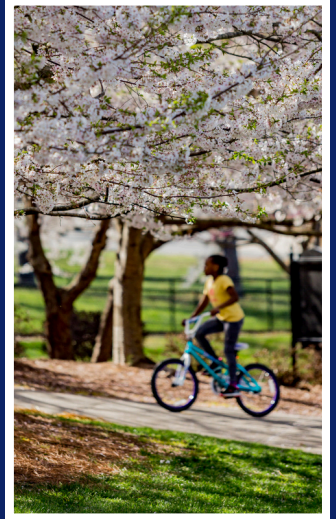




FY
24
-
25

ADOPTED BUDGET



CITY OF KANNAPOLIS

Fiscal Year 2025 Adopted Budget

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City of Kannapolis

City Council



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



City of Kannapolis

Annual Budget

Fiscal Year 2024-2025



Prepared by:

City of Kannapolis Staff

Special Thanks to:

City Manager's Office, Communications and Finance





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

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**City of Kannapolis
North Carolina**

For the Fiscal Year Beginning

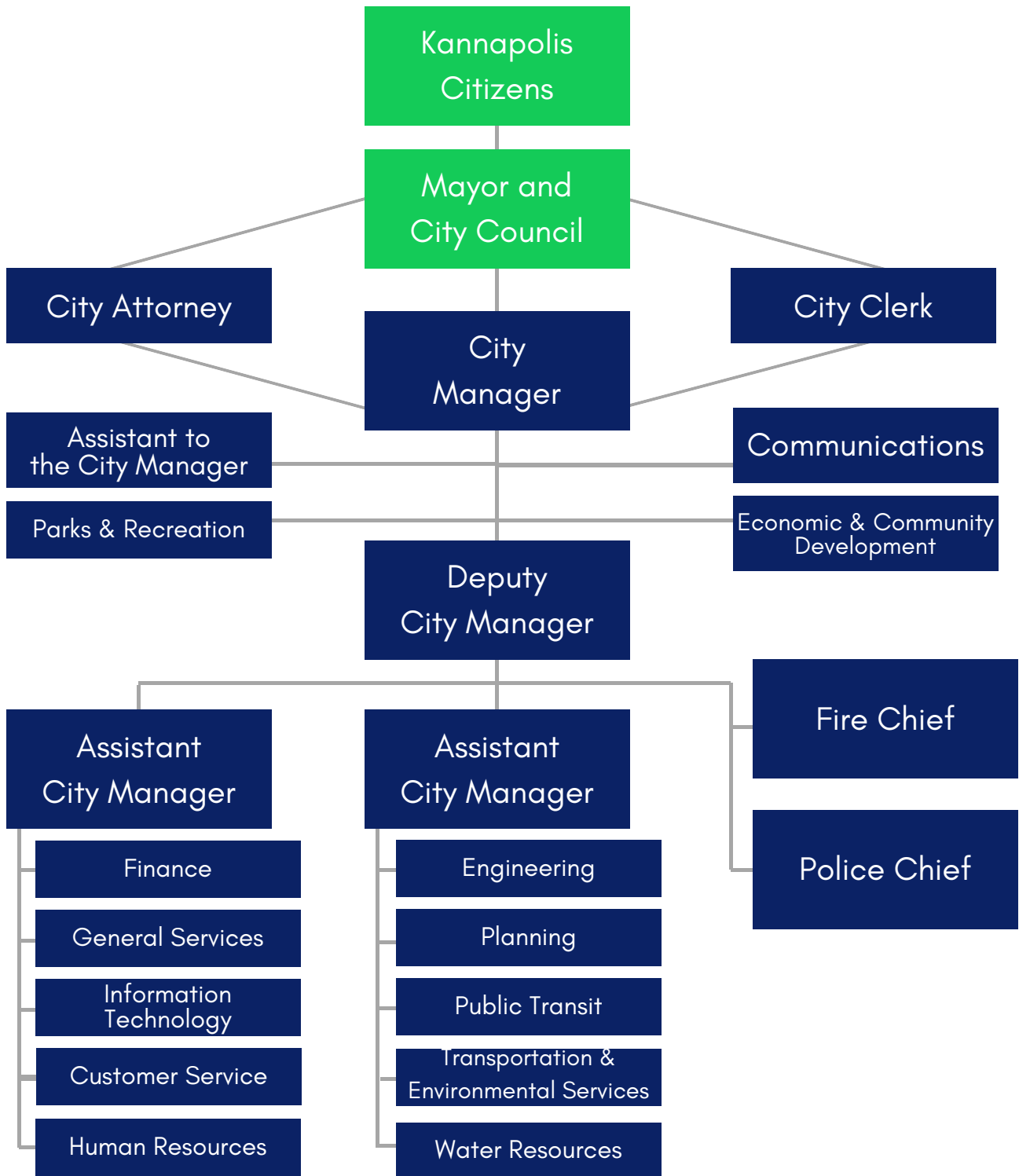
July 01, 2023

Christopher P. Morrill

Executive Director



CITY ORGANIZATION





May 20, 2024

Subject: Proposed FY 2024-25 Budget

Dear Mayor Hinnant and Members of the Kannapolis City Council:

I am pleased to present to you the proposed Fiscal Year 2024-25 (“FY 25”) Budget for the City of Kannapolis, North Carolina, which begins July 1, 2024, and ends June 30, 2025. 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 25.

The FY 25 Budget is quite consequential on a number of fronts: 1) it provides for the launching point for the implementation of the City’s Strategic Plan - Imagine Kannapolis, 2) it is the first of five consecutive budgets that are strongly linked together as part of a five year Financial Plan, 3) it continues the emphasis on employee retention and recruitment – a long standing City Council priority, 4) it leverages the City’s financial capacity due to growth and the accumulation of cash resources from non-traditional sources (such as the downtown revitalization effort) to improve the City’s quality of life and service delivery.

The Imagine Kannapolis Strategic Plan includes multi-year investments in several primary categories: 1) Service Delivery including Employee Recruitment and Retention, 2) Quality of Life, 3) Economic Growth and Prosperity, 4) Transportation, and 5) Public Safety. The specifics of these investments are described further in several sections of this budget message

Of note, 2024 marks 40 years since the City of Kannapolis incorporated. Our City has come a long way since 1984 as this FY 25 Budget will attest.

Looking Back: FY 23-24

The past fiscal year was full of numerous positive events and changes. These are summarized below.

Public Safety

- Funded four downtown police officer positions.
- Fire Station #1 and #4 renovations.
- Implemented security enhancements to City Hall public meetings.

Quality of Life

- Gem Theatre renovations to preserve the historic value and to improve the movie experience for patrons. This included the establishment of a fund raising campaign involving brick sales and seat sponsorships which is projected to raise \$110,000. Nearly all have been sold.
- Numerous improvements to all existing parks have been completed (or are in the final stages of completion). *Village Park*: 2nd train placed into service, new green room/ restrooms/storage building behind amphitheater, shelter, and amphitheater restoration, purchased new patio furniture, train track improvements, main building improvements. *Bakers Creek Park*: ballfield improvements, six new pickleball courts; *Pleasant Avenue Park*: wireless scoreboard and new field lighting. *Safrit Park*: repaved parking lot and added parking lot lighting, repaved walking path and replaced playground. *Downtown – West Avenue*: synthetic turf repair/replacement, conversion of planter areas to pavers, purchase of additional tables and chairs.
- Renovations to the Swanee Theatre converting it to a live performance venue. This was accomplished in partnership with private developers.
- Purchased two electric shuttles (Federal grant) for moving patrons from remote parking to the core of Downtown at peak activity times.
- New concessions building at Atrium Health Ballpark was completed in a partnership with Temerity Baseball.
- Contribution to Cooperative Christian Ministry to establish a transitional housing facility.
- Expanded funding for the Summer Event Series.
- Funded full-time positions and operating expenses for the Swanee Theatre and the new Cultural Arts/Historic Preservation program.
- 10-year Parks and Recreation Master Plan completed.
- Successful 10th Anniversary of Jiggy with the Piggy festival.

Service Delivery and City Operations

- Cost of Living Adjustment (COLA) and Merit Pay for all employees. Included changes to employee Merit Pay implementation which increased the developmental range from 15th percentile to midpoint to remain competitive and move employees within the grade faster.
- Implemented employee compensation study results. 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.
- Reinstated longevity pay for employees (between \$1,100 and \$5,100 annual bonus) based on tenure.
- Established 14 new positions in three different funds.
- Set aside significant cash reserves to establish a new Insurance and Risk Fund to more effectively manage the City's insurance programs.

- Recovered \$1.2 million investment from the shuttered United States Performance Center project.
- Began conversion to a new customer service software to enhance customer experience to allow for payments via text, creation of a mobile application, and allows customers to modify bank draft dates.
- Replaced HVAC systems at Fire Station #5, PWOC and the Gem Theatre.
- Hired a new Assistant City Manager, Human Resources Director, and Engineering Director.
- Established a Solid Waste Rapid Response Team to address contractor service lapses. Complaints dropped significantly.
- Successful re-bidding of solid waste services completed. New service starts July 2024.
- Clearwell construction at the Water Treatment Plant commenced. Completion summer 2024.
- Implemented water and sewer tap fee cost recovery study findings (increase in fees) to better align private sector growth with the cost of maintaining and improving the City's systems.

Transportation

- Funding allocated for the Bethpage Road Sidewalk project. Begins in 2024/2025.
- Funding allocated for the Little Texas Road Sidewalk project. Design completed. Right of Way acquisition underway. Construction begins in 2025.
- Appropriated nearly \$2 million in Powell Bill reserves to be used towards the resurfacing contract for street paving. Work begins summer of 2024.
- Approved City's local match to the MLK Bridge replacement project (for visual enhancements). Project begins in 2024/2025.
- Funded the local match of the Federal Safe Streets for All grant to develop a comprehensive City-wide transportation safety study.
- Installed numerous electric vehicle charging stations at City Hall and Downtown.

Economic Development and Prosperity

- Installed the new parklets (outdoor seating) on Main Street.
- Completed the PDL improvements (requirement of MLB) at Atrium Health Ballpark.
- Downtown continued to thrive. More than 80% of the retail spaces downtown are now occupied with remaining spaces likely filled by the end of FY 24. Private development moving towards completion 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 and elevated water storage tank completed.
- Metro 63 industrial building completed.
- Sale of Lane Street ballpark property and construction of Lakeshore Corporate Park began. Chick-Fil-A announced establishment of a logistics center.

- Gateway Business Park 7-acre tract sold, and mixed use development began.
- I-85 Exchange business park under construction with the first phase to be completed fall 2024.
- 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). City continues to work with Insite on the future use of the properties.
- Implementation of Wastewater Treatment Allocation policy to align growth and economic development with the treatment plant expansions.

FY 2024-25 Budget Overview

The total proposed FY 2024-25 (“FY 25”) Budget for the City of Kannapolis is **\$124,838,649** a 19.59% increase (\$20,452,773 actual), from the FY 2023-24 budget. This is the second year in the City’s 40 year history that the total City budget has exceeded \$100 million.

This FY 25 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.

| Recent Budget History | | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|---------------|-------------------------|
| FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 Proposed |
| \$69,679,864 | \$77,279,526 | \$80,523,452 | \$85,250,848 | \$94,916,039 | \$104,385,876 | \$124,838,649 |

The above budgets exclude all interfund transfers (as defined by transfers between the annually adopted funds). Interfund transfers excluded for the FY 25 Budget total \$9,331,913 (\$600,000 to Separation Pay, \$1,188,223 to Transit, \$2,191,690 to Environmental and \$5,352,000 to Insurance and Risk Fund).

Similar to previous budget years, the FY 25 Budget has been prepared with the following process for determining budget levels and identifying operational priorities:

- Level 1 - Continuation: defined as “keeping the lights on” in that these expenditures are required to maintain the same service levels in FY 25 as experienced in FY 24. Unavoidable inflationary and contractual increases are reflected at this level.
- Level 2 – Expansion: defined as anything new that was not previously approved through the budget process, including enhancements to programs or services, new positions, new projects, initiatives, and capital outlay items. This includes the projects and initiatives that have emerged from the draft Imagine Kannapolis Strategic Plan.

The following overarching themes have driven the development of the proposed FY 25 Budget:

1. **Implementing the Imagine Kannapolis Strategic Plan.** The City’s strategic planning process, Imagine Kannapolis, was launched in March 2022 and largely concluded at the beginning of the current fiscal year (FY 24). It is anticipated that the final Plan will be considered for adoption by City Council at the end of the 2024 calendar year.

After FY 25, the next four budget years (FY 26 through FY 29) will include new debt financing and increased recurring operating expenses to facilitate implementation of the Strategic Plan. Some one-time cash investments will be made in future years as well. From the proposed FY 25 Budget a number of new strategies, initiatives, projects, or programs will be launched. For this upcoming fiscal year, the Plan implementation will occur primarily in the form of new recurring operating expenses and one-time cash investments (“Watch List” items – see table below). These are technically not included in the actual FY 25 Budget but are described here as they will have non-recurring financial impacts for the next 14 months.

Some of these projects and initiatives are ready to begin construction and/or implementation. Most will need a final definition of the scope and a specific budget amendment prior to proceeding. The projects and initiatives will proceed in some form upon adoption of this FY 25 Budget.

| Imagine Kannapolis Strategic Plan One-Time Cash Watch List | | |
|---|--|----------------------------------|
| Project/Initiative | Description | Preliminary Cost Estimate |
| City Hall Upfits | 1 st and 2 nd Floors mostly relocation of Human Resources and Parks & Recreation. Also includes adding accessible parking to the front of the building. | \$2,850,000 |
| Downtown Parking Management Phase I and II | Capital/Equipment costs. Has been delayed indefinitely. | Post FY 29 |
| Fire Department Training Tower | Fire Station 1. | \$1,500,000 |
| Downtown Dog Park Construction | Location at DE Blvd @ Vance St. | \$500,000 |
| Upgrades to School Athletic Sites Phase I | Turf field at Kannapolis Middle School. | \$1,200,000 |
| Little Texas Road Sidewalk | Construction by City (City match to NCDOT funding). | \$1,340,000 |
| Western Cabarrus Communication Tower | City’s portion. Received Federal earmark of \$963,000. | \$1,200,000 |
| Block 10 Hotel Park | City match to developer contribution. | \$600,000 |
| I-85 Monument Signage Phase I | @ I-85 exits 58, 60, 63. Partnership with City of Concord. | \$600,000 |
| Kannapolis Parkway Lighting and Landscaping – Phase I | Focus on street lighting in this phase. | \$200,000 |
| Open Space Preservation Plan | Part of Environmental Stewardship Program. | \$50,000 |
| Economic Development Promotion Program | Downtown Marketing, Events, Communication investments - website, signage, etc. and NCRC Organizational & Economic Development Strategy. | \$160,000 |
| Cultural Arts/Historic Preservation Program | 10 historic preservation initiatives, NC Music Hall of Fame Growth Plan, Public Art Master Plan, Symphony Orchestra Exploratory Program, Performance Venue Sustainability Plan. NOTE: \$180,000 was already appropriated by City Council in FY 24 (all of which will be reappropriated to FY | \$145,000 |

| Imagine Kannapolis Strategic Plan One-Time Cash Watch List | | |
|--|---|---------------------------|
| Project/Initiative | Description | Preliminary Cost Estimate |
| | 25). Additionally, \$100,000 was appropriated for a new Cultural Arts/Historic Preservation Coordinator position which is already in the continuation budget for FY 25. | |
| Downtown Parking Lot Improvements | Oak Avenue S./Main Street = 190 total new spaces. | \$855,361 |
| Reserve Police Officer Program Expansion | Equipment costs. | \$60,000 |
| Police Community Response Team | Capital/Equipment costs. | \$100,000 |
| Fire Department Logistics Building | City's portion. Received Federal earmark of \$345,000. | \$155,000 |
| Glenn Avenue Property Restoration | Final assessment, NC Brownfields program entry and initial restoration. 100% Federal funding. | \$0 |
| | Total | \$ 11,515,361 |

2. **Cabarrus Revaluation.** The FY 25 budget includes the significantly increased revenue stream from the property revaluation process by Cabarrus County. More analysis of this impact is included in the General Fund Overview of this budget message.
3. **Employee Retention and Recruitment.** For the third straight budget year, the FY 25 Budget continues with enhancements to employee pay and benefits in order to retain and recruit the City's most significant asset. Regarding this effort, the following is included in the proposed Budget:

- **Cost of Living Adjustment (COLA)** for all employees at 3.0% (\$1,028,905 budget impact for FY 25 across all funds). The CPI index for April 2024 is 3.5%. In recent years COLAs have ranged from 1.5% to 5% based on a variety of external economic factors.
- **Pay for Performance (Merit Pay).** The merit pay budget impact across all funds is \$1,393,910. The FY Budget reflects an administrative move to annual evaluations to make budgeting and forecasting easier and to increase standardization in the performance evaluation process. FY 26 will be the full year of implementation. FY 25 is the transition year where those employees in the merit range will get an automatic 3% and those in the developmental range will receive an automatic 5%.

As a reminder, in FY 24 a new policy was implemented where the developmental range extending to midpoint of the salary range (was the 15th percentile). Because of this, around 80% of the workforce is now in this developmental range and is eligible for up to 5% performance increase. This was changed for two purposes: 1) to maintain a better alignment with the market so compensation studies every few years will have less of a one-time budget impact, and 2) as a retention tool to keep valuable employees in their prime salary growth years – it will facilitate employees moving up within the grade more rapidly.

- **Increased funding for the State Retirement System** to 13.64% from 12.89% (Law Enforcement Officers 15.04% from 14.04%). This is the sixth year of required

contributions to the retirement program. This has a \$387,993 FY 25 budget impact across all funds. While this is not a direct immediate benefit to employees, keeping the State Retirement System financially strong is certainly a long-term benefit.

- **Increased contributions to employee Health Insurance Accounts** which are used towards medical expenses (\$39,510 budget impact across all funds for FY 25). The Health Savings Accounts (HSA) contribution will increase to \$2,200 annually (increase from \$2,110) and the Health Reimbursement Account (HRA) contribution will increase to \$2,000 annually (increase from \$1,960).
 - Increase of \$60,000 for **employer paid vision benefit** for all employees and increase of \$125,000 for **employer paid short term disability** for all employees. These benefits are currently optional, and employee paid.
 - Part of retaining good employees is to ensure they are not burdened with unmanageable workloads that negatively impact their work-life balance. To that end, the FY 25 budget includes **Fourteen (14) new positions** in two funds bringing the total full time City employee count to 453. The total budget impact across all funds for these new employees is \$1,301,500 in recurring costs and \$383,000 in one-time start-up costs (vehicles and equipment). These new positions are described in the fund summaries that follow.
 - Increase of \$81,529 across all funds for continuing the **longevity pay** policy with payments between \$1,100 and \$5,100 annually per employee based on years of service (minimum 5 years working for Kannapolis).
 - Increase of \$260,826 across all funds to support a change in the employee **401k program**. The current program provides for a City match to the employee's contribution up to 3% of salary. This change will provide all employees with a straight 2% of salary (no match required) after which employees will still have the opportunity to receive a City match up to an additional 3%. The goal in a few years will be to ultimately provide all employees with a straight 5% (no match) contribution. State law mandates Law Enforcement Officers (LEOs) receive a straight 5% contribution – these changes would be in addition to that required contribution (resulting in 7% flat contribution for Police Officers). This change is to remain competitive in the marketplace.
 - \$200,000 for the City's portion of a **Cabarrus Share Grant Program**. The Cabarrus Partnership for Children received funding from the North Carolina General Assembly to pilot a daycare grant program for children under the age of five. The local organization is looking for partners to access these funds. The funding would provide a \$7,000 annual day care subsidy for employees that qualify (via family income limits) to participate. The employee must commit at least \$7,000 towards annual day care costs and the Partnership for Children contributes up to \$7,000. This funding would support about 30 City employees. If there is a higher demand, additional discussions will need to occur. This is budgeted in the General Fund, but it covers employees across all Funds.
4. **Cash Reserves.** A key component of the City's financial planning for the past decade has been to improve cash reserves. This has had several positive impacts: 1) flexibility in decision making, 2) increase bond rating (recently by Moody's) which will have a positive short term impact on borrowing costs in the next few years, 3) ability to implement significant

parts of the Imagine Kannapolis Strategic Plan without new debt. 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 coupled with the \$9.3 million Federal ARPA funds, has resulted in an infusion of cash which has grown the available fund balance in a substantial way. The table below depicts the current cash reserves and fund balance estimates and the cash that is available for appropriation in FY 25.

| Unrestricted Cash Reserves | | | | |
|-----------------------------------|-------------------------|--|---|--|
| Fund | Minimum Target % | Projected Total Reserves, June 30, 2024 | Available for Appropriation in FY 25 | Amount needed to reach Target % |
| General | 25% | \$46,419,136 | \$16,307,995 | Above Target |
| Water and Sewer | 25% | \$13,731,270 | \$5,798,588 | Above Target |
| Stormwater | 25% | \$2,528,655 | \$1,591,155 | Above Target |
| Environmental | 10% | \$1,964,741 | \$1,294,672 | Above Target |
| Transit | NA | \$552,292 | \$452,035 | NA |
| Totals | | \$65,196,094 | \$25,444,445 | |

Approximately \$22.3 million of cash reserves has already been appropriated by City Council over the past 18 months for a wide variety of one-time investments, many related to the early advancement of the draft Imagine Kannapolis Strategic Plan.

The City still owns two significant real estate assets that could add to available cash reserves if sold: 1) the 14.7 acre Plant 4 site, and 2) Downtown Block 6. These values are estimated at approximately \$11 million.

General Fund Overview

The proposed FY 25 General Fund Budget is \$84,993,152 which represents a 20.78% increase over the FY 24 Budget (\$14,621,873 actual).

General Fund Revenue Highlights:

1. The projected total **Property Tax revenue** for FY 25 is \$51,331,962 (which represents a 31.53% increase from FY 24 Budget of \$39,027,140 (\$12,304,822 actual). The projection is based on a collection rate of 99.00% (per the FY 23 audit). Property taxes represent 60% of the proposed FY 25 Budget (FY 24 was 55%; FY 22 and FY 23 were 57%).

The property tax rate is recommended to be reduced to 57.92 cents per \$100 valuation (from the FY 24 rate of 63.00 cents).

Each penny on the tax rate is now equal to \$888,232 (up from \$619,076 in FY 24, \$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 \$8,882,324,940 in FY 25 (an increase of \$2,691,560,092 from FY 24). The increase was \$517,925,849 from FY 23 to FY 24 (including

Rowan County revaluation impacts), \$412,597,907 from FY 22 to FY 23 and \$210,951,347 from FY 21 to FY 22.

Of the total assessed value City-wide \$7,926,753,000 (89%) is attributed to the Cabarrus County side of the City and \$955,571,940 (11%) is attributed to the Rowan County side.

The FY 25 increase and the corresponding projection of \$12.3 million in property tax revenues is the result of a) new private sector investment in our City, and b) the Cabarrus County property revaluation as shown below.

| Property Tax Base Increase FY 24 to FY 25 | |
|---|------------------------|
| Cabarrus County Revaluation (49.63% increase) | \$2,340,004,167 |
| Cabarrus County Natural Growth (private investment) | \$289,213,998 |
| Rowan County Natural Growth (private investment) | \$62,341,927 |
| Total | \$2,691,560,092 |

- 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 Cabarrus 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 Cabarrus County reappraisal contributed to a projected FY 25 tax base of \$8,882,324,940 for all of Kannapolis (both counties). The City-wide tax levy for the current fiscal year is \$51,331,962 and the growth factor since the last general appraisal is 7.05%. **Using the formula mandated by State law, the revenue-neutral rate for the City of Kannapolis for FY 25 is 47.00 cents per \$100 valuation.**

The above revenue neutral calculation is a combined approach accounting for the Kannapolis tax base change in both counties together.

- 4. Revaluation – Base Level Rate.** Base level rate is: 49.50. This is what might be considered the “practical revenue neutral rate” in that it would provide the bare minimum of operating revenues to avoid cutting services, personnel, etc. It would provide enough revenues to fund the basic salary adjustments (COLA and merit) for employees and to fund the inflationary increases in most of the continuation services.
- 5. Sales Tax Revenue** is projected to increase 2.72% to \$16,887,246 (\$447,144 actual). Sales Tax projections for the current FY 24 Budget year are expected to be short of the projections by \$202,366 which in-turn impacts sales tax projections for FY 25. There is some evidence of a trending decrease in the City’s collections for the past few months in comparison to the FY 23 collections. The FY 25 Budget includes an overall 4% increase from the projected June 30, 2024, year-end receipts largely based on analysis from the North Carolina League of Municipalities.

Sales taxes comprise 20% of the FY 25 General Fund revenues; this was 23% in FY 24, 22% in FY 23 and 20% in FY 22.

6. **Powell Bill** funding for FY 25 is projected to increase by 13.38% to \$1,794,902 which represents an actual increase of \$211,756 from the FY 24 Budget. No General Assembly changes are expected for the per capita and mileage-based allocations for FY 25. The growth is simply adding streets from new private developments to the City system.
7. **Franchise Tax** revenues are projected to increase by 11.77% to \$3,135,627 (\$330,319 actual) based on collections from FY 23.
8. **Ballpark-Related Revenues** includes a contribution from the Cabarrus Convention and Visitors Bureau (CCCVB) of \$100,000, an amount that will continue for next 4 years. These revenues help pay for the annual debt service on the new ballpark. The CCCVB has contributed \$700,000 to date. Temerity Baseball will again pay the City its annual lease payment of \$450,000 for the use of Atrium Health Ballpark. The rate increases to \$500,000 in FY 26.
9. **Enterprise Fund Management Fee Reimbursement.** This reimbursement is *decreased* 1.29% to \$2,257,710 (\$29,585 reduction from the FY 24 payment of \$2,287,295). This is a budget action that facilitates the Water and Sewer Fund (\$1,845,182) and Stormwater Fund (\$412,528) “paying back” the General Fund for indirect staffing and other support throughout the year. This is based on a formula of employee allocation across funds. The decrease is attributed to updated audited figures used in the calculation. More specifically, the decrease is due to adequately budgeting health insurance and workers compensation insurance in the enterprise funds initially as opposed to including them in the Non-Departmental account in the General Fund as in previous budgets.
10. **Investment Income.** Based on trends in the current market and higher interest rates, an increase in investment earnings is projected at \$1,400,000 (an increase from the FY 24 amount of \$1,000,000).
11. **Parks and Recreation Charges and Fees** are projected to increase by 86.4% to \$2,250,600 (\$950,600 actual increase). This increase is predominately influenced by the following:
 - \$100,000 in Gem Theatre revenues to a total of \$700,000. There is a high level of confidence that with the most recent renovations attendance will increase, perhaps more than expected. However, a few years of operation after the renovations will provide more of a trend for the future.
 - \$835,600 for the Swanee Theatre budget. The FY 25 Budget assumes full City operation, but that final decision will occur after the proposed budget is completed. The revenue streams are projected \$600,000 in ticket sales and \$235,600 in concessions sales and lease/rental revenue.
 - \$75,000 in recreation charges and fees based on anticipated participation increases in baseball, soccer, and flag football program participation to a total of \$200,000. No additional sports programming is included in the FY 25 Budget.
12. **Engineering Reinspection Fees.** This recommended new fee is projected to generate an increase of \$30,000. There are five elements of the City’s engineering inspections: driveways, driveway drainage, grading/drainage, sidewalks, and water/sewer. The initial inspection is free, but every additional re-inspection is proposed to be charged \$50.

13. **Fund Balance.** No appropriation of fund balance is included in the proposed FY 25 Budget which results in an overall *decrease* of \$1,242,385. In FY 24 this amount was for a number of one-time, or short-term purposes, generally with an average useful life of seven years or less.

General Fund Expenditure Highlights

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

1. The FY 25 General Fund Budget includes **11 new positions, 2 reclassifications, 1 transfer and 1 temporary/transition position** in nine departments representing a projected total recurring budget impact of \$1,059,218 (salaries and benefits) and \$343,000 in initial start-up costs for vehicles and equipment. These positions are listed on the table below. For the temporary/transitional position, it is expected that \$100,000 will be necessary in one-time cash reserves which will be addressed via a budget amendment once a timeframe is endorsed by City Council. By comparison, the FY 24 budget included 8 new positions and 1 reclassification in three departments.

| New Positions, Reclassifications and Transfers | | |
|--|-------------------------------------|--|
| Department | Position (number) | Notes |
| Police | Police Officer (1) | To compensate for growth and evolving community needs in the Criminal Investigations Division. |
| Police | Data Manager/Crime Analyst (1) | This position is requested to proactively address growth and evolving community needs through the deployment of personnel based on crime data. Secondly, they will oversee all departmental video through Axon, video consent orders, and City connected camera systems. |
| Fire | Inspector (1) | New position requested due to increased call volume, increase in new construction (plan reviews). The Fire Department has maintained a staff of two in the Fire Marshal’s office since 2011. |
| General Services | Fleet Manager (1) | Position will manage the entire City fleet in all departments. This position will handle fleet related inquiries, coordinating annual inspections, logging preventative maintenance, titles, development, and maintenance of a comprehensive replacement schedule for entire City-wide fleet and manage auto liability claims. |
| General Services | Building Maintenance Technician (1) | Building Technician to accommodate increased maintenance and janitorial duties as needed at all City buildings. Employees will be needed to complete responsibilities in relation to events and setups and janitorial services. |
| City Manager’s Office | Grants Manager (1) | Will oversee and manage the City’s state, federal and non-profit grant pursuits including identification, preparation/grant writing, and back-end monitoring all grants for all City departments. The position will work closely with Strategics, the City’s Federal lobbyist and various state and federal agencies and non-profit organizations. |

| New Positions, Reclassifications and Transfers | | |
|--|--|--|
| Department | Position (number) | Notes |
| City Manager's Office | Neighborhood Improvement Coordinator (1) | Imagine Kannapolis Initiative: For the new Neighborhood Improvement Program. |
| Police | Clinical Social Workers (2) | Imagine Kannapolis Initiative: For the new Community Response Team Pilot Program. |
| Transportation | Right-of-Way Crew Chief (1) | Additional field supervision. Currently Construction maintenance workers are on the job as a crew with little to no on-site supervision. |
| Information Technology | Technical Support Specialist (1) | Performs technical assistance and support to end-users and organizations regarding computer systems, software, hardware, and various IT-related issues. |
| Finance | Reclassification of Senior Accountant to Accounting Supervisor | Facilitates the position taking on supervisory duties, due to ongoing procedure and process changes. Will improve the efficiency of the three operational areas of the department (accountant for daily collections, accounts payable, and payroll). The position will also serve as the backup for all three areas. |
| Finance | Reclassification of Purchasing Agent to Purchasing Manager | Due to increased compliance needs and workload related to contract processing, bidding, sale of assets. This move is coupled with part-time funding for a Purchasing Assistant, so it will also facilitate a new supervisory role. |
| City Manager's Office | Transfer Administrative Assistant from Engineering Budget | Will provide administrative support to 10 staff members and reception duties for the City Manager's Office and Finance Department after the move of Human Resources Department to new space at City Hall. This has no budget impact. |
| Legal | Second City Attorney (temporary/transitional) | This position is for City Council to hire a second City Attorney to overlap with the expected retirement in FY 25 of the current City Attorney. The plan is to use cash reserves to fund the additional position for as long as both are in place. |

2. The FY 25 General Fund Budget includes \$2,142,100 in **Capital Outlay Items** as noted below. For FY 25 cash will be used. However, over the next few budget years some level of short-term financing will be used for some capital outlay.

| Included Capital Outlay Items | | |
|-------------------------------|--|----------|
| Department | Item | Cost |
| General Services | Vehicle for new Fleet Manager* | \$40,000 |
| Parks | Club car carryall/JD gator electric for Village Park | \$21,000 |
| Parks | Ford Escape for programming staff needs | \$35,000 |
| Parks | 60" Ex-mark mower | \$15,000 |
| Parks | New Ford F-250 | \$59,000 |
| Parks | Toro Workman utility vehicle for Bakers Creek Park | \$14,000 |
| Parks | Ride-on aerator with seed spreader | \$15,500 |

| Included Capital Outlay Items | | |
|-------------------------------|---|--------------------|
| Department | Item | Cost |
| Parks | Kubota tractor with backhoe attachment | \$55,000 |
| Parks | Tow behind Chipper for cleanup projects | \$65,000 |
| Parks | Mini excavator | \$90,000 |
| Parks | Chipper attachment for tool cat | \$10,500 |
| Parks | Tilt-deck heavy equipment trailer | \$11,000 |
| Fire | Replacement of Training Manager's 2009 Ford Explorer with a Ford F150 pick-up (includes emergency and communications equipment) | \$75,000 |
| Fire | Replacement of Fleet Services Vehicle for fleet services mechanic, includes a fleet body with an equipment crane. | \$200,000 |
| Fire | Replacement of 2008 staff vehicle (includes emergency and communications equipment) | \$75,000 |
| Fire | Thermal Imaging Drone. | \$12,000 |
| Fire | Replace 15 year old Kawasaki UTV with motor and transmission issues. | \$35,000 |
| Fire | Replacement of a 19 year old dual axle trailer. The existing trailer is used to transport bulk rescue, hazmat and decon equipment as well as logistical supplies. | \$15,000 |
| Fire | Vehicle for Inspector position* | \$48,000 |
| Police | (14) Patrol vehicles selected for replacement that meet or exceed established threshold amounts relating to vehicle age and/or mileage | \$848,000 |
| Police | Vehicle for Police Officer Position* | \$55,000 |
| Police | Police Surveillance Camera | \$13,100 |
| Planning | Replacement vehicle for Code Enforcement (maintenance issues). | \$30,000 |
| Streets | Graco LineLazer Paint striper | \$13,000 |
| Streets | Bobcat asphalt spreader skid steer attachment | \$15,000 |
| Streets | Tandem Dump Truck with snow equipment | \$250,000 |
| Total | | \$2,115,100 |

* Tied to a new position.

3. The FY 25 General Fund Budget *excludes* several expansion expenditures of note. These **Unfunded Expansion Items** 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 2025 | | |
|---|--|-----------|
| Department | Item | Cost |
| Transportation | Utility Patch Crew, Crew Chief, vehicles, and equipment | \$309,522 |
| Transportation | Tandem Dump with snow equipment (tied to an unfunded position request) | \$250,000 |
| Transportation | Freightliner with utility bed (tied to unfunded position request) | \$180,000 |
| Transportation | Construction Manager II Crew Member to assist Sign Shop workload | \$64,051 |
| Planning | Part-time Administrative Support Specialist (Receptionist) | \$34,000 |
| Parks | Expanded parking area on Rogers Lake Road for Irish Buffalo Creek Greenway trailhead | \$80,000 |

| General Fund: Unfunded Expansion Items requested in FY 2025 | | |
|---|--|--------------------|
| Department | Item | Cost |
| General Services | (1) Building Technicians to accommodate maintenance and Janitorial duties as needed at all City buildings. One Building Technician is included in the FY 25 Budget. | \$75,000 |
| Communications | Community Engagement Specialist focused on multi-media activities | \$73,000 |
| Communications | Equipment for video and sound production | \$25,000 |
| Economic/Community Development | Part-time Community Development Administrative Assistant. The transferred Administrative Assistant position to the City Manager's Office will be able to assist with some of these duties. | \$25,000 |
| Fire | (3) Firefighters to allow the department to meet NFPA 1710 Staffing Standard on all but one truck, which recommends 4 personnel on all engine companies. | \$234,693 |
| Fire | (2) Fire Inspectors due to increased call volume/plan review (includes all costs). One Fire Inspector is included in the FY 25 Budget. | \$217,518 |
| Total | | \$1,567,784 |

4. **General Government Operating Expenditures.**

(City Council, City Manager, Economic Development, Communications, Legal)

- - \$49,220 *decrease* in municipal election expenses (2024 is not a municipal election year).
- \$10,535 increase in **City Council salaries** (3% COLA and 5% merit increase similar to what is recommended for employees).
- - \$40,000 *decrease* in consultant services for contract grant management assistance. This is proposed as a full-time position for FY 25.
- \$193,725 for the first year of a three-year **incentive grant for Chick Fil-A Logistics** at Lakeshore Corporate Park.
- \$20,000 for contracted services for **Placer AI data**. This data is used to view demographics of visitors using cell phone data.
- \$20,000 for **Swanee Theatre marketing** and branding initiatives.
- \$27,000 for an additional **digital sign** installation.
- \$21,000 increase in **contracted legal services** based on recent workload trends.

5. **Human Resources Operating Expenditures.**

- \$80,000 increase in **part-time salaries** for assistance with policy and administrative work and implementation and transferring personnel files electronically.
- \$35,000 for **Employee Compensation Study** (projected to be implemented in FY 26).
- \$35,000 for a **City-wide Staffing Study**. This study will serve as a resource for decision making in the next several annual budgets.

- \$85,000 for **document scanning** project to scan all personnel files electronically and reduce paper files for record retention efforts.
- \$50,000 for new **First Responder Assistance Program (FRAP)** which include mental health support services specifically for Police and Fire personnel.
- \$20,000 for **Internal/Employee Communication/Education** consultant services.
- \$50,000 increase in **employee academy programs** for the Kannapolis Employee 101, S.E.E.K. (supervisor's bootcamp) and Mid-Level Manager's Group programs.
- \$60,000 for **employee recognition and appreciation initiatives**. This is offset by budgeting p-card rebates of \$70,000.

6. Finance Department Operating Expenditures.

- \$35,000 increase in contracted services for an increase in **Debtbook** costs and increase in **financial advisor services**.
- \$75,000 increase in **tax collection fees** from both Cabarrus and Rowan counties.
- \$10,000 increase in **audit contract**.
- \$10,000 increase in part-time funding for the addition of a purchasing assistant in an effort to cross train for procurement efforts.
- -\$12,000 *decrease* in travel and training costs due to trends

7. Information Technology Operating Expenditures.

- \$150,000 increase in continued implementation of a routine replacement schedule for all citywide equipment/devices.
- \$17,000 increase in contracted services for station alerting at Fire Stations 2, 3 and 5.
- \$176,000 for new **data switches**.
- \$17,000 for **security cameras for the VIDA parking deck and the Swanee Theatre**.
- \$13,200 for **tablet upgrades** for Transportation and Environmental Services Department.
- \$37,000 to move **Accela (central permitting software) to the cloud**.
- \$82,719 to move all **security cameras to the cloud**.
- \$55,000 for **Cell on Wheels software** for better coverage at Village Park during events
- \$8,000 to establish a **virtual Emergency Operation Center**.
- \$35,000 for upgrades to the **Computer Aided Dispatch (CAD)** system to allow for interagency dispatch more effectively.
- \$9,000 to develop a **database for the Kannapolis Cemetery** plots.
- \$35,000 expanding **Cityworks work order system** software to include Parks and Recreation Department.
- \$45,000 for **Northstar Utility software** to complete business process review.

- \$65,000 to establish **virtual Mitel phone system** which will eliminate city-wide desk phones and allow expanded cell answering capabilities.
- \$30,780 for **911 call recording** software upgrades.
- \$12,000 for **Loop the Loop software**.

8. **General Services Operating Expenditures.**

- \$37,000 increase in **train station repairs and maintenance** including upgraded entrance doors and carpet replacement in event space.
- \$70,000 increase for **asphalt repairs at College Station**.
- \$55,000 for **Swanee Theatre and Gem Theatre repairs**.
- \$18,000 increase in copier leases based on trends.
- \$10,000 increase for the **replacement of UPS batteries** for City Hall 3rd floor server room.
- \$22,000 increase for the **upgrade of Facility Dude** (work order program) Asset Essentials.
- \$10,000 increase for alarm, **security, and monitoring system updates to all park facilities**.
- \$58,000 increase for additional **supplemental janitorial services**.
- - \$71,010 *decrease* in utility costs based on trends.

9. **Non-Departmental Operating Expenditures.**

- \$150,000 increase in **workers compensation claims** based on trends.
- \$837,871 increase for **3% COLA** for all employees in the General Fund.
- \$260,000 in projected new **401(k) costs** in the General Fund.
- \$1,122,663 increase for projected **merit pay** for all eligible employees in the General Fund.
- \$187,546 increase in recurring operating expenses to support the following **Imagine Kannapolis Strategic Plan** initiatives:
 - \$30,546 for part-time driver salaries for the downtown shuttle program.
 - \$10,000 for reserve officer program funding.
 - \$2,000 for the Downtown Ambassador Program.
 - \$75,000 for new Neighborhood Improvement Program expenses.
 - \$20,000 for the promotion of motorsports.
 - \$50,000 for a new Environmental Stewardship Program (Environmental Stewardship Commission support, for Keep Kannapolis/Cabarrus/Rowan Beautiful Organization and re-establishing the façade and site improvement matching grant program).

NOTE: These initiatives exclude three new positions which are described in the personnel section of this budget message. The total of the above and the new positions totals \$409,546.

- \$160,0129 increase in **Insurance Premiums** (General Liability, Public Officials and Building & Contents); 20% increase from our carrier the North Carolina League of Municipalities.
- \$52,183 increase in **Property Repair Claims** based on trends. These are usually small claims for vehicle repairs, property damage, etc. that do not meet the deductible threshold to send to our insurance carrier.
- - \$12,788 *decrease* in medical plan expense based on trends.

10. Police Department Operating Expenditures.

- \$20,257 increase in the **P-25 maintenance contract** with Cabarrus County for emergency communications.
- \$20,000 increase in **public safety supplies** related to the addition of a new police officer.
- \$30,000 increase for **honor guard uniform replacement**.
- - \$42,470 *decrease* in Special Operations Division public safety supplies related to one-time costs in the FY 24 budget

11. Fire Department Operating Expenditures.

- \$155,825 increase in **contracted fire protection services** with the Odell Volunteer Fire Department due to the Cabarrus County revaluation. The new budget number is \$600,000 for FY 25.
- - \$48,264 *decrease* in telephone costs due to trends.
- \$75,000 increase in **public safety supplies** related to the replacement of turnout gear and PPE.
- \$50,000 increase in **repair and maintenance of vehicles** based on trends.

12. Transportation Operating Expenditures.

- \$227,756 increase in the **annual resurfacing** contract (\$1,088,902 total for FY 25).
- \$100,000 increase in **electricity costs** based on trends and including the addition of the parklets and EV charging stations downtown.
- - \$202,000 *decrease* in capital machinery and equipment purchases. These were one time expenditures from FY 24.

13. Engineering Department Operating Expenditures.

- \$310,000 increase in **consultants and contract engineering services** for City-wide projects including assistance in the transferring of as-builts drawings into the City's digital filing system.
- - \$23,000 *decrease* in part-time funding due to the elimination of part-time positions for FY25.

14. Parks and Recreation Department Operating Expenditures.

- \$10,000 increase in **part time hours to assist with pickleball courts** usage oversight at Bakers Creek Park.
- \$1,233,000 to account for a full year of City **operations at the Swanee Theatre**. This is offset by a projected \$835,600 in revenues associated for the Swanee (\$600,000 in ticket sales and \$235,600 in rental revenue and concessions).
- \$109,856 increase in **ground maintenance contract** (total contract for FY 25 is \$917,700). This includes a full year Highway 3 right-of-way maintenance, rise in pine needle prices, and additional downtown maintenance costs.
- \$81,000 for **landscaping and irrigation repairs** on Watson-Crick Drive and for the median at Kannapolis Parkway/I-85.
- \$35,000 for **infield renovation** at Baker's Creek Park ballfield.
- \$87,000 for **building and equipment repairs** to the Happy Holidays display, the concrete at Safrit Park behind backstops, and ceilings in the Gem Theatre 2nd floor rooms.
- \$54,000 for **sod and landscaping work** at City Hall and on West Avenue near the urban swing.
- - \$70,400 *decrease* in contracted services primarily for the Master Plan for FY 24.
- \$235,000 increase in **funding for Summer Event Series**. This is an increase from the FY 24 Adopted Budget. It was amended mid-year. The total budget appropriation for FY 25 is 575,000.

15. General Fund Transfers to other funds:

- **Transfer to Environmental Fund:** \$2,191,690 (up from \$1,147,817 in the FY 24 budget) primarily due to \$432,000 in capital outlay needs and the \$621,034 increase in the new solid waste collection contract with Waste Connections.
- **Transfer to Separation Pay Fund:** \$600,000 (up from \$496,912 in the FY 24 budget) based on a projected 33 employees receiving this benefit in FY 25. This assumes a net of eight additional employees receiving the benefit.
- **Transfer to Transit Fund:** \$1,188,223 (up from \$323,031 in FY 24). This transfer is due to a combination of impacts: 1) a change in the accounting method with only \$10 of the vehicle license tax (VLT) going directly to the Transit Fund (in the past, \$20 of the VLT went to transit), and 2) the increase in the Transit operations contact with TransDev (\$203,356 increase) and \$156,704 in capital outlay.
- **Transfer to a new Capital Reserve Fund:** \$888,232 (new for FY 25). This fund is designed to set aside monies for future infrastructure projects, primarily, but not exclusively, focused on street, transportation, and sidewalk enhancements. The first year is slated for enhanced street paving efforts, but separate City Council action will be requested to determine the specific planned use of these funds for FY 25 and several future budgets. This funding amount equates to 1.0 cent on the tax rate.

- **Transfer to Western Cabarrus Fire Protection Capital Project Fund:** \$373,057 (new for FY 25). This project fund facilitates the gradual establishment of fire protection and life safety services in the areas of Western Cabarrus County west of Lake Howell and north of NC Highway 73 where there are currently 1,751 homes inside the City limits (more than the estimated 1,462 homes in the unincorporated areas. These City residents do not receive the same level of this service as the remainder of City’s residents which this budget addition will ultimately resolve. For FY 25 these funds will be set aside for one-time startup costs and potential fire station renovations costs. For subsequent budgets, these funds will become part of the operating obligations - although additional capital funding (and debt service) may be necessary. This funding amount for FY 25 equates to 0.42 cents on the tax rate.
- **Transfer to Cultural Arts Facility/History Museum Capital Project Fund:** \$746,115 (new for FY 25). This will be a multi-year project fund designed to facilitate the purchase of an existing structure and related renovation costs. For FY 25-FY 27 these funds will be set aside for the larger project - although some may be used for the acquisition part of the project in this time frame. By FY 28 additional capital funding (and debt service) will likely be necessary. This funding amount equates to 0.84 cents on the tax rate.
- **Transfer to Downtown Economic Development Project Fund:** \$888,232 (new for FY 25). This a set aside of funds to facilitate the construction of public infrastructure (likely parking) in partnership with a to-be-determined private sector developer. This funding amount equates to 1.0 cent on the tax rate.

16. There are no new **General Fund Debt Service** obligations added to the FY 25 Budget. The annual debt obligation (principal and interest) is \$13,725,856 for FY 25 which represents a *decrease* of 1.85% (-\$258,235 actual) from FY 24. The current General Fund Obligations are shown in the table below.

NOTE: 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.

| General Fund Debt Service | | | |
|--------------------------------------|---------------------|--------------------|----------------------|
| Limited Obligation Bonds | Principal | Interest | Maturity Date |
| Fire Stations 2 and 3 | \$555,000 | \$308,469 | 04/01/2038 |
| City Hall/Police Headquarters | \$1,365,000 | \$539,056 | 04/01/2034 |
| NCRC Projects | \$2,511,000 | \$140,041 | 03/01/2027 |
| Irish Buffalo Creek Greenway | \$92,000 | \$22,466 | 04/01/2035 |
| College Station/Downtown Streetscape | \$395,000 | \$200,186 | 04/01/2038 |
| Atrium Health Ballpark | \$2,600,000 | \$1,731,600 | 10/01/2039 |
| Parking Deck at VIDA | \$735,000 | \$259,992 | 04/01/2041 |
| Other Debt | Principal | Interest | Maturity Date |
| Misc. Equipment | \$42,154 | \$2,974 | 06/10/2026 |
| Village Park and Fire Engine | \$446,000 | \$141,041 | 04/01/2037 |
| Downtown Property Purchase | \$733,000 | \$227,267 | 08/01/2030 |
| Motorola (Radio) Lease Payment | \$677,750 | \$0 | 11/01/2025 |
| Total | \$10,151,153 | \$3,573,903 | |

Water and Sewer Fund Overview

The proposed FY 25 Water and Sewer Fund Budget is \$29,743,813 which represents an 22.47% increase from the FY 24 Budget (\$5,457,376 actual increase).

Water and Sewer Fund Revenue Highlights

The revenue highlights for the FY 25 Budget include the following:

1. The following **water or sewer rate increases** are recommended for the FY 25 Budget which will generate an estimated \$2,310,813 in new revenue. These are the first rate increases proposed in the past 5 years.
2. **Base sewer rate increase of \$1.44/month per customer.** This will bring the base fee from \$3.80 to \$5.24 which will generate an estimated \$349,920 in revenue (based on 20,250 customers). This increase is necessary to meet the City's financial obligations to the Water and Sewer Authority of Cabarrus County (WSACC) for the fixed costs of the Rocky River Regional Wastewater Treatment Plant (RRRWWTP) expansion.
3. **Volumetric sewer rate increase of \$0.75 per 1,000 gallons.** This will bring the rate from \$6.70/1,000 gallons to \$7.45/1,000 gallons which will generate an estimated \$1,151,250 in revenue. This increase will fund the variable costs of the RRRWWTP expansion in year one (see above) and a portion of the proposed Salisbury-Rowan Utility wastewater connection costs to serve the Beatty Ford Road interchange area of the City (estimated at \$4.76 million) and the Downtown Sewer Outfall debt service (estimated at \$3.93 million).
4. **Volumetric water rate increase of \$0.51 per 1,000 gallons.** This will bring the rate from \$6.80/1,000 gallons to \$7.31/1,000 gallons which will generate an estimated \$809,643 in revenue. This increase will fund the debt service on both the Kannapolis Lake Dam Spillway Replacement Project (estimated at \$6.3 million) and the Water Treatment Plant Clearwell Project (estimated at \$1.7 million).
5. **Steady organic growth** is likely on both the residential and commercial side. The budget includes a 10% increase in overall water and sewer charges and fees revenue which is estimated to generate \$2,173,563 in new revenue.
6. **Tap fees** are included with an increase of \$368,000 (+46.0%) for a total of \$1,168,000.
7. **Connection fees** are included with an increase of \$385,000 (+25.7%) for a total of \$1,885,000.
8. **Wholesale water sales** are included with an increase of \$25,000 for a total of \$425,000 based on monthly averages in FY 24. This includes water sales to Landis and Concord.
9. **Penalty revenue** is included with an increase of \$125,000 (+31.25%) for a total of \$525,000 based on trends.
10. **Investment Income** is included with increase of \$70,000 for a total of \$100,000 based on the market and interest rates.

Water and Sewer Fund Expenditure Highlights:

1. The Water and Sewer Fund includes **3 new positions** representing a projected total recurring budget impact of \$251,159 (salaries and benefits) and \$40,000 in initial start-up costs for vehicles and equipment. These positions are listed on the table below. By comparison, the FY 24 Budget included five new positions.

| New Positions | |
|---|---|
| Position (number) | Notes |
| Locator | This position will assist with locating all City owned underground utilities. City staff have seen an increase in locate requests as we continue to experience growth in both construction activity and the expansion of fiber communication services citywide. |
| Operator II (Night shift lead) | This position will operate the Water Treatment Plant serving as the lead for all night shift operations and nighttime remote telemetry management. Our water plant and utility system have become more integrated into remote telemetry, and this allows us to better respond to watermain breaks, pump station alarms and overall system hydraulic management. |
| Customer Service – Revenue Specialist (1) | Currently there is not a revenue collections specialist on the Customer Service Department staff. This would be a new position based on growth/demand, need for additional processes for revenue collection. |

2. \$357,264 increase for 3% COLA and merit pay for all Water and Sewer Fund divisions.
3. Other employee benefit changes described at the beginning of this budget message are included in the General Fund for Stormwater Fund employees.
4. **Customer Service.**
 - \$15,000 increase in **postage costs** due to an increase in customer based printing tasks.
 - -\$40,000 *decrease* in contracted services for DataMax collection services contract based on trends.
5. **Water Distribution and Wastewater Collection.**
 - \$19,400 increase in **repair and maintenance of vehicles** due to age and condition of the current fleet.
 - \$16,625 increase in **repair and maintenance of equipment** due to age of current equipment.
 - \$14,400 increase in **dues and subscriptions** for CCTV dues and other programs based on trends.
 - \$72,055 increase in **material costs** for water and sewer services.
 - \$35,000 increase in **outfall contract maintenance**. Staff turnover and increased workloads in other areas have required more contracted service to adequately maintain City sewer line rights-of-way.
 - \$35,000 for a **Washington Lane pump station basin smoke test** to include detailed

assessment (and recommended solutions) around a suspected high inflow and infiltration (I&I) condition.

- \$192,213 for **contracted services for I&I reduction**. It is more cost effective to contract this service than to have an in-house crew at this time. This service will include work on wastewater outfall failures and reduction efforts via manhole raising and replacement. This will be an increasing priority driven in part by the Water and Sewer Authority of Cabarrus County (WSACC) in its efforts to minimize impacts on the wastewater treatment process.
- \$812,000 for **Operating Capital**:
 - \$32,000 for a Ford Maverick for new locator position.
 - \$45,000 for a light duty truck for meter crew leader.
 - \$215,000 for replacement of W35 Cat 420D Backhoe. This is based on the life cycle and repairs needed (replacement transmission estimated at \$30,000).
 - \$185,000 for replacement of W31 mowing tractor. This is based on the life cycle. This tractor is inoperable and is not cost-effective to repair.
 - \$165,000 for new dump truck. This will be a single axle and can be used as a spare for older fleet vehicles that are down.
 - \$70,000 for new trench boxes. Current shoring equipment is outdated and no longer supported by the manufacturer.
 - \$65,000 for new sewer equipment truck to maintain new wastewater lift stations and outfall lines.
 - \$35,000 for new gator and trailer. This department currently doesn't have a UTV. This would be a 4 seat UTV.

6. **Water Treatment Plant.**

- \$335,000 increase in **chemical orders** based on inflation.
- \$123,550 increase in **repair and maintenance** for vehicles, equipment, lift station and water tanks based on trends.
- \$250,000 increase in **bulk water purchases** based on trends.
- \$50,000 increase in **equipment rental** for a generator.
- \$60,000 for an **electrical study**. The Plant's generator is out of service and a rented generator is in place awaiting repairs. The current Gen Set Generator is aged out and likely in need of replacement. This will be the study to determine the long term options for the facility.
- -\$72,865 *decrease* in utility costs based on trends.
- \$108,000 increase in **Operating Capital**:
 - \$8,000 for a walk behind brush cutter.
 - \$15,000 for a commercial grade zero turn mower.
 - \$55,000 for the replacement of an existing van.
 - \$30,000 for actuator assembly replacement (1 of 3). Most of the Water Treatment Plant valves that are electrically actuated were installed during the 2003 upgrades.

These rate of flow (ROF) valves modulate the flow rates automatically via PLC commands. The typical lifespan of these actuators is 15 years.

7. **Wastewater Treatment (Water and Sewer Authority of Cabarrus County).** Wastewater Treatment expenditures total \$5,869,191 in FY 25 which represent an increase of \$1,413,711 (31.7%) from FY 24 with the following factors:
 - \$257,940 increase in Wastewater Treatment Variable rate paid to WSACC.
 - \$1,302,229 increase in Wastewater Treatment Fixed Rate (double the cost from FY 24). This is primarily due to the next phase of the Rocky River Regional Wastewater Treatment Plant (RRRWWTP) expansion addressing the limited wastewater capacity. This will increase to an estimated \$1.8 million in FY 27.
 - -\$146,458 *decrease* in intercept fixed rate based on estimated costs from WSACC.
8. **Water and Sewer Fund Transfers.**
 - \$21,769 increase in the General Management Services Fee (to \$1,845,182) based on updated audit figures used in the employee allocation.
9. The following **Water and Sewer Capital Improvement Projects** are included in the proposed FY 25 Budget for the Water and Sewer Fund. These will impact long term debt service, also beginning in FY 25.
 - Salisbury-Rowan Utility wastewater connection costs to serve the Beatty Ford Road interchange area of the City (estimated at \$4.76 million)
 - Downtown Sewer Outfall debt service (estimated at \$3.93 million).
 - Kannapolis Lake Dam Spillway Replacement Project (estimated at \$6.3 million)
 - Water Treatment Plant Clearwell Project (estimated at \$1.7 million). This project was completed with cash in FY 24, but debt will be issued in FY 25 with the proceeds replenishing the Water and Sewer Fund cash reserves.
10. **Water and Sewer Debt Service.** \$1,810,813 in new annual debt obligations are included in the FY 25 Budget. The existing debt includes a principal balance of \$4,451,467 and is generally unchanged from FY 24. Interest obligations on this debt is currently \$1,268,968 (down from \$1,351,510 in FY 24). The current Water and Sewer Fund debt obligations are shown in the table below. The new projected annual debt service obligation in the FY 25 Budget is \$8,031,248.

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.

| Current Water and Sewer Debt | | | |
|--|--------------------|--------------------|---------------|
| Revenue Bonds | Principal | Interest | Maturity Date |
| Kannapolis Crossing/Lane St/WTP Improvements 2021B | \$419,000 | \$172,156 | 02/01/2042 |
| Kannapolis Crossing/Lane St/WTP Improvements 2021C | \$1,418,000 | \$8,650 | 02/01/2042 |
| Kannapolis Crossing/Lane St/WTP Improvements 2023 | \$839,767 | \$241,861 | 02/01/2042 |
| Downtown Water and Sewer 2018 | \$751,000 | \$515,014 | 04/01/2038 |
| Downtown Water and Sewer 2021 | \$626,000 | \$170,160 | 04/01/2038 |
| Davidson Road Water 2017 | \$306,000 | \$153,079 | 04/01/2041 |
| Other | Principal | Interest | Maturity Date |
| Misc. Equipment 2011 | \$76,528 | \$5,037 | 06/10/2026 |
| Second Creek 2011A | \$15,172 | \$3,010 | 05/01/2032 |
| Total | \$4,451,467 | \$1,268,968 | |

11. The FY 25 Water and Sewer Fund Budget *excludes* several expansion expenditures of note. These **Unfunded Expansion Items** 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 Items requested in FY 25 | |
|--|--------------------|
| Item | Cost |
| LIMS (Lab Information Management System). Automates direct data entry from field and laboratory analyses into a centralized digital platform. LIMS eliminates the redundancy and clutter of disparate information sources, ensuring data integrity, and facilitating real-time reporting. | \$40,000 |
| Weekend Construction Crew. A new crew to address growth demands, aging infrastructure, and increasing water leaks failures. Personnel (recurring \$302,000) and Equipment (one-time \$560,000). | \$862,000 |
| (1) Technician - Water Rapid Response Technician position. New rapid response position needed to handle calls for service due to growth within the city (\$44,000 salary plus \$55,000 F150) | \$120,000 |
| (1) Construction Maintenance Worker II position. New worker position for service maintenance, meter repairs, and construction. Service delivery to the large and growing service area. | \$50,100 |
| Capital Assets Manager. Program manager to handle all WSACC and COK I&I evaluation, project management and contract management. Includes \$75,000 recurring and \$55,000 one-time cost for a truck. | \$158,000 |
| New Technician – I&I Repair Program. Tech position to assist with I&I reduction efforts - planning and field verification. Includes \$44,000 recurring and \$55,000 one-time cost for a truck. | \$120,000 |
| Sewer Outfall - Manhole and ROW crew. A new crew to address growth demands, aging infrastructure, and increasing wastewater outfall failures. Inflow Reduction via manhole raising and replacement. Includes \$350,000 recurring for 6 positions and \$700,000 one-time costs for equipment. | \$1,050,000 |
| Total | \$2,400,100 |

Stormwater Fund Overview

Stormwater Fund Revenue Highlights:

The proposed FY 2025 Stormwater Fund Budget is **\$3,750,000** which represents a 6.23% increase (\$220,000 actual) over the FY 24 adopted budget of \$3,530,000.

Charges and Fee revenue estimates have been reduced by \$100,000 for FY 25 to reflect trends that indicate the revenues for the current FY 24 Budget may fall short of the \$3,500,000 projection.

No fee increase is proposed for FY 25.

\$270,000 has been included as miscellaneous revenue to implement a recently completed **Stormwater Fee Audit** by a contracted firm. The stormwater fee for commercial and institutional properties is based on actual impervious square footage. The purpose of the audit was to ensure that the stormwater fee was being implemented fairly to all property owners. The audit shows that the original impervious units - upon which the stormwater fee is based - doesn't fully account for what is actually in place City-wide. There are 310 commercial and institutional accounts (including churches) identified as requiring a fee modification. An additional 890 account edits were residential properties that would simply be adjusted to the residential cap of \$8.75 per month as opposed to \$5.75. To put this audit in perspective, the City has approximately 20,000 accounts that pay a Stormwater Fee, out of that number, 1,200 accounts are in need of adjustment.

The Stormwater Fund continues to be fully self-sustaining.

Stormwater Fund Expenditure Highlights:

1. No new positions are included.
2. \$84,000 increase for 3% COLA and merit pay.
3. Other employee benefit changes described at the beginning of this budget message are included in the General Fund for Stormwater Fund employees.
4. \$22,500 increase in **repair and maintenance** of equipment and streets due to inflation.
5. \$200,000 for a **tandem dump truck** which will be a new addition to the fleet. Current equipment is aging out, has increased downtime, and parts are becoming obsolete
6. \$188,366 for **mini excavator** which will be a new addition to the fleet. This will allow a backhoe to be returned to the Transportation Dept).
7. **General Management Services fee decrease** to \$412,528 (was \$463,882 in FY 24) based on updated audit figures used in the employee allocation.
6. -\$13,220 *decrease* in **Stormwater Debt Service** due to reduced obligations for various projects and equipment. \$546,259 remains (see table below). No new debt service is included in the FY 25 Budget.

| Installment Obligations | Principal | Interest | Maturity Date |
|-----------------------------|------------------|------------------|---------------|
| Equipment | \$17,712 | \$1,166 | 06/10/2026 |
| Stormwater various projects | \$350,001 | \$177,380 | 04/01/2038 |
| Total | \$367,713 | \$178,546 | |

7. There are no new **Capital Improvement Projects** included in the proposed FY 25 Budget for the Stormwater Fund. It should be noted that requests from citizens for stormwater improvements continue to occur. The only realistic way to respond to most of the concerns is to develop a stormwater master plan to guide the prioritization of these projects and establish a dedicated funding source to pay for them. Neither of those solutions are part of the FY 25 Budget. A new Capital Reserve Fund is included in the proposed FY 25 Budget, but discussions to date have trended towards street and sidewalk improvements being the primary use of those future funds.
8. The FY 25 Stormwater Fund Budget *excludes* one expansion expenditure of note. This **Unfunded Expansion Item** is worthy of consideration but is not included in the proposed budget due to revenue limitations, management priorities, or other reasons. It is provided here as information.
 - A second tandem dump truck which has aged out (\$200,000). One is included in the recommended FY 25 Budget.

Environmental Fund Overview

Environmental Fund Revenue Highlights:

The proposed FY 25 Environmental Fund budget totals **\$6,700,690** which is a \$1,016,873 or 17.89% increase over the FY 24 adopted budget of \$5,683,817.

Charges and Fees in the Environmental Fund are expected to remain flat. *No fee increase is proposed for FY 25.* The General Fund transfer (subsidy) is nearly double the FY 24 transfer (\$2,191,690 vs. \$1,147,817) which was required to manage a few large expenditure increases.

This Fund is still reliant upon General Fund transfers to support its operations (see table below). The last fee increase was in FY 22 which brought the monthly per household fee from \$15.60 to its current \$18.10. Since FY 22 there have been significant pressures on this fund: increases in recycling disposal costs, the addition of supplemental funding to address service delivery lapses by the City’s previous solid waste collection contractor, and significant increases in the new solid waste collection contract for FY 25. These pressures have made the goal of achieving self-sustainability for the Environmental Fund more challenging. To make the Fund fully self-sustaining a fee increase of at least \$8.00 (likely spread over 2 or more years) would be necessary. This is not recommended in this year’s budget, but it will be a policy discussion going forward.

| Environmental Fund Transfers In | | | | | |
|--|--------------------|------------------|------------------|--------------------|--------------------|
| Transfer | FY 21 | FY 22 | FY 23 | FY 24 | FY 25 |
| From Stormwater Fund | \$400,000 | \$0 | \$0 | \$0 | \$0 |
| From General Fund | \$150,000 | \$85,542 | \$85,542 | \$1,147,817 | \$2,191,690 |
| From Water and Sewer Fund | \$495,700 | \$495,700 | \$495,700 | \$0 | \$0 |
| Total Transfers in | \$1,045,700 | \$581,242 | \$581,242 | \$1,147,817 | \$2,191,690 |

Environmental Fund Expenditure Highlights:

1. No new positions are included.
2. \$50,000 increase for 3% **COLA and merit pay**.
3. Other employee benefit changes described at the beginning of this budget message are included in the General Fund for Environmental Fund employees.
4. \$40,000 increase in **vehicle and equipment maintenance** based on trends.
5. \$621,034 increase in solid waste contract with new solid waste collection contractor, Waste Connections of the Carolinas. Service begins July 1, 2024.

NOTE: \$300,000 for recycling costs was removed from the Solid Waste line item. These are the costs of taking recyclables to the Materials Recycling Facility. This is not an increase in the total budget, simply a tracking change.

6. \$43,328 increase in **bulk container costs** due to inflationary price increases.
7. - \$22,000 *decrease* in yard waste tipping fees based on trends.
8. - \$335,300 *decrease* in landfill costs based on trends,
9. \$10,000 for a **landscape trailer**.
10. \$350,000 for the replacement of **one leaf vac machine**. This equipment is aging out and downtime will increase. This machine has approximately 33,656 miles and 3,558 hours on the pony motor.
11. \$72,000 for **mid-size truck** for Crew Chief
12. There is no existing or new **Environmental Fund Debt Service**.
13. The FY 25 Environmental Budget *excludes* several expansion expenditures of note. These **Unfunded Expansion Items** 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 here as information.
 - A second leaf vac truck (\$350,000)
 - One (1) Yard Waste Crew Chief (\$70,686)
 - Two (2) Construction Maintenance Techs positions to operate 2nd bag truck which reduces the number of personnel substituted from other divisions and overtime cost (\$110,474).

Separation Pay Fund Overview

The proposed FY 25 Separation Pay Fund Budget is **\$600,000** which represents a 20.75% increase from the FY 24 adopted budget of \$496,912.

The full amount of the Separation Pay Fund is projected for separation pay obligations for retired City employees. From FY 24 to FY 25, three (3) former employees rolled off that are no longer

eligible to receive special separation pay because they are over age 62. Eight (8) new employees are projected to roll on for FY 25.

Thirty-three (33) former employees currently receive separation pay benefits.

Transit Fund Overview

The proposed FY 25 Transit Fund budget is **\$1,621,823** which is a 32.61% increase over the FY 24 adopted budget of \$1,223,031 (\$398,792 actual) due primarily to an increase in the bus operation contract (TransDev) increase an increase in capital outlay.

Transit Fund Revenue Highlights:

The City's current vehicle license tax (VLT) is \$30 per vehicle with \$10 going directly to the Transit Fund to support the public transit system. \$20 goes back to the General Fund to support transportation related improvements like street paving. This is a change in accounting from how this fee was applied in the past. Using only \$10 of the VLT for Transit with the remainder of funding needs being a transfer from the General Fund as a subsidy is an accurate way in accounting for this fee. The \$10 portion of the VLT is expected to generate \$433,600.

A transfer from the General Fund is required in the amount of \$1,188,223 (was \$323,031 in FY 24). This transfer is necessary to supplement other funding sources.

Transit Fund Expenditure Highlights:

As this a contracted service, there are no direct (city owned) capital, personnel, or operating expenditures. Increased operating expenditures for FY 25 include:

1. \$203,356 increase in **operations contract with TransDev** (this amount is Kannapolis' share at 35% of the total). This increase is in response to TransDev's desire to increase in wages of all of its employees locally due to the significant challenges in hiring and retaining employees. The company has been struggling to maintain enough personnel to keep service running properly. Upon review there is evidence of a wage gap in the marketplace.
2. \$30,000 in contracted services for **ADA Transition Plan** and **Long-Range Financial Plan** (this amount is Kannapolis' share at 5% of the total). These plans will address growth issues, the consolidation between Rider Transit and Cabarrus County Transportation Service, staff changes, and facility challenges. The ADA Transition Plan is a document to use as a guideline to increase accessibility to all passengers of the Rider Transit Fixed Route System.
3. \$8,732 in contract services for Transdev Cost for **inmate re-entry program** (this amount is Kannapolis' share at 50% of the total). The Cabarrus County Community Reentry Program is to create a process that will provide support services and assist individuals returning from incarceration or treatment. This will transition an existing pilot program that started in 2023 to an ongoing program.
4. \$138,805 in capital costs for:
 - **Computer-Aided Dispatch/Automatic Vehicle Location replacement** and implementation which allows a seamless connection to automatically collect vital data such as bus GPS locations, schedule adherence status, breakdowns, and emergencies.

