



2020-2021

BUDGET

City of Kannapolis

Preliminary Budget

Fiscal Year 2020-2021



Prepared by:

City of Kannapolis Staff

Special Thanks to:

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



City of Kannapolis

City Council



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

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CITY OF KANNAPOLIS

Fiscal Year 2021 Budget

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May 26, 2020

Subject: Recommended FY 2020-21 Budget

Dear Mayor Hinnant and Members of the Kannapolis City Council:

I am pleased to present to you the recommended Fiscal Year 2020-21 Budget for the City of Kannapolis, North Carolina, which begins July 1, 2020 and ends June 30, 2021. 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 2021.

Heading into this new budget year we find ourselves in a dramatically different place than could ever have been contemplated as recently as three months ago. The COVID crisis has changed the way we think and act as a community. In some ways it may chart a new future as a city, state, nation and world. It will certainly change the way the City provides certain services, the investments we will make and the challenges we will face. As this continues to be an evolving situation, we do not fully understand the impacts. In fact, this budget is only marginally influenced by the current crisis. There are not major recommended funding shifts and there are no changes in service levels. The primary impact of the crisis so far is the revenue reduction - which, to be clear - is substantial. It is likely that during the upcoming budget year more clarity will emerge on what this crisis means to our City over the long-term.

We are projecting \$2,225,507 million in decreased revenue streams due to the impacts of COVID-19. This equates to five cents in property taxes.

These losses have required all City departments to hold the line on operating costs and prioritize all expenditures. This status quo budget WILL NOT require us to do anything remotely detrimental to service delivery to our citizens, growth and prosperity of our City, or the well-being of our employees.

The proposed budget includes no increases in the property tax rate. The rate will remain at .63 per \$100 valuation and there are no increases in fees.

Kannapolis has certainly been through several crisis points over the past 20 years: Pillowtex closure in 2003, two major droughts, and the Great Recession of 2008-09. Despite those challenges, Kannapolis has continued to persevere and, more importantly, prosper. Our City has seen a great resurgence that began with the development of the North Carolina Research Campus and has continued in recent years with significant residential growth, new employers such as

Gordon Foods and Amazon and, of course, major investments in our Downtown that will shape our City for generations.

There will certainly be some short-term pain due to lost City revenues, a delay in some private sector investments and potential local unemployment impacts. There are undoubtedly several unknowns surrounding Minor League Baseball and the new Atrium Health Ballpark, as well as the adjacent development plans. Answers regarding potential plans for the property surrounding the Ballpark should come within the next month and will likely have an impact on this budget.

Conversely, it appears that residential development continues to proceed at a similar positive pace as it was pre-COVID. This, of course could change in the coming months but so far there is no indication of this. Additionally, several downtown businesses are continuing in their plans to proceed with locating and opening, which is certainly encouraging news.

Finally, the sound financial planning City Council has participated in for the past decade will help us get through these challenges.

Looking Back: FY 20

Before exploring the FY 21 budget, it seems valuable to reflect briefly on the success of FY 20 and what those successes mean to the future of our City. The following is a summary of what has been a very busy and productive year:

1. Completed and opened the Downtown Infrastructure/Streetscape Improvements.
2. Completed and opened Atrium Health Ballpark.
3. Began construction on the Irish Buffalo Creek Greenway.
4. Completed and opened the Oakwood Avenue Sidewalk.
5. Completed and opened new Fire Station 2 and Fire Station 3.
6. Implemented the most substantial increase in employee benefits in the City's 35-year history including the following:
 - a. Implementation of the Employee Compensation Study (\$593,009).
 - b. 3% performance-based merit raises (\$351,186).
 - c. Additional 1% 401k match (\$191,099).
 - d. Doubling the Flex Dollar Program to \$840/employee (\$154,928).
 - e. Local Government Retirement System increased contributions (\$534,078).
 - f. Employee Workplace and Benefit Enhancements.
7. Stabilized or demolished all downtown buildings (roof replacement, mold remediation).
8. Completed the sale of Downtown Block 1 Phase One.
9. Completed and opened the Block 8 Parking Lot.
10. Completed Gem Theatre Long Term Plan.
11. Began intensive due diligence partnership with the United States Performance Center.
12. Cannon Blvd. Corridor Plan (started in FY 20 to be completed in FY 21).

The budget goals remain much the same in FY 21 as they were in FY 20: facilitating City Council priorities (especially the Downtown revitalization efforts); maintaining our overall progress in economic development; and rewarding and retaining current employees while attracting new ones. Unfortunately, some of these efforts must be sidelined for the coming year due to the unexpected

COVID impacts on our short-term financial picture. The hope is that this pause is only temporary and FY 22 (and possibly even the latter half of FY 21) will see economic and financial improvement.

FY 21 Budget Overview

The total proposed FY 2021 budget for the City of Kannapolis is **\$79,927,940** a 3.43% increase (\$2,648,414 actual) from the FY 2020 adopted budget. This figure is the total of the General Fund, the Water and Sewer Fund, the Stormwater Fund, the Environmental Fund, the Public Transit Fund, the Separation Pay Fund, and Downtown/College Station Fund and excludes any interfund transfers (as defined by transfers between the annually adopted funds). This doesn't include the General Management Services fee, which is a fee charged by the enterprise funds to pay for the indirect support from the General Fund.

Recent Budget History						
FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 Proposed
\$53,046,396	\$59,539,383	\$64,012,300	\$68,125,000	\$69,264,364	\$77,279,526	\$79,927,940

The past two budgets have been centered on the premise that a temporary refocus of resources to achieve the best possible outcomes for the massive downtown revitalization efforts was necessary. This approach meant that there would be a pause on meeting the full personnel and operational needs of every department until revenues from growth caught up. It was the thinking that this pause would continue at some level but would begin to be relaxed in the FY 21 and FY 22 budgets. Unfortunately, this may last a few years longer due to the economic and financial impacts of the COVID crisis.

The FY 21 budget includes a few key guiding principles that are important to set the stage for a full understanding of this rather unique budget year we are preparing for. These principles are as follows:

- 1. Budget Process and Structural Changes.** This year, the process included the implementation of distinct budget levels (continuation and expansion) for department budgets:
 - *Continuation* budget items are defined as essentially “keeping the lights on.” They maintain the same service levels in FY 21 as seen in FY 20. There are some increases in these budget items due to unavoidable factors such as inflation and contractual increases.
 - *Expansion* budget items are defined as anything new that wasn't previously approved through the budget process. Examples are enhancements to programs or services, new positions, new capital projects, and capital outlay items.

Additionally, the first phase of a restructuring of the Downtown/College Station Fund as it relates to the General Fund is included in the recommended FY 21 budget. This first phase

moves several operating expenditures into the General Fund. These changes separate the maintenance and operation of the downtown buildings and the College Station building (managed by the General Services Department) from the park-like activities such as mowing, landscaping, tree maintenance, restroom oversight (managed by the Parks and Recreation Department). The Ballpark debt service and special events expenses have also been moved to the General Fund.

The second phase in a future budget year will be to completely eliminate the Downtown/College Station fund as more of the downtown properties are returned to the private sector and the revenue and expenditures become minimal. At some future date, a separate downtown organization may be created to help guide activities like marketing and special events. This may once again require a new budget structure.

2. **Watch Lists.** This recommended budget has been prepared in a very conservative manner due to the COVID-related uncertainties that lie ahead. For the most part only continuation items are included in this budget due to the projected decrease in certain revenues. This is especially true in the General Fund.

As noted previously in this message, we are projecting \$2,225,507 million in decreased revenue streams due to the impacts of COVID-19.

These losses have required all City departments to hold the line on operating costs and prioritize within a set amount of funds. This status quo budget WILL NOT require us to do anything remotely detrimental to service delivery to our citizens, growth and prosperity of our City, or the well-being of our employees.

Most of the departmental requests for expansion items are included in several “watch lists” embedded throughout this budget message. City Council can certainly add expenditure items from any of the watch lists to the FY 21 budget prior to its initial adoption in June or later in the budget year through amendments. If any new expenditures are added now, an appropriation of fund balance or the removal or reduction of currently funded items are the only feasible ways to do this. As always, it is recommended that one-time revenues like the use of fund balance should only be used for non-recurring expenditures (like capital improvements or capital outlay).

Staff intends to closely monitor all revenue streams throughout the budget year to track all trends that are emerging. Should the impacts (particularly with sales taxes) start to trend in a more positive direction, adjustments to the budget can be made when those trends become evident.

NOTE: After this recommended budget was already completed, the Cabarrus County Tax Office provided a **revised property tax estimate**. This new estimate equates to an additional \$595,512 in revenue. Rather than amend the budget proposal so late in the process, the decision was made to give City Council two options to address this additional revenue: 1) add it to the final adopted budget prior to June 30th with offsetting expenditures (this could simply be added to contingency or earmarked for specific items, or 2) do nothing

at all which may result in a surplus at the end of the year which would then roll into fund balance.

- 3. Cash Reserves/Fund Balance.** Somewhat related to the budget structural changes described in paragraph 1 above, staff recommends a slight shift in thinking about how new projects are funded going forward. Over the past few years the downtown funding has been somewhat isolated – loosely earmarking specific new revenue streams to specific downtown projects. The thought was that there are plenty of unrealized revenue streams from the real estate nature of the City’s efforts. However, based on the COVID uncertainties staff believes more focus should now be directed to the interrelatedness of all City funds and the overall budget impacts.

Going forward, it is recommended that all new one-time revenues (e.g., sale of property) be added to the fund balance in the General Fund and any use of those funds would be examined comprehensively – not isolated to only downtown efforts. One example: Downtown Block 2 is sold, and those proceeds will go into fund balance and then the use of those funds would be examined largely based on the targeted fund balance goals and how much is available for re-appropriation as much as the desire to invest in another downtown project. This would be the same process for the other funds (albeit on a smaller scale for some).

Any projects that were discussed pre-COVID but not formally earmarked through an appropriation will be part of a larger watch list as described in paragraph 2 above. City Council should also feel free to add items to these watch lists. For capital items, this would in some ways be a precursor to the next City Council retreat.

One of the foundational elements of the City’s financial planning for the past decade has been to improve cash reserves. Target percentages of expenditures for each fund was established. Over the years these amounts have fluctuated based on the various factors including cash-fronting projects ahead of financing. For the most part the actuals have consistently stayed within 5% of either side of the target.

It is important to note that these are just targets set by City Council. There is no law that requires any of the funds to maintain any cash reserves. There is an 8% minimum in the General Fund, but this is only a recommendation from the Local Government Commission and not state law. Even so, it is strongly recommended that these targets be achieved and maintained to the greatest extent possible.

The following table on the next page depicts the current cash reserves and fund balance estimates that will be available in FY 21.

Unrestricted Cash Reserves and Fund Balance					
Fund	Minimum Target %	Projected % June 30, 2020	Projected Total Reserves June 30, 2020	Available for Appropriation in FY 21	Amount needed to reach Target %
General	25%	22.36%	\$20,660,915	\$0	\$1,185,273
Downtown/College Stadium*	10%	29.61%	\$2,991,488	\$1,024,542	Above Target
Water and Sewer	25%	20.18%	\$10,559,291	\$0	\$934,431
Stormwater*	25%	49.95%	\$2,342,710	\$823,592	Above Target
Environmental	10%	8.68%	\$1,394,573	\$0	\$49,614
Transit*	NA	71.86%	\$620,878	\$620,878	NA
Total of all Funds	NA	NA	\$38,569,855	\$2,469,012	\$2,169,318

* The recommended FY 21 Budget includes an appropriation of \$263,698 in the Downtown/College Station Fund, \$400,000 in the Stormwater Fund, and \$200,000 in the Transit Fund.

As you will note from the table above, the total of all funds “available for appropriation” number and the “amount needed to reach the target percentage” number are very similar. This indicates we are about where we need to be – but there is room for improvement.

One way to improve on these cash reserve numbers is to continue to sell assets. The following are several potential asset sales that can strengthen cash reserves and/or secure items on the various “watch lists.”

Potential Additions to Fund Balance in FY 21		
New One-Time Revenue	Projected Amount	Notes
Oak Avenue	\$514,000	Under contract by June 30, 2020, Closing expected September 2020
Block 1 Phase 1 (payment 1)	\$50,000	Closing by June 30, 2020. Remaining \$400,000 due by June 30, 2022.
Plant 4 sale (townhomes)	\$973,000	Closing expected August 2020
Block 2 (payment 1)	\$300,000	Placeholder only – no firm offer yet. Total amount could exceed \$2 million
Old Stadium	\$2,500,000	Placeholder only – property not on the market yet.
Outparcels at College Station	\$400,000	Placeholder only – no formal offer. Interest has been limited.
Wyrick property	\$300,000	Pending a Board of Adjustment meeting. Agreement not completed.
Cabarrus Avenue property	\$127,000	Pending
Total	\$5,164,000	

Note: the sale of the 1.6 acres and the “re-sale” of the 7.25 acres at Gateway Business Park will likely result in approximately \$1.4 million additional one-time revenues. However, these revenues are restricted to CDBG eligible projects and initiatives.

General Fund Overview

The recommended FY 2021 General Fund budget is **\$51,075,837** which represents a 2.09% increase over FY 20 Adopted Budget (\$1,046,837 actual). The total ad valorem (property) tax revenue projected for FY 2021 is \$30,616,974 based upon an estimated tax base of \$4,952,952,776 (an increase of \$615,129,476 from FY 20) and a collection rate of 98.12%. This budget is using the same collection rate during the recession of 2008-09 due to unknowns related to the payments of property taxes that could be impacted by COVID.

General Fund Revenue Highlights:

1. The projected total **Property Tax revenue** for FY 21 is \$31,043,121 (which represents a 13.85% *increase* from FY 20 (\$3,776,011 actual). This increase includes a projection of \$426,147 for prior year collections. Due to the revaluation and the reduction in sales tax revenues, property taxes now represent 61% of the recommended FY 21 budget (compared to 55% in FY 21).

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

Each penny on the tax rate is now equal to approximately \$495,295 (up from \$425,107 in FY 20 and \$399,912 in FY 19).

2. The City-wide **property tax base** is projected to be \$4,952,952,776 in FY 21. This is an increase of \$615,129,476 (14.18%). A significant part of the large increase is attributed the **revaluation of properties** on the Cabarrus County side of the City. The revaluation of real property required by state statute every eight years is completed and effective for taxes listed on January 1, 2020. Cabarrus County and Rowan County both conduct revaluations every four years. Rowan County's revaluation impacted the FY 20 budget.
3. Projected FY 21 **Property Tax revenue growth**, due solely to new private sector investment, in our City is estimated to be \$702,049. This is the fifth consecutive year of greater than \$700,000 in projected new tax revenues from private. An additional estimate of \$3,151,204 in increased property tax revenue is attributed to the Cabarrus County revaluation.
4. State law requires that units of local government to publish a **revenue-neutral tax rate** in the budget immediately following the completion of the general reappraisal of real property. The purpose of the revenue-neutral tax rate is to provide the citizens with comparative information. The revenue-neutral tax rate, as defined by G.S. 159-11 (e), is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue for the current fiscal year if no reappraisal had occurred. The rate is then adjusted by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general re-appraisal. The reappraisal produced a tax base of \$4,952,952,776 for Kannapolis. The tax levy for the current fiscal year is \$2,732,828,679 and the growth factor since the last general appraisal is 3.29%. Using the formula mandated

by State law, the revenue-neutral rate for the City of Kannapolis is 57 cents per \$100 valuation.

5. **Sales Tax revenue** is projected to *decrease* significantly (-15.95% or -\$1,674,879 actual). This is compared to an \$845,000 increase included in the FY 20 budget (which was double the increase from the previous year). Sales taxes represent 17% of all General Fund revenues in the recommended FY 21 budget (down 4 percent from FY 20). The recommended budget includes \$8,825,121 in sales tax revenues.

The decrease is exclusively due to the COVID impacts of the shutdown of the local economy which will be slowly re-opened in the early part of FY 21. It is nearly impossible to accurately predict what this impact will be as this is uncharted territory. Staff is projecting a decrease in sales tax revenue of 30% in the first quarter, a 20% reduction in quarter two and a return to normal for quarters three and four. Staff based this in part off FY 2019 actual sales tax collected and consultation with Cabarrus County and City of Concord staff.

6. **Powell Bill** funding is projected to *decrease* by 20% which represents a budget impact of \$253,245 in the FY 21 budget. It is proposed that a reduction in street resurfacing by a like amount is the solution to this shortfall. This decrease is directly related to the funding shortfalls at NCDOT. The COVID crisis has resulted in historically low levels of gas tax and vehicle sales tax which is a primary funding source for NCDOT – including Powell Bill funds.
7. **Miscellaneous Revenue** is projected to *increase* by \$75,000. \$25,000 of this increase is based on trends year over year and \$50,000 in p-card rebates that the City receives for participating in the p-card program with Bank of America. This is a consistent revenue stream for the City. In FY 21, it is proposed that this revenue be used for an offsetting expense for contracted services for assistance with the annual audit compilation in the Finance Department. This is directly related to the major staffing reorganization in FY 20.
8. **Investment Income** is projected to *decrease* by \$1,742,500 due to the elimination of a balloon payment that occurred in FY 20 with the liquidation of the Series A NCRC Bond final balloon payment. This payment was budgeted as investment income as a revenue with offsetting expenditure, but it was technically an appropriation of restricted fund balance which is where the funds for the final balloon payment were “parked” for the past 10-years. It was essentially a one-time revenue for a one-time expenditure that is now resolved.
9. The **Build America Subsidy Bond Payment** revenue has been eliminated resulting in a \$451,000 *decrease* in revenues. This is due to the refunding for the Series A NCRC bonds. These bonds were paid off therefore the City is no longer eligible for the subsidy payment.
10. **Franchise Tax** revenues are projected to *decrease* by \$124,193 due to projected impacts from COVID (less economic activity). Staff is projecting a decrease in 20% for the first quarter receipts and a return to more normal revenue streams for the final three quarters of FY 21. These revenues increased by a modest \$67,941 in FY 20.

11. **Police Department Charges and Fees** are projected to *increase* by \$100,000 due to a School Resource Officer (SRO) Grant to Kannapolis City Schools (KCS) that the City invoices the school system for. The school system receives this grant from the State for additional coverage in the school system. The recommended FY 21 budget includes funding for an additional SRO position as an offsetting expense to fulfil the grant requirements for FY 21.
12. **Parks and Recreation Charges & Fees** is projected to *increase* by \$65,000 in forecasted revenue from KCS usage agreement rentals and the Youth Athletics. This amount does have some offsetting expenditures so if there are COVID impacts to the revenue stream, some of the expenditures will also not occur. Also included is \$55,000 in special event revenue from downtown events. These special event fees consist of entry and registration fees and sponsorships from Jiggy with the Piggy, parades and other downtown programs. This revenue was moved from the Downtown/College Station Fund to the General Fund for better accounting/oversight.
13. Revenues related to **Atrium Health Ballpark** are projected to *increase* by \$750,000. These revenues include an additional contribution of \$500,000 from the Convention and Visitors Bureau (CVB) which will assist with the first-year debt service on the Ballpark. The increase also includes \$250,000 as an estimated pro-rated team lease payment due to the delay of the Cannon Baller's season. The lease agreement provides for a \$450,000 payment but that is likely unrealistic given the COVID impacts. This figure is simply a placeholder. This issue will evolve in the coming months as we receive clarity on the status of this year's minor league baseball season.
14. A new revenue include in the recommended FY 21 budget is a \$200,000 transfer from the Transit Fund to the General Fund. Historically, the Transit fund has received a transfer from the General Fund in order to offset operations. In recent years the Transit Fund has accumulated a modest fund balance. This is an effort to restore funding back to the General Fund.
15. No appropriation of **fund balance** is proposed in the FY 21 General Fund budget.

General Fund Expenditure Highlights:

FY 21 was intended to be the final of three phases of the employee recruitment and retention efforts put in place by City Council in FY 19. Included in this phase was a projected Cost of Living (COLA) increase based on the CPI index (estimated at 1.5%), 3-5% merit increase for all current full time and Part-time 2A&2B employees in all funds, an additional 1% increase to the City 401K matching program bringing the current rate to 3% and an additional \$420 for all current full time and Part-time 2A & 2B employees in the Flex Spending plan, bringing the plan to \$1,260 for FY 21. Unfortunately, due to projected revenue shortfalls for FY 21, these efforts are recommended to be temporarily suspended. They will be included on the watch-list included at the end of this budget message.

Key General Fund operating fund expenditure *increases* include the following:

1. The only new General Fund **positions and operating capital** included in the recommended FY 21 budget are directly related to offsetting new revenues or offsetting reductions in operating expenses. These positions and related operating capital expenditures are listed below:

Position	Department	FY 21 Budget Impact	Funding/Offsetting Revenues
School Resource Officer	Police Department	\$60,000	Grant via KCS
Fire Mechanic	Fire Department	\$65,000	Reduction of contracted services
Totals		\$125,000	

Operating Capital Expenditure	Department	FY 21 Budget Impact	Funding/Offsetting Revenues
Police Cruiser	Police Department	\$40,000	Grant via KCS
Utility Vehicle	Fire Department	\$28,000	Reduction of contracted services
Total		\$68,000	

2. **Non-Departmental:**

- An increase of \$300,000 for the Local Government Retirement System (LGRS) contribution. The Local Government Employee's Retirement System Board voted to increase its rates by 1.2% annually over three years (first year being FY 20). The increase is based on a revised actuarial study completed to ensure that the system remains solvent and can meet its future obligations.
- Special Expenses increase of \$6,200 for hearing and lead testing for public safety departments.
- Contingency Funding is \$315,483 which is a *decrease* of \$49,657 from the FY 20 adopted budget. The reason for the decrease is that the FY 20 adopted budget included the addition of funds for youth athletics to the contingency line item as a holding place until those final decisions were made. Internal policy suggests this should be at least 0.5% of total General Fund budget. This year's budget includes a little more than \$0.69%.
- Health Insurance increase of \$625,000. This will increase the employer contribution in health insurance from \$6,369/per employee to \$8,013/per employee. The need for this increase is due to an increase in claims. This increase has been occurring for the past several years with the shortfall being addressed through excess budget capacity or year-end fund balance appropriations. Now that we have a consistent multi-year trend, it is the appropriate time to proactively budget for the claims.
- Liability insurance increase of \$141,450 based on trends and estimates from the City's brokers.

3. **Information Technology:**

- \$40,000 increase for Munis Financial Software upgrade which is required to be compliant with W-2 printing for tax purposes.
- \$22,653 increase in public safety software (Visio Licenses and 911 recording software).

- \$60,491 in annual maintenance increase for city-wide software applications.
4. **General Services:**
 - \$8,983 for battery replacements for the uninterrupted power supply (UPS) unit at City Hall.
 - \$21,382 for safety platforms at Public Works Operations Center (safety issue).
 - \$8,023 for safety platform at City Hall (safety issue).
 - \$3,900 for upfits at Railroad depot per NCDOT requirements.
 - \$11,713 in preventative maintenance efforts.
 5. **City Council:** \$11,000 increase for annual dues to the Centralina Council of Governments. This would facilitate the City rejoining Centralina as other jurisdictions in Cabarrus County have done in recent years.
 6. **Police Department (Field Ops):** \$3,200 increase for BLET uniforms (new officers).
 7. **Fire Department:** \$48,358 increase in the contract with Odell Volunteer Fire and Rescue District. This increase is based on new home growth and the impact from the Cabarrus County revaluation.
 8. **Powell Bill:** \$34,000 increase in asphalt costs.
 9. **Parks:**
 - \$2,500 increase in landscaping efforts Downtown.
 - Moved \$26,000 from Downtown Fund ground maintenance to Parks and Recreation ground maintenance. This is a budget restructuring action - not an actual overall increase.
 - \$17,000 increase in concessions based on trends. This does have offsetting revenue so if there are COVID impacts to the revenues, the expenditures will not occur.
 - Moved current Stadium property mowing (\$33,600) and Downtown mowing/landscape maintenance (\$150,000) from the Downtown Fund to Parks and Recreation budget. This is a budget restructuring action - not an actual overall increase.
 - \$25,117 increase (10%) in mowing contracts due to re-bidding.
 10. **Parks and Recreation Programs:**
 - \$6,000 increase in trips. This may not be possible based on COVID restrictions, but the demand is certainly there. This is partially offset by increased fee revenue.
 - Moved \$200,000 in budgeted special events expenses from the Downtown Fund to the Park and Recreation budget. This is a budget restructuring action - not an actual overall increase.
 11. There are no new **Capital Improvement Projects** included in the recommended FY 21 budget for the General Fund. However, new debt service obligations have been added - see table below. The new debt service obligations for FY 21 are shown in red. The \$2.6 million principal payment for the Ballpark is by far the single largest driver of the FY 21

budget increase. The interest payment for the Ballpark was already included in the FY 20 Budget.

Limited Obligation Bonds (LOBs)	Principal	Interest	Total
Fire Stations 2 and 3	\$555,000	\$396,603	\$951,603
City Hall/Police Headquarters	\$1,370,000	\$807,556	\$2,177,556
NCRC Projects	\$2,370,000	\$303,583	\$2,673,583
Irish Buffalo Creek Greenway	\$200,000	\$80,000	\$280,000
Stadium (Atrium Health Ballpark)	\$2,600,000	\$2,097,550	\$4,697,550
Other Debt			
Wayfinding Signs	\$68,727	\$1,175	\$69,902
Equipment	\$42,154	\$9,603	\$51,757
Warehouse/Fire Truck	\$162,139	\$9,274	\$171,413
Village Park Building	\$52,267	\$784	\$53,051
Village Park/Fire Truck	\$250,774	\$101,189	\$351,963
Refinancing	\$415,193	\$17,128	\$432,321
Kannapolis Business Park	\$50,000	\$4,163	\$54,163
Totals	\$8,136,254	\$3,828,608	\$11,964,861

Key General Fund operating fund expenditure *decreases* include the following:

1. **Economic Development:** \$47,500 *decrease* in projected incentive grants for Amazon and Gordon Foods. This change is based on revised estimates received from Cabarrus County Tax Office.
2. **City Council:** \$40,000 *decrease* in election expenses. FY 2021 is not a municipal election year.
3. **Engineering: Contracted Services:** \$50,000 *decrease* due to the City bringing Engineering Services in house a few years ago. This is a continual “right-sizing” of the funding needs for outside engineering consultant services.
4. **Powell Bill:** *decrease* of \$253,245 in funds for street paving to correspond with the projected 20% reduction in revenues. \$333,565 remains in the budget for street paving.

