



ADOPTED BUDGET

FY 2025 / 2026



City of Kannapolis

Annual Budget

Fiscal Year 2025 - 2026



Prepared by:

City of Kannapolis Staff

Special Thanks to:

City Manager's Office, Communications and Finance



CITY OF KANNAPOLIS

Fiscal Year 2026 Adopted Budget

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City of Kannapolis

City Council



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





GOVERNMENT FINANCE OFFICERS ASSOCIATION

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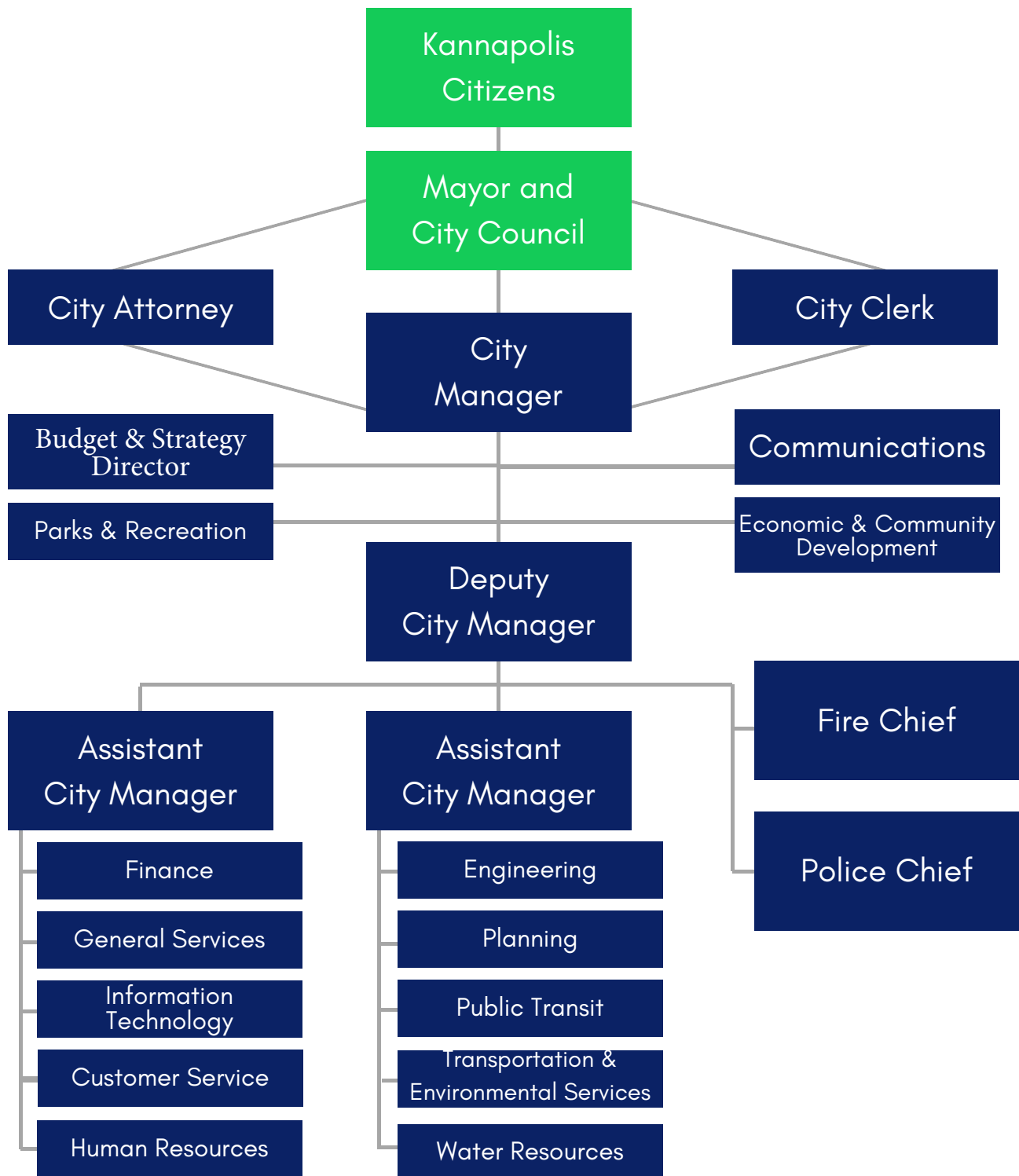
July 01, 2024

Christopher P. Morrell

Executive Director



CITY ORGANIZATION





May 12, 2025

Subject: Proposed FY 2025-26 Budget

Dear Mayor Hinnant and Members of the Kannapolis City Council:

I am pleased to present to you the proposed Fiscal Year 2025-26 (“FY 26”) Budget for the City of Kannapolis, North Carolina, which begins July 1, 2025, and ends June 30, 2026. This budget has been prepared in accordance with the North Carolina Local Government 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 26.

The FY 26 Budget represents what is expected to be a brief pause (a “reset”) to the highly proactive and aggressive budgets of most of the past decade. This proposed budget recognizes the need to continue implementing the City’s Strategic Plan - Imagine Kannapolis, and other City Council priorities. It also continues an emphasis on employee retention and recruitment and improvements to the City’s quality of life and service delivery.

Looking Back: FY 24-25

The past fiscal year was full of numerous positive events and changes. Some of the key successes over the past 12 months include:

- The successful re-opening of the Swanee Theatre and the newly renovated Gem Theatre to sold out crowds.
- Completion of the renovations to City Hall including new accessible parking areas in front of the building.
- Establishment of the downtown electric shuttle service intended to assist downtown patrons with accessible transportation to and from remote parking areas.
- Another highly successful summer concert series – the first with expanded funding appropriations.
- Installed new pickleball courts at Baker’s Creek Park.
- The green room at Village Park was completed and put into service for the 2024 Summer Concert Series.
- Open houses were held for two newly renovated Fire Stations #1 and #4.

- Decision to cancel the Jiggy with the Piggy Festival due to significant cost escalations. The final festival was in May 2024.
- Created 11 new positions across the organization.
- Implemented Paid Caregiver Leave for all full-time employees. This allowed for six weeks of paid leave for the birth or adoption of a child and paid leave to care for immediate family members.
- Implementation of organization-wide supervisory and new hire orientation programming.
- Several economic development announcements were made including Chick-Fil-A Supply, Rebel, Amazon, and Alta Warehousing.
- \$2.1 million in new capital outlay in multiple City departments.
- Hired a new City Attorney, Andrew Kelly, filling the position to be vacated by long-tenured former City Attorney, Walter M. “Wally” Safrit.
- Hired a new City Clerk, Pam Scaggs, filling the position vacated by long-tenured former City Clerk, Bridgette Bell.
- Several Capital Project funds were created to support: (a) future street, sidewalk or stormwater projects, (b) a potential future cultural arts facility/history museum, (c) a future downtown economic development project, (d) future fire protection service in Western Cabarrus (if necessary) and, (e) the Eastside Park. Approximately \$2.85 million has been set aside in the first year of this new financial planning strategy.
- Cost of Living Adjustment (COLA) and Merit Pay for all employees at 8% which was likely the largest across the board compensation adjustment in the City organization’s history.

FY 2025-26 Budget Overview

The total proposed FY 26 Budget for the City of Kannapolis is **\$126,007,842**, a 2.36% increase (\$2,722,549 actual), from the FY 2025 budget.

This FY 26 Budget total is the sum of the seven separate funds: the General Fund, the Water and Sewer Fund, the Stormwater Fund, the Environmental Fund, the Public Transit Fund, the Separation Pay Fund, and the Insurance and Risk Fund.

Recent Budget History						
FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 Proposed
\$77,279,526	\$80,523,452	\$85,250,848	\$94,916,039	\$104,385,876	\$123,106,329	\$126,007,842

The above budgets exclude all interfund transfers (as defined by transfers between the annually adopted funds). Interfund transfers excluded for the FY 26 Budget total \$9,462,867:

- \$721,500 to the Separation Pay Fund from the General Fund (increase of \$121,500 from FY 25)
- \$968,698 to the Transit Fund from the General Fund (*decrease* of \$219,525 from FY 25)

- \$1,832,669 to the Environmental Fund from the General Fund (*decrease* of \$359,021 from FY 25)
- \$5,940,000 to the Insurance and Risk Fund from all funds except Transit and Separation Pay (increase of \$588,000 from FY 25)

Similar to previous budget years, the FY 26 Budget has been prepared with the following process for determining budget levels and identifying operational priorities:

- Level 1 - Continuation: defined as “keeping the lights on” in that these expenditures are required to maintain essentially same service levels in FY 26 as experienced in FY 25. Unavoidable inflationary, and contractual increases are reflected at this level. For FY 26 some reductions were made as a reset of “keeping the lights on.”
- Level 2 – Expansion: defined as anything new that was not previously approved through the budget process, including enhancements to programs or services, new positions, new projects, initiatives, and capital outlay items. This includes certain projects and initiatives that have emerged from the draft Imagine Kannapolis Strategic Plan. For the reasons outlined at the beginning of this budget message, the amount of expansion in this budget is quite limited.

The proposed FY 26 Budget is built around five key themes: 1) being fiscally responsible in challenging times, 2) supporting the most valuable asset for our City - our existing employees, 3) continued use of excess cash reserves to fund key projects and initiatives, 4) advancing key City Council priorities, including implementation of the Imagine Kannapolis Strategic Plan, and 5) maintaining core services. These themes are described in more detail below.

1. **Fiscal Responsibility.** The FY 26 Budget has been a bit more challenging than originally expected. Over the past decade revenue projections for each annual budget have been extremely accurate - in most years actual revenues have exceeded projections by comfortable margins resulting in the ability to build up reserve funds. The City’s current 5-year financial plan (FY 25 through FY 29) was crafted with assumptions that had stood the test of time. As the preparation of the proposed FY 26 Budget progressed, it became clear that those assumptions would likely not hold true for this upcoming budget year.

The primary cause of these challenges is related to property taxes and sales taxes (which make up 80% of the General Fund Budget) as well as Water and Sewer revenue shortfalls. These impacts are described below.

- Property Taxes. Property taxes were projected to increase by 6% due to new investment in the community. This projection was, in part, based on the average growth rate of the past seven years (excluding the Cabarrus revaluation years) of 5.72%. ***The FY 26 Budget includes an increase of only 3.72%.***

The result is a shortfall of approximately \$1 million for the FY 26 Budget.

- Sales Taxes. Similarly, sales taxes were expected to increase 5% for the FY 26 Budget. This projection was also based on several years of prior data and information from the North Carolina League of Municipalities. **The sales tax growth rate included in the FY 26 Budget is only 1.46% based on receipts to date in the FY 25 Budget.** This is not unique to Kannapolis. The average statewide sales tax increase (year over year) from FY

21 to FY 23 was 11.8%. Admittedly, the Covid Pandemic created some unusual consumer activities during those years but by FY 23 the pandemic was in the past. In FY 24, statewide growth rate dropped to 3.5% and in FY 25 it appears that number will be about 2.2%.

The result is a shortfall of approximately \$500,000 for the FY 26 Budget.

- Water and Sewer Revenues. Like sales tax revenues, utility revenues (especially tap and connection fees) are often an indicator of growth in a community. However, for FY 26 it is hard to define what the revenues shifts really mean. The collective totals for tap and connection fees is projected to come in under budget for FY 25 which *may* mean stagnant or lower growth for FY 26. Twenty-three development projects across the City have been identified by the City's Planning Department as stopped or slow in getting to construction. These projects have wastewater allocation and most have had approvals to begin construction for a significant period of time. These projects represent 1,445 dwelling units and a potential \$512 million in estimated market value. It is likely most of these projects will eventually move forward and when they do, they will represent more than \$3.5 million in water & sewer connection fee revenues (in addition to the increased tax base).

Part of this slowdown may be attributed to caution in the local and national homebuilding and development industry due to uncertainty in the national economy and the complexities of securing financing for certain projects. The hope is that this is only temporary and during the next six to twelve months this is no longer a concern.

On the other end of the budget process are, of course, expenditures. Due, in part, to the revenue challenges and the overall sense of caution with the national economy, the City's staff budget team decided early on that FY 26 would be the appropriate year for a "budget reset" which is a healthy budget management practice. Accordingly, a significant focus of the FY 26 Budget process has been to develop the budget based on a trend line of multiple previous years of data. This budget has its foundation built on actual budget usage more than on the method of comparing the previous budget to the proposed budget.

This should explain the status quo/reduction nature of this budget. The FY 26 Budget has been "rightsized." It should be acknowledged that this will be a "take-a-deep-breath kind" of year.

As we approach this year's budget cycle, we are reminded that stewardship and responsibility remain at the heart of our commitment to this community. External economic influences are beginning to test local governments, and Kannapolis is no exception. In summary, the FY 26 Budget reflects a strategy grounded in fiscal responsibility while protecting essential services that our residents rely on and continuing to move the City ahead in a positive way.

2. **Employee Retention and Recruitment.** Being nearly fully staffed for the first time in many years may somewhat lessen the urgency on employee recruitment. However, in reality, retention and recruitment are two sides of the same coin. The things that retain employees generally serve as recruitment tools as well. For the fourth straight budget year, the FY 26 Budget continues to provide the most competitive pay and benefits as well as an excellent overall workplace. For the FY 26 Budget, personnel costs (including most benefits) will total

\$55,131,796, an increase of \$10,655,426. These costs are driven by a lot of factors, including the planned salary increases and all the related costs that are tied to salaries (401k, State retirement, FICA, etc.).

As noted elsewhere in this budget message, the FY Budget has been developed in a more conservative manner than in previous years due to a lot of factors (internal and external). It is the intention of the City's management, finance and human resources teams to monitor the revenues and expenditures through the first six months of the new fiscal year. If during the course of the year revenues exceed expenditures, additional adjustments may be made to salaries beyond the initial compensation adjustment plan.

It is important to take a look back and reflect on the dramatic improvements made to City employment compensation and benefits over the past several years. This kind of workplace transformation takes a lot of resource commitment from elected leadership, and it doesn't happen overnight. The following is a summary of these improvements since FY 21:

Employee Benefit Enhancements FY 21 - FY 26

- Remote Work Options (implemented FY21)
- Competitive Market Pay (compensation study implementation FY23)
- Longevity Pay (reimplemented in FY24 and one-time backpay in FY23)
- Employee Appreciation Program (FY24)
- Incentive Pay
 - o *Fixed shifts in police (FY23)*
 - o *Shift Differential Pay (FY23) for police and water resources*
 - *Peak shift and night shift*
- Employer Paid Health Insurance
 - o *No significant increases to health insurance premiums for employees (but there were increases for the City) over the last four fiscal years*
 - o *15% premium increase for PPO grandfathered plans in FY25*
- Employer Paid Dental Insurance
- Employer Paid Vision Insurance (new employer paid benefit implemented FY25)
- Employer Paid Short Term Disability (new employer paid benefit implemented FY25)
- Enhanced Funding for HSA and HRA Accounts
 - o *\$2,200 (FY25 increase from \$2,110)*
 - o *\$2,000 (FY25 increase from \$1,960)*
- Paid Caregivers Leave (implemented FY25)
 - o *6 weeks of paid leave for varying circumstances*
- 401(k) 2% automatic contribution (implemented FY25) and additional 3% match
- 401(k) 2% automatic contribution in addition to the State mandate for law enforcement officers for 5% = 7% total contribution with an additional 3% match
- Childcare Tuition Grant
 - o *10 children across all departments are currently participating*
 - o *Projected \$20,000 to be distributed for FY 25*
- Kannapolis Cannon Baller Tickets Suite
 - o *General Admission Tickets (enhancement in FY25)*
- Kannapolis YMCA Membership Free and discount for families of employees
 - o *Extended this program to retirees and PT employees (enhancements FY25)*

- Free personalized nutrition counseling
- Onsite Health Clinic (partnership with Cab Co. April – August 2025)
 - o *Clinic services are at no cost to the employee. IRS regulates fair market value for primary care - \$5 charge will be collected.*
 - o *Enhanced services of primary care to our employees and families*
 - o *Occupational and behavioral health*
 - o *Physical Abilities Testing (PAT)*
 - o *Provide two full-time Atrium staff members*
- Paid volunteer hours
- Paid birthday leave
- Paid sick, vacation and holiday leave
- Separation Pay

Compensation Changes FY 21 - FY 26

FY21

- Employees eligible for developmental increase (5%) or merit increase (up to 3%) based on hire date or promotional date depending on where employees fell in the pay range
- July: 2.5% COLA
- December: 1.5% COLA

FY22

- Employees eligible for developmental increase (5%) or merit increase (up to 3%) based on hire date or promotional date depending on where you employees in the pay range
- July: 1.5% COLA

FY23

- Employees eligible for developmental increase (5%) or merit increase (up to 3%) based on hire date or promotional date depending on where employees fell in the pay range
- July: 5% COLA

FY24

- Employees eligible for developmental increase (5%) or merit increase (up to 3%) based on hire date or promotional date depending on where employees fell in the pay range
- April: Market study 2% increase or pay adjustment based on study
- July: 3% COLA

FY25

- Evaluations stopped for one full year in preparation of the new evaluation system
- July: 3% COLA
- July: 5% Merit

FY26

- Performance-based system will be merit based. The percentages awarded will take into consideration the southeast region inflation rate for Q2.

