

Table of Contents

Table of Contents	I
City Manager’s Budget Message	A-1
City Manager’s Budget Summary	A-11
Fiscal Year 2016 Revenue Summary	B-1
Fiscal Year 2016 Expenditure Summary	B-3
General Fund Revenues	
· General Fund Revenue	2
· Property Tax	3
· Sales Tax	4
· Utility Tax	5
· State Powell Bill Street Fund	6
· General Fund Available Fund Balance	7
· General Fund Revenue Summary	9
General Fund Expenditures	
· General Fund Expenditure	10
· General Fund Expenditure Summary	11
· City Council	12
· City Manager – Administration	14
· Economic Development	16
· Communications	18
· Human Resources	21
· Legal Services	23
· Finance	25
· Information Technology	27
· General Services	29
· Police – Administration	32
· Police – Support Services	34
· Police – Field Operations	36
· Fire – Administration	38
· Fire – Emergency Services	40
· Fire – Technical Services	42
· Public Works – Engineering	44
· Public Works – Street Lighting	46
· Public Works – Operations Center	48
· Public Works – Signs & Markings	50
· Public Works – Street Maintenance (Powell Bill Fund)	52
· Planning	54

· Parks and Recreation – Parks	56
· Parks and Recreation – Recreation Programs	59
· Stadium	61
· Non-Department	63
· Transfers	65
· Appropriated Fund Balance	66
· General Fund Debt Service	67
Water and Sewer Summaries	
· Revenue Summary	70
· Water & Sewer Fund Revenues	70A
Water and Sewer Expenditures	
· Water and Sewer – Billing and Collections	72
· Water and Sewer – Distribution	74
· Water and Sewer – Filter Plant	77
· Water and Sewer – Sewage Treatment	80
· Water and Sewer – Debt Service	82
· Water and Sewer – General Management Services	84
Storm Water Fund	
· Revenue Summary	86
· Expense Summary	87
· Storm Water Fund Summary	88
· Storm Water Debt Service	91
Environmental Fund	
· Revenue Summary	94
· Expense Summary	95
· Environmental Fund Summary	96
· Environmental Fund Debt Service	99
Separation Pay Fund	
· Separation Pay Summary	102
· Revenue Summary	103
· Expense Summary	104
Public Transit Fund	
· Public Transit Summary	106
· Revenue Summary	107
· Expense Summary	108
Downtown Fund	
· Downtown Fund Summary	110
· Revenue Summary	112
· Expense Summary	113
· Downtown Fund Debt Service	115



May 23, 2016

Subject: Recommended FY 2016-17 Budget

Dear Mayor Hinnant and Members of the Kannapolis City Council:

I am pleased to present to you the recommended Fiscal Year 2016-17 (FY 2017) Budget for the City of Kannapolis, North Carolina, which begins July 1, 2016 and ends June 30, 2017. 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 2017.

The total proposed FY 2017 Budget for the City of Kannapolis is **\$64,012,300**, a 7.5% increase (\$4,472,917 actual) from the FY 2016 Budget.

RECENT BUDGET HISTORY						
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 Proposed
\$45,381,754	\$45,027,535	\$49,821,781	\$51,589,343	\$53,046,396	\$59,539,383	\$64,012,300

Two major milestones in the City's history were achieved in FY 2016: 1) the completion of the new City Hall and Police Headquarters building (including the Laureate Center), and 2) the aggressive move to purchase 50-acres and 700,000 square feet of space in Downtown Kannapolis. These two major investments have had tremendous impact on the FY 17 budget preparation. The downtown effort will continue to have influence over many future budgets.

As always, Staff and City Council will need to continue to balance economic development efforts with the ongoing basic operational needs of the City to keep our services to our community at the highest level possible. The theme of the FY 16 Budget was improving operational effectiveness. Key efforts to that end in FY 16 were: the construction of the new City Hall and PD HQ, the

establishment of General Services and in-house Planning departments; and investment in employees through the implementation of the salary and staffing studies.

The theme of the FY 17 Budget has three main components:

- *Continued aggressive efforts to revitalize and redevelop Downtown Kannapolis.* The demonstration project (including a \$6 million investment was committed to in FY 16 and will impact the FY 18 budget). City Council is committed to exploring options for a Downtown Sports and Entertainment Venue which is well underway. Additionally, City Council has committed to hiring a commercial leasing agent and has also directed the design work to begin on Phase I of the Downtown Infrastructure project (including a new streetscape plan). As the Downtown Master Redevelopment Plan is adopted in early FY 17 and implementation begins, additional investment priorities will emerge. To help fund these priorities \$32 million is programmed in the Capital Improvements Plan for economic development investments over the next 4 years; most of it will be in Downtown Kannapolis.
- *A focus on implementing the Capital Improvement Plan.* Included in this budget are two major utility lines in western Cabarrus County, replacement/renovations of two fire stations, a park expansion and construction of a new greenway. More than \$15 million in capital investment is included in the FY 17 Budget.
- *Continued efforts to improve overall City services.* The hiring of 10 new employees will continue to improve service and citizen responsiveness. More than \$1 million is included in operating capital to help our employees perform their jobs more efficiently and effectively. FY 17 will also include a renewed emphasis on customer service and community outreach.

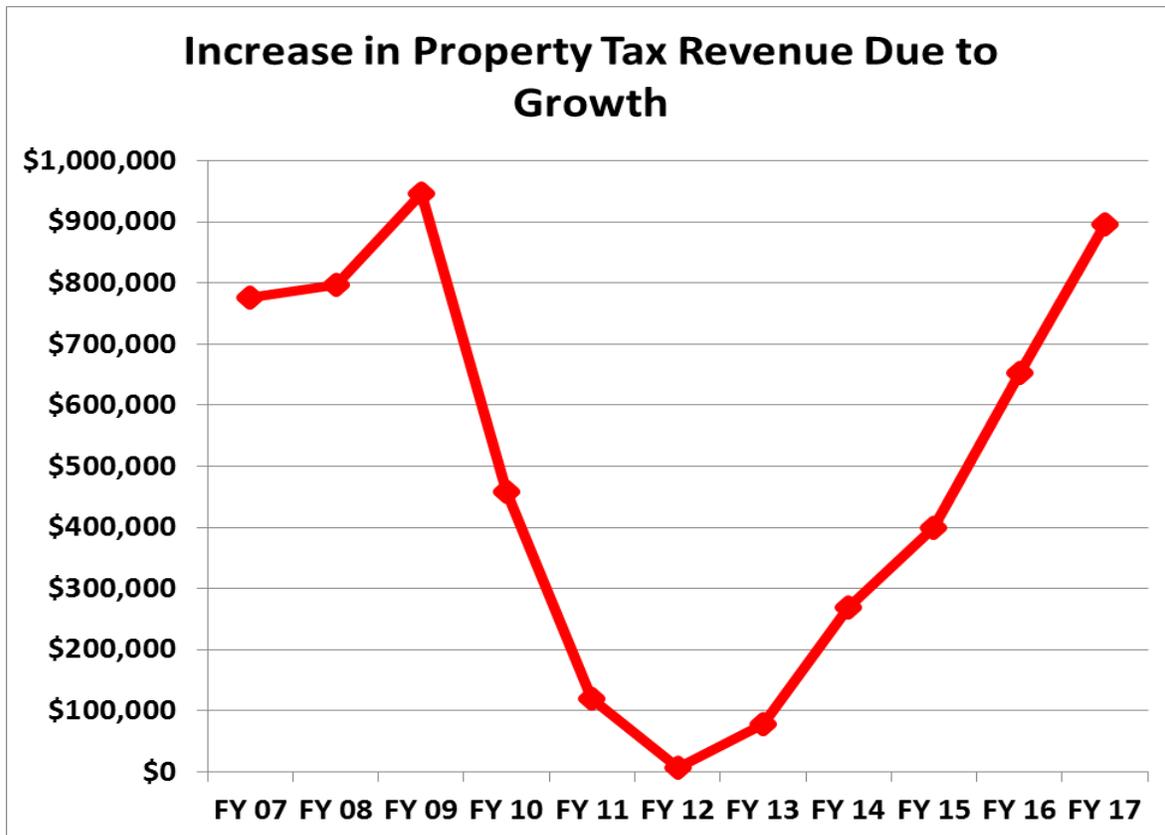
There are a number of factors contributing to the increase in the FY 2017 Budget. Some of these reasons are explained below and in more detail in the City Manager's Budget Summary document.

The following are the key highlights of the FY 2017 Budget:

1. Per the City's 10-year Financial Plan, the proposed FY 17 Budget includes no Property Tax increase, no Water and Sewer Rate increases and no Stormwater Fee increases. Due to previous rate increases per the Financial Plan, the Stormwater Fund is now completely self-sustaining (no subsidies from other funds). The General Fund Budget includes an Ad Valorem (Property Tax) Rate of 63 cents per \$100 of assessed property valuation; the same as the FY 16 rate.
2. Property taxes due solely to the Cabarrus County revaluation resulted in an additional \$402,303 in revenue. This growth in overall property value is approximately \$63.9 million. This is lower than originally projected in the Financial Plan. The ad valorem

(property tax) revenue neutral tax rate for Kannapolis for FY 2017 is 61.94 cents per \$100 of value (about 1 cent below the current and proposed rate).

- Property tax revenues due solely to new private investment are \$895,553 (up about \$250,000 from FY 2016). This organic growth in the city was approximately \$142 million over the past year. This is the highest private sector development impact since FY 2009. This change is depicted in the graph below.



- Sales tax revenue is projected to increase substantially (12.5% increase of \$863,900 from FY 16). This is compared to \$470,000 in growth in FY 16 from FY 15. This increase is due to the economic growth, as well as changes in the State's sales tax collection structure.
- Franchise taxes on private utilities will increase a projected 35.9% (\$700,000) from FY 16. This is compared to (5% and \$100,000 in growth in FY16 from FY 15). Tax policy changes on the State level has resulted in substantial increases in Franchise tax receipts. The increase in this line item, coupled with the sales tax increases have more than made up for the revenue shortfall experienced in the property tax receipts from the revaluation.

6. Water and Sewer revenues are projected to increase by 3.59% (\$562,500). This increase is about \$200,000 less than the increase in FY 16 from FY 15 but is still very healthy growth.
7. Per the City's 10-year Financial Plan, an increase in the Environmental User Fee of \$2.50 per account per month is incorporated into the budget for FY 2017. The fee will go from \$9.35 to \$11.85. Similar increases are planned in the future *every other year* until the Environmental Fund is completely self-sustaining (without required transfers from other operating funds).
8. The proposed FY 17 Budget includes more than \$15 million in new capital investment in accordance with the Capital Improvement Plan. The major projects include:

Capital Improvement Program Project	Total Cost	Budget Impact
Fire Station #2 Replacement	\$ 3,885,000	\$ 349,650
Irish Buffalo Creek Greenway Phase 1*	\$ 2,670,000	\$ 73,840
Shiloh Church Road Sewer Extension	\$ 2,500,000	\$ 225,000
Village Park Phase 3	\$ 1,600,000	\$ 121,500
Charlotte-Mecklenburg Water Extension	\$ 1,500,000	\$ 135,000
Ladder Truck in the Fire Dept.	\$ 1,300,000	\$ 185,250
Fire Station #3 Remodeling	\$ 1,200,000	\$ 156,000

*This is the total cost for the greenway including DOT funds. The City's portion is \$534,000.

9. The proposed FY 17 budget includes 10 new full-time positions (in line with the 2015 Staffing Study):
 - Two (2) Patrol Officers in the Police Dept.
 - One (1) Maintenance Technician in the Parks & Recreation Dept.
 - One (1) Building Engineer in the General Services Dept.
 - Three (3) Firefighters in the Fire Dept.
 - Three (3) Street Maintenance Workers in the Stormwater Dept.
10. The FY 17 Budget continues with significant investment in economic development. Included is nearly \$1 million of direct, personnel and operating investments to advance economic growth and job creation city-wide as well as more than \$2 million for the downtown initiatives.
11. The proposed budget includes no increase in medical insurance premiums for the *fifth consecutive year*. This can, in part, be attributed to the City's successful wellness program, the City becoming self-insured program and an overall trend in fewer claim numbers and lower claim amounts.

The FY 2017 Budget continues to be developed on the solid foundation of multi-year planning efforts that City Council spent much of the past three years developing. Emerging from those long range planning exercises were several substantial conclusions upon which the annual budgeting process has been constructed over the past several years. Based on these FY 2012-13 Planning efforts, the following **Core Values and Overarching Goals** have been established.

1. Provide equal opportunities for all citizens.
2. Be fair in decision making.
3. Find and develop good partnerships.
4. Improve aging and failing infrastructure.
5. Integrate faith and community.
6. Lay a foundation for future success.
7. Communicate to citizens that the City is managing its money wisely.
8. Provide for a great quality of life.
9. Make Kannapolis a community where families want to live long-term.
10. Foster the continued transformation from a “mill town” to a new economy.
11. Strive to be effective problem-solvers.
12. Provide leadership.
13. Become a stimulus for economic development via good policy decisions.

From these planning exercises several clear objectives emerged which served as a foundation for the past several fiscal year budgets and will serve (with the exception of the first objective) several future budgets going forward. The three primary objectives are:

1. **Construct a City Hall and Police Headquarters.** This objective was completed in FY 16. The facility has far exceeded expectations of more efficient government operations, public support and economic growth and prosperity. This is still included as a key objective because its opening has influenced many of the components of this year’s budget.
2. **Aggressively facilitate economic growth development.** In response to this objective, City Council adopted a multi-year Economic Development Plan of which the following broad goals have been identified as priorities. These goals are the foundation for the economic development strategies included in the Plan. They continue to be guiding principles for the development of our long range Capital Improvement Plan and each annual budget in recent years.
 - Grow the City’s tax base.
 - Create new job opportunities.
 - Retain existing jobs.
 - Redefine the City’s image.
 - Increase property values.
 - Retain and create wealth.
 - Reduce poverty.

- Strive for long-term economic stability of the community.
- Promote economic self-sufficiency.

However, it is important to note that the 2012 Economic Development Plan is rapidly becoming dated. The investment in Downtown Kannapolis is absolutely in keeping with the larger goals of this Plan. However the purchase and active redevelopment effort has resulted in an almost exclusive focus on this one area of the Economic Development Plan. Frank discussions about this Plan and the prioritization of resources to implement it needs to occur in FY 17.

3. **Implement sound financial management to guide the City's decisions.** In response to this objective City Council has adopted a new 10-year Financial Plan and a new set of financial policies. The FY 2017 Budget is the third year of full implementation of this Financial Plan. This Plan includes a clear path that will accomplish the following if it is faithfully implemented over the next decade. The components of the Plan (and a corresponding status of each) are as follows:

Budget Development.

- a. Enterprise funds will set rates so that inter-fund transfers are not required and that all funds become self-supporting. *This change will take a number of years to achieve and began with the FY 2013 budget and this continues in FY 2017.*
- b. Elimination of one-time revenues (or other special revenues) to be used to finance continuing city operations. *As the economic downturn eased over the past few years, this approach was injected into the budget process. It must continue. There are no one-time revenues used for reoccurring operating expenditures in the FY 2017 Budget.*
- c. Reliance more on user fees than taxes to implement the Financial Plan. *The increase in the Environmental Fee increase is included in the FY 2017 Budget.*

Capital Improvement.

- a. City Council will adopt a Capital Improvement Plan. *This has been completed and revised. It will be continually updated in response to financial influences and City Council objectives.*
- b. Grants will only be sought for approved CIP projects. *This policy is being implemented by staff.*

Debt Management.

- a. City will seek a balanced approach to capital funding: Debt vs. Pay-Go vs. Capital Reserve. *There is a solid balance of both approaches in the FY 2017 Budget. Nearly \$2 million is included as cash outlay for operating capital needs (generally items less than \$200,000). About \$1.4 million in new debt service is included to fund approximately \$15.6 million in major capital improvement projects.*
- b. City's Net Debt (tax supported) would be 2% of assessed value or less. *When one half of the NCRC Bond obligation is removed (Cabarrus County's commitment),*

the City's net, tax supported debt is currently 1.67% of the assessed value (1.36 if the downtown debt is removed). It is likely that this number will remain steady and decrease over time as more debt comes off line. State law permits up to 8%.

- c. Debt service expenditures will not exceed 15% of total fund expenditures. *The City is in compliance with this provision.*
- d. Aggregate 10-year principal payout target ratio of 60% or better. *Staff continues to monitor this provision.*
- e. Target of 10% equity funding in CIP on 5-year rolling average. *Staff continues to monitor this provision.*

Cash Reserves.

- a. A contingency reserve of at least 0.5% should be budgeted annually. *This is included in the FY 2017 Budget.*
- b. Establishes General Fund - Fund Balance range of 25% to 33% (13 -17 weeks operating expenses). *The percentage is projected to be 30% in the FY 2017 Budget (up from 24% in FY 2012). The City has now achieved this goal but the key is to maintain it within the target range in future years.*
- c. The Water and Sewer Fund will strive to maintain cash balances of 25% of fund operating expenditures. *This will take several years to achieve but staff continues to make progress on this objective.*

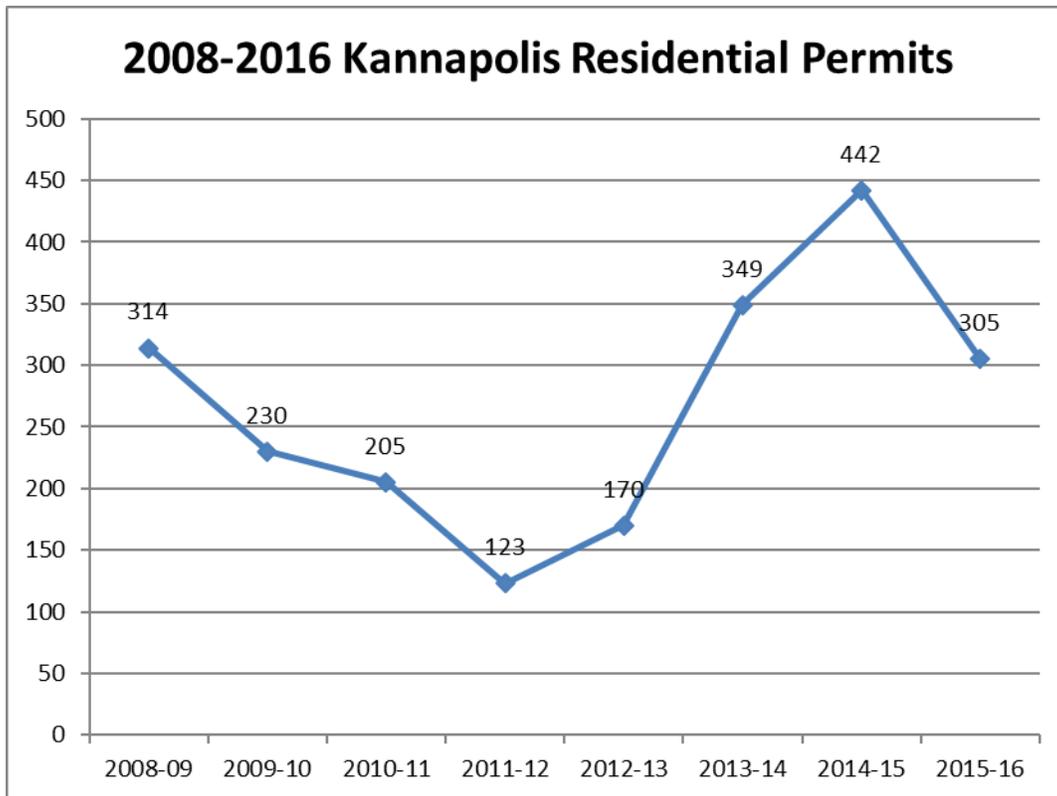
Investment Management. Establishes approved investment instruments. *This is occurring.*

Looking Ahead – FY 2017 and Beyond

The vast majority of our City's revenue streams are tied to a growing economy (ad valorem taxes and sales taxes represent 78% of all of our City's General Fund revenues). As a result, commercial and residential development is critical to our future prosperity. This growth is also one indicator of our future revenues.

The City's positive growth trends are continuing as depicted in the graph on the following page. The one year decrease is not indicative of any concerning trend. Permitting is unpredictable and is all about timing.

There is strong evidence that this positive development trend will continue in FY 2017 and well beyond. The fact that the City is expected to experience the largest jump in private investment since 2009 is further evidence of a positive growth trend. The Downtown revitalization efforts will play a much large role in the City's growth over the coming years.



In support of a growing economy and a growing municipality, there are a number of City investments planned in the next four years. These projects are all included in the Capital Improvements Plan (CIP) and the revenues are included in the 10-year Financial Plan. It is important to remember that the implementation of the CIP and Financial Plan account for both new investments and retiring debt. There will be plenty of debt that is eliminated over the next decade at the same time that new critical investments are being added. The overall goal is to find the right balance between these two dynamics and new revenues coming from City Council action (via taxes and fees and/or facilitating/encouraging new private sector development).

The following is a list of CIP projects for the next four years.

FY 2018-FY 2021 CIP Projects (some subject to change)

- Downtown Infrastructure Replacement Phase I and II
- Royal Oaks Waterline Replacement Phase I, II and III
- Three (3) Economic Development Investments (\$7 million to be defined)
- Rocky River Greenway
- Westside Park Phase I
- Downtown Parking Deck (Demonstration Project)
- Little Texas Rd/Dale Earnhardt Blvd Sidewalk Phase II
- Eastside Park

- Bakers Creek Park Improvements
- Three (2) Fire Engine Replacements
- Sludge Lagoon Dewatering @ Water Treatment Plant
- Summit Ridge Sewerline
- I-85 Widening Utility Relocations
- Mooresville Road Waterline
- Highway 3 Sewerline abandonment Phase II
- Ashford Street Stormwater Improvements
- Street Sweeper
- Resurfacing the Public Works Operation Center Parking Lot
- Police Mobile Command Unit
- Downtown Sports and Entertainment Venue
- Irish Buffalo Creek Greenway Phase II
- Fire Station 3 Remodel
- Fire Station 1 Remodel
- Haz-Mat Truck
- Fire Alerting System (with grant funds)
- North Bakers Creek Branch Greenway (with grant funds)
- Sewer Rehab (Project CW3-a) – Villages around Downtown
- Multiple vehicles and operating capital items in all departments

Closing Thoughts

This proposed FY 2017 Budget is balanced in accordance with State statutes and it directly addresses the goals and priorities that the City Council has established over the past several years of long range planning and strategy development. I am confident that this budget will serve as a strong foundation for the coming years as our City continues to grow and prosper.

The talented team in our Finance Department guided us through the budget process with great success. The preparation of the budget is always a group effort with a number of staff participating in its development. I am fortunate to work with a dedicated group of employees that strive only for excellence in all that they do. For each of them I am extremely thankful. I am very proud of the commitment to long hours that many of our staff put into the preparation of this budget. In particular, our Finance Director Eric Davis was the lead budget manager for the second year and he did a terrific job. Budget Analyst Jason May also played a critical role in the preparation of the documents and the numbers behind them. As always our Deputy City Manager Eddie Smith and all of the Department Heads and their management teams should be applauded for their contributions to this process.

I continue to be very appreciative of City Council's support of the implementation of the Capital Improvement Plan, Economic Development Plan, the 10-year Financial Plan and the Staffing Study. These plans, while sound from a City Management perspective, are never easy to adhere to; implementation can be a bit tasking due to the difficult decisions that must occur. However,

without these plans in place I am convinced we would not have been able to construct a new City Hall/Police Headquarters building. Without these plans the purchase of our downtown would have been almost impossible to have achieved. It is clear that City Council sees the vision of what can be accomplished for our community if given a sufficient level of resources. It is my hope that this commitment continues for the next several years as these plans continue to be refined and implemented. I am confident that it will. Very few communities have the opportunities we have before us. Even fewer communities have the commitment and vision to take such a bold steps to capitalize on them.

Without reservation, I respectfully recommend this proposed FY 2016-17 Budget to the City Council for its thoughtful consideration.

Sincerely,

Mike Legg
City Manager



City Manager's FY 2017 Budget Summary

May 23, 2016

1 | General Fund

For more information please see page 1 of the FY 2017 Preliminary Budget document.

The recommended FY 2017 General Fund Budget includes an **Ad Valorem (Property Tax) Rate of 63 cents** per \$100 of assessed property valuation. This represents no change from the FY 2016 budget. Public Safety (Police and Fire) expenditures account for 38% of all General Fund expenditures.

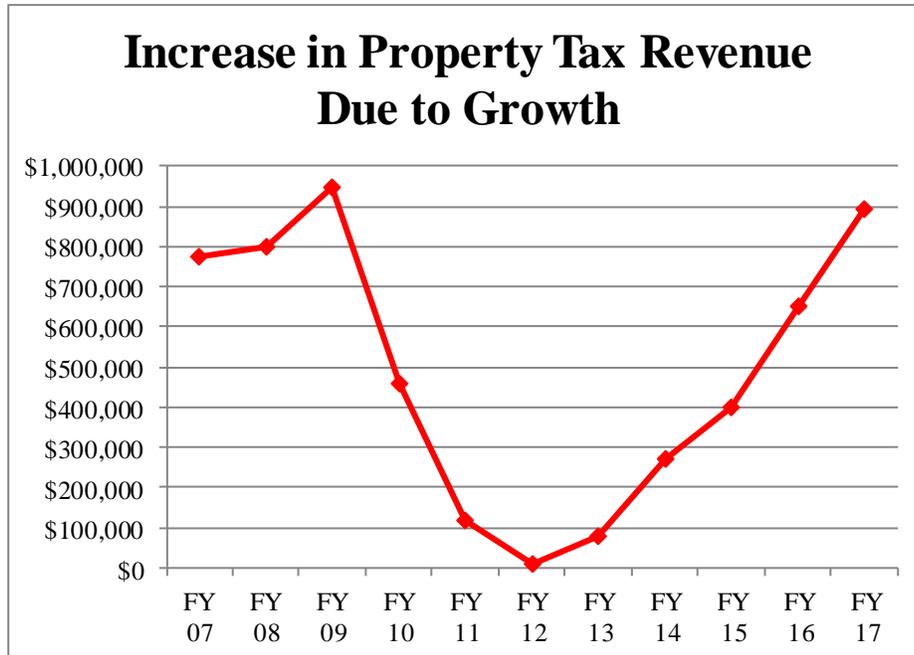
General Fund Revenues

Property taxes and sales taxes continue to be the predominant revenue streams in the FY 2017 General Fund Budget (58.1% and 18.6%, respectively). Property tax revenue continues to be a very stable revenue source and is likely to increase over the next several years as the economy improves and land development activities accelerate. The same can be said for sales taxes provided there is no General Assembly action that would change that course. Based on the 10-year Financial Plan, there are property tax rate increases planned for the next several years.

The proposed FY 2017 General Fund Budget is **\$41,600,800**, which represents an 8.35% increase from the FY 2016 Budget (\$3,205,787 actual). The total ad valorem (property) tax revenue projected for FY 2017 is \$24,158,300 based upon an estimated tax base of \$3.9 billion (approximately \$200 million more than FY 16) and a collection rate of 97.5%. Property tax revenues are projected to rise by 6.41% or \$1,455,500 in FY 17. Each penny on the tax rate is now equal to approximately \$383,465 (up from \$354,410 in FY 16).

The primary drivers of this year's revenue projections are:

1. Approximately \$895,553 is the projected increase in *ad valorem tax revenue due to natural growth* in the tax base (private sector investment). This represents about \$250,000 more than that the increase from FY 15 to FY 16. This is the largest projected amount of natural growth since 2009 (approximately \$946,000). This organic growth in the city was approximately \$142 million over the past year (36 million more than the increase from FY 15 to FY 16). The historical increases in property tax revenues are shown on the graph on the following page. The City and the region are rebounding strongly from the economic downturn. There are no indications that this growth is slowing in any way.



2. Approximately \$402,303 is from an increase in property taxes due to the Cabarrus County property revaluation. This growth in revenue attributable solely to rising in property values is approximately \$63.9 million Fiscal Year 2017 will incorporate the revaluation of properties in Cabarrus County in Calendar Year 2016. The City's 10-year Financial Plan assumed an eight percent increase in the overall tax base. While organic growth was healthy, it is important to note that the values of property within Cabarrus County did not increase as much as was forecasted in the Plan. The difference in tax base between projected and actual is \$86,287,819. This translates into a revenue shortfall of \$530,022 annually. At current values, this equates to 1.41 cents on the property tax rate. Fortunately other revenues have more than made up for this projected shortfall but this change will need to be monitored going forward. Assuming this year's revenue picture is duplicated in coming years, the Financial Plan will not be altered in a significant way.

3. \$863,900 projected increase in *local option sales tax revenue*. This represents a 12.5% increase from FY 2016. This is a significantly larger increase than the FY 2015 change from FY 2014 (5.4%) and the FY 16 change from FY 15 (7.3% or \$470,000). This increase is due to robust economic growth, as well as changes in the State's sales tax collection structure.

4. \$700,000 projected increase in *franchise taxes on private utilities* (35.9% increase from FY 16). This is compared to 5% (\$100,000 actual) growth in FY16 from FY 15). Tax policy changes on the State level, coupled with natural growth has resulted in substantial increases. Additional tax policy changes took effect on January 1, 2016, which should generate even further growth in this revenue stream going forward.

5. Smaller increases in General Fund revenues include: building rental revenues (\$97,000), Park fees (\$95,000 largely from the opening of the Carousel at Village Park around December 2016);
6. The only significant reduction in General Fund Revenues is due to the change in fund balance appropriation from \$250,000 to \$0.

General Fund Expenditures – Personnel

The General Fund includes several recommended new full time personnel, generally in-line with the recommendations from last year's completed Staffing Study. The proposed FY 2017 budget includes ten (10) new full-time positions, seven (7) of which are in the General Fund:

- Two (2) Patrol Officers in the Police Dept.
- One (1) Maintenance Technician in Parks & Recreation.
- One (1) Building Engineer in General Services.
- Three (3) Firefighters in the Fire Dept.

The budget impact of these seven positions is \$232,455 excluding two patrol vehicles (\$88,000 total cost) and normal gear, uniform and equipment costs.

Additionally, two positions are being transferred to other departments. First, an Administrative Assistant position will be transferred from the City Manager's Department to General Services to focus on managing the City's new rental spaces. Second, the Environmental Educator position in Public Works is being transferred to the Water and Sewer Fund but will be managed by the Communication's Director in an effort to streamline and better coordinate public information and education in all departments. Environmental education, especially related to stormwater and water conservation will continue to be a key point of emphasis for the position.