General Fund Watch List – FY 21

(not ranked/prioritized)

New positions highlighted

	Amount	Department	Description
1	\$6,500	City Manager's Office	Clerk certification for cross-training and professional development opportunities
2	\$50,000	City Manager's Office	Cannon Family Memorial Study
3	\$72,000	Communications	(1) Communication specialist to assist with video production and other duties
4	\$60,000	Communications	Contracted Services for loop the loop app, revitalization website, economic dev. video
5	\$103,580	Engineering	(1) Engineering Technician position to compensate for growth/community needs
6	\$60,000	Finance	(1) Accounting Technician to handle evolving duties (p-card reconciliation)
7	\$120,000	Finance	(1) Assistant Finance Director
8	\$158,000	Fire	(3) Firefighters due to increased service demands (backfill due to re-org)
9	\$132,000	Fire	(1) Fire Inspector position due to increased call volume/plan review (includes all costs)
10	\$1,160,000	Fire	Radio replacement- equipment is outdated and will no longer be supported by manufacturer
11	\$750,000	Fire	Replacement of 25-year-old fire engine
12	\$30,000	Fire	Station alerting system- critical notification system during emergencies
13	\$14,000	Fire	Third Party PPE testing to prevent failure of PPE and enhance life cycle (10 years)
14	\$112,763	General Services	(2) Building Technicians to accommodate janitorial duties city-wide (all costs included)
15	\$445,000	General Services	Deferred maintenance on all City-wide properties (roof replacements, floor repairs, etc.)
16	\$30,000	Information Technology	Purchase of laptops and licenses and server for promotion of teleworking
17	\$6,200	Information Technology	Audio and visual upgrades at train station
18	\$350,000	Non-Departmental	Cost to fund additional 1% match for 401k (bringing total to 3%)
19	\$300,000	Non-Departmental	Cost to implement Cost of Living Adjustment (COLA) for all employees at 1.5%
20	\$475,000	Non-Departmental	Cost to fund merit pay (through performance evaluations) for employees at an average of 2.5%

General Fund Watch List – FY 21

(not ranked/prioritized)

New positions highlighted

	Amount	Department	Description
21	\$135,000	Non-Departmental	Cost to fund additional \$420 for Health Savings account (HSA)
22	\$248,000	Parks	Vehicle and equipment replacement due to expanding services and sites
23	\$139,000	Parks and Recreation	(2) Park Maintenance Tech positions and associated vehicle, equipment, maintenance
24	\$117,000	Parks and Recreation	(3) Park Maintenance Tech II's to allow coverage at parks and lead to promotions within the department.
25	\$80,000	Parks and Recreation	Increase in summer event series and West Avenue arts/community programs enhancement
26	\$10,000	Parks and Recreation	Addition of youth flag football to program offerings for Fall of 2020. \$4,000 is upfront equipment. Fees bring in around 50%. Net cost is \$10,000.
27	\$77,000	Planning	(1) Planner due to volume in permits and plan reviews
28	\$75,000	Planning	South Main Street Corridor Plan
29	\$3,000	Planning	Additional kiosk for front desk to help with demand and customer service efforts
30	\$15,500	Police	Reclass (1) Lieutenant position to Captain due to evolving duties
31	\$284,000	Police	(2) Police Officers to compensate for growth and evolving community needs (includes benefits, vehicles, public safety supplies, etc.)
32	\$21,000	Police	Taser Replacement – replacement of 12 tasers every year
33	\$6,000	Police	(8) Large Portable and rechargeable scene lights. Per unit cost is \$700
34	\$5,000	Police	Advanced Tactical Training by Norse Tactical for Special Response Team.
35	\$4,000	Police	Cellbrite training for staff
36	\$1,160,000	Police	Radio replacement- equipment is outdated and will no longer be supported by manufacturer
37	\$752,000	Police	Replacement of 14 vehicles that exceed established threshold; high maintenance costs.
38	\$16,000	Police	Replacement of body worn cameras. Currently at end of the life cycle.
39	\$120,000	Streets	Life cycle of asphalt is ending. This would add more funds for street paving.

Water and Sewer Fund Overview

The recommended FY 2021 Water and Sewer budget is \$20,500,000 which represents a 6.36% increase from the FY 20 Adopted Budget (\$1,225,000 actual increase).

Water and Sewer Fund Revenue Highlights:

No water or sewer rate increases are recommended for the FY 21 budget. The FY 20 budget included a rate increase of \$1.30 per 1,000 gallons primarily to fund new capital improvement projects. The projected \$925,000 in new charges and fees is from natural growth in the system (mostly new private sector development). This growth is similar to what has been experienced in the past two years.

The Water and Sewer Fund also increased tap and connection fees in February 2020 in order to offset the addition of a new crew, which consisted of the addition of 5 new positions (1 crew chief, 1 heavy equipment operator, 1 construction maintenance technician and 2 construction maintenance workers II). This new crew was put in place to assist with the demand from the private sector regarding the timely installation of water and sewer connections. The fee increases are projected to add \$350,000 to the FY 21 budget for this purpose.

Water and Sewer Fund Expenditure Highlights:

1. No new Water and Sewer Fund personnel are included in the recommended FY 21 budget.
2. **Distribution:**
 - Increase of \$9,500 repair and maintenance for vehicles
 - Increase of \$45,000 repairs to existing generators and Roto-phase for 3 lift stations.
 - Increase of \$106,200 replacement materials for water and sewer services
 - Increase of \$50,000 for Captains Watch manhole replacement.
 - \$16,800 replacement of an aged-out mower and tapping equipment.
3. **Treatment Plant:**
 - Increase of \$18,000 in tank maintenance efforts
 - Increase of \$37,750 for bulk water purchases based on trends
4. **Sewage Treatment:** \$222,151 increase based on projections from the Water and Sewer Authority of Cabarrus County (WSACC).
5. **Water and Sewer Fund Transfers:**
 - \$378,121 increase in General Management Services fee (fee charged by enterprise funds to pay General Fund for support)
 - \$495,700 transfer to Environmental Fund
6. There are several new Water and Sewer Fund **Capital Improvement Projects** included in the recommended FY 21 budget for the Water and Sewer Fund. The current debt service

obligations are shown on the following table. The new debt service for FY 21 is shown in red. New capital improvement projects include:

- a. Kannapolis Crossing water and sewer extensions (\$14,000,000).
- b. Lane Street waterline replacement - coordinated with NCDOT's Lane Street improvements (\$5,750,000).
- c. Water Treatment Plant improvements, including bulk storage replacement (\$700,000), and sludge lagoon dewatering (\$1,800,000).
- d. A replacement Vac Truck (\$650,000). The truck to be replaced is 15-years old with 198,000 miles. It is consistently out of service and needs to be replaced. Note: cash may be used for this expenditure subject to the timing of the revenue bond payments for the items a through c above.

Revenue Bonds	Principal	Interest	Total
Vac Truck	\$65,000	\$26,000	\$91,000
Kannapolis Crossing/Lane St/WTP Improvements	\$890,000	\$867,750	\$1,757,750
Downtown Water and Sewer	\$647,000	\$619,134	\$1,266,134
Davidson Road Water	\$270,000	\$188,964	\$458,964
Refunding Series 2011/2014 (NCRC Bonds)	\$1,799,800	\$837,080	\$2,636,880
Other Debt			
Jet Vac Truck	\$77,500	\$1,325	\$78,825
Equipment	\$76,528	\$17,434	\$93,962
Water Line-NCRC	\$76,633	\$6,269	\$82,902
Afton Run Sewer	\$57,834	\$5,753	\$63,587
Kannapolis Parkway	\$52,843	\$2,180	\$55,023
Second Creek	\$15,172	\$4,515	\$19,687
Totals	\$4,028,310	\$2,576,404	\$6,604,714

Water and Sewer Fund Watch List – FY 21

(not ranked/prioritized)

New positions highlighted

	Amount	Description
1	\$150,000	(2) new technician positions to operate and maintain all new sewer infrastructure associated with Shiloh Church Rd and High Bridge
2	\$50,000	(1) Construction Maintenance Worker II -New worker position for service maintenance, meter repairs, and construction.
3	\$85,000	(1) Compliance Coordinator to maintain compliance with all necessary programs to include - backflow/cross connect and FOG
4	\$54,815	Cost to implement Cost of Living Adjustment (COLA) for all employees at 1.5%
5	\$69,988	Cost to fund merit pay (through performance evaluations) for employees at an average of 2.5%

Water and Sewer Fund Watch List – FY 21

(not ranked/prioritized)

New positions highlighted

	Amount	Description
6	\$50,000	Cost to fund additional 1% match for 401k (bringing total to 3%)
7	\$26,040	Cost to fund additional \$420 for Health Savings account (HSA)
8	\$100,000	Outfall Contract Maintenance if new positions are not approved.
9	\$50,000	Root Control for sewer if new positions are not approved.
10	\$85,000	Replace W14 (2006) - currently has 235,000 miles
11	\$350,000	Replace sewer line along HWY 29, which the roadway is failing and needs to be repaired.

Stormwater Fund Overview

Stormwater Fund Revenue Highlights:

The proposed FY 2021 Stormwater Fund budget is **\$3,500,000**, which represents a 14.75% increase from the FY 20 adopted budget (\$450,000 actual). The sole source of revenue in this fund is charges and fees. The increase for FY 21 is organic (1.6% growth rate). No fee increase is proposed for FY 21 (the fourth consecutive year with no increased fees). For FY 21, there is also a \$400,000 fund balance appropriation – for the purpose of being transferred to the Environmental Fund to support that fund becoming self-sustaining and to account for increased recycling expenses.

This Stormwater Fund is now fully self-sustaining.

Stormwater Fund Expenditure Highlights:

1. No new Stormwater Fund personnel are included in the recommended FY 21 budget.
2. \$100,000 increase in costs to maintain the ditch maintenance program.
3. \$25,000 *decrease* in consultant services. This line item is used for compliance and assurance efforts dictated by Phase II permit.
4. \$151,977 increase in General Management services fee (transfer to the General Fund).
5. \$400,000 transfer to Environmental Fund to assist this fund in becoming self-sustaining. This transfer is being done to delay the previously planned Environmental Services Fee increase or a fund balance transfer to the General Fund.
6. No new capital improvement projects or debt service is included in the recommended FY 21 budget for the Stormwater Fund. The fund includes a \$168,148 *decrease* in debt service

due to the retirement of debt service from FY 20. The following are the current debt service obligations:

Installment Debt	Principal	Interest	Total
Equipment	\$17,562	\$4,000	\$21,563
Stormwater various projects	\$764,722	\$247,209	\$1,011,931
Total	\$782,284	\$251,209	\$1,033,493

Stormwater Fund Watch List – FY 21 (not ranked/prioritized) New positions highlighted		
	Amount	Description
1	\$102,876	(1) Crew Supervisor Position needed for oversight in field operations of Stormwater (includes vehicle purchase)
2	\$102,876	(1) Planner/Scheduler/Locator position. Currently SW utilities are not located for 811 calls, position would locate electric for lights in NCRC area (includes vehicle purchase)
3	\$15,453	Cost to implement Cost of Living Adjustment (COLA) for all employees at 1.5%
4	\$22,561	Cost to fund merit pay (through performance evaluations) for employees at an average of 2.5%
5	\$20,000	Cost to fund additional 1% match for 401k (bringing total to 3%)
6	\$6,720	Cost to fund additional \$420 for Health Savings account (HSA)
7	\$100,000	Contracted services: Ditching and shoulder cutting program
8	\$100,000	Contracted services: Stormwater System Environmental Resource Permitting. Impervious Area Audit (results in avg. total collection increase of 8 to 15 % of fees)
9	\$150,000	Mini-ex PC88MR-10 – a small hydraulic excavator to allow a backhoe to be returned to the Streets and Transportation Dept.

Environmental Fund Overview

The proposed FY 21 Environmental Fund budget is **\$4,530,187** which represents a 9.08% increase from the FY 20 adopted budget (\$377,187 actual). This is about 1% higher than the FY 20 increase.

Environmental Fund Revenue Highlights:

A \$2.50/month fee increase was originally planned for the FY 21 budget which would have increased the fee from \$15.60 to \$18.10 in order to reduce the inter-fund transfers to make this fund self-sustaining. However, due to the current economic climate, no fee increase is proposed for FY 21. Replacing this expected revenue is a one-time fund balance transfer from the Stormwater fund. As this is a non-recurring revenue, this fee increase will need to be revisited as part of the FY 22 Budget.

Environmental Fund Expenditure Highlights:

1. No new Environmental Fund personnel are included in the recommended FY 21 budget.
2. \$15,000 increase in repair and maintenance for vehicles for tire and routine impellor re-fits.
3. \$14,000 increase in container purchases to account for projected new home growth.
4. \$436,173 increase for Waste Management contract based on CPI index and the costs of sending recyclable materials to the Mecklenburg County recycling facility.
5. \$30,672 increase in bulk container purchases. This funding was accounted for in the Downtown fund for FY 20 and is moved to the Environmental Fund for FY 21.
6. \$25,000 increase in yard waste collections due to not using the landfill.
7. \$50,400 *decrease* in landfill costs based on past trends. \$39.70/ton tipping fee at Concord Speedway Landfill.
8. No new capital improvement projects or debt service is included in the recommended FY 21 budget for the Environmental Fund. The following is the current debt service obligation:

Special Obligation Bonds	Principal	Interest	Total
Leaf Collection Trucks	\$218,398	\$13,638	\$232,036
Totals	\$218,398	\$13,638	\$232,036

Environmental Fund Watch List – FY 21 (not ranked/prioritized) New positions highlighted		
	Amount	Description
1	\$77,174	(1) Operations Manager Position needed to have oversight of the Contracts/operations of garbage and recycling, Landfill and Yard and Loose-Leaf collection.
2	\$124,138	Construction Maintenance Techs (2) Positions would operate 2nd bag truck reduces the number of personnel substituted from other divisions
3	\$202,000	16-ton rear loader
4	\$7,168	Cost to implement Cost of Living Adjustment (COLA) for all employees at 1.5%
5	\$11,120	Cost to fund merit pay (through performance evaluations) for employees at an average of 2.5%
6	\$8,952	Cost to fund additional 1% match for 401k (bringing total to 3%)
7	\$2,520	Cost to fund additional \$420 for Health Savings account (HSA)
8	\$7,000	Purchase of operational materials (e.g. DEP fluids, etc.)

Separation Pay Fund Overview

The proposed FY 21 Separation Pay Fund Budget is **\$502,781** which represents a 2.61% increase from the FY 20 adopted budget (\$12,781 actual).

The full amount of the Separation Pay Fund is projected to be spent on separation pay obligations for retired City employees. From FY 20 to FY 21, four (4) former employees rolled off that are no longer eligible to receive special separation pay because they are over 62 years of age. In FY 20, five (5) employees became eligible to receive separation pay and for FY 21 an additional two (2) are projected to receive this benefit.

Thirty-two (32) former employees currently receive separation pay benefits.

Transit Fund Overview

The proposed FY 21 Transit Fund budget is **\$700,000**, which represents a 18.98% *decrease* from the FY 20 adopted budget (-\$164,000 actual).

Due to the impacts of COVID, the Concord/Kannapolis Transit System (CK Rider) is eligible for Federal CARES Act funding in the amount of \$4,152,243 (\$1,384,081 each year for three years). These funds will be split between the City of Concord and City of Kannapolis based upon the existing CK Rider funding formulas. Therefore, Kannapolis is projected to receive \$432,657 in FY 21. This funding is eligible to be used to supplement funding gaps which is the planned use of the funds for at least the first year. More discussions will occur between Concord and Kannapolis and the Transit Commission on the use of the funds in FY 22 and FY 23.

In the past, the Transit Fund received funding from two sources: the vehicle license tax and a transfer from the General Fund. The vehicle license tax is \$30 per vehicle. Of this amount, \$20 goes directly to the Transit Fund to support the public transit system and \$5 goes back to support the General Fund and \$5 goes towards road paving/improvements.

In FY 21, the vehicle license tax revenue is projected at \$500,000 with no transfer from the General Fund due to CARES Act funding. Also, for FY 21, the Transit Fund includes a \$200,000 appropriation of fund balance, which will then be transferred back to the General Fund. Historically, this fund has received a transfer *from* the General Fund in order to offset operations and therefore has accumulated a fund balance which will now, in part, be returned to the General Fund. Last year's transfer was increased by \$56,000 from the previous year.

The Transit Fund does include \$51,771 for the purchase of technology projects that aren't eligible for CARES Act funding. These projects were deferred from FY 20 to FY 21.

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

Downtown/College Station Fund Overview

The proposed FY 2021 Downtown Fund Budget is **\$2,979,355** which represents a 57.46% decrease from FY 20 adopted budget (-\$4,024,645 actual). The reason behind this substantial decrease is a substantial part of this budget was moved to the General Fund for FY 21. These details are explained below.

Downtown/College Station Fund Revenue Highlights:

For FY 21 \$603,918 in rental and lease payments is expected from the downtown properties. There is also a \$263,698 fund balance appropriation for FY 21. In addition, there is a transfer from the General Fund of \$2,111,739. This covers the debt service obligations for the downtown properties.

1. **Residential Rent/Leases** (\$105,000 which is a \$9,000 *increase* from FY 20).
2. **Special Event Fees** (\$0, this has been moved to General Fund under Parks Programs budget).
3. **Commercial Rent/Leases** (\$473,918, which is a *decrease* of \$187,906, mostly due to businesses no longer located in downtown as well as a 15% reduction due to COVID impacts).
4. **Short-term Building Rental** (\$20,000 no change from FY 20).

Downtown/College Station Fund Expenditure Highlights:

1. The ongoing **maintenance and upkeep** of the downtown buildings is still included in the operating budget which totals \$867,616 in the recommended FY 21 budget. This is a *decrease* of \$1,825,806 from the FY 20 adopted budget. Included in this amount is \$421,500 for the remaining obligation on the USPC project, \$255,000 for continued stabilization of blocks 1 and 2, and \$20,000 for continued consultant services for the Gem Theatre. The remaining \$171,116 in expenditures are for general maintenance and upkeep of the downtown buildings. The General Services Department (with input from the City Manager's office) will now oversee this Fund.

The \$1.8 million decrease described above includes the movement of all revenues and expenses associated with West Avenue from the Downtown Fund to the General Fund (mostly in Parks and Recreation) to assist with better oversight and tracking of these projects. This includes grounds maintenance, utilities, the NC Music Hall of Fame financial support, liability insurance and special event funding. This decrease also includes one-time revenue appropriations for various projects downtown (including the block 8 parking lot and building stabilization activities). The funds not used will revert to fund balance at the end of the FY 20 Budget year.

2. There are no new **Capital Improvement Projects** in the FY 21 budget for the Downtown/College Station Fund. Debt service for this Fund decreased by 51% or (-\$2,198,839) due to the Ballpark debt service being moved to the General Fund. Any new projects (Gem Theatre, Swanee Theatre partnership, etc.) will require another funding source – likely fund balance from the General Fund. The following are the remaining current debt service obligations in this Fund:

Special Obligation Bonds	Principal	Interest	Total
Phase 1 of Duct Bank/College Station Acquisition	\$255,226	\$102,985	\$358,211
College Station/West Ave Duct Bank/Streetscape	\$394,999	\$257,381	\$652,380
Downtown Properties Acquisition	\$734,000	\$367,148	\$1,101,148
Totals	\$1,384,225	\$727,514	\$2,111,739

Downtown/College Station Fund Watch List – FY 21 (not ranked/prioritized)		
	Amount	Description
1	\$750,000	Gem Theatre renovations Phase 1 (HVAC replacement and related electrical upgrades)
2	\$650,000	Gem Theatre renovations Phase 2 (restrooms, second entrance)
3	\$950,000	Swanee Theatre Entertainment Venue Partnership
4	\$200,000	Upfits to College Station spaces (3 spaces)
5	TBD	Block 1 Phase 2 and Phase 3 Improvements
6	TBD	Block 4 Partnership – hotel, retail and parking deck
7	\$250,000	Lease obligations for future Team Store and Team Offices (recurring)

Looking Ahead – FY 2022 to FY 2024

COVID has temporarily derailed our short-term planning in two ways. First, it has created short term budget shortfalls as described elsewhere in this budget message. Second, it forced a postponement of the planned two-year City Council retreat that was planned for March 2020. It is the hope that this retreat can be rescheduled in the coming months as restrictions on public gatherings continue to be relaxed. To that end, the 2018 retreat priorities are presented here as information with the current status noted where appropriate. Also presented here are items such as water and sewer projects and personnel that were not part of the City Council Retreat but are still on the immediate horizon.

A few of these items are included on the watch lists (the ones planned for FY 21). Generally, the initiatives slated for FY 22 and beyond are not included on the future watch lists but can be added to this or future budgets at the discretion of City Council (with a dedicated funding source).

Plans and Strategies.

- South Main Street Corridor Plan (FY 19, delayed. Funding was needed for Cannon Blvd Plan. This is not included in the FY 21 budget as it was viewed as an expansion item, but City Council can add it back should it choose to do so. This is included on the General Fund Watch List)
- Downtown Retail Strategy (FY 19; on hold pending sale of West Avenue properties)
- Current Stadium Redevelopment Plan (on hold indefinitely due to decision to sell property)

- Cannon Memorial Study (FY 21; This is not included in the FY 21 budget as it was viewed as an expansion item, but City Council can add it back should it choose to do so. This is included on the General Fund Watch List)
- Open Space Acquisition Strategy (FY 22)
- First Street Crossing Plan (FY 22)
- Farmers Market Study (FY 23)

Capital Improvements (2018 City Council Retreat priorities).

- Bethpage Road Sidewalk (Unknown – depends on future NCDOT funding)
- Roxie Street Improvements (no funding allocated currently with NCDOT)
- Cannon Blvd/DE. Blvd Intersection Improvements (FY 21 with NCDOT – delayed from FY 20)
- Little Texas Phase II Sidewalk (FY 22 with NCDOT)
- Village Park Phase 4 (FY 22)
- Eastside Park Phase 1 – approximately ½ of the site (FY 22)
- Westside Park Phase 1 – approximately 1/3 of the site (FY 22)
- Cannon Mills Office Cupola (FY 23)
- Community Center (FY 23)
- Kannapolis Parkway Street Lighting and Landscaping (FY 23)
- Bakers Creek Park Improvements (FY 23)
- Irish Buffalo Creek Greenway Phase II (FY 23)

Capital Improvements (not part of 2018 Retreat priorities)

- Mooresville Road Water Main Relocation/Replacement (FY 22)
- Concrete Spillway Chute Repair at Kannapolis Lake (FY 24)
- Rogers Lake Road Bridge – Utility Work (FY 22)
- Downtown Sewer Outfall (FY 23)

Service Delivery Enhancements.

- Enhanced Summer Concert Series (4-year phase in: FY 19 and FY20 were completed, FY 22 to be determined; FY 21 is not included in the FY 21 budget as this was viewed as an expansion item but City Council can add it back should it chose to do so. This is included on the General Fund Watch List).
- Street Litter Clean-Up Program - capital & new personnel (2 phases: FY 22 and FY 23).

Personnel.

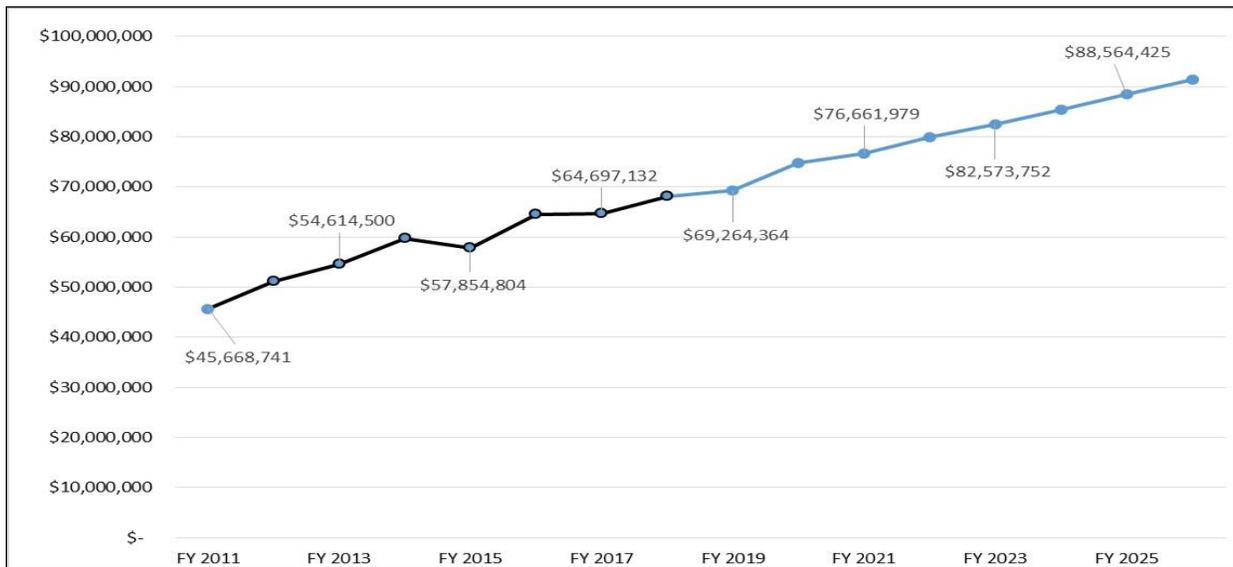
As part of the FY 21 budget process, department heads were asked to submit a three-year staffing plan. These requests were made after reviewing the staffing study from a few years ago. However, in compiling these requests, more emphasis was placed on the assessment of each department's leadership team than in previous studies. There are only a few new positions included in the FY 21 budget due to the revenue shortfalls. These positions include offsetting new revenues. The requested number of full-time positions City-wide total 34 in FY 21 and additional 34 full-time

positions in FY 22 and FY 23 (17 both years). All of these positions are included on the various “watch lists.”

Closing Thoughts

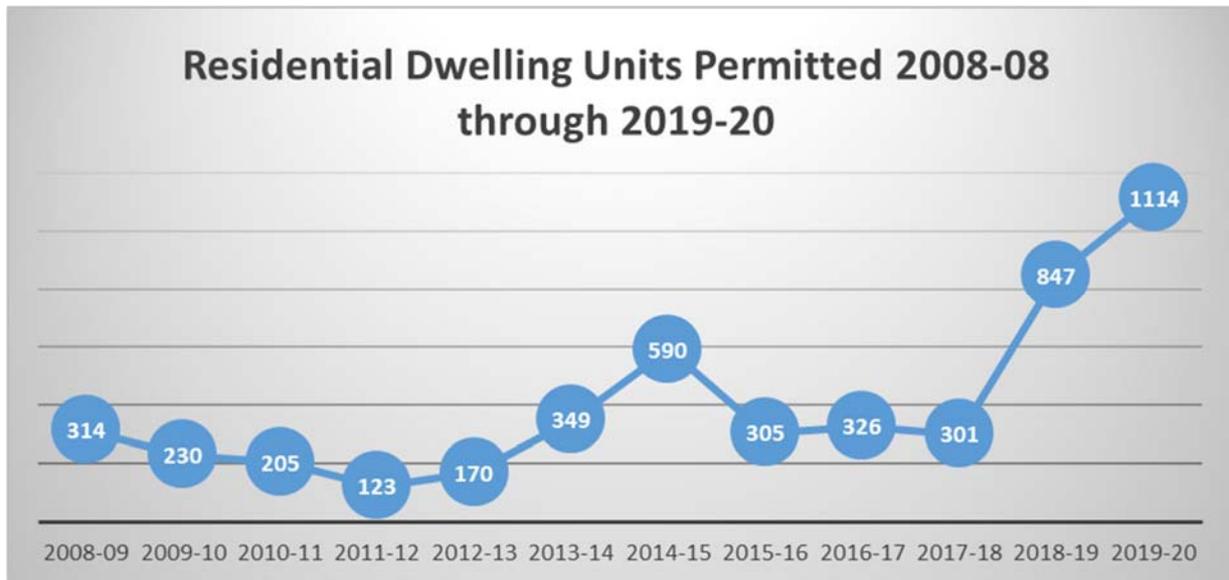
Despite the COVID crisis it appears that growth is continuing and there are no early indications that it may in any way stop as it did during the 2008-09 Great Recession. Growth in our local economy remains the number one factor for the current and long-term success in our City and our region. Kannapolis continues to evolve and mature as a City. Our City’s economic well-being has significantly rebounded since the demise of Pillowtex and the more recent Great Recession. The hope is that COVID does not have a multi-year impact like those events. As depicted on the following graph, the total City budget has increased by 50% since 2011 and is expected to nearly double by 2025. The recommended FY 21 budget is ahead of the projected budget growth by more than \$3 million even with the COVID-related budget shortfalls.

Budget Growth Projections 2011 to 2026



The City’s rapid growth trends have continued in recent years. Over the past six years (April 2014 to March 2020) 3,483 residential dwelling units were permitted (including 1,534 apartment units) an average of about 580 units per year.

From April 2019 through March 2020 the City permitted the largest total number dwelling units (1,114) in a one-year period in our history (surpassing the previous year of 847). There were more multi-family units (694) permitted in the past year than single family units (420). This is the second consecutive year of more than 500 multi-family units being permitted. The private investment for all residential development in the past year was approximately \$105.6 million – evenly split between single family homes and multi-family projects. This residential growth is depicted in the graph on the following page.



One trend to watch is the relative decrease of commercial and industrial development (\$22,425,301 in the past 12 months compared to \$99,907,432 the previous 12 months). It is too early to tell what will happen in terms of permitting for the next several months. There are several potential large investments in the pipeline (Kannapolis Crossing, the U.S. Performance Center, downtown block 4) but these may not start to impact the budget for a few years.