3. **Cash Reserves.** As has been the case for the past several years, the FY 26 Budget has a focus of appropriating excess cash reserves to key investments in the City. Target percentages of expenditures for each fund have long been established (generally 25% of previous year's expenditures to be set aside in the City's "Savings Account"). Additionally, the City's real estate development activities in recent years, coupled with the \$9.3 million Federal ARPA funds, has resulted in an infusion of cash which has increased the available fund balance in a

substantial way. The table below depicts the current cash reserves and fund balance estimates and the cash that is available for appropriation in FY 26.

Unrestricted Cash Reserves				
Fund	Minimum Target %	Projected Total Reserves, June 30, 2025	Available for Appropriation in FY 26	Amount needed to reach Target %
General	25%	\$31,791,807	\$4,266,757	Above Target
Water and Sewer	25%	\$10,111,902	(\$1,070,660)	Below Target
Stormwater	25%	\$1,631,011	\$1,413,461	Above Target
Environmental	10%	\$2,311,940	\$1,531,629	Above Target
Transit	NA	\$971,613	\$971,613	NA
Totals		\$46,818,273	\$7,112,800	

More than \$25 million of cash reserves has already been appropriated by City Council over the past three years for a wide variety of one-time investments, many related to the early advancement of the draft Imagine Kannapolis Strategic Plan. The use of these funds has permitted the City to avoid significant new debt and related tax increases for several years.

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

4. Implementing the Imagine Kannapolis Strategic Plan and New Projects & Initiatives.

The City's strategic planning process, Imagine Kannapolis, was concluded in late 2024. Due to a number of external factors the plan has not been officially adopted by City Council. Nevertheless, the planning process was a significant guide for the FY 25 Budget as it is for the proposed FY 26 Budget. The Strategic Plan was never intended to be a static, place-on-the-shelf, document. It is intended to be a general guide for the direction the City is heading. It will continue to evolve over the coming months.

It is anticipated that for the next several years, new debt financing, one-time cash outlay and increased recurring operating expenses will be considered to facilitate implementation of the Strategic Plan. As has been described in other parts of this budget message, FY 26 is somewhat of a "pause year" due to a number of factors. As a result, proceeding confidently into the future, but with caution, is the recommended approach to decision making regarding the Strategic Plan priorities.

Accordingly, over the course of the next year, a reset on several items seems to be in order: 1) capital outlay, 2) new personnel needs, 3) significant operational needs (both recurring and one-time), and 4) capital improvements. The previously discussed Strategic Plan projects and initiatives should be woven into these four budget planning categories.

City staff is preparing a separate document outlining these four future investment categories and where they fit over the next 5 to 10 years of budget planning. This document will not be tied directly to the FY 26 Budget. All department heads will participate in the development of

this document. Presentation to City Council is anticipated by the end of calendar year 2025 with most of the City Council discussion happening in early calendar year 2026.

Identifying funding sources will be part of this planning exercise which will include cash reserves, short- and long-term debt, and grants. Some revenue adjustments may need to be examined as well. A deeper look at water, sewer and stormwater projects will be part of this review. The future of transit may enter into the discussion as well

Looking back, the following Strategic Plan Projects and initiatives were funded in FY 25:

- City Hall Upfits (\$2,034,950). This project is completed.
- Block 10 Hotel Park (\$600,000). This amount is intended to match a developer contribution. Construction is anticipated in FY 26.
- I-85 Entrance Monuments (\$787,576). This is Kannapolis' contribution in partnership with the City of Concord. Design is completed. Construction is anticipated for FY 26.
- Oak Avenue South Parking Lot (\$295,361). This project is completed.
- Design of the Eastside Park (\$397,500). Design is underway. It is anticipated that construction will begin in FY 26. Debt service will begin in FY 27 (likely interest only) with full debt service beginning in FY 28.
- Public Works Operations Center Improvements (\$468,000 from the General Fund, with \$1.4 million from the Water & Sewer Fund being diverted to the Downtown sewer outfall capital project).

There are also several Strategic Plan projects and initiatives that are ready to move forward based on previous City Council commitments. By no means are these projects irreversible; but a number of factors point to the projects proceeding. These will all have separate City Council review in the coming months. Cash reserves will be the likely funding mechanism. These projects are listed below:

- \$1,350,000 for the Fire Training Tower. \$150,000 is already funded for design and demolition of the existing tower.
- \$1,000,000 for the Western Cabarrus Communications Tower. \$200,000 is already funded, + a \$963,000 Federal grant.
- \$105,000 for the Fire Dept Logistics Building. \$50,000 is already funded + a \$345,000 Federal Grant.
- \$124,500 for Downtown one-time capital and operational investments.
- \$324,000 in remaining funding for the Little Texas Sidewalk. \$1,226,00 is the total local match.
- \$392,119 for the Main Street Parking Lot. NCDOT is funding a portion of its planned parking lot. The City will manage the project.

Finally, there are a few Strategic Plan initiatives that are included in the proposed FY 26 Budget. These are listed below:

- \$100,000. Downtown Event and Promotional Support (annually recurring):

- \$100,000 Cultural Arts/Historic Preservation Programming (part may be annually recurring). Note: this is not actually part of the FY 26 Budget but is an encumbrance from FY 25 carrying over to FY 26. From a practical sense it will be administered in the upcoming budget year.
5. **Maintaining Core Services.** Unfortunately, the FY 26 Budget has little in the way of new capital outlay or new personnel. However, FY 25 was a “catch up year” with the funding of \$2.1 million in capital outlay and the funding of 11 new positions across the organization. This was one of the larger expenditures of funds on equipment and new personnel in many years. Perhaps more importantly, several million dollars was spent on a wide range of deferred maintenance projects in several departments (most notably in Parks and Recreation and General Services).

There is a high level of confidence in our department heads to maintain the high level of service delivery over the next year even with what amounts to status quo resources. Most of our department heads have been here before and are very experienced in managing during a challenging budget year.

General Fund Overview

The proposed FY 26 General Fund Budget is \$85,983,381 which represents a 3.27% increase over the FY 25 Budget (\$2,722,549 actual). As noted in the opening section of this budget message, for the FY 26 Budget several revenue and expenditure line items in the General Fund were analyzed and “right sized” based on multi-year historical trends and revised future projections.

General Fund Revenue Highlights:

1. The projected total **Property Tax revenue** for FY 26 is \$51,446,045 (which represents a 3.72% increase from FY 25 Budget of \$49,599,642 (\$1,846,403 actual). The projection is based on a collection rate of 99.08% (per the FY 24 audit). Property taxes represent 60% of the proposed FY 26 General Fund Budget (FY 25 was also 60% and FY 24 was 55%).

The property tax rate is recommended to remain unchanged at 55.95 cents per \$100 valuation.

Each penny on the tax rate is now equal to \$922,219 up from \$888,232 in FY 25 and more than double FY 20 (\$425,107).

2. The City-wide **property tax base** is projected to be \$9,222,187,096 an increase of \$339,861,156 from FY 25. This is similar to the estimated non-revaluation increase of \$351,555,925 in FY 25 (from FY 24). The non-revaluation increase was \$252,275,336 in FY 24 (from FY 23), \$412,597,907 in FY 22 (from FY 23) and \$210,951,347 in FY 22 (from FY 21).

Of the total assessed value City-wide, \$8,169,448,641 (89.58%) is attributed to the Cabarrus County side of the City and \$1,052,738,455 (11.42%) is attributed to the Rowan County side.

The FY 26 increase and the corresponding projection of \$1.8 million in new property tax revenues is exclusively due to new private sector investment in our City.

3. **Sales Tax Revenue** is projected to increase 1.46% to \$17,134,463 (\$247,217). This is nearly half the growth projected in the proposed FY 25 Budget in May 2024. Sales tax collections in FY 24 fell short of projections by \$202,366 and the FY 25 collections are now expected to be below the original projections by between \$200,000 and \$400,000. The North Carolina League of Municipalities analysis recommended a 2.8% increase for FY 26, but the current local trend analysis warrants a more conservative budget.

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

4. **Powell Bill** funding for FY 26 is projected to increase by 10.93% to \$1,991,000, which represents an actual increase of \$196,098 from the FY 25 Budget. No General Assembly changes are expected for the per capita and mileage-based allocations for FY 26. The growth is simply adding streets from new private developments to the City system. This increase is similar to FY 25.
5. **Franchise Tax** revenues are projected to increase by 11.62% to \$3,500,000 (\$364,373 actual) based on collections from the full year of FY 24. This is similar to the FY 25 increase.
6. **Ballpark-Related Revenues** includes a contribution from the Cabarrus Convention and Visitors Bureau (CCCVB) of \$100,000, an amount that will continue for the next 3 years. These revenues help pay for the annual debt service on the new ballpark. The CCCVB has contributed \$800,000 to date. Temerity Baseball will pay the City its annual lease payment of \$500,000 for the use of Atrium Health Ballpark (which includes an increase of \$50,000 in FY 26 per the lease agreement).
7. **Enterprise Fund Management Fee Reimbursement.** This reimbursement is being increased by 23.25% in FY 25 to \$2,782,598 (\$524,888 actual increase from the FY 25 payment of \$2,257,710). This is a budget action that facilitates the Water and Sewer Fund (\$2,192,230) and Stormwater Fund (\$590,368) “paying back” the General Fund for indirect staffing and other support throughout the year. This is based on a formula of employee allocation across funds.
8. **Fund Balance.** No appropriation of fund balance is included in the proposed FY 26 General Fund Budget.

General Fund Expenditure Highlights

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

1. No **new positions** are included.
2. No **new Capital Outlay** is included. It should be noted that \$2.1 million was included in the FY 25 Budget, which represents a much larger amount than in most recent years.
3. \$9,331,528 increase in **personnel expenditures** (to \$44,681,028 total for FY 26). This increase is driven by multiple factors described below. Significantly impacting the FY 26 Budget is the full – or nearly full – staffing levels which has reduced most of the annual “buffer” that has been in place in previous years. While this is a positive trend from a service delivery standpoint, it does have implications to the budget process this year.

- \$5.3 million increase (up 13% from FY 25) for actual new expenditures related to:
 - (a) \$2.4 million increase in full-time salaries (generally driven by increases tied to performance evaluations).
 - (b) \$321,000 increase in permanent part-time salaries (increases tied to performance evaluations).
 - (c) \$741,000 increase in N.C. local Government Retirement System employer contribution requirements.
 - (d) \$587,000 increase in FICA obligations tied to salary increases.
 - (e) \$291,000 increase in employer contributions to employee 401k accounts.
 - (f) \$276,000 increase in overtime salaries.
 - (g) \$413,000 increase in medical insurance costs (increase in per employee cost from \$12,000 to \$13,500) to help pay for claims and offset the reserve fund.
 - (h) 170,000 increase in dental, life and unemployment insurance costs.
 - (i) 20,000 in miscellaneous benefits tied to salary such as longevity pay.
- \$1 million increase to correct accounting changes in our public safety departments salaries in FY26. Historically, base salaries for employees were the only part of compensation that was budgeted on an annual basis. Past budgets, including FY 25, didn't include the long weeks that these employees sometimes work. For example, Fire Department salary budgets have been based on 2,756 hours working per year but did not include automatic OT hours that are built into the department's personnel scheduling practices. Over the years lapsed salaries from normal position vacancies would cover these costs. In FY 25 (and presumably in FY 26) that is not the case. This is being corrected in the FY 26 Budget.
- \$1.77 increase in personnel costs that were included in the non-departmental operating budget for FY 25 simply as a holding account until those funds were moved into individual departmental personnel accounts. This increase is offset in the FY 26 Budget by a similar reduction in special expenses.
- \$1.3 million increase due to underbudgeting in the FY 25 Budget for personnel cost adjustments throughout the year. Accounting changes in FY 26 to better cover the cost impacts for salary related adjustments (FICA, 401K, State Retirement, etc.) are included as budgeted expenses. Additionally, forecasted COLA and Merit Pay, on call pay, and overtime costs exceeded projections largely due to full staffing levels and limited flexibility in budget management. In FY 26 the full amount of personnel costs are being included.

4. **Non-Departmental Operating Expenditures.**

- \$176,300 increase in **workers compensation insurance** based on claim trends (total of \$686,000 for FY 26).
- \$1,770,254 *decrease* in **Special Expenses** (to \$575,280 for FY 26) as noted above. In FY25, this was primarily a holding account for the employee compensation increases (and related benefits) to transfer out to the various departmental budgets during the budget year. Also included were a multitude of other smaller items to transfer to departmental budgets.

For FY 26 this budget includes \$125,000 for the YMCA memberships for employees and \$42,000 for the Cabarrus County Partnership for Children daycare subsidy for employees. Excluded for FY 26 is the \$90,000 Federal lobbying contract with Strategics. While their services (and performance) has been excellent, the unknowns with the Federal Government coupled with the nature of this year's somewhat challenging budget makes it more difficult to fully justify the cost.

This account also includes \$408,280 from a late property tax increase estimate from Cabarrus County. This amount should be viewed as an additional contingency to provide some budget flexibility as the year progresses. One use of this funding might be a 3 or 6 month extension of our Strategics contract to provide more time to see how the changes in Washington might impact our need for D.C. representation. This warrants a City Council discussion prior to making this commitment.

- \$270,837 increase in **Insurance Premiums** (General Liability, Public Officials and Building & Contents, and fees/deductibles) based primarily on increased costs from our carrier, the North Carolina League of Municipalities and increased auto claims. Total insurance premiums for FY 26 are projected at \$1,644,107. Excluded are health and workers compensation costs as the City is self-insured for those coverages. This is nearly double the increase in the FY 25 Budget.
 - \$420,000 is included in the **Contingency** line item (no increase from FY 25). Use of these funds requires prior City Council authorization.
5. The FY 26 General Fund Budget excludes several expansion expenditures of note. These **Unfunded Expansion Items** include personnel, capital outlay and operating expenditures. They are all worthy of consideration but are not included in the proposed budget due to revenue limitations, management priorities, or other reasons. These requests are not presented in the proposed FY 26 Budget but are summarized in a separate document as information.
6. **General Government Operating Expenditures.** (City Council, City Manager, Economic Development, Communications, Legal).
- \$51,000 increase in **municipal election expenses** (2025 is a municipal election year).
 - \$8,019 increase in **City Council salaries and 401k contributions** (5% market adjustment).
 - \$100,000 increase in **Community Support** (\$174,250 total). The increase is exclusively to fund recurring operational support for Downtown Kannapolis through a new partnership

with Downtown Kannapolis, Inc (DKI). The following is the draft operations budget that has been discussed with the DKI Board. This will require the adoption of a formal agreement between DKI and the City in late June or early July after approval of the City's FY 26 budget by City Council.

- \$15,000 for Marketing and Branding (brand development, marketing, social media, logo saturation). The focus will be on Downtown Kannapolis as the branded place (not DKI or the City as the steering organizations).
- \$20,000 for event supplies (4 large events x \$5,000).
- \$3,200 for event entertainment (4 large events x \$800).
- \$4,800 for a matching grant to DKI for programming entertainment (12 x \$800).
- \$53,000 for two part-time positions: one in Parks & Rec. and one in Communications. Additionally, an existing full-time Parks & Rec. position will be dedicated 1/2 time to downtown - this position is already included in the Parks budget and will split time coordinating the new Cultural Arts/Historic Preservation program. These staff members will report to the Parks and Recreation and Communications directors but will serve the DKI Board in implementing its program and event plans.
- \$4,000 for part-time salaries for event day logistics (set-up, trash collection, street closures, take-down, clean-up, etc.). These will be City employees.

Other organizations this line item supports include the Cabarrus Arts Council (\$21,500) and the North Carolina Music Hall of Fame (\$25,000). As to the North Carolina Music Hall of Fame, no payment was made in FY 25 due, in part, to the organization's decision to hold its signature event in Mooresville when there are several viable venue options in Kannapolis. City Council discussion on the future of the City's support of the Music Hall of Fame is warranted.

- \$90,000 *decrease* in **consultant services** for contract grant management assistance. This was proposed as a full-time position for FY 25 but was eliminated by City Council in the final budget. This adjustment eliminates the funding as well.
- \$83,328 *decrease* in **economic development incentives**. This is mostly due to Gordon Foods' successful appeal of its taxes, which reduced the taxes owed, which also decreased the incentive due from the City. The current incentives due are \$158,000 for Gordon Foods and \$172,200 for the second of a three year grant to Chick Fil-A Logistics at Lakeshore Corporate Park.
- \$112,546 decrease in **Strategic Planning Initiatives** to \$0 for FY 25. In FY 25 these funds were intended *to* support several Imagine Kannapolis Strategic Plan initiatives:
 - \$30,546 for part-time driver salaries for the downtown shuttle program. This initiative started and the program has been absorbed in the Parks and Recreation budget for FY 26.
 - \$10,000 for reserve officer program funding. This initiative has started and has been absorbed in the Police Department budget for FY 26.

- \$2,000 for the Downtown Ambassador Program. This program was started but these funds were not used.
- \$20,000 for the promotion of motorsports. This has not yet been initiated.
- \$50,000 for a new Environmental Stewardship Program. This has not yet been initiated. It would involve creating an Environmental Stewardship Commission establishing a Keep Kannapolis/Cabarrus/Rowan Beautiful Organization and re-establishing the façade and site improvement matching grant program.

Some discussion is warranted regarding City Council support (or lack thereof) for starting these initiatives in FY 26. If there is support, a funding source will need to be identified.

