HSA and HRA benefit (estimated at 436 employees at \$2,200)
  - Increased the cost slightly to work in a buffer and also to account for vacancies in positions.
- \$38,250 - retiree HSA/HRA benefits
- \$10,000 - contracted Services for OPEB reporting
- \$240,000 – Health clinic costs to Synergy
- \$167,424 - estimated administrative costs for BCBS to administer the plan
  - Based on \$32/person at 436 employees at 12 months
- \$3,360,726 – estimated health claims based on trends forecasted from USI (broker)
- \$255,000 – workers compensation insurance
- \$18,000 – admin fees for Gallagher to administer plan
- \$197,880 – estimated workers compensation claims based on trends forecasted from Gallagher.

# CITY ORGANIZATION



**POSITION SUMMARY**

**FULL TIME EMPLOYEES BY DEPARTMENT**

DEPARTMENT	ADOPTED FY2023	BUDGET FY2024	CHANGES/ ADDITIONS	COMMENTS
<b>GENERAL GOVERNMENT</b>				
City Council	7	7	0	
City Manager	10	10	0	
Human Resources	6	6	0	
Legal Services	3	3	0	*Funded not included for Jr. Attorney
General Services	11	11	0	
Planning	11	11	0	
Finance	8	8	0	
Information Tech	5	5	0	
<b>TOTAL GENERAL GOVERNMENT</b>	<b>61</b>	<b>61</b>	<b>0</b>	
<b>PUBLIC SAFETY</b>				
Admin	7	7	0	
Support	36	38	2	(2) Telecommunicators
Field Ops	66	66	0	*Funded not included for (4) officers designated for downtown efforts.
Special Ops	10	12	2	(2) DARE/SRO's
<i>Total Police</i>	<b>119</b>	<b>123</b>	<b>4</b>	
Admin	6	6	0	
Emergency	85	88	3	(3) Firefighters
Technical	5	5	0	
<i>Total Fire</i>	<b>96</b>	<b>99</b>	<b>3</b>	
<b>TOTAL PUBLIC SAFETY</b>	<b>215</b>	<b>222</b>	<b>7</b>	
<b>TOTAL PARKS AND RECREATION</b>	<b>24</b>	<b>25</b>	<b>1</b>	(1) Parks Superintendent
<b>PUBLIC WORKS</b>				
Engineering	9	9	0	
Signs	3	3	0	
Street Maintenance	13	13	0	
<b>TOTAL PUBLIC WORKS</b>	<b>25</b>	<b>25</b>	<b>0</b>	
<b>TOTAL GENERAL FUND</b>	<b>325</b>	<b>333</b>	<b>8</b>	

**POSITION SUMMARY**

DEPARTMENT	ADOPTED FY2022	BUDGET FY2023	CHANGES/ ADDITIONS	COMMENTS
<b>WATER &amp; SEWER FUND</b>				
Customer Service	14	14	0	
Water Plant	14	18	4	(3) Lead Service Line Workers, (1) Lab Analyst
Distribution	43	44	1	(1) Meter Technician
<b>TOTAL WATER &amp; SEWER</b>	<b>71</b>	<b>76</b>	<b>5</b>	
<b>TOTAL STORMWATER FUND</b>				
	<b>17</b>	<b>17</b>	<b>0</b>	
<b>TOTAL ENVIRONMENTAL</b>				
	<b>9</b>	<b>10</b>	<b>1</b>	(1) Construction Maintenance Technician
<b>TOTAL ALL FUNDS</b>	<b>422</b>	<b>436</b>	<b>14</b>	

**HISTORICAL OVERVIEW OF FULL TIME EMPLOYEES BY DEPARTMENT**

DEPARTMENT	ACTUAL FY2018	ACTUAL FY2019	ACTUAL FY2020	BUDGET FY2021	BUDGET FY2022	CHANGE/ ADDITIONS
<b>GENERAL GOVERNMENT</b>						
GOVERNING BODY	7	7	7	7	7	-
CITY MANAGER	6	7	9	9	9	-
HUMAN RESOURCES	5	5	5	5	5	-
LEGAL SERVICES	2	2	2	2	2	-
GENERAL SERVICES	7	7	10	10	11	1
PLANNING & ZONING	8	9	9	9	11	2
FINANCE	8	8	6	6	7	1
INFORMATION TECHNOLOGY	-	-	5	5	5	-
<b>TOTAL GENERAL GOVERNMENT</b>	<b>43</b>	<b>45</b>	<b>53</b>	<b>53</b>	<b>57</b>	<b>4</b>
<b>PUBLIC SAFETY</b>						
POLICE	112	113	113	114	118	4
FIRE	94	95	95	96	96	0
<b>TOTAL PUBLIC SAFETY</b>	<b>206</b>	<b>208</b>	<b>208</b>	<b>210</b>	<b>214</b>	<b>4</b>
<b>TOTAL PARKS AND RECREATION</b>	<b>10</b>	<b>12</b>	<b>18</b>	<b>18</b>	<b>23</b>	<b>5</b>
<b>TOTAL PUBLIC WORKS (INCLUDING POWELL BILL)</b>	<b>22</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>26</b>	<b>2</b>
<b>TOTAL GENERAL FUND</b>	<b>281</b>	<b>289</b>	<b>303</b>	<b>305</b>	<b>320</b>	<b>15</b>
<b>WATER &amp; SEWER FUND</b>						
BILLING AND COLLECTIONS	8	8	9	10	12	2
WATER TREATMENT PLANT	11	14	15	15	15	-
DISTRIBUTION	29	33	38	39	40	1
<b>TOTAL WATER &amp; SEWER</b>	<b>48</b>	<b>55</b>	<b>62</b>	<b>64</b>	<b>67</b>	<b>3</b>
<b>TOTAL STORMWATER FUND</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>17</b>	<b>-</b>
<b>TOTAL ENVIRONMENTAL</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>-</b>
<b>TOTAL ALL FUNDS</b>	<b>349</b>	<b>364</b>	<b>387</b>	<b>391</b>	<b>409</b>	<b>18</b>



## POSITION SUMMARY

This chart does not show part-time, seasonal, auxiliary, temporary positions. No reclassifications recommended with the FY 24 budget.

Department	Positions	Description
Police- Special Operations	2 SRO/DARE officers	(2) Police Officer (DARE/SRO) requested to compensate for growth and evolving community needs in Kannapolis City Schools. <i>Offset partially by \$88,000 grant with KCS.</i>
Police-Support Services	2 Telecommunicators	(2) Telecommunicators requested to compensate for growth and evolving agency needs. Used for mid-shift during peak hours.
Fire-Emergency Services	3 Firefighters	Growth positions to meet increased service demands/work load. This would allow the department to meet NFPA 1710 Staffing Standard on all but one truck, which recommends 4 personnel on all engine companies.
Parks	1 Parks Superintendent	Needed for growth of the City's parks and ground maintenance divisions. The plan is to reclassify existing Assistant Parks Director Position as a Recreation Superintendent to cover the 2 primary functions of the department.
Water-Distribution	1 Meter Technician	Re-establish frozen meter position to perform additional cutoffs daily. <i>The cutoff/disconnect fees should cover the salary.</i>
Water Treatment Plant	3 Lead Service Line Inventory Workers	The new Lead and Copper Revision Rule is requiring the physical determination of public and private water service line materials. The rule compliance date is October 14, 2024. To be compliant with this EPA rule, a service line inventory shall be completed along with a plan to determine unknown service line materials, and a plan for the removal and replacement of and lead service lines at a minimum of 3% per year.

POSITION SUMMARY

		<p>This task will require a crew of (3) WTP maintenance worker employees, a service truck, small mini, and tool budget. This task will be their primary work for possibly the next 3-5 years depending on the number of unknown service line materials in the distribution system (could be as many as 5,000) and the number the crew can determine per day. Once this task is complete they would become a full-time maintenance crew for the water plant.</p>
Water Treatment Plant	1 Lab Analyst	<p>The landscape of water quality regulations is constantly increasing as well as the increased workload in keeping up with the testing, calibration of equipment, additional sampling record keeping, and quality control needs. This position would focus on these specific needs helping us keep up with the ever-changing requirements and quality control procedures.</p>
Environmental	1 Construction Maintenance Tech	<p>This is a current position in Stormwater that needs to be transferred back to the Stormwater Fund. The new position will be an additional Environmental Cart Tech.</p>

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# GENERAL FUND

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

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GENERAL FUND SUMMARY

**General Fund Revenues**

Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
Ad Valorem Taxes - Current Year	35,188,732	38,627,140	3,438,408	9.77%
Ad Valorem Taxes - Prior Year	400,000	400,000	-	0.00%
<b>Total Ad Valorem Taxes</b>	<b>\$ 35,588,732</b>	<b>\$ 39,027,140</b>	<b>\$ 3,438,408</b>	<b>9.66%</b>
1% Sales Tax (State)	5,458,782	6,480,219	1,021,437	18.71%
1/2% Sales Tax (Local)	8,167,379	9,959,883	1,792,504	21.95%
<b>Total Sales Tax</b>	<b>\$ 13,626,161</b>	<b>\$ 16,440,102</b>	<b>\$ 2,813,941</b>	<b>20.65%</b>
Fire District Sales Tax	273,000	236,790	(36,210)	-13.26%
Franchise Tax	2,698,000	2,805,308	107,308	3.98%
Beer & Wine Tax	210,000	210,000	-	0.00%
ABC Funds	102,296	138,000	35,704	34.90%
Cabarrus Contributions	1,328,433	1,326,113	(2,320)	-0.17%
Police- ICAC Grant	74,990	-	(74,990)	-100.00%
CDBG Administration Revenues	70,000	70,000	-	0.00%
Rowan County Contributions	4,000	4,000	-	0.00%
Powell Bill Funds	1,572,822	1,583,146	10,324	0.66%
<b>Total Intergovernmental</b>	<b>\$ 6,333,541</b>	<b>\$ 6,373,357</b>	<b>\$ 39,816</b>	<b>0.63%</b>
Vehicle License	397,390	420,000	22,610	5.69%
Vehicle Rental Tax	25,000	25,000	-	0.00%
Buildings Rental	90,000	200,000	110,000	122.22%
Tower Rental	84,000	95,000	11,000	13.10%
Miscellaneous Revenue	310,000	310,000	-	0.00%
Investment Income	210,000	1,000,000	790,000	376.19%
Enterprise Fund Management Fee Reimbursement	2,349,702	2,287,295	(62,407)	-2.66%
Police - Charges and Fees	169,000	323,000	154,000	91.12%
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	35,000	10,000	40.00%
Code Enforcement - Charges and Fees	120,000	200,000	80,000	66.67%
City Code Violations	65,000	65,000	-	0.00%
Parks - Charges and Fees	1,185,545	1,100,000	(85,545)	-7.22%
Recreation Programs - Charges and Fees	125,000	125,000	-	0.00%
Recreation Programs - Donations	50,000	50,000	-	0.00%
Commercial Rent/Lease-College Station	401,630	475,000	73,370	18.27%
CVB Contribution	100,000	100,000	-	0.00%
Team Lease	450,000	450,000	-	0.00%
<b>Total Other</b>	<b>\$ 6,185,267</b>	<b>\$ 7,288,295</b>	<b>\$ 1,103,028</b>	<b>17.83%</b>
Appropriated Fund Balance	753,458	1,242,385	488,927	64.89%
Transfer from Transit Fund	-	-	(200,000)	-100.00%
<b>Total Fund Balance Appropriation/Transfers In</b>	<b>\$ 753,458</b>	<b>\$ 1,242,385</b>	<b>\$ 553,458</b>	<b>64.89%</b>
	<b>\$ 62,487,159</b>	<b>\$ 70,371,279</b>	<b>\$ 7,884,120</b>	<b>12.62%</b>

## GENERAL FUND SUMMARY

### Property (Ad Valorem) Taxes

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

Property taxes are projected to increase by 9.8% or \$3,438,408 in FY 24 over the FY 23 adopted budget. This increase is attributed to organic growth in Cabarrus and Rowan County (both outside revaluation years).

The adopted tax rate for the City remains at 63 cents. The total taxable property value is estimated at \$6,190,764,848 which is a 9.13% over the FY 23 adopted valuation of \$5,672,838,999. A major reason for this increase is the increase in Rowan County assessed valuation due to the revaluation. The revaluation alone accounted for an increase in over 50% of property values for the County.

The City used a combined collection rate from the FY 22 audit at 98.54%. One penny on the tax rate equates to \$619,076 in property tax revenue. FY 24 proposed property tax revenue is estimated at \$39,027,140 and comprises 55% of all General Fund revenue. This includes \$38,627,140 in current year property taxes and \$400,000 in prior year taxes.

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



## GENERAL FUND SUMMARY

Cabarrus County and Rowan County conduct revaluations every four years rather than the maximum eight years. The past tax year resulted in the revaluation of property on the Rowan County side. State law requires that units of local government to publish a revenue-neutral tax rate in the budget immediately following the completion of the general reappraisal of real property. The purpose of the revenue-neutral tax rate is to provide the citizens with comparative information.

The revenue-neutral tax rate, as defined by G.S. 159-11 (e), is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue for the current fiscal year if no reappraisal had occurred. The rate is then adjusted by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general re-appraisal. The reappraisal produced a tax base of \$6,190,764,848 for Kannapolis. The tax levy for the current fiscal year is \$38,627,140 and the growth factor since the last general appraisal is 9.42%. Using the formula mandated 21 by State law, the revenue-neutral rate for the City of Kannapolis is 63 cents per \$100 valuation, which is the current tax rate for the City.

The calculation for revenue neutral is as follows:

		Assessed Value	Percentage Change
<b>2023-24</b>	<b>Revaluation</b>	6,190,764,848	
<b>2022-23</b>		5,672,754,476	7.86%
<b>2021-22</b>		5,259,536,036	4.20%
<b>2020-21</b>		5,047,508,005	16.36%
<b>2020-19</b>	<b>Revaluation</b>	4,337,823,300	
		Average growth rate over 3 years	9.47%
	Current tax rate	0.63	
	Estimated levy- FY 23	35,738,353.20	
	Tax rate to produce equivalent to levy	0.58	
	Estimated levy- FY 24	35,738,353.20	
	Revenue neutral rate, to be included, in budget ordinance, adjusted for growth	0.63	

## GENERAL FUND SUMMARY

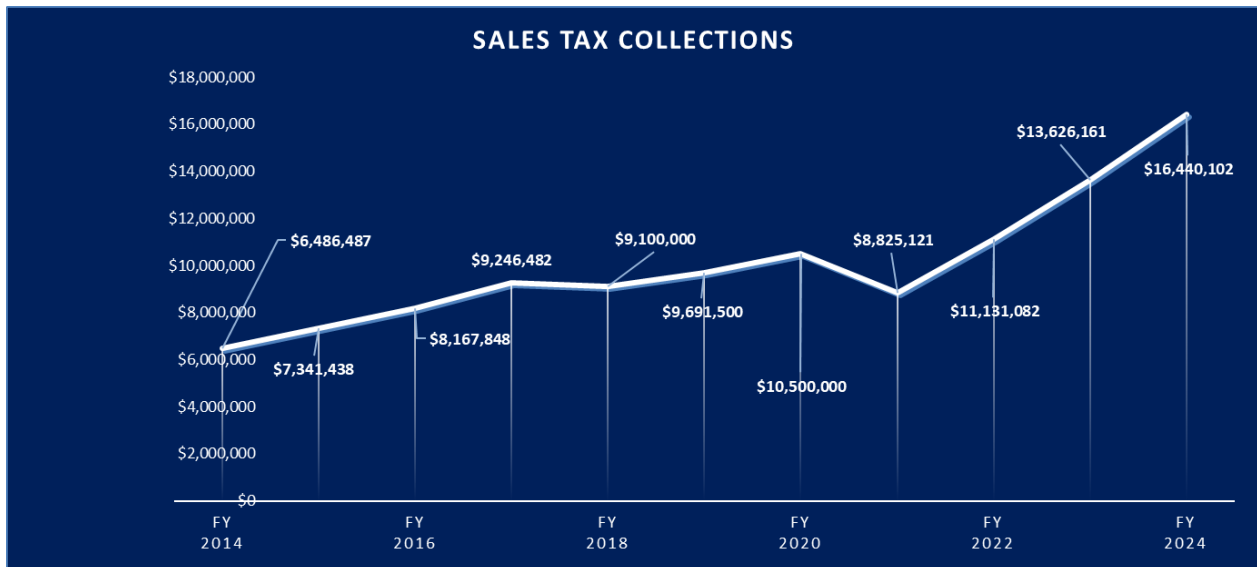
### Sales Taxes

Sales tax projections are based on retail sales and historical trends. Article 39 (G.S. 105) or 1% was established whereby counties and municipalities receive the net proceeds of the tax collections within the county less the cost to the State of collecting and administering the tax (point of sale). The net proceeds are distributed on a per capita basis in Rowan County and an ad-valorem basis in Cabarrus County. The per capita basis is calculated based on the ratio of the City's population to the sum of the total population of the taxing county and all the cities within the county. The ad valorem basis is calculated in a similar manner except that the total property tax levy is used in place of population. Article 40 (G.S 105) or ½ of 1% and Article 42 (G.S 105) or ½ of 1% was established with net proceeds placed in a state-wide pool. Net proceeds are distributed on a per capita and ad-valorem tax basis.

Sales tax comprises 23% of the adopted General Fund budget.

The proposed sales tax revenue for FY 24 is based on projected FY 23 year-end actual receipts, which are projected at \$15,509,530, which results in an over collection of approximately \$2,000,000 from what was included in the FY 23 original budget proposal. As a result, this more accurate calculation results in a 3.6% increase (\$930,572 actual) in sales tax revenue for FY 24.

For FY 24, sales tax is budgeted at \$16,440,102, which is an increase of 21% over the FY 23 adopted budget of \$13,626,161.





## GENERAL FUND SUMMARY

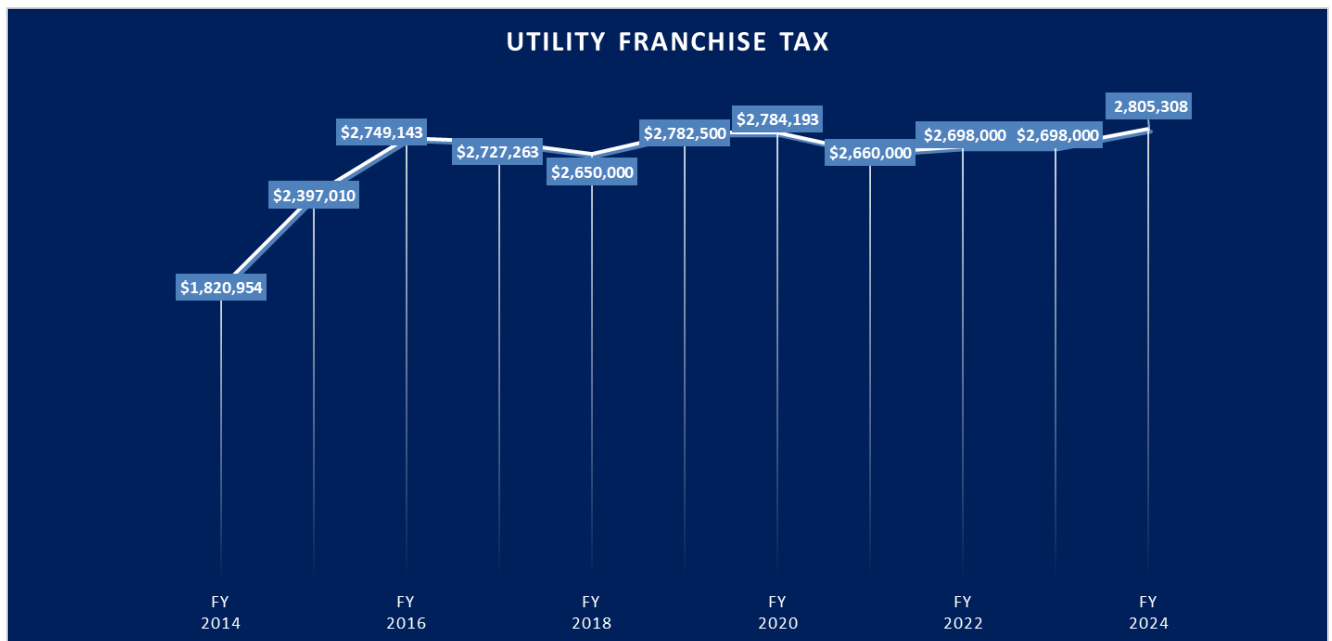
### Intergovernmental Revenue

Intergovernmental revenue is received from the Federal, State and Local levels that provide financial assistance to the City.

Revenues in this category include utility franchise tax, beer and wine tax, Powell Bill funds, refunds of sales and gas taxes, ABC Board distributions, receipts from other local governments and state grants. Included in this category are the funds the City will receive from Cabarrus County related to the purchase of Limited Obligation Bonds. This category overall increased by \$39,816 from the prior year due to some minor increases across some line items and the reduction of \$74,990 from the Police Internet crimes against children (ICAC) grant. This was a one-year grant that expired in FY 23.

This category comprises 9% of the adopted General Fund budget for FY 24. This is a 0.63% increase over the FY 23 adopted budget.

The primary driver behind the increase is related projections in franchise tax. Franchise tax receipts are the third largest source of revenue for the General Fund and are captured in the intergovernmental area. These receipts have increased for the City in the past, but the source has shown limited growth over the past few years. This revenue increased by \$107,308 over FY 23. ABC funds is projected to increase by \$35,704 due to trends and Powell Bill slightly by \$10,324 over FY 23. Decreases are related to the reduction in the ICAC grant (74,990), reductions in the projected fire districts sales tax (36,210) and a decrease in the contribution the City receives from Cabarrus County by (2,320).



## GENERAL FUND SUMMARY

### Other Revenues

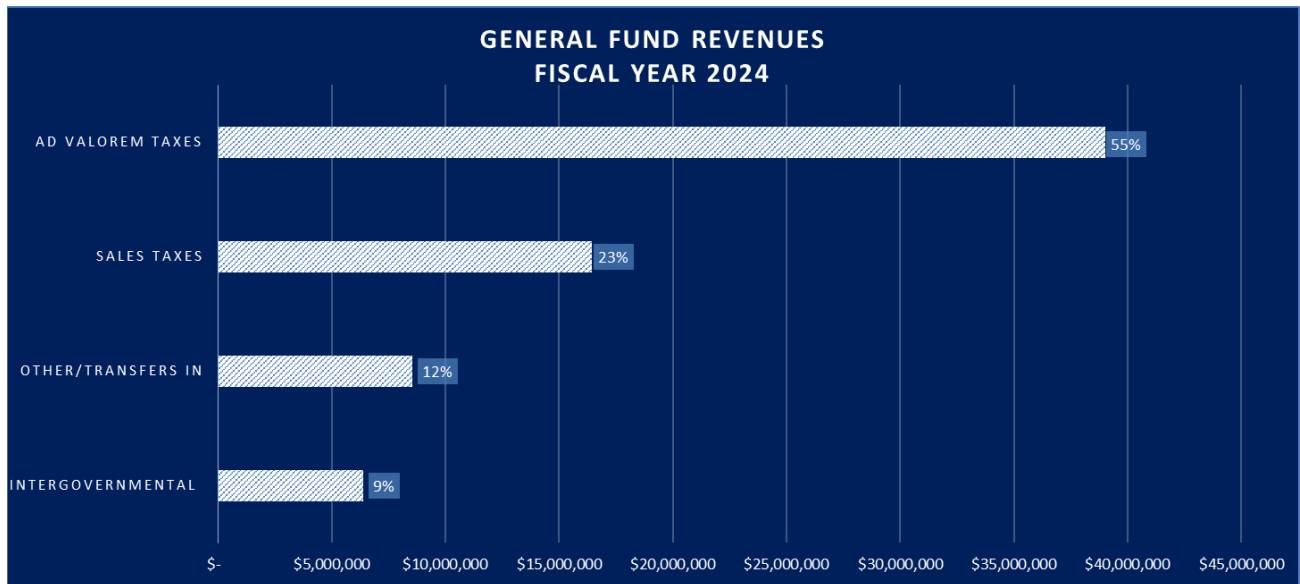
Other revenues are revenues collected for activities of the City that may not be specific in nature and don't fit easily into a previously mentioned revenue category. These revenues comprise 12% of the General Fund budget.

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. This revenue source is projected to decrease by \$62,407 based on the employee allocation formula used to calculate this fee across the Water and Sewer and Stormwater Funds.

For FY 24, the other revenue category is budgeted at \$8,530,680 which is an increase of 23% over the FY 23 adopted budget of \$6,938,725. This is primarily attributed to the \$1,242,385 fund balance appropriation. This fund balance appropriation is used to fund the following one-time/cash focused initiatives: \$330,000 hot patch in Streets, \$120,000 mini excavator in Streets, \$90,000 dump in Parks, \$72,000 (Master Park plan update) and 44% of all capital outlay city-wide totaling \$1,434,000. The eventual goal is to fund capital outlay replacements as part of the operating budget. This is a first step to an eventual goal of 100%.

The bar graph below notes the breakdown in primary revenue sources in the General Fund.



GENERAL FUND SUMMARY

**General Fund Expenditures**

Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
City Council	327,592	336,560	8,968	2.74%
City Manager - Administration	1,683,345	2,041,514	358,169	21.28%
Economic Development	377,887	375,887	(2,000)	-0.53%
Communications	322,740	388,908	66,168	20.50%
Human Resources	717,750	830,135	112,385	15.66%
City Attorney	628,377	585,760	(42,617)	-6.78%
Finance	1,035,053	1,326,491	291,438	28.16%
Information Technology	2,119,622	3,131,988	1,012,366	47.76%
General Services	1,905,134	2,500,793	595,659	31.27%
<b>Total General Government</b>	<b>\$ 9,117,500</b>	<b>\$ 11,518,036</b>	<b>\$ 2,400,536</b>	<b>26.33%</b>
Police - Administration	1,200,317	1,080,807	(119,510)	-9.96%
Police - Support Services	3,102,224	3,709,993	607,769	19.59%
Police - Field Operations	5,806,123	7,611,955	1,805,832	31.10%
Police - Special Operations	704,948	1,166,360	461,412	65.45%
<b>Total Police</b>	<b>\$ 10,813,612</b>	<b>\$ 13,569,115</b>	<b>\$ 2,755,503</b>	<b>25.48%</b>
Fire - Administration	1,246,627	1,482,736	236,109	18.94%
Fire - Emergency Services	7,648,966	9,270,350	1,621,384	21.20%
Fire - Technical Services	555,861	628,535	72,674	13.07%
<b>Total Fire</b>	<b>\$ 9,451,454</b>	<b>\$ 11,381,621</b>	<b>\$ 1,930,167</b>	<b>20.42%</b>
Public Works - Engineering	1,036,308	1,213,486	177,178	17.10%
Public Works - Street Lighting	740,300	613,900	(126,400)	-17.07%
Public Works - Operations Center	138,700	147,100	8,400	6.06%
Public Works - Signs and Markings	463,006	529,538	66,532	14.37%
Powell Bill	1,513,120	1,583,146	70,026	4.63%
Public Works - Street Maintenance	961,971	1,632,565	670,594	69.71%
<b>Total Public Works</b>	<b>\$ 4,853,405</b>	<b>\$ 5,719,735</b>	<b>\$ 866,330</b>	<b>17.85%</b>
Planning	\$ 1,102,225	\$ 1,263,207	160,982	14.61%
<b>Total Planning</b>	<b>\$ 1,102,225</b>	<b>\$ 1,263,207</b>	<b>\$ 160,982</b>	<b>14.61%</b>
Parks and Recreation - Parks	4,470,299	5,679,545	1,209,246	27.05%
Parks and Recreation - Recreation Programs	930,500	998,000	67,500	7.25%
Stadium	250,000	350,000	100,000	40.00%
<b>Total Parks and Recreation</b>	<b>\$ 5,650,799</b>	<b>\$ 7,027,545</b>	<b>\$ 1,376,746</b>	<b>24.36%</b>
Non - Departmental	5,642,314	3,940,169	(1,702,145)	-30.17%
Transfers	895,184	1,967,760	1,072,576	119.82%
<b>Total Other</b>	<b>\$ 6,537,498</b>	<b>\$ 5,907,929</b>	<b>\$ (629,569)</b>	<b>-9.63%</b>
Debt Service Payments (Principal and Interest)	14,960,666	13,984,091	(976,575)	-6.53%
<b>Total Debt Service</b>	<b>\$ 14,960,666</b>	<b>\$ 13,984,091</b>	<b>\$ (976,575)</b>	<b>-6.53%</b>
<b>Total General Fund Expenditures</b>	<b>\$ 62,487,159</b>	<b>\$ 70,371,279</b>	<b>\$ 7,884,120</b>	<b>12.62%</b>

## GENERAL FUND SUMMARY

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

### **General Government**

The General Government Services area accounts for services provided by the City for the benefit of the public and the government body as a whole. This service area encompasses the following departments: City Council, City Manager's Office, Economic Development, Communications, Human Resources, Legal Services, Finance, Information Technology and General Services.

**This service area comprises 16% of total General Fund spending. This service area increased by 26.33% or \$2,400,536 over the FY 23 adopted budget.**

The primary driver behind this increase is due to a projected 15% increase in annual maintenance costs in the IT Department, continued implementation of a replacement schedule that includes all devices city-wide (estimated at approximately \$150,000) and approximately \$800,000 in increased software platforms to better streamline efficiencies across multiple departments (including: Northstar, Cityworks and SilverBlaze).

Other increases are related to the full year's implementation of the recent salary study that was implemented. This adjusted every position by at least 2% if at or above the market and for those below the market, it was 3% per grade or up to the minimum of the new proposed grade (whichever is higher).

### **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 35% of all General Fund spending. This service area increased by \$4,685,670 or 23% over the FY 23 adopted budget.**

The Police Department increased by \$2,755,503 or 25% over the FY 23 adopted budget. Included in this increase is the addition (2) DARE/SRO's with associated equipment and vehicle purchase, the addition of (2) telecommunicators and the addition of (1) auxiliary officer position. Other increases are related to the \$323,406 for the second lease payment with Axon for the replacement of the agency's in-car cameras, body-worn cameras and tasers. Continued funding related to the City's 911 communications center equipment and redundancy line set-up. The City is not a primary or secondary public safety answering point (PSAP) and therefore isn't eligible to receive 911 State Board funding. The largest increase is in the field operations budget for the replacement of (15) vehicles that have exceeded the recommended mileage requirements and have experienced high maintenance costs (~910,000).

The Fire Department increased by \$1,930,167 or 20% over the FY 23 adopted budget. The primary drivers behind this increase is the addition of 3 firefighters with necessary PPE. This is a NFPA

## GENERAL FUND SUMMARY

standard to have 4 firefighters assigned to each engine. By the addition of these 3 firefighters, only one company in the department won't meet this standard. Also included is the replacement of a vehicle at \$75,000 for a safety and logistics officer. Other increases are standard or contractual and a full year's worth of the most recent salary study implementation efforts.

### Public Works

Public Works is responsible for enhancing the quality of life by providing dependable, high quality and responsive services. The following departments comprise this service area: Engineering, Street Lighting, Operations Center, Signs and Markings, Powell Bill, and Street Maintenance.

**This area comprises 8% of total General Fund spending. This service area increased by \$866,330 or 17.85% over the FY 23 adopted budget.**

The major increase in this area is related to capital outlay purchases in the Streets Department. This department has \$480,000 in capital outlay costs for the following: \$30,000 for a tilt deck trailer, \$330,000 for a new asphalt hot patch truck and \$120,000 for a mini excavator to replace a 2005 model. Other increases include: \$261,146 in the resurfacing contract with Powell Bill funding and a full year's worth of the most recent salary study implementation efforts.

### Planning

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

**This area comprises 2% of all General Fund spending. This service area increased by \$160,982 or 14.61% over the FY 23 adopted budget.**

The Planning Department is replacing one code enforcement vehicle that is experiencing maintenance issues at \$30,000 and the remaining increase are attributed to a full year's worth of the most recent salary study implementation efforts.

### Parks and Recreation

Parks and Recreation provides City residents with opportunities and facilities for recreational and educational programs and activities. The departments that make up this service area are: Parks, Recreation Programs, and the Stadium. Parks and Recreation include the maintenance of all city parks, youth athletics, summer events and concert series and the newly opened Atrium Health Ballpark.

**This area comprises 10% of all General Fund spending. This service area increased by \$1,376,746 or 24.36% over the FY 23 adopted budget.**

The primary increase is related to the addition of a Parks Superintendent position that will either oversee all parks operations and grounds contracts. Included with this position request is \$45,000 for a vehicle. Other capital outlay includes: \$45,000 for a vehicle for the soon to be reclassified Recreation Superintendent, \$90,000 dump truck, \$72,000 for a 10 year master park plan update,

## GENERAL FUND SUMMARY

\$68,000 for a pressure wash system and \$33,000 for a ballfield maintenance unit. Other major increase include: \$210,244 to the city's grounds maintenance contract which is for all city-wide properties, \$67,500 increase in program budgets, and a full year's worth of the most recent salary study implementation efforts.

### Other

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

**This area comprises 8% of all General Fund spending. This service area decreased by \$629,569 or 9.63% over the FY 23 adopted budget.**

Expenses in the Non-Departmental budget include:

- \$183,304 - increase in workers compensation insurance based on \$1,080 on 333 employees in the General Fund (*Each fund now funds its component of workers compensation which will feed into the new fund*).
- \$77,280 - increase in medical insurance based on new amount \$11,040/employee. This is a buffer in the General Fund.
- \$148,839- increase in special expenses (total budget of \$2,040,955)
  - \$705,754 in costs for a projected 3% COLA for all employees (CPI index for April 2023 is 4.9%) in the General Fund (*Cola was funded at 5% for FY 23*)
  - \$663,119 in costs for a projected merit for all eligible employees based on performance evaluations (based on 2.5% average, up to 3% max); those in developmental range qualify for 5% (*Merit was funded for FY 23*)
  - \$400,000- increase the developmental range from 15<sup>th</sup> percentile to midpoint to remain competitive and move employees within the grade faster.
  - \$140,082 – used to balance the budget
- \$54,533 – Insurance – General Liability
  - Based on 11% increase from League of Municipalities
- \$2,147 – Insurance – Public Officials
  - Based on increase from League of Municipalities
- \$16,500– Insurance – Building and Contents
  - Based on 11% increase from the league.
- \$2,680 increase in encroachment bond expenses.
- Decreases of \$2,187,428 include expenses moving to the new insurance and risk fund and a reduction in contingency funding and one-time stock/asset purchase for the Gem Theatre.

Transfers are:

- \$1,147,817 from the General Fund to subsidize the Environmental Fund
- \$496,912 from the General Fund to the Special Separation Pay Fund.
- \$323,031 from the General Fund to the Transit Fund based on an increase in operations.

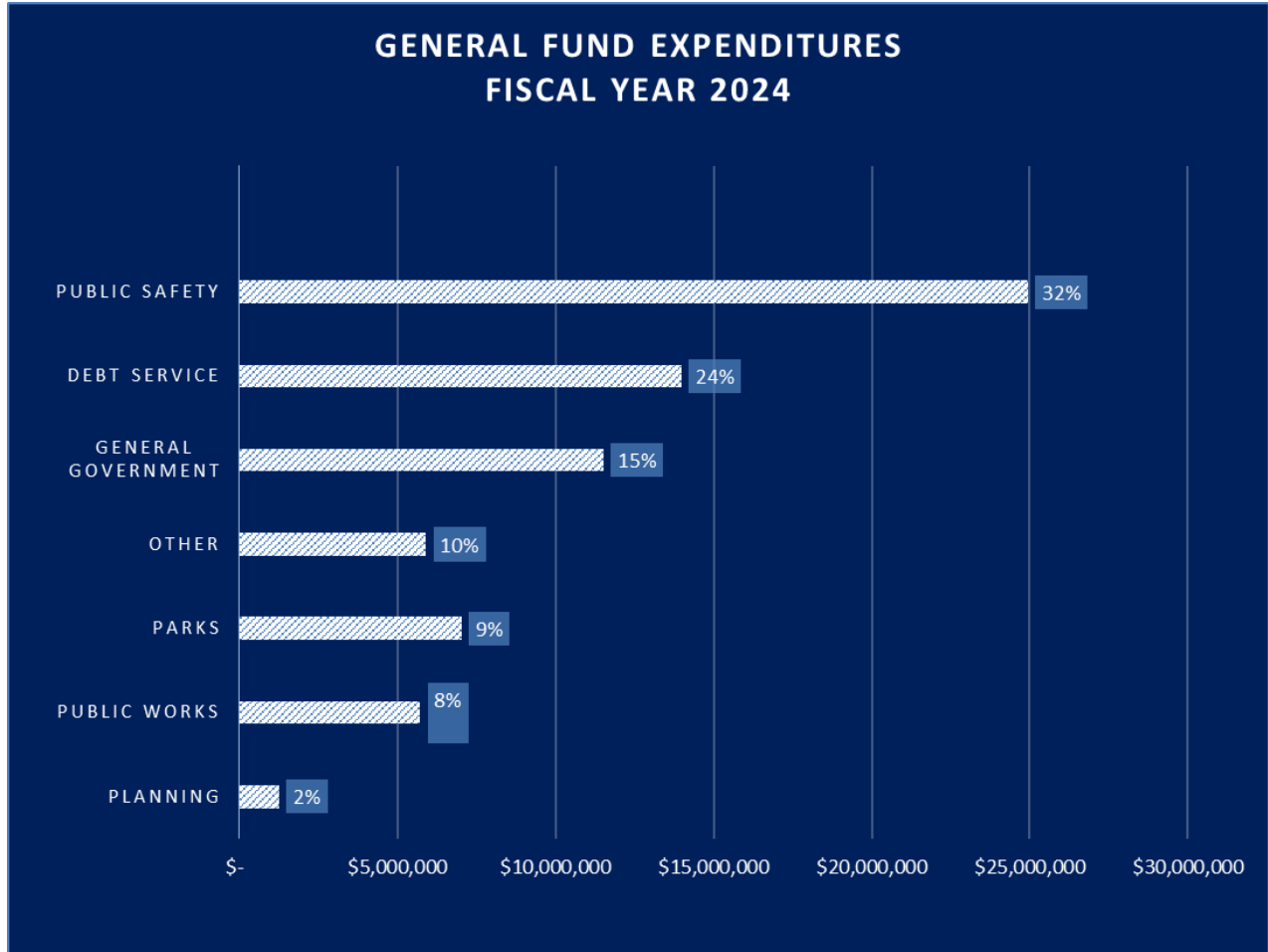
## GENERAL FUND SUMMARY

### 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.

**This area comprises 20% of all General Fund spending. This service area decreased by \$976,575 or -6.53% decreased from the adopted FY 23 budget.**

This area decreased from the retirement of debt service. Included in debt service category is continued funding of the four-year lease estimated around \$677,750 annually with Motorola for the replacement of the all public safety radios.





# General Government



# City Council 11000

## MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	121,863	199,573	265,573	159,321
Operating	168,328	128,019	188,019	177,239
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 290,191	\$ 327,592	\$ 453,592	\$ 336,560
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Staffing</b>				
FTE Positions	7	7	7	7

Personnel includes: (7) City Council members

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$159,321
<b>Operating Expenses</b>	\$177,239
<b>Total Budget</b>	\$336,560

### Increases:

- \$49,220 – increase in election expense
- \$11,540 – increase in personnel expenses. This accounts for a projected 3% COLA and 2% market adjustment that employees received from the recent salary study.