The reality is these growth numbers are likely to pale in comparison to what Kannapolis will experience over the next decade. Moreover, this does not include *new* development that is either in the planning stages or is yet to come. It also does not include the corresponding commercial and industrial development, including the downtown investments. Suffice it to say, Kannapolis' future is very bright, current COVID pandemic notwithstanding.

This recommended FY 2020-21 budget is balanced in accordance with N.C. Statutes and it continues to address the goals and priorities the City Council has established over the past several years, albeit less aggressively than would have been predicted only a few months ago due to the COVID crisis. As always, this Budget is the result of hard work from a talented group of City employees. For each of those participating 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. Our budget manager, Assistant to the City Manager, Kristin Jones and our Finance Director, Wendi Heglar have worked diligently with our management team (me, Eddie Smith, Eric Davis and Wilmer Melton) and all of our department heads. Kristin especially deserves kudos this year as she managed the budget process from beginning to end after only being on the job for a few months prior to the start of the budget process.

I continue to be very appreciative of City Council's support for City staff in the development and management of the annual budget as well as the implementation of City Council's long-term vision. The past few years have been a whirlwind of activity and City Council has found itself in

the position of having to make many complex and far-reaching decisions. It is my opinion that our City will be a far better place in the coming years as a result of such bold actions.

I do think there is a silver lining to the COVID pandemic. This may give us a short “breather” to allow City Council and the staff leadership team to regroup a bit. As I see it, the next Retreat – hopefully in the next few months – will be the start of a new era in Kannapolis. It will include many of the same great opportunities but also new challenges to overcome.

As I have noted in the past few budget messages, very few communities have the opportunities we have. Even fewer communities have the commitment and vision to take such bold steps to capitalize on them. We should all be proud of the place in which we find ourselves.

Without reservation, I respectfully recommend this proposed FY 2020-21 Budget to the City Council for its thoughtful consideration.

Sincerely,

A handwritten signature in black ink that reads "Mike Legg". The signature is written in a cursive, flowing style.

Mike Legg
City Manager

BUDGET PROCESS

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

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

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

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

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

Formulate Historical Data

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

Preparation of Departmental Requests

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

Consolidate Preliminary Budget

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

Evaluate Service Priorities and Objectives

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

Balance Proposed Budget

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

Legislative Review

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

Budget Adoption

The adoption of the annual operating budget is the culmination of extensive reviews of budget proposals by department heads, administration, and the governing body. Adoption of the budget by the governing body establishes the legal authority to incur expenditures in the ensuing fiscal year.

BUDGET PROCESS AND POLICIES

BUDGET CALENDAR

Date	Deliverables	Description
Monday, February 10, 2020	City Manager's Office produces the FY 21 base budget, which is the FY 20 adopted budget less any one-time costs or projects.	Base budget: starting point. Last year (FY 20) adopted budget less any one-time projects or costs.
Tuesday, February 11, 2020	Budget calendar and process is discussed at the Executive Team Meeting.	
Monday, February 17, 2020	Departments receive base budgets and begin to develop their continuation budgets. This includes reviewing and reassessing each base budget to reflect any updated budget amounts for all recurring line items.	Continuation budget: review of the base budget with any updated contractual costs and salary and fringe adjustments. Examples include: inflation of goods, utility increases, cost of labor increases, rate changes on contracts. All salary and fringe information is handled by Budget and Human Resources.
Monday, February 17, 2020	Finance reviews and assesses revenue forecasts and provides updated debt service figures.	
Wednesday, February 26, 2020	Department continuation budgets are due with any changes in line items noted and justified.	All proposed adjustments need a brief justification for the proposed change.
Monday, March 2, 2020	Departments submit expansion budget requests based on template distributed. This should include a 3-year forecast of the department's personnel requests, increase in operations outside of contractual obligations and operating capital (including rolling stock).	Expansion budget: anything new that wasn't previously approved or adopted with the budget. These requests are new and don't include items currently in a department's annual operating budget. Examples include: new positions, new vehicles, new programs or services, new capital items and new technology.
Monday, March 16, 2020	Department expansion budgets are due.	Budget will key all expansion requests in Munis and note any one-time projections and/or initiatives.
Wednesday, March 18 - Monday, March 30, 2020 <i>*subject to change</i>	Budget conferences begin. Budget conferences will consist of the City Manager, respective Deputy or Assistant City Manager(s) and Assistant to the City Manager with corresponding Department staff.	Continuation and Expansion departmental budgets will be discussed in these meetings.
Thursday, April 2, 2020	Preliminary budget is prepared and compiled by staff	This includes changes reflected by the City Manager and City Council.

BUDGET PROCESS AND POLICIES

Date	Deliverables	Description
Tuesday, May 26, 2020 <i>*subject to change</i>	FY 21 Preliminary Budget is presented to City Council.	
Wednesday, May 27 - Friday, June 5, 2020	Staff makes final revisions and recommendations to the budget.	
Monday, June 8, 2020	City Council holds public hearing on the proposed FY 2021 Budget.	
Monday, June 22, 2020	City Council adopts FY 2021 Budget.	This includes corresponding budget ordinances for all annually adopted funds and any fee schedule changes.
Tuesday, June 23 - Friday, June 26, 2020	FY 21 Adopted Budget is disseminated to Department Heads.	Enables Department Heads to view their FY 21 adopted operating budgets which will note any expansionary items that were adopted with the budget.
Monday, June 29, 2020	Departmental Program templates are shared with Department Heads and staff.	Departmental Program templates consist of the following: department's mission, major accomplishments, performance indicators and action plans for the upcoming budget year.
Monday, July 27, 2020	Departmental Program templates are due to staff.	Departmental Program templates will be compiled for the inclusion in the Annual Adopted Budget Document which is distributed to City Council and the public.
Tuesday, June 23 - Monday, August 3, 2020	Final Budget Document is compiled by City staff.	

BUDGET LEVELS

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

Level 1 - Department Continuation: This level started with the FY 2020 adopted budgeted amounts less any one-time projects or costs. This detail served as a starting point, but departments still assessed and updated all prior year detail and amounts while adding new detail if necessary. Continuation budgets are those that provide the same level of service in the coming year that the department is providing in the current year. Such budgets typically include items that repeat year after year. It is ok to have increases in this column due to an increase in the cost of doing business year over year (i.e. inflation costs in operations, supplies, fuel, utilities, etc.)

Level 2 - Department Expansion: This level consisted of new requests only. The following classified as an expansion request: new personnel, new software, new technology for new personnel, new projects, new upgrades, new programs, new services, new vehicles for new personnel or adding to the fleet outside of the normal replacement cycle. Not every department

BUDGET PROCESS AND POLICIES

had expansion requests. If departments were not asking for anything new in FY 21, then they only worked in the continuation budget level. Expansion requests required justification and for departments to project three years out. The following revenues classified as expansion: those tied to a new grant, new reimbursement due to a new position or a new fee structure.

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

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

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

Continuation	Expansion
Description: Continuation requests are for funding above FY 20 levels that are required to provide the same level of service. Most often continuation requests include salary and benefit adjustments and contractual increases.	Description: Expansion requests are for anything new that wasn’t previously reviewed/approved by City Council or Management via the budget process. These requests are new and do not include items in the department’s annual operating budget.
Examples include:	Examples include:
1. Salary and Benefit adjustments for existing positions - No department action is need here. This is handled by Budget and Human Resources through the salary projection.	1. New position requests with associated costs including: uniforms, technology, vehicles, supplies, travel and training, memberships, etc.
2. Rate changes on contractual obligations	2. Position Reclassifications
3. Inflation or deflation on items to be purchased -Facility expenses such as rent and utilities	3. New programs, projects or services and all associated expenses and/or revenues that go with them.
4. Mandated program or service expenses	4. An increase in expenses associated with a major change in a program or project (i.e. adding another location).

BUDGET PROCESS AND POLICIES

Continuation	Expansion
5. Scheduled replacement in accordance with the replacement cycle of vehicles/equipment -Consult with General Services and IT	5. New software, technology or upgrades
	6. Operating costs associated with CIP Projects which includes: personnel, technology, furniture, supplies, etc.
	7. Maintenance projects that are out of the ordinary
	8. Professional/Contracted Services that don't occur regularly

BUDGET ADOPTION

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

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

- a. The City Manager is hereby authorized to transfer funds from one-line item to another line item within each Fund of said budget with the exception of the general contingency account. Utilization of any contingency funding appropriation shall be accomplished with City Council approval only.
- b. Authorization is hereby given to the City Manager to withhold or postpone the expenditure of any funds appropriated in this ordinance when it appears to the City Manager it would be in the best interest of the City for such expenditure to be withheld. This provision shall not in any way limit or restrict the right of the City Council to direct immediate disbursement of any of any appropriated funds when city Council is of the opinion that the funds should be expended regardless of the position taken by the City Manager.

BASIS OF BUDGETING

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

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

The **General Fund** is a governmental fund and accounts for the revenues and expenditures of all City departments except those required to be accounted for in other funds. The General Fund is the City's main operating fund. The primary revenue sources are ad valorem taxes and State shared revenues. The primary expenditures are public safety, public works, community development, parks and recreation, general government services, and debt service.

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

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

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

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

BUDGET PROCESS AND POLICIES

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

The **Downtown/College Station Fund** is an Enterprise Fund and accounts for the operations of the newly purchased downtown properties purchased by the City of Kannapolis. FY 16 was the first year for this fund. During FY 18, the City purchased a commercial property for the location of the RCCC Cosmetology School. In addition to the Downtown properties purchased, and the operations and management of those properties, this fund will account for all activity related to the newly named College Station properties.

The budget for the General Fund funds is adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), specifically the modified accrual basis. Budgets for the Water and Sewer Fund and the Stormwater Fund are adopted on a basis consistent with GAAP, specifically the accrual basis, except that bond proceeds and contributed capital are not included in the annual budget, bond principal payments and additions to fixed assets are treated as expenditures, depreciation expense is not budgeted, and no accruals are made for interest expense and vacation pay. The Separation Pay Fund and the Transit Fund are budgeted on a modified accrual basis. The City's Annual Financial Statements present data for all funds on the accrual basis in the Government wide statements. Budget to Actual presentations in the Annual Financial Statements are presented a stated above for adopted budgets.

Revenues are shown by sources and by funds. Accurate revenue estimates are dependent upon correct classification because factors which affect individual revenues do not affect each source uniformly. Revenue projections can be made more accurately when revenues are segregated by source and controlled accordingly.

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

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

BUDGET PROCESS AND POLICIES

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

The major expenditures by function are shown as follows:

- **General Government:** Expenditures for the Governing Body; City Manager; Human Resource Director; Legal Services; Finance Administration; Information Technology; Economic Development; City Memberships; and General Services.
- **Community Development:** Expenditures for Planning; Zoning and Code Enforcement.
- **Public Safety:** Expenditures for the Police Department (administration, support services, and field operations); and Fire Department (administration, medical response, prevention, and suppression, and general services).
- **Parks and Recreation**
- **Public Works:** Expenditures for Public Works (engineering, streets – Powell Bill, street lighting, traffic signs and markings, solid waste – yard waste solid waste-residential garbage, and operations center).
- **Debt Service:** Expenditures related to General Fund Debt service.
- **Non-departmental:** Expenditures for General Fund not otherwise classified by department.
- **Contingency:** Provision for unexpected expenditures.
- **Water and Sewer Fund:** Expenditures for administration, billing and collection, distribution, sewage treatment, water treatment plant, and debt service.
- **Stormwater Fund:** Expenditures for maintenance of the stormwater drainage system and federally mandated stormwater runoff education program.
- **Environmental Fund:** Expenditures for contracted services related to recycling, and solid waste collections.
- **Transit Fund:** Expenditures related specifically to the regional transit system established by the cities of Kannapolis and Concord.
- **Downtown Fund:** Expenditures related specifically to the recently purchased 46 acres of downtown properties.

BUDGET PROCESS AND POLICIES

Expenditures by object are divided into three (3) major categories: Personnel, Operating, and Capital. These categories are summarized below:

- **Personnel:** Expenditures which can be directly attributed to the employee salaries of all types (i.e., incentive pay, merit increases, longevity pay, etc.) and expenditures for group insurance, retirement, 401K expense, FICA, and worker's compensation. The cost of all of these have been budgeted within each operating department which gives a more accurate cost of departmental operations.
- **Operating:** Operating expenditures related to the purchase of services such as utilities, travel, training, maintenance costs, and equipment rentals, the purchase of supplies used for City business, and insurance purchases for public officials liability, automobile liability, and expenditures for miscellaneous expenditures are directly affected by inflationary trends, increased service demands and enforcement of governmental regulations.
- **Capital:** Expenditures for the purchase of land, machinery, equipment, furniture, and fixtures which are too permanent a nature to be considered expendable at the time of purchase. The capital items should have a value of \$5,000 or more with an expendable life of one year or more. Budgeting of capital equipment and capital improvements are funded in accordance with the City's Capital Improvement Program and contingent on availability of funds and are included in the annual budget at the discretion of the City Manager and the City Council. For major capital construction or for capital items that require the borrowing of money, a "Capital Project Ordinance" will be adopted by City Council and will stay open until the construction or purchase is completed. The impact of the annual budget will only be related to debt payments, transfers of cash to the project ordinance, or for related appropriations for personnel or maintenance costs.

BUDGET PROCESS AND POLICIES

CITY OF KANNAPOLIS REVENUE ASSUMPTIONS

Certain methods, techniques and approaches have been used to aid the City in estimating future revenues. By analyzing current trends and their underlying forces, the City can make realistic projections of revenues. The following are some assumptions concerning revenues estimated in the City of Kannapolis 2020-2021 Budget.

REVENUES

FORECAST RATIONALE

Ad Valorem Taxes

Property valuations are established by the County Tax Assessor. The City of Kannapolis is in two (2) counties, Rowan and Cabarrus and the property values are set by each respective County Tax Assessor. Projections of \$4,952,952,776 assessed valuations are based on preliminary tax information received from the respective County tax assessors. The tax rate per \$100 of value was set at 63.0 cents by City Council. The estimated collection percentage is 98.12%, which was the collection rate during the 08-09' recession. The prior year tax budget amount is based upon previous historical trends. **Estimate – General Fund – Current year tax - \$30,616,974; prior year tax - \$426,147.**

Utility Tax

The City shares in the taxes levied by the State on various utilities. Revenues are based on estimated receipts from the N.C. Department of Revenue and historical models. Each city's share is based on the actual receipts from electric, telephone, and natural gas services and cable TV within their municipal boundaries, as a proportion of total state-wide receipts except for cable TV which is paid directly to the City by the cable company, Time Warner Cable. Any significant local rate increases or decreases approved during the year will cause receipts to change. Due to impacts of the COVID-19 pandemic, franchise tax funding is projected to decline by 20% in the first quarter. **Appropriation – General Fund - \$2,660,000.**

Beer & Wine Tax

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

Powell Bill

One and three quarters ($1\frac{3}{4}$) cents per gallon of the State gasoline tax is distributed to municipalities to be earmarked for street construction and maintenance. Seventy five percent (75%) is based on per capita and the remaining twenty five percent (25%) is based on number of miles of streets maintained. The State provides the estimated value to place on each. Due to impacts of

BUDGET PROCESS AND POLICIES

the COVID-19 pandemic, Powell Bill funding is projected to decline by 20%. **Estimate – Powell Bill revenues \$1,065,744.**

Local Option Sale Tax

Revenue projections are based on anticipated retail sales and historical trends. State G.S. 105, Article 39 or 1% rate was established whereby counties and municipalities receive the net proceeds of the tax collections within the county less the cost to the State of collecting and administering the tax (point of sale). The net proceeds are distributed based on a per capita basis in Rowan County and an ad-valorem tax basis in Cabarrus County. The *Per Capita Basis* is calculated based on the ratio of the City's population to the sum of the total population of the taxing county and all the cities within the county. The *Ad-Valorem Basis* is calculated in a similar manner except that the total property tax levy is used in place of population. G.S. 105, Article 40 or ½ of 1% rate and G.S. 105, Article 42 or ½ of 1% was established with net proceeds placed in a Statewide pool. Net proceeds are distributed on a per capita and ad-valorem tax basis. Due to impacts of the COVID-19 pandemic, sales tax is projected to decline by 30% in Q1, 20% in Q2 and base level growth for Q3 and Q4 based off FY 19 actuals. **Estimate – General Fund \$8,825,121.**

Investment Income

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

Planning and Zoning Fees

Projections are based on comparisons of past operating data and consideration for a slow recovering housing activity. **Estimate – General Fund \$100,000.**

Recreation Fees and Charges

Projections are based on comparisons of past operating data and new amenities added at Village Park for which admission fees are charged. **Estimate – General Fund \$45,000**

Vehicle License Tax

The City receives \$30.00 per vehicle (\$10.00 for the General Fund and \$20.00 for the Transit Fund) located in the City and required by the State to register for a license plate. Projections are based on comparisons of past operating data. **Estimate – General Fund \$389,559; Transit Fund \$500,000.**

BUDGET PROCESS AND POLICIES

City Code Violation Revenues

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

Real Property Rental

The City collects rental revenue from certain properties owned by the city and used by others. These properties include a cellular tower, and some vacant land used by farmers. Projections are based on comparisons of past operating data. **Estimate – General Fund – Tower Rental \$70,000; Building Rental \$90,000.**

Fire Fees and Charges

Projections are based on historical data of inspections of commercial development done prior to the fee being implemented. **Estimate – General Fund \$25,000. (Fire - Technical Services charges and fees)**

Police Officer Court Cost Reimbursements

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

Enterprise Fund Management Fees

Charges for services by the General Fund to the Water and Sewer Fund and the Stormwater Fund within the City. Funding is projected by estimating cost of services provided on historical trend information. **Estimate – General Fund \$2,614,500.**

Water and Sewer Charges

Proceeds are from the sale of treated water both retail and wholesale and retail charges for wastewater disposal service through their respective distribution and disposal systems. Revenue estimates are based on historical user trends of consumption times the rates charged to customers. **Estimate – Water and Sewer Fund – Retail \$18,250,000; Wholesale \$415,000.**

Taps and Connections

Fees are charged to customers for connections to the City's water or wastewater system. Revenues are based on historical trends and the projections of connection fees due from developers. **Estimate – Water and Sewer Fund \$1,250,000**

Penalties for Late Payment

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

Solid Waste Fee

A new fee was added in 2007 for solid waste pickup for commercial dumpster containers located at apartment complexes and mobile home parks. These dumpster pickups were considered residential

BUDGET PROCESS AND POLICIES

pickup in past years and were not charged a fee. This designation was changed to commercial pickup and a fee added. Estimate is based on prior year collections. **Estimate – General Fund \$36,000.**

Intergovernmental Revenues

The City will receive funds from Cabarrus County related to the purchase of Limited Obligation Bonds. **Estimate – General Fund \$1,336,792.**

Community Development Block Grant Reimbursement

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



CITY OF KANNAPOLIS FINANCIAL POLICIES

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

Operating Budget Policies

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

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

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

Investment Policy

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

Reserve Policy

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

Debt Policy

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

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

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

Capital Improvement Policy

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

BUDGET SUMMARY

City of Kannapolis
Revenue Summary
Fiscal Year 2021

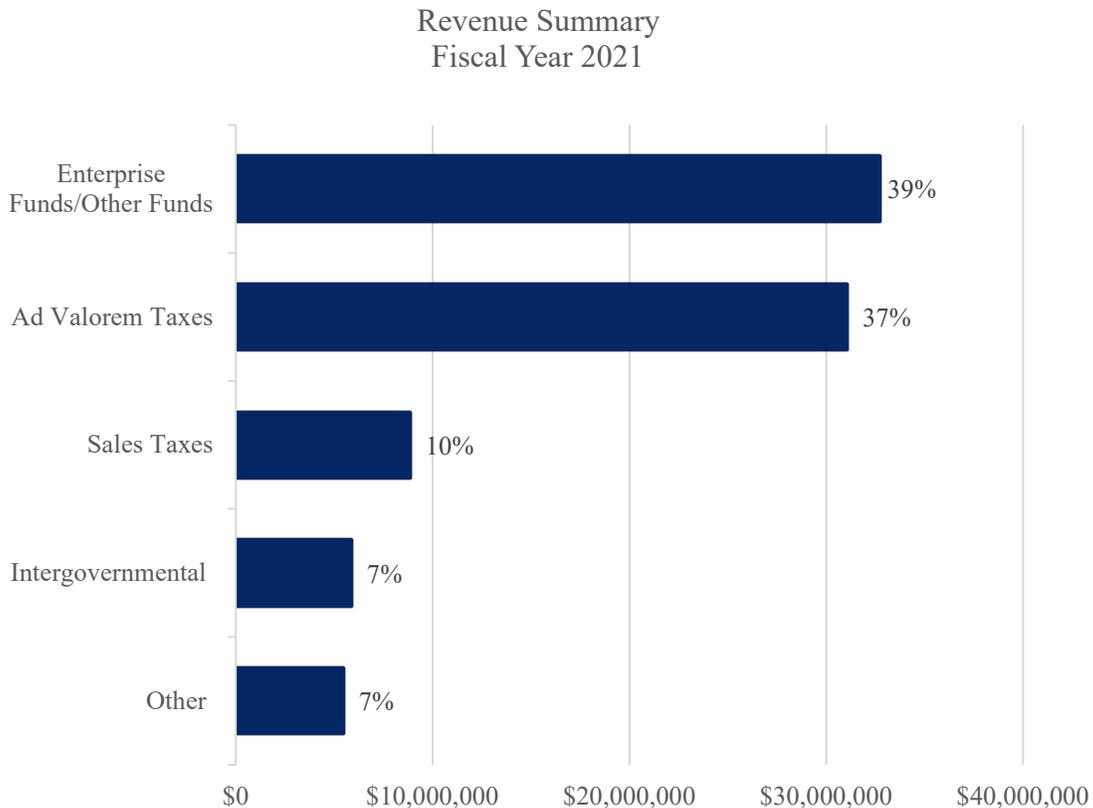
	FY 2019 Adopted	FY 2020 Adopted	FY 2021 Proposed	Difference
Ad Valorem Taxes	25,768,494	27,267,110	31,043,121	3,776,011
Sales Taxes	9,555,000	10,500,000	8,825,121	(1,674,879)
Intergovernmental	6,460,108	6,552,238	5,586,536	(965,702)
Other Revenues	3,871,030	5,703,652	5,441,059	(262,593)
Appropriated Fund Balance/Transfers In	663,368	6,000	200,000	194,000
Total General Fund	\$ 46,318,000	\$ 50,029,000	\$ 51,075,837	\$ 1,046,837
Total Water and Sewer Fund	\$ 18,362,000	\$ 19,275,000	\$ 20,500,000	\$ 1,225,000
Total Stormwater Fund	\$ 3,023,000	\$ 3,050,000	\$ 3,500,000	\$ 450,000
Total Environmental Fund	\$ 3,846,500	\$ 4,153,000	\$ 4,530,187	\$ 377,187
Total Separation Pay Fund	\$ 500,000	\$ 490,000	\$ 502,781	\$ 12,781
Total Transit Fund	\$ 808,000	\$ 864,000	\$ 700,000	\$ (164,000)
Total Downtown Fund	\$ 5,621,000	\$ 7,004,000	\$ 2,979,355	\$ (4,024,645)
Grand Total All Funds	\$ 78,478,500	\$ 84,865,000	\$ 83,788,160	\$ (1,076,840)
Less Inter-Fund Transfers	\$ 9,214,136	\$ 7,585,474	\$ 3,860,220	\$ (3,725,254)
Grand Total All Funds	\$ 69,264,364	\$ 77,279,526	\$ 79,927,940	\$ 2,648,414

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

The City of Kannapolis' operating budget consists of seven funds: General Fund, Water and Sewer Fund, Stormwater Fund, Environmental Fund, Transit Fund, Separation Pay Fund and the Downtown Fund. The General Fund is the City's main operating fund. The primary sources of revenue are property taxes and sales taxes. This fund supports the following department areas: general government, public safety, public works, community development, and parks and recreation. The Water and Sewer Fund, Stormwater, Environmental Fund and Downtown Fund are all enterprise funds that the City operates. These funds run more similarly to a business and primarily operate off user charges and fees. The Transit Fund is a special revenue fund due to

BUDGET SUMMARY

having specific revenues that the City is legally restricted to expend for purposes, such as the public transit system. Last, is the Special Separation Pay Fund, which is a pension trust fund. For law enforcement officers, the State has made this separation allowance mandatory by Article 12D of the North Carolina General Statute 143. The City has chosen to make this benefit available for all City employees. The seven funds mentioned will be further discussed in each fund summary section of the budget document.



Across all funds, the enterprise funds/other funds revenue source of primarily charges and fees comprise the total budget at 39%. Outside of the enterprise funds, the Transit and Separation Pay Funds are also accounted for in this area. The second largest revenue source at 37% is ad valorem taxes, which is the collection of current and prior year tax levied on all property. Sales tax is the third largest source of revenue for the City at 10%. Sales tax is the collections of the one percent (1%) local options-sales tax and both the one-half (1/2) of one percent (1%) local option sales taxes (Articles 40 and 42). The intergovernmental revenue source is any federal, state and local assistance that the City receives which comprises 7% of the total budget. Revenues in this category consist of the following: franchise tax, beer and wine tax, ABS funds, contributions from Cabarrus County and Rowan County, Community Development Block Grant (CDBG) revenue and Powell Bill funds, which come from the State. The final source of revenue at 7% is classified as other revenue. The other category consists of revenues from the General Fund departments, miscellaneous revenue, and appropriated fund balance. Also included in this category is the enterprise fund management fee reimbursement, which is the fee that the Water and Sewer and Stormwater Funds pay to the General Fund for support.

BUDGET SUMMARY

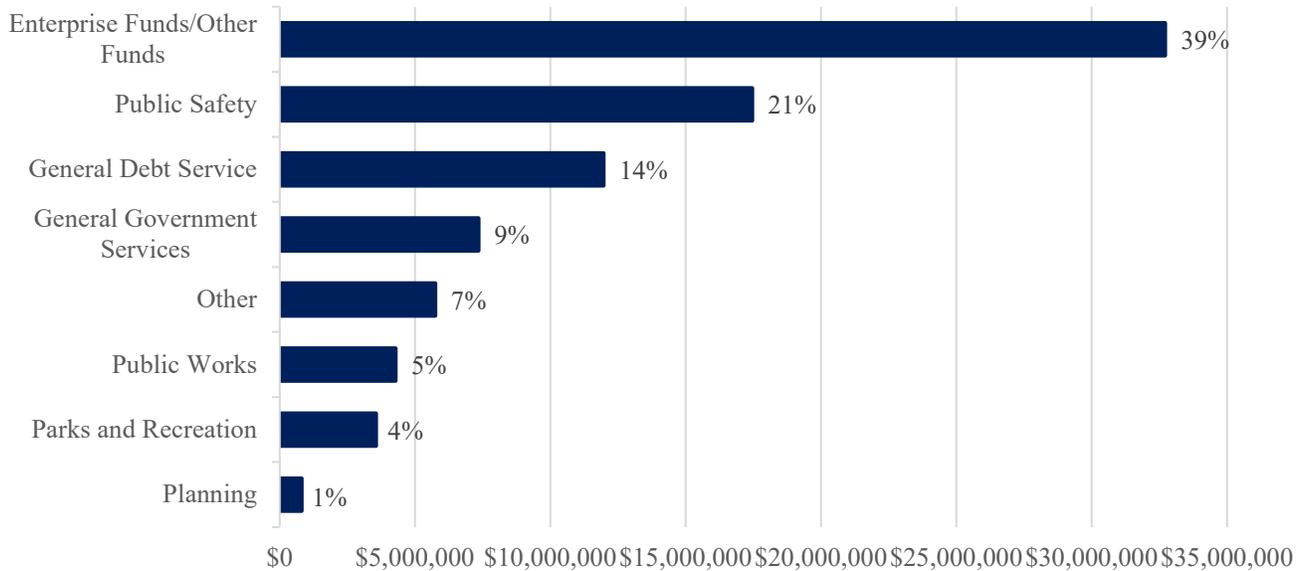
City of Kannapolis Expenditure Summary Fiscal Year 2021

	FY 2019 Adopted	FY 2020 Adopted	FY 2021 Proposed	Difference
General Government Services	5,864,428	6,755,101	7,344,675	589,574
Planning	1,120,192	771,326	809,503	38,177
Public Safety	16,405,472	17,087,276	17,456,525	369,249
Parks and Recreation	2,536,001	2,915,200	3,557,789	642,589
Public Works	4,258,805	4,421,075	4,014,929	(406,146)
Other	7,493,445	8,093,892	5,927,555	(2,166,337)
General Debt Service	8,639,657	9,985,130	11,964,861	1,979,731
Total General Fund	\$ 46,318,000	\$ 50,029,000	\$ 51,075,837	\$ 1,046,837
Water and Sewer Fund	\$ 18,362,000	\$ 19,275,000	\$ 20,500,000	\$ 1,225,000
Stormwater Fund	\$ 3,023,000	\$ 3,050,000	\$ 3,500,000	\$ 450,000
Environmental Fund	\$ 3,846,500	\$ 4,153,000	\$ 4,530,187	\$ 377,187
Separation Pay Fund	\$ 500,000	\$ 490,000	\$ 502,781	\$ 12,781
Transit Fund	\$ 808,000	\$ 864,000	\$ 700,000	\$ (164,000)
Downtown Fund	\$ 5,621,000	\$ 7,004,000	\$ 2,979,355	\$ (4,024,645)
Grand Total All Funds	\$ 78,478,500	\$ 84,865,000	\$ 83,788,160	\$ (1,076,840)

The table above is an expenditure summary for the City's seven annually adopted funds. The City's General Fund is broken out by the major function areas, which are: general government services, planning, public safety, parks and recreation, public works, other and debt service. The general Government Services area is made up of the following departments: City Council, City Manager's Office, Economic Development, Communications, Human Resources, City Attorney, Finance, Information Technology and General Services. The planning area is made up solely of the City's Planning Department. The public safety area is comprised of the Police and Fire Departments. Public works includes: Engineering, Street Lighting, Operations Center, Signs and Markings, Powell Bill and Street Maintenance. Parks and recreation include: Parks and Recreation and the Stadium. The Other category consists of the Non-Departmental service area as well as any transfers that the General Fund makes to the other funds. Last, debt service is any principal and interest payments accounted for in the General Fund.