Several positions which would have been included in the FY 17 recommended budget were added by City Council during FY 16. These included two (2) additional patrol officers (to the three that were already in the FY 16 Budget), three (3) street maintenance workers and the conversion of a part-time administrative support position to full time in the Fire Department. This action also added two (2) Water Treatment Plant Operators in the Water and Sewer Fund.

For a variety of reasons, three positions included in the Staffing Study are *not* included in the FY 17 recommended budget. These include a Logistics Officer in the Fire Department, a part-time Accreditation Officer and a GIS (computer mapping) Technician in the Public Works Dept.

Many employee salaries were adjusted via the Compensation Study recommendations in FY 16. The normal pay for performance plan has been restored for FY 17.

To assist with staffing needs in many of the City's departments, the Human Resources Department is pursuing two programs administered through the Career and Education Training

services of the Salisbury Rowan Community Action Agency. These two programs are for older young adults. The following is a description of both programs:

- Through the internship program, participants are placed in short term positions and can work up to 35 hours each week. The employment opportunity is part of the career readiness program and helps the participant develop positive work experience and job references. The program is fully funded by federal funds through the SRCAA.
- The on the job training program is intended to provide more long term employment for individuals who have no real work experience or specific job skills. Participants placed with the City through this program are expected to continue into full time employment status with the City following the completion of their training. While they are completing their training, their hourly rate is offset through \$5 per hour reimbursement through the SRCAA. This program is best suited for entry level jobs that are in the City’s staffing study (Parks and Recreation and General Services mostly, but possibly a few other departments).

The City Manager and Police Chief also continue to explore the establishment of a Police Officer Volunteer and/or Reserve program in future budgets. The Fire Department already has a strong Reserve program. While there would be a cost to this kind of effort it may be an economical way to quickly add more capacity to the Police Department.

General Fund Expenditures – Capital

Funding is included in the recommended FY 17 General Fund Budget for several capital projects. These projects are all programmed for this budget year in the Capital Improvement Plan (CIP). These projects total \$10.6 million with a budget impact of \$1.4 million. All of these projects (except the last three on the list) will be financed.

Capital Improvement Program Project	Total Cost	Budget Impact
Fire Station #2 Replacement	\$ 3,885,000	\$ 349,650
Irish Buffalo Creek Greenway Phase 1*	\$ 2,670,000	\$ 73,840
Village Park Phase 3	\$ 1,600,000	\$ 121,500
Fire Dept.: Ladder Truck	\$ 1,300,000	\$ 185,250
Fire Station #3 Remodeling	\$ 1,200,000	\$ 156,000
I-85 Gateway Monument signs	\$ 500,000	\$ 65,000
Public Works: Replace Dump Truck (S-5)	\$ 168,000	\$ 168,000
Purchase E-911 ProQA Dispatch Software	\$ 140,000	\$ 140,000
I-3802B Sidewalk (I-85 project)	\$ 122,000	\$ 122,000
Totals	\$ 10,615,000	\$ 1,381,240

*This is the total cost for the greenway including DOT funds. The City’s portion is \$534,000.

Several other smaller operating capital items and projects are included in the recommended FY 17 General Fund Budget (not included in the CIP). These projects total \$227,200 and will all be paid for with cash.

Operating Capital Project	Budget Impact
Fire Dept.: Quantar VHF Base radio for paging firefighters	\$ 34,000
Mill & Repave Fire Station #1 Parking Lot	\$ 86,500
Repave Station #4 Parking Lot	\$ 24,500
Repair & Seal Station #5 Parking Lot	\$ 17,100
Fire Dept.: FEMA Grant Match for Training Computers	\$ 7,300
Streets: Street Maintenance Trailer	\$ 20,500
Parks & Rec. Dept.: Replace 2004 Reel Mower	\$ 29,000
Parks & Rec. Dept.: Purchase Seeder Sprayer	\$ 8,300
Totals	\$ 227,200

Finally, there are a number of vehicle purchases (mostly replacements) included in the recommended FY 17 General Fund Budget. These vehicles total \$747,450 and will be paid for with cash.

Vehicle Description	Budget Impact
General Services Dept.: One truck to replace GS-3 (brought over from Parks)	\$ 25,000
Police Dept.: 11 police cruisers & 1 Explorer for patrol (10 replacements – 2 new officers =12)	\$ 530,500
Fire Dept.: SUV to replace F409 (2006 Crown Vic)	\$ 35,000
Public Works Dept.: SUV to replace PW-2; 1997 Chevy Blazer	\$ 25,000
Streets Dept.: Replace S-26 Dump Truck	\$ 66,950
Streets Dept.: Replace S-1 1997 Ford F-150	\$ 40,000
Parks & Rec. Dept.: One pick-up truck to replace an old police cruiser at Bakers Creek Park	\$ 25,000
Totals	\$ 747,450

General Fund Expenditures – Operating

The following are operating expenditure highlights in the General Fund. This list is a mix of: 1) recurring expenditures of note, 2) new expenditures, 3) increased expenditures, and 4) substantially decreased expenditures.

<p>\$9,100 Increase</p>	<p><i>Membership dues changes.</i> A few membership dues have increased: NC League of Municipalities (\$600), Cabarrus/South Rowan MPO (\$300) NC School of Government (\$200), Metro Mayor’s Coalition (\$109), and the Cabarrus Arts Council (\$100). In addition, \$8,000 in new funding is included to support the Cabarrus Health Alliance’s Zika Virus awareness program.</p>
<p>\$4,096 Increase</p>	<p><i>Increase in City Council Compensation.</i> The acquisition of the Downtown properties, the complexities and time commitment of the job in our community is virtually unparalleled for a City our size. The City Manager believes this 5% base pay adjustment is warranted</p>
<p>(\$85,000) Decrease</p>	<p><i>Economic Development Recruitment Initiatives</i> have been reduced by \$85,000 from previous year, which was merely a placeholder for new programs that may have emerged during the year. Those funds were not spent. Certainly if larger economic development opportunities arise, contingency funds or fund balance appropriations can be considered. The following programs are included:</p> <ul style="list-style-type: none"> • \$20,000 in Small Business Facade Grants. • \$20,000 in Corridor Improvements (historically for Cannon Blvd). These funds could be redirected as other potential initiatives emerge in FY 17. • \$40,000 Strategic Initiatives. The use of these funds is to be determined. They could be used to fund consultant/part-time recruiter or other economic development efforts). • \$5,000 to the Cabarrus EDC for a “Fam (Familiarity) Tour” which is an event hosting site selection professionals & economic developers from across the country to learn about what land is available in Cabarrus County and Kannapolis. This is the City’s portion of an overall event costs.
<p>\$38,950 Increase</p>	<p><i>Community Support.</i> Funding (\$64,900 total) in this line item has been increased to widen support for community groups not eligible for CDBG funding. These funds can provide financial support for the use of City rental facilities (thus maintaining the integrity of the pricing structure). About \$30,000 was included in FY 16 for the following purposes (of which will generally need to apply through a competitive process in early FY 17): Intimidators July 4th sponsorship, 600 Festival, Irish Creek Collegiate Golf Tournament, Cabarrus Crime Stoppers, YMCA Strong Kids Campaign, Charlotte Biotech Conference, Five Ventures Entrepreneur Competition, Chamber of Commerce Annual Meeting.</p>

(\$86,250) Decrease	<i>Communications.</i> The communications budget has been decreased substantially because most of the excess funding was a carry-over from FY 15 when most of this effort was funding consultant services. The FY 17 budget is “rightsizing” of the in-house effort. The \$159,500 in funding support the following activities: Run Kannapolis initiative and other Healthy Living Initiatives; marketing for new rental spaces; Kannapolis Matters publications; Special Event Mailings; Wayfinding Signs; Economic Development Marketing and one Citizen Academy.
(\$29,000) Decrease (all departments collectively)	<i>Centralizing all Pre-employment Expenses.</i> This involves moving funding for background checks, drug tests, etc. from all departments into one location in Human Resources. Taking advantage of economies of scale allows the City to reduce the budgeted amount by \$29,000.
\$22,500 Increase	<i>Tax Collection.</i> This increase is primarily due to State’s tax and tag fee implementation which is budgeted for full implementation in FY 17.
\$52,630 Increase	<i>Network Administration.</i> Includes funding personnel for the Information Technology Department at \$433,000 through the City’s contract with Technologies Edge. The increase is due to increased daily demands from all departments, and to support special events and meetings in the Laureate Center and other rental facilities downtown. Historically, the I.T. department would have to allocate individuals to specific departments due to operations being located in more than a dozen different buildings. Now that operations are mainly concentrated into the new City Hall, I.T. staff can be allocated across functions and needs, not geographic locations.
\$103,867 Increase in I.T. (mostly consolidation)	<i>Annual Maintenance (Software Maintenance and Licenses).</i> The FY 17 Budget consolidates all software contract expenditures from all departments into the Information Technology Department. This move didn’t save money but provides an easier way to manage these expenses. A small part of the increase is due to new software contracts.
\$224,000 Increase	<i>Building Utility Expenses.</i> A total of \$260,000 is budgeted for utility payments on City owned properties including the new City Hall/Police HQ. A significant portion of these expenses is in the purchase of hot/chilled water from the NCRC.
\$44,000 Increase in General Services (mostly consolidation)	<i>Equipment rental.</i> The total funding for is budgeted at. \$75,000. This line consolidates copier and postage machine leases for the City into one central departmental expense. With the move to the new City Hall/Police HQ these machines are shared by multiple departments. Generally the number of machines did not decrease.
\$119,200 Increase	<i>Operation and Maintenance of City Hall.</i> These contracts and activities include: Fire protection, landscaping, HVAC maintenance, wood touch up, window washings, elevator maintenance, etc.
\$30,000 Increase	<i>Train Station Renovations.</i> These funds will be used to transform the former City Council meeting room into a usable (rentable) public space.
(\$78,000)	<i>Grounds Maintenance for City Facilities.</i> Total funding includes \$62,000.

Decrease	This cost covers all five Fire Station locations, the Gateway Business Park, Public Works Operations Center, two railroad overpasses. It does not include parks maintenance. The decrease from the FY 16 Budget is the result of changing maintenance companies and moving the maintenance of the two downtown parks and common areas downtown to the Downtown Fund
\$67,982 Increase	<i>Public Safety Supplies in Police Field Operations.</i> The City is budgeting \$137,300 for public safety supplies in the Field Operations Budget. \$52,300 is earmarked for equipment needed to outfit two new police officers. The department will have discretion over how the remaining \$85,000 will be spent in order to address the department's operational needs.
\$24,000 Increase	<i>Contract with Odell Fire Department.</i> \$150,000 is budgeted (increase of 19%) for fire protection services in the Kannapolis's western growth area (west of Coddle Creek Reservoir). This area is experiencing the largest growth in property values and the majority of the residential permitting in Kannapolis. This trend is likely to continue for the foreseeable future – as will the corresponding fire protection expenses. Discussions with Cabarrus County, Odell Fire Department and the City of Concord regarding the long range plan for this area's fire protection will begin in FY 17.
\$10,000 Increase	<i>Fire Department's 100 year anniversary.</i> Expenses are for this celebration.
\$55,000 Increase	<i>Contract Engineering.</i> This brings the Contract-Engineering line item to \$700,000 for FY17. This line item has increased \$233,858, or 50%, from FY 2013 proposed budget to FY 2017 proposed budget. Growth is the primary driver of this increase. The exploration of more efficient approaches to ongoing engineering services will commence in FY 17 with changes potentially being brought to City Council for consideration sometime during the next 12 months.
\$160,000 Increase	<i>New Street Lights.</i> The majority of the budgeted \$175,000 is for new lights on Laureate Way and Watson Crick Drive to fill in a lighting gap downtown. The original project estimate was for \$300,000 so this project may need to be phased in over two years.
\$63,400 Increase	<i>Electricity for the City's Street Lights.</i> The total funding recommendation for street light electricity in FY17 is \$613,000 (11.54% increase). This is due to additional lights coming under the City's account from new residential developments (fixtures being funded by private developers) as well as the downtown area described above.
(\$102,320) Decrease	<i>Reduction in Public Works Operations Center Expenses.</i> This budget was reduced due to administrative operations relocating to the new City Hall and several maintenance contracts moving to General Services Dept.
\$101,000 Increase	<i>Street and Sidewalk Maintenance.</i> A total of \$525,000 is budgeted. This is a 23.8% increase over FY 16. The additional dollars will mostly be used to fund additional sidewalk repairs throughout the City.
No Change	<i>Street Resurfacing.</i> \$500,000 for Street resurfacing: The city maintains over 900 streets with more than 225 miles of paved roads-currently on over a 100

	year resurfacing plan.
\$20,000 Increase	<i>Comprehensive Plan.</i> This plan will utilize outside consultants on this project. \$40,000 was budgeted for this endeavor in FY16 but not spent so the total for FY 17 will be \$60,000. Planning staff has estimated that a proper plan should cost between \$125,000 and \$150,000. It is proposed that the balance of the plan would be paid for in FY 18.
\$8,000 Increase	<i>Park Facilities Electricity Costs.</i> This 15.7% increase (\$51K to \$59K) is in anticipation of the Village Park Carousel coming online in FY 17.
\$10,700 Increase	<i>Travel and Training in Parks.</i> Will fund full Parks and Recreation staff to attend national conference as reward and recognition for achieving national accreditation.
\$18,000 Increase	<i>Parks Program Supplies.</i> Total budgeted is \$70,000; an increase of 34.6%. \$10,000 of this increase is earmarked for the Run Kannapolis program.
\$50,000 Increase	<i>The Summer Events Series.</i> This budget is \$215,000 which represents a 30% increase over FY 16. These additional funds will provide staff the opportunity to bring in higher name recognition acts for the summer concert series; resulting in higher visitor counts to the downtown area.
\$181,000 Increase	<i>Stadium Expenses.</i> This increase is in response to the agreement with the new owners of the Intimidators to participate in the funding of utilities and maintenance of the Stadium. This agreement is for a constant amount of \$176,000 per year for four years. The decision regarding a downtown Sports and Entertainment Venue may impact this agreement over the following three years. A continuation of \$30,000 is budgeted for lawn maintenance outside of the stadium building itself and continuation of \$10,000 is budgeted for miscellaneous repairs and maintenance to the stadium itself. The total Stadium Budget is \$216,000.
(\$40,000) Decrease	<i>General Liability Insurance</i> is budgeted for \$190,000 in FY 17, which is a \$40,000 decrease from FY 16. However there is \$50,000 increase budgeted in the Downtown Fund.
\$16,000 Increase	<i>Contingency Funds.</i> The 10-year Financial Plan recommends that 0.5% of the General Fund Budget be placed in contingency. This can be used with City Council approval throughout the year or can be used to continue to build up the City's fund balance. For FY 17, the total amount of contingency is \$206,000.
\$38,000 Increase	<i>Building & Contents Insurance</i> is budgeted for \$100,000 in FY 17 (a \$38,000 increase). This is a 61.29% (\$38,000) increase from actual FY 16 budget amount. The new City Hall and Downtown purchase are driving this increase.
\$23,800 Increase	<i>Worker's Compensation Insurance.</i> Worker's compensation premiums are a function of salaries which are driven by salary increases from the salary study implementation and additional staff as new positions are added. Overtime and part time salaries also have an impact on the premium. This was an unusually large increase because there were so many changes at one time last year.
(\$55,000)	<i>Self-Insured Claims Funding.</i> This decrease is based on the trend for the past

Decrease	year. That is always a projected number based on anticipated claims and anticipated workers compensation settlements of open cases. Historical trends are the only real way to accurately budget for this expense.
(\$274,977) Decrease	<i>Non-Departmental Special Expenses.</i> This budget line is a catch all for a variety of purposes. In FY 16 the Salary Study, the Staffing Study, the railroad quiet zone implementation, and festival planning (Jiggy with the Piggy) were included here. The festival planning funds were moved to the Downtown Fund for FY 17 and the other items were one-time expenditures. The budget for FY 17 is \$40,023.
\$17,650 Increase	<i>Transfer to the other Funds.</i> This budget account is increased slightly to \$3,031,500 but there were substantial changes explained in more detail in the various funds. The transfer to the Downtown Fund increased by \$317,375. The transfer to the Separation Pay fund increased by \$80,000. Decreases in the transfers to the Environmental Fund (\$309,825) and the Transit Fund (\$69,900) are included.

General Fund Debt Service

The FY 2017 Budget includes an increase of \$859,000 in General Fund debt service, largely to cover full principal and interest debt service on the Limited Obligation Bonds for the new City Hall and Police Headquarters. The payment included in the FY 17 is \$2,410,456 which will be the largest of the debt structure (i.e., it will decrease annually going forward). The debt term is 20-years at 3.10% interest. The last payment on April 1, 2034 will be \$1,414,481.

Part of the General Management Services Fee from the Water and Sewer Fund (approximately \$572,000) is earmarked for a portion of the debt service for the new City Hall building.

Note: CDBG Debt (HUD 108) is included and tracked with General Fund Debt.

General Fund - Fund Balance

The General Fund available fund balance at June 30, 2016 is estimated to be approximately \$11,360,914 or 30.0% of the estimated FY 2016 General Fund expenditures. This is up from 24.0% in FY 16; 10.1% in FY 15; 20.0% in FY 14 and 14.9% in FY 13. The FY 2015 fund balance was impacted by the short-term purchase of the Pine Street nursing facility of which the City was ultimately reimbursed from FEMA. This caused the temporary decrease. Without that impact, the FY 2015 amount would have been similar to the FY 2014 and 2016 amounts).

The FY 17 amount is likely the highest fund balance percentage in the City's history. The 10-year Financial Plan set a target of maintaining at least a 25% fund balance which has now been achieved.

The Local Government Commission of the North Carolina (LGC) strongly recommends that cities and counties maintain an available fund balance at no less than 8% of General Fund expenditures. The LGC has however consistently advised that fund balances larger than 8% may be more appropriate for smaller cities. A healthy fund balance is a key factor in reduced borrowing costs via higher debt ratings. It also is important cash flow tool for the city's management team. Furthermore, it provides a reserve for unexpected expenditures (e.g., natural disasters). Finally, a strong fund balance provides City Council with flexibility in short and long-term decision making.

2 | Water and Sewer Fund

For more information please see page 69 of the FY 2017 Preliminary Budget document.

Water and Sewer Fund Revenues

The proposed FY 2017 Water and Sewer Fund Budget is \$16,238,000, which represents a 3.59% increase from the current year budget (\$562,500 actual increase). By comparison, the FY 2016 increase from FY 2015 was 5.14% (\$765,679).

In keeping with the 10-year Financial Plan, for the fourth consecutive year, no water or sewer rate increases are included in the recommended Budget. The projected FY 17 revenue increase in the Water and Sewer Fund is attributable to growth in the system (largely new home construction) and more accurate water meter readings with the installation of the new water meters city-wide. An additional \$75,000 is also budgeted for an increase in connection fees from new development (\$525,000 total budget).

There are planned rate increases for capital projects in Fiscal Year 2018.

The wholesale sewer treatment and sewer collection rates from the Water and Sewer Authority of Cabarrus County (WSACC) are increasing by 5% in FY 16. The new rate will be \$1.359/ 1,000 gallons vs the current rate \$1.294/ 1,000 gallons. This is the second rate increase after more than ten years of no rate increase and is due to many factors. This increase is being absorbed in the FY 2017 Budget (not passed along to the City's customers).

Proposed Water and Sewer Fee and Charge Schedule

(Tier One)

Charge	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	Proposed FY 17
Variable Water Rate	\$5.40	\$5.40	\$5.40	\$5.40	\$5.40	\$5.75	\$5.75	\$5.75	\$5.75
Variable Sewer Rate	\$5.30	\$5.30	\$5.30	\$5.30	\$5.30	\$5.65	\$5.65	\$5.65	\$5.65
Fixed Water Charge	\$3.30	\$3.30	\$4.65	\$6.00	\$6.00	\$6.95	\$6.95	\$6.95	\$6.95
Fixed Sewer Charge	\$3.80	\$3.80	\$3.80	\$3.80	\$3.80	\$3.80	\$3.80	\$3.80	\$3.80

Variable Rates are charged per 1,000 gallons usage per month, per customer.

Fixed Charges are flat charges per month, per customer regardless of usage.

Proposed Monthly Impact by Usage

(Tier One; Water and Sewer combined; All Rates and Charges)

Usage	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	Proposed FY 17	FY 16 to FY 17 % Change	FY 16 to FY 17 Actual \$ Change
2000 gallons	\$28.50	\$28.50	29.85	\$31.20	\$31.20	\$33.50	\$33.50	\$33.50	\$33.50	+ 0%	+ \$0
4000 gallons	\$49.90	\$49.90	51.25	\$52.60	\$52.60	\$55.50	\$55.50	\$55.50	\$55.50	+ 0%	+ \$0
5000 gallons	\$60.60	\$60.60	61.95	\$63.30	\$63.30	\$66.50	\$66.50	\$66.50	\$66.50	+ 0%	+ \$0

The Water and Sewer Fund remains healthy with adequate cash reserves.

Water and Sewer Fund Expenditures – Personnel

There is one new position included in the Water and Sewer Fund Budget for FY 17. A Communications Specialist position that has previously been budgeted in the Environmental Fund has been transferred to the Water & Sewer Fund. This position is currently vacant. This position will work in conjunction with the City’s Communication Director in promoting water conservation, water quality enhancement, and environmental awareness (recycling). This position will also assist in expanding the City’s social media efforts for all public information. The impact of this move to the Water and Sewer Fund is \$50,664.

Water and Sewer Fund Expenditures - Capital

Funding is included in the recommended FY 17 Water and Sewer Fund Budget for several capital projects. These projects are all programmed for this budget year in the Capital Improvement Plan (CIP). These projects total \$4.5 million with a budget impact of \$596,000. The two utility expansion projects will be financed through the issuance of revenue bonds. The Jet-Vac will be funded through short term financing. The mini-excavator will be paid for with cash.

Capital Improvement Program Project	Total Cost	Budget Impact
Shiloh Church Road Sewer Extension	\$ 2,500,000	\$ 225,000
Charlotte-Mecklenburg Water Extension	\$ 1,500,000	\$ 135,000
Jet-Vac Truck	\$ 382,000	\$ 134,946
Mini-Excavator	\$ 101,000	\$ 101,000
Totals	\$ 4,483,000	\$ 595,946

Several other smaller operating capital items and projects are included in the recommended FY 17 Water and Sewer Fund Budget but are not included in the CIP. These projects total \$370,700 and will all be paid for with cash.

Operating Capital Project	Budget Impact
Diesel Generator	\$ 27,600
Highway 3 Line Abandonment (Phase I)	\$ 137,500
Utility Vehicle (Truck) for Treatment Plant	\$ 40,000
Rehabilitation of Elevated South Water Tank	\$ 165,600
Totals	\$ 370,700

Water and Sewer Fund Expenditures – Operating

There is not a tremendous amount of change in the operations budget for FY 17 Water and Sewer Fund Budget. A few items of note are:

- *Bulk Water Purchases.* This budgeted amount of \$1,316,066 is for the minimum 0.8 MGDs at \$2.26 per 1000 gallons from the City of Albemarle and the remainder from the City of Salisbury. The City is entering the final year on the Salisbury Water Purchase Contract, which ends June 30, 2017. Upon completion of contract, the City of Kannapolis no longer plans to purchase water from the City of Salisbury, in which the City expects to save approximately \$625,000 annually in water purchases beginning in FY 18.
- *General Management Services Fee.* The Water & Sewer fund will pay a \$1,539,416 General Management Services Fee to the General Fund. The Water & Sewer fund will transfer \$364,700 to the Environmental Fund, as well. Both of these transfers follow the City's Financial Plan.

Water and Sewer Fund Debt Service

No new debt is included in the recommended FY 2017 Budget. The total Water and Sewer Debt will be approximately \$4,701,776 up from \$4,276,590 in FY 2016. The increase is primarily for debt issuance costs for the two Western Cabarrus water and sewer lines. This debt will be issued in FY 17 but there will likely be no payment due until FY 18. Most of the debt in the Water and Sewer Fund has a remaining term of between 6 and 20 years. Debt Service is 28.8% of the total fund for Water & Sewer.

3 | Stormwater Fund

For more information please see page 85 of the FY 2017 Preliminary Budget document.

Stormwater Fund Revenues

The proposed FY 2016 Stormwater Fund Budget is \$2,340,000, which represents a 15.56% increase from the current year budget (\$315,000 actual). By comparison, the FY 2016 budget increase from FY 2015 was 1.68% (\$33,464 actual). The projected increase is due primarily to growth and development.

No rate increase is included in the Stormwater Fund Budget. The rates will be as follows (as compared to previous years):

	FY 13	FY 14	FY 15	FY 16	Proposed FY 17
Tier 1:	\$3.30	\$3.60	\$3.90	\$4.50	\$4.50
Tier 2*:	\$4.40	\$4.80	\$5.20	\$6.00	\$6.00
Tier 3:	\$5.50	\$6.00	\$6.50	\$7.50	\$7.50

* This will also be the rate for each commercial E.R.U.

FY 16 Budget included the final of four annual rate increases stipulated by the 10-year Financial Plan. These increases were identified in the 10 year financial plan that was submitted to the City Council in the spring of 2012. This is now a self-sustaining, self-funded enterprise fund. 100% of the Stormwater Fund's revenue comes from user charges and fees. Any rate increases beyond FY 17 will be specifically related to new projects or services.

Stormwater Fund Expenditures – Personnel

There are two (3) new Construction Maintenance Worker positions are included in the recommended FY 17 Stormwater Fund Budget in accordance with the 2015 Staffing Study. Each position has a total budgetary impact of \$41,100 (total of \$123,300). These positions will be hybrid positions, performing both stormwater and street maintenance work.

Stormwater Fund Expenditures – Operating

There is not a tremendous amount of change in the operations budget for FY 17 Stormwater Budget. A few items of note are:

- *Phase II Stormwater Regulations Compliance.* \$140,000 is budgeted for professional services in order to assist the City in compliance with Federal Phase 2 Stormwater

Regulations, and the Stormwater Monitoring Program. This represents a \$35,000 (30.4%) increase over FY 16.

- *General Management Service Fee.* This fee of \$250,000 will be paid to the General Fund in FY 17. This is a \$37,000 (17.37%) increase over the FY 16 fee of \$213,000. For the previous 2 years, the General Management Service Fee to the General Fund had been underfunded due to an inability to pay the full amount. This coming year's fee of \$250,000 represents the full amount owed to the General Fund. The General Management Service Fee covers the administrative expense incurred by the General Fund in providing leadership and financial directives for the Stormwater Fund.
- *Street Repair and Maintenance.* An additional \$57,448 (52.23%) is budgeted in for the maintenance of the City's infrastructure within Rights of Way. This is the first time in many years in which this maintenance line item has increased.
- *Vehicle Replacement.* \$111,000 is budgeted in Capital Machinery & Equipment for the purchase of three (3) utility trucks that will replace aging and failing vehicles currently in the fleet.

Stormwater Fund Expenditures - Capital

There are no new stormwater capital improvement projects or capital outlay planned for FY 2017. The Downtown stormwater system replacement is programmed for FY 18 (under design and construction beginning in FY 17).

Stormwater Fund Debt Service

Total debt service in the Stormwater Fund is projected to be \$682,325 a slight increase of \$10,275 from FY 2015. As noted above, there are no new stormwater capital projects planned for the upcoming year. As a result, there is no new debt service in this Fund.

Nearly one third of the Stormwater fund is debt service.

4 | Environmental Fund

For more information please see page 93 of the FY 2017 Preliminary Budget document.

Environmental Fund Revenues

The proposed FY 2017 Environmental Fund Budget is \$3,787,700, which represents a 1.23% increase from the current FY 2016 year budget (\$46,005 actual). By comparison, the FY 2016 budget increase from FY 2015 was 4.95% (\$176,518 actual). The projected increase is due primarily to growth and development.

In accordance with the City's 10-Year Financial Plan, a rate increase of \$2.50 per account per month is incorporated into the Environmental Fund Budget for FY 17.

It is important to note that in FY 2019 and FY 2021 the 10-year Financial Plan calls for Environmental Services fee increases (\$2.50/home/month for each year) as a means to create a sustainable, self-supporting, user-fee based fund. Each year that this is accomplished, a minimum of \$350,000 will be freed up in the General Fund for new City Council investments, initiatives or reductions in the property tax. A fully self-sustaining fund will ultimately require a \$17.70 fee per month. This figure would include enough revenue to cover the landfill (tipping fee) costs.

\$2,358,500 in revenue is projected to be generated from user fees. This is an increase of \$580,130 from FY 16. \$1,000,000 will come in the form of a transfer from the general fund, and \$364,700 will come via transfer from the Water & Sewer fund. All transfers follow the projections found in the Financial Plan.

Environmental Fund Expenditures – Personnel

This fund is primarily service contract oriented. There are no personnel expenditures in the FY 17 Environmental Fund Budget. The only position (Environmental Educator) in FY 16 has been now moved to the Water and Sewer Fund and will be reporting to the Communications Director in the City Manager's office. This has resulted in a reduction of \$59,483 in this Fund and an increase of \$50,664 in the Water and Sewer Fund (the new position will likely require a slightly lower salary).

Environmental Fund Expenditures – Operating

The City has budgeted \$1,579,000 for residential solid waste collection; \$602,000 for landfill tipping fees; \$903,000 for yard waste disposal; and \$544,000 for recycling efforts. All of these items have increased due to natural growth in households and non-residential customers as well

as from Consumer Price Index increases for the year. The only exception is for recycling. Recycling service has increased \$76,000 (18.2%) beyond the normal growth due to the elimination of sales of recyclable commodities on the open market. This is a situation occurring across the nation. This service also increased \$60,100 (14.4%) due to the expansion of commercial and institutional (schools) recycling throughout Kannapolis. There is an offsetting revenue to the commercial recycling (and solid waste) services.

The FY 17 Budget also includes an increase of \$40,000 in contracted services to cover Electronics Waste Disposal. Similar to recycling, this market has now disappeared and the disposal will now cost the City. The city currently disposes of approximately 16,000 pounds of E-waste per month. Staff continues to explore ways to address this issue in the most effective way possible.

Environmental Fund Expenditures – Capital

Container purchases continue to be a significant expenditure for this fund. In FY 17, \$85,500 is budgeted for container purchases. Two loads of carts (588 per load) are slated to be purchased in FY 17. Additionally, two loads of container lids will also be purchased at a total of \$16,000. These purchases will be paid for in cash.

There are no other capital projects or expenditures in the FY 17 Environmental Fund.