7. **Human Resources Operating Expenditures.**

- \$230,500 *decrease* in Medical Expenses to \$14,500 for FY 26. This is primarily an accounting adjustment. Short-term disability and vision benefits are being moved into different budget accounts. Additionally, the City's expenditures for pre-hire physicals are being moved to the employee health clinic budget in the Insurance and Risk Fund.
- \$240,000 *decrease* in Contracted Services. The largest cause of this decrease was the one-time cost of a major document scanning project to scan all personnel files electronically and reduce paper files for record retention efforts.

8. **Information Technology Operating Expenditures.**

- \$432,000 *decrease* in **Small Equipment and Tools**. This budget provides for the replacement of technical equipment (computers, laptops, tablets, etc.). In keeping with FY 26 being a "budget reset year" the IT Department will spend the next 9 months completing a full inventory of technology assets and a long-range replacement plan. This initial plan will be considered for the FY 27 Budget. For FY 26 the smaller funding amount will be used in a more reactive way – focusing on equipment failures or imminent failures.

9. **Fire Department Operating Expenditures.**

- \$200,000 *decrease* in **contracted fire protection services** with the Odell Volunteer Fire Department for services to Kannapolis residents and businesses in the areas west of Lake Howell. The new budget figure is \$400,000 for FY 26, which is enough of a decrease to continue with the contracted service for the foreseeable future. Negotiations are underway to facilitate this contractual change. If these negotiations are not ultimately successful, additional discussion will be necessary regarding the future of these services in this area of the City.

10. **Engineering Operating Expenditures.**

- \$260,000 *decrease* in **Consultants**. These funds were used for several one-time projects in FY 25, including assistance in the transferring of as-built drawings into the City's digital filing system and design of the Oak Avenue and City Hall parking lot improvements. These projects have been completed in FY 25 and are not recurring in FY 26.

11. **Street Lighting.**

- \$150,000 increase in **electricity** costs due to trends (Duke Energy increases, expansion).

12. Transportation Operating Expenditures.

- \$328,902 *decrease* in **Resurfacing** (\$760,000 total for FY 26). For FY 26 it is recommended that a small shift be implemented to spend more resources on street and sidewalk repairs.
- \$576,000 increase in **Contracted Services** (street and sidewalk repairs) as noted above (\$976,000 total for FY 26).

13. Parks and Recreation Department Operating Expenditures.

- \$285,000 *decrease* in **Building and Grounds** (\$12,500 is included for FY 26). This decrease is the result of the completion of a number of long overdue projects throughout the Parks system. There were approximately twenty non-recurring projects. Examples include carpet replacement at the Village Park building, Village Park pond drainage repairs, flooring repair at the Village Park train station and the splash pad restrooms, and infield replacement of the ballfield at Baker's Creek.
- \$226,000 increase in **Water and Sewer Charges** (\$325,000 total for FY 26). This is an internal transfer to maintain the independent nature of the Water and Sewer Fund. This is an accounting correction, not charges for increased usage. These fees were not being properly billed to the General Fund, and this is being corrected in FY 26.
- \$290,100 *decrease* in **Grounds Maintenance** (\$627,600 included in FY 26). This reduction was in response to required budget reductions in the larger departments. This impact will primarily be focused on less frequent delivery of certain contracted services such as tree maintenance and supplemental mowing of NCDOT Streets. It also assumes the transfer of the Gateway Business Park to a property owner's association (vs. City ownership).
- \$140,000 *decrease* in **Swanee Theatre Talent and Entertainment**. \$550,000 is included in FY 26. This decrease is in response to a year of operations and the actual expenditures. It will take another year or two of operations to fully understand the optimum business model for this complicated venture.
- \$235,000 *decrease* in **Jiggy with the Piggy** expenses due to the ending of this festival.
- \$100,000 *decrease* in **Cultural & Historical Programming**. This program is still in the start-up stages and a number of planned expenses are being rolled over from FY 25 to FY 26 via a purchase order and encumbrance. As a result, the program is planned to start Fall 2025. The needs for the FY 27 Budget will be developed over the next 12 months.

14. There are no new **General Fund Debt Service** obligations added to the FY 26 Budget. The annual debt obligation (principal and interest) is \$13,926,149 for FY 26 which represents a *decrease* of 1.76% (\$249,707 actual) from FY 25. The current General Fund Obligations are shown in the table on the following page.

It is important to note approximately \$4.7 million in General Fund debt will be paid off over the next five years. That equates to about five (5) cents on the property tax rate. This will be a significant part of the multi-year financial plan.

General Fund Debt Service			
Limited Obligation Bonds	Principal	Interest	Maturity Date
Fire Stations 2 and 3	\$555,000	\$286,436	04/01/2038
City Hall/Police Headquarters	\$1,365,000	\$470,807	04/01/2034
Irish Buffalo Creek Greenway	\$92,000	\$20,424	04/01/2035
College Station/Downtown Streetscape	\$394,999	\$185,887	04/01/2038
Atrium Health Ballpark	\$2,600,000	\$1,633,580	10/01/2039
Parking Deck at VIDA	\$735,000	\$253,620	04/01/2041
Other Debt	Principal	Interest	Maturity Date
Misc. Equipment	\$42,154	\$1,068	6/10/2026
Village Park and Fire Engine	\$446,000	\$125,788	4/1/2037
Downtown Property Purchase	\$733,000	\$192,303	8/1/2030
NCRC Projects	\$2,550,000	\$94,650	3/1/2027
Motorola (Radio) Lease Payment	\$677,750	\$0	11/1/2025
Capital Outlay	\$414,000	\$56,683	6/1/2029
Total	\$10,604,903	\$3,321,246	

15. **General Fund Transfers** to the following other funds are included in the proposed FY 26 Budget:

- **Transfer to Environmental Fund:** \$1,832,669 (a *decrease* of \$359,021 from FY 25). The decrease is primarily due to the revenue increases from the proposed \$5 per month Environmental Fee increase. This is generally an unavoidable transfer unless services are cut or an additional Environmental Fee increase is considered.
- **Transfer to Separation Pay Fund:** \$721,500 (an increase of \$121,500 from FY 25) based on a projected 36 employees receiving this benefit in FY 26. This assumes a net of two additional employees receiving the benefit. This is an unavoidable transfer.
- **Transfer to Transit Fund:** \$968,698 (a *decrease* of \$219,525 from FY 25). This decrease is exclusively due to cuts in the Transit Budget for FY 26. The transfer increase from FY 24 to FY 25 was significant due to the restructuring of the way the Vehicle License Tax was appropriated. This is an unavoidable transfer unless services are cut.
- **Transfer to the Capital Reserve Fund:** \$900,000. This fund was established by City Council in FY 25 and is designed to set aside funding for future infrastructure projects, primarily, but not exclusively, focused on street, transportation, and sidewalk enhancements. City Council action will be necessary to determine the specific planned use of these funds over time. The funds can be used in one year, every couple of years, or after several years of accumulation for a larger project. This funding amount equates to approximately 1.0 cent on the tax rate.

This Fund currently has a balance of \$1,562,708, not including the proposed FY 26 appropriation. This is a completely discretionary transfer and maintaining the current or future balance of these funds is also discretionary. These funds can be redirected should City Council wish to do so.

- **Transfer to Western Cabarrus Fire Protection Capital Project Fund:** \$0. Because of the positive initial discussions with the Odell Volunteer Fire Department, it appears that the cost of service for the City will decrease, leading to a recommended pause in funding

this Capital Project Fund. This Fund, established in FY 25, was designed to facilitate the gradual establishment of City-managed fire protection and life safety services in the areas of Western Cabarrus County west of Lake Howell and north of NC Highway 73. The funding amount for FY 25 was equal to 0.42 cents on the tax rate.

There is currently \$373,057 in this Fund. Maintaining the current or future balance of these funds is discretionary. These funds can be redirected should City Council wish to do so.

- **Transfer to Cultural Arts Facility/History Museum Capital Project Fund: \$0.** Due to the current budget limitations projected for FY 26, it is recommended that this transfer be suspended for at least the next year. This is a multi-year project fund designed to facilitate the purchase of an existing structure and related renovation costs for a Cultural Arts Facility/History Museum project. Eventually should a project emerge, additional capital funding (and debt service) will be necessary. The funding amount for FY 25 was equal to 0.84 cents on the tax rate.

There is currently \$770,402 in this Fund. Maintaining the current or future balance of these funds is discretionary. These funds can be redirected should City Council wish to do so.

- **Transfer to Downtown Economic Development Project Fund: \$0.** Due to current budget limitations projected for FY 26, it is recommended that this transfer be suspended for at least the next year. This a set aside of funds to facilitate the construction of public infrastructure (likely parking) in partnership with a to-be-determined private sector developer. This funding amount for FY 25 was equal to 1.0 cent on the tax rate.

There is currently \$917,146 in this Fund. Maintaining the current or future balance of this fund is discretionary. These funds can be redirected should City Council wish to do so.

Water and Sewer Fund Overview

The proposed FY 26 Water and Sewer Fund Budget is \$28,425,016 which represents a 4.43% *decrease* from the FY 25 Budget (\$1,318,797 actual *decrease*). Through April 2025, the FY 25 revenue streams do not appear that they will meet the projections. Accordingly, the FY 26 Budget is being reduced to a more conservative number to reflect actual revenue trends. Like much of the FY 26 Budget this is a “resetting” explanation. While revenues in FY 25 were substantially higher than FY 23 and FY 24, they were short of the full projection. There is no clear explanation for this, but it is more prudent to err on the side of caution and assume a reset revenue expectation. Over the past year or so there is little evidence to suggest that the natural growth projected of 2.5% to 3% will be realized in FY 25 into FY 26. Similarly, the growth projected for tap and connection fees, while significant, is also slower than expected.

Water and Sewer Fund Revenue Highlights

Through the course of the last several months, City staff and our financial and utility consultants have been engaged in an update to our Water & Sewer Fund’s (the “Fund” or the “System”) Capital Planning and Financial Feasibility Study. This work involves: (1) a look-back at the System’s historical financial performance to confirm compliance with a number of key financial covenants that are specified in the City’s revenue bond documents, (2) a review of the System’s Capital Improvement Plan (“CIP”) and (3) development of a forward-looking financial pro-forma that

demonstrates the expected financial performance of the Fund inclusive of operating and capital/debt activities. This modeling is important as a general planning document to help inform City staff and City Council related to making capital investment decisions and as a guide for setting System rates and charges in the future. It is also required as part of any debt issuance process for the System. The Local Government Commission (the “LGC”), the bond rating agencies, revenue bond investors and bank lenders will all expect to review the System’s financial projections as part of making assessments of the System’s creditworthiness, its ability to meet its operating and capital obligations and importantly, its ability to continue to comply with its financial and operating covenants as identified in the City’s Water & Sewer System revenue bond documents.

Related to rate setting, this document will identify the expected needed rate increases by fiscal year for an approximate 5-year projection period. As a budgeting practice, the City Council is expected to set rates and charges on an annual basis. The projected rate increases included in the modeling described above are not intended to be approved at one time, but rather, they serve as a guide for future decisions and are calculated to facilitate sound financial performance and to facilitate adequate revenues to meet future capital funding and debt issuance requirements. System rate increases, along with natural system growth driven by new users, are key inputs in this modeling. As such, City staff has been advised by its consultants that any material deviation from the increases shown for the FY 26 budget could jeopardize compliance with bond covenants and the debt issuance process scheduled for the fall of 2025 (and more importantly, into the future).

With the above narrative being the foundation moving forward, the revenue highlights for the FY 26 Budget include the following:

1. The following **water and sewer rate increases** are recommended for the FY 26 Budget which are projected to generate an estimated \$1,047,847 in new revenue (\$457,598 for water and \$692,111 for sewer). These (and the small increases in FY 25) are the first rate increases proposed in the past 6 years.

Proposed Water and Sewer Rates FY 26			
	FY 25	Proposed FY 26	Change FY 25 to 26
Water – Fixed Charges (per connection)	\$6.95	\$7.20	\$0.25
Water – Variable charges (per 1000 gallons)	\$7.31	\$7.31	\$0
Sewer – Fixed Charges (per connection)	\$5.24	\$8.30	\$3.06
Sewer – Variable charges (per 1000 gallons)	\$7.45	\$7.45	\$0

It should be noted that the projected revenue increases from the fixed charges assumes every customer, regardless of size or impact on the system, pays the same fixed charge. For instance, the resident of a single-family home will pay \$7.20 a month for the fixed charge for water (also called the “base charge”). Under the current fee schedule, a large apartment complex with a master meter would also pay \$7.20 for this fixed charge when there is obviously a larger impact on the system than the single family home. The City’s Water Resources Department estimates that by tying the fixed charge to the size of the meter (customers with larger meters pay more), an additional \$150,000-\$200,000 in new revenue may be generated. This approach is fair and equitable to all the users in the system.

Unfortunately, some adjustments to our billing system are needed to ensure that such a change can be implemented properly. Accordingly, no changes related to meter factoring are going to be recommended in the Fee Schedule until this can be resolved. Once the billing issue is addressed, this will be brought back to City Council for consideration.

In addition to the system's financial stability reasons stated above, other drivers to these rate increases include: 1) the City's financial obligations to the Water and Sewer Authority of Cabarrus County (WSACC) for the fixed costs of the Rocky River Regional Wastewater Treatment Plant (RRRWTP) expansion, and 2) debt service on the Kannapolis Lake Dam Spillway Replacement Project (estimated at \$8.44 million).

2. **Water and Sewer Tap and Connection Fee** revenues are projected to decrease by \$249,537 from the FY 25 Budget. The projections for FY 26 are \$953,463 in tap fees and \$1,850,000 in connection fees. These could be overly conservative projections as they are tied to new development which can be influenced by many external factors.

Water and Sewer Fund Expenditure Highlights:

1. No new positions are included.
2. No new Capital Outlay is included.
3. \$814,802 increase in personnel expenditures which is driven primarily by four factors – (a) average 5% salary increases tied to performance evaluations (including compensation elements tied to salaries), (b) increases in state retirement system obligations, (c) expected full – or nearly full – staffing levels, and (d) and various insurance cost increases.

The personnel cost increases described in the General Fund section of this Budget Message provide a more comprehensive summary of the factors impacting all City funds.

4. \$347,048 increase to the General Management Services fee (to a total of \$2,192,230) based on updated annual review of General Fund overhead costs charged back to the enterprise funds.
5. **Customer Service.**

This operating budget is virtually unchanged from FY 25. The only changes are to better reflect actual expenditure trends and to address certain inflationary impacts.

6. **Water Distribution and Wastewater Collection.**

The operating budget is proposed to *decrease* by 9.79% from FY 25. The only changes are to better reflect actual expenditure trends and to address certain inflationary impacts. The only significant reduction is \$244,613 in contracted services (sewer outfall easement mowing, root control, etc.) to better align with actual expenditures over the past few years.

7. **Water Treatment Plant.**

This operating budget is virtually unchanged from FY 25. The only changes are to better reflect actual expenditure trends and to address certain inflationary impacts. Included is a decrease of \$108,000 in capital outlay that will not be recurring in FY 26.

8. **Wastewater Treatment (Water and Sewer Authority of Cabarrus County or “WSACC”).** Wastewater Treatment expenditures total \$6,520,775 in FY 26 which represent an increase of 11.1% (\$651,584 actual increase) from FY 25 with the following factors:

- \$472,530 increase in Wastewater Treatment Variable rate paid to WSACC. This rate increase was 1.52% with the majority of this increase due to projected new flow (growth in the system).
 - \$202,159 increase in Wastewater Treatment Fixed Rate. WSACC issued \$65.5 million in revenue bonds in May 2022 and an additional \$84.96 million in revenue bonds in February 2024 to expand the Rocky River Regional Wastewater Treatment Plant (RRRWTP) from 26.5 MGD to 30 MGD and then to 34 MGD. WSACC absorbed the debt service on the \$65.5 million revenue bonds in the prior year (with State funding assistance). However, the \$84.96 million in revenue bonds issued in February 2024 will require increases in fixed charges in FY 26 for the principal payments. The net increase of fixed charges due to the new debt service is \$704,500. Kannapolis' portion of these fixed charges is slightly under 30% with Concord, Harrisburg and Mt. Pleasant splitting the remainder. The increase for Kannapolis was \$1.3 million in FY 25.
 - \$87,840 *decrease* in the sewer interceptor fixed rate based on estimated costs from WSACC.
9. \$347,048 increase to the **General Management Services fee** (to a total of \$2,192,230) based on updated annual review of General Fund overhead costs charged back to the enterprise funds.
10. The following **Water and Sewer Capital Improvement Project** is included in the proposed FY 26 Budget for the Water and Sewer Fund. This will impact long term debt service, also beginning in FY 26.
- Kannapolis Lake Dam Spillway Replacement Project (estimated at \$8.44 million including debt issuance costs). The Kannapolis Lake Dam, which impounds the City's primary drinking water supply (Kannapolis Lake) is owned and operated by the City of Kannapolis. The original dam was constructed in 1940. The dam is categorized by the State as a Medium sized, High Hazard dam. The dam is an earthen embankment with a concrete auxiliary spillway on the right abutment and an intake tower in the reservoir that feeds the City's water treatment plant downstream of the dam and across Pump Station Road. Flows from the reservoir are conveyed through the spillway into Irish Buffalo Creek.