BUDGET SUMMARY

Expenditure Summary Fiscal Year 2021



The chart above gives a breakdown in expenditures by fund. The Enterprise funds/other funds which consists of: Water and Sewer, Stormwater, Environmental, Downtown, Transit and Special Separation pay comprise 39% of total spending for the City. The next largest expenditure area is public safety at 21% then debt service at 14%. The debt service area does include the stadium debt service, debt service on City Hall/Police Headquarters, various fire stations and equipment and parks projects. Further breakdown in the City's debt service payments can be found in the debt service program summary of the budget document. General government services area comprises 9% of all spending, the other category comprises 7% while public works comprises 5% of total spending. Last, parks and recreation comprise 4% and planning at 1% of total spending city-wide.

A further breakdown of the General Fund's major revenue and expenditure areas can be found on the following pages.

FUND SUMMARIES

GENERAL FUND						
	FY 2020 Adopted		FY 2021 Proposed		Difference	% Change
Revenues						
Ad Valorem Taxes	27,267,110		31,043,121		3,776,011	13.85%
Sales Taxes	10,500,000		8,825,121		(1,674,879)	-15.95%
Intergovernmental	6,552,238		5,586,536		(965,702)	-14.74%
Other Revenues	5,703,652		5,421,059		(282,593)	-4.95%
Appropriated Fund Balance/Transfers In	6,000		200,000		194,000	3233.33%
Total	\$ 50,029,000		\$ 51,075,837		\$ 1,046,837	2.09%
Expenditures						
Personnel	23,645,030		25,448,497		1,803,467	7.63%
Operating	26,268,570		25,559,382		(709,188)	-2.70%
Capital	115,400		67,958		(47,442)	-41.11%
Total	\$ 50,029,000		\$ 51,075,837		\$ 1,046,837	2.09%

The FY 2021 proposed General Fund budget totals \$51,075,837 which is an increase of 2.09% or \$1,046,837 over the FY 2020 adopted budget of \$50,029,000.

Revenues in the General Fund are divided among property taxes, sales taxes, intergovernmental revenues, other revenues and appropriated fund balance. The primary increase in property tax revenues is due to the Cabarrus County revaluation of property which is estimated at a 14% increase. Due to impacts related to the COVID-19 pandemic, an overall 15.95% decrease is projected in sales tax revenue. Intergovernmental revenue is also estimated to decline by 14.74% due a 20% decrease in funding in franchise tax for the first quarter and Powell Bill funding. The other revenue category is decreasing by 4.95% primarily due to decreases in investment income and the City no longer collecting street lighting fees and charges. This revenue stream is now handled between Duke Energy and the developer directly when street lighting is installed. Last, the General Fund is receiving a \$200,000 transfer in from the Transit Fund.

Expenditures in the personnel category include all expenses associated with employment including salaries and benefits. Also included in this category is special separation pay. The primary increase in salary and benefit increases is year-end projected merits for FY 20. Currently no merits or COLA are proposed to be funded in FY 21 due to major revenue shortfalls as a result of the COVID-19 pandemic. Also included in this category for FY 21 is the 1.2% retirement rate increase for all eligible employees. For FY 21, the general government the rate is 10.2% and law enforcement is 10.9%. Last, the increase from FY 20 to FY 21 includes the additional \$625,000 in medical expense related to the employer contribution in health insurance costs due to an increase in projected claims.

The operations category includes all the expenses associated to operate that department. Examples include: office supplies, technology equipment, uniforms, contracted services, etc. Also included

FUND SUMMARIES

in this category is debt service obligations and inter-fund transfers. Expenditures in the operations category decreased by 2.70% from the FY 20 adopted budget. The primary decrease relates to reduced transfers that the General Fund makes to the Transit Fund and Downtown Fund.

The capital category includes any capital purchase over \$5,000 but under the \$100,000 threshold, which qualifies the purchase to be a capital improvement project. Examples in this category include: vehicles, furniture and equipment. For FY 21, \$67,958 is budgeted in capital outlay for vehicle purchases for a school resource officer in the Police Department and mechanic in the Fire Department. These costs are covered with either a grant or a reduction in a corresponding expenditure account.

WATER AND SEWER FUND						
	FY 2020 Adopted		FY 2021 Proposed		Difference	% Change
Revenues						
Charges and Fees	17,325,000		18,250,000		925,000	5.34%
Wholesale Water Sales	375,000		415,000		40,000	10.67%
Tap Fees	200,000		250,000		50,000	25.00%
Connection Fees	700,000		1,000,000		300,000	42.86%
Reconnection Fees	150,000		140,000		(10,000)	-6.67%
Penalties	450,000		400,000		(50,000)	-11.11%
Miscellaneous Revenue	15,000		15,000		-	0.00%
Investment Income	60,000		30,000		(30,000)	-50.00%
Total	\$ 19,275,000		\$ 20,500,000		\$ 1,225,000	6.36%
Expenditures						
Personnel	3,483,256		3,773,012		289,756	8.32%
Operating	15,791,744		16,710,188		918,444	5.82%
Capital	-		16,800		16,800	0.00%
Total	\$ 19,275,000		\$ 20,500,000		\$ 1,225,000	6.36%

The FY 21 Water and Sewer budget totals \$20,500,000, which represents a \$1,225,000 or 6.36% increase over the FY 2020 adopted budget of \$19,275,000. For FY 21, charges and fees is projected to increase by \$925,000 due to organic growth and projected new water customers. Tap and connection fees are projected to increase by over \$350,000 due to growth and a recent fee increase that took place mid-fiscal year 2020. Due to lingering impacts of COVID-19, staff is projecting a decrease in penalty revenue due to late payments by \$50,000. The major increase in personnel expenditures is related to adding a new crew mid-fiscal year 2020 to assist with tap and connection installations for developments. Also included in the increase in personnel is the retirement rate increase, health insurance increase and projected year-end FY 20 merits. Again, no merits or cost of living adjustment are budgeted for FY 21 due to revenue shortfalls. The major increase in operations for the Water and Sewer fund is an increase in bulk water purchases, materials for water and sewer replacements, estimates from WSACC for sewage treatment and the debt service for a

FUND SUMMARIES

Vac truck replacement that is estimated at \$650,000. The \$16,800 in capital is for equipment purchases, such as an old mower and tapping equipment.

STORMWATER FUND						
	FY 2020 Adopted		FY 2021 Proposed		Difference	% Change
Revenues						
Charges and Fees	3,050,000		3,100,000		50,000	1.64%
Appropriated Fund Balance	-		400,000		400,000	100.00%
Total	\$ 3,050,000		\$ 3,500,000		\$ 450,000	14.75%
Expenditures						
Personnel	900,157		886,328		(13,829)	-1.54%
Operating	2,149,843		2,613,672		463,829	21.58%
Capital	-		-		-	0.00%
Total	\$ 3,050,000		\$ 3,500,000		\$ 450,000	14.75%

The FY 21 Stormwater budget totals \$3,500,000, which represents a \$450,000 or 14.75% increase over the FY 20 adopted budget of \$3,050,000. For FY 21, charges and fees is projected to increase by \$50,000 due to organic growth. In order to mitigate the General Fund's full transfer to the Environmental fund, the Stormwater Fund has a fund balance appropriation of \$400,000 which will be transferred to the Environmental Fund. The major increase in operating expenditures is the transfer to the Environmental Fund, an increase in the general management services fee to the General Fund and \$100,000 in contracted services to maintain the ditching program.

FUND SUMMARIES

ENVIRONMENTAL FUND						
	FY 2020 Adopted		FY 2021 Proposed		Difference	% Change
Revenues						
Solid Waste Disposal Tax	32,300		36,000		3,700	11.46%
Charges and Fees	3,275,000		3,448,487		173,487	5.30%
Transfers from General Fund	350,000		150,000		(200,000)	-57.14%
Transfers from Water and Fund	495,700		495,700		-	0.00%
Transfers from Stormwater	-		400,000		400,000	100.00%
Total	\$ 4,153,000		\$ 4,530,187		\$ 377,187	9.08%
Expenditures						
Personnel	306,334		415,825		109,491	35.74%
Operating	3,846,666		4,114,362		267,696	6.96%
Capital	-		-		-	0.00%
Total	\$ 4,153,000		\$ 4,530,187		\$ 377,187	9.08%

The FY 21 Environmental budget totals \$4,530,187, which represents a \$377,187 or 9.08% increase over the FY 20 adopted budget of \$3,050,000. For FY 21, charges and fees is projected to increase by \$173,487 due to organic growth and projected new households. This fund was scheduled to have a fee increase of \$1.50 for FY 21 according to the City's long-range financial plan. This would have generated an additional \$500,000 to assist this fund in becoming self-sustaining. Due to the impacts of COVID-19, no fee increase is proposed for FY 21, so this fund relies on inter-fund transfers from the General, Water and Sewer and Stormwater Fund in order to operate. The primary driver in operational increases in this fund is an increase in recycling and solid waste disposal costs. A ton of solid waste disposed at the landfill is \$39.40/ton while a ton of recyclable materials is \$98/ton. The Environmental Fund also has an increase in personnel costs due to the city-wide restructuring which moved the Director of Transportation and Environmental services to this budget. Also reflected in the personnel category is the retirement and health insurance increases as well as projected year-end FY 20 merits.

FUND SUMMARIES

SEPARATION PAY FUND						
	FY 2020 Adopted		FY 2021 Proposed		Difference	% Change
Revenues						
Transfers from General Fund	490,000		502,781		12,781	2.61%
Total	\$ 490,000		\$ 502,781		\$ 12,781	2.61%
Expenditures						
Personnel	-		-		-	0.00%
Operating	490,000		502,781		12,781	2.61%
Capital	-		-		-	0.00%
Total	\$ 490,000		\$ 502,781		\$ 12,781	2.61%

The FY 21 Separation Pay Fund is funded through a contribution from the General Fund. For FY 21, the contribution is \$502,781, which is a \$12,781 or 2.61% increase over the FY 20 adopted budget of \$490,000. The primary driver for the increase is new employees becoming eligible for this benefit. Currently, thirty-two employees receive this benefit with a projected two new employees to roll on during FY 21. Expenditures are calculated based off .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the employee for each year of credible service. Benefits such as Social Security and Medicare are also calculated off the total projected contribution.

FUND SUMMARIES

TRANSIT FUND						
	FY 2020 Adopted		FY 2021 Proposed		Difference	% Change
Revenues						
Vehicle License	760,000		500,000		(260,000)	-34.21%
Transfers from General Fund	104,000		-		(104,000)	-100.00%
Appropriated Fund Balance	-		200,000		200,000	100.00%
Total	\$ 864,000		\$ 700,000		\$ (164,000)	-18.98%
Expenditures						
Personnel	-		-		-	0.00%
Operating	864,000		700,000		(164,000)	-18.98%
Capital	-		-		-	0.00%
Total	\$ 864,000		\$ 700,000		\$ (164,000)	-18.98%

The FY 21 Transit Fund budget totals \$700,000 for FY 21, which is a decrease of \$164,000 or 18.98% from the FY 20 adopted budget of \$864,000. The primary decrease for FY 21 results in not having a transfer from the General Fund in order to offset operations. Due to the impacts of the COVID-19 pandemic, public transit systems received additional funding via the CARES Act. This additional funding is used to offset operational expenses related to public transit systems. In conjunction with the City of Concord, Kannapolis will receive this funding over the next three years. In addition, the Transit Fund receives revenue from the vehicle license tax, which is \$30. \$20 goes directly to the Transit Fund to support the public transit system and \$5 goes back to support to the General Fund for support and \$5 goes towards road paving/improvements. The Transit Fund does include \$51,771 for the purchase of technology projects that aren't eligible for CARES Act funds. These projects were deferred to FY 21. Funding for the technology items will come from the projected vehicle license tax revenue. For FY 21, there is a fund balance appropriation of \$200,000 which will be transferred back to the General Fund. Historically, this fund has received a transfer from the General Fund in order to offset operations and therefore has accumulated a fund balance.

FUND SUMMARIES

DOWNTOWN FUND					
	FY 2020 Adopted		FY 2021 Proposed	Difference	% Change
Revenues					
Common Area Maintenance	5,000		5,000	-	0.00%
Rentals	777,824		598,918	(178,906)	-23.00%
Special Event Fees	75,800		-	(75,800)	-100.00%
Transfers from General Fund	4,714,252		2,111,739	(2,602,513)	-55.21%
Transfers from Water and Sewer Fund	1,431,124		-	(1,431,124)	-100.00%
Appropriated Fund Balance	-		263,698	263,698	100.00%
Total	\$ 7,004,000		\$ 2,979,355	\$ (4,024,645)	-57.46%
Expenditures					
Personnel	-		-	-	0.00%
Operating	7,004,000		2,979,355	(4,024,645)	-57.46%
Capital	-		-	-	0.00%
Total	\$ 7,004,000		\$ 2,979,355	\$ (4,024,645)	-57.46%

The Downtown Fund totals \$2,979,355, which is a decrease of \$4,024,645 or 57.46% from the FY 20 adopted budget of \$7,004,000. The primary driver behind this decrease is moving all costs associated with the West Avenue Linear Park and Atrium Health Ballpark to the General Fund for better oversight and accountability efforts. Both projects are housed under the Parks budget as they are considered parks that require staffing and maintenance efforts. Revenues in the Downtown Fund are projected to decrease based on the city leasing less properties as they become developed and reduced rental revenue by 15% due to COVID-19 impacts. For FY 20, the Downtown Fund received transfers from both the General and Water and Sewer Funds for infrastructure upgrades downtown. For FY 21, there is no proposed transfer from the Water and Sewer Fund and the transfer from the General Fund decreased by 55%. This transfer will cover the remaining debt service obligations in this fund for FY 21. New to FY 21 is a fund balance appropriation of \$263,698. Overall, costs in this fund have decreased by 57% due to lower maintenance efforts on the remaining city-owned blocks and due to the transfer of major expenditures to the General 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.

GENERAL FUND SUMMARY

Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
Ad Valorem Taxes - Current Year	26,781,721	30,616,974	3,835,253	14.32%
Ad Valorem Taxes - Prior Year	485,389	426,147	(59,242)	-12.21%
Total Ad Valorem Taxes	\$ 27,267,110	\$ 31,043,121	\$ 3,776,011	13.85%
1% Sales Tax (State)	4,500,000	3,587,034	(912,966)	-20.29%
1/2% Sales Tax (Local)	6,000,000	5,238,087	(761,913)	-12.70%
Total Sales Tax	\$ 10,500,000	\$ 8,825,121	\$ (1,674,879)	-15.95%
Fire District Sales Tax	80,000	150,000	70,000	87.50%
Franchise Tax	2,784,193	2,660,000	(124,193)	-4.46%
Beer & Wine Tax	231,923	210,000	(21,923)	-9.45%
ABC Funds	100,000	90,000	(10,000)	-10.00%
Cabarrus Contributions	1,512,133	1,336,792	(175,341)	-11.60%
Build America Bond Subsidy Pay	451,000	-	(451,000)	-100.00%
CDBG Administration Revenues	70,000	70,000	-	0.00%
Rowan County Contributions	4,000	4,000	-	0.00%
Powell Bill Funds	1,318,989	1,065,744	(253,245)	-19.20%
Total Intergovernmental	\$ 6,552,238	\$ 5,586,536	\$ (965,702)	-14.74
Vehicle License	384,750	389,559	4,809	1.25%
Vehicle Rental Tax	5,000	20,000	15,000	300.00%
Buildings Rental	90,000	90,000	-	0.00%
Tower Rental	70,000	70,000	-	0.00%
Miscellaneous Revenue	225,000	300,000	75,000	33.33%
Investment Income	1,952,500	210,000	(1,742,500)	-89.24%
Enterprise Fund Management Fee Reimbursement	2,084,402	2,614,500	530,098	25.43%
Police - Charges and Fees	69,000	169,000	100,000	144.93%
Officer Court Reimbursement	20,000	20,000	-	0.00%
False Alarm Fees	8,000	8,000	-	0.00%
Fire: Technical Services - Charges & Fees	18,000	25,000	7,000	38.89%
Street Lighting Fees and Charges	75,000	-	(75,000)	-100.00%
Code Enforcement - Charges & Fees	100,000	80,000	(20,000)	-20.00%
City Code Violations	36,000	65,000	29,000	80.56%
Parks - Charges and Fees	471,000	450,000	(21,000)	-4.46%
Recreation Programs-Charges & Fees	45,000	110,000	65,000	144.44%
Recreation Programs - Donations	50,000	50,000	-	0.00%
CVB Contribution	-	500,000	500,000	100.00%
Team Lease	-	250,000	250,000	100.00%
Total Other	\$ 5,703,652	\$ 5,421,059	\$ (282,593)	-4.95%
Appropriated Fund Balance	6,000	-	(6,000)	-100.00%
Transfer from Transit Fund	-	200,000	200,000	100.00%
Total FB App/Transfers In	\$ 6,000	\$ 200,000	\$ 194,000	3233.33%
	\$ 50,029,000	\$ 51,075,837	\$ 1,046,837	2.09%

Property (Ad Valorem) Taxes

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

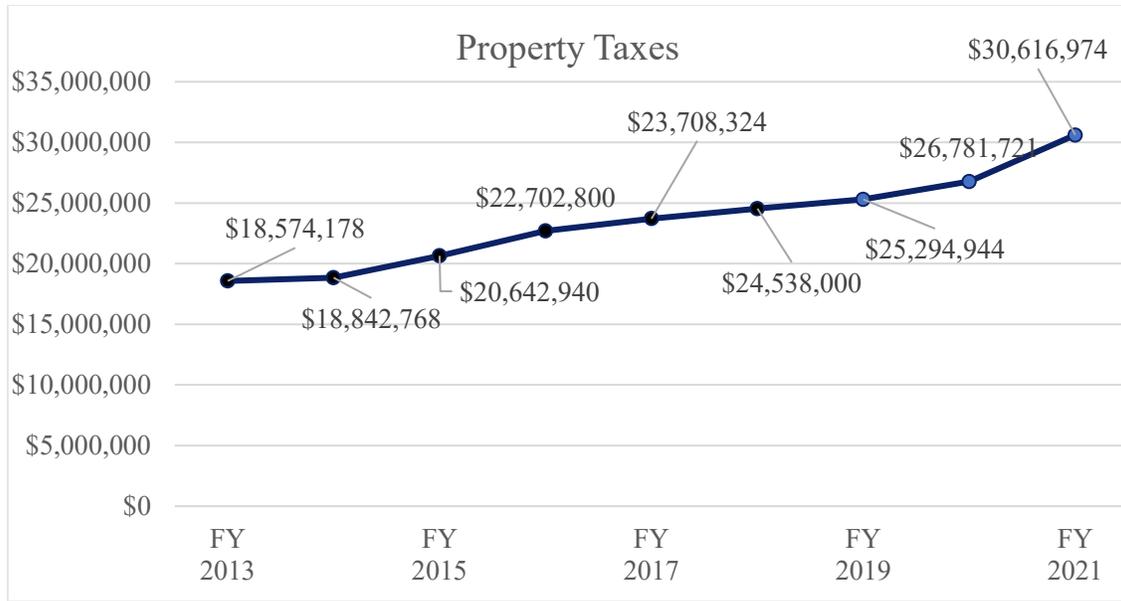
Property taxes are projected to increase by 14% or \$3,835,253 in FY 21 over the FY 20 adopted budget. This large increase is attributed to normal growth on the Rowan County portion of Kannapolis and based off 14% growth in valuation on the Cabarrus County side due to the revaluation of properties.

The revaluation of real property required by state statute every eight years is completed and effective for taxes listed on January 1, 2020. Cabarrus County and Rowan County conduct revaluations every four years rather than the maximum eight years. State law requires that units of local government, including public authorities, publish a revenue-neutral tax rate in the budget immediately following the completion of the general reappraisal of real property. The purpose of the revenue-neutral tax rate is to provide the citizens with comparative information. The FY 21 proposed operating budget follows the general reappraisal of real property for Cabarrus County. The revenue-neutral tax rate, as defined by G.S. 159-11 (e), is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue for the current fiscal year if no reappraisal had occurred. The rate is then adjusted by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. The reappraisal produced a tax base of \$4,952,952,776 for Kannapolis. The tax levy for the current fiscal year is \$2,732,828,679 and the growth factor since the last general appraisal is 3.29%. Using the formula mandated by State law, the revenue-neutral rate for the City of Kannapolis is 57 cents. If the City was to go revenue neutral it would result in the loss of over \$2.97 million in property tax revenue for FY 21.

The proposed tax rate for the City remains at 63 cents. The FY 2021 property tax revenue is based off a proposed rate of \$0.63 per \$100 of assessed valuation. The total taxable property value is estimated at \$4,952,952,776, which is a 14.18% over the FY 20 adopted valuation. Due to the impacts of COVID-19, the City used a combined collection rate from the 2008-2009 recession, 98.12% based on the unknowns related to the payments of property taxes in the current climate. One penny on the tax rate equates to \$495,295 in property tax revenue. FY 21 proposed property tax revenue is estimated at \$31,043,121 and comprises 61% of all General Fund revenue. This includes \$30,616,974 in current year property taxes and \$426,147 in prior year taxes.

Please note the graph on the following page that shows the increase in property taxes over the past 8 years. The City of Kannapolis has experienced consistent growth and continues to do so. The large increase in the FY 21 budget is attributed to the revaluation in Cabarrus County.

GENERAL FUND SUMMARY

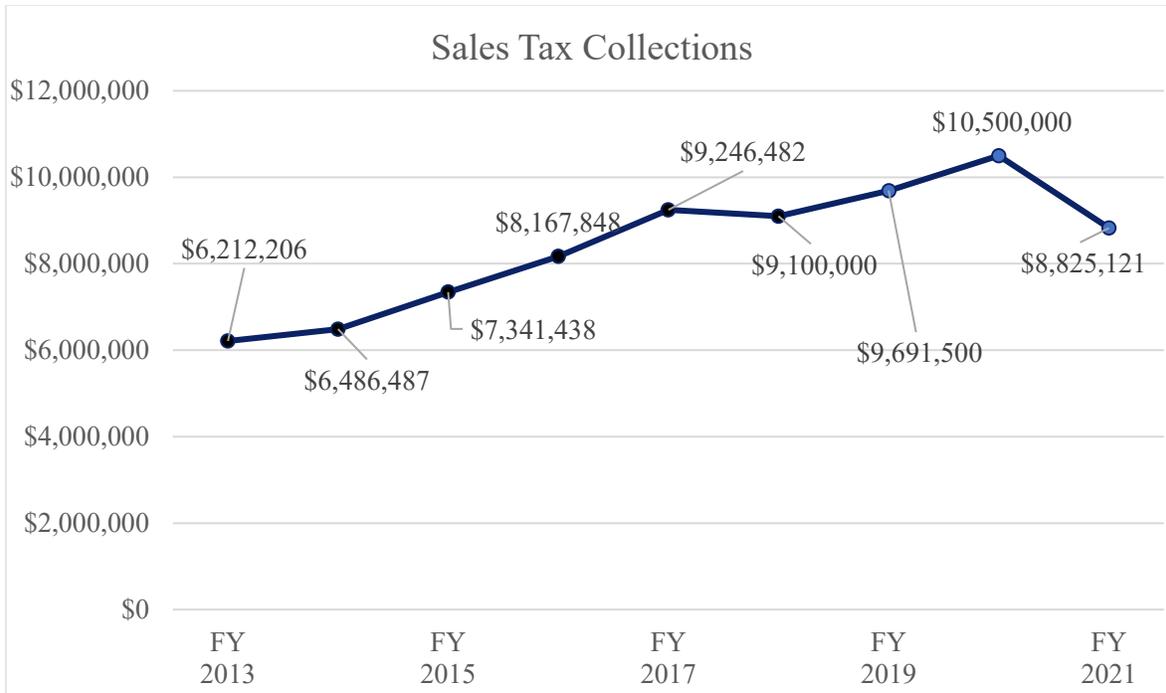


Sales Taxes

Sales tax projections are based on retail sales and historical trends. Article 39 (G.S. 105) or 1% was established whereby counties and municipalities receive the net proceeds of the tax collections within the county less the cost to the State of collecting and administering the tax (point of sale). The net proceeds are distributed on a per capita basis in Rowan County and an ad-valorem basis in Cabarrus County. The per capita basis is calculated based on the ratio of the City's population to the sum of the total population of the taxing county and all the cities within the county. The ad valorem basis is calculated in a similar manner except that the total property tax levy is used in place of population. Article 40 (G.S 105) or ½ of 1% and Article 42 (G.S 105) or ½ of 1% was established with net proceeds placed in a state-wide pool. Net proceeds are distributed on a per capita and ad-valorem tax basis. Sales tax comprises 17% of the proposed General Fund budget. Due to the COVID-19 pandemic, staff is projecting a decrease in sales tax revenue from the FY 20 adopted budget of \$10,500,000. Major retailers and businesses were forced to close during March – May 2020 and are projected to have phased openings based on a percentage of their total capacity in June and into fiscal year 2021. This has had a major impact on sales tax revenue that the City receives. For year-end 2020, staff is projecting to come in \$1.9 million under budget. These year-end projections for FY 20 impact the forecasts for FY 21. Staff is using the following methodology in forecasting sales tax revenue for FY 21: 30% decline for the first quarter, 20% decline for the second quarter and baseline (flat) growth for the third and fourth quarter (all quarters based off FY 19 actuals). For FY 21, sales tax is budgeted at \$8,825,121 which is a decrease of 15.9% over FY 20 adopted budget.

Please note the graph on the following page that shows the increase in sales taxes over the past 8 years. The City of Kannapolis has experienced consistent growth in the past and was on trend to do so before the COVID-19 pandemic. The large decrease in the FY 21 budget is attributed to the impacts of COVID-19 on sales tax. Prior to COVID-19, sales tax was projected to increase 7.5% over the FY 20 adopted budget.