Environmental Fund Debt Service

There is no new Environmental Fund debt service added to the recommended FY 2017 Environmental Fund Budget. The only debt carried in the FY 16 Budget included in this Fund was the 2011 recycling cart purchases (\$175,929 annual payment). This debt has now been paid off.

5 | Separation Pay Fund

For more information please see page 101 of the FY 2017 Preliminary Budget document.

Separation Pay Fund Revenues

The proposed FY 17 Separation Pay Fund Budget is \$445,000, which represents a 21.92% increase from the current year budget (\$80,000 actual). The largest driver of this increase is the eligibility of long-time employees reaching retirement eligibility status. While this has occurred, there still is no guarantee of if, or when those individuals will retire. By comparison, the FY 2016 budget increase from FY 2015 was 20.54% (\$20,800 actual). All revenues in this fund are provided by a transfer from the City's General Fund.

Separation Pay is a supplemental benefit to retirees from the City who have not reached 62 years of age. The benefit ends when the employee reaches age 62.

Separation Pay Fund Expenditures – Personnel

The Separation Pay Fund is exclusively an internal service fund. As such, there is no funding for personnel.

Separation Pay Fund Expenditures – Operating

The full amount of the Separation Pay Fund is projected to be spent on separation pay obligations for retired City employees. Part of the increase is the anticipation of a *net* increase of five (5) employees projected that will retire during FY 2017. Three (3) former employees will be coming off separation pay rolls in FY 2017 and eight (8) current employees are eligible to receive separation pay in FY 2017.

Twenty four (24) former employees currently receive separation pay benefits.

Separation pay fund includes FICA for the second year.

Separation Pay Fund Expenditures - Capital

The Separation Pay Fund is exclusively an internal service fund. As such, there is no direct funding for capital items.

Separation Pay Fund Debt Service

The Separation Pay Fund is exclusively an internal service fund. As such, there is no existing or new debt service included.

6 | Public Transit Fund

For more information please see page 105 of the FY 2017 Preliminary Budget document.

Public Transit Fund Revenues

The Transit Fund is proposed to decrease 8.98% in FY17 from FY16. \$435,300

The proposed FY 2017 Public Transit Fund Budget is \$435,300, which represents an 8.98% *decrease* from the current year budget (\$42,859 actual). By comparison, the FY 2015 Budget increase from FY 2014 was 1.54% (\$7,274 actual).

Revenues in this fund come from two sources: (1) \$5 for each vehicle tax bill, and (2), transfer from the General Fund generated by \$10 Vehicle tax. In FY 17 it estimated that the City will have 38,000 tax eligible vehicles. The \$5 tax is expected to generate \$190,000 (an increase of \$27,000 from FY 16). Historically, it has been the policy of City of Kannapolis to use the \$10 Vehicle tax; found in the General Fund Revenues, as transfer from the General Fund to the Transit Fund. In FY 17, the total revenue generated by the \$10 vehicle tax is expected to be \$380,000 however only \$245,300 is required by the CK Rider program. The balance will remain in the General Fund. The CK Rider program is administered via contract through the City of Concord.

Public Transit Fund Expenditures – Personnel

The Public Transit Fund is exclusively a service contract oriented fund. As such, there is no direct funding by the City for personnel.

Public Transit Fund Expenditures – Operating

The full amount of the Public Transit System fund is projected to be spent on contracted services, mostly through the City of Concord as the Transit System's lead agency. There are no major new operating expenses.

Decreases to the Transit Fund are related to two actions. First, effective July 1, 2016, the CK Rider program will switch operators to TransDev. Operational costs for this program will actually decrease in FY 17, and should see a return of incremental increases moving forward in the coming years. Second, the substantial reduction in the cost for fuel had a significant impact on operational costs.

Public Transit Fund Expenditures - Capital

The Public Transit Fund is exclusively a service contract oriented fund. As such, there is no direct City funding for capital items. However, the City's share of capital expenditures is paid through the City of Concord (typically with a significant federal government grant).

Public Transit Fund Debt Service

The Public Transit Fund is exclusively a service contract oriented fund. As such, there is no existing or new City-managed debt service included.

7 | Downtown Fund

For more information please see page 109 of the FY 2017 Preliminary Budget document.

Downtown Fund Revenues

The proposed FY 2017 Downtown Fund Budget is \$2,197,000 which represents a 17.31% increase (\$324,175 actual) over FY 16.

\$1,341,200 in revenue comes from a transfer from the General Fund generally to cover debt service obligations. The debt financing comes from the sale of 15-year Special Obligation Bonds. FY 17 will be the first full year of debt service pertaining to the acquisition of the Downtown properties.

\$780,000 in revenue is projected from commercial and residential leases, as well as common area maintenance fees. A total of \$45,000 in revenue is projected from Special Events (\$30,000) and Short-term building rental (\$15,000) primarily from the former Cabarrus Bank building and Rotary Hall.

At this time there are no other revenues but this will likely change over time as the business model matures and the long range Master Redevelopment Plan is implemented.

Downtown Fund Expenditures – Personnel

This fund is primarily service contract oriented with personnel expenditures in the form of contracts and agreements with the Development Finance Initiative (DFI), NAI-Southern Real Estate (property management), a to-be-determined Commercial Leasing Broker, other consultants and Downtown Kannapolis, Inc. As such there is no funding for personnel. This likely will change over time as the business model matures.

A Special Events Coordinator position in the Parks and Recreation Department has been reassigned to work primarily on downtown events. However, for the FY 17 Budget the position will be funded from the General Fund as it has been in previous years. That could change in FY 18.

Downtown Fund Expenditures – Operating

Several significant operating expenditures in the Downtown Fund are noteworthy:

- The Development Finance Initiative (DFI) will continue to serve in the role of Asset Manager and overall downtown advisor in FY 17. The City also contracts with NAI-Southern Real Estate for the daily property management of downtown spaces. The DFI

Asset Management fee is contractually bound at \$118,500 and the NAI property management fee for daily operations and tenant services is \$60,000 plus hourly expenses which is expected to be another \$60,000 (\$120,000 total). The Pre-Development Service Agreement with DFI was a one-time fee in FY 16 for the work in the first-year related mostly to the creation of the Master Redevelopment Plan which is to be completed in June/July 2016.

- Included in the Downtown Fund is an allocation of \$140,000 for Downtown festivals, including the Jiggy with the Piggy Festival. The City also plans to support additional special events in the downtown area with \$40,000 for specifically targeted activities. Some of these funds were in the General Fund in FY 16.
- The NC Music Hall of Fame will again receive \$25,000 in operational support from the Downtown Fund in FY 17.
- \$100,000 is included for preliminary site and financial planning for the Sports and Entertainment Venue downtown.
- Significant funding is allocated for property and building maintenance and utilities. Many of these lines items have been adjusted and reorganized to as more is known about the day-to-day management of the Downtown properties. There continues to be a number of complexities to this budget. Flexibility in the administration of this budget will continue be important.

Downtown Fund Expenditures - Capital

At this time no capital expenditures are budgeted for downtown. Future investments will be in adherence with the Master Redevelopment Plan. The debt service for the demonstration project parking deck will be included in the FY 18 Budget. \$32 million is included in the CIP for economic development investments (mostly downtown) over the next four years.

Downtown Fund Debt Service

The total debt service for FY 17 will be \$734,000 for Bond Principal and \$507,200 in Bond Interest. This is the first full year of debt service related to the downtown acquisition. Due to the debt structure, it will be the largest annual debt service obligation for the remaining term of 14 years.

Downtown Fund - Fund Balance/Reserves

As part of the 2015 Special Obligation Bond issuance, the City earmarked funds for renovations and alterations. There were also some allocated Cost of Issuance funds that were unspent at the

time of debt issuance. As of May 2016, the City has a total of \$1.16 million available for use from these funding sources.

Additionally, for FY 16, the City budgeted for two debt service payments totaling \$910,000. Due to the timing of the actual debt issuance transaction, the City was scheduled to only make one interest only, debt service payment for \$224,455. The difference (\$685,545) could be available for future use in the downtown area (depending upon the final revenues and expenditures for the entire downtown fund).

Combined, the City of Kannapolis could have approximately \$1.8 million available in reserves to address capital needs in FY 17 and beyond.

City of Kannapolis

Revenue Summary

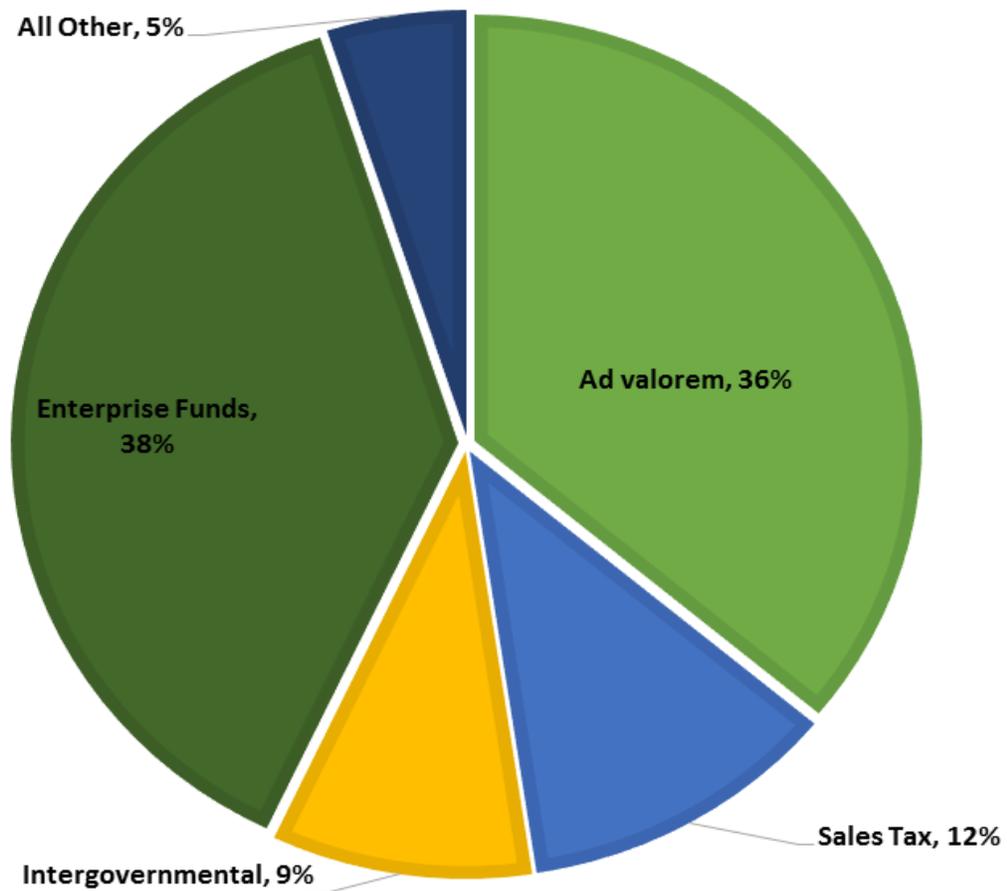
Fiscal Year 2017

	FY 2015	FY 2016	FY 2017	
	Original	Original	Proposed	Difference
Ad Valorem Taxes	\$20,986,315	\$22,702,800	\$24,158,300	\$1,455,500
Sales Taxes	\$6,430,000	\$6,900,000	\$7,763,900	\$863,900
Intergovernmental	\$5,613,386	\$5,598,823	\$6,326,400	\$727,577
Other	\$2,647,946	\$2,943,390	\$3,352,200	\$408,810
Appropriated Fund Balance	\$95,000	\$250,000	\$0	-\$250,000
Total General Fund	\$35,772,647	\$38,395,013	\$41,600,800	\$3,205,787
Total Water and Sewer Fund	\$14,909,821	\$15,675,500	\$16,238,000	\$562,500
Total Stormwater Fund	\$1,991,536	\$2,025,000	\$2,340,000	\$315,000
Total Environmental Fund	\$3,565,177	\$3,741,695	\$3,787,700	\$46,005
Total Separation Pay Fund	\$302,800	\$365,000	\$445,000	\$80,000
Total Transit Fund	\$470,926	\$478,200	\$435,300	-\$42,900
Total Downtown Fund	\$0	\$1,872,825	\$2,197,000	\$324,175
Grand Total All Funds	\$57,012,907	\$62,553,233	\$67,043,800	\$4,490,567
Less Inter-Fund Transfers	\$3,966,511	\$3,013,850	\$3,031,500	\$17,650
Grand Total All Funds	\$53,046,396	\$59,539,383	\$64,012,300	\$4,472,917

City of Kannapolis

Revenue Summary

Fiscal Year 2017



NOTE: THE ALL OTHER CATEGORY IS MADE UP OF REVENUES FROM GENERAL FUND DEPARTMENTS AND MISCELLANEOUS REVENUE. THE ENTERPRISE FUND IS MADE UP OF THE WATER & SEWER FUND, STORMWATER FUND, ENVIRONMENTAL FUND, SEPARATION FUND, TRANSIT FUND, AND THE DOWNTOWN FUND.

City of Kannapolis

Expenditure Summary

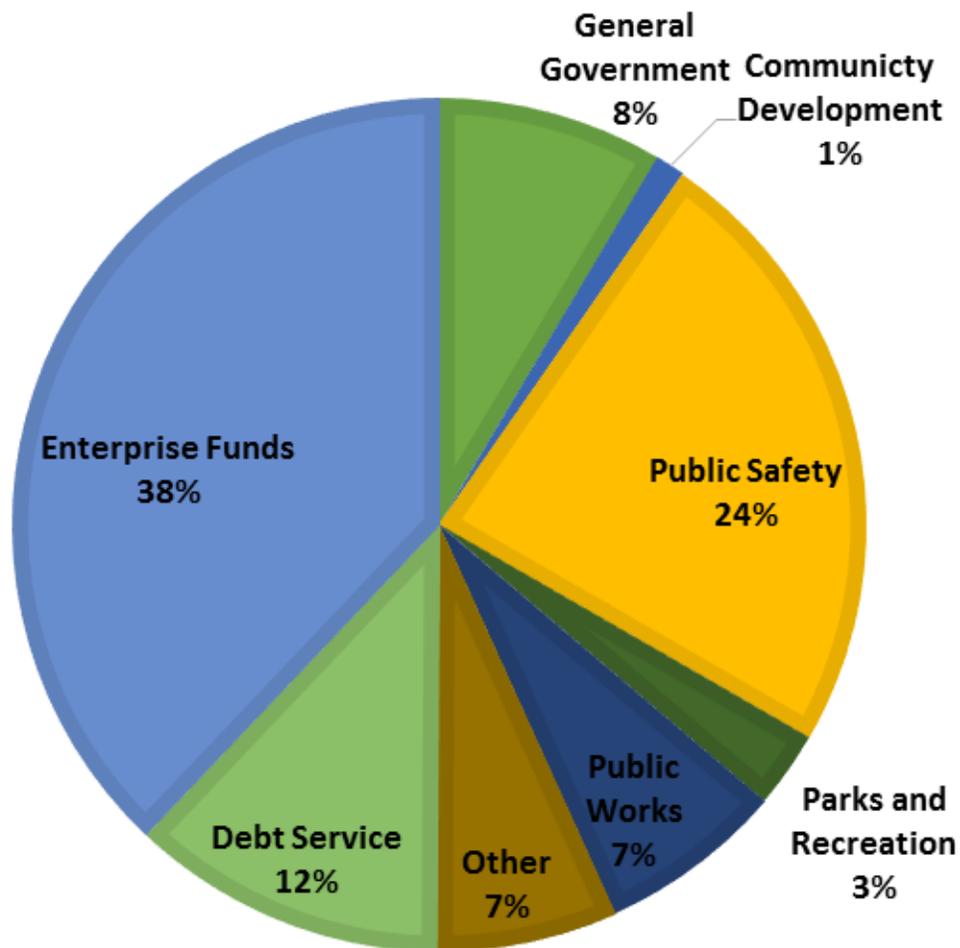
Fiscal Year 2017

	FY 2015		FY 2016		FY 2017	
	Original		Original		Proposed	Difference
General Government Services	\$ 3,566,916		\$ 4,328,136		\$ 5,714,074	\$ 1,385,938
Community Development	\$ 759,345		\$ 749,487		\$ 756,321	\$ 6,834
Public Safety	\$ 13,985,134		\$ 14,936,785		\$ 15,877,455	\$ 940,670
Parks and Recreation	\$ 1,696,669		\$ 1,550,340		\$ 1,947,810	\$ 397,470
Public Works	\$ 2,345,277		\$ 4,059,393		\$ 4,715,317	\$ 655,924
Other	\$ 7,359,744		\$ 5,614,772		\$ 4,574,723	\$ (1,040,049)
General Debt Service	\$ 6,059,562		\$ 7,156,100		\$ 8,015,100	\$ 859,000
Total General Fund	\$ 35,772,647		\$ 38,395,013		\$ 41,600,800	\$ 3,205,787
Water and Sewer Fund	\$ 14,909,821		\$ 15,675,500		\$ 16,238,000	\$ 562,500
Stormwater Fund	\$ 1,991,536		\$ 2,025,000		\$ 2,340,000	\$ 315,000
Environmental Fund	\$ 3,565,177		\$ 3,741,695		\$ 3,787,700	\$ 46,005
Separation Pay Fund	\$ 302,800		\$ 365,000		\$ 445,000	\$ 80,000
Transit Fund	\$ 470,926		\$ 478,200		\$ 435,300	\$ (42,900)
Downtown Fund	\$ -		\$ 1,872,825		\$ 2,197,000	\$ 324,175
Grant Total All Funds	\$ 57,012,907		\$ 62,553,233		67,043,800	4,490,567

City of Kannapolis

Expenditure Summary

Fiscal Year 2017

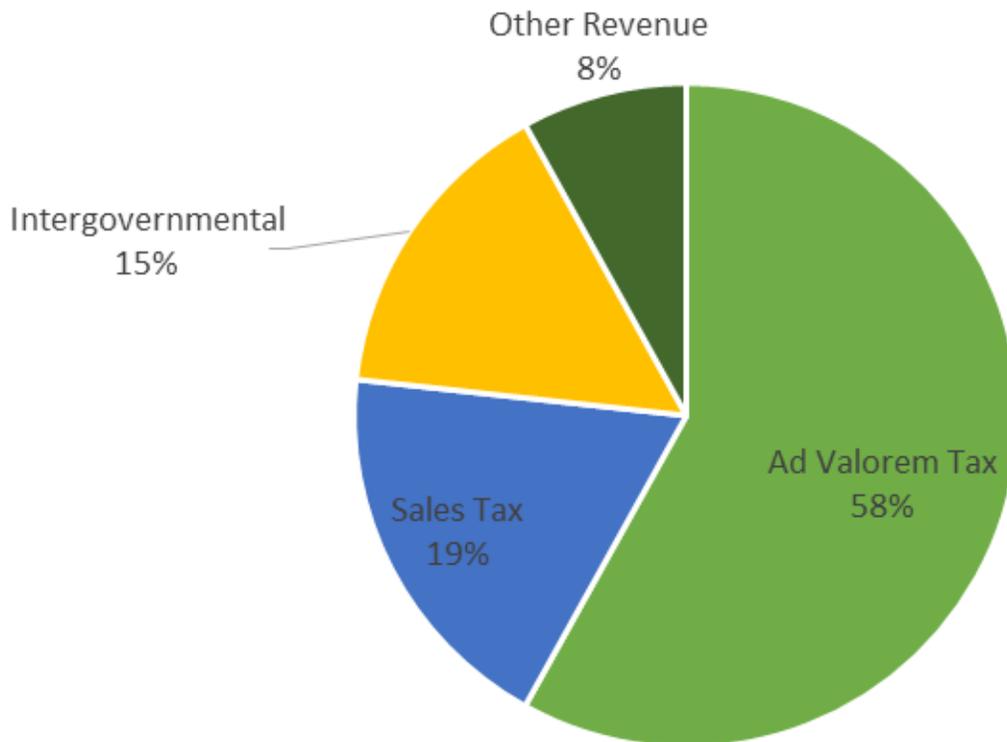


NOTE; THE OTHER CATEGORY IS MADE UP OF NON-DEPARTMENTAL AND TRANSFERS FROM THE GENERAL FUND. ENTERPRISE FUNDS CONSISTS OF WATER & SEWER FUND, STORMWATER FUND, ENVIRONMENTAL FUND, SEPARATION FUND, TRANSIT FUND, AND THE DOWNTOWN FUND.

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.

City of Kannapolis General Fund Revenues Fiscal Year 2017



NOTE: SALES TAX INCLUDES BOTH 1% STATE SALES TAX AND ½% LOCAL SALES TAX. INTERGOVERNMENTAL REVENUE INCLUDES FIRE DISTRICT SALES TAX, FRANCHISE TAX, CABARRUS CONTRIBUTIONS, AND POWELL BILL FUNDS. OTHER REVENUE INCLUDES ENTERPRISE MANAGEMENT FEES, VEHICLE LICENSE, CHARGES AND FEES FROM SEVERAL GENERAL FUND DEPARTMENTS, AND INVESTMENT INCOME.

Property Tax

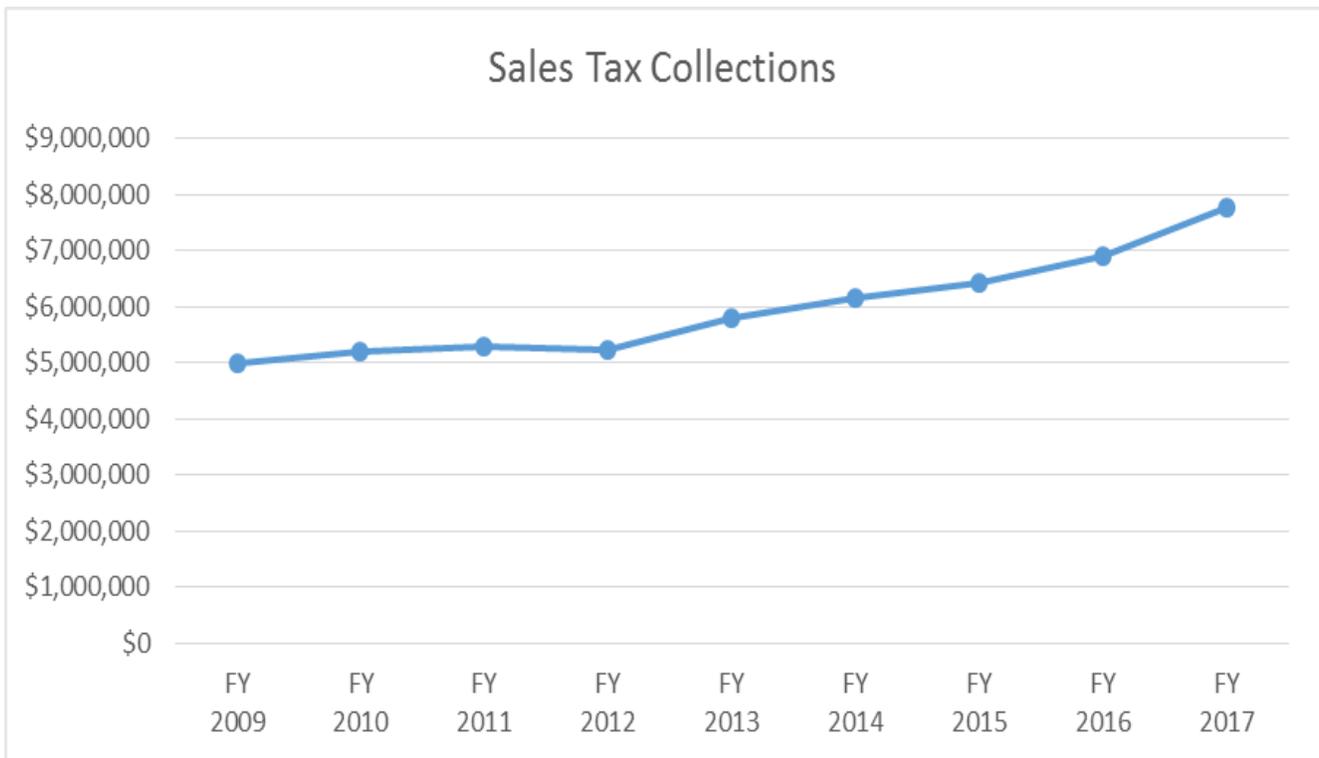
The anticipated property assessment for FY 2017 will be approximately \$3,859,718,981. The tax levy at sixty-three cents will be \$223,708,324 for FY 2017. The current year levy is \$24,316,229 and property value is \$3,859,718,981. The projected budget estimate for FY 201 Y is \$24,316,229 for property tax compared to \$223,404,948 for the FY 2016, an increase of \$911,281. The difference between the levy and the budget estimate is a statutory requirement that the budgeted property tax cannot be more than the current estimated levy times last year's collection percentage (last year (FY2016) was 97.5%). It is estimated that \$2,391,540 of the \$23,708,324 levy is related to the incremental increase in value of the TIF district since forming in 2007.



Sales Tax

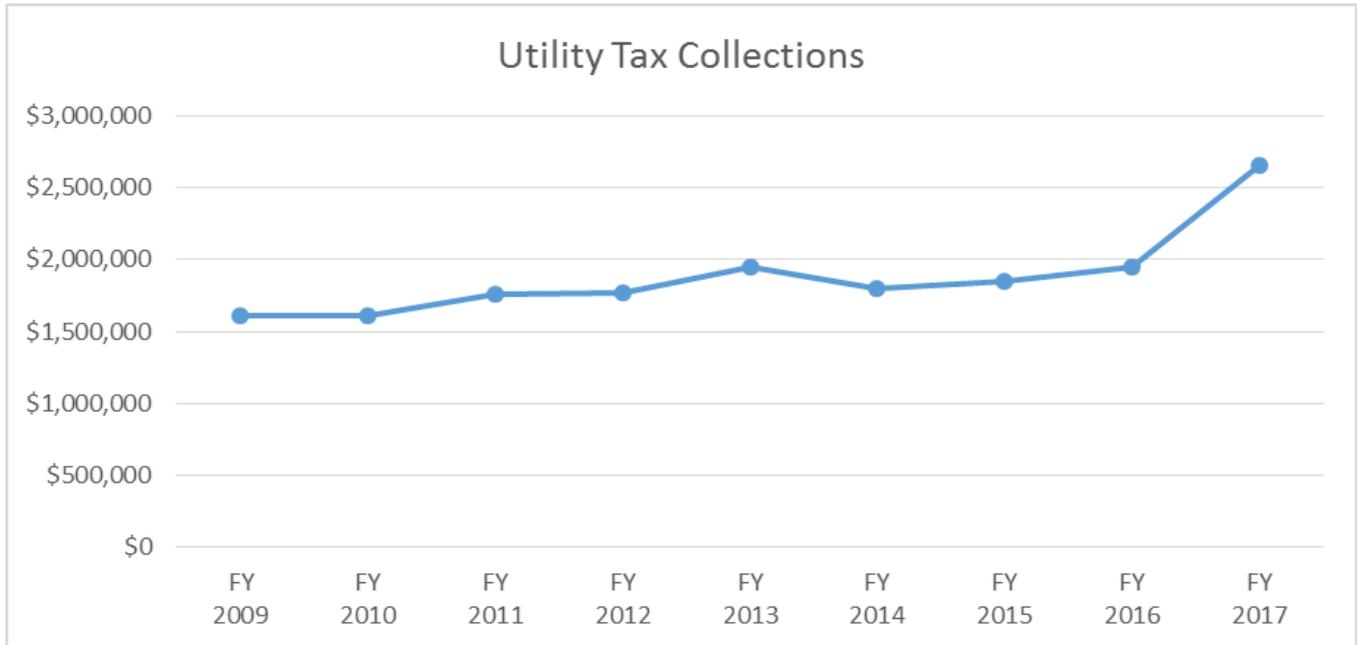
The State distributes Sales Tax collected in each county by either the Property Tax Method or the Population Method. The distribution method is selected by the Board of County commissioners in April of each year. The Cabarrus County Board of Commissioners chooses the Property Tax Distribution Method and the Rowan Board of Commissioners chooses the Population Distribution Method. The City's allocation in Cabarrus is based on our Property Tax levy in Cabarrus County compared to the levies of other governments in the county. For FY2015 we are allocated approximately 7.91 % of the sales tax returned to Cabarrus County by the State. The FY2016 allocation percentage is 8.10% per the Cabarrus County Finance office. The 2 sales tax revenues reflect an anticipated 7.3% growth for FY 16.

Rowan County allocates sales tax using the population method. We expect that the City's allocation in Rowan will remain at approximately 5% for FY2016.



Utility Taxes

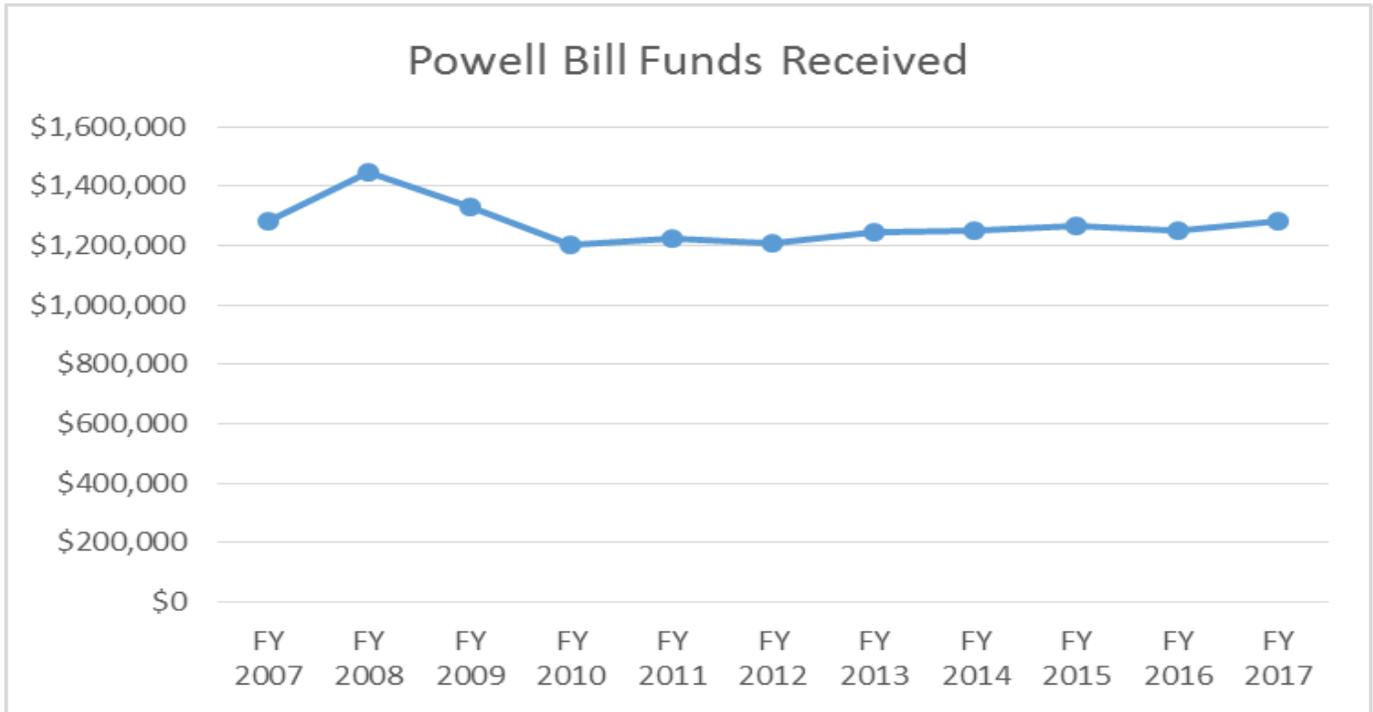
Utility Franchise taxes are the third largest source of revenue for the General Fund. These receipts have grown steadily for the city over recent years. Changes made by the General Assembly have increased this receipts for this line item in FY 16 and these increases are included in the budget forecast for FY 17.