Kannapolis' share is 10% of the total cost.

- **Bus Stop Improvements** including replacement of bus stop signs, 60 pole lights at bus stops, 20 additional pole lights at bus stops, replacement of 8 batteries in pole lights, replacement of 22 batteries in shelter lights, replacement of schedule holders at bus stops, labor for battery replacement in pole and shelter lights. Kannapolis' share is 10% of the total cost.
- Replacement of four (4) **Light Transit Vehicles (LTVs)** due to maintenance issues. All four of the current LTVs have met their useful life from FTA standards, which is either 7 years or 200,000 miles. Kannapolis' share is 7.5% of the total cost.

Insurance and Risk Fund Overview

The proposed FY 25 Insurance and Risk Fund budget is **\$6,761,084**. This is an 11.82% increase (\$714,604 actual) over the FY 24 adopted budget. FY 24 was the first year of this new internal service fund to manage the City's health related expenses for all active and retired employees on the plan as well as City workers compensation expenses. Other insurance premiums and claims (liability, dental, vision, etc.) will be added to this fund in the future. The intent is to establish a foundation for the new Fund in the first few years then adjust in subsequent budget years.

Over the past three 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):

1. \$5,268,000 from employee **Medical Insurance premiums** which is accomplished through a transfer from the General Fund. These premiums are budgeted by individual City departments to provide an accurate picture of the total cost of each City service/department. For FY 25 the projection is based on 439 full time positions budgeted at \$12,000 per person (up from 11,040 in FY 24). This is an increase of 9.4% (\$454,560 actual) from FY 24.

2. \$672,204 is from **employee dependents Health Insurance premiums** that will be credited to this Fund directly when collected through employee payroll deductions. This is an increase of 16.3% (\$94,044 actual) from FY 24.
3. \$200,000 from **retiree Health Insurance premiums** that will be credited to this Fund directly upon collection from retiree payments. This is an increase of 8.7% (\$16,000 actual) from FY 24.
4. \$620,880 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 439 full time positions budgeted at \$1,414 per person (up from \$1,080 in FY 24). This is an increase of 31.8% (\$150,000 actual) from FY 24.

Insurance and Risk Fund Expenditure Highlights

This Fund includes the following major expenditures:

1. \$1,200,000 for **Retiree Medical Insurance** claims (increase of \$400,000 from FY 24)
2. \$965,800 for **Employee HSA and HRA benefits** (estimated at 439 employees at \$2,200).
3. \$80,000 for **Retiree HSA and HRA benefits** (increase of \$41,750 from FY 24).
4. \$150,000 to operate the **Employee Health Clinic** (*decrease* of \$90,000 from FY 24). These are fees paid to the City's contract operator Synergy. This decrease is not related to any cuts in service. This budget more accurately reflects the health clinic operation only; other expenditures were moved to other accounts.
5. \$2,634,404 for employee **Medical Insurance Claims** (*decrease* of \$726,322 from FY 24). This is an estimate based on trends forecasted from the City's broker. The FY 24 budget number accounts for funds now allocated to administrative fees (see below).
6. \$970,000 for **Medical Administration Fees** (increase of \$802,576 from FY 24). These are fees for Blue Cross Blue Shield NC to administer the medical plan. This fee is based on \$2,210/person for 439 employees. The fee in FY 24 was based on \$32/person but didn't account for stop loss insurance which is now included in the FY 25 administration fee versus coming from claims as it was in FY 24.
7. \$320,880 for **Workers Compensation Claims** (increase of \$123,000 from FY 24). This estimate is based on trends forecasted from the City's administrative consultant.
8. \$35,000 for **Workers Compensation Administration Fees** (increase of \$17,000 from FY 24).
9. \$265,000 for **Workers Compensation Insurance** (increase of \$10,000 from FY 24).

Looking Ahead – FY 2026 and beyond

Imagine Kannapolis

The City’s Strategic Plan, Imagine Kannapolis is designed to chart the City’s course in major decision making for the next five years and to start painting the process on a relatively blank canvas for 15+ years longer. City Council, City staff, 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 25 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 in the next six years through June 2030:

FY 26:

- Reserve officer annual recurring costs: \$20,000
- Downtown Kannapolis Association Director (or consultant services) annual recurring costs: \$100,000
- Dog Park annual recurring costs: \$50,000
- Eastside Park annual recurring costs: \$200,000 (1/2)
- Annual recurring costs for the improved school athletic sites: \$30,000
- Annual recurring costs associated with I-85 monument signage: \$20,000
- City Hall upfits annual recurring costs: \$27,000
- Kannapolis Parkway/Highway 3 Improvements (street lighting) annual recurring costs: \$50,000.
- Major Projects with Debt: 1) Eastside Park, 2) Midlake Avenue sidewalk, 3) Public Works Operation Center (PWOC) improvements, 4) Baker’s Creek Park Building, 5) Irish Buffalo Creek (IBC) Greenway Phase II, 6) Capital Outlay Replacements

Above = \$18.7 million total cost; \$2.9 million cash in grants and earmarks + \$1.99 million annual debt service + \$497,000 annual recurring costs.

FY 27:

- Eastside Park annual recurring costs: \$200,000 (1/2)

- Irish Buffalo Creek Greenway annual recurring costs: \$20,000
- PWOC annual recurring costs: \$30,000
- Proposed debt for: Midway revitalization and Capital Outlay Replacements
Above = \$12.5 million total cost; \$1.2 million annual debt + \$2.5 million cash from CDBG + \$250,000 annual recurring costs.

FY 28:

- Midway annual recurring costs: \$250,000
- Warehouse annual recurring costs: \$20,000
- Proposed debt for: Capital Outlay Replacements
Above = \$3.0 million total cost; \$450,000 annual debt service.

FY 29:

- Proposed debt for: Westside Park, Cabarrus Joint Public Safety Training Facility, and Capital Outlay Replacements
Above = \$21.0 million total cost; \$2.25 million annual debt service + \$700,000 annual recurring costs.

Tentative Projects FY 25-FY 29 (subject to funding availability):

- School Athletic Facility Improvements (second turf field): \$1.9 million (cash)
- Second City Warehouse: \$3.0 million (cash)
- Enhanced Street Paving and Sidewalk Repair: \$2.5 million (cash)

Finally, in addition to the Strategic Plan projects/initiatives included in the FY 25 Budget and those included in the subsequent four budget years, there are a number of projects/initiatives that are currently programmed for years after FY 29. These are all worthy projects and initiatives but will likely have to wait a few years before being actively considered due to budget constraints and other operational priorities.

Post FY 29 (not considered for funded until future years):

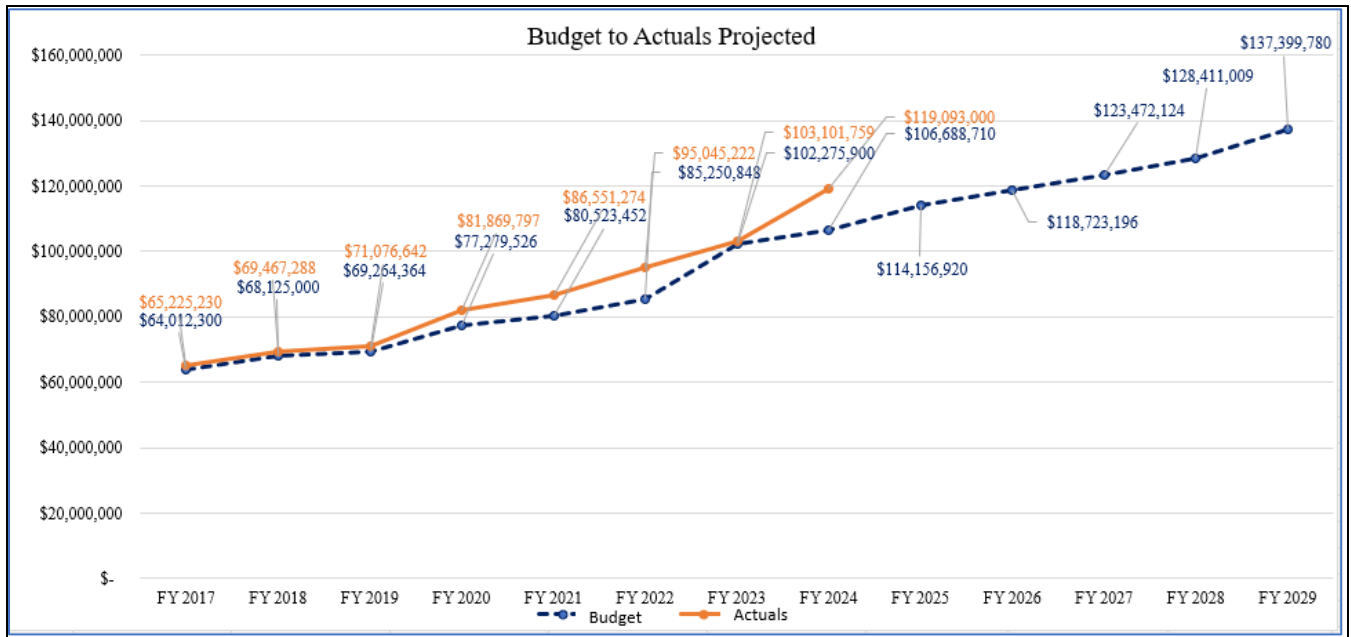
- Campus Lawn Improvements Phase I and Phase II
- Capital Reserve - Affordable Housing Program
- Capital Reserve - Intersection Improvements
- Capital Reserve - Neighborhood Improvement Program
- Capital Reserve - Sidewalk Improvement Projects
- Capital Reserve - Stormwater Improvement Program
- Community-Rec. Center Phase I - Core Amenities
- Community-Rec. Center Phase II - Aquatics
- Downtown Farmers Market

- Downtown Parking Management Program Phase I and Phase II
- Eastside Fire Station
- Expanded Park Ranger Program
- Fire Adaptive Response Vehicle Program
- Fleet Management Facility
- Gem Theatre Renovations Phase III
- I-85 Monument Signage Phase II
- Irish Buffalo Creek Greenway Phase III
- Irish Creek Golf Course and Nature Park
- Kann. Pkwy-Hwy 3 Aesthetic Improvements Phase II
- Litter Cleanup Program
- Midway Revitalization Phase II
- NCRC-Downtown Parking Deck
- North Bakers Branch Greenway
- North Kannapolis Revitalization
- Pleasant Avenue Park Building
- Public Works Op. Center Improvements Phase II and Phase III
- Rocky River Greenway Phase II
- Skatepark
- Street Paving Enhancement
- Support for KCS Alternative Learning Center
- Swanee Theatre Renovations Phase II
- Vietnam Veterans Park Improvements
- Westside Park Phase II

Financial Management

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 and expanding and improving service delivery to Kannapolis residents, property owners and businesses. The following factors support this conclusion:

1. **Conservative and Responsible Budgeting.** As depicted on the following graph, the total City budget from FY 2017 is expected to double by FY 2026, a full two years earlier than originally projected in 2015 when these projections were developed. This graph also shows we have consistently exceeded budget projections for the past eight years. This has been achieved by sound revenue forecasting and the establishment of important budget policies by City Council more than a decade ago. These actions are allowing the City to prosper today.



2. **Multi-Year Financial Planning.** It is critically important to understand the importance of multi-year financial planning for our City. The complex nature of where we are in our City’s maturation process requires that we look at least five years into the future as we make most major financial decisions. To that end, the FY 25 Budget is based on a 5-year Financial Plan with the following highlights and assumptions:

The plan assumes maintaining a 57.92 tax rate over the next five years to make the Strategic Plan implementation (and other large investments) work.

- Property tax collections assume a 6% growth rate in non-revaluation years, 7% in FY 28 (next Rowan Revaluation) and 16% in FY 29 (next Cabarrus Revaluation) .
- Sales tax is projected at a 5% growth rate (FY 26 through FY 29).
- Personnel budget for FY 26 includes salary study implementation projected at \$800,000. This assumes consistent COLAs and that the merit pay changes from FY 24 helps the City keep better pace with the market in between salary studies.
- The personnel budget for FY 27 through FY 29 projected to increase around 8-9% (assumes a 3% cost of living each year and merit and developmental performance evaluation increase (3-5%).
- Assumes departmental operational budgets increase each year around 7-8%.
- Debt capacity frees up in FY 28 with debt retiring, supplemented by increased debt service for Strategic Plan projects (especially in FY 29).
- Transfer to the Transit Fund assumes a 10% increase year-over-year in operational costs.
- Essentially the budgets are projected to balance with little additional capacity in FY 26 through FY 28 with a 57.92 tax rate set in FY 25.
- More capacity becomes available when the next Cabarrus revaluation hits in FY 29.

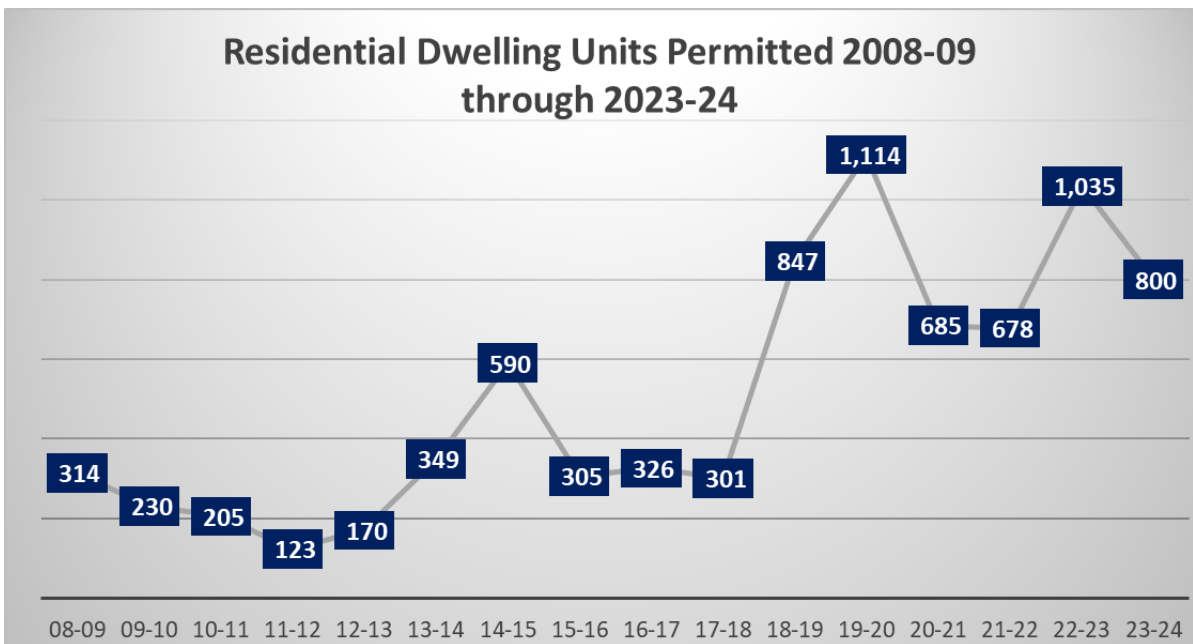
The big takeaway is that the next five years are going to be mapped out upon the adoption of the FY 25 Budget. Any significant deviation will likely require a new revenue stream or cuts

to expenditures that are not tied to long term obligations. That said, private sector investments in our City could easily outpace projections, which will provide City Council with some future budget flexibility should that occur.

3. **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 6,700 residential dwelling units were permitted. However, this is only the beginning of what is likely an exponentially more rapid growth period. More than twice as many residential dwelling units have been permitted in the past 5 years (4,312) than in the previous 11 years combined.

As land prices escalate and household sizes decrease, higher density residential projects will become more of the norm. The economics of low-density large lot single family development are no longer realistic in most settings.

The City’s residential growth trends from the past 16 years are depicted on the graph below.



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

- 2023-24 = \$159.3 million
- 2022-23 = \$102.9 million
- 2021-22 = \$41.8 million
- 2020-21 = \$13.6 million

We are entering a period of our City’s history where the non-residential economic development is positioned to grow at a pace unseen in Kannapolis for nearly a century. Approximately seven million square feet of new industrial space is in various stages of planning or development. This amount is more than Cannon Mills Plant 1 and Plant 4 combined. Of course, the economic impact of this new development may never reach the impacts Cannon Mills achieved for our community; however, this impact may ultimately be more significant than anything *other* than Cannon Mills in the history of Kannapolis.

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), Lakeshore Corporate Park, 85 Exchange, the introduction of the NCRC properties into the marketplace, as well as the remaining downtown properties. 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.

The wastewater capacity limitations have tempered growth expectations to some degree. However, even a strictly managed growth plan will still result in significant growth in coming years. 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 nearly \$9 billion). This level of investment will generate \$20 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. An additional 2,000 dwelling units in excess of what is described above (or comparable wastewater impacts for non-residential developments) will be facilitated with the water and sewer improvements included in this FY 25 Budget.

There is no disputing that living in a growing community is beneficial to its stability and its prosperity. While growth clearly has its challenges for any community (e.g., traffic crime, utility capacity pressures, service delivery demands), the alternative of no growth (or even slow growth) would have just as many negative impacts. If Kannapolis was a no growth or slow growth community, there is no possible way our Downtown revitalization project would have occurred. In a slow growth community, it is highly unlikely that Kannapolis Crossing/Overlook 85 happens. Quality of Life investments like the Gem and Swanee theatres and Irish Buffalo Greenway may have never been a reality. Well-supported (but not core service) programming like the Summer Concert Series and Jiggy with the Piggy probably don’t see the light of day in a slow growth or no growth community. Please see the table below for some evidence of this reality.

| Property Tax Base Increases due to new Private Sector Investment FY 20-FY 25 | | | |
|---|--|-----------------------------|------------------------------|
| Fiscal Year | Private Investment (Tax Base Increase)* | Property Tax Revenue | Cents on the Tax Rate |
| FY 20 | \$174,680,000 | \$1,100,484 | 2.59 |
| FY 21 | \$112,230,000 | \$707,049 | 1.43 |
| FY 22 | \$210,951,347 | \$1,328,993 | 2.68 |
| FY 23 | \$412,597,907 | \$2,599,367 | 4.58 |
| FY 24 | \$252,275,333 | \$1,589,334 | 2.57 |
| FY 25 | \$351,555,929 | \$2,036,211 | 2.29 |
| Totals | \$1,514,290,516 | \$9,361,438 | 16.14 |

* Excludes county revaluations

Without the above \$1.5 billion in new investment in our City, more than \$9 million of recurring revenues would have never been available. They would have to have been replaced by a 16 cent tax increase to achieve what we have achieved in Kannapolis since 2020. More likely, nothing but critical, unavoidable expenditures would have been made without these revenues.

Absent these private sector investments over the past several years, Kannapolis would be a far different City today. It probably would be much the same City as it was 10 (probably 20) years ago.

Closing Thoughts

The first complete annual budget for the City of Kannapolis was adopted in June 1985 for FY 1985-86. In honor of this milestone, and just for fun, below is a comparison of that first budget and the proposed FY 25 Budget:

| Budget Comparisons (Excluding Water & Sewer) | | | | |
|---|--------------------|--------------------|---------------------|--------------------|
| | FY 1985-86 | | FY 2024-25 | |
| Revenue | Budget | % of Budget | Budget | % of Budget |
| Property Tax | \$1,318,182 | 34.5% | \$51,331,962 | 53.4% |
| Intangibles Taxes | \$45,100 | 1.2% | \$0 | 0.0% |
| Local Sales Tax | \$663,000 | 17.4% | \$16,887,246 | 17.6% |
| Franchise Taxes | \$900,000 | 23.6% | \$3,135,627 | 3.3% |
| Beer and Wine Taxes | \$27,400 | 0.7% | \$240,000 | 0.2% |
| ABC Revenues | \$30,000 | 0.8% | \$144,900 | 0.2% |
| Parking Revenue | \$25,000 | 0.7% | \$175,037 | 0.2% |
| Investment Income | \$50,000 | 1.3% | \$1,400,000 | 1.5% |
| Other Revenue | \$20,000 | 0.5% | \$22,850,064 | 23.8% |
| Fund Balance Appropriation | \$739,760 | 19.4% | \$0 | 0.0% |
| Totals | \$3,818,442 | | \$96,164,836 | |

FY 1986 = 20.00 cent tax rate, penny on the rate = \$65,909
 FY 2025 = 57.92 cent tax rate; penny on the rate = \$888,232
 FY 1986 Tax Base = \$708,700,000
 FY 2025 Tax Base = \$8,882,324,940

Our City has come a long way indeed.

This proposed FY 2024-25 Budget is balanced in accordance with N.C. Statutes. It is designed to facilitate a significant advance of Kannapolis into a new age of economic growth and prosperity. Many hard working, talented and dedicated staff members have contributed to the development of this year’s Budget. I am so grateful for the service they provide to our City and its citizens. Our budget manager, Assistant to the City Manager, Kristin Jones, once again has put in extremely long hours and successfully navigated the unique complexities of this Budget in the context of multi-year planning, Strategic Plan implementation and the Cabarrus County revaluation. Our Finance Director Brian Roberts played a significant role in the long range forecasting and setting some structural boundaries for the Budget that will serve the City well in future years. Our management team, each of our department heads and many other staff members played very important roles in the development of this Budget.

As I have noted in previous budget messages, Kannapolis is fortunate to have a culture where there seems to always be a desire to improve. There is little “resting on our laurels” in our City. That tone starts at the top with the City Council.

Kannapolis has always been a special place with a very unique history. That history over the past 40 years has had significant challenges. During the tough times from the late 1990s to the late 2010s some communities would have thrown in the towel and accepted the fate of a failed place. Generations of our citizens are fortunate that our elected leadership over the past two decades rejected the notion that our fate was to be determined by outside influences. The past several annual budgets are testaments to that willingness to make bold decisions for the greater long-term good of 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 2024-25 Budget to the City Council for its thoughtful consideration.

Sincerely,

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

Mike Legg
City Manager

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 21st largest city in North Carolina.



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

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



Growth and development in the City have been strong. Currently there are over 40 residential subdivisions in the City with plans to build approximately 7,500 new homes and apartments within the next decade. Amazon

is now the City's largest private employer, with about 1,200 employees. Its \$85 million, one million square foot distribution facility opened in 2018. Shoe Show is the City's second largest private employer, with about 750 employees. Stanley Black & Decker, Wayne Brothers, Stewart-Haas Racing, and Gordon Food Service are also significant private sector employers in Kannapolis. During the beginning of 2020, Prime Beverage and Reynolds upfitted existing shell buildings and will soon be bringing in more jobs.

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

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

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

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

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

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---------------|---------------|----------------|----------------|---------------|----------------|----------------|---------------|----------------|------------------|------------------|
| Single-Family Residential Permits (Value millions) | 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 | 1,039 \$161.5 |
| Commercial /Industrial Building Permit (Value millions) | 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 | 181 \$107 |
| Total Building Permit (Value millions) | 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 | 1,220 \$268.5 |

Per Capita Personal Income in Cabarrus and Rowan County

| County | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | 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% |

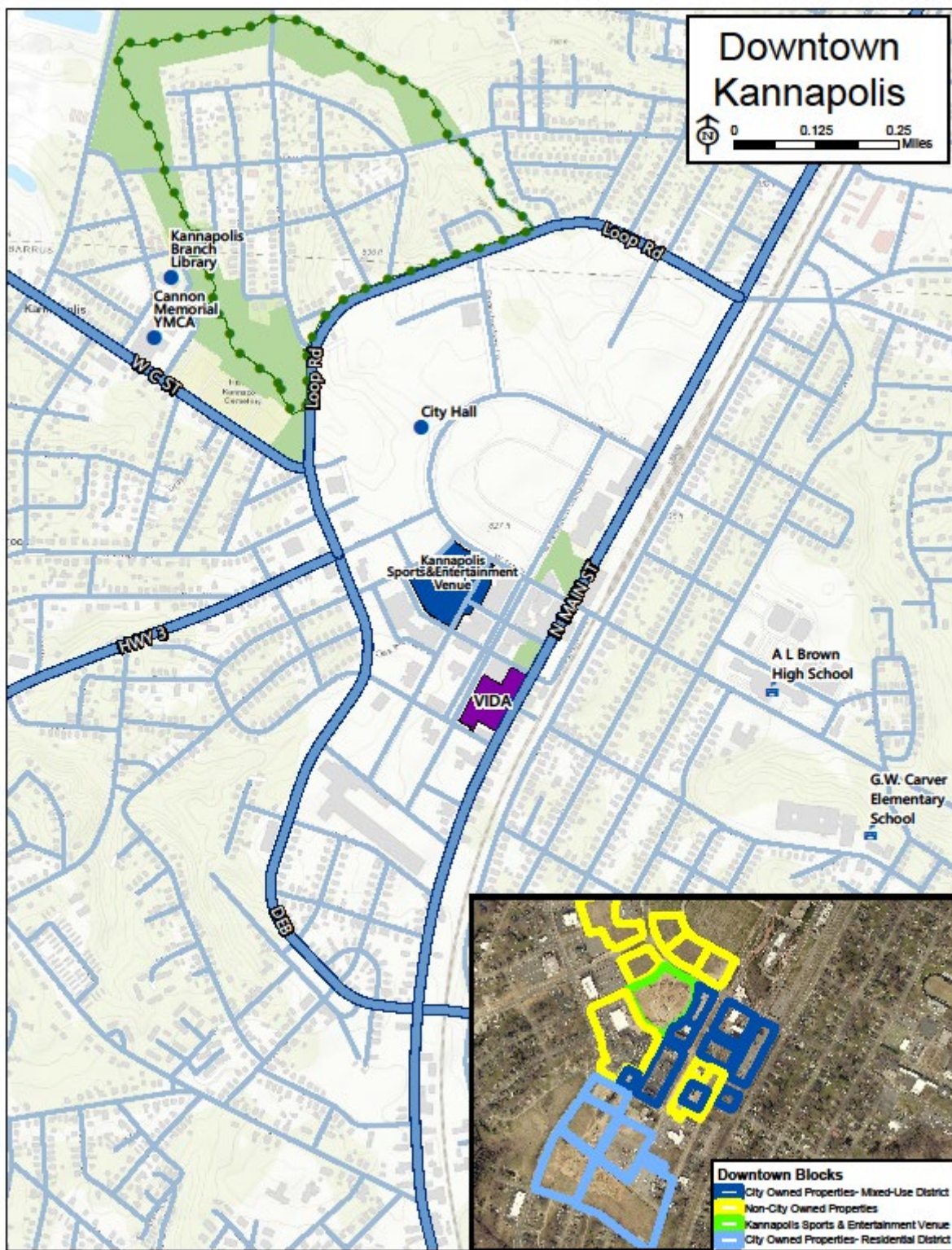
*Data through June 2023

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.

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.

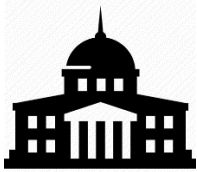
STRATEGIC VISIONING PROCESS GOALS

- **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 15th out of 50 safest cities in North Carolina. **Vacancies** continue to remain high for the Police Department.
- **New age of police services** will focus on diversity of the department, social and mental health focus, significant technological advancements, and “real” community policing.



City Government Trends and Issues

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

STRATEGIC VISIONING PROCESS GOALS

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

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

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

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

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

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

STRATEGIC VISIONING PROCESS GOALS

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

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

Timeline:

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

Steps:

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

Focus Areas:



**Focus Area 1:
Health & Safety**



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



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



**Focus Area 4:
Education & Learning**



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



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



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



Focus Area 1: Health & Safety

Public Safety Facilities: Primary Focus Group (Staff Driven)

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

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

Likely Cost of Implementation: Very High

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

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

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

Likely Cost of Implementation: Moderate

Safe Community Facilities: Secondary Focus Group (Staff Driven)

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

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

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

Likely Cost of Implementation: High

Children and Teens: Secondary Focus Group (Citizen Driven)

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

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

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

Likely Cost of Implementation: Moderate to High

Active Seniors: Secondary Focus Group (Citizen Driven)

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

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

Likely Cost of Implementation: Moderate to High



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

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

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

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

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

Likely Cost of Implementation: High

Diversity: Secondary Focus Group (Citizen Driven)

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

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

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

Likely Cost of Implementation: Low

Economic Mobility: Secondary Focus Group (Citizen Driven)

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

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

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

Likely Cost of Implementation: Low to Very High



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

Downtown Revitalization: Primary Focus Group (Staff Driven)

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

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

Likely Cost of Implementation: Moderate to Very High

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

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

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

Likely Cost of Implementation: Very High

NCRC Sustainability: Primary Focus Group (Staff Driven)

Expected Outcomes: Development of a pathway strategy to:

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

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

Cannon Boulevard Revitalization: Secondary Focus Group (Staff Driven)

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

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

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

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

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

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

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

Likely Cost of Implementation: Low to Moderate

Job Creation: Secondary Focus Group-Staff Driven

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

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

Likely Cost of Implementation: Low



**Focus Area 4:
Education & Learning**

K-12 Education: Secondary Focus Group: Citizen Driven

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

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

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

Likely Cost of Implementation: Moderate to High

Workforce Development: Secondary Focus Group-Staff Driven

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

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

Likely Cost of Implementation: Low to Moderate



Focus Area 5: Arts, Tourism & Cultural Vitality

Historic Preservation: Primary Focus Group (Citizen Driven)

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

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

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

Likely Cost of Implementation: High to Very High

Tourism: Primary Focus Group (Staff Driven)

Expected Outcomes: Develop recommended strategies to address:

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

Likely Cost of Implementation: Moderate to High



Focus Area 6: Natural & Built Environment

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

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

- Eastside and Westside parks.
- Skate Park.

STRATEGIC VISIONING PROCESS GOALS

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

Likely Cost of Implementation: Very High

Environmental Stewardship: Primary Focus Group (Citizen Driven)

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

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

Likely Cost of Implementation: Moderate to High

Infrastructure: Primary Focus Group (Staff Driven)

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

- Enhanced street paving.
- Stormwater improvements (a comprehensive Stormwater Master Plan is a first step).
- Waterline replacement.
- Water hydrant maintenance
- 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

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, January 15, 2024 | City Manager's Office produces the FY 25 base budget, which is the FY 24 adopted budget less any one-time expenses. | Base budget: starting point. Last year (FY 24) adopted budget less any one-time projects or costs. Munis Level 1: Base budget opens for viewing purposes only. |
| Monday, January 30, 2024 | 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. Munis Level 2: Department Continuation budget |
| Monday, February 5, 2024 | Budget/Finance reviews and assesses revenue forecasts and provides updated debt service figures. | Budget will enter the estimated revenues related to each department. If |
| Wednesday, February 21, 2024 | Department continuation budgets DUE. | All proposed adjustments need a brief justification for the proposed change. |
| Thursday, February 22, 2024 | 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. Munis Level 3: Department Expansion budget. |
| Friday, March 22, 2024 | Department expansion budgets DUE. | Budget will key all expansion requests in Munis and note any one-time projections and/or initiatives. |
| Early April - TBD | Budget conferences begin. Budget conferences will consist of the City Manager, respective | Continuation and Expansion departmental budgets will be discussed in these meetings as |

BUDGET PROCESS AND POLICIES

| | | |
|---|---|--|
| | Deputy or Assistant City Manager(s), Assistant to the City Manager and Department staff. | well any capital projects. Munis Level 4: Manager recommended budget opens. Any changes suggested in budget conferences will be reflected in this level. |
| End of April/Early May 2024 | Preliminary budget is prepared and compiled by staff | This includes changes reflected by the City Manager and City Council. Munis Level 5: Board level opens. Any changes suggested during the retreat and up until Board adoption will be reflected in this level. |
| Monday, May 20, 2024 | FY 25 Preliminary Budget is presented to City Council. | Manager presents recommended budget via presentation and the budget message. |
| Tuesday, May 21- Friday, June 7, 2024 | Staff makes final revisions and recommendations to the budget. | |
| Monday, June 10, 2024 | City Council holds public hearing on the proposed FY 2025 Budget. | Required by State statute. This is where the public is able to voice comments/concerns on the budget. |
| Tuesday, June 11, 2024 | Department program templates are distributed. Departments will be responsible for updating their accomplishments from this past year (FY 24), an action plan for the upcoming year (FY 25) and performance measurement data for 3 years (FY 23 actual, FY 24 estimated and FY 25 target). | Department program templates are used for the final budget document. They provide an overview of each department and/or division. It shows 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 24, 2024 | City Council adopts FY 2025 Budget. | This includes corresponding budget ordinances for all annually adopted funds and any fee schedule changes. |
| Tuesday, June 25 - Sunday, June 30, 2024 | FY 25 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. |
| Thursday, August 15, 2024 | Department program templates DUE | |
| Tuesday, June 25 - Tuesday, August 26, 2024 | 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 2024 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 25, then they only worked in the continuation budget level. Expansion requests required justification and for departments to project three years out. The following revenues classified as expansion: those tied to a new grant, new reimbursement due to a new position or a new fee structure.

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

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

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

| Continuation | Expansion |
|--|--|
| <p>Description: Continuation requests are for funding above FY 24 levels that are required to provide the same level of service. Most often continuation requests include salary and benefit adjustments and contractual increases.</p> | <p>Description: Expansion requests are for anything new that wasn’t previously reviewed/approved by City Council or Management via the budget process. These requests are new and do not include items in the department's annual operating budget.</p> |

BUDGET PROCESS AND POLICIES

| Continuation | Expansion |
|---|--|
| Examples on following page: | Examples on following page: |
| 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.

BUDGET PROCESS AND POLICIES

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.

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.

BUDGET PROCESS AND POLICIES

- **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 2024-2025 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 \$8,882,324,940 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 55.95 cents by City Council. The estimated collection percentage is 99%, which was the collection rate for FY 23. The prior year tax budget amount is based upon previous historical trends. **Estimate – General Fund – Current year tax - \$49,199,642, 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 24 actuals the City received is what is projected for FY 25. **Appropriation – General Fund - \$3,135,627.**

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 \$240,000.**

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 is projected based on FY 24 actuals. **Estimate – Powell Bill revenues \$1,794,902.**

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 24 actuals/year end projections with a 4% growth rate. **Estimate – General Fund \$16,887,246.**

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 \$1,400,000, Water & Sewer Fund \$100,000, Stormwater Fund \$80,000 and Environmental Fund \$45,000.**

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 \$200,000 (programs budget only).**

Vehicle License Tax

The City receives \$30.00 per vehicle (\$20.00 for the General Fund and \$100.00 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 \$900,000 Transit Fund \$433,600.**

BUDGET PROCESS AND POLICIES

City Code Violation Revenues

Projections are based on comparisons of past operating data. **Estimate – General Fund \$71,625.**

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 \$115,000; Building Rental \$250,000.**

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 \$2,257,710.**

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 \$25,485,813, Wholesale \$425,000 (includes proposed fee increase)**

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 \$3,053,000.**

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 \$525,000.**

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 \$44,000.**

Intergovernmental Revenues

The City will receive funds from Cabarrus County related to the purchase of Limited Obligation Bonds. **Estimate – General Fund \$1,325,926.**

Community Development Block Grant Reimbursement

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



CITY OF KANNAPOLIS FINANCIAL POLICIES

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

Operating Budget Policies

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

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

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

Investment Policy

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

Reserve Policy

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

Debt Policy

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

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

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

Capital Improvement Policy

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

Section Contents

Objectives

Budget Development Policies

Capital Improvement Budget Policies

Debt Policies

Reserve Policies

Cash Management and Investment Policy

FISCAL POLICY GUIDELINES - OBJECTIVES

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

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

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

BUDGET DEVELOPMENT POLICIES

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

CAPITAL IMPROVEMENT BUDGET POLICIES

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

CAPITAL IMPROVEMENT BUDGET POLICIES (continued)

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

DEBT POLICIES

General

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

Tax Supported Debt

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

Revenue Supported Debt

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

RESERVE POLICIES

1. The City will establish an emergency reserve to pay for needs caused by unforeseen emergencies, including unanticipated expenditures of a nonrecurring nature, or to meet unexpected small increases in service delivery costs. This **contingency** reserve will be budgeted at not less than 0.5% of the operating funds. FY24: .5% equates to \$351,856.
2. Unreserved, Undesignated Fund Balances will mean funds that remain available for appropriation by the City Council after all commitments for future expenditures, required reserves defined by State statutes, and previous Council designations have been calculated. The City will define these remaining amounts as “available fund balances.”
3. Available fund balances at the close of each fiscal year should be within a range of at least 25% and no more than 33% (13 to 17 weeks) of the Total Annual Operating Budget of the City.
4. The City Council may, from time-to-time, appropriate fund balances that will reduce available fund balances below the 25% policy for the purposes of a declared fiscal emergency or other such global purpose as to protect the long-term fiscal security of the City of Kannapolis. In such circumstances, the Council will adopt a plan to restore the available fund balances to the policy level within 36 months from the date of the appropriation. If restoration cannot be accomplished within such time period without severe hardship to the City, then the Council will establish a different but appropriate time period.
5. In the event that available fund balances are in excess of 33%, then the City will develop a spending plan utilizing more cash payments for capital projects, or other capital assets.
6. The City will adopt a comprehensive strategy for the long-term stability and financial health of the Water and Sewer Fund, Stormwater Fund, and Environmental Fund. Each fund will maintain a targeted cash balance reserve as compared to that fund’s annual expenditures. The targeted cash balance reserve is stated below:

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY

Introduction

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

Objectives

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

Legality

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

Scope

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

Prudence

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

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

Responsibility

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

Objectives

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

Safety

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

Liquidity

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

Yield

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

Ethics and Conflicts of Interest

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

Authorized Financial Dealers and Financial Institutions

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

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

Internal Control

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

Collateralization

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

Delivery and Custody

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

Authorized Investments

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

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

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

Diversification

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

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

Maturity Scheduling

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

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

Selection of Securities

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

Active Trading of Securities

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

Pooled Cash and Allocation of Interest Income

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

Marking to Market

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

Software

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

Reporting

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

FINANCIAL STRUCTURE

ALL FUNDS

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.

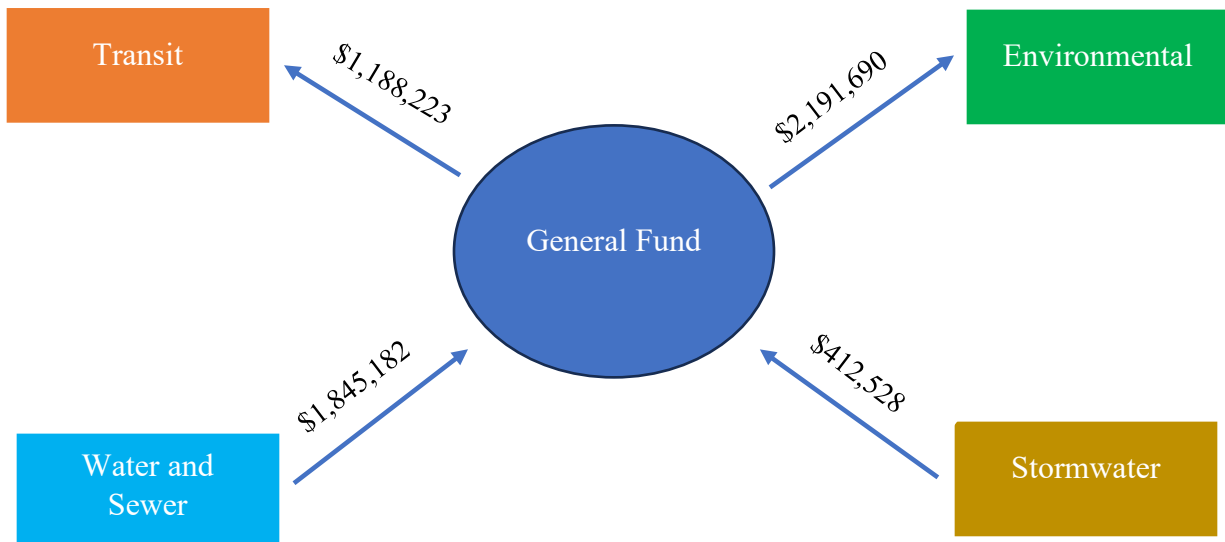
Internal Service Funds: These funds are for the financing of goods or services provided by one department or agency to another or to other government units on a cost reimbursement basis.

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 \$8.00 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.).



BUDGET SUMMARY

City of Kannapolis

Revenue Summary

Fiscal Year 2025

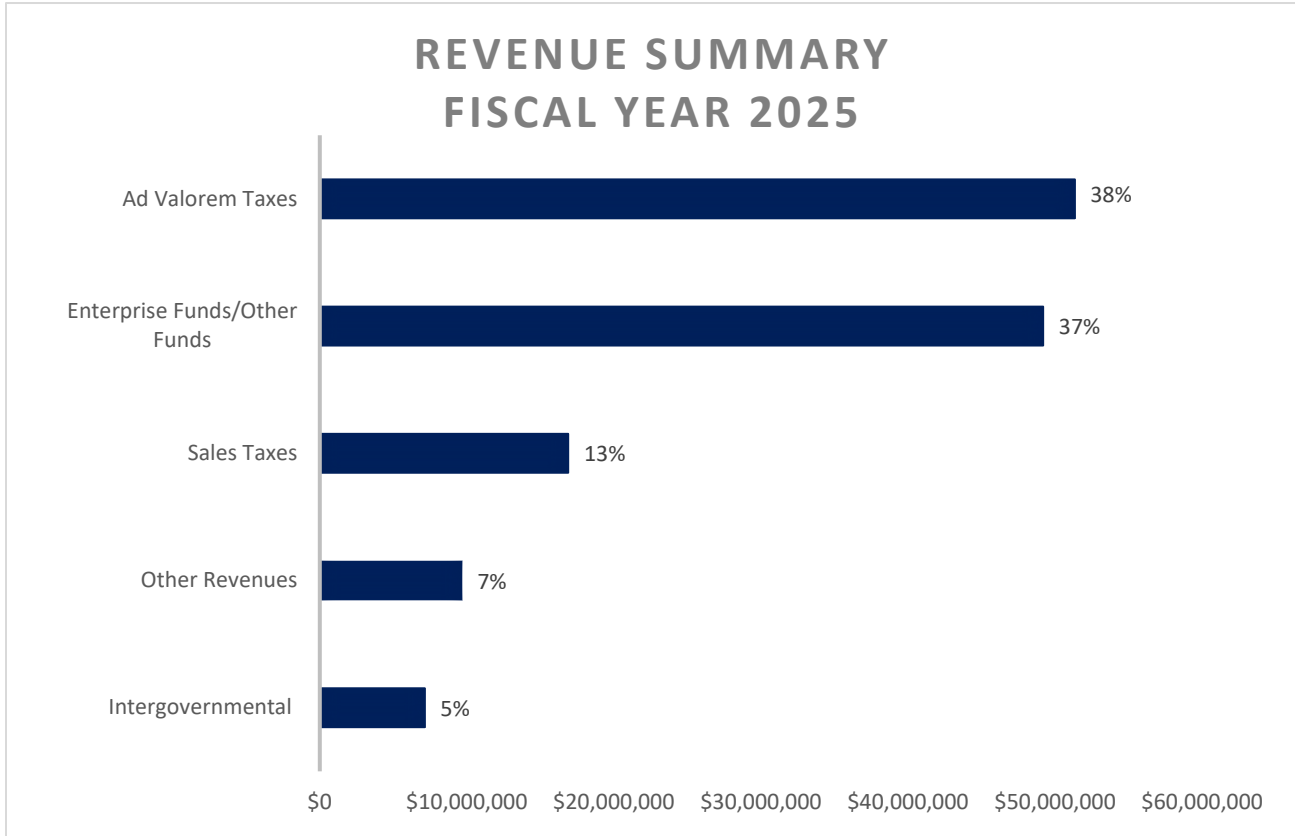
| | FY 2023 Adopted | FY 2024 Adopted | FY 2025 Adopted | Difference |
|--|---------------------|----------------------|----------------------|---------------------|
| Ad Valorem Taxes | 35,588,732 | 39,027,140 | 49,599,642 | 10,572,502 |
| Sales Taxes | 13,626,161 | 16,440,102 | 16,887,246 | 447,144 |
| Intergovernmental | 6,333,541 | 6,373,357 | 7,138,972 | 765,615 |
| Other | 6,185,267 | 7,288,295 | 9,634,972 | 2,346,677 |
| Appropriated Fund Balance/ Transfers In | 753,458 | 1,242,385 | - | (1,242,385) |
| Total General Fund | \$62,487,159 | \$ 70,371,279 | \$ 83,260,832 | \$12,889,553 |
| Total Water and Sewer Fund | \$23,370,000 | \$ 24,286,437 | \$ 29,743,813 | \$ 5,457,376 |
| Total Stormwater Fund | \$ 3,291,706 | \$ 3,530,000 | \$ 3,750,000 | \$ 220,000 |
| Total Environmental Fund | \$ 4,908,080 | \$ 5,683,817 | \$ 6,700,690 | \$ 1,016,873 |
| Total Separation Pay Fund | \$ 506,407 | \$ 496,912 | \$ 600,000 | \$ 103,088 |
| Total Transit Fund | \$ 1,743,571 | \$ 1,223,031 | \$ 1,621,823 | \$ 398,792 |
| Total Insurance and Risk Fund | \$ - | \$ 6,046,480 | \$ 6,761,084 | \$ 714,604 |
| Grand Total All Funds | \$96,306,923 | \$111,637,956 | \$132,438,242 | \$20,800,286 |
| Less Inter-Fund Transfers | \$ 1,390,884 | \$ 7,252,080 | \$ 9,331,913 | \$ 2,079,833 |
| Grand Total All Funds | \$94,916,039 | \$104,385,876 | \$123,106,329 | \$18,720,453 |

*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 source across all funds is **ad valorem** taxes at **38%**, which is the collection of current and prior year tax levied on all property.

The second largest category, 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.

Sales tax is the third largest source of revenue for the City at **13%**. Sales tax is the collections of the one percent (1%) local options-sales tax and both the one-half (1/2) of one percent (1%) local option sales taxes (Articles 40 and 42).

The next source of revenue at **7%** 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 **5%** 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 | FY 25 Adopted |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenues | | | | | | |
| Ad Valorem Taxes | 32,888,681 | 32,860,158 | 34,727,004 | 35,588,732 | 39,027,140 | 49,599,642 |
| Sales Taxes | 11,635,617 | 11,131,082 | 14,084,123 | 13,626,161 | 16,440,102 | 16,887,246 |
| Intergovernmental | 5,830,737 | 5,917,136 | 6,512,774 | 6,333,541 | 6,373,357 | 7,138,972 |
| Other | 4,963,205 | 6,406,130 | 6,118,410 | 6,185,267 | 7,288,295 | 9,634,972 |
| Fund Balance | - | - | - | 753,458 | 1,242,385 | - |
| Transfers | 200,000 | 200,000 | 200,000 | - | - | - |
| Total General Fund | \$ 55,518,240 | \$ 56,514,506 | \$ 61,642,311 | \$ 62,487,159 | \$ 70,371,279 | \$ 83,260,832 |
| Total Water and Sewer Fund | 21,030,851 | 21,242,624 | 25,550,307 | 23,370,000 | 24,286,437 | 29,743,813 |
| Total Stormwater Fund | 3,078,995 | 3,195,831 | 3,142,858 | 3,291,706 | 3,530,000 | 3,750,000 |
| Total Environmental Fund | 4,503,966 | 5,195,704 | 4,659,918 | 4,908,080 | 5,683,817 | 6,700,690 |
| Total Separation Fund | 502,781 | 484,210 | 484,210 | 506,407 | 496,912 | 600,000 |
| Total Transit Fund | 857,338 | 700,000 | 843,070 | 1,743,571 | 1,223,031 | 1,621,823 |
| Total Downtown Fund | 9,616,873 | - | - | - | - | - |
| Total Insurance and Risk Fund | - | - | - | - | 6,046,480 | 6,761,084 |
| Grand Total All Funds | \$ 95,109,044 | \$ 87,332,875 | \$ 96,322,674 | \$ 96,306,923 | \$ 111,637,956 | \$ 132,438,242 |
| Less Interfund Transfers | \$ (8,557,770) | \$ (1,265,452) | \$ (1,277,452) | \$ (1,390,884) | \$ (7,252,080) | \$ (9,331,913) |
| Grand Total All Funds | \$ 86,551,274 | \$ 86,067,423 | \$ 95,045,222 | \$ 94,916,039 | \$ 104,385,876 | \$ 123,106,329 |

The following table shows a comparison of revenue sources across all funds for the FY 25 budget.

| | FY 25 General Fund | FY 25 Water and Sewer | FY 25 Stormwater | FY 25 Environmental | FY 25 Separation Pay | FY 25 Transit Fund | FY 25 Insurance and Risk | FY 25 Total All Funds |
|------------------------|-----------------------|--------------------------|---------------------|------------------------|-------------------------|-----------------------|-----------------------------|--------------------------|
| Source of Funds | | | | | | | | |
| Ad Valorem Taxes | 49,599,642 | - | - | - | - | - | - | 49,599,642 |
| Sales Taxes | 16,887,246 | - | - | - | - | - | - | 16,887,246 |
| Intergovernmental | 7,138,972 | - | - | - | - | - | - | 7,138,972 |
| Investment Income | 1,400,000 | 100,000 | 80,000 | 45,000 | - | - | - | 1,625,000 |
| Other | 7,334,972 | 1,105,000 | 270,000 | 104,000 | - | - | 6,761,084 | 15,575,056 |
| Charges for Services | - | 25,485,813 | 3,400,000 | 4,360,000 | - | - | - | 33,245,813 |
| Tap/Connection Fees | - | 3,053,000 | - | - | - | - | - | 3,053,000 |
| Vehicle License Tax | 900,000 | - | - | - | - | 433,600 | - | 1,333,600 |
| Fund Balance | - | - | - | - | - | - | - | - |
| Transfers | - | - | - | 2,191,690 | 600,000 | 1,188,223 | - | 3,979,913 |
| Total Sources | \$ 83,260,832 | \$ 29,743,813 | \$ 3,750,000 | \$ 6,700,690 | \$ 600,000 | \$ 1,621,823 | \$ 6,761,084 | \$ 132,438,242 |

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 22 Adopted | FY 22 Actual | FY 23 Adopted | FY 24 Adopted | FY 25 Adopted |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues | | | | | |
| Ad Valorem Taxes- Current | 32,460,158 | 34,154,940 | 35,188,732 | 38,627,140 | 49,199,642 |
| Ad Valorem Taxes- Prior | 400,000 | 572,064 | 400,000 | 400,000 | 400,000 |
| Total Ad Valorem Taxes | \$ 32,860,158 | \$ 34,727,004 | \$ 35,588,732 | \$ 39,027,140 | \$ 49,599,642 |
| 1% Sales Tax (State) | 4,520,317 | 5,580,405 | 5,458,782 | 6,480,219 | 6,609,245 |
| 1/2% Sales Tax (Local) | 6,610,765 | 8,503,718 | 8,167,379 | 9,959,883 | 10,278,001 |
| Total Sales Taxes | \$ 11,131,082 | \$ 14,084,123 | \$ 13,626,161 | \$ 16,440,102 | \$ 16,887,246 |
| Fire District Sales Tax | 215,000 | 333,571 | 273,000 | 236,790 | 423,617 |
| Franchise Tax | 2,698,000 | 2,805,308 | 2,698,000 | 2,805,308 | 3,135,627 |
| Beer and Wine Tax | 210,000 | 212,049 | 210,000 | 210,000 | 240,000 |
| Interlocal Agreement MSD | - | 77,675 | - | - | - |
| ABC Funds | 90,000 | 119,925 | 102,296 | 138,000 | 144,900 |
| Cabarrus Contributions | 1,331,402 | 1,331,402 | 1,328,433 | 1,326,113 | 1,325,926 |
| Powell Bill Funds | 1,298,734 | 1,572,822 | 1,572,822 | 1,583,146 | 1,794,902 |
| State Asset Forfeiture | - | 13,823 | - | - | - |
| State Grants | - | - | - | - | - |
| Police- ICAC/JAG Grant | - | 9,028 | 74,990 | - | - |
| Fire - Rowan County Contributions | 4,000 | 4,020 | 4,000 | 4,000 | 4,000 |
| Federal Asset Forfeiture | - | 33,151 | - | - | - |
| Build America Bond Subsidy Pay | - | - | - | - | - |
| CDBG Administration Revenues | 70,000 | - | 70,000 | 70,000 | 70,000 |
| Total Intergovernmental | \$ 5,917,136 | \$ 6,512,774 | \$ 6,333,541 | \$ 6,373,357 | \$ 7,138,972 |
| Vehicle License | 393,455 | 422,428 | 397,390 | 420,000 | 900,000 |
| Vehicle Rental Tax | 25,000 | 32,700 | 25,000 | 25,000 | 35,000 |
| Buildings Rental | 90,000 | 186,845 | 90,000 | 200,000 | 250,000 |
| Tower Rental | 84,000 | 94,494 | 84,000 | 95,000 | 115,000 |
| Commercial Rent/Lease-College Station | 401,630 | 761,070 | 401,630 | 475,000 | 475,000 |
| Parking Deck Lease | - | - | - | - | 140,000 |
| Parking Fees | - | - | - | - | 35,037 |
| Enterprise Management Fee | 2,614,500 | 2,614,500 | 2,349,702 | 2,287,295 | 2,257,710 |
| Miscellaneous Revenue | 310,000 | 282,399 | 310,000 | 310,000 | 500,000 |
| Investment Income | 210,000 | 72,261 | 210,000 | 1,000,000 | 1,400,000 |
| Interest Income Leases | - | 496,590 | - | - | - |
| Police - Charges and Fees | 169,000 | 214,961 | 169,000 | 323,000 | 235,000 |
| Officer Court Reimbursement | 20,000 | 13,684 | 20,000 | 20,000 | 20,000 |
| False Alarm Fees | 8,000 | 8,205 | 8,000 | 8,000 | 15,000 |
| Fire- Technical Services Charges and Fees | 25,000 | 32,535 | 25,000 | 35,000 | 35,000 |
| Street Lighting Fees and Charges | - | - | - | - | - |
| Engineering- Charges and Fees | - | - | - | - | 30,000 |
| Planning - Charges and Fees | 80,000 | 117,578 | 120,000 | 200,000 | 200,000 |
| City Code Violations | 65,000 | 79,211 | 65,000 | 65,000 | 71,625 |
| P card Rebates | - | - | - | - | 70,000 |
| Parks - Charges and Fees | 1,185,545 | 438,298 | 1,185,545 | 1,100,000 | 2,050,600 |
| Recreation Programs - Charges and Fees | 125,000 | 212,151 | 125,000 | 125,000 | 200,000 |
| Recreation Programs - Donations | 50,000 | 38,500 | 50,000 | 50,000 | 50,000 |
| CVB Contribution | 100,000 | - | 100,000 | 100,000 | 100,000 |
| Team Lease | 450,000 | - | 450,000 | 450,000 | 450,000 |
| Total Other | \$ 6,406,130 | \$ 6,118,410 | \$ 6,185,267 | \$ 7,288,295 | \$ 9,634,972 |
| Transfers In from Other Funds | 200,000 | 200,000 | - | - | - |
| Appropriated Fund Balance | - | 114 | 753,458 | 1,242,385 | - |
| Transfers/Appropriated Fund Balance | \$ 200,000 | \$ 200,000 | \$ 753,458 | \$ 1,242,385 | \$ - |

BUDGET SUMMARY

| | FY 22 Adopted | FY 22 Actual | FY 23 Adopted | FY 24 Adopted | FY 25 Adopted |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues | | | | | |
| Charges and Fees | 18,292,624 | 21,069,202 | 20,000,000 | 21,001,437 | 25,485,813 |
| Wholesale Water Sales | 415,000 | 329,644 | 360,000 | 400,000 | 425,000 |
| Tap Fees | 450,000 | 495,156 | 1,175,000 | 800,000 | 1,168,000 |
| Connection Fees | 1,500,000 | 1,132,825 | 1,250,000 | 1,500,000 | 1,885,000 |
| Reconnection Fees | 140,000 | 94,010 | 140,000 | 140,000 | 140,000 |
| Penalties | 400,000 | 336,965 | 400,000 | 400,000 | 525,000 |
| Miscellaneous Revenue | 15,000 | 90,073 | 15,000 | 15,000 | 15,000 |
| Investment Income | 30,000 | 2,432 | 30,000 | 30,000 | 100,000 |
| Developer Contribution | - | 2,000,000 | - | - | - |
| Transfers In/Other | - | - | - | - | - |
| Total Water and Sewer Fund | \$ 21,242,624 | \$ 25,550,307 | \$ 23,370,000 | \$ 24,286,437 | \$ 29,743,813 |
| Charges and Fees | 3,195,831 | 3,139,170 | 3,291,706 | 3,500,000 | 3,400,000 |
| Investment Income | - | - | - | 30,000 | 80,000 |
| Miscellaneous Revenue | - | 3,688 | - | - | 270,000 |
| Fund Balance Appropriated | - | - | - | - | - |
| Transfer from Water and Sewer Fu | - | - | - | - | - |
| Total Stormwater Fund | \$ 3,195,831 | \$ 3,142,858 | \$ 3,291,706 | \$ 3,530,000 | \$ 3,750,000 |
| Solid Waste Disposal Tax | 36,000 | 39,858 | 36,000 | 36,000 | 44,000 |
| Charges and Fees | 4,011,887 | 3,906,644 | 4,132,244 | 4,200,000 | 4,200,000 |
| Commercial Revenue | - | - | - | 120,000 | 160,000 |
| Miscellaneous Revenue | - | 120,174 | 158,594 | 160,000 | 60,000 |
| Investment Income | - | - | - | 20,000 | 45,000 |
| Transfers from General Fund | 1,147,817 | 97,542 | 85,542 | 1,147,817 | 2,191,690 |
| Transfers from Water and Sewer Fund | - | 495,700 | 495,700 | - | - |
| Transfers from Stormwater Fund | - | - | - | - | - |
| Proceeds from Debt Financing | - | - | - | - | - |
| Total Environmental Fund | \$ 5,195,704 | \$ 4,659,918 | \$ 4,908,080 | \$ 5,683,817 | \$ 6,700,690 |
| Transfer from General Fund | 484,210 | 484,210 | 506,407 | 496,912 | 600,000 |
| Total Separation Pay Fund | \$ 484,210 | \$ 484,210 | \$ 506,407 | \$ 496,912 | \$ 600,000 |
| Vehicle License Tax | 500,000 | 843,070 | 900,000 | 900,000 | 433,600 |
| Transfer from General Fund | - | - | 303,235 | 323,031 | 1,188,223 |
| Appropriated Fund Balance | 200,000 | - | 540,336 | - | - |
| Total Transit Fund | \$ 700,000 | \$ 843,070 | \$ 1,743,571 | \$ 1,223,031 | \$ 1,621,823 |
| Health Insurance Premiums | - | - | - | 5,391,600 | 5,940,204 |
| Workers Compensation Premiums | - | - | - | 470,880 | 620,880 |
| Retiree Premiums (Health Insurance) | - | - | - | 184,000 | 200,000 |
| Fund Balance Appropriated/Other | - | - | - | - | - |
| Total Insurance and Risk Fund | \$ - | \$ - | \$ - | \$ 6,046,480 | \$ 6,761,084 |

BUDGET SUMMARY

City of Kannapolis

Expenditure Summary

Fiscal Year 2025

| | FY 2023 Adopted | FY 2024 Adopted | FY 2025 Adopted | Difference |
|--------------------------------|----------------------|-----------------------|-----------------------|----------------------|
| General Government Services | 9,117,500 | 11,592,770 | 14,143,755 | 2,550,985 |
| Planning | 1,102,225 | 1,263,207 | 1,339,115 | 75,908 |
| Public Safety | 20,265,066 | 24,921,736 | 25,958,779 | 1,037,043 |
| Parks and Recreation | 5,650,799 | 7,011,545 | 9,217,946 | 2,206,401 |
| Public Works | 4,853,405 | 5,719,735 | 6,079,494 | 359,759 |
| Other | 6,537,498 | 5,878,195 | 12,345,887 | 6,467,692 |
| General Debt Service | 14,960,666 | 13,984,091 | 14,175,856 | 191,765 |
| Total General Fund | \$ 62,487,159 | \$ 70,371,279 | \$ 83,260,832 | \$ 12,889,553 |
| Water and Sewer Fund | \$ 23,370,000 | \$ 24,286,437 | \$ 29,743,813 | \$ 5,457,376 |
| Stormwater Fund | \$ 3,291,706 | \$ 3,530,000 | \$ 3,750,000 | \$ 220,000 |
| Environmental Fund | \$ 4,908,080 | \$ 5,683,817 | \$ 6,700,690 | \$ 1,016,873 |
| Separation Pay Fund | \$ 506,407 | \$ 496,912 | \$ 600,000 | \$ 103,088 |
| Transit Fund | \$ 1,743,571 | \$ 1,223,031 | \$ 1,621,823 | \$ 398,792 |
| Downtown Fund | \$ - | \$ - | \$ - | \$ - |
| Insurance and Risk Fund | \$ - | \$ 6,046,480 | \$ 6,761,084 | \$ 714,604 |
| Grand Total All Funds | \$ 96,306,923 | \$ 111,637,956 | \$ 132,438,242 | \$ 20,800,286 |

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

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

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

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

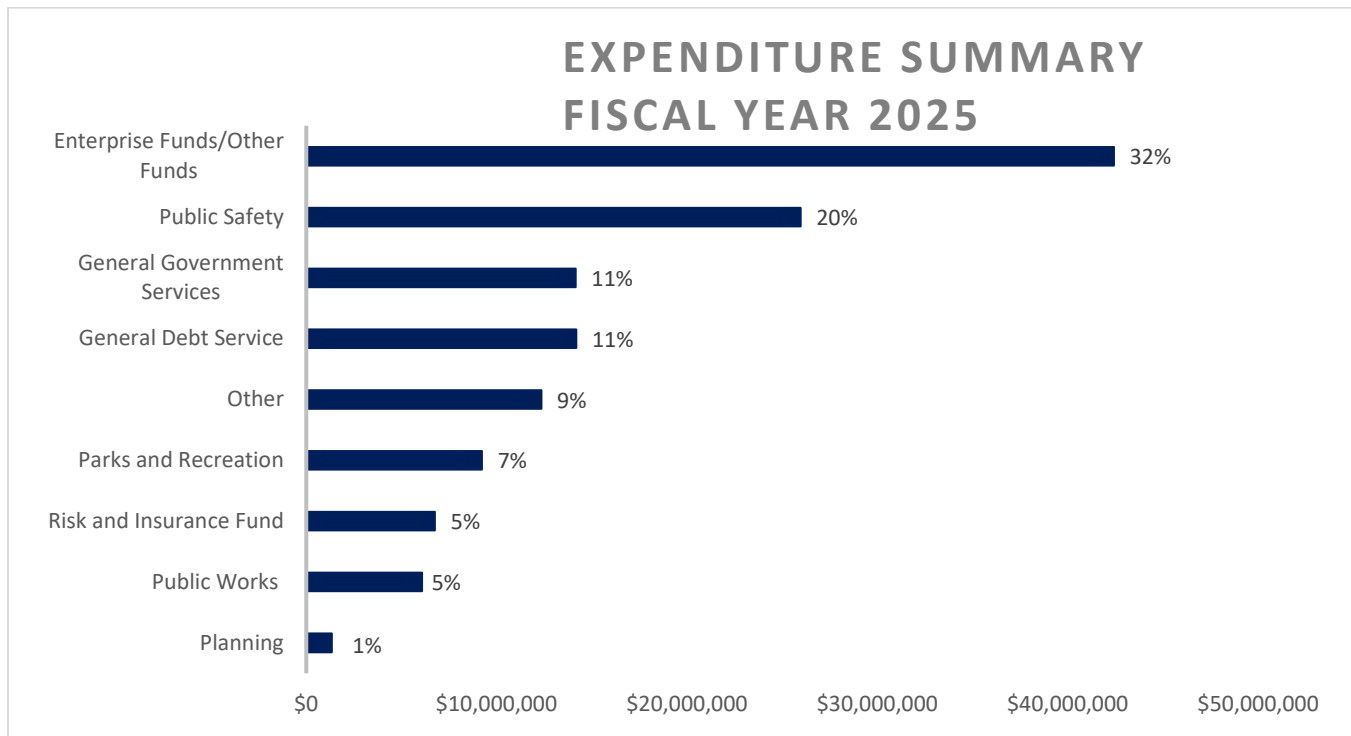
BUDGET SUMMARY

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 **20%** of total spending. This includes the Police and Fire Department.
- **General Government** services area comprises **11%** 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.
- **General Debt Service** comprises **11%** 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

BUDGET SUMMARY

in the City’s debt service payments can be found in the debt service program summary of the budget document.

- **Other service** areas comprise **9%** of total spending includes the Non-Departmental budget and any transfers out to other funds.
- **Parks and Recreation** comprises **7%** 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.
- **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 25 | FY 25 | FY 25 | FY 25 | FY 25 | FY 25 | FY 25 | FY 25 |
|--------------------------|----------------------|----------------------|---------------------|---------------------|-------------------|---------------------|---------------------|-----------------------|
| | General Fund | Water and Sewer | Stormwater | Environmental | Separation Pay | Transit Fund | Insurance and Risk | Total All Funds |
| Uses of Funds | | | | | | | | |
| General Government | 14,143,755 | - | - | - | - | - | - | 14,143,755 |
| Planning | 1,339,115 | - | - | - | - | - | - | 1,339,115 |
| Public Safety | 25,958,779 | - | - | - | - | - | - | 25,958,779 |
| Parks and Recreation | 9,217,946 | - | - | - | - | - | - | 9,217,946 |
| Public Works | 6,079,494 | - | - | - | - | - | - | 6,079,494 |
| Other | 12,345,887 | - | 2,791,213 | 6,700,690 | 600,000 | 1,621,823 | - | 24,059,613 |
| Debt Service | 14,175,856 | 8,031,248 | 546,259 | - | - | - | - | 22,753,363 |
| Risk and Insurance | - | - | - | - | - | - | 6,761,084 | 6,761,084 |
| Distribution | - | 6,920,889 | - | - | - | - | - | 6,920,889 |
| Water Treatment Plant | - | 5,373,362 | - | - | - | - | - | 5,373,362 |
| Sewage Treatment (WSACC) | - | 5,869,191 | - | - | - | - | - | 5,869,191 |
| Billing and Collections | - | 1,703,941 | - | - | - | - | - | 1,703,941 |
| Transfers Other Funds | - | 1,845,182 | 412,528 | - | - | - | - | 2,257,710 |
| Total Uses | \$ 83,260,832 | \$ 29,743,813 | \$ 3,750,000 | \$ 6,700,690 | \$ 600,000 | \$ 1,621,823 | \$ 6,761,084 | \$ 132,438,242 |

The following table shows a comparison of expenditure uses across all funds for the FY 25 budget.