GENERAL FUND SUMMARY

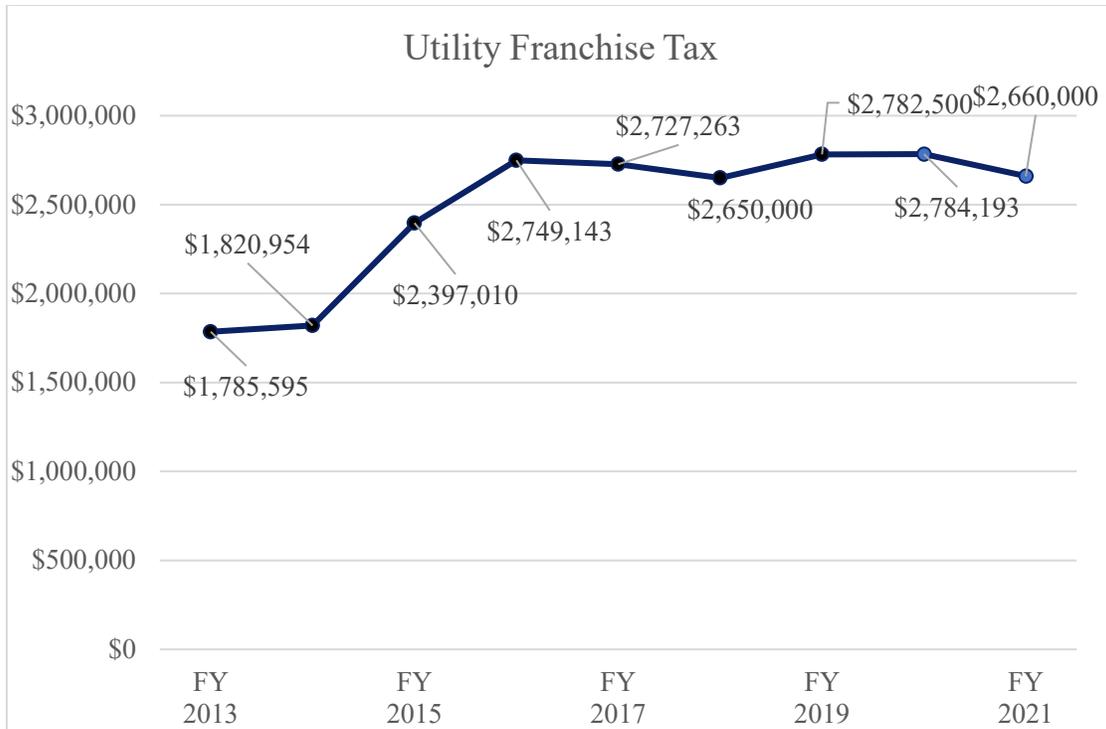


Intergovernmental Revenue

Intergovernmental revenue is received from the Federal, State and Local levels that provide financial assistance to the City. Revenues in this category include utility franchise tax, beer and wine tax, Powell Bill funds, refunds of sales and gas taxes, ABC Board distributions, receipts from other local governments and state grants. Included in this category are the funds the City will receive from Cabarrus County related to the purchase of Limited Obligation Bonds. This category comprises 11% of the total General Fund budget for FY 21. This is a 14.74% decrease from the FY 20 adopted budget. The primary driver behind the decrease is the reduced funding from the Build America Subsidy Bond. This subsidy payment is related to Series A NCRC bonds. Due to the refinancing of these bonds that were paid off at closing, the City is no longer eligible for the subsidy payment. Another decrease is in projected Powell Bill funding due to impacts related to the COVID-19 pandemic. For FY 21, a 20% decline in Powell Bill funding is estimated or a reduction of \$266,435.

Included in the intergovernmental category is the utility franchise, which is the third largest source of revenue for the General Fund. These receipts have increased for the City in the past, but the source has shown limited growth over the past few years. For FY 21, the city forecasts a 20% decline in the first quarter receipts from franchise taxes due to lingering impacts of COVID-19. For FY 21, franchise tax is projected at \$2,660,000 or 4.4% decrease from the FY 20 adopted budget of \$2,784,193.

GENERAL FUND SUMMARY

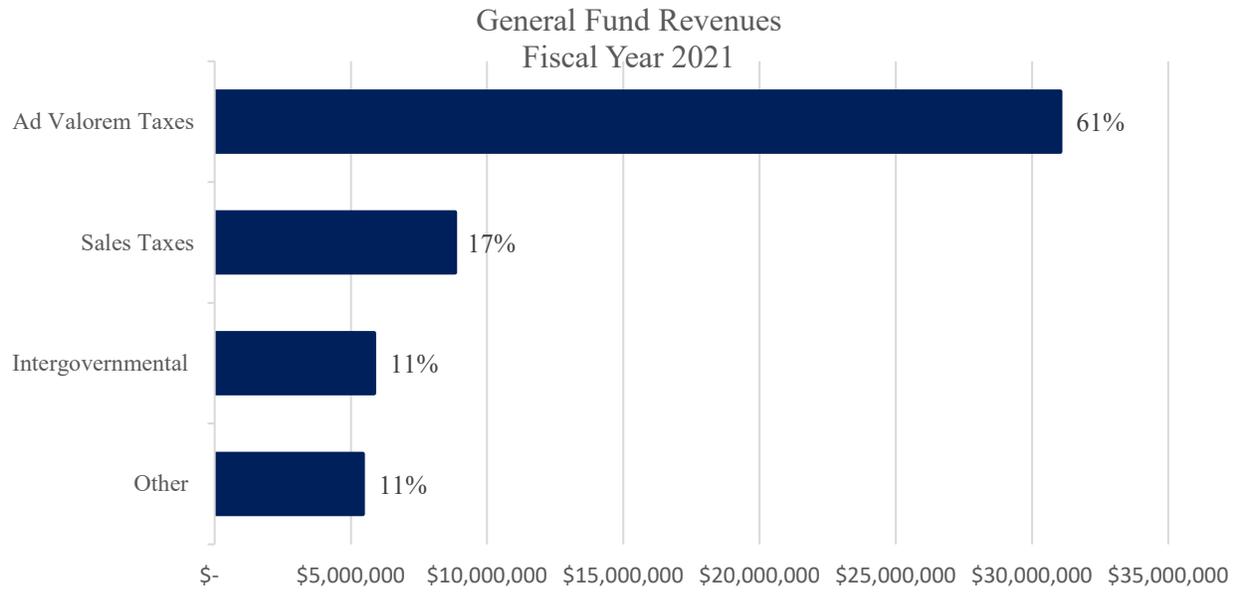


Other Revenues

Other revenues are revenues collected for activities of the City that may not be specific in nature and don't fit easily into a previously mentioned revenue category. These revenues comprise 11% of the General Fund budget. Revenues in this category consist of the \$5 vehicle license fee that goes to support operations of the General fund, vehicle rental tax, building and tower rental, miscellaneous revenue, investment income, and charges and fees from various city departments. Other revenues in this area include the enterprise fund management fee, which is charged by services by the General Fund to the Water and Sewer Fund and the Stormwater Fund within the City. Also included in the other category is a transfer from the Transit Fund to the General Fund. Historically, the Transit Fund has received a transfer from the General Fund in order to offset operations and therefore has accumulated a fund balance. \$200,000 of this fund balance is proposed to be returned to the General Fund.

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

GENERAL FUND SUMMARY



GENERAL FUND SUMMARY

General Fund Expenditures

Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
City Council	247,500	219,663	(27,837)	-11.25%
City Manager - Administration	1,002,385	1,421,627	419,242	41.82%
Economic Development	715,000	712,750	(2,250)	-0.31%
Communications	154,200	167,700	13,500	8.75%
Human Resources	536,370	537,560	1,190	0.22%
City Attorney	372,320	416,958	44,638	11.99%
Finance	860,284	831,184	(29,100)	-3.38%
Information Technology	1,268,027	1,427,035	159,008	12.54%
General Services	1,599,015	1,610,198	11,183	0.70%
Total General Government	\$ 6,755,101	\$ 7,344,675	\$ 589,574	8.73%
Police - Administration	897,432	788,674	(108,758)	-12.12%
Police - Support Services	3,175,453	3,358,847	183,394	5.78%
Police - Field Operations	4,761,101	4,856,246	95,145	2.00%
Total Police	\$ 8,833,986	\$ 9,003,767	\$ 169,781	1.92%
Fire - Administration	934,237	1,090,066	155,829	16.68%
Fire - Emergency Services	6,853,963	6,875,507	21,544	0.31%
Fire - Technical Services	465,090	487,185	22,095	4.75%
Total Fire	\$ 8,253,290	\$ 8,452,758	\$ 199,468	2.42%
Public Works - Engineering	1,239,676	986,229	(253,447)	-20.44%
Public Works - Street Lighting	683,000	730,400	47,400	6.94%
Public Works - Operations Center	138,300	138,300	-	0.00%
Public Works - Signs and Markings	432,078	413,435	(18,643)	-4.31%
Powell Bill	1,928,021	1,746,565	(181,456)	-9.41%
Total Public Works	\$ 4,421,075	\$ 4,014,929	\$ (406,146)	-9.19%
Planning	\$ 771,326	\$ 809,503	\$ 38,177	4.95%
Total Planning	\$ 771,326	\$ 809,503	\$ 38,177	4.95%
Parks and Recreation - Parks	2,309,200	2,698,789	389,589	16.87%
Parks and Recreation - Recreation Programs	390,000	734,000	344,000	88.21%
Stadium	216,000	125,000	(91,000)	-42.13%
Total Parks and Recreation	\$ 2,915,200	\$ 3,557,789	\$ 642,589	22.04%
Non - Departmental	2,435,242	3,163,035	727,793	29.89%
Transfers	5,658,650	2,764,520	(2,894,130)	-51.15%
Total Other	\$ 8,093,892	\$ 5,927,555	\$ (2,166,337)	26.77%
Debt Service Payments (Principal and Interest)	9,985,130	11,964,861	1,979,731	19.83%
Total Debt Service	\$ 9,985,130	\$ 11,964,861	\$ 1,979,731	19.83%
Total General Fund Expenditures	\$ 50,029,000	\$ 51,075,837	\$ 1,046,837	2.09%

GENERAL FUND SUMMARY

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

General Government

The General Government Services area accounts for services provided by the City for the benefit of the public and the government body as a whole. This service area encompasses the following departments: City Council, City Manager's Office, Economic Development, Communications, Human Resources, Legal Services, Finance, Information Technology and General Services. This service area comprises 14% of total General Fund spending. This service area increased by 8.73% or \$589,574 from the FY 20 adopted budget to the FY 21 proposed budget. The primary increase is in the City Manager's budget due to the city-wide restricting efforts that took place mid-fiscal year 2020. The restructuring developed two (2) Assistant City Manager positions in order to improve service delivery and communication between departments city-wide. The Information Technology department increased by \$159,008 or 12.5% from the FY 20 adopted budget. The primary reason behind this increase is due to a projected 7% increase in annual maintenance costs and due to the Munis Financial Software System upgrade which is slated for FY 2021.

Public Safety

Public Safety funding provides services responsible for the safety and security of the public. Included in this service area is the Police Department and the Fire Department. The Police Department includes three divisions: Administration, Support Services and Field Operations. The Fire Department also includes three divisions: Administration, Emergency Services and Technical Services. This service area comprises 35% of all General Fund spending. The breakdown is 18% for Police Services and 17% for Fire Services. Both departments increased incrementally over the FY 20 adopted budget due to standard contractual and inflation increases.

Public Works

Public Works is responsible for enhancing the quality of life by providing dependable, high quality and responsive services. The following departments comprise this service area: Engineering, Street Lighting, Operations Center, Signs and Markings, Powell Bill, and Street Maintenance. This area comprises 8% of total General Fund spending. Overall, this area decreased by \$406,146 or 9.19% from the FY 20 adopted budget. The primary reason behind the decrease is a reduction in the Engineering Department's contracted services account. The City brought the Engineering function in-house and has slowly decreased the outside contracted services since. Another decrease relates to Powell Bill funding. Due to projected impacts related to COVID-19 and funding from the North Carolina Department of Transportation, the City is projecting a 20% decrease in Powell Bill funding for FY 21 or a loss of \$266,435.

Planning

Planning provides for orderly planning of growth and development within the City. This area comprises 2% of all General Fund spending. Overall, the Planning Department saw a slight increase over the FY 20 adopted budget due to contractual increases and maintenance and repairs on vehicles.

Parks and Recreation

Parks and Recreation provides City residents with opportunities and facilities for recreational and educational programs and activities. The departments that make up this service area are: Parks, Recreation Programs and the Stadium. Parks and Recreation include the maintenance of all city parks, youth athletics, summer events and concert series and the newly opened Atrium Health Ballpark. Overall, this service area is projected to increase by 22% or \$642,589 from the FY 20 adopted budget. The primary increase is due to an increase in moving many of the expenses associated with the baseball stadium and downtown West Avenue linear park from the Downtown Fund to the General Fund budget for FY 21. This will assist staff in better accountability and oversight of projects related to these areas. Another driver behind the increase is due to an increase in re-bidding the ground maintenance contract city-wide. Overall, parks and recreation funding accounts for 7% of all General Fund spending.

Other

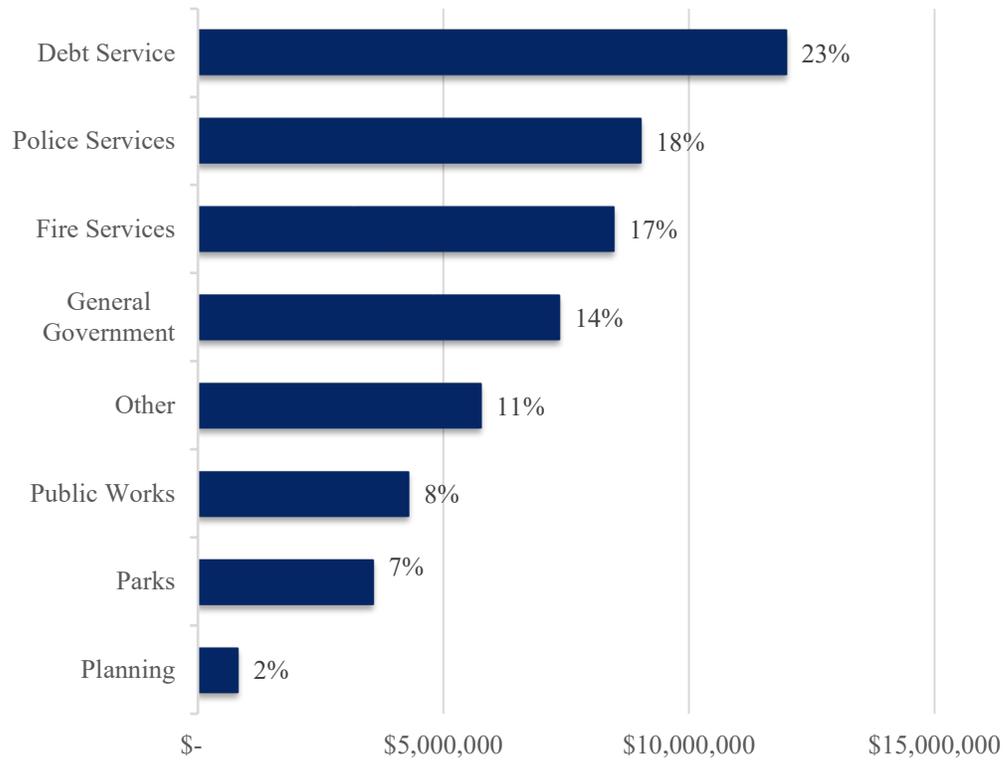
The other category includes the Non-Departmental department, fund balance appropriations and transfers from other funds. This area comprises around 11% of all General Fund spending. The primary increase in this category is due to projected health and liability insurance increases for FY 21. Based on an analysis of claims, staff is projecting an additional \$625,000 in funding for the employer contribution for health insurance. For FY 21, the General Fund is transferring \$150,000 to the Environmental Fund to help offset increases in recycling expenses and \$2,111,739 to the Downtown Fund to offset debt service obligations on the remaining properties the City owns. Last, the General Fund is projected to transfer \$502,781 to fund the Special Separation Pay Fund for FY 21.

Debt Service

The debt service category accounts for principal and interest payments on debt that is outside of the enterprise fund debt service obligations. Debt service in the General Fund is for greenways, City Hall and Police Headquarters, Fire Stations, the Atrium Health Ballpark and machinery and equipment used to support departments in the General Fund. The primary increase from the FY 20 adopted budget to the FY 21 proposed budget is the principal debt service for the ballpark hitting, which is an additional \$2.5 million. Overall, this category comprises 23% of all General Fund spending

GENERAL FUND SUMMARY

General Fund Expenditures Fiscal Year 2021



General Government



City Council 11000

MISSION STATEMENT:

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

Expense Summary	
Personnel Expenses	\$102,863
Operating Expenses	\$116,800
Total Budget	\$219,663

Increases:

- \$11,000 increase in dues and subscriptions due to the addition of Centralina Council of Government dues
- \$1,200 increase in dues and subscriptions due to 3 new positions now accounted for in this budget from Finance and Engineering

Reduction/Decreases:

- \$40,000 decrease in election expense. This is a non-election year.

Items of Interest:

- \$32,000 - NC League of Municipalities
- \$4,000 - National League of Cities
- \$8,200 - Metropolitan Mayor’s Coalition
- \$8,727 - Cabarrus/South Rowan MPO
- \$11,000- Centralina Council of Governments
- \$8,000 - Public Health Authority
- \$1,650 - Rowan Chamber of Commerce
- \$2,000 - Cabarrus Chamber of Commerce
- \$2,500 - Alliance for Innovation
- Elections expenses are found in budget every other year

City Council 11000

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	95,588	95,550	(38)	-0.04%
41400	Board Member Fees	-	-	-	0.00%
42000	FICA	7,312	7,313	1	0.01%
Sub-Total for Personnel		\$ 102,900	\$ 102,863	\$ (37)	-0.04%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 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	67,000	79,200	12,200	18.21%
51100	Travel and Training	15,000	15,000	-	0.00%
51200	Elections	40,000	-	(40,000)	-100.00%
51300	Special Expenses	17,500	17,500	-	0.00%
Sub-Total for Operating Expenditures		\$ 144,600	\$ 116,800	\$ (27,800)	-19.23%
TOTAL CITY COUNCIL					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	102,900	102,863	(37)	-0.04%
	Operating Expenditures	144,600	116,800	(27,800)	-19.23%
Total for All Categories of Expenses		\$ 247,500	\$ 219,663	\$ (27,837)	-11.25%

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	\$1,351,627
Operating Expenses	\$70,000
Total Budget	\$1,421,627

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

Increases:

- 3 positions moved to this budget from Finance and Engineering due to the re-organization that took place mid-year in FY 20
 - All associated costs with these positions moved as well (salary, fringe, travel and dues)

Reduction/Decreases:

- None

City Manager 11100

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	712,357	1,029,131	316,774	44.47%
41100	Salaries - Part Time	2,550	2,550	-	0.00%
41300	Longevity Pay	4,289	4,964	675	15.74%
41600	Vehicle Allowance	30,000	42,000	12,000	40.00%
42000	FICA	55,018	74,081	19,063	34.65%
42210	401k	14,332	19,237	4,905	34.22%
42200	State Retirement	64,498	105,482	40,984	63.54%
42230	Deferred Compensation	10,025	10,707	682	6.80%
42300	Medical Insurance	41,399	57,321	15,922	38.46%
42400	Life Insurance	1,483	2,000	517	34.86%
42500	Dental Insurance	2,520	3,240	720	28.57%
42600	Disability Insurance	914	914	-	0.00%
Sub-Total for Personnel		\$ 939,385	\$ 1,351,627	\$ 412,242	43.88%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
45250	Telephone	10,500	10,500	-	0.00%
46100	Office Supplies	10,000	10,000	-	0.00%
46300	Dues and Subscriptions	10,500	12,500	2,000	19.05%
51100	Travel and Training	26,000	31,000	5,000	19.23%
51300	Special Expenses	3,000	3,000	-	0.00%
51800	Meetings	3,000	3,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 63,000	\$ 70,000	\$ 7,000	11.11%
TOTAL CITY MANAGER					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	939,385	1,351,627	412,242	43.88%
	Operating Expenditures	63,000	70,000	7,000	11.11%
Total for All Categories of Expenses		\$ 1,002,385	\$ 1,421,627	\$ 419,242	41.82%

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
Operating Expenses	\$712,750
Total Budget	\$712,750

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

Increases:

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

Reduction/Decreases:

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

Items of Interest:

- \$6,750 – 600 Festival
- \$21,500 – Cabarrus Arts Council
- \$1,000 – Chamber of Commerce Annual Meeting
- \$10,871 - Rowan County EDC

Economic Development 11115

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
43405	EDC Contribution	66,000	66,000	-	0.00%
43415	Economic Development Initiatives	-	-	-	0.00%
46350	Community Support	29,000	74,250	45,250	156.03%
51310	Incentive Grant	620,000	572,500	(47,500)	-7.66%
Sub-Total for Operating		\$ 715,000	\$ 712,750	\$ (2,250)	-0.31%
TOTAL ECONOMIC DEVELOPMENT					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	715,000	712,750	(2,250)	-0.31%
Total for All Categories of Expenses		\$ 715,000	\$ 712,750	\$ (2,250)	-0.31%

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
Operating Expenses	\$167,700
Total Budget	\$167,000

Personnel includes: No personnel cost are paid from this department

Increases:

- \$10,500 increase in marketing and branding needed for e-hosting tools and increased publication and printing costs
- \$500 increase in travel due to environmental education coursework
- \$500 increase in academy programs due to an increase in participants
- \$2,000 increase in outreach for continued county-wide environmental education efforts

Items of Interest:

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

Communications 11120

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2020 Proposed	Actual Increase/ Decrease (\$)	% Change
43425	Marketing/Branding	124,500	135,000	10,500	8.43%
51100	Travel and Training	4,500	5,000	500	11.11%
51300	Special Expenses	9,200	9,200	-	0.00%
51421	Academy Programs	3,500	4,000	500	14.29%
51422	Outreach Education Programs	12,500	14,500	2,000	16.00%
Sub-Total for Operating Expenditures		\$ 154,200	\$ 167,700	\$ 13,500	8.75%
TOTAL COMMUNICATIONS					
	Expense Category	FY 2020 Adopted	FY 2020 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	154,200	167,700	13,500	8.75%
Total for All Categories of Expenses		\$ 154,200	\$ 167,700	\$ 13,500	8.75%

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	\$425,860
Operating Expenses	\$111,700
Total Budget	\$537,560

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

Increases:

- Standard salary and fringe increases based on projected year-end merit for FY 20

Reduction/Decreases:

- \$8,100 reduction based on trends and used to offset hearing/lead testing in Non-departmental budget

Items of Interest:

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

Human Resources 11200

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	317,989	326,267	8,278	2.60%
41200	Salaries - Overtime	2,300	2,300	-	0.00%
41300	Longevity Pay	1,932	1,932	-	0.00%
42000	FICA	24,650	24,570	(80)	-0.32%
42200	State Retirement	29,000	33,479	4,479	15.44%
42210	401k	6,444	3,057	(3,387)	-52.56%
42300	Medical Insurance	31,845	31,845	-	0.00%
42400	Life Insurance	610	610	-	0.00%
42500	Dental Insurance	1,800	1,800	-	0.00%
42800	Tuition Reimbursement	-	-	-	0.00%
Sub-Total for Personnel		\$ 416,570	\$ 425,860	\$ 9,290	2.23%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	500	500	-	0.00%
43200	Advertising	20,100	12,000	(8,100)	-40.30%
43710	Medical Expenses	30,000	30,000	-	0.00%
44200	Repair & Maintenance: Vehicles	500	500	-	0.00%
45250	Telephone	1,700	1,700	-	0.00%
45610	Motor Fuel	1,000	1,000	-	0.00%
46100	Office Supplies	3,000	3,000	-	0.00%
46300	Dues and Subscriptions	3,000	3,000	-	0.00%
48000	Contracted Services	49,500	49,500	-	0.00%
51100	Travel and Training	9,000	9,000	-	0.00%
51110	Departmental Training	1,500	1,500	-	0.00%
Sub-Total for Operating Expenditures		\$ 119,800	\$ 111,700	\$ (8,100)	-6.76%
TOTAL HUMAN RESOURCES					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	416,570	425,860	33,323	2.23%
	Operating Expenditures	119,800	111,700	35,000	-6.76%
Total for All Categories of Expenses		\$ 536,370	\$ 537,560	\$ 1,190	0.22%

Legal Services 11300

MISSION STATEMENT:

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

Expense Summary	
Personnel Expenses	\$307,258
Operating Expenses	\$109,700
Total Budget	\$416,958

Personnel Includes: City Attorney, Administrative Assistant

Increases:

- \$25,000 in contracted services based on trends
- Standard salary and fringe increases based on projected year-end merit for FY 20

Reductions/Decreases:

- None

Items of Interest:

- None

Legal Services 11300

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	221,087	237,164	16,077	7.27%
41600	Vehicle Allowance	7,200	7,200	-	0.00%
42000	FICA	16,913	17,475	562	3.32%
42210	401k	19,898	24,192	4,294	21.58%
42200	State Retirement	4,422	2,869	(1,553)	-35.12%
42300	Medical Insurance	12,738	12,738	-	0.00%
42400	Life Insurance	1,742	2,000	258	14.81%
42500	Dental Insurance	720	720	-	0.00%
42600	Disability Insurance	2,900	2,900	-	0.00%
Sub-Total for Personnel		\$ 287,620	\$ 307,258	\$ 19,638	6.83%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
43300	Postage	500	500	-	0.00%
45250	Telephone	900	900	-	0.00%
46100	Office Supplies	1,500	1,500	-	0.00%
46300	Dues and Subscriptions	4,500	4,500	-	0.00%
48000	Contracted Services	65,000	90,000	25,000	38.46%
51100	Travel and Training	12,000	12,000	-	0.00%
51800	Meetings	300	300	-	0.00%
Sub-Total for Operating Expenditures		\$ 84,700	\$ 109,700	\$ 25,000	29.52%
TOTAL CITY ATTORNEY					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	287,620	307,258	19,638	6.83%
	Operating Expenditures	84,700	109,700	25,000	29.52%
Total for All Categories of Expenses		\$ 372,320	\$ 416,958	\$ 44,638	11.99%

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	\$529,184
Operating Expenses	\$302,000
Total Budget	\$831,184

Personnel includes: Finance Director, Senior Accountant (3), Purchasing Agent, Accounts Payable,

Increases:

- \$50,000- Contracted Services to assist with audit compilation (offset by budgeting \$50,000 in p-card rebates)
- \$15,000- Tax collection services based on current year/prior year fees

Reductions/Decreases:

- Reduction in part-time account due to an Accountant position going full-time
- Reduction in salary and benefit accounts due Assistant City Manager position moving from Finance to City Manager's Office
- \$5,000 reduction in travel due to position moving from Finance to City Manager's Office

Items of Interest:

- Tax collection is the per listing fee the city pays Cabarrus County for providing and receiving tax bill notification
- Budget Includes:
 - \$43,000 for Audit
 - Required Munis Financial Software system upgrade (Information Technology budget)

Finance 11400

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	435,115	402,332	(32,783)	-7.53%
41100	Salaries - Part Time	40,000	-	(40,000)	-100.00%
41200	Salaries - Overtime	5,500	5,500	-	0.00%
41300	Longevity Pay	1,766	1,770	4	0.23%
42000	FICA	36,902	30,222	(6,680)	-18.10%
42210	401k	8,848	6,866	(1,982)	-22.40%
42200	State Retirement	43,414	41,220	(2,194)	-5.05%
42300	Medical Insurance	43,383	38,214	(5,169)	-11.91%
42400	Life Insurance	836	900	64	7.66%
42500	Dental Insurance	2,520	2,160	(360)	-14.29%
Sub-Total for Personnel		\$ 618,284	\$ 529,184	\$ (89,100)	-14.41%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
46100	Office Supplies	6,000	6,000	-	0.00%
46300	Dues and Subscriptions	2,500	2,500	-	0.00%
48000	Contracted Services	-	50,000	50,000	100.00%
48410	Tax Collection	165,000	180,000	15,000	9.09%
48420	Audit	43,000	43,000	-	0.00%
51100	Travel and Training	24,000	19,000	(5,000)	-20.83%
51800	Meetings	1,500	1,500	-	0.00%
Sub-Total for Operating Expenditures		\$ 242,000	\$ 302,000	\$ 60,000	24.79%
TOTAL FINANCE					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	618,284	529,184	(89,100)	-14.41%
	Operating Expenditures	242,000	302,000	60,000	24.79%
Total for All Categories of Expenses		\$ 860,284	\$ 831,184	\$ (29,100)	-3.38%