**GENERAL GOVERNMENT**

**Reductions:**

- \$51,792 – reduction in 457 retirement plan due to one-time back pay that took effect in FY 23. This contribution to the 457 plan is based on 25%

**Items of Interest:**

- \$32,000 - NC League of Municipalities
- \$4,000 - National League of Cities
- \$9,419 - Metropolitan Mayor’s Coalition
- \$8,727 - Cabarrus/South Rowan MPO
- \$11,000- Centralina Council of Governments
- \$8,000 - Public Health Authority
- \$1,650 - Rowan Chamber of Commerce
- \$2,000 - Cabarrus Chamber of Commerce
- \$2,500 - Alliance for Innovation
- Elections expenses are found in budget every other year

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	109,103	120,433	11,330	10.38%
42000	FICA	8,570	8,780	210	2.45%
42210	401K	81,900	30,108	(51,792)	-63.24%
<b>Sub-Total For Personnel</b>		<b>\$ 199,573</b>	<b>\$ 159,321</b>	<b>\$ (40,252)</b>	<b>-20.17%</b>
<b>OPERATING</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
43200	Advertising	5,000	5,000	-	0.00%
45250	Telephone	3,500	3,500	-	0.00%
46100	Office Supplies	1,600	1,600	-	0.00%
46300	Dues and Subscriptions	80,419	80,419	-	0.00%
51100	Travel and Training	20,000	20,000	-	0.00%
51200	Elections	-	49,220	49,220	100.00%
51300	Special Expenses	17,500	17,500	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 128,019</b>	<b>\$ 177,239</b>	<b>\$ 49,220</b>	<b>38.45%</b>
<b>TOTAL CITY COUNCIL</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	199,573	159,321	(40,252)	-20.17%
	Operating Expenditures	128,019	177,239	49,220	38.45%
<b>Total for All Categories of Expenses</b>		<b>\$ 327,592</b>	<b>\$ 336,560</b>	<b>\$ 8,968</b>	<b>2.74%</b>

# City Manager 11100

## MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	1,492,395	1,550,522	1,715,522	1,834,014
Operating	92,101	132,823	344,613	207,500
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,584,496</b>	<b>\$ 1,683,345</b>	<b>\$ 2,060,135</b>	<b>\$ 2,041,514</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	9	10	10	10

**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 and Community Outreach Coordinator

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$1,834,014
<b>Operating Expenses</b>	\$207,500
<b>Total Budget</b>	\$2,041,514

### Increases:

- \$50,000 – increase in consultants for a grants consultant to help manage, write and track grants the City receives. This is currently completed in house by multiple departments. This is an effort to consolidate this process and have a consultant help manage it.
- Continued funding for Strategies for federal lobbying efforts

### Reductions:

- None

## City Manager 11100

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	1,156,788	1,329,846	173,058	14.96%
41100	Salaries - Part Time	2,550	2,550	-	0.00%
41300	Longevity Pay	4,964	17,000	12,036	242.47%
41600	Vehicle Allowance	42,000	42,000	-	0.00%
42000	FICA	78,577	95,798	17,221	21.92%
42210	401k	31,994	38,744	6,750	21.10%
42200	State Retirement	133,800	175,707	41,907	31.32%
42230	Deferred Compensation	11,871	13,619	1,748	14.72%
42300	Medical Insurance	79,800	110,400	30,600	38.35%
42400	Life Insurance	3,784	3,784	-	0.00%
42500	Dental Insurance	3,480	3,652	172	4.94%
42600	Disability Insurance	914	914	-	0.00%
<b>Sub-Total for Personnel</b>		<b>\$ 1,550,522</b>	<b>\$ 1,834,014</b>	<b>\$ 283,492</b>	<b>18.28%</b>
<b>OPERATING</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
45250	Telephone	10,500	10,500	-	0.00%
46100	Office Supplies	10,000	10,000	-	0.00%
46200	Small Equipment and Tools	2,500	2,500	-	0.00%
46300	Dues and Subscriptions	12,500	12,500	-	0.00%
48300	Consultants	55,323	130,000	74,677	100.00%
51100	Travel and Training	36,000	36,000	-	0.00%
51300	Special Expenses	3,000	3,000	-	0.00%
51800	Meetings	3,000	3,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 132,823</b>	<b>\$ 207,500</b>	<b>\$ 74,677</b>	<b>56.22%</b>
<b>TOTAL CITY MANAGER</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	1,550,522	1,834,014	283,492	18.28%
	Operating Expenditures	132,823	207,500	74,677	56.22%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,683,345</b>	<b>\$ 2,041,514</b>	<b>\$ 358,169</b>	<b>21.28%</b>

# Economic Development 11115

MISSION STATEMENT:

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

**Budget and Staffing Summary:**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	-	-	-	-
Operating	420,243	377,887	444,137	375,887
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 420,243	\$ 377,887	\$ 444,137	\$ 375,887
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Staffing</b>				
FTE Positions	-	-	-	-

\*No personnel in this division

**Goals and Objectives:**

1. Respond to requests for incentives and support for economic development projects during FY24.
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 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of major, new companies announced in Kannapolis <i>(major defined as 100 or more employees)</i>	0	1
# of total households assisted through Community Development efforts	72	75



**GENERAL GOVERNMENT**

<b>Effectiveness Measures</b>		
Ratio of jobs created to incentive grants	0	TBD
Tax base created to incentive grants	0	TBD
Average \$ of amount spent on urgent repair per household ( <i>HUD Metric</i> )	\$6,267	\$6,000
Average \$ of amount spent on rehabilitation per household ( <i>HUD Metric</i> )	\$106,548	\$115,000
% of federal dollars spent in year received	96%	100%

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$0
<b>Operating Expenses</b>	\$375,887
<b>Total Budget</b>	\$375,887

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

**Increases:**

- None

**Reduction:**

- \$2,000 reduction in Gordon Foods incentive. Was \$222,000 last FY and now its \$220,000.

**Items of Interest:**

- \$6,750 – 600 Festival
- \$21,500 – Cabarrus Arts Council
- \$1,000 – Chamber of Commerce Annual Meeting
- \$25,000 – NC Music Hall of Fame
- \$207,000 – Incentive grant for Gordon Foods

<b>OPERATING EXPENDITURES</b>					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
43405	EDC Contribution	66,637	66,637	-	0.00%
43415	Economic Development Initiatives	15,000	15,000	-	0.00%
46350	Community Support	74,250	74,250	-	0.00%
51310	Incentive Grant	222,000	220,000	(2,000)	-0.90%
<b>Sub-Total For Operating</b>		<b>\$ 377,887</b>	<b>\$ 375,887</b>	<b>\$ (2,000)</b>	<b>-0.53%</b>
<b>TOTAL ECONOMIC DEVELOPMENT</b>					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	377,887	375,887	(2,000)	-0.53%
<b>Total for All Categories of Expenses</b>		<b>\$ 377,887</b>	<b>\$ 375,887</b>	<b>\$ (2,000)</b>	<b>-0.53%</b>



# Communications 11120

MISSION STATEMENT:

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

**Budget and Staffing Summary:**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	-	-	-	-
Operating	140,781	322,740	321,040	388,908
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 140,781	\$ 322,740	\$ 321,040	\$ 388,908
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Staffing</b>				
FTE Positions	-	-	-	-

\*No personnel in this division

**Goals and Objectives:**

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, 3<sup>rd</sup> Grade Civic Education, Adopt-A-Street.
5. Continue to transition city internal materials to electronic forms.

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of social media messages that go out	1,639	1,800
# of impressions made ( <i>running total</i> )	8,308,270	10,000,000
# of educational programs presented	68	70
# of environmental posts	192	200
# of eligible adopt the streets within City limits	348	350

GENERAL GOVERNMENT

# of hours spent on community outreach events	164	175
# of participants in community outreach events	23,022	25,000
<b>Efficiency Measures</b>		
% of streets that are adopted as part of the Adopt a Street Program	60%	100%
Increase Cartology app audience members by 5%	23%	30%
Ratio of Communications Staff to 100 Municipal Employees	0.0049	0.0049
<b>Effectiveness Measures</b>		
% of participants who attended outreach opportunities that rated the class as exceeds expectations	86%	100%
% of impressions per \$1,000 spent on marketing and advertising	47%	45%

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

Expense Summary	
<b>Personnel Expenses</b>	\$0
<b>Operating Expenses</b>	\$388,908
<b>Total Budget</b>	\$388,908

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

**Increases:**

- \$20,000 – GEM theatre marketing and branding initiatives
- \$36,168 – increase in marketing and branding due to increased publication and printing costs
- \$5,000- increase in travel and training for additional communications members (*community outreach coordinator hired in FY 23*)
- \$5,000- increase in youth council program supplies for state conference

**Items of Interest:**

- \$60,000 – Consultants for a shared consultant services with Cabarrus County for the zip code project clean up.
- \$45,384 – Special Events Mailers
- \$25,000 – Economic Development Marketing
- \$9,200 – Everbridge mass communication
- \$77,184 – Kannapolis Matters

## Communications 11120

<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43415	Recruitment Initiatives	20,000	20,000	-	0.00%
43425	Marketing/Branding	180,840	217,008	36,168	20.00%
43425- GEM	Marketing/Branding- GEM	-	20,000	20,000	100.00%
48300	Consultants	60,000	60,000	-	0.00%
48540	Website	7,800	7,800	-	0.00%
51100	Travel and Training	5,000	10,000	5,000	100.00%
51300	Special Expenses	9,200	9,200	-	0.00%
51421	Academy Programs	15,400	15,400	-	0.00%
51422	Outreach Education Programs	14,500	14,500	-	0.00%
51422-YTH	Outreach Education Programs-Yth	10,000	15,000	5,000	50.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 322,740</b>	<b>\$ 388,908</b>	<b>\$ 66,168</b>	<b>20.50%</b>
<b>TOTAL COMMUNICATIONS</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Operating Expenditures	322,740	388,908	66,168	20.50%
<b>Total for All Categories of Expenses</b>		<b>\$ 322,740</b>	<b>\$ 388,908</b>	<b>\$ 66,168</b>	<b>20.50%</b>

# Human Resources 11200

MISSION STATEMENT:

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

**Budget and Staffing Summary:**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	423,609	556,968	556,968	648,053
Operating	118,485	160,782	148,987	182,082
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 541,554</b>	<b>\$ 717,750</b>	<b>\$ 705,955</b>	<b>\$ 830,135</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	5	6	6	6

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

**Goals and Objectives:**

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 23 Actual	FY 24 Target
<b>Workload Measures</b>		
Total municipal full time positions per 10,000 population	76.96	76.96
Applications processed per 100 municipal employees	17.95	17.95
# of applications processed	881	900
# of workers compensation claims	6	5

GENERAL GOVERNMENT

# of visits to health clinic	876	900
<b>Efficiency Measures</b>		
HR cost per Municipal Employee	\$1,346	\$1,350
Ratio of HR Staff to 100 Municipal Employees	1.47	1.47
# of lost time days with workers compensation claims ( <i>capped at 180 days incident rate</i> )	160	150
<b>Effectiveness Measures</b>		
% Employees completing probationary period ( <i>New hires</i> )	65%	70%
Employee turnover rate ( <i>breakdown below</i> )	-	
Employee turnover rate (voluntary)	8%	0%
Employee turnover rate (involuntary)	2%	0%
Percentage of full time positions filled	90%	95%
Percentage of employees receiving wellness discount	95%	100%
Percentage of Full time positions utilizing YMCA Memberships	30%	100%

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

Expense Summary	
<b>Personnel Expenses</b>	\$648,053
<b>Operating Expenses</b>	\$182,082
<b>Total Budget</b>	\$830,135

**Increases:**

- \$20,000 – increase in medical expenses based on past trends.
- \$1,000 – increase in repair and maintenance vehicles.
- Standard contractual and utility increases.

**Reduction/Decreases:**

- None

**Items of Interest:**

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

## Human Resources 11200

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	422,492	461,500	39,008	9.23%
41200	Salaries - Overtime	2,300	5,500	3,200	139.13%
41300	Longevity Pay	1,932	4,300	2,368	122.57%
42000	FICA	24,643	33,086	8,443	34.26%
42200	State Retirement	41,008	58,138	17,130	41.77%
42210	401k	5,897	8,514	2,617	44.38%
42300	Medical Insurance	47,880	66,240	18,360	38.35%
42400	Life Insurance	687	687	-	0.00%
42500	Dental Insurance	2,129	2,088	(41)	-1.93%
42800	Tuition Reimbursement	8,000	8,000	-	100.00%
<b>Sub-Total For Personnel</b>		<b>\$ 556,968</b>	<b>\$ 648,053</b>	<b>\$ 91,085</b>	<b>16.35%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43100	Printing	500	500	-	0.00%
43200	Advertising	12,000	12,000	-	0.00%
43710	Medical Expenses	40,000	60,000	20,000	50.00%
44200	Repair & Maintenance: Vehicles	2,000	3,000	1,000	50.00%
45250	Telephone	2,700	3,000	300	11.11%
45610	Motor Fuel	1,000	1,000	-	0.00%
46100	Office Supplies	3,000	3,000	-	0.00%
46200	Small Tools and Equipment	2,500	2,500	-	0.00%
46300	Dues and Subscriptions	4,000	4,000	-	0.00%
48000	Contracted Services	80,082	80,082	-	0.00%
51100	Travel and Training	11,500	11,500	-	0.00%
51110	Departmental Training	1,500	1,500	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 160,782</b>	<b>\$ 182,082</b>	<b>\$ 21,300</b>	<b>13.25%</b>
<b>TOTAL HUMAN RESOURCES</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	556,968	648,053	173,721	16.35%
	Operating Expenditures	160,782	182,082	75,982	13.25%
<b>Total for All Categories of Expenses</b>		<b>\$ 717,750</b>	<b>\$ 830,135</b>	<b>\$ 112,385</b>	<b>15.66%</b>

# 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 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	346,626	498,677	498,677	406,060
Operating	150,658	129,700	174,100	179,700
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 497,284</b>	<b>\$ 628,377</b>	<b>\$ 672,777</b>	<b>\$ 585,760</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	2	3	3	3

**Personnel Includes:** City Attorney, Administrative Assistant and Jr. Attorney (*funding not allocated for this position currently*)

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$406,060
<b>Operating Expenses</b>	\$179,700
<b>Total Budget</b>	\$585,760

**Increases:**

- \$50,000 – increase in contracted services based on trends of contracting out legal services.

**Reductions/Decreases:**

- None

**Items of Interest:**

- Funding is not allocated for the Jr. Attorney at this time



## Legal Services 11300

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	410,338	295,050	(115,288)	-28.10%
41200	Longevity Policy	-	5,100	5,100	100.00%
41600	Vehicle Allowance	7,200	7,200	-	0.00%
42000	FICA	15,991	17,751	1,760	11.01%
42210	401k	31,502	38,033	6,531	20.73%
42200	State Retirement	3,654	4,102	448	12.26%
42300	Medical Insurance	23,940	33,120	9,180	38.35%
42400	Life Insurance	2,108	2,108	-	0.00%
42500	Dental Insurance	1,044	696	(348)	-33.33%
42600	Disability Insurance	2,900	2,900	-	0.00%
<b>Sub-Total For Personnel</b>		<b>\$ 498,677</b>	<b>\$ 406,060</b>	<b>\$ (92,617)</b>	<b>-18.57%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43300	Postage	500	500	-	0.00%
45250	Telephone	1,900	1,900	-	0.00%
46100	Office Supplies	4,500	4,500	-	0.00%
46200	Small Tools and Equipment	2,500	2,500	-	100.00%
46300	Dues and Subscriptions	5,000	5,000	-	0.00%
48000	Contracted Services	100,000	150,000	50,000	50.00%
51100	Travel and Training	15,000	15,000	-	0.00%
51800	Meetings	300	300	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 129,700</b>	<b>\$ 179,700</b>	<b>\$ 50,000</b>	<b>38.55%</b>
<b>TOTAL CITY ATTORNEY</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	498,677	406,060	(92,617)	-18.57%
	Operating Expenditures	129,700	179,700	50,000	38.55%
<b>Total for All Categories of Expenses</b>		<b>\$ 628,377</b>	<b>\$ 585,760</b>	<b>\$ (42,617)</b>	<b>-6.78%</b>

# Finance 11400

## MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	608,900	705,553	880,553	950,491
Operating	271,056	329,500	329,500	376,000
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 879,956</b>	<b>\$ 1,035,053</b>	<b>\$ 1,210,053</b>	<b>\$ 1,326,491</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	7	8	8	8

**Personnel includes:** Finance Director, Deputy Finance Director, Senior Accountant (3), Purchasing Agent, (1) Accounts Payable and (1) Payroll Administrator

### Goals and Objectives:

1. Obtain the Financial reporting award from GFOA for the fiscal year ending in June 30, 2023.
2. Obtain the Budget award from GFOA for the fiscal year ending in June 30, 2024.

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of payroll remittances processed on a year	12,297	13,000
# of accounts payable and EFT's issued	3,204	3,500
# of contracts issued	7,058	7,300
# of purchase orders processed	700	800
# of late payments processed	0	0
# of miscellaneous payrolls processed	508	0
<b>Efficiency Measures</b>		
# of p card transactions per FTE reconciled	10,249	10,000

**GENERAL GOVERNMENT**

Finance cost per Municipal Employee	\$1,990.61	\$1,900.00
Ratio of Finance Staff to 100 Municipal Employees	1.956	1.956
% of vendors converted to EFT versus paper checks	100%	100%
<b>Effectiveness Measures</b>		
# of duplicate payments processed	0	0
# of GASB Pronouncements implemented in a fiscal year	2	0

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$950,491
<b>Operating Expenses</b>	\$376,000
<b>Total Budget</b>	\$1,326,491

**Increases:**

- \$50,000 - increase in part time assistance to streamline functions, provide consultant assistance, etc.
- \$50,000 – increase in contracted services for the addition of a long-term part-time role and/or contract with a CPA for internal audit type functions.
- \$25,000 – increase in tax collection fees from both Cabarrus and Rowan Counties
- \$2,000 – increase in audit contract
- \$19,500 – increase in travel for system wide training in the financial software package (Munis).

**Reductions/Decreases:**

- None.

**Items of Interest:**

- \$225,000 - 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 internal audit functions.
- \$46,000- Audit contract with Martin Starnes.

## Finance 11400

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	529,335	648,057	118,722	22.43%
41100	Salaries - Part Time	-	50,000	50,000	100.00%
41200	Salaries - Overtime	5,500	5,500	-	0.00%
41300	Longevity Pay	1,472	9,710	8,238	559.65%
42000	FICA	36,038	45,785	9,747	27.05%
42210	401k	11,703	15,809	4,106	35.09%
42200	State Retirement	60,601	83,494	22,893	37.78%
42300	Medical Insurance	57,216	88,320	31,104	54.36%
42400	Life Insurance	1,032	1,032	-	0.00%
42500	Dental Insurance	2,656	2,784	128	4.82%
<b>Sub-Total For Personnel</b>		<b>\$ 705,553</b>	<b>\$ 950,491</b>	<b>\$ 244,938</b>	<b>34.72%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
46100	Office Supplies	6,000	6,000	-	0.00%
46200	Small Tools and Equipment	2,500	2,500	-	0.00%
46300	Dues and Subscriptions	3,000	3,000	-	0.00%
48000	Contracted Services	50,000	50,000	-	100.00%
48410	Tax Collection	200,000	225,000	25,000	12.50%
48420	Audit	44,000	46,000	2,000	4.55%
51100	Travel and Training	22,500	42,000	19,500	86.67%
51800	Meetings	1,500	1,500	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 329,500</b>	<b>\$ 376,000</b>	<b>\$ 46,500</b>	<b>14.11%</b>
<b>TOTAL FINANCE</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	705,553	950,491	244,938	34.72%
	Operating Expenditures	329,500	376,000	46,500	14.11%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,035,053</b>	<b>\$ 1,326,491</b>	<b>\$ 291,438</b>	<b>28.16%</b>

# Information Technology 11500

MISSION STATEMENT:

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

**Budget and Staffing Summary:**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	557,070	561,885	636,885	644,369
Operating	1,856,713	1,557,737	2,163,672	2,487,619
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 2,413,783</b>	<b>\$ 2,119,622</b>	<b>\$ 2,800,557</b>	<b>\$ 3,131,988</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	5	5	5	5

**Personnel includes:** IT Director (1), Systems Engineer (1), Network Administrator (1), Software Support Specialist (1) and (1) Senior Network Administrator

**Goals and Objectives:**

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. Continued support of Service Ticketing System for calls and user issues
5. Continue to update and enhance our main software applications
6. Moving majority of city software applications to the Cloud

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of software applications supported	98	100
# of tickets submitted	TBD	TBD
# of phishing/breaching attacks	TBD	TBD
<b>Efficiency Measures</b>		
IT cost per Municipal Employee	\$3,929	\$3,900

**GENERAL GOVERNMENT**

Ratio of IT Staff to 100 Municipal Employees	1.22	1.22
Average number of tickets assigned per IT staff	1.22	1.22
<b>Effectiveness Measures</b>		
Percentage of departmental requests cleared within 72 hours of receipt	TBD	TBD
Percentage of employee base who successfully identified phishing attempts	TBD	TBD

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$644,369
<b>Operating Expenses</b>	\$2,487,619
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$3,131,988

**Increases:**

- \$150,000-continued funding of small tools and equipment for the implementation of a routine replacement schedule for all citywide equipment/devices.
- Estimated to replace around 100 devices per year over the next 5 years
- \$20,000 – increase in small tools and equipment to replace 2 side projectors in Laureate
- \$12,000 – replacement of smart tv in executive conference room
- \$21,000 – increase in small tools and equipment for the replacement of it data switches
- \$23,000 increase in consultants for a security intrusion audit to test vulnerabilities in network
- \$181,250 – increase in Annual maintenance account due to projected 15% increase across all software subscriptions.
- \$15,000 increase in annual maintenance for additional accella licenses for planning.
- \$3,600 increase in annual maintenance for armor link software for PD inventory
- \$150,000 in annual maintenance for av upgrades in conference rooms and meeting spaces. Includes Laureate 2, Executive conference room and EOC).
- \$10,000 increase in annual maintenance for new door control software.
- \$50,000 increase in annual maintenance for integration efforts for Cityworks.
- \$80,000 increase in annual maintenance for Silver blaze by NorthStar to replace customer connect in Customer Service (enhances customer experience by pay via text and creation of an app, modify draft dates) Customer connect eventually won't be managed and supported.
- \$109,000 increase in annual maintenance for NEWCOM global, redundancy for 911 and CAD/RMS for Fire/PD.
- \$55,691 increase annual maintenance for NorthStar automation. This will reduce manual processes in utility billing and the general ledger.
- \$44,356 increase in annual maintenance for axon camera quote for interview rooms to sync with body worn and in-car cameras (5 year contract for a total cost of \$221,781).
- \$3,000 increase in annual maintenance for SPARK parking software
- \$50,000 increase in annual maintenance for cloud storage of surveillance cameras. Currently data is stored on SD cards and is not available to be stored in the cloud as a backup.
- \$40,000 increase in annual maintenance for Laserfiche online document filing to be in cloud.

**GENERAL GOVERNMENT**

- \$8,000 increase in annual maintenance for SWS storage, firewall in cloud for redundancy efforts
- \$9,000 increase in parking deck annual maintenance software.

**Reductions/Decreases:**

- \$20,000- reduction in contracted services with move to the cloud, a data base administration contract isnt needed

**Items of Interest:**

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

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	420,474	471,786	51,312	12.20%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	31,563	35,562	3,999	12.67%
42210	401k	11,073	12,398	1,325	11.97%
42200	State Retirement	50,880	60,815	9,935	19.53%
42300	Medical Insurance	39,287	55,200	15,913	40.50%
42400	Life Insurance	868	868	-	0.00%
42500	Dental Insurance	1,740	1,740	-	0.00%
<b>Sub-Total For Personnel</b>		<b>\$ 561,885</b>	<b>\$ 644,369</b>	<b>\$ 82,484</b>	<b>14.68%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
45250	Telephone	5,000	5,000	-	0.00%
46100	Office Supplies	500	500	-	0.00%
46200	Small Equipment and Tools	300,000	418,000	118,000	39.33%
46300	Dues and Subscriptions	3,000	3,000	-	0.00%
48000	Contracted Services	20,000	-	(20,000)	100.00%
48300	Consultants	-	23,000	23,000	100.00%
48530	Annual Maintenance	1,208,237	2,008,119	799,882	66.20%
4853-DECK	Annual Maintenance - DECK	11,000	20,000	9,000	100.00%
51100	Travel and Training	10,000	10,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 1,557,737</b>	<b>\$ 2,487,619</b>	<b>\$ 929,882</b>	<b>59.69%</b>
<b>TOTAL INFORMATION TECHNOLOGY</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	561,885	644,369	82,484	100.00%
	Operating Expenditures	1,557,737	2,487,619	929,882	59.69%
	Capital Machinery and Equipment	-	-	-	0.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 2,119,622</b>	<b>\$ 3,131,988</b>	<b>\$ 1,012,366</b>	<b>47.76%</b>



# General Services 11600

MISSION STATEMENT:

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

**Budget and Staffing Summary:**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	619,707	649,548	779,548	820,558
Operating	1,249,928	1,255,586	1,719,319	1,620,235
Capital	-	-	-	60,000
<b>Total Expenditures</b>	<b>\$ 1,869,635</b>	<b>\$ 1,905,134</b>	<b>\$ 2,498,867</b>	<b>\$ 2,500,793</b>
<b>Staffing</b>				
FTE Positions	10	11	11	11

**Personnel Includes:** General Services Director, Administrative Assistant, (1) Building Maintenance Technician I, (3) Building Maintenance Technician II, (3) Building Maintenance Technician III and (2) Crew Chiefs

**Goals and Objectives:**

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.
4. Organize the Main St. Warehouse 1230 S. Main St.
5. Support service Agreements for Parking deck
6. 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.
7. Clean-out/liquidate materials at the warehouse located at 1230 S. Main St.

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of facilities managed	24	25
Square footage of facilities managed	583,798	600,000
# of workorders submitted <i>(breakdown below)</i>	-	-
# of work orders classified as preventative maintenance	5,606	6,000
# of work orders classified as repair	11,432	12,000

**GENERAL GOVERNMENT**

# of preventative maintenance contracts	18	20
# of apparatus supported by preventative maintenance contracts	24	26
<b>Efficiency Measures</b>		
% of tickets <b>responded</b> to within 24 hours of receipt	100%	100%
% of priority 1 tickets responded to within 24 hours of receipt	100%	100%
% of priority 2 tickets responded to within 24 hours of receipt	88%	92%
% of work orders <b>completed</b> within 24 hours of receipt	88%	92%
General Services cost per municipal employee	\$4,944	\$4,800
Ratio of General Services staff to 100 municipal employees	2.68	2.68
# of workorders completed by FTE (10)	17,038	18,000
Square footage of facilities maintained per FTE	65,000	66,000
<b>Effectiveness Measures</b>		
Average cost per work order completed	\$0.19	\$0.15

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$820,558
<b>Operating Expenses</b>	\$1,620,235
<b>Capital Machinery</b>	\$60,000
<b>Total Budget</b>	\$2,500,793

**Personnel Includes:** General Services Director, Administrative Assistant, (1) Building Maintenance Technician I, (3) Building Maintenance Technician II, (3) Building Maintenance Technician III and (2) Crew Chiefs

**Increases:**

- \$8,000 – increase in overtime based on trends.
- \$1,500 – increase in transaction fees based on trends.
- \$3,000 – increase in repair and maintenance vehicles based on trends.
- \$100,000 – increase in Repair and Maintenance: Buildings and Grounds.
  - \$100,000 replace HVAC systems at Fire Station #5, PWOC and the Gem Theatre.
- \$3,000- increase in repair and maintenance of equipment.
- \$80,000- increase in equipment rental based on trends (increase in copier lease).
- \$5,000- increase in office supplies.
- \$1,000 – increases in dues and subscriptions.
- \$5,000 – increase in cleaning supplies.
- \$4,000 – increases in uniforms.
- \$24,002 – increase in contracted services based on contractual increases.

**Capital:**

- \$60,000 – increase in capital outlay for the addition of a F-150. Department currently has 11 employees and only 7 staff vehicles.

**Items of Interest:** Postage covers the cost of all postage for the city except CS and Police.

**GENERAL GOVERNMENT**

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	434,875	525,797	90,922	20.91%
41200	Salaries - Overtime	32,000	40,000	8,000	25.00%
41300	Longevity Policy	-	7,600	7,600	100.00%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	31,845	39,347	7,502	23.56%
42200	State Retirement	50,689	67,780	17,091	33.72%
42210	401k	4,647	7,900	3,253	70.00%
42300	Medical Insurance	85,146	121,440	36,294	42.63%
42400	Life Insurance	866	866	-	0.00%
42500	Dental Insurance	3,480	3,828	348	10.00%
<b>Sub-Total for Personnel</b>		<b>\$ 649,548</b>	<b>\$ 820,558</b>	<b>\$ 171,010</b>	<b>26.33%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43300	Postage	13,000	13,000	-	0.00%
43800	Credit Card Fees	-	2,500	2,500	100.00%
43810	Transaction Fees	7,000	8,500	1,500	21.43%
44100	Repair & Maintenance: Office Equip	500	500	-	0.00%
44200	Repair & Maintenance: Vehicles	5,000	8,000	3,000	60.00%
44300	Repair & Maintenance: Buildings & Grounds	217,388	324,500	107,112	49.27%
44300-DECK	Repair & Maintenance: Buildings & Grounds- DECK	53,500	53,500	-	0.00%
44400	Repair & Maintenance: Equipment	17,000	20,000	3,000	17.65%
44500	Repair & Maintenance: Railroad Depot	22,000	22,000	-	0.00%
45220	Electricity	144,100	158,510	14,410	10.00%
45230	Water & Sewer	230,000	325,000	95,000	41.30%
45240	Gas Utilities	8,000	8,800	800	10.00%
45250	Telephone	175,000	192,500	17,500	10.00%
45410	Equipment Rental	100,000	180,000	80,000	80.00%
45430	Real Property Rental	3,600	3,600	-	100.00%
45610	Motor Fuel	5,500	6,325	825	15.00%
46100	Office Supplies	15,000	20,000	5,000	33.33%
46200	Small Equipment and Tools	5,000	5,000	-	0.00%
46300	Dues and Subscriptions	2,000	3,000	1,000	50.00%
46820	Cleaning Supplies	40,000	45,000	5,000	12.50%
47100	Uniforms	4,000	8,000	4,000	100.00%
48000	Contracted Services	175,998	200,000	24,002	13.64%
51100	Travel and Training	10,000	10,000	-	0.00%
51300	Special Expenses	2,000	2,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 1,255,586</b>	<b>\$ 1,620,235</b>	<b>\$ 364,649</b>	<b>29.04%</b>
<b>TOTAL GENERAL SERVICES</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	\$ 649,548	\$ 820,558	\$ 171,010	26.33%
	Operating Expenditures	\$ 1,255,586	\$ 1,620,235	\$ 364,649	29.04%
	Capital - Machinery & Equipment	\$ <sup>62</sup> -	\$ 60,000	\$ 60,000	100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,905,134</b>	<b>\$ 2,500,793</b>	<b>\$ 595,659</b>	<b>31.27%</b>

# Non-Departmental 10000

## MISSION STATEMENT:

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

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$3,940,169
<b>Total Budget</b>	<b>\$3,940,169</b>

### Increases:

- \$183,304 - increase in workers compensation insurance based on \$1,080 on 333 employees in the General Fund (*Each fund now funds its component of workers compensation which will feed into the new fund*).
- \$77,280 - increase in medical insurance based on new amount \$11,040/employee. This is a buffer in the General Fund.
- \$148,839- increase in special expenses (total budget of \$2,040,955)
  - \$705,754 in costs for a projected 3% COLA for all employees (CPI index for April 2023 is 4.9%) in the General Fund (*Cola was funded at 5% for FY 23*)
  - \$663,119 in costs for a projected merit for all eligible employees based on performance evaluations (based on 2.5% average, up to 3% max); those in developmental range qualify for 5% (*Merit was funded for FY 23*)
  - \$400,000- increase the developmental range from 15<sup>th</sup> percentile to midpoint to remain competitive and move employees within the grade faster.
  - \$140,082 – used to balance the budget
- \$54,533 – Insurance – General Liability
  - Based on 11% increase from League of Municipalities
- \$2,147 – Insurance – Public Officials
  - Based on increase from League of Municipalities
- \$16,500– Insurance – Building and Contents
  - Based on 11% increase from the league.
- \$2,680 increase in encroachment bond expenses.

### Reduction/Decrease:

- \$600,000 - reduction in retiree insurance. This is now accounted for in the insurance and risk fund.
- \$860,902 – reduction in HSA/HRA contribution.
  - This is now budgeted per position in the medical insurance line item per position (part of

## OTHER PROGRAMS

- the \$11,040 contribution- \$2,110 for HSA and \$1,960 HRA)
- \$140,738 - reduction in self-insured claims due to budgeting workers compensation funds in new risk fund.
  - The eventual goal is to move all liability and insurance coverage to the risk and insurance fund.
  - Based on 11% increase from League of Municipalities
- \$260,788 – reduction in contingency funding (*based on onetime expenses of retirement contribution plugged last year*).
- \$325,000 - reduced in special expenses in Gem Theatre. This was for stock/asset purchase in FY 23.

### Items of Interest:

- Contingency funding – internal policy is .5% of total General Fund budget = \$351,856
  - This is set on the following formula:  $\$70,317,279 * 0.005 = 351,856$ .
  - Policy states at least .5% of all General Fund expenditures.
- Continued funding of \$125,000 for YMCA contribution and \$7,000 hearing tests

OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
42100	Workers Comp Insurance	176,336	359,640	183,304	103.95%
42310	Medical Plan Expense	-	77,280	77,280	0.00%
42330	Retiree Insurance	600,000	-	(600,000)	-100.00%
42340	HSA & HRA Benefits	860,902	-	(860,902)	-100.00%
42700	Unemployment Insurance	15,000	15,000	-	0.00%
45220-COLL	Electricity-College Station	7,500	7,500	-	0.00%
45230-COLL	Water and Sewer-College Station	2,000	2,000	-	0.00%
45240-COLL	Gas Utilities-College Station	2,000	2,000	-	0.00%
48000-COLL	Contracted Services-College Station	6,000	6,000	-	0.00%
48430	Banking Fees	14,000	14,000	-	0.00%
51300	Special Expenses	1,892,116	2,040,955	148,839	7.87%
51300-GEM	Special Expenses- GEM	325,000	-	(325,000)	-100.00%
51320	Contingency Appropriation	612,644	351,856	(260,788)	-42.57%
51610	Insurance - Public Officials	81,213	83,360	2,147	2.64%
51620	Insurance - General Liability	495,752	550,285	54,533	11.00%
51630	Insurance - Buildings	150,000	166,500	16,500	11.00%
51640	Insurance - Self Insured	401,651	260,913	(140,738)	-35.04%
51650	Encroachment Bond	200	2,880	2,680	1340.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 5,642,314</b>	<b>\$ 3,940,169</b>	<b>\$ (1,702,145)</b>	<b>-30.17%</b>
TOTAL NON-DEPARTMENTAL					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
	Operating Expenditures	5,642,314	3,940,169	(1,702,145)	-30.17%
<b>Total for All Categories of Expenses</b>		<b>\$ 5,642,314</b>	<b>\$ 3,940,169</b>	<b>\$ (1,702,145)</b>	<b>-30.17%</b>

OTHER PROGRAMS

## General Fund Debt Service 18000

**OPERATING EXPENDITURES**

Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	10,742,638	10,106,904	(635,734)	-5.92%
58200	Bond Interest	4,218,028	3,877,187	(340,841)	-8.08%
58300	Debt Issuance Cost	-	-	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 14,960,666</b>	<b>\$ 13,984,091</b>	<b>\$ (976,575)</b>	<b>-6.53%</b>

**TOTAL GENERAL FUND DEBT SERVICE**

Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
Debt Service Expenditures	14,960,666	13,984,091	(976,575)	0.00%
<b>Total for All Categories of Expenses</b>	<b>\$ 14,960,666</b>	<b>\$ 13,984,091</b>	<b>\$ (976,575)</b>	<b>-6.53%</b>

LOBS	Principal	Interest	Maturity Date
Fire Stations 2 and 3	555,000	330,503	04/01/2038
City Hall/Police Headquarters	1,365,000	607,306	04/01/2034
NCRC Projects	2,466,000	186,226	03/01/2027
Irish Buffalo Creek	92,000	24,509	04/01/2035
College Station/ Duct Bank/Street Scape	395,000	214,485	04/01/2038
Stadium	2,600,000	1,826,890	10/01/2039
Parking Deck at VIDA	735,000	264,262	04/01/2041
<b>Other</b>			
Equipment	42,154	4,481	06/10/2026
Village Park/Fire Truck	446,000	156,294	04/01/2037
Downtown Purchase	733,000	262,231	08/01/2030
Motorola Lease Payment	677,750		
<b>Total</b>	<b>\$10,106,904</b>	<b>\$3,877,187</b>	

No new debt is proposed currently for FY 2024

## Transfers General Fund 19000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
41800	Separation Pay	506,407	496,912	(9,495)	-1.87%
57100	Transfer to Transit Fund	303,235	323,031	19,796	6.53%
57400	Transfer to Environmental Fund	85,542	1,147,817	1,062,275	1241.82%
<b>Sub-Total for Transfers</b>		<b>\$ 895,184</b>	<b>\$ 1,967,760</b>	<b>\$ 1,072,576</b>	<b>119.82%</b>
TOTAL TRANSFERS GENERAL FUND					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
	Transfers	895,184	1,967,760	1,072,576	119.82%
<b>Total for All Categories of Expenses</b>		<b>\$ 895,184</b>	<b>\$ 1,967,760</b>	<b>\$ 1,072,576</b>	<b>119.82%</b>

### Increases:

- General fund to Transit: \$323,031 based on an increase in operations in contracts, fuel, paratransit/ADA trips.

### Reductions:

- General fund to Separation Pay Fund: \$496,912 (\$506,407 - FY 23 budget), decreased based on six employees rolling off that are no longer eligible to receive this benefit due to the age requirement of 62. Two new employees rolled on for projected FY 24.

### Items of Interest:

- General Fund transfer to Environmental Fund assists with Waste Management contract costs and recycling costs.
  - General fund to Environmental: \$1,147,817.
  - In the past this subsidy was shared by the Water and Sewer Fund. We are now showing this as a full subsidy from the General Fund.



# Public Safety





## Police – Administration 12010

### MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	711,541	786,716	837,389	859,956
Operating	192,380	346,100	308,839	220,851
Capital	-	67,500	-	-
<b>Total Expenditures</b>	<b>\$ 903,921</b>	<b>\$ 1,200,317</b>	<b>\$ 1,146,228</b>	<b>\$ 1,080,807</b>
<b>Revenues</b>				
Charges and Fees	205,736	271,990	280,509	351,000
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ 205,736</b>	<b>\$ 271,990</b>	<b>\$ 280,509</b>	<b>\$ 351,000</b>
<b>Staffing</b>				
FTE Positions	7	8	8	8

### Goals and Objectives:

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.

## Police – Administration 12010

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.

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of applicants who applied for positions	192	200
# of city events/special events where support was provided	27	30
# of training hours by sworn FTE	11,178	12,000
# of training hours by civilians	1,059	1,200
# of community outreach events	35	37
# of officers working in reserve officer program	27	29
<b>Effectiveness Measures</b>		
Percent of new hires who successfully completed BLET and Field Training	86%	100%

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$859,956
<b>Operating Expenses</b>	\$220,851
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$1,080,807

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

**Increases:**

- KCS Grant: \$88,000 for the addition of 2 school resource officers (estimated at \$44,000/each) through KCS via staff funding.
- \$1,600 – increase in office supplies
- Standard contractual and utility related increases as well as personnel increases.

**Reductions:**

- \$63,000 – reduction in public safety supplies related to ICAC grant.
- \$11,900 - reduction in travel and training related to ICAC grant.
- \$67,500 – reduction in capital outlay for recruiter vehicle purchased in FY 23. Reduction of \$74,990 reduction in revenue for an Internet Crimes Against Kids Grant (ICAC)- this was a one-

## Police – Administration 12010

year grant.

- \$20,000 – reduction in recruitment initiatives to assist with the high number of vacancies in this department. Related to the new position and general supplies for job fairs, publication, and promotional materials. This was moved to Special Operations budget.
- \$6,500- reduction in small tools and equipment (one time purchase of polygraph replacement laptop).