The City Receives a portion of the franchise tax levied on electric and cable utilities by the State. The City receives a portion of State collected sales tax for telephone services and an excise tax for piped natural gas.

Powell Bill Funds

The Powell Bill funds received from the State for street maintenance have been fairly constant over the past four years. It is projected that slow growth will continue to occur in the future.



The City will receive from the State approximately \$20.15 per citizen and \$1,624.41 per mile of City maintained streets next year compared to \$20.39 and \$1,629.43 in FY 16. These funds can only be used for City streets and sidewalks. The population and street mileage used is 44,000 and 230.8 respectively.

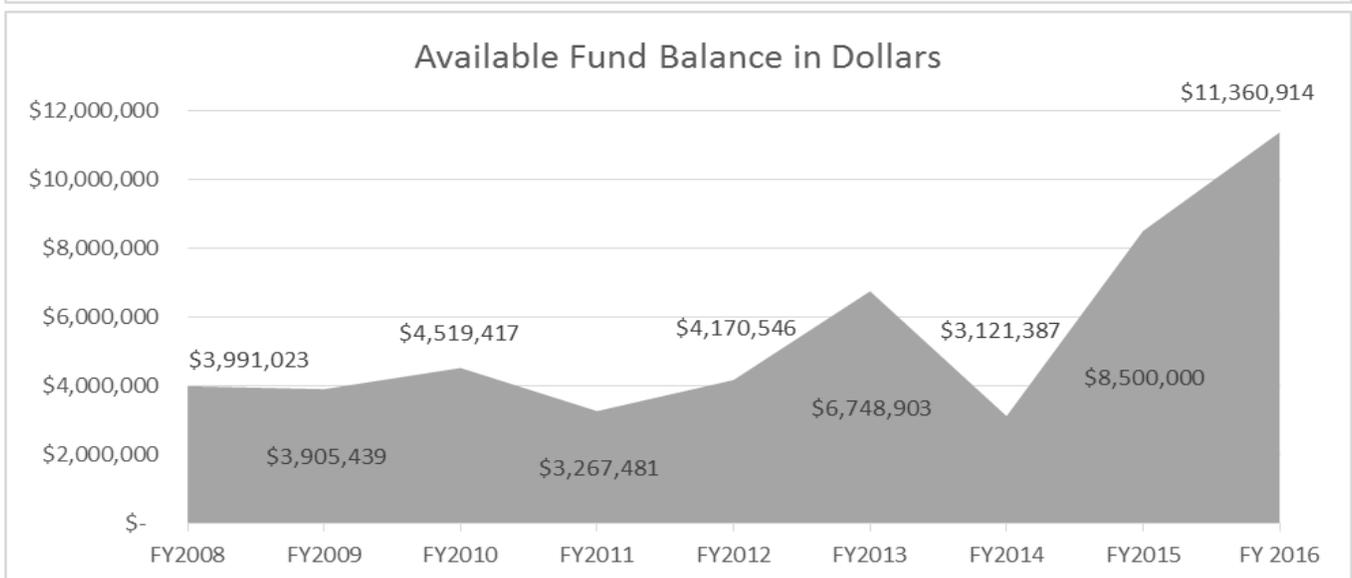
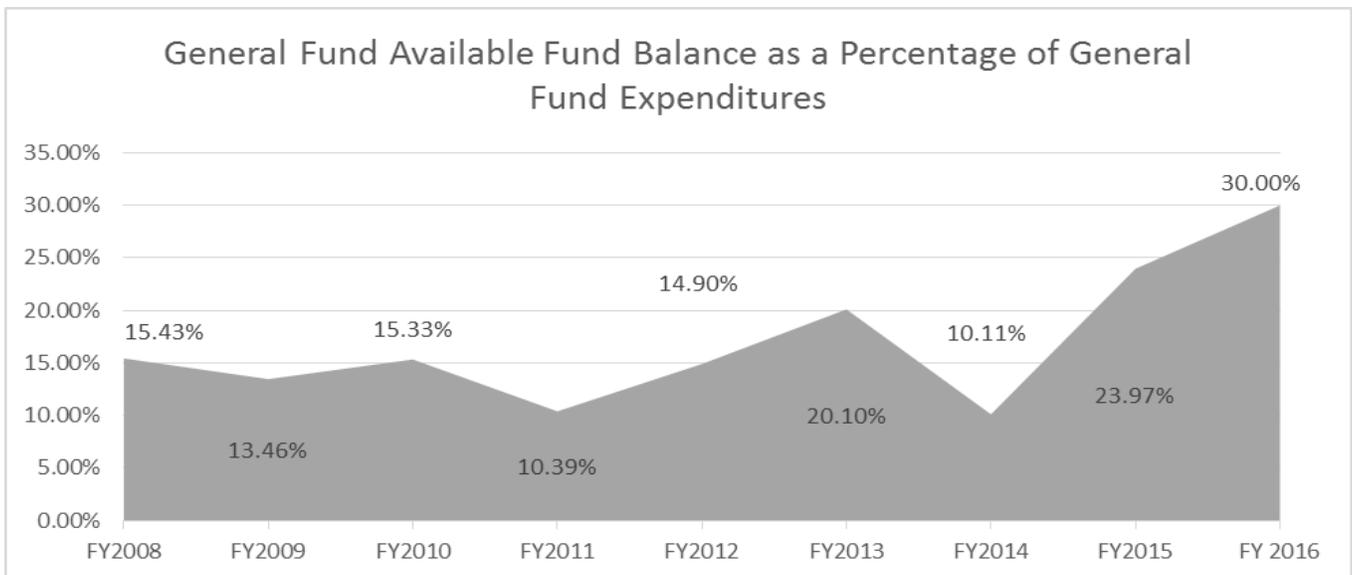
Fund Balance

The General Fund available fund balance was \$17,636,914 at June 30, 2015. Staff anticipates an increase from FY 15 to FY 16 in fund balance of \$2,000,000.

This will help the City maintain a steady fund balance with an estimate available fund balance at June 30, 2015 approximating \$11,360,914 or 30.00% of the estimated FY2016 General Fund expenditures.

The Local Government Commission of the North Carolina (LGC) strongly recommends that cities and counties maintain an available fund balance at no less than 8% of General Fund expenditures. The

LGC has more recently stated that fund balances larger than 8% may be more appropriate for smaller cities. City Council has set a goal of maintaining fund balance at no less than 25% of general fund expenditures.



Water and Sewer Fund Revenues: FY2017

Charges for service is the main source of revenue for the Water and Sewer Fund. This revenue is based on a rate charged per 1000 gallons for both water and sewer. Water rates are 20% higher for customers located outside the City. Sewer rates are the same for both inside City and outside City usage.

For FY 2017, the water and sewer rates for the City of Kannapolis remain unchanged.

The variable water rate per 1,000 gallons:	\$5.75		
The variable sewer rate per 1,000 gallons:	\$5.65		
Fixed charge for water based on users	\$6.95	\$1,467,891.00	Just
Fixed charge for sewer based on 16,670 users	\$3.80	785,215	Variable Rate
Water variable charge based on usage of 1,041,066,491 gallons -		\$6,859,894	\$5,986,132
Sewer variable charge based on usage of 992,886,226 gallons-		\$7,125,000	\$5,609,808
Total		\$16,238,000	\$11,595,940

The proposed amount to be paid by a City customer at different levels of usage compared to current year is as follows (based on a customer using both water and sewer): Monthly calculation shown below:

Usage in gallons	Increase			
	Current Charge	Proposed Charge	(decrease)	Percentage change
2,000	\$31.20	\$31.20	\$0.00	0.00%
3,000	\$41.90	\$41.90	\$0.00	0.00%
4,000	\$52.60	\$52.60	\$0.00	0.00%
5,000	\$63.30	\$63.30	\$0.00	0.00%
6,000	\$74.00	\$74.00	\$0.00	0.00%
7,000	\$84.70	\$84.70	\$0.00	0.00%
10,000	\$116.80	\$116.80	\$0.00	0.00%
20,000	\$223.80	\$223.80	\$0.00	0.00%

Schedule of Variable Water and Sewer fees per 1,000 gallons usage

(Tier 2 rates are applied to all usage over 7,000 gallons)

Variable Rates	Tier 1 = < 7,000 gallon	Tier 2 = > 7,000 gallons
Water - Residential Inside City	\$5.75 / 1,000 gallons	\$6.04 /1,000 gallons
Sewer - Residential Inside City	\$5.65/ 1,000 gallons	\$5.65 /1,000 gallons
Water - Residential Outside City	\$6.90 / 1,000 gallons	\$7.25 / 1,000 gallons
Sewer - Residential Outside City	\$5.65 / 1,000 gallons	\$5.65 / 1,000 gallons
Water - Commercial Inside City	\$5.75 / 1,000 gallons	\$5.75/ 1,000 gallons
Sewer - Commercial Inside City	\$5.65 / 1,000 gallons	\$5.65/ 1,000 gallons
Water - Commercial Outside City	\$6.90 / 1,000 gallons	\$6.90 / 1,000 gallons
Sewer - Commercial Outside City	\$5.65 / 1,000 gallons	\$5.65 / 1,000 gallons

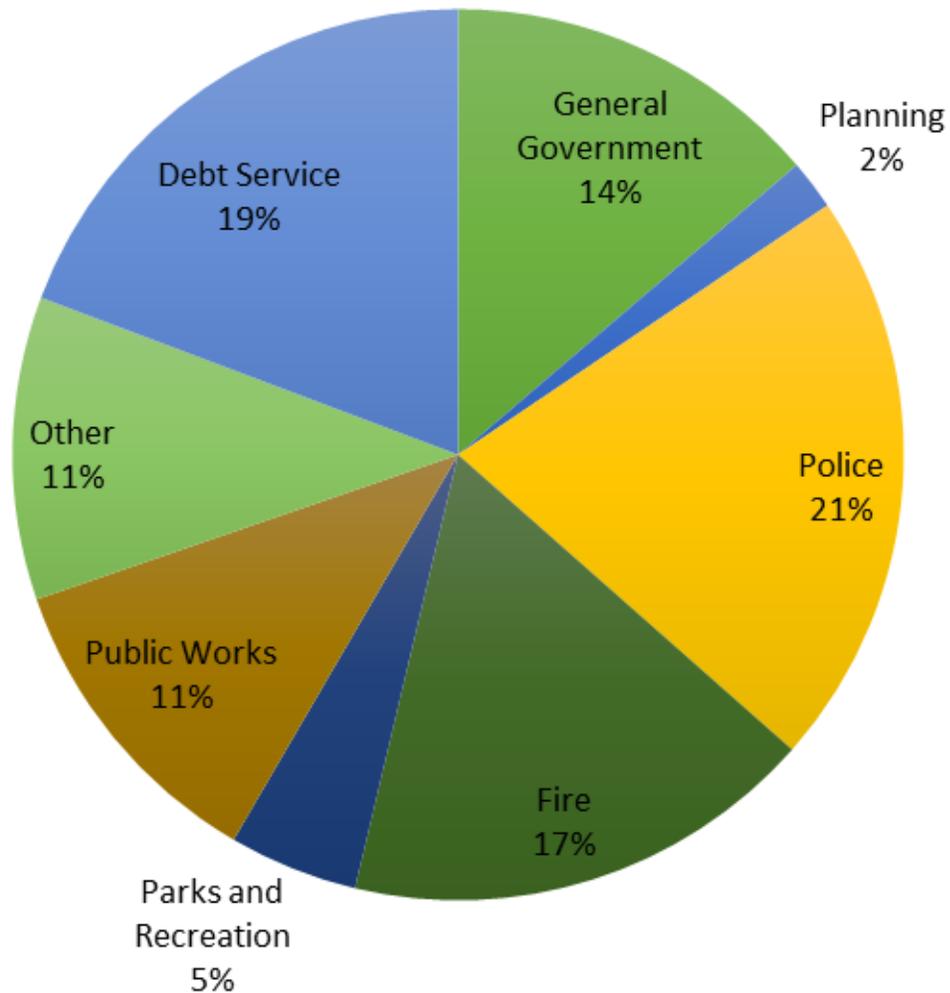
General Fund Revenue Summary

REVENUES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
31000	Ad Valorem Taxes - Current Year	\$ 22,327,800	\$ 23,708,300	\$ 1,380,500	6.18%
31100	Ad Valorem Taxes - Prior Year	\$ 375,000	\$ 450,000	\$ 75,000	20.00%
	Total Ad Valorem Taxes	\$ 22,702,800	\$ 24,158,300	\$ 1,455,500	6.41%
31700	1% Sales Tax (State)	\$ 3,100,000	\$ 3,513,900	\$ 413,900	13.35%
31800	1/2% Sales Tax (Local)	\$ 3,800,000	\$ 4,250,000	\$ 450,000	11.84%
	Total Sales Tax	\$ 6,900,000	\$ 7,763,900	\$ 863,900	12.52%
31900	Fire District Sales Tax	\$ 72,500	\$ 75,000	\$ 2,500	3.45%
32400	Franchise Tax	\$ 1,950,000	\$ 2,650,000	\$ 700,000	35.90%
32500	Beer & Wine Tax	\$ 200,000	\$ 210,000	\$ 10,000	5.00%
35000	ABC Funds	\$ 90,000	\$ 75,000	\$ (15,000)	-16.67%
35100	Cabarrus Contributions	\$ 1,512,803	\$ 1,511,400	\$ (1,403)	-0.09%
35200	Build America Bond Subsidy Pay	\$ 448,000	\$ 451,000	\$ 3,000	0.67%
35300	CDBG Administration Revenues	\$ 70,000	\$ 70,000	\$ -	0.00%
35400	Rowan County Contributions	\$ 4,020	\$ 4,000	\$ (20)	-0.50%
33000	Police - Federal Grants	\$ -	\$ -	\$ -	0.00%
33000	Fire - Federal Grants	\$ -	\$ -	\$ -	0.00%
34100	Powell Bill Funds	\$ 1,251,500	\$ 1,280,000	\$ 28,500	2.28%
	Total Intergovernmental	\$ 5,598,823	\$ 6,326,400	\$ 727,577	13.00%
32100	Vehicle License	\$ 315,000	\$ 380,000	\$ 65,000	20.63%
32700	Vehicle Rental Tax	\$ 4,750	\$ 5,000	\$ 250	5.26%
36500	Buildings Rental	\$ 3,000	\$ 100,000	\$ 97,000	3233.33%
36510	Tower Rental	\$ 85,000	\$ 55,000	\$ (30,000)	-35.29%
37000	Miscellaneous Revenue	\$ 175,000	\$ 175,000	\$ -	0.00%
38000	Investment Income	\$ 120,000	\$ 150,000	\$ 30,000	25.00%
39500	Enterprise Fund Management Fee Reimbursement	\$ 1,679,140	\$ 1,781,200	\$ 102,060	6.08%
36000	Police - Charges and Fees	\$ 60,000	\$ 60,000	\$ -	0.00%
36100	Officer Court Reimbursement	\$ 21,500	\$ 20,000	\$ (1,500)	-6.98%
36130	False Alarm Fees	\$ 7,000	\$ 8,000	\$ 1,000	14.29%
36000	Fire - Technical Services - Charges and Fees	\$ 18,000	\$ 18,000	\$ -	0.00%
36400	Street Lighting Fees and Charges	\$ 55,000	\$ 75,000	\$ 20,000	36.36%
36000	Code Enforcement - Charges and Fees	\$ 80,000	\$ 100,000	\$ 20,000	25.00%
36410	City Code Violations	\$ 30,000	\$ 30,000	\$ -	0.00%
36000	Parks - Charges and Fees	\$ 205,000	\$ 300,000	\$ 95,000	46.34%
36000	Recreation Programs - Charges and Fees	\$ 35,000	\$ 45,000	\$ 10,000	28.57%
37100	Recreation Programs - Donations	\$ 50,000	\$ 50,000	\$ -	0.00%
	Total Other	\$ 2,943,390	\$ 3,352,200	\$ 408,810	13.89%
39900	Appropriated Fund Balance	\$ 250,000	\$ -	\$ (250,000)	-100.00%
	Total Fund Balance Appropriation	\$ 250,000	\$ -	\$ (250,000)	-100.00%
Total General Fund		\$ 38,395,013	\$ 41,600,800	\$ 3,205,787	8.35%

City of Kannapolis

General Fund Expenditures

Fiscal Year 2017



NOTE: GENERAL GOVERNMENT INCLUDES CITY COUNCIL, CITY MANAGER, ECONOMIC DEVELOPMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY, HUMAN RESOURCES, LEGAL, AND FINANCE.

General Fund Expenditure Summary

EXPENSES				
Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
City Council	\$ 244,751	\$ 190,347	\$ (54,404)	-22.23%
City Manager - Administration	\$ 792,698	\$ 782,097	\$ (10,601)	-1.34%
Economic Development	\$ 563,900	\$ 524,850	\$ (39,050)	-6.92%
Communications	\$ 245,750	\$ 159,500	\$ (86,250)	-35.10%
Human Resources	\$ 433,208	\$ 451,663	\$ 18,455	4.26%
City Attorney	\$ 319,941	\$ 311,140	\$ (8,801)	-2.75%
Finance	\$ 799,850	\$ 844,947	\$ 45,097	5.64%
Information Technology	\$ 929,038	\$ 1,025,484	\$ 96,446	10.38%
General Services	\$ 759,974	\$ 1,424,046	\$ 664,072	87.38%
Total General Government	\$ 5,089,110	\$ 5,714,074	\$ 624,964	12.28%
Police - Administration	\$ 886,581	\$ 922,283	\$ 35,702	4.03%
Police - Support Services	\$ 2,773,704	\$ 2,918,829	\$ 145,125	5.23%
Police - Field Operations	\$ 4,616,795	\$ 4,877,314	\$ 260,519	5.64%
Total Police	\$ 8,277,080	\$ 8,718,426	\$ 441,346	5.33%
Fire - Administration	\$ 679,594	\$ 784,258	\$ 104,664	15.40%
Fire - Emergency Services	\$ 5,636,804	\$ 6,033,083	\$ 396,279	7.03%
Fire - Technical Services	\$ 343,307	\$ 341,688	\$ (1,619)	-0.47%
Total Fire	\$ 6,659,705	\$ 7,159,029	\$ 499,324	7.50%
Public Works - Engineering	\$ 1,162,155	\$ 1,216,295	\$ 54,140	4.66%
Public Works - Street and Highways	\$ 614,600	\$ 823,000	\$ 208,400	33.91%
Public Works - Signs and Markings	\$ 416,450	\$ 400,744	\$ (15,706)	-3.77%
Public Works - Operations Center	\$ 292,220	\$ 189,900	\$ (102,320)	-35.01%
Powell Bill	\$ 1,573,968	\$ 2,085,378	\$ 511,410	32.49%
Total Public Works	\$ 4,059,393	\$ 4,715,317	\$ 655,924	16.16%
Planning	\$ 749,487	\$ 756,321	\$ 6,834	0.91%
Total Planning	\$ 749,487	\$ 756,321	\$ 6,834	0.91%
Parks and Recreation - Parks	\$ 1,273,340	\$ 1,421,810	\$ 148,470	11.66%
Parks and Recreation - Recreation Programs	\$ 242,000	\$ 310,000	\$ 68,000	28.10%
Stadium	\$ 35,000	\$ 216,000	\$ 181,000	517.14%
Total Parks and Recreation	\$ 1,550,340	\$ 1,947,810	\$ 397,470	25.64%
Non - Departmental	\$ 1,840,948	\$ 1,543,223	\$ (297,725)	-16.17%
Transfers	\$ 3,013,850	\$ 3,031,500	\$ 17,650	0.59%
Total Other	\$ 4,853,798	\$ 4,574,723	\$ (279,075)	-5.75%
Debt Service Payments (Principal and Interest)	\$ 7,156,100	\$ 8,015,100	\$ 859,000	12.00%
Total Debt Service	\$ 7,156,100	\$ 8,015,100	\$ 859,000	12.00%
Total General Fund Expenditures	\$ 38,395,013	\$ 41,600,800	\$ 3,205,787	8.35%

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 terms 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.

Expense Summary	
Personnel Expenses	\$85,547 (\$4,096 Increase)
Operating Expenses	\$115,700 (\$58,500 Decrease)
Total Budget	\$190,347 (\$54,404 Decrease)

Increases:

- None

Reductions/Decreases:

- \$9,700 - Dues and Subscriptions (Moved to Economic Development)
- \$5,000 – Travel and Training
- \$40,000 – Elections (No elections in FY 17)
- \$3,800 – Special Expenses

Items of Interest:

- \$31,200 - NC League of Municipalities
- \$8,300 - Cabarrus/South Rowan MPO
- \$5,400 - UNC School of Government
- \$3,900 - National League of Cities
- \$7,900 - Metropolitan Mayor's Coalition
- \$8,000 - Cabarrus Health Alliance Support for Zika Virus
- \$2,500 – Alliance for Innovation

City Council 11000



PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 48,067	\$ 51,982	\$ 3,915	8.14%
42000	Board Member Fees	\$ 29,700	\$ 29,700	\$ -	0.00%
42000	FICA	\$ 3,684	\$ 3,865	\$ 181	4.91%
Sub-Total For Personnel		\$ 81,451	\$ 85,547	\$ 4,096	5.03%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
45250	Telephone	\$ 3,500	\$ 3,500	\$ -	0.00%
46100	Office Supplies	\$ 1,600	\$ 1,600	\$ -	0.00%
46300	Dues and Subscriptions	\$ 76,900	\$ 67,200	\$ (9,700)	-12.61%
51100	Travel and Training	\$ 20,000	\$ 15,000	\$ (5,000)	-25.00%
51200	Elections	\$ 40,000	\$ -	\$ (40,000)	-100.00%
51300	Special Expenses	\$ 21,300	\$ 17,500	\$ (3,800)	-17.84%
Sub-Total for Operating Expenditures		\$ 163,300	\$ 104,800	\$ (58,500)	-35.82%
TOTAL 100-11000 Council					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 81,451	\$ 85,547	\$ 4,096	5.03%
	Operating Expenditures	\$ 163,300	\$ 104,800	\$ (58,500)	-35.82%
Total for All Categories of Expenses		\$ 244,751	\$ 190,347	\$ (54,404)	-22.23%

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.

Expense Summary	
Personnel Expenses	\$723,597 (\$10,601 Decrease)
Operating Expenses	\$58,500 (No Change)
Total Budget	\$782,097 (\$10,601 Decrease)

Personnel includes: City Manager, Deputy City Manager, Communications Director, Director of Business and Community Affairs, City Clerk, Community Development Block Grant Administrator

Increases:

- \$2,000 - Telephone

Reductions/Decreases:

- \$2,000 – Travel and Training

Items of Interest:

- One (1) Administrative Assistant moved from City Manager to General Services

City Manager 11100

PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 568,826	\$ 556,951	\$ (11,875)	-2.09%
41100	Salaries - Part Time	\$ 2,500	\$ 2,500	\$ -	0.00%
41200	Salaries - Overtime	\$ 3,000	\$ 3,000	\$ -	0.00%
41300	Longevity Pay	\$ 4,289	\$ 4,289	\$ -	0.00%
41600	Vehicle Allowance	\$ 21,600	\$ 27,600	\$ 6,000	27.78%
42000	FICA	\$ 42,245	\$ 41,381	\$ (864)	-2.05%
42200	State Retirement	\$ 38,231	\$ 40,694	\$ 2,463	6.44%
42230	Deferred Compensation	\$ 7,682	\$ 7,458	\$ (224)	-2.92%
42300	Medical Insurance	\$ 40,467	\$ 34,122	\$ (6,345)	-15.68%
42400	Life Insurance	\$ 2,377	\$ 2,686	\$ 309	13.00%
42500	Dental Insurance	\$ 2,331	\$ 2,016	\$ (315)	-13.51%
42600	Disability Insurance	\$ 650	\$ 900	\$ 250	38.46%
Sub-Total For Personnel		\$ 734,198	\$ 723,597	\$ (10,601)	-1.44%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
45250	Telephone	\$ 8,000	\$ 10,000	\$ 2,000	25.00%
46100	Office Supplies	\$ 10,000	\$ 10,000	\$ -	0.00%
46300	Dues and Subscriptions	\$ 9,500	\$ 9,500	\$ -	0.00%
51100	Travel and Training	\$ 25,000	\$ 23,000	\$ (2,000)	-8.00%
51300	Special Expenses	\$ 3,000	\$ 3,000	\$ -	0.00%
51800	Meetings	\$ 3,000	\$ 3,000	\$ -	0.00%
Sub-Total for Operating Expenditures		\$ 58,500	\$ 58,500	\$ -	0.00%
TOTAL 100-11100 City Manager					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 734,198	\$ 723,597	\$ (10,601)	-1.44%
	Operating Expenditures	\$ 58,500	\$ 58,500	\$ -	0.00%
Total for All Categories of Expenses		\$ 792,698	\$ 782,097	\$ (10,601)	-1.34%

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.

Expense Summary	
Personnel Expenses	\$0 (No Change)
Operating Expenses	\$524,850 (\$39,050 Decrease)
Total Budget	\$524,850 (\$39,050 Decrease)

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

Increases:

- \$64,900 – Community Support
- \$7,000 – Incentive Grants

Reductions/Decreases:

- \$85,000 – Recruitment Initiative
- \$25,940 – Dues and Subscriptions

Items of Interest:

- \$9,000 – Intimidator July 4th sponsorship
- \$6,750 – 600 Festival
- \$2,000 – Irish Creek Collegiate Golf Tournament
- \$1,750 – Cabarrus Crime Stoppers
- \$1,400 – YMCA Strong Kids Campaign
- \$1,800 – Charlotte Biotech Conference/ Five Ventures Entrepreneur Competition
- \$21,400 – Cabarrus Arts Council
- \$800 – Chamber of Commerce Annual Meeting
- \$20,000 – Façade Improvement Grants
- \$20,000 – Corridor Improvements
- \$40,000 – Strategic Initiatives
- \$9,200 – Rowan County EDC dues
- \$55,000 – Cabarrus County EDC dues
- \$20,000 – Community Support
- \$5,000 – Familiarity Tours
- \$310,000 – Incentive Grant – based on projected investment of \$58 million with an 85% grant of property taxes paid.

Economic Development 11115



OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43405	EDC Contribution	\$ 64,200	\$ 64,200	\$ -	0.00%
43415	Recruitment Initiative	\$ 170,000	\$ 85,000	\$ (85,000)	-50.00%
45220	Electricity	\$ 750	\$ 750	\$ -	0.00%
46300	Dues and Subscriptions	\$ 25,950	\$ -	\$ (25,950)	-100.00%
46350	Community Support	\$ -	\$ 64,900	\$ 64,900	100.00%
51310	Incentive Grant	\$ 303,000	\$ 310,000	\$ 7,000	2.31%
Sub-Total For Operating		\$ 563,900	\$ 524,850	\$ (39,050)	-6.92%
TOTAL 100-11115 Economic Development					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 563,900	\$ 524,850	\$ (39,050)	-6.92%
Total for All Categories of Expenses		\$ 563,900	\$ 524,850	\$ (39,050)	-6.92%

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.

Expense Summary	
Personnel Expenses	\$0 (No Change)
Operating Expenses	\$159,500 (\$86,250 Decrease)
Total Budget	\$159,500 (\$86,250 Decrease)

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

Increases:

- None

Reductions/Decreases:

- \$58,000 – Marketing/Branding
- \$14,250 – Special Expenses (Moved to Downtown Fund)
- \$3,000 – Academy Programs
- \$11,000 – Outreach Education Programs

Items of Interest:

- \$3,500 - Only one Citizen Academy Program scheduled for FY 17.
- \$47,000 - Twelve (12) issues of Kannapolis Matters
- \$16,000 - Special Events Mailers
- \$30,000 - Replacement of signage at Parks with new logo
- \$25,000 - Economic Development Marketing
- \$118,000 is budgeted for marketing and branding efforts in FY 17. These efforts include the Run Kannapolis initiative, and other Healthy Living Initiatives. Additionally, marketing and advertising efforts for the New City Hall events and space will come from this department.
- \$24,000 - Connect CTY (Year 3 of a 3 year contract)
 - A city-wide message notification system for residents and businesses via personalized telephone, email, PDA/Pagers, and text messages. Messages can be sent in any language. 35,000 contacts per hour. Recipients can be selected by individual, group, or via a map. Includes private and unlisted numbers (updated monthly). Messages can be recorded and selected for a future delivery date as far as a year in advance. Citizens can update their information or opt out of the list via a city web link to Connect CTY.
 - \$1.92 per address (using 2000 census data). Down from \$2.50 per address. Price is locked for 3 years.

- Uses include: Holiday trash collection schedule, leaf collection updates, utility payment reminders, road closures, water conservation information, water line breaks, meeting notifications, neighborhood watch alerts, senior wellness checks, permit/license notifications, and many more uses.