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	\$515,391
Operating Expenses	\$911,644
Capital Machinery	\$0
Total Budget	\$1,427,035

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

Increases:

- \$40,000 – Small tools and equipment for Munis Financial software upgrade
 - Includes purchase of printers for W-2/1099 purposes and additional server
- \$12,000 – Small tools and equipment for new 911 recording software
- \$10,653 – Small tools and equipment for Vision licenses for Police Department.
 - Due to the upgrade to Office 365. Covers 67 licenses.
- \$60,491 – Annual maintenance due to projected 7% increase

Reductions/Decreases:

- \$479,227 – Network Administration due to bringing IT Department in-house

Items of Interest:

- IT Department brought in-house in mid-year FY 20
 - Reduction in network administration
- All annual maintenance city-wide is budgeted in the Information Technology budget

Information Technology 11500

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	-	398,181	398,181	100.00%
41600	Vehicle Allowance	-	6,000	6,000	100.00%
42000	FICA	-	29,756	29,756	100.00%
42210	401k	-	40,618	40,618	100.00%
42200	State Retirement	-	6,391	6,391	100.00%
42300	Medical Insurance	-	31,845	31,845	100.00%
42400	Life Insurance	-	800	800	100.00%
42500	Dental Insurance	-	1,800	1,800	100.00%
Sub-Total for Personnel		\$ -	\$ 515,391	\$ 515,391	100.00%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
45250	Telephone	5,000	5,000	-	0.00%
46100	Office Supplies	500	500	-	0.00%
46200	Small Equipment and Tools	100,000	162,653	62,653	62.65%
46300	Dues and Subscriptions	3,000	3,000	-	0.00%
48510	Network Administration	479,527	-	(479,527)	-100.00%
48530	Annual Maintenance	670,000	730,491	60,491	9.03%
51100	Travel and Training	10,000	10,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 1,268,027	\$ 911,644	\$ (356,383)	-28.11%
TOTAL INFORMATION TECHNOLOGY					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	-	515,391	515,391	100.00%
	Operating Expenditures	1,268,027	911,644	(356,383)	-28.11%
	Capital Machinery and Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 1,268,027	\$ 1,427,035	\$ 159,008	12.54%

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	\$578,242
Operating Expenses	\$1,031,956
Capital Machinery	\$0
Total Budget	\$1,610,198

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

Increases:

- \$5,000 – Overtime based on trends
- Standard personnel and benefit increases based on projected year-end FY 20 merits
- \$2,000 – Vehicle maintenance for needed repairs
- \$8,983 – R & M: Buildings and Grounds for battery replacement for the UPS unit
- \$21,382 – R & M: Buildings and Grounds for the installation of a safety platforms at Public Works Operations Center
- \$8,023 – R & M: Buildings and Grounds for the installation of a safety platform at City Hall
- \$2,500 – Small tools and equipment for appliance replacement
- \$6,830 – Contracted Services for preventative maintenance for HVAC at Public Works Operations Center, Water Treatment Plant, Village Park and the Train Station
- \$6,000 – Contracted Services for window cleaning at City Hall
- \$5,713 – Contracted Services for further cleanings at City Hall
- \$10,125 – Contracted Services for stripping and waxing floors at Public Works Operations Center, Trian Station and Water Treatment Plant

Reductions/Decreases:

- \$600– Railroad Depot
- \$86,400 – Capital improvements that were one-time costs incurred in FY 20

Items of Interest:

- Postage covers the cost of all postage for the city with the exceptions of Billing and Police
- Budget Includes:
 - No capital

General Services 11600

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	394,970	405,896	10,926	2.77%
41100	Salaries - Part Time	-	-	-	0.00%
41200	Salaries - Overtime	15,000	20,000	5,000	33.33%
41300	Longevity Pay	-	-	-	0.00%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	31,363	32,675	1,312	4.18%
42200	State Retirement	36,897	41,407	4,510	12.22%
42210	401k	8,199	4,174	(4,025)	-49.09%
42300	Medical Insurance	51,291	63,690	12,399	24.17%
42400	Life Insurance	795	800	5	0.63%
42500	Dental Insurance	3,600	3,600	-	0.00%
Sub-Total for Personnel		\$ 548,115	\$ 578,242	\$ 30,127	5.50%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
43300	Postage	13,000	13,000	-	0.00%
43810	Transaction Fees	7,000	7,000	-	0.00%
44100	Repair & Maintenance: Office	500	500	-	0.00%
44200	Repair & Maintenance: Vehicles	1,000	3,000	2,000	200.00%
44300	Repair & Maintenance: Bld & Gds	133,000	168,388	35,388	26.61%
44400	Repair & Maintenance: Equipment	17,000	17,000	-	0.00%
44500	Repair & Maintenance: RR Depot	14,500	13,900	(600)	-4.14%
45220	Electricity	131,000	131,000	-	0.00%
45230	Water & Sewer	210,000	210,000	-	0.00%
45240	Gas Utilities	7,000	7,000	-	0.00%
45250	Telephone	150,000	150,000	-	0.00%
45410	Equipment Rental	100,000	100,000	-	0.00%
45610	Motor Fuel	4,500	4,500	-	0.00%
46100	Office Supplies	15,000	15,000	-	0.00%

GENERAL GOVERNMENT

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
46200	Small Equipment and Tools	2,500	5,000	2,500	100.00%
46300	Dues and Subscriptions	2,000	2,000	-	0.00%
46820	Cleaning Supplies	35,000	35,000	-	0.00%
47100	Uniforms	4,000	4,000	-	0.00%
48000	Contracted Services	105,500	133,668	28,168	26.70%
59400	Improvements	86,400	-	(86,400)	-100.00%
51100	Travel and Training	10,000	10,000	-	0.00%
51300	Special Expenses	2,000	2,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 1,050,900	\$ 1,031,956	\$ (18,944)	-1.80%
TOTAL GENERAL SERVICES					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	548,115	578,242	30,127	5.50%
	Operating Expenditures	1,050,900	1,031,956	(18,944)	-1.80%
	Capital - Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 1,599,015	\$ 1,610,198	\$ 11,183	0.70%

Non-Departmental 10000

MISSION STATEMENT:

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

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$3,163,035
Total Budget	\$3,163,035

Increases:

- \$4,800– 3% projected increase in workers compensation insurance
- \$625,000 – projected increase in employer paid contribution for health insurance. Estimated employer contribution per employee \$6,369/employee at FY 20 to \$8,013/employee for FY 21
 - Result of high claims history
- \$6,200 – Special Expenses for hearing and lead testing for public safety departments
- \$44,000 – Insurance – Public Officials
- \$56,200 – Insurance – General Liability
 - Based on 5% increase from League of Municipalities
 - \$57,266 moved from Downtown Fund for liability insurance
 - \$16,771 Cyber insurance estimate
- \$25,000 – Insurance – Buildings
 - Based on 5% increase from League of Municipalities

Reductions/Decreases:

- \$49,657 – Contingency appropriation

Capital:

- None

Items of Interest:

- Contingency funding – internal policy is .5% of total General Fund budget

OTHER PROGRAMS

Non-Departmental 10000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
42100	Workers Comp Insurance	160,000	164,800	4,800	3.00%
42310	Medical Plan Expense	-	625,000	625,000	100.00%
42330	Retiree Insurance	300,000	300,000	-	0.00%
42340	HSA & HRA Benefits	860,902	860,902	-	0.00%
42700	Unemployment Insurance	15,000	15,000	-	0.00%
48430	Banking Fees	14,000	14,000	-	0.00%
51300	Special Expenses	-	6,200	6,200	100.00%
51320	Contingency Appropriation	365,140	315,483	(49,657)	-13.60%
51610	Insurance - Public Officials	25,000	69,000	44,000	176.00%
51620	Insurance - General Liability	365,000	421,200	56,200	15.40%
51630	Insurance - Buildings	5,000	30,000	25,000	500.00%
51640	Insurance - Self Insured	325,000	341,250	16,250	5.00%
51650	Encroachment Bond	200	200	-	0.00%
Sub-Total for Operating Expenditures		\$ 2,435,242	\$ 3,163,035	\$ 727,793	29.89%
TOTAL NON-DEPARTMENTAL					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	2,435,242	3,163,035	727,793	29.89%
Total for All Categories of Expenses		\$ 2,435,242	\$ 3,163,035	\$ 727,793	29.89%

OTHER PROGRAMS

General Fund Debt Service 18000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	6,927,547	8,136,252	1,208,705	17.45%
58200	Bond Interest	3,057,583	3,828,609	771,026	25.22%
58300	Debt Issuance Cost	-	-	-	0.00%
Sub-Total for Operating Expenditures		\$ 9,985,130	\$ 11,964,861	\$ 1,979,731	19.83%
TOTAL GENERAL FUND DEBT SERVICE					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Debt Service Expenditures	9,985,130	11,964,861	1,979,731	0.00%
Total for All Categories of Expenses		\$ 9,985,130	\$ 11,964,861	\$ 1,979,731	19.83%

LOBS	Principal	Interest
Fire Stations 2 and 3	555,000	396,603
City Hall/Police Headquarters	1,370,000	807,556
NCRC Projects	2,370,000	303,583
Irish Buffalo Creek*	200,000	80,000
Stadium *	2,600,000	2,097,550
Other		
Way finding Signs	68,727	1,175
Equipment	42,154	9,603
Warehouse/Fire Truck	162,139	9,274
Village Park Building	52,267	785
Village Park/Fire Truck	250,772	101,189
Refinancing	415,193	17,128
Kannapolis Business Park	50,000	4,163
Total	\$8,136,252	\$3,828,609

*New to FY 2021

Transfers General Fund 19000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41800	Separation Pay	490,000	502,781	12,781	2.61%
57100	Transfer to Transit Fund	104,000	-	(104,000)	-100.00%
57400	Transfer to Environmental Fund	350,000	150,000	(200,000)	-57.14%
57600	Transfer to Downtown Fund	4,714,650	2,111,739	(2,602,911)	-55.21%
Sub-Total for Transfers		\$ 5,658,650	\$ 2,764,520	\$ (2,894,130)	-51.15%
TOTAL TRANSFERS GENERAL FUND					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Transfers	5,658,650	2,764,520	(2,894,130)	-51.15%
Total for All Categories of Expenses		\$ 5,658,650	\$ 2,764,520	\$ (2,894,130)	-51.15%

Increases:

- \$12,781– Separation pay

Reductions/Decreases:

- \$104,000– Transit funding transfer due to CARES Act funding for COVID-19 relief to offset transfer
- \$200,000 – Transfer to Environmental Fund due to Stormwater transfer to offset General Fund transfer
- \$2,602,911 – Transfer to the Downtown Fund due to moving West Avenue and baseball stadium expenses from the Downtown Fund to the General Fund

Items of Interest:

- General Fund transfer to Environmental Fund assists with Waste Management contract costs and recycling costs
- General Fund transfer to the Downtown Fund assists with the debt service principal and interest on remaining blocks the City owns and College Station property

Appropriated Fund Balance 19900

REVENUES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
39200	Appropriated Fund Balance	6,000	-	(6,000)	-100.00%
Sub-Total Appropriated Fund Balance		\$ 6,000	\$ -	\$ (6,000)	-100.00%
TOTAL APPROPRIATED FUND BALANCE GENERAL FUND					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Appropriated Fund Balance	6,000	-	(6,000)	-100.00%
Total for All Categories of Revenues		\$ 6,000	\$ -	\$ (6,000)	-100.00%

Item of Interest:

- No fund balance appropriation proposed for FY 21.

Public Safety



Police – Administration 12010

MISSION STATEMENT:

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

Expense Summary	
Personnel Expenses	\$523,674
Operating Expenses	\$265,000
Capital Machinery	\$0
Total Budget	\$788,674

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:

- \$2,400 - Contracted Services for standard inflation increases for Project Safe Coordinator position

Reductions/Decreases:

- \$21,000 – Part-time for Project Safe Coordinator position is paid out of Contracted Services

Capital:

- None

Items of Interest:

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

Police – Administration 12010

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	476,295	411,245	(65,050)	-13.66%
41100	Salaries - Part Time	21,000	-	(21,000)	-100.00%
41300	Longevity Pay	13,272	2,207	(11,065)	-83.37%
42000	FICA	13,255	11,925	(1,330)	-10.03%
42200	State Retirement	46,792	43,236	(3,556)	-7.60%
42210	401K	29,305	13,787	(15,518)	-52.95%
42300	Medical Insurance	31,845	38,214	6,369	20.00%
42400	Life Insurance	908	900	(8)	-0.88%
42500	Dental Insurance	2,160	2,160	-	0.00%
Sub-Total for Personnel		\$ 634,832	\$ 523,674	\$ (111,158)	-17.51%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	2,000	2,000	-	0.00%
43300	Postage	5,000	5,000	-	0.00%
43710	Repair & Maintenance: Office Equipment	500	500	-	0.00%
44200	Repair & Maintenance: Vehicles	5,500	5,500	-	0.00%
44400	Repair & Maintenance: Equipment	1,500	1,500	-	0.00%
45250	Telephone	60,000	60,000	-	0.00%
45410	Equipment Rental	4,000	4,000	-	0.00%
45610	Motor Fuel	6,000	6,000	-	0.00%
46100	Office Supplies	7,600	7,600	-	0.00%
46300	Dues and Subscriptions	2,500	2,500	-	0.00%
46400	Public Safety Supplies	30,000	30,000	-	0.00%
47100	Uniforms	3,500	3,500	-	0.00%
48000	Contracted Services	110,000	112,400	2,400	2.18%
48300	Consultants	12,500	12,500	-	0.00%
51100	Travel and Training	9,000	9,000	-	0.00%
51800	Meetings	3,000	3,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 262,600	\$ 265,000	\$ 2,400	0.91%

PUBLIC SAFETY

TOTAL POLICE ADMINISTRATION				
Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
Personnel Expenditures	634,832	523,674	(111,158)	-17.51%
Operating Expenditures	262,600	265,000	2,400	0.91%
Capital - Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses	\$ 897,432	\$ 788,674	\$ (108,758)	-12.12%

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	\$2,985,789
Operating Expenses	\$333,100
Capital Machinery	\$39,958
Total Budget	\$3,358,847

Personnel includes: Lieutenant (1), Sergeants (4), Investigators (10), Training Officer (1), School Resource Officers (3), 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:

- (1) School Resource Officer (SRO) position to fulfill SRO grant requirements between the State and Kannapolis City Schools
 - This position is offset by budgeting \$100,000 for the SRO grant
- \$750 – Uniforms based on 5% contractual increase
- \$5,100 – Contracted Services based on 4% increase for Accurint Software
 - \$4,500 – projected increase in P-25 radio maintenance contract

Reductions/Decreases:

- None

Capital:

- \$39,958- vehicle for SRO position

Items of Interest:

- Contracted Services funds the City’s portion for P-25 maintenance of the Radio Network Services for the County
- Budget Includes:
 - \$15,750 for uniforms (41 FTEs)

Police – Support Services 12030

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	1,954,081	2,056,750	102,669	5.25%
41200	Salaries - Overtime	205,000	225,000	20,000	9.76%
41300	Longevity Pay	1,810	1,169	(641)	-35.41%
41700	Clothing Allowance	11,800	11,900	100	0.85%
42000	FICA	84,934	85,745	811	0.95%
42200	State Retirement	203,555	218,068	14,513	7.13%
42210	401K	108,035	92,194	(15,841)	-14.66%
42300	Medical Insurance	259,929	275,511	15,582	5.99%
42400	Life Insurance	3,579	3,600	21	0.59%
42500	Dental Insurance	15,480	15,852	372	2.40%
Sub-Total for Personnel		\$ 2,848,203	\$ 2,985,789	\$ 137,586	4.83%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	1,000	1,000	-	0.00%
44200	Repair & Maintenance: Vehicles	30,000	30,000	-	0.00%
44400	Repair & Maintenance: Equipment	4,000	4,000	-	0.00%
45250	Telephone	25,000	25,000	-	0.00%
45410	Equipment Rental	5,000	5,000	-	0.00%
45610	Motor Fuel	15,000	15,000	-	0.00%
46100	Office Supplies	14,000	14,000	-	0.00%
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	26,000	26,000	-	0.00%
47100	Uniforms	15,000	15,750	750	5.00%
48000	Contracted Services	133,100	138,200	5,100	3.83%
51100	Travel and Training	21,350	21,350	-	0.00%
51300	Special Expenses	32,000	32,000	-	0.00%
51800	Meetings	3,000	3,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 327,250	\$ 333,100	\$ 5,850	1.79%

PUBLIC SAFETY

TOTAL POLICE SUPPORT SERVICES					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	2,848,203	2,985,789	137,586	4.83%
	Operating Expenditures	327,250	333,100	5,850	1.79%
	Capital - Machinery & Equipment	-	39,958	39,958	100.00%
Total for All Categories of Expenses		\$ 3,175,453	\$ 3,358,847	\$ 183,394	5.78%

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	\$4,334,821
Operating Expenses	\$521,425
Capital Machinery	\$0
Total Budget	\$4,856,246

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

Increases:

- \$6,725 Uniforms - Uniforms based on 5% contractual increase

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- Budget Includes:
 - \$70,500 for uniforms (65 FTEs)

Police – Field Operations 12035

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	2,962,343	2,988,024	25,681	0.87%
41200	Salaries - Part Time	15,500	25,562	10,062	64.92%
41200	Salaries - Overtime	250,000	305,000	55,000	22.00%
41300	Longevity Pay	2,556	1,545	(1,011)	-39.55%
42000	FICA	47,802	49,419	1,617	3.38%
42200	State Retirement	313,348	326,982	13,634	4.35%
42210	401K	225,043	202,033	(23,010)	-10.22%
42300	Medical Insurance	401,248	407,616	6,368	1.59%
42400	Life Insurance	5,521	5,600	79	1.43%
42500	Dental Insurance	23,040	23,040	-	0.00%
Sub-Total for Personnel		\$ 4,246,401	\$ 4,334,821	\$ 88,420	2.08%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	1,500	1,500	-	0.00%
44200	Repair & Maintenance: Vehicles	150,000	150,000	-	0.00%
44400	Repair & Maintenance: Equipment	3,500	3,500	-	0.00%
45250	Telephone	6,500	6,500	-	0.00%
45410	Equipment Rental	8,000	8,000	-	0.00%
45610	Motor Fuel	140,000	140,000	-	0.00%
46100	Office Supplies	13,000	13,000	-	0.00%
46200	Small Equipment and Tools	4,000	4,000	-	0.00%
46300	Dues and Subscriptions	2,000	2,000	-	0.00%
46400	Public Safety Supplies	95,000	95,000	-	0.00%
47100	Uniforms	70,500	77,225	6,725	9.54%
51100	Travel and Training	20,000	20,000	-	0.00%
51800	Meetings	700	700	-	0.00%
Sub-Total for Operating Expenditures		\$ 514,700	\$ 521,425	\$ 6,725	1.31%

PUBLIC SAFETY

TOTAL POLICE-FIELD OPERATIONS					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	4,246,401	4,334,821	88,420	2.08%
	Operating Expenditures	514,700	521,425	6,725	1.31%
	Capital Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 4,761,101	\$ 4,856,246	\$ 95,145	2.00%

Fire – Administration 12510

MISSION STATEMENT:

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

Expense Summary	
Personnel Expenses	\$468,284
Operating Expenses	\$593,782
Capital Machinery	\$28,000
Total Budget	\$1,090,066

Personnel includes: Fire Chief (1), Deputy Fire Chief (1), Health and Wellness Manager (1), Administrative Assistant (1), Executive Office Assistant (1), PT Executive Office Assistant (1), (1) Fire Mechanic

Increases:

- (1) Fire Mechanic position
 - Offsetting reduction in contracted services for contract mechanic work
- \$18,000 – Electricity increase based on new stations
- \$5,000 – Water and sewer increase based on new stations
- \$3,000 – Gas utilities increase based on new stations
- \$16,124 – Small equipment and tools for new fire mechanic position
- \$1,200 – Uniforms increase for new fire mechanic position
- \$48,358 – Contracted Services for Odell Volunteer Fire Department due to additional homes built and the increase in property tax value due to the Cabarrus County revaluation

Reductions/Decreases:

- None

Capital:

- \$28,000 utility vehicle for Fire Mechanic position

Items of Interest:

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

Fire – Administration 12510

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	333,399	358,740	25,341	7.60%
41300	Longevity Pay	724	724	-	0.00%
42000	FICA	20,813	26,472	5,659	27.19%
42200	State Retirement	33,271	36,669	3,398	10.21%
42210	401k	6,682	4,406	(2,276)	-34.06%
42300	Medical Insurance	30,645	38,245	7,600	24.80%
42400	Life Insurance	803	868	65	8.09%
42500	Dental Insurance	1,800	2,160	360	20.00%
Sub-Total for Personnel		\$ 428,137	\$ 468,284	\$ 40,147	9.38%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	2,500	2,500	-	0.00%
43300	Postage	1,500	1,500	-	0.00%
43710	Repair & Maintenance: Office Equipment	400	400	-	0.00%
44200	Repair & Maintenance: Vehicles	2,000	2,000	-	0.00%
44400	Repair & Maintenance: Equipment	10,000	10,000	-	0.00%
45220	Electricity	45,000	58,000	13,000	28.89%
45230	Water & Sewer	20,000	25,000	5,000	25.00%
45240	Gas Utilities	12,000	15,000	3,000	25.00%
45250	Telephone	95,000	96,000	1,000	1.05%
45410	Equipment Rental	1,000	1,000	-	0.00%
45610	Motor Fuel	3,500	3,500	-	0.00%
46100	Office Supplies	7,500	7,500	-	0.00%
46200	Small Equipment and Tools	2,000	18,124	16,124	806.20%
46300	Dues and Subscriptions	10,000	10,000	-	0.00%
46400	Public Safety Supplies	2,200	2,200	-	0.00%
47100	Uniforms	3,000	4,200	1,200	40.00%
48000	Contracted Services	275,000	323,358	48,358	17.58%
51100	Travel and Training	8,000	8,000	-	0.00%
51800	Meetings	5,500	5,500	-	0.00%
Sub-Total for Operating Expenditures		\$ 506,100	\$ 593,782	\$ 87,682	17.33%

PUBLIC SAFETY

TOTAL FIRE ADMINISTRATION					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	428,137	468,284	40,147	9.38%
	Operating Expenditures	506,100	593,782	87,682	17.33%
	Capital Machinery & Equipment	-	28,000	28,000	100.00%
Total for All Categories of Expenses		\$ 934,237	\$ 1,090,066	\$ 155,829	16.68%

Fire – Emergency Services 12540

MISSION STATEMENT:

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

Expense Summary	
Personnel Expenses	\$6,413,720
Operating Expenses	\$461,787
Capital Machinery	\$0
Total Budget	\$6,875,507

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

Increases:

- \$1,000 – Cleaning Supplies

Reductions/Decreases:

- \$93,813 – Repair and Maintenance: Vehicles reduction in contracted services due to in-house Fire Mechanic position
- \$54,500 – Part-time based on trends

Capital:

- None

Items of Interest:

- Repair and Maintenance: Vehicles reduction in contracted services due to in-house Fire Mechanic position
- All part-time positions in all divisions housed in Emergency Services budget
- Budget includes:
 - \$44,000 for Uniforms (83 FTEs)

Fire – Emergency Services 12540

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	4,158,426	4,298,964	140,538	3.38%
41100	Salaries - Part Time	214,500	160,000	(54,500)	-25.41%
41200	Salaries - Overtime	485,000	485,000	-	0.00%
41300	Longevity Pay	5,053	5,059	6	0.12%
42000	FICA	372,018	362,552	(9,466)	-2.54%
42200	State Retirement	418,362	435,635	17,273	4.13%
42210	401k	92,970	71,949	(21,021)	-22.61%
512658	Medical Insurance	512,658	554,101	41,443	8.08%
42400	Life Insurance	9,416	9,500	84	0.89%
42500	Dental Insurance	30,960	30,960	-	0.00%
Sub-Total for Personnel		\$ 6,299,363	\$ 6,413,720	\$ 114,357	1.82%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	233,600	139,787	(93,813)	-40.16%
44400	Repair & Maintenance: Equipment	23,000	23,000	-	0.00%
45250	Telephone	24,000	24,000	-	0.00%
45610	Motor Fuel	72,000	72,000	-	0.00%
46100	Office Supplies	800	800	-	0.00%
46200	Small Equipment and Tools	15,000	15,000	-	0.00%
46400	Public Safety Supplies	120,000	120,000	-	0.00%
46820	Cleaning Supplies	11,000	12,000	1,000	9.09%
47100	Uniforms	44,000	44,000	-	0.00%
48000	Contracted Services	7,200	7,200	-	0.00%
51300	Special Expenses	4,000	4,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 554,600	\$ 461,787	\$ (92,813)	-16.74%
TOTAL FIRE EMERGENCY SERVICES					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	6,299,363	6,413,720	114,357	1.82%
	Operating Expenditures	554,600	461,787	(92,813)	-16.74%
	Capital Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 6,853,963	\$ 6,875,507	\$ 21,544	0.31%

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	\$416,235
Operating Expenses	\$70,950
Capital Machinery	\$0
Total Budget	\$487,185

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

Increases:

- Standard personnel increases
- No new operational increases

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- None

PUBLIC SAFETY

Fire – Technical Services 12545

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	302,745	318,758	16,013	5.29%
41300	Longevity Pay	610	611	1	0.16%
42000	FICA	23,207	23,654	447	1.93%
42200	State Retirement	27,302	32,578	5,276	19.32%
42210	401k	6,066	6,389	323	5.32%
42300	Medical Insurance	31,845	31,845	-	0.00%
42400	Life Insurance	565	600	35	6.19%
42500	Dental Insurance	1,800	1,800	-	0.00%
Sub-Total for Personnel		\$ 394,140	\$ 416,235	\$ 22,095	5.61%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	5,000	5,000	-	0.00%
44400	Repair & Maintenance: Equipment	150	150	-	0.00%
45250	Telephone	8,500	8,500	-	0.00%
45610	Motor Fuel	9,500	9,500	-	0.00%
46100	Office Supplies	5,000	5,000	-	0.00%
46300	Dues and Subscriptions	2,400	2,400	-	0.00%
46400	Public Safety Supplies	15,000	15,000	-	0.00%
47100	Uniforms	6,400	6,400	-	0.00%
51100	Travel and Training	16,000	16,000	-	0.00%
51800	Meetings	3,000	3,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 70,950	\$ 70,950	\$ -	0.00%
TOTAL FIRE TECHNICAL SERVICES					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	394,140	416,235	22,095	5.61%
	Operating Expenditures	70,950	70,950	-	0.00%
	Capital - Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 465,090	\$ 487,185	\$ 22,095	4.75%

Public Works



Public Works - Engineering 13000

MISSION STATEMENT:

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

Expense Summary	
Personnel Expenses	\$778,429
Operating Expenses	\$207,800
Capital Machinery	\$0
Total Budget	\$986,229

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

Increases:

- \$18,000 in Part-time based on trends

Reductions/Decreases:

- \$50,000– Contract – Engineering due to bringing Engineering Services in-house
- Decrease in salary and benefits due to Director of Public Works moving from this budget to City Manager’s Office as an Assistant City Manager

Capital:

- None

Items of Interest:

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

Public Works - Engineering 13000

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	761,970	576,347	(185,623)	-24.36%
41100	Salaries- Part Time	-	18,000	18,000	100.00%
41200	Salaries - Overtime	1,000	1,800	800	80.00%
41300	Longevity Pay	960	285	(675)	-70.31%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	58,440	44,602	(13,838)	-23.68%
42200	State Retirement	68,754	58,821	(9,933)	-14.45%
42210	401k	15,279	10,513	(4,766)	-31.19%
42300	Medical Insurance	63,690	57,321	(6,369)	-10.00%
42400	Life Insurance	1,463	1,500	37	2.53%
42500	Dental Insurance	4,320	3,240	(1,080)	-25.00%
Sub-Total for Personnel		\$ 981,876	\$ 778,429	\$ (203,447)	-20.72%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
43200	Advertising	2,000	2,000	-	0.00%
43300	Postage	500	500	-	0.00%
44200	Repair & Maintenance: Vehicles	5,000	5,000	-	0.00%
44400	Repair & Maintenance: Equipment	500	500	-	0.00%
45250	Telephone	10,500	10,500	-	0.00%
45610	Motor Fuel	5,000	5,000	-	0.00%
46100	Office Supplies	7,500	7,500	-	0.00%
46300	Dues and Subscriptions	9,000	9,000	-	0.00%
47100	Uniforms	5,000	5,000	-	0.00%
48800	Contract - Engineering	200,000	150,000	(50,000)	-25.00%
51100	Travel and Training	12,000	12,000	-	0.00%
51800	Meetings	800	800	-	0.00%
Sub-Total for Operating Expenditures		\$ 257,800	\$ 207,800	\$ (50,000)	-19.39%
TOTAL ENGINEERING					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	981,876	778,429	(203,447)	-20.72%
	Operating Expenditures	257,800	207,800	(50,000)	-19.39%
Total for All Categories of Expenses		\$ 1,239,676	\$ 986,229	\$ (253,447)	-20.44%

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
Operating Expenses	\$730,400
Total Budget	\$730,400

No Personnel included in this Division.