### Items of Interest:

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

PUBLIC SAFETY

## Police – Administration 12010

PERSONNEL					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
41000	Salaries - Regular	593,669	614,667	20,998	3.54%
41300	Longevity Pay	2,827	21,300	18,473	653.45%
42000	FICA	14,375	16,248	1,873	13.03%
42200	State Retirement	70,151	84,289	14,138	20.15%
42210	401K	37,953	42,618	4,665	12.29%
42300	Medical Insurance	63,840	77,280	13,440	21.05%
42400	Life Insurance	1,118	1,118	-	0.00%
42500	Dental Insurance	2,784	2,436	(348)	-12.50%
<b>Sub-Total For Personnel</b>		<b>\$ 786,717</b>	<b>\$ 859,956</b>	<b>\$ 73,239</b>	<b>9.31%</b>
OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
43100	Printing	2,420	2,420	-	0.00%
43300	Postage	5,500	5,500	-	0.00%
43415	Recruitment Initiatives	20,000	-	(20,000)	-100.00%
43710	Repair & Maintenance: Office Equipment	600	600	-	0.00%
44200	Repair & Maintenance: Vehicles	7,370	7,370	-	0.00%
44400	Repair & Maintenance: Equipment	1,700	1,700	-	0.00%
45250	Telephone	60,000	64,200	4,200	7.00%
45410	Equipment Rental	4,000	4,000	-	0.00%
45610	Motor Fuel	14,750	9,250	(5,500)	-37.29%
46100	Office Supplies	8,600	9,000	400	4.65%
46200	Small Tools and Equipment	6,500	-	(6,500)	-100.00%
46300	Dues and Subscriptions	3,500	3,500	-	0.00%
46400	Public Safety Supplies	59,000	37,300	(21,700)	-36.78%
46400-ICAC	Public Safety Supplies - ICAC	63,000	-	(63,000)	-100.00%
47100	Uniforms	4,840	5,566	726	15.00%
48000	Contracted Services	32,080	34,780	2,700	8.42%
48300	Consultants	13,750	15,165	1,415	10.29%
51100	Travel and Training	23,500	16,000	(7,500)	-31.91%
51100-ICAC	Travel and Training - ICAC	11,990	-	(11,990)	-100.00%
51800	Meetings	3,000	4,500	1,500	50.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 346,100</b>	<b>\$ 220,851</b>	<b>\$ (125,249)</b>	<b>-36.19%</b>
TOTAL POLICE ADMINISTRATION					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
	Personnel Expenditures	786,717	859,956	73,239	9.31%
	Operating Expenditures	346,100	220,851	(125,249)	-36.19%
	Capital - Machinery & Equipment	67,500	-	(67,500)	-100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,200,317</b>	<b>\$ 1,080,807</b>	<b>\$ (119,510)</b>	<b>-9.96%</b>

## Police – Support Services 12030

### MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Adopted
<b>Expenditures</b>				
Personnel	2,484,859	2,664,958	3,024,958	3,280,592
Operating	269,045	437,266	493,816	429,401
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 2,753,904</b>	<b>\$ 3,102,224</b>	<b>\$ 3,518,774</b>	<b>\$ 3,709,993</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	36	36	36	38

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

### Goals and Objectives:

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 FY24.

## Police – Support Services 12030

Measurement	FY 23 Actual	FY Target
<b>Workload Measures</b>		
Total calls answered per 1,000 population	1,580	2,000
Calls dispatched per 1,000 population	960	1,000
# of calls answered	83,988	86,000
# of calls dispatched for emergency	10,775	11,000
<b>Efficiency Measures</b>		
Calls answered per telecommunicator	5,249	5,300
Calls dispatched per telecommunicator	3,388	3,400
<b>Effectiveness Measures</b>		
Average number of seconds from initial ring to answer	36	34
Percent of E-911 calls answered within 20 seconds	99%	100%
Average time in seconds from CAD entry to dispatch for priority one calls	158.91	156.0

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$3,280,592
<b>Operating Expenses</b>	\$429,401
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$3,709,993

### Increases:

- Personnel increases related to the addition of 2 new telecommunicators. This adds positions to work the mid-shift schedule, which is the peak schedule.
- Other increases are contractual and utility related or related to the 2 new telecommunicator positions.
- Standard personnel increases.
- Standard contractual and utility increases.

### Reductions:

- \$20,418 – reduction related to onetime costs for equipment related to 911 becoming hosted solutions.

### Items of Interest:

- \$134,401 in contracted services for P-25 maintenance network with Cabarrus County for emergency communications.
  - \$100,000 in recurring costs for own 911 line with hosted solutions.

PUBLIC SAFETY

## Police – Support Services 12030

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	1,751,663	2,112,058	360,395	20.57%
41200	Salaries - Overtime	220,000	220,000	-	0.00%
41300	Longevity Pay	1,467	41,800	40,333	2749.35%
41700	Clothing Allowance	19,000	19,000	-	0.00%
42000	FICA	81,591	93,211	11,620	14.24%
42200	State Retirement	218,595	264,487	45,892	20.99%
42210	401K	69,596	94,402	24,806	35.64%
42300	Medical Insurance	287,280	419,520	132,240	46.03%
42400	Life Insurance	3,586	3,586	-	0.00%
42500	Dental Insurance	12,180	12,528	348	2.86%
<b>Sub-Total For Personnel</b>		<b>\$ 2,664,958</b>	<b>\$ 3,280,592</b>	<b>\$ 615,634</b>	<b>23.10%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43100	Printing	660	660	-	0.00%
44200	Repair & Maintenance: Vehicles	23,100	23,100	-	0.00%
44400	Repair & Maintenance: Equipment	3,000	3,000	-	0.00%
45250	Telephone	20,000	21,400	1,400	7.00%
45410	Equipment Rental	4,000	4,000	-	0.00%
45610	Motor Fuel	13,000	15,600	2,600	20.00%
46100	Office Supplies	11,500	11,500	-	0.00%
46200	Small Equipment and Tools	10,400	12,900	2,500	24.04%
46300	Dues and Subscriptions	1,300	1,300	-	0.00%
46400	Public Safety Supplies	18,000	22,000	4,000	22.22%
47100	Uniforms	13,685	15,738	2,053	15.00%
48000	Contracted Services	260,771	240,353	(20,418)	-7.83%
51100	Travel and Training	23,850	23,850	-	0.00%
51300	Special Expenses	32,000	32,000	-	0.00%
51800	Meetings	2,000	2,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 437,266</b>	<b>\$ 429,401</b>	<b>\$ (7,865)</b>	<b>-1.80%</b>
<b>TOTAL POLICE SUPPORT SERVICES</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	2,664,958	3,280,592	615,634	23.10%
	Operating Expenditures	437,266	429,401	(7,865)	-1.80%
	Capital - Machinery & Equipment	-	-	-	0.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 3,102,224</b>	<b>\$ 3,709,993</b>	<b>\$ 607,769</b>	<b>19.59%</b>



# Police – Field Operations 12035

## MISSION STATEMENT:

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

## Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	4,619,946	4,836,872	5,356,872	5,519,870
Operating	944,835	969,251	2,403,982	1,044,085
Capital	-	-	-	1,048,000
<b>Total Expenditures</b>	<b>\$ 5,564,781</b>	<b>\$ 5,806,123</b>	<b>\$ 7,760,854</b>	<b>\$ 7,611,955</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	66	66	66	66

**Personnel includes:** Lieutenants (4), Sergeants (9), Police Officers (52), and (1) Administrative Assistant, 65 Sworn, 1 Civilian **\*Reduced funding for 4 officer positions assigned to Downtown efforts based on current high number of vacancies in the department. If the department becomes fully staffed, funded will be allocated for these positions.**

## Goals and Objectives:

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.

## Police – Field Operations 12035

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of calls dispatched per 1,000 population ( <i>all including self initiating</i> )	1,020	1,100
Self-initiated calls per 1,000 population	345	400
Part 1 Crimes per 1,000 population	23	25
<b>Part 1 Crimes Reported</b>		
# of homicide investigations	4	0
# of rape investigations	18	0
# of robbery investigations	22	0
# of burglary investigations	172	0
# of aggravated assault investigations	66	0
# of larceny investigations	821	0
# of arson investigations	2	0
# of auto theft investigations	119	0
<b>Efficiency Measures</b>		
Part 1 Crimes Cases Cleared	206%	100%
% Violent Crime Clearance Rates	318%	100%
% Property Crime Clearance Rates	1.35%	100%
Calls Dispatched per Sworn Officer	587.97	570
Part 1 Cases Cleared per Sworn Officer	2.18	2.20
<b>Effectiveness Measures</b>		
Percentage of Part 1 Cases Cleared of Those Reported	203%	210%
Response Time to High Priority Calls in Minutes	6:52	6:50

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$5,519,870
<b>Operating Expenses</b>	\$1,044,085
<b>Capital Machinery</b>	\$1,048,000
<b>Total Budget</b>	\$7,611,955

**Increases:**

- \$12,000 – increase in SRT training/Sustainment training.
- \$13,379 – increases in uniform costs based on contractual increases.
- \$20,400 – increase in travel and training based on state conference.

**Capital:**

- \$1,048,000- increase in capital outlay. This includes the replacement of 15 police vehicles (\$910,000 and \$138,000 for 2 new vehicles for DARE/SRO positions)

**Items of Interest:**

- Continued funding of \$323,406 to include the Axon lease payment (in-car and body worn cameras and tasers) 3<sup>rd</sup> year of contract and all vehicles are purchased out of this budget.

PUBLIC SAFETY

## Police – Field Operations 12035

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	3,204,084	3,545,006	340,922	10.64%
41200	Salaries - Overtime	385,000	385,000	-	0.00%
41300	Longevity Pay	940	42,400	41,460	4410.64%
42000	FICA	48,317	54,820	6,503	13.46%
42200	State Retirement	432,880	513,862	80,982	18.71%
42210	401K	209,171	219,996	10,825	5.18%
42300	Medical Insurance	526,680	728,640	201,960	38.35%
42400	Life Insurance	6,832	6,832	-	0.00%
42500	Dental Insurance	22,968	23,314	346	1.51%
<b>Sub-Total For Personnel</b>		<b>\$ 4,836,872</b>	<b>\$ 5,519,870</b>	<b>\$ 682,998</b>	<b>14.12%</b>

<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43100	Printing	1,650	1,650	-	0.00%
44200	Repair & Maintenance: Vehicles	187,000	187,000	-	0.00%
44400	Repair & Maintenance: Equipment	3,500	3,500	-	0.00%
45250	Telephone	6,500	6,955	455	7.00%
45410	Equipment Rental	8,000	8,000	-	0.00%
45610	Motor Fuel	195,000	234,000	39,000	20.00%
46100	Office Supplies	13,000	13,000	-	0.00%
46200	Small Equipment and Tools	6,000	6,600	600	10.00%
46300	Dues and Subscriptions	3,500	4,500	1,000	28.57%
46400	Public Safety Supplies	431,406	431,406	-	0.00%
47100	Uniforms	89,195	102,574	13,379	15.00%
51100	Travel and Training	23,000	43,400	20,400	88.70%
51800	Meetings	1,500	1,500	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 969,251</b>	<b>\$ 1,044,085</b>	<b>\$ 74,834</b>	<b>7.72%</b>

<b>TOTAL POLICE-FIELD OPERATIONS</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	4,836,872	5,519,870	682,998	14.12%
	Operating Expenditures	969,251	1,044,085	74,834	7.72%
	Capital Machinery & Equipment	-	1,048,000	1,048,000	100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 5,806,123</b>	<b>\$ 7,611,955</b>	<b>\$ 1,805,832</b>	<b>31.10%</b>

# Police – Special Operations 12070

MISSION STATEMENT:

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

**Budget and Staffing Summary:**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Adopted
<b>Expenditures</b>				
Personnel	424,762	608,158	538,486	1,00,450
Operating	-	61,790	107,731	165,910
Capital	21,505	35,000	-	-
<b>Total Expenditures</b>	<b>\$ 446,267</b>	<b>\$ 704,948</b>	<b>\$ 646,217</b>	<b>\$ 1,166,360</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	-	10	10	12

**Personnel includes:** (1) Sergeant, Training Officer (1), School Resource Officers/ DARE (5), (2) Park Rangers, (1) Training Coordinator and (2) proposed DARE/SRO officers.

**Goals and Objectives:**

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.
3. The need for community outreach is more important than ever and Community Services Unit is committed to serving the citizens of Kannapolis.

## Police – Special Operations 12070

- 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.

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of applicants who applied for positions	192	200
# of city events/special events where support was provided	27	30
# of training hours by sworn FTE	11,178	12,000
# of training hours by civilians	1,059	1,200
# of community outreach events	35	37
# of officers working in reserve officer program	27	29
<b>Effectiveness Measures</b>		
Percent of new hires who successfully completed BLET and Field Training	86%	100%

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$1,000,450
<b>Operating Expenses</b>	\$165,910
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$1,166,360

### Increases:

- Personnel increases related to the addition (2) DARE/SRO positions to have an SRO at every elementary school in Kannapolis City (*this does have an offsetting revenue of \$88,000~\$44,000/officer*).
- \$12,000 – increase for additional auxiliary officer position (*budgeted in salaries*).
- \$17,000 – increase in equipment for auxiliary officer.
- \$60,040 – increase in PPE and supplies for (2) DARE/SRO officer positions.
- Other increases are contractual and utility related.

### Reductions:

- \$35,000 - reduction in capital outlay for park ranger positions funded in FY 23. All fleet is budgeted in Field operations budget.

### Items of Interest:

- FY 22 was the first year for this newly created division. the administrative and operational

PUBLIC SAFETY

## Police – Special Operations 12070

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	428,203	667,687	239,484	55.93%
41200	Salaries - Overtime	38,500	38,500	-	0.00%
42100	Longevity Pay	-	8,700	8,700	100.00%
42000	FICA	4,197	17,316	13,119	312.58%
42200	State Retirement	45,527	92,398	46,871	102.95%
42210	401K	24,041	39,171	15,130	62.93%
42300	Medical Insurance	63,840	132,480	68,640	107.52%
42400	Life Insurance	718	718	-	0.00%
42500	Dental Insurance	3,132	3,480	348	11.11%
<b>Sub-Total For Personnel</b>		<b>\$ 608,158</b>	<b>\$ 1,000,450</b>	<b>\$ 392,292</b>	<b>64.50%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43100	Printing	440	440	-	0.00%
43415	Recruitment Initiatives	-	30,000	30,000	100.00%
44200	Repair & Maintenance: Vehicles	9,900	9,900	-	0.00%
44400	Repair & Maintenance: Equipment	1,000	1,000	-	0.00%
45250	Telephone	5,000	5,350	350	7.00%
45410	Equipment Rental	1,000	1,000	-	0.00%
45610	Motor Fuel	8,500	20,775	12,275	144.41%
46100	Office Supplies	2,500	2,500	-	0.00%
46200	Small Equipment and Tools	300	300	-	0.00%
46300	Dues and Subscriptions	500	500	-	0.00%
46400	Public Safety Supplies	17,800	77,470	59,670	335.22%
47100	Uniforms	5,500	7,325	1,825	33.18%
51100	Travel and Training	8,350	8,350	-	0.00%
51800	Meetings	1,000	1,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 61,790</b>	<b>\$ 165,910</b>	<b>\$ 104,120</b>	<b>168.51%</b>
<b>TOTAL POLICE SPECIAL OPERATIONS</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	608,158	1,000,450	392,292	64.50%
	Operating Expenditures	61,790	165,910	104,120	168.51%
	Capital - Machinery & Equipment	35,000	-	(35,000)	-100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 704,948</b>	<b>\$ 1,166,360</b>	<b>\$ 461,412</b>	<b>65.45%</b>

## Fire – Administration 12510

### MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	567,560	568,831	678,831	689,447
Operating	558,905	677,796	649,596	793,289
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,126,465</b>	<b>\$ 1,246,627</b>	<b>\$ 1,328,427</b>	<b>\$ 1,482,736</b>
<b>Revenues</b>				
Charges and Fees	4,020	4,000	4,000	4,000
<b>Total Revenues</b>	<b>\$ 4,020</b>	<b>\$ 4,000</b>	<b>\$ 4,000</b>	<b>\$ 4,000</b>
<b>Staffing</b>				
FTE Positions	5	6	6	6

**Personnel includes:** Fire Chief (1), Deputy Fire Chief (1), Battalion Chief (1), (1) HR Tech, (1) Office Manager (1) and (1) Fire Mechanic

### Goals and Objectives:

1. Develop improved cancer decon policies based on recognized best practices to reduce firefighter exposure to various carcinogens.
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 23 Actual	FY 24 Target
<b>Workload Measures</b>		
Cost per capita	190.04	190.00
FTE's per 10,000 population	18.06	20.00
# of fleet work orders performed	167	175
Cost per Fire Department response (Emergency Services)	TBD	
<b>Effectiveness Measures</b>		
Percentage of workorders completed in-house versus contracted out <i>(Fire Mechanic measure)</i>	75%	100%



## Fire – Administration 12510

Expense Summary	
Personnel Expenses	\$689,447
Operating Expenses	\$793,289
Capital Machinery	\$0
<b>Total Budget</b>	<b>\$1,482,736</b>

### Increases:

- \$25,000- increase in dues and subscriptions for the addition of the department to become accredited.
- \$74,029 - increase in contracted services for Odell area.
- Standard contractual increases related to utilities.

### Items of Interest:

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

PUBLIC SAFETY

## Fire – Administration 12510

PERSONNEL					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
41000	Salaries - Regular	429,085	481,412	52,327	12.20%
41100	Salaries - Overtime	-	20,000	20,000	100.00%
41300	Longevity Pay	596	10,800	10,204	1712.08%
42000	FICA	29,693	35,863	6,170	20.78%
42200	State Retirement	50,118	62,134	12,016	23.98%
42210	401k	8,516	10,055	1,539	18.07%
42300	Medical Insurance	47,880	66,240	18,360	38.35%
42400	Life Insurance	855	855	-	0.00%
42500	Dental Insurance	2,088	2,088	-	0.00%
<b>Sub-Total For Personnel</b>		<b>\$ 568,831</b>	<b>\$ 689,447</b>	<b>\$ 120,616</b>	<b>21.20%</b>
OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
43100	Printing	2,750	2,750	-	0.00%
43300	Postage	1,650	1,650	-	0.00%
43710	Repair & Maintenance: Office Equipment	400	400	-	0.00%
44200	Repair & Maintenance: Vehicles	2,500	2,500	-	0.00%
44400	Repair & Maintenance: Equipment	11,000	11,000	-	0.00%
45220	Electricity	69,600	76,560	6,960	10.00%
45230	Water & Sewer	30,000	30,000	-	0.00%
45240	Gas Utilities	18,000	18,810	810	4.50%
45250	Telephone	115,200	123,264	8,064	7.00%
45410	Equipment Rental	1,000	1,000	-	0.00%
45610	Motor Fuel	4,200	4,830	630	15.00%
46100	Office Supplies	8,250	8,250	-	0.00%
46200	Small Equipment and Tools	13,200	13,200	-	0.00%
46300	Dues and Subscriptions	10,000	35,000	25,000	250.00%
46400	Public Safety Supplies	2,200	2,200	-	0.00%
47100	Uniforms	4,200	4,200	-	0.00%
48000	Contracted Services	370,146	444,175	74,029	20.00%
51100	Travel and Training	8,000	8,000	-	0.00%
51800	Meetings	5,500	5,500	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 677,796</b>	<b>\$ 793,289</b>	<b>\$ 115,493</b>	<b>17.04%</b>
TOTAL FIRE ADMINISTRATION					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
	Personnel Expenditures	568,831	689,447	120,616	21.20%
	Operating Expenditures	677,796	793,289	115,493	17.04%
	Capital Machinery & Equipment	-	-	-	-100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,246,627</b>	<b>\$ 1,482,736</b>	<b>\$ 236,109</b>	<b>18.94%</b>

# Fire – Emergency Services 12540

## MISSION STATEMENT:

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

## Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	7,307,926	6,933,052	8,138,052	8,312,874
Operating	1,538,096	715,914	1,368,761	882,476
Capital	-	-	-	75,000
<b>Total Expenditures</b>	<b>\$ 8,846,022</b>	<b>\$ 7,648,966</b>	<b>\$ 9,506,813</b>	<b>\$ 9,270,350</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	83	83	83	86

**Personnel Includes:** Assistant Fire Chief (1), Battalion Chief (3), Fire Captain (24), Fire Engineer (21), Firefighter (36) and (3) proposed firefighter positions.

## Goals and Objectives:

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

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of actual fires per 1,000 population	3.41	3.00
# of responses per 1,000 population	80.99	100
# of medical calls per 1,000 population	178.09	100

**PUBLIC SAFETY**

<b>Efficiency Measures</b>		
Cost per Fire Department response (Emergency Services)	\$949.39	\$925
<b>Effectiveness Measures</b>		
Average response time to priority one call in minutes	6:55	6:30
% of responses met within 5 minutes and 20 seconds ( <i>Standard</i> )	79%	80%
Percentage of full response within 8 minutes travel time	100%	100%
Percentage of lost pulse cases recovered pulse at transfer of care	43%	100%

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$8,312,874
<b>Operating Expenses</b>	\$882,476
<b>Capital Machinery</b>	\$75,000
<b>Total Budget</b>	\$9,270,350

**Increases:**

- 3 new firefighters added. Increases most companies to 4 ff per truck. This is a NFPA standard. This will leave only one company not having 3 FF per engine.
- \$122,000- increase in public safety supplies related to the turnout gear and necessary PPE for the 3 new firefighters as well as \$22,000 for the purchase of an air supply replacement unit for FS #2.
- Other increases are contractual and utility related and related to the addition of 3 new firefighters.

**Capital:**

- \$75,000 – increase in capital outlay for the replacement of Safety and Logistics Vehicle.
  - Replacement of 2008 Ford Expedition, used by the Safety and Logistics Officer as a daily work and response vehicle. (Includes emergency equip). Truck has more than 170,000k miles.

**Items of Interest:**

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

PUBLIC SAFETY

## Fire – Emergency Services 12540

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	4,503,536	5,154,572	651,036	14.46%
41100	Salaries - Part Time	212,270	222,884	10,614	5.00%
41200	Salaries - Overtime	518,950	643,950	125,000	24.09%
41300	Longevity Pay	3,860	110,400	106,540	2760.10%
42000	FICA	329,088	375,820	46,732	14.20%
42200	State Retirement	544,925	676,773	131,848	24.20%
42210	401k	112,270	127,375	15,105	13.45%
512658	Medical Insurance	670,320	971,520	301,200	44.93%
42400	Life Insurance	9,297	-	(9,297)	-100.00%
42500	Dental Insurance	28,536	29,580	1,044	3.66%
<b>Sub-Total For Personnel</b>		<b>\$ 6,933,052</b>	<b>\$ 8,312,874</b>	<b>\$ 1,379,822</b>	<b>19.90%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
44200	Repair & Maintenance: Vehicles	238,414	265,000	26,586	11.15%
44400	Repair & Maintenance: Equipment	23,000	23,000	-	0.00%
45250	Telephone	28,800	30,816	2,016	7.00%
45610	Motor Fuel	86,400	99,360	12,960	15.00%
46100	Office Supplies	800	800	-	0.00%
46200	Small Equipment and Tools	22,500	25,500	3,000	13.33%
46400	Public Safety Supplies	250,000	372,000	122,000	48.80%
46820	Cleaning Supplies	12,000	12,000	-	0.00%
47100	Uniforms	50,000	50,000	-	0.00%
48000	Contracted Services	-	-	-	0.00%
51300	Special Expenses	4,000	4,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 715,914</b>	<b>\$ 882,476</b>	<b>\$ 166,562</b>	<b>23.27%</b>
<b>TOTAL FIRE EMERGENCY SERVICES</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	6,933,052	8,312,874	1,379,822	19.90%
	Operating Expenditures	715,914	882,476	166,562	23.27%
	Capital Machinery & Equipment	-	75,000	75,000	100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 7,648,966</b>	<b>\$ 9,270,350</b>	<b>\$ 1,621,384</b>	<b>21.20%</b>

## Fire – Technical Services 12545

### MISSION STATEMENT:

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

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	493,457	472,061	472,061	540,311
Operating	51,525	83,800	78,229	88,224
<b>Total Expenditures</b>	\$ 544,982	\$ 555,861	\$ 550,290	\$ 628,535
<b>Revenues</b>				
Charges and Fees	32,535	25,000	25,000	35,000
<b>Total Revenues</b>	\$ 32,535	\$ 25,000	\$ 25,000	\$ 35,000
<b>Staffing</b>				
FTE Positions	8	8	8	8

**Personnel Includes:** Assistant Fire Chief (1), (1) Fire Marshal, (1) Assistant Fire Marshal, (1) Community Engagement and (1) Battalion Chief

### Goals and Objectives:

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

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
Inspections completed per 1,000 population	12.61	13.00
<b>Efficiency Measures</b>		
Inspections completed per inspector FTE (Technical Services)	294	300
<b>Effectiveness Measures</b>		
Percentage of fire code violations cleared within 90 days	100%	100%
Percentage of fires for which cause was determined	100%	100%
Percentage of developmental plans reviewed and returned within 7 days of receipt	100%	100%

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

## Fire – Technical Services 12545

Expense Summary	
Personnel Expenses	\$540,311
Operating Expenses	\$88,224
Capital Machinery	\$0
<b>Total Budget</b>	<b>\$628,535</b>

**Increases:**

- Standard personnel increases
- Standard contractual and utility increases.

PERSONNEL					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
41000	Salaries - Regular	352,385	376,129	23,744	6.74%
41200	Salaries - Overtime	-	15,000	15,000	100.00%
41300	Longevity Pay	313	9,200	8,887	2839.30%
42000	FICA	25,263	28,014	2,751	10.89%
42200	State Retirement	41,469	44,723	3,254	7.85%
42210	401k	10,283	9,597	(686)	-6.67%
42300	Medical Insurance	39,900	55,200	15,300	38.35%
42400	Life Insurance	708	708	-	0.00%
42500	Dental Insurance	1,740	1,740	-	0.00%
<b>Sub-Total For Personnel</b>		<b>\$ 472,061</b>	<b>\$ 540,311</b>	<b>\$ 68,250</b>	<b>14.46%</b>
OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	5,500	5,500	-	0.00%
44400	Repair & Maintenance: Equipment	-	-	-	0.00%
45250	Telephone	10,200	10,914	714	7.00%
45610	Motor Fuel	11,400	13,110	1,710	15.00%
46100	Office Supplies	5,000	5,000	-	0.00%
46300	Dues and Subscriptions	2,400	2,400	-	0.00%
46400	Public Safety Supplies	16,800	16,800	-	0.00%
47100	Uniforms	7,000	7,000	-	0.00%
51100	Travel and Training	22,500	24,500	2,000	8.89%
51800	Meetings	3,000	3,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 83,800</b>	<b>\$ 88,224</b>	<b>\$ 4,424</b>	<b>5.28%</b>
TOTAL FIRE TECHNICAL SERVICES					
Expense Category		FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
	Personnel Expenditures	472,061	540,311	68,250	14.46%
	Operating Expenditures	83,800	88,224	4,424	5.28%
	Capital - Machinery & Equipment	-	-	-	0.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 555,861</b>	<b>\$ 628,535</b>	<b>\$ 72,674</b>	<b>13.07%</b>



# Public Works



# Public Works - Engineering 13000

## MISSION STATEMENT:

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

## Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	737,095	828,508	828,508	1,005,686
Operating	248,051	207,800	740,500	207,800
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 985,146	\$ 1,036,308	\$ 1,569,008	\$ 1,213,486
<b>Revenues</b>				
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Staffing</b>				
FTE Positions	6	7	7	7

**Personnel includes:** (1) Director of Engineering, (1) Assistant City Engineer, (1) Civil Engineer I, (1) Civil Engineer II, (2) Engineer Techs, (1) Engineer Tech II, (1) Senior Engineer Tech and (1) HR Technician

## Goals and Objectives:

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 3<sup>rd</sup> 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

PUBLIC WORKS

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of commercial site plans reviewed	43	45
# of major/minor subdivision, townhomes, or apartments construction plans reviewed	51	55
# of major/minor subdivision, recombination, stormwater control measure (SCM) or easement plats reviewed	36	40
# of preliminary plats, sketch plans, rezoning, conditional use, annexation, etc. reviewed	20	25
# of "as built" completed by inspectors/technicians	20	25
# of exempt plats reviewed	45	50
# of resubmittals (for all categories listed above) reviewed	64	50
# of projects managed as a consultant	49	45
# of in-house design projects completed	5	5
# of linear feet of assets inspected	305,250	325,000
# of right of way easements completed	12	14
<b>Efficiency Measures</b>		
% of commercial site plans reviewed within 20 working days	99%	100%
% of major/minor subdivision, townhomes, or apartment construction plans reviewed within 30 working days	99%	100%
% of major/minor subdivision, recombination, stormwater control measure (SCM) or easement plats reviewed within 20 working days	96%	100%
% of preliminary plats, sketch plans, rezoning, conditional use, annexation, etc. reviewed within 20 working days	100%	100%
% of "as built" completed by inspectors/technicians within 10 working days	100%	100%
% of exempt plats reviewed within 15 days	100%	100%
% of resubmittals completed within specified time frame (varies from 10 working days to 20 working days) based on type of review	100%	100%
% of providing randomly quality control inspections of permitted stormwater control measures	100%	100%
% of driveway inspections completed within 16 business hours	97%	100%
% of erosion control inspections completed within 16 business hours	100%	100%
% of site grading and drainage inspections completed within 16 business hours	100%	100%
% of water and sewer verification completed within 32 business hours	99%	100%
% of street lighting requests inspections completed within 32 business hours	100%	100%
<b>Effectiveness Measures</b>		
\$ spent on in-house construction projects	\$43,632	-
\$ saved on in-house construction projects versus contracting out	-	-

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

## Public Works - Engineering 13000

Expense Summary	
Personnel Expenses	\$1,005,686
Operating Expenses	\$207,800
Capital Machinery	\$0
<b>Total Budget</b>	<b>\$1,213,486</b>

### Increases:

- No increases outside of standard personnel increases in retirement, benefits, etc.

### Reductions:

- Slight reduction in 401k due to employee match.

### Capital:

- None.

### Items of Interest:

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

## Public Works - Engineering 13000

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	592,679	709,551	116,872	19.72%
41100	Salaries- Part Time	23,000	23,000	-	0.00%
41200	Salaries - Overtime	2,000	2,000	-	0.00%
41300	Longevity Pay	285	8,100	7,815	2742.11%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	44,663	53,573	8,910	19.95%
42200	State Retirement	71,717	88,415	16,698	23.28%
42210	401k	12,683	11,330	(1,353)	-10.67%
42300	Medical Insurance	71,820	99,360	27,540	38.35%
42400	Life Insurance	1,225	1,225	-	0.00%
42500	Dental Insurance	2,436	3,132	696	28.57%
<b>Sub-Total For Personnel</b>		<b>\$ 828,508</b>	<b>\$ 1,005,686</b>	<b>\$ 177,178</b>	<b>21.39%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43200	Advertising	2,000	2,000	-	0.00%
43300	Postage	500	500	-	0.00%
44200	Repair & Maintenance: Vehicles	5,000	5,000	-	0.00%
44400	Repair & Maintenance: Equipment	500	500	-	0.00%
45250	Telephone	10,500	10,500	-	0.00%
45610	Motor Fuel	5,000	5,000	-	0.00%
46100	Office Supplies	7,500	7,500	-	0.00%
46300	Dues and Subscriptions	9,000	9,000	-	0.00%
47100	Uniforms	5,000	5,000	-	0.00%
48800	Contract - Engineering	150,000	150,000	-	0.00%
51100	Travel and Training	12,000	12,000	-	0.00%
51800	Meetings	800	800	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 207,800</b>	<b>\$ 207,800</b>	<b>\$ -</b>	<b>0.00%</b>
<b>TOTAL ENGINEERING</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	828,508	1,005,686	177,178	21.39%
	Operating Expenditures	207,800	207,800	-	0.00%
	Capital Machinery & Equipment	-	-	-	0.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,036,308</b>	<b>\$ 1,213,486</b>	<b>\$ 177,178</b>	<b>17.10%</b>

## Public Works - Street Lighting 13100

### MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	-	-	-	-
Operating	533,005	740,300	690,300	613,900
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 533,005	\$ 740,300	\$ 690,300	\$ 613,900
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Staffing</b>				
FTE Positions	-	-	-	-

No Personnel included in this Division.

### Goals and Objectives:

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 23 Actual	FY 24 Target
<b>Efficiency Measures</b>		
% of streetlights maintained in the downtown area	20%	100%
% of customer complaints responded to regarding outages within 24 hours	100%	100%
% of customer requests for new street light additions responded to within 48 hours	100%	100%

## Public Works - Street Lighting 13100

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$613,900
<b>Total Budget</b>	<b>\$613,900</b>

**Increases:**

- Standard contractual increases

**Reductions/Decreases:**

- \$131,400 – reduction in electricity based on trends.

**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 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
45220	Electricity	631,400	500,000	(131,400)	-20.81%
48000	Contracted Services	55,000	60,000	5,000	9.09%
48650	Contract - New Lights	53,900	53,900	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 740,300</b>	<b>\$ 613,900</b>	<b>\$ (126,400)</b>	<b>-17.07%</b>
TOTAL STREET LIGHTING					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	740,300	613,900	(126,400)	-17.07%
	Capital - Improvements	-	-	-	0.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 740,300</b>	<b>\$ 613,900</b>	<b>\$ (126,400)</b>	<b>-17.07%</b>

## Public Works – Operations Center 13200

MISSION STATEMENT:

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

**Budget and Staffing Summary:**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	-	-	-	-
Operating	94,793	138,700	177,700	147,100
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 94,793	\$ 138,700	\$ 177,700	\$ 147,100
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Staffing</b>				
FTE Positions	-	-	-	-

No Personnel included in this Division

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$0
<b>Operating Expenses</b>	\$147,100
<b>Total Budget</b>	\$147,100

**Increases:**

- \$8,400 standard increases in utilities for the Public Works Operations Center.



## Public Works – Operations Center 13200

OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
44100	Repair & Maintenance: Office Equipment	500	500	-	0.00%
45220	Electricity	60,000	60,000	-	0.00%
45230	Water & Sewer	14,400	20,000	5,600	38.89%
45240	Gas Utilities	7,200	10,000	2,800	38.89%
45250	Telephone	42,000	42,000	-	0.00%
45410	Equipment Rental	10,000	10,000	-	0.00%
45610	Motor Fuel	600	600	-	0.00%
46100	Office Supplies	4,000	4,000	-	0.00%
48000	Contracted Services	-	-	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 138,700</b>	<b>\$ 147,100</b>	<b>\$ 8,400</b>	<b>6.06%</b>
TOTAL OPERATIONS CENTER					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	138,700	147,100	8,400	6.06%
<b>Total for All Categories of Expenses</b>		<b>\$ 138,700</b>	<b>\$ 147,100</b>	<b>\$ 8,400</b>	<b>6.06%</b>

## Public Works – Signs and Markings 13300

### MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Adopted
<b>Expenditures</b>				
Personnel	200,254	206,006	236,006	243,138
Operating	231,902	257,000	249,700	286,400
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 432,156</b>	<b>\$ 463,006</b>	<b>\$ 485,706</b>	<b>\$ 529,538</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	3	3	3	3

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

### Goals and Objectives:

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 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of street signs installed or repaired	397	400
# of regulatory signs installed or repaired	690	700
# of informational signs installed or repaired	130	150
# of custom signs completed ( <i>internal metric</i> )	598	600

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

## Public Works – Signs and Markings 13300

Expense Summary	
Personnel Expenses	\$243,138
Operating Expenses	\$286,400
Capital Machinery	\$0
<b>Total Budget</b>	<b>\$529,538</b>

### Increases:

- Standard personnel increases.
- \$2,500 – increase in repair and maintenance for vehicles.
- \$15,000 – increase in sign supplies based on price increases.
- \$10,000 – increase in standard contractual increases.

### Reductions/Decreases:

- \$3,000 reduction in small tools and equipment for a one-time purchase made last year.

### Capital:

- None

### Items of Interest:

- Contracted Services covers the cost for mowing and litter clean-up along Cannon Blvd and Kannapolis Parkway
- Budget Includes:
  - \$95,000 for sign supplies
  - \$110,000 for Contracted Services

PUBLIC WORKS

## Public Works – Signs and Markings 13300

PERSONNEL					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
41000	Salaries - Regular	142,351	159,598	17,247	12.12%
41200	Salaries - Overtime	8,000	8,000	-	0.00%
41300	Longevity Pay	227	5,400	5,173	2278.85%
42000	FICA	10,564	12,117	1,553	14.70%
42200	State Retirement	16,975	20,602	3,627	21.37%
42210	401k	2,616	2,968	352	13.46%
42300	Medical Insurance	23,940	33,120	9,180	38.35%
42400	Life Insurance	289	289	-	0.00%
42500	Dental Insurance	1,044	1,044	-	0.00%
<b>Sub-Total For Personnel</b>		<b>\$ 206,006</b>	<b>\$ 243,138</b>	<b>\$ 37,132</b>	<b>18.02%</b>
OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	7,500	10,000	2,500	33.33%
44400	Repair & Maintenance: Equipment	1,000	1,000	-	0.00%
45250	Telephone	6,900	6,900	-	0.00%
45610	Motor Fuel	7,800	8,800	1,000	12.82%
46100	Office Supplies	2,500	3,500	1,000	40.00%
46200	Small Equipment and Tools	8,000	5,000	(3,000)	-37.50%
46810	Sign Supplies	95,000	110,000	15,000	15.79%
47100	Uniforms	300	3,200	2,900	966.67%
48000	Contracted Services	110,000	120,000	10,000	9.09%
51100	Travel and Training	18,000	18,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 257,000</b>	<b>\$ 286,400</b>	<b>\$ 29,400</b>	<b>11.44%</b>
TOTAL SIGNS AND MARKINGS					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
	Personnel Expenditures	206,006	243,138	37,132	18.02%
	Operating Expenditures	257,000	286,400	29,400	11.44%
	Capital - Machinery & Equipment	-	-	-	0.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 463,006</b>	<b>\$ 529,538</b>	<b>\$ 66,532</b>	<b>14.37%</b>

## Public Works – Powell Bill 13400

### MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	-	-	-	-
Operating	1,463,648	1,504,120	2,233,556	1,583,146
Capital	-	9,000	9,000	-
<b>Total Expenditures</b>	<b>\$ 1,463,648</b>	<b>\$ 1,513,120</b>	<b>\$ 2,242,556</b>	<b>\$ 1,583,146</b>
<b>Revenues</b>				
Charges and Fees	1,572,822	1,572,822	1,572,822	1,583,146
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ 1,572,822</b>	<b>\$ 1,572,822</b>	<b>\$ 1,572,822</b>	<b>\$ 1,583,146</b>
<b>Staffing</b>				
FTE Positions	-	-	-	-

No personnel is included in this budget

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$0
<b>Operating Expenses</b>	\$1,583,146
<b>Capital Machinery</b>	\$0
<b>Total Budget</b>	\$1,583,146

### Increases:

- \$10,324 increase in Powell Bill funding (*based on FY 23 allocations received*).
- \$261,146 – increase in resurfacing contract

### Reductions:

- \$184,620 – reduction in repair and maintenance of streets
- \$9,000 – reduction in capital for a one time jack hammer attachment made last year.

### Items of Interest:

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

## Public Works – Powell Bill 13400

<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
44900	Repair & Maintenance: Streets	484,620	300,000	(184,620)	-38.10%
45220	Electricity	6,000	6,000	-	0.00%
45410	Equipment Rental	10,000	10,000	-	0.00%
46200	Small Equipment and Tools	3,500	6,000	2,500	71.43%
48000	Contracted Services	400,000	400,000	-	0.00%
48300	Consultants	-	-	-	0.00%
48850	Contract - Resurfacing	600,000	861,146	261,146	43.52%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 1,504,120</b>	<b>\$ 1,583,146</b>	<b>\$ 79,026</b>	<b>5.25%</b>
<b>TOTAL POWELL BILL</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	-	-	-	0.00%
	Operating Expenditures	1,504,120	1,583,146	79,026	5.25%
	Capital Machinery & Equipment	9,000	-	(9,000)	-100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,513,120</b>	<b>\$ 1,583,146</b>	<b>\$ 70,026</b>	<b>4.63%</b>

## Public Works – Street Maintenance 13500

### MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	734,199	789,271	789,271	949,325
Operating	547,229	172,700	538,915	203,240
Capital	-	-	-	480,000
<b>Total Expenditures</b>	<b>\$ 1,281,428</b>	<b>\$ 961,971</b>	<b>\$ 1,328,186</b>	<b>\$ 1,632,565</b>
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Staffing</b>				
FTE Positions	13	13	13	13

Personnel Includes: Operations Manager (1), Crew Chief (1), Construction Maintenance Technician (2), Construction Maintenance Worker II (8), (1) Crew Supervisor

### Goals and Objectives:

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.

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of mowing miles (ROW) tractors ran	2,773	3,000
# of feet sidewalk maintained (in-house)	859,748	900,000
# of feet sidewalk repaired (contracted out)	4,123	4,200
# of reconstruction resurfaced miles ( <i>Powell Bill and in-house</i> )	3.18	3.20

PUBLIC WORKS

<b>Efficiency Measures</b>		
# of lane miles maintained per 1,000 population	9.02	9.00
Repaired potholes per lane mile maintained	4,857	5,000
Repaired utility cuts per lane mile maintained	278	300
Cost of maintenance per lane mile maintained	\$4,674	\$4,000
Cost per lane mile for preservation treatment (" <i>crack sealing method</i> ")	\$3,581	\$3,000
Cost per ton for contract resurfacing	\$98.33	\$90.00
<b>Effectiveness Measures</b>		
Percent of lane miles rated 85 or better ( <i>*in-house assessment completed by 1/15</i> )	22%	100%
Percent of lane miles rated below 45 ( <i>*in-house assessment completed by 1/15</i> )	47%	100%
Percentage of potholes repaired within 24 hours	100%	100%

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$949,325
<b>Operating Expenses</b>	\$203,240
<b>Capital Machinery</b>	\$480,000
<b>Total Budget</b>	\$1,632,565

**Increases:**

- Standard contractual increases.
- Standard personnel increases.