Communications 11120

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43425	Marketing/Branding	\$ 176,000	\$ 118,000	\$ (58,000)	-32.95%
51100	Travel and Training	\$ 4,000	\$ 4,000	\$ -	0.00%
51300	Special Expenses	\$ 24,250	\$ 10,000	\$ (14,250)	-58.76%
51421	Academy Programs	\$ 6,500	\$ 3,500	\$ (3,000)	-46.15%
51422	Outreach Education Programs	\$ 35,000	\$ 24,000	\$ (11,000)	-31.43%
Sub-Total for Operating Expenditures		\$ 245,750	\$ 159,500	\$ (86,250)	-35.10%
TOTAL 100-11120 Communications					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 245,750	\$ 159,500	\$ (86,250)	-35.10%
Total for All Categories of Expenses		\$ 245,750	\$ 159,500	\$ (86,250)	-35.10%

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.

Expense Summary	
Personnel Expenses	\$360,863 (20,363 Increase)
Operating Expenses	\$90,800 (\$1,908 Decrease)
Total Budget	\$451,663 (\$18,455 Increase)

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

Increases:

- \$5,500 – Advertising
- \$14,000 – Medical Expenses
- \$500 – R&M: Vehicles (new line for FY 17)
- \$200 – Telephone
- \$800 – Motor Fuel (new line for FY 17)

Reductions/Decreases:

- \$4,600 – Office Supplies
- \$700 – Dues and Subscriptions
- \$13,408 – Contracted Services (FY 16 Budget included funding for Staffing Study)
- \$2,200 – Travel and Training
- \$2,000 – Departmental Training

Items of Interest:

- All medical expenses have been centralized in Human Resources, reducing the budget for this expense by \$29,000.

Human Resources 11200

PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/Decrease (\$)	% Change
41000	Salaries - Regular	\$ 265,173	\$ 279,539	\$ 14,366	5.42%
41200	Salaries - Overtime	\$ 2,000	\$ 2,300	\$ 300	15.00%
41300	Longevity Pay	\$ 1,932	\$ 1,932	\$ -	0.00%
42000	FICA	\$ 20,076	\$ 21,009	\$ 933	4.65%
42200	State Retirement	\$ 17,819	\$ 20,409	\$ 2,590	14.54%
42300	Medical Insurance	\$ 27,741	\$ 29,799	\$ 2,058	7.42%
42400	Life Insurance	\$ 1,094	\$ 1,195	\$ 101	9.23%
42500	Dental Insurance	\$ 1,665	\$ 1,680	\$ 15	0.90%
42800	Tuition Reimbursement	\$ 3,000	\$ 3,000	\$ -	0.00%
Sub-Total For Personnel		\$ 340,500	\$ 360,863	\$ 20,363	5.98%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/Decrease (\$)	% Change
43100	Printing	\$ 1,000	\$ 1,000	\$ -	0.00%
43200	Advertising	\$ 12,000	\$ 17,500	\$ 5,500	45.83%
43710	Medical Expenses	\$ 17,000	\$ 31,000	\$ 14,000	82.35%
44200	Repair & Maintenance: Vehicles	\$ -	\$ 500	\$ 500	100.00%
45250	Telephone	\$ 1,300	\$ 1,500	\$ 200	15.38%
45610	Motor Fuel	\$ -	\$ 800	\$ 800	100.00%
46100	Office Supplies	\$ 8,600	\$ 4,000	\$ (4,600)	-53.49%
46300	Dues and Subscriptions	\$ 2,700	\$ 2,000	\$ (700)	-25.93%
48000	Contracted Services	\$ 40,908	\$ 27,500	\$ (13,408)	-32.78%
51100	Travel and Training	\$ 6,200	\$ 4,000	\$ (2,200)	-35.48%
51110	Departmental Training	\$ 3,000	\$ 1,000	\$ (2,000)	-66.67%
Sub-Total for Operating Expenditures		\$ 92,708	\$ 90,800	\$ (1,908)	-2.06%
TOTAL 100-11200 Human Resources					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/Decrease (\$)	% Change
	Personnel Expenditures	\$ 340,500	\$ 360,863	\$ 20,363	5.98%
	Operating Expenditures	\$ 92,708	\$ 90,800	\$ (1,908)	-2.06%
Total for All Categories of Expenses		\$ 433,208	\$ 451,663	\$ 18,455	4.26%

Legal Services 11300

MISSION STATEMENT:

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

Expense Summary	
Personnel Expenses	\$228,440 (\$1,301 Decrease)
Operating Expenses	\$82,700 (\$7,500 Decrease)
Total Budget	\$311,140 (\$8,801 Decrease)

Personnel Includes: City Attorney, Administrative Assistant

Increases:

- \$1,000 – Dues and Subscriptions
- \$2,800 – Contracted Services
- \$300 - Meetings

Reductions/Decreases:

- \$5,000 – Electricity
- \$100 – Telephone
- \$5,500 – Equipment Rental
- \$1,000 – Office Supplies

Items of Interest:

- With the move to City Hall, all utilities and equipment rental expenses are now contained in the General Services Department.
- \$2,800 – Municode – The legal department will contract with a private company to examine the City’s code. If a complete recodification is necessary, those expense will be found in the FY 18 Budget.

Legal Services 11300

PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 180,341	\$ 177,694	\$ (2,647)	-1.47%
41200	Salaries - Overtime	\$ 100	\$ 100	\$ -	0.00%
41600	Vehicle Allowance	\$ 7,200	\$ 7,200	\$ -	0.00%
42000	FICA	\$ 12,807	\$ 12,692	\$ (115)	-0.90%
42200	State Retirement	\$ 12,030	\$ 12,884	\$ 854	7.10%
42300	Medical Insurance	\$ 11,709	\$ 11,715	\$ 6	0.05%
42400	Life Insurance	\$ 1,988	\$ 2,583	\$ 595	29.93%
42500	Dental Insurance	\$ 666	\$ 672	\$ 6	0.90%
42600	Disability Insurance	\$ 2,900	\$ 2,900	\$ -	0.00%
Sub-Total For Personnel		\$ 229,741	\$ 228,440	\$ (1,301)	-0.57%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43300	Postage	\$ 700	\$ 700	\$ -	0.00%
45220	Electricity	\$ 5,000	\$ -	\$ (5,000)	-100.00%
45250	Telephone	\$ 1,000	\$ 900	\$ (100)	-10.00%
45410	Equipment Rental	\$ 5,500	\$ -	\$ (5,500)	-100.00%
46100	Office Supplies	\$ 2,500	\$ 1,500	\$ (1,000)	-40.00%
46300	Dues and Subscriptions	\$ 3,500	\$ 4,500	\$ 1,000	28.57%
48000	Contracted Services	\$ 60,000	\$ 62,800	\$ 2,800	4.67%
51100	Travel and Training	\$ 12,000	\$ 12,000	\$ -	0.00%
51800	Meetings	\$ -	\$ 300	\$ 300	100.00%
Sub-Total for Operating Expenditures		\$ 90,200	\$ 82,700	\$ (7,500)	-8.31%
TOTAL 100-11300 City Attorney					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 229,741	\$ 228,440	\$ (1,301)	-0.57%
	Operating Expenditures	\$ 90,200	\$ 82,700	\$ (7,500)	-8.31%
Total for All Categories of Expenses		\$ 319,941	\$ 311,140	\$ (8,801)	-2.75%

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.

Expense Summary	
Personnel Expenses	\$602,847 (\$19,297 Increase)
Operating Expenses	\$242,100 (\$25,800 Increase)
Total Budget	\$844,947 (\$45,097 Increase)

Personnel includes: Finance Director, Deputy Finance Director, Senior Accountant, Accountant (2), Purchasing Agent, Accounts Payable, Budget & Management Analyst

Increases:

- \$300 – Dues and Subscriptions
- \$22,500 – Tax Collection
- \$2,000 – Audit
- \$1,000 – Travel and Training

Reductions/Decreases:

- None

Items of Interest:

- Audit increase (\$2,000) is CPI increase found in contract.
- Tax Collection increase (\$22,500) is primarily the result of the state passing along credit card fees to counties and municipalities.

Finance 11400

PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 428,278	\$ 446,385	\$ 18,107	4.23%
41100	Salaries - Part Time	\$ 31,460	\$ 33,033	\$ 1,573	5.00%
41200	Salaries - Overtime	\$ 5,500	\$ 5,500	\$ -	0.00%
41300	Longevity Pay	\$ 1,770	\$ 1,770	\$ -	0.00%
42000	FICA	\$ 34,809	\$ 35,626	\$ 817	2.35%
42200	State Retirement	\$ 30,787	\$ 34,889	\$ 4,102	13.32%
42300	Medical Insurance	\$ 46,842	\$ 41,514	\$ (5,328)	-11.37%
42400	Life Insurance	\$ 1,773	\$ 1,778	\$ 5	0.28%
42500	Dental Insurance	\$ 2,331	\$ 2,352	\$ 21	0.90%
Sub-Total For Personnel		\$ 583,550	\$ 602,847	\$ 19,297	3.31%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
46100	Office Supplies	\$ 7,000	\$ 7,000	\$ -	0.00%
46300	Dues and Subscriptions	\$ 3,000	\$ 3,300	\$ 300	10.00%
48410	Tax Collection	\$ 155,000	\$ 177,500	\$ 22,500	14.52%
48420	Audit	\$ 33,550	\$ 35,550	\$ 2,000	5.96%
51100	Travel and Training	\$ 16,000	\$ 17,000	\$ 1,000	6.25%
51800	Meetings	\$ 1,750	\$ 1,750	\$ -	0.00%
Sub-Total for Operating Expenditures		\$ 216,300	\$ 242,100	\$ 25,800	11.93%
TOTAL 100-11400 Finance					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 583,550	\$ 602,847	\$ 19,297	3.31%
	Operating Expenditures	\$ 216,300	\$ 242,100	\$ 25,800	11.93%
Total for All Categories of Expenses		\$ 799,850	\$ 844,947	\$ 45,097	5.64%

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.

Expense Summary	
Personnel Expenses	\$0 (No Change)
Operating Expenses	\$1,025,484 (\$96,446 Increase)
Capital Machinery	\$0 (\$82,333 Decrease)
Total Budget	\$1,025,484 (\$96,446 Increase)

Personnel includes: Chief Information Officer, IT techs (2), Part-time IT Tech

Increases:

- \$2,500 – Telephone
- \$28,782 – Small Equipment and Tools
- \$52,630 – Network Administration
- \$1,000 – Network System Support
- \$103,867 – Annual Maintenance

Reductions/Decreases:

- \$500 – Office Supplies
- \$9,500 - Consultants

Items of Interest:

- \$373,000 - .85% increase matches other contracted service agreements found throughout the City. Also includes funding for Audio Visual support in the new City Hall/Police Headquarters.
- \$499,984 - All software maintenance contracts (37 different maintenance contracts) for the City are located in this department.
- \$85,000 - All Technology purchases (Police Mobile Data Terminals, office laptops, desktops, and other computer accessories) for the city are found in this department.

Information Technology 11500

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
45250	Telephone	\$ 2,000	\$ 4,500	\$ 2,500	125.00%
46100	Office Supplies	\$ 1,000	\$ 500	\$ (500)	-50.00%
46200	Small Equipment and Tools	\$ 56,218	\$ 85,000	\$ 28,782	51.20%
48300	Consultants	\$ 12,000	\$ 2,500	\$ (9,500)	-79.17%
48510	Network Administration	\$ 320,370	\$ 373,000	\$ 52,630	16.43%
48520	Network System Support	\$ 59,000	\$ 60,000	\$ 1,000	1.69%
48530	Annual Maintenance	\$ 396,117	\$ 499,984	\$ 103,867	26.22%
Sub-Total for Operating Expenditures		\$ 846,705	\$ 1,025,484	\$ 178,779	21.11%
TOTAL 100-11500 Information Technology					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 846,705	\$ 1,025,484	\$ 178,779	21.11%
	Capital Machinery and Equipment	\$ 82,333	\$ -	\$ (82,333)	-100.00%
Total for All Categories of Expenses		\$ 929,038	\$ 1,025,484	\$ 96,446	10.38%

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.

Expense Summary	
Personnel Expenses	\$668,346 (\$339,172 Increase)
Operating Expenses	\$730,700 (\$359,900 Increase)
Capital Machinery	\$25,000 (\$35,000 Decrease)
Total Budget	\$1,424,046 (\$664,072 Increase)

Personnel Includes: General Services Director, Facility Manager, Warehouse Assistant, Grounds Manager, Building Engineer (5), Building Engineer III, Grounds Engineer III (2), and Administrative Assistant

Increases:

- \$5,000 – Transaction Fees (New Line Item for FY 17)
- \$3,500 – R&M: Vehicles
- \$14,500 – R&M: Building & Grounds
- \$15,000 – R&M: Railroad Depot
- \$76,000 – Electricity
- \$143,500 – Water & Sewer
- \$4,000 – Gas Utilities
- \$44,000 – Equipment Rental
- \$15,000 – Laundry Service
- \$3,000 – Motor Fuel
- \$14,000 – Office Supplies
- \$1,500 – Dues and Subscriptions
- \$25,000 – Cleaning Supplies
- \$6,000 – Uniforms (New Line Item for FY 17)
- \$119,200 – Contracted Services (New Line Item for FY 17)
- \$2,500 – Travel and Training
- \$1,500 - Meetings

Reductions/Decreases:

- \$300 – R&M: Office Equipment
- \$2,500 - R&M: Equipment
- \$15,000 – Small Equipment and Tools
- \$35,000 – Janitorial Contracts
- \$78,000 – Contract – Grounds Maintenance
- \$2,500 – Special Expenses

Items of Interest:

- One (1) new Building Engineer I position is included in FY 17 budget.
- \$260,000 - All utilities for City Hall/Police Headquarters are located in General Services. Increase of \$224,000 over FY 16.
- \$75,000 - All expenses for copiers, printers, and other office equipment rentals are located in General Services.
- \$30,000 is included for renovations of the Railroad Depot.
- FY 17 is the first full year of no Janitorial Contracts, all work is completed by City Staff.
- \$119,200 - All service contracts (16 contracts) for the City Hall/Police Headquarters are located in General Services
- City is budgeting \$5,000 for credit card fees related to the renting of The Laureate Center. Rental revenues are budgeted at \$100,000. Credit card fees are 5%.
- \$62,000 - Grounds maintenance for Kannapolis Business Park, all fire stations, Public Works Operation Center, as well as both the North and South Underpasses are located in General Services.
- \$25,000 - One new vehicle is included in FY 17. This vehicle is a replacement vehicle for GS-3.

General Services 11600



PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/Decrease (\$)	% Change
41000	Salaries - Regular	\$ 231,151	\$ 466,461	\$ 235,310	101.80%
41100	Salaries - Part Time	\$ 25,000	\$ 35,000	\$ 10,000	40.00%
41200	Salaries - Overtime	\$ 1,000	\$ 3,000	\$ 2,000	200.00%
41300	Longevity Pay	\$ 224	\$ 224	\$ -	0.00%
41600	Vehicle Allowance	\$ -	\$ 7,800	\$ 7,800	100.00%
42000	FICA	\$ 19,137	\$ 35,891	\$ 16,754	87.55%
42200	State Retirement	\$ 15,435	\$ 33,841	\$ 18,406	119.25%
42300	Medical Insurance	\$ 34,098	\$ 79,728	\$ 45,630	133.82%
42400	Life Insurance	\$ 1,131	\$ 2,033	\$ 902	79.75%
42500	Dental Insurance	\$ 1,998	\$ 4,368	\$ 2,370	118.62%
Sub-Total For Personnel		\$ 329,174	\$ 668,346	\$ 339,172	103.04%

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/Decrease (\$)	% Change
43300	Postage	\$ 13,000	\$ 13,000	\$ -	0.00%
43810	Transaction Fees	\$ -	\$ 5,000	\$ 5,000	100.00%
44100	Repair & Maintenance: Office Equip	\$ 800	\$ 500	\$ (300)	-37.50%
44200	Repair & Maintenance: Vehicles	\$ 1,000	\$ 4,500	\$ 3,500	350.00%
44300	Repair & Maintenance: Buildings & Grounds	\$ 3,000	\$ 17,500	\$ 14,500	483.33%
44400	Repair & Maintenance: Equipment	\$ 10,000	\$ 7,500	\$ (2,500)	-25.00%
44500	Repair & Maintenance: Railroad Depot	\$ 15,000	\$ 30,000	\$ 15,000	100.00%
45220	Electricity	\$ 24,000	\$ 100,000	\$ 76,000	316.67%
45230	Water & Sewer	\$ 6,500	\$ 150,000	\$ 143,500	2207.69%
45240	Gas Utilities	\$ 6,000	\$ 10,000	\$ 4,000	66.67%
45250	Telephone	\$ 37,000	\$ 37,000	\$ -	0.00%
45410	Equipment Rental	\$ 31,000	\$ 75,000	\$ 44,000	141.94%
45450	Rentals-Laundry Services	\$ -	\$ 15,000	\$ 15,000	100.00%
45610	Motor Fuel	\$ 3,000	\$ 6,000	\$ 3,000	100.00%
46100	Office Supplies	\$ 1,000	\$ 15,000	\$ 14,000	1400.00%
46200	Small Equipment and Tools	\$ 25,000	\$ 10,000	\$ (15,000)	-60.00%
46300	Dues and Subscriptions	\$ 500	\$ 2,000	\$ 1,500	300.00%
46820	Cleaning Supplies	\$ 10,000	\$ 35,000	\$ 25,000	250.00%
47100	Uniforms	\$ -	\$ 6,000	\$ 6,000	100.00%
48000	Contracted Services	\$ -	\$ 119,200	\$ 119,200	100.00%
48210	Janitorial Contracts	\$ 35,000	\$ -	\$ (35,000)	-100.00%
48220	Contract - Grounds Maintenance	\$ 140,000	\$ 62,000	\$ (78,000)	-55.71%
51100	Travel and Training	\$ 5,000	\$ 7,500	\$ 2,500	50.00%
51300	Special Expenses	\$ 4,000	\$ 1,500	\$ (2,500)	-62.50%
51800	Meetings	\$ -	\$ 1,500	\$ 1,500	100.00%
Sub-Total for Operating Expenditures		\$ 370,800	\$ 730,700	\$ 359,900	97.06%

TOTAL 100-11600 General Services					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/Decrease (\$)	% Change
	Personnel Expenditures	\$ 329,174	\$ 668,346	\$ 339,172	103.04%
	Operating Expenditures	\$ 370,800	\$ 730,700	\$ 359,900	97.06%
	Capital - Machinery & Equipment	\$ 60,000	\$ 25,000	\$ (35,000)	-58.33%
Total for All Categories of Expenses		\$ 759,974	\$ 1,424,046	\$ 664,072	87.38%

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.

Expense Summary	
Personnel Expenses	\$641,033 (\$110,480 Increase)
Operating Expenses	\$281,250 (\$53,903 Decrease)
Capital Machinery	\$0 (\$20,875)
Total Budget	\$922,283 (\$35,702 Increase)

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

Increases:

- \$1,500 – Office Supplies
- \$2,600 – Contracted Services
- \$25- Consultants
- \$2,000 - Meetings

Reductions/Decreases:

- \$1,000 – Postage
- \$10,000 – Medical Expenses (Moved to Human Resources)
- \$500 – R&M: Vehicles
- \$24,000 – Electricity
- \$3,000 – Water & Sewer
- \$3,500 – Gas Utilities
- \$3,500 – Motor Fuel
- \$3,028 – Public Safety Supplies
- \$1,000 – Travel & Training

Capital:

- None

Items of Interest:

- \$40,500 savings in utilities and repair and maintenance expenses is seen if FY 17 due to the move to new Police Headquarters.
- \$2,592 – 18 Mobile DCI licenses for MDTs are located in Contracted Services.
- \$3,000 – Hosting more regional meetings in new Police Headquarters.

Police - Administration 12010

PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 402,582	\$ 491,939	\$ 89,357	22.20%
41100	Salaries - Part Time	\$ 21,000	\$ 21,000	\$ -	0.00%
41300	Longevity Pay	\$ 12,484	\$ 14,341	\$ 1,857	14.88%
42000	FICA	\$ 10,061	\$ 9,801	\$ (260)	-2.58%
42200	State Retirement	\$ 30,107	\$ 39,781	\$ 9,674	32.13%
42210	401K	\$ 16,355	\$ 20,720	\$ 4,365	26.69%
42300	Medical Insurance	\$ 34,419	\$ 39,291	\$ 4,872	14.15%
42400	Life Insurance	\$ 1,547	\$ 1,808	\$ 261	16.87%
42500	Dental Insurance	\$ 1,998	\$ 2,352	\$ 354	17.72%
Sub-Total For Personnel		\$ 530,553	\$ 641,033	\$ 110,480	20.82%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	\$ 2,000	\$ 2,000	\$ -	0.00%
43300	Postage	\$ 6,000	\$ 5,000	\$ (1,000)	-16.67%
43710	Medical Expense	\$ 10,000	\$ -	\$ (10,000)	-100.00%
43710	Repair & Maintenance: Office Equipment	\$ 1,000	\$ 1,000	\$ -	0.00%
44200	Repair & Maintenance: Vehicles	\$ 6,000	\$ 5,500	\$ (500)	-8.33%
44300	Repair & Maintenance: Buildings & Grounds	\$ 10,000	\$ -	\$ (10,000)	-100.00%
44400	Repair & Maintenance: Equipment	\$ 2,000	\$ 1,500	\$ (500)	-25.00%
45220	Electricity	\$ 24,000	\$ -	\$ (24,000)	-100.00%
45230	Water & Sewer	\$ 3,000	\$ -	\$ (3,000)	-100.00%
45240	Gas Utilities	\$ 3,500	\$ -	\$ (3,500)	-100.00%
45250	Telephone	\$ 112,000	\$ 112,000	\$ -	0.00%
45410	Equipment Rental	\$ 35,000	\$ 35,000	\$ -	0.00%
45610	Motor Fuel	\$ 7,500	\$ 4,000	\$ (3,500)	-46.67%
46100	Office Supplies	\$ 6,100	\$ 7,600	\$ 1,500	24.59%
46300	Dues and Subscriptions	\$ 2,500	\$ 2,500	\$ -	0.00%
46400	Public Safety Supplies	\$ 23,028	\$ 20,000	\$ (3,028)	-13.15%
47100	Uniforms	\$ 3,500	\$ 3,500	\$ -	0.00%
48000	Contracted Services	\$ 58,450	\$ 61,050	\$ 2,600	4.45%
48300	Consultants	\$ 12,175	\$ 12,200	\$ 25	0.21%
51100	Travel and Training	\$ 6,400	\$ 5,400	\$ (1,000)	-15.63%
51800	Meetings	\$ 1,000	\$ 3,000	\$ 2,000	200.00%
Sub-Total for Operating Expenditures		\$ 335,153	\$ 281,250	\$ (53,903)	-16.08%
TOTAL 100-12010 Police - Administration					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 530,553	\$ 641,033	\$ 110,480	20.82%
	Operating Expenditures	\$ 335,153	\$ 281,250	\$ (53,903)	-16.08%
	Capital - Machinery & Equipment	\$ 20,875	\$ -	\$ (20,875)	-100.00%
Total for All Categories of Expenses		\$ 886,581	\$ 922,283	\$ 35,702	4.03%

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.

Expense Summary	
Personnel Expenses	\$2,434,079 (\$9,925 Increase)
Operating Expenses	\$344,750 (\$4,800 Decrease)
Capital Machinery	\$140,000 (\$140,000 Increase)
Total Budget	\$2,918,829 (\$145,125 Increase)

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

Increases:

- \$5,000 – Uniforms
- \$10,000 – Travel & Training

Reductions/Decreases:

- \$2,000 – R&M: Office Equipment
- \$3,000 – R&M: Building & Grounds
- \$1,000 – R&M: Equipment
- \$7,250 – Electricity
- \$100 – Water & Sewer
- \$450 – Gas Utilities
- \$5,000 – Motor Fuel
- \$1,000 – Office Supplies

Capital:

- \$140,000 – ProQA software

Items of Interest:

- Savings of \$13,800 on Utilities and R&M line items as a direct result of moving to new Police Headquarters.
- \$5,000 increase in Uniforms provides uniforms for Telecommunicators to increase uniformity and professionalism in new facility.
- \$133,100 – City’s portion (20%) of the Cabarrus County Radio System.
- \$31,350 – increase of \$10,000 for Polygraph Operator Training and Certification.
- \$1,000 – Citizen Academy Meals
- \$140,000 – ProQA Software is used by 911 telecommunications. The software provides assistance in determining what and how many emergency personnel and vehicles to send.

Police Support Services 12030



PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/Decrease (\$)	% Change
41000	Salaries - Regular	\$ 1,694,675	\$ 1,701,128	\$ 6,453	0.38%
41200	Salaries - Overtime	\$ 205,000	\$ 205,000	\$ -	0.00%
41300	Longevity Pay	\$ 17,724	\$ 11,142	\$ (6,582)	-37.14%
41700	Clothing Allowance	\$ 5,400	\$ 11,700	\$ 6,300	116.67%
42000	FICA	\$ 74,447	\$ 73,349	\$ (1,098)	-1.47%
42200	State Retirement	\$ 121,133	\$ 130,933	\$ 9,800	8.09%
42210	401K	\$ 46,598	\$ 45,196	\$ (1,402)	-3.01%
42300	Medical Insurance	\$ 238,110	\$ 235,323	\$ (2,787)	-1.17%
42400	Life Insurance	\$ 7,414	\$ 7,204	\$ (210)	-2.83%
42500	Dental Insurance	\$ 13,653	\$ 13,104	\$ (549)	-4.02%
Sub-Total For Personnel		\$ 2,424,154	\$ 2,434,079	\$ 9,925	0.41%

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/Decrease (\$)	% Change
43100	Printing	\$ 1,000	\$ 1,000	\$ -	0.00%
43710	Repair & Maintenance: Office Equipment	\$ 7,000	\$ 5,000	\$ (2,000)	-28.57%
44200	Repair & Maintenance: Vehicles	\$ 30,000	\$ 30,000	\$ -	0.00%
44300	Repair & Maintenance: Buildings & Grounds	\$ 3,000	\$ -	\$ (3,000)	-100.00%
44400	Repair & Maintenance: Equipment	\$ 5,000	\$ 4,000	\$ (1,000)	-20.00%
45220	Electricity	\$ 7,250	\$ -	\$ (7,250)	-100.00%
45230	Water & Sewer	\$ 100	\$ -	\$ (100)	-100.00%
45240	Gas Utilities	\$ 450	\$ -	\$ (450)	-100.00%
45250	Telephone	\$ 25,000	\$ 25,000	\$ -	0.00%
45410	Equipment Rental	\$ 5,000	\$ 5,000	\$ -	0.00%
45610	Motor Fuel	\$ 20,000	\$ 15,000	\$ (5,000)	-25.00%
46100	Office Supplies	\$ 15,000	\$ 14,000	\$ (1,000)	-6.67%
46200	Small Equipment and Tools	\$ 1,000	\$ 1,000	\$ -	0.00%
46300	Dues and Subscriptions	\$ 1,800	\$ 1,800	\$ -	0.00%
46400	Public Safety Supplies	\$ 27,500	\$ 27,500	\$ -	0.00%
47100	Uniforms	\$ 15,000	\$ 20,000	\$ 5,000	33.33%
48000	Contracted Services	\$ 133,100	\$ 133,100	\$ -	0.00%
51100	Travel and Training	\$ 21,350	\$ 31,350	\$ 10,000	46.84%
51300	Special Expenses	\$ 30,000	\$ 30,000	\$ -	0.00%
51800	Meetings	\$ 1,000	\$ 1,000	\$ -	0.00%
Sub-Total for Operating Expenditures		\$ 349,550	\$ 344,750	\$ (4,800)	-1.37%

TOTAL 100-12030 Police - Support Services					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/Decrease (\$)	% Change
	Personnel Expenditures	\$ 2,424,154	\$ 2,434,079	\$ 9,925	0.41%
	Operating Expenditures	\$ 349,550	\$ 344,750	\$ (4,800)	-1.37%
	Capital - Machinery & Equipment	\$ -	\$ 140,000	\$ 140,000	100.00%
Total for All Categories of Expenses		\$ 2,773,704	\$ 2,918,829	\$ 145,125	5.23%

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.

Expense Summary	
Personnel Expenses	\$3,783,496 (\$147,969 Increase)
Operating Expenses	\$563,318 (\$4,550 Increase)
Capital Machinery	\$530,500 (\$108,000 Increase)
Total Budget	\$4,877,314 (\$260,519 Increase)

Personnel includes: Lieutenants (4), Sergeants (9), Police Officers (49), and Part-Time St. Office Assistant (1). 62 Sworn, 1 Part-time Civilian

Increases:

- \$250 – Small Equipment and Tools
- \$67,982 – Public Safety Supplies

Reductions/Decreases:

- \$4,500 – Medical Expenses (Moved to Human Resources)
- \$1,500 - R&M: Office Equipment
- \$15,000 – R&M: Vehicles
- \$1,000 – R&M: Equipment
- \$1,000 – Telephone
- \$45,000 – Motor Fuel

Capital:

- \$530,500 – Two (2) new vehicles and Ten (10) replacement vehicles

Items of Interest:

- Two new Police Officers are included in FY 17
- \$52,300 – Public Safety Supplies for two new Police Officers
- \$4,000 – Ten (10) Mobile Printers
- Field Operations currently has 76 vehicles.