BUDGET SUMMARY

General Fund Detailed Expenditures

| | FY 22 Adopted | FY 22 Actual | FY 23 Adopted | FY 24 Adopted | FY 25 Adopted |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenditures | | | | | |
| City Council | 274,059 | 289,838 | 327,592 | 336,560 | 297,875 |
| City Manager - Administration | 1,498,649 | 1,584,497 | 1,683,345 | 2,041,514 | 2,143,659 |
| Economic Development | 594,250 | 420,242 | 377,887 | 375,887 | 597,873 |
| Communications | 258,700 | 140,782 | 322,740 | 388,908 | 447,900 |
| Human Resources | 566,245 | 542,093 | 717,750 | 830,135 | 1,522,405 |
| City Attorney | 433,204 | 497,284 | 628,377 | 585,760 | 628,525 |
| Finance | 961,900 | 879,553 | 1,035,053 | 1,326,491 | 1,508,304 |
| Information Technology | 1,546,793 | 1,607,873 | 2,119,622 | 3,131,988 | 4,212,817 |
| General Services | 1,807,579 | 2,413,785 | 1,905,134 | 2,500,793 | 2,784,397 |
| Total General Government | \$ 7,941,379 | \$ 8,375,947 | \$ 9,117,500 | \$ 11,518,036 | \$ 14,143,755 |
| Police - Administration | 929,250 | 1,372,323 | 1,200,317 | 1,080,807 | 1,236,326 |
| Police - Support Services | 2,833,984 | 2,753,905 | 3,102,224 | 3,709,993 | 4,149,423 |
| Police - Field Operations | 5,199,144 | 5,564,782 | 5,806,123 | 7,611,955 | 7,107,740 |
| Police - Special Operations | 510,042 | - | 704,948 | 1,166,360 | 1,204,553 |
| Total Police | \$ 9,472,420 | \$ 9,691,010 | \$ 10,813,612 | \$ 13,569,115 | \$ 13,698,042 |
| Fire - Administration | 1,150,605 | 1,124,395 | 1,246,627 | 1,482,736 | 1,653,136 |
| Fire- Emergency Services | 7,362,825 | 8,846,023 | 7,648,966 | 9,270,350 | 9,813,769 |
| Fire- Technical Services | 510,795 | 544,982 | 555,861 | 628,535 | 793,832 |
| Total Fire | \$ 9,024,225 | \$ 10,515,400 | \$ 9,451,454 | \$ 11,381,621 | \$ 12,260,737 |
| Public Works - Engineering | 1,126,255 | 985,145 | 1,036,308 | 1,213,486 | 1,528,987 |
| Public Works - Street Lighting | 730,400 | 533,004 | 740,300 | 613,900 | 713,900 |
| Public Works - Operations Center | 118,000 | 94,793 | 138,700 | 147,100 | 174,460 |
| Public Works - Signs and Markings | 432,051 | 432,156 | 463,006 | 529,538 | 549,520 |
| Public Works- Powell Bill | 1,249,500 | 1,463,646 | 1,513,120 | 1,583,146 | 1,794,902 |
| Public Works - Street Maintenance | 1,099,072 | 1,261,428 | 961,971 | 1,632,565 | 1,317,725 |
| Total Public Works | \$ 4,755,278 | \$ 4,770,172 | \$ 4,853,405 | \$ 5,719,735 | \$ 6,079,494 |
| Planning | 1,013,481 | 992,702 | 1,102,225 | 1,263,207 | 1,339,115 |
| Total Planning | \$ 1,013,481 | \$ 992,702 | \$ 1,102,225 | \$ 1,263,207 | \$ 1,339,115 |
| Parks and Recreation - Parks | 4,090,222 | 3,937,411 | 4,470,299 | 5,679,545 | 7,501,346 |
| Parks and Recreation - Recreation Programs | 788,000 | 781,356 | 930,500 | 998,000 | 1,366,600 |
| Stadium | 250,000 | 232,001 | 250,000 | 350,000 | 350,000 |
| Total Parks and Recreation | \$ 5,128,222 | \$ 4,950,768 | \$ 5,650,799 | \$ 7,027,545 | \$ 9,217,946 |
| Non-Departmental | 4,041,753 | 3,910,833 | 5,642,314 | 3,940,169 | 4,795,862 |
| Transfers | 569,752 | 15,082,500 | 895,184 | 1,967,760 | 7,550,025 |
| Total Other | \$ 4,611,505 | \$ 18,993,333 | \$ 6,537,498 | \$ 5,907,929 | \$ 12,345,887 |
| Debt Service | 14,567,996 | 14,421,899 | 14,960,666 | 13,984,091 | 14,175,856 |
| Total Debt Service | \$ 14,567,996 | \$ 14,421,899 | \$ 14,960,666 | \$ 13,984,091 | \$ 14,175,856 |
| Total General Fund Expenditures | \$ 56,514,506 | \$ 72,711,230 | \$ 62,487,159 | \$ 70,371,279 | \$ 83,260,832 |

BUDGET SUMMARY

Enterprise/Other Funds Detailed Expenditures

| | FY 22 Adopted | FY 22 Actual | FY 23 Adopted | FY 24 Adopted | FY 25 Adopted |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenditures | | | | | |
| Billing and Collections | 1,008,472 | 1,029,040 | 1,306,070 | 1,556,054 | 1,703,941 |
| Distribution | 3,946,885 | 3,663,984 | 5,248,474 | 6,299,389 | 6,920,889 |
| Water Treatment Plant | 3,217,924 | 3,271,704 | 3,640,787 | 4,428,892 | 5,373,362 |
| Sewage Treatment (WSACC) | 3,194,670 | 3,478,271 | 4,274,460 | 4,455,480 | 5,869,191 |
| General Management Services | 2,143,921 | 2,143,921 | 1,922,482 | 1,823,413 | 1,845,182 |
| Transfer to Capital/Other Funds | 495,700 | 495,700 | 495,700 | - | - |
| Debt Service | 6,985,052 | 11,289,701 | 6,482,027 | 5,723,209 | 8,031,248 |
| Total Water and Sewer Fund | \$ 20,992,624 | \$ 25,372,321 | \$ 23,370,000 | \$ 24,286,437 | \$ 29,743,813 |
| Total Stormwater Fund | \$ 3,195,831 | \$ 2,934,069 | \$ 3,291,706 | \$ 3,530,000 | \$ 3,750,000 |
| Total Environmental Fund | \$ 4,629,129 | \$ 4,035,705 | \$ 4,908,080 | \$ 5,683,817 | \$ 6,700,690 |
| Total Separation Pay Fund | \$ 484,210 | \$ 185,761 | \$ 506,407 | \$ 496,912 | \$ 600,000 |
| Total Transit Fund | \$ 700,000 | \$ 483,704 | \$ 1,743,571 | \$ 1,223,031 | \$ 1,621,823 |

FUND SUMMARIES

| GENERAL FUND | | | | |
|---|----------------------|----------------------|----------------------|---------------|
| | FY 2024 | FY 2025 | Difference | % |
| | Adopted | Adopted | | Change |
| Revenues | | | | |
| Ad Valorem Taxes | 39,027,140 | 49,599,642 | 10,572,502 | 27.09% |
| Sales Taxes | 16,440,102 | 16,887,246 | 447,144 | 2.72% |
| Intergovernmental | 6,373,357 | 7,138,972 | 765,615 | 12.01% |
| Other Revenues | 7,288,295 | 9,634,972 | 2,346,677 | 32.20% |
| Appropriated Fund Balance/Transfers In | 1,242,385 | - | (1,242,385) | -100.00% |
| Total | \$ 70,371,279 | \$ 83,260,832 | \$ 12,889,553 | 18.32% |
| Expenditures | | | | |
| Personnel | 32,989,305 | 36,538,632 | 3,549,327 | 10.76% |
| Operating | 35,207,974 | 46,492,200 | 11,284,226 | 32.05% |
| Capital | 2,174,000 | 230,000 | (1,944,000) | -89.42% |
| Total | \$ 70,371,279 | \$ 83,260,832 | \$ 12,889,553 | 18.32% |

The FY 2025 adopted General Fund budget totals \$83,260,832 which is an increase of 18.32% or \$12,889,553 over the FY 2024 adopted budget of \$70,371,279.

Revenues in the General Fund are divided among property taxes, sales taxes, intergovernmental revenues, other revenues, and appropriated fund balance.

The primary increase in property tax revenues is due to the revaluation of properties in Cabarrus County. This revaluation resulted in an increase in property values by 50% just on the Cabarrus side. As a reminder, the city is in two counties, Cabarrus and Rowan. The split between the two counties is about 88% Cabarrus and 12% Rowan. Outside of revaluation growth, estimated real property value increase by 4,675,734,000 for Cabarrus County. Rowan County real property values increased by 7%. As a reminder, Rowan County's latest revaluation was last year and resulted in a 45% increase in property values. Overall, property tax collections are set to increase by \$10,572,502 or 27%. This is based on a proposed property tax rate of 55.95 cents as compared to the current property tax rate of 63.00 cents and assumes a 99% collection rate. Property tax revenue comprises 60% of the total General Fund budget.

Sales tax is projected to increase by 2.72% over the FY 24 adopted budget. We have started to see sales tax collections decline some in FY 24 as opposed to previous years' growth of 6-7%. The FY 25 budget is based off FY 24 projected actuals (~\$16,27,736) and a 4% increase. Sales tax comprises 20% of the total General Fund budget.

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

FUND SUMMARIES

\$765,615 due to projected increase in franchise tax collections, Powell bill collections and fire district property and sales tax collections. This category comprises 8% of the proposed General Fund budget for FY 25.

The other revenue category comprises 11% of the total General Fund budget. Major increases in this category include projected increases in the vehicle license revenue due to a change in accounting (\$30 total fee, \$20 goes to the General Fund; \$10 goes to Transit) and projected increases in miscellaneous revenue and investment income. Other increases are attributed to the Swanee Theatre revenues at \$835,600. This will be the first full year of City operations of the theatre.

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 25, the general government the rate is 13.64% and law enforcement is 15.04%. Personnel costs also reflect a 3% cost of living adjustment, 5% developmental pay increase for those employees that haven't reached the midpoint of the pay range yet, and 3% merit rate for those employees who are past the midpoint in the range. Other increases include a \$960/employee increase in medical insurance, employer paid vision and employer paid short-term disability insurance. Another key driver is the new personnel requests for FY 25. There are currently 9 new positions requested in FY 25 across multiple departments in the General Fund.

The operations category includes all the expenses associated with operating that department. Examples include office supplies, technology equipment, uniforms, contracted services, etc. Also included in this category are debt service obligations and inter-fund transfers. Expenditures in the operations category are projected to increase by 24.7% over the FY 24 adopted budget. The primary increase is related to contractual increases across all departments. This area also includes increases related to new position requests. Some examples of departmental increases include Human Resources increasing by \$692,270 due to new employee initiatives and contractual services, Information Technology increasing by \$1,080,829 due to new software and annual maintenance requests, \$1,471,306 in Parks and Recreation due to an increase in summer concert series and the funding for the Swanee Theatre, and \$409,546 related to Imagine Kannapolis Strategic plan initiatives.

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 25, \$230,000 is budgeted for a warming oven at the Swanee Theatre (\$3k), digital sign in communications (\$27k) and capital expense funding at the stadium (\$200k). There was a plan to replace city-wide machinery, vehicles and equipment that have high mileage and high maintenance concern via cash but was decided to fund via a short-term financing. Some examples include new vehicles for new personnel such as a new truck for the Fleet Manager position, a new vehicle for an additional Fire Inspector and a new police cruiser for an additional Police Officer. Other requests include replacing (14) police cruisers, \$394,000 in parking equipment and vehicles,

FUND SUMMARIES

\$278,000 in streets machinery and equipment, and a new truck for the existing Fleet Manager position and other various replacements city-wide.

| WATER AND SEWER FUND | | | | |
|-----------------------------|----------------------|----------------------|---------------------|---------------|
| | FY 2024 | FY 2025 | Difference | % |
| | Adopted | Adopted | | Change |
| Revenues | | | | |
| Charges and Fees | 21,001,437 | 25,485,813 | 4,484,376 | 21.35% |
| Wholesale Water Sales | 400,000 | 425,000 | 25,000 | 6.25% |
| Tap Fees | 800,000 | 1,168,000 | 368,000 | 46.00% |
| Connection Fees | 1,500,000 | 1,885,000 | 385,000 | 25.67% |
| Reconnection Fees | 140,000 | 140,000 | - | 0.00% |
| Penalties | 400,000 | 525,000 | 125,000 | 31.25% |
| Miscellaneous Revenue | 15,000 | 15,000 | - | 0.00% |
| Investment Income | 30,000 | 100,000 | 70,000 | 233.33% |
| Total | \$ 24,286,437 | \$ 29,743,813 | \$ 5,457,376 | 22.47% |
| Expenditures | | | | |
| Personnel | 5,955,691 | 6,700,290 | 744,599 | 12.50% |
| Operating | 17,247,746 | 22,123,523 | 4,875,777 | 28.27% |
| Capital | 1,083,000 | 920,000 | (163,000) | -15.05% |
| Total | \$ 24,286,437 | \$ 29,743,813 | \$ 5,457,376 | 22.47% |

The FY 25 adopted Water and Sewer budget totals \$29,743,813 which represents a \$5,457,376 or 22.47% increase over the FY 2024 adopted budget of \$24,286,437.

There is steady growth in the charges and fees category for both commercial and residential. Staff are projecting a 10% increase in overall water and sewer charges (estimated at \$2,173,563). Also, budgeted is the increase in the proposed rates to help pay for debt service on various projects. Staff are proposing to adjust the base sewer rate by \$1.44/month (from \$3.80 to \$5.24). This is anticipated to generate \$349,920 in additional revenue to pay towards the fixed costs of the WSACC plant expansion. Staff is also projecting a .75 increase on the sewer volumetric rate which is anticipated to generate \$1,151,250 in revenue. This is set to be used for Salisbury Rowan Utilities costs at an estimated \$4.76 million and the downtown sewer outfall project, estimated at \$3.93 million. The remaining fee increase is set to increase the water volumetric rate by .51 which will generate around \$806,643 in new revenue which will go towards the debt service for the dam spillway replacement (estimated at \$6.3 million) and the Clearwell project (estimated at \$1.7 million). Connection fees and tap fees have also experienced steady growth based on trends. Reconnection fees and miscellaneous revenue remained flat while wholesale water sales increased by \$25,000 based on trends. Last, penalty revenue is projected to increase by \$125,000 based on trends.

Personnel increases include: (1) Locator, (1) Operator 2- Night shift lead and (1) Customer Service Revenue Specialist as well as a 3% COLA and 5% merit. Health increases are also accounted for, which are based on an increase of \$960/employee.

FUND SUMMARIES

Operations are projected to increase by 28%, primarily due to the increase in sewage treatment costs for the next phase in the WSACC expansion (estimated around \$1.2 million). There was also a substantial increase in material costs, bulk water purchases and contracted service for the water treatment plant and distribution. Capital costs include: \$812,000 in distribution for 8 pieces of equipment/vehicles and \$108,000 in the treatment plant budget for 4 pieces of equipment/vehicles.

| STORMWATER FUND | | | | |
|---------------------------|---------------------|---------------------|-------------------|---------------|
| | FY 2024 | FY 2025 | Difference | % |
| | Adopted | Adopted | | Change |
| Revenues | | | | |
| Charges and Fees | 3,500,000 | 3,400,000 | (100,000) | -2.86% |
| Miscellaneous Revenue | - | 270,000 | 270,000 | 100.00% |
| Investment Income | 30,000 | 80,000 | 50,000 | 166.67% |
| Appropriated Fund Balance | - | - | - | 0.00% |
| Total | \$ 3,530,000 | \$ 3,750,000 | \$ 220,000 | 6.23% |
| Expenditures | | | | |
| Personnel | 1,431,652 | 1,511,360 | 79,708 | 5.57% |
| Operating | 1,892,348 | 1,850,274 | (42,074) | -2.22% |
| Capital | 206,000 | 388,366 | 182,366 | 100.00% |
| Total | \$ 3,530,000 | \$ 3,750,000 | \$ 220,000 | 6.23% |

The adopted FY 25 Stormwater budget totals \$3,750,000, which represents a \$220,000 or 6.23% increase over the FY 24 adopted budget of \$3,530,000. For FY 25, charges and fees are projected to decrease by \$100,000 based on trends. We aren't seeing the natural growth in this revenue stream with the customer base. \$270,000 is plugged as miscellaneous revenue for projected revenue from a stormwater recovery audit. This audit took an inventory of current customers, what tier their current payment is at and their impervious area.

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 implemented in FY 2024. Personnel costs also reflect the increase in health insurance (\$960/per employee).

Included in operations is \$388,366 in capital machinery and equipment consisting of: \$200,000 for a tandem dump truck. Currently, this department doesn't have a dump truck for service delivery. Also, included is \$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 \$22,500 for 10% in repair and maintenance for vehicles and equipment based on inflationary increases. The General Management Services fee decreased by \$51,354. 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

| ENVIRONMENTAL FUND | | | | | |
|-------------------------------|---------------------|--|---------------------|---------------------|---------------|
| | FY 2024 | | FY 2025 | | % |
| | Adopted | | Adopted | Difference | Change |
| Revenues | | | | | |
| Solid Waste Disposal Tax | 36,000 | | 44,000 | 8,000 | 22.22% |
| Charges and Fees | 4,200,000 | | 4,200,000 | - | 0.00% |
| Commercial Revenue | 120,000 | | 160,000 | 40,000 | 33.33% |
| Miscellaneous Revenue | 160,000 | | 60,000 | (100,000) | -62.50% |
| Investment Income | 20,000 | | 45,000 | 25,000 | 125.00% |
| Transfers from General Fund | 1,147,817 | | 2,191,690 | 1,043,873 | 90.94% |
| Transfers from Water and Fund | - | | - | - | 0.00% |
| Total | \$ 5,683,817 | | \$ 6,700,690 | \$ 1,016,873 | 17.89% |
| Expenditures | | | | | |
| Personnel | 838,659 | | 905,220 | 66,561 | 7.94% |
| Operating | 4,713,158 | | 5,363,470 | 650,312 | 13.80% |
| Capital | 132,000 | | 432,000 | 300,000 | 0.00% |
| Total | \$ 5,683,817 | | \$ 6,700,690 | \$ 1,016,873 | 17.89% |

The adopted FY 2025 Environmental Fund budget totals \$6,700,690 which is a \$1,016,873 or 17.89% increase over the FY 24 adopted budget of \$5,683,817.

As a reminder, a \$2.50 fee increase, which brought the fee from \$15.60 to \$18.10 to reduce the inter-fund transfers to make this fund self-sustaining and offset the increased cost in the waste management contract with solid waste and recycling was implemented in FY 22. For this fund to be self-solvent, another fee increase is needed but not recommended for FY 25. FY 25 will be the first year of our contract with our new waste hauler, Waste Connections. The City has slated on the five-year financial plan a \$5.00 fee increase for FY 26 and a \$3.00 for FY 27 in order to get this fund to be self-sufficient. Currently- this fund is being subsidized by the General Fund.

Charges and Fees in environmental is experiencing little organic growth and therefore, based on trends, we are not increasing the amount forecasted for general charges and fees. No fee increase is proposed for FY 25. There is a miscellaneous revenue of \$60,000 budgeted for missed pickups from Waste Connections (*technically reduced from next month's bill- budgeted full contract and showing savings as revenue*).

Personnel costs increased due to a 3% COLA and merit based on employee performance. Also included are health insurance increases at \$960/employee. This fund also received (3) new positions mid-year called the Rapid Response Unit to cover shortfalls with waste haulers. There are no new positions slated for FY 25.

The primary driver for operational increases in this fund is an increase in recycling and solid waste disposal costs with the new hauler, Waste Connections. This results in an additional \$621,034. Other increases include capital outlay costs at \$432,000 for \$10,000 for a landscape trailer, \$350,000 for the replacement of one leaf vac machine and \$72,000 for a mid-size truck for a Crew Chief.

FUND SUMMARIES

| SEPARATION PAY FUND | | | | |
|-----------------------------|-------------------|-------------------|-------------------|---------------|
| | FY 2024 | FY 2025 | Difference | % |
| | Adopted | Adopted | | Change |
| Revenues | | | | |
| Transfers from General Fund | 496,912 | 600,000 | 103,088 | 20.75% |
| Total | \$ 496,912 | \$ 600,000 | \$ 103,088 | 20.75% |
| Expenditures | | | | |
| Personnel | - | - | - | 0.00% |
| Operating | 496,912 | 600,000 | 103,088 | 20.75% |
| Capital | - | - | - | 0.00% |
| Total | \$ 496,912 | \$ 600,000 | \$ 103,088 | 20.75% |

The adopted FY 25 Separation Pay Fund Budget is \$600,000 which represents a 20.75% increase from the FY 24 adopted budget of \$496,912.

The full amount of the Separation Pay Fund is projected for separation pay obligations for retired City employees. From FY 24 to FY 25, three (3) former employees rolled off that are no longer eligible to receive special separation pay because they are over sixty-two. (8) new employees are projected to roll on for FY 25. Thirty-three former employees currently receive separation pay benefits for FY 25.

Twenty-eight former employees currently receive separation pay benefits.

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.

FUND SUMMARIES

| TRANSIT FUND | | | | |
|-----------------------------|---------------------|---------------------|-------------------|---------------|
| | FY 2024 Adopted | FY 2025 Adopted | Difference | % Change |
| Revenues | | | | |
| Vehicle License | 900,000 | 433,600 | (466,400) | -51.82% |
| Transfers from General Fund | 323,031 | 1,188,223 | 865,192 | 100.00% |
| Appropriated Fund Balance | - | - | - | 0.00% |
| Total | \$ 1,223,031 | \$ 1,621,823 | \$ 398,792 | 32.61% |
| Expenditures | | | | |
| Personnel | - | - | - | 0.00% |
| Operating | 1,081,835 | 1,323,923 | 242,088 | 22.38% |
| Capital | 141,196 | 297,900 | 156,704 | 100.00% |
| Total | \$ 1,223,031 | \$ 1,621,823 | \$ 398,792 | 32.61% |

The adopted FY 25 Transit Fund budget is \$1,621,823 which is a 32.61% increase over the FY 24 adopted budget of \$1,223,031 due to an increase in the Transdev contract and an increase in capital outlay.

Vehicle license tax is \$30, \$10 goes directly to the Transit fund to support the public transit system and \$20 goes back to support to the General Fund support towards enhanced paving/improvements. This is a change in accounting from how this fee was recorded in the past. Charging \$10 directly to Transit with the remainder coming from the General Fund as a subsidy is the more accurate way in calculating this fee. \$10 is set to generate around \$433,600. The statutes state that \$5 can directly be used towards public transit efforts and \$5 can be discretionary, used for transportation purposes. The remaining \$20 is used for General Fund support to support enhanced street paving efforts.

This is based on \$30 paid on all registered vehicles, which is an estimated 44,000 (*data from Cabarrus and Rowan counties*).

Increases:

- \$203,356 increase in contract with Transdev (Kannapolis share at 35%).
 - Transdev (service provider) has submitted a request for an increase in wages of all employees for the local property due to the significant challenges in hiring and retaining employees. Transdev is struggling to maintain enough personnel to keep the service running properly each day, particularly Bus and Paratransit Operators. This operator crisis has affected service. To be competitive and retain employees, there need to be increased wages closer to our peer systems.
- \$30,000 increase in contracted services for ADA Transition Plan and long-range financial plan (Kannapolis share 5%).
 - The Cabarrus County Long Range Transportation Master Plan was completed in 2019 with recommendations for consolidation and a 20-year build out of Rider Transit. With the standard 5-year timeframe for completing a long-range plan ending in 2024, the significant population growth, roadway and traffic impacts, increased development county wide, investment in parks, post pandemic work and travel pattern changes and the increased profile of Transportation Networking

FUND SUMMARIES

Companies, a revision of the Long-Range Transportation Plan is needed. The topic of consolidation between Rider Transit and Cabarrus County Transportation Service also needs to be readdressed by an external consultant with newly elected officials, staff changes, and facility challenges. An ADA Transition Plan is a document to use as a guideline to increase accessibility to all passengers of the Rider Transit Fixed Route System. It lists physical barriers and establishes steps to help eliminate them. An ADA Transition Plan was completed in 2017 but has not been maintained to address the roadway construction, addition of the CCX, updated ridership, changes to bus stop locations, or estimated costs of construction. Rider Transit Staff can use this information to set priorities and improve bus stop infrastructure in an equitable way.

- \$8,732 in contract services for Transdev Cost for inmate program (Kannapolis share at 50%).
 - The Cabarrus County Community Reentry Program is to create a process that will provide support services and assist individuals returning from incarceration or treatment. Individuals who are overcoming the challenges associated with navigating barriers to employment, education, health, sobriety to reduce recidivism and relapse will receive wrap-around services provided through our Peer Support program that will empower participants in developing a productive life in our community. One of the major barriers is transportation. Beginning May 2023, Rider Transit began providing transportation for individuals to employment and training as a pilot program. In December of 2023, the Concord Kannapolis Transit Commission voted to move from a pilot program to an ongoing program that Rider Transit will provide. Due to the narrowly tailored nature of this program, it is not eligible for FTA grant funding, and as a result it needs to be fully locally funded.

Capital:

- \$297,900 in capital for the following:
 - \$50,102 in Planning 5307
 - \$103,079 in capital cost of contracting the fixed route system
 - \$5,913 in capital cost of contracting the CCX line
 - \$105,055 in capital costs for the following:
 - CAD/AVL replacement and implementation. Computer-Aided Dispatch / Automatic Vehicle Location) allows a seamless connection to automatically collect vital data such as bus GPS locations, schedule adherence status, breakdowns and emergencies. Our current CAD/AVL provider is unfortunately not meeting the needs of the current fleet due to significant data errors, breaks in communication, non-functional automatic passenger counters, and daily errors in reporting safety messages and automated voice announcement of stops, which is an FTA requirement. The contract for the current CAD/AVL provider ends on 3/10/2025 and a new provider will need to be live prior to the termination of this contract.

FUND SUMMARIES

- Replacement of capital equipment. This includes: 60 replacements + 20 new ones. Replacement of Bus Stop Signs, Replacement of 60 pole lights at bus stops, 20 additional pole lights at bus stops, Replacement of 8 batteries in pole lights, Replacement of 22 batteries in shelter lights, replacement of schedule holders at bus stops, labor for battery replacement in pole and shelter lights. (Kannapolis share at \$10%)
- \$33,750 in capital vehicle costs for the replacement of LTV's. All four of the current LTVs have met their useful life from FTA standards, which is either 7 years or 200,000 miles. The maintenance team has had many challenges maintaining these vehicles in revenue service with minor and major mechanical concerns. Due to the capacity of these vehicles, they also require a CDL to drive them and with the increasing difficulty of hiring and retaining employees, replacing these vehicles with non-CDL required vehicles would help to maintain revenue service. (Kannapolis Share at 7.5%)

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% was spent on safety.
- Security enhancements- per FTA 5307 funds - at least 1% is spent on security.
- Contract related to ADA Paratransit program ridership.

FUND SUMMARIES

| INSURANCE AND RISK FUND | | | | | |
|-------------------------------------|---------------------|--|---------------------|-------------------|---------------|
| | FY 2024 | | FY 2025 | | % |
| | Adopted | | Adopted | Difference | Change |
| Revenues | | | | | |
| Health Insurance Premiums | 5,391,600 | | 5,940,204 | 548,604 | 10.18% |
| Workers Compensation Premiums | 470,880 | | 620,880 | 150,000 | 31.86% |
| Retiree Premiums (Health Insurance) | 184,000 | | 200,000 | 16,000 | 8.70% |
| Total | \$ 6,046,480 | | \$ 6,761,084 | \$ 714,604 | 11.82% |
| Expenditures | | | | | |
| Personnel | - | | - | - | 0.00% |
| Operations | 6,046,480 | | 6,761,084 | 714,604 | 11.82% |
| Capital | - | | - | - | 0.00% |
| Total | \$ 6,046,480 | | \$ 6,761,084 | \$ 714,604 | 11.82% |

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.

The adopted FY 25 Insurance and Risk Fund budget is \$6,761,084. This is an 11.82% increase over the FY 24 adopted budget. FY 24 was the first year of this new internal service fund to manage the City's health related expenses for all active and retired employees on the plan as well as the City's workers compensation expenses.

Health Insurance Highlights: increased the employer contribution per employee to \$12,000 from \$11,040 This has a \$421,440 impact city-wide. We continue to better perfect and understand this fund and proper means of accounting. We have steadily increased the employer contribution to cover the city on projected claims side.

Most of the health insurance premiums come from the 439 full time positions budgeted at \$12,000/position (\$5,268,000). The remainder makes up dependent premiums based on current estimates from the City's broker; Pierce Group (estimated ~\$672,204).

Retiree premiums are estimated at \$200,000 annually.

Workers' compensation premiums are budgeted a similar way based on 439 full time positions budgeted at \$1,414/position or an increase of 32% over last year based on projected trends.

Expenses are based on the following:

- \$1,200,000 in retiree insurance (claims)
- \$965,800 - HSA and HRA benefit (estimated at 439 employees at \$2,200)
- \$80,000 for retiree HSA/HRA benefits

FUND SUMMARIES

- \$100,000- Contracted Services for OPEB reporting
- \$150,000 – Health clinic costs to Synergy
- \$970,000 -estimated administrative costs for BCBS to administer the plan
 - Based on \$2,210/employee at 439 employees
 - We are starting to better understand how to budget more accurately in this fund. This admin fees reflects a large increase (~\$802,576) because the stop loss insurance is worked into the admin fee as opposed to coming from claims as in the past.
- \$2,634,404 – estimated health claims based on trends forecasted from broker. The original claims forecast in FY 24 was overly conservative.
- \$265,000 – workers compensation insurance
- \$35,000 – admin fees for Gallagher to administer plan
- \$186,100 – estimated workers compensation claims based on trends forecasted from Gallagher.

POSITION SUMMARY

FULL TIME EMPLOYEES BY DEPARTMENT

| DEPARTMENT | ADOPTED FY2024 | ADOPTED FY2024 | BUDGET FY2025 | CHANGES/ ADDITIONS | COMMENTS |
|-----------------------------------|---------------------------|---------------------------|--------------------------|-------------------------------|-----------------------------------|
| GENERAL GOVERNMENT | | | | | |
| City Council | 7 | 7 | 7 | 0 | |
| City Manager | 10 | 10 | 10 | 0 | |
| Human Resources | 6 | 6 | 6 | 0 | |
| Legal Services | 3 | 3 | 3 | 0 | Second Attorney already accounted |
| General Services | 11 | 11 | 12 | 1 | (1) Building Maint. Tech |
| Planning | 11 | 11 | 11 | 0 | |
| Finance | 8 | 8 | 8 | 0 | |
| Information Tech | 5 | 5 | 6 | 1 | (1) Technical Specialist |
| TOTAL GENERAL GOVERNMENT | 61 | 61 | 63 | 2 | |
| PUBLIC SAFETY | | | | | |
| Admin | 7 | 7 | 8 | 1 | (1) Data Manager |
| Support | 36 | 39 | 40 | 1 | (1) Police Officer- CID |
| Field Ops | 66 | 65 | 65 | 0 | |
| Special Ops | 10 | 12 | 12 | 0 | |
| <i>Total Police</i> | 119 | 123 | 125 | 2 | |
| Admin | 6 | 6 | 6 | 0 | |
| Emergency | 85 | 88 | 88 | 0 | |
| Technical | 5 | 5 | 6 | 1 | (1) Fire Inspector |
| <i>Total Fire</i> | 96 | 99 | 100 | 1 | |
| TOTAL PUBLIC SAFETY | 215 | 222 | 225 | 4 | |
| TOTAL PARKS AND RECREATION | 24 | 28 | 28 | 0 | |
| PUBLIC WORKS | | | | | |
| Engineering | 9 | 9 | 9 | 0 | |
| Signs | 3 | 3 | 3 | 0 | |
| Street Maintenance | 13 | 13 | 14 | 1 | (1) Crew Chief - ROW |
| TOTAL PUBLIC WORKS | 25 | 25 | 26 | 1 | |

POSITION SUMMARY

| TOTAL GENERAL FUND | 325 | 333 | 342 | 7 | |
|--|--------------------|-------------------|------------------|-----------------------|---|
| DEPARTMENT | ADOPTED FY 2023 | ADOPTED FY2024 | BUDGET FY2025 | CHANGES/ ADDITIONS | COMMENTS |
| WATER & SEWER FUND | | | | | |
| Customer Service | 14 | 14 | 15 | 1 | (1) Customer Service Revenue Specialist |
| Water Plant | 14 | 18 | 19 | 1 | (1) Operator II-Night Lead |
| Distribution | 43 | 44 | 45 | 1 | (1) Locator |
| TOTAL WATER & SEWER | 71 | 76 | 79 | 3 | |
| TOTAL STORMWATER R FUND | 17 | 17 | 17 | 0 | |
| TOTAL ENVIRONMENTAL | 9 | 10 | 10 | 0 | |
| TOTAL ALL FUNDS | 422 | 439 | 448 | 9 | |

This chart does not show part-time, seasonal, auxiliary, temporary positions. Reclassifications are listed below:

| Department | Positions | Description |
|--------------------------|---|--|
| Police- Support Services | 1- Police Officer | (1) Police Officer requested to compensate for growth and evolving community needs. (CID) |
| Police- Administration | 1- Data Manager/Crime Analyst (non-sworn) | (1) Data Manager / Crime Analyst position requested. This position is requested to proactively address growth and evolving community needs through the deployment of personnel based on crime data. Secondly, they will oversee all departmental video through Axon, Video Consent Orders, and City connected camera systems. This will be a newly created civilian position and the recommendation would be for the position to be pay grade classification (75). Many of the responsibilities listed in the job description are like responsibilities listed for the Accreditation Manager/Police Planner. |
| Fire-Technical Services | 1 - Inspector | New position requested due to increased call volume, increase in new construction (plan reviews). |
| General Services | 1 - Building Maintenance Technicians | Building Technician to accommodate maintenance and Janitorial duties as needed at all City buildings. Employees will be needed to complete responsibilities in relation to events and setups and janitorial services associated. |

POSITION SUMMARY

| | | |
|------------------------|---|---|
| Information Technology | 1 - Technical Specialist | Performs technical assistance and support to end-users and organizations regarding computer systems, software, hardware, and various IT-related issues. |
| Streets Maintenance | 1 - Right of Way Crew Chief | Additional field supervision, CM2's are currently working as a crew with little to no supervision. |
| Water Distribution | 1 - Locator | This position will assist with locating all City owned underground utilities. City staff have seen an increase in locate requests as we continue to experience growth in both construction activity and the expansion of fiber communication services citywide. We are required by state law to respond to these requests in a specific timeframe. Our current staff are struggling to meet the required timeframes and adding an additional staff member will allow us to comply. |
| Water Plant | 1 - Operator II (Night shift lead) | This position will operate the water treatment plant and will be the lead for all night shift operations. This position will lead our night shift team and nighttime remote telemetry management. Our water plant and utility system have become more integrated into remote telemetry, and this allows us to better respond to water main breaks, pump station alarms and overall system hydraulic management. Both the water and sewer remote sites have been integrated into our management software packages, and this new Operator 2 position will assist in maintaining those systems, monitoring those systems, and dispatching on-call staff as needed throughout night shift periods. This will help reduce the number of nuisance/false alarms that our on-call team get at night and is part of our overall strategy to reduce the workload for on-call staff. |
| Customer Service | 1 - Customer Service – Revenue Specialist | Currently there is not a revenue collections specialist. This would be a new position based on growth/demand, need for additional processes for revenue collection. |

| Department | Positions | Description |
|-----------------|--|---|
| Finance-Reclass | Senior Accountant to Accounting Supervisor | The reclass request is due to ongoing procedure and process changes. This reclass includes Senior Accountant-Operations taking on supervisory duties of the accountant. We learned during this past year that the bank reconciliation process is going to require a larger percentage of time for the Senior Accountant-Administrative than originally expected, leaving less time to supervise the accountant. This reclass would streamline the supervision of the three areas of Finance that are operational (Accountant for daily collections and included in selected AP processing such as wires, Accounts Payable, and Payroll). The Accounting Manager would serve as the backup for all three areas. The other benefit is this allows the Senior Accountant-Administrative to focus more attention to the bank reconciliation and |

POSITION SUMMARY

| | | |
|----------------------|---|---|
| | | actively work with the Deputy Finance Director on administration functions including capital assets. |
| Finance - Reclass | Purchasing Agent to Purchasing Manager | This reclass request is due to increased compliance needs and workload related to contract processing, bidding, sale of assets, and so forth. Additionally, if the next item is approved, the Purchasing Manager will supervise the Purchasing Assistant. |

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

GENERAL FUND

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

GENERAL FUND SUMMARY

General Fund Revenues

| Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
|--|----------------------|----------------------|-----------------------------------|-----------------|
| Ad Valorem Taxes - Current Year | 38,627,140 | 49,199,642 | 10,572,502 | 27.37% |
| Ad Valorem Taxes - Prior Year | 400,000 | 400,000 | - | 0.00% |
| Total Ad Valorem Taxes | \$ 39,027,140 | \$ 49,599,642 | \$ 10,572,502 | 27.09% |
| 1% Sales Tax (State) | 6,480,219 | 6,609,245 | 129,026 | 1.99% |
| 1/2% Sales Tax (Local) | 9,959,883 | 10,278,001 | 318,118 | 3.19% |
| Total Sales Tax | \$ 16,440,102 | \$ 16,887,246 | \$ 447,144 | 2.72% |
| Fire District Sales Tax | 236,790 | 423,617 | 186,827 | 78.90% |
| Franchise Tax | 2,805,308 | 3,135,627 | 330,319 | 11.77% |
| Beer & Wine Tax | 210,000 | 240,000 | 30,000 | 14.29% |
| ABC Funds | 138,000 | 144,900 | 6,900 | 5.00% |
| Cabarrus Contributions | 1,326,113 | 1,325,926 | (187) | -0.01% |
| Police- ICAC Grant | - | - | - | 0.00% |
| CDBG Administration Revenues | 70,000 | 70,000 | - | 0.00% |
| Rowan County Contributions | 4,000 | 4,000 | - | 0.00% |
| Powell Bill Funds | 1,583,146 | 1,794,902 | 211,756 | 13.38% |
| Total Intergovernmental | \$ 6,373,357 | \$ 7,138,972 | \$ 765,615 | 12.01% |
| Vehicle License | 420,000 | 900,000 | 480,000 | 114.29% |
| Vehicle Rental Tax | 25,000 | 35,000 | 10,000 | 40.00% |
| Buildings Rental | 200,000 | 250,000 | 50,000 | 25.00% |
| Tower Rental | 95,000 | 115,000 | 20,000 | 21.05% |
| Miscellaneous Revenue | 310,000 | 500,000 | 190,000 | 61.29% |
| Investment Income | 1,000,000 | 1,400,000 | 400,000 | 40.00% |
| Enterprise Fund Management Fee Reimbursement | 2,287,295 | 2,257,710 | (29,585) | -1.29% |
| Police - Charges and Fees | 323,000 | 235,000 | (88,000) | -27.24% |
| Officer Court Reimbursement | 20,000 | 20,000 | - | 0.00% |
| False Alarm Fees | 8,000 | 15,000 | 7,000 | 87.50% |
| Fire - Technical Services - Charges and Fees | 35,000 | 35,000 | - | 0.00% |
| Planning - Charges and Fees | 200,000 | 200,000 | - | 0.00% |
| Engineering Fees | - | 30,000 | 30,000 | 100.00% |
| City Code Violations | 65,000 | 71,625 | 6,625 | 10.19% |
| Parks - Charges and Fees | 1,100,000 | 2,050,600 | 950,600 | 86.42% |
| Recreation Programs - Charges and Fees | 125,000 | 200,000 | 75,000 | 60.00% |
| Recreation Programs - Donations | 50,000 | 50,000 | - | 0.00% |
| Commercial Rent/Lease-College Station | 475,000 | 475,000 | - | 0.00% |
| P card Rebates | - | 70,000 | 70,000 | 100.00% |
| Parking Deck Lease | - | 140,000 | 140,000 | 100.00% |
| Parking Deck Fees | - | 35,037 | 35,037 | 100.00% |
| CVB Contribution | 100,000 | 100,000 | - | 0.00% |
| Team Lease | 450,000 | 450,000 | - | 0.00% |
| Total Other | \$ 7,288,295 | \$ 9,634,972 | \$ 2,346,677 | 32.20% |
| Appropriated Fund Balance | 1,242,385 | - | (1,242,385) | -100.00% |
| Transfer from Transit Fund | - | - | - | 0.00% |
| Total Fund Balance Appropriation/Transfers In | \$ 1,242,385 | \$ - | \$ (1,242,385) | -100.00% |
| | \$ 70,371,279 | \$ 83,260,832 | \$ 12,889,553 | 18.32% |

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 27,37% or \$10,572,502 in FY 25 over the FY 24 adopted budget. The primary increase in property tax revenues is due to the revaluation of properties in Cabarrus County. This revaluation resulted in an increase in property values by 50% just on the Cabarrus side.

The split between the two counties is about 88% Cabarrus and 12% Rowan. Outside of revaluation growth, estimated real property values are projected to increase by \$289,213,998 for Cabarrus County. With the revaluation, real property values increased by an additional \$2,340,004,167. Rowan County real property values increased by 7%. As a reminder, Rowan County's revaluation was last year and resulted in 44% increase in property values.

This is based on a proposed property tax rate of 55.95 cents as compared to the current property tax rate of 63.00 cents and assumes a 99% collection rate.

Property tax revenue comprises 60% of the total General Fund budget.

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.



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 Cabarrus County side. 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.

GENERAL FUND SUMMARY

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 \$8,882,324,940 for Kannapolis. The tax levy for the current fiscal year is \$50,931,962 and the growth factor since the last general appraisal is 7.05%. Using the formula mandated 21 by State law, the revenue-neutral rate for the City of Kannapolis is 47 cents per \$100 valuation. The proposed tax rate for the FY 25 budget is 55.95 cents per \$100 valuation.

The calculation for revenue neutral is as follows:

| Fiscal year | Assessed Valuation as of June 30 | Percentage change |
|--|--|----------------------|
| 2024-25 | 8,882,324,940 | |
| 2023-24 | 6,190,764,848 | 9.13% |
| 2022-23 | 5,672,838,999 | 7.84% |
| 2021-22 | 5,260,241,092 | 4.18% |
| 2020-21 | 5,049,289,745 | |
| | Average growth rate over 3 | 7.05% |
| Current tax rate | 63.00 | |
| estimated levy - FY 24 | 39,001,818,542 | |
| Tax rate to produce equivalent to levy | 43.91 | |
| Estimated levy -FY 25 | 39,001,818,542 | |
| Revenue neutral rate to be included, in budget ordinance, adjusted for growth | 47.00 | |

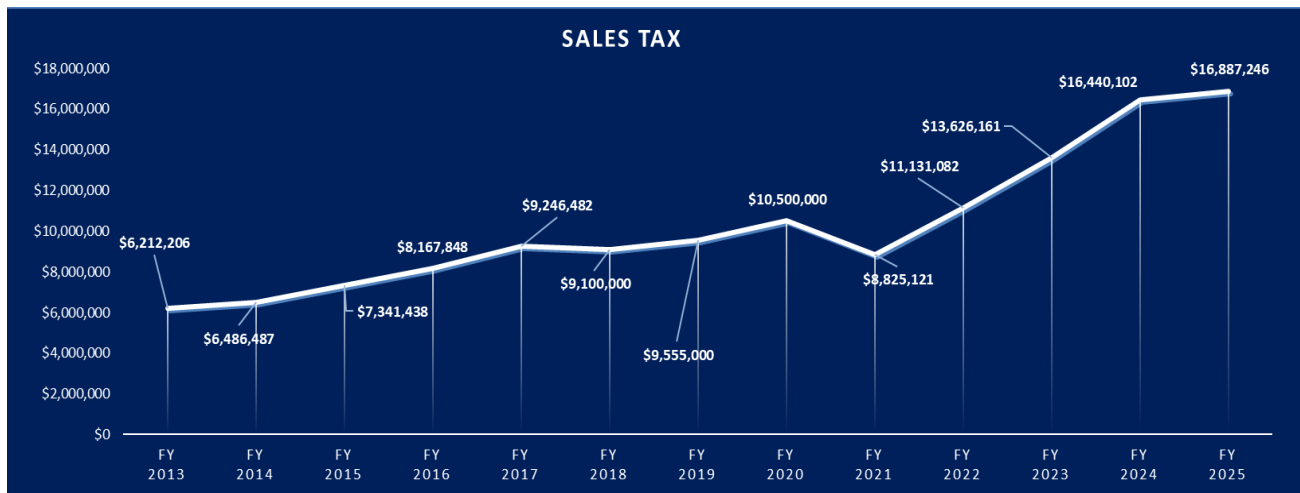
GENERAL FUND SUMMARY

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 20% of the adopted General Fund budget.

Sales tax is projected to increase by 2.72% over the FY 24 adopted budget. We have started to see sales tax collections decline some in FY 24 as opposed to previous years' growth of 6-7%. The FY 25 budget is based off FY 24 projected actuals (~\$16,27,736) with a 4% increase. The budget for FY 25 projected sales tax is \$16,887,246 compared to \$16,440,102 in FY 24.



Intergovernmental Revenue

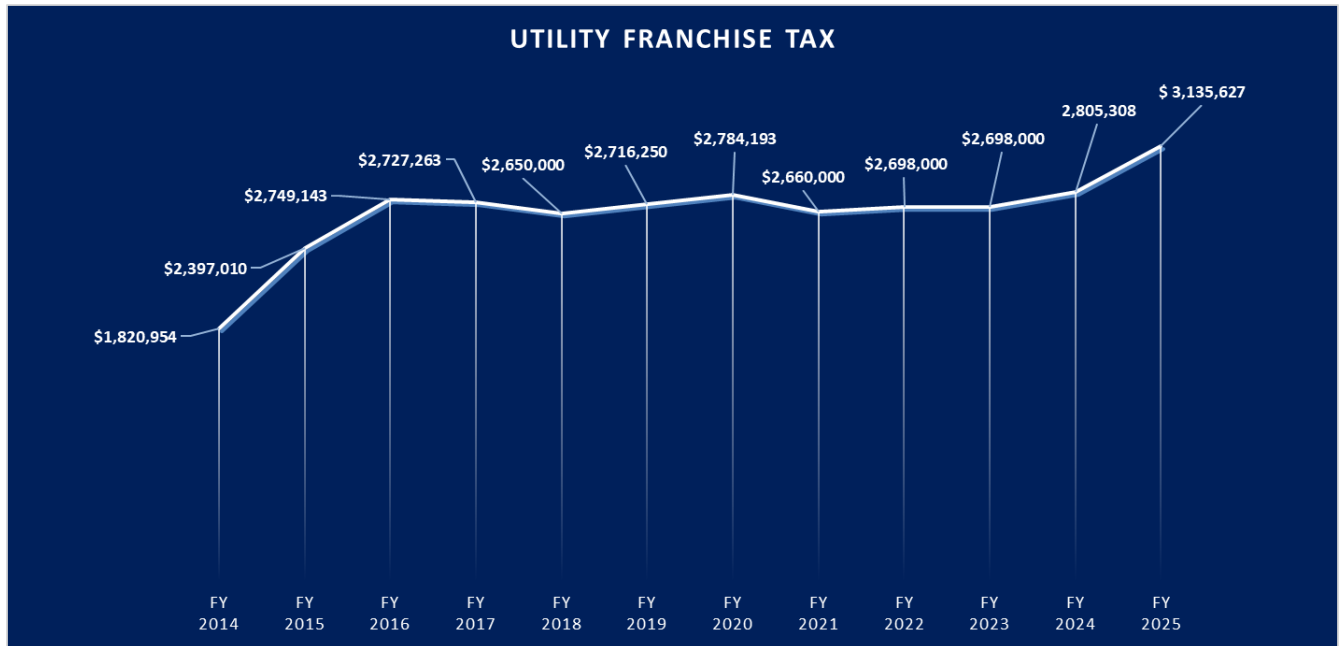
Intergovernmental revenue is received from the Federal, State and Local levels that provide financial assistance to the City.

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 \$765,615 due to projected increase in franchise tax collections, Powell bill collections and fire district property and sales tax collections. More detail on these increases is explained on the following page.

GENERAL FUND SUMMARY

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. This revenue increased by \$330,319 over FY 24. ABC funds are projected to increase by \$6,900 and beer and wine tax by \$30,000 due to trends. Powell Bill funding increased by \$211,756 over the FY 24 budget. Last, fire districts property and sales tax is projected to increase by \$186,827 based on the revaluation in Cabarrus County. The only decreases in this category is the contribution the City receives from Cabarrus County by (\$187). This funding source will continue to decline as it relates to the NCRC debt.

This category comprises 8% of the adopted General Fund budget for FY 25.



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 the previously mentioned revenue category. These revenues comprise 11% of the General Fund budget.

Revenues in this category consist of the \$20 vehicle license fee that goes to support operations of the General fund. This fee used to only be \$10 that was budgeted in the General Fund. Due to more accurate accounting methods and state statutes, \$10 can be directly used towards public transit purposes with the remaining \$20 of the \$30 fee going to street paving and General Fund support.

Other revenues in this category include vehicle rental tax, building and tower rental, miscellaneous revenue, investment income, and charges and fees from various city departments. Miscellaneous revenue is projected to increase by \$190,000 and investment income by \$400,000 based on trends in the market and interest rates.

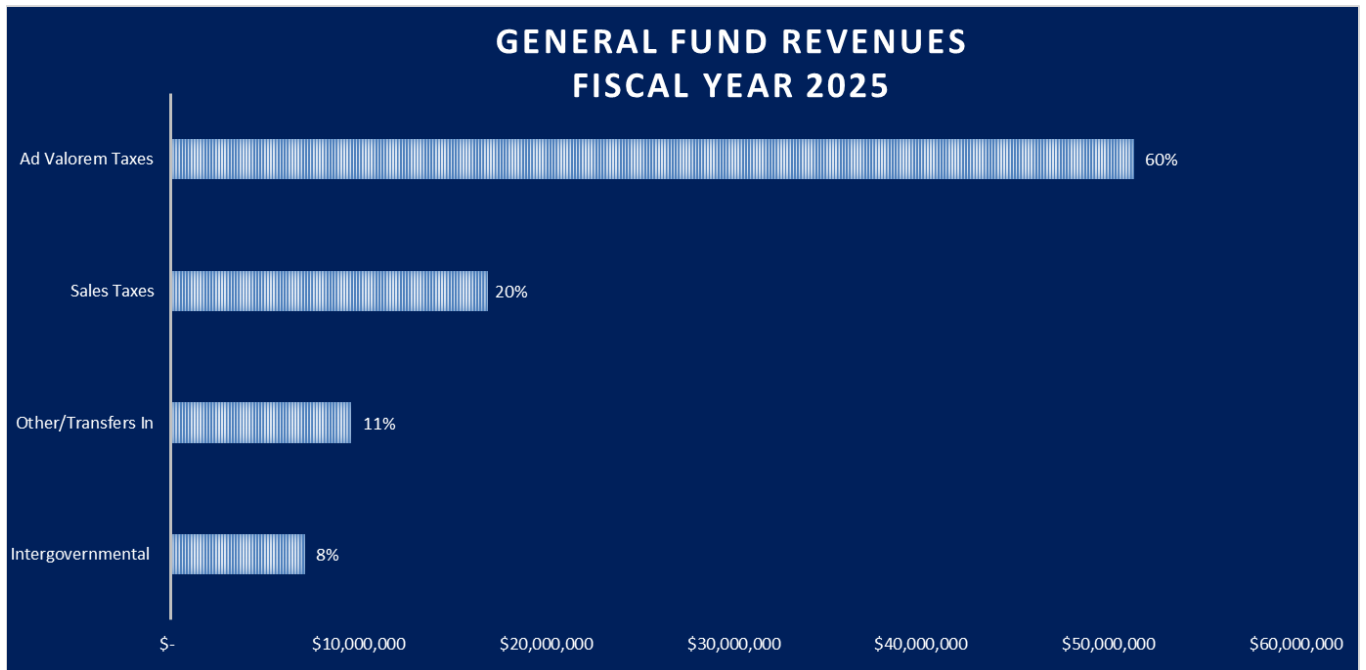
Other revenues in this area include the enterprise fund management fee, which is charged by services by the General Fund to the Water and Sewer Fund and the Stormwater Fund within the

GENERAL FUND SUMMARY

City. This revenue source is projected to decrease by \$29,985 based on the employee allocation formula used to calculate this fee across the Water and Sewer and Stormwater Funds.

For FY 25, the other revenue category is budgeted at \$9,634,972 which is an increase of 32% over the FY 24 adopted budget of \$7,288,295. There are no adopted fund balance appropriations in the FY 25 budget.

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



GENERAL FUND SUMMARY

General Fund Expenditures

| Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
|--|----------------------|----------------------|-----------------------------------|----------------|
| City Council | 411,294 | 297,875 | (113,419) | -27.58% |
| City Manager - Administration | 2,041,514 | 2,143,659 | 102,145 | 5.00% |
| Economic Development | 375,887 | 597,873 | 221,986 | 59.06% |
| Communications | 388,908 | 447,900 | 58,992 | 15.17% |
| Human Resources | 830,135 | 1,522,405 | 692,270 | 83.39% |
| City Attorney | 585,760 | 628,525 | 42,765 | 7.30% |
| Finance | 1,326,491 | 1,508,304 | 181,813 | 13.71% |
| Information Technology | 3,131,988 | 4,212,817 | 1,080,829 | 34.51% |
| General Services | 2,500,793 | 2,784,397 | 283,604 | 11.34% |
| Total General Government | \$ 11,592,770 | \$ 14,143,755 | \$ 2,550,985 | 22.00% |
| Police - Administration | 1,080,807 | 1,236,326 | 155,519 | 14.39% |
| Police - Support Services | 3,709,993 | 4,149,423 | 439,430 | 11.84% |
| Police - Field Operations | 7,611,955 | 7,107,740 | (504,215) | -6.62% |
| Police - Special Operations | 1,137,360 | 1,204,553 | 67,193 | 5.91% |
| Total Police | \$ 13,540,115 | \$ 13,698,042 | \$ 157,927 | 1.17% |
| Fire - Administration | 1,482,736 | 1,653,136 | 170,400 | 11.49% |
| Fire - Emergency Services | 9,270,350 | 9,813,769 | 543,419 | 5.86% |
| Fire - Technical Services | 628,535 | 793,832 | 165,297 | 26.30% |
| Total Fire | \$ 11,381,621 | \$ 12,260,737 | \$ 879,116 | 7.72% |
| Public Works - Engineering | 1,213,486 | 1,528,987 | 315,501 | 26.00% |
| Public Works - Street Lighting | 613,900 | 713,900 | 100,000 | 16.29% |
| Public Works - Operations Center | 147,100 | 174,460 | 27,360 | 18.60% |
| Public Works - Signs and Markings | 529,538 | 549,520 | 19,982 | 3.77% |
| Powell Bill | 1,583,146 | 1,794,902 | 211,756 | 13.38% |
| Public Works - Street Maintenance | 1,632,565 | 1,317,725 | (314,840) | -19.28% |
| Total Public Works | \$ 5,719,735 | \$ 6,079,494 | \$ 359,759 | 6.29% |
| Planning | \$ 1,263,207 | \$ 1,339,115 | 75,908 | 6.01% |
| Total Planning | \$ 1,263,207 | \$ 1,339,115 | \$ 75,908 | 6.01% |
| Parks and Recreation - Parks | 5,663,545 | 7,501,346 | 1,837,801 | 32.45% |
| Parks and Recreation - Recreation Programs | 998,000 | 1,366,600 | 368,600 | 36.93% |
| Stadium | 350,000 | 350,000 | - | 0.00% |
| Total Parks and Recreation | \$ 7,011,545 | \$ 9,217,946 | \$ 2,206,401 | 31.47% |
| Non - Departmental | 3,910,435 | 4,795,862 | 885,427 | 22.64% |
| Transfers | 1,967,760 | 7,550,025 | 5,582,265 | 283.69% |
| Total Other | \$ 5,878,195 | \$ 12,345,887 | \$ 6,467,692 | 110.03% |
| Debt Service Payments (Principal and Interest) | 13,984,091 | 14,175,856 | 191,765 | 1.37% |
| Total Debt Service | \$ 13,984,091 | \$ 14,175,856 | \$ 191,765 | 1.37% |
| Total General Fund Expenditures | \$ 70,371,279 | \$ 83,260,832 | \$ 12,889,553 | 18.32% |

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 17% of total General Fund spending. This service area increased by 22.00% or \$2,550,985 over the FY 24 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 \$489,000 in increased software platforms to better streamline efficiencies across multiple departments (including: Northstar and Cityworks). Other increases include the addition of 4 new personnel to this service area: Fleet Manager, Building Technician, Grant Manager and Technical Specialist. The Human Resources Department is also seeing increases due to budgeting for a salary and staffing study, scanning project, employee initiatives, employer paid vision and employer paid short term disability.

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 31% of all General Fund spending. This service area increased by \$1,037,043 or 4.16% over the FY 24 adopted budget.

The Police Department increased by \$157,927 or 1.17% over the FY 24 adopted budget. Included in this increase is the addition (2) positions which are: (1) Data/Crime Manager and (1) Police Officer position. Other increases are related to the \$323,406 for the third 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 Fire Department increased by \$879,116 or 7.72% over the FY 24 adopted budget. The primary drivers are the increase for the addition of an inspector. The other large increase in this category is the contract the City pays to Odell for fire protection in the western part of the County. This contract increased by \$155,825.

GENERAL FUND SUMMARY

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 7% of total General Fund spending. This service area increased by \$359,759 or 6.29% over the FY 24 adopted budget.

Increases are related to the addition of a right of way Crew Chief and \$211,756 increase in the resurfacing contract with Powell Bill funding. Increases of \$315,501 in the Engineering department are for contracted services for as-builts and general engineering services for specialized projects and work.

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 \$75,908 or 6.01% over the FY 24 adopted budget.

The Planning Department increases are standard contractual and inflationary increases related to operational accounts and personnel increases from FY 24 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 11% of all General Fund spending. This service area increased by \$2,206,401 or 31.47% over the FY 24 adopted budget.

The primary increase is related to the addition of the Swanee Theatre as a city facility. There are \$1,233,000 in increases to account for a full year's worth of city expenses at the Swanee Theatre. This is offset by \$835,600 in revenues. Other increases include \$109,856 in the ground's maintenance contract, which is for all city-wide properties and \$285,100 in increases to building and grounds maintenance at various city facilities. The summer concert series funding also increased by \$235,000 as we are seeing an increase in the cost and number of acts provided.

Other

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

This area comprises 15% of all General Fund spending. This service area increased by \$6,467,692 or 110.03% over the FY 24 adopted budget.

Expenses in the Non-Departmental budget include:

GENERAL FUND SUMMARY

- \$150,000 - increase in workers compensation insurance based on trends.
- \$504,579- increase in special expenses (total budget of \$2,345,534)
 - \$837,871 in costs for a projected 3% COLA for all employees (CPI index for April 2024 is 3.5%) in the General Fund.
 - \$260,000 in projected 401k costs. In the past, we have matched up to 3%. This increase in costs will give all employees a straight 2% and then have the match options up to 3%. The goal will be to get all employees to a straight 5% contribution (PD is currently mandated to receive a straight 5% contribution).
 - \$170,000 in costs for a projected merit for all eligible employees based on performance evaluations (based on 3% flat amount). As a reminder, this year we are moving to annual evaluations, and everyone will receive a flat percentage until the new performance evaluation is rolled out in FY 26.
 - \$952,663- costs for those employees in the developmental range to receive a flat 5%. As a reminder, this year we are moving to annual evaluations, and everyone will receive a flat percentage until the new performance evaluation is rolled out in FY 26.
 - \$112,546- strategic planning initiatives
 - \$30,546 for part time drivers for the downtown shuttle program
 - \$10,000 for reserve officer program funding
 - \$2,000 for Downtown Ambassador Program
 - \$20,000 for the promotion of motorsports
 - \$50,000 in environmental stewardship funding (\$10,000 for environmental stewardship, \$10,000 for Keep Cabarrus/Rowan Beautiful Organization and \$30,000 towards a façade and site improvement matching grant program)
- \$110,057 – Insurance – General Liability
 - Based on 20% increase from League of Municipalities
- \$16,672 – Insurance – Public Officials
 - Based on 20% increase from League of Municipalities
- \$33,300– Insurance – Building and Contents
 - Based on 20% increase from League of Municipalities
- \$52,183 – Insurance – Self Insured
 - Based on 20% increase from League of Municipalities
- \$12,788 – reduction in medical plan expense based on trends

Transfers are:

- \$103,088 – increase in the transfer to the Separation Pay Fund based on additional employees rolling on.
- \$865,192 – increase in the transfer to the Transit Fund based on the increase in costs to

GENERAL FUND SUMMARY

- TransDev and an increase in capital costs.
- \$1,043,873 – increase in the transfer to the Environmental Fund related to the increase in contract with Waste Connections and an increase in capital costs.
 - \$2,007,404 – increase in the transfer to the Capital Projects Fund for the following:
 - \$373,057- .42 of a penny on the rate for renovation and start-up costs for the Western Cabarrus fire station.
 - \$746,115 - .84 of a penny on the rate towards funding for a history museum.
 - \$888,232 – a penny on the rate towards Block 6 options.
 - \$1,562,708 – increase in the transfer for the establishment of a Capital Reserve Fund. The purpose of this fund is to start setting funding aside to put towards enhanced street paving efforts and road, intersection, and sidewalk improvements.

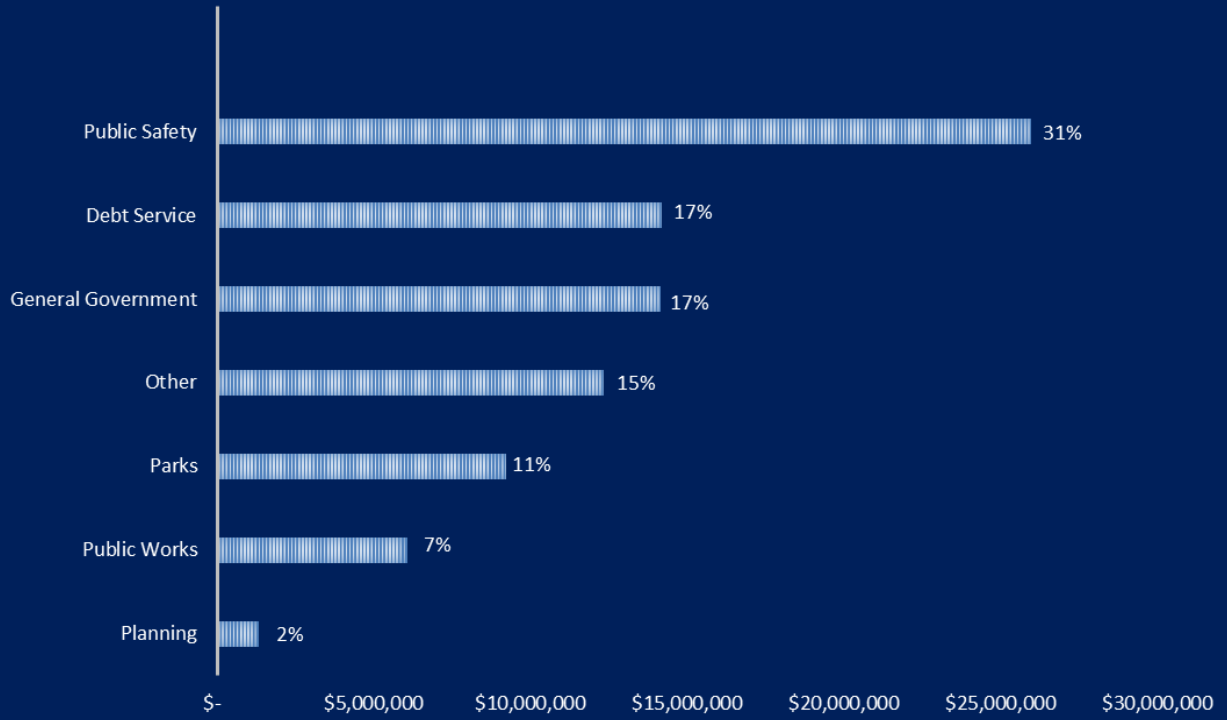
Debt Service

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 for the newly constructed parking deck downtown at the VIDA apartment complex.

This area comprises 17% of all General Fund spending. This service area increased by \$191,765 or 1.37% increase over the adopted FY 24 budget.

Included in debt service category is continued funding of the four-year lease estimated around \$677,750 annually with Motorola for the replacement of all public safety radios. This area increased due to capital outlay equipment purchases city-wide estimated around \$3 million. This includes: vehicles, equipment and machinery replacements and additions across all departments.

GENERAL FUND EXPENDITURES FISCAL YEAR 2025



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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| Expenditures | | | | |
| Personnel | 200,183 | 159,321 | 164,321 | 169,856 |
| Operating | 168,557 | 177,239 | 212,239 | 128,019 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 368,740 | \$ 336,560 | \$ 376,560 | \$ 297,875 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| FTE Positions | 7 | 7 | 7 | 7 |

Personnel includes: (7) City Council members

| Expense Summary | |
|---------------------------|-----------|
| Personnel Expenses | \$169,856 |
| Operating Expenses | \$128,019 |
| Total Budget | \$297,875 |

Increases:

- \$10,535 – increase in personnel expenses. This accounts for a projected 3% COLA and 5% merit.

Reductions:

- \$49,220 – decrease in election expense (take place every other year).

GENERAL GOVERNMENT

Items of Interest:

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

| PERSONNEL | | | | | |
|---|----------------------------|----------------------------|----------------------------|---|---------------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 120,433 | 130,250 | 9,818 | 8.15% |
| 42000 | FICA | 8,780 | 9,496 | 716 | 8.15% |
| 42210 | 401K | 30,108 | 30,110 | 2 | 0.01% |
| Sub-Total For Personnel | | \$ 159,321 | \$ 169,856 | \$ 10,535 | 6.61% |
| OPERATING | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 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% |
| Sub-Total for Operating Expenditures | | \$ 177,239 | \$ 128,019 | \$ (49,220) | -27.77% |
| TOTAL CITY COUNCIL | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Personnel Expenditures | 159,321 | 169,856 | 10,535 | 6.61% |
| | Operating Expenditures | 177,239 | 128,019 | (49,220) | -27.77% |
| Total for All Categories of Expenses | | \$ 336,560 | \$ 297,875 | \$ (38,685) | -11.49% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| Expenditures | | | | |
| Personnel | 1,697,186 | 1,834,014 | 1,954,014 | 1,973,659 |
| Operating | 264,706 | 207,500 | 190,600 | 170,000 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 1,961,892 | \$ 2,041,514 | \$ 2,144,614 | \$ 2,143,659 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| 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

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$1,973,659 |
| Operating Expenses | \$170,000 |
| Total Budget | \$2,143,659 |

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

| PERSONNEL | | | | | |
|---|---------------------------|---------------------|---------------------|-----------------------------------|----------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 1,329,846 | 1,387,200 | 57,354 | 4.31% |
| 41100 | Salaries - Part Time | 2,550 | 2,550 | - | 0.00% |
| 41300 | Longevity Pay | 17,000 | 27,200 | 10,200 | 60.00% |
| 41600 | Vehicle Allowance | 42,000 | 42,000 | - | 0.00% |
| 42000 | FICA | 95,798 | 107,968 | 12,170 | 12.70% |
| 42210 | 401k | 38,744 | 37,825 | (919) | -2.37% |
| 42200 | State Retirement | 175,707 | 201,666 | 25,959 | 14.77% |
| 42230 | Deferred Compensation | 13,619 | 14,028 | 409 | 3.00% |
| 42300 | Medical Insurance | 110,400 | 144,000 | 33,600 | 30.43% |
| 42400 | Life Insurance | 3,784 | 3,784 | - | 0.00% |
| 42500 | Dental Insurance | 3,652 | 4,524 | 872 | 23.88% |
| 42600 | Disability Insurance | 914 | 914 | - | 0.00% |
| Sub-Total for Personnel | | \$ 1,834,014 | \$ 1,973,659 | \$ 139,645 | 7.61% |
| OPERATING | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 45250 | Telephone | 10,500 | 10,500 | - | 0.00% |
| 46100 | Office Supplies | 10,000 | 10,000 | - | 0.00% |
| 46200 | Small Equipment and Tools | 2,500 | 5,000 | 2,500 | 0.00% |
| 46300 | Dues and Subscriptions | 12,500 | 12,500 | - | 0.00% |
| 48300 | Consultants | 130,000 | 90,000 | (40,000) | 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% |
| Sub-Total for Operating Expenditures | | \$ 207,500 | \$ 170,000 | \$ (37,500) | -18.07% |
| TOTAL CITY MANAGER | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Personnel Expenditures | 1,834,014 | 1,973,659 | 139,645 | 7.61% |
| | Operating Expenditures | 207,500 | 170,000 | (37,500) | -18.07% |
| Total for All Categories of Expenses | | \$ 2,041,514 | \$ 2,143,659 | \$ 102,145 | 5.00% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| Expenditures | | | | |
| Personnel | - | - | - | - |
| Operating | 171,703 | 375,887 | 3,412,887 | 597,873 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 171,703 | \$ 375,887 | \$ 3,412,887 | \$ 597,573 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| FTE Positions | - | - | - | - |

*No personnel in this division

Goals/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 Actual | FY 25 Target |
|--|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| # of major, new companies announced in Kannapolis <i>(major defined as 100 or more employees)</i> | 0 | 1 | 1 |

GENERAL GOVERNMENT

| | | | |
|---|-----------|-----------|-----------|
| # of total households assisted through Community Development efforts | 72 | 75 | 85 |
| Effectiveness Measures | | | |
| Ratio of jobs created to incentive grants | 0 | TBD | TBD |
| Tax base created to incentive grants | 0 | TBD | TBD |
| Average \$ of amount spent on urgent repair per household <i>(HUD Metric)</i> | \$6,267 | \$6,000 | \$8,000 |
| Average \$ of amount spent on rehabilitation per household <i>(HUD Metric)</i> | \$106,548 | \$115,000 | \$120,000 |
| % of federal dollars spent in year received | 96% | 100% | 100% |

| Expense Summary | |
|---------------------------|-----------|
| Personnel Expenses | \$0 |
| Operating Expenses | \$597,873 |
| Total Budget | \$597,873 |

Increases:

- \$193,725 – 3-year incentive with Chick Fil-A,
- \$1,000 – increase in EDC contribution for Cabarrus County at \$56,000.
- \$7,458 – increase in EDC contribution for Rowan County at \$19,095.
- \$20,000 – increase in contracted services for Placer AI data. This data is used to view demographics of visitors using cell phone data.