**Reductions/Decreases:**

- None.

**Capital:**

- \$480,000 increase in capital outlay
  - \$30,000 tilt deck trailer that is a 1969 replacement.
  - \$330,000 for a new asphalt hot patch truck.
  - \$120,000 for a mini excavator to replace a 2005 model.

**Items of Interest:**

- None.



## Public Works – Street Maintenance 13500

PERSONNEL					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	544,482	624,507	80,025	14.70%
41200	Salaries - Overtime	24,000	24,000	-	0.00%
41300	Longevity Pay	712	14,100	13,388	1880.34%
42000	FICA	39,480	46,750	7,270	18.41%
42200	State Retirement	64,340	80,597	16,257	25.27%
42210	401k	6,896	10,230	3,334	48.35%
42300	Medical Insurance	103,740	143,520	39,780	38.35%
42400	Life Insurance	1,097	1,097	-	0.00%
42500	Dental Insurance	4,524	4,524	-	0.00%
<b>Sub-Total for Personnel</b>		<b>\$ 789,271</b>	<b>\$ 949,325</b>	<b>\$ 160,054</b>	<b>20.28%</b>
OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	45,000	55,000	10,000	22.22%
44400	Repair & Maintenance: Equipment	40,000	50,000	10,000	25.00%
444900	Repair & Maintenance: Streets	35,000	40,000	5,000	14.29%
45610	Motor Fuel	38,400	42,240	3,840	10.00%
47100	Uniforms	14,300	16,000	1,700	11.89%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 172,700</b>	<b>\$ 203,240</b>	<b>\$ 30,540</b>	<b>17.68%</b>
TOTAL STREET MAINTENANCE					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	789,271	949,325	160,054	20.28%
	Operating Expenditures	172,700	203,240	30,540	17.68%
	Capital Machinery & Equipment	-	480,000	480,000	100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 961,971</b>	<b>\$ 1,632,565</b>	<b>\$ 670,594</b>	<b>69.71%</b>

# Planning



# Planning 14000

## MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	808,408	959,625	989,625	1,079,207
Operating	184,292	142,600	159,602	154,000
Capital	-	-	-	30,000
<b>Total Expenditures</b>	<b>\$ 992,700</b>	<b>\$ 1,102,225</b>	<b>\$ 1,149,227</b>	<b>\$ 1,263,207</b>
<b>Revenues</b>				
Charges and Fees	196,788	185,000	185,000	265,000
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ 196,788</b>	<b>\$ 185,000</b>	<b>\$ 185,000</b>	<b>\$ 265,000</b>
<b>Staffing</b>				
FTE Positions	10	11	11	11

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

### Goals and Objectives:

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

## PLANNING

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

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of zoning permits issued per year	1,203	1,300
# of site plan reviews	97	100
# of minor subdivision/plat reviews	27	30
# of major subdivision/plat reviews	34	40
# of ordinance/plan amendments (include variances here)	5	6
# of plan reviewers per FTE	50	55
# of sewer allocation plans permitted	4	5
# of exempt plats reviewed	57	60
# of public information requests	41	40
<b>Efficiency Measures</b>		
% of zoning permits issued within 48 hours of receipt of application	100%	100%
% of minor subdivision plat reviews completed within 20 business days	100%	100%
% of preliminary plat reviewed within 20 business days	100%	100%
<b>Effectiveness Measures</b>		
% of complaints versus valid complaints	95%	100%
Ratio of property owner resolution versus city resolution	10:01	10:01
% of cases cleared within 10 days	75%	100%
% of total code enforcement cases that are citizen activated versus staff activated	30%	100%

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$1,079,207
<b>Operating Expenses</b>	\$154,000
<b>Capital Machinery</b>	\$30,000
<b>Total Budget</b>	\$1,263,207

**Increases:**

- \$5,000 – increase in advertising based on trends.
- \$5,000 – increase in repair and maintenance vehicles based on trends.
- Standard personnel and utility-based increases.

**Reductions:**

- None

**Capital:**

- \$30,000 – increase in capital outlay for the replacement of code enforcement car that has experienced many maintenance issues. Looking to purchase economy size truck.

# Planning 14000

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	703,863	758,208	54,345	7.72%
41100	Salaries - Part Time	5,000	5,000	-	0.00%
41200	Salaries - Overtime	5,000	7,500	2,500	50.00%
41300	Longevity Policy	-	3,300	3,300	100.00%
41400	Board Member Fees	10,000	10,000	-	0.00%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	47,690	55,813	8,123	17.03%
42200	State Retirement	77,604	97,738	20,134	25.94%
42210	401k	11,883	9,055	(2,828)	-23.80%
42300	Medical Insurance	87,780	121,440	33,660	38.35%
42400	Life Insurance	1,325	1,325	-	0.00%
42500	Dental Insurance	3,480	3,828	348	10.00%
<b>Sub-Total For Personnel</b>		<b>\$ 959,625</b>	<b>\$ 1,079,207</b>	<b>\$ 119,582</b>	<b>12.46%</b>

<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
43100	Printing	1,200	1,200	-	0.00%
43200	Advertising	16,000	21,000	5,000	31.25%
43300	Postage	300	300	-	0.00%
43610	Demolition Expenditures	75,000	75,000	-	0.00%
44200	Repair & Maintenance: Vehicles	2,200	7,200	5,000	227.27%
45250	Telephone	6,600	8,000	1,400	21.21%
45610	Motor Fuel	1,800	1,800	-	0.00%
46100	Office Supplies	7,000	7,000	-	0.00%
46200	Small Equipment and Tools	3,500	3,500	-	0.00%
46300	Dues and Subscriptions	5,500	5,500	-	0.00%
47100	Uniforms	2,500	2,500	-	0.00%
48610	Contract - Planning	-	-	-	0.00%
51100	Travel and Training	19,000	19,000	-	0.00%
51300	Special Expenses	2,000	2,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 142,600</b>	<b>\$ 154,000</b>	<b>\$ 11,400</b>	<b>7.99%</b>

<b>TOTAL PLANNING</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	959,625	1,079,207	119,582	12.46%
	Operating Expenditures	142,600	154,000	11,400	7.99%
	Capital Expenditures	-	30,000	30,000	100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,102,225</b>	<b>\$ 1,263,207</b>	<b>\$ 160,982</b>	<b>14.61%</b>



# Parks and Recreation



## Parks and Recreation - Parks 15010

### MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	1,866,208	2,517,549	2,392,549	3,096,751
Operating	2,071,203	1,952,750	5,596,322	2,301,794
Capital	-	-	-	281,000
<b>Total Expenditures</b>	<b>\$ 3,937,411</b>	<b>\$ 4,470,299</b>	<b>\$ 7,988,871</b>	<b>\$ 5,679,545</b>
<b>Revenues</b>				
Charges and Fees	438,297	1,185,545	1,337,545	1,100,000
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ 438,297</b>	<b>\$ 1,185,545</b>	<b>\$ 1,337,545</b>	<b>\$ 1,100,000</b>
<b>Staffing</b>				
FTE Positions	23	24	24	25

**Personnel:** Parks and Recreation Director (1), Park Managers (2), Recreation Program Coordinators (3), (1) Recreation Program Assistant, (2) PM Tech II, (4) Park Maintenance Techs IV, (5) Park Maintenance Tech III, (1) Grounds Manger, (1) Concession Manager, (1) Athletic Coordinator, (1) Assistant Athletic Coordinator, (1) Administrative Assistant and (1) Assistant Park and Recreation Director (reclass to Recreation Superintendent in budget year) **and proposed (1) Parks Superintendent**

### Goals and Objectives:

1. Maintain Dixie Youth ballfield complex
2. Complete renovations of existing Park improvements
3. Begin formal design of new Kannapolis skatepark
4. Begin GEM Theatre Operations as a City P&R facility

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of total acres maintained per 1,000 residents	4.84	5.00
# of park acres maintained	112	125
# of City acres in facilities maintained	145	150



## PARKS AND RECREATION

Total acreage maintained	257	275
Land acres of parks per 10,000 population	21.07	22.00
Athletic fields per 10,000 population	1.13	1.25
Playgrounds per 10,000 population	1,000	1,000
# of residents per park	10,000	10,000
# of greenway miles maintained	25	25
<b>Efficiency Measures</b>		
Cost per acre for ground maintenance	\$2,506	\$2,500
Cost per acre for park maintenance	\$3,245	\$3,000
Acres of park maintained per maintenance FTE	4.6	5.0
<b>Effectiveness Measures</b>		
Revenue as percent of total core costs ( <i>Program revenue versus expense</i> )	8.24%	8.24%

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$3,096,751
<b>Operating Expenses</b>	\$2,301,794
<b>Capital Machinery</b>	\$281,000
<b>Total Budget</b>	\$5,679,545

### **Increases:**

- Personnel increases related to the addition of a Parks Superintendent.
- \$122,480 - increase in corresponding part-time budgets due to salary study efforts.
- \$210,244 - increase in contract grounds maintenance based on contract increase and half a year's worth of Hwy 3 and \$4,500 for aeration and top dress level at village park.
- \$85,400 - increase in contracted services
  - \$72,000 for update to 10-year plan and technical assistance for PARTF application for Eastside park

### **Reductions:**

- \$15,000 reduction in GEM theatre advertising (this is accounted for in Communications budget).

### **Capital:**

- \$281,000 increase in capital outlay and equipment.
  - \$90,000 one-ton dump truck to replace 97.
  - \$45,000 for F-150 for Parks Superintendent.
  - \$45,000 for F-150 for Recs Superintendent (*position was funded last year as an Assistant Parks Director but a vehicle was never funded for this new position*)
  - \$33,000 for ballfield maintenance unit.
  - \$68,000 ventrac system for grounds for pressure washing.

### **Items of Interest:**

- Grounds Maintenance for all city properties is in Contracted Services

PARKS AND RECREATION

# Parks and Recreation - Parks 15010

PERSONNEL					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
41000	Salaries - Regular	1,095,663	1,361,899	266,236	24.30%
41100-BCPK	Salaries - Part Time-Bakers Creek Park	93,225	110,612	17,387	18.65%
41100-BUILD	Salaries - Part Time-Building Monitor	102,740	121,901	19,161	18.65%
41100-EVENT	Salaries - Part Time-Events	71,244	84,531	13,287	18.65%
411000-GEM	Salaries - Part Time-Gem	151,250	179,571	28,321	18.72%
41100-GROUN	Salaries - Part Time-Grounds Maintenance	142,380	168,934	26,554	18.65%
41100-VILPK	Salaries - Part Time-Village Park	347,400	364,770	17,370	5.00%
41200	Salaries - Overtime	11,000	16,000	5,000	45.45%
41300	Longevity Pay	752	26,000	25,248	3357.45%
41600	Vehicle Allowance	1,800	1,950	150	8.33%
41600 - GEM	Vehicle Allowance-Gem	3,600	-	(3,600)	-100.00%
42000	FICA	139,819	170,120	30,301	21.67%
42200	State Retirement	134,898	181,555	46,657	34.59%
42210	401k	19,835	22,485	2,650	13.36%
42300	Medical Insurance	191,520	276,000	84,480	44.11%
42400	Life Insurance	2,071	2,071	-	0.00%
42500	Dental Insurance	8,352	8,352	-	0.00%
<b>Sub-Total For Personnel</b>		<b>\$ 2,517,549</b>	<b>\$ 3,096,751</b>	<b>\$ 579,202</b>	<b>23.01%</b>
OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
43100	Printing	1,500	2,000	500	33.33%
43100-GEM	Printing-Gem	4,000	4,000	-	0.00%
43200	Advertising	2,000	2,000	-	0.00%
43200-GEM	Advertising-Gem	15,000	-	(15,000)	-100.00%
43300	Postage	200	300	100	50.00%
43300-GEM	Postage-Gem	500	500	-	0.00%
43800	Credit Card Fees	21,000	26,000	5,000	23.81%
43800-GEM	Credit Card Fees-Gem	30,000	30,000	-	0.00%
44200	Repair & Maintenance: Vehicles	3,000	3,500	500	16.67%
44200-BCPK	Repair & Maintenance: Vehicles - Bakers Creek Park	5,000	5,000	-	0.00%
44200-GROUN	Repair & Maintenance: Vehicles - Grounds Maintenance	4,000	6,000	2,000	50.00%
44200-VILPK	Repair & Maintenance: Vehicles - Village Park	3,500	3,500	-	0.00%
44300	Repair & Maintenance: Buildings and Grounds	12,500	12,500	-	0.00%
44300-BCPK	Repair & Maintenance: Buildings and Grounds-BC	20,000	25,000	5,000	25.00%
44300-DIXIE	Repair & Maintenance: Buildings and Grounds-Dixie	10,000	14,500	4,500	45.00%
44300-GEM	Repair & Maintenance: Buildings and Grounds-Gem	36,000	36,000	-	0.00%
44300-GROUN	Repair & Maintenance: Buildings and Grounds-Grounds	63,500	78,700	15,200	23.94%
44300-SAFPK	Repair & Maintenance: Buildings and Grounds-SP	25,000	25,000	-	0.00%
44300-VILPK	Repair & Maintenance: Buildings and Grounds-VP	53,600	55,500	1,900	3.54%

PARKS AND RECREATION

## Parks and Recreation - Parks 15010

44400	Repair & Maintenance: Equipment	-	-	-	0.00%
44400-BCPK	Repair & Maintenance: Equipment-BC	6,000	6,000	-	0.00%
44400-GEM	Repair & Maintenance: Equipment-Gem	5,500	5,500	-	0.00%
44400-GROUN	Repair & Maintenance: Equipment-Grounds	5,500	6,500	1,000	18.18%
44400-VILPK	Repair & Maintenance: Equipment-VP	5,500	5,500	-	0.00%
45220	Electricity	144,000	170,000	26,000	18.06%
45220-GEM	Electricity-Gem	15,000	20,000	5,000	33.33%
45230	Water & Sewer	94,000	94,000	-	0.00%
45230-GEM	Water & Sewer-Gem	15,000	15,000	-	0.00%
45240	Gas Utilities	24,000	24,000	-	0.00%
45240-GEM	Gas Utilities-Gem	5,000	-	(5,000)	-100.00%
45250	Telephone	41,000	43,900	2,900	7.07%
45250-GEM	Telephone-Gem	4,500	4,800	300	6.67%
45410	Equipment Rental	9,000	9,000	-	0.00%
4540	Laundry	15,000	16,000	1,000	6.67%
45610	Motor Fuel	27,000	31,000	4,000	14.81%
46100	Office Supplies	5,700	5,700	-	0.00%
46100-GEM	Office Supplies-Gem	15,000	15,000	-	0.00%
46200	Small Equipment and Tools	2,900	2,900	-	0.00%
46200-BCPK	Small Equipment and Tools-BC	2,200	2,200	-	0.00%
46200-GEM	Small Equipment and Tools-Gem	15,000	15,000	-	0.00%
46200-GROUN	Small Equipment and Tools-Grounds	6,500	6,500	-	0.00%
46200-VILPK	Small Equipment and Tools-VP	2,000	2,000	-	0.00%
46300	Dues and Subscriptions	3,400	4,200	800	23.53%
46300-GEM	Dues and Subscriptions-Gem	5,000	5,000	-	0.00%
46620	Concession Supplies	90,000	90,000	-	0.00%
46620-GEM	Concession Supplies-GEM	92,000	92,000	-	0.00%
46640	Cemetery Supplies	3,000	3,000	-	0.00%
46820	Cleaning Supplies	300	300	-	0.00%
46820-BCPK	Cleaning Supplies-BC	3,000	3,500	500	16.67%
46820-GEM	Cleaning Supplies-Gem	38,000	38,000	-	0.00%
46820-GROUN	Cleaning Supplies-Grounds	6,300	7,300	1,000	15.87%
46820-VILPK	Cleaning Supplies-VP	5,200	5,400	200	3.85%
47100	Uniforms	17,000	19,000	2,000	11.76%
47100-GEM	Uniforms-Gem	3,000	3,500	500	16.67%
48000	Contracted Services	12,400	85,400	73,000	588.71%
48000-GEM	Contracted Services-Gem	200,000	200,000	-	0.00%
48220	Contract - Grounds Maintenance	597,600	807,844	210,244	35.18%
48300-GEM	Consultants-Gem	75,000	75,000	-	0.00%
51100	Travel and Training	20,000	25,000	5,000	25.00%
51100-GEM	Travel and Training-Gem	1,000	1,000	-	0.00%
51800	Meetings	4,700	5,600	900	19.15%
51800-GEM	Meetings-Gem	250	250	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 1,952,750</b>	<b>\$ 2,301,794</b>	<b>\$ 349,044</b>	<b>17.87%</b>

### TOTAL PARKS

	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	2,517,549	3,096,751	579,202	23.01%
	Operating Expenditures	1,952,750	2,301,794	349,044	17.87%
	Capital Machinery and Equipment	-	281,000	281,000	100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 4,470,299</b>	<b>\$ 5,679,545</b>	<b>\$ 1,209,246</b>	<b>27.05%</b>

# Parks and Recreation - Programs 15060

## MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	-	-	-	-
Operating	781,356	930,500	1,084,290	998,000
Capital	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 781,356</b>	<b>\$ 930,500</b>	<b>\$ 1,084,290</b>	<b>\$ 998,000</b>
<b>Revenues</b>				
Charges and Fees	250,651	175,000	175,000	175,000
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ 250,651</b>	<b>\$ 175,000</b>	<b>\$ 175,000</b>	<b>\$ 175,000</b>
<b>Staffing</b>				
FTE Positions	-	-	-	-

\*No personnel in this division

### Goals and Objectives:

1. Continue to provide youth athletic programming
2. Continue to provide exceptional customer service for all rentals
3. Increase number of adult day trips to area residents and non-residents to 3 per month
4. Implement at least four collaboration programs with outside organizations/providers to develop additional health and wellness programs
5. Offer 1 new 5k route as part of Run Kannapolis series

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of Recreational programs offered ( <i>breakdown below</i> )		
# of Adult programs	10	12
# of Family programs	34	36
# of Senior programs	8	10
# of West Avenue programs	14	16

**PARKS AND RECREATION**

# of Youth and Teen programs	12	14
# of Athletic Programs	35	40
# by Flag Football participants	264	300
# by Basketball participants	712	750
# by Soccer participants	810	830
# by Baseball participants	192	200
# by Softball participants	81	100
# by Tball participants	117	150
# of Special events	19	20
# of concerts presented by the City ( <i>overall</i> )	20	22
# of concert attendees	60,500	65,000
<b>Efficiency Measures</b>		
Average cost per concert attendee	\$3.71	\$3.50
Volunteer hours in FTE's as a percent of paid FTE's ( <i>includes coaches</i> )	5,942	6,000
Total youth athletic participants per FTE	143.5	145.5
<b>Effectiveness Measures</b>		
Revenue as percent of total core costs ( <i>Program revenue versus expense</i> )	85%	85%
# of reservations/events made (Village Park)	575	600
# of reservations/events made (Bakers Creek Park)	289	300
# of reservations/events made in Shelter C (March - October)	130	150
# of reservations/events made (Jan - Dec)	936	950
# of reservations/events held (Jan - Dec) (internal & external)	300	350
# of hours utilized (Jan - Dec) (internal & external)	1,214	1,300
% of shelter reservations that meet or exceed expectations	95%	100%
% of customer satisfaction for senior trip participants	95%	100%
% of customer satisfaction for youth athletic participants	85%	100%

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$0
<b>Operating Expenses</b>	\$998,000
<b>Total Budget</b>	\$998,000

**Increases:**

- \$20,000 – increase in program supplies for youth athletics.
- \$20,000 – increase in summer event series.
- \$12,000 – increase in Kannapolis Christmas supplies.
- \$10,000 – increase in Gem Theatre program supplies.
- \$15,500 – increase in other various program supply budgets.

## Parks and Recreation - Programs 15060

**Items of Interest:**

- Program Supplies covers all downtown events (including Jiggy with the Piggy).
- Program Supplies-Sports covers Youth Athletics covers basketball, soccer, flag football, and baseball programs.

<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
46630	Program Supplies	401,500	417,000	15,500	3.86%
46635	Program Supplies-Other	159,000	179,000	20,000	12.58%
51441	Summer Event Series	320,000	340,000	20,000	6.25%
51442	Kannapolis Christmas	50,000	62,000	12,000	24.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 930,500</b>	<b>\$ 998,000</b>	<b>\$ 67,500</b>	<b>7.25%</b>
<b>TOTAL RECREATION PROGRAMS</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Operating Expenditures	930,500	998,000	67,500	7.25%
<b>Total for All Categories of Expenses</b>		<b>\$ 930,500</b>	<b>\$ 998,000</b>	<b>\$ 67,500</b>	<b>7.25%</b>

## Parks and Recreation - Stadium 15200

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$350,000
Total Budget	\$350,000

**Increases:**

- \$100,000 - capital investment to the Capital “X” funding for capital improvements made to the stadium over time.
- This was underbudgeted in the past. Should be a total City contribution annually of \$200,000.

**Reductions/Decreases:**

- None

**Items of Interest:**

- Team and City each cover ½ of electricity and gas costs
  - \$75,000 – electricity based on trends
  - \$5,000 – gas based on trends
- City pays for all Water and Sewer
  - \$50,000 – water and sewer based on trends
- \$20,000 – repair and maintenance: building and grounds
- \$200,000 – capital investment to the Capital “X” funding for capital improvements made to the stadium over time.

OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
44300	Repair & Maintenance: Buildings and Grounds	20,000	20,000	-	0.00%
45220	Electricity	75,000	75,000	-	0.00%
45230	Water and Sewer	50,000	50,000	-	0.00%
45540	Gas	5,000	5,000	-	0.00%
59400	Capital - Improvements	100,000	200,000	100,000	100.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 250,000</b>	<b>\$ 350,000</b>	<b>\$ 100,000</b>	<b>40.00%</b>
TOTAL STADIUM					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
	Operating Expenditures	150,000	150,000	-	0.00%
	Capital Expenditures	100,000	100,000	-	100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 250,000</b>	<b>\$ 350,000</b>	<b>\$ 100,000</b>	<b>40.00%</b>



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# WATER & SEWER FUND

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

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## Water & Sewer Revenue Summary

### Fiscal Year 2024

REVENUES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease	% Change
36000	Charges and Fees	20,000,000	21,001,437	1,001,437	5.01%
36600	Wholesale Water Sales	360,000	400,000	40,000	11.11%
36610	Tap Fees	1,175,000	800,000	(375,000)	-31.91%
36620	Connection Fees	1,250,000	1,500,000	250,000	20.00%
36640	Reconnection Fees	140,000	140,000	-	0.00%
36650	Penalties	400,000	400,000	-	0.00%
37000	Miscellaneous Revenue	15,000	15,000	-	0.00%
38000	Investment Income	30,000	30,000	-	0.00%
39900	Appropriated Fund Balance	-	-	-	0.00%
<b>Total Water and Sewer Fund</b>		<b>\$ 23,370,000</b>	<b>\$ 24,286,437</b>	<b>\$ 916,437</b>	<b>3.92%</b>

## Water & Sewer Expenditure Summary

### Fiscal Year 2024

EXPENSES				
Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease	% Change
Water & Sewer - Billing & Collections	1,306,070	1,556,054	249,984	19.14%
Water & Sewer - Distribution	5,248,474	6,299,389	1,050,915	20.02%
Water & Sewer - Water Treatment Plant	3,640,787	4,428,892	788,105	21.65%
Water & Sewer - WSACC	4,274,460	4,455,480	181,020	4.23%
General Management Services - Transfer to General Fund	1,922,482	1,823,413	(99,069)	-5.15%
Transfer to Other Funds	495,700	-	(495,700)	-100.00%
<b>Total Operating</b>	<b>\$ 16,887,973</b>	<b>\$ 18,563,228</b>	<b>\$ 1,675,255</b>	<b>9.92%</b>
<b>Total Debt Service</b>	<b>\$ 6,482,027</b>	<b>\$ 5,723,209</b>	<b>\$ (758,818)</b>	<b>-11.71%</b>
<b>Total Water and Sewer Fund Expenditures</b>	<b>\$ 23,370,000</b>	<b>\$ 24,286,437</b>	<b>\$ 916,437</b>	<b>3.92%</b>

# Water and Sewer – Billing and Collections 36000

## MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	740,188	958,320	933,320	1,076,854
Operating	288,852	347,750	376,884	479,200
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 1,029,040	\$ 1,306,070	\$ 1,310,204	\$ 1,556,054
<b>Revenues</b>				
Charges and Fees	25,583,831	23,325,000	23,325,000	24,241,437
Miscellaneous/Other	90,073	15,000	15,000	15,000
Investment Income	-	30,000	30,000	30,000
<b>Total Revenues</b>	\$ 25,673,904	\$ 23,370,000	\$ 23,370,000	\$ 24,286,437
<b>Staffing</b>				
FTE Positions	11	14	14	14

**Personnel includes:** Customer Service Director (1), Billing and Collections Supervisor (1), Customer Service Advocates (10), Revenue Collection Specialist (1), Utility Billing Specialist (2), (1) Communication Specialist

### Goals and Objectives:

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

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of calls received	55,447	56,000
# of calls answered	51,239	52,000

## WATER AND SEWER

# of calls requeued ( <i>transferred</i> )	2,062	1,800
# of complaints	52,627	0
# of disconnects	1,695	0
# of reconnects	3,911	0
# of cut-offs for non-payment	4,593	0
# of customers past 30 days due	4,820	0
# of bills per month	22,000	0
<b>Efficiency Measures</b>		
Calls answered per Customer Service advocate	0.20	0.20
% of calls handled on initial phone call by Customer Service advocate ( <i>reduced transfer calls</i> )	13%	15%
<b>Effectiveness Measures</b>		
Monthly collection rate	96%	100%
% of water bills not collected	5%	4%
% of wastewater bills not collected	7%	6%

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$1,076,854
<b>Operating Expenses</b>	\$479,200
<b>Total Budget</b>	\$1,556,054

### **Increases:**

- Standard personnel increase for 3% COLA, merit, benefit increases (health and retirement).
- \$57,000 - increase in postage costs due to an increase in customer base and PDF printing efforts of customer history.
- \$1,000 – increase in dues and subscriptions.
- \$40,000 – increase in contracted services due to increases in Datamax collection services contract.
- \$18,000 - increase in banking fees based on trends.
- \$13,000 – increase in mailing services based on projected increased costs.

### **Reductions**

- Slight decrease in 401k match opted by employee.

### **Items of Interest:**

- Banking fees includes Lockbox and e-box services.

WATER AND SEWER

## Water and Sewer – Billing and Collections 36000

PERSONNEL					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	711,270	745,692	34,422	4.84%
41200	Salaries - Overtime	6,000	6,000	-	0.00%
41300	Longevity Pay	3,650	9,200	5,550	152.05%
42000	FICA	43,896	49,438	5,542	12.63%
42100	Workers Compensation Insurance	-	15,120	15,120	100.00%
42200	State Retirement	71,023	85,566	14,543	20.48%
42210	401k	5,383	5,376	(7)	-0.13%
42300	Medical Insurance	111,720	154,560	42,840	38.35%
42400	Life Insurance	1,202	1,202	-	0.00%
42500	Dental Insurance	4,176	4,700	524	12.55%
<b>Sub-Total For Personnel</b>		<b>\$ 958,320</b>	<b>\$ 1,076,854</b>	<b>\$ 118,534</b>	<b>12.37%</b>
OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	5,000	5,000	-	0.00%
43300	Postage	103,000	160,000	57,000	55.34%
44100	Repair & Maintenance: Office Equipment	1,000	1,000	-	0.00%
45250	Telephone	750	3,200	2,450	326.67%
46100	Office Supplies	5,000	5,000	-	0.00%
46200	Small Equipment and Tools	10,000	10,000	-	0.00%
46300	Dues and Subscriptions	1,000	2,000	1,000	100.00%
47100	Uniforms	3,000	3,000	-	0.00%
48000	Contracted Services	20,000	60,000	40,000	200.00%
48430	Banking Fees	147,000	165,000	18,000	12.24%
48440	Mailing Services	42,000	55,000	13,000	30.95%
51100	Travel and Training	10,000	10,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 347,750</b>	<b>\$ 479,200</b>	<b>\$ 131,450</b>	<b>37.80%</b>
TOTAL BILLING AND COLLECTIONS					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	958,320	1,076,854	118,534	12.37%
	Operating Expenditures	347,750	479,200	131,450	37.80%
<b>Total for All Categories of Expenses</b>		<b>\$ 1,306,070</b>	<b>\$ 1,556,054</b>	<b>\$ 249,984</b>	<b>19.14%</b>

## Water and Sewer – Distribution 36100

### MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	2,115,706	2,807,566	2,231,566	3,339,096
Operating	1,688,076	1,710,908	2,906,255	2,117,293
Capital	-	730,000	730,000	843,000
<b>Total Expenditures</b>	<b>\$ 3,803,782</b>	<b>\$ 5,248,474</b>	<b>\$ 5,867,821</b>	<b>\$ 6,299,389</b>
<b>Revenues</b>				
Charges and Fees	25,583,831	23,325,000	23,325,000	24,241,437
Miscellaneous/Other	90,073	15,000	15,000	15,000
Investment Income	-	30,000	30,000	30,000
<b>Total Revenues</b>	<b>\$ 25,673,904</b>	<b>\$ 23,370,000</b>	<b>\$ 23,370,000</b>	<b>\$ 24,286,437</b>
<b>Staffing</b>				
FTE Positions	39	42	42	43

**Personnel includes:** (8) Construction Maintenance Technicians, (16) CMW II, (5) Crew Chiefs, (3) Crew Supervisors, (2) Equipment Operators, (1) Heavy Equipment Operator, (2) Locators, (3) Meter Technicians, (1) Operations Manager, (1) Senior Administrative Support Specialist and (1) Warehouse Assistant and **proposed is (1) additional Meter Technician.**

### Goals and Objectives:

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 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of miles of main line pipe per square mile of service area	147.24	150.00
# of new water services installed (Cityworks)	62	70
# of service lines repaired (Cityworks)	482	500
# of water leak repairs (Cityworks)	502	550
# of gallons produced	1,384	1,500
# of gallons purchased	274.80	300.00
<b>Efficiency Measures</b>		
Total cost per 1,000 gallons of billed water (Northstar)	\$25.47	\$24.00
Million gallons of billed water per water service FTE	453,017,100	500,000,000
<b>Effectiveness Measures</b>		
Peak daily demand as a percentage of treatment capacity	40%	42%
% of taps installed (time meter is purchased to install) Target date of 90 days	92%	100%
Breaks and leaks per mile of main line pipe	2.40	2.50
Customer Complaints about water quality per 1,000 meters	3.46	3.00

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$3,339,096
<b>Operating Expenses</b>	\$2,117,293
<b>Capital Expenses</b>	\$843,000
<b>Total Budget</b>	\$6,299,389

### Increases:

- \$150,000 – increase in repair and maintenance for lift stations (moved from 36200 budget)
  - This is a standard yearly rate to make the necessary Lift Station upfits.
  - Several pump stations are beyond the expected 25-year life cycle and will need some forms of maintenance replacements. This is requested as a yearly amount and would prioritize based on need.
- \$150,000 – increase in contracted services for twelve manhole lids to be relined on Irish Buffalo Creek Line
- \$50,000 – increase in contracted services for root control on the system.
  - This contracted service is important to maintain older parts of the sewer system that are subject to root intrusion and growth.
- Standard personnel increase for 3% COLA, merit, benefit increases and the new position.
- Standard contractual and utility increases in other line items.

### Capital: \$843,000 total (breakdown below):

- \$475,000- replacement of W42- mileage: 125,860 and 2005; 2005 Chevrolet Suburban with CCTV camera system.
  - This is the CCTV main line camera vehicle and system.



## WATER AND SEWER

- \$165,000 – replacement of W-41 flat bed construction truck; mileage 80,186 and is a 2003
- \$165,000 - replacement of W10 mileage= 89,881 and is a 2007. 2007 Chevrolet C4500.
  - This is the Maintenance division Crew Truck.
- \$38,000 - replacement of W70 mileage= 266,497 and is a 2005.W70 – 2005 Chevrolet Colorado truck.
  - This is a Water Meter maintenance vehicle.

WATER AND SEWER

## Water and Sewer – Distribution 36100

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	1,988,303	2,197,017	208,714	10.50%
41200	Salaries - Overtime	153,000	153,000	-	0.00%
41300	Longevity Pay	681	28,400	27,719	4070.34%
42000	FICA	114,844	144,413	29,569	25.75%
42100	Workers Compensation Insurance	-	47,520	47,520	100.00%
42200	State Retirement	186,780	238,675	51,895	27.78%
42210	401k	22,023	26,159	4,136	18.78%
42300	Medical Insurance	326,567	485,760	159,193	48.75%
42400	Life Insurance	3,188	3,188	-	0.00%
42500	Dental Insurance	12,180	14,964	2,784	22.86%
<b>Sub-Total For Personnel</b>		<b>\$ 2,807,566</b>	<b>\$ 3,339,096</b>	<b>\$ 531,530</b>	<b>18.93%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43100	Printing	3,000	3,000	-	0.00%
43300	Postage	1,800	1,800	-	0.00%
44200	Repair & Maintenance: Vehicles	97,000	97,000	-	0.00%
44300	Repair & Maintenance: Buildings and Grounds	1,800	1,800	-	0.00%
44400	Repair & Maintenance: Equipment	66,500	66,500	-	0.00%
44600	Repair & Maintenance: Lift Station	127,000	277,000	150,000	118.11%
44900	Repair & Maintenance: Streets	10,000	10,000	-	0.00%
45220	Electricity	53,000	58,300	5,300	10.00%
45230	Water and Sewer	5,750	5,750	-	0.00%
45249	Gas Utilities	2,000	2,090	90	4.50%
45250	Telephone	46,000	49,220	3,220	7.00%
45410	Equipment Rental	7,000	7,000	-	0.00%
45610	Motor Fuel	58,500	67,275	8,775	15.00%
46100	Office Supplies	4,000	12,000	8,000	200.00%
46200	Small Equipment and Tools	10,000	10,000	-	0.00%
46300	Dues and Subscriptions	5,000	36,000	31,000	620.00%
46850	Materials for W&S Services	600,458	600,458	-	0.00%
47100	Uniforms	40,000	40,000	-	0.00%
48000	Contracted Services	515,000	715,000	200,000	38.83%
51100	Travel and Training	57,100	57,100	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 1,710,908</b>	<b>\$ 2,117,293</b>	<b>\$ 406,385</b>	<b>23.75%</b>
<b>TOTAL DISTRIBUTION</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	2,807,566	3,339,096	531,530	18.93%
	Operating Expenditures	1,710,908	2,117,293	406,385	23.75%
	Capital - Machinery and Equipment	730,000	843,000	113,000	100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 5,248,474</b>	<b>\$ 6,299,389</b>	<b>\$ 1,050,915</b>	<b>20.02%</b>

# Water and Sewer – Water Treatment Plant 36200

## MISSION STATEMENT:

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

## Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	1,085,285	1,133,596	1,183,596	1,539,741
Operating	2,186,418	2,507,191	2,552,191	2,649,151
Capital	-	-	-	240,000
<b>Total Expenditures</b>	<b>\$ 3,271,703</b>	<b>\$ 3,640,787</b>	<b>\$ 3,735,787</b>	<b>\$ 4,428,892</b>
<b>Revenues</b>				
Charges and Fees	25,583,831	23,325,000	23,325,000	24,241,437
Miscellaneous/Other	90,073	15,000	15,000	15,000
Investment Income	-	30,000	30,000	30,000
<b>Total Revenues</b>	<b>\$ 25,673,904</b>	<b>\$ 23,370,000</b>	<b>\$ 23,370,000</b>	<b>\$ 24,286,437</b>
<b>Staffing</b>				
FTE Positions	14	14	14	18

**Personnel includes:** (1) Crew Supervisor, (1) Director of Water Resources, (1) Water Quality Technician, (1) WTP Maintenance Worker I, (1) WTP Maintenance Worker, (1) WTP Manager, (1) WTP Supervisor, (5) WTP Operator I, (2) WTP Operator II and **proposed (3) Lead Service Line Inventory Workers and (1) Lab Analyst**

## Goals and Objectives:

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

## WATER AND SEWER

2. Continue to meet DDBP and Corrosion Control requirements and make necessary improvements to ensure compliance.
3. Continue funding for redundancy study implementation and system reliability improvements to meet demands of population growth.

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of wastewater gallons treated	1,592	1,600
# of miles of sewer main pipe per square mile of service	132.24	135.00
# of lift stations per 1,000 accounts (14 lift stations, 20,000 accounts)	16.96	18.00
# of new sewer services installed	56	60
# of sewer laterals repaired or replaced (Cityworks)	49	52
# of sewer mains jet-washed in feet (Cityworks)	116,753	118,000
<b>Efficiency Measures</b>		
Customer accounts per wastewater services FTE	897.49	900.00
<b>Effectiveness Measures</b>		
% of taps installed (time meter is purchased to meter is installed) *90 day goal	1.87	1.90
% of City's average daily flow as % of capacity	52.40	55.00
% of main line rehabbed or replaced	20%	30%
Overflows per 100 miles of main line pipe (Cityworks)	10	5
Backups per 100 miles of main line pipe (Cityworks)	202.37	100

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

Expense Summary	
<b>Personnel Expenses</b>	\$1,539,741
<b>Operating Expenses</b>	\$2,649,151
<b>Capital Expenses</b>	\$240,000
<b>Total Budget</b>	\$4,428,892

### Increases:

- Personnel increases related to the addition of 4 positions (3 for Lead Service Line Inventory) and (1) Lab Analyst.
- \$100,000 – increase in chemical order based on inflation.
- \$25,000 – increase in contracted services for lead and copper rule revision.

### Reductions:

- \$150,000 – repair and maintenance to lift stations (this moved to distribution budget 36100)

### Capital:

- \$250,000 – increase in capital outlay for \$135,000/truck, \$80,000/mini excavator and \$25,000/trailer for the Lead Service Line Inventory unit. Increase to Bulk Water is contractual.

## WATER AND SEWER

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	808,772	1,015,365	206,593	25.54%
41100	Salaries - Part Time	-	20,000	20,000	100.00%
41200	Salaries - Overtime	45,000	45,000	-	0.00%
41300	Longevity Pay	1,937	13,000	11,063	571.14%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	51,230	79,509	28,279	55.20%
41200	Workers Compensation Insurance	-	19,440	19,440	100.00%
42200	State Retirement	85,769	114,012	28,243	32.93%
42210	401k	17,445	21,315	3,870	22.18%
42300	Medical Insurance	111,107	198,720	87,613	78.85%
42400	Life Insurance	1,464	1,464	-	0.00%
42500	Dental Insurance	4,872	5,916	1,044	21.43%
<b>Sub-Total For Personnel</b>		<b>\$ 1,133,596</b>	<b>\$ 1,539,741</b>	<b>\$ 406,145</b>	<b>35.83%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
43200	Advertising	500	500	-	0.00%
43300	Postage	300	300	-	0.00%
44200	Repair & Maintenance: Vehicles	4,500	5,350	850	18.89%
44400	Repair & Maintenance: Equipment	128,500	128,500	-	0.00%
44600	Repair & Maintenance: Lift Station	206,000	56,000	(150,000)	-72.82%
44700	Repair & Maintenance: Water Tank	101,100	102,900	1,800	1.78%
45220	Electricity	300,000	300,000	-	0.00%
45240	Gas Utilities	1,000	1,045	45	4.50%
45250	Telephone	19,500	20,865	1,365	7.00%
45610	Motor Fuel	6,000	6,900	900	15.00%
46100	Office Supplies	3,000	9,000	6,000	200.00%
46200	Small Equipment and Tools	2,500	8,500	6,000	240.00%
46300	Dues and Subscriptions	12,000	12,000	-	0.00%
46820	Cleaning Supplies	100	100	-	0.00%
46830	Chemicals	365,000	465,000	100,000	27.40%
46840	Raw Water Purchases	49,000	49,000	-	0.00%
47100	Uniforms	12,000	12,000	-	0.00%
48000	Contracted Services	239,691	389,691	150,000	62.58%
48000-LCRR	Contracted Services - Lead/Copper Rule Revision	-	25,000	25,000	100.00%
48220	Contract - Grounds Maintenance	46,000	46,000	-	0.00%
48240	Bulk Water Purchases	1,000,000	1,000,000	-	0.00%
51100	Travel and Training	10,500	10,500	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 2,507,191</b>	<b>\$ 2,649,151</b>	<b>\$ 141,960</b>	<b>5.66%</b>
<b>TOTAL WATER TREATMENT PLANT</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	1,133,596	1,539,741	406,145	35.83%
	Operating Expenditures	2,507,191	2,649,151	141,960	5.66%
	Capital Expenditures	-	240,000	240,000	100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 3,640,787</b>	<b>\$ 4,428,892</b>	<b>\$ 788,105</b>	<b>21.65%</b>

## Water and Sewer – Sewage Treatment 36400

### MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	-	-	-	-
Operating	3,478,271	4,274,460	4,549,460	4,455,480
Capital	-	-	-	-
<b>Total Expenditures</b>	\$ 3,478,271	\$ 4,274,460	\$ 4,549,460	\$ 4,455,480
<b>Revenues</b>				
Charges and Fees	-	-	-	-
Miscellaneous/Other	-	-	-	-
Investment Income	-	-	-	-
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Staffing</b>				
FTE Positions	-	-	-	-

No Personnel included in this Division.