Police Field Operations 12035

PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 17 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 2,598,975	\$ 2,713,221	\$ 114,246	4.40%
41200	Salaries - Part Time	\$ 17,000	\$ 15,569	\$ (1,431)	-8.42%
41200	Salaries - Overtime	\$ 270,000	\$ 250,000	\$ (20,000)	-7.41%
41300	Longevity Pay	\$ 20,470	\$ 12,121	\$ (8,349)	-40.79%
42000	FICA	\$ 41,797	\$ 39,503	\$ (2,294)	-5.49%
42200	State Retirement	\$ 194,012	\$ 219,186	\$ 25,174	12.98%
42210	401K	\$ 130,245	\$ 136,302	\$ 6,057	4.65%
42300	Medical Insurance	\$ 331,710	\$ 364,973	\$ 33,263	10.03%
42400	Life Insurance	\$ 11,338	\$ 11,621	\$ 283	2.50%
42500	Dental Insurance	\$ 19,980	\$ 21,000	\$ 1,020	5.11%
Sub-Total For Personnel		\$ 3,635,527	\$ 3,783,496	\$ 147,969	4.07%

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 17 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	\$ 1,500	\$ 1,500	\$ -	0.00%
43710	Medical Expense	\$ 4,500	\$ -	\$ (4,500)	-100.00%
43710	Repair & Maintenance: Office Equipment	\$ 2,000	\$ 500	\$ (1,500)	-75.00%
44200	Repair & Maintenance: Vehicles	\$ 180,000	\$ 165,000	\$ (15,000)	-8.33%
44400	Repair & Maintenance: Equipment	\$ 4,000	\$ 3,000	\$ (1,000)	-25.00%
45250	Telephone	\$ 7,500	\$ 6,500	\$ (1,000)	-13.33%
45410	Equipment Rental	\$ 8,000	\$ 8,000	\$ -	0.00%
45610	Motor Fuel	\$ 190,000	\$ 145,000	\$ (45,000)	-23.68%
46100	Office Supplies	\$ 13,000	\$ 13,000	\$ -	0.00%
46200	Small Equipment and Tools	\$ 3,750	\$ 4,000	\$ 250	6.67%
46300	Dues and Subscriptions	\$ 2,000	\$ 2,000	\$ -	0.00%
46400	Public Safety Supplies	\$ 69,318	\$ 137,300	\$ 67,982	98.07%
46400	State Public Safety Supplies	\$ -	\$ 4,318	\$ 4,318	100.00%
47100	Uniforms	\$ 60,000	\$ 60,000	\$ -	0.00%
51100	Travel and Training	\$ 12,500	\$ 12,500	\$ -	0.00%
51800	Meetings	\$ 700	\$ 700	\$ -	0.00%
Sub-Total for Operating Expenditures		\$ 558,768	\$ 563,318	\$ 4,550	0.81%

TOTAL 100-12035 Police - Field Operations					
	Expense Category	FY 2016 Original	FY 17 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 3,635,527	\$ 3,783,496	\$ 147,969	4.07%
	Operating Expenditures	\$ 558,768	\$ 563,318	\$ 4,550	0.81%
	Capital Machinery & Equipment	\$ 422,500	\$ 530,500	\$ 108,000	25.56%
Total for All Categories of Expenses		\$ 4,616,795	\$ 4,877,314	\$ 260,519	5.64%

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.

Expense Summary	
Personnel Expenses	\$303,658 (\$37348 Increase)
Operating Expenses	\$410,600 (\$12,316 Increase)
Capital Machinery	\$70,000 (\$55,000 Increase)
Total Budget	\$784,258 (\$104,664 Increase)

Personnel includes: Fire Chief (1), Division Chief (1), Administrative Assistant (1), and an Executive Office Assistant (1)

Increases:

- \$1,120 – R&M: Equipment
- \$54 – Uniforms
- \$23,703 – Contracted Services
- \$10,000 - Meetings

Reductions/Decreases:

- \$500 – Printing
- \$2,610 – Medical Expense (Moved to Human Resources)
- \$800 – R&M: Vehicles
- \$12,000 – R&M: Building and Grounds (Several one-time expenditures in FY 16)
- \$1,000 – Gas Utilities
- \$1,500 – Motor Fuel
- \$151 – Small Equipment and Tools
- \$3,100 – Dues and Subscriptions
- \$900 – Travel and Training

Capital:

- \$34,000 - Quantar VHF Base Radio
- \$35,000 – Vehicle Replacement
- \$3,885,000 – Replace Fire Station #2
- \$1,200,000 – Remodel Fire Station #3

Items of Interest:

- \$150,000 – Contracted Services covers the contract with Odell VFD
- \$10,000 – 100 year anniversary celebration of Kannapolis Fire Department

Fire Administration 12510

PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 214,973	\$ 241,070	\$ 26,097	12.14%
41300	Longevity Pay	\$ 362	\$ 724	\$ 362	100.00%
42000	FICA	\$ 15,741	\$ 17,663	\$ 1,922	12.21%
42200	State Retirement	\$ 14,364	\$ 17,532	\$ 3,168	22.06%
42300	Medical Insurance	\$ 19,107	\$ 24,453	\$ 5,346	27.98%
42400	Life Insurance	\$ 764	\$ 872	\$ 108	14.14%
42500	Dental Insurance	\$ 999	\$ 1,344	\$ 345	34.53%
Sub-Total For Personnel		\$ 266,310	\$ 303,658	\$ 37,348	14.02%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	\$ 3,000	\$ 2,500	\$ (500)	-16.67%
43300	Postage	\$ 1,500	\$ 1,500	\$ -	0.00%
43710	Medical Expense	\$ 2,610	\$ -	\$ (2,610)	-100.00%
43710	Repair & Maintenance: Office Equipment	\$ 400	\$ 400	\$ -	0.00%
44200	Repair & Maintenance: Vehicles	\$ 2,300	\$ 1,500	\$ (800)	-34.78%
44300	Repair & Maintenance: Buildings and Grounds	\$ 42,000	\$ 30,000	\$ (12,000)	-28.57%
44400	Repair & Maintenance: Equipment	\$ 8,880	\$ 10,000	\$ 1,120	12.61%
454220	Electricity	\$ 45,000	\$ 45,000	\$ -	0.00%
45230	Water & Sewer	\$ 11,000	\$ 11,000	\$ -	0.00%
45240	Gas Utilities	\$ 17,000	\$ 16,000	\$ (1,000)	-5.88%
45250	Telephone	\$ 70,000	\$ 70,000	\$ -	0.00%
45410	Equipment Rental	\$ 25,000	\$ 25,000	\$ -	0.00%
45610	Motor Fuel	\$ 3,500	\$ 2,000	\$ (1,500)	-42.86%
46100	Office Supplies	\$ 7,500	\$ 7,500	\$ -	0.00%
46200	Small Equipment and Tools	\$ 2,151	\$ 2,000	\$ (151)	-7.02%
46300	Dues and Subscriptions	\$ 13,100	\$ 10,000	\$ (3,100)	-23.66%
46400	Public Safety Supplies	\$ 2,200	\$ 2,200	\$ -	0.00%
47100	Uniforms	\$ 2,946	\$ 3,000	\$ 54	1.83%
48000	Contracted Services	\$ 126,297	\$ 150,000	\$ 23,703	18.77%
51100	Travel and Training	\$ 8,900	\$ 8,000	\$ (900)	-10.11%
51800	Meetings	\$ 3,000	\$ 13,000	\$ 10,000	333.33%
Sub-Total for Operating Expenditures		\$ 398,284	\$ 410,600	\$ 12,316	3.09%
TOTAL 100-12510 Fire - Administration					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 266,310	\$ 303,658	\$ 37,348	14.02%
	Operating Expenditures	\$ 398,284	\$ 410,600	\$ 12,316	3.09%
	Capital Machinery & Equipment	\$ 15,000	\$ 70,000	\$ 55,000	366.67%
Total for All Categories of Expenses		\$ 679,594	\$ 784,258	\$ 104,664	15.40%

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.

Expense Summary	
Personnel Expenses	\$5,383,283 (\$406,271 Increase)
Operating Expenses	\$514,400 (\$31,392 Decrease)
Capital Machinery	\$135,400 (\$21,4500 Increase)
Total Budget	\$6,033,083 (\$396,279 Increase)

Personnel Includes: Division Chief (1), Battalion Chief (3), Fire Captain (21), Fire Engineer (21), Firefighter (33), PT- Firefighter (3), Reserve Firefighter (13), and Quality Assurance Coordinator (4).

Increases:

- \$4,130 – R&M: Equipment
- \$3,568 – Telephone
- \$8,000 – Small Equipment and Tools
- \$150 – Contracted Services

Reductions/Decreases:

- \$16,740 – Medical Expense (moved to Human Resources)
- \$20,000 – Motor Fuel
- \$10,500 - Uniforms

Capital:

- \$86,500 – Mill & repave Fire Station #1 parking lot
- \$24,500 – Repave Station #4 parking lot
- \$17,100 – Repair & Seal Station #5 parking lot
- \$7,300 – FEMA grant match for computers in the EOC/Training Room at City Hall
- \$1,300,000 - One (1) Ladder Truck

Items of Interest:

- Three new Firefighters are included in the FY 17 budget.

Fire Emergency Services 12540

PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 3,459,795	\$ 3,637,693	\$ 177,898	5.14%
41100	Salaries - Part Time	\$ 52,308	\$ 208,289	\$ 155,981	298.20%
41200	Salaries - Overtime	\$ 435,000	\$ 480,000	\$ 45,000	10.34%
41300	Longevity Pay	\$ 7,268	\$ 5,652	\$ (1,616)	-22.23%
42000	FICA	\$ 305,831	\$ 273,813	\$ (32,018)	-10.47%
42200	State Retirement	\$ 234,778	\$ 268,121	\$ 33,343	14.20%
42300	Medical Insurance	\$ 440,607	\$ 467,301	\$ 26,694	6.06%
42400	Life Insurance	\$ 15,118	\$ 15,114	\$ (4)	-0.03%
42500	Dental Insurance	\$ 26,307	\$ 27,300	\$ 993	3.77%
Sub-Total For Personnel		\$ 4,977,012	\$ 5,383,283	\$ 406,271	8.16%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43710	Medical Expense	\$ 16,740	\$ -	\$ (16,740)	-100.00%
44200	Repair & Maintenance: Vehicles	\$ 233,600	\$ 233,600	\$ -	0.00%
44400	Repair & Maintenance: Equipment	\$ 18,870	\$ 23,000	\$ 4,130	21.89%
45250	Telephone	\$ 18,432	\$ 22,000	\$ 3,568	19.36%
45610	Motor Fuel	\$ 75,000	\$ 55,000	\$ (20,000)	-26.67%
46100	Office Supplies	\$ 800	\$ 800	\$ -	0.00%
46200	Small Equipment and Tools	\$ 15,000	\$ 23,000	\$ 8,000	53.33%
46400	Public Safety Supplies	\$ 90,000	\$ 90,000	\$ -	0.00%
46820	Cleaning Supplies	\$ 11,000	\$ 11,000	\$ -	0.00%
47100	Uniforms	\$ 54,500	\$ 44,000	\$ (10,500)	-19.27%
48000	Contracted Services	\$ 5,850	\$ 6,000	\$ 150	2.56%
51300	Special Expenses	\$ 6,000	\$ 6,000	\$ -	0.00%
Sub-Total for Operating Expenditures		\$ 545,792	\$ 514,400	\$ (31,392)	-5.75%
TOTAL 100-12540 Fire - Emergency Services					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 4,977,012	\$ 5,383,283	\$ 406,271	8.16%
	Operating Expenditures	\$ 545,792	\$ 514,400	\$ (31,392)	-5.75%
	Capital Machinery & Equipment	\$ 114,000	\$ 135,400	\$ 21,400	18.77%
Total for All Categories of Expenses		\$ 5,636,804	\$ 6,033,083	\$ 396,279	7.03%

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.

Expense Summary	
Personnel Expenses	\$278,488 (\$10,129 Increase)
Operating Expenses	\$63,200 (\$11748 Decrease)
Total Budget	\$341,688 (\$1,619 Decrease)

Personnel includes: Division Chief (1), Fire Inspector (2), Fire & Line Safety Educator (1), and PT-Fire Inspector (1)

Increases:

- \$250 – Public Safety Supplies

Reductions/Decreases:

- \$1,603 – Medical Expense (Moved to Human Resources)
- \$600 – R&M: Vehicles
- \$20 – R&M: Equipment
- \$500 – Telephone
- \$1,500 – Motor Fuel
- \$25 – Dues and Subscriptions
- \$900 - Uniforms

Capital:

- None

Items of Interest:

- \$3,000 – FDIC conference for Firefighter and Officer of the Year

Fire Technical Services 12545

PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 212,929	\$ 221,515	\$ 8,586	4.03%
41300	Longevity Pay	\$ 1,206	\$ 908	\$ (298)	-24.71%
42000	FICA	\$ 15,328	\$ 15,910	\$ 582	3.80%
42200	State Retirement	\$ 14,284	\$ 16,128	\$ 1,844	12.91%
42300	Medical Insurance	\$ 22,395	\$ 21,807	\$ (588)	-2.63%
42400	Life Insurance	\$ 885	\$ 876	\$ (9)	-1.02%
42500	Dental Insurance	\$ 1,332	\$ 1,344	\$ 12	0.90%
Sub-Total For Personnel		\$ 268,359	\$ 278,488	\$ 10,129	3.77%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43710	Medical Expense	\$ 1,603	\$ -	\$ (1,603)	-100.00%
44200	Repair & Maintenance: Vehicles	\$ 5,600	\$ 5,000	\$ (600)	-10.71%
44400	Repair & Maintenance: Equipment	\$ 320	\$ 300	\$ (20)	-6.25%
45250	Telephone	\$ 6,500	\$ 6,000	\$ (500)	-7.69%
45610	Motor Fuel	\$ 7,000	\$ 5,500	\$ (1,500)	-21.43%
46100	Office Supplies	\$ 5,000	\$ 5,000	\$ -	0.00%
46300	Dues and Subscriptions	\$ 2,425	\$ 2,400	\$ (25)	-1.03%
46400	Public Safety Supplies	\$ 14,750	\$ 15,000	\$ 250	1.69%
47100	Uniforms	\$ 5,900	\$ 5,000	\$ (900)	-15.25%
51100	Travel and Training	\$ 22,850	\$ 16,000	\$ (6,850)	-29.98%
51800	Meetings	\$ 3,000	\$ 3,000	\$ -	0.00%
Sub-Total for Operating Expenditures		\$ 74,948	\$ 63,200	\$ (11,748)	-15.67%
TOTAL 100-12545 Fire - Technical Services					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 268,359	\$ 278,488	\$ 10,129	3.77%
	Operating Expenditures	\$ 74,948	\$ 63,200	\$ (11,748)	-15.67%
Total for All Categories of Expenses		\$ 343,307	\$ 341,688	\$ (1,619)	-0.47%

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.

Expense Summary	
Personnel Expenses	\$440,495 (\$22,810 Decrease)
Operating Expenses	\$750,800 (\$51,950 Increase)
Capital Machinery	\$25,000 (\$25,000 Increase)
Total Budget	\$1,216,295 (\$54,140 Increase)

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

Increases:

- \$55,000 – Contract – Engineering
- \$300 - Meetings

Reductions/Decreases:

- \$300 – Postage
- \$500 – Medical Expense (Moved to Human Resources)
- \$250 – R&M: Equipment
- \$300 – Telephone
- \$1,500 – Motor Fuel
- \$500 – Uniforms

Capital:

- \$25,000 – Replacement Vehicle

Items of Interest:

- None

Public Works Engineering 13000

PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 355,603	\$ 340,054	\$ (15,549)	-4.37%
41200	Salaries - Overtime	\$ 100	\$ 100	\$ -	0.00%
41300	Longevity Pay	\$ 3,476	\$ 3,476	\$ -	0.00%
41600	Vehicle Allowance	\$ 6,000	\$ 6,000	\$ -	0.00%
42000	FICA	\$ 27,557	\$ 26,422	\$ (1,135)	-4.12%
42200	State Retirement	\$ 23,953	\$ 24,908	\$ 955	3.99%
42300	Medical Insurance	\$ 42,840	\$ 36,168	\$ (6,672)	-15.57%
42400	Life Insurance	\$ 745	\$ 1,351	\$ 606	81.34%
42500	Dental Insurance	\$ 2,331	\$ 2,016	\$ (315)	-13.51%
Sub-Total For Personnel		\$ 462,605	\$ 440,495	\$ (22,110)	-4.78%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43200	Advertising	\$ 2,000	\$ 2,000	\$ -	0.00%
43300	Postage	\$ 1,300	\$ 1,000	\$ (300)	-23.08%
43710	Medical Expense	\$ 500	\$ -	\$ (500)	-100.00%
44200	Repair & Maintenance: Vehicles	\$ 6,000	\$ 6,000	\$ -	0.00%
44400	Repair & Maintenance: Equipment	\$ 750	\$ 500	\$ (250)	-33.33%
45250	Telephone	\$ 7,300	\$ 7,000	\$ (300)	-4.11%
45610	Motor Fuel	\$ 5,500	\$ 4,000	\$ (1,500)	-27.27%
46100	Office Supplies	\$ 5,500	\$ 5,500	\$ -	0.00%
46300	Dues and Subscriptions	\$ 8,000	\$ 8,000	\$ -	0.00%
47100	Uniforms	\$ 2,000	\$ 1,500	\$ (500)	-25.00%
48000	Contracted Services	\$ 500	\$ 500	\$ -	0.00%
48800	Contract - Engineering	\$ 645,000	\$ 700,000	\$ 55,000	8.53%
51100	Travel and Training	\$ 14,000	\$ 14,000	\$ -	0.00%
51800	Meetings	\$ 500	\$ 800	\$ 300	60.00%
Sub-Total for Operating Expenditures		\$ 698,850	\$ 750,800	\$ 51,950	7.43%
TOTAL 100-13000 Engineering					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 462,605	\$ 440,495	\$ (22,110)	-4.78%
	Operating Expenditures	\$ 698,850	\$ 750,800	\$ 51,950	7.43%
	Capital Machinery & Equipment	\$ -	\$ 25,000	\$ 25,000	100.00%
Total for All Categories of Expenses		\$ 1,161,455	\$ 1,216,295	\$ 54,840	4.72%

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.

Expense Summary	
Personnel Expenses	\$0 (No Change)
Operating Expenses	\$823,000 (\$208,400 Increase)
Total Budget	\$823,000 (\$208,400 Increase)

No Personnel included in this Division.

Increases:

- \$63,400 – Electricity
- \$160,000 – Contract – New Lights

Reductions/Decreases:

- \$15,000 – Contracted Services

Capital:

- None

Items of Interest:

- \$175,000 – new lights on Laureate Way and Watson Crick Drive

Public Works

Street Lighting 13100

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
45220	Electricity	\$ 549,600	\$ 613,000	\$ 63,400	11.54%
48000	Contracted Services	\$ 50,000	\$ 35,000	\$ (15,000)	-30.00%
48650	Contract - New Lights	\$ 15,000	\$ 175,000	\$ 160,000	1066.67%
Sub-Total for Operating Expenditures		\$ 614,600	\$ 823,000	\$ 208,400	33.91%
TOTAL 100-13100 Streets and Highways					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 614,600	\$ 823,000	\$ 208,400	33.91%
Total for All Categories of Expenses		\$ 614,600	\$ 823,000	\$ 208,400	33.91%

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.

Expense Summary	
Personnel Expenses	\$0 (No Change)
Operating Expenses	\$189,900 (\$102,320 Decrease)
Total Budget	\$189,900 (\$102,320 Decrease)

No Personnel included in this Division.

Increases:

- \$1,900 – Contracted Services

Reductions/Decreases:

- \$500 – R&M: Office Equipment
- \$65,000 – Building and Grounds (Moved to General Services)
- \$6,000 – Electricity
- \$2,880 – Gas Utilities
- \$4,104 – Telephone
- \$24,236 – Equipment Rental
- \$500 – Motor Fuel
- \$1,000 – Office Supplies

Capital:

- None

Items of Interest:

- Division reduced by \$102,320 due to administrative operations relocating to City Hall and several maintenance contracts moving under General Services.

Public Works Operations Center 13200

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
44100	Repair & Maintenance: Office Equipment	\$ 1,000	\$ 500	\$ (500)	-50.00%
44300	Repair & Maintenance: Buildings and Grounds	\$ 109,000	\$ 44,000	\$ (65,000)	-59.63%
45220	Electricity	\$ 51,000	\$ 45,000	\$ (6,000)	-11.76%
45230	Water & Sewer	\$ 9,500	\$ 9,500	\$ -	0.00%
45240	Gas Utilities	\$ 11,880	\$ 9,000	\$ (2,880)	-24.24%
45250	Telephone	\$ 53,104	\$ 49,000	\$ (4,104)	-7.73%
45410	Equipment Rental	\$ 34,236	\$ 10,000	\$ (24,236)	-70.79%
45610	Motor Fuel	\$ 1,000	\$ 500	\$ (500)	-50.00%
46100	Office Supplies	\$ 5,000	\$ 4,000	\$ (1,000)	-20.00%
48000	Contracted Services	\$ 16,500	\$ 18,400	\$ 1,900	11.52%
Sub-Total for Operating Expenditures		\$ 292,220	\$ 189,900	\$ (102,320)	-35.01%
TOTAL 100-13200 Operations Center					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 292,220	\$ 189,900	\$ (102,320)	-35.01%
Total for All Categories of Expenses		\$ 292,220	\$ 189,900	\$ (102,320)	-35.01%

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.

Expense Summary	
Personnel Expenses	\$170,144 (\$6,131 Increase)
Operating Expenses	\$230,600 (\$18,163 Increase)
Capital Machinery	\$0 (\$40,000 Decrease)
Total Budget	\$400,744 (\$15,706 Decrease)

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

Increases:

- \$900 – Telephone
- \$12,838 – Sign Supplies
- \$10,000 – Contracted Services

Reductions/Decreases:

- \$1,800 Medical Expense (Moved to Human Resources)
- \$500 – R&M: Equipment
- \$1,500 – Motor Fuel
- \$275 – Uniforms
- \$1,500 – Travel and Training

Capital:

- None

Items of Interest:

- \$8,000 – Rotary Grinder for line removal.
- \$10,000 – Contracted services increase for median mowing and litter pickup after corridor improvements.

Public Works

Signs and Markings 13300

PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 118,464	\$ 125,284	\$ 6,820	5.76%
41200	Salaries - Overtime	\$ 8,000	\$ 8,000	\$ -	0.00%
41300	Longevity Pay	\$ 1,993	\$ 1,993	\$ -	0.00%
42000	FICA	\$ 9,662	\$ 9,445	\$ (217)	-2.25%
42200	State Retirement	\$ 8,036	\$ 9,229	\$ 1,193	14.85%
42300	Medical Insurance	\$ 16,335	\$ 14,661	\$ (1,674)	-10.25%
42400	Life Insurance	\$ 524	\$ 524	\$ -	0.00%
42500	Dental Insurance	\$ 999	\$ 1,008	\$ 9	0.90%
Sub-Total For Personnel		\$ 164,013	\$ 170,144	\$ 6,131	3.74%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43710	Medical Expense	\$ 1,800	\$ -	\$ (1,800)	-100.00%
44200	Repair & Maintenance: Vehicles	\$ 7,500	\$ 7,500	\$ -	0.00%
44400	Repair & Maintenance: Equipment	\$ 1,500	\$ 1,000	\$ (500)	-33.33%
45250	Telephone	\$ 6,000	\$ 6,900	\$ 900	15.00%
45610	Motor Fuel	\$ 6,000	\$ 4,500	\$ (1,500)	-25.00%
46100	Office Supplies	\$ 2,500	\$ 2,500	\$ -	0.00%
46200	Small Equipment and Tools	\$ 1,500	\$ 1,500	\$ -	0.00%
46810	Sign Supplies	\$ 112,162	\$ 125,000	\$ 12,838	11.45%
47100	Uniforms	\$ 2,975	\$ 2,700	\$ (275)	-9.24%
48000	Contracted Services	\$ 65,000	\$ 75,000	\$ 10,000	15.38%
51100	Travel and Training	\$ 5,500	\$ 4,000	\$ (1,500)	-27.27%
Sub-Total for Operating Expenditures		\$ 212,437	\$ 230,600	\$ 18,163	8.55%
TOTAL 100-13300 Signs and Markings					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 164,013	\$ 170,144	\$ 6,131	3.74%
	Operating Expenditures	\$ 212,437	\$ 230,600	\$ 18,163	8.55%
	Capital - Machinery & Equipment	\$ 40,000	\$ -	\$ (40,000)	-100.00%
Total for All Categories of Expenses		\$ 416,450	\$ 400,744	\$ (15,706)	-3.77%

Public Works

Street Maintenance (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”.

Expense Summary	
Personnel Expenses	\$518,928 (\$144,415 Increase)
Operating Expenses	\$1,169,500 (\$95,045 Increase)
Capital Machinery	\$396,950 (\$271,950 Increase)
Total Budget	\$2,085,378 (\$511,410 Increase)

Personnel Includes: Transportation Manager (1), Crew Chief (1), Construction Maintenance Technician (2), Construction Maintenance Worker II (3), and Construction Maintenance Worker I (1).

Increases:

- \$10,000 – R&M: Vehicles
- \$25,000 – R&M: Streets
- \$76,000 – Contracted Services

Reductions/Decreases:

- \$1,200 – Medical Expense (Moved to Human Resources)
- \$2,000 – Equipment Rental
- \$7,930 – Motor Fuel
- \$825 – Uniforms
- \$4,000 - Consultants

Capital:

- \$168,000 – S-5 Dump Truck
- \$66,950 – S-26 Dump Truck
- \$40,000 – Vehicle Replacement for S-1
- \$122,000 – I-3802B Sidewalk Project

Items of Interest:

- \$500,000 - I-85 Gateway & Monument Signs
- \$20,500 – Thirty-Five foot Trailer
- \$100,000 – Addition to Contract Service for new sidewalk repairs throughout the City.
- \$500,000 – Contract Resurfacing
- Funding for FY 17 is \$20.15 per capita and \$1,624.41 per mile. Both reduced from FY 16.

Public Works Street Maintenance (Powell Bill) 13400

PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 261,527	\$ 373,280	\$ 111,753	42.73%
41200	Salaries - Overtime	\$ 18,000	\$ 18,000	\$ -	0.00%
41300	Longevity Pay	\$ 2,340	\$ 2,340	\$ -	0.00%
42000	FICA	\$ 21,264	\$ 28,254	\$ 6,990	32.87%
42200	State Retirement	\$ 17,602	\$ 27,237	\$ 9,635	54.74%
42300	Medical Insurance	\$ 49,923	\$ 64,590	\$ 14,667	29.38%
42400	Life Insurance	\$ 1,193	\$ 1,531	\$ 338	28.33%
42500	Dental Insurance	\$ 2,664	\$ 3,696	\$ 1,032	38.74%
Sub-Total For Personnel		\$ 374,513	\$ 518,928	\$ 144,415	38.56%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43710	Medical Expense	\$ 1,200	\$ -	\$ (1,200)	-100.00%
44200	Repair & Maintenance: Vehicles	\$ 35,000	\$ 45,000	\$ 10,000	28.57%
44400	Repair & Maintenance: Equipment	\$ 35,000	\$ 35,000	\$ -	0.00%
44400	Repair & Maintenance: Streets	\$ 200,000	\$ 225,000	\$ 25,000	12.50%
45220	Electricity	\$ 5,000	\$ 5,000	\$ -	0.00%
45410	Equipment Rental	\$ 5,000	\$ 3,000	\$ (2,000)	-40.00%
45610	Motor Fuel	\$ 31,930	\$ 24,000	\$ (7,930)	-24.84%
46200	Small Equipment and Tools	\$ 2,500	\$ 2,500	\$ -	0.00%
47100	Uniforms	\$ 6,825	\$ 6,000	\$ (825)	-12.09%
48000	Contracted Services	\$ 224,000	\$ 300,000	\$ 76,000	33.93%
48300	Consultants	\$ 28,000	\$ 24,000	\$ (4,000)	-14.29%
48850	Contract - Resurfacing	\$ 500,000	\$ 500,000	\$ -	0.00%
Sub-Total for Operating Expenditures		\$ 1,074,455	\$ 1,169,500	\$ 95,045	8.85%
TOTAL 100-13400 Powell Bill					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 374,513	\$ 518,928	\$ 144,415	38.56%
	Operating Expenditures	\$ 1,074,455	\$ 1,169,500	\$ 95,045	8.85%
	Capital Machinery & Equipment	\$ 125,000	\$ 396,950	\$ 271,950	217.56%
Total for All Categories of Expenses		\$ 1,573,968	\$ 2,085,378	\$ 511,410	32.49%

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.

Expense Summary	
Personnel Expenses	\$581,721 (\$12,734 Increase)
Operating Expenses	\$174,600 (\$44,100 Increase)
Capital Machinery	\$0 (\$50,000 Decrease)
Total Budget	\$756,321 (\$6,834 Increase)

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

Increases:

- \$2,500 – Advertising
- \$10,000 – Demolition Expenditures
- \$500 – R&M: Vehicles
- \$22,500 – Telephone
- \$1,500 – Motor Fuel
- \$500 – Dues and Subscriptions
- \$20,000 – Contract – Planning
- \$2,000 – Travel and Training

Reductions/Decreases:

- \$1,000 – Printing
- \$1,000 – Postage
- \$400 – Minute Preparation
- \$10,000 – Consultants
- \$3,000 – Special Expenses

Capital:

- None

Items of Interest:

- \$50,000 – Code Enforcement/Demolition – this is a \$10,000 increase over FY 16
- \$60,000 – Contract – Planning is for the creation of a Comprehensive Land Use Plan

Planning 14000

PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 453,775	\$ 459,532	\$ 5,757	1.27%
41400	Board Member Fees	\$ 3,000	\$ -	\$ (3,000)	-100.00%
42000	FICA	\$ 33,780	\$ 34,217	\$ 437	1.29%
42200	State Retirement	\$ 30,271	\$ 33,321	\$ 3,050	10.08%
42300	Medical Insurance	\$ 43,749	\$ 49,929	\$ 6,180	14.13%
42400	Life Insurance	\$ 1,748	\$ 2,034	\$ 286	16.36%
42500	Dental Insurance	\$ 2,664	\$ 2,688	\$ 24	0.90%
Sub-Total For Personnel		\$ 568,987	\$ 581,721	\$ 12,734	2.24%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	\$ 2,000	\$ 1,000	\$ (1,000)	-50.00%
43200	Advertising	\$ 5,500	\$ 8,000	\$ 2,500	45.45%
43300	Postage	\$ 1,500	\$ 500	\$ (1,000)	-66.67%
43610	Demolition Expenditures	\$ 40,000	\$ 50,000	\$ 10,000	25.00%
44200	Repair & Maintenance: Vehicles	\$ -	\$ 500	\$ 500	100.00%
45250	Telephone	\$ 2,500	\$ 25,000	\$ 22,500	900.00%
45610	Motor Fuel	\$ -	\$ 1,500	\$ 1,500	100.00%
46100	Office Supplies	\$ 7,000	\$ 7,000	\$ -	0.00%
46200	Small Equipment and Tools	\$ 1,000	\$ 1,000	\$ -	0.00%
46300	Dues and Subscriptions	\$ 3,500	\$ 4,000	\$ 500	14.29%
48100	Minute Preparation	\$ 500	\$ 100	\$ (400)	-80.00%
48300	Consultants	\$ 10,000	\$ -	\$ (10,000)	-100.00%
48610	Contract - Planning	\$ 40,000	\$ 60,000	\$ 20,000	50.00%
51100	Travel and Training	\$ 12,000	\$ 14,000	\$ 2,000	16.67%
51300	Special Expenses	\$ 5,000	\$ 2,000	\$ (3,000)	-60.00%
Sub-Total for Operating Expenditures		\$ 130,500	\$ 174,600.00	\$ 44,100	33.79%
TOTAL 100-14000 Planning and Zoning					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 568,987	\$ 581,721	\$ 12,734	2.24%
	Operating Expenditures	\$ 130,500	\$ 174,600	\$ 44,100	33.79%
	Capital Machinery & Equipment	\$ 50,000	\$ -	\$ (50,000)	-100.00%
Total for All Categories of Expenses		\$ 749,487	\$ 756,321	\$ 6,834	0.91%

Parks and Recreation

Parks 15010

MISSION STATEMENT:

The mission of the Kannapolis Parks and Recreation Department is to provide positive experiences through a variety of quality activities, facilities and services for the community. The Kannapolis Parks and Recreation Department will strive for excellence in providing quality and diverse recreation and leisure opportunities that will enhance the health and well-being of our changing community.