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
- \$219,803 – Incentive grant for Gordon Foods
- \$75,095 – Economic Development Support

| OPERATING EXPENDITURES | | | | | |
|---|----------------------------------|--------------------|--------------------|-----------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 43405 | EDC Contribution | 66,637 | 75,095 | 8,458 | 12.69% |
| 43415 | Economic Development Initiatives | 15,000 | 15,000 | - | 0.00% |
| 46350 | Community Support | 74,250 | 74,250 | - | 0.00% |
| 48000 | Contracted Services | - | 20,000 | 20,000 | 100.00% |
| 51310 | Incentive Grant | 220,000 | 413,528 | 193,528 | 87.97% |
| Sub-Total For Operating | | \$ 375,887 | \$ 597,873 | \$ 221,986 | 59.06% |
| TOTAL ECONOMIC DEVELOPMENT | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Operating Expenditures | 375,887 | 597,873 | 221,986 | 59.06% |
| Total for All Categories of Expenses | | \$ 375,887 | \$ 597,873 | \$ 221,986 | 59.06% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| Expenditures | | | | |
| Personnel | - | - | - | - |
| Operating | 182,809 | 388,908 | 503,908 | 420,900 |
| Capital | - | - | - | 27,000 |
| Total Expenditures | \$ 182,809 | \$ 388,908 | \$ 503,908 | \$ 447,900 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| FTE Positions | - | - | - | - |

*No personnel in this division

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

| Measurement | FY 23 Actual | FY 24 Actual | FY 25 Target |
|--|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| # of social media messages that go out | 1,639 | 1,869 | 1,800 |
| # of impressions made (<i>running total</i>) | 8,308,270 | 7,599,225 | 10,000,000 |
| # of educational programs presented | 68 | 72 | 70 |
| # of environmental posts | 192 | 176 | 200 |
| # of eligible adopt the streets within City limits | 348 | 348 | 350 |

GENERAL GOVERNMENT

| | | | |
|--|--------|--------|--------|
| # of hours spent on community outreach events | 164 | 170 | 175 |
| # of participants in community outreach events | 23,022 | 20,260 | 25,000 |
| Efficiency Measures | | | |
| % of streets that are adopted as part of the Adopt a Street Program | 60% | 100% | 100% |
| Increase Cartology app audience members by 5% | 23% | 16% | 30% |
| Ratio of Communications Staff to 100 Municipal Employees | 0.0049 | 0.0049 | 0.0049 |
| Effectiveness Measures | | | |
| % of participants who attended outreach opportunities that rated the class as exceeds expectations | 86% | 82% | 100% |
| % of impressions per \$1,000 spent on marketing and advertising | 47% | 52% | 45% |

| Expense Summary | |
|---------------------------|-----------|
| Personnel Expenses | \$0 |
| Operating Expenses | \$420,900 |
| Capital Expenses: | \$27,000 |
| Total Budget | \$447,900 |

Personnel includes: No personnel cost are paid from this department

Increases:

- \$20,000 – Swanee theatre marketing and branding initiatives.
- \$6,992 – increase in marketing and branding due to increased publication and printing costs.
- \$1,000 – increase in website hosting costs.
- \$4,000- increase in travel and training for department to attend state conference.
- \$27,000 – operations for digital sign contract work for installation.

Items of Interest:

- \$60,000 – Consultants to be used for recruitment initiatives, branding, etc.
- \$48,107 – Special Events Mailers
- \$25,000 – Economic Development Marketing
- \$9,200 – Everbridge mass communication
- \$81,815 – Kannapolis Matters

Communications 11120

| OPERATING EXPENDITURES | | | | | |
|---|---------------------------------|--------------------|--------------------|-----------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 43415 | Recruitment Initiatives | 20,000 | 20,000 | - | 0.00% |
| 43425 | Marketing/Branding | 217,008 | 224,000 | 6,992 | 3.22% |
| 43425- GEM | Marketing/Branding- Gem | 20,000 | 20,000 | - | 0.00% |
| 43425-SWANEE | Marketing/Branding- Swanee | - | 20,000 | 20,000 | 100.00% |
| 48300 | Consultants | 60,000 | 60,000 | - | 0.00% |
| 48540 | Website | 7,800 | 8,800 | 1,000 | 12.82% |
| 51100 | Travel and Training | 10,000 | 14,000 | 4,000 | 40.00% |
| 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 | 15,000 | 15,000 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 388,908 | \$ 420,900 | \$ 31,992 | 8.23% |
| TOTAL COMMUNICATIONS | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Operating Expenditures | 388,908 | 420,900 | 31,992 | 8.23% |
| | Capital Expenditures | - | 27,000 | 27,000 | 100.00% |
| Total for All Categories of Expenses | | \$ 388,908 | \$ 447,900 | \$ 58,992 | 15.17% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|---------------------|
| Expenditures | | | | |
| Personnel | 488,904 | 648,053 | 642,053 | 760,405 |
| Operating | 142,822 | 182,082 | 271,082 | 762,000 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 631,726 | \$ 830,135 | \$ 913,135 | \$ 1,522,405 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| 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 Actual | FY 25 Target |
|---|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| Total municipal full time positions per 10,000 population | 76.96 | 76.96 | 76.96 |
| Applications processed per 100 municipal employees | 17.95 | 20.50 | 20.00 |
| # of applications processed | 881 | 900 | 900 |
| # of workers compensation claims | 6 | 21 | 5 |

GENERAL GOVERNMENT

| | | | |
|--|---------|---------|---------|
| # of visits to health clinic | 876 | 961 | 900 |
| Efficiency Measures | | | |
| HR cost per Municipal Employee | \$1,346 | \$1,500 | \$1,500 |
| Ratio of HR Staff to 100 Municipal Employees | 1.47 | 1.50 | 1.50 |
| # of lost time days with workers compensation claims (capped at 180 days incident rate) | 160 | 189 | 150 |
| Effectiveness Measures | | | |
| % Employees completing probationary period (New hires) | 65% | 66% | 70% |
| Employee turnover rate (breakdown below) | - | | |
| Employee turnover rate (voluntary) | 8% | TBD | TBD |
| Employee turnover rate (involuntary) | 2% | TBD | TBD |
| Percentage of full time positions filled | 90% | 58% | 95% |
| Percentage of employees receiving wellness discount | 95% | 97% | 100% |
| Percentage of Full time positions utilizing YMCA Memberships | 30% | 49% | 100% |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$760,405 |
| Operating Expenses | \$762,000 |
| Total Budget | \$1,522,405 |

Increases:

- \$80,000 – increase in part-time salaries for assistance with policy work and implementation and transferring personnel files electronically (this is funding for 2 positions).
- \$269,918 – increase in contracted services for:
 - \$35,000 – salary study
 - \$35,000 – staffing study
 - \$34,918 - turnover increase for psychological/BRAINS testing and cost increase for FMRT; increased referrals for mental health for general employees; increase in more comprehensive background screenings (general employees and fire).
 - \$85,000 – scanning project to scan all personnel files electronically and reduce paper files for record retention efforts.
 - \$50,000 for First Responder EAP services.
 - \$20,000 for internal communications/educational services.
 - \$10,000 for employee attorney services.
- \$185,000 – increase in medical expenses for the following:
 - \$60,000 – employer paid vision benefit
 - \$125,000 – employer paid short term disability
- \$14,000 – increase in travel and training due to addition for training for new staff members; increase due to promotion additional SOG classes for Assistant Director and Analyst position.
- \$50,000 – increase in academy programs for the SEEK (supervisor’s bootcamp program and Mid-Level Manager’s program).
- \$60,000 – increase in employee initiatives. This is offset by budgeting p-card rebates of \$70,000. This covers any type of employee recognition or event city-wide as well as the annual purchase card luncheon.

GENERAL GOVERNMENT

- Standard contractual and utility increases.

Reduction/Decreases:

- \$2,000 –advertising costs

Items of Interest:

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

| PERSONNEL | | | | | |
|---|--------------------------------|------------------------|------------------------|--------------------------------------|-----------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 461,500 | 479,833 | 18,333 | 3.97% |
| 41100 | Salaries- Part Time | - | 80,000 | 80,000 | 100.00% |
| 41200 | Salaries - Overtime | 5,500 | 5,500 | - | 0.00% |
| 41300 | Longevity Pay | 4,300 | 5,700 | 1,400 | 32.56% |
| 42000 | FICA | 33,086 | 35,534 | 2,448 | 7.40% |
| 42200 | State Retirement | 58,138 | 58,249 | 111 | 0.19% |
| 42210 | 401k | 8,514 | 12,814 | 4,300 | 50.51% |
| 42300 | Medical Insurance | 66,240 | 72,000 | 5,760 | 8.70% |
| 42400 | Life Insurance | 687 | 687 | - | 0.00% |
| 42500 | Dental Insurance | 2,088 | 2,088 | - | 0.00% |
| 42800 | Tuition Reimbursement | 8,000 | 8,000 | - | 100.00% |
| Sub-Total For Personnel | | \$ 648,053 | \$ 760,405 | \$ 112,352 | 17.34% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 43100 | Printing | 500 | 500 | - | 0.00% |
| 43200 | Advertising | 12,000 | 10,000 | (2,000) | -16.67% |
| 43710 | Medical Expenses | 60,000 | 245,000 | 185,000 | 308.33% |
| 44200 | Repair & Maintenance: Vehicles | 3,000 | 3,000 | - | 0.00% |
| 45250 | Telephone | 3,000 | 3,000 | - | 0.00% |
| 45610 | Motor Fuel | 1,000 | 1,500 | 500 | 50.00% |
| 46100 | Office Supplies | 3,000 | 5,500 | 2,500 | 83.33% |
| 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 | 350,000 | 269,918 | 337.05% |
| 51100 | Travel and Training | 11,500 | 25,500 | 14,000 | 121.74% |
| 51110 | Departmental Training | 1,500 | 1,500 | - | 0.00% |
| 51421 | Academy Programs | - | 50,000 | 50,000 | 100.00% |
| 51425 | Employee Initiatives | - | 60,000 | 60,000 | 100.00% |
| Sub-Total for Operating Expenditures | | \$ 182,082 | \$ 762,000 | \$ 579,918 | 318.49% |
| TOTAL HUMAN RESOURCES | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Personnel Expenditures | 648,053 | 760,405 | 264,806 | 17.34% |
| | Operating Expenditures | 182,082 | 762,000 | 95,782 | 318.49% |
| Total for All Categories of Expenses | | \$ 830,135 | \$ 1,522,405 | \$ 692,270 | 83.39% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| Expenditures | | | | |
| Personnel | 398,108 | 406,060 | 446,060 | 427,825 |
| Operating | 155,223 | 179,700 | 179,700 | 200,700 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 553,331 | \$ 585,760 | \$ 625,760 | \$ 628,525 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| FTE Positions | 2 | 3 | 3 | 3 |

Personnel Includes: City Attorney, Administrative Assistant and second Attorney (not funded-proposed to fill overlap with lapsed salary/cash for 6 months)

| Expense Summary | |
|---------------------------|-----------|
| Personnel Expenses | \$427,825 |
| Operating Expenses | \$200,700 |
| Total Budget | \$628,525 |

Increases:

- \$21,000 – increase in contracted services based on trends of contracting out legal services.

Reductions/Decreases:

- None

Items of Interest:

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

Legal Services 11300

| PERSONNEL | | | | | |
|---|---------------------------|-------------------|-------------------|-------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 295,050 | 303,901 | 8,851 | 3.00% |
| 41200 | Longevity Policy | 5,100 | 5,100 | - | 100.00% |
| 41600 | Vehicle Allowance | 7,200 | 7,200 | - | 0.00% |
| 42000 | FICA | 17,751 | 18,500 | 749 | 4.22% |
| 42210 | 401k | 4,102 | 9,271 | 5,169 | 126.01% |
| 42200 | State Retirement | 38,033 | 42,149 | 4,116 | 10.82% |
| 42300 | Medical Insurance | 33,120 | 36,000 | 2,880 | 8.70% |
| 42400 | Life Insurance | 2,108 | 2,108 | - | 0.00% |
| 42500 | Dental Insurance | 696 | 696 | - | 0.00% |
| 42600 | Disability Insurance | 2,900 | 2,900 | - | 0.00% |
| Sub-Total For Personnel | | \$ 406,060 | \$ 427,825 | \$ 21,765 | 5.36% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 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 | - | 0.00% |
| 46300 | Dues and Subscriptions | 5,000 | 5,000 | - | 0.00% |
| 48000 | Contracted Services | 150,000 | 171,000 | 21,000 | 14.00% |
| 51100 | Travel and Training | 15,000 | 15,000 | - | 0.00% |
| 51800 | Meetings | 300 | 300 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 179,700 | \$ 200,700 | \$ 21,000 | 11.69% |
| TOTAL CITY ATTORNEY | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Personnel Expenditures | 406,060 | 427,825 | 21,765 | 5.36% |
| | Operating Expenditures | 179,700 | 200,700 | 21,000 | 11.69% |
| Total for All Categories of Expenses | | \$ 585,760 | \$ 628,525 | \$ 42,765 | 7.30% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| Expenditures | | | | |
| Personnel | 822,901 | 950,491 | 1,020,491 | 1,024,304 |
| Operating | 303,667 | 376,000 | 415,500 | 484,000 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 1,126,568 | \$ 1,326,491 | \$ 1,435,991 | \$ 1,508,304 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| 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 and the addition of a part time purchasing assistant

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 Actual | FY 25 Target |
|--|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| # of payroll remittances processed on a year | 12,297 | 15,000 | 16,000 |
| # of accounts payable and EFT's issued | 3,204 | 4,000 | 4,200 |
| # of contracts issued | 7,058 | 8,000 | 8,500 |
| # of purchase orders processed | 700 | 1,000 | 1,200 |
| # of late payments processed | 0 | 0 | 0 |
| # of miscellaneous payrolls processed | 508 | 0 | 0 |
| Efficiency Measures | | | |

GENERAL GOVERNMENT

| | | | |
|---|------------|------------|------------|
| # of p card transactions per FTE reconciled | 10,249 | 12,000 | 10,000 |
| Finance cost per Municipal Employee | \$1,990.61 | \$2,010.00 | \$1,900.00 |
| Ratio of Finance Staff to 100 Municipal Employees | 1.956 | 2.000 | 1.956 |
| % of vendors converted to EFT versus paper checks | 100% | 100% | 100% |
| Effectiveness Measures | | | |
| # of duplicate payments processed | 0 | 0 | 0 |
| # of GASB Pronouncements implemented in a fiscal year | 2 | 0 | 0 |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$1,024,304 |
| Operating Expenses | \$484,000 |
| Total Budget | \$1,508,304 |

Increases:

- \$35,000 - increase in contracted services for an increase in Debtbook costs and increase in financial advisors
- Increases in salary and appropriate benefits for the reclassification of 2 positions (Senior Accountant to an Accounting Supervisor and Purchasing Agent to Purchasing Manager).
- \$75,000 – increase in tax collection fees from both Cabarrus and Rowan Counties
- \$10,000 – increase in the audit contract.
- \$10,000 – increase in part time funding for the addition of a purchasing assistant to cross train in procurement efforts.

Reductions/Decreases:

- \$12,000 – reduction in travel and training costs due to trends

Items of Interest:

- \$300,000 - Tax collection is the per listing fee the city pays Cabarrus County for providing and receiving tax bill notification.
- \$56,000- Audit contract with Martin Starnes.
- \$60,000 – Part time salaries for a part-time purchasing assistant/contract manager and funding to assist with internal audit.

Finance 11400

| PERSONNEL | | | | | |
|---|----------------------------|----------------------------|----------------------------|---|---------------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 648,057 | 686,704 | 38,647 | 5.96% |
| 41100 | Salaries - Part Time | 50,000 | 60,000 | 10,000 | 100.00% |
| 41200 | Salaries - Overtime | 5,500 | 6,500 | 1,000 | 18.18% |
| 41300 | Longevity Pay | 9,710 | 4,300 | (5,410) | -55.72% |
| 42000 | FICA | 45,785 | 56,816 | 11,031 | 24.09% |
| 42210 | 401k | 15,809 | 12,474 | (3,335) | -21.10% |
| 42200 | State Retirement | 83,494 | 97,694 | 14,200 | 17.01% |
| 42300 | Medical Insurance | 88,320 | 96,000 | 7,680 | 8.70% |
| 42400 | Life Insurance | 1,032 | 1,032 | - | 0.00% |
| 42500 | Dental Insurance | 2,784 | 2,784 | - | 0.00% |
| Sub-Total For Personnel | | \$ 950,491 | \$ 1,024,304 | \$ 73,813 | 7.77% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 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 | 85,000 | 35,000 | 100.00% |
| 48410 | Tax Collection | 225,000 | 300,000 | 75,000 | 33.33% |
| 48420 | Audit | 46,000 | 56,000 | 10,000 | 21.74% |
| 51100 | Travel and Training | 42,000 | 30,000 | (12,000) | -28.57% |
| 51800 | Meetings | 1,500 | 1,500 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 376,000 | \$ 484,000 | \$ 108,000 | 28.72% |
| TOTAL FINANCE | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Personnel Expenditures | 950,491 | 1,024,304 | 73,813 | 7.77% |
| | Operating Expenditures | 376,000 | 484,000 | 108,000 | 28.72% |
| Total for All Categories of Expenses | | \$ 1,326,491 | \$ 1,508,304 | \$ 181,813 | 13.71% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| Expenditures | | | | |
| Personnel | 629,806 | 644,369 | 669,369 | 773,781 |
| Operating | 2,160,254 | 2,487,619 | 3,181,398 | 3,439,036 |
| Capital | 3,418 | - | 182,000 | - |
| Total Expenditures | \$ 2,793,478 | \$ 3,131,988 | \$ 4,032,767 | \$ 4,212,817 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| FTE Positions | 5 | 5 | 5 | 6 |

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

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 Actual | FY 25 Target |
|--------------------------------------|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| # of software applications supported | 98 | 125 | 125 |
| # of tickets submitted | TBD | TBD | TBD |
| # of phishing/breaching attacks | TBD | TBD | TBD |
| Efficiency Measures | | | |
| IT cost per Municipal Employee | \$3,929 | \$4,500 | \$4,000 |

GENERAL GOVERNMENT

| | | | |
|---|------|------|------|
| Ratio of IT Staff to 100 Municipal Employees | 1.22 | 2.00 | 2.50 |
| Average number of tickets assigned per IT staff | 1.22 | 2.00 | 2.50 |
| Effectiveness Measures | | | |
| Percentage of departmental requests cleared within 72 hours of receipt | TBD | 75% | 100% |
| Percentage of employee base who successfully identified phishing attempts | TBD | 90% | 100% |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$773,781 |
| Operating Expenses | \$3,439,036 |
| Capital Machinery | \$0 |
| Total Budget | \$4,212,817 |

Increases:

- Standard personnel increases related to performance reviews throughout the year.
- Increased personnel costs for the addition of a technical specialist position.
- \$150,000-continued funding of small tools and equipment for the implementation of a routine replacement schedule for all citywide equipment/devices.
- \$17,000 – increase in contracted services for station alerting at Fire Stations #2,3 and 5.
- \$214,200 – increase in small tools and equipment for the following:
 - \$176,000 – increase in new data switches.
 - \$8,000 – cameras for Vance Entrance at VIDA parking deck.
 - \$13,200 – tablet upgrades for Public Works.
 - \$8,000 – equipment for Communications.
 - \$9,000 – security cameras at Swanee.
- \$720,217 for the following:
 - 15% increase across all software and subscriptions city-wide.
 - \$37,000 – move Accela to the cloud (central permitting software).
 - \$82,719 – move all security cameras to the cloud.
 - \$55,000 – Cell on Wheels software for better coverage at Village Park during events.
 - \$8,000 – virtual EOC.
 - \$4,500 – increase in ESRI for ArcGIS for planning.
 - \$35,000 – CAD to CAD which will allow for interagency dispatch.
 - \$9,000 – database for the cemetery plots at Village Park.
 - \$35,000 – increase to Cityworks work order system software to include Parks Department.
 - \$45,000 – increase in Northstar Utility Software to complete business process review.
 - \$65,000 – increase for virtual mitel phone system which will eliminate city-wide desk phones and allow cell answering capabilities.
 - \$30,780 – 911 call recording software upgrades.
 - \$12,000 – Loop the Loop app/software.

Items of Interest:

- All annual maintenance for IT is in the Information Technology budget.

GENERAL GOVERNMENT

- 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).

| PERSONNEL | | | | | |
|---|---------------------------------|----------------------------|----------------------------|---|---------------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 471,786 | 553,780 | 81,994 | 17.38% |
| 41300 | Longevity Pay | - | 9,200 | 9,200 | 100.00% |
| 41600 | Vehicle Allowance | 6,000 | 6,000 | - | 0.00% |
| 42000 | FICA | 35,562 | 43,115 | 7,553 | 21.24% |
| 42210 | 401k | 12,398 | 12,440 | 42 | 0.34% |
| 42200 | State Retirement | 60,815 | 74,290 | 13,475 | 22.16% |
| 42300 | Medical Insurance | 55,200 | 72,000 | 16,800 | 30.43% |
| 42400 | Life Insurance | 868 | 868 | - | 0.00% |
| 42500 | Dental Insurance | 1,740 | 2,088 | 348 | 20.00% |
| Sub-Total For Personnel | | \$ 644,369 | \$ 773,781 | \$ 129,412 | 20.08% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 45250 | Telephone | 5,000 | 5,000 | - | 0.00% |
| 46100 | Office Supplies | 500 | 500 | - | 0.00% |
| 46200 | Small Equipment and Tools | 418,000 | 632,200 | 214,200 | 51.24% |
| 46300 | Dues and Subscriptions | 3,000 | 3,000 | - | 0.00% |
| 48000 | Contracted Services | - | 17,000 | 17,000 | 0.00% |
| 48300 | Consultants | 23,000 | 23,000 | - | 0.00% |
| 48530 | Annual Maintenance | 2,008,119 | 2,728,336 | 720,217 | 35.87% |
| 4853-DECK | Annual Maintenance - DECK | 20,000 | 20,000 | - | 0.00% |
| 51100 | Travel and Training | 10,000 | 10,000 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 2,487,619 | \$ 3,439,036 | \$ 951,417 | 38.25% |
| TOTAL INFORMATION TECHNOLOGY | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Personnel Expenditures | 644,369 | 773,781 | 129,412 | 100.00% |
| | Operating Expenditures | 2,487,619 | 3,439,036 | 951,417 | 38.25% |
| | Capital Machinery and Equipment | - | - | - | 0.00% |
| Total for All Categories of Expenses | | \$ 3,131,988 | \$ 4,212,817 | \$ 1,080,829 | 34.51% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| Expenditures | | | | |
| Personnel | 770,740 | 820,558 | 960,558 | 942,482 |
| Operating | 1,383,835 | 1,620,235 | 2,264,947 | 1,841,915 |
| Capital | - | 60,000 | 416,651 | - |
| Total Expenditures | \$ 2,154,575 | \$ 2,500,793 | \$ 3,642,156 | \$ 2,784,397 |
| Staffing | | | | |
| FTE Positions | 10 | 11 | 11 | 12 |

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

GENERAL GOVERNMENT

| | | | |
|---|---------|---------|---------|
| # of preventative maintenance contracts | 18 | 18 | 18 |
| # of apparatus supported by preventative maintenance contracts | 24 | 24 | 24 |
| Efficiency Measures | | | |
| % of tickets responded to within 24 hours of receipt | 100% | 100% | 100% |
| % of priority 1 tickets responded to within 24 hours of receipt | 100% | 100% | 100% |
| % of priority 2 tickets responded to within 24 hours of receipt | 88% | 100% | 100% |
| % of work orders completed within 24 hours of receipt | 88% | 100% | 100% |
| General Services cost per municipal employee | \$4,944 | \$4,800 | \$4,800 |
| Ratio of General Services staff to 100 municipal employees | 2.68 | 2.68 | 2.68 |
| # of workorders completed by FTE (10) | 17,038 | 18,000 | 18,000 |
| Square footage of facilities maintained per FTE | 65,000 | 64,866 | 66,000 |
| Effectiveness Measures | | | |
| Average cost per work order completed | \$0.19 | \$0.15 | \$0.15 |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$942,482 |
| Operating Expenses | \$1,841,915 |
| Capital Machinery | - |
| Total Budget | \$2,784,397 |

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 and proposed (1) Fleet Manager and 1 Building Technician

Increases:

- Personnel increases related to the addition of a Fleet Manager and Building Technician.
- \$37,000 – increase in repair and maintenance at the train station:
 - \$22,000 – increase to upgrade entrance doors.
 - \$15,000 – increase to replace carpet in event space.
- \$4,000 – increase in repair and maintenance vehicles based on trends.
- \$70,000– increase in repair and maintenance: buildings and grounds:
 - \$15,000 for asphalt repairs at College Station.
 - \$30,000 for Swanee Theatre repairs.
 - \$25,000 for Gem Theatre repairs.
- \$18,000- increase in equipment rental based on trends (increase in copier lease).
- \$100,000 – increase in contracted services based on contractual increases:
 - \$10,000 – replacement UPS batteries for 3rd floor server room.
 - \$22,000 – increase for the upgrade of Facility Dude Asset Essentials.
 - \$10,000 – increase for updates to all park facilities (including alarm and security systems), monitoring and wireless upgrades.
 - \$58,000 – increase for additional supplemental janitorial services.
- Standard contractual increases and increases to utilities and fuel costs.

Reductions/Decreases:

- \$20,000 – decrease in capital outlay based on costs.

GENERAL GOVERNMENT

- \$71,010 – decrease in utilities based on trends.

Items of Interest:

- Postage covers the cost of all postage for the city with the exceptions of Billing and Police.

| PERSONNEL | | | | | |
|---|---|---------------------|---------------------|-------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 525,797 | 575,341 | 49,544 | 9.42% |
| 41200 | Salaries - Overtime | 40,000 | 40,000 | - | 0.00% |
| 41300 | Longevity Policy | 7,600 | 10,400 | 2,800 | 100.00% |
| 41600 | Vehicle Allowance | 6,000 | 6,000 | - | 0.00% |
| 42000 | FICA | 39,347 | 52,803 | 13,456 | 34.20% |
| 42200 | State Retirement | 67,780 | 87,872 | 20,092 | 29.64% |
| 42210 | 401k | 7,900 | 8,676 | 776 | 9.82% |
| 42300 | Medical Insurance | 121,440 | 156,000 | 34,560 | 28.46% |
| 42400 | Life Insurance | 866 | 866 | - | 0.00% |
| 42500 | Dental Insurance | 3,828 | 4,524 | 696 | 18.18% |
| Sub-Total for Personnel | | \$ 820,558 | \$ 942,482 | \$ 121,924 | 14.86% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 43300 | Postage | 13,000 | 13,000 | - | 0.00% |
| 43800 | Credit Card Fees | 2,500 | 2,500 | - | 0.00% |
| 43810 | Transaction Fees | 8,500 | 8,500 | - | 0.00% |
| 44100 | Repair & Maintenance: Office Equip | 500 | 500 | - | 0.00% |
| 44200 | Repair & Maintenance: Vehicles | 8,000 | 12,000 | 4,000 | 50.00% |
| 44300 | Repair & Maintenance: Buildings & Grounds | 324,500 | 394,500 | 70,000 | 21.57% |
| 44300-DECK | Repair & Maintenance: Buildings & Grounds- DECK | 53,500 | 53,500 | - | 0.00% |
| 44400 | Repair & Maintenance: Equipment | 20,000 | 20,000 | - | 0.00% |
| 44500 | Repair & Maintenance: Railroad Depot | 22,000 | 59,000 | 37,000 | 168.18% |
| 45220 | Electricity | 158,510 | 100,000 | (58,510) | -36.91% |
| 45230 | Water & Sewer | 325,000 | 373,750 | 48,750 | 15.00% |
| 45240 | Gas Utilities | 8,800 | 9,240 | 440 | 5.00% |
| 45250 | Telephone | 192,500 | 180,000 | (12,500) | -6.49% |
| 45410 | Equipment Rental | 180,000 | 198,000 | 18,000 | 10.00% |
| 45430 | Real Property Rental | 3,600 | 3,600 | - | 0.00% |
| 45610 | Motor Fuel | 6,325 | 6,825 | 500 | 7.91% |
| 46100 | Office Supplies | 20,000 | 24,000 | 4,000 | 20.00% |
| 46200 | Small Equipment and Tools | 5,000 | 10,000 | 5,000 | 100.00% |
| 46300 | Dues and Subscriptions | 3,000 | 3,000 | - | 0.00% |
| 46820 | Cleaning Supplies | 45,000 | 50,000 | 5,000 | 11.11% |
| 47100 | Uniforms | 8,000 | 8,000 | - | 0.00% |
| 48000 | Contracted Services | 200,000 | 300,000 | 100,000 | 50.00% |
| 51100 | Travel and Training | 10,000 | 10,000 | - | 0.00% |
| 51300 | Special Expenses | 2,000 | 2,000 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 1,620,235 | \$ 1,841,915 | \$ 221,680 | 13.68% |
| TOTAL GENERAL SERVICES | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Personnel Expenditures | \$ 820,558 | \$ 942,482 | \$ 121,924 | 14.86% |
| | Operating Expenditures | \$ 1,620,235 | \$ 1,841,915 | \$ 221,680 | 13.68% |
| | Capital - Machinery & Equipment | \$ 60,000 | \$ - | \$ (60,000) | 100.00% |
| Total for All Categories of Expenses | | \$ 2,500,793 | \$ 2,784,397 | \$ 283,604 | 11.34% |

Non-Departmental 10000

MISSION STATEMENT:

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

| Expense Summary | |
|---------------------|--------------------|
| Personnel Expenses | \$0 |
| Operating Expenses | \$5,292,862 |
| Total Budget | \$5,292,862 |

Increases:

- \$150,000 - increase in workers compensation insurance based on trends
- \$504,579- increase in special expenses (total budget of \$2,545,534)
 - \$837,871 in costs for a projected 3% COLA for all employees (CPI index for April 2024 is 3.5%) in the General Fund.
 - \$260,000 in projected 401k costs. In the past, we have matched up to 3%. This increase in costs will give all employees a straight 2% and then have the match options up to 3%. The goal will be to get all employees to a straight 5% contribution (PD is currently mandated to receive a straight 5% contribution).
 - \$170,000 in costs for a projected merit for all eligible employees based on performance evaluations (based on 3% flat amount). As a reminder, this year we are moving to annual evaluations, and everyone will receive a flat percentage until the new performance evaluation is rolled out in FY 26.
 - \$952,663- costs for those employees in the developmental range to receive a flat 5%. As a reminder, this year we are moving to annual evaluations, and everyone will receive a flat percentage until the new performance evaluation is rolled out in FY 26.
 - \$200,000- portion on the Cabarrus Share/Tri Share Pilot-daycare subsidy.
 - \$409,546- strategic planning initiatives
 - \$30,546 for part time drivers for the downtown shuttle program
 - \$10,000 for reserve officer program funding
 - \$122,000 for Community Response Teams Pilot Program (2 licensed clinical social workers)
 - \$2,000 for Downtown Ambassador Program
 - \$125,000 for Neighborhood Improvement Coordinator Position
 - \$20,000 for the promotion of motorsports
 - \$50,000 in operating costs for neighborhood improvement

OTHER PROGRAMS

- \$50,000 in environmental stewardship funding (\$10,000 for environmental stewardship, \$10,000 for Keep Cabarrus/Rowan Beautiful Organization and \$30,000 towards a façade and site improvement matching grant program).
- \$110,057 – Insurance – General Liability
 - Based on 20% increase from League of Municipalities
- \$16,672 – Insurance – Public Officials
 - Based on 20% increase from League of Municipalities
- \$33,300 – Insurance – Building and Contents
 - Based on 20% increase from League of Municipalities
- \$52,183 – Insurance – Self Insured Claims (for all of vehicle repairs, property and liability, etc.).
 - Based on 20% increase from League of Municipalities

Reduction/Decrease:

- \$12,788 – reduction in medical plan expense based on trends

Items of Interest:

- Contingency funding – internal policy is .5% of total General Fund budget = \$420,000
 - This is set on the following formula: $\$84,000,000 * 0.005 = \$420,000$
 - Policy states at least .5% of all General Fund expenditures.
- Continued funding of \$125,000 for YMCA contribution and \$7,000 hearing tests.

OTHER PROGRAMS

| OPERATING EXPENDITURES | | | | | |
|---|-------------------------------------|----------------------------|----------------------------|---|---------------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 42100 | Workers Comp Insurance | 359,640 | 509,640 | 150,000 | 41.71% |
| 42310 | Medical Plan Expense | 77,280 | 64,492 | (12,788) | 0.00% |
| 42700 | Unemployment Insurance | 15,000 | 15,000 | - | 0.00% |
| 45220-COLL | Electricity-College Station | 7,500 | 7,500 | - | 0.00% |
| 45230-COLL | Water and Sewer-College Station | 2,000 | 2,000 | - | 0.00% |
| 45240-COLL | Gas Utilities-College Station | 2,000 | 2,000 | - | 0.00% |
| 48000-COLL | Contracted Services-College Station | 6,000 | 27,000 | 21,000 | 350.00% |
| 48430 | Banking Fees | 14,000 | 14,000 | - | 0.00% |
| 51300 | Special Expenses | 2,040,955 | 2,345,534 | 304,579 | 14.92% |
| 51300-GEM | Special Expenses- GEM | - | - | - | 0.00% |
| 51320 | Contingency Appropriation | 351,856 | 420,000 | 68,144 | 19.37% |
| 51325 | Strategic Planning Initiatives | - | 112,546 | 112,546 | 100.00% |
| 51610 | Insurance - Public Officials | 83,360 | 100,032 | 16,672 | 20.00% |
| 51620 | Insurance - General Liability | 550,285 | 660,342 | 110,057 | 20.00% |
| 51630 | Insurance - Buildings | 166,500 | 199,800 | 33,300 | 20.00% |
| 51640 | Insurance - Self Insured | 260,913 | 313,096 | 52,183 | 20.00% |
| 51650 | Encroachment Bond | 2,880 | 2,880 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 3,940,169 | \$ 4,795,862 | \$ 855,693 | 21.72% |
| TOTAL NON-DEPARTMENTAL | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Operating Expenditures | 3,940,169 | 4,795,862 | 855,693 | 21.72% |
| Total for All Categories of Expenses | | \$ 3,940,169 | \$ 4,795,862 | \$ 855,693 | 21.72% |

OTHER PROGRAMS

General Fund Debt Service 18000

| OPERATING EXPENDITURES | | | | | |
|---|---------------------|----------------------|----------------------|-----------------------------------|--------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 58100 | Bond Principal | 10,106,904 | 10,602,153 | 495,249 | 4.90% |
| 58200 | Bond Interest | 3,877,187 | 3,573,703 | (303,484) | -7.83% |
| 58300 | Debt Issuance Cost | - | - | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 13,984,091 | \$ 14,175,856 | \$ 191,765 | 1.37% |

| TOTAL GENERAL FUND DEBT SERVICE | | | | | |
|---|---------------------------|----------------------|----------------------|-----------------------------------|--------------|
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Debt Service Expenditures | 13,984,091 | 14,175,856 | 191,765 | 0.00% |
| Total for All Categories of Expenses | | \$ 13,984,091 | \$ 14,175,856 | \$ 191,765 | 1.37% |

| | Project | Principal | Interest | Maturity Date |
|----------------------|--|-------------------|------------------|---------------|
| LOB 2018B | FireStation 2 and 3 | 555,000 | 308,469 | 4/1/2038 |
| LOB 2014 | City Hall/ Police Headquarters | 1,365,000 | 539,056 | 4/1/2034 |
| LOB 2020 | Irish buffalo Creek | 92,000 | 22,466 | 4/1/2035 |
| LOB 2018 | College Station/Duct Bank/Street Scape | 394,249 | 200,186 | 4/1/2038 |
| LOB 2018C | Stadium | 2,600,000 | 1,731,600 | 10/1/2039 |
| LOB 2021 | Parking Deck at Vida | 735,000 | 259,992 | 4/1/2041 |
| | | | | |
| 2011 Notes Payable | Equipment | 42,154 | 2,974 | 6/10/2026 |
| 2017 Notes Payable | Village Park/Fire Truck | 446,000 | 141,041 | 4/1/2037 |
| Spec Oblig Bond 2015 | Downtown Purchase | 733,000 | 227,267 | 8/1/2030 |
| 2020 Notes Payable | NCRC Projects | 2,511,000 | 140,852 | 3/1/2027 |
| Lease | Motorola - Police Dept. | 677,750 | - | 11/1/2025 |
| Short Term Borrowing | Capital Outlay | 451,000 | - | TBD |
| | Total | 10,602,153 | 3,573,903 | |

Transfers General Fund 19000

| OPERATING EXPENDITURES | | | | | |
|---|-----------------------------------|---------------------|---------------------|-----------------------------------|----------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 41800 | Separation Pay | 496,912 | 600,000 | 103,088 | 20.75% |
| 57100 | Transfer to Transit Fund | 323,031 | 1,188,223 | 865,192 | 267.84% |
| 57400 | Transfer to Environmental Fund | 1,147,817 | 2,191,690 | 1,043,873 | 90.94% |
| 57400 | Transfer to Capital Projects Fund | - | 2,007,404 | 2,007,404 | 100.00% |
| 57400 | Transfer to Capital Reserve Fund | - | 1,562,708 | 1,562,708 | 100.00% |
| Sub-Total for Transfers | | \$ 1,967,760 | \$ 7,550,025 | \$ 5,582,265 | 283.69% |
| TOTAL TRANSFERS GENERAL FUND | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Transfers | 1,967,760 | 7,550,025 | 5,582,265 | 283.69% |
| Total for All Categories of Expenses | | \$ 1,967,760 | \$ 7,550,025 | \$ 5,582,265 | 283.69% |

Increases:

- \$103,088 – increase in the transfer to the Separation Pay Fund based on additional employees rolling on.
- \$865,192 – increase in the transfer to the Transit Fund based on the increase in costs to TransDev and an increase in capital costs.
- \$1,043,873 – increase in the transfer to the Environmental Fund related to the increase in contract with Waste Connections and an increase in capital costs.
- \$2,007,404 – increase in the transfer to the Capital Projects Fund for the following:
 - a. \$373,057- .42 of a penny on the rate for Western Cabarrus Fire Protection Capital Project Fund.
 - b. \$746,115 - .84 of a penny on the rate for Cultural Arts Facility/History Museum Capital Project Fund.
 - c. \$888,232 – a penny on the rate for Downtown Economic Development Project Fund.
- \$1,562,708 – increase in the transfer for the establishment of a Capital Reserve Fund. The purpose of this fund is to start setting funding aside to put towards enhanced street paving efforts and road, intersection, and sidewalk improvements.

Reductions:

- None.

Items of Interest:

- General Fund transfer to Environmental Fund assists with Waste Connection contract costs and recycling costs.
 - General fund to Environmental: \$2,191,690

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| Expenditures | | | | |
| Personnel | 837,779 | 859,956 | 949,956 | 1,057,691 |
| Operating | 308,839 | 220,851 | 220,851 | 178,635 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 1,146,618 | \$ 1,080,807 | \$ 1,170,807 | \$ 1,236,326 |
| Revenues | | | | |
| Charges and Fees | 344,291 | 351,000 | 351,000 | 270,000 |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ 344,291 | \$ 351,000 | \$ 351,000 | \$ 270,000 |
| Staffing | | | | |
| FTE Positions | 7 | 8 | 8 | 9 |

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 Actual | FY 25 Target |
|---|--------------|--------------|--------------|
| Workload Measures | | | |
| # of applicants who applied for positions | 192 | 304 | 350 |
| # of city events/special events where support was provided | 27 | 33 | 35 |
| # of training hours by sworn FTE | 11,178 | 17,305 | 17,500 |
| # of training hours by civilians | 1,059 | 1,311 | 1,400 |
| # of community outreach events | 35 | 78 | 80 |
| # of officers working in reserve officer program | 27 | 51 | 55 |
| Effectiveness Measures | | | |
| Percent of new hires who successfully completed BLET and Field Training | 86% | 96% | 100% |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$1,057,691 |
| Operating Expenses | \$178,635 |
| Capital Machinery | \$0 |
| Total Budget | \$1,236,326 |

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

Increases:

- Increases in personnel costs related to the addition of a Data Manager/Crime Analyst position.
- \$4,500 – increase in travel and training based on trends.
- \$4,000 – increase in meetings due to trends in offering citizen academy twice a year.
- Standard contractual and utility related increases.
- \$5,000 – increase in public safety supplies for the Data Manager position.

Reductions:

- \$56,450 – reduction in telephone line item due to these costs being split out among each division.

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 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 614,667 | 748,845 | 134,178 | 21.83% |
| 41300 | Longevity Pay | 21,300 | 24,500 | 3,200 | 15.02% |
| 42000 | FICA | 16,248 | 25,167 | 8,919 | 54.89% |
| 42200 | State Retirement | 84,289 | 111,280 | 26,991 | 32.02% |
| 42210 | 401K | 42,618 | 47,997 | 5,379 | 12.62% |
| 42300 | Medical Insurance | 77,280 | 96,000 | 18,720 | 24.22% |
| 42400 | Life Insurance | 1,118 | 1,118 | - | 0.00% |
| 42500 | Dental Insurance | 2,436 | 2,784 | 348 | 14.29% |
| Sub-Total For Personnel | | \$ 859,956 | \$ 1,057,691 | \$ 197,735 | 22.99% |

| OPERATING EXPENDITURES | | | | | |
|---|--|------------------------|------------------------|--------------------------------------|-----------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 43100 | Printing | 2,420 | 2,420 | - | 0.00% |
| 43300 | Postage | 5,500 | 5,500 | - | 0.00% |
| 43415 | Recruitment Initiatives | - | - | - | 0.00% |
| 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 | 64,200 | 7,750 | (56,450) | -87.93% |
| 45410 | Equipment Rental | 4,000 | 4,000 | - | 0.00% |
| 45610 | Motor Fuel | 9,250 | 9,700 | 450 | 4.86% |
| 46100 | Office Supplies | 9,000 | 9,000 | - | 0.00% |
| 46200 | Small Tools and Equipment | - | - | - | 0.00% |
| 46300 | Dues and Subscriptions | 3,500 | 3,500 | - | 0.00% |
| 46400 | Public Safety Supplies | 37,300 | 42,300 | 5,000 | 13.40% |
| 46400-ICAC | Public Safety Supplies - ICAC | - | - | - | 0.00% |
| 47100 | Uniforms | 5,566 | 5,850 | 284 | 5.10% |
| 48000 | Contracted Services | 34,780 | 34,780 | - | 0.00% |
| 48300 | Consultants | 15,165 | 15,165 | - | 0.00% |
| 51100 | Travel and Training | 16,000 | 20,500 | 4,500 | 28.13% |
| 51100-ICAC | Travel and Training - ICAC | - | - | - | 0.00% |
| 51800 | Meetings | 4,500 | 8,500 | 4,000 | 88.89% |
| Sub-Total for Operating Expenditures | | \$ 220,851 | \$ 178,635 | \$ (42,216) | -19.12% |

| TOTAL POLICE ADMINISTRATION | | | | | |
|---|---------------------------------|------------------------|------------------------|--------------------------------------|-----------------|
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Personnel Expenditures | 859,956 | 1,057,691 | 197,735 | 22.99% |
| | Operating Expenditures | 220,851 | 178,635 | (42,216) | -19.12% |
| | Capital - Machinery & Equipment | - | - | - | 0.00% |
| Total for All Categories of Expenses | | \$ 1,080,807 | \$ 1,236,326 | \$ 155,519 | 14.39% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Adopted |
|---------------------------|-------------------|-------------------|--------------------|--------------------|
| Expenditures | | | | |
| Personnel | 2,664,958 | 3,280,592 | 3,382,592 | 3,682,365 |
| Operating | 276,955 | 429,401 | 609,428 | 467,058 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 2,941,913 | \$ 3,709,993 | \$ 3,992,020 | \$ 4,149,423 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| FTE Positions | 36 | 40 | 40 | 41 |

Personnel includes: Lieutenant (1), Sergeants (4), Investigators (10), Communications Center Manager (1), Telecommunicator Shift Supervisors (4), Telecommunicator (14), Records Supervisor (1), Records Clerks (2), and Administrative Assistant (1) and proposed (1) new Police Officer assigned to CID
20 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.

PUBLIC SAFETY

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.

| Measurement | FY 23 Actual | FY 24 Actual | FY 25 Target |
|---|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| Calls dispatched per 1,000 population | 960 | 754 | 1,000 |
| # of calls dispatched for emergency | 10,775 | 21,312 | 11,000 |
| Efficiency Measures | | | |
| Calls dispatched per telecommunicator | 3,388 | 2,920 | 3,400 |
| Effectiveness Measures | | | |
| Average time in seconds from CAD entry to dispatch for priority one calls | 158.91 | 139.0 | 156.0 |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$3,682,365 |
| Operating Expenses | \$467,058 |
| Capital Machinery | \$0 |
| Total Budget | \$4,149,423 |

Increases:

- Personnel increases to the addition of a Police Officer assigned to Criminal Investigations Division and due to transferring a position to this division in FY 24.
- Standard contractual and utility increases.
- \$20,257 – increase in P-25 maintenance contract with Cabarrus County for emergency communications.
- \$20,000 – increase in public safety supplies related to the addition of a new police officer.

Reductions:

- \$2,500 – reduction related to one-time costs in small tools and equipment.

Items of Interest:

- \$154,401 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

| PERSONNEL | | | | | |
|---|---------------------------------|------------------------|------------------------|--------------------------------------|-----------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 2,112,058 | 2,348,984 | 236,926 | 11.22% |
| 41200 | Salaries - Overtime | 220,000 | 265,000 | 45,000 | 20.45% |
| 41300 | Longevity Pay | 41,800 | 51,800 | 10,000 | 23.92% |
| 41700 | Clothing Allowance | 19,000 | 18,250 | (750) | -3.95% |
| 42000 | FICA | 93,211 | 112,522 | 19,311 | 20.72% |
| 42200 | State Retirement | 264,487 | 302,594 | 38,107 | 14.41% |
| 42210 | 401K | 94,402 | 97,792 | 3,390 | 3.59% |
| 42300 | Medical Insurance | 419,520 | 468,960 | 49,440 | 11.78% |
| 42400 | Life Insurance | 3,586 | 3,586 | - | 0.00% |
| 42500 | Dental Insurance | 12,528 | 12,877 | 349 | 2.79% |
| Sub-Total For Personnel | | \$ 3,280,592 | \$ 3,682,365 | \$ 401,773 | 12.25% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 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 | 21,400 | 21,600 | 200 | 0.93% |
| 45410 | Equipment Rental | 4,000 | 4,000 | - | 0.00% |
| 45610 | Motor Fuel | 15,600 | 19,150 | 3,550 | 22.76% |
| 46100 | Office Supplies | 11,500 | 11,500 | - | 0.00% |
| 46200 | Small Equipment and Tools | 12,900 | 10,400 | (2,500) | -19.38% |
| 46300 | Dues and Subscriptions | 1,300 | 1,300 | - | 0.00% |
| 46400 | Public Safety Supplies | 22,000 | 42,000 | 20,000 | 90.91% |
| 47100 | Uniforms | 15,738 | 15,738 | - | 0.00% |
| 48000 | Contracted Services | 240,353 | 260,610 | 20,257 | 8.43% |
| 51100 | Travel and Training | 23,850 | 20,000 | (3,850) | -16.14% |
| 51300 | Special Expenses | 32,000 | 32,000 | - | 0.00% |
| 51800 | Meetings | 2,000 | 2,000 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 429,401 | \$ 467,058 | \$ 37,657 | 8.77% |
| TOTAL POLICE SUPPORT SERVICES | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Personnel Expenditures | 3,280,592 | 3,682,365 | 401,773 | 12.25% |
| | Operating Expenditures | 429,401 | 467,058 | 37,657 | 8.77% |
| | Capital - Machinery & Equipment | - | - | - | 0.00% |
| Total for All Categories of Expenses | | \$ 3,709,993 | \$ 4,149,423 | \$ 439,430 | 11.84% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| Expenditures | | | | |
| Personnel | 5,356,872 | 5,519,870 | 6,087,870 | 5,958,404 |
| Operating | 942,465 | \$1,044,085 | 1,471,979 | 1,149,336 |
| Capital | 771,629 | \$1,048,000 | 1,314,616 | - |
| Total Expenditures | \$ 7,070,966 | \$ 7,611,955 | \$ 8,874,465 | \$ 7,107,740 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| FTE Positions | 66 | 66 | 66 | 66 |

Personnel includes: Lieutenants (4), Sergeants (9), Police Officers (52), and (1) Administrative Assistant, 64 Sworn, 1 Civilian ***Reduced funding for 2 officer positions assigned to Downtown efforts based on the current high number of vacancies in the department. If the department becomes fully staffed, funds 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 Actual | FY 25 Target |
|---|--------------|--------------|--------------|
| Workload Measures | | | |
| # of calls dispatched per 1,000 population (<i>all including self initiating</i>) | 1,020 | 754 | 1,100 |
| Self-initiated calls per 1,000 population | 345 | 273 | 400 |
| Part 1 Crimes per 1,000 population | 23 | 21 | 20 |
| Part 1 Crimes Reported | | | |
| # of homicide investigations | 4 | 4 | 0 |
| # of rape investigations | 18 | 17 | 0 |
| # of robbery investigations | 22 | 21 | 0 |
| # of burglary investigations | 172 | 144 | 0 |
| # of aggravated assault investigations | 66 | 55 | 0 |
| # of larceny investigations | 821 | 846 | 0 |
| # of arson investigations | 2 | 3 | 0 |
| # of auto theft investigations | 119 | 121 | 0 |
| Efficiency Measures | | | |
| Part 1 Crimes Cases Cleared | 206% | 33% | 100% |
| % Violent Crime Clearance Rates | 318% | 71% | 100% |
| % Property Crime Clearance Rates | 1.35% | 22% | 100% |
| Calls Dispatched per Sworn Officer | 587.97 | 490 | 570 |
| Part 1 Cases Cleared per Sworn Officer | 2.18 | .38 | 2.20 |
| Effectiveness Measures | | | |
| Percentage of Part 1 Cases Cleared of Those Reported | 203% | 33% | 210% |
| Response Time to High Priority Calls in Minutes | 6:52 | 6:42 | 6:50 |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$5,958,404 |
| Operating Expenses | \$1,149,336 |
| Capital Machinery | - |
| Total Budget | \$7,107,740 |

Increases:

- \$11,700 – increases in fuel. This accounts for proposed new additions to the fleet.
- \$3,000 – increase in travel and training based on state conference.
- Standard contractual and utility increases.
- Standard personnel increases related to salary increases and performance evaluations throughout the year.

Capital:

- \$903,000- in capital outlay. This includes the replacement of 14 police vehicles that meet or exceed established threshold amounts relating to the year of vehicle and/or mileage. Also, includes 1 new vehicle for the addition of a police officer position in CID. **This is now**

accounted for in debt service for a short-term borrowing.

Items of Interest:

- \$30,000 – accounted for in public safety supplies for honor guard uniform replacement.
- Continued funding of \$333,406 to include the Axon lease payment (in-car and body worn cameras and tasers) 4th year of contract. FY 26 is the final year.
- All vehicles are purchased out of this budget.
- Continued funding of \$323,406 to include the Axon lease payment (in-car and body worn cameras and tasers) 3rd year of contract and all vehicles are purchased out of this budget.

Police – Field Operations 12035

| PERSONNEL | | | | | |
|--------------------------------|---------------------|---------------------|---------------------|-------------------------------|--------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 3,545,006 | 3,807,480 | 262,474 | 7.40% |
| 41200 | Salaries - Overtime | 385,000 | 425,000 | 40,000 | 10.39% |
| 41300 | Longevity Pay | 42,400 | 51,100 | 8,700 | 20.52% |
| 42000 | FICA | 54,820 | 58,363 | 3,543 | 6.46% |
| 42200 | State Retirement | 513,862 | 564,577 | 50,715 | 9.87% |
| 42210 | 401K | 219,996 | 241,737 | 21,741 | 9.88% |
| 42300 | Medical Insurance | 728,640 | 780,000 | 51,360 | 7.05% |
| 42400 | Life Insurance | 6,832 | 6,832 | - | 0.00% |
| 42500 | Dental Insurance | 23,314 | 23,315 | 1 | 0.00% |
| Sub-Total For Personnel | | \$ 5,519,870 | \$ 5,958,404 | \$ 438,534 | 7.94% |

| OPERATING EXPENDITURES | | | | | |
|---|---------------------------------|---------------------|---------------------|-------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 43100 | Printing | 1,650 | 1,650 | - | 0.00% |
| 44200 | Repair & Maintenance: Vehicles | 187,000 | 187,000 | - | 0.00% |
| 44400 | Repair & Maintenance: Equipment | 3,500 | 3,850 | 350 | 10.00% |
| 45250 | Telephone | 6,955 | 52,000 | 45,045 | 647.66% |
| 45410 | Equipment Rental | 8,000 | 8,000 | - | 0.00% |
| 45610 | Motor Fuel | 234,000 | 245,700 | 11,700 | 5.00% |
| 46100 | Office Supplies | 13,000 | 13,000 | - | 0.00% |
| 46200 | Small Equipment and Tools | 6,600 | 6,600 | - | 0.00% |
| 46300 | Dues and Subscriptions | 4,500 | 4,500 | - | 0.00% |
| 46400 | Public Safety Supplies | 431,406 | 138,033 | (293,373) | -68.00% |
| 46500 | Axon Lease | - | 333,403 | 333,403 | 100.00% |
| 47100 | Uniforms | 102,574 | 107,700 | 5,126 | 5.00% |
| 51100 | Travel and Training | 43,400 | 46,400 | 3,000 | 6.91% |
| 51800 | Meetings | 1,500 | 1,500 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 1,044,085 | \$ 1,149,336 | \$ 105,251 | 10.08% |

| TOTAL POLICE-FIELD OPERATIONS | | | | | |
|---|-------------------------------|---------------------|---------------------|-------------------------------|---------------|
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Personnel Expenditures | 5,519,870 | 5,958,404 | 438,534 | 7.94% |
| | Operating Expenditures | 1,044,085 | 1,149,336 | 105,251 | 10.08% |
| | Capital Machinery & Equipment | 1,048,000 | - | (1,048,000) | 100.00% |
| Total for All Categories of Expenses | | \$ 7,611,955 | \$ 7,107,740 | \$ (504,215) | -6.62% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Adopted |
|---------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| Expenditures | | | | |
| Personnel | 538,486 | 1,000,450 | 995,450 | 1,068,688 |
| Operating | 55,898 | 165,910 | 192,250 | 135,865 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 594,384 | \$ 1,166,360 | \$ 1,187,700 | \$ 1,204,553 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| FTE Positions | - | 10 | 10 | 12 |

Personnel includes: (1) Sergeant, Training Officer (1), School Resource Officers/ DARE (7), (2) Park Rangers, (1) Training Coordinator

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

4. The need for qualified Police Officers is at an all-time high. During FY 2021, it was found that applicants were having a difficult time passing the required reading placement test (TABE) to move forward in our hiring process. During FY 2022, we will research other options for placement tests that are accepted by local BLET programs. Providing a secondary test will give us a better chance of securing candidates to send to BLET.

PUBLIC SAFETY

| Measurement | FY 23 Actual | FY 24 Actual | FY 25 Target |
|---|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| # of applicants who applied for positions | 192 | 304 | 350 |
| # of city events/special events where support was provided | 27 | 33 | 35 |
| # of training hours by sworn FTE | 11,178 | 17,305 | 17,500 |
| # of training hours by civilians | 1,059 | 1,311 | 1,400 |
| # of community outreach events | 35 | 78 | 80 |
| # of officers working in reserve officer program | 27 | 51 | 55 |
| Effectiveness Measures | | | |
| Percent of new hires who successfully completed BLET and Field Training | 86% | 96% | 100% |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$1,068,688 |
| Operating Expenses | \$135,865 |
| Capital Machinery | \$0 |
| Total Budget | \$1,204,553 |

Increases:

- Standard personnel increases for performance evaluations that occur throughout the year.
- \$46,000 – accounts for auxiliary officer salaries (currently have 5).
- Other increases are contractual and utility related.

Reductions:

- \$42,470 – reduction in public safety supplies related to one-time costs in the FY 24 budget.

Items of Interest:

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

PUBLIC SAFETY

Police – Special Operations 12070

| PERSONNEL | | | | | |
|---|---------------------------------|---------------------|---------------------|-------------------------------|----------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 667,687 | 683,544 | 15,857 | 2.37% |
| 41100 | Salaries- Part Time | - | 46,000 | 46,000 | 100.00% |
| 41200 | Salaries - Overtime | 38,500 | 38,500 | - | 0.00% |
| 42100 | Longevity Pay | 8,700 | 11,100 | 2,400 | 100.00% |
| 42000 | FICA | 17,316 | 12,660 | (4,656) | -26.89% |
| 42200 | State Retirement | 92,398 | 87,960 | (4,438) | -4.80% |
| 42210 | 401K | 39,171 | 40,726 | 1,555 | 3.97% |
| 42300 | Medical Insurance | 132,480 | 144,000 | 11,520 | 8.70% |
| 42400 | Life Insurance | 718 | 718 | - | 0.00% |
| 42500 | Dental Insurance | 3,480 | 3,480 | - | 0.00% |
| Sub-Total For Personnel | | \$ 1,000,450 | \$ 1,068,688 | \$ 68,238 | 6.82% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 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 | 5,350 | 9,100 | 3,750 | 70.09% |
| 45410 | Equipment Rental | 1,000 | 1,000 | - | 0.00% |
| 45610 | Motor Fuel | 20,775 | 21,800 | 1,025 | 4.93% |
| 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 | 77,470 | 35,000 | (42,470) | -54.82% |
| 47100 | Uniforms | 7,325 | 11,325 | 4,000 | 54.61% |
| 51100 | Travel and Training | 8,350 | 12,000 | 3,650 | 43.71% |
| 51800 | Meetings | 1,000 | 1,000 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 165,910 | \$ 135,865 | \$ (30,045) | -18.11% |
| TOTAL POLICE SPECIAL OPERATIONS | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Personnel Expenditures | 1,000,450 | 1,068,688 | 68,238 | 6.82% |
| | Operating Expenditures | 165,910 | 135,865 | (30,045) | -18.11% |
| | Capital - Machinery & Equipment | - | - | - | -100.00% |
| Total for All Categories of Expenses | | \$ 1,166,360 | \$ 1,204,553 | \$ 38,193 | 3.27% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| Expenditures | | | | |
| Personnel | 678,831 | 689,447 | 678,831 | 748,186 |
| Operating | 649,596 | 793,289 | 905,289 | 904,950 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 1,328,427 | \$ 1,482,736 | \$ 1,584,120 | \$ 1,653,136 |
| Revenues | | | | |
| Charges and Fees | 4,020 | 4,000 | 4,000 | 4,000 |
| Total Revenues | \$ 4,020 | \$ 4,000 | \$ 4,000 | \$ 4,000 |
| Staffing | | | | |
| 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 Actual | FY 25 Target |
|--|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| Cost per capita | 190.04 | 197.00 | 190.00 |
| FTE's per 10,000 population | 18.06 | 20.00 | 23.00 |
| # of fleet work orders performed | 167 | 220 | 175 |
| Cost per Fire Department response (Emergency Services) | TBD | TBD | TBD |
| Effectiveness Measures | | | |
| Percentage of workorders completed in-house versus contracted out (<i>Fire Mechanic measure</i>) | 75% | 100% | 100% |

Fire – Administration 12510

| Expense Summary | |
|---------------------|--------------------|
| Personnel Expenses | \$748,186 |
| Operating Expenses | \$904,950 |
| Capital Machinery | \$ - |
| Total Budget | \$1,653,136 |

Increases:

- \$3,000- increase in dues and subscriptions for the addition of the department to become accredited.
- \$155,825- increase in contracted services for Odell area due to revaluation of properties.
- Standard contractual increases related to utilities.
- Standard personnel increases related to performance evaluations that occurred throughout the year.

Reductions:

- \$48,264 – reduction in telephone costs due to trends.

Capital:

- \$200,000 - Fleet Services Vehicle. Replacement vehicle for the fleet services mechanic that is assigned to fire. This vehicle includes a fleet body with an equipment crane. **This is now accounted for in debt service for a short-term borrowing.**

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 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 481,412 | 513,817 | 32,405 | 6.73% |
| 41100 | Salaries - Overtime | 20,000 | 22,000 | 2,000 | 100.00% |
| 41300 | Longevity Pay | 10,800 | 12,700 | 1,900 | 17.59% |
| 42000 | FICA | 35,863 | 39,950 | 4,087 | 11.40% |
| 42200 | State Retirement | 62,134 | 71,560 | 9,426 | 15.17% |
| 42210 | 401k | 10,055 | 13,216 | 3,161 | 31.44% |
| 42300 | Medical Insurance | 66,240 | 72,000 | 5,760 | 8.70% |
| 42400 | Life Insurance | 855 | 855 | - | 0.00% |
| 42500 | Dental Insurance | 2,088 | 2,088 | - | 0.00% |
| Sub-Total For Personnel | | \$ 689,447 | \$ 748,186 | \$ 58,739 | 8.52% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 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 | 3,000 | 500 | 20.00% |
| 44400 | Repair & Maintenance: Equipment | 11,000 | 11,000 | - | 0.00% |
| 45220 | Electricity | 76,560 | 76,560 | - | 0.00% |
| 45230 | Water & Sewer | 30,000 | 30,000 | - | 0.00% |
| 45240 | Gas Utilities | 18,810 | 18,810 | - | 0.00% |
| 45250 | Telephone | 123,264 | 75,000 | (48,264) | -39.15% |
| 45410 | Equipment Rental | 1,000 | 1,000 | - | 0.00% |
| 45610 | Motor Fuel | 4,830 | 4,830 | - | 0.00% |
| 46100 | Office Supplies | 8,250 | 8,250 | - | 0.00% |
| 46200 | Small Equipment and Tools | 13,200 | 13,200 | - | 0.00% |
| 46300 | Dues and Subscriptions | 35,000 | 38,000 | 3,000 | 8.57% |
| 46400 | Public Safety Supplies | 2,200 | 2,800 | 600 | 27.27% |
| 47100 | Uniforms | 4,200 | 4,200 | - | 0.00% |
| 48000 | Contracted Services | 444,175 | 600,000 | 155,825 | 35.08% |
| 51100 | Travel and Training | 8,000 | 8,000 | - | 0.00% |
| 51800 | Meetings | 5,500 | 5,500 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 793,289 | \$ 904,950 | \$ 111,661 | 14.08% |
| TOTAL FIRE ADMINISTRATION | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Personnel Expenditures | 689,447 | 748,186 | 58,739 | 8.52% |
| | Operating Expenditures | 793,289 | 904,950 | 111,661 | 14.08% |
| | Capital Machinery & Equipment | - | - | - | -100.00% |
| Total for All Categories of Expenses | | \$ 1,482,736 | \$ 1,653,136 | \$ 170,400 | 11.49% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|---------------------|---------------------|----------------------|---------------------|
| Expenditures | | | | |
| Personnel | 7,307,926 | 8,312,874 | 8,138,052 | 8,799,793 |
| Operating | 929,685 | 882,476 | 1,066,355 | 1,013,976 |
| Capital | 225,698 | 75,000 | 2,005,024 | - |
| Total Expenditures | \$ 8,463,309 | \$ 9,270,350 | \$ 11,209,431 | \$ 9,813,769 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| FTE Positions | 83 | 83 | 83 | 86 |

Personnel Includes: Assistant Fire Chief (1), Battalion Chief (3), Fire Captain (24), Fire Engineer (21), Firefighter (39)

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 Actual | FY 25 Target |
|---|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| # of actual fires per 1,000 population | 3.41 | 1.77 | 3.00 |
| # of responses per 1,000 population | 80.99 | 10.14 | 100 |
| # of medical calls per 1,000 population | 178.09 | 100 | 100 |

PUBLIC SAFETY

| Efficiency Measures | | | |
|--|----------|-------|-------|
| Cost per Fire Department response (Emergency Services) | \$949.39 | \$958 | \$925 |
| Effectiveness Measures | | | |
| Average response time to priority one call in minutes | 6:55 | 6:39 | 6:30 |
| % of responses met within 5 minutes and 20 seconds (Standard) | 79% | 80% | 85% |
| Percentage of full response within 8 minutes travel time | 100% | 100% | 100% |
| Percentage of lost pulse cases recovered pulse at transfer of care | 43% | 100% | 100% |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$8,799,793 |
| Operating Expenses | \$1,013,976 |
| Capital Machinery | \$ - |
| Total Budget | \$9,813,769 |

Increases:

- \$75,000- increase in public safety supplies related to the turnout gear and necessary PPE for the replacement.
- \$50,000 – increase in repair and maintenance for vehicles based on trends.
- \$6,500 – increase in small tools and equipment for the replacement of outdated, obsolete equipment that has exceeded useful life (hose, ladders, hand tools, etc).
- Other increases are contractual and utility related.

Reductions/Decreases:

- \$13,000 – capital outlay based on costs.

Capital: This is now accounted for in debt service for a short-term borrowing.

- \$62,000 –in capital outlay for the replacement of Safety and Logistics Vehicle.
 - \$12,000 - Thermal Imaging Drone. Addition of UAC with Thermal Imaging capabilities.
 - \$35,000 – replacement of a 15-year-old Kawasaki UTV that is experiencing motor and transmission issues.
 - \$15,000 - Fire: Replacement of a 19-year-old dual axle trailer. Replace a 19-year-old dual axle trailer that has developed cosmetic and structural damage. The trailer is currently used for multiple purposes including carrying bulk rescue, hazmat and decon equipment and for logistical supplies.

Items of Interest:

- All part-time positions in all divisions housed in Emergency Services budget
- 3 new firefighters were added in FY 24 which results in most companies to 4 ff per truck. This is a NFPA standard. This will leave only one company not having 3 FF per engine.