### Goals and Objectives:

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

Expense Summary	
<b>Personnel Expenses</b>	\$0
<b>Operating Expenses</b>	\$4,455,480
<b>Total Budget</b>	\$4,455,480

## Water and Sewer – Sewage Treatment 36400

**Increases:**

- \$189,150 – increase in sewage treatment/interceptor variable costs per WSACC.
- \$33,460 – increase in interceptor fixed rate costs.

**Reductions:**

- \$41,590 – decrease in treatment fixed rate costs.

**Capital:**

- None

**Items of Interest:**

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

OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
49020	Sewage Treatment Variable	2,380,380	2,569,530	189,150	7.95%
49030	Treatment Fixed Rate	1,337,202	1,295,612	(41,590)	-3.11%
49050	Interceptor Fixed Rate	460,838	494,298	33,460	7.26%
49060	Capital Assessments	31,040	31,040	-	0.00%
49070	Concord Northlite Sewer	65,000	65,000	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 4,274,460</b>	<b>\$ 4,455,480</b>	<b>\$ 181,020</b>	<b>4.23%</b>
TOTAL SEWAGE TREATMENT (WSACC)					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 4,274,460	\$ 4,455,480	\$ 181,020	4.23%
<b>Total for All Categories of Expenses</b>		<b>\$ 4,274,460</b>	<b>\$ 4,455,480</b>	<b>\$ 181,020</b>	<b>4.23%</b>

\*Substantial increases are accounted for in FY 25 as WSACC enters the next phase of expansion efforts in sewage treatment. This is accounted for on the City’s long range financial forecast (estimated around ~1 million impact to Kannapolis).

## Water and Sewer – Debt Service 38000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
58100	Bond Principal	4,387,194	4,371,699	(15,495)	-0.35%
58200	Bond Interest	2,094,833	1,351,510	(743,323)	-35.48%
58300	Debt Issuance Cost	-	-	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 6,482,027</b>	<b>\$ 5,723,209</b>	<b>\$ (758,818)</b>	<b>-11.71%</b>
TOTAL WATER AND SEWER DEBT SERVICE					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/Decrease (\$)	% Change
	Debt Service Expenditures	6,482,027	5,723,209	(758,818)	-11.71%
<b>Total for All Categories of Expenses</b>		<b>\$ 6,482,027</b>	<b>\$ 5,723,209</b>	<b>\$ (758,818)</b>	<b>-11.71%</b>

Revenue Bonds	Principal	Interest	Maturity Date
Kannapolis Crossing/Lane St/WTP Improvements	2,644,000	454,244	02/01/2042
Downtown Water and Sewer	1,340,000	723,281	04/01/2038
Davidson Road Water	296,000	162,463	04/01/2041
<b>Other</b>			
Equipment	76,528	8,136	06/10/2026
Second Creek	15,171	3,386	05/01/2032
<b>Total</b>	<b>\$4,371,699</b>	<b>\$1,351,510</b>	

No new debt service is proposed currently for FY 24



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

OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
56000	General Management Services	1,922,482	1,823,413	(99,069)	-5.15%
57200	Transfer to Other Funds	-	-	-	0.00%
57400	Transfer to Env Fund	495,700	-	(495,700)	-100.00%
<b>Sub-Total for Transfers</b>		<b>\$ 2,418,182</b>	<b>\$ 1,823,413</b>	<b>\$ (594,769)</b>	<b>-24.60%</b>
TOTAL GENERAL MANAGEMENT SERVICES WATER AND SEWER					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
	Transfers	2,418,182	1,823,413	(594,769)	-24.60%
<b>Total for All Categories of Expenses</b>		<b>\$ 2,418,182</b>	<b>\$ 1,823,413</b>	<b>\$ (594,769)</b>	<b>-24.60%</b>

**Items of Interest:**

- Water and Sewer General Management Services Fee: \$1,823,413 (was \$1,922,482 in FY 23)
- Decrease attributed to updated audited figures used in calculation. Major decrease is due to adequately budgeting health insurance and workers compensation insurance in the enterprise funds initially as opposed to in Non-Departmental in the General Fund as in the past.
  - Transfer to Environmental fund is no longer present. The Environmental Fund is fully subsidized by the General Fund to stay in compliance with the bond covenants related to the debt service parity ratio in the Water and Sewer Fund.

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# STORMWATER FUND

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

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# Stormwater Fund 40000

MISSION STATEMENT:

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

**Budget and Staffing Summary:**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	977,972	1,203,061	1,201,061	1,431,652
Operating	1,956,097	2,088,645	2,090,645	1,892,348
Capital	-	-	-	206,000
<b>Total Expenditures</b>	<b>\$ 2,934,069</b>	<b>\$ 3,291,706</b>	<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>
<b>Revenues</b>				
Charges and Fees	3,142,857	3,291,706	3,291,706	3,530,000
Miscellaneous/Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ 3,142,857</b>	<b>\$ 3,291,706</b>	<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>
<b>Staffing</b>				
FTE Positions	15	17	17	17

**Personnel includes:** (1) Director of Environmental/Transportation Services, (1) Stormwater Operations Manager, Crew Chief (2), Equipment Operator (2), (1) Planner/Scheduler, Construction Maintenance Worker II (6) and Construction Maintenance Technician (4).

**Goals and Objectives:**

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

## Stormwater Fund 40000

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
# of miles of shoulder work and ditches cleared	7	8
# of drainage structures ( <i>repaired and constructed</i> )	43	50
# of culvert maintenance performed in-house	18	20
Linear feet of drainage culvert hydraulically cleaned	6,494	7,000
# of outreach events held	2	4
<b>Efficiency Measures</b>		
# of stormwater complaints resolved within 90 days	452	400
# of flooded structure complaints	5	0
# of sinkhole complaints	26	0
<b>Effectiveness Measures</b>		
Customer complaints about inadequate storm drainage per 10,000 population	90.13	85.00
Valid customer complaints within public right of way per 10,000 population	74.89	70.00

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$1,431,652
<b>Operating Expenses</b>	\$1,332,869
<b>Debt Service</b>	\$559,479
<b>Capital Machinery</b>	\$206,000
<b>Total Budget</b>	\$3,530,000

**Increases:**

- Standard personnel increase for 3% COLA, merit, benefit increases (health and retirement).
- \$25,000 increase in contracted services for asset management capital lifecycle model.
- Standard contractual and utility increases.

**Capital:**

- \$206,000 – machinery and equipment
  - \$26,000 trailer for skid steer (Task specific trailer designed for the skid steer, will be a safer hauling).
  - \$180,000 for mini excavator (small hydraulic excavator to allow a backhoe to be returned to the Streets and Transportation Dept).
  - Addition to fleet, Current equipment is aging out, has increase downtime.

## Stormwater Fund 40000

### Items of Interest:

- No new debt service for FY 24.
- Contracted services include culvert replacement jobs, concrete replacement jobs and the ditching program.
- General Management Services fee increased to \$463,882 (was \$427,220) based on updated audit figures used in the employee allocation.

## Stormwater Revenue Summary Fiscal Year 2024

REVENUES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease	% Change
36000	Charges and Fees	3,291,706	3,500,000	208,294	6.33%
38000	Investment Income	-	30,000	30,000	100.00%
39900	Fund Balance Appropriation	-	-	-	0.00%
<b>Total Stormwater Fund</b>		<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>	<b>\$ 238,294</b>	<b>7.24%</b>

## Stormwater Expenditure Summary Fiscal Year 2024

EXPENSES				
Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease	% Change
Personnel	1,203,061	1,431,652	228,591	19.00%
Operations	930,420	868,987	(61,433)	-6.60%
Debt Service	731,005	559,479	(171,526)	-23.46%
Capital Outlay	-	206,000	206,000	100.00%
General Management Services	427,220	463,882	36,662	8.58%
<b>Total Stormwater Fund</b>				
	<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>	<b>\$ 238,294</b>	<b>7.24%</b>

STORMWATER FUND

# Stormwater 40000

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	871,061	981,675	110,614	12.70%
41200	Salaries - Overtime	19,195	19,195	-	0.00%
41300	Longevity Pay	712	17,600	16,888	2371.91%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	57,143	66,218	9,075	15.88%
42100	Workers Compensation Insurance	-	18,360	18,360	100.00%
42200	State Retirement	92,155	114,229	22,074	23.95%
42210	401k	13,647	13,207	(440)	-3.22%
42300	Medical Insurance	135,660	187,680	52,020	38.35%
42400	Life Insurance	1,572	1,572	-	0.00%
42500	Dental Insurance	5,916	5,916	-	0.00%
<b>Sub-Total For Personnel</b>		<b>\$ 1,203,061</b>	<b>\$ 1,431,652</b>	<b>\$ 228,591</b>	<b>19.00%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
43300	Postage	100	100	-	0.00%
44200	Repair & Maintenance: Vehicles	80,000	80,000	-	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	8,667	567	7.00%
45410	Equipment Rental	13,000	13,000	-	0.00%
45610	Motor Fuel	36,000	44,000	8,000	22.22%
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	10,400	10,400	-	0.00%
48000	Contracted Services	277,820	277,820	-	0.00%
48300	Consultants	150,000	175,000	25,000	16.67%
51100	Travel and Training	19,500	19,500	-	0.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 835,420</b>	<b>\$ 868,987</b>	<b>\$ 33,567</b>	<b>4.02%</b>
<b>TOTAL STORMWATER</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	1,203,061	1,431,652	228,591	19.00%
	Operating Expenditures	835,420	868,987	33,567	4.02%
	Capital	95,000	206,000	111,000	116.84%
	Transfers	427,220	463,882	36,662	8.58%
	Debt Service	731,005	559,479	(171,526)	-23.46%
<b>Total for All Categories of Expenses</b>		<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>	<b>\$ 238,294</b>	<b>7.24%</b>

STORMWATER FUND

## Stormwater Debt Service 48000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	523,295	367,562	(155,733)	-29.76%
58200	Bond Interest	207,710	191,917	(15,793)	-7.60%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 731,005</b>	<b>\$ 559,479</b>	<b>\$ (171,526)</b>	<b>-23.46%</b>
TOTAL STORMWATER					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	731,005	559,479	(171,526)	-23.46%
<b>Total for All Categories of Expenses</b>		<b>\$ 731,005</b>	<b>\$ 559,479</b>	<b>\$ (171,526)</b>	<b>-23.46%</b>

Installment Obligations	Principal	Interest	Maturity Date
Equipment	17,562	1,867	06/10/2026
Stormwater various projects	350,000	190,050	04/01/2038
<b>Total</b>	<b>\$367,562</b>	<b>\$191,917</b>	

\*No new debt service for FY 24.

## Stormwater General Management Services Fee and Transfers 49000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
56000	General Management Services Fee	427,220	463,882	36,662	8.58%
57400	Transfer to Env Fund	-	-	-	0.00%
<b>Sub-Total for Transfers</b>		<b>\$ 427,220</b>	<b>\$ 463,882</b>	<b>\$ 36,662</b>	<b>8.58%</b>
TOTAL STORMWATER GENERAL MANAGEMENT SERVICES FEE					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
	Transfers	427,220	463,882	36,662	8.58%
<b>Total for All Categories of Expenses</b>		<b>\$ 427,220</b>	<b>\$ 463,882</b>	<b>\$ 36,662</b>	<b>8.58%</b>

### Items of Interest:

- General Management Services fee increased to \$463,882 (was \$427,220) based on updated audit figures used in the employee allocation.

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# ENVIRONMENTAL FUND

City Council approved a new recycling program in March 2011, which started on July 1, 2011. The fund consists of monies collected from the monthly user fee that all residents must pay, and revenue collected from the Sonoco Facility for material deposited at their facility. To ensure the success of the Recycling Program, staff will undertake an evaluation of the program and implement seminars directed at education and outreach on the recycling program. For FY2013, the Recycling Fund was renamed the Environmental Fund. Solid waste services such as residential refuse collection and yard waste collection were relocated from the General Fund and accounted for here. For FY 2022, a \$2.50 fee increase was implemented. The \$2.50 fee increase a month generates an additional \$563,400 in revenue based on 18,780 customers. There is no fee increase slated in the Environmental Fund for FY 24. There will most likely need to be another fee increase to get this fund to be self-sustaining.

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## Environmental Fund 50000

### MISSION STATEMENT:

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

### Budget and Staffing Summary:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
<b>Expenditures</b>				
Personnel	340,217	450,262	520,262	838,659
Operating	3,688,078	4,457,818	4,600,782	4,713,158
Capital	-	-	-	132,000
<b>Total Expenditures</b>	<b>\$ 4,028,295</b>	<b>\$ 4,908,080</b>	<b>\$ 5,121,044</b>	<b>\$ 5,683,817</b>
<b>Revenues</b>				
Charges and Fees	3,927,255	4,132,244	4,132,244	4,200,000
Miscellaneous/Other	102,504	158,594	158,594	160,000
Solid Waste Disposal Tax	36,917	36,000	36,000	36,000
Transfers from GF		85,542	85,542	1,147,817
Transfers from SW		-	-	-
Transfers from WS		495,700	495,700	-
<b>Total Revenues</b>	<b>\$ 4,186,654</b>	<b>\$ 4,908,080</b>	<b>\$ 4,908,080</b>	<b>\$ 5,683,817</b>
<b>Staffing</b>				
FTE Positions	7	7	10	11

**Personnel includes:** Yard Waste Crew Leader (1) and Yard Waste Technician (4) and (1) Operations Manager, (3) Waste Collection Operators for Rapid Response Unit and **proposed (1) Construction Maintenance Technician.**

### Goals and Objectives:

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.

## Environmental Fund 50000

Measurement	FY 23 Actual	FY 24 Target
<b>Workload Measures</b>		
Residential refuses tons per 1,000 population	290.63	300.00
Residential refuse collected per 1,000 collection points	829.87	850.00
Ton's recyclables collected per 1,000 population	12.14	15.00
Ton's recyclables collected per 1,000 collection points	19.15	22.00
Yard waste and leaf tons collected per 1,000 population	156.79	160.00
Yard Waste and leaf tons collected per 1,000 collection points	434.62	500.00
Yard waste tonnage collected	8,080	8,200
<b>Efficiency Measures</b>		
Residential refuse collection cost per ton collected	\$505.20	\$500.00
Residential refuse collection cost per collection point	\$75.00	\$70.00
Recycling Services cost per ton collected	\$1,296	\$1,200
Recycling services cost per collection point	\$25.20	\$2500
Yard waste and leaf collection cost per collection point	\$36.15	\$36.00
Yard waste and leaf collection cost per ton collected	\$1,183.25	\$1,150.00
<b>Effectiveness Measures</b>		
Complaints per 1,000 collection points for residential refuse	249.33	0
Valid complaints per 1,000 collection points for residential refuse	249.33	0
Tons recycled as percentage of tons refuse and recyclables collected	170.63	175.00
Valid complaints per 1,000 collection points for recyclables	180.63	0
Collection complaints per 1,000 collection points for recyclables	18.87	18.87
Valid complaints per 1,000 collection points for yard waste and leaf collection	18.87	0
Collection complaints per 1,000 collection points for recyclables for yard waste and leaf collection	70.28	70.28

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

<b>Expense Summary</b>	
<b>Personnel Expenses</b>	\$838,659
<b>Operating Expenses</b>	\$4,713,158
<b>Capital Machinery</b>	\$132,000
<b>Total Budget</b>	\$5,683,817

### Increases:

- Personnel increase for (1) Construction Maintenance Technician
  - 3 new crew members were added in February to serve as the Rapid Response Unit to supplement Waste Management efforts.

## Environmental Fund 50000

- The Rapid Response Unit resulted in \$135,000 for half a year's costs and included (3) waste collection operators and 2 pieces of equipment (one rear loader and one side loader).
- \$20,000 increase in contracted services to increase rate of contractor pay from \$15 to \$17. The vendor is having trouble providing workers for the City due higher rates paid by other entities.
  - Contract will consist of 2 employees for 10 weeks.
- \$35,000 – increase in contracted services in maintaining schedule with Keller Mining trash truck service to supplement during peak times and holidays.
- \$20,000 – increase in repair and maintenance of equipment
- \$342,776 – increase in solid waste contract (includes a 5.84% CPI increase per WM and addition of new house count estimated at 393 houses ~\$46,000).
- \$32,000 increase in yard waste costs.
- \$10,000 increase in travel and training due to additional staff and increase in CDL training.

### Reductions/Decreases:

- No reductions included in the FY 24 budget.

### Capital:

- \$132,000 for the replacement of a current cart truck and a mid size truck for the Operations Manager position.

### Items of Interest:

- Solid Waste increase is due CPI increase with Waste Management contract and recycling expenses.
- 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.
- Continued funding of \$300,000 – MURPH for recycling efforts.
- Continued funding of \$665,300 landfill costs.

## Environmental Fund Revenue Summary

### Fiscal Year 2024

REVENUE SUMMARY					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease	% Change
32200	Solid Waste Disposal Tax	36,000	36,000	-	0.00%
36000	Charges and Fees	4,132,244	4,200,000	67,756	1.64%
36670	Commercial Revenue	-	120,000	120,000	100.00%
37000	Miscellaneous Revenue	158,594	160,000	1,406	0.89%
38000	Investment Income	-	20,000	20,000	100.00%
39200	Transfers from General Fund	85,542	1,147,817	1,062,275	1241.82%
39210	Transfers from Water & Sewer Fund	495,700	-	(495,700)	-100.00%
<b>Total Environmental Fund</b>		<b>\$ 4,908,080</b>	<b>\$ 5,683,817</b>	<b>\$ 775,737</b>	<b>15.81%</b>

## Environmental Fund Expenditure Summary

### Fiscal Year 2024

EXPENSE SUMMARY				
Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease	% Change
Personnel	450,262	838,659	388,397	86.26%
Operations	4,225,782	4,713,158	487,376	11.53%
Capital Outlay	-	132,000	132,000	100.00%
Debt Service	232,036	-	(232,036)	-100.00%
<b>Total Environmental Fund</b>	<b>\$ 4,908,080</b>	<b>\$ 5,683,817</b>	<b>\$ 775,737</b>	<b>15.81%</b>

ENVIRONMENTAL FUND

## Environmental Fund 50000

<b>PERSONNEL</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
41000	Salaries - Regular	324,177	570,365	246,188	75.94%
41200	Salaries - Overtime	15,000	22,500	7,500	50.00%
41300	Longevity Pay	1,161	5,461	4,300	370.37%
42000	FICA	20,827	39,285	18,458	88.63%
42100	Workers Compensation Insurance	-	10,800	10,800	100.00%
42200	State Retirement	33,965	70,996	37,031	109.03%
42210	401k	4,584	5,140	556	12.13%
42300	Medical Insurance	47,880	110,400	62,520	130.58%
42400	Life Insurance	580	580	-	0.00%
42500	Dental Insurance	2,088	3,132	1,044	50.00%
<b>Sub-Total For Personnel</b>		<b>\$ 450,262</b>	<b>\$ 838,659</b>	<b>\$ 388,397</b>	<b>86.26%</b>
<b>OPERATING EXPENDITURES</b>					
<b>Account #</b>	<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
44200	Repair & Maintenance: Vehicles	130,000	130,000	-	0.00%
44400	Repair & Maintenance: Equipment	15,000	35,000	20,000	133.33%
44900	Repair & Maintenance: Streets	10,000	10,000	-	0.00%
45250	Telephone	5,000	7,000	2,000	40.00%
45410	Equipment Rental	10,000	10,000	-	0.00%
45670	Motor Fuel	48,000	65,000	17,000	35.42%
46100	Office Supplies	2,250	2,250	-	0.00%
46200	Small Equipment and Tools	5,000	5,000	-	0.00%
46630	Program Supplies	7,700	7,700	-	0.00%
46860	Container Purchases	156,500	156,500	-	0.00%
47100	Uniforms	5,000	10,000	5,000	100.00%
48000	Contracted Services	125,000	180,000	55,000	44.00%
48910	Solid Waste	2,823,360	3,166,136	342,776	12.14%
48920	Bulk Containers	90,672	90,672	-	0.00%
48930	Landfill	665,300	665,300	-	0.00%
48950	Yard Waste - Tipping Fees	125,000	157,000	32,000	25.60%
51100	Travel and Training	2,000	15,600	13,600	680.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 4,225,782</b>	<b>\$ 4,713,158</b>	<b>\$ 487,376</b>	<b>11.53%</b>
<b>TOTAL ENVIRONMENTAL</b>					
	<b>Expense Category</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	Personnel Expenditures	450,262	838,659	388,397	86.26%
	Operating Expenditures	4,225,782	4,713,158	487,376	11.53%
	Capital	-	132,000	132,000	100.00%
	Debt Service	232,036	-	(232,036)	-100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 4,908,080</b>	<b>\$ 5,683,817</b>	<b>\$ 775,737</b>	<b>15.81%</b>

## Environmental Debt Service 58000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	218,398	-	(218,398)	-100.00%
58200	Bond Interest	13,638	-	(13,638)	-100.00%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 232,036</b>	<b>\$ -</b>	<b>\$ (232,036)</b>	<b>-100.00%</b>
TOTAL ENVIRONMENTAL DEBT SERVICE					
	Expense Category	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	232,036	-	(232,036)	-100.00%
<b>Total for All Categories of Expenses</b>		<b>\$ 232,036</b>	<b>\$ -</b>	<b>\$ (232,036)</b>	<b>-100.00%</b>

No new debt service for FY 24

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# SEPARATION PAY FUND

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

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## Separation Pay Fund 60000

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$496,912
<b>Total Budget</b>	<b>\$496,912</b>

**Budget:**

- \$461,600- Separation Pay
- \$35,312 - FICA

**Capital:**

- None

**Items of Interest:**

- Six employees will receive final supplements in FY 23.
- Two new employees will roll on to start receiving this benefit for FY 24.
- Twenty-eight former employees currently receive separation pay benefits for FY 24.



## Separation Pay Revenue Summary Fiscal Year 2024

<b>REVENUES</b>				
Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
Transfer from General Fund	506,407	496,912	(9,495)	-1.87 %
<b>Total Separation Pay Revenues</b>	<b>\$ 506,407</b>	<b>\$ 496,912</b>	<b>\$ (9,495)</b>	<b>-1.87%</b>

## Separation Pay Expenditure Summary Fiscal Year 2024

<b>EXPENSES</b>				
Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease (\$)	% Change
Separation Pay	470,420	461,600	(8,820)	-1.87%
FICA	35,987	35,312	(675)	-1.87%
<b>Total Separation Pay Expenses</b>	<b>\$ 506,407</b>	<b>\$ 496,912</b>	<b>\$ (9,495)</b>	<b>-1.87%</b>

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# TRANSIT FUND

The Transit Fund was established by the City to set aside funds for payments for the City's share of expenses related to the new Concord-Kannapolis Local Public Transportation System. The proposed FY 2024 Transit System Fund Budget is \$1,223,031. This is the twenty second year this fund has existed. The past two years, the Transit Fund has received money from the CARES act related to public transit during Covid. This funding is no longer available to help offset operations. To offset the increase in transit operations, a transfer from the General Fund is needed to supplement in conjunction with the vehicle license fee. City Council has adopted a formal inter-local agreement with the City of Concord to establish a jointly supported Urban Area Transit System for our two cities. The largest part of this entire initiative would be funded by the State and Federal governments.

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## Transit Fund 77500

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$1,081,835
Capital Expenses	\$141,196
<b>Total Budget</b>	<b>\$1,223,031</b>

### Reductions/Decreases:

- \$121,400 decrease in operations due to reductions in the 5307 fixed route service maintenance contract.
- \$399,140 reduction in capital costs for vehicle replacement and the 5339b bus grant purchase that occurred in FY 23 that won't occur in FY 24.

### Capital:

- \$141,196 in capital for the following:
  - \$99,697 for Kannapolis' portion of the capital cost of the fixed route contract with Transdev at 65/35 split.
  - \$5,913 for Kannapolis' portion of the capital cost of the paratransit contract with Transdev at 65/36 split.
  - \$35,586 for Kannapolis' portion of the capital costs related to bus enhancements, security, safety, bus and bus facilities, and facility maintenance efforts (50/50 split).

### Items of Interest:

- 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.
- Kannapolis pays its portion of the following:
  - Contract related to the fixed route (bus) service.
  - Passenger enhancements per FTA 5307 funds - 1% must be spent on passenger enhancements.
  - Safety enhancements- per FTA 5307 funds - at least .75% spent on safety.
  - Security enhancements- per FTA 5307 funds - at least 1% spent on security.
  - Contract related to ADA Paratransit program ridership.

## Transit Fund Revenue Summary Fiscal Year 2024

<b>REVENUES</b>				
<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
Vehicle License Tax	900,000	900,000	-	0.00%
Transfer from General Fund	303,235	323,031	19,796	6.53%
Appropriated Fund Balance	540,336	-	(540,336)	-100.00%
<b>Total Transit Fund Revenues</b>	<b>\$ 1,743,571</b>	<b>\$ 1,223,031</b>	<b>\$ (520,540)</b>	<b>-29.85%</b>

## Transit Fund Expenditure Summary Fiscal Year 2024

<b>EXPENSES</b>				
<b>Account Description</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Adopted</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
Contracted Services	1,203,235	1,081,835	(121,400)	-10.09%
Transfer to the General Fund	-	-	-	0.00%
Capital- Machinery and Equipment	540,336	141,196	(399,140)	100.00%
<b>Total Transit Fund Expenses</b>	<b>\$ 1,743,571</b>	<b>\$ 1,223,031</b>	<b>\$ (520,540)</b>	<b>-29.85%</b>

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# INSURANCE AND RISK FUND

The Insurance and Risk Fund was established by the City in FY 24 to better track revenues and expenses tied to the City's self-insured health insurance and workers compensation policies. In the past, this funding ran through a payable account and the Enterprise Funds were not paying their adequate share of health and workers compensation costs. This fund accounts for all health-related costs associated with active and retired employees on the plan as well as active employees covered by the City's workers compensation policy.

To make sure this fund is solvent as an internal service fund, the City increased the employer contribution per employee from \$10,090 to \$11,040. This covers the City's portion to offset projected claims and includes the \$2,110 HSA contribution provided to each employee. Revenue estimates were based off 436 full time positions budgeted at \$11,040/position. This includes the 14 new proposed positions in the FY 24 budget. The remainder makes up dependent premiums based on current estimates provided by USI; the City's broker. Workers' compensation premiums are budgeted an equivalent way based on 436 full time positions budgeted at \$1,080/position.

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## Insurance and Risk Fund 90000

Expense Summary	
<b>Personnel Expenses</b>	\$0
<b>Operating Expenses</b>	\$6,046,480
<b>Capital Expenses</b>	\$0
<b>Total Budget</b>	\$6,046,480

### Increases:

- \$800,000 in retiree insurance (claims)
- \$959,200 - HSA and HRA benefit (estimated at 436 employees at \$2,200)
  - Increased the cost slightly to work in a buffer and also to account for vacancies in positions.
- \$38,250 for retiree HSA/HRA benefits
- \$10,000- contracted Services for OPEB reporting
- \$240,000 – Health clinic costs to Synergy
- \$167,424 -estimated administrative costs for BCBS to administer the plan
  - Based on \$32/person at 436 employees at 12 months
- \$3,360,726 – estimated health claims based on trends forecasted from USI (broker)
- \$255,000 – workers compensation insurance
- \$18,000 – admin fees for Gallagher to administer plan
- \$197,880 – estimated workers compensation claims based on trends forecasted from Gallagher.

### Revenue highlights:

- \$5,391,600 - Health insurance premiums come from the 436 full time positions budgeted at \$11,040/position.
  - This includes the 14 new proposed positions in the FY 24 budget.
  - The remainder makes up dependent premiums based on current estimates from the City’s broker; USI (estimated ~\$578,160).
- \$184,000 - Retiree health insurance premiums
- \$470,880- Workers’ compensation premiums. Budgeted a similar way based on 436 full time positions budgeted at \$1,080/position. Fund composition described below:
  - General Fund: \$359,640
  - Water and Sewer Fund: \$82,080
  - Stormwater Fund: \$18,360
  - Environmental Fund: \$10,800

### Capital:

- None

## Insurance and Risk Revenue Summary Fiscal Year 2024

REVENUE SUMMARY					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease	% Change
37250	Health Insurance Premiums	-	5,391,600	5,391,600	100.00%
37251	Workers Compensation Premiums	-	470,880	470,880	100.00%
42330	Retiree Premiums	-	184,000	184,000	100.00%
<b>Total Insurance and Risk Fund</b>		<b>\$ -</b>	<b>\$ 6,046,480</b>	<b>\$ 6,046,480</b>	<b>100.00%</b>

## Insurance and Risk Expenditure Summary Fiscal Year 2024

EXPENDITURE SUMMARY					
Account #	Account Description	FY 2023 Adopted	FY 2024 Adopted	Actual Increase/ Decrease	% Change
42330	Retiree Insurance	-	800,000	800,000	100.00%
42340	HSA and HRA Benefit	-	959,200	959,200	100.00%
42341	HSA and HRA Retirees	-	38,250	38,250	100.00%
48000	Contracted Services	-	10,000	10,000	100.00%
51446	Health Clinic	-	240,000	240,000	100.00%
51640	Insurance Claims	-	3,360,726	3,360,726	100.00%
51641	Workers Compensation Claims	-	197,880	197,880	100.00%
51910	Administration Fees - Health	-	167,424	167,424	100.00%
51911	Workers Compensation Admin Fees	-	18,000	18,000	100.00%
42100	Workers Compensation Insurance	-	255,000	255,000	100.00%
<b>Total Insurance and Risk Fund</b>		<b>\$ -</b>	<b>\$ 6,046,480</b>	<b>\$ 6,046,480</b>	<b>100.00%</b>

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# CAPITAL IMPROVEMENT PLAN

The City of Kannapolis implemented a new financial forecast and new financial policies in FY 2012. A part of the new plan was a 10 year Capital Improvement Plan. Also, a number of goal and individual policies were put into place to better guide the City on how to achieve the long term goals of Council. The City updated the CIP for the General Fund, Water and Sewer and Stormwater Funds, as a result of the downtown purchase in the fall of 2015. A staggered schedule of every 2 weeks will take place to maintain the forecasts relevance to the current needs of the citizenry. Updates were completed in FY 2017 and during the budget preparation process in FY 2019. City Council is undergoing “Imagine Kannapolis” Strategic Plan that is set to be finalized in January 2024.

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## CAPITAL IMPROVEMENT PLAN

### City of Kannapolis Capital Improvement Plan

A capital project is defined using the following criteria:

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

Since the City is currently undergoing the Imagine Kannapolis Strategic Plan, a Capital Improvement Plan has not yet been adopted for FY 24. The timeline is to have a recommended Financial plan which will include an updated Capital Improvement Program, Staffing and Operational Plan.

One significant component of the FY 24 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 later fiscal years due to revaluations in both Counties.

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

<b>One Time Restricted Revenues</b>		
<b>New One-Time Revenue</b>	<b>Received Amount</b>	<b>Potential Revenues</b>
Gateway Business Park Lot 3 Sale (HUD eligible activities)	\$1,492,935	
Gateway Business Park Lot 2 Sale (HUD eligible activities)		\$377,528
HOME/ARP Funding (HUD eligible activities)	\$766,001	
Safe Streets Grant (Transportation/Traffic Plan)	\$160,000	
Federal Earmark (Fire storage building construction)	\$345,000	
<b>Total One-Time Restricted Revenues FY 24-29</b>	<b>\$2,763,936</b>	<b>\$377,528</b>

<b>Likely One-Time Additions to Fund Balance FY 24-29</b>	
<b>New One-Time Revenue</b>	<b>Projected Amount</b>
Kannapolis Crossing - Rowan County payment #2	\$500,000
Swanee Theatre Sale - Developer payment #1	\$100,000
Kannapolis Crossing - Developer payment #3	\$500,000
Swanee Theatre Sale - Developer payment #2	\$467,000
8th Street Landfill Sale - USPC Repayment #2	\$755,862
Swanee Theatre Upfit Reimbursement	\$950,000
<b>Total</b>	<b>\$3,272,862</b>

## CAPITAL IMPROVEMENT PLAN

<b>Potential Future Additions to Fund Balance</b>	
<b>New One-Time Revenue</b>	<b>Projected Amount</b>
College Station Outparcels	\$320,000
Plant 4 – 14.66 acres @ \$500,000/acre	\$7,330,000
Block 6 West Avenue	\$3,450,830
<b>Total</b>	<b>\$11,180,830</b>

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 24 budget year to implement its priority projects and initiatives (as well as some operating capital requests by department heads).
- The budget amendments will be based on specific budget estimates (in most cases, firm quotes).
- Proceeding with implementing incremental budget amendments allows staff and City Council to monitor both the operating budget but more importantly, the one-time revenue cash flow.
- Since so much of this plan is based on land proceeds it is prudent to not budget the expenditure until the revenue is confirmed.

Below is a list of projects identified to be funded with cash reserves for FY 24:

<b>General Fund: Proposed Expansion Funding (Imagine Kannapolis Strategic Plan Watch List)</b>			
<b>Responsible Department(s)</b>	<b>Preliminary Cost Estimate</b>	<b>Project/Initiative Description</b>	<b>Funding Options</b>
Fire/General Services	\$1,550,000	Fire Training Tower and Storage Facility (\$345,000 Federal Grant to be added to project budget)	One-Time Cash (Possibly Debt if paired with FS 1&4+ 2 <sup>nd</sup> Floor City Hall renovations)
Fire/General Services	\$2,800,000	Fire Station #1 and #4 Renovations (interior and exterior work, bay floor and parking lot)	One-time cash (or debt paired with City Hall 2 <sup>nd</sup> Floor)
City Manager/ Engineering	\$700,000	Downtown Parking Management Plan Phase 1 (S. Main St. lot construction and N. Main St. lot upgrades)	One-time cash (or debt with land as collateral)
City Manager	\$60,000	NCRC Planning Support (Organization, Real Estate and Economic Development Strategy)	One-Time Cash
City Manager/ Parks & Recreation	\$50,000	NC Music Hall of Fame Growth Plan	One-Time Cash

**CAPITAL IMPROVEMENT PLAN**

<b>General Fund: Proposed Expansion Funding (Imagine Kannapolis Strategic Plan Watch List)</b>			
<b>Responsible Department(s)</b>	<b>Preliminary Cost Estimate</b>	<b>Project/Initiative Description</b>	<b>Funding Options</b>
City Manager	\$20,000	Promotion of Motorsports Assets	Recurring (operating)
City Manager/ Transportation	\$1,200,000	I-85 Monument Signage Phase 1 (I-85 Exits 58, 60, 63)	One-time cash
General Services	\$750,000	City Hall 2nd Floor Upfit Project	One-time cash (or debt paired with FS 1&4 renovations)
Parks & Recreation	\$400,000	Downtown Dog Park (construction)	One-time cash (or debt with land as collateral or paired with larger project)
Parks & Recreation	\$50,000	Downtown Dog Park (operations)	Recurring (operating)
Parks & Recreation	\$180,000	Cultural Arts and Historic Preservation Work Program (Grass Roots movement, historical milestones and markers, interactive digital map, transfer historic markers, transfer historic assets to the City, historic/cultural advisory board, reprint history book, walking tour, oral and written history)	One-time cash
Parks & Recreation	\$100,000	Cultural Arts Program Coordination (consultant services – may evolve into a full time coordinator position)	Recurring (operating)
Parks & Recreation	\$30,000	Local part-time Professional Symphony Orchestra Exploratory Program	One-time cash
Parks & Recreation	\$1,200,000	Gem Theatre Renovations - Phase 3. (grant pending which may pay for most).	One-time cash
Parks & Recreation	\$1,290,500	Existing Park Facility Upgrades - Phase 1	One-time cash
Planning	\$50,000	Open Space and Tree Preservation Plan	One-time cash
Transportation	\$1,340,000	Little Texas Road Sidewalk (local match)	One-time cash
<b>Total</b>	<b>\$11,776,000</b>		

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# DEBT SERVICE AND FUND BALANCE

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## DEBT SERVICE AND FUND BALANCE

Debt Service is mandated by General Statute 159-36, 159-25 (a) (5). The debt service cost center is maintained to track the annual principal and interest requirements of General Obligation Bonds (GO), Certificates of Participation (COPS)/Limited Obligation Bonds (LOBS), Revenue Bonds, Notes Payable and Lease and Installment Financing Agreements. The following tables outline the debt service budgeted for FY 24. There is no new debt service proposed across all funds.

### General Fund Debt Service:

LOBS	Principal	Interest	Maturity Date
Fire Stations 2 and 3	555,000	330,503	04/01/2038
City Hall/Police Headquarters	1,365,000	607,306	04/01/2034
NCRC Projects	2,466,000	186,226	03/01/2027
Irish Buffalo Creek	92,000	24,509	04/01/2035
College Station/ Duct Bank/Street Scape	395,000	214,485	04/01/2038
Stadium	2,600,000	1,826,890	10/01/2039
Parking Deck at VIDA	735,000	264,262	04/01/2041
Other			
Equipment	42,154	4,481	06/10/2026
Village Park/Fire Truck	446,000	156,294	04/01/2037
Downtown Purchase	733,000	262,231	08/01/2030
Motorola Lease Payment	677,750		
<b>Total</b>	<b>\$10,106,904</b>	<b>\$3,877,187</b>	

### Water and Sewer Fund Debt Service:

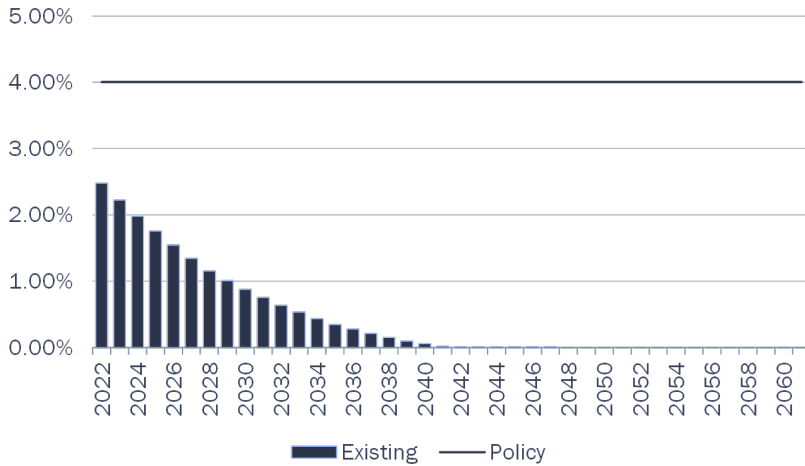
Revenue Bonds	Principal	Interest	Maturity Date
Kannapolis Crossing/Lane St/WTP Improvements	2,644,000	454,244	02/01/2042
Downtown Water and Sewer	1,340,000	723,281	04/01/2038
Davidson Road Water	296,000	162,463	04/01/2041
Other			
Equipment	76,528	8,136	06/10/2026
Second Creek	15,171	3,386	05/01/2032
<b>Total</b>	<b>\$4,371,699</b>	<b>\$1,351,510</b>	

### Stormwater Fund Debt Service:

Installment Obligations	Principal	Interest	Maturity Date
Equipment	17,562	1,867	06/10/2026
Stormwater various projects	350,000	190,050	04/01/2038
<b>Total</b>	<b>\$367,562</b>	<b>\$191,917</b>	

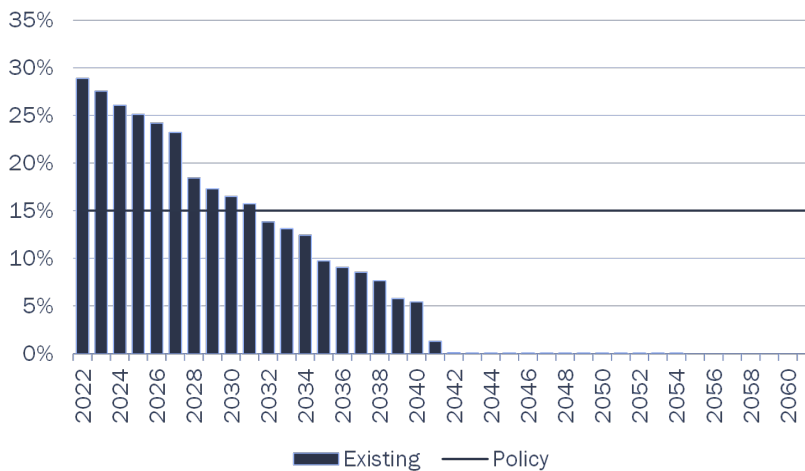
## DEBT SERVICE AND FUND BALANCE

### Key Debt Ratio: Debt to Assessed Valuation



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

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



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

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.