Expense Summary	
Personnel Expenses	\$939,510 (\$92,020 Increase)
Operating Expenses	\$410,400 (\$2,550 Increase)
Capital Machinery	\$71,900 (\$53,900 Increase)
Total Budget	\$1,421,810 (\$148,470 Increase)

Personnel: Parks & Rec. Director (1), Park Manager (2), Rec. Program Coordinator (1), Park Maintenance Technician III (4), Recreation Program Assist. (1), and Executive Office Assistant (1)

Increases:

- \$2,000 – Credit Card Fees
- \$800 – R&M: Equipment
- \$8,000 – Electricity
- \$500 – Gas Utilities
- \$2,000 – Telephone
- \$700 – Dues and Subscriptions
- \$3,000 – Concession Supplies
- \$10,700 – Travel and Training

Reductions/Decreases:

- \$100 – Postage
- \$2,000 – Medical Expense
- \$2,500 Equipment Rental
- \$4,000 – Motor Fuel
- \$1,100 – Small Equipment and Tools
- \$850 – Cleaning Supplies
- \$10,000 – Contracted Services
- \$2,600 - Meetings

Capital:

- \$1,700,000 - Irish Buffalo Creek Greenway
- \$1,600,000 – Village Park Phase 3
- \$25,000 – Replacement vehicle for Bakers Creek Park
- \$9,600 – Ex-Mark mower

- \$29,000 – Reel Mower
- \$8,300 – Seeder/Sprayer

Items of Interest:

- One (1) new Park Maintenance Technician in FY 17 Budget
- \$2,200 – new park/facility programs
- \$9,000 – Electricity increase expected with Carousel addition.
- \$10,700 – Travel & Training increase to take Accreditation team to NRPA National Convention

Parks and Recreation Parks 15010

PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 335,394	\$ 399,238	\$ 63,844	19.04%
41100	Salaries - Part Time	\$ 371,718	\$ 400,352	\$ 28,634	7.70%
41200	Salaries - Overtime	\$ 7,500	\$ 9,500	\$ 2,000	26.67%
41300	Longevity Pay	\$ 2,266	\$ 2,266	\$ -	0.00%
42000	FICA	\$ 54,578	\$ 33,876	\$ (20,702)	-37.93%
42200	State Retirement	\$ 25,588	\$ 32,546	\$ 6,958	27.19%
42300	Medical Insurance	\$ 46,122	\$ 56,670	\$ 10,548	22.87%
42400	Life Insurance	\$ 1,660	\$ 1,870	\$ 210	12.65%
42500	Dental Insurance	\$ 2,664	\$ 3,192	\$ 528	19.82%
Sub-Total For Personnel		\$ 847,490	\$ 939,510	\$ 92,020	10.86%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	\$ 2,200	\$ 2,200	\$ -	0.00%
43200	Advertising	\$ 1,500	\$ 1,500	\$ -	0.00%
43300	Postage	\$ 300	\$ 200	\$ (100)	-33.33%
43710	Medical Expenses	\$ 2,000	\$ -	\$ (2,000)	-100.00%
43800	Credit Card Fees	\$ 1,000	\$ 3,000	\$ 2,000	200.00%
44200	Repair & Maintenance: Vehicles	\$ 8,000	\$ 8,000	\$ -	0.00%
44300	Repair & Maintenance: Buildings and Grounds	\$ 122,000	\$ 120,000	\$ (2,000)	-1.64%
44400	Repair & Maintenance: Equipment	\$ 8,500	\$ 9,300	\$ 800	9.41%
45220	Electricity	\$ 51,000	\$ 59,000	\$ 8,000	15.69%
45230	Water & Sewer	\$ 31,000	\$ 31,000	\$ -	0.00%
45240	Gas Utilities	\$ 4,000	\$ 4,500	\$ 500	12.50%
45250	Telephone	\$ 32,000	\$ 34,000	\$ 2,000	6.25%
45410	Equipment Rental	\$ 10,000	\$ 7,500	\$ (2,500)	-25.00%
45610	Motor Fuel	\$ 19,000	\$ 15,000	\$ (4,000)	-21.05%
46100	Office Supplies	\$ 4,200	\$ 4,200	\$ -	0.00%
46200	Small Equipment and Tools	\$ 4,300	\$ 3,200	\$ (1,100)	-25.58%
46300	Dues and Subscriptions	\$ 1,900	\$ 2,600	\$ 700	36.84%
46620	Concession Supplies	\$ 54,000	\$ 57,000	\$ 3,000	5.56%
46640	Cemetery Supplies	\$ 3,000	\$ 3,000	\$ -	0.00%
46820	Cleaning Supplies	\$ 8,050	\$ 7,200	\$ (850)	-10.56%
47100	Uniforms	\$ 6,000	\$ 6,000	\$ -	0.00%
48000	Contracted Services	\$ 20,000	\$ 10,000	\$ (10,000)	-50.00%
51100	Travel and Training	\$ 9,800	\$ 20,500	\$ 10,700	109.18%
51800	Meetings	\$ 4,100	\$ 1,500	\$ (2,600)	-63.41%
Sub-Total for Operating Expenditures		\$ 407,850	\$ 410,400	\$ 2,550	0.63%
TOTAL 100-15010 Parks					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 847,490	\$ 939,510	\$ 92,020	10.86%
	Operating Expenditures	\$ 407,850	\$ 410,400	\$ 2,550	0.63%
	Capital Machinery and Equipment	\$ 18,000	\$ 71,900	\$ 53,900	299.44%
Total for All Categories of Expenses		\$ 1,273,340	\$ 1,421,810	\$ 148,470	11.66%

Parks and Recreation 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.

Expense Summary	
Personnel Expenses	\$0 (No Change)
Operating Expenses	\$310,000 (\$68,000 Increase)
Total Budget	\$310,000 (68,000 Increase)

Increases:

- \$18,000 – Program Supplies
- \$50,000 – Summer Event Series

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- Program Supplies includes \$10,000 for the Run Kannapolis Program
- \$50,000 increase in Summer Event Series provides funding for higher name recognition acts for series; resulting in higher visitor counts to the downtown area.

Parks and Recreation Programs 15060

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
46630	Program Supplies	\$ 52,000	\$ 70,000	\$ 18,000	34.62%
51441	Summer Event Series	\$ 165,000	\$ 215,000	\$ 50,000	30.30%
51442	Kannapolis Christmas	\$ 25,000	\$ 25,000	\$ -	0.00%
Sub-Total for Operating Expenditures		\$ 242,000	\$ 310,000	\$ 68,000	28.10%
TOTAL 100-15060 Recreation Programs					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 242,000	\$ 310,000	\$ 68,000	28.10%
Total for All Categories of Expenses		\$ 242,000	\$ 310,000	\$ 68,000	28.10%

Stadium Division 15200

Expense Summary	
Personnel Expenses	\$0 (No Change)
Operating Expenses	\$216,000 (\$181,000 Increase)
Total Budget	\$216,000 (\$181,000 Increase)

Increases:

- \$66,000 – R&M: Reimbursement (New Line Item)
- \$110,000 – Utility Reimbursement (New Line Item)
- \$5,000 – Contracted Services

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- None

Stadium 15200

EXPENSES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
44300	Repair & Maintenance: Buildings and Grounds	\$ 10,000	\$ 10,000	\$ -	0.00%
44450	Repair & Maintenance: Reimbursement	\$ -	\$ 66,000	\$ 66,000	100.00%
45255	Utility Reimbursement	\$ -	\$ 110,000	\$ 110,000	100.00%
48000	Contracted Services	\$ 25,000	\$ 30,000	\$ 5,000	20.00%
Sub-Total for Operating Expenditures		\$ 35,000	\$ 216,000	\$ 180,999	517.14%
TOTAL 100-15200 Stadium					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 35,000	\$ 216,000	\$ 181,000	517.14%
Total for All Categories of Expenses		\$ 35,000	\$ 216,000	\$ 181,000	517.14%

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 (No Change)
Operating Expenses	\$1,543,223 (\$297,725 Decrease)
Total Budget	\$1,543,233 (\$297,725 Decrease)

Increases:

- \$23,800 – Workers Comp Insurance
- \$394 – Retiree Insurance
- \$2,058 – HSA & HRA Benefits
- \$7,000 – Banking Fees
- \$16,000 – Contingency Appropriation
- \$38,000 – Insurance – Buildings

Reductions/Decreases:

- \$274,977 – Special Expenses
- \$15,000 – Insurance – Public Officials
- \$40,000 – Insurance – General Liability
- \$55,000 – Insurance – Self Insured

Capital:

- None

Items of Interest:

- None

Non - Departmental 10000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
42100	Workers Comp Insurance	\$ 126,200	\$ 150,000	\$ 23,800	18.86%
42330	Retiree Insurance	\$ 299,606	\$ 300,000	\$ 394	0.13%
42340	HSA & HRA Benefits	\$ 257,942	\$ 260,000	\$ 2,058	0.80%
42700	Unemployment Insurance	\$ 25,000	\$ 25,000	\$ -	0.00%
48430	Banking Fees	\$ 5,000	\$ 12,000	\$ 7,000	140.00%
51300	Special Expenses	\$ 315,000	\$ 40,023	\$ (274,977)	-87.29%
51320	Contingency Appropriation	\$ 190,000	\$ 206,000	\$ 16,000	8.42%
51610	Insurance - Public Officials	\$ 50,000	\$ 35,000	\$ (15,000)	-30.00%
51620	Insurance - General Liability	\$ 230,000	\$ 190,000	\$ (40,000)	-17.39%
51630	Insurance - Buildings	\$ 62,000	\$ 100,000	\$ 38,000	61.29%
51640	Insurance - Self Insured	\$ 280,000	\$ 225,000	\$ (55,000)	-19.64%
51650	Encroachment Bond	\$ 200	\$ 200	\$ -	0.00%
Sub-Total for Operating Expenditures		\$ 1,840,948	\$ 1,543,223	\$ (297,725)	-16.17%
TOTAL 100-10000 Non - Departmental					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 1,840,948	\$ 1,543,223	\$ (297,725)	-16.17%
Total for All Categories of Expenses		\$ 1,840,948	\$ 1,543,223	\$ (297,725)	-16.17%

Transfers General Fund 19000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41800	Separation Pay	\$ 365,000	\$ 445,000	\$ 80,000	21.92%
57100	Transfer to Transit Fund	\$ 315,200	\$ 245,300	\$ (69,900)	-22.18%
57400	Transfer to Environmental Fund	\$ 1,309,825	\$ 1,000,000	\$ (309,825)	-23.65%
57600	Transfer to Downtown Fund	\$ 1,023,825	\$ 1,341,200	\$ 317,375	31.00%
Sub-Total for Transfers		\$ 3,013,850	\$ 3,031,500	\$ 17,650	0.59%
TOTAL 100-19000 Transfers - General Fund					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Transfers	\$ 3,013,850	\$ 3,031,500	\$ 17,650	0.59%
Total for All Categories of Expenses		\$ 3,013,850	\$ 3,031,500	\$ 17,650	0.59%

Appropriated Fund Balance 19900

Revenues					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
39200	Transfers from General Fund	\$ 60,000	\$ -	\$ (60,000)	-100.00%
Sub-Total Appropriated Fund Balance		\$ 60,000	\$ -	\$ (60,000)	-100.00%
TOTAL 100-19900 Appropriated Fund Balance - General Fund					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Appropriated Fund Balance	\$ 60,000	\$ -	\$ (60,000)	-100.00%
Total for All Categories of Revenues		\$ 60,000	\$ -	\$ (60,000)	-100.00%

General Fund Debt Service 18000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	\$ 3,843,100	\$ 4,481,400	\$ 638,300	16.61%
58200	Bond Interest	\$ 3,313,000	\$ 3,033,700	\$ (279,300)	-8.43%
58300	Debt Issuance Cost	\$ -	\$ 500,000	\$ 500,000	0.00%
Sub-Total for Operating Expenditures		\$ 7,156,100	\$ 8,015,100	\$ 859,000	12.00%
TOTAL 100-18000 Debt Service - General Fund					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Debt Service Expenditures	\$ 7,156,100	\$ 8,015,100	\$ 859,000	12.00%
Total for All Categories of Expenses		\$ 7,156,100	\$ 8,015,100	\$ 859,000	12.00%

**Fiscal Year 2017
GENERAL FUND DEBT SERVICE**

	PRINCIPAL BALANCE (as of 7/1/2016)	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL PAYMENT	REMAINING TERM (including FY 2017)	INTEREST RATE
SUNTRUST - EQUIPMENT 2009	\$100,850	\$100,850	\$1,201	\$102,050	LAST YEAR	3.17%
BB&T - EQUIPMENT 2011	\$421,536	\$42,154	\$16,432	\$58,586	10 YEARS	4.05%
PNC - WAREHOUSE/FIRE TRUCK	\$1,136,091	\$163,257	\$22,782	\$186,039	7 YEARS	2.08%
BANK OF NC - FIRETRUCK/PATCH TRUCK	\$620,007	\$152,096	\$7,082	\$159,178	5 YEARS	1.25%
ROWAN COUNTY - BASEBALL STADIUM	\$2,803,750	\$62,500	\$0	\$62,500	46 YEARS	0.00%
PNC REFINANCE - VILLAGE PARK BUILDING	\$261,333	\$52,267	\$4,965	\$57,232	7 YEARS	2.00%
PNC REFINANCE - FIRE STATION, BRIDGES, et	\$3,270,372	\$600,262	\$62,356	\$662,617	9 YEARS	1.98%
JPMorgan Chase Bank - KGBUS Park	\$153,000	\$153,000	\$933	\$153,933	LAST YEAR	2.60%
JPMorgan Chase Bank - KGBus Park	\$300,000	\$50,000	\$14,883	\$64,883	6 YEARS	2.60%
City Hall/Police - 2014 Series-Tax Exempt	\$24,600,000	\$1,370,000	\$1,040,456	\$2,410,456	20 YEARS	3.10%
NCRC TIF BONDS - 2010 SERIES A	\$9,135,000	\$1,735,000	\$456,750	\$2,191,750	4 YEARS	var.
NCRC TIF BONDS - 2010 SERIES B	\$19,310,000	\$0	\$1,405,768	\$1,405,768	11 YEARS	var.
GRAND TOTAL FOR FY 2017	\$62,111,940	\$4,481,386	\$3,033,607	\$7,514,993		

WATER & SEWER FUND

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

Water & Sewer Revenue Summary

Fiscal Year 2017

REVENUES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
36000	Charges and Fees	\$ 14,265,000	\$ 14,693,000	\$ 428,000	3.00%
36600	Wholesale Water Sales	\$ 350,000	\$ 365,000	\$ 15,000	4.29%
36610	Tap Fees	\$ 70,000	\$ 85,000	\$ 15,000	21.43%
36620	Connection Fees	\$ 450,000	\$ 525,000	\$ 75,000	16.67%
36630	Fire Hydrant Fees	\$ -	\$ -	\$ -	0.00%
36640	Reconnection Fees	\$ 150,000	\$ 150,000	\$ -	0.00%
36650	Penalties	\$ 375,000	\$ 400,000	\$ 25,000	6.67%
37000	Miscellaneous Revenue	\$ 12,000	\$ 15,000	\$ 3,000	25.00%
37100	Donations	\$ -	\$ -	\$ -	0.00%
38000	Investment Income	\$ 3,500	\$ 5,000	\$ 1,500	42.86%
	Total Water and Sewer Fund	\$ 15,675,500	\$ 16,238,000	\$ 562,500	3.59%

Water & Sewer Expense Summary

Fiscal Year 2017

EXPENSES				
Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
Water & Sewer - Distribution	\$ 2,810,590	\$ 2,935,425	\$ 124,835	4.44%
Water & Sewer - Filter Plant	\$ 2,927,066	\$ 2,938,688	\$ 11,622	0.40%
Water & Sewer - Sewage Treatment	\$ 2,824,500	\$ 2,921,500	\$ 97,000	3.43%
Water & Sewer - Billing & Collections	\$ 745,644	\$ 836,495	\$ 90,851	12.18%
General Management Services - Transfer to General Fund	\$ 1,466,110	\$ 1,539,416	\$ 73,306	5.00%
Transfer to Capital Projects	\$ 625,000	\$ 364,700	\$ (260,300)	-41.65%
Total Operating	\$ 11,398,910	\$ 11,536,224	\$ 137,314	1.20%
Total Debt Service	\$ 4,276,590	\$ 4,701,776	\$ 425,186	9.94%
Total Water and Sewer Fund Expenditures	\$ 15,675,500	\$ 16,238,000	\$ 562,500	3.59%

Water and Sewer Billing & 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.

Expense Summary	
Personnel Expenses	\$603,895 (\$86,751 Increase)
Operating Expenses	\$232,600 (\$4,100 Increase)
Total Budget	\$836,495 (\$90,851 Increase)

Personnel includes: Billing and Collections Supervisor (1), Customer Service Representative (2), Customer Care Representative (1), Revenue Collection Specialist (1), Utility Billing Specialist (2), and Deputy Finance Director (1)

Increases:

- \$5,000 – Postage
- \$60 – Uniforms
- \$5,000 – Banking Fees
- \$6,000 – Mailing Services
- \$7,800 – Travel and Training

Reductions/Decreases:

- \$1,000 – R&M: Buildings and Grounds
- \$6,800 – Electricity
- \$1,000 – Telephone
- \$6,000 – Equipment Rental
- \$5,000 – Contracted Services

Capital:

- None

Items of Interest:

- The Outreach Coordinator position has been moved to Billings and Collections.
- Reductions in utilities due to the move of Customer Service to New City Hall.

Water & Sewer - Billing & Collections 36000

PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 323,602	\$ 377,940	\$ 54,338	16.79%
41100	Salaries - Part Time	\$ 80,000	\$ 90,000	\$ 10,000	12.50%
41200	Salaries - Overtime	\$ 4,000	\$ 3,000	\$ (1,000)	-25.00%
41300	Longevity Pay	\$ 5,714	\$ 5,714	\$ -	0.00%
42000	FICA	\$ 30,683	\$ 31,929	\$ 1,246	4.06%
42200	State Retirement	\$ 21,969	\$ 30,978	\$ 9,009	41.01%
42300	Medical Insurance	\$ 47,151	\$ 59,598	\$ 12,447	26.40%
42400	Life Insurance	\$ 1,361	\$ 1,712	\$ 351	25.79%
42500	Dental Insurance	\$ 2,664	\$ 3,024	\$ 360	13.51%
Sub-Total For Personnel		\$ 517,144	\$ 603,895	\$ 86,751	16.78%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	\$ 3,500	\$ 3,500	\$ -	0.00%
43300	Postage	\$ 85,000	\$ 90,000	\$ 5,000	5.88%
44100	Repair & Maintenance: Office Equipment	\$ 500	\$ 500	\$ -	0.00%
44300	Repair & Maintenance: Buildings and Grounds	\$ 1,000	\$ -	\$ (1,000)	-100.00%
45220	Electricity	\$ 6,800	\$ -	\$ (6,800)	-100.00%
45250	Telephone	\$ 18,000	\$ 17,000	\$ (1,000)	-5.56%
45410	Equipment Rental	\$ 8,500	\$ 2,500	\$ (6,000)	-70.59%
46100	Office Supplies	\$ 7,000	\$ 7,000	\$ -	0.00%
46200	Small Equipment and Tools	\$ 3,500	\$ 3,500	\$ -	0.00%
46300	Dues and Subscriptions	\$ 1,000	\$ 1,000	\$ -	0.00%
47100	Uniforms	\$ 1,000	\$ 1,600	\$ 600	60.00%
48000	Contracted Services	\$ 30,000	\$ 25,000	\$ (5,000)	-16.67%
48430	Banking Fees	\$ 35,000	\$ 40,000	\$ 5,000	14.29%
48440	Mailing Services	\$ 25,000	\$ 31,000	\$ 6,000	24.00%
51100	Travel and Training	\$ 2,200	\$ 10,000	\$ 7,800	354.55%
Sub-Total for Operating Expenditures		\$ 228,500	\$ 232,600	\$ 4,100	1.79%
TOTAL 300 - 36000 Billing & Collections					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 517,144	\$ 603,895	\$ 86,751	16.78%
	Operating Expenditures	\$ 228,500	\$ 232,600	\$ 4,100	1.79%
Total for All Categories of Expenses		\$ 745,644	\$ 836,495	\$ 90,851	12.18%

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.

Expense Summary	
Personnel Expenses	\$1,565,925 (\$23,765 Increase)
Operating Expenses	\$1,103,400 (\$37,170 Increase)
Capital Machinery	\$266,100 (\$171,100 Increase)
Capital Building	\$0 (\$65,000 Decrease)
Total Budget	\$2,935,425 (\$167,035 Increase)

Personnel includes: Water Resources Manager (1), Crew Supervisor (1), Crew Chief (4), Construction Maintenance Technician (6), Heavy Equipment Operator (2), construction Maintenance Worker II (1), Meter Technician (3), Construction Maintenance Worker I (11), and Senior Office Assistant (1).

Increases:

- \$183,675 – R&M: Water Tank
- \$2,500 – Electricity
- \$3,000 – Telephone
- \$3,000 – Equipment Rental
- \$3,000 – Uniforms
- \$3,000 – Contracted Services
- \$95 – Travel and Training

Reductions/Decreases:

- \$1,800 – Medical Expense (Moved to Human Resources)
- \$750 – R&M: Equipment
- \$15,000 – Motor Fuel
- \$13,000 – Small equipment and Tools
- \$1,000 – Dues and Subscriptions
- \$250 – Cleaning Supplies
- \$65,000 – Materials for W&S Services
- \$50,000 – Contract – Grounds Maintenance

Capital:

- \$27,600 – Diesel Generator
- \$101,000 – Mini Excavator
- \$137,500 – First half of HWY 13 abandonment (Second Half to be budgeted in FY 18)

Items of Interest:

- \$165,600 – South Tank Containment system, repair, and new logo
- \$5,992 – Richard Ave. Tank new logo
- \$60,000 – I & I study and additional Duke's root control

Water & Sewer - Distribution 36100



PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 1,049,575	\$ 1,058,693	\$ 9,118	0.87%
41200	Salaries - Overtime	\$ 128,750	\$ 153,000	\$ 24,250	18.83%
41300	Longevity Pay	\$ 8,956	\$ 8,722	\$ (234)	-2.61%
42000	FICA	\$ 88,586	\$ 79,628	\$ (8,958)	-10.11%
42200	State Retirement	\$ 70,619	\$ 77,402	\$ 6,783	9.61%
42300	Medical Insurance	\$ 181,095	\$ 174,117	\$ (6,978)	-3.85%
42400	Life Insurance	\$ 4,589	\$ 4,619	\$ 30	0.65%
42500	Dental Insurance	\$ 9,990	\$ 9,744	\$ (246)	-2.46%
Sub-Total For Personnel		\$ 1,542,160	\$ 1,565,925	\$ 23,765	1.54%

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	\$ 3,000	\$ 3,000	\$ -	0.00%
43300	Postage	\$ 1,800	\$ 1,800	\$ -	0.00%
43710	Medical Expense	\$ 1,800	\$ -	\$ (1,800)	-100.00%
44200	Repair & Maintenance: Vehicles	\$ 72,500	\$ 77,500	\$ 5,000	6.90%
44300	Repair & Maintenance: Buildings and Grounds	\$ 1,800	\$ 1,800	\$ -	0.00%
44400	Repair & Maintenance: Equipment	\$ 80,750	\$ 80,000	\$ (750)	-0.93%
44600	Repair & Maintenance: Lift Station	\$ 68,500	\$ 49,200	\$ (19,300)	-28.18%
44700	Repair & Maintenance: Water Tank	\$ 66,925	\$ 250,600	\$ 183,675	274.45%
44900	Repair & Maintenance: Streets	\$ 4,000	\$ 4,000	\$ -	0.00%
45220	Electricity	\$ 47,500	\$ 50,000	\$ 2,500	5.26%
45230	Water and Sewer	\$ 5,400	\$ 5,400	\$ -	0.00%
45249	Gas Utilities	\$ 1,000	\$ 1,000	\$ -	0.00%
45250	Telephone	\$ 24,000	\$ 27,000	\$ 3,000	12.50%
45410	Equipment Rental	\$ 4,000	\$ 7,000	\$ 3,000	75.00%
45610	Motor Fuel	\$ 75,000	\$ 60,000	\$ (15,000)	-20.00%
46100	Office Supplies	\$ 3,500	\$ 3,500	\$ -	0.00%
46200	Small Equipment and Tools	\$ 20,500	\$ 7,500	\$ (13,000)	-63.41%
46300	Dues and Subscriptions	\$ 2,500	\$ 1,500	\$ (1,000)	-40.00%
46820	Cleaning Supplies	\$ 250	\$ -	\$ (250)	-100.00%
46850	Materials for W&S Services	\$ 350,000	\$ 285,000	\$ (65,000)	-18.57%
47100	Uniforms	\$ 21,000	\$ 24,000	\$ 3,000	14.29%
48000	Contracted Services	\$ 147,000	\$ 150,000	\$ 3,000	2.04%
48220	Contract - Grounds Maintenance	\$ 50,000	\$ -	\$ (50,000)	-100.00%
51100	Travel and Training	\$ 13,505	\$ 13,600	\$ 95	0.70%
Sub-Total for Operating Expenditures		\$ 1,066,230	\$ 1,103,400	\$ 37,170	3.49%

TOTAL 300 - 36100 Distribution					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 1,542,160	\$ 1,565,925	\$ 23,765	1.54%
	Operating Expenditures	\$ 1,066,230	\$ 1,103,400	\$ 37,170	3.49%
	Capital - Buildings	\$ 65,000	\$ -	\$ (65,000)	-100.00%
	Capital - Machinery and Equipment	\$ 95,000	\$ 266,100	\$ 171,100	180.11%
Total for All Categories of Expenses		\$ 2,768,390	\$ 2,935,425	\$ 167,035	6.03%

Water & Sewer Filter 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.

Expense Summary	
Personnel Expenses	\$664,322 (\$90,302 Increase)
Operating Expenses	\$2,234,366 (\$61,180 Decrease)
Capital Machinery	\$40,000 (\$17,500 Decrease)
Total Budget	\$2,938,688 (\$11,622 Increase)

Personnel includes: Water Treatment Plant Manager (1), Water Treatment Plant Supervisor (1), Water Treatment Plant Operator I (6), Water Quality Technician (1), and Senior Office Assistant (1).

Increases:

- \$20,000 – Chemicals
- \$3,000 – Uniforms
- \$120,400 – Bulk Water Purchases

Reductions/Decreases:

- \$2,000 – Advertising
- \$1,000 – Medical Expense
- \$150 – R&M: Office Equipment
- \$1,000 – R&M: Vehicles
- \$50,400 – Building and Grounds
- \$104,500 – R&M: Equipment
- \$1,000 – Electricity
- \$2,880 – Telephone
- \$4,500 – Equipment Rental
- \$2,500 – Motor Fuel
- \$1,000 – Office Supplies
- \$50 – Cleaning Supplies
- \$31,000 – Raw Water Purchases
- \$2,500 – Contract – Ground Maintenance

Capital:

- \$40,000 – Replacement Vehicle for WTP - 2

Items of Interest:

- FY 17 is the only year the City will purchase water from Albemarle and Salisbury.
- \$18,000 – HVAC Unit (44300)
- \$96,000 – Additional funding for electricity Kannapolis Parkway Pump Station

Water & Sewer - Filter Plant 36200



PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 402,976	\$ 476,053	\$ 73,077	18.13%
41200	Salaries - Overtime	\$ 42,000	\$ 40,000	\$ (2,000)	-4.76%
41300	Longevity Pay	\$ 1,937	\$ 1,937	\$ -	0.00%
42000	FICA	\$ 33,095	\$ 34,433	\$ 1,338	4.04%
42200	State Retirement	\$ 27,015	\$ 34,660	\$ 7,645	28.30%
42300	Medical Insurance	\$ 58,551	\$ 71,136	\$ 12,585	21.49%
42400	Life Insurance	\$ 1,786	\$ 2,071	\$ 285	15.96%
42500	Dental Insurance	\$ 6,660	\$ 4,032	\$ (2,628)	-39.46%
Sub-Total For Personnel		\$ 574,020	\$ 664,322	\$ 90,302	15.73%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43200	Advertising	\$ 2,500	\$ 500	\$ (2,000)	-80.00%
43300	Postage	\$ 300	\$ 300	\$ -	0.00%
437100	Medical Expense	\$ 1,000	\$ -	\$ (1,000)	-100.00%
44100	Repair & Maintenance: Office Equipment	\$ 250	\$ 100	\$ (150)	-60.00%
44200	Repair & Maintenance: Vehicles	\$ 5,000	\$ 4,000	\$ (1,000)	-20.00%
44300	Repair & Maintenance: Buildings and Grounds	\$ 95,500	\$ 45,000	\$ (50,500)	-52.88%
44400	Repair & Maintenance: Equipment	\$ 164,500	\$ 60,000	\$ (104,500)	-63.53%
44600	Repair & Maintenance: Lift Station	\$ 25,000	\$ 25,000	\$ -	0.00%
45220	Electricity	\$ 301,000	\$ 300,000	\$ (1,000)	-0.33%
45250	Telephone	\$ 14,880	\$ 12,000	\$ (2,880)	-19.35%
45410	Equipment Rental	\$ 4,500	\$ -	\$ (4,500)	-100.00%
45610	Motor Fuel	\$ 6,000	\$ 3,500	\$ (2,500)	-41.67%
46100	Office Supplies	\$ 4,000	\$ 3,000	\$ (1,000)	-25.00%
46200	Small Equipment and Tools	\$ 2,500	\$ 2,500	\$ -	0.00%
46300	Dues and Subscriptions	\$ 7,000	\$ 7,000	\$ -	0.00%
46820	Cleaning Supplies	\$ 150	\$ 100	\$ (50)	-33.33%
46830	Chemicals	\$ 270,000	\$ 290,000	\$ 20,000	7.41%
46840	Raw Water Purchases	\$ 80,000	\$ 49,000	\$ (31,000)	-38.75%
47100	Uniforms	\$ 7,000	\$ 10,000	\$ 3,000	42.86%
48000	Contracted Services	\$ 84,300	\$ 84,300	\$ -	0.00%
48220	Contract - Grounds Maintenance	\$ 17,500	\$ 15,000	\$ (2,500)	-14.29%
48240	Bulk Water Purchases	\$ 1,195,666	\$ 1,316,066	\$ 120,400	10.07%
51100	Travel and Training	\$ 7,000	\$ 7,000	\$ -	0.00%
Sub-Total for Operating Expenditures		\$ 2,295,546	\$ 2,234,366	\$ (61,180)	-2.67%
TOTAL 300 - 36200 Filter Plant					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 574,020	\$ 664,322	\$ 90,302	15.73%
	Operating Expenditures	\$ 2,295,546	\$ 2,234,366	\$ (61,180)	-2.67%
	Capital - Machinery and Equipment	\$ 57,500	\$ 40,000	\$ (17,500)	-30.43%
	Capital Infrastructure	\$ -	\$ -	\$ -	0.00%
Total for All Categories of Expenses		\$ 2,927,066	\$ 2,938,688	\$ 11,622	0.40%

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.