Increases:

- \$18,400 – Electricity
- \$15,000 – Contracted Services
- \$14,000 – Contracted Services – new lights

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- Budget Includes:
 - Contracted Services (installation of new lights)
 - Contract – New Lights (purchase of new lights)
 - Reduced revenue in this budget due to City not being involved when development puts in new streetlights. This is now handled between the developer and Duke Energy directly.

Public Works - Street Lighting 13100

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
45220	Electricity	613,000	631,400	18,400	3.00%
48000	Contracted Services	35,000	50,000	15,000	42.86%
48650	Contract - New Lights	35,000	49,000	14,000	40.00%
Sub-Total for Operating Expenditures		\$ 683,000	\$ 730,400	\$ 47,400	6.94%
TOTAL STREET LIGHTING					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	683,000	730,400	47,400	6.94%
	Capital - Improvements	-	-	-	0.00%
Total for All Categories of Expenses		\$ 683,000	\$ 730,400	\$ 47,400	6.94%

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
Operating Expenses	\$138,300
Total Budget	\$138,300

No Personnel included in this Division.

Increases:

- None

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- No changes to budget from FY 20 budget

Public Works – Operations Center 13200

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
44100	Repair & Maintenance: Office Equipment	500	500	-	0.00%
45220	Electricity	50,000	50,000	-	0.00%
45230	Water & Sewer	12,000	12,000	-	0.00%
45240	Gas Utilities	6,000	6,000	-	0.00%
45250	Telephone	35,000	35,000	-	0.00%
45410	Equipment Rental	10,000	10,000	-	0.00%
45610	Motor Fuel	500	500	-	0.00%
46100	Office Supplies	4,000	4,000	-	0.00%
48000	Contracted Services	20,300	20,300	-	0.00%
Sub-Total for Operating Expenditures		\$ 138,300	\$ 138,300	\$ -	0.00%
TOTAL OPERATIONS CENTER					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	138,300	138,300	-	0.00%
Total for All Categories of Expenses		\$ 138,300	\$ 138,300	\$ -	0.00%

Public Works – Signs and Markings 13300

MISSION STATEMENT:

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

Expense Summary	
Personnel Expenses	\$186,235
Operating Expenses	\$227,200
Capital Machinery	\$0
Total Budget	\$413,435

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

Increases:

- \$2,000 – Travel and training increase to train newly promoted personnel due to organizational restructuring

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

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

Public Works – Signs and Markings 13300

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	130,946	131,458	512	0.39%
41200	Salaries - Overtime	8,000	8,000	-	0.00%
41300	Longevity Pay	227	227	-	0.00%
42000	FICA	17,257	10,406	(6,851)	-39.70%
42200	State Retirement	12,526	13,433	907	7.24%
42210	401k	2,783	2,274	(509)	-18.29%
42300	Medical Insurance	19,107	19,107	-	0.00%
42400	Life Insurance	252	250	(2)	-0.79%
42500	Dental Insurance	1,080	1,080	-	0.00%
Sub-Total for Personnel		\$ 192,178	\$ 186,235	\$ (5,943)	-3.09%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	7,500	7,500	-	0.00%
44400	Repair & Maintenance: Equipment	1,000	1,000	-	0.00%
45250	Telephone	6,900	6,900	-	0.00%
45610	Motor Fuel	6,500	6,500	-	0.00%
46100	Office Supplies	2,500	2,500	-	0.00%
46200	Small Equipment and Tools	1,500	1,500	-	0.00%
46810	Sign Supplies	95,000	95,000	-	0.00%
47100	Uniforms	300	300	-	0.00%
48000	Contracted Services	100,000	100,000	-	0.00%
51100	Travel and Training	4,000	6,000	2,000	50.00%
Sub-Total for Operating Expenditures		\$ 225,200	\$ 227,200	\$ 2,000	0.89%
TOTAL SIGNS AND MARKINGS					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	192,178	186,235	(5,943)	-3.09%
	Operating Expenditures	225,200	227,200	2,000	0.89%
	Capital - Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 417,378	\$ 413,435	\$ (3,943)	-0.94%

Public Works – Powell Bill 13400

MISSION STATEMENT:

Preserve and maintain safe driving, walking and biking conditions, for the citizens of Kannapolis along with facilities designated as part of the “City System” as accepted by the Kannapolis City Council. Maintain and preserve the storm drainage system along with the “City System”.

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$943,065
Capital Machinery	\$0
Total Budget	\$943,065

No personnel in this budget

Increases:

- \$34,000 – Repair and Maintenance: streets based on 17% increase in projected asphalt costs

Reductions/Decreases:

- \$266,435 – Contract for resurfacing of streets due to a projected 20% decline in Powell Bill funding due to COVID-19 impacts

Capital:

- None

Items of Interest:

- Budget includes:
 - \$234,000 for R&M: Streets (repairs to existing streets, pothole repair)
 - \$350,000 for Contracted Services (small street repaving projects)
 - \$600,000 for Contract – Resurfacing (Covers the annual resurfacing plan)

Public Works – Powell Bill 13400

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
44900	Repair & Maintenance: Streets	200,000	234,000	34,000	17.00%
45220	Electricity	5,000	5,000	-	0.00%
45410	Equipment Rental	3,000	3,000	-	0.00%
46200	Small Equipment and Tools	2,500	2,500	-	0.00%
48000	Contracted Services	350,000	350,000	-	0.00%
48300	Consultants	15,000	15,000	-	0.00%
48850	Contract - Resurfacing	600,000	333,565	(266,435)	-44.41%%
Sub-Total for Operating Expenditures		\$ 1,175,500	\$ 943,065	\$ (232,435)	-19.77%
TOTAL POWELL BILL					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	-	-	-	0.00%
	Operating Expenditures	1,175,500	943,065	(232,435)	-19.77%
	Capital Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 1,175,500	\$ 943,065	\$ (232,435)	-19.77%

Public Works – Street Maintenance 13500

MISSION STATEMENT:

Preserve and maintain safe driving, walking and biking conditions, for the citizens of Kannapolis along with facilities designated as part of the “City System” as accepted by the Kannapolis City Council. Maintain and preserve the storm drainage system along with the “City System”.

Expense Summary	
Personnel Expenses	\$673,500
Operating Expenses	\$130,000
Capital Machinery	\$0
Total Budget	\$803,500

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

Increases:

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

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- None

Public Works – Street Maintenance 13500

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	448,336	472,992	24,656	5.50%
41200	Salaries - Overtime	24,000	24,000	-	0.00%
41300	Longevity Pay	2,340	2,830	490	20.94%
42000	FICA	36,313	37,317	1,004	2.76%
42200	State Retirement	42,720	48,540	5,820	13.62%
42210	401k	9,494	6,198	(3,296)	-34.72%
42300	Medical Insurance	54,137	76,428	22,291	41.18%
42400	Life Insurance	861	875	14	1.63%
42500	Dental Insurance	4,320	4,320	-	0.00%
Sub-Total for Personnel		\$ 622,521	\$ 673,500	\$ 50,979	8.19%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	45,000	45,000	-	0.00%
44400	Repair & Maintenance: Equipment	40,000	40,000	-	0.00%
45610	Motor Fuel	32,000	32,000	-	0.00%
47100	Uniforms	13,000	13,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 130,000	\$ 130,000	\$ -	0.00%
TOTAL STREET MAINTENANCE					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	622,521	673,500	50,979	8.19%
	Operating Expenditures	130,000	130,000	-	0.00%
	Capital Machinery & Equipment	-	-	-	0.00%
Total for All Categories of Expenses		\$ 752,521	\$ 803,500	\$ 50,979	6.77%

Planning



Planning 14000

MISSION STATEMENT:

The Kannapolis Planning Department is committed to excellent public service and enhancing the quality of life in the community by guiding its orderly growth and development while preserving its cultural heritage and natural resources. We strive to offer the most efficient service possible in the management of our activities and programs. We always adhere to providing professionally competent advice to officials and citizens on the issues of planning and public policy, land development regulation and community improvement.

Expense Summary	
Personnel Expenses	\$684,203
Operating Expenses	\$125,400
Capital Machinery	\$0
Total Budget	\$809,503

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

Increases:

- \$1,350 Repair and Maintenance vehicles for routine maintenance and repairs

Reductions/Decreases:

- None

Capital:

- None

Planning 14000

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	492,782	519,374	26,592	5.40%
41400	Board Member Fees	5,000	5,000	-	0.00%
41600	Vehicle Allowance	6,000	6,000	-	0.00%
42000	FICA	37,698	37,406	(292)	-0.77%
42200	State Retirement	44,350	52,980	8,630	19.46%
42210	401k	9,856	8,561	(1,295)	-13.14%
42300	Medical Insurance	47,768	50,952	3,184	6.67%
42400	Life Insurance	942	950	8	0.85%
42500	Dental Insurance	2,880	2,880	-	0.00%
Sub-Total for Personnel		\$ 647,276	\$ 684,103	\$ 36,827	5.69%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	500	500	-	0.00%
43200	Advertising	12,000	12,000	-	0.00%
43300	Postage	300	300	-	0.00%
43610	Demolition Expenditures	75,000	75,000	-	0.00%
44200	Repair & Maintenance: Vehicles	650	2,000	1,350	207.69%
45250	Telephone	6,000	6,000	-	0.00%
45610	Motor Fuel	1,500	1,500	-	0.00%
46100	Office Supplies	7,000	7,000	-	0.00%
46200	Small Equipment and Tools	1,000	1,000	-	0.00%
46300	Dues and Subscriptions	4,000	4,000	-	0.00%
48100	Minute Preparation	100	100	-	0.00%
48610	Contract - Planning	-	-	-	0.00%
51100	Travel and Training	14,000	14,000	-	0.00%
51300	Special Expenses	2,000	2,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 124,050	\$ 125,400	\$ 1,350	1.09%
TOTAL PLANNING					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	647,276	684,103	36,827	5.69%
	Operating Expenditures	124,050	125,400	1,350	1.09%
Total for All Categories of Expenses		\$ 771,326	\$ 809,503	\$ 38,177	4.95%

Parks and Recreation



Parks and Recreation - Parks 15010

MISSION STATEMENT:

Provide residents of all ages and abilities positive experiences through a variety of quality activities, facilities and services under the direction of professional and dedicated staff that are responsive to the changing needs of the community.

Expense Summary	
Personnel Expenses	\$1,704,799
Operating Expenses	\$993,990
Capital Machinery	\$0
Total Budget	\$2,698,789

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

Increases:

- \$12,500 – Credit card fees based on trends
- \$23,000 – R&M: Buildings and Grounds moved from Downtown Fund to General Fund
- \$15,000 – Electricity moved from Downtown Fund to General Fund
- \$17,000 – Concession supplies based on trends
- \$150,000 – Contracted Services: Ground Maintenance moved from Downtown Fund to General Fund for all downtown mowing
- \$33,000 – Contracted Services: Grounds Maintenance moved from Downtown Fund to General Fund for the old stadium mowing
- \$25,117 – Contracted Services: Grounds Maintenance for estimated 10% increase in re-bidding contract
- \$6,000 – travel and training for newly promoted employees

Reductions/Decreases:

- \$3,000 – decrease in laundry rentals
- \$29,000 – decrease in capital costs due to one-time vehicle purchase

Items of Interest:

- Grounds Maintenance for all city properties is in Contracted Services
- Moved all West Avenue/Linear park costs from the Downtown Fund to Parks budget
- Moved all Stadium costs from the Downtown Fund to Parks budget
- Operational accounts were broken out between project codes for various parks mid-year

Parks and Recreation - Parks 15010

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	724,344	785,722	61,378	8.47%
41100	Salaries - Part Time	541,000	-	(541,000)	-100.00%
41100-BCPK	Salaries - Part Time- Backers Creek Park	-	89,525	89,525	100.00%
41100-BUILD	Salaries - Part Time- Building Monitor	-	78,005	78,005	100.00%
41100-EVENT	Salaries - Part Time- Events	-	48,044	48,044	100.00%
41100-GROUN	Salaries - Part Time- Grounds Maintenance	-	63,500	63,500	100.00%
41100-VILPK	Salaries - Part Time- Village Park	-	296,926	296,926	100.00%
41200	Salaries - Overtime	9,500	9,500	-	0.00%
41300	Longevity Pay	751	752	1	0.13%
41600	Vehicle Allowance	1,800	1,800	-	0.00%
42000	FICA	93,519	109,227	15,708	16.80%
42200	State Retirement	112,014	87,343	(24,671)	-22.02%
42210	401k	14,692	11,933	(2,759)	-18.78%
42300	Medical Insurance	106,734	114,642	7,908	7.41%
42400	Life Insurance	1,398	1,400	2	0.14%
42500	Dental Insurance	5,575	6,480	905	16.23%
Sub-Total for Personnel		\$ 1,611,327	\$ 1,704,799	\$ 93,472	5.80%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	1,500	1,500	-	0.00%
43200	Advertising	1,500	2,000	500	33.33%
43300	Postage	200	200	-	0.00%
43800	Credit Card Fees	5,000	17,500	12,500	250.00%
44200	Repair & Maintenance: Vehicles	10,000	3,000	(7,000)	-70.00%
44200-BCPK	Repair & Maint: Vehicles – BC	-	4,500	4,500	100.00%

PARKS AND RECREATION

44200-GROUN	Repair & Maintenance: Vehicles - Grounds	-	2,500	2,500	100.00%
44200-VILPK	Repair & Maintenance : Vehicles - VP	-	3,500	3,500	100.00%
44300	Repair & Maintenance: Buildings and Grds	100,000	12,500	(87,500)	-87.50%

OPERATING EXPENDITURES

Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
44300-BCPK	Repair & Maint: Buildings and Grounds-BC	-	17,000	17,000	100.00%
44300-GROUN	Repair & Maint: Buildings and Grounds	-	33,000	33,000	100.00%
44300-SAFPK	Repair & Maint: Buildings and Grounds-SP	-	22,000	22,000	100.00%
44300-VILPK	Repair & Maint: Buildings and Grounds-VP	-	48,000	48,000	100.00%
44400	Repair & Maintenance: Equipment	12,300	-	(12,300)	-100.00%
44400-BCPK	Repair & Maintenance: Equipment-BC	-	5,300	5,300	100.00%
44400-GROUN	Repair & Maintenance: Equipment-Grounds	-	5,000	5,000	100.00%
44400-VILPK	Repair & Maintenance: Equipment-VP	-	5,000	5,000	100.00%
45220	Electricity	62,000	84,000	22,000	35.48%
45230	Water & Sewer	41,000	56,000	15,000	36.59%
45240	Gas Utilities	4,000	4,000	-	0.00%
45250	Telephone	36,000	36,000	-	0.00%
45410	Equipment Rental	5,000	5,000	-	0.00%
4540	Laundry	18,000	15,000	(3,000)	-16.67%
45610	Motor Fuel	20,000	22,000	2,000	10.00%
46100	Office Supplies	4,200	5,200	1,000	23.81%
46200	Small Equipment and Tools	5,000	400	(4,600)	-92.00%
46200-BCPK	Small Equipment and Tools-BC	-	1,500	1,500	100.00%
46200-GROUN	Small Equipment and Tools-Grounds	-	400	400	100.00%
46200-VILPK	Small Equipment and Tools-VP	-	1,500	1,500	100.00%

PARKS AND RECREATION

46300	Dues and Subscriptions	1,700	2,200	500	29.41%
46620	Concession Supplies	50,000	67,000	17,000	34.00%
46640	Cemetery Supplies	3,000	3,000	-	0.00%
46820	Cleaning Supplies	7,800	300	(7,500)	-96.15%
46820-BCPK	Cleaning Supplies-BC	-	2,300	2,300	100.00%
46820-GROUN	Cleaning Supplies-Grounds	-	1,500	1,500	100.00%
46820-VILPK	Cleaning Supplies-VP	-	4,500	4,500	100.00%
47100	Uniforms	8,000	12,000	4,000	50.00%
48000	Contracted Services	10,000	10,000	-	0.00%
48220	Contract - Grounds Maintenance	251,173	459,890	208,717	83.10%
51100	Travel and Training	10,000	16,000	6,000	60.00%
51800	Meetings	1,500	1,800	300	20.00%
Sub-Total for Operating Expenditures		\$ 550,673	\$ 993,990	\$ 396,117	71.93%
TOTAL PARKS					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/Decrease (\$)	% Change
	Personnel Expenditures	1,611,327	1,704,799	93,472	5.80%
	Operating Expenditures	668,873	993,990	325,117	48.61%
	Capital Machinery and Equipment	29,000	-	(29,000)	-100.00%
Total for All Categories of Expenses		\$ 2,309,200	\$ 2,698,789	\$ 389,589	16.87%

Parks and Recreation - Programs 15060

MISSION STATEMENT:

Provide residents of all ages and abilities positive experiences through a variety of quality activities, facilities and services under the direction of professional and dedicated staff that are responsive to the changing needs of the community.

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$734,000
Total Budget	\$734,000

Increases:

- \$280,000 – Program Supplies increase due to special event expenses from Downtown Fund moved to General Fund
- \$6,000 - Program Supplies increase due to an increase in the participants attending trips
- \$58,000 – Program Supplies Sports for the increased popularity in youth sports programs

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- Program Supplies covers all downtown events (including Jiggy with the Piggy)
- Program Supplies-Sports covers Youth Athletics (basketball and soccer programs implemented in FY 20)

Parks and Recreation - Programs 15060

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
46630	Program Supplies	80,000	366,000	286,000	357.50%
46635	Program Supplies-Sports	-	58,000	58,000	100.00%
51441	Summer Event Series	270,000	270,000	-	0.00%
51442	Kannapolis Christmas	40,000	40,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 390,000	\$ 734,000	\$ 344,000	88.21%
TOTAL RECREATION PROGRAMS					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	390,000	734,000	344,000	88.21%
Total for All Categories of Expenses		\$ 390,000	\$ 734,000	\$ 344,000	88.21%

Parks and Recreation - Stadium 15200

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$125,000
Total Budget	\$125,000

Increases:

- \$10,000 – Repair and Maintenance: Building and Grounds for preventative maintenance efforts

Reductions/Decreases:

- \$66,000 Utility Reimbursement due to the Team paying utilities directly and invoicing the City for half

Items of Interest:

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

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
44300	Repair & Maintenance: Buildings and Grounds	10,000	20,000	10,000	100.00%
44450	Repair & Maintenance: Reimbursement	66,000	-	(66,000)	-100.00%
45220	Electricity	-	50,000	50,000	100.00%
45230	Water and Sewer	-	50,000	50,000	100.00%
45540	Gas	-	5,000	5,000	100.00%
45255	Utility Reimbursement	110,000	-	(110,000)	-100.00%
48000	Contracted Services	30,000	-	(30,000)	-100.00%
Sub-Total for Operating Expenditures		\$ 216,000	\$ 125,000	\$ (91,000)	-42.13%
TOTAL STADIUM					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	216,000	125,000	(91,000)	-42.13%
Total for All Categories of Expenses		\$ 216,000	\$ 125,000	\$ (91,000)	-42.13%

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 2021

REVENUES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease	% Change
36000	Charges and Fees	17,325,000	18,250,000	925,000	5.34%
36600	Wholesale Water Sales	375,000	415,000	40,000	10.67%
36610	Tap Fees	200,000	250,000	50,000	25.00%
36620	Connection Fees	700,000	1,000,000	300,000	42.86%
36640	Reconnection Fees	150,000	140,000	(10,000)	-6.67%
36650	Penalties	450,000	400,000	(50,000)	-11.11%
37000	Miscellaneous Revenue	15,000	15,000	-	0.00%
38000	Investment Income	60,000	30,000	(30,000)	-50.00%
39900	Appropriated Fund Balance	-	-	-	0.00%
Total Water and Sewer Fund		\$ 19,275,000	\$ 20,500,000	\$ 1,225,000	6.36%

Water & Sewer Expenditure Summary

Fiscal Year 2021

EXPENSES				
Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease	% Change
Water & Sewer - Billing & Collections	928,721	907,348	(21,373)	-2.30%
Water & Sewer - Distribution	2,842,216	3,334,251	492,035	17.31%
Water & Sewer - Water Treatment Plant	3,004,814	3,106,448	101,634	3.38%
Water & Sewer - WSACC	3,185,467	3,407,618	222,151	6.97%
General Management Services - Transfer To General Fund	1,765,800	2,143,921	378,121	21.41%
Transfer to Other Funds	1,926,824	495,700	(1,431,124)	-74.27%
Total Operating	\$ 13,653,842	\$ 13,395,286	\$ (258,556)	-1.89%
Total Debt Service	\$ 5,621,158	\$ 7,104,714	\$ 1,483,556	26.39%
Total Water and Sewer Fund Expenditures	\$ 19,275,000	\$ 20,500,000	\$ 1,225,000	6.36%

Water and Sewer – Billing and Collections 36000

MISSION STATEMENT:

The Water and Sewer Billing and Collection program was established to provide billing, collection, meter reading and installation, and customer service to the individuals in Kannapolis who receive water and sewer services from the City. We are dedicated to effectively and courteously servicing customer accounts by working with individual customers to insure accurate and timely billing, up to date customer records, and a high level of cooperative, knowledgeable, and personal service both at the City offices and at the customer sites.

Expense Summary	
Personnel Expenses	\$663,248
Operating Expenses	\$244,100
Total Budget	\$907,348

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

Increases:

- \$400 – Uniforms
- Standard personnel and benefit increases based off projected year-end FY 20 merits

Reductions/Decreases:

- \$25,000 – Part-time funding based on trends

Capital:

- none

Items of Interest:

- Banking fees includes: Lockbox and e-box services

WATER AND SEWER

Water and Sewer – Billing and Collections 36000

PERSONNEL					
Account #	Account Description	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	417,523	423,907	6,384	1.53%
41100	Salaries - Part Time	100,000	75,000	(25,000)	-25.00%
41200	Salaries - Overtime	3,000	3,000	-	0.00%
41300	Longevity Pay	5,714	5,714	-	0.00%
42000	FICA	39,492	39,638	146	0.37%
42200	State Retirement	46,461	43,825	(2,636)	-5.67%
42210	401k	10,325	10,378	53	0.51%
42300	Medical Insurance	57,321	57,321	-	0.00%
42400	Life Insurance	1,225	1,225	-	0.00%
42500	Dental Insurance	3,960	3,240	(720)	-18.18%
Sub-Total for Personnel		\$ 685,021	\$ 663,248	\$ (21,773)	-3.18%
OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	3,500	3,500	-	0.00%
43300	Postage	90,000	90,000	-	0.00%
44100	Repair & Maintenance: Office Equipment	500	500	-	0.00%
45250	Telephone	600	600	-	0.00%
46100	Office Supplies	5,000	5,000	-	0.00%
46200	Small Equipment and Tools	1,500	1,500	-	0.00%
46300	Dues and Subscriptions	1,000	1,000	-	0.00%
47100	Uniforms	1,600	2,000	400	25.00%
48000	Contracted Services	20,000	20,000	-	0.00%
48430	Banking Fees	80,000	80,000	-	0.00%
48440	Mailing Services	30,000	30,000	-	0.00%
51100	Travel and Training	10,000	10,000	-	0.00%
Sub-Total for Operating		\$ 243,700	\$ 244,100	\$ 400	0.16%
TOTAL BILLIING AND COLLECTIONS					
	Expense Category	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	685,021	663,248	(21,773)	-3.18%
	Operating Expenditures	243,700	244,100	400	0.16%
Total for All Categories of Expenses		\$ 928,721	\$ 907,348	\$ (21,373)	-2.30%

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	\$2,126,451
Operating Expenses	\$1,191,000
Capital Expenses	\$16,800
Total Budget	\$3,334,251

Personnel includes: Water Resources Manager (1), Crew Supervisor (1), Crew Chief (5), Construction Maintenance Technician (7), Heavy Equipment Operator (3), Construction Maintenance Worker II (6), Meter Technician (3), Construction Maintenance Worker I (7), and Senior Office Assistant (1).

Increases:

- New crew hired in February 2020 which consisted of: (1) crew chief, (1) heavy equipment operator, (1) construction maintenance technician and (2) construction maintenance workers II.
- \$9,500 – Repair and Maintenance: Vehicles for routine upfits and repairs
- \$6,500 – Repair and Maintenance: Equipment for routine upfits and repairs
- \$45,000 – Repair and Maintenance: Lift Station for repairs to existing generators and Roto-Phase for three lift stations
- \$106,200 – Materials for Water and Sewer increase for replacement materials
- \$50,000 – Contracted services for captains watch manhole replacement
- \$3,500 – Motor fuel standard increase
- \$2,000 – Telephone due to new crew hired in February 2020
- \$2,500 – Small Equipment and Tools due to new crew hired in February 2020
- \$1,500 – Uniforms due to new crew hired in February 2020

Reductions/Decreases:

- None

Capital:

- 16,800 – replacement of an old mower and tapping equipment

Items of Interest:

- Majority of increased costs for FY 21 are due to a new crew hired in February 2020 to assist with tap and connection installation

Water and Sewer – Distribution 36100

PERSONNEL					
Account #	Account Description	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	1,249,907	1,429,382	179,475	14.36%
41200	Salaries - Overtime	153,000	153,000	-	0.00%
41300	Longevity Pay	2,672	973	(1,699)	-63.59%
42000	FICA	107,527	118,006	10,479	9.75%
42200	State Retirement	126,502	145,916	19,414	15.35%
42210	401k	28,112	28,291	179	0.64%
42300	Medical Insurance	197,439	235,163	37,724	19.11%
42400	Life Insurance	2,377	2,400	23	0.97%
42500	Dental Insurance	11,800	13,320	1,520	12.88%
Sub-Total for Personnel		\$ 1,879,336	\$ 2,126,451	\$ 247,115	13.15%
OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
43100	Printing	3,000	3,000	-	0.00%
43300	Postage	1,800	1,800	-	0.00%
44200	Repair & Maintenance: Vehicles	87,500	97,000	9,500	10.86%
44300	Repair & Maintenance: Buildings and Grounds	1,800	1,800	-	0.00%
44400	Repair & Maintenance: Equipment	60,000	66,500	6,500	10.83%
44600	Repair & Maintenance: Lift Station	70,000	115,000	45,000	64.29%
44900	Repair & Maintenance: Streets	10,000	10,000	-	0.00%
45220	Electricity	50,000	50,000	-	0.00%
45230	Water and Sewer	5,000	5,000	-	0.00%
45249	Gas Utilities	1,000	1,000	-	0.00%
45250	Telephone	40,000	42,000	2,000	5.00%
45410	Equipment Rental	7,000	7,000	-	0.00%
45610	Motor Fuel	55,000	58,500	3,500	6.36%
46100	Office Supplies	4,000	4,000	-	0.00%
46200	Small Equipment and Tools	7,500	10,000	2,500	33.33%
46300	Dues and Subscriptions	2,500	2,500	-	0.00%
46850	Materials for W&S Services	335,000	441,200	106,200	31.70%
47100	Uniforms	29,500	31,000	1,500	5.08%
48000	Contracted Services	178,600	228,600	50,000	28.00%
51100	Travel and Training	13,600	15,100	1,500	11.03%

Water and Sewer – Distribution 36100

OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
Sub-Total for Operating Expenditures		\$ 962,800	\$ 1,191,000	\$ 228,200	23.70%
TOTAL DISTRIBUTION					
	Expense Category	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	1,879,336	2,126,451	247,115	13.15%
	Operating Expenditures	962,800	1,191,000	228,200	23.70%
	Capital - Machinery and Equipment	-	16,800	16,800	100.00%
Total for All Categories of Expenses		\$ 2,842,136	\$ 3,334,251	\$ 492,115	17.31%

Water and Sewer – Water Treatment Plant 36200

MISSION STATEMENT:

The mission of the Water Treatment Plant is to protect the public health by producing a continuous, adequate and safe source of potable water for distribution to citizens. Service is provided by ten City employees operating a 15 million-gallon (MG) capacity water treatment plant fed by a 1,356 MG storage capacity lake.

