

**AN ORDINANCE ADOPTING A BUDGET FOR THE
CITY OF KANNAPOLIS, NORTH CAROLINA FOR THE
FISCAL YEAR BEGINNING JULY 1, 2020 AND ENDING JUNE 30, 2021**

BE IT ORDAINED by the City Council of the City of Kannapolis, North Carolina, meeting in open session this 22nd day of June 2020, that the following fund revenues and departmental expenditures, together with certain restrictions and authorizations are hereby adopted.

SECTION I – GENERAL FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Ad Valorem taxes	\$ 31,638,633
Sales taxes	8,825,121
Intergovernmental	5,586,536
Miscellaneous	5,421,059
Transfer from Transit Fund	<u>200,000</u>
TOTAL	<u>\$51,671,349</u>

SECTION II - WATER AND SEWER FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Charges for Services	\$18,250,000
Other Revenues	<u>2,250,000</u>
TOTAL	<u>\$20,500,000</u>

SECTION III – STORM WATER FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Storm Water Fees	\$ 3,100,000
Fund Balance Appropriated	<u>400,000</u>
TOTAL	<u>\$ 3,500,000</u>

SECTION IV – ENVIRONMENTAL FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021:

User Fees	\$ 3,448,487
Transfer from Other Funds	1,045,700
Solid Waste Disposal Tax	<u>36,000</u>
TOTAL	\$ <u>4,530,187</u>

SECTION V – PUBLIC TRANSIT SYSTEM FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021:

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

SECTION VI – SEPARATION PAY FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Transfer from General Fund	\$ <u>502,781</u>
TOTAL	\$ <u>502,781</u>

SECTION VII – DOWNTOWN FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Transfer from General Fund	\$ 6,809,289
Property Leases	578,918
Fund Balance Appropriated	263,698
Miscellaneous	<u>25,000</u>
TOTAL	\$ <u>7,676,905</u>

SECTION VIII - GENERAL FUND: A total of \$51,671,349 is hereby authorized to be expended from the departmental accounts of the General Fund as follows:

General Government	\$ 8,154,178
Public Safety	17,456,525
Parks and Recreation	3,557,789
Public Works, incl. Powell Bill	4,014,929
Other	10,309,622
Contingency	910,995
Debt Service	<u>7,267,311</u>
TOTAL	<u>\$51,671,349</u>

SECTION IX - WATER AND SEWER FUND: A total of \$20,500,000 is hereby authorized to be expended from the Water and Sewer Fund as follows:

General Management Services Fee	\$ 2,143,921
Billing and Collections – Water and Sewer	907,348
Distribution - Water and Sewer	3,334,251
WSACC – Sewage Treatment	3,407,618
Water Treatment Plant	3,106,448
Transfer to Other Funds	495,700
Debt Service	<u>7,104,714</u>
TOTAL	<u>\$20,500,000</u>

SECTION X – STORM WATER FUND: A total of \$3,500,000 is hereby authorized to be expended from the Storm Water Fund as follows:

Personnel	\$ 886,328
Operations	709,600
Debt Service	1,033,493
General Management Services Fee	470,579
Transfer to Environmental Fund	<u>400,000</u>
TOTAL	<u>\$ 3,500,000</u>

SECTION XI – ENVIRONMENTAL FUND: A total of \$4,530,187 is hereby authorized to be expended from the Environmental Fund as follows:

Personnel	\$ 415,825
Operations	3,882,326
Debt Service	<u>232,036</u>
TOTAL	<u>\$ 4,530,187</u>

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

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

SECTION XIII - SEPARATION PAY FUND: A total of \$502,781 is hereby authorized to be expended from the Separation Pay Fund as follows:

Salaries-Separation Pay	\$ <u>502,781</u>
TOTAL	<u>\$ 502,781</u>

SECTION XIV - DOWNTOWN FUND: A total of \$7,676,905 is hereby authorized to be expended from the Downtown Fund as follows:

Operations	\$ 867,616
Debt Service	<u>6,809,289</u>
TOTAL	<u>\$ 7,676,905</u>

SECTION XV - TAX RATE ESTABLISHED: An Ad Valorem Tax Rate of \$0.63 per \$100 property valuation is hereby established as the official tax rate for the City of Kannapolis for the fiscal year 2020-2021. This rate is based on an estimated valuation of \$5,049,289,745 and an estimated 98.12 percent collection rate, which was the collection rate experienced during the 08-09' recession. Allocation of the 2020-2021 tax rate will be as follows:

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

SECTION XVI - SPECIAL AUTHORIZATION - CITY MANAGER OR DESIGNEE:

a The City Manager or designee is hereby authorized to transfer funds within or between funds, or modify revenue and expenditure projections, as contained under the following conditions:

1. The City Manager or designee may transfer amounts between objects of expenditures within a function (i.e. general government, public safety, public works, planning, parks and recreation).
2. The City Manager may transfer amounts between objects of expenditures and revenues without limitation.
3. The City Manager may not transfer any amounts between funds or from any contingency within any fund. Utilization of any contingency appropriation shall be accomplished with City Council approval only.
4. Additional authority is granted to the City Manager or designee to transfer amounts within and between funds for the sole purpose of funding salary and benefit adjustments consistent with the City of Kannapolis Personnel Policy and City of Kannapolis Personnel Ordinance.
5. Upon notification of funding increases or decreases to existing grants or revenues, or the award of grants or revenues, the City Manager or designee may adjust budgets to match, including grants that require a City match for which funds are available. If a local match is included, this requires City Council approval.
6. The City Manager or designee can create debt financing amendments from estimated projections upon approval by City Council of the debt financing and adjust as needed upon closing.
7. The City Manager may execute contracts which are not required to be bid or which G.S 143-131 allows as informal bids so long as the annual budget or appropriate capital project ordinance contains sufficient appropriated but unencumbered funds.
8. The City Manager may reject formal bids for the purchase of apparatus, supplies, materials and equipment when deemed appropriate and in the best interest of the City of Kannapolis pursuant to G.S. 143-129 (a). Formal bids for construction or repair contracts must be awarded by City Council

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

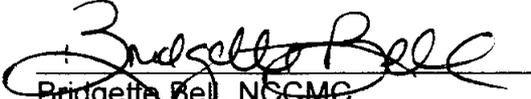
SECTION XVII - SPECIAL AUTHORIZATION – STAFFING AUTHORIZATION:

Funds allocated in this budget ordinance are meant to fund the employment of 389 Full Time positions for fiscal year 2021.

This Ordinance is approved and adopted this 22nd day of June 2020.


Milton D. Hinnant, Mayor

ATTEST:


Bridgette Bell, NSCMC
City Clerk