PUBLIC SAFETY

Fire – Emergency Services 12540

| PERSONNEL | | | | | |
|---|---------------------------------|---------------------|---------------------|-------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 5,154,572 | 5,373,177 | 218,605 | 4.24% |
| 41100 | Salaries - Part Time | 222,884 | 240,000 | 17,116 | 7.68% |
| 41200 | Salaries - Overtime | 643,950 | 720,000 | 76,050 | 11.81% |
| 41300 | Longevity Pay | 110,400 | 127,100 | 16,700 | 15.13% |
| 42000 | FICA | 375,820 | 402,641 | 26,821 | 7.14% |
| 42200 | State Retirement | 676,773 | 723,643 | 46,870 | 6.93% |
| 42210 | 401k | 127,375 | 127,652 | 277 | 0.22% |
| 512658 | Medical Insurance | 971,520 | 1,056,000 | 84,480 | 8.70% |
| 42400 | Life Insurance | - | - | - | 0.00% |
| 42500 | Dental Insurance | 29,580 | 29,580 | - | 0.00% |
| Sub-Total For Personnel | | \$ 8,312,874 | \$ 8,799,793 | \$ 486,919 | 5.86% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 44200 | Repair & Maintenance: Vehicles | 265,000 | 315,000 | 50,000 | 18.87% |
| 44400 | Repair & Maintenance: Equipment | 23,000 | 23,000 | - | 0.00% |
| 45250 | Telephone | 30,816 | 30,816 | - | 0.00% |
| 45610 | Motor Fuel | 99,360 | 99,360 | - | 0.00% |
| 46100 | Office Supplies | 800 | 800 | - | 0.00% |
| 46200 | Small Equipment and Tools | 25,500 | 32,000 | 6,500 | 25.49% |
| 46400 | Public Safety Supplies | 372,000 | 447,000 | 75,000 | 20.16% |
| 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% |
| Sub-Total for Operating Expenditures | | \$ 882,476 | \$ 1,013,976 | \$ 131,500 | 14.90% |
| TOTAL FIRE EMERGENCY SERVICES | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Personnel Expenditures | 8,312,874 | 8,799,793 | 486,919 | 5.86% |
| | Operating Expenditures | 882,476 | 1,013,976 | 131,500 | 14.90% |
| | Capital Machinery & Equipment | 75,000 | - | (75,000) | 100.00% |
| Total for All Categories of Expenses | | \$ 9,270,350 | \$ 9,813,769 | \$ 543,419 | 5.86% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| Expenditures | | | | |
| Personnel | 423,035 | 540,311 | 635,311 | 698,108 |
| Operating | 78,229 | 88,224 | 88,224 | 95,724 |
| Total Expenditures | \$ 501,264 | \$ 628,535 | \$ 723,535 | \$ 793,832 |
| Revenues | | | | |
| Charges and Fees | 32,535 | 25,000 | 25,000 | 35,000 |
| Total Revenues | \$ 32,535 | \$ 25,000 | \$ 25,000 | \$ 35,000 |
| Staffing | | | | |
| FTE Positions | 8 | 8 | 8 | 9 |

Personnel Includes: Assistant Fire Chief (1), (1) Fire Marshal, (1) Assistant Fire Marshal, (1) Community Engagement and (1) Battalion Chief and proposed (1) new Fire Inspector

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 Actual | FY 25 Target |
|--|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| Inspections completed per 1,000 population | 12.61 | 10.55 | 13.00 |
| Efficiency Measures | | | |
| Inspections completed per inspector FTE (Technical Services) | 294 | 295 | 300 |
| Effectiveness Measures | | | |
| Percentage of fire code violations cleared within 90 days | 100% | 100% | 100% |
| Percentage of fires for which cause was determined | 100% | 87% | 100% |
| Percentage of developmental plans reviewed and returned within 7 days of receipt | 100% | 100% | 100% |

Fire – Technical Services 12545

| Expense Summary | |
|---------------------|------------------|
| Personnel Expenses | \$698,108 |
| Operating Expenses | \$95,724 |
| Capital Machinery | \$ - |
| Total Budget | \$793,832 |

Increases:

- Personnel increases related to the addition of a Fire Inspector.
- \$5,000 – increase in travel and training for new inspector certifications/courses.
- \$2,500 – increase in public safety supplies for new Fire Inspector position.

Capital:

- \$198,000 in capital outlay. **This is now accounted for in debt service for a short-term borrowing.**
 - \$75,000 - Replacement of Training Manager 2009 SUV. Replacement of 2009 Ford Explorer with a Ford F150 pick-up (Includes emergency and communications equip).
 - \$75,000 - Replacement of 2008 staff vehicle. Replacement of 2008 staff vehicle (Includes emergency and communications equip).
 - \$48,000 – increase in vehicle for new Fire Inspector position.

| PERSONNEL | | | | | |
|---|---------------------------------|-------------------|-------------------------------|-------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 376,129 | 469,103 | 92,974 | 24.72% |
| 41200 | Salaries - Overtime | 15,000 | 28,000 | 13,000 | 100.00% |
| 41300 | Longevity Pay | 9,200 | 13,500 | 4,300 | 46.74% |
| 42000 | FICA | 28,014 | 35,853 | 7,839 | 27.98% |
| 42200 | State Retirement | 44,723 | 63,900 | 19,177 | 42.88% |
| 42210 | 401k | 9,597 | 12,956 | 3,359 | 35.00% |
| 42300 | Medical Insurance | 55,200 | 72,000 | 16,800 | 30.43% |
| 42400 | Life Insurance | 708 | 708 | - | 0.00% |
| 42500 | Dental Insurance | 1,740 | 2,088 | 348 | 20.00% |
| Sub-Total For Personnel | | \$ 540,311 | \$ 698,108 | \$ 157,797 | 29.20% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 44200 | Repair & Maintenance: Vehicles | 5,500 | 5,500 | - | 0.00% |
| 44400 | Repair & Maintenance: Equipment | - | - | - | 0.00% |
| 45250 | Telephone | 10,914 | 10,914 | - | 0.00% |
| 45610 | Motor Fuel | 13,110 | 13,110 | - | 0.00% |
| 46100 | Office Supplies | 5,000 | 5,000 | - | 0.00% |
| 46300 | Dues and Subscriptions | 2,400 | 2,400 | - | 0.00% |
| 46400 | Public Safety Supplies | 16,800 | 19,300 | 2,500 | 14.88% |
| 47100 | Uniforms | 7,000 | 7,000 | - | 0.00% |
| 51100 | Travel and Training | 24,500 | 29,500 | 5,000 | 20.41% |
| 51800 | Meetings | 3,000 | 3,000 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 88,224 | \$ 95,724 | \$ 7,500 | 8.50% |
| TOTAL FIRE TECHNICAL SERVICES | | | | | |
| Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change | |
| Personnel Expenditures | 540,311 | 698,108 | 157,797 | 29.20% | |
| Operating Expenditures | 88,224 | 95,724 | 7,500 | 8.50% | |
| Capital - Machinery & Equipment | - | - | - | 0.00% | |
| Total for All Categories of Expenses | \$ 628,535 | \$ 793,832 | \$ 165,297 | 26.30% | |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| Expenditures | | | | |
| Personnel | 828,508 | 1,005,686 | 960,686 | 1,008,787 |
| Operating | 655,500 | 207,800 | 2,164,187 | 520,200 |
| Capital | 61,306 | - | - | - |
| Total Expenditures | \$ 1,545,314 | \$ 1,213,486 | \$ 3,124,873 | \$ 1,528,987 |
| Revenues | | | | |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| 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

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 3rd party entities.
3. Provide private land development review comments within the following timeframes:
 - **Commercial Site Plans:** 20 working days, resubmittal 15 working days
 - **Major Subdivision Construction Plans:** 30 working days, resubmittal 20 working days
 - **Multi Family Construction Plans:** 30 working days, resubmittal 20 working days
 - **Minor Subdivisions:** 20 working days, resubmittal 15 working days
 - **Preliminary Plats:** 20 working days, resubmittal 15 working days
 - **Plats/Exempt Plats:** 15 calendar days, resubmittal 10 calendar days
 - **As-Builts:** 10 working days, resubmittal 5 working days

PUBLIC WORKS

| Measurement | FY 23 Actual | FY 24 Actual | FY 25 Target |
|---|--------------|--------------|--------------|
| Workload Measures | | | |
| # of commercial site plans reviewed | 43 | 65 | 55 |
| # of major/minor subdivision, townhomes, or apartments construction plans reviewed | 51 | 22 | 55 |
| # of major/minor subdivision, recombination, stormwater control measure (SCM) or easement plats reviewed | 36 | 55 | 40 |
| # of preliminary plats, sketch plans, rezoning, conditional use, annexation, etc. reviewed | 20 | 5 | 25 |
| # of "as built" completed by inspectors/technicians | 20 | 63 | 25 |
| # of exempt plats reviewed | 45 | 45 | 50 |
| # of resubmittals (<i>for all categories listed above</i>) reviewed | 64 | 106 | 50 |
| # of projects managed as a consultant | 49 | 5 | 10 |
| # of in-house design projects completed | 5 | 1 | 5 |
| # of linear feet of assets inspected | 305,250 | 562,500 | 325,000 |
| # of right of way easements completed | 12 | 1 | 2 |
| Efficiency Measures | | | |
| % of commercial site plans reviewed within 20 working days | 99% | 100% | 100% |
| % of major/minor subdivision, townhomes, or apartment construction plans reviewed within 30 working days | 99% | 100% | 100% |
| % of major/minor subdivision, recombination, stormwater control measure (SCM) or easement plats reviewed within 20 working days | 96% | 100% | 100% |
| % of preliminary plats, sketch plans, rezoning, conditional use, annexation, etc. reviewed within 20 working days | 100% | 100% | 100% |
| % of "as built" completed by inspectors/technicians within 10 working days | 100% | 100% | 100% |
| % of exempt plats reviewed within 15 days | 100% | 100% | 100% |
| % of resubmittals completed within specified time frame (<i>varies from 10 working days to 20 working days</i>) based on type of review | 100% | 100% | 100% |
| % of providing randomly quality control inspections of permitted stormwater control measures | 100% | 100% | 100% |
| % of driveway inspections completed within 16 business hours | 97% | 100% | 100% |
| % of erosion control inspections completed within 16 business hours | 100% | 92% | 100% |
| % of site grading and drainage inspections completed within 16 business hours | 100% | 100% | 100% |
| % of water and sewer verification completed within 32 business hours | 99% | 97% | 100% |

PUBLIC WORKS

| | | | |
|--|----------|-----|------|
| % of street lighting requests inspections completed within 32 business hours | 100% | 92% | 100% |
| Effectiveness Measures | | | |
| \$ spent on in-house construction projects | \$43,632 | TBD | TBD |
| \$ saved on in-house construction projects versus contracting out | - | TBD | TBD |

Public Works - Engineering 13000

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$1,008,787 |
| Operating Expenses | \$520,200 |
| Capital Machinery | \$0 |
| Total Budget | \$1,528,987 |

Increases:

- \$260,000 – increase in consultants for city-wide projects and contracting out with a firm to get caught up on as-builts and the backlog of work in the system.
- \$50,000 – increase in contract engineering for specialized projects.
- Standard contractual and utility increases.

Reductions:

- \$23,000 – reduction in part-time funding due to no part-time positions in this budget.
- \$2,000 – reduction in salaries overtime because all positions in this budget are salaried.
- \$4,800 – reduction in longevity pay due to a retirement in this department.
- \$3,000 – reduction in travel and training based on trends.

Capital:

- None.

PUBLIC WORKS

Public Works - Engineering 13000

| PERSONNEL | | | | | |
|---|---------------------------------|---------------------|---------------------|-------------------------------|----------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 709,551 | 720,620 | 11,069 | 1.56% |
| 41100 | Salaries- Part Time | 23,000 | - | (23,000) | -100.00% |
| 41200 | Salaries - Overtime | 2,000 | - | (2,000) | -100.00% |
| 41300 | Longevity Pay | 8,100 | 3,300 | (4,800) | -59.26% |
| 41600 | Vehicle Allowance | 6,000 | 6,000 | - | 0.00% |
| 42000 | FICA | 53,573 | 57,636 | 4,063 | 7.58% |
| 42200 | State Retirement | 88,415 | 96,584 | 8,169 | 9.24% |
| 42210 | 401k | 11,330 | 12,290 | 960 | 8.47% |
| 42300 | Medical Insurance | 99,360 | 108,000 | 8,640 | 8.70% |
| 42400 | Life Insurance | 1,225 | 1,225 | - | 0.00% |
| 42500 | Dental Insurance | 3,132 | 3,132 | - | 0.00% |
| Sub-Total For Personnel | | \$ 1,005,686 | \$ 1,008,787 | \$ 3,101 | 0.31% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 43200 | Advertising | 2,000 | 2,000 | - | 0.00% |
| 43300 | Postage | 500 | 1,000 | 500 | 100.00% |
| 44200 | Repair & Maintenance: Vehicles | 5,000 | 5,000 | - | 0.00% |
| 44400 | Repair & Maintenance: Equipment | 500 | 500 | - | 0.00% |
| 45250 | Telephone | 10,500 | 13,200 | 2,700 | 25.71% |
| 45610 | Motor Fuel | 5,000 | 5,000 | - | 0.00% |
| 46100 | Office Supplies | 7,500 | 7,500 | - | 0.00% |
| 46300 | Dues and Subscriptions | 9,000 | 12,000 | 3,000 | 33.33% |
| 47100 | Uniforms | 5,000 | 3,000 | (2,000) | -40.00% |
| 48800 | Contract - Engineering | 150,000 | 200,000 | 50,000 | 33.33% |
| 48300 | Consultants | - | 260,000 | 260,000 | 100.00% |
| 51100 | Travel and Training | 12,000 | 9,000 | (3,000) | -25.00% |
| 51800 | Meetings | 800 | 2,000 | 1,200 | 150.00% |
| Sub-Total for Operating Expenditures | | \$ 207,800 | \$ 520,200 | \$ 312,400 | 150.34% |
| TOTAL ENGINEERING | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Personnel Expenditures | 1,005,686 | 1,008,787 | 3,101 | 0.31% |
| | Operating Expenditures | 207,800 | 520,200 | 312,400 | 150.34% |
| | Capital Machinery & Equipment | - | - | - | 0.00% |
| Total for All Categories of Expenses | | \$ 1,213,486 | \$ 1,528,987 | \$ 315,501 | 26.00% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| Expenditures | | | | |
| Personnel | - | - | - | - |
| Operating | 690,300 | 613,900 | 778,900 | 713,900 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 690,300 | \$ 613,900 | \$ 778,900 | \$ 713,900 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| 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 Actual | FY 25 Target |
|--|-----------------|-----------------|-----------------|
| Efficiency Measures | | | |
| % of streetlights maintained in the downtown area | 20% | 50% | 75% |
| % of customer complaints responded to regarding outages within 24 hours | 100% | 100% | 100% |
| % of customer requests for new street light additions responded to within 48 hours | 100% | 100% | 100% |

Public Works - Street Lighting 13100

| Expense Summary | |
|---------------------|------------------|
| Personnel Expenses | \$0 |
| Operating Expenses | \$713,900 |
| Total Budget | \$713,900 |

Increases:

- \$100,000 – increase based on trends in electricity and for the addition of the parklets and EV charging stations downtown.

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

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

| OPERATING EXPENDITURES | | | | | |
|---|------------------------|-------------------|-------------------|-------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 45220 | Electricity | 500,000 | 600,000 | 100,000 | 20.00% |
| 48000 | Contracted Services | 60,000 | 60,000 | - | 0.00% |
| 48650 | Contract - New Lights | 53,900 | 53,900 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 613,900 | \$ 713,900 | \$ 100,000 | 16.29% |
| TOTAL STREET LIGHTING | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Operating Expenditures | 613,900 | 713,900 | 100,000 | 16.29% |
| | Capital - Improvements | - | - | - | 0.00% |
| Total for All Categories of Expenses | | \$ 613,900 | \$ 713,900 | \$ 100,000 | 16.29% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| Expenditures | | | | |
| Personnel | - | - | - | - |
| Operating | 153,772 | 147,100 | 147,100 | 174,460 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 153,772 | \$ 147,100 | \$ 147,100 | \$ 174,460 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| FTE Positions | - | - | - | - |

No Personnel included in this Division

| Expense Summary | |
|---------------------------|-----------|
| Personnel Expenses | \$0 |
| Operating Expenses | \$174,460 |
| Total Budget | \$174,460 |

Increases:

- \$27,360 standard increases in utilities and contracts for the Public Works Operations Center.

Public Works – Operations Center 13200

| OPERATING EXPENDITURES | | | | | |
|---|--|--------------------|--------------------|-----------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 44100 | Repair & Maintenance: Office Equipment | 500 | 500 | - | 0.00% |
| 45220 | Electricity | 60,000 | 66,000 | 6,000 | 10.00% |
| 45230 | Water & Sewer | 20,000 | 35,000 | 15,000 | 75.00% |
| 45240 | Gas Utilities | 10,000 | 12,000 | 2,000 | 20.00% |
| 45250 | Telephone | 42,000 | 45,360 | 3,360 | 8.00% |
| 45410 | Equipment Rental | 10,000 | 10,000 | - | 0.00% |
| 45610 | Motor Fuel | 600 | 600 | - | 0.00% |
| 46100 | Office Supplies | 4,000 | 5,000 | 1,000 | 25.00% |
| 48000 | Contracted Services | - | - | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 147,100 | \$ 174,460 | \$ 27,360 | 18.60% |
| TOTAL OPERATIONS CENTER | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Operating Expenditures | 147,100 | 174,460 | 27,360 | 18.60% |
| Total for All Categories of Expenses | | \$ 147,100 | \$ 174,460 | \$ 27,360 | 18.60% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Adopted |
|---------------------------|-------------------|-------------------|--------------------|--------------------|
| Expenditures | | | | |
| Personnel | 236,006 | 243,138 | 268,138 | 262,820 |
| Operating | 249,700 | 286,400 | 283,600 | 286,700 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 485,706 | \$ 529,538 | \$ 551,738 | \$ 549,520 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| 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 | FY 25 Target |
|--|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| # of street signs installed or repaired | 397 | 516 | 400 |
| # of regulatory signs installed or repaired | 690 | 692 | 350 |
| # of informational signs installed or repaired | 130 | 36 | 50 |
| # of custom signs completed (<i>internal metric</i>) | 598 | 790 | 600 |

Public Works – Signs and Markings 13300

| Expense Summary | |
|---------------------|------------------|
| Personnel Expenses | \$262,820 |
| Operating Expenses | \$286,700 |
| Capital Machinery | \$0 |
| Total Budget | \$549,520 |

Increases:

- Standard personnel increases.
- \$300 – increase in uniform budget based on increased costs.
- \$15,000 – increase in sign supplies based on price increases.

Reductions/Decreases:

- \$15,000 reduction in contracted services based on trends.

Capital:

- None

Items of Interest:

- Budget Includes:
 - \$125,000 for sign supplies.
 - \$105,000 for Contracted Services.
 - \$35,000 for guardrail maintenance and repair.
 - \$65,000 for contracted pavement markings.
 - \$20,000 for NCRC pavers maintenance.

PUBLIC WORKS

Public Works – Signs and Markings 13300

| PERSONNEL | | | | | |
|---|---------------------------------|-------------------|-------------------|-------------------------------|--------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 159,598 | 171,331 | 11,733 | 7.35% |
| 41200 | Salaries - Overtime | 8,000 | 8,000 | - | 0.00% |
| 41300 | Longevity Pay | 5,400 | 5,400 | - | 0.00% |
| 42000 | FICA | 12,117 | 13,328 | 1,211 | 9.99% |
| 42200 | State Retirement | 20,602 | 24,107 | 3,505 | 17.01% |
| 42210 | 401k | 2,968 | 3,321 | 353 | 11.89% |
| 42300 | Medical Insurance | 33,120 | 36,000 | 2,880 | 8.70% |
| 42400 | Life Insurance | 289 | 289 | - | 0.00% |
| 42500 | Dental Insurance | 1,044 | 1,044 | - | 0.00% |
| Sub-Total For Personnel | | \$ 243,138 | \$ 262,820 | \$ 19,682 | 8.09% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 44200 | Repair & Maintenance: Vehicles | 10,000 | 10,000 | - | 0.00% |
| 44400 | Repair & Maintenance: Equipment | 1,000 | 1,000 | - | 0.00% |
| 45250 | Telephone | 6,900 | 6,900 | - | 0.00% |
| 45610 | Motor Fuel | 8,800 | 8,800 | - | 0.00% |
| 46100 | Office Supplies | 3,500 | 3,500 | - | 0.00% |
| 46200 | Small Equipment and Tools | 5,000 | 5,000 | - | 0.00% |
| 46810 | Sign Supplies | 110,000 | 125,000 | 15,000 | 13.64% |
| 47100 | Uniforms | 3,200 | 3,500 | 300 | 9.38% |
| 48000 | Contracted Services | 120,000 | 105,000 | (15,000) | -12.50% |
| 51100 | Travel and Training | 18,000 | 18,000 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 286,400 | \$ 286,700 | \$ 300 | 0.10% |
| TOTAL SIGNS AND MARKINGS | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Personnel Expenditures | 243,138 | 262,820 | 19,682 | 8.09% |
| | Operating Expenditures | 286,400 | 286,700 | 300 | 0.10% |
| | Capital - Machinery & Equipment | - | - | - | 0.00% |
| Total for All Categories of Expenses | | \$ 529,538 | \$ 549,520 | \$ 19,982 | 3.77% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| Expenditures | | | | |
| Personnel | - | - | - | - |
| Operating | 1,543,430 | 1,583,146 | 4,310,492 | 1,794,902 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 1,543,430 | \$ 1,583,146 | \$ 4,310,492 | \$ 1,794,902 |
| Revenues | | | | |
| Charges and Fees | 1,583,143 | 1,583,146 | 1,794,902 | 1,794,902 |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ 1,583,146 | \$ 1,583,146 | \$ 1,794,902 | \$ 1,794,902 |
| Staffing | | | | |
| FTE Positions | - | - | - | - |

No personnel included in this budget

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$0 |
| Operating Expenses | \$1,794,902 |
| Total Budget | \$1,794,902 |

Increases:

- \$211,756 - increase in Powell Bill funding (*based on FY 24 allocations received*).
- \$227,756 - increase in resurfacing contract.

Reductions:

- \$10,000 – reduction in equipment rental moved to street maintenance budget.
- \$6,000 – reduction in small tools and equipment moved to street maintenance budget.

Items of Interest:

- \$300,000 for R&M: Streets (repairs to existing streets, pothole repair).
- \$400,000 for Contracted Services (small street repaving projects).
- \$1,088,902 for Contract – Resurfacing (Covers the annual resurfacing plan).
- \$600,000 for Contract – Resurfacing (Covers the annual resurfacing plan)

Public Works – Powell Bill 13400

| OPERATING EXPENDITURES | | | | | |
|---|-------------------------------|---------------------|---------------------|-----------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 44900 | Repair & Maintenance: Streets | 300,000 | 300,000 | - | 0.00% |
| 45220 | Electricity | 6,000 | 6,000 | - | 0.00% |
| 45410 | Equipment Rental | 10,000 | - | (10,000) | -100.00% |
| 46200 | Small Equipment and Tools | 6,000 | - | (6,000) | -100.00% |
| 48000 | Contracted Services | 400,000 | 400,000 | - | 0.00% |
| 48300 | Consultants | - | - | - | 0.00% |
| 48850 | Contract - Resurfacing | 861,146 | 1,088,902 | 227,756 | 26.45% |
| Sub-Total for Operating Expenditures | | \$ 1,583,146 | \$ 1,794,902 | \$ 211,756 | 13.38% |
| TOTAL POWELL BILL | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Persomel Expenditures | - | - | - | 0.00% |
| | Operating Expenditures | 1,583,146 | 1,794,902 | 211,756 | 13.38% |
| | Capital Machinery & Equipment | - | - | - | -100.00% |
| Total for All Categories of Expenses | | \$ 1,583,146 | \$ 1,794,902 | \$ 211,756 | 13.38% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| Expenditures | | | | |
| Personnel | 756,558 | 949,325 | 939,325 | 1,088,485 |
| Operating | 454,989 | 203,240 | 598,521 | 229,240 |
| Capital | 60,364 | 480,000 | 481,575 | - |
| Total Expenditures | \$ 1,271,911 | \$ 1,632,565 | \$ 2,019,421 | \$ 1,317,725 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| FTE Positions | 13 | 13 | 13 | 14 |

Personnel Includes: Operations Manager (1), Crew Chief (1), Construction Maintenance Technician (2), Construction Maintenance Worker II (8), (1) Crew Supervisor and proposed (1) ROW Crew Chief

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 Actual | FY 25 Target |
|--|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| # of mowing miles (ROW) tractors ran | 2,773 | 3,734 | 3,000 |
| # of feet sidewalk maintained (in-house) | 859,748 | 734,364 | 900,000 |
| # of feet sidewalk repaired (contracted out) | 4,123 | 3,760 | 4,200 |

PUBLIC WORKS

| | | | |
|--|---------|----------|---------|
| # of reconstruction resurfaced miles (<i>Powell Bill and in-house</i>) | 3.18 | 3.20 | 3.20 |
| Efficiency Measures | | | |
| # of lane miles maintained per 1,000 population | 9.02 | 9.00 | 9.00 |
| Repaired potholes per lane mile maintained | 4,857 | 3,588 | 5,000 |
| Repaired utility cuts per lane mile maintained | 278 | 155 | 300 |
| Cost of maintenance per lane mile maintained | \$4,674 | \$4,000 | \$4,000 |
| Cost per lane mile for preservation treatment (" <i>crack sealing method</i> ") | \$3,581 | \$764.00 | \$3,000 |
| Cost per ton for contract resurfacing | \$98.33 | \$95.00 | \$90.00 |
| Effectiveness Measures | | | |
| Percent of lane miles rated 85 or better (<i>*in-house assessment completed by 1/15</i>) | 22% | 83% | 100% |
| Percent of lane miles rated below 45 (<i>*in-house assessment completed by 1/15</i>) | 47% | 47% | 100% |
| Percentage of potholes repaired within 24 hours | 100% | 100% | 100% |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$1,088,485 |
| Operating Expenses | \$229,240 |
| Capital Machinery | \$- |
| Total Budget | \$1,317,725 |

Increases:

- \$10,000 – increase in equipment rental that was once budgeted in Powell Bill.
- \$6,000 – increase in small tools and equipment that was once budgeted in Powell Bill.
- \$10,000 – increase in repair and maintenance for streets.
- Standard contractual increases.
- Increase in personnel costs related to the addition of a Right of Way Crew Chief.

Reductions/Decreases:

- 202,000 – reduction in capital machinery and equipment.

Capital: This is now accounted for in debt service for a short-term borrowing.

- \$278,000 increase in capital outlay.
 - \$13,000 for Graco line lazer paint striper.
 - \$15,000 for Bobcat asphalt spreader skid steer attachment.
 - \$250,000 for Tandem dump with snow equipment.

Public Works – Street Maintenance 13500

| PERSONNEL | | | | | |
|---|---------------------------------|---------------------|---------------------|-----------------------------------|----------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 624,507 | 720,073 | 95,566 | 15.30% |
| 41200 | Salaries - Overtime | 24,000 | 24,000 | - | 0.00% |
| 41300 | Longevity Pay | 14,100 | 16,000 | 1,900 | 13.48% |
| 42000 | FICA | 46,750 | 54,879 | 8,129 | 17.39% |
| 42200 | State Retirement | 80,597 | 91,153 | 10,556 | 13.10% |
| 42210 | 401k | 10,230 | 8,411 | (1,819) | -17.78% |
| 42300 | Medical Insurance | 143,520 | 168,000 | 24,480 | 17.06% |
| 42400 | Life Insurance | 1,097 | 1,097 | - | 0.00% |
| 42500 | Dental Insurance | 4,524 | 4,872 | 348 | 7.69% |
| Sub-Total for Personnel | | \$ 949,325 | \$ 1,088,485 | \$ 139,160 | 14.66% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 44200 | Repair & Maintenance: Vehicles | 55,000 | 55,000 | - | 0.00% |
| 44400 | Repair & Maintenance: Equipment | 50,000 | 50,000 | - | 0.00% |
| 44490 | Repair & Maintenance: Streets | 40,000 | 50,000 | 10,000 | 25.00% |
| 45410 | Equipment Rental | - | 10,000 | 10,000 | 100.00% |
| 45610 | Motor Fuel | 42,240 | 42,240 | - | 0.00% |
| 46200 | Small Tools and Equipment | - | 6,000 | 6,000 | 100.00% |
| 47100 | Uniforms | 16,000 | 16,000 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 203,240 | \$ 229,240 | \$ 26,000 | 12.79% |
| TOTAL STREET MAINTENANCE | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Personnel Expenditures | 949,325 | 1,088,485 | 139,160 | 14.66% |
| | Operating Expenditures | 203,240 | 229,240 | 26,000 | 12.79% |
| | Capital Machinery & Equipment | 480,000 | - | (480,000) | 100.00% |
| Total for All Categories of Expenses | | \$ 1,632,565 | \$ 1,317,725 | \$ (314,840) | -19.28% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| Expenditures | | | | |
| Personnel | 989,625 | 1,079,207 | 1,124,207 | 1,178,615 |
| Operating | 113,356 | 154,000 | 154,000 | 160,500 |
| Capital | 6,235 | 30,000 | 36,000 | - |
| Total Expenditures | \$ 1,109,216 | \$ 1,263,207 | \$ 1,314,207 | \$ 1,339,115 |
| Revenues | | | | |
| Charges and Fees | 200,468 | 265,000 | 265,000 | 271,625 |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ 200,468 | \$ 265,000 | \$ 265,000 | \$ 271,625 |
| Staffing | | | | |
| 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 Actual | FY 25 Target |
|---|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| # of zoning permits issued per year | 1,203 | 1,214 | 1,300 |
| # of site plan reviews | 97 | 73 | 100 |
| # of minor subdivision/plat reviews | 27 | 19 | 30 |
| # of major subdivision/plat reviews | 34 | 22 | 40 |
| # of ordinance/plan amendments (include variances here) | 5 | 7 | 6 |
| # of plan reviewers per FTE | 50 | 67 | 55 |
| # of sewer allocation plans permitted | 4 | 1 | 5 |
| # of exempt plats reviewed | 57 | 67 | 60 |
| # of public information requests | 41 | 56 | 40 |
| Efficiency Measures | | | |
| % of zoning permits issued within 48 hours of receipt of application | 100% | 87% | 100% |
| % of minor subdivision plat reviews completed within 20 business days | 100% | 95% | 100% |
| % of preliminary plat reviewed within 20 business days | 100% | 95% | 100% |
| Effectiveness Measures | | | |
| % of complaints versus valid complaints | 95% | 100% | 100% |
| Ratio of property owner resolution versus city resolution | 10:01 | 10:04 | 10:01 |
| % of cases cleared within 10 days | 75% | 100% | 100% |
| % of total code enforcement cases that are citizen activated versus staff activated | 30% | 100% | 100% |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$1,178,615 |
| Operating Expenses | \$160,500 |
| Capital Machinery | \$- |
| Total Budget | \$1,339,115 |

Increases:

- \$2,500 – increase in dues and subscriptions.
- \$4,000 – increase in travel and training based on new employees needing necessary training and certifications.
- Standard personnel increases based on employee performance evaluations throughout the year.

Reductions:

- \$2,000 – reduction in office supplies based on trends.

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 (P2).

Planning 14000

| PERSONNEL | | | | | |
|---|--------------------------------|---------------------|---------------------|-------------------------------|--------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 758,208 | 824,136 | 65,928 | 8.70% |
| 41100 | Salaries - Part Time | 5,000 | 5,000 | - | 0.00% |
| 41200 | Salaries - Overtime | 7,500 | 7,500 | - | 0.00% |
| 41300 | Longevity Policy | 3,300 | 3,300 | - | 0.00% |
| 41400 | Board Member Fees | 10,000 | 10,000 | - | 0.00% |
| 41600 | Vehicle Allowance | 6,000 | 6,000 | - | 0.00% |
| 42000 | FICA | 55,813 | 60,802 | 4,989 | 8.94% |
| 42200 | State Retirement | 97,738 | 112,868 | 15,130 | 15.48% |
| 42210 | 401k | 9,055 | 11,856 | 2,801 | 30.93% |
| 42300 | Medical Insurance | 121,440 | 132,000 | 10,560 | 8.70% |
| 42400 | Life Insurance | 1,325 | 1,325 | - | 0.00% |
| 42500 | Dental Insurance | 3,828 | 3,828 | - | 0.00% |
| Sub-Total For Personnel | | \$ 1,079,207 | \$ 1,178,615 | \$ 99,408 | 9.21% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 43100 | Printing | 1,200 | 1,200 | - | 0.00% |
| 43200 | Advertising | 21,000 | 21,000 | - | 0.00% |
| 43300 | Postage | 300 | 300 | - | 0.00% |
| 43610 | Demolition Expenditures | 75,000 | 75,000 | - | 0.00% |
| 44200 | Repair & Maintenance: Vehicles | 7,200 | 7,200 | - | 0.00% |
| 45250 | Telephone | 8,000 | 8,000 | - | 0.00% |
| 45610 | Motor Fuel | 1,800 | 1,800 | - | 0.00% |
| 46100 | Office Supplies | 7,000 | 5,000 | (2,000) | -28.57% |
| 46200 | Small Equipment and Tools | 3,500 | 3,500 | - | 0.00% |
| 46300 | Dues and Subscriptions | 5,500 | 8,000 | 2,500 | 45.45% |
| 47100 | Uniforms | 2,500 | 2,500 | - | 0.00% |
| 48610 | Contract - Planning | - | - | - | 0.00% |
| 51100 | Travel and Training | 19,000 | 23,000 | 4,000 | 21.05% |
| 51300 | Special Expenses | 2,000 | 2,000 | - | 0.00% |
| 51800 | Meetings | - | 2,000 | 2,000 | 100.00% |
| Sub-Total for Operating Expenditures | | \$ 154,000 | \$ 160,500 | \$ 6,500 | 4.22% |
| TOTAL PLANNING | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Personnel Expenditures | 1,079,207 | 1,178,615 | 99,408 | 9.21% |
| | Operating Expenditures | 154,000 | 160,500 | 6,500 | 4.22% |
| | Capital Expenditures | 30,000 | - | (30,000) | 0.00% |
| Total for All Categories of Expenses | | \$ 1,263,207 | \$ 1,339,115 | \$ 75,908 | 6.01% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| Expenditures | | | | |
| Personnel | 2,343,939 | 3,096,751 | 3,096,751 | 3,725,246 |
| Operating | 1,739,202 | 2,301,794 | 4,274,858 | 3,773,100 |
| Capital | 194,961 | 281,000 | 5,777,781 | 3,000 |
| Total Expenditures | \$ 4,278,102 | \$ 5,679,545 | \$ 13,149,390 | \$ 7,501,346 |
| Revenues | | | | |
| Charges and Fees | 751,798 | 1,100,000 | 2,616,794 | 2,050,600 |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ 751,798 | \$ 1,100,000 | \$ 2,616,794 | \$ 2,050,600 |
| Staffing | | | | |
| FTE Positions | 23 | 25 | 25 | 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) Recreation Superintendent and (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 Actual | FY 25 Target |
|---|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| # of total acres maintained per 1,000 residents | 4.84 | 4.84 | 5.00 |
| # of park acres maintained | 112 | 112 | 125 |
| # of City acres in facilities maintained | 145 | 145 | 150 |
| Total acreage maintained | 257 | 257 | 275 |

PARKS AND RECREATION

| | | | |
|--|---------|---------|---------|
| Land acres of parks per 10,000 population | 21.07 | 20.06 | 22.00 |
| Athletic fields per 10,000 population | 1.13 | .86 | 1.25 |
| Playgrounds per 10,000 population | 1,000 | 750 | 1,000 |
| # of residents per park | 10,000 | 9,000 | 10,000 |
| # of greenway miles maintained | 25 | 25 | 25 |
| Efficiency Measures | | | |
| Cost per acre for ground maintenance | \$2,506 | \$3,500 | \$2,500 |
| Cost per acre for park maintenance | \$3,245 | \$4,000 | \$3,000 |
| Acres of park maintained per maintenance FTE | 4.6 | 5.0 | 5.0 |
| Effectiveness Measures | | | |
| Revenue as percent of total core costs (<i>Program revenue versus expense</i>) | 8.24% | 13.52% | 8.24% |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$3,725,246 |
| Operating Expenses | \$3,773,100 |
| Capital Machinery | \$3,000 |
| Total Budget | \$7,892,346 |

Increases:

- \$10,000 – increase in part time hours to assist with pickleball courts at Bakers Creek.
- Standard increases across all part time accounts based on trends.
- \$1,233,000 – increase to account for City operations at the Swanee Theatre. This is offset by \$835,600 in revenues associated for the Swanee (\$600,000 in ticket sales and \$235,600 in rental revenue and concessions).
- \$737,695 in expenses associated with the Gem Theatre with \$700,000 in offsetting revenues. After the renovations, staff are projecting the Gem Theatre to break even or close to it this budget year.
- \$109,856 – increase in ground maintenance contract (total contract: \$917,700).
- Standard contractual increases across operating line items.
- \$285,100 – increase in repair and maintenance building and grounds for the following items:
 - \$6,000 - Xmas decorations for Main St at parklets/West Ave repairs/replacements
 - \$5,000 - Sand filter installation at pumphouse
 - \$60,000 - Watson-Crick Irrigation repair and landscaping
 - \$21,000 - Kannapolis Parkway/I-85 median repairs
 - \$28,000 - City Hall turf sod repairs
 - \$6,000 - Light post painting at Village Park
 - \$5,900 - Drainage repairs at Village Park
 - \$35,000 - Infield renovation at BCP ballfield
 - \$15,000- City Hall Landscaping work
 - \$11,000 - West Ave gravel replacement near swings
 - \$13,000 - Remove, repair, replace concrete at Safrif behind backstops
 - \$14,000 - Happy Holidays Display Repairs
 - \$60,000 - Ceiling repairs in Gem front rooms 2nd floor
 - \$5,200 - Parklet flowers and plants

Reductions:

- \$35,000 – reduction in consultant fees at the Gem Theatre.
- \$70,400 – reduction in contracted services

Capital: This is now accounted for in debt service for a short-term borrowing.

- \$394,000 increase in capital outlay and equipment:
 - \$21,000 - Club car carryall/JD gator electric for Village Park
 - \$35,000 - Ford Escape for programming staff needs
 - \$15,000 - 60" Ex-mark mower
 - \$59,000 - New Ford F-250
 - \$14,000 - Toro Workman for Bakers Creek Park
 - \$15,500 - Ride-on aerator with seed spreader
 - \$55,000 - Kubota tractor with backhoe attachment
 - \$65,000 - Tow behind Chipper for cleanup projects
 - \$90,000 - Mini excavator
 - \$10,500 - Chipper attachment for tool cat
 - \$11,000 - Tilt-deck heavy equipment trailer

Items of Interest:

- Grounds Maintenance for all city properties is in Contracted Services.

PARKS AND RECREATION

| PERSONNEL | | | | | |
|--------------------------------|--|------------------------|------------------------|--------------------------------------|-----------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 1,361,899 | 1,520,819 | 158,920 | 11.67% |
| 41100-BCPK | Salaries - Part Time-Bakers Creek Park | 110,612 | 137,000 | 26,388 | 23.86% |
| 41100-BUILD | Salaries - Part Time-Building Monitor | 121,901 | 137,000 | 15,099 | 12.39% |
| 41100-CONCE | Salaries- Part Time- Concessions | - | 204,000 | 204,000 | 100.00% |
| 41100-EVENT | Salaries - Part Time-Events | 84,531 | 128,000 | 43,469 | 51.42% |
| 411000-GEM | Salaries - Part Time-Gem | 179,571 | 190,000 | 10,429 | 5.81% |
| 41100-GROUN | Salaries - Part Time-Grounds Maintenance | 168,934 | 196,000 | 27,066 | 16.02% |
| 41100-SWANEE | Salaries - Part Time-Swanee | - | 154,000 | 154,000 | 100.00% |
| 41100-VILPK | Salaries - Part Time-Village Park | 364,770 | 255,000 | (109,770) | -30.09% |
| 41200 | Salaries - Overtime | 16,000 | 16,000 | - | 0.00% |
| 41300 | Longevity Pay | 26,000 | 27,400 | 1,400 | 5.38% |
| 41600 | Vehicle Allowance | 1,950 | 1,950 | - | 0.00% |
| 41600 - GEM | Vehicle Allowance-Gem | - | - | - | 0.00% |
| 42000 | FICA | 170,120 | 180,927 | 10,807 | 6.35% |
| 42200 | State Retirement | 181,555 | 199,004 | 17,449 | 9.61% |
| 42210 | 401k | 22,485 | 30,331 | 7,846 | 34.89% |
| 42300 | Medical Insurance | 276,000 | 336,000 | 60,000 | 21.74% |
| 42400 | Life Insurance | 2,071 | 2,071 | - | 0.00% |
| 42500 | Dental Insurance | 8,352 | 9,744 | 1,392 | 16.67% |
| Sub-Total For Personnel | | \$ 3,096,751 | \$ 3,725,246 | \$ 628,495 | 20.30% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 43100 | Printing | 2,000 | 2,000 | - | 0.00% |
| 43100-GEM | Printing-Gem | 4,000 | 3,000 | (1,000) | -25.00% |
| 43100-SWANEE | Printing-Swanee | - | 2,000 | 2,000 | 100.00% |
| 43200 | Advertising | 2,000 | 2,000 | - | 0.00% |
| 43200-GEM | Advertising-Gem | - | - | - | 0.00% |
| 43300 | Postage | 300 | 300 | - | 0.00% |
| 43300-GEM | Postage-Gem | 500 | 250 | (250) | -50.00% |
| 43300-SWANEE | Postage-Swanee | - | 500 | 500 | 100.00% |
| 43800 | Credit Card Fees | 26,000 | 52,000 | 26,000 | 100.00% |
| 43800-GEM | Credit Card Fees-Gem | 30,000 | 30,000 | - | 0.00% |
| 43800-SWANEE | Credit Card Fees- Swanee | - | 60,000 | 60,000 | 100.00% |
| 44200 | Repair & Maintenance: Vehicles | 3,500 | 3,500 | - | 0.00% |
| 44200-BCPK | Repair & Maintenance: Vehicles - Bakers Creek Park | 5,000 | 7,500 | 2,500 | 50.00% |
| 44200-GROUN | Repair & Maintenance: Vehicles - Grounds Maintenance | 6,000 | 6,500 | 500 | 8.33% |
| 44200-VILPK | Repair & Maintenance: Vehicles - Village Park | 3,500 | 5,000 | 1,500 | 42.86% |
| 44300 | Repair & Maintenance: Buildings and Grounds | 12,500 | 297,600 | 285,100 | 2280.80% |
| 44300-BCPK | Repair & Maintenance: Buildings and Grounds-BC | 25,000 | 30,000 | 5,000 | 20.00% |
| 44300-DIXIE | Repair & Maintenance: Buildings and Grounds-Dixie | 14,500 | 14,500 | - | 0.00% |
| 44300-GEM | Repair & Maintenance: Buildings and Grounds-Gem | 36,000 | 30,000 | (6,000) | -16.67% |
| 44300-GROUN | Repair & Maintenance: Buildings and Grounds-Grounds | 78,700 | 95,000 | 16,300 | 20.71% |
| 44300-SWANEE | Repair & Maintenance: Buildings and Grounds-Swanee | - | 10,000 | 10,000 | 100.00% |
| 44300-SAFPK | Repair & Maintenance: Buildings and Grounds-SP | 25,000 | 27,000 | 2,000 | 8.00% |
| 44300-VILPK | Repair & Maintenance: Buildings and Grounds-VP | 55,500 | 60,500 | 5,000 | 9.01% |
| 44400 | Repair & Maintenance: Equipment | - | - | - | 0.00% |
| 44400-BCPK | Repair & Maintenance: Equipment-BC | 6,000 | 5,000 | (1,000) | -16.67% |
| 44400-GEM | Repair & Maintenance: Equipment-Gem | 5,500 | 6,000 | 500 | 9.09% |
| 44400-GROUN | Repair & Maintenance: Equipment-Grounds | 6,500 | 6,500 | - | 0.00% |
| 44400-SWANEE | Repair & Maintenance: Equipment-Swanee | - | 5,000 | 5,000 | 100.00% |
| 44400-VILPK | Repair & Maintenance: Equipment-VP | 5,500 | 6,500 | 1,000 | 18.18% |

PARKS AND RECREATION

| | | | | | |
|---|-----------------------------------|------------------------|------------------------|--------------------------------------|-----------------|
| 45220 | Electricity | 170,000 | 170,000 | - | 0.00% |
| 45220-GEM | Electricity-Gem | 20,000 | 20,000 | - | 0.00% |
| 45220-SWANEE | Electricity-Swane | - | 13,000 | 13,000 | 100.00% |
| 45230 | Water & Sewer | 94,000 | 99,000 | 5,000 | 5.32% |
| 45230-GEM | Water & Sewer-Gem | 15,000 | 15,000 | - | 0.00% |
| 45230-SWANEE | Water & Sewer-Swane | - | 4,000 | 4,000 | 100.00% |
| 45240 | Gas Utilities | 24,000 | 24,000 | - | 0.00% |
| 45240-GEM | Gas Utilities-Gem | - | - | - | 0.00% |
| 45240-SWANEE | Gas Utilities-Swane | - | 10,000 | 10,000 | 100.00% |
| 45250 | Telephone | 43,900 | 43,900 | - | 0.00% |
| 45250-GEM | Telephone-Gem | 4,800 | 9,500 | 4,700 | 97.92% |
| 45250-SWANEE | Telephone-Swane | - | 5,000 | 5,000 | 100.00% |
| 45410 | Equipment Rental | 9,000 | 9,000 | - | 0.00% |
| 45450 | Facility Expenses | 16,000 | 30,000 | 14,000 | 87.50% |
| 45450-SWANEE | Facility Expenses-Swane | - | 21,000 | 21,000 | 100.00% |
| 45610 | Motor Fuel | 31,000 | 35,000 | 4,000 | 12.90% |
| 46100 | Office Supplies | 5,700 | 9,800 | 4,100 | 71.93% |
| 46100-GEM | Office Supplies-Gem | 15,000 | 12,000 | (3,000) | -20.00% |
| 46100-SWANEE | Office Supplies-Swane | - | 5,000 | 5,000 | 100.00% |
| 46200 | Small Equipment and Tools | 2,900 | 1,900 | (1,000) | -34.48% |
| 46200-BCPK | Small Equipment and Tools-BC | 2,200 | 3,300 | 1,100 | 50.00% |
| 46200-GEM | Small Equipment and Tools-Gem | 15,000 | 10,000 | (5,000) | -33.33% |
| 46200-GROUN | Small Equipment and Tools-Grounds | 6,500 | 7,000 | 500 | 7.69% |
| 46200-SWANEE | Small Equipment and Tools-Swane | - | 30,000 | 30,000 | 100.00% |
| 46200-VILPK | Small Equipment and Tools-VP | 2,000 | 10,500 | 8,500 | 425.00% |
| 46300 | Dues and Subscriptions | 4,200 | 4,500 | 300 | 7.14% |
| 46300-GEM | Dues and Subscriptions-Gem | 5,000 | 4,000 | (1,000) | -20.00% |
| 46300-SWANEE | Dues and Subscriptions-Swane | - | 1,000 | 1,000 | 100.00% |
| 46620 | Concession Supplies | 90,000 | 105,000 | 15,000 | 16.67% |
| 46620-GEM | Concession Supplies-GEM | 92,000 | 95,000 | 3,000 | 3.26% |
| 46620-SWANEE | Concession Supplies-Swane | - | 88,000 | 88,000 | 100.00% |
| 46625-SWANEE | Rider Requirements- Swanee | - | 25,000 | 25,000 | 100.00% |
| 46640 | Cemetery Supplies | 3,000 | 3,000 | - | 0.00% |
| 46820 | Cleaning Supplies | 300 | 300 | - | 0.00% |
| 46820-BCPK | Cleaning Supplies-BC | 3,500 | 4,000 | 500 | 14.29% |
| 46820-GEM | Cleaning Supplies-Gem | 38,000 | 30,000 | (8,000) | -21.05% |
| 46820-GROUN | Cleaning Supplies-Grounds | 7,300 | 7,300 | - | 0.00% |
| 46820-SWANEE | Cleaning Supplies-Swane | - | 10,000 | 10,000 | 100.00% |
| 46820-VILPK | Cleaning Supplies-VP | 5,400 | 6,000 | 600 | 11.11% |
| 47100 | Uniforms | 19,000 | 24,000 | 5,000 | 26.32% |
| 47100-GEM | Uniforms-Gem | 3,500 | 3,500 | - | 0.00% |
| 47100-SWANEE | Uniforms- Swanee | - | 3,500 | 3,500 | 100.00% |
| 48000 | Contracted Services | 85,400 | 15,000 | (70,400) | -82.44% |
| 48000-GEM | Contracted Services-Gem | 200,000 | 200,000 | - | 0.00% |
| 48000-SWANEE | Contracted Services-Swane | - | 15,000 | 15,000 | 100.00% |
| 48220 | Contract - Grounds Maintenance | 807,844 | 917,700 | 109,856 | 13.60% |
| 48300-GEM | Consultants-Gem | 75,000 | 40,000 | (35,000) | -46.67% |
| 48300-SWANEE | Consultants-Swane | - | 10,000 | 10,000 | 100.00% |
| | Talent and Entertainment-Swane | - | 690,000 | 690,000 | 100.00% |
| | Sound Technology-Swane | - | 69,000 | 69,000 | 100.00% |
| 51100 | Travel and Training | 25,000 | 27,000 | 2,000 | 8.00% |
| 51100-GEM | Travel and Training-Gem | 1,000 | 1,000 | - | 0.00% |
| 51100-SWANEE | Travel and Training-Swane | - | 2,000 | 2,000 | 100.00% |
| 51800 | Meetings | 5,600 | 6,000 | 400 | 7.14% |
| 51800-GEM | Meetings-Gem | 250 | 250 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 2,301,794 | \$ 3,773,100 | \$ 1,471,306 | 63.92% |
| TOTAL PARKS | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Personnel Expenditures | 3,096,751 | 3,725,246 | 628,495 | 20.30% |
| | Operating Expenditures | 2,301,794 | 3,773,100 | 1,471,306 | 63.92% |
| | Capital Machinery and Equipment | 236,000 | 3,000 | (233,000) | 100.00% |
| Total for All Categories of Expenses | | \$ 5,634,545 | \$ 7,501,346 | \$ 1,866,801 | 33.13% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| Expenditures | | | | |
| Personnel | - | - | - | - |
| Operating | 1,038,477 | 998,000 | 1,680,665 | 1,366,600 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 1,038,477 | \$ 998,000 | \$ 1,680,665 | \$ 1,366,600 |
| Revenues | | | | |
| Charges and Fees | 248,927 | 175,000 | 175,000 | 250,000 |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ 248,927 | \$ 175,000 | \$ 175,000 | \$ 250,000 |
| Staffing | | | | |
| 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 Actual | FY 25 Target |
|---|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| # of Recreational programs offered (<i>breakdown below</i>) | | | |
| # of Adult programs | 10 | 12 | 12 |
| # of Family programs | 34 | 36 | 36 |
| # of Senior programs | 8 | 10 | 10 |
| # of West Avenue programs | 14 | 16 | 16 |

PARKS AND RECREATION

| | | | |
|--|--------|--------|--------|
| # of Youth and Teen programs | 12 | 14 | 14 |
| # of Athletic Programs | 35 | 45 | 40 |
| # by Flag Football participants | 264 | 315 | 300 |
| # by Basketball participants | 712 | 775 | 750 |
| # by Soccer participants | 810 | 868 | 830 |
| # by Baseball participants | 192 | 248 | 200 |
| # by Softball participants | 81 | 122 | 100 |
| # by Tball participants | 117 | 165 | 150 |
| # of Special events | 19 | 20 | 20 |
| # of concerts presented by the City (<i>overall</i>) | 20 | 20 | 22 |
| # of concert attendees | 60,500 | 52,000 | 65,000 |
| Efficiency Measures | | | |
| Average cost per concert attendee | \$3.71 | \$3.85 | \$3.50 |
| Volunteer hours in FTE's as a percent of paid FTE's (<i>includes coaches</i>) | 5,942 | 6,000 | 6,000 |
| Total youth athletic participants per FTE | 143.5 | 145.5 | 145.5 |
| Effectiveness Measures | | | |
| Revenue as percent of total core costs (<i>Program revenue versus expense</i>) | 85% | 85% | 85% |
| # of reservations/events made (Village Park) | 575 | 625 | 600 |
| # of reservations/events made (Bakers Creek Park) | 289 | 326 | 300 |
| # of reservations/events made in Shelter C (March - October) | 130 | 155 | 150 |
| # of reservations/events made (Jan - Dec) | 936 | 905 | 950 |
| # of reservations/events held (Jan - Dec) (internal & external) | 300 | 314 | 350 |
| # of hours utilized (Jan - Dec) (internal & external) | 1,214 | 1,378 | 1,300 |
| % of shelter reservations that meet or exceed expectations | 95% | 100% | 100% |
| % of customer satisfaction for senior trip participants | 95% | 100% | 100% |
| % of customer satisfaction for youth athletic participants | 85% | 100% | 100% |

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

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$0 |
| Operating Expenses | \$1,366,600 |
| Total Budget | \$1,366,600 |

Increases:

- \$100,000 – increase in program supplies for cultural arts.
- \$235,000 – total budget for Jiggy with the Piggy (does have offsetting revenue at \$26,000).

PARKS AND RECREATION

- \$7,000 – increase in parade program supplies.
- \$1,600 – increase in subscriptions program supplies.
- \$20,000 – increase in program supplies for sports programming.
- \$235,000 – increase for summer event series (does have offsetting revenue at \$122,000).
- \$5,000 – increase for Kannapolis Christmas program supplies.

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.

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.

| OPERATING EXPENDITURES | | | | | |
|---|------------------------|--------------------|---------------------|-----------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 46630 | Program Supplies | 417,000 | 525,600 | 108,600 | 26.04% |
| 46635 | Program Supplies-Other | 179,000 | 199,000 | 20,000 | 11.17% |
| 51441 | Summer Event Series | 340,000 | 575,000 | 235,000 | 69.12% |
| 51442 | Kannapolis Christmas | 62,000 | 67,000 | 5,000 | 8.06% |
| Sub-Total for Operating Expenditures | | \$ 998,000 | \$ 1,366,600 | \$ 368,600 | 36.93% |
| TOTAL RECREATION PROGRAMS | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Operating Expenditures | 998,000 | 1,366,600 | 368,600 | 36.93% |
| Total for All Categories of Expenses | | \$ 998,000 | \$ 1,366,600 | \$ 368,600 | 36.93% |

Parks and Recreation - Stadium 15200

| Expense Summary | |
|---------------------|------------------|
| Personnel Expenses | \$0 |
| Operating Expenses | \$350,000 |
| Total Budget | \$350,000 |

Increases:

- None

Reductions/Decreases:

- None

Items of Interest:

- Team and City each cover ½ of electricity and gas costs.
 - \$75,000 – electricity based on trends
 - \$5,000 – gas based on trends
- City pays for all Water and Sewer
 - \$50,000 – water and sewer based on trends.
- \$20,000 – repair and maintenance: building and grounds.
- \$200,000 – capital investment to the Capital “X” funding for capital improvements made to the stadium over time.

| OPERATING EXPENDITURES | | | | | |
|---|---|-------------------|-------------------|-------------------------------|--------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 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 | 200,000 | 200,000 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 350,000 | \$ 350,000 | \$ - | 0.00% |
| TOTAL STADIUM | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Operating Expenditures | 150,000 | 150,000 | - | 0.00% |
| | Capital Expenditures | 100,000 | 100,000 | - | 0.00% |
| Total for All Categories of Expenses | | \$ 350,000 | \$ 350,000 | \$ - | 0.00% |

WATER & SEWER FUND

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

WATER AND SEWER

Water & Sewer Revenue Summary

Fiscal Year 2025

| REVENUES | | | | | |
|-----------------------------------|---------------------------|----------------------|----------------------|------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease | % Change |
| 36000 | Charges and Fees | 21,001,437 | 25,485,813 | 4,484,376 | 21.35% |
| 36600 | Wholesale Water Sales | 400,000 | 425,000 | 25,000 | 6.25% |
| 36610 | Tap Fees | 800,000 | 1,168,000 | 368,000 | 46.00% |
| 36620 | Connection Fees | 1,500,000 | 1,885,000 | 385,000 | 25.67% |
| 36640 | Reconnection Fees | 140,000 | 140,000 | - | 0.00% |
| 36650 | Penalties | 400,000 | 525,000 | 125,000 | 31.25% |
| 37000 | Miscellaneous Revenue | 15,000 | 15,000 | - | 0.00% |
| 38000 | Investment Income | 30,000 | 100,000 | 70,000 | 233.33% |
| 39900 | Appropriated Fund Balance | - | - | - | 0.00% |
| Total Water and Sewer Fund | | \$ 24,286,437 | \$ 29,743,813 | \$ 5,457,376 | 22.47% |

Water & Sewer Expenditure Summary

Fiscal Year 2025

| EXPENSES | | | | |
|--|----------------------|----------------------|------------------------------|---------------|
| Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease | % Change |
| Water & Sewer - Billing & Collections | 1,556,054 | 1,704,289 | 148,235 | 9.53% |
| Water & Sewer - Distribution | 6,299,389 | 6,920,193 | 620,804 | 9.85% |
| Water & Sewer - Water Treatment Plant | 4,428,892 | 5,373,710 | 944,818 | 21.33% |
| Water & Sewer - WSACC | 4,455,480 | 5,869,191 | 1,413,711 | 31.73% |
| General Management Services - Transfer to General Fund | 1,823,413 | 1,845,182 | 21,769 | 1.19% |
| Transfer to Other Funds | - | - | - | 0.00% |
| Total Operating | \$ 18,563,228 | \$ 21,712,565 | \$ 3,149,337 | 16.97% |
| Total Debt Service | \$ 5,723,209 | \$ 8,031,248 | \$ 2,308,039 | 40.33% |
| Total Water and Sewer Fund Expenditures | \$ 24,286,437 | \$ 29,743,813 | \$ 5,457,376 | 22.47% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|----------------------|----------------------|----------------------|----------------------|
| Expenditures | | | | |
| Personnel | 891,817 | 1,076,854 | 1,076,854 | 1,251,089 |
| Operating | 243,899 | 479,200 | 479,200 | 453,200 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 1,135,716 | \$ 1,556,054 | \$ 1,556,054 | \$ 1,704,289 |
| Revenues | | | | |
| Charges and Fees | 25,583,831 | 24,241,437 | 24,241,437 | 29,628,813 |
| Miscellaneous/Other | - | 15,000 | 15,000 | 15,000 |
| Investment Income | 157,927 | 30,000 | 30,000 | 100,000 |
| Total Revenues | \$ 25,741,758 | \$ 24,286,437 | \$ 24,286,437 | \$ 29,743,813 |
| Staffing | | | | |
| FTE Positions | 11 | 14 | 14 | 15 |

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 and (1) Customer Service Revenue 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 Actual | FY 25 Target |
|--------------------------|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| # of calls received | 55,447 | 56,110 | 56,000 |
| # of calls answered | 51,239 | 50,714 | 52,000 |

WATER AND SEWER

| | | | |
|---|--------|--------|-------|
| # of calls requeued (<i>transferred</i>) | 2,062 | 5,396 | 2,000 |
| # of complaints | 52,627 | 49,839 | 0 |
| # of disconnects | 1,695 | 1,625 | 0 |
| # of reconnects | 3,911 | 3,418 | 0 |
| # of cut-offs for non-payment | 4,593 | 4,721 | 0 |
| # of customers past 30 days due | 4,820 | 5,011 | 0 |
| # of bills per month | 22,000 | 22,449 | 0 |
| Efficiency Measures | | | |
| Calls answered per Customer Service advocate | 0.20 | 0.4 | 0.5 |
| % of calls handled on initial phone call by Customer Service advocate (<i>reduced transfer calls</i>) | 13% | 24% | 25% |
| Effectiveness Measures | | | |
| Monthly collection rate | 96% | 97% | 100% |
| % of water bills not collected | 5% | 4% | 3% |
| % of wastewater bills not collected | 7% | 6% | 5% |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$1,251,089 |
| Operating Expenses | \$453,200 |
| Total Budget | \$1,704,289 |

Increases:

- \$174,235 – increase in personnel costs. This accounts for a new Customer Service Revenue Specialist position, 3% COLA, 5% merit, and health insurance increases.
- \$15,000 - 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.
- \$5,000 – increase in mailing services based on projected increased costs.

Reductions

- \$7,000 – decrease in small tools and equipment based on a one-time cost of a scanner purchased in FY 24. Included in the proposed FY 25 budget of \$3,000 does include small tools and equipment for the new position.
- \$40,000 – decrease in contracted services with the Datamax contract based on trends.

Items of Interest:

- Banking fees include Lockbox and e-box services.

WATER AND SEWER

Water and Sewer – Billing and Collections 36000

| PERSONNEL | | | | | |
|---|--|---------------------|---------------------|-----------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 745,692 | 861,652 | 115,960 | 15.55% |
| 41200 | Salaries - Overtime | 6,000 | 6,000 | - | 0.00% |
| 41300 | Longevity Pay | 9,200 | 11,100 | 1,900 | 20.65% |
| 42000 | FICA | 49,438 | 58,662 | 9,224 | 18.66% |
| 42100 | Workers Compensation Insurance | 15,120 | 15,120 | - | 100.00% |
| 42200 | State Retirement | 85,566 | 103,115 | 17,549 | 20.51% |
| 42210 | 401k | 5,376 | 9,018 | 3,642 | 67.75% |
| 42300 | Medical Insurance | 154,560 | 180,000 | 25,440 | 16.46% |
| 42400 | Life Insurance | 1,202 | 1,202 | - | 0.00% |
| 42500 | Dental Insurance | 4,700 | 5,220 | 520 | 11.06% |
| Sub-Total For Personnel | | \$ 1,076,854 | \$ 1,251,089 | \$ 174,235 | 16.18% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 43100 | Printing | 5,000 | 5,000 | - | 0.00% |
| 43300 | Postage | 160,000 | 175,000 | 15,000 | 9.38% |
| 44100 | Repair & Maintenance: Office Equipment | 1,000 | 1,000 | - | 0.00% |
| 45250 | Telephone | 3,200 | 3,200 | - | 0.00% |
| 46100 | Office Supplies | 5,000 | 5,000 | - | 0.00% |
| 46200 | Small Equipment and Tools | 10,000 | 3,000 | (7,000) | -70.00% |
| 46300 | Dues and Subscriptions | 2,000 | 3,000 | 1,000 | 50.00% |
| 47100 | Uniforms | 3,000 | 3,000 | - | 0.00% |
| 48000 | Contracted Services | 60,000 | 20,000 | (40,000) | -66.67% |
| 48430 | Banking Fees | 165,000 | 165,000 | - | 0.00% |
| 48440 | Mailing Services | 55,000 | 60,000 | 5,000 | 9.09% |
| 51100 | Travel and Training | 10,000 | 10,000 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 479,200 | \$ 453,200 | \$ (26,000) | -5.43% |
| TOTAL BILLING AND COLLECTIONS | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Personnel Expenditures | 1,076,854 | 1,251,089 | 174,235 | 16.18% |
| | Operating Expenditures | 479,200 | 453,200 | (26,000) | -5.43% |
| Total for All Categories of Expenses | | \$ 1,556,054 | \$ 1,704,289 | \$ 148,235 | 9.53% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| Expenditures | | | | |
| Personnel | 2,664,631 | 3,339,096 | 3,339,096 | 3,595,727 |
| Operating | 303,875 | 2,117,293 | 3,389,874 | 2,512,466 |
| Capital | 893,057 | 843,000 | 947,688 | 812,000 |
| Total Expenditures | \$ 3,861,563 | \$ 6,299,389 | \$ 7,676,658 | \$ 6,920,193 |
| Revenues | | | | |
| Charges and Fees | 25,583,831 | 24,241,437 | 24,241,437 | 29,628,813 |
| Miscellaneous/Other | 90,073 | 15,000 | 15,000 | 15,000 |
| Investment Income | - | 30,000 | 30,000 | 100,000 |
| Total Revenues | \$ 25,673,904 | \$ 24,286,437 | \$ 24,286,437 | \$ 29,743,813 |
| Staffing | | | | |
| 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. (1) additional Meter Technician and (1) Locator position.

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 Actual | FY 25 Target |
|--|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| # of miles of main line pipe per square mile of service area | 147.24 | 150.00 | 150.00 |
| # of new water services installed (Cityworks) | 62 | 75 | 70 |
| # of service lines repaired (Cityworks) | 482 | 393 | 500 |
| # of water leak repairs (Cityworks) | 502 | 550 | 550 |
| # of gallons produced | 1,384 | 1,500 | 1,500 |
| # of gallons purchased | 274.80 | 300.00 | 300.00 |
| Efficiency Measures | | | |
| Total cost per 1,000 gallons of billed water (Northstar) | \$25.47 | \$26.00 | \$24.00 |
| Million gallons of billed water per water service FTE | 453,017,100 | 500,000,000 | 500,000,000 |
| Effectiveness Measures | | | |
| Peak daily demand as a percentage of treatment capacity | 40% | 31% | 42% |
| % of taps installed (time meter is purchased to install) Target date of 90 days | 92% | 87% | 100% |
| Breaks and leaks per mile of main line pipe | 2.40 | 2.08 | 2.50 |
| Customer Complaints about water quality per 1,000 meters | 3.46 | 3.46 | 3.00 |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$3,595,727 |
| Operating Expenses | \$2,512,466 |
| Capital Expenses | \$812,000 |
| Total Budget | \$6,920,193 |

- \$256,631 – increase in personnel costs includes personnel costs. This accounts for a new locator position, 3% COLA, 5% merit, and health insurance increases.
- \$19,400 – increase in repair and maintenance: vehicles for increased costs and age of current fleet.
- \$16,625 – increase in repair and maintenance: equipment for increases costs and age of current equipment.
- \$1,400 – increase in equipment rental based on trends.
- \$10,091 – increase in motor fuel based on trends.
- \$3,000 – increase in small tools and equipment for new position.
- \$14,400 – increase in dues and subscriptions for CCTV dues and other programs.
- \$72,055 – increase in material costs for water and sewer services.
- \$262,213 increase in contracted services for the following:
 - \$35,000 in outfall contract maintenance. This contracted service is important as we are struggling to maintain our sewer outfalls (ROW) due to all available staff being assigned to construction. We are not able to maintain mowing due to turnover rate and this is a permit required obligation. The best solution is to contract this work out.

WATER AND SEWER

- \$35,000 – Washington Lane pump station zone- smoke test. Smoke test high I & I basin and prepare report for contracted repair
- \$192,213 – contracted services for I/I reduction. This is more cost effective to contract this service than to have an in-house crew at this time. This type of work will include work on wastewater outfall failures and reduction efforts via manhole raising and replacement.

Capital: \$812,000 total (breakdown below):

- \$32,000 – Ford Maverick for new locator position.
- \$45,000 – light duty truck for meter crew leader.
- \$215,000 – replacement of W35 Cat 420D Backhoe. This is based on the life cycle and repairs needed (replacement transmission estimated at \$30,000).
- \$185,000 – replacement of W31 mowing tractor. This is based on the life cycle. This tractor has broken down and is not cost-effective to repair.
- \$165,000 – purchase of a new dump truck. Lead Service Line has a need for this type of vehicle in the field. This will be a single axle and can be used as a spare for older fleet vehicles that are down.
- \$70,000 – new trench boxes. Shoring equipment is outdated and no longer supported by the manufacturer.
- \$65,000 – new sewer equipment truck for new wastewater lift stations and outfalls to maintain.
- \$35,000 – new gator and trailer. This department currently doesn't have a UTV. This would be a 4-seat UTV.

WATER AND SEWER

Water and Sewer – Distribution 36100

| PERSONNEL | | | | | |
|---|---|---------------------|---------------------|-----------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 2,197,017 | 2,342,222 | 145,205 | 6.61% |
| 41200 | Salaries - Overtime | 153,000 | 153,000 | - | 0.00% |
| 41300 | Longevity Pay | 28,400 | 30,600 | 2,200 | 7.75% |
| 42000 | FICA | 144,413 | 158,813 | 14,400 | 9.97% |
| 42100 | Workers Compensation Insurance | 47,520 | 47,520 | - | 100.00% |
| 42200 | State Retirement | 238,675 | 268,658 | 29,983 | 12.56% |
| 42210 | 401k | 26,159 | 35,022 | 8,863 | 33.88% |
| 42300 | Medical Insurance | 485,760 | 540,000 | 54,240 | 11.17% |
| 42400 | Life Insurance | 3,188 | 3,188 | - | 0.00% |
| 42500 | Dental Insurance | 14,964 | 16,704 | 1,740 | 11.63% |
| Sub-Total For Personnel | | \$ 3,339,096 | \$ 3,595,727 | \$ 256,631 | 7.69% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 43100 | Printing | 3,000 | 3,000 | - | 0.00% |
| 43300 | Postage | 1,800 | 1,800 | - | 0.00% |
| 44200 | Repair & Maintenance: Vehicles | 97,000 | 116,400 | 19,400 | 20.00% |
| 44300 | Repair & Maintenance: Buildings and Grounds | 1,800 | 1,800 | - | 0.00% |
| 44400 | Repair & Maintenance: Equipment | 66,500 | 83,125 | 16,625 | 25.00% |
| 44600 | Repair & Maintenance: Lift Station | 277,000 | 277,000 | - | 0.00% |
| 44900 | Repair & Maintenance: Streets | 10,000 | 10,000 | - | 0.00% |
| 45220 | Electricity | 58,300 | 58,300 | - | 0.00% |
| 45230 | Water and Sewer | 5,750 | 5,750 | - | 0.00% |
| 45249 | Gas Utilities | 2,090 | 2,299 | 209 | 10.00% |
| 45250 | Telephone | 49,220 | 45,000 | (4,220) | -8.57% |
| 45410 | Equipment Rental | 7,000 | 8,400 | 1,400 | 20.00% |
| 45610 | Motor Fuel | 67,275 | 77,366 | 10,091 | 15.00% |
| 46100 | Office Supplies | 12,000 | 12,000 | - | 0.00% |
| 46200 | Small Equipment and Tools | 10,000 | 13,000 | 3,000 | 30.00% |
| 46300 | Dues and Subscriptions | 36,000 | 50,400 | 14,400 | 40.00% |
| 46850 | Materials for W&S Services | 600,458 | 672,513 | 72,055 | 12.00% |
| 47100 | Uniforms | 40,000 | 40,000 | - | 0.00% |
| 48000 | Contracted Services | 715,000 | 977,213 | 262,213 | 36.67% |
| 51100 | Travel and Training | 57,100 | 57,100 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 2,117,293 | \$ 2,512,466 | \$ 395,173 | 18.66% |
| TOTAL DISTRIBUTION | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Personnel Expenditures | 3,339,096 | 3,595,727 | 256,631 | 7.69% |
| | Operating Expenditures | 2,117,293 | 2,512,466 | 395,173 | 18.66% |
| | Capital - Machinery and Equipment | 843,000 | 812,000 | (31,000) | 100.00% |
| Total for All Categories of Expenses | | \$ 6,299,389 | \$ 6,920,193 | \$ 620,804 | 9.85% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|----------------------|----------------------|----------------------|----------------------|
| Expenditures | | | | |
| Personnel | 1,163,587 | 1,539,741 | 1,589,741 | 1,853,474 |
| Operating | 2,583,520 | 2,649,151 | 3,236,314 | 3,412,236 |
| Capital | 58,482 | 240,000 | 240,000 | 108,000 |
| Total Expenditures | \$ 3,805,589 | \$ 4,428,892 | \$ 5,066,055 | \$ 5,373,710 |
| Revenues | | | | |
| Charges and Fees | 25,583,831 | 24,241,437 | 24,241,437 | 29,628,813 |
| Miscellaneous/Other | 90,073 | 15,000 | 15,000 | 15,000 |
| Investment Income | - | 30,000 | 30,000 | 100,000 |
| Total Revenues | \$ 25,673,904 | \$ 24,286,437 | \$ 24,286,437 | \$ 29,743,813 |
| Staffing | | | | |
| FTE Positions | 14 | 14 | 14 | 19 |

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 and (1) Operator 2- Night Shift Lead.