Expense Summary	
Personnel Expenses	\$0 (No Change)
Operating Expenses	\$2,921,500 (\$97,000 Increase)
Total Budget	\$2,921,500 (\$97,000 Increase)

No Personnel included in this Division.

Increases:

- \$330,000 – Sewage Treatment Variable
- \$7,000 – Interceptor Fixed Rate

Reductions/Decreases:

- \$240,000 – Interceptor Variable Rate

Capital:

- None

Items of Interest:

- WSACC has combined the billing for Sewage Treatment Variable and Interceptor Variable Rate, the city has followed and combined these two expenses.
- WSACC increased rates by 5% for FY 17
- Rate for Sewage Treatment and Interceptor variables in FY 17 will be \$1,359 per 1,000 gallons.

Water & Sewer - Sewage Treatment 36400

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
49020	Sewage Treatment Variable	\$ 1,670,000	\$ 2,000,000	\$ 330,000	19.76%
49030	Treatment Fixed Rate	\$ 470,000	\$ 470,000	\$ -	0.00%
49040	Interceptor Variable Rate	\$ 240,000	\$ -	\$ (240,000)	-100.00%
49050	Interceptor Fixed Rate	\$ 375,000	\$ 382,000	\$ 7,000	1.87%
49060	Capital Assessments	\$ 32,000	\$ 32,000	\$ -	0.00%
49070	Concord Northlite Sewer	\$ 37,500	\$ 37,500	\$ -	0.00%
Sub-Total for Operating Expenditures		\$ 2,824,500	\$ 2,921,500	\$ 97,000	3.43%
TOTAL 300 - 36400 Sewage Treatment					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 2,824,500	\$ 2,921,500	\$ 97,000	3.43%
Total for All Categories of Expenses		\$ 2,824,500	\$ 2,921,500	\$ 97,000	3.43%

Water & Sewer Debt Service 38000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	\$ 2,641,000	\$ 2,680,236	\$ 39,236	1.49%
58200	Bond Interest	\$ 1,536,000	\$ 1,458,200	\$ (77,800)	-5.07%
58300	Debt Issuance Cost	\$ 99,590	\$ 563,340	\$ 463,750	465.66%
Sub-Total for Operating Expenditures		\$ 4,276,590	\$ 4,701,776	\$ 425,186	9.94%
TOTAL 300-38000 Debt Service - Water and Sewer Fund					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Debt Service Expenditures	\$ 4,276,590	\$ 4,701,776	\$ 425,186	9.94%
Total for All Categories of Expenses		\$ 4,276,590	\$ 4,701,776	\$ 425,186	9.94%

Fiscal Year 2017**WATER AND SEWER FUND DEBT SERVICE**

	PRINCIPAL BALANCE (as of 7/1/2016)	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL PAYMENT (including FY 2017)	REMAINING TERM	INTEREST RATE
BB&T - EQUIPMENT 2011	\$765,278	\$76,528	\$29,831	\$106,359	10 YEARS	2.22%
BB&T - Sewer Line Refi	\$21,700	\$21,700	\$120	\$21,820	LAST YEAR	2.22%
PNC - Water Line NCRC	\$459,800	\$76,633	\$18,806	\$95,439	6 YEARS	4.09%
PNC - Afton Run Sewer	\$392,039	\$50,379	\$13,208	\$63,587	7 YEARS	3.81%
PNC - Kann Parkway	\$421,640	\$76,397	\$7,936	\$84,333	7 YEARS	3.81%
NC DENR Loan - Second Creek	\$242,747	\$15,172	\$6,020	\$21,192	12 YEARS	2.48%
W&S System Refunding Series 2014	\$17,290,000	\$505,000	\$732,963	\$1,237,963	20 YEARS	var
W&S System Refunding Series 2011	\$11,176,100	\$1,086,200	\$318,519	\$1,404,719	9 YEARS	var
W&S System Series 2002	\$899,528	\$441,101	\$30,743	\$471,844	2 YEARS	var
GRAND TOTAL FOR FY 2017	\$31,668,832	\$2,349,110	\$1,158,147	\$3,507,257		

Water & Sewer

General Management Services 39000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
56000	General Management Services	\$ 1,466,110	\$ 1,539,416	\$ 73,306	5.00%
57200	Transfer to Other Funds	\$ 625,000	\$ 364,700	\$ (260,300)	-41.65%
Sub-Total for Transfers		\$ 2,091,110	\$ 1,904,116	\$ (186,994)	-8.94%
TOTAL 300-39000 General Management Services - Water and Sewer					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Transfers	\$ 2,091,110	\$ 1,904,116	\$ (186,994)	-8.94%
Total for All Categories of Expenses		\$ 2,091,110	\$ 1,904,116	\$ (186,994)	-8.94%

STORMWATER FUND

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

Storm Water Revenue Summary

Fiscal Year 2017

REVENUES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
36000	Charges and Fees	\$ 2,025,000	\$ 2,340,000	\$ 315,000	15.56%
Total Stormwater Fund		\$ 2,025,000	\$ 2,340,000	\$ 315,000	15.56%

Storm Water Expense Summary

Fiscal Year 2017

EXPENSES				
Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
Personnel	\$ 629,560	\$ 770,343	\$ 140,783	22.36%
Operations	\$ 489,840	\$ 534,548	\$ 44,708	9.13%
Debt Service	\$ 692,600	\$ 682,325	\$ (10,275)	-1.48%
Capital Outlay	\$ -	\$ 111,000	\$ 111,000	100.00%
General Management Services	\$ 213,000	\$ 241,784	\$ 28,784	13.51%
Total Stormwater Fund	\$ 2,025,000	\$ 2,340,000	\$ 315,000	15.56%

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.

Expense Summary	
Personnel Expenses	\$770,343 (\$140,783 Increase)
Operating Expenses	\$776,332 (\$73,492 Increase)
Capital Machinery	\$111,000 (\$111,000 Increase)
Total Budget	\$1,657,675 (\$325,275 Increase)

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

Increases:

- \$57,448 – R&M: Streets
- \$2,640 – Telephone
- \$1,735 – Uniforms
- \$25,000 – Consultants
- \$28,784 – General Management Service Fee

Reductions/Decreases:

- \$1,200 – Medical Expense
- \$14,415 – R&M: Vehicles
- \$6,500 – Motor Fuel
- \$20,000 – Contracted Services

Capital:

- \$111,000 – Three (3) replacement vehicles

Items of Interest:

- Second year of no transfers from other funds.
- Three new employees for FY 17
- No fee increase for FY 17.
- ERU = Equivalent Residential Unit
- \$80,000 – Phase II Stormwater Program
- \$60,000 – Stormwater Monitoring Program
- \$241,784 – General Management Service Fee
- \$167,448 – Allocated for Repair and Maintenance of Streets and Ditches

Tier	FY 2016	FY 2017
1	\$4.50	\$4.50
2	\$6.00	\$6.00
3	\$7.50	\$7.50
Commercial	\$6.00/per ERU	\$6.00/per ERU

Storm Water 40000



PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 457,368	\$ 566,477	\$ 109,109	23.86%
41200	Salaries - Overtime	\$ 20,000	\$ 20,000	\$ -	0.00%
41300	Longevity Pay	\$ 2,575	\$ 2,575	\$ -	0.00%
42000	FICA	\$ 35,643	\$ 42,185	\$ 6,542	18.35%
42200	State Retirement	\$ 30,683	\$ 41,263	\$ 10,580	34.48%
42300	Medical Insurance	\$ 76,944	\$ 90,390	\$ 13,446	17.48%
42400	Life Insurance	\$ 2,018	\$ 2,329	\$ 311	15.41%
42500	Dental Insurance	\$ 4,329	\$ 5,124	\$ 795	18.36%
Sub-Total For Personnel		\$ 629,560	\$ 770,343	\$ 140,783	22.36%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43300	Postage	\$ 100	\$ 100	\$ -	0.0%
43710	Medical Expense	\$ 1,200	\$ -	\$ (1,200)	-100.0%
44200	Repair & Maintenance: Vehicles	\$ 74,415	\$ 60,000	\$ (14,415)	-19.4%
44400	Repair & Maintenance: Equipment	\$ 50,000	\$ 50,000	\$ -	0.0%
44900	Repair & Maintenance: Streets	\$ 110,000	\$ 167,448	\$ 57,448	52.2%
45250	Telephone	\$ 4,860	\$ 7,500	\$ 2,640	54.3%
45410	Equipment Rental	\$ 10,000	\$ 10,000	\$ -	0.0%
45610	Motor Fuel	\$ 36,500	\$ 30,000	\$ (6,500)	-17.8%
46100	Office Supplies	\$ 3,500	\$ 3,500	\$ -	0.0%
46200	Small Equipment and Tools	\$ 6,000	\$ 6,000	\$ -	0.0%
46300	Dues and Subscriptions	\$ 2,000	\$ 2,000	\$ -	0.0%
47100	Uniforms	\$ 10,765	\$ 12,500	\$ 1,735	16.1%
48000	Contracted Services	\$ 60,000	\$ 40,000	\$ (20,000)	-33.3%
48300	Consultants	\$ 115,000	\$ 140,000	\$ 25,000	21.7%
51100	Travel and Training	\$ 5,500	\$ 5,500	\$ -	0.0%
56000	General Management Service Fee	\$ 213,000	\$ 241,784	\$ 28,784	13.5%
Sub-Total for Operating Expenditures		\$ 702,840	\$ 776,332	\$ 73,492	10.46%
TOTAL 400 - 40000 STORM WATER					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 629,560	\$ 770,343	\$ 140,783	22.36%
	Operating Expenditures	\$ 702,840	\$ 776,332	\$ 73,492	10.46%
	Capital Machinery and Equipment	\$ -	\$ 111,000	\$ 111,000	100.00%
Total for All Categories of Expenses		\$ 1,332,400	\$ 1,657,675	\$ 325,275	24.41%

Stormwater Debt Service 48000



OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	\$ 610,500	\$ 612,421	\$ 1,921	0.31%
58200	Bond Interest	\$ 82,100	\$ 69,904	\$ (12,196)	-14.86%
Sub-Total for Operating Expenditures		\$ 692,600	\$ 682,325	\$ (10,275)	-1.48%
TOTAL 400-48000 Debt Service - Stormwater Fund					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 692,600	\$ 682,325	\$ (10,275)	-1.48%
Total for All Categories of Expenses		\$ 692,600	\$ 682,325	\$ (10,275)	-1.48%



Fiscal Year 2017
STORMWATER FUND DEBT SERVICE

	PRINCIPAL BALANCE (as of 7/1/2016)	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL PAYMENT (including FY 2017)	REMAINING TERM	INTEREST RATE
BB&T - Equip '11	\$175,617	\$17,562	\$6,846	\$24,408	10 YEARS	4.05%
Bank of NC - Stormwater	\$175,996	\$43,174	\$2,010	\$45,184	4 YEARS	1.24%
PNC - Stormwater	\$895,909	\$128,743	\$17,965	\$146,708	7 YEARS	2.08%
PNC - Stormwater	\$2,306,797	\$414,726	\$43,082	\$457,808	7 YEARS	1.98%
GRAND TOTAL FOR FY 2017	\$3,554,319	\$604,205	\$69,904	\$674,109		

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 FY2017, the user fees will increase \$2.50 per month.

Environmental Revenue Summary

Fiscal Year 2017



REVENUES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
32200	Solid Waste Disposal Tax	\$ 28,500	\$ 30,000	\$ 1,500	5.26%
36000	Charges and Fees	\$ 1,778,370	\$ 2,393,000	\$ 614,630	34.56%
37000	Miscellaneous Revenue	\$ -	\$ -	\$ -	0.00%
39200	Transfers from General Fund	\$ 1,309,825	\$ 1,000,000	\$ (309,825)	-23.65%
39210	Transfers from Water & Sewer Fund	\$ 625,000	\$ 364,700	\$ (260,300)	-41.65%
	Total Environmental Fund	\$ 3,741,695	\$ 3,787,700	\$ 46,005	1.23%

Environmental Expense Summary

Fiscal Year 2017

Expense Summary				
Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
Personnel	\$ 59,483	\$ -	\$ (59,483)	-100.00%
Operations	\$ 3,506,284	\$ 3,787,700	\$ 281,416	8.03%
Debt Service	\$ 175,928	\$ -	\$ (175,928)	-100.00%
Total Environmental Fund	\$ 3,741,695	\$ 3,787,700	\$ 46,005	1.23%

Environmental Fund 50000



Expense Summary	
Personnel Expenses	\$0 (\$59,483 Decrease)
Operating Expenses	\$3,787,700 (\$281,416 Increase)
Total Budget	\$3,787,700 (\$221,933 Increase)

No Personnel in the Environmental Fund

Increases:

- \$40,000 – Contracted Services
- \$49,000 – Solid Waste
- \$25,000 – Bulk Containers
- \$59,000 – Landfill
- \$126,300 – Recycling
- \$8,000 – Yard Waste
- \$9,900 – Outreach Education Programs

Reductions/Decreases:

- \$100 – Medical Expenses
- \$35,684 – Container Purchases

Capital:

- None

Items of Interest:

- Outreach Coordinator position moved to Billing & Collections in the Water & Sewer Fund.
- The City is proposing a \$2.50 increase to the household solid waste fee. This increase raises the fee from \$9.35 to \$11.85 for FY 17.
- By way of comparison, the elimination of all transfers into the environmental fund would require a monthly household rate of \$18.45 per month.
- First year for the Environmental Fund to have no Debt Service
- Tipping fees are increasing for FY 17 to \$37.00/ ton.
- Our Waste Management Contract for FY 17 is as follows (equates to \$13.22 per household per month):
 - Recycling Contract \$1.91 per household
 - Garbage Collection \$5.66 per household
 - Yard Waste Collection \$4.05 per household
 - Residential Bulk Service \$1.60 per household
- Recycling cost for the city are increasing by \$126,300 for FY 17. This increase is due to changes in the market for recycling. The City will now be charged \$20 per ton of materials recycled. This is a stark change as the City was receiving payments for recycling materials for the past five years.

- \$40,000 – E-waste disposal – The market for electronic waste has decreased and vendors that were previously only charging by the pick-up, now must charge by the pound. City currently averages \$16,000 pounds of e-waste per month.
- \$73,000 – Container purchases – Funding for two loads (588 per load) of carts and lids. City is projecting 243 new homes for FY 17. This funding allows for each new home to have two carts (one for trash and one for recycling) and replace 690 carts over the course of the fiscal year.

Environmental 50000



PERSONNEL					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	\$ 45,988	\$ -	\$ (45,988)	-100.00%
42000	FICA	\$ 3,519	\$ -	\$ (3,519)	-100.00%
42200	State Retirement	\$ 3,068	\$ -	\$ (3,068)	-100.00%
42300	Medical Insurance	\$ 6,369	\$ -	\$ (6,369)	-100.00%
42400	Life Insurance	\$ 206	\$ -	\$ (206)	-100.00%
42500	Dental Insurance	\$ 333	\$ -	\$ (333)	-100.00%
Sub-Total For Personnel		\$ 59,483	\$ -	\$ (59,483)	-100.00%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43710	Medical Expenses	\$ 100	\$ -	\$ (100)	-100.00%
45250	Telephone	\$ 1,200	\$ 1,200	\$ -	0.00%
46860	Container Purchases	\$ 108,684	\$ 73,000	\$ (35,684)	-32.83%
48000	Contracted Services	\$ -	\$ 40,000	\$ 40,000	100.00%
48910	Solid Waste	\$ 1,530,000	\$ 1,579,000	\$ 49,000	3.20%
48920	Bulk Containers	\$ -	\$ 25,000	\$ 25,000	100.00%
48930	Landfill	\$ 543,000	\$ 602,000	\$ 59,000	10.87%
48940	Recycling	\$ 417,700	\$ 544,000	\$ 126,300	30.24%
48950	Yard Waste	\$ 895,600	\$ 903,600	\$ 8,000	0.89%
51422	Outreach Education Programs	\$ 10,000	\$ 19,900	\$ 9,900	99.00%
Sub-Total for Operating Expenditures		\$ 3,506,284	\$ 3,787,700	\$ 281,416	8.03%
TOTAL 500 - 50000 ENVIRONMENTAL					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	\$ 59,483	\$ -	\$ (59,483)	-100.00%
	Operating Expenditures	\$ 3,506,284	\$ 3,787,700	\$ 281,416	8.03%
Total for All Categories of Expenses		\$ 3,565,767	\$ 3,787,700	\$ 221,933	6.22%

Environmental Debt Service 58000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	\$ 173,514	\$ -	\$ (173,514)	-100.00%
58200	Bond Interest	\$ 2,414	\$ -	\$ (2,414)	-100.00%
Sub-Total for Operating Expenditures		\$ 175,928	\$ -	\$ (175,928)	-100.00%
TOTAL 500-58000 Debt Service - Environmental Fund					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 175,928	\$ -	\$ (175,928)	-100.00%
Total for All Categories of Expenses		\$ 175,928	\$ -	\$ (175,928)	-100.00%



Fiscal Year 2017
ENVIRONMENTAL FUND DEBT SERVICE

	PRINCIPAL BALANCE (as of 7/1/2016)	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL PAYMENT	REMAINING TERM (including FY 2017)	INTEREST RATE
NO DEBT SERVICE PAYMENTS FOR FY 2017	\$0	\$0	\$0	\$0	\$0	
GRAND TOTAL FOR FY 2017		\$0	\$0	\$0		

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.

The City's normal contribution to the separation pay fund is based on actuarial reports as of December 31 of each year. The City chose to make a transfer from the General Fund for FY2013 in the amount of \$270,000. The city has also chosen to make a transfer for FY2014 in the amount of \$282,000. Budgeted payments from the plan are for an estimated net increase of five (5) retired City employees during FY2016. These retirees will continue to receive this benefit until age 62. Budgeted payments amount to \$445,000 for FY 2017. The large increase in FY 17 is due to the city budgeting for FICA. FICA has been paid in the past, but not budgeted.

The Basis of Accounting for the Separation Allowance is the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the City has made formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan. Fund Balance is projected to be \$449,263 at June 30, 2016. None of this Fund Balance is budgeted to be used in FY2017.

Separation Pay Fund 60000



Expense Summary	
Personnel Expenses	No personnel
Operating Expenses	\$80,000 Increase (+21.92%)
Capital Machinery	No Capital Machinery
Capital Infrastructure	No Capital Infrastructure
Total Budget	\$80,000 Increase (+21.92)

Increases:

- Separation Pay - \$48,000
- FICA - \$32,000

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- Eight new employees are eligible for this supplement in FY 17
- Three employees will receive final supplements in FY 17

Separation Pay Revenue Summary

Fiscal Year 2017

REVENUES				
Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
Transfer from General Fund	\$ 365,000	\$ 445,000	\$ 80,000	21.92%
Total Separation Pay Revenues	\$ 365,000	\$ 445,000	\$ 80,000	21.92%

Separation Pay Expense Summary



Fiscal Year 2017

EXPENSES				
Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
Separation Pay	\$ 365,000	\$ 413,000	\$ 48,000	13.15%
FICA	\$ -	\$ 32,000	\$ 32,000	100.00%
Total Separation Pay Expenses	\$ 365,000	\$ 445,000	\$ 80,000	21.92%

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 FY2017 Transit System Fund Budget is \$435,300. This is the Fifteenth year this fund has existed. This year it will be funded from a combination of revenues from the dedicated Vehicle License Tax and the General Fund.

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. In FY2017, the City's share of total system costs is based on an estimated total cost to operate the entire bus system of \$3,483,091.00. The FY 2017 City's share of total system costs based upon the total cost share between Concord and Kannapolis is \$435,300.

Transit Fund 77500



MISSION STATEMENT:
To provide funds for the new regional transit system.

Expense Summary	
Personnel Expenses	No personnel cost
Operating Expenses	\$42,859 Decrease (-8.96%)
Total Budget	\$42,859 Decrease (-8.96%)

Increases:

- None

Reductions/Decreases:

- Contracted Services - \$42,859

Capital:

- None

Items of Interest:

- 65% Concord and 35% Kannapolis split on all operational cost.
- \$7,500 Cost Share for Rowan Express is included
- The budget includes \$190,000 in revenue from a \$5.00 vehicle tax (restricted to transit).
- Includes a \$245,300 transfer from the General Fund.
- 100% of expenditures are for the Kannapolis share of operating costs of the Transit System. All operating funds are administered by the City of Concord as the lead agency.
- All capital costs (buses, transfer hubs, etc.) will be borne by the Federal Transit Administration with the 10% local match by the City of Concord.

Transit Fund Revenue Summary

Fiscal Year 2017



REVENUES				
Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
Vehicle License Tax	\$ 163,000	\$ 190,000	\$ 27,000	16.56%
Transfer from General Fund	\$ 315,200	\$ 245,300	\$ (69,900)	-22.18%
Total Transit Fund Revenues	\$ 478,200	\$ 435,300	\$ (42,900)	-8.97%

Transit Fund Expense Summary

Fiscal Year 2017

EXPENSES				
Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
Contracted Services	\$ 478,200	\$ 435,300	\$ (42,900)	-8.97%
Total Transit Fund Expenses	\$ 478,200	\$ 435,300	\$ (42,900)	-8.97%

DOWNTOWN FUND

City Council approved the purchase of 46 acres of property in Downtown Kannapolis on March 16th, 2015. FY 17 is the second year of the Downtown Fund's existence. The Fund covers all activity related to the renovation and rejuvenation of these properties. The fund includes revenues from residential and commercial rent, as well as a transfer from the General Fund. The fund will include operational cost, debt service, and capital projects. No personnel cost are included for this fund in FY 17. All city support for non-profit or community organizations related to downtown have been moved to this fund.

Downtown Fund 80000

MISSION STATEMENT:

Encourage maximum density of downtown uses. Create activity on the street, drive demand for additional activity and capture value. Create a mixed-use district that attracts diverse users and activities. Encourage day to night activity, attract new users, and expand the downtown market. Maximize demand generated by anchor amenities/game changers. Appropriately scale, phase and locate anchors to capture local and regional demand. Respect the historic integrity of downtown. Leverage our unique historic assets to add value and create a sense of place. Seek to maximize value for the Kannapolis community. Leverage public investment to attract private investment that improves the quality of life for Kannapolis citizens.

Expense Summary	
Personnel Expenses	No Personnel cost.
Operating Expenses	\$152,025 decrease (-15.79%)
Capital Machinery	No Capital Machinery
Capital Infrastructure	No Capital Infrastructure
Total Budget	\$179,175 increase (+9.57%)

No Personnel cost found in the Downtown Fund.

Increases:

- \$4,000 - Repair and Maintenance
- \$14,500 - Water & Sewer
- \$6,500 - Rentals – Laundry Services (New Line Item for FY 17)
- \$10,000 – Small Equipment and Tools (New Line Item for FY 17)
- \$3,700 – Cleaning Supplies
- \$8,300 - Contract-Grounds Maintenance
- \$100,000 – Entertainment Complex Planning (New Line Item for FY17)
- \$42,000 - Contract-Environmental Services (New Line Item for FY 17)
- \$140,000 – Special Events Expenses (New Line Item for FY 17)
- \$30,000 - Insurance-General Liability

Reductions/Decreases:

- \$30,Advertising - \$30,000 (All advertising is captured in the Marketing/Branding of Communication’s Department)
- \$55,000 - Repair and Maintenance: Grounds
- \$15,000 - Gas Utilities
- \$35,000 - Telephone
- \$15,000 - Non-Profit Contributions
- \$56,500 - Contracted Services (All contracted services separated into either Grounds Maintenance or Developmental Services)
- \$59,525 - Contract-Developmental Services

- \$100,000 – Festivals – Jiggy with the Pig (Expenses placed in Special Events Expenses)

Capital:

- No Capital expenditures found in the Downtown Fund for FY 17

Items of Interest:

- \$25,000 – NC Music Hall of Fame
- \$6,500 – Table cloth rentals for Downtown Property rentals
- \$67,700 – Mowing and Landscaping for medians, Veteran’s Park, and Main Street areas
- \$10,000 – Two (2) rounds of flowers for West Ave flower bed
- \$11,100 – Contract cleaning for Public Restrooms
- \$1,241,200 – Debt service for Downtown property purchase

Downtown Fund Revenue Summary

Fiscal Year 2017

REVENUES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
36150	Common Area Maintenance Fee	\$ 15,000	\$ 15,000	\$ -	0.00%
36500	Building Rental	\$ -	\$ 15,000	\$ 15,000	100.00%
36520	Commercial Rent/Lease	\$ 740,000	\$ 700,000	\$ (40,000)	-5.41%
36530	Residential Rent/Lease	\$ 65,000	\$ 50,000	\$ (15,000)	-23.08%
36680	Special Event Fees	\$ -	\$ 75,800	\$ 75,800	100.00%
37000	Miscellaneous Revenue	\$ 29,000	\$ -	\$ (29,000)	-100.00%
37300	Sale of Assets	\$ -	\$ -	\$ -	0.00%
39200	Transfers from General Fund	\$ 1,023,825	\$ 1,341,200	\$ 317,375	31.00%
Total Downtown Fund Revenues		\$ 1,872,825	\$ 2,197,000	\$ 324,175	17.31%

Downtown Fund Expense Summary Fiscal Year 2017

EXPENSES				
Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
Operations	\$ 962,825	\$ 955,800	\$ (7,025)	-0.73%
Debt Service	\$ 910,000	\$ 1,241,200	\$ 331,200	36.40%
Total Downtown Fund Expenses	\$ 1,872,825	\$ 2,197,000	\$ 324,175	17.31%

Downtown 80000



Operation Expense					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
43200	Advertising	\$ 30,000	\$ -	\$ (30,000)	-100.00%
44300	Repair and Maintenance: Buildings	\$ 131,000	\$ 135,000	\$ 4,000	3.05%
44350	Repair and Maintenance: Grounds	\$ 70,000	\$ 15,000	\$ (55,000)	-78.57%
45220	Electricity	\$ 62,000	\$ 62,000	\$ -	0.00%
45230	Water & Sewer	\$ 15,500	\$ 30,000	\$ 14,500	93.55%
45240	Gas Utilities	\$ 20,000	\$ 5,000	\$ (15,000)	-75.00%
45250	Telephone	\$ 38,000	\$ 3,000	\$ (35,000)	-92.11%
45450	Rentals - Laundry Services	\$ -	\$ 6,500	\$ 6,500	100.00%
46200	Small Equipment and Tools	\$ -	\$ 10,000	\$ 10,000	100.00%
46350	Non-Profit Contributions	\$ 40,000	\$ 25,000	\$ (15,000)	-37.50%
46820	Cleaning Supplies	\$ 1,300	\$ 5,000	\$ 3,700	284.62%
48000	Contract Services	\$ 56,500	\$ -	\$ (56,500)	-100.00%
48220	Contract-Grounds Maintenance	\$ 80,500	\$ 88,800	\$ 8,300	10.31%
48230	Contract-Developmental Services	\$ 298,025	\$ 238,500	\$ (59,525)	-19.97%
48300	Entertainment Complex Planning	\$ -	\$ 100,000	\$ 100,000	100.00%
48920	Contract-Environmental Services	\$ -	\$ 42,000	\$ 42,000	100.00%
51443	Festivals-Jiggy with the Pig	\$ 100,000	\$ -	\$ (100,000)	-100.00%
51445	Special Events Expenses	\$ -	\$ 140,000	\$ 140,000	100.00%
51620	Insurance - General Liability	\$ 20,000	\$ 50,000	\$ 30,000	150.00%
	Sub-Total for Operating Expenditures	\$ 962,825	\$ 955,800	\$ (7,025)	-0.73%
TOTAL 800 - 80000 Downtown					
Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change	
Personnel Expenditures	\$ -	\$ -	\$ -	0.00%	
Operating Expenditures	\$ 962,825	\$ 955,800	\$ (7,025)	-0.73%	
Debt Service	\$ 910,000	\$ 1,241,200	\$ 331,200	36.40%	
Total for All Categories of Expenses	\$ 1,872,825	\$ 2,197,000	\$ 324,175	17.31%	

Downtown Debt Service 88000



OPERATING EXPENDITURES					
Account #	Account Description	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	\$ 544,000	\$ 734,000	\$ 190,000	34.93%
58200	Bond Interest	\$ 366,000	\$ 507,200	\$ 141,200	38.58%
Sub-Total for Operating Expenditures		\$ 910,000	\$ 1,241,200	\$ 331,200	36.40%
TOTAL 800-88000 Debt Service - Downtown Fund					
	Expense Category	FY 2016 Original	FY 2017 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 910,000	\$ 1,241,200	\$ 331,200	36.40%
Total for All Categories of Expenses		\$ 910,000	\$ 1,241,200	\$ 331,200	36.40%



**Fiscal Year 2017
DOWNTOWN FUND DEBT SERVICE**

	PRINCIPAL BALANCE (as of 7/1/2016)	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL PAYMENT (including FY 2017)	REMAINING TERM	INTEREST RATE
REGIONS - Downtown	\$11,000,000	\$734,000	\$507,194	\$1,241,194	19 YEARS	4.77%
GRAND TOTAL FOR FY 2017	\$11,000,000	\$734,000	\$507,194	\$1,241,194		