Expense Summary	
Personnel Expenses	\$983,313
Operating Expenses	\$2,123,135
Capital Expenses	\$0
Total Budget	\$3,106,448

Personnel includes: Director of Water Resources (1), Water Treatment Plant Manager (1), Water Treatment Plant Supervisor (1), Water Treatment Plant Operator I (4), Water Treatment Plant Operator II (2), Water Quality Technician (1), and Senior Office Assistant (1).

Increases:

- \$37,750 – Bulk Water purchases based on trends
- \$18,000 – Repair and Maintenance: Water tanks for tank maintenance efforts
- Standard personnel increases projected for end of FY 20 merit increases

Reductions/Decreases:

- \$19,610 – Contracted Services due to a one-time project that occurred in FY 20

Capital:

- None

Items of Interest:

- Increase to Bulk Water Purchase is contractual

WATER AND SEWER

Water and Sewer – Water Treatment Plant 36200

PERSONNEL					
Account #	Account Description	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	651,742	692,520	40,778	6.26%
41200	Salaries - Overtime	40,000	45,000	5,000	12.50%
41300	Longevity Pay	1,937	1,937	-	0.00%
41600	Vehicle Allowance	-	6,000	6,000	100.00%
42000	FICA	53,067	54,313	1,246	2.35%
42200	State Retirement	62,430	70,841	8,411	13.47%
42210	401k	13,874	11,057	(2,817)	-20.30%
42300	Medical Insurance	89,166	95,045	5,879	6.59%
42400	Life Insurance	1,203	1,200	(3)	-0.25%
42500	Dental Insurance	5,400	5,400	-	0.00%
Sub-Total for Personnel		\$ 918,819	\$ 983,313	\$ 64,494	7.02%
OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
43200	Advertising	500	500	-	0.00%
43300	Postage	300	300	-	0.00%
44200	Repair & Maint: Vehicles	4,500	4,500	-	0.00%
44400	Repair & Maint: Equipment	128,500	128,500	-	100.00%
44600	Repair & Maint: Lift Station	30,000	31,000	1,000	100.00%
44700	Repair & Maint: Water Tank	74,300	92,300	18,000	100.00%
45220	Electricity	300,000	300,000	-	100.00%
45240	Gas Utilities	1,000	1,000	-	100.00%
45250	Telephone	16,500	16,500	-	100.00%
45610	Motor Fuel	6,000	6,000	-	100.00%
46100	Office Supplies	3,000	3,000	-	100.00%
46200	Small Equipment and Tools	2,500	2,500	-	100.00%
46300	Dues and Subscriptions	12,000	12,000	-	100.00%
46820	Cleaning Supplies	100	100	-	100.00%
46830	Chemicals	290,000	290,000	-	100.00%
46840	Raw Water Purchases	49,000	49,000	-	100.00%
47100	Uniforms	9,000	9,000	-	100.00%
48000	Contracted Services	213,000	193,390	(19,610)	100.00%
48220	Contract: Grounds Maintenance	48,045	48,045	-	100.00%

Water and Sewer – Water Treatment Plant 36200

OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
48240	Bulk Water Purchases	887,250	925,000	37,750	100.00%
51100	Travel and Training	10,500	10,500	-	100.00%
Sub-Total for Operating Expenditures		\$ 2,085,995	\$ 2,123,135	\$ 37,140	1.78%
TOTAL WATER TREATMENT PLANT					
	Expense Category	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	918,819	983,313	64,494	100.00%
	Operating Expenditures	2,085,995	2,123,135	37,140	100.00%
Total for All Categories of Expenses		\$ 3,004,814	\$ 3,106,448	\$ 101,634	3.38%

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
Operating Expenses	\$3,407,618
Total Budget	\$3,407,618

No Personnel included in this Division.

Increases:

- \$199,863 – Sewage Treatment Variable (3% increase by WSACC and organic growth)
- \$43,574 – Treatment Fixed Rate based on update from WSACC

Reductions/Decreases:

- \$21,286 – Interceptor Fixed Rate based on update from WSACC

Capital:

- None

Items of Interest:

- None

Water and Sewer – Sewage Treatment 36400

OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
49020	Sewage Treatment Variable	2,230,362	2,430,225	199,863	8.96%
49030	Treatment Fixed Rate	458,745	502,319	43,574	9.50%
49050	Interceptor Fixed Rate	400,320	379,034	(21,286)	-5.32%
49060	Capital Assessments	31,040	31,040	-	0.00%
49070	Concord Northlite Sewer	65,000	65,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 3,185,467	\$ 3,407,618	\$ 222,151	6.97%
TOTAL SEWAGE TREATMENT (WSACC)					
	Expense Category	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	\$ 3,185,467	\$ 3,407,618	\$ 222,151	6.97%
Total for All Categories of Expenses		\$ 3,185,467	\$ 3,407,618	\$ 222,151	6.97%

WATER AND SEWER

Water and Sewer – Debt Service 38000

OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	2,990,766	4,028,310	1,037,544	34.69%
58200	Bond Interest	1,787,142	2,576,404	789,262	44.16%
58300	Debt Issuance Cost	843,250	500,000	(343,250)	-40.71%
Sub-Total for Operating Expenditures		\$ 5,621,158	\$ 7,104,714	\$ 1,483,556	26.39%
TOTAL WATER AND SEWER DEBT SERVICE					
	Expense Category	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Debt Service Expenditures	5,621,158	7,104,714	1,483,556	26.39%
Total for All Categories of Expenses		\$ 5,621,158	\$ 7,104,714	\$ 1,483,556	26.39%

Revenue Bonds	Principal	Interest
Vac Truck*	65,000	26,000
Kannapolis Crossing/Lane St/WTP Improvements*	890,000	867,750
Downtown Water and Sewer	647,000	619,134
Davidson Road Water	270,000	188,964
Reducing Series 2011/2014	1,799,800	837,080
Other		
Jet Vac Truck	77,500	1,325
Equipment	76,528	17,434
Water Line-NCRC	76,633	6,269
Afton Run Sewer	57,834	5,753
Kannapolis Parkway	52,843	2,180
Second Creek	15,172	4,515
Total	\$4,028,310	\$2,576,404

*New debt service for FY 21

Water and Sewer – General Management Services Fee and Transfers 39000

OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
56000	General Management Services	1,765,800	2,143,921	378,121	21.41%
57200	Transfer to Other Funds	1,926,824	-	(1,926,824)	-100.00%
57400	Transfer to Env Fund	-	495,700	495,700	100.00%
Sub-Total for Transfers		\$ 3,692,624	\$ 2,639,621	\$ (1,053,003)	-28.52%
TOTAL GENERAL MANAGEMENT SERVICES WATER AND SEWER/TRANSFERS					
	Expense Category	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Transfers	3,692,624	2,639,621	(1,053,003)	-28.52%
Total for All Categories of Expenses		\$ 3,692,624	\$ 2,639,621	\$ (1,053,003)	-28.52%

Increases:

- \$378,121 – General Management Services fee increase as an effort to reduce burden on General Fund for FY 21
- \$495,700 – Transfer to the Environmental Fund to account for the solid waste disposal contract increase and the increase in recycling expenses

Reductions/Decreases:

- \$1,926,824 reduction in transfer to other funds. This was a transfer to the Downtown Fund for FY 20 for water and sewer upgrades. This was a one-time transfer.

Capital:

- None

STORMWATER FUND

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

Stormwater Fund 40000

MISSION STATEMENT:

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

Expense Summary	
Personnel Expenses	\$886,328
Operating Expenses	\$2,613,672
Capital Machinery	\$0
Total Budget	\$3,500,000

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

Increases:

- \$3,000 – Equipment Rental increase needed due to downtime of equipment
- \$100,000 – Contracted Services to maintain ditching program
- \$151,977 – General Management Services Fee in order to reduce burden on General Fund
- \$2,000 – Travel and Training increase needed to train newly promoted employees through city re-organization efforts

Reductions/Decreases:

- \$25,000 - Consultants

Capital:

- None

Items of Interest:

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

Stormwater Revenue Summary

Fiscal Year 2021

REVENUES					
Account #	Account Description	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease	% Change
36000	Charges and Fees	3,050,000	3,100,000	50,000	1.64%
39900	Fund Balance Appropriation	-	400,000	400,000	100.00%
Total Stormwater Fund		\$ 3,050,000	\$ 3,500,000	\$ 450,000	14.75%

Stormwater Expenditure Summary

Fiscal Year 2021

EXPENSES				
Account Description	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease	% Change
Personnel	900,157	886,328	(13,829)	-1.54%
Operations	629,600	709,600	80,000	12.71%
Debt Service	1,201,641	1,033,493	(168,148)	-13.99%
Capital Outlay	-	-	-	0.00%
General Management Services	318,602	470,579	151,977	47.70%
Transfer to Environmental Fund	-	400,000	400,000	100.00%
Total Stormwater Fund	\$ 3,050,000	\$ 3,500,000	\$ 450,000	14.75%

STORMWATER FUND

Stormwater 40000

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	652,549	637,667	(14,882)	-2.28%
41200	Salaries - Overtime	19,195	19,195	-	0.00%
41300	Longevity Pay	1,200	712	(488)	-40.67%
42000	FICA	51,481	48,995	(2,486)	-4.83%
42200	State Retirement	60,565	65,122	4,557	7.52%
42210	401k	13,459	5,723	(7,736)	-57.48%
42300	Medical Insurance	94,335	101,904	7,569	8.02%
42400	Life Insurance	1,253	1,250	(3)	-0.24%
42500	Dental Insurance	6,120	5,760	(360)	-5.88%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
43300	Postage	100	100	-	0.00%
44200	Repair & Maintenance: Vehicles	60,000	60,000	-	0.00%
44400	Repair & Maintenance: Equipment	55,000	55,000	-	0.00%
44900	Repair & Maintenance: Streets	170,000	170,000	-	0.00%
45250	Telephone	8,100	8,100	-	0.00%
45410	Equipment Rental	10,000	13,000	3,000	30.00%
45610	Motor Fuel	30,000	30,000	-	0.00%
46100	Office Supplies	3,500	3,500	-	0.00%
46200	Small Equipment and Tools	10,000	10,000	-	0.00%
46300	Dues and Subscriptions	2,000	2,000	-	0.00%
47100	Uniforms	14,000	14,000	-	0.00%
48000	Contracted Services	86,400	186,400	100,000	115.74%
48300	Consultants	175,000	150,000	(25,000)	-14.29%
51100	Travel and Training	5,500	7,500	2,000	36.36%
56000	General Management Service Fee	318,602	470,579	151,977	47.70%
57400	Transfer to the Environmental Fund	-	400,000	400,000	100%
Sub-Total for Operating Expenditures		\$ 948,202	\$ 1,580,179	\$ 231,977	24.46%
	Expense Category	Adopted	Proposed	Decrease (\$)	Change
	Personnel Expenditures	900,157	886,328	(13,829)	-1.54%
	Operating Expenditures	948,202	1,580,179	231,977	24.46%
Total for All Categories of Expenses		\$ 1,848,359	\$ 2,066,507	\$ 218,148	11.80%

STORMWATER FUND

Stormwater Debt Service 48000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	926,876	782,284	(144,592)	-15.60%
58200	Bond Interest	274,765	251,209	(23,556)	-8.57%
Sub-Total for Operating Expenditures		\$ 1,201,641	\$ 1,033,493	\$ (168,148)	-13.99%
TOTAL STORMWATER					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	1,201,641	1,033,493	(168,148)	-13.99%
Total for All Categories of Expenses		\$ 1,201,641	\$ 1,033,493	\$ (168,148)	-13.99%

Installment Obligations	Principal	Interest
Equipment	17,562	4,000
Stormwater various projects	764,722	247,209
Total	\$784,284	\$251,209

- No new debt service for FY 21

Stormwater General Management Services Fee and Transfers 49000

OPERATING EXPENDITURES					
Account #	Account Description	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
56000	General Management Services Fee	318,602	470,579	151,977	47.70%
57400	Transfer to Env Fund	-	400,000	400,000	100.00%
Sub-Total for Transfers		\$ 318,602	\$ 870,579	\$ 551,977	173.25%
TOTAL STORMWATER GENERAL MANAGEMENT SERVICES FEE/TRANSFERS					
	Expense Category	FY 20 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Transfers	318,602	870,579	551,977	173.25%
Total for All Categories of Expenses		\$ 318,602	\$ 870,579	\$ 551,977	173.25%

Increases:

- \$151,977 – General Management Services Fee in order to reduce burden on General Fund
- Fund balance appropriation of \$400,000 which is then transferred to the Environmental Fund to help offset the increases in solid waste contract and recycling expenses

ENVIRONMENTAL FUND

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

Environmental Fund 50000

Expense Summary	
Personnel Expenses	\$415,825
Operating Expenses	\$4,114,362
Capital Machinery	\$0
Total Budget	\$4,530,187

Personnel includes: (1) Director of Transportation/Environmental Services, Yard Waste Crew Leader (1) and Yard Waste Technician (4)

Increases:

- Salary and fringe account increase due to the Director of Transportation/Environmental Services moving to this budget due to the city-wide reorganization
- \$15,000 – Repair and Maintenance: Vehicles for an increase for tire cost replacements and impellor routine re-fits
- \$10,000 – Equipment Rental
- \$7,000 – Program Supplies for e-waste pallets
- \$14,000 – Container purchase based on an increase due to cart replacement and new home installations
- \$30,647 – Bulk containers moved from the Downtown Fund
- \$436,173 – Solid Waste contract with Waste Management based on CPI index increase in addition to an increase in new household growth
 - \$310,000 Recycling expense to Mecklenburg Recycling Facility
- \$25,000 – Yard Waste increase

Reductions/Decreases:

- \$20,000 – Contracted Services
- \$50,400 – Landfill based on trends in tipping fee charges/tons
- \$200,000 – Special Expenses was a one-time expense in FY 20 due to the cost savings in negotiating the Waste Management contract

Capital:

- None

Items of Interest:

- Solid waste increase is due to an increase in tipping fees and accounts for Waste Management contract and recycling expenses
- Bulk container increase is due to an increase in the number of containers and an increase in monthly fees
- Yard waste covers the landfill fees for yard waste collected by city staff
- Contracted services include e-waste disposal, Cartology app and temporary workers
- No new debt service is proposed for FY 21

Environmental Fund Revenue Summary

Fiscal Year 2021

REVENUES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease	% Change
32200	Solid Waste Disposal Tax	32,300	36,000	3,700	11.46%
36000	Charges and Fees	3,275,000	3,448,487	173,487	5.30%
39200	Transfers from General Fund	350,000	150,000	(200,000)	-57.14%
39210	Transfers from Water & Sewer Fund	495,700	495,700	-	0.00%
39230	Transfers from Stormwater	-	400,000	400,000	100.00%
Total Environmental Fund		\$ 4,153,000	\$ 4,530,187	\$ 377,187	9.08%

Environmental Fund Expenditure Summary

Fiscal Year 2021

EXPENSE SUMMARY				
Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease	% Change
Personnel	306,334	415,825	109,491	35.74%
Operations	3,614,631	3,882,326	267,695	7.41%
Debt Service	232,035	232,036	1	0.00%
Total Environmental Fund				
	\$ 4,153,000	\$ 4,530,187	\$ 377,187	9.08%

ENVIRONMENTAL FUND

Environmental Fund 50000

PERSONNEL					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	202,939	298,394	95,455	47.04%
41100	Salaries - Part Time	25,750	-	(25,750)	-100.00%
41200	Salaries - Overtime	-	10,000	10,000	100.00%
41300	Longevity Pay	1,161	1,161	-	0.00%
41600	Vehicle Allowance	-	6,000	6,000	100.00%
42000	FICA	17,583	23,623	6,040	34.35%
42200	State Retirement	20,687	30,559	9,872	47.72%
42210	401k	4,082	5,214	1,132	27.73%
42300	Medical Insurance	31,845	38,214	6,369	20.00%
42400	Life Insurance	487	500	13	2.67%
42500	Dental Insurance	1,800	2,160	360	20.00%
Sub-Total for Personnel		\$ 306,334	\$ 415,825	\$ 109,491	35.74%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	85,000	100,000	15,000	17.65%
44400	Repair & Maintenance: Equipment	15,000	15,000	-	0.00%
45250	Telephone	5,000	5,000	-	0.00%
45410	Equipment Rental	-	10,000	10,000	100.00%
45670	Motor Fuel	40,000	40,000	-	.
46100	Office Supplies	2,000	2,250	250	12.50%
46200	Small Equipment and Tools	5,000	5,000	-	0.00%
46630	Program Supplies	-	7,000	7,000	100.00%
46860	Container Purchases	96,000	110,000	14,000	14.58%
48000	Contracted Services	100,000	80,000	(20,000)	-20.00%
48910	Solid Waste	2,256,231	2,692,404	436,173	19.33%
48920	Bulk Containers	60,000	90,672	30,672	51.12%
48930	Landfill	700,400	650,000	(50,400)	-7.20%
48940	Recycling	-	-	-	0.00%
48950	Yard Waste - Tipping Fees	50,000	75,000	25,000	50.00%
51300	Special Expenses	200,000	-	(200,000)	-100.00%
Sub-Total for Operating Expenditures		\$ 3,614,631	\$ 3,882,326	\$ 267,695	7.41%
TOTAL ENVIRONMENTAL					

Environmental Debt Service 58000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	212,257	218,398	6,141	2.89%
58200	Bond Interest	19,778	13,638	(6,140)	-31.04%
Sub-Total for Operating Expenditures		\$ 232,035	\$ 232,036	\$ 1	0.00%
TOTAL ENVIRONMENTAL DEBT SERVICE					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	232,035	232,036	1	0.00%
Total for All Categories of Expenses		\$ 232,035	\$ 232,036	\$ 1	0.00%

Special Obligation Bonds	Principal	Interest
Leaf Collection Trucks	218,398	13,638
Total	\$218,398	\$13,638

- No new debt service is proposed for FY 21

SEPARATION PAY FUND

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

Separation Pay Fund 60000

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$502,781
Total Budget	\$502,781

Budget:

- \$467,066 - Separation Pay
- \$35,715 - FICA

Reductions/Decreases:

- None

Capital:

- None

Items of Interest:

- Two new employees are projected to receive this benefit for FY 21
- Five new employees are eligible for this supplement in FY 20
- Four employees will receive final supplements in FY 20
- Thirty-two former employees currently receive separation pay benefits

SEPARATION PAY FUND

Separation Pay Revenue Summary Fiscal Year 2021

REVENUES				
Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
Transfer from General Fund	490,000	502,781	12,781	2.61%
Total Separation Pay Revenues	\$ 490,000	\$ 502,781	\$ 12,781	2.61%

Separation Pay Expenditure Summary Fiscal Year 2021

EXPENSES				
Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
Separation Pay	465,000	467,066	2,066	0.44%
FICA	25,000	35,715	10,715	42.86%
Total Separation Pay Expenses	\$ 490,000	\$ 502,781	\$ 12,781	2.61%

TRANSIT FUND

The Transit Fund was established by the City to set aside funds for payments for the City's share of expenses related to the new Concord-Kannapolis Local Public Transportation System. The proposed FY 2021 Transit System Fund Budget is \$700,000. This is the twentieth year this fund has existed. This year it will be funded from a combination of revenues from the dedicated Vehicle License Tax and anticipated CARES Act Funds. City Council has adopted a formal inter-local agreement with the City of Concord to establish a jointly supported Urban Area Transit System for our two cities. The largest part of this entire initiative would be funded by the State and Federal governments.

Transit Fund 77500

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

Increases:

- None

Reductions/Decreases:

- \$364,000 – Contracted Services due to COVID-19 CARES Act funding

Capital:

- None

Items of Interest:

- CARES Act funding reduces the need for a transfer from the General Fund to offset operational funding
 - In conjunction with the City of Concord, Kannapolis should see budget relief from CARES Act funding over the next three fiscal years
- Fund balance appropriation of \$200,000 which will be transferred back to the General Fund
 - Historically, this fund has received a transfer from the General Fund in order to offset operations and therefore has accumulated a fund balance.
- Vehicle license tax is \$30, \$20 goes directly to the Transit fund to support the public transit system and \$5 goes back to support to the General Fund for support and \$5 goes towards road paving/improvements.
- The Transit Fund does include \$51,771 for the purchase of technology projects that aren't eligible for CARES Act funds. These projects were deferred to FY 21.

Transit Fund Revenue Summary Fiscal Year 2021

REVENUES				
Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
Vehicle License Tax	760,000	500,000	(260,000)	-34.21%
Transfer from General Fund	104,000	-	(104,000)	-100.00%
Appropriated Fund Balance	-	200,000	200,000	100.00%
Total Transit Fund Revenues	\$ 864,000	\$ 700,000	\$ (164,000)	-18.98%

Transit Fund Expenditure Summary Fiscal Year 2021

EXPENSES				
Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
Contracted Services	864,000	500,000	(364,000)	6.93%
Transfer to the General Fund	-	200,000	200,000	100.00%
Total Transit Fund Expenses	\$ 864,000	\$ 700,000	\$ (164,000)	-18.98%

DOWNTOWN/ COLLEGE STATION FUND

City Council approved the purchase of 46 acres of property in Downtown Kannapolis on March 16th, 2015. FY 21 is the sixth 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 costs are included for this fund in FY 21. City support for non-profit or community organizations related to downtown have been moved from this fund. In 2018, City Council approved the purchase of College Station Shopping Center for the purpose of relocating Rowan Cabarrus Community College Cosmetology School. For FY 21, efforts were taken have the Downtown Fund house the remaining blocks and revitalization efforts. The West Avenue Linear Park/downtown events and Baseball Stadium were moved from the Downtown Fund to the General Fund.

Downtown/College Station Fund 80000

Expense Summary	
Personnel Expenses	\$0
Operating Expenses	\$2,979,355
Total Budget	\$2,979,355

No Personnel cost found in the Downtown Fund.

Increases:

- \$9,000 – Residential rent and lease payments
- \$263,698 – Fund balance appropriation
- \$150,000 – Block 1 revitalization efforts for preventative maintenance
- \$105,000 – Block 2 revitalization efforts for preventative maintenance
- \$20,000 – Gem Theatre preventative maintenance efforts
- \$421,500 – USPC contract

Reductions/Decreases:

- \$187,906 – Commercial Rent/Leases based on 15% reduction due to COVID-19 impacts/some businesses no longer located in downtown
- \$23,000 – Repair and Maintenance: Grounds moved to Parks budget
- \$60,000 – Insurance: General Liability moved to Non-Departmental budget
- \$22,000 – Electricity for remaining blocks. Other electricity costs associated with West Avenue and the baseball stadium are reflected in Parks budget
- \$25,000 – Non-profit contribution moved to Economic Development budget for FY 21
- \$129,088 – Contracts: Grounds Maintenance moved to Parks budget where all contracted grounds maintenance is housed
- \$122,100 – Contract: Development Services for DFI and Corporate Reality for FY 20 since a few blocks remain to be sold
- \$30,000 – Bulk containers is now budgeted in Environmental Services with the rest of the city-wide bulk container purchases
- \$200,000 – Special Event Expenses moved to Parks budget since this is primarily a Parks department function

Capital:

- None

Items of Interest:

- All costs associated with the West Avenue Linear Park and the baseball stadium are now accounted for in the Parks General Fund budget

Downtown/College Station Fund Revenue Summary Fiscal Year 2021

REVENUES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease	%
36150	Common Area Maintenance Fee	5,000	5,000	-	0.00%
36500	Building Rental	20,000	20,000	-	0.00%
36520	Commercial Rent/Lease	661,824	473,918	(187,906)	-28.39%
36530	Residential Rent/Lease	96,000	105,000	9,000	9.38%
36680	Special Event Fees	75,800	-	(75,800)	-100.00%
39200	Transfers from General Fund	4,714,252	2,111,739	(2,602,513)	-55.21%
39210	Transfers from Water and Sewer Fund	1,431,124	-	(1,431,124)	-100.00%
39900	Fund Balance Appropriation	-	263,698	263,698	100.00%
Total Downtown Fund Revenues		\$ 7,004,000	\$ 2,979,355	\$ (4,024,645)	-57.46%

Downtown/College Station Fund Expenditure Summary Fiscal Year 2021

EXPENSES				
Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease	% Change
Operations	2,693,422	867,616	(1,825,806)	-67.79%
Debt Service	4,310,578	2,111,739	(2,198,839)	-51.01%
Total Downtown Fund Expenses	\$ 7,004,000	\$ 2,979,355	\$ (4,024,645)	-57.46%

Downtown/College Station Fund 80000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
44300	Repair and Maintenance: Buildings	70,000	70,000	-	0.00%
44350	Repair and Maintenance: Grounds	23,000	-	(23,000)	-100.00%
45220	Electricity	62,000	47,500	(14,500)	-23.39%
45230	Water & Sewer	40,000	42,000	2,000	5.00%
45240	Gas Utilities	3,000	3,000	-	0.00%
45250	Telephone	2,000	1,500	(500)	-25.00%
46350	Non-Profit Contributions	25,000	-	(25,000)	-100.00%
48220	Contract-Grounds Maintenance	136,204	7,116	(129,088)	-94.78%
48230	Contract-Developmental Services	122,100	-	(122,100)	-100.00%
48300	Consultants	1,920,118	-	(1,920,118)	-100.00%
48300-B1	Consultants - Block 1	-	150,000	150,000	100.00%
48300-B2	Consultants - Block 2	-	105,000	105,000	100.00%
48300-GEM	Consultants - GEM	-	20,000	20,000	100.00%
48300-USPC	Consultants - GEM	-	421,500	421,500	100.00%
48920	Contract-Environmental Services	30,000	-	(30,000)	-100.00%
51445	Special Events Expenses	200,000	-	(200,000)	-100.00%
51620	Insurance - General Liability	60,000	-	(60,000)	-100.00%
Sub-Total for Operating Expenditures		\$ 2,693,422	\$ 867,616	\$ (1,825,806)	-67.79
TOTAL DOWNTOWN					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	2,693,422	867,616	(1,825,806)	-67.79%
Total for All Categories of Expenses		\$ 2,693,422	\$ 867,616	\$ (1,825,806)	-67.79%

Downtown/College Station Fund Debt Service 88000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	1,384,225	1,384,225	(0)	0.00%
58200	Bond Interest	2,926,353	727,514	(2,198,839)	-75.14%
Sub-Total for Operating Expenditures		\$ 4,310,578	\$ 2,111,739	\$ (2,198,839)	-51.01%
TOTAL DOWNTOWN DEBT SERVICE					
	Expense Category	FY 2020 Adopted	FY 2021 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	4,310,578	2,111,739	(2,198,839)	-51.01%
Total for All Categories of Expenses		\$ 4,310,578	\$ 2,111,739	\$ (2,198,839)	-51.01%

Special Obligation Bonds	Principal	Interest
Phase 1 of Duct bank/College Station Land	255,226	102,985
College Station/Duct bank/Street Scape	394,999	257,382
Downtown Purchase	734,000	367,147
Total	\$1,384,225	\$727,514

- No new debt service is proposed for FY 21