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 Actual | FY 25 Target |
|--|-----------------|-----------------|-----------------|
| Workload Measures | | | |
| # of wastewater gallons treated | 1,592 | 1,370 | 1,600 |
| # of miles of sewer main pipe per square mile of service | 132.24 | 132.24 | 135.00 |
| # of lift stations per 1,000 accounts (14 lift stations, 20,000 accounts) | 16.96 | 15.00 | 15.00 |
| # of new sewer services installed | 56 | 63 | 60 |
| # of sewer laterals repaired or replaced (Cityworks) | 49 | 76 | 52 |
| # of sewer mains jet-washed in feet (Cityworks) | 116,753 | 21,970 | 118,000 |
| Efficiency Measures | | | |
| Customer accounts per wastewater services FTE | 897.49 | 900.00 | 900.00 |
| Effectiveness Measures | | | |
| % of taps installed (time meter is purchased to meter is installed) *90 day goal | 1.87 | 1.92 | 1.90 |
| % of City's average daily flow as % of capacity | 52.40 | 54.26 | 55.00 |
| % of main line rehabbed or replaced | 20% | 30% | 30% |
| Overflows per 100 miles of main line pipe (Cityworks) | 10 | 2 | 5 |
| Backups per 100 miles of main line pipe (Cityworks) | 202.37 | 133.05 | 100 |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$1,853,474 |
| Operating Expenses | \$3,412,236 |
| Capital Expenses | \$108,000 |
| Total Budget | \$5,373,710 |

Increases:

- \$313,733 – increase in personnel costs includes personnel costs. This accounts for a new Operator position, 3% COLA, 5% merit, and health insurance increases.
- \$335,000 – increase in chemical order based on inflation.
- \$123,550 – increase in repair and maintenance for vehicles, equipment, lift station and water tanks based on trends.
- \$250,000 – increase in bulk water purchases based on trends.
- \$50,000 – increase in equipment rental for the rental of a generator.
- \$4,000 – increase in uniforms based on increased costs.
- \$8,000 – increase in travel and training based on increased costs and addition of a team member.
- \$60,000 – increase in contracted services for an electrical study to take place. The generator is out of service and we are on a temporary rented generator awaiting repairs. The current Gen Set is aged and need of replacement. This will be the study to determine what options we have.

Reductions:

- \$72,865 – decrease in utilities based on trends.

Capital:

\$108,000 – in capital outlay for the following:

- \$8,000 for a walk behind brush cutter.
- \$15,000 for a commercial grade zero turn mower.
- \$55,000 for the replacement of WTP 5 (van).
- \$30,000 for actuator assembly replacement (1 of 3) - Most of the WTP valves that are electrically actuated were installed during the 2003 upgrades. These rate of flow (ROF) valves modulate the flow rates automatically via PLC commands. The typical lifespan of these actuators is 15 years. It has been suggested we update the rate of flow valve actuators first as these receive the most use and are the most important to plant operations, including filters, raw water, and backwash ROF valves. We just repaired one recently that cost us \$6,000 to replace the motor and card.

Items of Interest:

- Increase to Bulk Water Purchase is contractual.

WATER AND SEWER

| PERSONNEL | | | | | |
|---|---|---------------------|---------------------|-----------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 1,015,365 | 1,244,005 | 228,640 | 22.52% |
| 41100 | Salaries - Part Time | 20,000 | 20,000 | - | 100.00% |
| 41200 | Salaries - Overtime | 45,000 | 60,000 | 15,000 | 33.33% |
| 41300 | Longevity Pay | 13,000 | 16,300 | 3,300 | 25.38% |
| 41600 | Vehicle Allowance | 6,000 | 6,000 | - | 0.00% |
| 42000 | FICA | 79,509 | 79,091 | (418) | -0.53% |
| 41200 | Workers Compensation Insurance | 19,440 | 19,440 | - | 100.00% |
| 42200 | State Retirement | 114,012 | 146,312 | 32,300 | 28.33% |
| 42210 | 401k | 21,315 | 26,250 | 4,935 | 23.15% |
| 42300 | Medical Insurance | 198,720 | 228,000 | 29,280 | 14.73% |
| 42400 | Life Insurance | 1,464 | 1,464 | - | 0.00% |
| 42500 | Dental Insurance | 5,916 | 6,612 | 696 | 11.76% |
| Sub-Total For Personnel | | \$ 1,539,741 | \$ 1,853,474 | \$ 313,733 | 20.38% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 43200 | Advertising | 500 | 1,000 | 500 | 100.00% |
| 43300 | Postage | 300 | 600 | 300 | 100.00% |
| 44200 | Repair & Maintenance: Vehicles | 5,350 | 8,900 | 3,550 | 66.36% |
| 44400 | Repair & Maintenance: Equipment | 128,500 | 178,500 | 50,000 | 38.91% |
| 44600 | Repair & Maintenance: Lift Station | 56,000 | 76,000 | 20,000 | 35.71% |
| 44700 | Repair & Maintenance: Water Tank | 102,900 | 152,900 | 50,000 | 48.59% |
| 45220 | Electricity | 300,000 | 230,000 | (70,000) | -23.33% |
| 45240 | Gas Utilities | 1,045 | 1,045 | - | 0.00% |
| 45250 | Telephone | 20,865 | 18,000 | (2,865) | -13.73% |
| 45410 | Equipment Rental | - | 50,000 | 50,000 | 100.00% |
| 45610 | Motor Fuel | 6,900 | 10,000 | 3,100 | 44.93% |
| 46100 | Office Supplies | 9,000 | 6,000 | (3,000) | -33.33% |
| 46200 | Small Equipment and Tools | 8,500 | 5,000 | (3,500) | -41.18% |
| 46300 | Dues and Subscriptions | 12,000 | 20,000 | 8,000 | 66.67% |
| 46820 | Cleaning Supplies | 100 | 100 | - | 0.00% |
| 46830 | Chemicals | 465,000 | 800,000 | 335,000 | 72.04% |
| 46840 | Raw Water Purchases | 49,000 | 49,000 | - | 0.00% |
| 47100 | Uniforms | 12,000 | 16,000 | 4,000 | 33.33% |
| 48000 | Contracted Services | 389,691 | 449,691 | 60,000 | 15.40% |
| 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 | 1,250,000 | 250,000 | 25.00% |
| 51100 | Travel and Training | 10,500 | 18,500 | 8,000 | 76.19% |
| Sub-Total for Operating Expenditures | | \$ 2,649,151 | \$ 3,412,236 | \$ 763,085 | 28.80% |
| TOTAL WATER TREATMENT PLANT | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Personnel Expenditures | 1,539,741 | 1,853,474 | 313,733 | 20.38% |
| | Operating Expenditures | 2,649,151 | 3,412,236 | 763,085 | 28.80% |
| | Capital Expenditures | 240,000 | 108,000 | (132,000) | -55.00% |
| Total for All Categories of Expenses | | \$ 4,428,892 | \$ 5,373,710 | \$ 944,818 | 21.33% |

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| Expenditures | | | | |
| Personnel | - | - | - | - |
| Operating | 4,484,853 | 4,455,480 | 4,455,480 | 5,869,191 |
| Capital | - | - | - | - |
| Total Expenditures | \$ 4,484,853 | \$ 4,455,480 | \$ 4,455,480 | \$ 5,869,191 |
| Revenues | | | | |
| Charges and Fees | - | - | - | - |
| Miscellaneous/Other | - | - | - | - |
| Investment Income | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Staffing | | | | |
| 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 | |
|---------------------------|-------------|
| Personnel Expenses | \$0 |
| Operating Expenses | \$5,869,191 |
| Total Budget | \$5,869,191 |

Water and Sewer – Sewage Treatment 36400

Increases:

- \$257,940 – increase in sewage treatment variable costs per WSACC.
- \$1,302,229 – increase in treatment fixed rate. This is primarily due to the next phase of the plant expansion addressing the limited sewage capacity.

Reductions:

- \$146,458 – decrease in intercept fixed rate based on estimated costs from WSACC.

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. FY 25 resulted in \$1.2 million and will increase to \$1.8 million in FY 27.

| OPERATING EXPENDITURES | | | | | |
|---|---------------------------|---------------------|---------------------|-------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 49020 | Sewage Treatment Variable | 2,569,530 | 2,827,470 | 257,940 | 10.04% |
| 49030 | Treatment Fixed Rate | 1,295,612 | 2,597,841 | 1,302,229 | 100.51% |
| 49050 | Interceptor Fixed Rate | 494,298 | 347,840 | (146,458) | -29.63% |
| 49060 | Capital Assessments | 31,040 | 31,040 | - | 0.00% |
| 49070 | Concord Northlite Sewer | 65,000 | 65,000 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 4,455,480 | \$ 5,869,191 | \$ 1,413,711 | 31.73% |
| TOTAL SEWAGE TREATMENT (WSACC) | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Proposed | Actual Increase/Decrease (\$) | % Change |
| | Operating Expenditures | \$ 4,455,480 | \$ 5,869,191 | \$ 1,413,711 | 31.73% |
| Total for All Categories of Expenses | | \$ 4,455,480 | \$ 5,869,191 | \$ 1,413,711 | 31.73% |

Water and Sewer – Debt Service 38000

| OPERATING EXPENDITURES | | | | | |
|---|---------------------------|---------------------|---------------------|-------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 58100 | Bond Principal | 4,371,699 | 4,451,467 | 79,768 | 1.82% |
| 58200 | Bond Interest | 1,351,510 | 1,268,968 | (82,542) | -6.11% |
| 58300 | Debt Issuance Cost | - | 500,000 | 500,000 | 0.00% |
| 58100 | Proposed New Debt Service | - | 1,810,813 | 1,810,813 | 100.00% |
| Sub-Total for Operating Expenditures | | \$ 5,723,209 | \$ 8,031,248 | \$ 2,308,039 | 40.33% |

| TOTAL WATER AND SEWER DEBT SERVICE | | | | | |
|---|---------------------------|---------------------|---------------------|-------------------------------|---------------|
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Debt Service Expenditures | 5,723,209 | 8,031,248 | 2,308,039 | 40.33% |
| Total for All Categories of Expenses | | \$ 5,723,209 | \$ 8,031,248 | \$ 2,308,039 | 40.33% |

| | Project | Principal | Interest | Maturity Date |
|---------------------|--|------------------|------------------|---------------|
| Rev Bond 2021B | Kann Crossing/Lane St/WTP Improvements | 419,000 | 172,156 | 2/1/2042 |
| Rev Bond 2021C | Kann Crossing/Lane St/WTP Improvements | 1,418,000 | 8,650 | 2/1/2042 |
| Rev Bond 2023 | Kann Crossing/Lane St/WTP Improvements | 839,767 | 241,863 | 2/1/2042 |
| Rev Bond 2018 | Downtown Water and Sewer | 751,000 | 515,014 | 4/1/2038 |
| Rev Bond 2021 | Downtown Water and Sewer | 626,000 | 170,160 | 4/1/2038 |
| Rev Bond 2017 | Davidson Rd Water | 306,000 | 153,079 | 4/1/2041 |
| 2011 Notes Payable | Equipment | 76,528 | 5,037 | 6/10/2026 |
| 2011A Notes Payable | Second Creek | 15,172 | 3,010 | 5/1/2032 |
| Total | | 4,451,467 | 1,268,968 | |

- Fixed costs of the WSACC plant expansion
 - Offset by proposed base rate charge of \$1.44/month x 20,250 users = \$349,920. This will bring the base fee from \$3.80 to \$5.24.
- Variable costs of the WSACC expansion in year one and a portion of the proposed Salisbury Rowan Utility costs (estimated at \$4.76 million) and Downtown Sewer Outfall debt service (estimated at \$3.93 million).
 - This is proposed to be offset by an increase of .75 on the volumetric rate on sewer. This will bring the rate from \$1.766/1,000 gallons to \$2.52/1,000 gallons. This is set to generate \$1,151,250 in revenue.
- Dam spillway replacement (estimated at \$6.3 million) and Clearwell reimbursement (estimated at \$1.7 million).
 - This is proposed to be offset by an increase of .51 on the volumetric rate on water. This will bring the rate from \$6.80/1,000 gallons to \$7.31/1,000 gallons. This is set to generate \$809,643 in revenue.

Water and Sewer – General Management Services Fee and Transfers 39000

| OPERATING EXPENDITURES | | | | | |
|---|-----------------------------|---------------------|---------------------|-----------------------------------|--------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 56000 | General Management Services | 1,823,413 | 1,845,182 | 21,769 | 1.19% |
| 57200 | Transfer to Other Funds | - | - | - | 0.00% |
| 57400 | Transfer to Env Fund | - | - | - | 0.00% |
| Sub-Total for Transfers | | \$ 1,823,413 | \$ 1,845,182 | \$ 21,769 | 1.19% |
| TOTAL GENERAL MANAGEMENT SERVICES WATER AND SEWER | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Transfers | 1,823,413 | 1,845,182 | 21,769 | 1.19% |
| Total for All Categories of Expenses | | \$ 1,823,413 | \$ 1,845,182 | \$ 21,769 | 1.19% |

Items of Interest:

- Water and Sewer General Management Services Fee: \$1,845,182 (was \$1,823,413 in FY 24)
 - Increase attributed to updated audited figures used in calculation.
 - 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.

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.

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| Expenditures | | | | |
| Personnel | 1,302,610 | 1,431,652 | 1,431,652 | 1,511,360 |
| Operating | 1,234,673 | 1,892,348 | 1,732,869 | 1,850,274 |
| Capital | 275,618 | 206,000 | 302,900 | 388,366 |
| Total Expenditures | \$ 2,812,901 | \$ 3,530,000 | \$ 3,467,421 | \$ 3,750,000 |
| Revenues | | | | |
| Charges and Fees | 3,142,857 | 3,530,000 | 3,530,000 | 3,750,000 |
| Miscellaneous/Other | - | - | - | - |
| Total Revenues | \$ 3,142,857 | \$ 3,530,000 | \$ 3,530,000 | \$ 3,750,000 |
| Staffing | | | | |
| 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

| Measurement | FY 23 Actual | FY 24 Actual | FY 25 Target |
|--|---------------------|---------------------|---------------------|
| Workload Measures | | | |
| # of miles of shoulder work and ditches cleared | 7 | 1.28 | 8 |
| # of drainage structures (<i>repaired and constructed</i>) | 43 | 40 | 50 |
| # of culvert maintenance performed in-house | 18 | 10 | 20 |
| Linear feet of drainage culvert hydraulically cleaned | 6,494 | 8,622 | 7,000 |
| # of outreach events held | 2 | 4 | 4 |
| Efficiency Measures | | | |
| # of stormwater complaints resolved within 90 days | 452 | 476 | 400 |
| # of flooded structure complaints | 5 | 1 | 0 |
| # of sinkhole complaints | 26 | 28 | 0 |
| Effectiveness Measures | | | |
| Customer complaints about inadequate storm drainage per 10,000 population | 90.13 | 100.00 | 85.00 |
| Valid customer complaints within public right of way per 10,000 population | 74.89 | 83.00 | 70.00 |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$1,511,360 |
| Operating Expenses | \$1,304,015 |
| Debt Service | \$546,259 |
| Capital Machinery | \$388,366 |
| Total Budget | \$3,750,000 |

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 Technicians (4).

Increases:

- \$79,708 - Standard personnel increase for 3% COLA, merit, benefit increases (health and retirement).
- \$5,500 – increase in repair and maintenance: equipment at 10% increase in materials.
- \$17,000 – increase in repair and maintenance: streets at 10% increase in materials.

Capital:

- \$388,366, – machinery and equipment:
 - \$200,000 – Tandem Dump Truck addition: Addition to fleet. The current equipment is aging out, has increased downtime and parts are becoming obsolete.
 - \$188,366 for mini excavator (small hydraulic excavator to allow a backhoe to be returned to the Streets and Transportation Dept).
 - Addition to fleet. The current equipment is aging out, has increased

STORMWATER FUND

downtime and parts are becoming obsolete.

Items of Interest:

- Revenues assume \$270,000 in miscellaneous revenue for a stormwater recovery audit.
- No new debt service for FY 25.
- Contracted services include culvert replacement jobs, concrete replacement jobs and the ditching program.
- General Management Services fee increased to \$412,528 (was \$463,882) based on updated audit figures used in the employee allocation.

Stormwater Revenue Summary Fiscal Year 2025

| REVENUES | | | | | |
|------------------------------|----------------------------|---------------------|---------------------|------------------------------|--------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease | % Change |
| 36000 | Charges and Fees | 3,500,000 | 3,400,000 | (100,000) | -2.86% |
| 37000 | Miscellaneous Revenue | - | 270,000 | 270,000 | 100.00% |
| 38000 | Investment Income | 30,000 | 80,000 | 50,000 | 166.67% |
| 39900 | Fund Balance Appropriation | - | - | - | 0.00% |
| Total Stormwater Fund | | \$ 3,530,000 | \$ 3,750,000 | \$ 220,000 | 6.23% |

Stormwater Expenditure Summary Fiscal Year 2025

| EXPENSES | | | | | |
|------------------------------|--------------------|---------------------|------------------------------|-------------------|--------------|
| Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease | % Change | |
| Personnel | 1,431,652 | 1,511,360 | 79,708 | 5.57% | |
| Operations | 868,987 | 891,487 | 22,500 | 2.59% | |
| Debt Service | 559,479 | 546,259 | (13,220) | -2.36% | |
| Capital Outlay | 206,000 | 388,366 | 182,366 | 88.53% | |
| General Management Services | 463,882 | 412,528 | (51,354) | -11.07% | |
| Total Stormwater Fund | | \$ 3,530,000 | \$ 3,750,000 | \$ 220,000 | 6.23% |

STORMWATER FUND

Stormwater 40000

| PERSONNEL | | | | | |
|---|---------------------------------|---------------------|---------------------|-------------------------------|--------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 981,675 | 1,017,500 | 35,825 | 3.65% |
| 41200 | Salaries - Overtime | 19,195 | 19,195 | - | 0.00% |
| 41300 | Longevity Pay | 17,600 | 24,900 | 7,300 | 41.48% |
| 41600 | Vehicle Allowance | 6,000 | 6,000 | - | 0.00% |
| 42000 | FICA | 66,218 | 72,195 | 5,977 | 9.03% |
| 42100 | Workers Compensation Insurance | 18,360 | 18,360 | - | 0.00% |
| 42200 | State Retirement | 114,229 | 125,127 | 10,898 | 9.54% |
| 42210 | 401k | 13,207 | 16,595 | 3,388 | 25.65% |
| 42300 | Medical Insurance | 187,680 | 204,000 | 16,320 | 8.70% |
| 42400 | Life Insurance | 1,572 | 1,572 | - | 0.00% |
| 42500 | Dental Insurance | 5,916 | 5,916 | - | 0.00% |
| Sub-Total For Personnel | | \$ 1,431,652 | \$ 1,511,360 | \$ 79,708 | 5.57% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| 43300 | Postage | 100 | 100 | - | 0.00% |
| 44200 | Repair & Maintenance: Vehicles | 80,000 | 80,000 | - | 0.00% |
| 44400 | Repair & Maintenance: Equipment | 55,000 | 60,500 | 5,500 | 10.00% |
| 44900 | Repair & Maintenance: Streets | 170,000 | 187,000 | 17,000 | 10.00% |
| 45250 | Telephone | 8,667 | 8,667 | - | 0.00% |
| 45410 | Equipment Rental | 13,000 | 13,000 | - | 0.00% |
| 45610 | Motor Fuel | 44,000 | 44,000 | - | 0.00% |
| 46100 | Office Supplies | 3,500 | 3,500 | - | 0.00% |
| 46200 | Small Equipment and Tools | 10,000 | 10,000 | - | 0.00% |
| 46300 | Dues and Subscriptions | 2,000 | 2,000 | - | 0.00% |
| 47100 | Uniforms | 10,400 | 10,400 | - | 0.00% |
| 48000 | Contracted Services | 277,820 | 277,820 | - | 0.00% |
| 48300 | Consultants | 175,000 | 175,000 | - | 0.00% |
| 51100 | Travel and Training | 19,500 | 19,500 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 835,420 | \$ 891,487 | \$ 56,067 | 6.71% |
| TOTAL STORMWATER | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/Decrease (\$) | % Change |
| | Personnel Expenditures | 1,431,652 | 1,511,360 | 79,708 | 5.57% |
| | Operating Expenditures | 868,987 | 891,487 | 22,500 | 2.59% |
| | Capital | 206,000 | 388,366 | 182,366 | 88.53% |
| | Transfers | 463,882 | 412,528 | (51,354) | -11.07% |
| | Debt Service | 559,479 | 546,259 | (13,220) | -2.36% |
| Total for All Categories of Expenses | | \$ 3,530,000 | \$ 3,750,000 | \$ 220,000 | 6.23% |

STORMWATER FUND

Stormwater Debt Service 48000

| OPERATING EXPENDITURES | | | | | |
|---|------------------------|--------------------|--------------------|-----------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 58100 | Bond Principal | 367,562 | 367,713 | 151 | 0.04% |
| 58200 | Bond Interest | 191,917 | 178,546 | (13,371) | -6.97% |
| Sub-Total for Operating Expenditures | | \$ 559,479 | \$ 546,259 | \$ (13,220) | -2.36% |
| TOTAL STORMWATER | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Operating Expenditures | 559,479 | 546,259 | (13,220) | -2.36% |
| Total for All Categories of Expenses | | \$ 559,479 | \$ 546,259 | \$ (13,220) | -2.36% |

| Installment Obligations | Principal | Interest | Maturity Date |
|-----------------------------|------------------|------------------|---------------|
| Equipment | 17,712 | 1,166 | 06/10/2026 |
| Stormwater various projects | 350,001 | 177,380 | 04/01/2038 |
| Total | \$367,713 | \$178,546 | |

*No new debt service for FY 25.

Stormwater General Management Services Fee and Transfers 49000

| OPERATING EXPENDITURES | | | | | |
|--|---------------------------------|--------------------|--------------------|-----------------------------------|----------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 56000 | General Management Services Fee | 463,882 | 412,528 | (51,354) | -11.07% |
| 57400 | Transfer to Env Fund | - | - | - | 0.00% |
| Sub-Total for Transfers | | \$ 463,882 | \$ 412,528 | \$ (51,354) | -11.07% |
| TOTAL STORMWATER GENERAL MANAGEMENT SERVICES FEE | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Transfers | 463,882 | 412,528 | (51,354) | -11.07% |
| Total for All Categories of Expenses | | \$ 463,882 | \$ 412,528 | \$ (51,354) | -11.07% |

Items of Interest:

- General Management Services fee increased to \$412,528 (was \$463,882) based on updated audit figures used in the employee allocation.

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 25. There will most likely need to be another fee increase or two to get this fund to be self-sustaining. A \$5.00 fee increase is slated on the City's Five-Year Plan in FY 26 and an additional \$3.00 in FY 27 to make this fund fully self-sufficient.

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 2023 Actual | FY 2024 Budget | FY 2024 Revised | FY 2025 Budget |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| Expenditures | | | | |
| Personnel | 530,948 | 838,659 | 838,659 | 905,220 |
| Operating | 4,060,005 | 4,713,158 | 4,584,158 | 5,363,470 |
| Capital | 78,000 | 132,000 | 436,000 | 432,000 |
| Total Expenditures | \$ 4,668,953 | \$ 5,683,817 | \$ 5,858,817 | \$ 6,700,690 |
| Revenues | | | | |
| Charges and Fees | 3,927,255 | 4,200,000 | 4,200,000 | 4,200,000 |
| Miscellaneous/Other | 102,504 | 300,000 | 300,000 | 265,000 |
| Solid Waste Disposal Tax | 36,917 | 36,000 | 36,000 | 44,000 |
| Transfers from GF | | 1,147,817 | 1,147,817 | 2,191,690 |
| Total Revenues | \$ 4,186,654 | \$ 5,683,817 | \$ 5,683,817 | \$ 6,700,690 |
| Staffing | | | | |
| FTE Positions | 7 | 11 | 11 | 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 (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 Actual | FY 25 Target |
|--|--------------|--------------|--------------|
| Workload Measures | | | |
| Residential refuses tons per 1,000 population | 290.63 | 254.62 | 300.00 |
| Residential refuse collected per 1,000 collection points | 829.87 | 850.00 | 850.00 |
| Ton's recyclables collected per 1,000 population | 12.14 | 15.00 | 15.00 |
| Ton's recyclables collected per 1,000 collection points | 19.15 | 22.00 | 22.00 |
| Yard waste and leaf tons collected per 1,000 population | 156.79 | 200.00 | 160.00 |
| Yard Waste and leaf tons collected per 1,000 collection points | 434.62 | 500.00 | 500.00 |
| Yard waste tonnage collected | 8,080 | 8,200 | 8,200 |
| Efficiency Measures | | | |
| Residential refuse collection cost per ton collected | \$505.20 | \$441,5000 | \$500.00 |
| Residential refuse collection cost per collection point | \$75.00 | \$90.00 | \$70.00 |
| Recycling Services cost per ton collected | \$1,296 | \$1,200 | \$1,200 |
| Recycling services cost per collection point | \$25.20 | \$1624 | \$2500 |
| Yard waste and leaf collection cost per collection point | \$36.15 | \$37.00 | \$36.00 |
| Yard waste and leaf collection cost per ton collected | \$1,183.25 | \$628.00 | \$1,150.00 |
| Effectiveness Measures | | | |
| Complaints per 1,000 collection points for residential refuse | 249.33 | 111.05 | 0 |
| Valid complaints per 1,000 collection points for residential refuse | 249.33 | 111.05 | 0 |
| Tons recycled as percentage of tons refuse and recyclables collected | 170.63 | 175.00 | 0 |
| Valid complaints per 1,000 collection points for recyclables | 180.63 | 175.00 | 0 |
| Collection complaints per 1,000 collection points for recyclables | 18.87 | 18.87 | 0 |
| Valid complaints per 1,000 collection points for yard waste and leaf collection | 18.87 | 14.00 | 0 |
| Collection complaints per 1,000 collection points for recyclables for yard waste and leaf collection | 70.28 | 70.28 | 0 |

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$905,220 |
| Operating Expenses | \$5,363,470 |
| Capital Machinery | \$432,000 |
| Total Budget | \$6,700,690 |

Environmental Fund 50000

Increases:

- Personnel increases include a 3% COLA and standard merit and developmental increases.
- Health insurance increases are accounted for (\$960/per employee).
- \$30,000 – increase in vehicle maintenance based on trends.
- \$10,000 – increase in equipment maintenance based on trends.
- \$3,250 – increase in motor fuel based on trends.
- \$621,034 – increase in solid waste contract with Waste Connections. This is a new hauler who will begin service in FY 25.
- \$43,328 – increase in bulk containers based on price increases.
- \$300,000 – for recycling costs. This cost was formerly accounted for in solid waste and to provide better expense tracking is now separate. These are the costs of taking recyclables to the MURPH.

Reductions/Decreases:

- \$22,000 – reduction in yard waste tipping fees based on trends.
- \$335,300 – reduction in landfill costs based on trends.

Capital:

- \$10,000 – landscape trailer purchase.
- \$350,000 – replacement of (1) leaf vac machine. Equipment is aging out, downtime will increase. At time of replacement E4 will have approximately 33,656 miles on the truck and 3,558 hours on the pony motor.
- \$72,000 – mid size truck for Crew Chief

Items of Interest:

- Solid Waste increase is due to a new contract with a new hauler, Waste Connections.
- 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.
- Cost \$49/ton at the landfill and \$116/ton to recycle.

Environmental Fund Revenue Summary

Fiscal Year 2025

| REVENUE SUMMARY | | | | | |
|---------------------------------|-----------------------------|---------------------|---------------------|------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease | % Change |
| 32200 | Solid Waste Disposal Tax | 36,000 | 44,000 | 8,000 | 22.22% |
| 36000 | Charges and Fees | 4,200,000 | 4,200,000 | - | 0.00% |
| 36670 | Commercial Revenue | 120,000 | 160,000 | 40,000 | 100.00% |
| 37000 | Miscellaneous Revenue | 160,000 | 60,000 | (100,000) | -62.50% |
| 38000 | Investment Income | 20,000 | 45,000 | 25,000 | 100.00% |
| 39200 | Transfers from General Fund | 1,147,817 | 2,191,690 | 1,043,873 | 90.94% |
| Total Environmental Fund | | \$ 5,683,817 | \$ 6,700,690 | \$ 1,016,873 | 17.89% |

Environmental Fund Expenditure Summary

Fiscal Year 2025

| EXPENSE SUMMARY | | | | |
|---------------------------------|---------------------|---------------------|------------------------------|---------------|
| Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease | % Change |
| Personnel | 838,659 | 905,220 | 66,561 | 7.94% |
| Operations | 4,713,158 | 5,363,470 | 650,312 | 13.80% |
| Capital Outlay | 132,000 | 432,000 | 300,000 | 100.00% |
| Debt Service | - | - | - | 0.00% |
| Total Environmental Fund | \$ 5,683,817 | \$ 6,700,690 | \$ 1,016,873 | 17.89% |

ENVIRONMENTAL FUND

Environmental Fund 50000

| PERSONNEL | | | | | |
|---|---------------------------------|---------------------|---------------------|-----------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 41000 | Salaries - Regular | 570,365 | 604,645 | 34,280 | 6.01% |
| 41200 | Salaries - Overtime | 22,500 | 30,000 | 7,500 | 33.33% |
| 41300 | Longevity Pay | 5,461 | 8,400 | 2,939 | 53.82% |
| 42000 | FICA | 39,285 | 41,565 | 2,280 | 5.80% |
| 42100 | Workers Compensation Insurance | 10,800 | 10,800 | - | 0.00% |
| 42200 | State Retirement | 70,996 | 75,649 | 4,653 | 6.55% |
| 42210 | 401k | 5,140 | 10,101 | 4,961 | 96.52% |
| 42300 | Medical Insurance | 110,400 | 120,000 | 9,600 | 8.70% |
| 42400 | Life Insurance | 580 | 580 | - | 0.00% |
| 42500 | Dental Insurance | 3,132 | 3,480 | 348 | 11.11% |
| Sub-Total For Personnel | | \$ 838,659 | \$ 905,220 | \$ 66,561 | 7.94% |
| OPERATING EXPENDITURES | | | | | |
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 44200 | Repair & Maintenance: Vehicles | 130,000 | 160,000 | 30,000 | 23.08% |
| 44400 | Repair & Maintenance: Equipment | 35,000 | 45,000 | 10,000 | 28.57% |
| 44900 | Repair & Maintenance: Streets | 10,000 | 10,000 | - | 0.00% |
| 45250 | Telephone | 7,000 | 7,000 | - | 0.00% |
| 45410 | Equipment Rental | 10,000 | 10,000 | - | 0.00% |
| 45670 | Motor Fuel | 65,000 | 68,250 | 3,250 | 5.00% |
| 46100 | Office Supplies | 2,250 | 2,250 | - | 0.00% |
| 46200 | Small Equipment and Tools | 5,000 | 5,000 | - | 0.00% |
| 46630 | Program Supplies | 7,700 | 7,700 | - | 0.00% |
| 46860 | Container Purchases | 156,500 | 156,500 | - | 0.00% |
| 47100 | Uniforms | 10,000 | 10,000 | - | 0.00% |
| 48000 | Contracted Services | 180,000 | 180,000 | - | 0.00% |
| 48910 | Solid Waste | 3,166,136 | 3,787,170 | 621,034 | 19.61% |
| 48920 | Bulk Containers | 90,672 | 134,000 | 43,328 | 47.79% |
| 48930 | Landfill | 665,300 | 330,000 | (335,300) | -50.40% |
| 48940 | Recycling | - | 300,000 | 300,000 | 100.00% |
| 48950 | Yard Waste - Tipping Fees | 157,000 | 135,000 | (22,000) | -14.01% |
| 51100 | Travel and Training | 15,600 | 15,600 | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ 4,713,158 | \$ 5,363,470 | \$ 650,312 | 13.80% |
| TOTAL ENVIRONMENTAL | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Personnel Expenditures | 838,659 | 905,220 | 66,561 | 7.94% |
| | Operating Expenditures | 4,713,158 | 5,363,470 | 650,312 | 13.80% |
| | Capital | 132,000 | 432,000 | 300,000 | 100.00% |
| Total for All Categories of Expenses | | \$ 5,683,817 | \$ 6,700,690 | \$ 1,016,873 | 17.89% |

Environmental Debt Service 58000

| OPERATING EXPENDITURES | | | | | |
|---|------------------------|--------------------|--------------------|-----------------------------------|--------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| 58100 | Bond Principal | - | - | - | 0.00% |
| 58200 | Bond Interest | - | - | - | 0.00% |
| Sub-Total for Operating Expenditures | | \$ - | \$ - | \$ - | 0.00% |
| TOTAL ENVIRONMENTAL DEBT SERVICE | | | | | |
| | Expense Category | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| | Operating Expenditures | - | - | - | 0.00% |
| Total for All Categories of Expenses | | \$ - | \$ - | \$ - | 0.00% |

No new debt service for FY 25

SEPARATION PAY FUND

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

Separation Pay Fund 60000

| Expense Summary | |
|---------------------|-------------------|
| Personnel Expenses | \$ 0 |
| Operating Expenses | \$ 600,000 |
| Total Budget | \$ 600,000 |

Budget:

- \$554,000- Separation Pay
- \$46,000 - FICA

Capital:

- None

Items of Interest:

- Three employees will receive final supplements in FY 24.
- Eight new employees will roll on to start receiving this benefit for FY 25.
- Thirty-three former employees currently receive separation pay benefits for FY 25.

Separation Pay Revenue Summary Fiscal Year 2025

| REVENUES | | | | |
|--------------------------------------|----------------------------|----------------------------|---|---------------------|
| Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| Transfer from General Fund | 496,912 | 600,000 | 103,088 | 20.75% |
| Total Separation Pay Revenues | \$ 496,912 | \$ 600,000 | \$ 103,088 | 20.75% |

Separation Pay Expenditure Summary Fiscal Year 2025

| EXPENSES | | | | |
|--------------------------------------|----------------------------|----------------------------|---|---------------------|
| Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| Separation Pay | 461,600 | 554,000 | 92,400 | 20.02% |
| FICA | 35,312 | 46,000 | 10,688 | 30.27% |
| Total Separation Pay Expenses | \$ 496,912 | \$ 600,000 | \$ 103,088 | 20.75% |

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 2025 Transit System Fund Budget is \$1,621,823. 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.

Transit Fund 77500

| Expense Summary | |
|---------------------|--------------------|
| Personnel Expenses | \$0 |
| Operating Expenses | \$1,323,923 |
| Capital Expenses | \$297,900 |
| Total Budget | \$1,621,823 |

Increases:

- \$203,356 increase in contract with TransDev (Kannapolis share at 35%).
 - Transdev (service provider) has submitted a request for an increase in wages of all employees for the local property due to the significant challenges in hiring and retaining employees. Transdev is struggling to maintain enough personnel to keep service running properly each day, particularly Bus and Paratransit Operators. This operator crisis has affected service. To be competitive and retain employees, there need to be increased wages closer to our peer systems.
- \$30,000 increase in contracted services for ADA Transition Plan and long-range financial plan (Kannapolis share 5%).
 - The Cabarrus County Long Range Transportation Master Plan was completed in 2019 with recommendations for consolidation and a 20-year build out of Rider Transit. With the standard 5-year timeframe for completing a long-range plan ending in 2024, the significant population growth, roadway and traffic impacts, increased development county wide, investment in parks, post pandemic work and travel pattern changes and the increased profile of Transportation Networking Companies, a revision of the Long Range Transportation Plan is needed. The topic of consolidation between Rider Transit and Cabarrus County Transportation Service also needs to be readdressed by an external consultant with newly elected officials, staff changes, and facility challenges. An ADA Transition Plan is a document to use as a guideline to increase accessibility to all passengers of the Rider Transit Fixed Route System. It lists physical barriers and establishes steps to help eliminate them. An ADA Transition Plan was completed in 2017 but has not been maintained to address the roadway construction, addition of the CCX, updated ridership, changes to bus stop locations, or estimated costs of construction. Rider Transit Staff can use this information to set priorities and improve bus stop infrastructure in an equitable way.
- \$8,732 in contract services for Transdev Cost for inmate program (Kannapolis share at 50%).
 - The Cabarrus County Community Reentry Program is to create a process that will provide support services and assist individuals returning from incarceration or treatment. Individuals who are overcoming the challenges associated with navigating barriers to employment, education, health, sobriety to reduce recidivism and relapse will receive wrap-around services provided through our Peer Support program that will empower participants in developing a productive life in our community. One of the major barriers is transportation. Beginning May, 2023, Rider Transit began providing transportation for individuals to employment and training as a pilot program. In December of 2023, the Concord Kannapolis Transit Commission voted to move from a pilot program to an

ongoing program that Rider Transit will provide. Due to the narrowly tailored nature of this program, it is not eligible for FTA grant funding, and as a result it needs to be fully locally funded.

Reductions/Decreases:

- None

Capital:

- \$297,900 in capital for the following:
 - \$50,102 in Planning 5307
 - \$103,079 in capital cost of contracting the fixed route system
 - \$5,913 in capital cost of contracting the CCX line
 - \$105,055 in capital costs for the following:
 - CAD/AVL replacement and implementation. Computer-Aided Dispatch / Automatic Vehicle Location) allows a seamless connection to automatically collect vital data such as bus GPS locations, schedule adherence status, breakdowns and emergencies. Our current CAD/AVL provider is unfortunately not meeting the needs of the current fleet due to significant data errors, breaks in communication, non-functional automatic passenger counters, and daily errors in reporting safety messages and automated voice announcement of stops, which is an FTA requirement. The contract for the current CAD/AVL provider ends on 3/10/2025 and a new provider will need to be live prior to the termination of this contract.
 - Replacement of capital equipment. This includes: 60 replacements + 20 new ones. Replacement of Bus Stop Signs, Replacement of 60 pole lights at bus stops, 20 additional pole lights at bus stops, Replacement of 8 batteries in pole lights, Replacement of 22 batteries in shelter lights, replacement of schedule holders at bus stops, labor for battery replacement in pole and shelter lights. (Kannapolis share at \$10%)
 - \$33,750 in capital vehicle costs for the replacement of LTV's. All four of the current LTVs have met their useful life from FTA standards, which is either 7 years or 200,000 miles. The maintenance team has had many challenges maintaining these vehicles in revenue service with minor and major mechanical concerns. Due to the capacity of these vehicles, they also require a CDL to drive them and with the increasing difficulty of hiring and retaining employees, replacing these vehicles with non-CDL required vehicles would help to maintain revenue service. (Kannapolis Share at 7.5%)

Items of Interest:

- Vehicle license tax is \$30, \$10 goes directly to the Transit fund to support the public transit system and \$20 goes back to support to the General Fund support towards enhanced paving/improvements.

TRANSIT FUND

- 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 2025

| REVENUES | | | | |
|------------------------------------|---------------------|---------------------|-----------------------------------|---------------|
| Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| Vehicle License Tax | 900,000 | 433,600 | (466,400) | -51.82% |
| Transfer from General Fund | 323,031 | 1,188,223 | 865,192 | 267.84% |
| Appropriated Fund Balance | - | - | - | 0.00% |
| Total Transit Fund Revenues | \$ 1,223,031 | \$ 1,621,823 | \$ 398,792 | 32.61% |

Transit Fund Expenditure Summary Fiscal Year 2025

| EXPENSES | | | | |
|------------------------------------|---------------------|---------------------|-----------------------------------|---------------|
| Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease (\$) | % Change |
| Contracted Services | 1,081,835 | 1,323,923 | 242,088 | 22.38% |
| Transfer to the General Fund | - | - | - | 0.00% |
| Capital- Machinery and Equipment | 141,196 | 297,900 | 156,704 | 110.98% |
| Total Transit Fund Expenses | \$ 1,223,031 | \$ 1,621,823 | \$ 398,792 | 32.61% |

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 \$11,040 to \$12,000. This covers the City's portion to offset projected claims and includes the \$2,200 HSA contribution provided to each employee. Revenue estimates were based off 439 full time positions budgeted at \$12,000/position. The remainder makes up dependent premiums based on current estimates provided by Pierce Group; the City's broker. Workers' compensation premiums are budgeted an equivalent way based on 436 full time positions budgeted at \$1,414/position.

Insurance and Risk Fund 90000

| Expense Summary | |
|---------------------------|-------------|
| Personnel Expenses | \$0 |
| Operating Expenses | \$6,761,084 |
| Capital Expenses | \$0 |
| Total Budget | \$6,761,084 |

Expenses are based on the following:

- \$1,200,000 in retiree insurance (claims)
- \$965,800 - HSA and HRA benefit (estimated at 439 employees at \$2,200)
- \$80,000 for retiree HSA/HRA benefits
- \$100,000- Contracted Services for OPEB reporting
- \$150,000 – Health clinic costs to Synergy
- \$970,000 -estimated administrative costs for BCBS to administer the plan
 - Based on \$2,210/employee at 439 employees
 - We are starting to better understand how to budget more accurately in this fund. This admin fees reflects a large increase (~\$802,576) because the stop loss policy is worked into the admin fee as opposed to coming from claims as in the past.
- \$2,634,404 – estimated health claims based on trends forecasted from broker. The original claims forecast in FY 24 was overly conservative.
- \$265,000 – workers compensation insurance
- \$35,000 – admin fees for Gallagher to administer plan
- \$186,100 – estimated workers compensation claims based on trends forecasted from Gallagher.

Revenue highlights:

- \$5,940,204 - Health insurance premiums come from the 439 full time positions budgeted at \$12,000/position.
 - The remainder makes up dependent premiums based on current estimates from the City’s broker; Pierce Group (estimated ~\$672,204).
- \$200,000 - Retiree health insurance premiums
- \$620,880- Workers’ compensation premiums. Budgeted a similar way based on 439 full time positions budgeted at \$1,414/position. Fund composition described below:
 - General Fund: \$509,640
 - Water and Sewer Fund: \$82,080
 - Stormwater Fund: \$18,360
 - Environmental Fund: \$10,800

Capital:

- None

Insurance and Risk Revenue Summary Fiscal Year 2025

| REVENUE SUMMARY | | | | | |
|--------------------------------------|-------------------------------|---------------------|---------------------|------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease | % Change |
| 37250 | Health Insurance Premiums | 5,391,600 | 5,940,204 | 548,604 | 10.18% |
| 37251 | Workers Compensation Premiums | 470,880 | 620,880 | 150,000 | 31.86% |
| 37255 | Retiree Premiums | 184,000 | 200,000 | 16,000 | 8.70% |
| Total Insurance and Risk Fund | | \$ 6,046,480 | \$ 6,761,084 | \$ 714,604 | 11.82% |

Insurance and Risk Expenditure Summary Fiscal Year 2025

| EXPENDITURE SUMMARY | | | | | |
|--------------------------------------|---------------------------------|---------------------|---------------------|------------------------------|---------------|
| Account # | Account Description | FY 2024 Adopted | FY 2025 Adopted | Actual Increase/ Decrease | % Change |
| 42330 | Retiree Insurance | 800,000 | 1,200,000 | 400,000 | 50.00% |
| 42340 | HSA and HRA Benefit | 959,200 | 965,800 | 6,600 | 0.69% |
| 42341 | HSA and HRA Retirees | 38,250 | 80,000 | 41,750 | 109.15% |
| 48000 | Contracted Services | 10,000 | 100,000 | 90,000 | 900.00% |
| 51446 | Health Clinic | 240,000 | 150,000 | (90,000) | -37.50% |
| 51447 | Dispensing Service | - | 40,000 | 40,000 | 100.00% |
| 51640 | Insurance Claims | 3,360,726 | 2,634,404 | (726,322) | -21.61% |
| 51641 | Workers Compensation Claims | 197,880 | 320,880 | 123,000 | 62.16% |
| 51910 | Administration Fees - Health | 167,424 | 970,000 | 802,576 | 479.37% |
| 51911 | Workers Compensation Admin Fees | 18,000 | 35,000 | 17,000 | 94.44% |
| 42100 | Workers Compensation Insurance | 255,000 | 265,000 | 10,000 | 3.92% |
| Total Insurance and Risk Fund | | \$ 6,046,480 | \$ 6,761,084 | \$ 714,604 | 11.82% |

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 fall 2025.

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 25. 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 25 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.

| One Time Restricted Revenues | | |
|--|------------------------|---------------------------|
| New One-Time Revenue | Received Amount | Potential Revenues |
| 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 | |
| Total One-Time Restricted Revenues FY 24-29 | \$2,763,936 | \$377,528 |

| Likely One-Time Additions to Fund Balance FY 24-29 | |
|---|-------------------------|
| New One-Time Revenue | Projected Amount |
| 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 |
| Total | \$3,272,862 |

CAPITAL IMPROVEMENT PLAN

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

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 25:

| Imagine Kannapolis Strategic Plan One-Time Cash Watch List | | |
|---|---|----------------------------------|
| Project/Initiative | Description | Preliminary Cost Estimate |
| City Hall Upfits | 1 st and 2 nd Floors mostly relocation of Human Resources and Parks & Recreation. Also includes adding accessible parking to the front of the building. | \$2,850,000 |
| Downtown Parking Management Phase I and II | Capital/Equipment costs. Has been delayed indefinitely. | Post FY 29 |
| Fire Department Training Tower | Fire Station 1. | \$1,500,000 |
| Downtown Dog Park Construction | Location at DE Blvd @ Vance St. | \$500,000 |
| Upgrades to School Athletic Sites Phase I | Turf field at Kannapolis Middle School. | \$1,200,000 |
| Little Texas Road Sidewalk | Construction by City (City match to NCDOT funding). | \$1,340,000 |
| Western Cabarrus Communication Tower | City's portion. Received Federal earmark of \$963,000. | \$1,200,000 |

CAPITAL IMPROVEMENT PLAN

| Imagine Kannapolis Strategic Plan One-Time Cash Watch List | | |
|---|--|----------------------------------|
| Project/Initiative | Description | Preliminary Cost Estimate |
| Block 10 Hotel Park | City match to developer contribution. | \$600,000 |
| I-85 Monument Signage Phase I | @ I-85 exits 58, 60, 63. Partnership with City of Concord. | \$600,000 |
| Kannapolis Parkway Lighting and Landscaping – Phase I | Focus on street lighting in this phase. | \$200,000 |
| Open Space Preservation Plan | Part of Environmental Stewardship Program. | \$50,000 |
| Economic Development Promotion Program | Downtown Marketing, Events, Communication investments - website, signage, etc. and NCRC Organizational & Economic Development Strategy. | \$160,000 |
| Cultural Arts/Historic Preservation Program | 10 historic preservation initiatives, NC Music Hall of Fame Growth Plan, Public Art Master Plan, Symphony Orchestra Exploratory Program, Performance Venue Sustainability Plan. NOTE: \$180,000 was already appropriated by City Council in FY 24 (all of which will be reappropriated to FY 25). Additionally, \$100,000 was appropriated for a new Cultural Arts/Historic Preservation Coordinator position which is already in the continuation budget for FY 25. | \$145,000 |
| Downtown Parking Lot Improvements | Oak Avenue S./Main Street = 190 total new spaces. | \$855,361 |
| Reserve Police Officer Program Expansion | Equipment costs. | \$60,000 |
| Police Community Response Team | Capital/Equipment costs. | \$100,000 |
| Fire Department Logistics Building | City's portion. Received Federal earmark of \$345,000. | \$155,000 |
| Glenn Avenue Property Restoration | Final assessment, NC Brownfields program entry and initial restoration. 100% Federal funding. | \$0 |
| | Total | \$ 11,515,361 |

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 was changed to \$0.5595 per \$100 assessed valuation. There was a full cost recovery tap fee increase worked into the Water and Sewer budget.

LONG RANGE FINANCIAL PLAN

General Fund Revenue Assumptions:

- Rowan County Revaluation in FY 24 and FY 28 (7% additional growth)
- Cabarrus County Revaluation in FY 25 and FY 29 (16% additional growth)
- Assumes a 55.95 property tax rate all five years
- Sales Tax: 6% organic growth
- Powell Bill: Flat based on FY 24 actuals
- Franchise Tax: Flat based on FY 24 actuals
- Investment Income: increased to \$1.4 million and kept flat
- Fire District Sales Tax: 8% growth rate
- Parks and Recreation Fees: 5% growth rate
- Planning- Permit and Fees: 2.5% growth rate
- Beer and Wine Tax: 5% growth rate
- ABC Funds: 5% growth rate
- All other revenues: Flat
- \$20 of vehicle license revenue going to the General Fund and \$10 goes directly to Transit (was in the inverse).

General Fund Expenditure Assumptions:

- 5% increase in personnel costs (doesn't include addition of new positions)
 - 5% Merit in FY 25 and Cost of Living Adjustment: 3% growth rate
 - Up to 3% merit for FY 26-29 unless within developmental range (5%)
- 7% increase in operational costs (normalized expenditure growth)
- Assumes transfer to Environmental Fund falls off in FY 28
 - Assumes \$5 fee increase in FY 26 and \$3 in FY 27
- Are showing deficits in FY 26-FY 29 which will need to be addressed.

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 | \$83,260,832 | \$88,564,229 | \$93,356,496 | \$97,260,476 | \$107,023,548 |
| Expenditures | \$70,371,279 | \$83,260,832 | \$88,751,065 | \$93,962,041 | \$97,915,146 | \$107,526,971 |
| Operational Capacity | \$ - | \$ - | \$(186,836) | \$(605,545) | \$(654,670) | \$(503,423) |

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
- Assumes adopted fee increases in FY 25 and additional fee increases in FY 26
 - FY 25: \$1.44 on base sewer and .75 on volumetric sewer and .51 on volumetric water
 - FY 26: .75 on volumetric sewer and .49 on volumetric water
 - New fee changes go to fund: Downtown Sewer Outfall a \$3.93 million, Spillway at \$6.3 million and SRU line at \$4.75 million

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 fell off in FY 24
- Showing operational deficits in FY 27-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 | \$29,743,813 | \$31,923,430 | \$32,170,942 | \$33,195,739 | \$34,254,646 |
| Expenditures | \$24,286,437 | \$29,743,813 | \$30,794,686 | \$32,982,198 | \$34,610,918 | \$37,521,413 |
| Operational Capacity | \$ - | \$ - | -\$ 1,128,745 | \$ (811,256) | \$(1,415,179) | \$(3,266,768) |

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 | \$3,930,000 | Debt FY 25 |
| Spillway Concrete Upgrade | Critical | \$6,300,000 | Debt FY 25 |
| Salisbury Rowan Utility Line | Opportunity | \$4,750,000 | Debt FY 25 |
| 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 |

LONG RANGE FINANCIAL PLAN

| | | | |
|--|-------------|--------------------------------|------------|
| DEB and Cannon Water and Sewer Replacement | Primary | \$538,000 | TBD |
| Midlake Lift Station Improvements | Primary | \$450,000 | TBD |
| Brantley Lift Station Improvements | Primary | \$275,000 | TBD |
| Irish Creek Improvements | Opportunity | \$1,000,000 | TBD |
| Charlie Walker Lift Station Abandonment | Secondary | \$2,500,000 | Post FY 26 |
| Royal Oaks Water & Sewer- Phase 1 | Secondary | \$1,966,000 | Post FY 26 |
| Royal Oaks Water & Sewer- Phase 2 | Secondary | \$1,664,000 | Post FY 26 |
| Royal Oaks Water & Sewer- Phase 3 | Secondary | \$2,460,000 | Post FY 26 |
| Royal Oaks Water & Sewer- Phase 4 | Secondary | \$2,916,000 | Post FY 26 |
| Village Area Water & Sewer Improvements | Secondary | \$3,083,000 | Post FY 26 |
| A.L. Brown High School Area Sewer (CW-3A) | Secondary | \$2,519,000 | Post FY 26 |
| Jackson Park Sewer (CW-1) Rehabilitation, Phase 1 | Secondary | \$1,838,000 | Post FY 26 |
| 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)
- Investment income: Budgeted \$80,000 for FY 25

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
- 10% increase in operational costs (normalized expenditure growth)
 - Drops to 7% in FY 26-29

| | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 | FY 29 |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Revenues | \$3,530,000 | \$3,750,000 | \$4,013,150 | \$4,124,545 | \$4,239,281 | \$4,357,459 |
| Expenditures | \$3,530,000 | \$3,750,000 | \$3,803,592 | \$3,940,404 | \$4,105,368 | \$4,281,109 |
| Operational Capacity | \$ - | \$ - | \$ 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

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
- 10% increase in operational costs (normalized expenditure growth)
 - Drops to 7% in FY 26-29
- Deficits in FY 26 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 26 to adjust operational deficits.

| | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 | FY 29 |
|----------------------|-------------|-------------|---------------|---------------|---------------|---------------|
| Revenues | \$5,683,817 | \$6,700,690 | 4,639,088 | \$4,776,581 | \$4,918,198 | \$5,064,064 |
| Expenditures | \$5,683,817 | \$6,700,690 | 5,547,387 | \$5,935,704 | \$6,351,203 | \$6,795,788 |
| Operational Capacity | \$ - | \$ - | -\$ (908,299) | \$(1,159,123) | \$(1,433,005) | \$(1,731,724) |

City of Kannapolis: Five Year Financial Plan

GENERAL FUND

Budgeted Revenues for:

| | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------|
| | Cabarrus Reval | | | Rowan Reval | Cabarrus Reval |
| Property Taxes (6% average growth rate, 7% Rowan Reval, 16% Cabarrus County revaluation for FY 29) | 49,599,642 | 52,551,620 | 55,680,718 | 59,550,368 | 69,014,427 |
| Sales Tax (4% growth for FY 25; 5% growth FY 26-29) based of FY 24 year end projections | 16,887,246 | 17,731,609 | 18,618,189 | 19,549,099 | 20,526,554 |
| Franchise Tax (based on FY 24 projected YE) | 3,135,627 | 3,229,696 | 3,326,587 | 3,426,384 | 3,529,176 |
| Powell Bill (flat at FY 23 actuals) | 1,794,902 | 1,848,749 | 1,904,212 | 1,961,338 | 2,020,178 |
| 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 | 600,000 | 600,000 | 625,000 | 625,000 |
| Enterprise Management Fee (keeps us in line with debt service parity ratio/bond covenants) \$1,845,182 from WS and \$412,528 from SW) | 2,257,710 | 2,370,596 | 2,489,125 | 2,613,582 | 2,744,261 |
| Investment Income | 1,400,000 | 1,400,000 | 1,400,000 | 1,400,000 | 1,400,000 |
| Fire Districts Sales Tax (projections from Cabarrus County) *This is property and sales tax | 423,617 | 457,506 | 494,107 | 533,635 | 576,326 |
| Vehicle License \$20 of the \$30 vehicle tag fee. Used for Street paving and GF efforts of street maintenance. | 900,000 | 900,000 | 900,000 | 900,000 | 900,000 |
| TIF Contribution (Cabarrus County TIF contribution) | 1,325,926 | 1,322,325 | 1,320,865 | - | - |
| PD Charges and Fees (includes SRO Grant for 4 officers) | 235,000 | 235,000 | 235,000 | 235,000 | 235,000 |
| PD Officer Court Reimbursement (flat) | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Parks and Rec Fees- 3% growth YOY | 515,000 | 530,450 | 546,364 | 562,754 | 579,637 |
| Parking Garage lease-DECK | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 |
| Parks and Recreation Gem Revenues (5% GR) | 700,000 | 735,000 | 771,750 | 810,338 | 850,854 |
| Swanee Theatre Revenues (5% GR) | 835,600 | 877,380 | 921,249 | 967,311 | 1,015,677 |
| Parks-Recreation Programs (5% growth rate for future years) | 200,000 | 210,000 | 220,500 | 231,525 | 243,101 |
| Parks-Donations | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Planning Permits and Fees (2.5% growth rate) | 271,625 | 278,416 | 285,376 | 292,510 | 299,823 |
| Engineering- Second Review revenue | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Beer and Wine Tax (5% growth rate) | 240,000 | 255,000 | 267,750 | 281,138 | 295,194 |
| Parking Revenues - based on FY 23 actuals | 35,037 | 35,037 | 35,037 | 35,037 | 35,037 |
| ABC Funds (5% growth rate); based on FY 24 projected | 144,900 | 152,145 | 159,752 | 167,740 | 176,127 |
| College Station/Commercial Rent (5% growth rate; properties at college station) | 475,000 | 498,750 | 523,688 | 549,872 | 577,365 |
| Building Rental/Tower Rental (based on projected FY 24 YE + 3% growth rate) | 365,000 | 375,950 | 387,229 | 398,845 | 410,811 |
| P card rebates | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| Miscellaneous Revenue | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Vehicle Rental Tax (based on FY 24 YE) | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| False Alarm Fees (based on FY 24 YE) | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Fire- Technical Services Fees (based on FY 24 YE) | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| Fire- Rowan County Contributions (flat) | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| CDBG Administration Revenues (flat) | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| Fund Balance Appropriated | - | - | - | - | - |
| Transfers In | - | - | - | - | - |
| Sub-total Recurring Revenues | 83,260,832 | 88,564,229 | 93,356,496 | 97,260,476 | 107,023,548 |
| | 18.32% | 6.37% | 5.41% | 4.18% | 10.04% |
| Total Revenues | 83,260,832 | 88,564,229 | 93,356,496 | 97,260,476 | 107,023,548 |
| Personnel Costs | 35,169,178 | 39,332,000 | 44,229,785 | 48,388,381 | 52,735,055 |
| New Positions | - | 700,000 | 700,000 | 700,000 | 700,000 |
| Workers Compensation | 150,000 | - | - | - | - |
| Downtown Shuttle Program - PT Drivers | 30,546 | - | - | - | - |
| Reserve Officer Program (\$10k per officer- by end of FY 26 this will get us up to 8) | 10,000 | 20,000 | - | - | - |
| Community Response Teams Pilot Program (\$122k in recurring for 2 licensed clinical social workers) | - | - | - | - | - |
| Downtown Kannapolis Association Director Position | - | 100,000 | - | - | - |
| Downtown Kannapolis Ambassador Program | 2,000 | - | - | - | - |
| Neighborhood Improvement Program Coordinator position | - | - | - | - | - |
| Salary study ever 3 years + implementation (last study impacted was \$1.2 million) | - | 800,000 | - | - | - |
| Health Insurance increases | 315,840 | - | - | - | - |
| Special Expenses | - | - | - | - | - |
| <i>Merit increase - (2.5% average); Merit 5% for FY 25 flat percentage,</i> | 170,000 | 145,289 | 149,648 | 154,137 | 158,761 |
| <i>Developmental Range- 5% (Using FY 24 estimate) 5% for PT</i> | 952,663 | 981,243 | 1,010,680 | 1,041,001 | 1,072,231 |
| <i>Cost of Living Adjustment - (3%)</i> | 837,871 | 863,007 | 888,897 | 915,564 | 943,031 |
| Sub- total Personnel Costs | 15.75% | 12.45% | 9.40% | 8.98% | 8.61% |
| Operational Costs | - | - | - | - | - |
| Departmental Operations -10% inflation for FY 24- stabilize at 7% for future years | - | 24,982,942 | 27,081,638 | 29,223,453 | 31,469,719 |
| Dog Park Operations (comes online in FY 25; operations in FY 26) | - | - | - | - | - |
| Downtown Parking operational costs (enforcement/kiosk related) - hold for now | - | - | - | - | - |
| Cultural Arts - recurring operating costs (included in FY 25 Programs budget) | 20,000 | - | - | - | - |
| Promotion of Motorsports | - | 200,000 | 200,000 | - | - |
| Eastside Park recurring costs once online (FY 26 debt- operating FY 27) | - | - | - | - | - |
| Irish Buffalo Creek recurring costs once online | - | - | - | - | - |
| Neighborhood Improvement operating costs | - | - | - | - | 500,000 |
| Westside Park recurring costs once online (FY 29 debt- operating FY 30) | - | 30,000 | - | - | - |
| Upgrades to School Athletic Sites (debt in FY 25- operating occurs in FY 26) | 10,000 | - | - | - | - |
| Environmental Stewardship Commission | - | - | - | - | 200,000 |
| Public Safety Training Facility | 10,000 | - | - | - | - |
| Keep Cabarrus/Rowan Beautiful Organization | - | 20,000 | - | - | - |
| I-85 Monument Signage (operating costs) | - | - | - | - | - |
| Midway Revitalization (Phase 1) Operating Costs | - | 50,000 | - | - | - |
| Kannapolis Parkway/ Hwy 3 Aesthetic Improvements (Phase 1) | 30,000 | - | - | - | - |
| Façade and Site Improvement Matching Grant Program | - | 27,000 | - | - | - |
| City Hall Upfit operational increase | - | - | - | - | - |
| Warehouse Improvement Project operating costs | - | - | 30,000 | - | - |
| Public Works Operations Center operating costs | (2,115,100) | - | - | - | - |
| Sub- total Operating Costs | 23,348,544 | 25,309,942 | 27,311,638 | 29,410,953 | 32,169,719 |
| | 19% | 8% | 8% | 8% | 9% |
| Debt | 13,048,106 | 12,777,712 | 12,466,007 | 9,581,200 | 9,143,860 |
| Debt Service | 13,048,106 | 12,777,712 | 12,466,007 | 9,581,200 | 9,143,860 |
| Proposed Debt Service (matches to CIP) | - | - | - | - | - |
| Motorola Lease for Police and Fire Radio Replacement (\$2.4 m) ends in FY 26 | 677,750 | 677,750 | - | - | - |
| Sub- total Debt Service | 14,175,856 | 15,091,712 | 14,738,007 | 12,227,950 | 14,512,860 |
| | 1% | 6% | -2% | -17% | 19% |
| Transfers | 1,188,223 | 1,307,045 | 1,437,750 | 1,581,525 | 1,739,677 |
| Transfer to Transit (assumes a 10% increase in operational increases) | 1,188,223 | 1,307,045 | 1,437,750 | 1,581,525 | 1,739,677 |
| Transfer to Separation Pay | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 |
| Transfer to Capital Project Fund - Odell | 373,057 | 373,057 | 373,057 | 373,057 | 373,057 |
| Transfer to Capital Project Fund- Museum | 746,115 | 746,115 | 746,115 | 746,115 | 746,115 |
| Transfer to Capital Project Fund - Block 6 | 888,232 | 888,232 | 888,232 | 888,232 | 888,232 |
| Transfer to Capital Reserve Fund (assumes one penny on tax rate each year) | 1,562,708 | 888,233 | 888,232 | 888,232 | 888,232 |
| Transfer to Environmental (assumes \$5 takes place in FY 26 and \$3 in FY 27) | 2,191,690 | 605,189 | - | - | - |
| Sub- total Transfers | 7,550,025 | 5,407,871 | 4,933,386 | 5,077,161 | 5,235,313 |
| Total Recurring Expenditures | 83,260,832 | 88,751,065 | 93,962,041 | 97,915,146 | 107,526,971 |
| Total Expenditures | \$ 83,260,832 | \$ 88,751,065 | \$ 93,962,041 | \$ 97,915,146 | \$ 107,526,971 |
| Revenues over (under) Expenditures | \$ - | \$ (186,836) | \$ (605,545) | \$ (654,670) | \$ (503,423) |

General Fund Capital Projects

Current Cash Reserves and/or new Debt Financing

Project #1

City Hall Upfits

Includes five components: 1) upfit of 1,500 square feet of shell space on the 2nd floor to facilitate the relocation of the Human Resources Department resulting in freed up space in the existing 2nd floor administrative wing for expansion, 2) upfit of 5,900 square feet of shell space on the 1st floor to facilitate the move of the Parks & Recreation Department resulting in freed up space in the Engineering Department and Planning Department for expansion, 3) reconfiguration of the 1st floor Customer Service Department space to better serve the public and to create a safer and more efficient environment for employees, 4) conversion of the parallel parking in front of City Hall to angled parking (similar to parking spaces at the Core Lab building) to create more accessible spaces and to discourage people from parking in the traffic circle, and 5) improvements to partially secure the building to control public access to the 2nd and 3rd floors primarily through the installation of visitor badges and additional key card access points like stair wells and the elevators. The 2nd floor Administrative wing and the 3rd floor Engineering-Planning-Parks & Recreation wing are completely occupied with no room for planned staffing additions.

This is a 100% City-funded project using existing cash reserves.

Initial budget request: \$2,034,950 from cash reserves (full project amount including construction).

Project #2

Fire Department Training Tower

Will replace the current training tower which was constructed in 1996 and is no longer safe or efficient for training purposes. The new tower will be used for training related to hose advancement, search and rescue, ropes, and live fire maneuvers. Tentatively will be constructed on the Fire Station #1 site (Firehouse Drive off Brookdale Street) although other sites are under review as well.

This is a 100% City-funded project using existing cash reserves.

Initial budget request: \$150,000 from cash reserves (planning, design and bidding).

Project #3

Upgrades to KMS Athletic Fields - Phase I

Converts the existing rectangle grass field at Kannapolis Middle School to synthetic turf. This phase is the first of several additional improvements and KCS and CCS sites in subsequent future phases. This is a cost effective way to create weekend and evening capacity for the City's Parks and Recreation athletic programs.

As it currently stands 50% of the project is projected to come from City funds using existing cash reserves. The remaining 50% could possibly come from Cabarrus County and/or Kannapolis City Schools. Alternatively, the City could choose to add additional cash reserves to make up the difference.

Initial budget request: \$0 (currently this project is delayed until summer 2026 pending an additional funding source).

Project #4

Little Texas Road Sidewalk

1.5 miles of new sidewalk along Little Texas Road from Dale Earnhardt Boulevard to Lane Street. It includes a 10' x 80' pedestrian bridge, a pedestrian refuge island for access to Forest Park Elementary School, and the realignment of Little Texas Road to make Ruth Avenue the through movement to the signalized intersection at Lane Street. The City has contracted with engineering firm Transystems (formerly SEPI) for design.

This project is funded through the State Transportation Improvement Program (STIP) bike and pedestrian program. It includes an 80/20 split: 80% Federal funds and 20% City funds which will come from existing cash reserves.

Initial budget request: \$0 (adequate funding is already in place for design and right-of-way acquisition).

Project #5

Western Cabarrus Communication Tower

Construction of a new 199' tall Public Safety Communications Tower and microwave dish to enable interoperable communications by law enforcement and first responders and to improve responses to 911 calls. The new tower will be located the City's elevated water tank property on NC Highway 3. Currently, law enforcement and first-responder personnel in Northwest Cabarrus County have limited to no radio coverage with 911 communicators when responding to emergency calls for service. The lack of reliable communications creates delays and confusion for police, fire, and EMS personnel in the area.

This project will be funded partially using existing cash reserves coupled with a Federal Grant via an earmark secured by U.S. Representative Adams.

Initial budget request: \$200,000 from cash reserves (planning, design and bidding).