Kannapolis Lake Dam Spillway Replacement Project includes demolition of the existing concrete auxiliary spillway that does not have adequate spillway capacity and is structurally deteriorating. The project also includes construction of a new cast-in-place concrete auxiliary spillway with a labyrinth weir control section. Most of these repairs are being mandated by the NC Department of Environmental Quality Dam Safety Program.

Of note, in April 2025, City Council approved the Downtown Sewer Outfall project. This project involves the replacement/rehabilitation of approximately more than 5,000 linear feet of 18-inch and 24-inch gravity sewer lines. The current sewer piping is approximately 72 years old and is subject to significant inflow from rainwater. More importantly, this part of the City's wastewater system is at its hydraulic capacity. This project is required to create gravity sewer conveyance capacity for much of downtown, including future projects on Block 5, Block 6, the Plant 4 site, old Post Office site, and the residential project at Vance and W D Street, as well as other land in the downtown area.

This project was intended to be constructed through debt financing. However, to reduce the amount of new debt in the Water and Sewer Fund, City Council approved a cash funding plan with the following sources: a) Water and Sewer Fund cash reserves, b) appropriated investment earnings specifically in this capital project fund, c) re-appropriated unspent bond proceeds from existing and previous projects, and d) reduces (delays) by \$1.4 million a portion of the Public Works Operations Center improvement project. The construction contract for this project is \$3.72 million. This project does not impact the FY 26 Budget in any way.

11. **Water and Sewer Debt Service.** The proposed FY 26 Budget includes a *decrease* of \$1,957,929 in annual debt obligations. The decrease is the satisfaction of a large revenue bond issuance in FY 25 (mostly the Water Treatment Plant improvements from the early 2000s). The total annual debt service for FY 26 is \$6,073,319. The only new debt to be added is the aforementioned Kannapolis Spillway project. The project cost is estimated at \$8.44 million and is anticipated to begin this fiscal year with the 20-year debt being issued about the same time as the project start. For FY 26 there is an interest only payment estimated at \$353,606. The full payment will grow to \$950,725 in FY 27.

The current Water and Sewer Fund debt obligations are shown in the table below.

Water and Sewer Debt			
Revenue Bonds	Principal	Interest	Maturity Date
Proposed New Debt – Kannapolis Lake Spillway 2025	\$0	\$353,606	20 yrs -TBD
Kannapolis Crossing/Lane St/WTP Improvements 2021B	\$427,000	\$164,070	2/1/2042
Kannapolis Crossing/Lane St/WTP Improvements 2023	\$858,000	\$226,590	2/1/2042
Downtown Water and Sewer 2018	\$780,000	\$486,476	4/1/2038
Downtown Water and Sewer 2021	\$638,000	\$159,393	4/1/2038
Davidson Road Water 2017	\$316,000	\$143,380	4/1/2041
Other	Principal	Interest	Maturity Date
Misc. Equipment 2011	\$76,528	\$1,932	06/10/2026
Second Creek 2011A	\$15,172	\$2,634	05/01/2032
Total	\$3,110,700	\$1,538,081	

12. The FY 26 Water and Sewer Fund Budget excludes several expansion expenditures of note. These **Unfunded Expansion Items** include personnel, capital outlay and operating expenditures. They are all worthy of consideration but are not included in the proposed budget due to revenue limitations, management priorities, or other reasons. These requests are not presented in the proposed FY 26 Budget but will be subject to the new long range planning exercise highlighted in the beginning for this budget message.

Stormwater Fund Overview

Stormwater Fund Revenue Highlights:

The proposed FY 26 Stormwater Fund Budget is \$3,637,348 which represents a 3.00% *decrease* (\$112,652 actual decrease) from the FY 25 adopted budget of \$3,750,000.

Charges and fee revenue is projected to increase by \$167,348 for FY 26 reflecting new development expected to be completed over the next 14 months. An additional revenue impact is a “rightsizing” of “Other Revenues” that were projected in the current FY 25 Budget at \$350,000. Part of this revenue stream is interest earnings but not to this larger amount. For FY 26 this projected revenue stream has been decreased by \$280,000 (to a total of \$70,000).

No fee increase is proposed for FY 26.

The Stormwater Fund continues to be fully self-sustaining with no transfers from other funds to support its operations.

Stormwater Fund Expenditure Highlights:

1. No new positions are included.
2. No new Capital Outlay is included.
3. \$280,054 increase in **personnel expenditures** which is driven primarily by four factors – (a) average 5% salary increases tied to performance evaluations (including compensation elements tied to salaries), (b) increases in state retirement system obligations, (c) expected full – or nearly full – staffing levels, and (d) and various insurance cost increases.

The personnel cost increases described in the General Fund section of this Budget Message provide a more comprehensive summary of the factors impacting all City funds.

4. \$177,840 increase to the **General Management Services fee** (to a total of \$598,368) based on updated annual review of General Fund overhead costs charged back to the enterprise funds.
5. \$13,293 *decrease* in **Stormwater Debt Service** due to reduced obligations for various projects and equipment. \$532,966 in debt remains. A very small equipment debt obligation matures in FY 26 but the bulk of the debt in this Fund does not mature until 2038.

There is no new debt service included in the FY 26 Budget.

6. There are no new **Capital Improvement Projects** included in the proposed FY 26 Budget for the Stormwater Fund. It should be noted that requests from citizens for stormwater improvements continue to occur. The only realistic way to respond to most of the concerns is to develop a stormwater master plan to guide the prioritization of these projects and establish a dedicated funding source to pay for them.
7. The FY 26 Stormwater Fund Budget excludes several expansion expenditures of note. These **Unfunded Expansion Items** include personnel, capital outlay and operating expenditures. They are all worthy of consideration but are not included in the proposed budget due to revenue limitations, management priorities, or other reasons. These requests are not presented in the proposed FY 26 Budget but will be subject to the new long range planning exercise highlighted in the beginning for this budget message.

Environmental Fund Overview

Environmental Fund Revenue Highlights:

The proposed FY 26 Environmental Fund budget totals \$7,681,862 which is an increase of 14.64% (\$1,413,172 actual) over the FY 25 adopted budget of \$6,700,690.

A **\$5.00 per month Environmental Fee increase** is proposed for FY 26 (representing an increase of \$1,404,193 in new revenues). This fee increase has been planned for several years in a long-standing effort for the Environmental Fund to be self-sustaining exclusively with user fees. This fee has been delayed for a number of years due to a variety of factors. For FY 26 it is also necessary to address several projected operational increases.

The General Fund transfer (subsidy) for FY 26 is proposed to *decrease* by 16.38% (\$359,021 actual decrease). By comparison, this transfer in the FY 25 Budget was nearly double the amount in the FY 24 Budget.

This Fund is still reliant upon General Fund transfers to support its operations (see table below). The last fee increase was in FY 22 which brought the monthly per household fee from \$15.60 to its current \$18.10. Since FY 22 there have been significant pressures on this fund: increases in recycling disposal costs, increased landfill costs, the addition of supplemental funding to address service delivery lapses by the City's previous solid waste collection contractor, and significant increases in the new solid waste collection contract. These pressures have made the goal of achieving self-sustainability for the Environmental Fund more challenging. To make the Fund fully self-sustaining, a fee increase of at least \$8.00 (likely spread over 2 or more years) would be necessary.

Environmental Fund Transfers In						
Transfer From:	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
Stormwater Fund	\$400,000	\$0	\$0	\$0	\$0	\$0
General Fund	\$150,000	\$85,542	\$85,542	\$1,147,817	\$2,191,690	\$1,832,669
Water & Sewer Fund	\$495,700	\$495,700	\$495,700	\$0	\$0	\$0
Total Transfers in	\$1,045,700	\$581,242	\$581,242	\$1,147,817	\$2,191,690	\$1,832,669

Environmental Fund Expenditure Highlights:

1. No new positions are included.
2. No new capital outlay is included.
3. \$239,042 increase in **personnel expenditures** which is driven primarily by four factors – (a) average 5% salary increases tied to performance evaluations (including compensation elements tied to salaries), (b) increases in state retirement system obligations, (c) expected full – or nearly full – staffing levels, and (d) and various insurance cost increases.

The personnel cost increases described in the General Fund section of this Budget Message provide a more comprehensive summary of the factors impacting all City funds.

4. \$362,830 increase in **solid waste collection costs** through the City's contractor, Waste Collections of the Carolinas (for a total of \$4,150,000 for FY 26). This increase includes the

3% CPI increase in the contract and the per house cost increase based on a projected additional 600 new homes expected during FY26.

5. \$160,000 increase in the **cost of recycling material disposal** (for a total of \$460,000 in FY 26). In FY 24 the disposal cost at the Materials Recovery Facility (MRF) in Charlotte was \$116 per ton and the cost for FY 25 was \$124 per ton. It is assumed that FY 26 will include a similar increase although this may not be confirmed until after the budget is adopted. The City produces 3,500 tons of single stream recyclable material annually (resulting in \$434,000 disposal costs in FY 25). Additionally, in FY 25 the City's previous solid waste collection firm (Waste Management, Inc.) disposed of some materials at its transfer yard at no charge to the City. This is no longer a benefit under the new contract, so those savings are no longer possible.
6. \$650,000 increase in **landfill costs** (for a total of \$980,000 in FY 26). There are a number of factors that are causing this increase:
 - \$225,000 increase in landfill costs due to a) the natural increase in new customers and the increased tonnage being delivered. 600 new homes are expected to begin service in FY 26, and b) an increase in landfill costs disposal rate 2.9% (current rate of \$45.5 per ton increased to \$46.82 per ton).
 - The FY 25 landfill budget was decreased by \$300,000 in error. This was resolved through a fund balance appropriation earlier this year and it being corrected in the FY 26 Budget resulting in the adding back of this amount.
 - \$125,000 due to internal coding errors that have been corrected in the FY 26 Budget.
7. \$130,000 *decrease* in **contract services** due to the reduced need to supplement solid waste collection services that was required prior to the improvement of service with the new collection contractor Waste Connections.
8. \$66,000 increase in **bulk container costs** (for a total of \$200,000) due to inflationary price increases and a refreshed accounting of the service. Upon establishment of the City's new collection contract an audit of dumpsters was completed and some minor discrepancies in billing and collections were uncovered. The management of commercial dumpsters is a pass-through service for non-residential customers that choose to take advantage of potential lower costs via the City's contract for collections. This budget item is always impacted by the number of commercial customers that choose to sign up for the service. Each user pays the full amount for their service with the City as the go-between. The City bills and collects the fee from the user. Waste Connections the amount on the invoice to be paid by the City. The annual cost is expected to be \$200,000 for FY 26.

The only exception to this process is the that the City agreed several years ago to pay for this service for both the Kannapolis City School System and Cabarrus County School System for the schools located in the City limits (\$31,920 annually). When these agreements were first reached, the market for recyclable materials was fairly significant and the revenues offset much of the costs. Unfortunately, the opposite is now true, which may warrant a discussion about this in the future.

9. \$432,000 *decrease* in Capital Expenditures due to certain one-time expenditures from FY 25 not being repeated in FY 26.

10. There is no existing or new **Environmental Fund Debt Service**.
11. The FY 26 Environmental Budget excludes several expansion expenditures of note. These **Unfunded Expansion Items** include personnel, capital outlay and operating expenditures. They are all worthy of consideration but are not included in the proposed budget due to revenue limitations, management priorities, or other reasons. These requests are not presented in the proposed FY 26 Budget but will be subject to the new long range planning exercise highlighted in the beginning for this budget message.

Separation Pay Fund Overview

The proposed FY 26 Separation Pay Fund Budget is **\$721,500**, which represents a 20.25% increase (\$121,500 actual) from the FY 25 adopted budget.

The full amount of the Separation Pay Fund is projected for separation pay obligations for retired City employees. From FY 25 to FY 26, three (3) former employees are no longer eligible to receive special separation pay because they are over age 62. Five (5) new employees are projected to roll on for FY 26.

Thirty-one (31) former employees currently receive separation pay benefits.

Transit Fund Overview

The proposed FY 26 Transit Fund budget is \$1,402,698, which is a 13.51% *decrease* over the FY 25 adopted budget of \$1,621,823 (\$219,125 actual decrease). This amount is Kannapolis' local contribution to the larger Concord-Kannapolis Transit System Budget of approximately \$6.86 million for FY 26. The other large funding sources for the system include approximately \$3 million in Federal and State funding and approximately \$2 million from the City of Concord. Fare box revenue only accounts for about 4% of the total revenue stream (\$248,597 projected for FY 26).

Transit Fund Revenue Highlights:

The City's current Municipal Vehicle Tax (MVT) is \$30 per vehicle with \$10 going directly to the Transit Fund to support the public transit system. NOTE: \$5 of the MVT can only be used for transit expenditures. Another \$5 can be used for "any other general purpose" including transit support.

The remaining \$20 of the MVT is allocated to the General Fund to support transportation related improvements like street paving. Prior to FY 25, Kannapolis' transit system obligations were met using \$20 of the MVT. In FY 25 this was reversed to be more aligned with the state law governing the use of these funds. Using only \$10 of the MVT for Transit expenditures is a more appropriate way of accounting for this fee.

Accordingly, the revenue streams to support the Transit Fund in FY 26 include \$434,000 (\$10 of MVT) and \$980,292 in a transfer from the General Fund (\$1,188,223 in FY 25).

Transit Fund Expenditure Highlights:

Transit is a contracted service; as such there are no direct (City owned or managed) capital, personnel, or operating expenditures. The Transit System staff function as a department of the City of Concord as the lead agency. This year, Concord and Kannapolis management staff took a deeper look into some of the Transit operating expenditures, similarly to how both city's staff do as part of the respective city budgets. As a result of this review, several "rightsizing" adjustments were made. This led to an overall decrease in the budget. Factors contributing to the decreased operating expenditures for FY 26 include:

1. \$24,500 decrease in the travel budget (to \$18,000).
2. \$75,000 decrease by delaying customer survey funding (moved for possible discussion in FY 27 since Long Range plan has a survey component).
3. \$45,000 reduction in the marketing budget (to \$20,000).
4. \$125,000 decrease in fuel cost from (to \$525,000).
5. \$3,500 decrease in printing costs (to \$4,000).

Other than these reductions, the FY 26 Transit Budget is largely unchanged from FY 25.

Insurance and Risk Fund Overview

The proposed FY 26 Insurance and Risk Fund budget is \$7,618,904. This represents a 12.69% increase (\$857,820 actual) over the FY 25 adopted budget. FY 25 was the second year of this new internal service fund to manage the City's health related expenses for all active and retired employees on the plan as well as City workers' compensation expenses.

Insurance and Risk Fund Revenue Highlights

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

1. \$5,953,500 from employee **Health Insurance premiums** which is accomplished through the premiums being paid directly into the fund. These premiums are budgeted by individual City departments to provide an accurate picture of the total cost of each City service/department. For FY 25 the projection is based on 441 full-time positions budgeted at \$13,500 per person (up from \$12,000 in FY 25). This represents an increase of 10.75% (\$638,700 actual) from FY 24. This increase is necessary to maintain this Fund as a stand-alone, self-sustaining fund (and not reliant on transfers from the General Fund).

These revenues do not come from employee payroll deductions as these are employer-paid insurance costs.

2. \$625,404 is from **employee dependents Health Insurance premiums** that will be credited to this Fund directly when collected through employee payroll deductions. This represents no change from FY 25. The amount also includes those former employees on COBRA plans.
3. \$200,000 from **retiree Health Insurance premiums** that will be credited to this Fund directly upon collection from retiree payments. This represents no change from FY 25.

4. \$840,000 from **Workers Compensation premiums** which is also a transfer from all funds. These premiums are budgeted similarly to Health Insurance premiums. They are based on 440 full-time positions budgeted at \$1,909 per person (up from \$1,414 in FY 25). This is an increase of 35.29% (\$219,120 actual) from FY 25.

Insurance and Risk Fund Expenditure Highlights

This Fund includes the following major expenditures:

1. \$400,000 to operate the **Employee Health Clinic** (increase of \$110,000 in FY 26). In FY 26 the City will partner with Atrium Health for the onsite Health Clinic. Atrium is the leading onsite provider in the Charlotte region with specialties in emergency personnel in both behavioral and primary healthcare. After several attempts to expand services with the City's current vendor, the business model did not support the growing need of our workforce population. Atrium Health can provide primary care to our employees and families as well as provide occupational and behavioral health services. Atrium is able to also offer physical abilities testing - this is a valuable offer that can help avoid costly workers' compensation claims. These offerings were unavailable as our previous clinic provider could only offer acute care for our workforce.

Additionally, under this new arrangement, the City will be able to provide two full-time Atrium staff members at the clinic. The City's wellness program will no longer be a contracted event - it will be administered through individual appointments which will focus on employees health opposed to generic metrics.

From a financial perspective, many of the previous contracted services will now be combined into one turn-key service at the onsite health clinic. A significant part of the increase in the Health Clinic budget is offset by small decreases in multiple accounts that were paying for fragmented service to several different vendors.