The City's Bond Ratings are as follows:

Water and Sewer Revenue Bonds: (S&P) A+

Limited Obligation Bonds: (Moody's) A1, (S&P) A+

Issuer Credit Rating: (Moody's) Aa3, (S&P) AA-

See the next page for the City’s legal debt margin calculation

## DEBT SERVICE AND FUND BALANCE

	Principal Balance	Principal Payment	Interest Payment	Total Payment
<b>General Fund</b>				
Existing Debt at June 30, 2023	115,351,993	10,106,904	3,877,187	13,984,091
New Proposed Debt for FY 24	-	-	-	-
<b>Total General Fund Debt</b>	<b>\$ 115,351,993</b>	<b>\$ 10,106,904</b>	<b>\$ 3,877,187</b>	<b>\$ 13,984,091</b>

The \$61,907,648 in the General Fund Debt is 1% of assessed value of property. The legal debt limit is 8.00%  
City Policy established a debt limit of 4.00%.

	Principal Balance	Principal Payment	Interest Payment	Total Payment
<b>Water and Sewer Fund</b>				
Existing Debt at June 30, 2023	58,062,402	4,371,699	1,351,510	5,723,209
New Proposed Debt for FY 24	-	-	-	-
<b>Total Water and Sewer Fund Debt</b>	<b>\$ 58,062,402</b>	<b>\$ 4,371,699</b>	<b>\$ 1,351,510</b>	<b>\$ 5,723,209</b>

	Principal Balance	Principal Payment	Interest Payment	Total Payment
<b>Stormwater Fund</b>				
Existing Debt at June 30, 2023	5,510,387	367,562	191,917	559,479
New Proposed Debt for FY 24	-	-	-	-
<b>Total Stormwater Debt</b>	<b>\$ 5,510,387</b>	<b>\$ 367,562</b>	<b>\$ 191,917</b>	<b>\$ 559,479</b>

	Principal Balance	Principal Payment	Interest Payment	Total Payment
<b>Total Debt</b>				
Existing Debt at June 30, 2022	178,924,782	14,846,165	5,420,614	20,266,779
New Proposed Debt for FY 24	-	-	-	-
<b>Total City Debt for FY 24</b>	<b>\$ 178,924,782</b>	<b>\$ 14,846,165</b>	<b>\$ 5,420,614</b>	<b>\$ 20,266,779</b>

**Assessed Value** \$6,190,764,848 Taxable Property for Ad Valorem Tax located in the City.

**Legal Debt Limit** \$495,261,188 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** \$ 115,351,993 Note: the City's revenue bonds (Water and Sewer, Stormwater, and Environmental) are excluded from this calculation.

**City Legal Debt Margin** \$379,909,195

**Source:** LTD 2023 and Future Debt Payments FY 24

## DEBT SERVICE AND FUND BALANCE

Fund balance is generally defined as the difference between a fund’s assets and liabilities. Adequate fund balance is necessary for numerous reasons, such as the availability of funds in an emergency or unprecedented event, to maintain or enhance the City’s financial position and bond rating, to provide cash for operations prior to receipt of property tax revenues, and to maximize investment earnings. Not all fund balance is available for appropriation. State statutes define the available amount as “cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts” in Chapter 159-8 of the North Carolina General Statutes. Fund balance may be reserved for specific uses, such as special revenue funds, where fund balance may only be used for a designated purpose.

<b>Unrestricted Cash Reserves and Fund Balance</b>				
<b>Fund</b>	<b>Minimum Target %</b>	<b>Projected Total Reserves, June 30, 2023</b>	<b>Available for Appropriation in FY 24</b>	<b>Amount needed to reach Target %</b>
General	25%	\$43,137,352	\$18,912,482	Above Target
Water and Sewer	25%	\$18,118,708	\$5,313,618	Above Target
Stormwater	25%	\$1,964,839	\$1,082,339	Above Target
Environmental	10%	\$1,375,324	\$361,942	Above Target
Transit	NA	\$812,606	\$812,606	NA
<b>Totals</b>		<b>\$65,408,829</b>	<b>\$26,482,987</b>	

**Cash Reserves/Fund Balance Notes:**

- \$900,000 of the General Fund cash reserves estimate has been removed and set aside to establish a fund balance for the new Insurance and Risk Fund. These funds will be transferred to the new fund after the FY 24 Budget is adopted.
- The General Fund cash reserves estimate is also the net of many of the expenditures that were included in the FY 23 Budget “Watch List” that have already been appropriated by City Council.
- \$145,000 of the General Fund cash reserves estimate has been removed as this was used to fund the Solid Waste Rapid Response Unit in FY 23.

	General Fund	Water and Sewer Fund	Stormwater Fund	Environmental Fund	Seperation Pay	Transit Fund	Insurance and Risk Fund	Total All Funds
Actual Balance June 30, 2022	45,280,049	14,385,134	2,126,726	1,174,895	-	1,017,340	-	63,984,144
Projected Revenues FY 2023	65,543,734	27,563,387	3,263,811	4,756,596	-	1,148,372	-	102,275,900
Projected Expenditures FY 2023	67,686,431	23,829,813	3,425,698	4,556,167	-	812,770	-	100,310,879
Projected Balance June 30, 2023	43,137,352	18,118,708	1,964,839	1,375,324	-	1,352,942	-	65,949,165
Budgeted Revenues FY 2024	70,371,279	24,286,437	3,530,000	5,683,817	496,912	1,223,031	6,046,480	111,637,956
Budgeted Expenditures FY 2024	70,371,279	24,286,437	3,530,000	5,683,817	496,912	1,223,031	6,046,480	105,591,476
Projected Balance June 30, 2024	43,137,352	18,118,708	1,964,839	1,375,324	-	1,352,942	-	65,949,165

Note: For the Water and Sewer Fund, bond coverage does not have any effect of the Fund Balance calculation because it is not actually a cash outlay.



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# LONG RANGE FINANCIAL PLAN

The City of Kannapolis implemented a new financial forecast and new financial policies in FY 2012 and has maintained a long-range financial plan ever since. The long-range financial plan has spanned from 10 years to 6 years and is updated annually through the budget process. The Financial Forecasting plan enables the City to project future revenues and expenditures for years ahead to analyze the impact of rate adjustments over a period. This fiscal year, the City of Kannapolis imposed no rate adjustment for property taxes. The property tax rate remains unchanged at \$0.63 per \$100 assessed valuation. There was a full cost recovery tap fee increase worked into the Water and Sewer budget.

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Revenue Summary	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
General Fund Balance over target percentage (25%)	\$ 4,462,385	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Projected additions to fund balance from land sales	\$ 6,226,667	\$ 755,862	\$ 3,755,358	\$ 7,630,000	\$ -	\$ -	\$ -
Federal Funding (ARPA/Earmarks, CDBG, HUD, etc.)	\$ 9,352,893	\$ 2,234,001	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal One-Time Cash Revenues</b>	<b>\$ 20,041,945</b>	<b>\$ 3,989,863</b>	<b>\$ 4,755,358</b>	<b>\$ 8,630,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>
Budget Capacity (matches corresponding 6 year plan)	\$ -	\$ -	\$ 4,526,920	\$ 4,111,810	\$ 4,331,068	\$ 5,513,377	\$ 8,109,408
Reduction in Waste Management Contract	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Affordable Housing Subsidy Program (HUD Program Funds)	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Midway Recreation Facility Fees	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
Parking Revenues	\$ -	\$ 100,000	\$ 105,000	\$ 110,250	\$ 115,763	\$ 121,551	\$ 127,628
PARTF Funding	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000
<b>Subtotal Recurring Revenues</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ 8,281,920</b>	<b>\$ 7,372,060</b>	<b>\$ 7,646,830</b>	<b>\$ 8,834,927</b>	<b>\$ 11,937,036</b>

Expense Summary	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
<b>Subtotal Cash Projects</b>	<b>\$ -</b>	<b>\$ 19,284,600</b>	<b>\$ 5,321,000</b>	<b>\$ 4,100,000</b>	<b>\$ 34,000</b>	<b>\$ -</b>	<b>\$ 834,000</b>
<b>Subtotal Operating Projects (includes debt service)</b>	<b>\$ -</b>	<b>\$ 538,500</b>	<b>\$ 6,310,449</b>	<b>\$ 8,565,967</b>	<b>\$ 10,255,374</b>	<b>\$ 12,155,958</b>	<b>\$ 14,573,677</b>
<b>GRAND TOTAL (ALL PROJECTS)</b>	<b>\$ -</b>	<b>\$ 19,823,100</b>	<b>\$ 11,631,449</b>	<b>\$ 12,665,967</b>	<b>\$ 10,289,374</b>	<b>\$ 12,155,958</b>	<b>\$ 15,407,677</b>

**Projected surplus at the end of the six year mark** **\$ 2,616,415**

Expenses: Projects and Initiatives - Cash Funded	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
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<b>Housing and Homelessness</b>							
Contribution to CCM	\$ -	\$ 2,500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -
<b>Public Safety Facilities and Services</b>							
Auxiliary Officer Program (equipment needs)	\$ -	\$ -	\$ 34,000	\$ -	\$ 34,000	\$ -	\$ 34,000
Community Response Teams (capital needs)	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Fire Training Tower and Storage Facility (Federal Grant)	\$ -	\$ 1,550,000	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Station #1 and #4 Renovations (Interior+exterior work, bay floor and parking lot)	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Downtown Revitalization</b>							
Downtown Parking Management Plan Phase 1 (S. Main St. lot construction and N. Main St. lot upgrades) Gravel lot behind First Pres	\$ -	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -
Downtown Dog Park	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -
Downtown Parking Management Plan Phase 2 (Trolley/Tram Program capital)	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -
Downtown Parking Management Plan Phase 3 (Paid Parking Program capital)	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -
Downtown Organization One-Time Costs	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>NCRC Sustainability</b>							
NCRC Real Estate Strategy	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
NCRC Economic Development Plan	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
NCRC Organizational Structure for NCRC	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Historic Preservation</b>							
Combined Efforts (includes Grass Roots movement, historical milestones and markers, interactive digital map, transfer historic markers, transfer historic assets to the City, historic/cultural advisory board, reprint history book, walking tour, oral and written history)	\$ -	\$ 180,000	\$ 140,000	\$ -	\$ -	\$ -	\$ -
<b>Tourism</b>							
NC Music Hall of Fame Growth Plan	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Public Art Master Plan	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Local part-time Professional Symphony Orchestra Exploratory Program	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Recreation Facilities and Services</b>							
Upgrade School Athletic Sites - Phase 1	\$ -	\$ -	\$ 1,750,000	\$ -	\$ -	\$ -	\$ -
Upgrade School Athletic Sites - Phase 2	\$ -	\$ -	\$ -	\$ 1,750,000	\$ -	\$ -	\$ -
Gem Theatre Renovations - phase 3 (enhancing patron experience)	\$ -	\$ 1,250,000	\$ -	\$ -	\$ -	\$ -	\$ -
Swanee Theatre Purchase	\$ -	\$ 1,695,000	\$ -	\$ -	\$ -	\$ -	\$ -
Upgrades to Park Facilities- Phase 1	\$ -	\$ 2,405,000	\$ -	\$ -	\$ -	\$ -	\$ -
Upgrades to Park Facilities- Phase 2	\$ -	\$ -	\$ -	\$ 2,250,000	\$ -	\$ -	\$ -
Limited YMCA Partnership and Renovation (one time capital contribution)	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Environmental Stewardship</b>							
I-85 Monument Signage Phase 1 (I-85 exits 58, 60, 63)	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ -
Kannapolis Parkway/ NC 3 Lighting and Landscape Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800,000
Open Space Preservation Plan	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transportation</b>							
Little Texas Road Sidewalk	\$ -	\$ 268,000	\$ 1,072,000	\$ -	\$ -	\$ -	\$ -
Bethpage Road Sidewalk Project (City's portion)	\$ -	\$ 496,600	\$ -	\$ -	\$ -	\$ -	\$ -
<b>City Hall 2nd Floor Upfit Project</b>							
City Hall 1st Floor Upfit Project	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ -
Western Cabarrus Communication Tower ~ \$2.1m	\$ -	\$ -	\$ 1,800,000	\$ -	\$ -	\$ -	\$ -
<b>Sub-Total Cash Projects</b>	<b>\$ -</b>	<b>\$ 19,284,600</b>	<b>\$ 5,321,000</b>	<b>\$ 4,100,000</b>	<b>\$ 34,000</b>	<b>\$ -</b>	<b>\$ 834,000</b>

Expenses: Projects and Initiatives - Operating Impact (Annually Recurring Costs)	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
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<b>Public Safety Facilities and Services</b>							
Auxiliary Officer Program (\$3k in recurring costs per officer x 7 officers)	\$ -	\$ 3,000	\$ 9,630	\$ 9,630	\$ 16,724	\$ 24,315	\$ 24,315

Community Response Teams (\$122k in recurring costs including 2 licensed clinical social worker positions)	\$	-	\$	-	\$	-	\$	122,000	\$	130,540	\$	139,678	\$	149,455
Establish and Adopt a Six Year Capital Outlay Plan	\$	-	\$	-	\$	-	\$	800,000	\$	800,000	\$	1,600,000	\$	1,600,000
<b>Downtown Revitalization</b>														
Downtown Dog Park Operations (\$50k in recurring costs)	\$	-	\$	-	\$	55,000	\$	60,500	\$	66,550	\$	73,205	\$	80,526
Downtown Parking Operational Costs (shuttle drivers)	\$	-	\$	30,000	\$	33,000	\$	36,300	\$	39,930	\$	43,923	\$	48,315
Downtown Parking Operational Costs (enforcement/kiosk related)	\$	-	\$	280,000	\$	308,000	\$	338,800	\$	372,680	\$	409,948	\$	450,943
Downtown Kannapolis Association (new Downtown Director position and expenses; assumes MSD tax covers 100% of costs = \$256,500) *plug of \$100,000 for recurring	\$	-	\$	100,000	\$	110,000	\$	121,000	\$	133,100	\$	146,410	\$	161,051
<b>Midway/North Kannapolis Revitalization</b>														
Midway Revitalization (debt service on set aside of \$5m + 200k recurring costs)	\$	-	\$	-	\$	-	\$	-	\$	700,000	\$	700,000	\$	700,000
<b>NCRC Sustainability</b>														
NCRC Pillowtex Glenn Avenue Property Acquisition (\$50k in recurring costs)	\$	-	\$	-	\$	-	\$	-	\$	50,000	\$	55,000	\$	60,775
<b>Historic Preservation</b>														
Cultural Arts Program (\$100k in recurring costs including a new Coordinator position)	\$	-	\$	100,000	\$	107,000	\$	114,490	\$	122,504	\$	131,080	\$	140,255
<b>Tourism</b>														
Downtown Kannapolis Ambassador - Pilot Program (\$2k in recurring costs)	\$	-	\$	-	\$	2,000	\$	2,200	\$	2,420	\$	2,662	\$	2,928
Promotion of Motorsports Assets (\$20k in recurring costs)	\$	-	\$	20,000	\$	20,000	\$	20,000	\$	20,000	\$	20,000	\$	20,000
<b>Recreation Facilities and Services</b>														
Eastside Park - Phase 1 (passive park) (debt service on \$4.9m and recurring costs \$400k)	\$	-	\$	-	\$	890,000	\$	930,000	\$	974,000	\$	1,022,400	\$	1,075,640
Irish Buffalo Creek Greenway - Phase 2 Greenway (debt service on \$1.9m and \$20k in recurring costs)	\$	-	\$	-	\$	-	\$	210,000	\$	231,000	\$	254,100	\$	279,510
Westside Park- Phase 1 (debt service on \$10m and \$500k in recurring costs)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,500,000
Upgrade School Athletic Sites - Phase 1 Operations (\$100k recurring costs)	\$	-	\$	-	\$	100,000	\$	110,000	\$	110,000	\$	110,000	\$	110,000
Upgrade School Athletic Sites - Phase 2 Operations (\$100k recurring costs)	\$	-	\$	-	\$	-	\$	100,000	\$	110,000	\$	110,000	\$	110,000
Gem Theatre Renovations - Phase 4 (debt service on \$1.8m)	\$	-	\$	-	\$	-	\$	-	\$	180,000	\$	180,000	\$	180,000
Swanee Operations	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Environmental Stewardship</b>														
Environmental Stewardship and Beautification Commission (\$10k in recurring costs)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	10,000	\$	11,000
Keep Cabarrus/Rowan Beautiful Organization (\$10k in recurring costs)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	10,000	\$	11,000
1-85 Monument Signage - Phase 1 (\$20k in recurring costs)	\$	-	\$	-	\$	22,000	\$	22,000	\$	22,000	\$	22,000	\$	22,000
Kannapolis Parkway/ NC 3 Lighting and Landscape Improvements (\$150k at full buildout in recurring costs)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	50,000
<b>Neighborhood Improvement</b>														
Neighborhood Improvement Program (\$125k recurring costs including a new Neighborhood Coordinator position)	\$	-	\$	-	\$	125,000	\$	133,750	\$	143,113	\$	153,130	\$	163,850
Affordable Housing Subsidy Program (\$150k recurring costs offset 100% by CDBG funds)	\$	-	\$	-	\$	150,000	\$	150,000	\$	150,000	\$	150,000	\$	150,000
Façade and Site Improvement Matching Grant Program (\$30k in recurring costs)	\$	-	\$	-	\$	30,000	\$	30,000	\$	30,000	\$	30,000	\$	30,000
<b>Government Facilities and Services</b>														
City Hall 2nd Floor Upfit Project (\$5k in recurring costs)	\$	-	\$	5,500	\$	6,050	\$	6,655	\$	7,321	\$	8,053	\$	8,858
City Hall 1st Floor Upfit Project (\$22k in recurring costs)	\$	-	\$	-	\$	22,000	\$	24,200	\$	26,620	\$	29,282	\$	32,210
Warehouse Improvement Project (debt service on \$2.5m + 20k in recurring costs)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	270,000	\$	272,000
Public Works Operation Center Improvements - Phase 1 (debt service on \$3.5m)	\$	-	\$	-	\$	-	\$	350,000	\$	350,000	\$	350,000	\$	350,000
Six Year Personnel Plan (\$1.23m Salary Adjustments - 2% for everybody and move ups to 110% of market; \$515k Longevity Pay; \$400,000 developmental range, \$333k in recurring costs for new growth related positions)	\$	-	\$	-	\$	761,333	\$	1,147,959	\$	1,561,649	\$	2,004,298	\$	2,477,932
Solid Waste Plan of Action (debt service on \$11.7m for trucks, fleet area, maintenance building and \$2.4m in recurring costs including 20 positions; offset by \$3m in current recurring costs)	\$	-	\$	-	\$	3,559,436	\$	3,726,483	\$	3,905,223	\$	4,096,475	\$	4,301,115
<b>Sub-total Operating Impact</b>	\$	-	\$	<b>538,500</b>	\$	<b>6,310,449</b>	\$	<b>8,565,967</b>	\$	<b>10,255,374</b>	\$	<b>12,155,958</b>	\$	<b>14,573,677</b>

## LONG RANGE FINANCIAL PLAN

### General Fund Revenue Assumptions:

- Rowan County Revaluation in FY 24 and FY 28 (1% additional growth)
- Cabarrus County Revaluation in FY 25 and FY 29 (9% additional growth)
- Sales Tax: 6% organic growth
- Powell Bill: Flat based on FY 23 actuals
- Franchise Tax: Flat based on FY 23 actuals
- Investment Income: increased to a million for FY 24 and kept flat
- Fire District Sales Tax: 8% growth rate
- Parks and Recreation Fees: 3% growth rate
- Planning- Permit and Fees: 2.5% growth rate
- Beer and Wine Tax: Flat
- ABC Funds: 5% growth rate
- All other revenues: Flat

### General Fund Expenditure Assumptions:

- 5% increase in personnel costs (doesn't include addition of new positions)
  - Merit, Developmental Range and Cost of Living Adjustment: 3% growth rate
- 5% increase in operational costs (normalized expenditure growth)
- Assumes transfer to Environmental Fund falls off in FY 25

The General Fund Five Year Plan below shows the operational capacity year over year based on organic growth in revenue streams and inflationary costs on personnel and operating expenditures.

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenues	\$70,371,279	\$70,444,737	\$73,749,552	\$76,507,292	\$77,549,448	\$81,226,689
Expenditures	\$70,371,279	\$74,971,658	\$77,861,363	\$80,838,360	\$83,062,824	\$89,336,097
Operational Capacity	\$ -	\$ 4,526,920	\$ 4,111,810	\$ 4,331,068	\$ 5,513,377	\$ 8,109,408

## LONG RANGE FINANCIAL PLAN

### Water and Sewer Revenue Assumptions:

- Budget capacity is based on conservative growth year over year in the operating budget.
- Charges and Fees: 5% organic growth in system
- Wholesale Water Sales: Flat
- Tap Fees includes tap fee increase of \$7,500 full cost recovery for all six years (reduced in FY 24 based on trends).
- Connection Fees: 1% growth rate based on sewer constraints
- All other revenues: Flat

### Water and Sewer Expense Assumptions:

- 5% increase in personnel costs (doesn't include addition of new positions)
  - Merit, Developmental Range and Cost of Living Adjustment: 3% growth rate
- 7% increase in operational costs (normalized expenditure growth)
- Assumes increase of 30% for Water Treatment Plant Expansion in FY 26
- Transfer to Environmental Fund falls off in FY 24
- Showing operational deficits in FY 26-FY 29 (will need to be addressed with increases in revenues or reduction in service levels).

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenues	\$24,286,437	\$25,359,509	\$26,485,314	\$27,666,481	\$28,905,767	\$30,206,070
Expenditures	\$24,286,437	\$24,443,443	\$27,234,633	\$28,362,104	\$29,798,103	\$31,325,491
Operational Capacity	\$ -	\$ 916,066	\$ (749,319)	\$ (695,624)	\$ (892,336)	\$ (1,119,421)

The Water and Sewer Fund Financial Plan below shows the operational capacity year over year based on organic growth in revenue streams and inflationary costs on personnel and operating expenditures.

The table below shows the list of capital projects for the Water and Sewer Fund.

Project	Priority	Total Project Cost	Fiscal Year
Downtown Sewer Outfall	Critical	\$3,100,000	TBD
Spillway Concrete Upgrade	Critical	\$4,300,000	TBD
Clearwell Rehab	Critical	\$1,100,000	TBD
HWY 136 Lift Station Abandonment	Opportunity	\$180,000	TBD
Kannapolis Crossing	Opportunity	\$13,400,000	TBD
Nathan Avenue Waterline Loop	Critical	\$260,000	TBD
DEB and Cannon Water and Sewer Replacement	Primary	\$538,000	TBD
Midlake Lift Station Improvements	Primary	\$450,000	TBD
Brantley Lift Station Improvements	Primary	\$275,000	TBD
Irish Creek Improvements	Opportunity	\$1,000,000	TBD
Charlie Walker Lift Station Abandonment	Secondary	\$2,500,000	Post FY 26
Royal Oaks Water & Sewer- Phase 1	Secondary	\$1,966,000	Post FY 26

**LONG RANGE FINANCIAL PLAN**

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
Forestbrook Lift Station Improvements	Secondary	TBD	Post FY 26
Ballpark Waterline and Lift Station Improvements	Secondary	\$900,000	Post FY 26
Lake Fisher (CW-6) Sewer Rehabilitation, Phase 1	Tertiary	\$3,183,000	Post FY 26
Lake Fisher (CW-6) Sewer Rehabilitation, Phase 2	Tertiary	\$2,067,000	Post FY 26
Sycamore Water & Sewer Replacement	Tertiary	\$4,572,000	Post FY 26
Chambers Branch (Summit Ridge) Replacement Sewer	Tertiary	\$2,497,000	Post FY 26
North Kannapolis Primary Water Loop - Phase 3	Tertiary	\$2,200,000	Post FY 26
Charlotte Water Interconnection	Tertiary	\$2,200,000	Post FY 26
20th Street Sewer Rehab	Tertiary	\$400,000	Post FY 26
East Side Tank	Tertiary	\$2,000,000	Post FY 26
Dichlorination Building	Tertiary	\$400,000	Post FY 26
Albemarle WTP Improvements	Secondary	TBD	Post FY 26
Dovefield Lane Water Extension	Tertiary	\$1,063,098	Post FY 26
Tranquility-Gathering Lane Sewer Extension	Tertiary	\$835,974	Post FY 26
Copper Creek Water and Sewer Extension	Tertiary	\$2,000,000	Post FY 26
Dogwood Sewer Extension	Tertiary	\$1,800,000	Post FY 26
Mountain Vine Water and Sewer Extension	Tertiary	\$4,900,000	Post FY 26
Esther Circle SSO Reduction Slip lining	Tertiary	Yearly slip lining Allocations	TBD
Rocky River WWTP Improvements	Secondary	TBD	TBD



## LONG RANGE FINANCIAL PLAN

### Stormwater Revenue Assumptions:

- Budget capacity is based on conservative growth year over year in the operating budget.
- Charges and Fees: 3% organic growth in system
- Included \$300,000 for revenue recovery audit that is undergoing (FY25-29)

### Stormwater Expense Assumptions:

- 5% increase in personnel costs (doesn't include addition of new positions)
  - Merit, Developmental Range and Cost of Living Adjustment: 3% growth rate
- 7% increase in operational costs (normalized expenditure growth)

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenues	\$3,530,000	\$3,905,000	\$4,013,150	\$4,124,545	\$4,239,281	\$4,357,459
Expenditures	\$3,530,000	\$ 3,453,038	\$3,803,592	\$3,940,404	\$4,105,368	\$4,281,109
Operational Capacity	\$ -	\$ 451,962	\$ 209,558	\$ 184,140	\$ 133,913	\$ 76,351

### Environmental Revenue Assumptions:

- Budget capacity is based on conservative growth year over year in the operating budget.
- Charges and Fees: 3% organic growth in system
- Assumes \$3.00 rate increase take effects in FY 24

### Environmental Expense Assumptions:

- 5% increase in personnel costs (doesn't include addition of new positions)
  - Merit, Developmental Range and Cost of Living Adjustment: 3% growth rate
- 7% increase in operational costs (normalized expenditure growth)
- Deficits in FY 25 on. Assumes no transfers to subsidize.
- Staff is looking at either bringing this service in-house or contracting out with another service provider.
- Most likely another fee increase will be needed in FY 25 to adjust operational deficits.

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenues	\$5,683,817	\$4,505,600	4,639,088	\$4,776,581	\$4,918,198	\$5,064,064
Expenditures	\$5,683,817	\$5,052,474	5,547,387	\$5,935,704	\$6,351,203	\$6,795,788
Operational Capacity	\$ -	\$ (546,874)	\$ (908,299)	\$(1,159,123)	\$(1,433,005)	\$(1,731,724)

# City of Kannapolis: Six Year Financial Plan

## GENERAL FUND - 09-11-2023

### Budgeted Revenues for:

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
		Rowan Reval	Cabarrus Reval			Rowan Reval	Cabarrus Reval
Property Taxes (4% average growth rate)	35,588,732	39,027,140	43,588,226	45,331,755	47,145,025	49,130,826	54,096,059
Revaluation component (Rowan additional 1% revaluation for FY 24 ; Cabarrus additional 9% revaluation), 6% for FY 28	-	-	-	-	-	-	-
Value add (January 1, 2021 compared to January 1, 2020 - add to VIDA coming online)	-	-	-	-	-	300,000	300,000
Sales Tax (6% growth for FY 24-27) based of FY 23 year end projections	13,626,161	16,440,102	17,426,508	18,472,099	19,580,425	20,755,250	22,000,565
Franchise Tax	2,698,000	2,805,308	3,049,099	3,049,099	3,049,099	3,049,099	3,049,099
Powell Bill (flat at FY 23 actuals)	1,572,822	1,583,146	1,583,146	1,583,146	1,583,146	1,583,146	1,583,146
Stadium Fees (CVB- \$500k first year, \$100k for 7 subsequent years, team lease- \$450k until FY 26 goes up to \$500k and then \$525k for FY 28 and 29)	550,000	550,000	550,000	600,000	600,000	625,000	625,000
Enterprise Management Fee (Based on FY 24 Fee calculation)	2,349,702	2,287,295	2,287,295	2,287,295	2,287,295	2,287,295	2,287,295
Investment Income (flat)	210,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Fire Districts Sales Tax (8%)	273,000	236,790	255,733	276,192	298,287	322,150	347,922
Vehicle License (1%) \$10 GF; \$20 Transit	397,390	420,000	424,200	428,442	432,726	437,054	441,424
TIF Contribution (Cabarrus County TIF contribution)	1,328,433	1,326,113	1,325,926	1,322,325	1,320,865	-	-
PD Charges and Fees (includes SRO Grant) 2% growth YOY	169,000	323,000	323,000	323,000	323,000	323,000	323,000
PD Officer Court Reimbursement (2% growth) based on projected FY 23 YE	20,000	20,000	20,000	20,000	20,000	20,000	20,000
PD_ICAC Grant	74,990	-	-	-	-	-	-
Parks and Rec Fees (based on FY 23 YE- 3% growth YOY)	450,000	500,000	515,000	530,450	546,364	562,754	579,637
Parks and Recreation Gem Revenues	735,545	600,000	600,000	600,000	600,000	600,000	600,000
Parks-Recreation Programs	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Parks-Donations	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Planning Permits and Fees (based off FY 23 year end projected 2.5% growth rate)	185,000	265,000	271,625	278,416	285,376	292,510	299,823
Beer and Wine Tax (*most received was \$206k dating back to 2017)	210,000	210,000	210,000	210,000	210,000	210,000	210,000
ABC Funds (5% growth rate)	102,296	138,000	144,900	152,145	159,752	167,740	176,127
College Station/Commercial Rent	401,630	475,000	475,000	475,000	475,000	475,000	475,000
Building Rental/Tower Rental (based on projected FY 23 YE)	174,000	295,000	295,000	295,000	295,000	295,000	295,000
Miscellaneous Revenue	310,000	310,000	310,000	310,000	310,000	310,000	310,000
Vehicle Rental Tax	25,000	25,000	25,000	25,000	25,000	25,000	25,000
False Alarm Fees	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Fire- Technical Services Fees	25,000	35,000	35,000	35,000	35,000	35,000	35,000
Fire- Rowan County Contributions	4,000	4,000	4,000	4,000	4,000	4,000	4,000
CDBG Administration Revenues	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Fund Balance Appropriated	753,458	1,242,385	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
<b>Sub-total Recurring Revenues</b>	<b>62,487,159</b>	<b>70,371,279</b>	<b>74,971,658</b>	<b>77,861,363</b>	<b>80,838,360</b>	<b>83,062,824</b>	<b>89,336,097</b>
	<b>10.57%</b>	<b>12.62%</b>	<b>6.54%</b>	<b>3.85%</b>	<b>3.82%</b>	<b>2.75%</b>	<b>7.55%</b>
<b>Total Revenues</b>	<b>62,487,159</b>	<b>70,371,279</b>	<b>74,971,658</b>	<b>77,861,363</b>	<b>80,838,360</b>	<b>83,062,824</b>	<b>89,336,097</b>
<b>Personnel Costs</b>	29,052,979	31,600,538	33,978,984	36,471,696	39,083,389	41,818,960	44,683,489
<i>Merit increase - (2.5% average)</i>	-	455,145	468,799	482,863	497,349	512,269	527,637
<i>Developmental Range- 5% (Using FY 23 estimate)</i>	-	227,868	234,704	241,745	248,997	256,467	264,161
<i>Cost of Living Adjustment - (5% for FY 23 and 3% for future years)</i>	-	705,754	726,927	748,734	771,196	794,332	818,162
<b>Sub- total Personnel Costs</b>	<b>29,052,979</b>	<b>32,989,305</b>	<b>35,409,413</b>	<b>37,945,038</b>	<b>40,600,932</b>	<b>43,382,029</b>	<b>46,293,450</b>
	<b>4.89%</b>	<b>13.55%</b>	<b>7.34%</b>	<b>7.16%</b>	<b>7.00%</b>	<b>6.85%</b>	<b>6.71%</b>
<b>Operational Costs</b>	-	-	-	-	-	-	-
Departmental Operations -10% inflation for FY 24- stabilize at 5% for future years?	16,464,979	19,553,035	20,530,687	21,826,021	22,917,322	24,063,188	25,266,348



Insurance (Property, General Liability, etc.)	954,852	-	-	-	-	-	-
Potential 911 Software (\$30k - one time costs)	130,000	-	-	-	-	-	-
Cannon Baller's Team Store/Office/Ticketing Lease (\$256,000 for 15 years) starting in FY 25?	-	-	256,000	-	-	-	-
Axon Agreement (5 years at \$323,000; ends in FY26)	323,406	-	-	-	-	-	-
<b>Sub- total Operating Costs</b>	<b>17,873,237</b>	<b>19,553,035</b>	<b>20,786,687</b>	<b>21,826,021</b>	<b>22,917,322</b>	<b>24,063,188</b>	<b>25,266,348</b>
	<b>35%</b>	<b>9%</b>	<b>6%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>
<b>Debt</b>							
Debt Service	14,282,916	13,306,341	13,047,857	12,777,712	12,466,007	9,581,200	9,143,860
Motorola Lease for Police and Fire Radio Replacement (\$2.4 m) ends in FY 26	677,750	677,750	677,750	677,750	-	-	-
<b>Sub- total Debt Service</b>	<b>14,960,666</b>	<b>13,984,091</b>	<b>13,725,607</b>	<b>13,455,462</b>	<b>12,466,007</b>	<b>9,581,200</b>	<b>9,143,860</b>
	<b>3%</b>	<b>-7%</b>	<b>-2%</b>	<b>-2%</b>	<b>-7%</b>	<b>-23%</b>	<b>-5%</b>
<b>Transfers</b>							
Transfer to Transit	303,235	323,031	323,031	323,031	323,031	323,031	323,031
Transfer to Environmental (not necessary if fee increase takes place in FY 24) assumes fee increase takes place (additional \$2.50) and reduce transfer	85,542	1,147,817	-	-	-	-	-
<b>Sub- total Transfers</b>	<b>388,777</b>	<b>1,470,848</b>	<b>323,031</b>	<b>323,031</b>	<b>323,031</b>	<b>323,031</b>	<b>323,031</b>
<b>Total Recurring Expenditures</b>	<b>62,275,659</b>	<b>67,997,279</b>	<b>70,244,737</b>	<b>73,549,552</b>	<b>76,307,292</b>	<b>77,349,448</b>	<b>81,026,689</b>
<b>Other</b>							
Cap X contributions	211,500	200,000	200,000	200,000	200,000	200,000	200,000
Capital Outlay	-	2,174,000	-	-	-	-	-
<b>Total One Time Expenditures</b>	<b>211,500</b>	<b>2,374,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
<b>Total Expenditures</b>	<b>\$ 62,487,159</b>	<b>\$ 70,371,279</b>	<b>\$ 70,444,737</b>	<b>\$ 73,749,552</b>	<b>\$ 76,507,292</b>	<b>\$ 77,549,448</b>	<b>\$ 81,226,689</b>
<b>Revenues over (under) Expenditures</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ 4,526,920</b>	<b>\$ 4,111,810</b>	<b>\$ 4,331,068</b>	<b>\$ 5,513,377</b>	<b>\$ 8,109,408</b>

# City of Kannapolis: Six Year Financial Plan

## WATER AND SEWER FUND - 09-11-2023

### Budgeted Revenues for:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Charges and Fees (5% growth)	21,001,437	22,051,509	23,154,084	24,311,789	25,527,378	26,803,747
Wholesale Water Sales	400,000	400,000	400,000	400,000	400,000	400,000
Tap Fees (assumes tap fee increase stays at \$7,500 per install)	800,000	808,000	816,080	824,241	832,483	840,808
Connection Fees	1,500,000	1,515,000	1,530,150	1,545,452	1,560,906	1,576,515
Reconnection Fees	140,000	140,000	140,000	140,000	140,000	140,000
Penalties	400,000	400,000	400,000	400,000	400,000	400,000
Miscellaneous Revenue	15,000	15,000	15,000	15,000	15,000	15,000
Investment Income	30,000	30,000	30,000	30,000	30,000	30,000
Appropriated Fund Balance	-	-	-	-	-	-
<b>Sub-total Recurring Revenues</b>	<b>24,286,437</b>	<b>25,359,509</b>	<b>26,485,314</b>	<b>27,666,481</b>	<b>28,905,767</b>	<b>30,206,070</b>
	<b>3.92%</b>	<b>4.42%</b>	<b>4.44%</b>	<b>4.46%</b>	<b>4.48%</b>	<b>4.50%</b>
<b>Total Revenues</b>	<b>24,286,437</b>	<b>25,359,509</b>	<b>26,485,314</b>	<b>27,666,481</b>	<b>28,905,767</b>	<b>30,206,070</b>
<b>Personnel Costs (5% could include medical and retirement)</b>	5,955,691	6,253,476	6,566,149	6,894,457	7,239,180	7,601,139
<b>Sub- total Personnel Costs</b>	<b>5,955,691</b>	<b>6,253,476</b>	<b>6,566,149</b>	<b>6,894,457</b>	<b>7,239,180</b>	<b>7,601,139</b>
		<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Operational Costs</b>	-	-	-	-	-	-
Customer Service	479,200	527,120	564,018	603,500	645,745	690,947
Distribution	2,960,293	3,256,322	3,484,265	3,728,163	3,989,135	4,268,374
Water Treatment Plant	2,889,151	3,178,066	3,400,531	3,638,568	3,893,268	4,165,796
Sewage Treatment Plant (expansion) 30% increase in FY 26	4,455,480	4,767,364	7,101,079	7,598,155	8,130,025	8,699,127
<b>Sub- total Operating Costs</b>	<b>10,784,124</b>	<b>11,728,872</b>	<b>14,549,893</b>	<b>15,568,386</b>	<b>16,658,173</b>	<b>17,824,245</b>
	<b>13%</b>	<b>9%</b>	<b>24%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>
<b>Debt</b>						
Debt Service	5,723,209	5,720,682	4,295,178	4,075,849	4,077,338	4,076,695
<b>Sub- total Debt Service</b>	<b>5,723,209</b>	<b>5,720,682</b>	<b>4,295,178</b>	<b>4,075,849</b>	<b>4,077,338</b>	<b>4,076,695</b>
	-12%	0%	-25%	-2%	-2%	-2%
<b>Transfers</b>						
Transfer to General Fund	1,823,413	1,823,413	1,823,413	1,823,413	1,823,413	1,823,413
Transfer to Environmental Fund	-	-	-	-	-	-
<b>Sub- total Transfers</b>	<b>1,823,413</b>	<b>1,823,413</b>	<b>1,823,413</b>	<b>1,823,413</b>	<b>1,823,413</b>	<b>1,823,413</b>
<b>Total Recurring Expenditures</b>	<b>24,286,437</b>	<b>25,526,443</b>	<b>27,234,633</b>	<b>28,362,104</b>	<b>29,798,103</b>	<b>31,325,491</b>
One time Capital	-	(1,083,000)	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 24,286,437</b>	<b>\$ 24,443,443</b>	<b>\$ 27,234,633</b>	<b>\$ 28,362,104</b>	<b>\$ 29,798,103</b>	<b>\$ 31,325,491</b>
<b>Revenues over (under) Expenditures</b>	<b>\$ -</b>	<b>\$ 916,066</b>	<b>\$ (749,319)</b>	<b>\$ (695,624)</b>	<b>\$ (892,336)</b>	<b>\$ (1,119,421)</b>