Project #6

Block 10 Hotel Park

Construction of small City Park between Atrium Health Ballpark and the planned Block 10 Hotel primarily on land reclaimed upon the closure of Chestnut Avenue between Laureate Way and Wellness Way. City contribution of up to \$600,000 with \$1 to \$1 match with the developer of the hotel. City match will not be used for demolition and grading costs associated with the Chestnut

Avenue closure. The design will be agreed to at a between both parties. As contemplated, will include a variety of pedestrian amenities including sidewalks, shade structures, benches, swings, hardscaping, and landscaping.

The City's portion of the funding will come from existing cash reserves.

Initial budget request: \$600,000 from cash reserves (City contribution to developer – will be distributed per the pending development agreement).

Project #7

I-85 Monument Signage - Phase I

Decorative monuments to be constructed at three I-85 interchanges (exits 58 – US 29, 60 – Dale Earnhardt Blvd and 63 – Lane Street). This will be a joint project with the City of Concord via an interlocal agreement with the Kannapolis taking the construction lead. Concord has approved its funding and is ready to proceed with the project.

The City's portion of the funding will come from existing cash reserves.

Initial budget request: \$81,000 from cash reserves (final design and bidding).

Project #8

Kann. Parkway Lighting & Landscaping - Phase I

The first phase of this project will focus primarily on enhanced roadway lighting improvements on Kannapolis Parkway and NC Highway 3 from I-85 into downtown. The total project (with future phases) assumes the installation of more than 200 decorative lights as well as necessary bores to provide power feeds. The larger project also assumes the installation of decorative street trees in the medians along both corridors. This phase would complete approximately 10% of the total estimated costs. This is a short-term effort to enhance the safety of the corridor and a lower cost facilitated by more rapid improvements. Managing these improvements with both NCDOT and Duke Energy can be challenging from a scheduling standpoint; it is hoped that these improvements can occur more rapidly than expected.

This is a 100% City-funded project using existing cash reserves.

Initial budget request: \$0 (the design is a no-cost combination of in-house staff time and collaboration with Duke Energy).

Project #9

Downtown Parking Lot Improvements - Main St.

Construction of a new 128-space surface parking lot south of the Train Station in partnership with NCDOT. The City owns all necessary property. Some level exclusive usage of part of the Main Street Lot by NCDOT – Rail Division for Amtrak riders is likely.

This project will be funded partially using existing cash reserves coupled with NCDOT Rail Division funds.

Initial budget request: \$167,881 from cash reserves (planning, design and bidding).

Project #10

Downtown Parking Lot Improvements - Oak Ave.

Construction of a new 62-space lot on Oak Avenue South adjacent to the First Presbyterian Church lot. The Church has agreed to enter into a joint use agreement that would allow for public use of the 46-space Church lot in exchange for exclusive church use of the public lot (Sundays mostly). The City owns all necessary property. The entrance to the new City lot will be on West Avenue. The entrance to the Church Lot will be on Oak Avenue. The two lots will be connected internally.

This is a 100% City-funded project using existing cash reserves.

Initial budget request: \$295,361 from cash reserves (full project cost including construction).

Project #11

Fire Department Logistics Building

Will partially replace the use of Floyd Street building and be used to consolidate supplies, comms equipment, uniforms, protective gear, and dry storage for reserve apparatus. Will likely be constructed on the Fire Station #1 site. Depending on budget capacity, a vehicle garage component may be included in the project.

This project will be funded partially using existing cash reserves coupled with a Federal Grant via an earmark secured by U.S. Senator Tillis.

Initial budget request: \$50,000 from cash reserves (planning, design/specifications and bidding/quotes).

Projects #12-16

Capital Outlay FY 25 through FY 29

Beginning in FY 25, each of the next five annual budgets are projected to include approximately \$3 million for capital outlay. Vehicles and equipment are the primary components of these capital outlay packages. This includes large purchases like fire apparatus and dump trucks. Replacement police vehicles are also included.

The plan is to issue short term debt each year, but some cash may be used depending on each year's budget pressures.

Initial budget request: \$0 (a budget amendment will be necessary once the short term financing package is completed in the Fall 2024; this will be repeated in the first quart of each new fiscal year through FY 29).

Project #17

Midway Revitalization - Phase I

Complete revitalization of the commercial area along South Main Street between Rogers Lake Road and Dale Earnhardt Blvd. Subject to the completion of a master redevelopment plan, the effort will include some combination of the development of activity centers and anchors, key public investments like parking, streetscape improvements, and the implementation of a strategy for attracting private residential and commercial investment. This funding is a set-aside amount subject to refinement via the above-described master plan.

This is a 100% City-funded project using a combination of debt financing and CDBG funds with the specific funding model to be determined.

Initial budget request: \$250,000 (project scoping, planning, preliminary design)

Project #18

Eastside Park

Construction of a 33-acre City owned Midlake Road property with Lake Fisher frontage. The project will be a passive park including open space, lake access (paddle boats), walking paths/sidewalks, greenway/nature trails, playground, picnic shelters, splashpad, dog park, restrooms, and parking.

This is a City-funded project consisting of debt financing but does include an anticipated State PARTF grant.

Initial budget request: \$476,000 (design, bidding, construction management)

Project #19

Midlake Avenue Sidewalk

Construction of approximately 5,500 linear feet of 5-foot concrete sidewalk, curb and gutter, and associated storm drainage and utility relocation along the east side of Midlake Road in Kannapolis, from Brantley Road to Centergrove Road. This project will provide an essential route to connect area residents to the planned Eastside Park. The Midlake Road area includes an estimated 4,000 residents, 20% of whom are under 18 years old and 12% of whom are age 65 and over. This child and senior citizen population of about 1,300 residents often lack the independence to drive and would benefit from pedestrian facilities. The current road cross section is narrow and is not safe to walk along due to the lack of sidewalks.

This project will be funded primarily with debt financing coupled with an anticipated (but not yet approved) Federal Grant requested via an earmark by U.S. Representative Adams.

Initial budget request: \$0 (this project is scheduled to begin planning and design in the spring/summer of 2025).

Project #20

Public Works Operations Center Improvements - Phase I

The first phase of this project is focused on renovations to the Public Works Operations Center (PWOC) to provide a more efficient, comfortable working environment for the City departments occupying the space. The PWOC is 25 years old and little new investment has been made in the facility since that time. This project would include the following components: 1) plumbing improvements, 2) cleaning of the HVAC System, 3) renovations to offices, restrooms, locker rooms, shops, meeting rooms, lobby area, and break room, 4) new appliances, 5) repairs/improvements to all interior and exterior doors, including mechanical roll up doors and addition of badge access to all exterior doors, 6) replacement of all flooring, 7) fully furnish the facility offices and break room, and conference rooms, including new cubes and office partitions where needed, and locker room lockers, 8) update all interior lighting, 9) adding communication wiring and backing for TV monitors and new projection system for meeting and conference areas, 10) new water fountains, 11) new computer lab area for training and access to computers by field staff, and 12) interior painting of the entire facility.

This is a 100% City-funded project using existing cash reserves from the Water & Sewer Fund (75%) and General Fund (25%). Potentially, a portion could be funded through debt financing but that will be considered subject to final project estimates.

Initial budget request: \$1,875,000 from cash reserves (full project amount; this will largely be a “build to budget” similar to the recently completed Gem Theatre renovations with the City serving as the general contractor and managing different components of the project).

Project #21

Cabarrus Joint Public Safety Training Facility

This is a joint regional Public Safety Training Facility project that includes Cabarrus County, the City of Concord and possibly other municipalities and entities. Will include a 20-lane, indoor Police Firearms Training Facility, and a Police Skills Pad Driving Course. The location would be in Concord on a portion of the former Jackson Training School site on US Highway 49 (owned by Cabarrus County). The City’s project \$8 million obligation is simply a placeholder. A preliminary project scope is currently being developed which will help define the level of the City’s participation and timing better. The overall project will be much more expensive, completed in phases, but there will be multiple funding partners.

The City’s obligation for this joint project will be funded through an interlocal agreement with Cabarrus County whereby the City will fund a portion of the County’s annual debt service. This will be similar to the debt the City issued in 2010 for the NCRC improvements where the County pays a portion of the City’s annual debt service.

Initial budget request: \$0 (this project is scheduled to begin planning and design in the late 2024 or early 2025 – subject to completion of an interlocal agreement among the three funding partners).

Project #22

Westside Park - Phase I

Construction of the first phase of the 52-acre NC Highway 73 property adjacent to the Rocky River and Christ the King Catholic High School. Full buildout includes six multi-use rectangle fields, two diamond fields, picnic shelters, playgrounds, walking trails/greenway connection, restrooms. This phase represents approximately 67% of the total project.

This is a City-funded project consisting of debt financing but does assume a potential State PARTF grant.

Initial budget request: \$0 (this project is scheduled to begin planning and design in the spring/summer of 2026).

Project #23

Brownfields Improvement Project - Phase I

As part of the non-binding Letter of Intent with Insite Properties, the City agreed to proceed with steps to accept donation of the 77 acre former Cannon Mills Wastewater Treatment Plant site on Glenn Avenue. The first step is to assess the property from an environmental standpoint. The City has received an EPA grant to support the assessment and initial clean-up of the property. The activities included with this potential grant is what constitutes Phase I. The goal after Phase I is completed is to have a Brownfields Agreement executed between the State of North Carolina and the City. This, coupled with an analysis of what additional remediation activities must occur and an analysis of potential future uses will be factors in the decision to accept ownership of the property. The full estimated cost of this restoration project ranges from \$3.5 to \$8.0 million. Additional federal funding will be pursued for this effort in the future.

This phase will be 100% funded by the Federal EPA Grant secured with the support of both of North Carolina's U.S. Senators and both of the City's members of Congress.

Initial budget request: \$0 (this project is fully funded through the grant proceeds – budget amendments will be necessary as the funding becomes available to the City)

Project #24

Bethpage Road Sidewalk

Construction of approximately 3,300 linear feet of 7-ft sidewalk, curb and gutter, and associated storm drainage along the south side of Bethpage Road from South Main Street to Klondale Avenue.

This project is funded through a Federal air quality program grant ("CMAQ"). It includes an 80/20 split: 80% Federal funds and 20% City funds which will come from existing cash reserves.

Initial budget request: \$0 (adequate funding is already in place for design and right-of-way acquisition).

Project #25

MLK Bridge Aesthetic Enhancements

Aesthetic upgrades to the NCDOT's MLK Jr. Avenue bridge replacement (over US 29, Cannon Blvd). The City funds will consist of constructing classic rail with light supports, installing medallions, and installing conduit for future lighting on the bridge. This will be a one-time payment to NCDOT that corresponds to the construction timeline. The City has no direct involvement in the project.

These enhancements will be funded by existing cash reserves, typically due to NCDOT at the end of the project.

Initial budget request: \$158,000 from cash reserves (one-time payment for the City requested enhancements).

Project #26

Rogers Lake Road Grade Separation Enhancements

City improvements and upgrades related to the new Rogers Lake Road Bridget (over Main Street, railroad corridor and S. Ridge Ave). The City funds will fund the City's portion of costs for the installation of 5' wide sidewalks, betterment costs for black vinyl fencing and decorative mast arm signal poles. The City has no direct involvement in the project.

These enhancements will be funded by existing cash reserves typically due to NCDOT at the end of the project.

Initial budget request: \$91,260 from cash reserves (one-time payment for the City requested enhancements – an additional \$200,000 is already set aside for the anticipated water and sewer relocation costs which are a City funding responsibility).

General Fund Capital Projects

Restricted Capital Set Aside and new Debt Financing

August 12, 2024 Summary

As part of the FY 25 Budget funding was set aside for two large and complex capital projects that ultimately will likely require the issuance of debt to accomplish each. They are described below. How, when (and if) these two projects reach an actual construction phase is unknown at this time. These funding sources will be set aside for three purposes: 1) project scoping, planning and design, 2) to accumulate funding capacity to defray the cost of future financing, and 3) future debt service payments on debt financing.

Project #27

Cultural Arts Facility/History Museum

This project assumes the acquisition of a suitable existing building and necessary renovations to convert to a Cultural Art Facility and History Museum. Ideal locations would be the downtown area,

Midway or North Kannapolis where several possibilities exist. Acquisition of an existing building would be far more financially feasible than new construction. This project would likely include some non-athletic/recreation components of a potential community/recreation center.

Additional grants will be explored to reduce the City's financial obligation.

Initial budget request: \$746,115 from the FY 25 Budget for the first year's "set aside" for a future capital project. This represents 84% of the value of a penny on the tax rate. A portion of this initial funding will be used for project scoping, community input, preparing a business model, space needs and preliminary design. It is anticipated that each year funds will be transferred to this project fund and will ultimately be used for debt service payments on the final project.

Project #28

Downtown Block 6 Public-Private Partnership Investment.

It has become clear that a partnership with the private sector continues to be necessary to facilitate the continued development of Downtown Kannapolis. The evaluation of opportunities for incentivizing private sector investment on Block 6 (south of the Swanee Theatre) continues. A development partners has not been identified but that process is underway. It is assumed that a new parking structure is the likely involvement of the City, and this funding capacity would facilitate such a public investment.

Initial budget request: \$888,232 from the FY 25 Budget for the first year's "set aside" for a future capital project. This represents 100% of the value of a penny on the tax rate. It is unlikely that any of these funds will be spent for at least two years. It is anticipated that each year funds will be transferred to this project fund and will ultimately be used for debt service payments on the final project.

General Fund Capital Projects

Unrestricted Capital Project Set Aside Fund

August 12, 2024 Summary

These funds serve two primary purposes: 1) proactively set aside funding for a wide range of smaller future capital projects (mostly less than \$1.5 million), and 2) subsidize larger capital projects that have other funding sources (like local matches for NCDOT or Federal grants). It is recommended that this fund remain in place for at least five years and then a re-evaluation of the effectiveness should occur to consider its future use.

The set aside amount will be a minimum of \$888,232 in FY 25 (equivalent of 1 cent on the current tax rate). This fund could grow in two ways. First, some of all of any proceeds from future real estate assets (i.e., Plant 4 property) could be added to this fund. Second, depending upon the ultimate decision on the operation of the Swanee Theatre and fire and life safety services in Western Cabarrus, those budget capacities would potentially be added to this fund on an annual basis (minimum of ~\$800,000 annually).

The first recommended project (#29) is described below. Future projects might include enhanced street paving, additional park facilities (Irish Buffalo Greenway Phase II perhaps being at the top of that list), new sidewalks, stormwater improvements, and intersection improvements.

A priority setting exercise on these additional capital projects will be something City Council will need to take part in in the next few months.

Project #29

Gem Theatre Improvements - Phase III

The success of the Phase I and Phase II improvements have been quite apparent. From 5/16/24 to Sun 8/04/24 the Gem generated a total revenue stream of ~\$379,000. As a point of comparison, the Gem Theatre's total average annual revenues from 2015 through 2019 - prior to the City's acquisition and renovations - was ~\$686,000. The City's 2024 revenues could potentially exceed every previous annual Gem revenue total by the end of August (with part of the peak Christmas season still ahead).

These successes are not without challenges however, hence the need to continue to improve the facility, largely to enhance the downtown and Gem customer experience. This full scope of this project needs more definition but generally will include: 1) a second concessions space (critical), 2) office space for three staff (that were originally intended to have space in the Swanee Theatre), 3) asbestos removal in the 2nd floor spaces, 4) multi-use space including a potential small visitor's center for downtown, and 5) basement green room/storage upfits.

Initial budget request: \$234,501 from a re-appropriation of the remaining, unspent FY 24 funding for Phase II of the renovations (recently completed) and the fundraising efforts to date. A portion of these funds (likely less than \$100,000) will be used for planning and design of Phase III with the remainder dedicated for the actual renovations. Additional funding is anticipated to be appropriated from the \$888,232 Unrestricted Capital Project Set Aside Fund for will be necessary to support the renovations. A future budget amendment will be necessary once a specific project scope and budget is established but it is assumed the additional funding will be in the \$400,000 range).

Project Schedules (August 2024)

| | 2024 | | 2025 | | | | 2026 | | | | 2027 | | | | 2028 | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|----------------------------|---------|--|---------|---------|---------|----------------------------|---------|---------|---------|---------------------------|---------|---------|---------|---------|---------|---------|---------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jul-Sep | Oct-Dec | Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | | | | | | | | | | | | | | | | | | | | | | | |
| | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N |
| 1. City Hall Upfits Design (complete) Bidding/Contracts Construction | [Orange bar: Jul-Sep 2024] | | [Green bar: Oct-Dec 2024] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Fire Department Training Tower Design/Property Acquisition Bidding/Contracts Construction | [Blue bar: Oct-Dec 2024] | | [Orange bar: Jan-Mar 2025] | | | | [Green bar: Apr-Jun 2025] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Upgrades to KMS Athletic Fields - Phase I Design Bidding/Contracts Construction | | | [Blue bar: Jul-Sep 2025] | | | | [Orange bar: Jan-Mar 2026] | | | | [Green bar: Apr-Jun 2026] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. Little Texas Road Sidewalk Design/Property Acquisition Bidding/Contracts Construction | [Blue bar: Jul-Sep 2024] | | [Orange bar: Apr-Jun 2025] | | | | [Green bar: Jul-Sep 2025] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. Western Cabarrus Communication Tower Design Bidding/Contracts Construction | [Blue bar: Jul-Sep 2024] | | [Orange bar: Apr-Jun 2025] | | | | [Green bar: Jul-Sep 2025] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. Block 10 Hotel Park Contribution to Developer | | | [Grey bar: Jan-Mar 2025 to Jun-Sep 2026] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. I-85 Monument Signage - Phase I Design/Property Acquisition Bidding/Contracts Construction | [Blue bar: Jul-Sep 2024] | | [Orange bar: Jan-Mar 2025] | | | | [Green bar: Apr-Jun 2025] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. Kann. Parkway Lighting & Landscaping - Phase I Design Bidding/Contracts Construction | [Blue bar: Jul-Sep 2024] | | [Orange bar: Apr-Jun 2025] | | | | [Green bar: Jul-Sep 2025] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9. Downtown Parking Lot - Main St. Design Bidding/Contracts Construction | [Blue bar: Oct-Dec 2024] | | [Orange bar: Jan-Mar 2025] | | | | [Green bar: Apr-Jun 2025] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10. Downtown Parking Lot - Oak Ave. Design (complete) Bidding/Contracts (complete) Construction | [Green bar: Jul-Sep 2024] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11. Fire Department Logistics Building Design Bidding/Contracts Construction | [Blue bar: Oct-Dec 2024] | | [Orange bar: Apr-Jun 2025] | | | | [Green bar: Jul-Sep 2025] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12. Capital Outlay FY 25 Quotes Financing/Purchase | [Orange bar: Jul-Sep 2024] | | [Green bar: Oct-Dec 2024] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Project Schedules (August 2024)

| | 2024 | | 2025 | | | | 2026 | | | | 2027 | | | | 2028 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|--|--|--|--|
| | Jul-Sep | Oct-Dec | Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | | | | |
| 13. Capital Outlay FY 26 Quotes Financing/Purchase | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14. Capital Outlay FY 27 Quotes Financing/Purchase | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15. Capital Outlay FY 28 Quotes Financing/Purchase | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16. Capital Outlay FY 29 Quotes Financing/Purchase | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17. Midway Revitalization - Phase I Design/Property Acquisition Bidding/Contracts/Financing Construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18. Eastside Park Design/Property Acquisition Bidding/Contracts/Financing Construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 19. Midlake Avenue Sidewalk Design/Property Acquisition Bidding/Contracts/Financing Construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20. Public Works Operations Center Improvements Phase I Design Bidding/Contracts Construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 21. Cabarrus Joint Public Safety Training Facility Design Bidding/Contracts/Financing Construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22. Westside Park - Phase I Design Bidding/Contracts/Financing Construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23. Brownfields Improvement Project - Phase I Design Bidding/Contracts Construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 24. Bethpage Road Sidewalk Design/Property Acquisition Bidding/Contracts Construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Imagine Kannapolis Strategic Plan

Capital Projects

FY 25 - FY 29



Financial Plan Guiding Principles

1. **Use excess cash reserves** (generated from economic development land sales, ARPA grant, conservative budgeting).
2. **Create financial capacity using annual “set asides.”** This will reduce future debt on larger projects and pay for smaller capital projects.
3. **Use short-term debt financing for capital outlay.**
4. **Use long-term debt financing for larger capital projects.**
5. **Pursue outside funding** (grants, earmarks, NCDOT funding).



Capital Investments in FY 24

1. Ballpark PDL Improvements (\$235,373)
2. Downtown Shuttles (\$113,050)
3. Fire Station #1 and #4 Renovations (\$3,440,503)
4. Existing Park Improvements (\$2,405,000)
5. Gem Theatre Renovations Phase II (\$1,141,625)
6. Swanee Theatre Renovations (\$2,286,574)
7. Main Street Parklets (\$350,000)
8. Transitional Housing Contribution (\$3,000,000)

\$9,859,075 from cash reserves

\$3,113,050 from outside funding



Cash Reserve or Financed Projects

FY 25 - FY 29

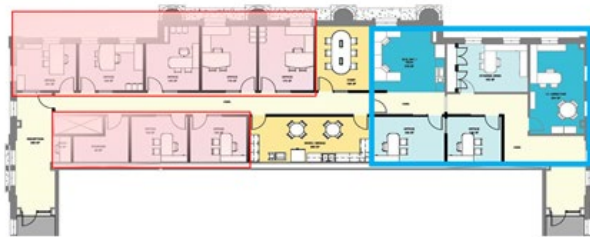


PROJECT #1

City Hall Upfits



2ND FLOOR HR / IT SUITE



| DEPARTMENTS | SQUARE FOOTAGE |
|-----------------|----------------|
| IT | 446 SF |
| EMERGENCY | 462 SF |
| HUMAN RESOURCES | 1142 SF |
| CIRCULATION | 0 |
| SHARED SPACE | 458 SF |
| OUT OF SCOPE | 0 |

NOT TO SCALE

| Design/Property Acquisition | Bidding/Contracts | Construction |
|-----------------------------|---------------------|---------------------|
| Completed | Jun 2024 – Sep 2024 | Oct 2024 – Feb 2025 |

| Project Budget (Bidding Complete) | |
|-----------------------------------|--------------------|
| Planning/Design | \$85,800 |
| Property Acquisition | \$0 |
| FF&E | \$502,186 |
| Construction | \$1,446,964 |
| Total | \$2,034,950 |

| Funding Source(s) |
|-------------------|
| Cash Reserves |

| Initial Budget Request |
|------------------------|
| \$2,034,950 |

| Total City Funding |
|--------------------|
| \$2,034,950 |



PROJECT #2

Fire Department Training Tower



| Design/Property Acquisition | Bidding/Contracts | Construction |
|-----------------------------|---------------------|---------------------|
| Nov 2024 – Feb 2025 | Mar 2025 – May 2025 | Jun 2025 – Jan 2026 |

| Project Budget | |
|----------------------|--------------------|
| Planning/Design | \$150,000 |
| Property Acquisition | \$0 |
| FF&E | \$75,000 |
| Construction | \$1,275,000 |
| Total | \$1,500,000 |

| Funding Source(s) |
|-------------------|
| Cash Reserves |

| Initial Budget Request |
|------------------------|
| \$150,000 |

| Total City Funding |
|--------------------|
| \$1,500,000 |



PROJECT #3

Upgrades to KMS Athletic Fields - Phase I



| Design/Property Acquisition | Bidding/Contracts | Construction |
|-----------------------------|---------------------|---------------------|
| Sep 2025 – Dec 2025 | Jan 2025 – Apr 2025 | May 2026 – Aug 2026 |

| Project Budget | |
|----------------------|--------------------|
| Planning/Design | \$120,000 |
| Property Acquisition | \$0 |
| FF&E | \$0 |
| Construction | \$1,080,000 |
| Total | \$1,200,000 |

| Funding Source(s) |
|------------------------------------|
| Cash Reserves, KCS/Cabarrus County |
| Initial Budget Request |
| \$0 |
| Total City Funding |
| \$600,000 |



PROJECT #4

Little Texas Road Sidewalk



| Design/Property Acquisition | Bidding/Contracts | Construction |
|-----------------------------|---------------------|---------------------|
| Jun 2024 – Apr 2025 | May 2025 – Aug 2025 | Sep 2025 – Jun 2026 |

| Project Budget | |
|----------------------|--------------------|
| Planning/Design | \$1,555,134 |
| Property Acquisition | \$400,000 |
| FF&E | \$0 |
| Construction | \$4,900,000 |
| Total | \$6,855,134 |

| Funding Source(s) |
|--------------------------------------|
| Cash Reserves, Federal CMAQ Grant |

| Initial Budget Request |
|------------------------|
| \$0 |

| Total City Funding |
|--------------------|
| \$1,371,027 |



PROJECT #5

Western Cabarrus Communication Tower



| Design/Property Acquisition | Bidding/Contracts | Construction |
|-----------------------------|---------------------|---------------------|
| Mar 2024 – May 2025 | Jun 2025 – Sep 2025 | Oct 2025 – May 2026 |

| Project Budget | |
|----------------------|--------------------|
| Planning/Design | \$200,000 |
| Property Acquisition | \$0 |
| FF&E | \$0 |
| Construction | \$1,800,000 |
| Total | \$2,000,000 |

| Funding Source(s) |
|---------------------------------|
| Cash Reserves, Federal Grant |

| Initial Budget Request |
|------------------------|
| \$200,000 |

| Total City Funding |
|--------------------|
| \$1,037,000 |



PROJECT #6

Downtown Block 10 Hotel Park (contribution)



| Design/Property Acquisition | Bidding/Contracts/Construction | Contributions |
|-----------------------------|--------------------------------|---------------------|
| Completed (Developer) | Developer | Feb 2025 – Aug 2026 |

| Project Budget | |
|----------------------|------------------|
| Planning/Design | \$0 |
| Property Acquisition | \$0 |
| FF&E | \$0 |
| Construction | * \$600,000 |
| Total | \$600,000 |

* 50% City match with developer up to \$600k

| Funding Source(s) |
|-------------------|
| Cash Reserves |

| Initial Budget Request |
|------------------------|
| \$600,000 |

| Total City Funding |
|--------------------|
| \$600,000 |



PROJECT #7

I-85 Monument Signage



| Design/Property Acquisition | Bidding/Contracts | Construction |
|-----------------------------|---------------------|---------------------|
| Aug 2024 – Dec 2024 | Jan 2025 – May 2025 | Jun 2025 – Dec 2025 |

| Project Budget | |
|----------------------|--------------------|
| Planning/Design | \$81,000 |
| Property Acquisition | \$0 |
| FF&E | \$0 |
| Construction | \$1,572,009 |
| Total | \$1,653,009 |

| Funding Source(s) |
|-----------------------------------|
| Cash Reserves, City of Concord |
| Initial Budget Request |
| \$81,000 |
| Total City Funding |
| \$991,042 |



PROJECT #8

Kannapolis Parkway Lighting – Phase I



| Design/Property Acquisition | Bidding/Contracts | Construction |
|-----------------------------|---------------------|---------------------|
| Aug 2024 – Jan 2025 | Feb 2025 – Apr 2025 | May 2025 – Sep 2025 |

| Project Budget | |
|----------------------|------------------|
| Planning/Design | \$0 |
| Property Acquisition | \$0 |
| FF&E | \$0 |
| Construction | \$200,000 |
| Total | \$200,000 |

| Funding Source(s) |
|-------------------|
| Cash Reserves |

| Initial Budget Request |
|------------------------|
| \$0 |

| Total City Funding |
|--------------------|
| \$200,000 |



PROJECT #9

Downtown Parking Lot – Main Street



| Design/Property Acquisition | Bidding/Contracts | Construction |
|-----------------------------|---------------------|---------------------|
| Oct 2024 – Jan 2025 | Feb 2025 – May 2025 | Jun 2025 – Oct 2025 |

| Project Budget | |
|----------------------|------------------|
| Planning/Design | \$167,881 |
| Property Acquisition | \$0 |
| FF&E | \$0 |
| Construction | \$586,304 |
| Total | \$754,185 |

| Funding Source(s) |
|------------------------------------|
| Cash Reserves, NCDOT Rail Division |

| Initial Budget Request |
|------------------------|
| \$167,881 |

| Total City Funding |
|--------------------|
| \$437,217 |



PROJECT #10

Downtown Parking Lot – Oak Ave S.



| Design/Property Acquisition | Bidding/Contracts | Construction |
|-----------------------------|-------------------|---------------------|
| Completed | Completed | Jun 2024 – Sep 2024 |

| Project Budget | |
|----------------------|------------------|
| Planning/Design | * \$0 |
| Property Acquisition | \$0 |
| FF&E | \$0 |
| Construction | \$295,361 |
| Total | \$340,361 |

| Funding Source(s) |
|-------------------|
| Cash Reserves |

| Initial Budget Request |
|------------------------|
| \$295,361 |

| Total City Funding |
|--------------------|
| \$295,361 |

* Completed in FY 24 Budget



PROJECT #11

Fire Department Logistics Building



| Design/Property Acquisition | Bidding/Contracts | Construction |
|-----------------------------|---------------------|---------------------|
| Oct 2024 – Apr 2025 | May 2025 – Aug 2025 | Sep 2024 – Feb 2025 |

| Project Budget | |
|----------------------|------------------|
| Planning/Design | \$50,000 |
| Property Acquisition | \$0 |
| FF&E | \$25,000 |
| Construction | \$425,000 |
| Total | \$500,000 |

| Funding Source(s) |
|------------------------------|
| Cash Reserves, Federal Grant |

| Initial Budget Request |
|------------------------|
| \$50,000 |

| Total City Funding |
|--------------------|
| \$155,000 |



Capital Outlay FY 25 through FY 29



| Quotes | Financing/Purchase |
|-----------------------|-----------------------|
| Jul – Sep (each year) | Jul – Nov (each year) |

| Project Budget (each year) | |
|----------------------------|---------------------|
| Planning/Design | \$0 |
| Property Acquisition | \$0 |
| FF&E | ~\$3,000,000 |
| Construction | \$0 |
| Total | ~\$3,000,000 |

| Funding Source(s) |
|--------------------------------|
| Financing, Cash Reserves |
| Initial Budget Request |
| \$0 |
| Total City Funding (each year) |
| ~\$3,000,000 |



Midway Revitalization – Phase I



| Initial Planning/Design | Bidding/Contracts/ Financing | Construction |
|-------------------------|------------------------------|---------------------|
| Sep 2024 – Dec 2025 | Jan 2026 – Oct 2026 | Nov 2026 - Mar 2028 |

| Project Budget | |
|-----------------------|--------------------|
| Planning/Design | \$812,500 |
| Property Acquisition* | \$0 |
| FF&E | \$0 |
| Construction | \$7,312,500 |
| Total | \$8,125,000 |

| Funding Source(s) |
|-----------------------|
| Financing, CDBG Funds |

| Initial Budget Request |
|------------------------|
| \$250,000 |

| Total City Funding |
|--------------------|
| \$8,125,000 |

* Included in construction number for now.



PROJECT #19

Midlake Avenue Sidewalk



| Design/Property Acquisition | Bidding/Contracts/ Financing | Construction |
|-----------------------------|------------------------------|---------------------|
| Jun 2025 – Sep 2026 | Oct 2026 – Feb 2027 | Mar 2027 – Jan 2028 |

| Project Budget | |
|----------------------|--------------------|
| Planning/Design | \$366,500 |
| Property Acquisition | \$366,500 |
| FF&E | \$0 |
| Construction | \$3,665,000 |
| Total | \$4,398,000 |

| Funding Source(s) |
|----------------------------|
| Financing Federal Grant |

| Initial Budget Request |
|------------------------|
| \$0 |

| Total City Funding |
|--------------------|
| \$3,548,000 |



PROJECT #20

Public Works Operations Center Improvements - Phase I



| Design/Property Acquisition | Bidding/Contracts | Construction |
|-----------------------------|---------------------|---------------------|
| Sep 2024 – Apr 2025 | May 2025 – Aug 2025 | Sep 2025 – Jun 2026 |

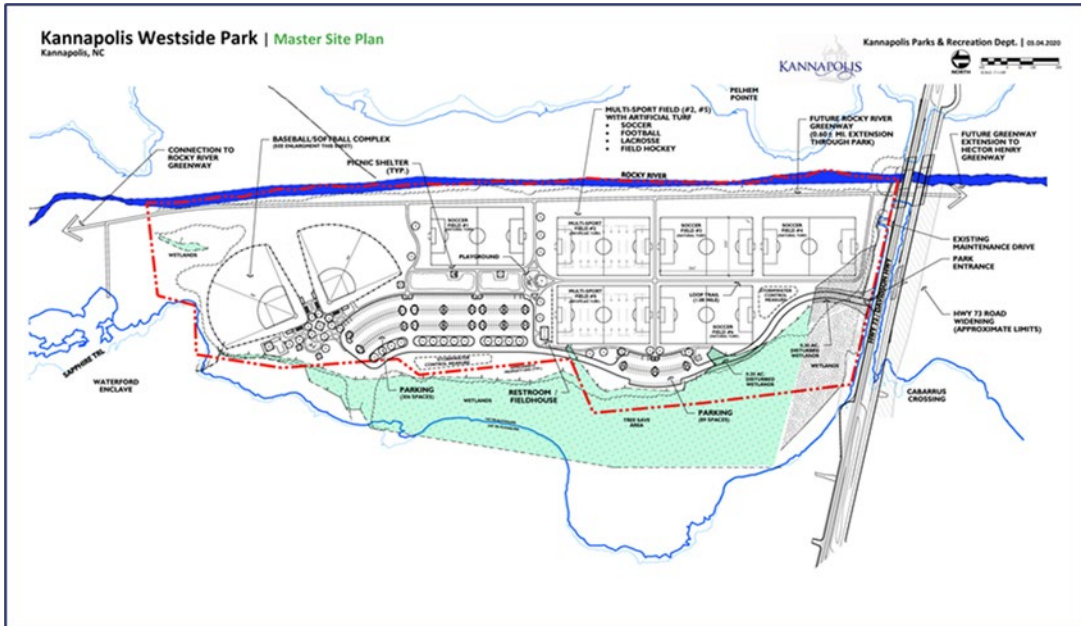
| Project Budget | |
|----------------------|--------------------|
| Planning/Design | \$37,500 |
| Property Acquisition | \$0 |
| FF&E | \$56,250 |
| Construction | \$1,781,250 |
| Total | \$1,875,000 |

| Funding Source(s) |
|--|
| Cash Reserves (Water & Sewer & General Fund) |
| Initial Budget Request |
| \$1,875,000 |
| Total City Funding |
| \$1,875,000 |



PROJECT #22

Westside Park - Phase I



| Design/Property Acquisition | Bidding/Contracts/Financing | Construction |
|-----------------------------|-----------------------------|---------------------|
| Aug 2026 – May 2027 | Jun 2027 – Oct 2027 | Nov 2027 – Dec 2028 |

| Project Budget | |
|----------------------|---------------------|
| Planning/Design | \$1,050,000 |
| Property Acquisition | \$0 |
| FF&E | \$525,000 |
| Construction | \$8,925,000 |
| Total | \$10,500,000 |

| Funding Source(s) |
|---------------------------|
| Financing, NC PARTF Grant |
| Initial Budget Request |
| \$0 |
| Total City Funding |
| \$10,000,000 |



PROJECT #23

Brownfields Improvement Project - Phase I



| Design/Property Acquisition | Bidding/Contracts | Construction |
|-----------------------------|---------------------|---------------------|
| Feb 2025 – May 2026 | Jun 2026 – Sep 2026 | Oct 2026 – Mar 2028 |

| Project Budget | |
|----------------------|--------------------|
| Planning/Design | \$491,000 |
| Property Acquisition | \$0 |
| FF&E | \$0 |
| Construction | \$508,500 |
| Total | \$1,000,000 |

| Funding Source(s) |
|-------------------|
| Federal EPA Grant |

| Initial Budget Request |
|------------------------|
| \$0 |

| Total City Funding |
|--------------------|
| \$0 |



PROJECT #24

Bethpage Road Sidewalk



| Design/Property Acquisition | Bidding/Contracts | Construction |
|-----------------------------|---------------------|---------------------|
| Oct 2024 – Sep 2025 | Oct 2025 – Jan 2026 | Feb 2026 – Dec 2026 |

| Project Budget | |
|----------------------|--------------------|
| Planning/Design | \$594,060 |
| Property Acquisition | \$117,000 |
| FF&E | \$0 |
| Construction | \$2,365,000 |
| Total | \$3,076,060 |

| Funding Source(s) |
|--------------------------------------|
| Cash Reserves, Federal CMAQ Grant |

| Initial Budget Request |
|------------------------|
| \$0 |

| Total City Funding |
|--------------------|
| \$882,460 |



PROJECT #25

MLK Bridge Aesthetic Improvements (contribution)



| Design/Property Acquisition | Bidding/Contracts/Construction | Contribution |
|-----------------------------|--------------------------------|--------------|
| Underway - NCDOT | NCDOT | Feb 2026 |

| Project Budget | |
|----------------------|------------------|
| Planning/Design | \$0 |
| Property Acquisition | \$0 |
| FF&E | \$0 |
| Construction | \$158,000 |
| Total | \$158,000 |

| Funding Source(s) |
|-------------------|
| Cash Reserves |

| Initial Budget Request |
|------------------------|
| \$158,000 |

| Total City Funding |
|--------------------|
| \$158,000 |



Rogers Lake Road Grade Separation Enhancements (contribution)



| Design/Property Acquisition | Bidding/Contracts/ Construction | Contribution |
|-----------------------------|---------------------------------|--------------|
| Completed - Others | Underway - NCDOT | May 2026 |

| Project Budget | |
|----------------------|-----------------|
| Planning/Design | \$0 |
| Property Acquisition | \$0 |
| FF&E | \$0 |
| Construction | \$91,260 |
| Total | \$91,260 |

| Funding Source(s) |
|-------------------|
| Cash Reserves |

| Initial Budget Request |
|------------------------|
| \$91,260 |

| Total City Funding |
|--------------------|
| \$91,260 |



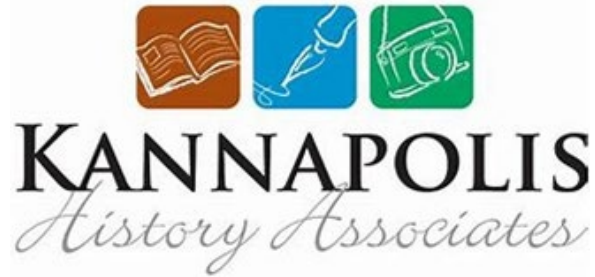
Capital Set Aside Projects

FY 25 - FY 29



PROJECT #27

Cultural Arts Facility/History Museum



| Design/Property Acquisition | Bidding/Contracts/ Financing | Construction |
|-----------------------------|------------------------------|---------------------|
| Sep 2024 – Dec 2025 | Jan 2026 –Apr 2026 | May 2026 – Mar 2027 |

| Project Budget | |
|-----------------------|--------------------|
| Planning/Design | \$750,000 |
| Property Acquisition* | \$1,500,000 |
| FF&E | \$375,000 |
| Construction | \$4,875,000 |
| Total | \$7,500,000 |

* Placeholder until property identified.

| Funding Source(s) |
|---|
| Financing, Restricted Capital Set Aside, Grants |
| Initial Budget Request |
| \$746,115 |
| Total City Funding |
| \$6,500,000 |



Downtown Block 6 Investment



| Design/Property Acquisition | Bidding/Contracts/Financing | Construction |
|-----------------------------|-----------------------------|---------------------|
| Apr 2025 – Dec 2025 | Jan 2026 – May 2026 | Jun 2026 – Apr 2028 |

| Project Budget | |
|-----------------------|---------------------|
| Planning/Design | \$1,000,000 |
| Property Acquisition* | \$0 |
| FF&E | \$500,000 |
| Construction | \$8,500,000 |
| Total | \$10,000,000 |

| Funding Source(s) |
|---|
| Financing, Restricted Capital Set Aside |

| Initial Budget Request |
|------------------------|
| \$888,232 |

| Total City Funding |
|--------------------|
| \$10,000,000 |



Gem Theatre Renovations – Phase III



| Design/Property Acquisition | Bidding/Contracts/Financing | Construction |
|-----------------------------|-----------------------------|---------------------|
| Sep 2024 – Mar 2025 | Apr 2025 – Jul 2025 | Aug 2025 – Dec 2025 |

| Project Budget | |
|----------------------|------------------|
| Planning/Design | \$63,450 |
| Property Acquisition | \$0 |
| FF&E | \$31,725 |
| Construction | \$539,326 |
| Total | \$634,501 |

| Funding Source(s) |
|--------------------------------|
| Unrestricted Capital Set Aside |

| Initial Budget Request |
|------------------------|
| \$234,501 |

| Total City Funding |
|--------------------|
| \$634,501 |



Summary FY 25-29 Capital Projects (Aug. 2024)



\$11,056,568 General Fund Cash Reserves
 \$1,406,250 Water & Sewer Cash Reserves
 \$726,000 Advance for Financing (to be Reimbursed)
\$33,647,000 Proceeds from Long-Term Financing
\$15,000,000 Proceeds from Short-Term Financing
\$16,500,000 Restricted Capital Set Aside Financing
 \$4,441,160 Unrestricted Capital Set Aside (projects to be determined)

\$82,776,978 Sub Total: City Funding

\$14,414,642 Sub Total: Outside Funding Sources

\$97,191,620 Grant Total: Projected Total Capital Budget



Projected General Fund Cash Reserves

\$16,307,995 Available Cash 7/1/24

(\$5,937,953) GF Cash Reserve Projects - Initial Appropriation (8/12/24)

(\$5,118,614) GF Cash Reserve Projects - Projected Additional Appropriation

\$5,251,427 Remaining GF Cash Reserves above 25% Minimum *

* Excludes future land sales proceeds (e.g., Block 6, Plant 4)



| Water and Sewer Fund | 2025 | 2026 | 2027 | 2028 | 2029 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Budgeted Revenues | | | | | |
| Charges and Fees (assumes 3% YOY) | 23,175,000 | 25,555,137 | 27,542,155 | 28,368,419 | 29,219,472 |
| Proposed Fee Increase (\$1.44 on base sewer, .75 on volumetric sewer and .51 on volumetric water for FY 25) | | | | | |
| FY 26: (.75 on volumetric sewer and .49 on volumetric water) | 2,310,813 | 1,929,143 | - | - | - |
| Wholesale Water Sales (assumes 3% YOY) | 425,000 | 437,750 | 450,883 | 464,409 | 478,341 |
| Tap Fees (5% YOY) | 1,168,000 | 1,226,400 | 1,287,720 | 1,352,106 | 1,419,711 |
| Connection Fees (5% YOY) | 1,885,000 | 1,979,250 | 2,078,213 | 2,182,123 | 2,291,229 |
| Reconnection Fees (Flat) | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 |
| Penalties (3% YOY) | 525,000 | 540,750 | 556,973 | 573,682 | 590,892 |
| Investment Income (Flat) | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Miscellaneous Revenue (Flat) | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Sub-Total Revenues | \$ 29,743,813 | \$ 31,923,430 | \$ 32,170,942 | \$ 33,195,739 | \$ 34,254,646 |
| Personnel (plugged 7% YOY) | | | | | |
| Customer Service | | | | | |
| Distribution | 1,251,089 | 1,338,665 | 1,432,372 | 1,532,638 | 1,639,922 |
| Water Treatment Plant | 3,595,727 | 3,847,428 | 4,116,748 | 4,404,920 | 4,713,265 |
| | 1,853,474 | 1,983,217 | 2,122,042 | 2,270,585 | 2,429,526 |
| Sub-Total Personnel: | \$ 6,700,290 | \$ 7,169,310 | \$ 7,671,162 | \$ 8,208,143 | \$ 8,782,713 |
| Operations (plugged 7% YOY) | | | | | |
| Customer Service | 453,200 | 484,924 | 518,869 | 555,189 | 594,053 |
| Distribution (includes \$812,000 in capital outlay replacements YOY) | 3,324,466 | 3,557,179 | 3,806,181 | 4,072,614 | 4,357,697 |
| Water Treatment Plant (includes \$108,000 in capital outlay replacements YOU) | 3,520,236 | 3,766,653 | 4,030,318 | 4,312,440 | 4,614,311 |
| WSACC (increases to \$1.8 million for next phase in FY 27) | 5,869,191 | 6,280,034 | 7,219,637 | 7,725,011 | 8,265,762 |
| Sub-Total Operations | \$ 13,167,093 | \$ 14,088,790 | \$ 15,575,005 | \$ 16,665,255 | \$ 17,831,823 |
| Debt Service | | | | | |
| Existing Debt Service Obligations | 5,720,435 | 4,356,404 | 4,075,849 | 4,077,338 | 4,076,695 |
| Proposed New Debt Service (this includes Downtown Sewer Outfall at \$3.93m, Spillway at \$6.3 million and SRU at \$4.75 million) | 2,310,813 | 3,335,000 | 3,815,000 | 3,815,000 | 4,985,000 |
| Sub-Total Debt Service | \$ 8,031,248 | \$ 7,691,404 | \$ 7,890,849 | \$ 7,892,338 | \$ 9,061,695 |
| Transfer to General Fund | | | | | |
| | 1,845,182 | 1,845,182 | 1,845,182 | 1,845,182 | 1,845,182 |
| Subtotal Expenses | \$ 29,743,813 | \$ 30,794,686 | \$ 32,982,198 | \$ 34,610,918 | \$ 37,521,413 |
| Revenues over (under) expenses | - | 1,128,745 | (811,256) | (1,415,179) | (3,266,768) |



Funding Plan and CIP

| | FY 25 | FY 26 | FY 27 | FY 28 | FY 29 | Total | Post Years |
|--|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|------------|
| Revenue Sources | | | | | | | |
| Fund Balance over target percentage (25%) | \$5,798,588 | - | - | - | - | \$5,798,588 | |
| Kannapolis Crossing (Developer Contribution) | | - | - | - | - | \$0 | |
| Grants (Federal Grant Opportunities) | - | - | - | - | - | - | |
| Subtotal One-Time Cash Revenues | \$5,798,588 | - | - | - | - | \$5,798,588 | |
| Budget Capacity (gains in operating budget) | \$0 | \$1,128,745 | -\$811,256 | -\$1,415,179 | -\$3,266,768 | -\$5,483,879 | |
| Earmark from the State for Forrest brook pump | \$1,500,000 | | | | | | |
| Revenue Bonds | | | | | | | |
| Subtotal Recurring Revenues | \$1,500,000 | \$1,128,745 | -\$811,256 | -\$1,415,179 | -\$3,266,768 | -\$3,983,879 | |
| GRAND TOTAL (ALL PROJECTS) | \$4,488,500 | \$4,377,500 | \$4,905,000 | \$5,240,000 | \$5,885,000 | \$24,896,000 | |
| GRAND TOTAL CASH PROJECTS | \$2,453,500 | \$1,042,500 | \$1,090,000 | \$1,425,000 | \$900,000 | \$6,911,000 | |
| GRAND TOTAL OPERATING (INCLUDES DEBT SERVICE) | \$2,035,000 | 3,335,000 | \$3,815,000 | 3,815,000 | 4,985,000 | \$17,985,000 | |

| | FY 25 | FY 26 | FY 27 | FY 28 | FY 29 | Total | Post Years |
|--|---------------------|------------------|------------------|------------------|----------------|-------|------------|
| Projects and Initiatives - Cash Funded | | | | | | | |
| Infrastructure | | | | | | | |
| Contractor Root Control (zone 1 and 2) | \$ 30,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | | |
| I&I Manhole Rehab | \$ 30,000 | \$ 30,000 | \$ 250,000 | \$ 125,000 | \$ 250,000 | | |
| Vehicle and equipment replacement | | \$ 125,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 | | |
| W20 Jet Vac Replacement | | | | \$ 550,000 | | | |
| Three Mile Branch I&I reduction (point repair and rehab) study | | | | | | | |
| Golf Course new pump (spare) | | | | | | | |
| CCTV van replacement | | | | | | | |
| New crane truck | | | \$ 85,000 | | | | |
| New trench boxes (0.5) | \$ 35,000 | | | | | | |
| Three Mile Branch I&I reduction (point repair and rehab) construction | | \$ 250,000 | | | | | |
| New sewer dump truck | \$ 165,000 | | | | | | |
| New sewer backhoe | \$ 215,000 | | | | | | |
| Replacement mowing tractor | \$ 185,000 | | | | | | |
| New sewer equipment truck | \$ 65,000 | | | | | | |
| New gator UTV and trailer | \$ 35,000 | | | | | | |
| Washington Lane LS basin smoke testing | \$ 35,000 | | | | | | |
| Golf Course generator replacement | \$ 50,000 | | | | | | |
| Washington Lane LS repairs | | \$ 125,000 | | | | | |
| New rodding machine | | \$ 65,000 | | | | | |
| Replacement water excavator | | \$ 75,000 | | | | | |
| Replacement water truck | | \$ 120,000 | | | | | |
| Esther Circle Outfall micro flow study | | \$ 50,000 | | | | | |
| Royal Oaks phase 1 smoke test | | | \$ 35,000 | | | | |
| Air compressor replacement | | | \$ 30,000 | | | | |
| Replacement water dump truck | | | \$ 240,000 | | | | |
| Royal Oaks phase 1 I&I reduction HWY 136 outfall | | | | \$ 125,000 | | | |
| Water Plant Actuator | | | | \$ 90,000 | | | |
| Macedonia Pump Station improvements | | | | \$ 85,000 | | | |
| Water Plant SCADA improvements | | | | | \$ 75,000 | | |
| Generator rehab | | | | | \$ 100,000 | | |
| SCADA and Fogrod upgrades (all stations) | | | | | \$ 25,000 | | |
| Mission Oaks air mixer (FOG reduction) | | | | | | | |
| Ball Park pump and valve replacement | | | | | | | |
| Charlie Walker pump station check valve replacement | \$ 38,500 | | | | | | |
| Lift station OSHA required fall protection installation | \$ 25,000 | | | | | | |
| Forrest brook pump, valve and generator replacement (direct pass thru from the State) | \$ 1,500,000 | | | | | | |
| HWY 136 pump station abandonment design | \$ 25,000 | | | | | | |
| Walmart LS electrical repairs | \$ 20,000 | | | | | | |
| HWY 136 pump station abandonment construction | | \$ 65,000 | | | | | |
| Brantley LS electrical improvements | | \$ 50,000 | | | | | |
| Washington Lane LS electrical inspections | | \$ 12,500 | | | | | |
| Washington Lane LS electrical improvements | | \$ 25,000 | | | | | |
| Midlake LS electrical improvements | | | \$ 50,000 | | | | |
| Future LS improvements | | | \$ 100,000 | \$ 150,000 | \$ 150,000 | | |
| NCRP Pillowtex Glenn Avenue Property Acquisition(\$3.7m cleanup cost less 100% grant/earmarks) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Wyrick Property(\$500k cleanup costs assumes 100% grant/earmark; \$10.4m cleanup cost for residential not realistic) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Securing of Future Potable Water Sources | | | | | | | |
| Subtotal Cash Projects | 2,453,500 | 1,042,500 | 1,090,000 | 1,425,000 | 900,000 | | |

| | FY 25 | FY 26 | FY 27 | FY 28 | FY 29 | Total | Post Years |
|---|------------------|------------------|------------------|------------------|------------------|------------|------------|
| Projects and Initiatives - Operating Impact | | | | | | | |
| Infrastructure | | | | | | | |
| 13th and US 29 sewer replacement (\$0.25 M) | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 | | |
| Downtown Sewer Outfall replacement (5,600 LF 18-inch) (\$4.0 M) | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | | |
| Cannon Blvd and DEB (NCDOT U-5761)(\$0.5 M) | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | | |
| Royal Oaks Phase 1 (\$3.2 M) | | | | | | \$ 320,000 | |
| Nathan Ave Watermain Loop (\$0.25 M) | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | | |
| Clearwell Roof 1 and 2 Rehab (\$1.7 M) - already funded | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| SRU Wastewater Force main (\$4.75 M) | \$ 475,000 | \$ 475,000 | \$ 475,000 | \$ 475,000 | \$ 475,000 | | |
| Kannapolis Lake Spillway (\$6.3 M) | \$ 630,000 | \$ 630,000 | \$ 630,000 | \$ 630,000 | \$ 630,000 | | |
| Albemarle Plant Expansion | | | | | | \$ 850,000 | |
| Second Creek Raw Water Pump Station Improvements (\$12 M) | \$ - | \$ 1,200,000 | \$ 1,200,000 | \$ 1,200,000 | \$ 1,200,000 | | |
| RRRWTP Upgrades | \$ 120,000 | \$ 120,000 | \$ 120,000 | \$ 120,000 | \$ 120,000 | | |
| Rogers Lake Road utility relocation (\$0.2 M) | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | | |
| Water Plant Filter Media Replacement (\$1.0 M) | | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | | |
| Water Plant Chemical Feed Improvements (\$0.3 M) | | | \$ 30,000 | \$ 30,000 | \$ 30,000 | | |
| Charlotte Water connection (\$4.5 M) | | | \$ 450,000 | \$ 450,000 | \$ 450,000 | | |
| Water and Sewer Bridge Replacement (Glenn Ave)(\$0.65 M) | \$ 65,000 | \$ 65,000 | \$ 65,000 | \$ 65,000 | \$ 65,000 | | |
| Subtotal Operating Impact | 2,035,000 | 3,335,000 | 3,815,000 | 3,815,000 | 4,985,000 | | |

City of Kannapolis: Five Year Financial Plan

SW FUND - 09-05-2024

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 | 3,400,000 | 3,713,150 | 3,824,545 | 3,939,281 | 4,057,459 |
| Revenue recovery from audit | | 270,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Investment Income | 30,000 | 80,000 | - | - | - | - |
| Sub-total Recurring Revenues | 3,530,000 | 3,750,000 | 4,013,150 | 4,124,545 | 4,239,281 | 4,357,459 |
| | 7.24% | 10.62% | 2.77% | 2.78% | 2.78% | 2.79% |
| Total Revenues | 3,530,000 | 3,905,000 | 4,013,150 | 4,124,545 | 4,239,281 | 4,357,459 |

Personnel Costs (5% could include medical and retirement)

| | | | | | | |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1,431,652 | 1,511,360 | 1,578,396 | 1,657,316 | 1,740,182 | 1,827,191 |
| Sub- total Personnel Costs | 1,431,652 | 1,511,360 | 1,578,396 | 1,657,316 | 1,740,182 | 1,827,191 |
| | 19.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |

Operational Costs

| | | | | | | |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Operations | 1,074,987 | 1,279,853 | 1,265,260 | 1,353,828 | 1,448,596 | 1,549,998 |
| Sub- total Operating Costs | 1,074,987 | 1,279,853 | 1,265,260 | 1,353,828 | 1,448,596 | 1,549,998 |
| | 16% | 10% | 7% | 7% | 7% | 7% |

Debt

| | | | | | | |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Debt Service | 559,479 | 546,259 | 532,716 | 502,040 | 489,370 | 476,700 |
| Sub- total Debt Service | 559,479 | 546,259 | 532,716 | 502,040 | 489,370 | 476,700 |
| | -23% | -2% | -2% | -2% | -2% | -2% |

Transfers

| | | | | | | |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Transfer to General Fund | 463,882 | 412,528 | 427,220 | 427,220 | 427,220 | 427,220 |
| Sub- total Transfers | 463,882 | 412,528 | 427,220 | 427,220 | 427,220 | 427,220 |

| | | | | | | |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Recurring Expenditures | 3,530,000 | 3,750,000 | 3,803,592 | 3,940,404 | 4,105,368 | 4,281,109 |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|

One time Capital

| | | | | | | |
|--|---|---|---|---|---|---|
| | - | - | - | - | - | - |
|--|---|---|---|---|---|---|

| | | | | | | |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Expenditures | \$ 3,530,000 | \$ 3,750,000 | \$ 3,803,592 | \$ 3,940,404 | \$ 4,105,368 | \$ 4,281,109 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|

Revenues over (under) Expenditures

| | | | | | | |
|--|-------------|------------|----------------|-------------------|-------------------|------------------|
| | \$ - | \$- | 209,558 | \$ 184,140 | \$ 133,913 | \$ 76,351 |
|--|-------------|------------|----------------|-------------------|-------------------|------------------|

City of Kannapolis: Five Year Financial Plan

ENV FUND - 09-05-2024

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 | 44,000 | 36,000 | 36,000 | 36,000 | 36,000 |
| Charges and Fees (3% growth) | 4,200,000 | 4,200,000 | 4,455,780 | 4,589,453 | 4,727,137 | 4,868,951 |
| Commercial Revenue | 120,000 | 160,000 | 127,308 | 131,127 | 135,061 | 139,113 |
| Miscellaneous Revenue (missed pickups) | 160,000 | 60,000 | - | - | - | - |
| Investment Income | 20,000 | 45,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Fee increase to reduce transfers at \$3.00 | - | - | - | - | - | - |
| Transfer from General Fund | 1,147,817 | 2,191,690 | - | - | - | - |
| Sub-total Recurring Revenues | 5,683,817 | 6,700,690 | 4,639,088 | 4,776,581 | 4,918,198 | 5,064,064 |
| | | 17.89% | 2.96% | 2.96% | 2.96% | 2.97% |
| Total Revenues | 5,683,817 | 6,700,690 | 4,639,088 | 4,776,581 | 4,918,198 | 5,064,064 |
| Personnel Costs (5% could include medical and retirement) | 838,659 | 905,220 | 924,622 | 970,853 | 1,019,395 | 1,070,365 |
| Sub- total Personnel Costs | 838,659 | 905,220 | 924,622 | 970,853 | 1,019,395 | 1,070,365 |
| | | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Operational Costs | | | | | | |
| Sub- total Operating Costs | 4,713,158 | 5,363,470 | 5,547,387 | 5,935,704 | 6,351,203 | 6,795,788 |
| | 12% | 10% | 7% | 7% | 7% | 7% |
| One Time Capital Costs | | | | | | |
| Capital costs | 132,000 | 432,000 | - | - | - | - |
| Sub- total Debt Service | 132,000 | 432,000 | - | - | - | - |
| Total Expenditures | \$ 5,683,817 | \$ 6,700,690 | \$ 5,547,387 | \$ 5,935,704 | \$ 6,351,203 | \$ 6,795,788 |
| Revenues over (under) Expenditures | \$ - | \$ 6,700,690 | \$ (908,299) | \$ (1,159,123) | \$ (1,433,005) | \$ (1,731,724) |

DEBT SERVICE AND FUND BALANCE

DEBT SERVICE AND FUND BALANCE

Debt Service is mandated by General Statute 159-36, 159-25 (a) (5). The debt service cost center is maintained to track the annual principal and interest requirements of General Obligation Bonds (GO), Certificates of Participation (COPS)/Limited Obligation Bonds (LOBS), Revenue Bonds, Notes Payable and Lease and Installment Financing Agreements. The following tables outline the debt service budgeted for FY 25. There is debt service proposed for FY 25 for a short-term financing of capital outlay across multiple departments (vehicles, machinery and equipment).

General Fund Debt Service:

| | Project | Principal | Interest | Maturity Date |
|----------------------|--|-------------------|------------------|---------------|
| LOB 2018B | FireStation 2 and 3 | 555,000 | 308,469 | 4/1/2038 |
| LOB 2014 | City Hall/ Police Headquarters | 1,365,000 | 539,056 | 4/1/2034 |
| LOB 2020 | Irish buffalo Creek | 92,000 | 22,466 | 4/1/2035 |
| LOB 2018 | College Station/Duct Bank/Street Scape | 394,249 | 200,186 | 4/1/2038 |
| LOB 2018C | Stadium | 2,600,000 | 1,731,600 | 10/1/2039 |
| LOB 2021 | Parking Deck at Vida | 735,000 | 259,992 | 4/1/2041 |
| | | | | |
| 2011 Notes Payable | Equipment | 42,154 | 2,974 | 6/10/2026 |
| 2017 Notes Payable | Village Park/Fire Truck | 446,000 | 141,041 | 4/1/2037 |
| Spec Oblig Bond 2015 | Downtown Purchase | 733,000 | 227,267 | 8/1/2030 |
| 2020 Notes Payable | NCRC Projects | 2,511,000 | 140,852 | 3/1/2027 |
| Lease | Motorola - Police Dept. | 677,750 | - | 11/1/2025 |
| Short Term Borrowing | Capital Outlay | 451,000 | - | TBD |
| | Total | 10,602,153 | 3,573,903 | |

Water and Sewer Fund Debt Service:

| | Project | Principal | Interest | Maturity Date |
|---------------------|--|------------------|------------------|---------------|
| Rev Bond 2021B | Kann Crossing/Lane St/WTP Improvements | 419,000 | 172,156 | 2/1/2042 |
| Rev Bond 2021C | Kann Crossing/Lane St/WTP Improvements | 1,418,000 | 8,650 | 2/1/2042 |
| Rev Bond 2023 | Kann Crossing/Lane St/WTP Improvements | 839,767 | 241,863 | 2/1/2042 |
| Rev Bond 2018 | Downtown Water and Sewer | 751,000 | 515,014 | 4/1/2038 |
| Rev Bond 2021 | Downtown Water and Sewer | 626,000 | 170,160 | 4/1/2038 |
| Rev Bond 2017 | Davidson Rd Water | 306,000 | 153,079 | 4/1/2041 |
| | | | | |
| 2011 Notes Payable | Equipment | 76,528 | 5,037 | 6/10/2026 |
| 2011A Notes Payable | Second Creek | 15,172 | 3,010 | 5/1/2032 |
| | Total | 4,451,467 | 1,268,968 | |

- There is \$1,810,813 in proposed debt service for the following:
 - Fixed costs of the WSACC plant expansion
 - Offset by proposed base rate charge of \$1.44/month x 20,250 users = \$349,920.
This will bring the base fee from \$3.80 to \$5.24.
 - Variable costs of the WSACC expansion in year one and a portion of the proposed Salisbury Rowan Utility costs (estimated at \$4.76 million) and Downtown Sewer Outfall debt service (estimated at \$3.93 million).

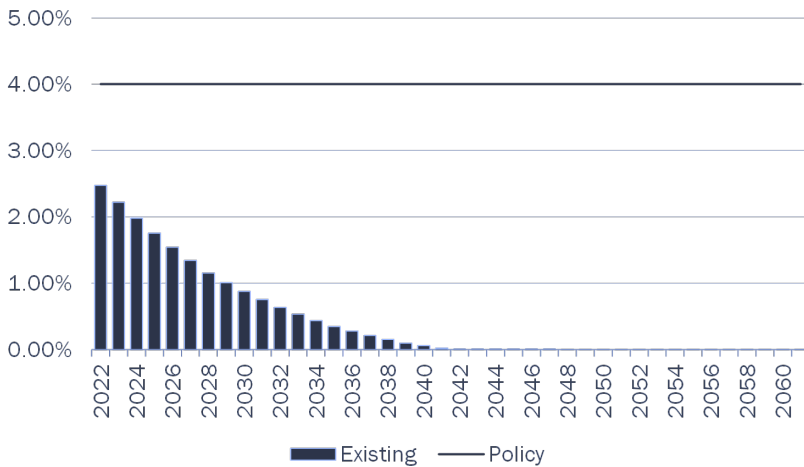
DEBT SERVICE AND FUND BALANCE

- This is proposed to be offset by an increase of .75 on the volumetric rate on sewer. This will bring the rate from \$1.766/1,000 gallons to \$2.52/1,000 gallons. This is set to generate \$1,151,250 in revenue.
- Dam spillway replacement (estimated at \$6.3 million) and Clearwell reimbursement (estimated at \$1.7 million).
 - This is proposed to be offset by an increase of .51 on the volumetric rate on water. This will bring the rate from \$6.80/1,000 gallons to \$7.31/1,000 gallons. This is set to generate \$809,643 in revenue.

Stormwater Fund Debt Service:

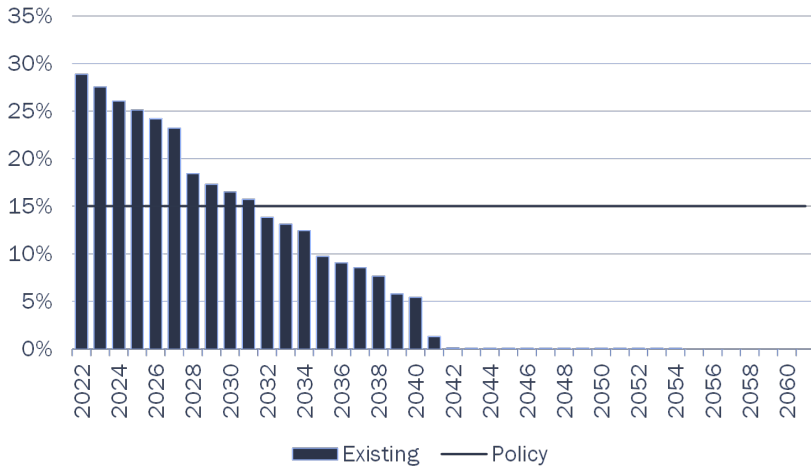
| Installment Obligations | Principal | Interest | Maturity Date |
|-----------------------------|------------------|------------------|---------------|
| Equipment | 17,712 | 1,166 | 06/10/2026 |
| Stormwater various projects | 350,001 | 177,380 | 04/01/2038 |
| Total | \$367,713 | \$178,546 | |

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.

See the next page for the City’s legal debt margin calculation

DEBT SERVICE AND FUND BALANCE

| | Principal Balance | Principal Payment | Interest Payment | Total Payment |
|--|----------------------|----------------------|---------------------|----------------------|
| General Fund | | | | |
| Existing Debt at June 30, 2024 | 99,051,314 | 10,151,153 | 3,573,903 | 13,725,056 |
| New Proposed Debt for FY 25 (Budgeted) | - | 451,000 | - | 451,000 |
| Total General Fund Debt | \$ 99,051,314 | \$ 10,602,153 | \$ 3,573,903 | \$ 14,176,056 |

The \$49,896,998 in the General Fund Debt is 1% of assessed value of property. The legal debt limit is 8.00%
City Policy established a debt limit of 4.00%.

| | Principal Balance | Principal Payment | Interest Payment | Total Payment |
|--|----------------------|----------------------|---------------------|---------------------|
| Water and Sewer Fund | | | | |
| Existing Debt at June 30, 2024 | 52,177,429 | 4,451,467 | 1,268,968 | 5,720,435 |
| New Proposed Debt for FY 25 (Budgeted) | - | 1,810,813 | - | 1,810,813 |
| Total Water and Sewer Fund Debt | \$ 52,177,429 | \$ 6,262,280 | \$ 1,268,968 | \$ 7,531,248 |

| | Principal Balance | Principal Payment | Interest Payment | Total Payment |
|--------------------------------|----------------------|----------------------|---------------------|-------------------|
| Stormwater Fund | | | | |
| Existing Debt at June 30, 2024 | 4,935,117 | 367,713 | 178,546 | 546,259 |
| New Proposed Debt for FY 25 | - | - | - | - |
| Total Stormwater Debt | \$ 4,935,117 | \$ 367,713 | \$ 178,546 | \$ 546,259 |

| | Principal Balance | Principal Payment | Interest Payment | Total Payment |
|---------------------------------|----------------------|----------------------|---------------------|------------------|
| Environmental Fund | | | | |
| Existing Debt at June 30, 2024 | - | - | - | - |
| New Proposed Debt for FY 25 | - | - | - | - |
| Total Environmental Debt | \$ - | \$ - | \$ - | \$ - |

| | Principal Balance | Principal Payment | Interest Payment | Total Payment |
|----------------------------------|-----------------------|----------------------|---------------------|----------------------|
| Total Debt | | | | |
| Existing Debt at June 30, 2024 | 156,163,861 | 14,970,333 | 5,021,417 | 19,991,750 |
| New Proposed Debt for FY 25 | - | 2,261,813 | - | 2,261,813 |
| Total City Debt for FY 25 | \$ 156,163,861 | \$ 17,232,146 | \$ 5,021,417 | \$ 22,253,563 |

Assessed Value \$8,882,324,940 Taxable Property for Ad Valorem Tax located in the City.

Legal Debt Limit \$710,585,995 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 \$ 99,051,314 Note: the City's revenue bonds (Water and Sewer, Stormwater, and Environmental) are excluded from this calculation.