2. \$1,200,000 for **Retiree Medical Insurance** claims (*decrease* of \$300,000 in FY 26). This decrease is primarily due to the decision to move all retirees to a new Medicare Supplement insurance that created significant savings. \$300,000 of this amount is for retirees over age 65.
3. \$940,000 for **Employee HSA and HRA benefits** (*decrease* of \$25,800 in FY 26). This benefit is estimated at 440 employees at either \$2,000 or \$2,200 per year, per employee depending on the Health Insurance plan.
4. \$80,000 for **Retiree HSA and HRA benefits** (no change in FY 26).
5. \$3,265,904 for employee **Medical Insurance Claims** (an increase of \$631,500 in FY 26). This is an estimate based on trends forecasted from the City's broker.
6. \$92,000 for **Medical Administration Fees** (decrease of \$878,000 in FY 26). These are fees for Blue Cross Blue Shield NC to administer the medical plan. This decrease is due to the accounting changes that moved these fees (and stop loss insurance costs) to a new budget line. The fees for FY 26 are projected to be \$650,000, which represents a decrease of more than \$200,000.
7. \$550,000 for **Workers Compensation Claims** (increase of \$229,120 from FY 25). This estimate is based on trends forecasted from the City's administrative consultant.

Approximately \$50,000 of this increase is due to incorrect salary projections in the last fiscal year. This is being corrected in FY 26.

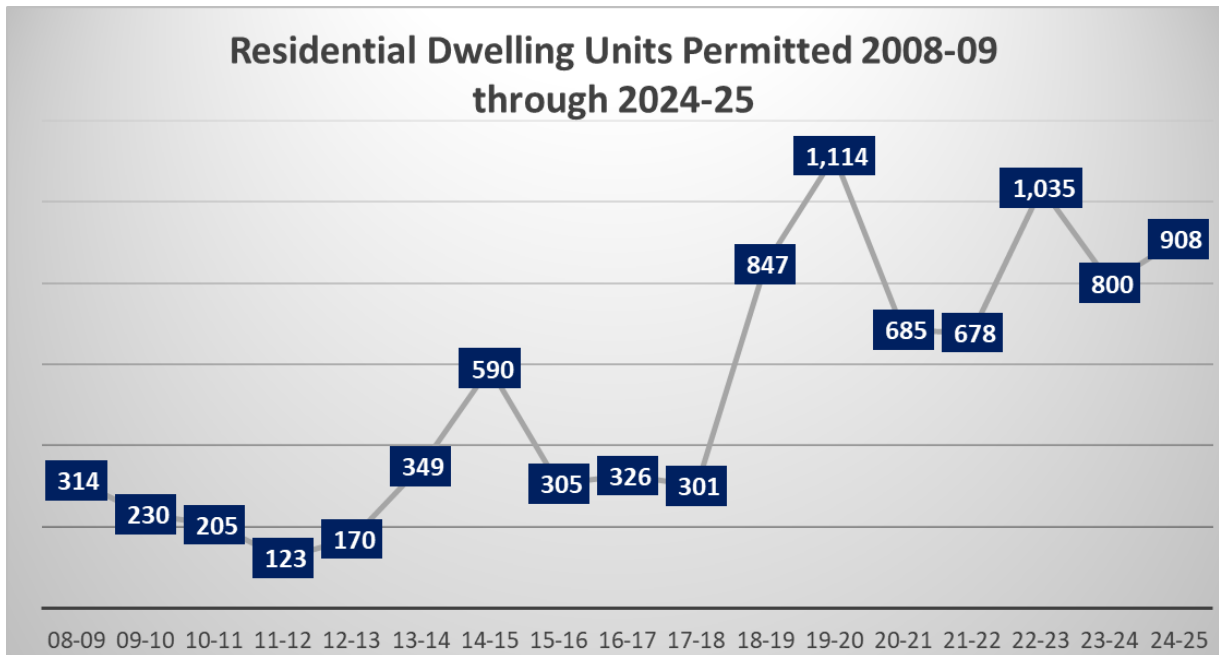
Looking Ahead – FY 2027 and beyond

As evidenced by the recommendations contained in the FY 26 Budget, this is a largely status quo budget. However, one budget should not define (or re-define) where our City is heading. The future is incredibly bright as the following information will demonstrate.

The City's rapid private sector development trends began in earnest in FY 18-19. Over the past seven years, 6,067 residential dwelling units were permitted (an average of 867 per year). This equates to nearly 18,000 new residents in our City.

As land prices escalate and household sizes decrease, higher density residential projects will become more of the norm. Of the 908 residential dwelling unit permits issued in the past 12 months, only 43% (384) were for single family homes. The economics of low-density large lot single family development are no longer realistic in most settings.

The City's residential growth trends from the past 17 years are depicted on the graph below.



This residential growth, while certainly requiring increased City service delivery, brings with it significant new tax value. The table on the following page is a summary of the residential development that has been allocated wastewater under the current policy.

Wastewater Allocation Exhibit A Residential (Dwelling Units)	Reserved Dwelling Units	Projected Value
Single-Family Homes	1,893	\$567,900,000
Condos/Townhome Units	926	\$208,350,000
Apartment Units	3,197	\$447,580,000
Residential Infill Homes	300	\$67,500,000
Affordable Homes	654	\$98,100,000
Exempt Single-Two Family Homes	150	\$33,750,000
Total Residential Dwelling Units	7,120	\$1,423,180,000

We are also in the midst of an unprecedented period of our City's history where the non-residential economic development is positioned to grow at a pace unseen in Kannapolis for nearly a century. Approximately seven million square feet of new industrial space is in various stages of planning or development.

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

The table below is a summary of this non-residential impact:

Wastewater Allocation - Exhibit A Non-Residential (Square Feet)	Reserved Sq. Ft.	Projected Value
Manufacturing	4,510,752	\$1,014,919,200
Distribution	3,671,392	\$458,924,000
Commercial	588,325	\$176,497,500
Office	882,000	\$264,600,000
Commercial/Office Infill	480,000	\$120,000,000
Total Non-Residential Sq. Ft.	10,132,469	\$2,034,940,700

The wastewater capacity limitations have tempered growth expectations to some degree. However, as the two previous tables show, even a strictly managed growth plan will still result in significant growth in coming years. The City's current wastewater allocation plans are projected to facilitate more than 7,000 dwelling units, more than 10 million square feet of non-residential space and more than 500 hotel rooms. These developments are projected to generate \$3.5 billion in new private investment (current City-wide total tax base is \$9.2 billion). This level of investment will generate \$20 million in new annual property tax revenues and \$12 million in new annual water and sewer use revenues over the next decade. This level of development alone will generate an estimated 15,000 new residents.

These tax base increases are similar to the past several years of increases due to new development (\$313.6 million average annual tax base growth over the past five years) as shown on the table on the following page.

Property Tax Base Increases due to new Private Sector Investment FY 20-FY 26			
Fiscal Year	Private Investment (Tax Base Increase)*	Property Tax Revenue	Cents on the Tax Rate
FY 20	\$174,680,000	\$1,100,484	2.59
FY 21	\$112,230,000	\$707,049	1.43
FY 22	\$210,951,347	\$1,328,993	2.68
FY 23	\$412,597,907	\$2,599,367	4.58
FY 24	\$252,275,333	\$1,589,334	2.57
FY 25	\$351,555,929	\$2,036,211	2.29
FY 26	\$339,861,156	\$1,846,403	2.00
Totals	\$1,854,151,672	\$11,207,841	18.14

* Excludes county revaluations

Without the above \$1.85 billion in new private investment in our City, the more than \$11.2 million of recurring revenues would never have been available. They would have to have been replaced by an 18+ cent tax increase to achieve what we have achieved in Kannapolis since 2020.

Closing Thoughts

This proposed FY 2025-26 Budget is balanced in accordance with N.C. Statutes. While this budget may not advance the City and its planned projects and initiative as rapidly as in recent years, it by no means represents any sort of diversion from the positive strides we have made over the past decade.

I am so appreciative of the many staff members that have dedicated tremendous time and effort towards completion of the FY 26 Budget. Our Budget and Strategy Director Kristin Jones, Finance Director Brian Roberts, and Deputy Finance Director Suzanne Burgess played critical roles this year. The budget process was enhanced greatly through the efforts of Assistant City Manager, Tina Cline, Communications Director, Annette Privette Keller and her team, and our City Clerk Pam Scaggs. The rest of our management team and each of our department heads and many other staff members also played very important roles in the development of this Budget.

Please accept my thanks to each of you as the elected officials for our City. Your enthusiastic communication of your collective vision for our great City represents the foundation for our prosperous future. Readily apparent is your support of our City staff as we do our very best to implement your vision and priorities.

Without reservation, I respectfully submit this proposed FY 2025-26 Budget to the City Council for your thoughtful consideration.

Sincerely,



Mike Legg
City Manager

OVERVIEW

\$126,007,842

Total approved FY 2025-2026 Budget for the City of Kannapolis.

55.95¢ Per \$100 valuation tax rate.
No increase from 2024.

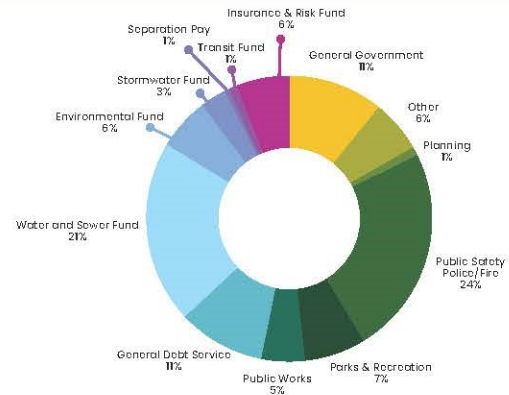


Water & Sewer base rate will increase by **\$3.31 / month**



Environmental fee will increase by **\$5 / month**

BY DEPARTMENT



FUTURE SHORT-TERM INITIATIVES



Additional Main Street Parking



Little Texas St. Sidewalk



Dam Spillover Repairs



Fire Training Tower



Emergency Communications Tower

5-YEAR INITIATIVES



Eastside Park Construction



Midway Area Revitalization



Sidewalk & Street Paving Improvements



Public Works Center Improvements

IMAGINE KANNAPOLIS

The *Imagine Kannapolis Strategic Plan* outlines what objectives the City would like to achieve in the next decade based on thirteen focus groups, made up of dozens of residents, that were conducted in 2022. This year's budget includes many Imagine Kannapolis priorities, and plans for additional priorities over the next ten years.



63K
Estimated Population

1,079 Residential permits issued, **\$130M** value.
972 Commercial permits issued, **\$247M** value.

FY 2024-25 CITY ACHIEVEMENTS

- Amazon Distribution opened second location
- Alta Warehousing & Logistics opened
- City celebrated 40 years of incorporation
- Pickleball courts opened at Bakers Creek
- Therapy dog Millie joined Police Department
- West Ave Express Shuttles began operations
- Oak Avenue parking lot opened
- Rebel & Chick-fil-A Supply opened in Lakeshore Corporate Park
- Gem & Swannee Theatres experienced sellout crowds
- City Hall, Fire Stations 1 & 4 renovations completed

PROFILE OF THE GOVERNMENT

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

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

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

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



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

LOCAL ECONOMY

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

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



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



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

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

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

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

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

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

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

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

AWARDS AND ACKNOWLEDGEMENTS

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

Local Trends
City of Kannapolis Building Permit Activity

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Single-Family Residential Permits (Value millions)	65 \$7.8	130 \$16.0	434 \$43.9	291 \$51.3	270 \$34.4	301 \$42.9	349 \$55.9	210 \$26.7	329 \$50.8	1,035 \$159.0	1,039 \$161.5
Commercial /Industrial Building Permit (Value millions)	102 \$9.2	102 \$2.1	71 \$73.7	89 \$90.7	94 \$40.3	73 \$114.3	200 \$81.2	82 \$17.7	54 \$53.7	95 \$102.9	181 \$107
Total Building Permit (Value millions)	167 \$17.0	232 \$18.1	505 \$117.6	380 \$142.0	364 \$74.7	374 \$157.2	920 \$139.7	451 \$46.6	383 \$104.5	1,130 \$261.9	1,220 \$268.5

Per Capita Personal Income in Cabarrus and Rowan County

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

Source: Access NC

Unemployment Rate in Cabarrus and Rowan County

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

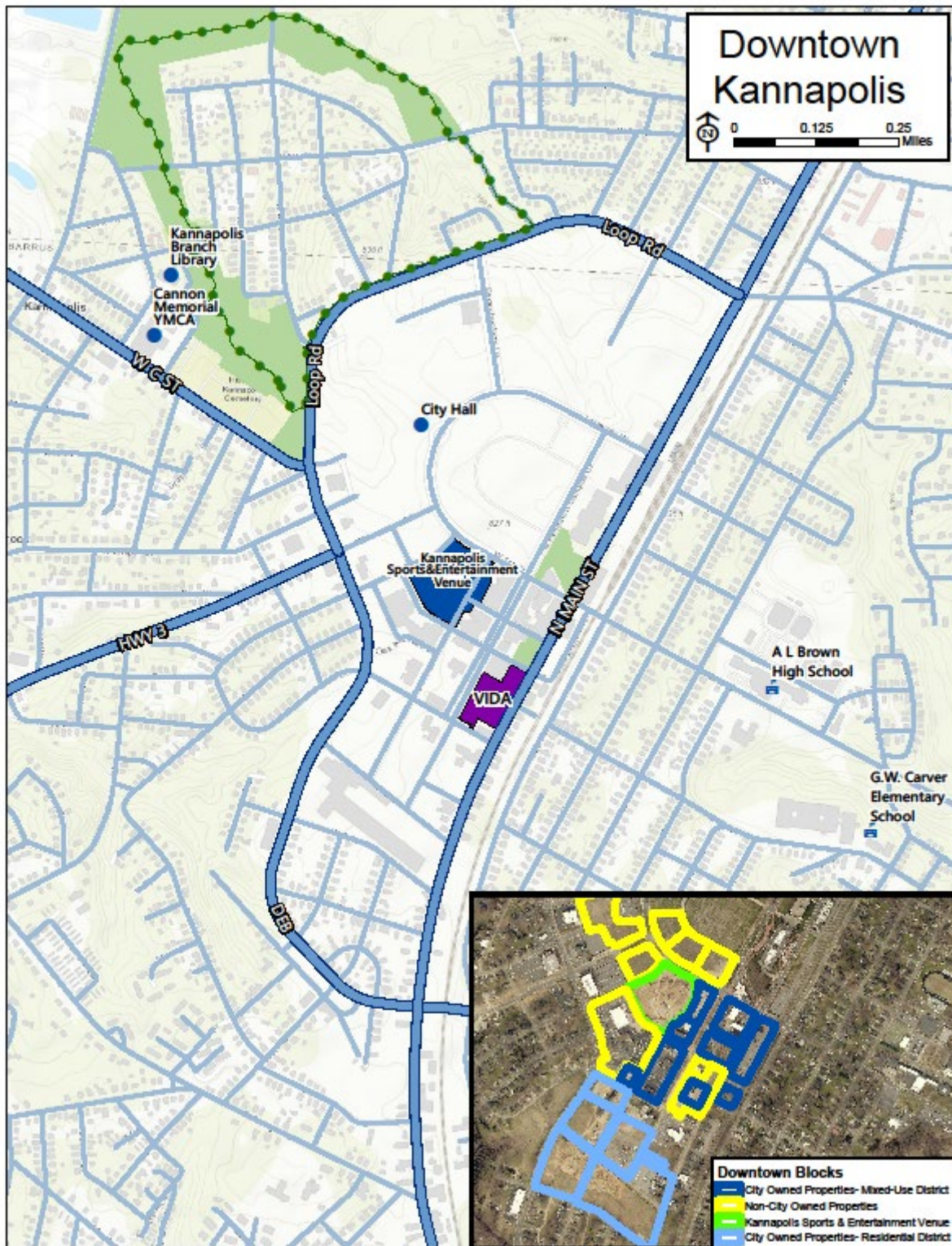
*Data through June 2023

Source: Bureau of Labor Statistics

Kannapolis, North Carolina Location Map



Downtown Kannapolis



City of Kannapolis Strategic Plan: Imagine Kannapolis



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

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

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

Situation Report- Executive Summary:



Demographic Trends and Issues

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

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

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



Economic Trends and Issues

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

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

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

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

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

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



Growth & Development Trends and Issues

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

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

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

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



Infrastructure Trends and Issues

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

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

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



Environmental Trends and Issues

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

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

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

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



Social, Housing, & Health Trends and Issues

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

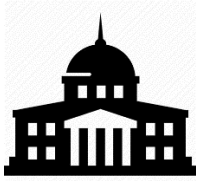
- Access to affordable **early childhood education** is an economic development issue in terms of allowing parents to work and in terms of child welfare and development. Cabarrus County has established an Early Childhood Task Force to work towards some of these issues.
- Kannapolis has a wide range of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

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



Community Safety Trends and Issues

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



City Government Trends and Issues

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

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

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

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

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

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

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

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

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

Timeline:

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

Steps:

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

Focus Areas:



**Focus Area 1:
Health & Safety**



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



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



**Focus Area 4:
Education & Learning**



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



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



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



Focus Area 1: Health & Safety

Public Safety Facilities: Primary Focus Group (Staff Driven)

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

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

Likely Cost of Implementation: Very High

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

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

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

Likely Cost of Implementation: Moderate

Safe Community Facilities: Secondary Focus Group (Staff Driven)

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

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

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

Likely Cost of Implementation: High

Children and Teens: Secondary Focus Group (Citizen Driven)

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

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

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

Likely Cost of Implementation: Moderate to High

Active Seniors: Secondary Focus Group (Citizen Driven)

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

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

Likely Cost of Implementation: Moderate to High



Focus Area 2: Human & Social Needs

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

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

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

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

Likely Cost of Implementation: High

Diversity: Secondary Focus Group (Citizen Driven)

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

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

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

Likely Cost of Implementation: Low

Economic Mobility: Secondary Focus Group (Citizen Driven)

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

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

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

Likely Cost of Implementation: Low to Very High



Focus Area 3: Economic Vibrancy & Employment

Downtown Revitalization: Primary Focus Group (Staff Driven)

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

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

Likely Cost of Implementation: Moderate to Very High

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

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

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

Likely Cost of Implementation: Very High

NCRC Sustainability: Primary Focus Group (Staff Driven)

Expected Outcomes: Development of a pathway strategy to:

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

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

Cannon Boulevard Revitalization: Secondary Focus Group (Staff Driven)

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

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

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

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

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

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

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

Likely Cost of Implementation: Low to Moderate

Job Creation: Secondary Focus Group-Staff Driven

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

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

Likely Cost of Implementation: Low



Focus Area 4: Education & Learning

K-12 Education: Secondary Focus Group: Citizen Driven

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

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

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

Likely Cost of Implementation: Moderate to High

Workforce Development: Secondary Focus Group-Staff Driven

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

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

Likely Cost of Implementation: Low to Moderate



Focus Area 5: Arts, Tourism & Cultural Vitality

Historic Preservation: Primary Focus Group (Citizen Driven)

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

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

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

Likely Cost of Implementation: High to Very High

Tourism: Primary Focus Group (Staff Driven)

Expected Outcomes: Develop recommended strategies to address:

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

Likely Cost of Implementation: Moderate to High



Focus Area 6: Natural & Built Environment

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

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

- Eastside and Westside parks.
- Skate Park.