# City of Kannapolis: Six Year Financial Plan

SW FUND - 09-11-2023

**Budgeted Revenues for:**

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Charges and Fees (3% growth) based on FY 23 YE projections	3,500,000	3,605,000	3,713,150	3,824,545	3,939,281	4,057,459
Revenue recovery from audit		300,000	300,000	300,000	300,000	300,000
Investment Income	30,000	-	-	-	-	-
<b>Sub-total Recurring Revenues</b>	<b>3,530,000</b>	<b>3,905,000</b>	<b>4,013,150</b>	<b>4,124,545</b>	<b>4,239,281</b>	<b>4,357,459</b>
	<b>7.24%</b>	<b>10.62%</b>	<b>2.77%</b>	<b>2.78%</b>	<b>2.78%</b>	<b>2.79%</b>
<b>Total Revenues</b>	<b>3,530,000</b>	<b>3,905,000</b>	<b>4,013,150</b>	<b>4,124,545</b>	<b>4,239,281</b>	<b>4,357,459</b>
<b>Personnel Costs (5% could include medical and retirement)</b>	1,431,652	1,503,235	1,578,396	1,657,316	1,740,182	1,827,191
<b>Sub- total Personnel Costs</b>	<b>1,431,652</b>	<b>1,503,235</b>	<b>1,578,396</b>	<b>1,657,316</b>	<b>1,740,182</b>	<b>1,827,191</b>
	<b>19.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Operational Costs</b>	-	-	-	-	-	-
Operations	1,074,987	1,182,486	1,265,260	1,353,828	1,448,596	1,549,998
<b>Sub- total Operating Costs</b>	<b>1,074,987</b>	<b>1,182,486</b>	<b>1,265,260</b>	<b>1,353,828</b>	<b>1,448,596</b>	<b>1,549,998</b>
	<b>16%</b>	<b>10%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>
<b>Debt</b>						
Debt Service	559,479	546,098	532,716	502,040	489,370	476,700
<b>Sub- total Debt Service</b>	<b>559,479</b>	<b>546,098</b>	<b>532,716</b>	<b>502,040</b>	<b>489,370</b>	<b>476,700</b>
	<b>-23%</b>	<b>-2%</b>	<b>-2%</b>	<b>-2%</b>	<b>-2%</b>	<b>-2%</b>
<b>Transfers</b>						
Transfer to General Fund	463,882	427,220	427,220	427,220	427,220	427,220
<b>Sub- total Transfers</b>	<b>463,882</b>	<b>427,220</b>	<b>427,220</b>	<b>427,220</b>	<b>427,220</b>	<b>427,220</b>
<b>Total Recurring Expenditures</b>	<b>3,530,000</b>	<b>3,659,038</b>	<b>3,803,592</b>	<b>3,940,404</b>	<b>4,105,368</b>	<b>4,281,109</b>
One time Capital	-	(206,000)	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 3,530,000</b>	<b>\$ 3,453,038</b>	<b>\$ 3,803,592</b>	<b>\$ 3,940,404</b>	<b>\$ 4,105,368</b>	<b>\$ 4,281,109</b>
<b>Revenues over (under) Expenditures</b>	<b>\$ -</b>	<b>\$ 451,962</b>	<b>\$ 209,558</b>	<b>\$ 184,140</b>	<b>\$ 133,913</b>	<b>\$ 76,351</b>

# City of Kannapolis: Six Year Financial Plan

ENV FUND - 09-11-2023

**Budgeted Revenues for:**

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Solid Waste Disposal Tax	36,000	36,000	36,000	36,000	36,000	36,000
Charges and Fees (3% growth)	4,200,000	4,326,000	4,455,780	4,589,453	4,727,137	4,868,951
Commercial Revenue	120,000	123,600	127,308	131,127	135,061	139,113
Miscellaneous Revenue (missed pickups)	160,000	-	-	-	-	-
Investment Income	20,000	20,000	20,000	20,000	20,000	20,000
Fee increase to reduce transfers at \$3.00	-	-	-	-	-	-
Transfer from General Fund	1,147,817	-	-	-	-	-
<b>Sub-total Recurring Revenues</b>	<b>5,683,817</b>	<b>4,505,600</b>	<b>4,639,088</b>	<b>4,776,581</b>	<b>4,918,198</b>	<b>5,064,064</b>
		<b>-20.73%</b>	<b>2.96%</b>	<b>2.96%</b>	<b>2.96%</b>	<b>2.97%</b>
<b>Total Revenues</b>	<b>5,683,817</b>	<b>4,505,600</b>	<b>4,639,088</b>	<b>4,776,581</b>	<b>4,918,198</b>	<b>5,064,064</b>
<b>Personnel Costs (5% could include medical and retirement)</b>	838,659	880,592	924,622	970,853	1,019,395	1,070,365
<b>Sub- total Personnel Costs</b>	<b>838,659</b>	<b>880,592</b>	<b>924,622</b>	<b>970,853</b>	<b>1,019,395</b>	<b>1,070,365</b>
		<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Operational Costs</b>						
<b>Sub- total Operating Costs</b>	<b>4,713,158</b>	<b>5,184,474</b>	<b>5,547,387</b>	<b>5,935,704</b>	<b>6,351,203</b>	<b>6,795,788</b>
	<b>12%</b>	<b>10%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>
<b>One Time Capital Costs</b>						
Capital costs	132,000	(132,000)	-	-	-	-
<b>Sub- total Debt Service</b>	<b>132,000</b>	<b>(132,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 5,683,817</b>	<b>\$ 5,052,474</b>	<b>\$ 5,547,387</b>	<b>\$ 5,935,704</b>	<b>\$ 6,351,203</b>	<b>\$ 6,795,788</b>
<b>Revenues over (under) Expenditures</b>	<b>\$ -</b>	<b>\$ (546,874)</b>	<b>\$ (908,299)</b>	<b>\$ (1,159,123)</b>	<b>\$ (1,433,005)</b>	<b>\$ (1,731,724)</b>

**AN ORDINANCE ADOPTING A BUDGET FOR THE  
CITY OF KANNAPOLIS, NORTH CAROLINA FOR THE  
FISCAL YEAR BEGINNING JULY 1, 2023 AND ENDING JUNE 30, 2024**

**BE IT ORDAINED** by the City Council of the City of Kannapolis, North Carolina, meeting in open session this 26<sup>th</sup> day of June 2023, 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, 2023 and ending June 30, 2024:

Ad Valorem taxes	\$ 39,027,140
Sales taxes	16,440,102
Intergovernmental	6,373,357
Other Revenues	7,288,295
Fund Balance Appropriated	<u>1,242,385</u>
<b>TOTAL</b>	<b><u>\$ 70,371,279</u></b>

**SECTION II - WATER AND SEWER FUND:** The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

Charges for Services	\$ 21,001,437
Other Revenues	<u>3,285,000</u>
<b>TOTAL</b>	<b><u>\$ 24,286,437</u></b>

**SECTION III – STORM WATER FUND:** The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

Storm Water Fees	\$ 3,500,000
Other Revenues	<u>30,000</u>
<b>TOTAL</b>	<b><u>\$ 3,530,000</u></b>

**SECTION IV – ENVIRONMENTAL FUND:** The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

User Fees	\$ 4,200,000
Transfer from General Fund	1,147,817
Other Revenues	300,000
Solid Waste Disposal Tax	<u>36,000</u>
<b>TOTAL</b>	<b><u>\$ 5,683,817</u></b>

**SECTION V – PUBLIC TRANSIT SYSTEM FUND:** The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

Motor Vehicle Privilege Tax	\$ 900,000
Transfer from the General Fund	<u>323,031</u>
<b>TOTAL</b>	<b><u>\$ 1,223,031</u></b>

**SECTION VI – SEPARATION PAY FUND:** The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

Transfer from General Fund	<u>\$ 496,912</u>
<b>TOTAL</b>	<b><u>\$ 496,912</u></b>

**SECTION VII – INSURANCE AND RISK FUND:** The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

Health Insurance Premiums	\$ 5,391,600
Retiree Premiums	184,000
Workers Compensation Premiums	<u>470,880</u>
<b>TOTAL</b>	<b><u>\$ 6,046,480</u></b>



**SECTION VIII - GENERAL FUND:** A total of \$70,371,279 is hereby authorized to be expended from the departmental accounts of the General Fund as follows:

General Government	\$ 12,781,243
Public Safety	24,950,736
Parks and Recreation	7,027,545
Public Works, incl. Powell Bill	5,719,735
Other	5,556,073
Contingency	351,856
Debt Service	<u>13,984,091</u>
<b>TOTAL</b>	<b><u>\$ 70,371,279</u></b>

**SECTION IX - WATER AND SEWER FUND:** A total of \$24,286,437 is hereby authorized to be expended from the Water and Sewer Fund as follows:

General Management Services Fee	\$ 1,823,413
Billing and Collections – Water and Sewer	1,556,054
Distribution - Water and Sewer	6,299,389
WSACC – Sewage Treatment	4,455,480
Water Treatment Plant	4,428,892
Debt Service	<u>5,723,209</u>
<b>TOTAL</b>	<b><u>\$24,286,437</u></b>

**SECTION X – STORM WATER FUND:** A total of \$3,530,000 is hereby authorized to be expended from the Storm Water Fund as follows:

Personnel	\$ 1,431,652
Operations	1,074,987
Debt Service	559,479
General Management Services Fee	<u>463,882</u>
<b>TOTAL</b>	<b><u>\$ 3,530,000</u></b>

**SECTION XI – ENVIRONMENTAL FUND:** A total of \$5,683,817 is hereby authorized to be expended from the Environmental Fund as follows:

Personnel	\$ 838,659
Operations	<u>4,845,158</u>
<b>TOTAL</b>	<b><u>\$ 5,683,817</u></b>

**SECTION XII – PUBLIC TRANSIT SYSTEM FUND:** A total of \$1,223,031 is hereby authorized to be expended from the Public Transit System Fund as follows:

Contracted Services	\$ 1,081,835
Capital Outlay	<u>141,196</u>
<b>TOTAL</b>	<b><u>\$ 1,223,031</u></b>

**SECTION XIII - SEPARATION PAY FUND:** A total of \$496,912 is hereby authorized to be expended from the Separation Pay Fund as follows:

Personnel-Separation Pay	\$ <u>496,912</u>
<b>TOTAL</b>	<b><u>\$ 496,912</u></b>

**SECTION XIV – INSURANCE AND RISK FUND:** A total of \$6,046,480 is hereby authorized to be expended from the Insurance and Risk Fund as follows:

Health Insurance Expense	\$ 5,575,600
Workers Compensation Expense	<u>470,880</u>
<b>TOTAL</b>	<b><u>\$ 6,046,480</u></b>

**SECTION XV - TAX RATE ESTABLISHED:** An Ad Valorem Tax Rate of \$0.63 per \$100 property valuation is hereby established as the official tax rate for the City of Kannapolis for the fiscal year 2023-2024. This rate is based on an estimated valuation of \$6,190,764,848 and an estimated 98.95 percent collection rate, the audited FY 22 collection rate. Allocation of the 2023-2024 tax rate will be as follows:

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



**SECTION XIV - SPECIAL AUTHORIZATION - CITY MANAGER OR DESIGNEE:**

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


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

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

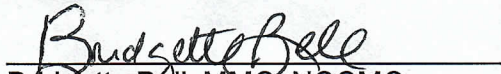
**SECTION XVI - SPECIAL AUTHORIZATION – STAFFING AUTHORIZATION:**

Funds allocated in this budget ordinance are meant to fund the employment of 436 Full Time positions for fiscal year 2024.

This Ordinance is approved and adopted this 26<sup>th</sup> day of June 2023.

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

ATTEST:

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



# Adopted Fiscal Year 2024 Fee Schedule

Adopted June 26, 2023

## 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.
Returned Check Fee	\$25.00

## HR

### Employee Notices

	<u>Fee</u>
Wage Garnishment Notice (each)	\$14.35
Employee ID Badge replacement	\$10.00

## Police

### Police Permits and Services

	<u>Fee</u>
Fingerprinting	
In-Town Residents	\$15.00
Out-of-Town Residents	\$25.00
Sound Permits	\$25.00
Pawn Brokers Permits	\$275.00

## Transportation

	<u>Fee</u>
Vehicle license fee	\$30.00 (annually)

## Downtown Parking

	1 <sup>st</sup> Vehicle	2nd Vehicle	3rd Vehicle
Guaranteed Parking Permit (Vida Deck)	Vida Issued	\$30.00 (monthly)	\$60.00 (monthly)
Non-Guaranteed Parking Permit (Surface Lots Only)	Vida Issued	\$15.00 (monthly)	\$30.00 (monthly)
Lost Permit Replacement Fee	\$5.00 (each)	\$5.00 (each)	\$5.00 (each)

Grace Period: 30 minutes

Non-Peak Rate: Everyday 1am to 4pm: (No partial charges) \$1 / Hr.

Peak Rate: Everyday 4pm to 1am: (No partial charges) \$3 / Hr.

Daily Rate: Starts after 5 hours: \$25

Multi Day Rate: For resident guests: \$10 / Day

“Pass back” Penalty: \$100

## Planning and Zoning

	<u>Fee</u>
Zoning Map Amendment: <i>*plus applicable Legal Ad &amp; Mailed notification fees</i>	\$500.00
Conditional Zoning Map Amendment: <i>*plus applicable Legal Ad &amp; Mailed notification fees</i>	\$600.00
UDO Text Amendment:	\$400.00
Special Use Permit: <i>*plus applicable Mailed notification fees</i>	\$600.00
Variance, Appeal, Nonconformity Adjustment: <i>*plus applicable Mailed notification fees</i>	\$300.00
Mailed Notification Fees:	
1-20:	\$25.00
21-50:	\$75.00

50-100:	\$175.00
Over 100:	\$300.00
Grading Permit ( <i>without Site Plan</i> ):	\$50.00
<i>*plus \$25 per additional acre</i>	
Driveway Permit:	\$25.00
Zoning Clearance Permit (Fees are for each item separately, even if combined in a single zoning clearance permit application)	
Residential 1F:	\$25.00
Residential 2F:	\$25.00
Multi-family ( <i>5 units or less</i> ):	\$250.00
Multi-family ( <i>more than 5 units &amp; whichever is greater</i> ):	\$300.00 or \$.04/SF
Accessory ( <i>Residential and Non-Residential</i> )	\$25.00
Non-Residential	\$30.00
Temporary Use	\$50.00
Temporary Construction Trailer	\$50.00
Home Occupation	\$50.00
Signs	\$40.00
Certification Letter	\$25.00
<i>*Zoning, Watershed, Floodplain, demo permits, etc.</i>	
Change of Use permits:	\$30.00
Site Plan Review (Multi-family Residential & Non-Residential):	\$200.00
<i>*plus \$100 per additional acre</i>	
Subdivision Fees	
Plat Exception:	No Charge
Minor Subdivision Plat Review:	\$50.00
Minor Subdivision Plat Revision:	\$40.00
Preliminary Major Subdivision Plat Review	\$400.00 ( <i>plus \$30 per lot</i> )
Preliminary Major Subdivision Revision	\$50.00 ( <i>Minor Amendment</i> )
Final Subdivision Plat Review	\$200.00
Final Subdivision Plat Revision	\$40.00
<b>PUBLICATION FEES.</b>	
Land Use Plan	\$25.00
Kannapolis Development Ordinance	\$50.00
• Map – Extra Large: (36”X48”)	\$20
• Maps – Large: (24”X36”)	\$15
• Maps - Medium: (18”X24”)	\$10
• Maps – Small: (8.5”X11”)	\$5

\*\* All fees established are due and payable at the time of product delivery or upon initial submittal of any item or items to be reviewed, processed or approved. All fees are non-refundable with the following exception: 75% of processing and notification fees for map amendments listed in Part 1



of this ordinance may be refunded if an application is withdrawn within seven (7) days following a pre-hearing neighborhood meeting.

\*\* There will be a \$25.00 returned check fee for any check received by the City.

## Fire

### REQUIRED CERTIFICATE OF COMPLIANCE

<u>REQUIRED CERTIFICATE OF COMPLIANCE</u>	<u>Fee</u>
<b>Certificate of Compliance</b>	
1-1,000 SF	\$20.00
1,001-20,000 SF	\$50.00
20,000-50,000 SF	\$100.00
50,000-70,000 SF	\$200.00
Every 20,000 SF over 70,000 SF is an additional Certificate of Compliance Re-inspections	\$50.00 \$ 50.00
<b>Plan Review</b>	
Construction	\$50.00+ .025/sf
Up-Fit	\$50.00+ .025/sf
Site Plan	\$50.00
Re-review fee	\$50.00
<i>* applied on third submittal &amp; each re-submittal thereafter</i>	
Hydrant flow test (fee per hydrant)	\$150.00
Temporary Power Inspection	\$50.00
Load Merchandise Inspection	\$50.00
<ul style="list-style-type: none"> <li>(1) For multi-tenant building, fees are per tenant.</li> <li>(2) For multiple building owned by the same owner(s), fees are per building as defined by the NC Building Code, Vol. 1.</li> <li>(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.</li> <li>(4) Re-inspections of the sprinkler system, fire alarm system, or building for Certificate of Compliance will result in an additional fee per inspection.</li> </ul>	

### REQUIRED CONSTRUCTION PERMITS

	<u>Permit Fee</u>	<u>Test Fee</u>
Automatic Fire Extinguishing Systems (Ansul/Sprinkler)	\$150.00	\$150.00**
Compressed Gases	\$150.00	\$150.00
Fire Alarm & Detection Systems	\$150.00	\$150.00**
Fire Pumps	\$150.00	\$150.00
Flammable & Combustible liquids	\$150.00	\$150.00
Hazardous Materials	\$150.00	\$150.00
Industrial Ovens	\$150.00	\$150.00
Spraying or Dipping Operations	\$150.00	\$150.00
Standpipe Systems	\$150.00	\$150.00

**NOTE:** Any system installation prior to plan review and/or a permit being issues will incur a double fee.

Any structure over 70,000 SF x .002 + \$150 \*\*  
(DOES NOT INCLUDE HOOD SYSTEM/ANSUL)

**REQUIRED OPERATION PERMITS**

	<b><u>Fee</u></b>
Amusement Buildings	\$150.00
Carnivals and Fairs	\$300.00
Covered Mall Buildings	\$150.00
Exhibits and Trade Shows	\$2,500/yr or \$150.00/event
Explosives (blasting)	\$100/1-day or \$300/90-days
Liquids Use, Dispensing, Storage, Transportation	\$150.00
UGST/AGST Install, Alter, Remove, Abandon	\$250.00/site
Change in Liquid in Tanks	\$150.00
Liquid Dispensing – AGST/UGST to Vehicles	\$150.00
Liquid Dispensing – Tanker to Vehicles	\$150.00
Pyrotechnic Special Effects Material (Fireworks)	\$300.00/day & site
Spraying or Dipping	\$150.00
Tents & Canopies	\$50.00/tent

**REQUIRED OTHER CHARGES/FEES**

	<b><u>Fee</u></b>
Environmental Site Assessment Research	\$25.00 per hour ( <i>one hour minimum</i> )
Fire Flow request/Special Request (fee per hydrant)	\$150.00/hydrant
Stand-by firefighters	\$20.00/hr per firefighter
<i>* when required by fire official or requested by occupant</i>	
After Hours Inspection – Special Request	\$35.00/hr ( <i>minimum of 2 hours</i> )
After Hour Plan Review – Special Request	\$150.00/submittal
Other inspections by request	\$100.00
Knox/Lock Box Maintenance (Found with incorrect key)	\$100.00
Re-inspections (third visit or additional inspections)	\$50.00
State License Inspection Fee (ABC, State Bar, etc.)	\$100.00
Daycare & Nursing Home License Inspection Fee	\$ 75.00
Group Home License Inspection Fee (annually)	\$75.00
Foster License Inspection Fee (annually)	\$20.00 ( <i>second visit \$50.00</i> )
Fire Incident Report Copy(s)	\$1.00 ( <i>per report</i> )
Fire Extinguisher Recharge use for class	Current Market Rate per Ext.
Fire Extinguisher Program (Training Class)	\$ 50.00/On-site (Fire Station/City Hall)
Fire Extinguisher Program (Training Class)	\$75.00/Off-site at Requested Business

**ANNUAL FIRE INSPECTION PROGRAM**

	<b><u>Fee</u></b>
First Inspection (initial)	\$0.00
Second Visit Re-inspection	\$0.00



Third Visit Re-inspection	\$50.00
Fourth Visit Re-inspection	\$100.00

**Additional Re-inspections will increase at \$50 per inspection until violations are corrected.**

**HAZARDOUS MATERIALS FEES:**

<b>Solids (lbs)</b>	<b>Liquids (gals)</b>	<b>Gases (SCF)</b>	<b><u>Fee</u></b>
< 501	< 56	< 201	\$50.00
501 – 5,000	56 – 550	201 - 2000	\$150.00
5,001 – 25,000	551 – 2,750	2,001 – 10,000	\$200.00
25,001 – 50,000	2751 – 5500	10,001 – 20,000	\$250.00
50,001 – 75,000	5501 – 10,000	20,001 – 40,000	\$300.00
>75,000	> 10,000	>40,000	\$300.00
pound <b>**</b> ( <i>plus .01/per gallon//scf in excess of listed amount</i> )			
<b>NOTE:</b> Excluding LPG/Medical gases			
LPG (Excludes LPG used ONLY for heating and cooking)			\$150.00/tank
Medical Gasses			\$150.00/tank
Radioactive Materials any amount			\$125.00

**STAND-BY PERSONNEL/EQUIPMENT**

	<b><u>Fee(work hrs.)</u></b>	<b><u>Fee(Overtime)</u></b>
Ladder/Hazmat	\$125.00/\$95.00	
Engine/Tanker	\$95.00	
Crash Truck/ Heavy Rescue	\$95.00	
Rescue Units	<b>\$95.00</b>	
Mobile Command Unit/Bus	\$30.00	
USAR	\$28.00	
Light Vehicles (Cars/Pick-ups)	\$17.00/\$27.00	
Trailers	\$10.25	
Mules/ATV	\$8.00	
Assistant Chief/Division Chief	<b>\$35.87</b>	<b>\$53.81</b>
Battalion Chief	<b>\$23.39</b>	<b>\$35.08</b>
Fire Captain	<b>\$21.21</b>	<b>\$31.82</b>
Engineer	<b>\$17.45</b>	<b>\$26.18</b>
Firefighter	<b>\$15.07</b>	<b>\$22.61</b>
Risk Reduction Personnel	<b>\$25.49</b>	<b>\$38.24</b>

*Based on Stand-by per quarter hour, minimum 2 hours.*

**HAZMAT SUPPLIES**

<b>Item</b>	<b>Rate</b>
<b>Level “A” (enclosed, splash, and vapor protection)</b>	
Large-XLarge	1775.00
2XLarge	1975.00
<b>Level “A” Suits (Flash protection)</b>	
Large – Xlarge	2495.00

Item	Rate
XXLarge	2695.00
<b>Level B Suits (Splash protection)</b>	
S- XLarge	170.50
2XL to 4XL	207.00
Tyvek Disposable Coveralls	17.00
Butyl Gloves	76.25 pair
Silver Shield Gloves	10.95 pair
Nitrile Gloves	5.30 pair
Rain fair Latex Nuke Boots (yellow over boots)	6.00 pair
Chem-Tape (for sealing gaps in suits at sleeve, ankle, hood and storm flap)	42.00
Pipettes	1.00 ea
Boom 8 x 10	72.64
Boom 3 x 10	10.77
Boom 3 x 4	6.40
Absorbent	15.00/bag
Absorbent pads 17"x19" (Universal, oil only and Haz-Mat)	.75 ea
Absorbent Pillows 16"	5.07 each
Absorbent Padding Roll (Universal) 30"x150'	105.00 roll
Pail of Acid Neutralizer 40 lb.	132.95
Pail of Base Neutralizer 40 lb.	360.00
Soda Ash 50lb. bag	45.25
55 gallon drums	99.00
Overpack Drum	189.00
20 gallon containment Pool	82.00
66 gallon containment Pool	120.00
100 gallon containment Pool	193.95
150 gallon containment Pool	206.95
Drain seal/inlet guard	78.40
3'x2' Magnet Drain Cover	95.60
2'x2' Magnet Drain Cover	63.80
Large Wooden Cone Plug	10.00
Small Wooden Cone Plug	5.00
Plug N Dike	28.00
Flow Stop Football	88.00
Flow Stop Golfball	46.00
Foam Class B (Thunderstorm)	37.00/gallon
Foam Class A	12.75/gallon
<b>Drager CMS Chips</b>	
Acetic Acid 2 -50 ppm	77.95
Acetone 40-600 ppm	81.25
Ammonia 2-50 ppm	55.31
Ammonia 10-150 ppm	55.31
Benzene 10-250 ppm	147.91
Benzene 0.2-10 ppm	144.65
Carbon Dioxide 200-3000ppm	55.52

Item	Rate
Carbon Dioxide 1000-25000ppm	55.52
Carbon Monoxide 5-150ppm	53.70
Chlorine 0.2-10 ppm	55.31
Formaldehyde 0.2-5 ppm	75.85
Hydrochloric Acid 1-25 ppm	70.17
Hydrogen Peroxide .2-2 ppm	79.49
Hydrogen Sulfide 2-50 ppm	55.31
Methanol 20-500 ppm	89.20
Nitrogen Dioxide .5-25 ppm	55.24
Nitrous Fumes (NO + NO2) 0.5-15ppm	53.70
Perchloroethylene 5-500 ppm	64.74
Petroleum Hydrocarbons 100 – 3000ppm	78.53
Petroleum Hydrocarbons 20-500ppm	79.42
Phosgene .05-2.0ppm	89.20
Phosphine 1-25 ppm	66.91
Sulfur Dioxide 0.4-10 ppm	55.24
Trichloroethylene 5 – 100 ppm	64.00
Vinyl Chloride 0.3-10 ppm	70.87
<b>Drager and GasTec Detector Tubes</b>	
Acetaldehyde 100-1000ppm	66.71
Acetic Acid 5-80ppm	62.81
Ammonia 5-700ppm	55.75
Carbon Dioxide 0.5-20% Vol	88.30
Chlorine 0.3 – 5ppm	66.03
Chlorine 50-500ppm	63.97
Chlorobenzene 5-200ppm	63.97
Clan Lab Simultaneous Test Set	75.92
Cyanogen Chloride .25-5ppm	85.03
Haz-Mat Simultaneous Test Set 1 (inorganic)	127.16
Haz-Mat Simultaneous Test Set 2 (inorganic)	127.16
Haz-Mat Simultaneous Test Set 3 (organic)	127.16
Hydrocyanic Acid 2-150ppm	58.26
Hydrogen Cyanide 0.36-120 ppm	78.51
Hydrogen Flouride .5-90ppm	67.44
Nitrogen Dioxide 0.1-30ppm	80.12
Nitrogen Dioxide 0.5-125 ppm	52.97
Organic Arsenic Qualitative	80.26
Organic Basic Nitrogen Comp 1mg/ m3	85.73
Phenol 0.4-187 ppm	80.97
Phosphoric Acids Esters Up to .05ppm	104.94
Thioether 1mg/ m3	86.08
Vinyl Chloride 0.25-54 ppm	80.26

Item	Rate
Decon Pools/Burms	360.00 ea
Chemical Classifiers Strips	10.00 ea
PH Papers	10.00 roll
Chemical Agent Detection Paper/Tape	50.00 ea
35 gallon trash can	30.00
Drum Sampler Tube	7.00 ea
Decon Solution	88.00/gallon
Tarp	57.00 ea
Mercury Spill Kit	24.00 ea
1 lb of 8p nails	3.47
1 lb of 16p nails	4.20
1 lb of 3" deck screws	9.94
4' x 8' 7/16" OSB Sheathing	7.25
4" x 6" x 12' Lumber	22.00
4" x 4" x 16' Lumber	21.00
2" x 4" x 16' Lumber	7.00

## Parks

### VILLAGE PARK SHELTERS

	<u>½ Day Rental</u>	<u>Full Day Rental</u>
Shelter A		
Resident	\$25	\$40
Non-Resident	\$32	\$55
Shelter B		
Resident	\$45	\$80
Non-Resident	\$55	\$100
Shelter C		
Resident	\$25	\$40
Non-Resident	\$32	\$55
Shelter C- Saturdays - 2 hour rental		
Resident	\$15	
Non-Resident	\$20	
Shelter D		
Resident	\$35	\$60
Non-Resident	\$45	\$80
Shelter E		
Resident	\$25	\$40
Non-Resident	\$32	\$55
Rental of all 4 shelters		
Resident	\$110	\$144
Non-Resident	\$200	\$270

### Descriptions of Shelter Areas:

Village Park Shelter A – use by reservation only

Shelters A & C hold approximately 36 people and have 6 picnic tables. These shelters offer power receptacles and grills. They are located close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter A is \$25 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$40. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

**Village Park Shelter B – use by reservation only**

Shelter B holds approximately 96 people and has 16 picnic tables. Shelter B offers power receptacles and a grill. This shelter is close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter B is \$45 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$80. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

**Village Park Shelter C – use by reservation only**

Shelters A & C hold approximately 36 people and have 6 picnic tables. These shelters offer power receptacles and grills. They are located close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter C is \$25 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$40. BIRTHDAY PARTY TIME BLOCKS: On Saturdays, Shelter C may be reserved in 2-hour time blocks. (9:30 – 11:30, 12:00 – 2:00, 2:30 – 4:30, 5:00 – 7:00). Cost for residents to reserve a 2-hour time block is \$15.00. Two Hour time blocks and half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

**Village Park Shelter D – use by reservation only**

Shelter D holds approximately 60 people and has 10 picnic tables. Shelter D offers power receptacles and a grill. This shelter is close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter D is \$35 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$60. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

**Village Park Shelter E – use by reservation only**

Shelter E holds approximately 24 people and has 4 picnic tables. Shelter E offers power receptacles and a grill. This shelter is located adjacent to the playground and close to the splash pad, carousel and train. Cost for a resident to reserve Shelter E is \$25 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$40. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

**BAKERS CREEK PARK SHELTERS**

	<u>½ Day Rental</u>	<u>Full Day Rental</u>
Shelters 1, 2 &3		
Resident	\$40	\$65
Non-Resident	\$47	\$72
Shelter 4		
Resident	\$25	\$45
Non-Resident	\$32	\$52
Shelter (930 West 8 <sup>th</sup> Street)	\$50	
<i>Individual Picnic Sites:</i>		
Site A (3 tables, 1 grill, seats 20 - 24)	\$15	\$30
	<u>½ Day Rental</u>	<u>Full Day Rental</u>
Site B (2 tables, 1 grill, seats 12 - 15)	\$10	\$20
Site C (2 tables, 1 grill, seats 12 - 15)	\$10	\$20

Site D (1 table, 1 grill, seats 8-10)

\$5

\$10

**Descriptions of Shelter Areas:**

**Bakers Creek Park Large Picnic Shelters – use by reservation only**

Shelters 1 & 2 hold up to 90 people and Shelter 3 holds up to 125 people. These large picnic shelters offer water, lights, receptacles, grills and horseshoe pits.

**Bakers Creek Small Shelter Picnic Site (Shelter #4) – use by reservation only**

This one covered picnic site is available that holds up to 30 people. Four large picnic tables and a grill are included. No power, water or horseshoe pits are available. Located adjacent to playground.

**Mountain Street Park (Bakers Creek Park Expansion) Shelter – use by reservation only**

The Expansion Park, located at the corner of **930 West 8th St. and Mountain St.**, offers four picnic tables, a grill, playground, two sand volleyball courts, horseshoe pits and restrooms. Limited parking is available. Good for small groups under 30 people. For use only daily, no half-day rentals.

**OTHER FEES**

- Excessive Cleaning (see policy): \$30/hr.
- Police Officer: If required, rate will be provided during application submission

**HOURS**

- Business Hours: 8:00AM – 5:00PM (Mon – Fri)
- After Business Hours: Nights and Weekends
- Holidays: Any designated City holiday

**VILLAGE PARK AMPHITHEATER**

Refundable Security Deposit: \$500

Resident for-profit:	\$550
Resident non-profit:	\$350
Non-Resident for-profit:	\$1,050
Non-Resident non-profit:	\$800
Staffing (2 staff required):	\$25/per hour (3hr minimum)
Parking:	\$12/per hour per person

**EXTRA FEES**

Set-up	\$200
Clean-up	\$300
Sound	\$250

*\* each additional hour after 5 hours is \$50/hour*

**SPLASH PAD**

\$1.50/per person per day  
children 1 year of age and under are free

**TRAIN**

\$1.50/per person per ride  
children 1 year of age and under are free

**CAROUSEL**

\$1.50/per person per ride

children 12 months of age and under are free

\*10% off for the purchase of 10 tickets or more for the train/carousel; or 10% off the purchase of 10 wristbands or more for the splashpad

**CAROUSEL/TRAIN PHOTO SHOOTS** \$30/hr. (1 hour minimum)

*\*Only permitted during non-operational hours for both*

*\*No earlier than 8 am and not later than 9 pm*

**FAST PASS** \$5.00

**SENIOR TRIPS** Variable

**YOUTH ATHLETICS** \$40 Residential

\$60 Non- Residential

**GYM RENTALS** (*KMS city schools*)

- \$30/ per hour Residential
- \$40/per hour Non-Residential

**CEMETERY FEES**

- Transfer of burial rights within a family: \$25.00
- Transfer of burial rights outside of immediate family members: \$200.00/per plot
- Transfer of vacant plots to the City: No Charge
- Burial Fee (must be paid prior to burial): \$150.00/per plot
- Security deposit to ensure marker (must be paid prior to burial): \$280.00

**GEM THEATRE**

<b>Movie Tickets:</b>	Before 6pm: \$4.00 ( <i>all tickets</i> ) After 6pm: Children and Seniors: \$4.00, Adults: \$5.00
<b>Photo Shoots inside theatre</b>	\$30/hr. (1 hour minimum) <i>*Only permitted during non-operational hours</i> <i>*No earlier than 8 am and not later than 6 pm (M-F only)</i>
<b>Special Event Room:</b>	Business Hours: \$40.00 per hour Evenings and Weekends: \$50.00 per hour Refundable Security Deposit: \$100 - \$250.00
<b>Special Events for whole theater:</b> <i>Example: Graduation ceremony/private non-movie event (prior to show times)</i>	\$1,000 minimum <i>includes 5 hours; each additional hour \$200.00</i>

<b>Special Events for whole theater:</b> <i>Example: Private event during a normal show time</i>	\$3,000 minimum <i>includes 5 hours; each additional hour \$200.00</i>
<b>Theater for special movie showings (outside normal hours):</b>	\$240 minimum (\$4.00 per person afterwards) + <b>applicable licensing fees</b>
<b>School Groups for special movie showing:</b>	\$200 minimum (\$2.00 per person afterwards) + <b>applicable licensing fees</b>  <b>Group Rate Concessions:</b> <b>\$1.50 small drink</b> <b>\$1.50 small popcorn</b>
<b>Special Message on the Marquee:</b>	\$50.00 (3 hours for one side)
<b>Birthday Party Packages</b>	\$200.00 includes: <ul style="list-style-type: none"> <li>• Admission, small popcorn, and medium drinks for 15 guests for the current movie showing at one of the already scheduled movie times.</li> <li>• One hour of use of the party room either before or after the movie.</li> <li>• Use of our fountain drink machine in the party room during that time.</li> <li>• Each additional guest is \$7.75 after the first fifteen.</li> <li>• Parents/Chaperones ratio must be 1:10 for anyone under the age of 18.</li> </ul>
<b>Bulk Ticket Pricing:</b> <i>(valid during any showtime)</i>	\$3.50 per child/senior ticket (25 tickets or more) \$4.50 per adult ticket (25 tickets or more)

	<b>Kannapolis Based Organization (Resident)</b>	<b>Non-Kannapolis Based Organization (Non-Resident)</b>
Softball field without lights	\$10.00 per hour per field	\$15.00 per hour per field
Softball field with lights	\$20.00 per hour per field	\$30.00 per hour per field
*There will also be a \$15.00 per field/per time that fields are lined and dragged.		
Soccer field without lights	\$15.00 per hour per field	\$20.00 per hour per field
Soccer field with lights	\$26.00 per hour per field	\$35.00 per hour per field

<b>Fields available for reservations:</b>			
	Fence distance Field size	Base distance options	Pitching distance options
Bakers Creek Park softball field (1 available)	285 ft	65'	50'
Safrit Park softball fields (2 available) 1415 Bethpage Road	300 ft	60', 65', or 90'	46' or 54'



Safrit Park soccer field (1 available) 1415 Bethpage Road	225 x 360	N/A	N/A
Kannapolis Middle School (baseball field) 1445 Oakwood Avenue	305 ft	90'	mound
Kannapolis Middle School (softball field) 1445 Oakwood Avenue	225 ft	65'	
Kannapolis Middle School (football & soccer field) 1445 Oakwood Avenue			

<b>Rainout Hotline &amp; Program Information number: 704-920-4344</b>
In cases of inclement weather, the Kannapolis Parks and Recreation Department reserves the right to close any athletic field for safety or maintenance concerns. The hotline will be updated at 4:00 p.m. on each questionable day. Please call the number above to see if your games are being played or not.

<b>Rate</b>	<b>Lining</b>	<b>Turf</b>	<b>Additional Fees</b>	<b>Lights</b>	<b>Deposit</b>
\$150/day per field	one free lining then \$15/prep	\$12/bag	\$75 gate, 100% concession	\$15/hr. per field	\$100

**Tournament Cancellations:**

A tournament that is cancelled after 5:00 PM on Wednesday (non-weather related) will be charged \$100 for the first cancellation, \$100 for a second cancellation and \$100 for a third cancellation. Aside from the \$100 cancellation fee, all remaining tournaments will be removed if the user has canceled a tournament for a third time.

A tournament that is cancelled after 5:00 PM on Wednesday (weather-related) will be credited with the rental fee for a future date. Please note all weather-related cancellation will be subject to approval. If the tournament is cancelled by the Parks and Recreation department due to weather after it has begun, the following format will be used to determine the amount of credit for future field rentals:

Less than ½ of the tournament has been played, 100% of remaining tournament fees will be credited  
 More than ½ of the tournament has been played, 50 % of remaining tournament fees will be credited

	<b>Kannapolis Based Organization (Resident)</b>	<b>Non-Kannapolis Based Organization (Non-Resident)</b>
Tennis court	\$3.00 per hour per court	\$5.00 per hour per court
Tennis court lights	\$4.00 per hour	\$4.00 per hour
*Light fee covers all lights at tennis complex.		

**Special Event Fees**

*Police:* The Special Events Committee, in consultation with the Kannapolis Police Department, shall determine the number of police officers required to appropriately manage street closures and for internal security, as well as the time when such services shall commence and end. Applicants will be invoiced before the event at the rate of \$35.00 per hour per police officer assigned to the event. These fees are due one (1) week before the event.

*Fire and EMS:* The Special Events Committee, in consultation with the Kannapolis Fire Department will determine the number of Emergency Medical Personnel required as well as the time when such services shall commence and end. Applicants will be invoiced before the event at

the rate of \$35.00 per hour per firefighter/EMS assigned to the event. These fees are due one (1) week before the event.

*Street Closure Equipment:* The Special Events Committee, in consultation with the Kannapolis Public Works Department, shall determine the need for traffic control equipment to appropriately manage street closures. Applicants will be notified of the recommended controls. The applicant may rent the equipment at the rate of \$175.00 per event. These fees are due one (1) week before the event.

*Greenway Event Usage:* For events held on a Kannapolis Parks and Recreation maintained Greenway usage must be pre-approved by the Special Events Committee.

*Insurance:* If an event requires a street or sidewalk closure then Comprehensive General Public Liability Insurance is required: \$1, 000,000 per person per occurrence with a \$2,000,000 aggregate naming the City of Kannapolis as additionally insured. \*\*Certificate should be specifically worded: “The City of Kannapolis, its officers, employees, and agents are additionally insured”. If alcohol is being served at the event, Liquor Liability is required to be included in the Certificate of Insurance. Proof of insurance is required at least 30-days before the event.

*Current Special Events Permit Fee Schedule:* Fees for special events and neighborhood block parties will utilize the below fee schedule.

Permit fees are non-refundable and are subject to change.