City Legal Debt Margin \$611,534,681

Source: LTD 2024 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.

| Unrestricted Cash Reserves | | | | |
|-----------------------------------|-------------------------|--|---|--|
| Fund | Minimum Target % | Projected Total Reserves, June 30, 2024 | Available for Appropriation in FY 25 | Amount needed to reach Target % |
| General | 25% | \$46,419,136 | \$16,307,995 | Above Target |
| Water and Sewer | 25% | \$13,731,270 | \$5,798,588 | Above Target |
| Stormwater | 25% | \$2,528,655 | \$1,591,155 | Above Target |
| Environmental | 10% | \$1,964,741 | \$1,294,672 | Above Target |
| Transit | NA | \$552,292 | \$452,035 | NA |
| Totals | | \$65,196,094 | \$25,444,445 | |

| | General Fund | Water and Sewer | Stormwater | Environmental | Seperation Pay | Transit Fund | Insurance Fund | Total All Funds |
|---------------------------------|--------------|-----------------|------------|---------------|----------------|--------------|----------------|-----------------|
| Actual Balance June 30, 2023 | 58,301,203 | 24,038,947 | 4,152,032 | 978,893 | - | 875,973 | - | 88,347,048 |
| Projected Revenues FY 2024 | 74,497,942 | 26,627,579 | 3,582,592 | 5,658,150 | - | 1,240,338 | 7,051,838 | 118,658,439 |
| Projected Expenditures FY 2024 | 82,576,372 | 23,140,022 | 3,538,586 | 5,056,724 | - | 1,543,645 | 6,412,960 | 122,268,309 |
| Projected Balance June 30, 2024 | 46,419,136 | 13,731,270 | 2,528,655 | 1,964,741 | - | 552,292 | 900,000 | 65,196,094 |
| Budgeted Revenues FY 2025 | 83,260,832 | 29,743,813 | 3,750,000 | 6,700,690 | 600,000 | 1,621,823 | 6,761,084 | 132,438,242 |
| Budgeted Expenditures FY 2025 | 83,260,832 | 29,743,813 | 3,750,000 | 6,700,690 | 600,000 | 1,621,823 | 6,761,084 | 125,677,158 |
| Projected Balance June 30, 2025 | 46,419,136 | 13,731,270 | 2,528,655 | 1,964,741 | - | 552,292 | 900,000 | 65,196,094 |

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.

Fund balance changes include many cash appropriations made throughout the year to start the Imagine Kannapolis Strategic Plan process. In FY 24 alone, we appropriated \$24,579,469 in fund balance for the following:

- \$900,000 to create fund balance in the newly created Insurance and Risk Fund.
- \$220,000 to fund the (4) downtown officer positions that were unfunded due to high vacancies in the department.

DEBT SERVICE AND FUND BALANCE

- \$1,250,000 for Gem Theatre improvements to the movie experience for patrons. This budget amendment was initially funded late in FY 23 and needed to be carried forward for completion of the projects in FY 24. Part of Imagine Kannapolis Strategic Plan.
- \$2,405,000 for existing park improvements. This budget amendment was initially funded late in FY 23 and needed to be carried forward for completion of the projects in FY 24. Part of Imagine Kannapolis Strategic Plan.
- \$4,018,907 for a reappropriation of projects tied to purchase orders/contracts, which were unable to be completed in FY 23 and rolled to FY 24. This budget amendment totals \$4,018,907 for the General Fund, \$299,432 for the Water and Sewer Fund and \$96,900 in the Stormwater Fund.
- \$3,079,753 for Fire Station #1 and #4 renovations. Part of Imagine Kannapolis Strategic Plan.
- \$486,400 for City's share of Bethpage Road Sidewalk project. Part of Imagine Kannapolis Strategic Plan.
- \$350,000 related to the Parklet Project on Main Street. Part of Imagine Kannapolis Strategic Plan.
- \$1,347,825 related to the construction reimbursement of the Swanee Theatre. Part of Imagine Kannapolis Strategic Plan.
- \$235,373 towards additional funding for PDL improvements.
- \$3,000,000 for the CCM contribution for transitional housing. Part of Imagine Kannapolis Strategic Plan.
- \$575,000 for summer event series funding.
- \$280,000 for the creation of full-time positions at the Swanee and the Cultural Arts program.
- \$383,000 for administrative cleanup of the Irish Buffalo Creek Greenway capital project.
- \$1,982,244 in Powell Bill reserves to be used towards the resurfacing contract for street paving.
- \$157,856 for the MLK Bridge project.
- \$360,750 in FFE for Fire Stations #1 and #4 renovations.
- \$295,361 for Oak Avenue Parking Lot.
- \$180,000 for Opal Street Acceptance improvements.
- \$2,057,000 for year end adjustments.
- \$40,000 for the City's local match for the Safe Streets for All Program (citywide transportation study).

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

| Top 10 Taxpayers | | Percent of Tax Base |
|-------------------------|-----------------------------|----------------------------|
| 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

| Top 10 Employers | | Number of Employees | Percent of Total Employment |
|-------------------------|-----------------------------------|----------------------------|------------------------------------|
| 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 24

| Name | Product or Service | Usage (Gallons) Water | Revenue | % of Revenue |
|-------------------------|---------------------------|------------------------------|-----------------|---------------------|
| 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 24

| Name | Product or Service | Usage (Gallons) Water | Revenue | % of Revenue |
|-------------------------|---------------------------|------------------------------|-----------------|---------------------|
| 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% |
| 2025 | .5595 | 8,882,324,940 | **** | 49,599,642 | 27.09% |

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

NC DOT - 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 21st 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.

**AN ORDINANCE ADOPTING A BUDGET FOR THE
CITY OF KANNAPOLIS, NORTH CAROLINA FOR THE
FISCAL YEAR BEGINNING JULY 1, 2024 AND ENDING JUNE 30, 2025**

BE IT ORDAINED by the City Council of the City of Kannapolis, North Carolina, meeting in open session this 24th day of June 2024, 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, 2024 and ending June 30, 2025:

| | |
|---------------------------|-----------------------------|
| Ad Valorem taxes | \$ 49,599,642 |
| Sales taxes | 16,887,246 |
| Intergovernmental | 7,138,972 |
| Other Revenues | 9,634,972 |
| Fund Balance Appropriated | <u>-</u> |
| TOTAL | <u>\$ 83,260,832</u> |

SECTION II - WATER AND SEWER FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2024 and ending June 30, 2025:

| | |
|----------------------|-----------------------------|
| Charges for Services | \$ 25,485,813 |
| Other Revenues | <u>4,258,000</u> |
| TOTAL | <u>\$ 29,743,813</u> |

SECTION III – STORM WATER FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2024 and ending June 30, 2025:

| | |
|------------------|----------------------------|
| Storm Water Fees | \$ 3,400,000 |
| Other Revenues | <u>350,000</u> |
| TOTAL | <u>\$ 3,750,000</u> |

SECTION IV – ENVIRONMENTAL FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2024 and ending June 30, 2025:

| | |
|----------------------------|----------------------------|
| User Fees | \$ 4,200,000 |
| Transfer from General Fund | 2,191,690 |
| Other Revenues | 265,000 |
| Solid Waste Disposal Tax | <u>44,000</u> |
| TOTAL | <u>\$ 6,700,690</u> |

SECTION V – PUBLIC TRANSIT SYSTEM FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2024 and ending June 30, 2025:

| | |
|--------------------------------|----------------------------|
| Motor Vehicle Privilege Tax | \$ 433,600 |
| Transfer from the General Fund | <u>1,188,223</u> |
| TOTAL | <u>\$ 1,621,823</u> |

SECTION VI – SEPARATION PAY FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2024 and ending June 30, 2025:

| | |
|----------------------------|--------------------------|
| Transfer from General Fund | <u>\$ 600,000</u> |
| TOTAL | <u>\$ 600,000</u> |

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, 2024 and ending June 30, 2025:

| | |
|-------------------------------|----------------------------|
| Health Insurance Premiums | \$ 5,940,204 |
| Retiree Premiums | 200,000 |
| Workers Compensation Premiums | <u>620,880</u> |
| TOTAL | <u>\$ 6,761,084</u> |

SECTION VIII - GENERAL FUND: A total of \$83,260,832 is hereby authorized to be expended from the departmental accounts of the General Fund as follows:

| | |
|---------------------------------|-----------------------------|
| General Government | \$ 14,143,755 |
| Public Safety | 25,958,779 |
| Parks and Recreation | 9,217,946 |
| Planning | 1,339,115 |
| Public Works, incl. Powell Bill | 6,079,494 |
| Other | 11,925,887 |
| Contingency | 420,000 |
| Debt Service | <u>14,175,856</u> |
| TOTAL | <u>\$ 83,260,832</u> |

SECTION IX - WATER AND SEWER FUND: A total of \$29,743,813 is hereby authorized to be expended from the Water and Sewer Fund as follows:

| | |
|---|----------------------------|
| General Management Services Fee | \$ 1,845,182 |
| Billing and Collections – Water and Sewer | 1,703,941 |
| Distribution - Water and Sewer | 6,920,889 |
| WSACC – Sewage Treatment | 5,869,191 |
| Water Treatment Plant | 5,373,362 |
| Debt Service | <u>8,031,248</u> |
| TOTAL | <u>\$29,743,813</u> |

SECTION X – STORM WATER FUND: A total of \$3,750,000 is hereby authorized to be expended from the Storm Water Fund as follows:

| | |
|---------------------------------|----------------------------|
| Personnel | \$ 1,511,360 |
| Operations | 1,279,853 |
| Debt Service | 546,259 |
| General Management Services Fee | <u>412,528</u> |
| TOTAL | <u>\$ 3,750,000</u> |

SECTION XI – ENVIRONMENTAL FUND: A total of \$6,700,690 is hereby authorized to be expended from the Environmental Fund as follows:

| | |
|--------------|----------------------------|
| Personnel | \$ 905,220 |
| Operations | <u>5,795,470</u> |
| TOTAL | <u>\$ 6,700,690</u> |

SECTION XII – PUBLIC TRANSIT SYSTEM FUND: A total of \$1,621,823 is hereby authorized to be expended from the Public Transit System Fund as follows:

| | |
|---------------------|----------------------------|
| Contracted Services | \$ 1,323,923 |
| Capital Outlay | <u>297,900</u> |
| TOTAL | <u>\$ 1,621,823</u> |

SECTION XIII - SEPARATION PAY FUND: A total of \$600,000 is hereby authorized to be expended from the Separation Pay Fund as follows:

| | |
|--------------------------|--------------------------|
| Personnel-Separation Pay | \$ <u>600,000</u> |
| TOTAL | <u>\$ 600,000</u> |

SECTION XIV – INSURANCE AND RISK FUND: A total of \$6,761,084 is hereby authorized to be expended from the Insurance and Risk Fund as follows:

| | |
|------------------------------|----------------------------|
| Health Insurance Expense | \$ 6,140,204 |
| Workers Compensation Expense | <u>620,880</u> |
| TOTAL | <u>\$ 6,761,084</u> |

SECTION XV - TAX RATE ESTABLISHED: An Ad Valorem Tax Rate of \$55.95 per \$100 property valuation is hereby established as the official tax rate for the City of Kannapolis for the fiscal year 2024-2025. This rate is based on an estimated valuation of \$8,882,324,940 and an estimated 99.00 percent collection rate, the audited FY 23 collection rate. Allocation of the 2024-2025 tax rate will be as follows:

| | |
|-----------------------|----------------|
| GENERAL FUND | \$.5595 |
| TOTAL TAX RATE | \$.5595 |

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 448 Full Time positions for fiscal year 2025.

This Ordinance is approved and adopted this 24th day of June 2024.



Milton D. Hinnant, Mayor

ATTEST:



Bridgette Bell, MMC, NCCMC
City Clerk



Adopted Fiscal Year 2025 Fee Schedule

Revised: July 22, 2024

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 for first loss \$20.00 for repeat losses |

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) |
| Street Closure | \$300 |

Downtown Parking

| | 1 st Vehicle | 2nd Vehicle | 3rd Vehicle |
|---|-------------------------|----------------------|----------------------|
| Guaranteed Parking Permit (Vida Deck) | Vida Issued | \$30.00 (monthly) | \$60.00 (monthly) |
| Non-Guaranteed Parking Permit (Surface Lots Only) | Vida Issued | \$15.00 (monthly) | \$30.00 (monthly) |
| Lost Permit Replacement Fee | \$5.00 (each) | \$5.00 (each) | \$5.00 (each) |

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

Electric Vehicle (EV) Parking

- Fee for power- \$0.10/kWh (per kilowatt-hour).
- Fee for parking - grace period of 30 minutes after the vehicle has fully charged. There is a charge of \$2 for the first hour, after the time expires, a max charge of \$10.
- Transaction Fees - are transferred to the drive at \$0.50 + 5% of the total transaction. (This is a fee paid by the driver, not one that the City won't have to recover).

Engineering

- The Engineering Department provides inspection services for driveways, driveway storm drainage pipe, grading/drainage; sidewalk; and water and sewer. There is no fee for the initial inspection.
- \$50 re-inspection fee

Planning and Zoning

| | <u>Fee</u> |
|---|----------------------|
| Zoning Map Amendment: <i>*plus applicable Legal Ad & Mailed notification fees</i> | \$500.00 |
| Conditional Zoning Map Amendment: <i>*plus applicable Legal Ad & Mailed notification fees</i> | \$600.00 |
| KDO 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: | \$50.00 |
| | |
| Grading Permit (<i>without Site Plan</i>): <i>*plus \$25 per additional acre</i> | \$50.00 |
| Driveway Permit: | \$25.00 |
| Zoning Clearance Permit (Fees are for each item separately, even if combined in a single zoning clearance permit application) | |
| Residential 1F: | \$25.00 |
| Residential 2F: | \$25.00 |
| Multi-family (<i>5 units or less</i>): | \$250.00 |
| Multi-family (<i>more than 5 units & whichever is greater</i>): | \$300.00 or \$.04/SF |
| Accessory (<i>Residential and Non-Residential</i>) | \$25.00 |
| Non-Residential | \$30.00 |
| Temporary Use | \$50.00 |
| Temporary Construction Trailer | \$50.00 |
| Home Occupation | \$50.00 |
| Signs | \$40.00 |
| Certification Letter | \$25.00 |
| <i>*Zoning, Watershed, Floodplain, demo permits, etc.</i> | |
| Change of Use permits: | \$30.00 |
| Site Plan Review (Multi-family Residential & Non-Residential): <i>*plus \$100 per additional acre</i> | \$200.00 |
| | |
| Subdivision Fees | |
| Plat Exception: | No Charge |
| Minor Subdivision Plat Review: | \$50.00 |

| | |
|---|---------------------------------------|
| Minor Subdivision Plat Revision: | \$40.00 |
| Preliminary Major Subdivision Plat Review | \$400.00 (<i>plus \$30 per lot</i>) |
| Preliminary Major Subdivision Revision | \$50.00 (<i>Minor Amendment</i>) |
| Final Subdivision Plat Review | \$200.00 |
| Final Subdivision Plat Revision | \$40.00 |

PUBLICATION FEES.

| | |
|----------------------------------|---------|
| Land Use Plan | \$25.00 |
| Kannapolis Development Ordinance | \$50.00 |
| • Map – Extra Large: (36”X48”) | \$20 |
| • Maps – Large: (24”X36”) | \$15 |
| • Maps - Medium: (18”X24”) | \$10 |
| • Maps – Small: (8.5”X11”) | \$5 |

** All fees established are due and payable at the time of product delivery or upon initial submittal of any item or items to be reviewed, processed or approved. All fees are non-refundable with the following exception: 75% of processing and notification fees for map amendments listed in Part 1 of this ordinance may be refunded if an application is withdrawn within seven (7) days following a pre-hearing neighborhood meeting.

** There will be a \$25.00 returned check fee for any check received by the City.

Fire

REQUIRED CERTIFICATE OF COMPLIANCE

| | <u>Fee</u> |
|--|-------------------|
| Certificate of Compliance | |
| 1-1,000 SF | \$20.00 |
| 1,001-20,000 SF | \$50.00 |
| 20,000-50,000 SF | \$100.00 |
| 50,000-70,000 SF | \$200.00 |
| Every 20,000 SF over 70,000 SF is an additional Certificate of Compliance Re-inspections | \$ 50.00 |
| Plan Review | |
| Construction | \$50.00+ .025/sf |
| Up-Fit | \$50.00+ .025/sf |
| Site Plan | \$50.00 |
| Re-review fee | \$50.00 |
| <i>* applied on third submittal & each re-submittal thereafter</i> | |
| Hydrant flow test (fee per hydrant) | \$150.00 |
| Temporary Power Inspection | \$50.00 |
| Load Merchandise Inspection | \$50.00 |

(1) For multi-tenant building, fees are per tenant.

(2) For multiple building owned by the same owner(s), fees are per building as defined by the NC Building Code, Vol. 1.

- (3) Individuals or companies that have not secured permits or Certificates of Compliance prior to beginning work or occupying the structure shall be charged double the listed amount.
- (4) Re-inspections of the sprinkler system, fire alarm system, or building for Certificate of Compliance will result in an additional fee per inspection.

REQUIRED CONSTRUCTION PERMITS

| | <u>Permit Fee</u> | <u>Test Fee</u> |
|--|--------------------------|------------------------|
| Automatic Fire Extinguishing Systems (Ansul/Sprinkler) | \$150.00 | \$150.00** |
| Compressed Gases | \$150.00 | \$150.00 |
| Fire Alarm & Detection Systems | \$150.00 | \$150.00** |
| Fire Pumps | \$150.00 | \$150.00 |
| Flammable & Combustible liquids | \$150.00 | \$150.00 |
| Hazardous Materials | \$150.00 | \$150.00 |
| Industrial Ovens | \$150.00 | \$150.00 |
| Spraying or Dipping Operations | \$150.00 | \$150.00 |
| Standpipe Systems | \$150.00 | \$150.00 |

NOTE: Any system installation prior to plan review and/or a permit being issues will incur a double fee.

Any structure over 70,000 SF x .002 + \$150 **
 (DOES NOT INCLUDE HOOD SYSTEM/ANSUL)

REQUIRED OPERATION PERMITS

| | <u>Fee</u> |
|--|------------------------------|
| Amusement Buildings | \$150.00 |
| Carnivals and Fairs | \$300.00 |
| Covered Mall Buildings | \$150.00 |
| Exhibits and Trade Shows | \$2,500/yr or \$150.00/event |
| Explosives (blasting) | \$100/1-day or \$300/90-days |
| Liquids Use, Dispensing, Storage, Transportation | \$150.00 |
| UGST/AGST Install, Alter, Remove, Abandon | \$250.00/site |
| Change in Liquid in Tanks | \$150.00 |
| Liquid Dispensing – AGST/UGST to Vehicles | \$150.00 |
| Liquid Dispensing – Tanker to Vehicles | \$150.00 |
| Pyrotechnic Special Effects Material (Fireworks) | \$300.00/day & site |
| Spraying or Dipping | \$150.00 |
| Tents & Canopies | \$50.00/tent |

REQUIRED OTHER CHARGES/FEEES

| | <u>Fee</u> |
|--|--|
| Environmental Site Assessment Research | \$25.00 per hour (<i>one hour minimum</i>) |
| Fire Flow request/Special Request (fee per hydrant) | \$150.00/hydrant |
| Stand-by firefighters | \$20.00/hr per firefighter |
| * <i>when required by fire official or requested by occupant</i> | |
| After Hours Inspection – Special Request | \$35.00/hr (<i>minimum of 2 hours</i>) |
| After Hour Plan Review – Special Request | \$150.00/submittal |

| | |
|--|---|
| Other inspections by request | \$100.00 |
| Knox/Lock Box Maintenance (Found with incorrect key) | \$100.00 |
| Re-inspections (third visit or additional inspections) | \$50.00 |
| State License Inspection Fee (ABC, State Bar, etc.) | \$100.00 |
| Daycare & Nursing Home License Inspection Fee | \$ 75.00 |
| Group Home License Inspection Fee (annually) | \$75.00 |
| Foster License Inspection Fee (annually) | \$20.00 (<i>second visit \$50.00</i>) |
| Fire Incident Report Copy(s) | \$1.00 (<i>per report</i>) |
| Fire Extinguisher Recharge use for class | Current Market Rate per Ext. |
| Fire Extinguisher Program (Training Class) | \$ 50.00/On-site (Fire Station/City Hall) |
| Fire Extinguisher Program (Training Class) | \$75.00/Off-site at Requested Business |

ANNUAL FIRE INSPECTION PROGRAM

| | <u>Fee</u> |
|----------------------------|------------|
| First Inspection (initial) | \$0.00 |
| Second Visit Re-inspection | \$0.00 |
| Third Visit Re-inspection | \$50.00 |
| Fourth Visit Re-inspection | \$100.00 |

Additional Re-inspections will increase at \$50 per inspection until violations are corrected.

HAZARDOUS MATERIALS FEES:

| Solids (lbs) | Liquids (gals) | Gases (SCF) | <u>Fee</u> |
|--|-----------------------|--------------------|---------------|
| < 501 | < 56 | < 201 | \$50.00 |
| 501 – 5,000 | 56 – 550 | 201 - 2000 | \$150.00 |
| 5,001 – 25,000 | 551 – 2,750 | 2,001 – 10,000 | \$200.00 |
| 25,001 – 50,000 | 2751 – 5500 | 10,001 – 20,000 | \$250.00 |
| 50,001 – 75,000 | 5501 – 10,000 | 20,001 – 40,000 | \$300.00 |
| >75,000 | > 10,000 | >40,000 | \$300.00 |
| pound ** (<i>plus .01/per gallon//scf in excess of listed amount</i>) | | | |
| NOTE: Excluding LPG/Medical gases | | | |
| LPG (Excludes LPG used ONLY for heating and cooking) | | | \$150.00/tank |
| Medical Gasses | | | \$150.00/tank |
| Radioactive Materials any amount | | | \$125.00 |

STAND-BY PERSONNEL/EQUIPMENT

| | <u>Fee(work hrs.)</u> | <u>Fee(Overtime)</u> |
|--------------------------------|-----------------------|----------------------|
| Ladder/Hazmat | \$125.00 | \$95.00 |
| Engine/Tanker | \$95.00 | |
| Crash Truck/ Heavy Rescue | \$95.00 | |
| Rescue Units | \$95.00 | |
| Mobile Command Unit/Bus | \$30.00 | |
| USAR | \$28.00 | |
| Light Vehicles (Cars/Pick-ups) | \$17.00 | \$27.00 |

| | | |
|--------------------------------|----------------|----------------|
| Trailers | \$10.25 | |
| Mules/ATV | \$8.00 | |
| Assistant Chief/Division Chief | \$35.87 | \$53.81 |
| Battalion Chief | \$23.39 | \$35.08 |
| Fire Captain | \$21.21 | \$31.82 |
| Engineer | \$17.45 | \$26.18 |
| Firefighter | \$15.07 | \$22.61 |
| Risk Reduction Personnel | \$25.49 | \$38.24 |

Based on Stand-by per quarter hour, minimum 2 hours.

HAZMAT SUPPLIES

| Item | Rate |
|---|-------------|
| Level "A" (enclosed, splash, and vapor protection) | |
| Large-XLarge | 1775.00 |
| 2XLarge | 1975.00 |
| Level "A" Suits (Flash protection) | |
| Large – Xlarge | 2495.00 |
| XXLarge | 2695.00 |
| Level B Suits (Splash protection) | |
| S- XLarge | 170.50 |
| 2XL to 4XL | 207.00 |
| Tyvek Disposable Coveralls | 17.00 |
| Butyl Gloves | 76.25 pair |
| Silver Shield Gloves | 10.95 pair |
| Nitrile Gloves | 5.30 pair |
| Rain fair Latex Nuke Boots (yellow over boots) | 6.00 pair |
| Chem-Tape (for sealing gaps in suits at sleeve, ankle, hood and storm flap) | 42.00 |
| Pipettes | 1.00 ea |
| Boom 8 x 10 | 72.64 |
| Boom 3 x 10 | 10.77 |
| Boom 3 x 4 | 6.40 |
| Absorbent | 15.00/bag |
| Absorbent pads 17"x19" (Universal, oil only and Haz-Mat) | .75 ea |
| Absorbent Pillows 16" | 5.07 each |
| Absorbent Padding Roll (Universal) 30"x150' | 105.00 roll |
| Pail of Acid Neutralizer 40 lb. | 132.95 |
| Pail of Base Neutralizer 40 lb. | 360.00 |
| Soda Ash 50lb. bag | 45.25 |
| 55 gallon drums | 99.00 |
| Overpack Drum | 189.00 |
| 20 gallon containment Pool | 82.00 |
| 66 gallon containment Pool | 120.00 |
| 100 gallon containment Pool | 193.95 |
| 150 gallon containment Pool | 206.95 |
| Drain seal/inlet guard | 78.40 |
| 3'x2' Magnet Drain Cover | 95.60 |

| Item | Rate |
|---|--------------|
| 2'x2' Magnet Drain Cover | 63.80 |
| Large Wooden Cone Plug | 10.00 |
| Small Wooden Cone Plug | 5.00 |
| Plug N Dike | 28.00 |
| Flow Stop Football | 88.00 |
| Flow Stop Golfball | 46.00 |
| Foam Class B (Thunderstorm) | 37.00/gallon |
| Foam Class A | 12.75/gallon |
| Drager CMS Chips | |
| Acetic Acid 2 -50 ppm | 77.95 |
| Acetone 40-600 ppm | 81.25 |
| Ammonia 2-50 ppm | 55.31 |
| Ammonia 10-150 ppm | 55.31 |
| Benzene 10-250 ppm | 147.91 |
| Benzene 0.2-10 ppm | 144.65 |
| Carbon Dioxide 200-3000ppm | 55.52 |
| Carbon Dioxide 1000-25000ppm | 55.52 |
| Carbon Monoxide 5-150ppm | 53.70 |
| Chlorine 0.2-10 ppm | 55.31 |
| Formaldehyde 0.2-5 ppm | 75.85 |
| Hydrochloric Acid 1-25 ppm | 70.17 |
| Hydrogen Peroxide .2-2 ppm | 79.49 |
| Hydrogen Sulfide 2-50 ppm | 55.31 |
| Methanol 20-500 ppm | 89.20 |
| Nitrogen Dioxide .5-25 ppm | 55.24 |
| Nitrous Fumes (NO + NO2) 0.5-15ppm | 53.70 |
| Perchloroethylene 5-500 ppm | 64.74 |
| Petroleum Hydrocarbons 100 – 3000ppm | 78.53 |
| Petroleum Hydrocarbons 20-500ppm | 79.42 |
| Phosgene .05-2.0ppm | 89.20 |
| Phosphine 1-25 ppm | 66.91 |
| Sulfur Dioxide 0.4-10 ppm | 55.24 |
| Trichloroethylene 5 – 100 ppm | 64.00 |
| Vinyl Chloride 0.3-10 ppm | 70.87 |
| Drager and GasTec Detector Tubes | |
| Acetaldehyde 100-1000ppm | 66.71 |
| Acetic Acid 5-80ppm | 62.81 |
| Ammonia 5-700ppm | 55.75 |
| Carbon Dioxide 0.5-20% Vol | 88.30 |
| Chlorine 0.3 – 5ppm | 66.03 |
| Chlorine 50-500ppm | 63.97 |
| Chlorobenzene 5-200ppm | 63.97 |
| Clan Lab Simultaneous Test Set | 75.92 |

| Item | Rate |
|---|--------------|
| Cyanogen Chloride .25-5ppm | 85.03 |
| Haz-Mat Simultaneous Test Set 1 (inorganic) | 127.16 |
| Haz-Mat Simultaneous Test Set 2 (inorganic) | 127.16 |
| Haz-Mat Simultaneous Test Set 3 (organic) | 127.16 |
| Hydrocyanic Acid 2-150ppm | 58.26 |
| Hydrogen Cyanide 0.36-120 ppm | 78.51 |
| Hydrogen Flouride .5-90ppm | 67.44 |
| Nitrogen Dioxide 0.1-30ppm | 80.12 |
| Nitrogen Dioxide 0.5-125 ppm | 52.97 |
| Organic Arsenic Qualitative | 80.26 |
| Organic Basic Nitrogen Comp 1mg/ m3 | 85.73 |
| Phenol 0.4-187 ppm | 80.97 |
| Phosphoric Acids Esters Up to .05ppm | 104.94 |
| Thioether 1mg/ m3 | 86.08 |
| Vinyl Chloride 0.25-54 ppm | 80.26 |
| Decon Pools/Burms | 360.00 ea |
| Chemical Classifiers Strips | 10.00 ea |
| PH Papers | 10.00 roll |
| Chemical Agent Detection Paper/Tape | 50.00 ea |
| 35 gallon trash can | 30.00 |
| Drum Sampler Tube | 7.00 ea |
| Decon Solution | 88.00/gallon |
| Tarp | 57.00 ea |
| Mercury Spill Kit | 24.00 ea |
| 1 lb of 8p nails | 3.47 |
| 1 lb of 16p nails | 4.20 |
| 1 lb of 3" deck screws | 9.94 |
| 4' x 8' 7/16" OSB Sheathing | 7.25 |
| 4" x 6" x 12' Lumber | 22.00 |
| 4" x 4" x 16' Lumber | 21.00 |
| 2" x 4" x 16' Lumber | 7.00 |

Parks

VILLAGE PARK SHELTERS

| | <u>½ Day Rental</u> | <u>Full Day Rental</u> |
|--------------|---------------------|------------------------|
| Shelter A | | |
| Resident | \$25 | \$40 |
| Non-Resident | \$32 | \$55 |
| Shelter B | | |
| Resident | \$45 | \$80 |
| Non-Resident | \$55 | \$100 |
| Shelter C | | |

| | | |
|--------------------------------------|-------|-------|
| Resident | \$25 | \$40 |
| Non-Resident | \$32 | \$55 |
| Shelter C- Saturdays - 2 hour rental | | |
| Resident | \$15 | |
| Non-Resident | \$20 | |
| Shelter D | | |
| Resident | \$35 | \$60 |
| Non-Resident | \$45 | \$80 |
| Shelter E | | |
| Resident | \$25 | \$40 |
| Non-Resident | \$32 | \$55 |
| Rental of all 4 shelters | | |
| Resident | \$110 | \$144 |
| Non-Resident | \$200 | \$270 |

Descriptions of Shelter Areas:

Village Park Shelter A – use by reservation only

Shelters A & C hold approximately 36 people and have 6 picnic tables. These shelters offer power receptacles and grills. They are located close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter A is \$25 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$40. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

Village Park Shelter B – use by reservation only

Shelter B holds approximately 96 people and has 16 picnic tables. Shelter B offers power receptacles and a grill. This shelter is close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter B is \$45 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$80. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

Village Park Shelter C – use by reservation only

Shelters A & C hold approximately 36 people and have 6 picnic tables. These shelters offer power receptacles and grills. They are located close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter C is \$25 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$40. BIRTHDAY PARTY TIME BLOCKS: On Saturdays, Shelter C may be reserved in 2-hour time blocks. (9:30 – 11:30, 12:00 – 2:00, 2:30 – 4:30, 5:00 – 7:00). Cost for residents to reserve a 2-hour time block is \$15.00. Two Hour time blocks and half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

Village Park Shelter D – use by reservation only

Shelter D holds approximately 60 people and has 10 picnic tables. Shelter D offers power receptacles and a grill. This shelter is close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter D is \$35 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$60. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

Village Park Shelter E – use by reservation only

Shelter E holds approximately 24 people and has 4 picnic tables. Shelter E offers power receptacles and a grill. This shelter is located adjacent to the playground and close to the splash pad, carousel and train. Cost for a resident to reserve Shelter E is \$25 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm)

is \$40. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

BAKERS CREEK PARK SHELTERS

| | <u>½ Day Rental</u> | <u>Full Day Rental</u> |
|---|---------------------|------------------------|
| Shelters 1, 2 &3 | | |
| Resident | \$40 | \$65 |
| Non-Resident | \$47 | \$72 |
| Shelter 4 | | |
| Resident | \$25 | \$45 |
| Non-Resident | \$32 | \$52 |
| Shelter (930 West 8 th Street) | \$50 | |
| <i>Individual Picnic Sites:</i> | | |
| Site A (3 tables, 1 grill, seats 20 - 24) | \$15 | \$30 |

| | <u>½ Day Rental</u> | <u>Full Day Rental</u> |
|---|---------------------|------------------------|
| Site B (2 tables, 1 grill, seats 12 - 15) | \$10 | \$20 |
| Site C (2 tables, 1 grill, seats 12 - 15) | \$10 | \$20 |
| Site D (1 table, 1 grill, seats 8-10) | \$5 | \$10 |

Descriptions of Shelter Areas:

Bakers Creek Park Large Picnic Shelters – use by reservation only

Shelters 1 & 2 hold up to 90 people and Shelter 3 holds up to 125 people. These large picnic shelters offer water, lights, receptacles, grills and horseshoe pits.

Bakers Creek Small Shelter Picnic Site (Shelter #4) – use by reservation only

This one covered picnic site is available that holds up to 30 people. Four large picnic tables and a grill are included. No power, water or horseshoe pits are available. Located adjacent to playground.

Mountain Street Park (Bakers Creek Park Expansion) Shelter – use by reservation only

The Expansion Park, located at the corner of **930 West 8th St. and Mountain St.**, offers four picnic tables, a grill, playground, two sand volleyball courts, horseshoe pits and restrooms. Limited parking is available. Good for small groups under 30 people. For use only daily, no half-day rentals.

OTHER FEES

- Excessive Cleaning (see policy): \$30/hr.
- Police Officer: If required, rate will be provided during application submission

HOURS

- Business Hours: 8:00AM – 5:00PM (Mon – Fri)
- After Business Hours: Nights and Weekends
- Holidays: Any designated City holiday

VILLAGE PARK AMPHITHEATER

Refundable Security Deposit: \$500

| | |
|------------------------------|-----------------------------|
| Resident for-profit: | \$550 |
| Resident non-profit: | \$350 |
| Non-Resident for-profit: | \$1,050 |
| Non-Resident non-profit: | \$800 |
| Staffing (2 staff required): | \$30/per hour (3hr minimum) |
| Parking: | \$15/per hour per person |

EXTRA FEES

Use of Green Room \$200/flat rate

Set-up: \$200

Clean-up: \$300

**each additional hour after 5 hours is \$50/hour*

**Must be reserved through special event process*

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

\$45 Residential

\$65 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

| | |
|---|---|
| Movie Tickets: | Before 6pm: \$4.00 (<i>all tickets</i>) After 6pm: Children and Seniors: \$4.00, Adults: \$5.00 |
| Photo Shoots inside theatre | \$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> |
| Special Event Room: | Business Hours: \$40.00 per hour Evenings and Weekends: \$50.00 per hour Refundable Security Deposit: \$250-\$500 |
| Special Events for whole theater: <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> |
| Special Events for whole theater: <i>Example: Private event during a normal show time</i> | \$3,000 minimum <i>includes 5 hours; each additional hour \$200.00</i> |
| Theater for special movie showings (outside normal hours): | \$240 minimum (<i>\$4.00 per person afterwards</i>) + <i>applicable licensing fees</i> |
| School Groups for special movie showing: | \$200 minimum (<i>\$2.00 per person afterwards</i>) + <i>applicable licensing fees</i> Group Rate Concessions: \$1.50 small drink \$1.50 small popcorn |
| Special Message on the Marquee: | \$50.00 (<i>3 hours for one side</i>) |
| Birthday Party Packages | \$200.00 includes: <ul style="list-style-type: none"> • Admission, small popcorn, and medium drinks for 15 guests for the current movie showing at one of the already scheduled movie times. • One hour of use of the party room either before or after the movie. • Use of our fountain drink machine in the party room during that time. • Each additional guest is \$7.75 after the first fifteen. |

| | |
|---|---|
| | <ul style="list-style-type: none"> Parents/Chaperones ratio must be 1:10 for anyone under the age of 18. |
| Bulk Ticket Pricing: <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) |

Advertising:

Static Slide: **13 week contract:** \$630, **26 week contract:** \$1,134, **52 week contract:** \$2,040

Video: **13 week contract (15 second video):** \$912, **13 week contract (30 second video):** \$1,824
26 week contract (15 second video): \$1,732, **26 week contract (30 second video):** \$3,468
52 week contract (15 second video): 3,285, **52 week contract (30 second video):** \$6,570

SWANEE THEATRE

- Rental per hour fee: \$500/hour (all inclusive; tables, chairs, linens) ***
- Prime Time Rental Friday & Saturday per hour pricing: \$800/hour for a minimum of 8 hours ***
 - Sound staff *required*: \$50/hour
 - Bartending staff: \$20/hour (required if bar service is requested)
 - Event staff: \$15/hour (required if room set-up changes during event; i.e. flipping the room during an event)
- Upstairs Meeting Room: \$200/flat rate
- Green Room: \$200/flat rate
- Kitchen: \$100/flat rate
- Use of Outside Catering Company: \$100/flat rate ((other than preferred catering list; must provide health department and insurance information)
- Marquee price: \$50 for 3 hours

*** Deposits/minimum required hours: \$250 for professional events; \$500 for social events; \$150 alcohol fee; 4 hours min for social, 2 hours min for business event except Friday and Saturdays.

| | Kannapolis Based Organization (Resident) | Non-Kannapolis Based Organization (Non-Resident) |
|---|---|---|
| Softball field without lights | \$10.00 per hour per field | \$15.00 per hour per field |
| Softball field with lights | \$20.00 per hour per field | \$30.00 per hour per field |
| *There will also be a \$15.00 per field/per time that fields are lined and dragged. | | |
| Soccer field without lights | \$15.00 per hour per field | \$20.00 per hour per field |
| Soccer field with lights | \$26.00 per hour per field | \$35.00 per hour per field |

| Fields available for reservations: | | | |
|---|------------------------------|--------------------------|------------------------------|
| | Fence distance Field size | Base distance options | Pitching distance options |
| Bakers Creek Park softball field (1 available) | 285 ft | 65' | 50' |
| Safrit Park softball fields (2 available) 1415 Bethpage Road | 300 ft | 60', 65', or 90' | 46' or 54' |
| Safrit Park soccer field (1 available) 1415 Bethpage Road | 225 x 360 | N/A | N/A |

| | | | |
|---|--------|-----|-------|
| Kannapolis Middle School (baseball field) 1445 Oakwood Avenue | 305 ft | 90' | mound |
| Kannapolis Middle School (softball field) 1445 Oakwood Avenue | 225 ft | 65' | |
| Kannapolis Middle School (football & soccer field) 1445 Oakwood Avenue | | | |

| |
|--|
| Rainout Hotline & Program Information number: 704-920-4344 |
| In cases of inclement weather, the Kannapolis Parks and Recreation Department reserves the right to close any athletic field for safety or maintenance concerns. The hotline will be updated at 4:00 p.m. on each questionable day. Please call the number above to see if your games are being played or not. |
| |

| Rate | Lining | Turf | Additional Fees | Lights | Deposit |
|---------------------|--------------------------------|-------------|----------------------------|--------------------|----------------|
| \$150/day per field | one free lining then \$15/prep | \$12/bag | \$75 gate, 100% concession | \$15/hr. per field | \$100 |

Tournament Cancellations:

A tournament that is cancelled after 5:00 PM on Wednesday (non-weather related) will be charged \$100 for the first cancellation, \$100 for a second cancellation and \$100 for a third cancellation. Aside from the \$100 cancellation fee, all remaining tournaments will be removed if the user has canceled a tournament for a third time.

A tournament that is cancelled after 5:00 PM on Wednesday (weather-related) will be credited with the rental fee for a future date. Please note all weather-related cancellation will be subject to approval.

If the tournament is cancelled by the Parks and Recreation department due to weather after it has begun, the following format will be used to determine the amount of credit for future field rentals:

Less than 1/2 of the tournament has been played, 100% of remaining tournament fees will be credited

More than 1/2 of the tournament has been played, 50 % of remaining tournament fees will be credited

| | Kannapolis Based Organization (Resident) | Non-Kannapolis Based Organization (Non-Resident) |
|---|---|---|
| Tennis court | \$3.00 per hour per court | \$5.00 per hour per court |
| Tennis court lights | \$4.00 per hour | \$4.00 per hour |
| *Light fee covers all lights at tennis complex. | | |

Special Event Fees

Police: The Special Events Committee, in consultation with the Kannapolis Police Department, shall determine the number of police officers required to appropriately manage street closures and for internal security, as well as the time when such services shall commence and end. Applicants will be invoiced before the event at the rate of \$35.00 per hour per police officer assigned to the event. These fees are due one (1) week before the event.

Fire and EMS: The Special Events Committee, in consultation with the Kannapolis Fire Department will determine the number of Emergency Medical Personnel required as well as the time when such services shall commence and end. Applicants will be invoiced before the event at the rate of \$35.00 per hour per firefighter/EMS assigned to the event. These fees are due one (1) week before the event.

Street Closure Equipment: The Special Events Committee, in consultation with the Kannapolis Public Works Department, shall determine the need for traffic control equipment to appropriately manage street closures. Applicants will be notified of the recommended controls. The applicant may rent the equipment at the rate of \$175.00 per event. These fees are due one (1) week before the event.

Greenway Event Usage: For events held on a Kannapolis Parks and Recreation maintained Greenway usage must be pre-approved by the Special Events Committee.

Insurance: If an event requires a street or sidewalk closure then Comprehensive General Public Liability Insurance is required: \$1, 000,000 per person per occurrence with a \$2,000,000 aggregate naming the City of Kannapolis as additionally insured. **Certificate should be specifically worded: “The City of Kannapolis, its officers, employees, and agents are additionally insured”. If alcohol is being served at the event, Liquor Liability is required to be included in the Certificate of Insurance. Proof of insurance is required at least 30-days before the event.

Current Special Events Permit Fee Schedule: Fees for special events and neighborhood block parties will utilize the below fee schedule.

Permit fees are non-refundable and are subject to change.

| | |
|----------------------------|-------|
| Parade, Walk, or Run: | \$125 |
| Festival/Exhibition Shows: | |
| Non-Profit without Sales | \$100 |
| For- Profit Organizations | \$200 |

Neighborhood Block Parties: \$50

Fees are not applicable if the event is contained to private property and requires no City resources.

Special Event Fees for use of Horseshoe Property

Refundable Security Deposit: \$500

Resident for-profit: \$500 per day

Resident non-profit: \$350 per day

Non-Resident for-profit: \$1,050 per day

Non-Resident non-profit: \$800 per day

*Must be reserved through the special event process.

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) | \$ 7.31 | \$ 8.46 |
| • Tier 2 per 1,000 gallons (over 7,000 gals) | \$ 7.60 | \$ 8.81 |
| • Irrigation per 1,000 gallons | \$ 7.60 | \$ 8.81 |
| * 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) | \$ 7.31 | \$ 8.46 |
| • Tier 2 per 1,000 gallons (over 7,000 gals) | \$ 7.60 | \$ 8.81 |
| • Irrigation per 1,000 gallons | \$ 7.60 | \$ 8.81 |
| * 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) | \$ 7.31 | \$ 8.46 |
| • Tier 2 per 1,000 gallons (over 7,000 gals) | \$ 7.31 | \$ 8.46 |
| • Irrigation per 1,000 gallons | \$ 7.60 | \$ 8.81 |
| *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 | \$ 7.45 | \$ 7.45 |
| * base monthly charge | \$ 5.24 | \$ 5.24 |
| * 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 | \$ 7.45 | \$ 7.45 |
|---|---------|---------|

| | | | | |
|--|----|------|----|------|
| * base monthly charge per user as determined by number of dwelling units or commercial spaces on site, occupied or vacant (Note 2) | \$ | 5.24 | \$ | 5.24 |
|--|----|------|----|------|

(Note 1) Water rates for customers with 2 inch meter or larger shall pay inside City rates.

(Note 2) All City customers will pay the base charge in addition to the per 1,000 gallon charge. Master metered customers will pay the base charge times the number of units served in addition to the per 1,000 gallon charge. Residential water customers using metered service for irrigation purposes only, shall not (during periods when level II or higher water restrictions are in effect) be billed a minimum bill for zero (-0-) usage.

(Note 3) Unmetered service is based upon an average bill of 7,000 gallons usage within a given month.

| WATER TAP AND CONNECTION FEES | Inside City | | Outside City | |
|---|-------------------------------|----------|---------------------|-------------------------------|
| Individual Water Tap Fees: | | | | |
| * 3/4" service (installation by City) | \$ | 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 |
|--|-------------------------------|--|--|-------------------------------|

Tap on of New Water Main to Existing:

| | | | | |
|--|-------------------------------|--|--|-------------------------------|
| * All sizes (installation by the customer) | All Cost Borne By Customer | | | All Cost Borne By Customer |
|--|-------------------------------|--|--|-------------------------------|

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.

| SEWER TAP AND CONNECTION FEES | Inside City | Outside City |
|--|----------------------------|----------------------------|
| Individual Sewer Service Tap Fees: | | |
| * 4" service (installation by the City) (includes any size pumped by customer) | \$ 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 |
|--|----------------------------|----------------------------|

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.

| SERVICE FEES AND DEPOSITS | Inside City | Outside City |
|---|--------------------|---------------------|
| Service Disconnect / Administrative Fee | \$ 30.00 | \$ 30.00 |
| Service Deposit (Non-Property Owners) | | |
| * Water or sewer; water and sewer – secured | \$ 75.00 | \$ 75.00 |
| * Water or sewer; water and sewer – unsecured | \$ 225.00 | \$ 225.00 |
| Returned Payment Item | | |
| * Each | \$ 25.00 | \$ 25.00 |

| HYDRANT METER FEES | Inside City | Outside City |
|--|--------------------|---------------------|
| Construction Hydrant Meter (refundable) | \$ 750.00 | \$ 750.00 |
| Fire Hydrant Use Account (refundable) | \$ 250.00 | \$ 250.00 |
| Annual Hydrant Use Permit Fee* Per vehicle | \$ 25.00 | \$ 25.00 |

**NORTHWEST CABARRUS SERVICE AREA
CAPITAL COST RECOVERY FEES**

| Water Meter Size | Water | Sewer |
|------------------|--------------|---------------|
| * 3/4" service | \$ 450.00 | \$ 967.00 |
| * 1" service | \$ 1,125.00 | \$ 2,418.00 |
| * 1.5" service | \$ 2,250.00 | \$ 4,835.00 |
| * 2" service | \$ 3,600.00 | \$ 7,736.00 |
| * 3" service | \$ 6,750.00 | \$ 14,505.00 |
| * 4" service | \$ 11,250.00 | \$ 24,175.00 |
| * 6" service | \$ 22,500.00 | \$ 48,350.00 |
| * 8" service | \$ 36,000.00 | \$ 77,360.00 |
| * 10" service | \$ 51,750.00 | \$ 111,205.00 |

*The above fees are in addition to the normal capital cost recovery fees (also known as "connection fees") currently charged by the City of Kannapolis for service connection. In the case of new development, the current fees are due at the time of zoning clearance permit issuance. Conversely, the capital cost recovery fees described above for the Northwest Cabarrus Services Areas shall be paid in full to the City of Kannapolis prior to obtaining individual zoning clearance permits. These fees may be modified by City Council at any time without prior notification.

**WATER & SEWER SYSTEM
ADMINISTRATIVE FEES**

| | |
|--|----------|
| Non-payment administrative service disconnect fee | \$ 30.00 |
| 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

| Commercial (City Bulk Pick Up) | 1X per Wk | 2X per Wk | 3X per Wk | 4X per Wk | 5X per Wk |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
| 4 Yd | \$113.50 | \$227.00 | \$340.50 | \$454.00 | \$567.50 |
| 6 Yd | \$143.81 | \$287.62 | \$431.43 | \$575.24 | \$719.05 |
| 8 Yd | \$175.06 | \$350.12 | \$525.18 | \$700.24 | \$875.30 |
| Commercial (Business) | 1X per Wk | 2X per Wk | 3X per Wk | 4X per Wk | 5X per Wk |
| 4 Yd | \$140.00 | \$280.00 | \$420.00 | \$560.00 | \$700.00 |
| 6 Yd | \$175.00 | \$250.00 | \$525.00 | \$700.00 | \$875.00 |
| 8 Yd | \$190.00 | \$380.00 | \$570.00 | \$760.00 | \$950.00 |
| Container Size (Recycle) | 1X per Wk | | | | |
| 4 Yd | \$140.00 | | | | |
| 6 Yd | \$175.00 | | | | |
| 8 Yd | \$190.00 | | | | |

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 \$250.00 security deposit is required for all meetings
- A \$500.00 security deposit for all parties, receptions, and banquets
- Events serving alcohol will be assessed a venue service charge of \$150.00

| RATES ARE PER HOUR | Professional Events | Social Events | Security Fee <i>Refundable</i> | Other Conditions |
|--|----------------------------|----------------------|---|---|
| Laureate Center – Section I | \$ 100/hr | \$ 125/hr | \$ 250 - \$ 500 | Alcohol Deposit if applicable |
| Laureate Center – Section II | \$ 100/hr | \$ 125/hr | \$ 250 - \$ 500 | Alcohol Deposit if applicable |
| Laureate Center – Section III | \$ 100/hr | \$ 125/hr | \$ 250 - \$ 500 | Alcohol Deposit if applicable |
| Laureate Center – Section I & II | \$ 200/hr | \$ 250/hr | \$ 250 - \$ 500 | Event Liability Insurance if applicable |
| Laureate Center – Section II & III | \$ 200/hr | \$ 250/hr | \$ 250 - \$ 500 | Event Liability Insurance if applicable |
| Laureate Center – Section I, II, & III | \$ 300/hr | \$ 350/hr | \$ 250 - \$ 500 | Event Liability Insurance if applicable |
| Kitchen* | \$100 flat rate | | | |
| Council Conference | \$ 50/hr | \$ 60/hr | \$ 250 - \$ 500 | |
| The Gallery* | \$100 flat rate | | | |
| Outside Terrace ** | \$100 flat rate | | | |
| Train Station – Event Room | \$ 75/hr | \$ 100/hr | \$ 250 - \$ 500 | Alcohol Deposit if applicable |

| | | | | |
|--------------------------------------|-----------|-----------|-----------------|-------------------------------|
| Village Park Event Room | \$ 75/hr | \$ 100/hr | \$ 250 - \$ 500 | Alcohol Deposit if applicable |
| Village Park Patio | \$ 15/hr | \$ 20/hr | \$ 250 - \$ 500 | |
| Public Works Training Room | \$ 45 | n/a | \$ 250 - \$ 500 | |
| Gem Theatre Event Room | \$ 40 /hr | \$ 50/hr | \$250 - \$ 500 | Alcohol Deposit if applicable |
| Veterans Park Gazebo | \$ 50/hr | \$ 75/hr | \$ 250 - \$ 500 | Alcohol Deposit if applicable |
| Dale Earnhardt Plaza | \$ 20/hr | \$ 25/hr | \$ 250 - \$ 500 | |
| West Avenue Reading Room*** | \$ 20/hr | \$ 25/hr | \$ 100 | |
| West Avenue Reading Room Terrace | \$ 20/hr | \$ 25/hr | \$ 100 | |
| West Avenue Event Lawn | \$ 25/hr | \$ 30/hr | \$ 100 | |
| West Avenue Platform 1 "L-shaped"*** | \$ 25/hr | \$ 30/hr | \$ 100 | |
| West Avenue Platform 2 "3 Decks" | \$ 30/hr | \$ 35/hr | \$ 100 | |
| West Avenue Pergola | \$ 20/hr | \$ 25/hr | \$ 100 | |
| West Avenue Pump House Patio | \$ 25/hr | \$ 30/hr | \$ 100 | |
| West Avenue Putting Green | \$ 20/hr | \$ 25/hr | \$ 100 | |

* *Kitchen and Gallery areas cannot be rented unless space in the Laureate Center is rented.*

* *A venue service charge of \$150.00 will be assessed for all groups serving alcohol.*

** *Outside terrace / Patio Areas cannot be rented unless inside space is rented.*

*** *West Avenue Platform 1 cannot be rented unless West Avenue Event Lawn is rented.*

*** *West Avenue Reading Room cannot be rented unless West Avenue Reading Room Terrace is rented.*

- *Professional Event Rental Minimum – 2 hours*
- *Social Event Rental Minimum – 4 hours*

• **Professional Events** are considered gatherings where business professionals carry out business related activities. This includes but is not limited to conferences, trainings, meetings, religious services, networking, political party gatherings, and corporate dinners.

• **Social Events** are considered an occasion that involves social interactions and behaviors. This includes but is not limited to galas, weddings, birthdays, class reunions, and fundraising or celebratory banquets.

- 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 I, II and III, Kitchen, Council Conference Room, The Gallery, Shell Space and Terrace)
- 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
PAY & CLASSIFICATION PLAN
EFFECTIVE 07/01/2024

| Job Class | FLSA Status | Budget Location | Job Classification | Grade | Developmental Range Minimum - Midpoint | | | |
|------------|-------------|----------------------|------------------------------------|-------|---|----------|---------------------------------|----------|
| | | | | | Hiring Range | | Midpoint to Maximum Merit Range | |
| | | | | | Minimum | 15% | Midpoint | Maximum |
| | | | | 52 | \$20,544 | \$23,626 | \$26,195 | \$31,845 |
| | | | | 53 | \$21,572 | \$24,808 | \$27,504 | \$33,436 |
| | | | | 54 | \$22,650 | \$26,048 | \$28,879 | \$35,108 |
| | | | | 55 | \$23,786 | \$27,354 | \$30,326 | \$36,868 |
| | | | | 56 | \$24,973 | \$28,719 | \$31,841 | \$38,709 |
| | | | | 57 | \$26,221 | \$30,154 | \$33,432 | \$40,643 |
| 1900 | NE | Parks & Recreation | Concession Worker | 58 | \$27,533 | \$31,662 | \$35,104 | \$42,676 |
| | | | | 59 | \$28,909 | \$33,245 | \$36,859 | \$44,808 |
| 1901 | NE | Parks & Recreation | Hospitality Assistant | 60 | \$30,354 | \$34,908 | \$38,701 | \$47,049 |
| 1905 | NE | Parks & Recreation | Park Attendant | | | | | |
| | | | | 61 | \$31,871 | \$36,653 | \$40,637 | \$49,401 |
| 1918 | NE | Parks and Recreation | Hospitality Specialist | 62 | \$33,467 | \$38,487 | \$42,671 | \$51,874 |
| 1915 | NE | Parks & Recreation | Park Operations Specialist | | | | | |
| not in use | NE | | Administrative Support Specialist | 63 | \$35,139 | \$40,410 | \$44,803 | \$54,465 |
| not in use | NE | General Services | Building Maintenance Technician I | 64 | \$36,896 | \$42,430 | \$47,041 | \$57,188 |
| not in use | | Global | Construction Maintenance Worker I | | | | | |
| 1300 | NE | Customer Service | Customer Service Advocate | | | | | |
| 1910 | NE | Parks & Recreation | Park Maintenance Technician I | | | | | |
| 5215 | NE | General Services | Building Maintenance Technician II | 65 | \$38,740 | \$44,552 | \$49,395 | \$60,048 |
| 1920 | NE | Parks & Recreation | Park Maintenance Technician II | | | | | |
| 1310 | NE | Customer Service | Senior Customer Service Advocate | | | | | |

| Job Class | FLSA Status | Budget Location | Job Classification | Grade | Developmental Range | | | |
|-----------|-------------|--|---|-------|---------------------|----------|---------------------------------|----------|
| | | | | | Minimum - Midpoint | | Midpoint to Maximum Merit Range | |
| | | | | | Hiring Range | | | |
| Code | | | | | Minimum | 15% | Midpoint | Maximum |
| 5210 | NE | General Services | Building Maintenance Technncian III | 66 | \$40,677 | \$46,778 | \$51,864 | \$63,049 |
| 1405 | NE | Global | Construction Maintenance Worker II | | | | | |
| 1330 | NE | Customer Service | Customer Care Representative | | | | | |
| 1445 | NE | Water & Sewer Distribution | Meter Service Technician | | | | | |
| 1925 | NE | Parks & Recreation | Park Maintenance Technician III | | | | | |
| 1818 | NE | Police | Park Ranger | | | | | |
| 1800 | NE | Police | Police Records Specialist | | | | | |
| 1210 | NE | Finance | Accounting Technician I | 67 | \$42,712 | \$49,119 | \$54,457 | \$66,203 |
| 1345 | NE | Customer Service | Customer Service Revenue Specialist | | | | | |
| 5220 | NE | General Services | Building Maintenance Technician IV | | | | | |
| 1926 | NE | Parks & Recreation | Park Maintenance Technician IV | | | | | |
| 1010 | NE | Global | Senior Administrative Support Specialist | | | | | |
| 1450 | NE | Water & Sewer Distribution | Warehouse Assistant | | | | | |
| 1952 | NE | Parks & Recreation | Assistant Athletics Coordinator | 68 | \$44,845 | \$51,572 | \$57,177 | \$69,511 |
| 1934 | NE | Parks & Recreation | Concessions Manager | | | | | |
| 1422 | NE | Global | Construction Maintenance Technician | | | | | |
| 1408 | NE | Global | Heavy Equipment Operator | | | | | |
| | NE | Water Resources | Lead Service Line Inventory Technician | | | | | |
| 1930 | NE | Parks & Recreation | Recreation Program Assistant | | | | | |
| 1810 | NE | Police | Telecommunicator | | | | | |
| 1320 | NE | Customer Service | Utility Billing Specialist | | | | | |
| 1470/1471 | NE | Water Treatment Plant | Water Treatment Plant Operator I / PT WTP I | | | | | |
| 1220 | NE | Finance | Accounting Technician II | | | | | |
| | | Police Fire Planning General Services City | Administrative Assistant | | | | | |
| 1020 | NE | Attorney | | | | | | |
| 1817 | NE | Police | Evidence/Property Control Technician | | | | | |
| 1705/1700 | NE | Fire | Firefighter/ Firefighter P/T | | | | | |
| 1423 | NE | Water & Sewer Distribution | Locator | | | | | |
| 4025 | NE | Planning | Planning Technician | | | | | |
| 1715 | NE | Fire | Quality Assurance Coordinator | | | | | |
| 1340 | NE | Customer Service | Senior Utility Billing Specialist | | | | | |
| 1460 | NE | Water Treatment Plant | Water Quality Technician | | | | | |
| 1465 | NE | Water Treatment Plant | Water Treatment Plant Maintnenance Worker | | | | | |

| Job Class | FLSA Status | Budget Location | Job Classification | Grade | Developmental Range | | | |
|-------------|-------------|----------------------------|--|-------|---------------------|----------|---------------------------------|----------|
| | | | | | Minimum - Midpoint | | | |
| | | | | | Hiring Range | | Midpoint to Maximum Merit Range | |
| Code | | | | | Minimum | 15% | Midpoint | Maximum |
| 4030 | NE | Planning | Code Enforcement Officer | 70 | \$49,441 | \$56,857 | \$63,037 | \$76,633 |
| 1110 | NE | Communications | Communications Specialist | | | | | |
| 5400 | NE | Parks & Recreation | Grounds Manager | | | | | |
| 1600 | NE | Human Resources | Human Resources Technician | | | | | |
| 1935 | NE | Parks & Recreation | Park Manager I | | | | | |
| 1825 | NE | Police | Police Officer Trainee | | | | | |
| 1815 | NE | Police | Telecommunicator Shift Supervisor | | | | | |
| 1409 | NE | Environmental Services | Equipment Operator II | | | | | |
| 1455 | NE | Water & Sewer Distribution | Warehouse Manager | | | | | |
| 1475 | NE | Water Treatment Plant | Water Treatment Plant Operator II | | | | | |
| 1349 | NE | Customer Service | Billing and Collections Manager | 71 | \$51,915 | \$59,702 | \$66,192 | \$80,468 |
| | NE | Water Treatment Plant | Water Treatment Plant Chief Operator | | | | | |
| 1425/1426 | NE | Global | Crew Chief | | | | | |
| 1348 | NE | Customer Service | Customer Service Manager | | | | | |
| 1720 | NE | Fire | Fire Engineer | | | | | |
| | NE | Water Resources | Lab Analyst | | | | | |
| 1850 | NE | Police | Police Detective | | | | | |
| 1820 | NE | Police | Police Officer | | | | | |
| 1805 | NE | Police | Records Supervisor | | | | | |
| 1840 | NE | Police | School Resource Officer (SRO) | | | | | |
| 1865 | NE | Police | Training Coordinator | | | | | |
| 1230 | NE | Finance | Accountant | 72 | \$54,510 | \$62,687 | \$69,500 | \$84,491 |
| 1490 | NE | Engineering | Engineering Technician | | | | | |
| 1350 / 1741 | E | Customer Service Fire | Office Manager | | | | | |
| 1940 | NE | Parks & Recreation | Park Manager II | | | | | |
| 1255 | NE | Finance | Payroll Administrator | | | | | |
| 1816 | NE | Police | Police Planner/Accreditation Manager | | | | | |
| 1610 | NE | Human Resources | Human Resources Analyst I | | | | | |
| 1951 | NE | Parks & Recreation | Athletic Program Coordinator | 73 | \$57,237 | \$65,822 | \$72,978 | \$88,717 |
| 1430 | NE | Global | Crew Supervisor | | | | | |
| 1725 | NE | Fire | Fire Inspector | | | | | |
| 4020 | NE | Planning | Planner | | | | | |
| 1435 | NE | Public Works | Planner/Scheduler | | | | | |
| 1950 | NE | Parks & Recreation | Recreation Programmer/Special Events Coordinator | | | | | |

| Job Class | FLSA Status | Budget Location | Job Classification | Grade | Developmental Range | | | |
|------------|-------------|------------------------|---------------------------------------|-------|---------------------|----------|---------------------------------|-----------|
| | | | | | Minimum - Midpoint | | | |
| | | | | | Hiring Range | | Midpoint to Maximum Merit Range | |
| Code | | | | | Minimum | 15% | Midpoint | Maximum |
| 1729 | NE | Fire | Assistant Fire Marshal | 74 | \$60,097 | \$69,112 | \$76,625 | \$93,151 |
| Not in use | NE | City Manager | Communications Multimedia Specialist | | | | | |
| 1154 /1730 | NE | City Manager / Fire | Community Engagement Specialist | | | | | |
| 1882 | NE | Police | Crime Anaylst / Video Specialist | | | | | |
| 1498 | NE | Engineering | Engineering Technician II | | | | | |
| 6005 | NE | IT | Technical Support Specialist | | | | | |
| 4015 | NE | Planning | GIS Specialist | | | | | |
| 4031 | NE | Planning | Senior Code Enforcement Officer | | | | | |
| 1630 | NE | Human Resources | Human Resources Analyst II | | | | | |
| 1265 | NE | Finance | Budget Analyst | 75 | \$63,102 | \$72,568 | \$80,455 | \$97,809 |
| 5200 | NE | General Services | Facility Manager | | | | | |
| 1735 | NE | Fire | Fire Captain | | | | | |
| 1731 | NE | Fire | Fire Vehicle Mechanic | | | | | |
| 1739 | NE | Fire | Safety and Logistics Officer | | | | | |
| 1260/1262 | NE | Finance | Senior Accountant / Sr Accountant P/T | | | | | |
| 1860 | NE | Police | Sergeant | | | | | |
| 1861 | NE | Police | Sergeant/Recruitment Officer | | | | | |
| 1640 | NE | Human Resources | Benefits Manager | | | | | |
| 1480 | NE | Water Treatment Plant | Water Treatment Plant Supervisor | | | | | |
| 1120 | E | City Manager | City Clerk | 76 | \$66,259 | \$76,197 | \$84,480 | \$102,700 |
| 1491 | E | Engineering | Civil Engineer I | | | | | |
| 1250 | NE | Finance | Purchasing Agent | | | | | |
| 1615 | E | Human Resources | Risk Manager | | | | | |
| 6004 | NE | Information Technology | Software Support Specialist | | | | | |
| 1130 | E | City Manager | Community Development Program A | 77 | \$69,571 | \$80,007 | \$88,703 | \$107,835 |
| 6003 | NE | Information Technology | Information Technology Analyst | | | | | |
| 1494 | E | Engineering | Engineer Technician Manager | | | | | |
| 1275 | NE | Finance | Accounting Operations Manager | | | | | |
| 1235 | NE | Finance | Purchasing Manager | | | | | |
| 4010 | NE | Planning | Senior Planner | | | | | |

| Job Class | FLSA Status | Budget Location | Job Classification | Grade | Developmental Range | | | |
|-----------|-------------|------------------------|---------------------------------------|-------|---------------------|-----------|---------------------------------|-----------|
| | | | | | Minimum - Midpoint | | | |
| | | | | | Hiring Range | | Midpoint to Maximum Merit Range | |
| Code | | | | | Minimum | 15% | Midpoint | Maximum |
| 1740 | NE | Fire | Battalion Chief | 78 | \$73,050 | \$84,007 | \$93,138 | \$113,226 |
| 1738 | NE | Fire | Health and Wellness Manager | | | | | |
| 1728 | NE | Fire | Fire Marshal | | | | | |
| 1495 | E | Global | Operations Manager | | | | | |
| 1870 | NE | Police | Police Lieutenant | | | | | |
| 1811 | NE | Police | Telecommunications Center Manager | | | | | |
| 1737 | NE | Fire | Training Manager | | | | | |
| 1485 | E | Water Treatment Plant | Water Treatment Plant Manager | | | | | |
| 6002 | E | Information Technology | Network Administrator | 79 | \$76,703 | \$88,208 | \$97,795 | \$118,890 |
| 1953 | E | Parks & Recreation | Recreation Superintendent | | | | | |
| 1954 | E | Parks & Recreation | Parks & Recreation Superintendent | | | | | |
| 1619 | E | Human Resources | Assistant Human Resources Director | 80 | \$80,536 | \$92,617 | \$102,684 | \$124,831 |
| 1140 | E | Customer Service | Director of Customer Service | | | | | |
| 1754 | E | Fire | Assistant Fire Chief | 81 | \$84,564 | \$97,248 | \$107,820 | \$131,076 |
| 4005 | E | Planning | Assistant Planning Director | | | | | |
| 1155 | E | City Manager | Communications and Marketing Director | | | | | |
| 1270 | E | Finance | Deputy Finance Director | | | | | |
| 1880 | E | Police | Police Captain | | | | | |
| 1161 | E | City Manager | Assistant to the City Manager | 82 | \$88,793 | \$102,112 | \$113,210 | \$137,629 |
| 1492 | E | Engineering | Civil Engineer II | | | | | |
| 6001 | E | Information Technology | Senior Network Administrator | | | | | |
| 5000 | E | General Services | General Services Director | 83 | \$93,230 | \$107,216 | \$118,869 | \$144,507 |

| Job Class | FLSA Status | Budget Location | Job Classification | Grade | Developmental Range | | | |
|-----------|-------------|------------------------|--|-------|---------------------|-----------|---------------------------------|-----------|
| | | | | | Minimum - Midpoint | | Midpoint to Maximum Merit Range | |
| | | | | | Hiring Range | | | |
| Code | | | | | Minimum | 15% | Midpoint | Maximum |
| 1497 | E | Engineering | Assistant Director of Engineering | 84 | \$97,893 | \$112,577 | \$124,813 | \$151,734 |
| 1885 | E | Police | Deputy Chief of Police | | | | | |
| 1755 | E | Fire | Deputy Fire Chief | | | | | |
| 1150 | E | City Manager | Director of Economic & Community Development | | | | | |
| 1620 | E | Human Resources | Human Resources Director | | | | | |
| 1955 | E | Parks & Recreation | Parks & Recreation & Recreation Director | | | | | |
| 1501 | E | Storm Water | Director of Transportation and Environment | 85 | \$102,788 | \$118,206 | \$131,054 | \$159,320 |
| 1502 | E | Water Treatment Plant | Director of Water Resources | | | | | |
| 4000 | E | Planning | Planning Director | | | | | |
| 1280 | E | Finance | Finance Director | 86 | \$107,926 | \$124,116 | \$137,606 | \$167,287 |
| 6000 | E | Information Technology | Information Technology Director | | | | | |
| 1496 | E | Public Works | Director of Engineering | 87 | \$113,326 | \$130,325 | \$144,489 | \$175,654 |
| 1890 | E | Police | Chief of Police | 88 | \$118,990 | \$136,839 | \$151,712 | \$184,434 |
| 1760 | E | Fire | Fire Chief | | | | | |
| | | | | 89 | \$124,940 | \$143,681 | \$159,299 | \$193,658 |
| 1162 | E | City Manager | Assistant City Manager | 90 | \$131,188 | \$150,866 | \$167,264 | \$203,341 |
| | | | | 91 | \$137,746 | \$158,408 | \$175,625 | \$213,506 |
| | | | | 92 | \$144,634 | \$166,329 | \$184,407 | \$224,182 |
| 1160 | E | City Manager | Deputy City Manager | 93 | \$151,864 | \$174,644 | \$193,628 | \$235,390 |

Not Assigned to a Pay Grade

Administrative Intern - Flat rate position

City Attorney

City Manager

Finance Management Fellowship - Flat rate position

Reserve Police Officer - Flat rate position

Santa - Flat Rate position