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

Likely Cost of Implementation: Very High

Environmental Stewardship: Primary Focus Group (Citizen Driven)

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

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

Likely Cost of Implementation: Moderate to High

Infrastructure: Primary Focus Group (Staff Driven)

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

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

Likely Cost of Implementation: Very High

Transportation: Primary focus group (Staff Driven)

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

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

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

Likely Cost of Implementation: Very High

Neighborhood Improvement: Primary Focus Group (Citizen Driven)

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

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

Likely Cost of Implementation: Moderate to High



Focus Area 7: Government Leadership & Service

General Governmental Facilities: Primary Focus Group (Staff Driven)

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

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

Likely Cost of Implementation: High

Leadership Development: Secondary Focus Group (Citizen Driven)

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

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

Likely Cost of Implementation: Low

Citizen Engagement: Secondary Focus Group (Citizen Driven)

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

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

Likely Cost of Implementation: Low

BUDGET PROCESS

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

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

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

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

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

Formulate Historical Data

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

Preparation of Departmental Requests

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

Consolidate Preliminary Budget

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

Evaluate Service Priorities and Objectives

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

Balance Proposed Budget

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

Legislative Review

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

Budget Adoption and Post 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. Post Adoption consists of routine budget monitoring by departments each month and utilizing budget amendments and transfers as necessary.

BUDGET CALENDAR

Date	Deliverables	Description
January 15, 2025	City Manager's Office produces the FY 26 base budget, which is the FY 25 adopted budget less any one-time expenses.	Base budget: starting point. Last year (FY 25) adopted budget less any one-time projects or costs. Munis Level 1: Base budget opens for viewing purposes only.
January 30, 2025	Departments receive base budgets and begin to develop their continuation budgets. This includes reviewing and reassessing each base budget to reflect any updated budget amounts for all recurring line items.	Continuation budget: review of the base budget with any updated contractual costs and salary and fringe adjustments. Examples include inflation of goods, utility increases, cost of labor increases, rate changes on contracts. All salary and fringe information are handled by Budget and Human Resources. Munis Level 2: Department Continuation budget
February 5, 2025	Budget/Finance reviews and assesses revenue forecasts and provides updated debt service figures.	Budget will enter the estimated revenues related to each department. If
February 21, 2025	Department continuation budgets DUE.	All proposed adjustments need a brief justification for the proposed change.
February 22, 2025	Departmental expansion templates will be distributed. This should include a 3-year forecast of the department's personnel requests, increase in operations outside of contractual obligations, operating capital (including rolling stock).	Expansion budget: anything new that wasn't previously approved or adopted with the budget. These requests are new and don't include items currently in a department's annual operating budget. Examples include new positions, new vehicles, new programs or services, new capital items and new technology. Munis Level 3: Department Expansion budget.
March 22, 2025	Department expansion budgets DUE.	Budget will key all expansion requests in Munis and note any one-time projections and/or initiatives.
Early April - TBD	Budget conferences begin. Budget conferences will consist of the City Manager, respective	Continuation and Expansion departmental budgets will be discussed in these meetings as

	Deputy or Assistant City Manager(s), Assistant to the City Manager and Department staff.	well any capital projects. Munis Level 4: Manager recommended budget opens. Any changes suggested in budget conferences will be reflected in this level.
End of April/Early May 2025	Preliminary budget is prepared and compiled by staff	This includes changes reflected by the City Manager and City Council. Munis Level 5: Board level opens. Any changes suggested during the retreat and up until Board adoption will be reflected in this level.
May 20, 2025	FY 26 Preliminary Budget is presented to City Council.	Manager presents recommended budget via presentation and the budget message.
May 21- June 7, 2025	Staff makes final revisions and recommendations to the budget.	
June 10, 2025	City Council holds public hearing on the proposed FY 2025 Budget.	Required by State statute. This is where the public is able to voice comments/concerns on the budget.
June 11, 2025	Department program templates are distributed. Departments will be responsible for updating their accomplishments from this past year (FY 25), an action plan for the upcoming year (FY 26) and performance measurement data for 3 years (FY 24 actual, FY 25 estimated and FY 26 target).	Department program templates are used for the final budget document. They provide an overview of each department and/or division. It shows department's mission statements, budget and staffing summary and key performance metric data. Departments will be expected to keep up and update their performance metric data throughout the year.
June 23, 2025	City Council adopts FY 2025 Budget.	This includes corresponding budget ordinances for all annually adopted funds and any fee schedule changes.
June 25 - June 30, 2025	FY 26 Adopted Budget is disseminated to Department Heads.	Enables Department Heads to view their FY 25 adopted operating budgets which will note any expansionary items that were adopted with the budget.
August 15, 2025	Department program templates DUE	
June 25 - August 26, 2025	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 2025 adopted budgeted amounts less any one-time projects or costs. This detail served as a starting point, but departments still assessed and updated all prior year detail and amounts while adding new detail if necessary. Continuation budgets are those that provide the same level of service in the coming year that the department is providing in the current year. Such budgets typically include items that repeat year after year. It is ok to have increases in this column due to an increase in the cost of doing business year over year (i.e., inflation costs in operations, supplies, fuel, utilities, etc.)

Level 2 - Department Expansion: This level consisted of new requests only. The following classified as an expansion request: new personnel, new software, new technology for new personnel, new projects, new upgrades, new programs, new services, new vehicles for new personnel or adding to the fleet outside of the normal replacement cycle. Not every department had expansion requests. If departments were not asking for anything new in FY 26, 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 24 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.

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

BUDGET ADOPTION

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

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

- a. The City Manager is hereby authorized to transfer funds form one-line item to another line item within each Fund of said budget except for the general contingency account.

Utilization of any contingency funding appropriation shall be accomplished with City Council approval only.

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

BASIS OF BUDGETING

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

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

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

The **Water and Sewer Fund** is an Enterprise Fund and accounts for the operations of the water treatment and distribution systems and the wastewater distribution and treatment systems. Enterprise funds are used to account for operations that are financed and operated in a manner like

private business enterprises. The intent of the Government Body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges.

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

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

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

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

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

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

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

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

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

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

The major expenditures by function are shown as follows:

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

- **Contingency:** Provision for unexpected expenditures.
- **Water and Sewer Fund:** Expenditures for administration, billing and collection, distribution, sewage treatment, water treatment plant, and debt service.
- **Stormwater Fund:** Expenditures for maintenance of the stormwater drainage system and federally mandated stormwater runoff education program.
- **Environmental Fund:** Expenditures for contracted services related to recycling, and solid waste collections.
- **Transit Fund:** Expenditures related specifically to the regional transit system established by the cities of Kannapolis and Concord.
- **Insurance and Risk Fund:** Expenditures related to the administration and operation of the City's healthcare for active and retired employees as well as expenditures related to the administration and operation of the City's workers compensation.

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

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



CITY OF KANNAPOLIS FINANCIAL POLICIES

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

Operating Budget Policies

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

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

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

Investment Policy

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

Reserve Policy

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

Debt Policy

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

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

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

Capital Improvement Policy

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

Section Contents

Objectives

Budget Development Policies

Capital Improvement Budget Policies

Debt Policies

Reserve Policies

Cash Management and Investment Policy

FISCAL POLICY GUIDELINES - OBJECTIVES

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

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

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

BUDGET DEVELOPMENT POLICIES

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

CAPITAL IMPROVEMENT BUDGET POLICIES

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

CAPITAL IMPROVEMENT BUDGET POLICIES (continued)

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

DEBT POLICIES

General

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

Tax Supported Debt

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

Revenue Supported Debt

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

RESERVE POLICIES

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

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY

Introduction

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

Objectives

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

Legality

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

Scope

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

Prudence

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

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

Responsibility

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

Objectives

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

Safety

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

Liquidity

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

Yield

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

Ethics and Conflicts of Interest

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

Authorized Financial Dealers and Financial Institutions

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

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

Internal Control

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

Collateralization

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

Delivery and Custody

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

Authorized Investments

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

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

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

Diversification

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

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

Maturity Scheduling

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

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

Selection of Securities

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

Active Trading of Securities

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

Pooled Cash and Allocation of Interest Income

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

Marking to Market

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

Software

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

FISCAL POLICY GUIDELINES

City of Kannapolis, North Carolina

INVESTMENT POLICY – *continued*

Reporting

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

City of Kannapolis: Bond Ratings

Issuer Credit Rating: Moody's Aa2, Standard & Poor's (S&P): AA-

Water and Sewer Revenue Bonds: S&P: A+

Limited Obligation Bonds: Moody's: Aa3; S&P: AA-

ALL FUNDS

Governmental Funds

General Operating Fund

Departments include:

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

Special Revenue Funds

Transit Fund

Community Development Block Grant

CARES Act Fund

ARPA Fund

Capital Project Funds

Examples include:

Irish Buffalo Creek

Bethpage Road Sidewalk

Little Texas Sidewalk

Fire Station #1 and #4 Remodels

Revenue Bonds 2020:

- Kannapolis Crossing
- Clearwell

Revenue Bonds 2021:

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

Proprietary Funds

Enterprise Funds

Water and Sewer Fund

Departments include:

- Customer Service
- Distribution
- Water Treatment Plant
- Sewage Treatment (WSACC)

Stormwater Fund

Environmental Fund

Insurance and Risk Fund

Special Separation Pay Fund

Fund Relationships

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

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

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

Departments:

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

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

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

Departments:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

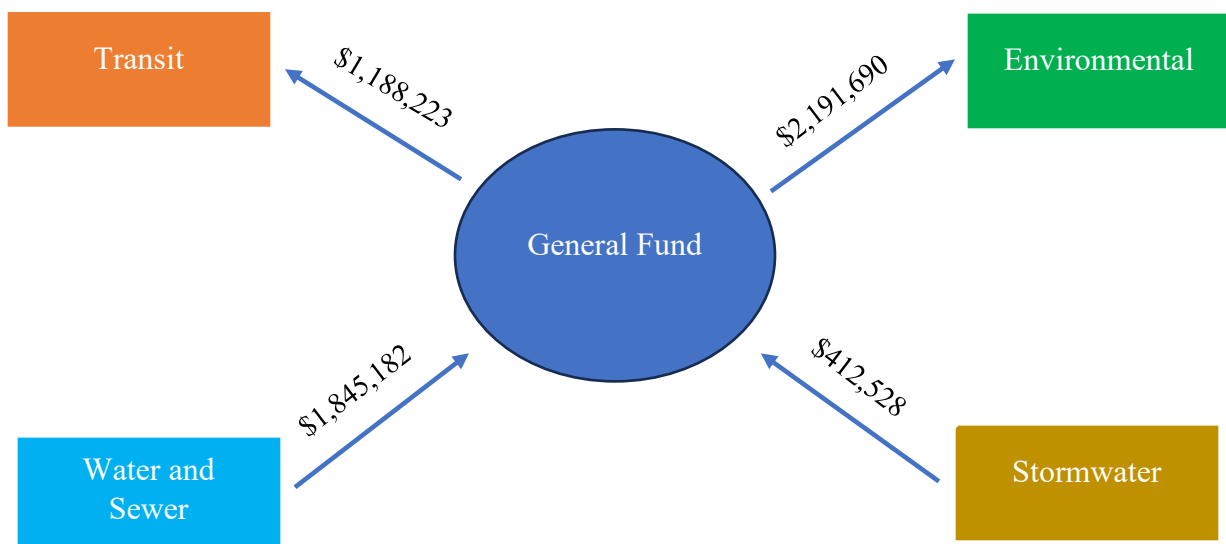
Internal Service Funds: These funds are for the financing of goods or services provided by one department or agency to another or to other government units on a cost reimbursement basis.

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

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

The General Fund subsidizes the Transit Fund for operational and capital costs that aren't fully covered by the \$30 Tag and Tax fee. The General Fund also subsidizes the Environmental Fund due to increased costs in solid waste and recycling. For the Environmental Fund to become fully self-sufficient, an additional \$8.00 fee increase is required.

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



Revenue Summary
All Funds
Fiscal Years 2024-2026

	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Difference FY 25 to FY 26
Ad Valorem Taxes	39,027,140	49,599,642	51,446,045	1,846,403
Sales Tax	16,440,102	16,887,246	17,134,463	247,217
Intergovernmental	6,373,357	7,138,972	7,966,275	827,303
Other	7,288,295	9,634,972	9,436,598	(198,374)
Transfers In/Appropriated Fund Balance	1,242,385	-	-	-
Total General General Fund	\$ 70,371,279	\$ 83,260,832	\$ 85,983,381	\$ 2,722,549
Total Water and Sewer Fund	\$ 24,286,437	\$ 29,743,813	\$ 28,425,016	\$ (1,318,797)
Total Stormwater Fund	\$ 3,530,000	\$ 3,750,000	\$ 3,637,348	\$ (112,652)
Total Environmental Fund	\$ 5,683,817	\$ 6,700,690	\$ 7,681,862	\$ 981,172
Total Separation Fund	\$ 496,912	\$ 600,000	\$ 721,500	\$ 121,500
Total Transit Fund	\$ 1,223,031	\$ 1,621,823	\$ 1,402,698	\$ (219,125)
Total Insurance and Risk Fund	\$ 6,046,480	\$ 6,761,084	\$ 7,618,904	\$ 857,820
Grand Total All Funds	\$ 111,637,956	\$ 132,438,242	\$ 135,470,709	\$ 3,032,467
Less Inter-Fund Transfers	\$ 7,252,080	\$ 9,331,913	\$ 9,462,867	\$ 309,918
Grand Total All Funds	\$ 104,385,876	\$ 123,106,329	\$ 126,007,842	\$ 2,722,549

Sources of Revenues - All Funds FY 2022 to FY 2026

	FY 2022 Actual	FY 2023 Adopted	F Y2023 Actual	FY 2024 Adopted	FY 2024 Actual	FY 2025 Adopted	FY 2026 Adopted
Revenues							
Ad Valorem Taxes	34,727,004	35,588,732	36,434,778	39,027,140	40,155,180	49,599,642	51,446,045
Sales Tax	14,084,123	13,626,161	15,646,536	16,440,102	16,107,155	16,887,246	17,134,463
Intergovernmental	6,512,774	6,333,541	7,229,188	6,373,357	8,482,373	7,138,972	7,966,275
Other	6,118,410	6,185,267	8,919,108	7,288,295	10,995,405	9,634,972	9,436,598
Fund Balance	-	753,458	-	1,242,385	-	-	-
Transfers	200,000	-	-	-	-	-	-
Total General General Fund	\$ 61,642,311	\$ 62,487,159	\$ 68,229,610	\$ 70,371,279	\$ 75,740,114	\$ 83,260,832	\$ 85,983,381
Total Water and Sewer Fund	25,550,307	23,370,000	25,171,999	24,286,437	26,633,107	29,743,813	28,425,016
Total Stormwater Fund	3,142,858	3,291,706	3,242,106	3,530,000	3,582,592	3,750,000	3,637,348
Total Environmental Fund	4,659,918	4,908,080	4,767,896	5,683,817	5,658,150	6,700,690	7,681,862
Total Separation Fund	484,210	506,407	510,940	496,912	527,538	600,000	721,500
Total Transit Fund	843,070	1,743,571	1,179,208	1,223,031	1,240,338	1,621,823	1,402,698
Total Insurance and Risk Fund	-	-	-	6,046,480	7,051,838	6,761,084	7,618,904
Grand Total All Funds	\$ 96,322,674	\$ 96,306,923	\$ 103,101,759	\$ 111,637,956	\$ 120,433,677	\$ 132,438,242	\$ 135,470,709
Less Inter-Fund Transfers	\$ (1,277,452)	\$ (1,390,884)	\$ (1,395,417)	\$ (7,252,080)	\$ (8,147,760)	\$ (9,331,913)	\$ (9,462,867)
Grand Total All Funds	\$ 95,045,222	\$ 94,916,039	\$ 101,706,342	\$ 104,385,876	\$ 112,285,917	\$ 123,106,329	\$ 126,007,842