Parade, Walk, or Run:	\$125
Festival/Exhibition Shows:	
Non-Profit without Sales	\$100
For- Profit Organizations	\$200

Neighborhood Block Parties: \$50

*Fees are not applicable if the event is contained to private property and requires no City resources.*

# Water and Sewer Fees

WATER RATES	Inside City	Outside City
Individual Water Service: (less than 2 inch) (Note 1)		
• Tier 1 per 1,000 gallons (0-7,000 gals)	\$ 6.80	\$ 7.95
• Tier 2 per 1,000 gallons (over 7,000 gals)	\$ 7.09	\$ 8.30
• Irrigation per 1,000 gallons	\$ 7.09	\$ 8.30
* Base monthly charge (Note 2)	\$ 6.95	\$ 8.15
* monthly rate for unmetered service – residential only (Note 3)	\$ 47.60	\$ 55.65

Private Water Systems (more than one user):

• Tier 1 per 1,000 gallons (0-7,000 gals)	\$ 6.80	\$ 7.95
• Tier 2 per 1,000 gallons (over 7,000 gals)	\$ 7.09	\$ 8.30
• Irrigation per 1,000 gallons	\$ 7.09	\$ 8.30
* base monthly charge per user as determined by number of dwelling units or commercial spaces on site, occupied or vacant	\$ 6.95	\$ 8.15

Commercial Water Service

• Tier 1 per 1,000 gallons (0-7,000 gals)	\$ 6.80	\$ 7.95
• Tier 2 per 1,000 gallons (over 7,000 gals)	\$ 6.80	\$ 7.95
• Irrigation per 1,000 gallons	\$ 7.09	\$ 8.30
*base monthly charge	\$ 6.95	\$ 8.15

Fire Line Service: (incremental charge based on size of line)

monthly service rate (4 inch or less) *no increase	\$ 47.60	\$ 55.65
monthly service rate (6 inch) \$16 increase	\$ 63.60	\$ 71.65
monthly service rate (8 inch) \$24 increase	\$ 71.60	\$ 79.65
monthly service rate (10 inch) \$42 increase	\$ 89.60	\$ 97.65
monthly service rate (12 inch) \$73 increase	\$ 120.60	\$ 128.65

SEWER RATES	Inside City	Outside City
Individual Sewer Service:		
* per 1,000 gallons water used	\$ 6.70	\$ 6.70
* base monthly charge	\$ 3.80	\$ 3.80
* monthly rate for unmetered service – residential only	\$ 46.90	\$ 46.90

Private Sewer Systems (more than one user):

* per 1,000 gallons based on master meter	\$ 6.70	\$ 6.70
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* base monthly charge per user as determined by number of dwelling units or commercial spaces on site, occupied or vacant (Note 2)	\$	3.80	\$	3.80
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(Note 1) Water rates for customers with 2 inch meter or larger shall pay inside City rates.

(Note 2) All City customers will pay the base charge in addition to the per 1,000 gallon charge. Master metered customers will pay the base charge times the number of units served in addition to the per 1,000 gallon charge. Residential water customers using metered service for irrigation purposes only, shall not (during periods when level II or higher water restrictions are in effect) be billed a minimum bill for zero (-0-) usage.

(Note 3) Unmetered service is based upon an average bill of 7,000 gallons usage within a given month.

<b>WATER TAP AND CONNECTION FEES</b>	<b>Inside City</b>		<b>Outside City</b>	
<b>Individual Water Tap Fees:</b>				
* 3/4" service (installation by City)	\$	3,250.00	*	\$ 3,250.00 *
* 1" service (installation by City)	\$	3,450.00	*	\$ 3,450.00 *
* 1-1/2" service (installation by City)	\$	3,750.00	*	\$ 3,750.00 *
* 2" service (installation by City)	\$	4,050.00	*	\$ 4,050.00 *
* Larger than 2" (installation by customer or City)	All Cost Borne By Customer			All Cost Borne By Customer

**Fire Line Service Tap:**

* All sizes (installation by the customer)	All Cost Borne By Customer			All Cost Borne By Customer
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**Tap on of New Water Main to Existing:**

* All sizes (installation by the customer)	All Cost Borne By Customer			All Cost Borne By Customer
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Individual Water connection fees: These fees were derived from meter factors as developed in the American Water Works Association Standards Manual. (See Note A)

**Water meter Size**

* 3/4" service	\$	1,350.00	\$	1,350.00
* 1" service	\$	3,000.00	\$	3,000.00
* 1-1/2" service	\$	6,000.00	\$	6,000.00
* 2" service	\$	9,600.00	\$	9,600.00
* 3" service	\$	18,000.00	\$	18,000.00
* 4" service	\$	30,000.00	\$	30,000.00

* 6" service	\$ 60,000.00		\$ 60,000.00
* 8" service	\$ 96,000.00		\$ 96,000.00
* 10" service	\$ 138,000.00		\$ 138,000.00

(Note A)

- (1) Tap fee and connection fee shall be per lot or per unit to be served. Commercial Customers shall be all cost borne by customer and the tap fee is waived.
- (2) Master metered developments shall pay a connection fee for each lot or individual unit served or fee for meter size whichever is greater.
- (3) Connection fee due from residential developers shall be paid before issuance of the zoning clearance permit. (Tap fees are waived where developer has installed water systems in accordance with City Ordinance.)
- (4) Connection fee is due from commercial and industrial developers before zoning permits can be issued by the City.
- (5) Connection fee for residential customers where a tap fee is also due shall be paid before tap is installed by the City.
- (6) Residential and commercial developers who have preliminary plats approved by the City before December 18, 2000 shall be exempt from paying the connection fee.
- (7) Commercial and industrial developers who are not required to obtain plat approval shall be exempt from paying the connection fee if zoning permits have been issued by the City prior to December 18, 2000. (Manufactured home parks and multi-family apartment complexes are included as commercial developers).
- (8) All applicable fees must be paid before receiving City water service.
- (9) All new or modified services in NCDOT owned rights-of-way shall be at cost, All Cost Borne By Customer.

<b>SEWER TAP AND CONNECTION FEES</b>	<b>Inside City</b>	<b>Outside City</b>
<b>Individual Sewer Service Tap Fees:</b>		
* 4" service (installation by the City) (includes any size pumped by customer)	\$ 4,250.00	\$ 4,250.00
* 6" or larger or where utility encasement may be required (installation by customer or City)	All Cost Borne By Customer	All Cost Borne By Customer

Tap on of New Sewer Line to Existing:

* All sizes (installation by the customer)	All Cost Borne By Customer	All Cost Borne By Customer
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Individual Sewer Connection Fees: These fees were derived from meter factors as developed in the American Water Works Association Standards Manual. (See Note B)

Water meter Size

* 3/4" service	\$ 1,000.00		\$ 1,000.00
* 1" service	\$ 1,625.00		\$ 1,625.00
* 1-1/2" service	\$ 3,250.00		\$ 3,250.00

* 2" service	\$ 5,200.00		\$ 5,200.00
* 3" service	\$ 9,750.00		\$ 9,750.00
* 4" service	\$ 16,250.00		\$ 16,250.00
* 6" service	\$ 32,500.00		\$ 32,500.00
* 8" service	\$ 52,000.00		\$ 52,000.00
* 10" service	\$ 74,750.00		\$ 74,750.00

(Note B)

(1) Tap fee and connection fee shall be per lot or per unit to be served. Commercial Customers shall be all cost borne by customer and the tap fee is waived.

(2) Master metered developments shall pay a connection fee for each lot or individual unit served or fee for meter size whichever is greater.

(3) Connection fee due from residential developers shall be paid before issuance of the zoning clearance permit. (Tap fees are waived where developer has installed sewer systems in accordance with City Ordinance.)

(4) Connection fee is due from commercial and industrial developers at the time of application for service.

(5) Connection fee for residential customers where a tap fee is also due shall be paid before tap is installed by the City.

(6) Residential and commercial developers who have preliminary plats approved by the City before December 18, 2000 shall be exempt from paying the connection fee.

(7) Commercial and industrial developers who are not required to obtain plat approval shall be exempt from paying the connection fee if zoning permits have been issued by the City prior to December 18, 2000. (Manufactured home parks and multi-family apartment complexes are included as commercial developers).

(8) All applicable fees must be paid before receiving City sewer service.

(9) All new or modified services in NCDOT owned rights-of-way shall be at cost, All Cost Borne By Customer.

<b>SERVICE FEES -AND DEPOSITS</b>	<b>Inside City</b>	<b>Outside City</b>
Service Disconnect / Administrative Fee	\$ 30.00	\$ 30.00
Service Deposit (Non-Property Owners)		
* Water or sewer; water and sewer – secured	\$ 75.00	\$ 75.00
* Water or sewer; water and sewer – unsecured	\$ 225.00	\$ 225.00
Returned Payment Item		
* Each	\$ 25.00	\$ 25.00

<b>HYDRANT METER FEES</b>	<b>Inside City</b>	<b>Outside City</b>
Construction Hydrant Meter (refundable)	\$ 750.00	\$ 750.00
Fire Hydrant Use Account (refundable)	\$ 250.00	\$ 250.00
Annual Hydrant Use Permit Fee* Per vehicle	\$ 25.00	\$ 25.00

**NORTHWEST CABARRUS SERVICE AREA  
CAPITAL COST RECOVERY FEES**

<b>Water Meter Size</b>	<b>Water</b>	<b>Sewer</b>
* 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
Returned Check Fee	\$ 25.00
Re-connection Fee (after normal business hours)	\$100.00
Physical notification of non-payment bill	\$ 0.00
Unauthorized / illegal connection or re-connection	\$300.00
Locking Devices cut or damaged	\$300.00
Meter Yokes damaged	\$300.00
Tampering, altering, removing, or replacing meter	\$400.00
Water meter bypass	\$300.00
Re-read / No Error	\$ 50.00
Meter Test Fee ( <i>1 inch or less</i> )	\$100.00

**WATER & SEWER SYSTEM  
ADMINISTRATIVE FEES**

Repeat trip fee (starting with trip #3)	\$ 50.00
Inspection Fee for New or Modified Service (if not installed by City Staff)	\$ 50.00

**MUNICIPAL WATER AND SEWER RATES**

City of Concord ( <i>Water and Sewer Services</i> )	Per Contract
City of Landis ( <i>Water and Sewer Services</i> )	Per Contract

**WATER AND SEWER SERVICE RELOCATION AND DAMAGE**

Any relocation of service and/or apparatus, adjustment of grade or elevation, and/or damage to City equipment or infrastructure shall be performed at cost (All Cost Borne By Customer). This will include the cost of labor, equipment, and materials.

## Environmental

**Residential Environmental Fees (per occupied dwelling)**

**Fee**

Recycling/ Solid Waste	\$18.10
Additional Trash Bin Fee	\$2.50
Additional Recycle Cart	\$2.50
Garbage Ordinance Violation	\$50.00

**Commercial Environmental Fees** *(reflects a 2.55% CPI increase per Waste Management)*

<b>Commercial (City Bulk Pick Up)</b>	<b>1X per Wk</b>	<b>2X per Wk</b>	<b>3X per Wk</b>	<b>4X per Wk</b>	<b>5X per Wk</b>
4 Yd	\$51.92	\$103.85	\$155.77	\$207.70	\$259.63
6 Yd	\$78.30	\$156.60	\$234.89	\$313.19	\$391.49
8 Yd	\$104.52	\$209.05	\$313.57	\$418.11	\$522.64
<b>Commercial (Business)</b>	<b>1X per Wk</b>	<b>2X per Wk</b>	<b>3X per Wk</b>	<b>4X per Wk</b>	<b>5X per Wk</b>
4 Yd	\$102.79	\$195.22	\$292.16	\$390.41	\$476.09
6 Yd	\$122.72	\$235.09	\$353.90	\$472.75	\$590.28
8 Yd	\$137.69	\$275.38	\$413.07	\$550.73	\$688.44
<b>Container Size (Recycle)</b>	<b>1X per Wk</b>				
4 Yd	\$102.79				
6 Yd	\$122.72				
8 Yd	\$137.69				

\*8-yard cardboard only 3x/week \$342.76



# Stormwater

## STORMWATER RATE TIER SCHEDULE

<u>Impervious Area Size (per Equivalent Residential Unit)</u>	<u>Fee</u>
Tier 1 – < 1,200 square feet	\$5.75
Tier 2 – 1,200 – 3,250 square feet	\$7.25
Tier 3 - > 3,250 square feet	\$8.75
Commercial – Per 3,250 square feet	\$7.25

## Event Space Rentals

- A \$100.00 security deposit is required for all meetings
- A \$250.00 security deposit for all parties, receptions, and banquets

Rate Table				
RATES ARE PER HOUR	Reservation Deposit %	Business Hours Rate	After Hours Rate	Security Fee Refundable
<b>CITY HALL &amp; POLICE HEADQUARTERS</b>				
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
<b>ADDITIONAL FACILITIES</b>				
Cabarrus Bank Building	25 %	\$ 60	\$ 65	\$ 100 - \$ 250
Train Station – Conference A	25 %	\$ 55	\$ 60	\$ 100 - \$ 250

Village Park Multi-Purpose	25 %	\$ 50	\$ 55	\$ 100 - \$ 250
Village Park Patio	25 %	\$ 15	\$ 20	\$ 100 - \$ 250
Public Works Training Room	25 %	\$ 45	n/a	\$ 100 - \$ 250
Veterans Park Gazebo	25 %	\$ 25	\$ 30	\$ 100 - \$ 250
Dale Earnhardt Plaza	25 %	\$ 20	\$ 25	\$ 100 - \$ 250

\* Gallery areas cannot be rented unless space in the Laureate Center is rented.

\*\* Outside Terrace Areas cannot be rented unless inside space is rented.

- Extended Time Rental – 15% discount when any room or combinations of rooms are rented for 12+ hours during a single booking
- Multi-Space Rentals – 20% discount when all first floor spaces at City Hall and Police Headquarters are rented. (Includes: Laureate Center Sections A, B and C, Kitchen, Council Conference Room, The Gallery, Shell Space and Terrance A and B)
- Permanent Tenant Rate – 20% discount when any room or combinations of rooms are rented monthly for a time span of two (2) or more hours each month and an annual agreement with twelve (12) monthly meetings scheduled.
- Dance Floor: \$450
- Stage: \$50 per 3’x6’ section; (\$450 for complete unit)

## Private Use Zones

Private Use Zone ID	Hourly Rate	After Hours Hourly Rate	Annual License Fee
1A	\$10.00	\$15.00	\$181
1B	\$5.00	\$10.00	\$77
1C	\$10.00	\$15.00	\$189
1D	\$5.00	\$10.00	\$77
1E	\$10.00	\$15.00	\$210
1F	\$5.00	\$10.00	\$32
1G	\$10.00	\$15.00	\$308
2A	\$5.00	\$10.00	\$66
2B	\$5.00	\$10.00	\$65
2C	\$5.00	\$10.00	\$86
2D	\$5.00	\$10.00	\$24
2E	\$10.00	\$15.00	\$204
3A	\$5.00	\$10.00	\$12
3B	\$5.00	\$10.00	\$24
3C	\$5.00	\$10.00	\$63

Private Use Zone ID	Hourly Rate	After Hours Hourly Rate	Annual License Fee
3D	\$10.00	\$15.00	\$140
3E	\$5.00	\$10.00	\$68
3F	\$5.00	\$10.00	\$88
3G	\$10.00	\$15.00	\$175
3H	\$5.00	\$10.00	\$59
3I	\$5.00	\$10.00	\$63
3J	\$5.00	\$10.00	\$63
3K	\$5.00	\$10.00	\$99
6B	\$5.00	\$10.00	\$30
6C	\$5.00	\$10.00	\$88
7A	\$20.00	\$25.00	\$425
7B	\$5.00	\$10.00	\$61
7C	\$5.00	\$10.00	\$11
7D	\$10.00	\$15.00	\$263
7E	\$5.00	\$10.00	\$88
8A	NA	NA	\$1,013
Reserved Parking Space (1)	\$5.00	NA	\$162
Reading Room	\$20.00	\$25.00	NA
Event Lawn	\$25.00	\$30.00	NA
Platform 1	\$25.00	\$30.00	NA
Platform 2	\$30.00	\$35.00	NA
Pergola	\$20.00	\$25.00	NA
Pump House Patio	\$25.00	\$30.00	NA
Reading Room Terrace	\$20.00	\$25.00	NA
Putting Green	\$20.00	\$25.00	NA

**NOTES:**

1. Annual License Fees (except reserved parking) are based on \$0.25 per square foot of space. The actual square footage calculation will be included as part of the license issuance.
2. All hourly rentals require a 50% reservation deposit and refundable security deposit of \$100.
3. Hourly Rates are Monday Through Friday 7:00 AM to 6:00 PM. All other times will be subject to the After Hours Rate.

\*See Private Use Zone Ordinance for map of Zone ID designations



**CITY OF KANNAPOLIS**  
**PERSONEL POLICIES AND PROCEDURES**

**SUBJECT:** Position Classification Plan

**POLICY NUMBER:** 400.01

**EFFECTIVE DATE:** 06/22/1994

**AMENDMENT DATE(S):** 10/15/1994  
03/01/2009  
05/01/2014  
07/08/2015  
07/01/2017  
07/04/2018  
09/12/2018  
07/03/2019  
12/09/2019  
02/12/2020  
06/01/2020 (Effective 7/15/2020)  
12/30/2020  
06/30/2021  
09/01/2021  
06/29/2022  
04/05/2023  
06/28/2023

**SUBJECT:** CLASSIFICATION PLAN

**PURPOSE:** To Establish a Position Classification Plan for the City of Kannapolis

**STATEMENT OF POLICY**

It is the policy of the City to assign jobs with similar duties and responsibilities to the same salary level. The most recently adopted "Classification Plan of the City of Kannapolis" shall be the classification plan of the City.

**ALLOCATION OF POSITIONS**

The City Manager shall allocate each position covered by the classification to its appropriate class in the plan.

**MAINTENANCE**

- (a) The Director of Human Resources shall be responsible to the City Manager for the administration and maintenance of the position classification plan so that it will accurately reflect the duties performed by employees in the classes to which their positions are allocated. The Personnel Office will conduct periodic studies of various jobs when there is an indication the employee is working above or below the established responsibilities for that position. These studies are normally initiated at the request of the department and are conducted in accordance with administrative policy on RECLASSIFICATION.
  
- (b) New positions shall be established upon recommendation of the City Manager with approval of the City Council. The City Manager may (1) allocate the new position to the appropriate class within the existing classification plan or (2) recommend that the City Council amend the position classification plan to establish a new class to which the position may be allocated.

**AMENDMENT OF PLAN**

The City Council shall approve a salary range for a class of positions based on the recommendation of the City Manager.

Date: 7-1-23

APPROVED: 

CITY OF KANNAPOLIS  
 CLASSIFICATION PLAN  
 EFFECTIVE June 28, 2023

3% COLA  
 Expand Development Range to Midpoint  
 Hiring Range = Minimum to 15% above Minimum

Job Class Code	Department	Job Classification	Grade	Developmental Range Minimum to Midpoint		Merit Range Midpoint to Maximum	
				HIRING RANGE		Midpoint	Maximum
				Minimum	15%		
			52	\$19,946	\$22,938	\$25,432	\$30,917
			53	\$20,944	\$24,085	\$26,703	\$32,462
			54	\$21,990	\$25,289	\$28,038	\$34,085
			55	\$23,093	\$26,557	\$29,443	\$35,794
			56	\$24,246	\$27,883	\$30,914	\$37,582
			57	\$25,457	\$29,276	\$32,458	\$39,459
1900	Parks	Concession Worker	58	\$26,731	\$30,740	\$34,082	\$41,433
			59	\$28,067	\$32,277	\$35,785	\$43,503
1905	Parks	Park Attendant	60	\$29,470	\$33,891	\$37,574	\$45,679
			61	\$30,943	\$35,585	\$39,453	\$47,962
1915	Parks	Park Operations Specialist	62	\$32,492	\$37,366	\$41,428	\$50,363
1000	Global	Administrative Support Specialist	63	\$34,116	\$39,233	\$43,498	\$52,879
1400 1300 1910	General Services Public Works Customer Service Parks	Building Maintenance Technician I Construction Maintenance Worker I Customer Service Advocate Park Maintenance Technician I	64	\$35,821	\$41,194	\$45,671	\$55,522
5215 1920 1310	General Services Parks Customer Service	Building Maintenance Technician II Park Maintenance Technician II Senior Customer Service Advocate	65	\$37,612	\$43,254	\$47,956	\$58,299



Job Class	Department	Job Classification	Grade	Developmental Range		Merit Range	
				Minimum to Midpoint		Midpoint to Maximum	
				HIRING RANGE		Midpoint	Maximum
Code				Minimum	15%		
5210 1405 1330 1445 1925 1818 1800	General Services Public Works Customer Service Public Works Parks Police Police	Building Maintenance Technician III Construction Maintenance Worker II Customer Care Representative Meter Service Technician Park Maintenance Technician III Park Ranger Police Records Specialist	66	\$39,492	\$45,416	\$50,353	\$61,213
1210 5220 1926 1010/1100 1450	Finance General Services Parks Global Public Works	Accounting Technician I Building Maintenance Technician IV Park Maintenance Technician IV Senior Administrative Support Specialist Warehouse Assistant	67	\$41,468	\$47,688	\$52,871	\$64,275
1952 1934 1422 1408 1930 1810 1320 1470/1471	Parks Parks Public Works Public Works Water Resources Parks Police Customer Service Public Works	Assistant Athletics Coordinator Concessions Manager Construction Maintenance Technician <b>Equipment Operator I</b> / Heavy Equipment Operator Lead Service Line Inventory Technician Recreation Program Assistant Telecommunicator Utility Billing Specialist Water Treatment Plant Operator I	68	\$43,539	\$50,070	\$55,512	\$67,486
1220 1020 1817 1705/1700 1423 4025 1715 1340 1460 1465	Finance Global Police Fire Public Works Planning Fire Customer Service Public Works Public Works	Accounting Technician II Administrative Assistant Evidence/Property Control Technician Firefighter/ Firefighter P/T Locator Planning Technician Quality Assurance Coordinator Senior Utility Billing Specialist Water Quality Technician Water Treatment Plant Maintenance Worker	69	\$45,719	\$52,577	\$58,292	\$70,864

Job Class	Department	Job Classification	Grade	Developmental Range		Merit Range	
				Minimum to Midpoint		Midpoint to Maximum	
				HIRING RANGE			
Code				Minimum	15%	Midpoint	Maximum
4030 1110 1492 5400 1600 1935 1825 1815 1455 1475	Planning City Manager Public Works Parks Human Resources Parks Police Police Public Works Public Works	Code Enforcement Officer Communications Specialist Equipment Operator II Grounds Manager Human Resource Technician Park Manager I Police Officer Trainee Telecommunicator Shift Supervisor Warehouse Manager Water Treatment Plant Operator II	70	\$48,001	\$55,201	\$61,201	\$74,401
1349 1425/1426 1348 1720 1850 1820 1805 1840 1865	Customer Service Public Works/General Services Customer Service Fire Water Resources Police Police Police Police Police	Billing and Collections Manager Crew Chief Customer Service Manager Fire Engineer Lab Analyst Police Detective Police Officer Records Supervisor School Resource / DARE Officer Training Coordinator	71	\$50,403	\$57,963	\$64,264	\$78,124
1230 1490 1350 CS / 17 1940 1255 1816	Finance Public Works Customer Service Parks Finance Police	Accountant Engineering Technician Office Manager Park Manager II Payroll Administrator Police Planner/Accreditation Manager	72	\$52,922	\$60,861	\$67,476	\$82,030
1951 1430 1725 1610 4020 1435 1950	Parks Public Works Fire Human Resources Planning Public Works Parks	Athletic Program Coordinator Crew Supervisor Fire Inspector Human Resource Analyst Planner Planner/Scheduler Recreation Programmer/Special Events Coordinator	73	\$55,570	\$63,905	\$70,852	\$86,133



Job Class	Department	Job Classification	Grade	Developmental Range Minimum to Midpoint		Merit Range Midpoint to Maximum	
				HIRING RANGE		Midpoint	Maximum
				Minimum	15%		
1729 Not in use 1154 1498 4015 4031	Fire City Manager City Manager / Fire Engineering Planning Planning	Assistant Fire Marshal Communications Multimedia Specialist Community Engagement Specialist Engineer Technician II Gis Specialist Senior Code Enforcement Officer	74	\$58,347	\$67,099	\$74,393	\$90,438
1265 5200 1735 1731 1739 1260/1262 1860 1861 1480	Finance General Services Fire Fire Fire Finance Police Police Public Works	Budget Analyst Facility Manager Fire Captain Fire Vehicle Mechanic Safety and Logistics Officer Senior Accountant / Sr Accountant P/T Sergeant Sergeant/Recruitment Officer Water Treatment Plant Supervisor	75	\$61,264	\$70,454	\$78,112	\$94,960
1120 1491 1250 1615 6004	City Manager Public Works Finance Human Resource Information Technology	City Clerk Civil Engineer I Purchasing Agent Risk Manager Software Support Specialist	76	\$64,329	\$73,978	\$82,019	\$99,709
1130 6003 1494 4010	City Manager Information Technology Public Works Planning	Community Development Program Administrator Information Technology Analyst Senior Engineer Technician Senior Planner	77	\$67,545	\$77,677	\$86,119	\$104,694

Job Class	Department	Job Classification	Grade	Developmental Range		Merit Range	
				Minimum to Midpoint		Midpoint to Maximum	
				HIRING RANGE		Midpoint	Maximum
Code				Minimum	15%		
1740	Fire	Battalion Chief	78	\$70,922	\$81,560	\$90,425	\$109,928
1738	Fire	Health and Wellness Manager					
1728	Fire	Fire Marshal					
1495	Public Works	Operations Manager					
1870	Police	Police Lieutenant					
1811	Police	Telecommunications Center Manager					
1737	Fire	Training Manager					
1485	Public Works	Water Treatment Plant Manager					
6002	Information Technology	Network Administrator	79	\$74,469	\$85,639	\$94,947	\$115,427
1953	Parks	Recreation Superintendent					
1954	Parks	Parks Superintendent					
1619	Human Resource	Assistant Human Resource Director	80	\$78,190	\$89,919	\$99,693	\$121,195
1140	Customer Service	Director of Customer Service					
1754	Fire	Assistant Fire Chief	81	\$82,101	\$94,416	\$104,680	\$127,258
4005	Planning	Assistant Planning Director					
1155	City Manager	Communications and Marketing Director					
1270	Finance	Deputy Finance Director					
1880	Police	Police Captain					
1161	City Manager	Assistant to the City Manager	82	\$86,207	\$99,138	\$109,913	\$133,620
1492	Public Works	Civil Engineer II					
6001	Information Technology	Senior Network Administrator					
5000	General Services	General Services Director	83	\$90,515	\$104,093	\$115,407	\$140,298

Job Class Code	Department	Job Classification	Grade	Developmental Range Minimum to Midpoint		Merit Range Midpoint to Maximum	
				HIRING RANGE		Midpoint	Maximum
				Minimum	15%		
1497 1885 1755 1150 1620 1955	Engineering Police Fire City Manager Human Resource Parks	Assistant Director of Engineering Deputy Chief of Police Deputy Fire Chief Director of Economic & Community Development Human Resource Director Parks & Recreation Director	84	\$95,042	\$109,298	\$121,178	\$147,315
1501 1502 4000	Transportation/Env Services Water Resources Planning	Director of Transportation and Environmental Services Director of Water Resources Planning Director	85	\$99,794	\$114,763	\$127,237	\$154,680
1280 6000	Finance Information Technology	Finance Director Information Technology Director	86	\$104,783	\$120,501	\$133,598	\$162,415
1496	Public Works	Director of Engineering	87	\$110,025	\$126,529	\$140,281	\$170,538
1890 1760	Police Fire	Chief of Police Fire Chief	88	\$115,524	\$132,853	\$147,293	\$179,062
			89	\$121,301	\$139,496	\$154,659	\$188,017
1162	Global	Assistant City Manager	90	\$127,367	\$146,472	\$162,392	\$197,418
			91	\$133,734	\$153,794	\$170,510	\$207,287
			92	\$140,421	\$161,484	\$179,036	\$217,652
1160	City Manager	Deputy City Manager	93	\$147,441	\$169,557	\$187,988	\$228,534

**Not Assigned to a Pay Grade**

Administrative Intern - Flat rate position  
City Attorney - Contract Position  
City Manager - Contract Position  
Finance Management Fellowship - Flat rate position

Junior Attorney - Contract Position  
Reserve Police Officer - Flat rate position  
Santa - Flat Rate position

## 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)	436
County location	Cabarrus and Rowan

Area Statistics	
Population	56,534
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	99
Police Services	
Number of sworn personnel	95
Number of civilians	28
Number of patrol units	120

Education	
Public School Enrollment *Kannapolis City Schools	5,379
Elementary Schools	6
Middle School	1
High School	1
Graduation Rate	82%

Economy	
Unemployment rate	3.3% Cabarrus; 3.4% Rowan
Per capita personal income	\$53,647 Cabarrus; \$46,763 Rowan
Single Family permits issued (July 1-June 30)	1,035
Non-residential construction permit value	\$102.9

**SUPPLEMENTAL INFORMATION**

**City of Kannapolis**

**Top 10 Taxpayers**

<b>Top 10 Taxpayers</b>		<b>Percent of Tax Base</b>
1.	Castle and Cooke NC LLC	5.8%
2.	Gordon Food Services	1.4%
3.	Concord Owner LP	1.32%
4.	Duke Energy Corporation	1.09%
5.	Trinity of Cabarrus LTD	1.04%
6.	MACP Hall Grace Reserve LLC	0.92%
7.	Haas Formula LLC	0.91%
8.	WOP Coddle Creek LLC	0.86%
9.	SREIT Afton Ridge LLC	0.81%
10.	Integra POE LP	0.67%

**City of Kannapolis**

**Top 10 Employers**

<b>Top 10 Employers</b>		<b>Number of Employees</b>	<b>Percent of Total Employment</b>
1.	Amazon Fulfillment Services, Inc.	1000+	0.53%
2.	Shoe Show Inc	811	0.43%
3.	Kannapolis City Schools	778	0.41%
4.	Wayne Brothers	496	0.26%
5.	City of Kannapolis	489	0.26%
6.	Stanley Black and Decker	350	0.18%
7.	Gordon Foods Services	350	0.18%
8.	Stewart- Haas Racing, LLC	320	0.17%
9.	Cabarrus Health Alliance	289	0.15%
10.	Target	200	0.11%



**SUPPLEMENTAL INFORMATION**

**City of Kannapolis**

**Top 10 Water Users for FY 23**

<b>Name</b>	<b>Product or Service</b>	<b>Usage (Gallons) Water</b>	<b>Revenue</b>	<b>% of Revenue</b>
Prime Beverage	Bottle Co.	199,991,500	\$ 1,330,484.26	56%
Cabarrus County Schools	Education	20,136,900	\$ 201,161.34	8%
Town of Landis	Government	105,891,000	\$ 152,518.56	6%
Castle and Cook	Real Estate	17,942,000	\$ 123,930.51	5%
Centennial Afton	Real Estate	11,030,300	\$ 113,594.85	5%
Coddle Creek	Real Estate	9,141,800	\$ 101,147.21	4%
7850 Company	Company	12,289,600	\$ 97,053.51	4%
The Elliot AL	Real Estate	9,641,900	\$ 93,867.54	4%
West Shore Vive	Multi-Family	9,725,600	\$ 91,179.33	4%
City of Concord	Government	21,256,300	\$ 71,316.87	3%

**City of Kannapolis**

**Top 10 Sewer Users for FY 23**

<b>Name</b>	<b>Product or Service</b>	<b>Usage (Gallons) Water</b>	<b>Revenue</b>	<b>% of Revenue</b>
Prime Beverage	Bottle Co.	199,685,200	\$ 1,330,484.26	57%
Cabarrus County Schools	Education	20,133,200	\$ 193,272.66	8%
Castle and Cook	Real Estate	17,942,000	\$ 146,537.44	6%
Centennial Afton	Real Estate	11,030,300	\$ 119,070.49	5%
Coddle Creek	Real Estate	9,141,800	\$ 109,140.15	5%
7850 Company	Company	12,289,600	\$ 101,023.79	4%
The Elliot AL	Real Estate	9,352,400	\$ 93,247.49	4%
West Shore Vive	Multi-Family	9,160,000	\$ 90,186.46	4%
City of Concord	Government	21,256,300	\$ 87,603.67	4%
Hawthorne	Multi-Family	8,991,000	\$ 79,078.65	3%

SUPPLEMENTAL INFORMATION

**CITY OF KANNAPOLIS**  
**TAX RATES AND ASSESSED VALUTION**

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%

**SUPPLEMENTAL INFORMATION**

2014	0.56	3,468,844,752 ****	19,425,531	1.8%
2015	0.60	3,546,893,759	21,281,363	10%
2016	0.63	3,653,710,000 ***	23,404,948	10%
2017	0.63	3,859,718,981 ****	23,708,300	2%
2018	0.63	3,981,333,560	24,538,000	3.5%
2019	0.63	4,080,738,159	25,294,944	5%
2020	0.63	4,337,823,300 ***	26,781,721	6%
2021	0.63	5,049,289,745 ****	31,212,488	14%
2022	0.63	5,260,241,092	32,860,158	4%
2023	0.63	5,672,838,999	35,588,732	8.3%
2024	0.63	6,190,764,848 ***	39,027,140	9.13%

**Legend:**

*	A Citywide re-valuation of real property was conducted by Rowan County and Cabarrus County
**	In addition to a Citywide re-valuation being conducted, the City annexed ten square miles on its west side.
???	Rowan County re-valued property and the Pillowtex property was de-valued due to bankruptcy.
***	A re-valuation was done in the Rowan County portion of the City.
****	A re-valuation was done in the Cabarrus County portion of the City.



## GLOSSARY

**AAP** – Atlantic American Properties, a real estate dealer in Kannapolis.

**ABC Revenues** - Contributions from the local Alcoholic Beverage Control Board. The City is appropriated a portion of the net operating revenue derived from the operation of the local liquor stores.

**Accrual Accounting** - A basis of accounting in which revenues and expenses are recorded at the time they are incurred, instead of when cash is actually received or disbursed. For example, in accrual accounting, revenue earned between June 1 and June 30, but for which payment was not received until July 12, is recorded as earned on June 30, rather than on July 12.

**Activity** - A specific service or unit of work performed.

**Ad Valorem Taxes** - Revenue accounts showing taxes paid on real property, personal property to include property of public service companies allocated by the Ad Valorem Tax Division of the State Department of Revenue.

**Adopted Budget** - Term used to describe revenues and expenditures for the upcoming year beginning July 1 as adopted by the City Council.

And procedures necessary to define accepted accounting practices.

**Annexation** – Method by which a city may expand its boundaries (procedures are set forth in North Carolina General Statute 160A-46)

**Appropriation (Budgeting)** - An authorization granted by the City Council to make budgeted expenditures and to incur obligations for purposes specified in the budget ordinances.

**Appropriation** - An authorization made by the City Council which permits the City to incur obligations and to make expenditures of resources.

**Assessed Valuation** - A value that is established for real or personal property for use as a basis to levy property taxes.

**Audit** – an official inspection of an organization’s accounts, typically by an independent body.

**ARP**- American Rescue Plan funding that was part of the Biden administration that offered federal relief funds as a result of the COVID-19 pandemic.

## GLOSSARY

**AWWA** – American Water Works Association

**Balanced Budget** - Occurs when planned expenditures equal anticipated revenues. In North Carolina, it is a requirement that the budget submitted to the City Council be balanced.

**Basis of Accounting** - A term used to refer to when revenues, expenditures, expenses, and transfers--and the related assets and liabilities--are recognized in the accounts and reported in the financial statements; the City of Kannapolis uses the modified accrual basis of accounting for budget preparation, as required by the North Carolina Local Government Budget and Fiscal Control Act.

**Biotechnology** – A term used to describe any technological application that uses biological systems, living organisms, or derivatives thereof, to make or modify products or processes most commonly related to human health and disease.

**Bond** - A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets and bridges.

**Bond Funds** - Resources derived from issuance of bonds for specific purposes and related Federal project grants used to finance capital expenditures.

**Budget** - A statement in dollar terms of the City's program of service delivery for the ensuing fiscal year.

**Budget Amendment** - A legal procedure utilized by the City staff and City Council to revise a budget appropriation.

**Budget Calendar** - The schedule of key dates which the City's departments follow in the preparation, adoption and administration of the budget.

**Budget Document** - The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

**Budget Message** - The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the City Manager.

## GLOSSARY

**Budget Ordinance** - The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

**Budgetary Control** - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

**C.O.P.** – Community Oriented Policing

**CAD** - Acronym for Computer Aided Design.

**CAFR** – Certificate of Achievement in Excellence for Financial Reporting

**CALEA** – Commission on Accreditation for Law Enforcement Agencies

**Capital Equipment** - Vehicles, equipment, software, and furniture purchased by the City which individually amount to a value in excess of \$500 and an expected life of more than one year.

**Capital Expenditure** – Payments for acquisition of fixed capital assets, stock, land or intangible assets.

**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.

## GLOSSARY

**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.

**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.

## GLOSSARY

**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 replaced. The cost of the fixed assets lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

**Developmental Range:** This is the range on the job classification schedule that occurs between the minimum and the midpoint of a salary range in which employees can get up to 5% on their annual performance evaluation. After they are outside of this range, employees qualify for standard merit percentages (0-3%).

**Disbursement** - Payment for goods and services in cash or by check.

**DS1** – Digital Service broadband hookup. Telephone line for high speed service measured at 1,544,000 bits per second.

**DWI** – Driving under the influence of drugs or alcohol.

**Encumbrance** - The commitment of appropriated funds to purchase an item or service. To encumber funds is to set aside or commit funds for future expenditures.

**Encumbrance Accounting** - The system under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

**Enterprise Fund** - A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to insure that revenues are adequate to meet all necessary expenditures. Enterprise funds in Kannapolis are established for services such as water and sewer.

**Estimated Revenue** - The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by the City Council.

**Expenditure** - This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services regardless of when the expense is actually paid. This term applies to all funds.

**Expenses** - Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest and other charges.

**Fiscal Year** - The time period designating the beginning and ending period for recording financial transactions. The City of Kannapolis's fiscal year begins July 1st and ends June 30th.

## GLOSSARY

**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.

**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.

## GLOSSARY

**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.

**Goal** - A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given time period.

**Governmental Fund**. – Money, assets or property of the government used to account for activities primarily supported by taxes, grants and other various form of governmental activity.

**Grant** - A contribution by a government or other organizations to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed by the grantee.

**HACV (HVAC)** – heating, Air Conditioning, Ventilation

**Interfund Transfers** - Amounts transferred from one fund to another.

**Intergovernmental Revenue** - Revenue received from another government for a specified purpose.

**Internal Service Fund** - Funds used to account for the financing of goods or services provided by one department to another department on a cost reimbursement basis.

**Inventory** - A detailed listing of property currently held by the government.

**Investment Revenue** - Revenue earned on investments with a third party. The City uses a pooled cash system. We pool all funds' cash and invest it in total. The interest earned is then allocated back to individual funds by average cash balance in that fund.

## GLOSSARY

**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.

**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



## GLOSSARY

**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

**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.

**Organic Growth:** Growth that is achieved by internal metrics such as expanding the customer base due to development.

**OSHA** – Occupational Safety and Health Administration

## GLOSSARY

**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.

**Productivity** - A measure of the increase of service output of City programs compared to the per unit of resource input invested.

**Program** - An organized set of related work activities which are directed toward accomplishing a common goal. Each City department is usually responsible for a number of related service programs.

**Proprietary Fund** – Funds like those in the private sector. They are used to account for activities that receive significant support from fees and charges. There are two types: enterprise funds and internal service funds.

**Property Tax** - Property taxes are levied on both real and personal property according to the property's valuation and tax rate.

**Property Tax Rate** - The rate at which real and personal property in the City is taxed in order to produce revenues sufficient to conduct necessary governmental activities. This rate is currently \$.47 per \$100 of assessed valuation.

**PWOC** – Public Work Operations Center.

**Reappropriation** - Appropriations which are not expended at the end of a fiscal year that were earmarked for a specific purpose and are funded in the subsequent year.

**Reclassification** - Change in a position title and /or the associated pay range based on changes in the job skills required for a given position.

**Requisition** - A written request from a department to the purchasing office for specific goods or services. This action precedes the authorization of a purchase order.

## GLOSSARY

**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.

**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.

## GLOSSARY

**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 21<sup>st</sup> Century.

**TIF** – Tax Increment Financing. This is a type of financing authorized by North Carolina which stipulates that City property taxes received on the incremental value of a development can be pledged to pay debt service related to infrastructure improvements done by the City related to the development.

**Transfers** - All interfund transactions except loans or advances, quasi-external transactions and reimbursements.

**UDO** – Unified Development Ordinance.

**Unencumbered Balance** - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

**WAN** – Wide Area Network .

**WSACC** – Water and Sewer Authority of Cabarrus County.

**WTP** – Water Treatment Plant.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Kannapolis  
North Carolina**

For the Fiscal Year Beginning

**July 01, 2022**

*Christopher P. Morrill*

**Executive Director**