Revenue Sources - All Funds FY 26

	FY 26 General Fund	FY 26 Water and Sewer	FY 26 Stormwater	FY 26 Environmental	FY 26 Separation Pay	FY 26 Transit Fund	FY 26 Insurance and Risk	FY 26 Total All Funds
Sources of Funds								
Ad Valorem Taxes	51,446,045	-	-	-	-	-	-	51,446,045
Sales Tax	17,134,463	-	-	-	-	-	-	17,134,463
Intergovernmental	7,966,275	-	-	-	-	-	-	7,966,275
Investment Income	1,400,000	200,000	70,000	46,000	-	-	-	1,716,000
Other	7,136,598	1,101,000	-	199,000	-	-	7,618,904	16,055,502
Charges for Services	-	24,320,553	3,567,348	5,604,193	-	-	-	33,492,094
Tap/Connection Fees	-	2,803,463	-	-	-	-	-	2,803,463
Vehicle License Tax	900,000	-	-	-	-	434,000	-	1,334,000
Fund Balance	-	-	-	-	-	-	-	-
Transfers	-	-	-	1,832,669	721,500	968,698	-	3,522,867
Total Sources	\$ 85,983,381	\$ 28,425,016	\$ 3,637,348	\$ 7,681,862	\$ 721,500	\$ 1,402,698	\$ 7,618,904	\$ 131,947,842

Detailed Revenue Summary - All Funds

	FY 23 Adopted	FY 23 Actual	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted
Revenues					
Ad Valorem Taxes - Current	35,188,732	36,121,632	38,627,140	49,199,642	51,096,045
Ad Valorem Taxes - Prior	400,000	313,146	400,000	400,000	350,000
Total Ad Valorem Taxes	\$ 35,588,732	\$ 36,434,778	\$ 39,027,140	\$ 49,599,642	\$ 51,446,045
1% Sales Tax (State)	5,458,782	6,152,861	6,480,219	6,609,245	6,734,463
1/2% Sales Tax (Local)	8,167,379	9,493,675	9,959,883	10,278,001	10,400,000
Total Sales Tax	\$ 13,626,161	\$ 15,646,536	\$ 16,440,102	\$ 16,887,246	\$ 17,134,463
Fire District Sales Tax	273,000	286,714	236,790	423,617	450,000
Franchise Tax	2,698,000	3,049,099	2,805,308	3,135,627	3,500,000
Beer and Wine Tax	210,000	246,618	210,000	240,000	281,275
Interlocal Agreement MSD	-	69,026	-	-	200,000
ABC Funds	102,296	140,625	138,000	144,900	145,000
Cabarrus Contributions	1,328,433	1,349,495	1,326,113	1,325,926	1,325,000
Powell Bill Funds	1,572,822	1,583,146	1,583,146	1,794,902	1,991,000
State Asset Forfeiture	-	68,305	-	-	-
Federal Grants	-	-	-	-	-
State Grants	-	65,384	-	-	-
Private Grants	-	-	-	-	-
Police - ICAC/JAG Grant	74,990	83,510	-	-	-
Fire - Rowan County Contributions	4,000	9,015	4,000	4,000	4,000
Federal Asset Forfeiture	-	48,908	-	-	-
CDBG Administration Revenues	70,000	229,344	70,000	70,000	70,000
Total Intergovernmental	\$ 6,333,541	\$ 7,229,188	\$ 6,373,357	\$ 7,138,972	\$ 7,966,275
Vehicle License	397,390	433,605	420,000	900,000	900,000
Vehicle Rental Tax	25,000	41,590	25,000	35,000	50,000
Building Rental	90,000	219,729	200,000	250,000	290,000
Tower Rental	84,000	97,176	95,000	115,000	130,000
Commercial Rent / Lease - College Station	401,630	832,590	475,000	475,000	400,000
Parking Deck Lease	-	138,860	-	140,000	100,000
Donations	-	199,620	-	-	-
Insurance Proceeds	-	337,769	-	-	-
Common Area Main	-	85,846	-	-	-
Parking Fees	-	35,037	-	35,037	40,000
Special Event Fees	-	3,167	-	-	-
Sale of Capital Assets	-	393,231	-	-	-
Sale of Surplus Property	-	22,996	-	-	-
Enterprise Management Fee	2,349,702	2,349,702	2,287,295	2,257,710	2,782,598
Miscellaneous Revenue	310,000	(24,353)	310,000	500,000	25,000
Investment Income	210,000	1,958,102	1,000,000	1,400,000	1,400,000
Interest Income - Leases	-	45,271	-	-	-
Lease and Subscription Liabilities Issued	-	-	-	-	-
Settlement Fees	-	-	-	-	-
Police - Charges and Fees	169,000	234,864	323,000	235,000	200,000
Officer Court Reimbursement	20,000	11,658	20,000	20,000	14,000
Police - Donations	-	91,938	-	-	75,000
False Alarm Fees	8,000	14,259	8,000	15,000	15,000
Fire - Technical Services Charges and Fees	25,000	34,939	35,000	35,000	20,000
Street Lighting Fees and Charges	-	-	-	-	-
Engineering - Charges and Fees	-	-	-	30,000	-
Planning - Charges and Fees	120,000	158,886	200,000	200,000	100,000
City Code Violation s	65,000	41,583	65,000	71,625	55,000
P card Rebates	-	60,317	-	70,000	80,000
Parks - Charges and Fees	1,185,545	747,660	1,100,000	2,050,600	1,920,000
Recreation Programs - Charges and Fees	125,000	226,674	125,000	200,000	200,000
Recreation Programs - Donations	50,000	26,391	50,000	50,000	40,000
CVB Contribution	100,000	100,000	100,000	100,000	100,000
Team Lease	450,000	-	450,000	450,000	500,000
Total Other	\$ 6,185,267	\$ 8,919,108	\$ 7,288,295	\$ 9,634,972	\$ 9,436,598
Transfers In from Other Funds	-	-	-	-	-
Appropriated Fund Balance	753,458	-	1,242,385	-	-
Total Transfers In / Appropriated Fund Balance	\$ 753,458	\$ -	\$ 1,242,385	\$ -	\$ -
Total General Fund	\$ 62,487,159	\$ 68,229,610	\$ 70,371,279	\$ 83,260,832	\$ 85,983,381

Detailed Revenue Summary - All Funds *(continued)*

	FY 23 Adopted	FY 23 Actual	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted
Revenues					
Charges and Fees	20,000,000	20,331,182	21,001,437	25,485,813	24,320,553
Wholesale Water Sales	360,000	428,916	400,000	425,000	436,000
Tap Fees	1,175,000	879,395	800,000	1,168,000	953,463
Connection Fees	1,250,000	1,688,483	1,500,000	1,885,000	1,850,000
Reconnection Fees	140,000	130,350	140,000	140,000	140,000
Penalties	400,000	513,107	400,000	525,000	525,000
Miscellaneous Revenues	15,000	42,641	15,000	15,000	-
Investment Income	30,000	157,927	30,000	100,000	200,000
Rowan County Contribution	-	500,000			
Developer Contribution	-	500,000	-	-	-
Transfers In / Out	-	-	-	-	-
Total Water and Sewer Fund	\$ 23,370,000	\$ 25,171,999	\$ 24,286,437	\$ 29,743,813	\$ 28,425,016
Charges and Fees	3,291,706	3,219,956	3,500,000	3,400,000	3,567,348
Investment Income	-	22,150	30,000	80,000	70,000
State Grants	-	-	-		
Miscellaneous Revenues	-	-	-	270,000	-
Transfer In	-	-	-	-	-
Total Stormwater Fund	\$ 3,291,706	\$ 3,242,106	\$ 3,530,000	\$ 3,750,000	\$ 3,637,348
Solid Waste Disposal Tax	36,000	43,866	36,000	44,000	44,000
Charges and Fees	4,132,244	3,985,382	4,200,000	4,200,000	5,604,193
Commercial Revenue	-	138,373	120,000	160,000	155,000
Miscellaneous Revenue	158,594	5,805	160,000	60,000	-
Investment Income	-	13,228	20,000	45,000	46,000
Transfer In / General Fund	85,542	85,542	1,147,817	2,191,690	1,832,669
Transfer In / Water and Sewer Fund	495,700	495,700	-	-	-
Transfer In / Stormwater Fund	-	-	-	-	-
Proceeds from Debt Financing	-	-	-	-	-
Total Environmental Fund	\$ 4,908,080	\$ 4,767,896	\$ 5,683,817	\$ 6,700,690	\$ 7,681,862
Transfer from General Fund	506,407	303,235	496,912	600,000	721,500
Total Separation Pay Fund	\$ 506,407	\$ 303,235	\$ 496,912	\$ 600,000	\$ 721,500
Vehicle License Tax	900,000	864,822	900,000	433,600	434,000
Investment Income	-	11,151	-	-	-
Transfer from General Fund	303,235	303,235	323,031	1,188,223	968,698
Appropriated Fund Balance	540,336	-	-	-	-
Total Transit Fund	\$ 1,743,571	\$ 1,179,208	\$ 1,223,031	\$ 1,621,823	\$ 1,402,698
Health Insurance Premiums	-	-	5,391,600	5,940,204	6,578,904
Workers Compensation Premiums	-	-	470,880	620,880	840,000
Retiree Premiums (Health Insurance)	-	-	184,000	200,000	200,000
Investment Income	-	-	-	-	
Miscellaneous Revenue	-	-	-	-	
Transfer in / General Fund	-	-	-	-	
Appropriated Fund Balance	-	-	-	-	-
Total Health Insurance and Risk Fund	\$ -	\$ -	\$ 6,046,480	\$ 6,761,084	\$ 7,618,904

Expenditure Summary
All Funds
Fiscal Years 2024 - FY 2026

	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Difference FY 25 to FY 26
General Government Services	11,518,036	14,143,755	14,315,886	172,131
Planning	1,263,207	1,339,115	1,534,126	195,011
Public Safety	24,950,736	25,958,779	32,111,129	6,152,350
Parks and Recreation	7,027,545	9,217,946	9,773,803	555,857
Public Works	5,719,735	6,079,494	6,565,534	486,040
Other	5,907,929	12,345,887	7,756,754	(4,589,133)
General Debt Service	13,984,091	14,175,856	13,926,149	(249,707)
Total General General Fund	\$ 70,371,279	\$ 83,260,832	\$ 85,983,381	\$ 2,722,549
Total Water and Sewer Fund	\$ 24,286,437	\$ 29,743,813	\$ 28,425,016	\$ (1,318,797)
Total Stormwater Fund	\$ 3,530,000	\$ 3,750,000	\$ 3,637,348	\$ (112,652)
Total Environmental Fund	\$ 5,683,817	\$ 6,700,690	\$ 7,681,862	\$ 981,172
Total Separation Fund	\$ 496,912	\$ 600,000	\$ 721,500	\$ 121,500
Total Transit Fund	\$ 1,223,031	\$ 1,621,823	\$ 1,402,698	\$ (219,125)
Total Insurance and Risk Fund	\$ 6,046,480	\$ 6,761,084	\$ 7,618,904	\$ 857,820
Grand Total All Funds	\$ 111,637,956	\$ 132,438,242	\$ 135,470,709	\$ 3,032,467

Expenditures Uses - All Funds

	FY 26 General Fund	FY 26 Water and Sewer	FY 26 Stormwater	FY 26 Environmental	FY 26 Separation Pay	FY 26 Transit Fund	FY 26 Insurance and Risk	FY 26 Total All Funds
Uses of Funds								
General Government	14,315,886	-	-	-	-	-	-	14,315,886
Planning	1,534,126	-	-	-	-	-	-	1,534,126
Public Safety	32,111,129	-	-	-	-	-	-	32,111,129
Parks and Recreation	9,773,803	-	-	-	-	-	-	9,773,803
Public Works	6,565,534	-	-	-	-	-	-	6,565,534
Other	7,756,754	-	2,514,014	7,681,862	721,500	1,402,698	-	20,076,828
Debt Service	13,926,149	6,073,319	532,966	-	-	-	-	-
Risk and Insurance	-	-	-	-	-	-	7,618,904	7,618,904
Distribution	-	6,362,613	-	-	-	-	-	6,362,613
Water Treatment Plant	-	5,460,678	-	-	-	-	-	5,460,678
Sewage Treatment (WSACC)	-	6,520,775	-	-	-	-	-	6,520,775
Billing and Collections	-	1,815,401	-	-	-	-	-	1,815,401
Transfers Other Funds	-	2,192,230	590,368	-	-	-	-	2,782,598
Total Sources	\$ 85,983,381	\$ 28,425,016	\$ 3,637,348	\$ 7,681,862	\$ 721,500	\$ 1,402,698	\$ 7,618,904	\$ 112,155,677

POSITION SUMMARY

City of Kannapolis
Full Time Employees - All Funds
Fiscal Year 2026

POSITION SUMMARY

FULL-TIME EMPLOYEES BY DEPARTMENT

DEPARTMENT	ADOPTED FY 2024	ADOPTED FY 2025	ADOPTED FY 2026	CHANGES/ ADDITIONS	COMMENTS
GENERAL FUND					
General Government					
City Council	7	7	7	0	
City Manager	10	10	10	0	
Human Resources	6	6	6	0	
Legal Services	3	3	3	0	
General Services	11	12	12	0	
Planning	11	11	11	0	
Finance	8	8	8	0	
Information Technology	5	6	6	0	
Total General Government	61	63	63		
Public Safety					
Police Administration	7	8	8	0	
Police Support Services	13	40	38	-2	Detective position 2030048 moved to Field Services as a police officer trainee position. Detective position 2030047 moved to Field Services as a police officer trainee position.
Police Field Operations	65	65	68	3	2 positions moved from Field Services and 1 position from Special Operations
Police Special Operations	12	12	11	-1	SRO position 2070015 reclassified to police officer trainee in Field Services.
Total Police	97	125	125		
Fire Administration	6	6	6	0	
Fire Emergency Services	88	88	88	0	
Fire Technical Services	5	6	6	0	
Total Fire	99	100	100		
Total Public Safety	196	225	225		
TOTAL PARKS AND RECREATION	28	28	28	0	
Public Works					
Engineering	9	9	9	0	
Signs	3	3	3	0	
Street Maintenance	13	14	14	0	
Total Public Works	25	26	26		
TOTAL GENERAL FUND	310	342	342		

POSITION SUMMARY

FULL-TIME EMPLOYEES BY DEPARTMENT

DEPARTMENT	ADOPTED FY 2024	ADOPTED FY 2025	ADOPTED FY 2026	CHANGES/ ADDITIONS	COMMENTS
WATER & SEWER FUND					
Customer Service	14	15	15	0	
Water Treatment Plant	18	19	19	0	
Water Resources	44	45	45	0	
TOTAL WATER & SEWER FUND	76	79	79	0	
TOTAL STORMWATER FUND	17	17	17	0	
TOTAL ENVIRONMENTAL FUND	10	10	10	0	
TOTAL ALL FUNDS	413	448	448	Total less elected officials = 441	

**This chart does not include part-time, seasonal, auxiliary, and temporary positions that are not budgeted by position.

BUDGET SUMMARY

City of Kannapolis General Fund Revenues and Expenditures Fiscal Year 2026

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 of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Revenues						
Ad Valorem Taxes	35,588,732	39,027,140	49,599,642	51,446,045	1,846,403	3.72%
Sales Tax	13,626,161	16,440,102	16,887,246	17,134,463	247,217	1.46%
Intergovernmental	6,333,541	6,373,357	7,138,972	7,966,275	827,303	11.59%
Other	6,185,267	7,288,295	9,634,972	9,436,598	(198,374)	-2.06%
Transfers In/Appropriated Fund Balance	753,458	1,242,385	-	-	-	-
Total General Fund	\$ 62,487,159	\$ 70,371,279	\$ 83,260,832	\$ 85,983,381	\$ 2,722,549	3.27%

General Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Expenditures						
General Government Services	9,117,500	11,518,036	14,143,755	14,315,886	172,131	1.22%
Planning	1,102,225	1,263,207	1,339,115	1,534,126	195,011	14.56%
Public Safety	20,265,066	24,950,736	25,958,779	32,111,129	6,152,350	23.70%
Parks and Recreation	5,650,799	7,027,545	9,217,946	9,773,803	555,857	6.03%
Public Works	4,853,405	5,719,735	6,079,494	6,565,534	486,040	7.99%
Other	6,537,498	5,907,929	12,345,887	7,756,754	(4,589,133)	-37.17%
General Debt Service	14,960,666	13,984,091	14,175,856	13,926,149	(249,707)	-1.76%
Total General Fund	\$ 62,487,159	\$ 70,371,279	\$ 83,260,832	\$ 85,983,381	\$ 2,722,549	3.27%

SUMMARY GENERAL FUND EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Personnel	26,894,334	32,040,473	35,349,500	44,681,028	9,331,528	26.40%
Operating	19,525,475	20,204,955	25,955,451	22,753,337	(3,202,114)	-12.34%
Capital	211,500	2,174,000	230,000	200,000	(30,000)	-13.04%
Debt Service	14,960,666	13,984,091	14,175,856	13,926,149	(249,707)	-1.76%
Transfers	895,184	1,967,760	7,550,025	4,422,867	(3,127,158)	-41.42%
Total for All Categories of Expenses	\$ 62,487,159	\$ 70,371,279	\$ 83,260,832	\$ 85,983,381	\$ 2,722,549	3.27%

General Fund Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted	Percentage Change
Revenues					
Ad Valorem Taxes - Current	35,188,732	38,627,140	49,199,642	51,096,045	3.85%
Ad Valorem Taxes - Prior	400,000	400,000	400,000	350,000	-12.50%
Total General Government	\$ 35,588,732	\$ 39,027,140	\$ 49,599,642	\$ 51,446,045	3.72%
1% Sales Tax (State)	5,458,782	6,480,219	6,609,245	6,734,463	1.89%
1/2% Sales Tax (Local)	8,167,379	9,959,883	10,278,001	10,400,000	1.19%
Total Sales Tax	\$ 13,626,161	\$ 16,440,102	\$ 16,887,246	\$ 17,134,463	1.46%
Fire District Sales Tax	273,000	236,790	423,617	450,000	6.23%
Franchise Tax	2,698,000	2,805,308	3,135,627	3,500,000	11.62%
Beer and Wine Tax	210,000	210,000	240,000	281,275	17.20%
Interlocal Agreement MSD	-	-	-	200,000	-
ABC Funds	102,296	138,000	144,900	145,000	0.07%
Cabarrus Contributions	1,328,433	1,326,113	1,325,926	1,325,000	-0.07%
Powell Bill Funds	1,572,822	1,583,146	1,794,902	1,991,000	10.93%
State Asset Forfeiture	-	-	-	-	-
State Grants	-	-	-	-	-
Police - ICAC/JAG Grant	74,990	-	-	-	-
Fire - Rowan County Contributions	4,000	4,000	4,000	4,000	0.00%
Federal Asset Forfeiture	-	-	-	-	-
CDBG Administration Revenues	70,000	70,000	70,000	70,000	0.00%
Total Intergovernmental	\$ 6,333,541	\$ 6,373,357	\$ 7,138,972	\$ 7,966,275	11.59%
Vehicle License	397,390	420,000	900,000	900,000	0.00%
Vehicle Rental Tax	25,000	25,000	35,000	50,000	42.86%
Building Rental	90,000	200,000	250,000	290,000	16.00%
Tower Rental	84,000	95,000	115,000	130,000	13.04%
Commercial Rent / Lease - College Station	401,630	475,000	475,000	400,000	-15.79%
Parking Deck Lease	-	-	140,000	100,000	-28.57%
Parking Fees	-	-	35,037	40,000	14.17%
Enterprise Management Fee	2,349,702	2,287,295	2,257,710	2,782,598	23.25%
Miscellaneous Revenue	310,000	310,000	500,000	25,000	-95.00%
Investment Income	210,000	1,000,000	1,400,000	1,400,000	0.00%
Interest Income - Leases	-	-	-	-	-
Police - Charges and Fees	169,000	323,000	235,000	200,000	-14.89%
Officer Court Reimbursement	20,000	20,000	20,000	14,000	-30.00%
Police - Donations	-	-	-	75,000	-
False Alarm Fees	8,000	8,000	15,000	15,000	0.00%
Fire - Technical Services Charges and Fees	25,000	35,000	35,000	20,000	-42.86%
Street Lighting Fees and Charges	-	-	-	-	-
Engineering - Charges and Fees	-	-	30,000	-	-100.00%
Planning - Charges and Fees	120,000	200,000	200,000	100,000	-50.00%
City Code Violation s	65,000	65,000	71,625	55,000	-23.21%
P card Rebates	-	-	70,000	80,000	14.29%
Parks - Charges and Fees	1,185,545	1,100,000	2,050,600	1,920,000	-6.37%
Recreation Programs - Charges and Fees	125,000	125,000	200,000	200,000	0.00%
Recreation Programs - Donations	50,000	50,000	50,000	40,000	-20.00%
CVB Contribution	100,000	100,000	100,000	100,000	0.00%
Team Lease	450,000	450,000	450,000	500,000	11.11%
Total Other	\$ 6,185,267	\$ 7,288,295	\$ 9,634,972	\$ 9,436,598	-2.06%
Transfers In from Other Funds	-	-	-	-	-
Appropriated Fund Balance	753,458	1,242,385	-	-	-
Total Transfers In / Appropriated Fund Balance	\$ 753,458	\$ 1,242,385	\$ -	\$ -	-
Total General Fund	\$ 62,487,159	\$ 70,371,279	\$ 83,260,832	\$ 85,983,381	3.27%

General Fund Detailed Summary of Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted
Expenditures				
City Council	327,592	336,560	297,875	371,583
City Manager - Administration	1,683,345	2,041,514	2,143,659	2,375,163
Economic Development	377,887	375,887	597,873	627,550
Communications	322,740	388,908	447,900	314,500
Human Resources	717,750	830,135	1,522,405	1,376,925
City Attorney	628,377	585,760	628,525	887,546
Finance	1,035,053	1,326,491	1,508,304	1,653,937
Information Technology	2,119,622	3,131,988	4,212,817	3,826,219
General Services	1,905,134	2,500,793	2,784,397	2,882,463
Total General Government	\$ 9,117,500	\$ 11,518,036	\$ 14,143,755	\$ 14,315,886
Police - Administration	1,200,317	1,080,807	1,236,326	1,525,020
Police - Support Services	3,102,224	3,709,993	4,149,423	4,997,055
Police - Field Operations	5,806,123	7,611,955	7,107,740	9,056,563
Police - Special Operations	704,948	1,166,360	1,204,553	1,466,284
Total Police	\$ 10,813,612	\$ 13,569,115	\$ 13,698,042	\$ 17,044,922
Fire - Administration	1,246,627	1,482,736	1,653,136	1,571,468
Fire - Emergency Services	7,648,966	9,270,350	9,813,769	12,575,334
Fire - Technical Services	555,861	628,535	793,832	919,405
Total Fire	\$ 9,451,454	\$ 11,381,621	\$ 12,260,737	\$ 15,066,207
Public Works - Engineering	1,036,308	1,213,486	1,528,987	1,527,334
Public Works - Street Lighting	740,300	613,900	713,900	870,000
Public Works - Operations Center	138,700	147,100	174,460	143,000
Public Works - Signs and Markings	463,006	529,538	549,520	534,978
Public Works - Powell Bill	1,513,120	1,583,146	1,794,902	1,991,000
Public Works - Street Maintenance	961,971	1,632,565	1,317,725	1,499,222
Total Public Works	\$ 4,853,405	\$ 5,719,735	\$ 6,079,494	\$ 6,565,534
Planning	1,102,225	1,263,207	1,339,115	1,534,126
Total Planning	\$ 1,102,225	\$ 1,263,207	\$ 1,339,115	\$ 1,534,126
Parks and Recreation - Parks	4,470,299	5,679,545	7,501,346	8,024,803
Parks and Recreation - Recreation Programs	930,500	998,000	1,366,600	1,037,000
Stadium	250,000	350,000	350,000	712,000
Total Parks and Recreation	\$ 5,650,799	\$ 7,027,545	\$ 9,217,946	\$ 9,773,803
Non-Departmental	5,642,314	3,940,169	4,795,862	3,333,887
Transfers	895,184	1,967,760	7,550,025	4,422,867
Total Other	\$ 6,537,498	\$ 5,907,929	\$ 12,345,887	\$ 7,756,754
Debt Service	14,960,666	13,984,091	14,175,856	13,926,149
Total Debt Service	\$ 14,960,666	\$ 13,984,091	\$ 14,175,856	\$ 13,926,149
Total General Fund Expenditures	\$ 62,487,159	\$ 70,371,279	\$ 83,260,832	\$ 85,983,381

GENERAL FUND

General Government Non-Departmental - 10000 Fiscal Year 2026

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.

Non - Departmental 10000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
42100	Workers Comp Insurance	509,640	686,000	176,360	34.60%
42300	Medical Insurance	64,492	-	(64,492)	-100.00%
42700	Unemployment Insurance	15,000	35,000	20,000	133.33%
45220-COLL	Electricity-College Station	7,500	7,500	-	0.00%
45230	Water and Sewer	-	10,000	10,000	-
45230-COLL	Water and Sewer-College Station	2,000	-	(2,000)	-100.00%
45240-COLL	Gas Utilities-College Station	2,000	-	(2,000)	-100.00%
48000-COLL	Contracted Services-College Station	27,000	20,000	(7,000)	-25.93%
48430	Banking Fees	14,000	35,000	21,000	150.00%
51300	Special Expenses	2,345,534	575,280	(1,770,254)	-75.47%
51300-GEM	Special Expenses- GEM	-	-	-	-
51320	Contingency Appropriation	420,000	420,000	-	0.00%
51325	Strategic Planning Initiatives	112,546	-	(112,546)	-100.00%
51610	Insurance - Public Officials	100,032	177,100	77,068	77.04%
51620	Insurance - General Liability	660,342	759,000	98,658	14.94%
51630	Insurance - Buildings	199,800	243,800	44,000	22.02%
51640	Insurance - Self Insured	313,096	364,207	51,111	16.32%
51650	Encroachment Bond	2,880	1,000	(1,880)	-65.28%
Sub-Total for Operating Expenditures		\$ 4,795,862	\$ 3,333,887	\$ (1,461,975)	-30.48%
TOTAL NON-DEPARTMENTAL					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	4,795,862	3,333,887	(1,461,975)	-30.48%
Total for All Categories of Expenses		\$ 4,795,862	\$ 3,333,887	\$ (1,461,975)	-30.48%

GENERAL FUND

General Government

City Council - 11000

Fiscal Year 2026

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.

City Council 11000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	130,250	136,763	6,513	5.00%
42000	FICA	9,496	6,204	(3,292)	-34.67%
42210	401K	30,110	31,616	1,506	5.00%
Sub-Total for Personnel Expenditures		\$ 169,856	\$ 174,583	\$ 4,727	2.78%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43200	Advertising	5,000	5,000	-	0.00%
45250	Telephone	3,500	2,000	(1,500)	-42.86%
46100	Office Supplies	1,600	1,000	(600)	-37.50%
46300	Dues and Subscriptions	80,419	100,000	19,581	24.35%
51100	Travel and Training	20,000	20,000	-	0.00%
51200	Elections	-	51,000	51,000	100.00%
51300	Special Expenses	17,500	18,000	500	2.86%
Sub-Total for Operating Expenditures		\$ 128,019	\$ 197,000	\$ 68,981	53.88%
TOTAL CITY COUNCIL					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	169,856	174,583	4,727	2.78%
	Operating Expenditures	128,019	197,000	68,981	53.88%
Total for All Categories of Expenses		\$ 297,875	\$ 371,583	\$ 73,708	24.74%

GENERAL FUND

General Government
City Manager - 11100
Fiscal Year 2026

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.

City Manager 11100

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	1,387,200	1,603,167	215,967	15.57%
41100	Salaries - Part Time	2,550	2,678	128	5.02%
41200	Salaries - Overtime	-	-	-	-
41300	Longevity Pay	27,200	24,300	(2,900)	-10.66%
41600	Vehicle Allowance	42,000	44,100	2,100	5.00%
42000	FICA	107,968	110,392	2,424	2.25%
42210	401k	37,825	82,227	44,402	117.39%
42200	State Retirement	201,666	233,434	31,768	15.75%
42230	Deferred Compensation	14,028	16,727	2,699	19.24%
42300	Medical Insurance	144,000	135,000	(9,000)	-6.25%
42400	Life Insurance	3,784	5,676	1,892	50.00%
42500	Dental Insurance	4,524	9,048	4,524	100.00%
42600	Disability Insurance	914	914	-	0.00%
Sub-Total for Personnel Expenditures		\$ 1,973,659	\$ 2,267,663	\$ 294,004	14.90%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
45250	Telephone	10,500	16,000	5,500	52.38%
45610	Motor Fuel	-	500	500	-
46100	Office Supplies	10,000	7,000	(3,000)	-30.00%
46200	Small Equipment and Tools	5,000	4,000	(1,000)	-20.00%
46300	Dues and Subscriptions	12,500	20,000	7,500	60.00%
48300	Consultants	90,000	-	(90,000)	-100.00%
51100	Travel and Training	36,000	35,000	(1,000)	-2.78%
51300	Special Expenses	3,000	20,000	17,000	100.00%
51800	Meetings	3,000	5,000	2,000	66.67%
Sub-Total for Operating Expenditures		\$ 170,000	\$ 107,500	\$ (62,500)	-36.76%
TOTAL CITY MANAGER					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	1,973,659	2,267,663	294,004	14.90%
	Operating Expenditures	170,000	107,500	(62,500)	-36.76%
Total for All Categories of Expenses		\$ 2,143,659	\$ 2,375,163	\$ 231,504	10.80%

GENERAL FUND

General Government
Economic Development - 11115
Fiscal Year 2026

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

Economic Development 11115

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43405	EDC Contribution	75,095	87,100	12,005	15.99%
43415	Economic Development Initiatives	15,000	15,000	-	0.00%
46350	Community Support	74,250	174,250	100,000	0.00%
48000	Contracted Services	20,000	21,000	1,000	0.00%
51310	Incentive Grant	413,528	330,200	(83,328)	0.00%
Sub-Total for Operating Expenditures		\$ 597,873	\$ 627,550	\$ 29,677	4.96%
TOTAL ECONOMIC DEVELOPMENT					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	597,873	627,550	29,677	4.96%
Total for All Categories of Expenses		\$ 597,873	\$ 627,550	\$ 29,677	4.96%

GENERAL FUND

General Government
Communications - 11120
Fiscal Year 2026

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

Communications 11120

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43415	Recruitment Initiatives	20,000	-	(20,000)	-100.00%
43425	Marketing/Branding	224,000	180,000	(44,000)	-19.64%
43425- GEM	Marketing/Branding- Gem	20,000	20,000	-	0.00%
43425-SWANEE	Marketing/Branding- Swanee	20,000	20,000	-	0.00%
44300	R&M: Buildings and Grounds	-	-	-	0.00%
46200	Small Equipment and Tools	-	2,500	2,500	-
46300	Dues and Subscriptions	-	7,500	7,500	-
48300	Consultants	60,000	25,000	(35,000)	-58.33%
48540	Website	8,800	9,000	200	2.27%
51100	Travel and Training	14,000	8,000	(6,000)	-42.86%
51300	Special Expenses	9,200	8,000	(1,200)	-13.04%
51421	Academy Programs	15,400	12,500	(2,900)	-18.83%
51422	Outreach Education Programs	14,500	12,000	(2,500)	-17.24%
51422-YTH	Outreach Education Programs-Yth	15,000	10,000	(5,000)	-33.33%
Sub-Total for Operating Expenditures		\$ 420,900	\$ 314,500	\$ (106,400)	-25.28%
TOTAL COMMUNICATIONS					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	420,900	314,500	(106,400)	-25.28%
	Capital Expenditures	27,000	-	(27,000)	-100.00%
Total for All Categories of Expenses		\$ 447,900	\$ 314,500	\$ (133,400)	-29.78%

GENERAL FUND

General Government
Human Resources - 11200
Fiscal Year 2026

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.

Human Resources 11200

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	479,833	566,124	86,291	17.98%
41100	Salaries- Part Time	80,000	120,750	40,750	50.94%
41200	Salaries - Overtime	5,500	5,775	275	5.00%
41300	Longevity Pay	5,700	4,600	(1,100)	-19.30%
42000	FICA	35,534	56,169	20,635	58.07%
42200	State Retirement	58,249	98,569	40,320	69.22%
42210	401k	12,814	27,033	14,219	110.96%
42300	Medical Insurance	72,000	81,000	9,000	12.50%
42400	Life Insurance	687	1,229	542	78.89%
42500	Dental Insurance	2,088	4,176	2,088	100.00%
42800	Tuition Reimbursement	8,000	4,000	(4,000)	-50.00%
Sub-Total for Personnel Expenditures		\$ 760,405	\$ 969,425	\$ 209,020	27.49%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	500	1,000	500	100.00%
43200	Advertising	10,000	15,000	5,000	50.00%
43710	Medical Expenses	245,000	14,500	(230,500)	-94.08%
43710-STD	Medical Expenses	-	83,500	83,500	-
43710-VIS	Medical Expenses	-	32,000	32,000	-
44200	Repair & Maintenance: Vehicles	3,000	2,500	(500)	-16.67%
45250	Telephone	3,000	4,000	1,000	33.33%
45610	Motor Fuel	1,500	2,000	500	33.33%
46100	Office Supplies	5,500	10,000	4,500	81.82%
46200	Small Tools and Equipment	2,500	1,000	(1,500)	-60.00%
46300	Dues and Subscriptions	4,000	4,500	500	12.50%
48000	Contracted Services	350,000	110,000	(240,000)	-68.57%
51100	Travel and Training	25,500	30,000	4,500	17.65%
51800	Meetings	-	2,500	2,500	-
51110	Departmental Training	1,500	-	(1,500)	-100.00%
51421	Academy Programs	50,000	35,000	(15,000)	100.00%
51425	Employee Initiatives	60,000	60,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 762,000	\$ 407,500	\$ (354,500)	-46.52%
TOTAL HUMAN RESOURCES					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	760,405	969,425	209,020	27.49%
	Operating Expenditures	762,000	407,500	(354,500)	-46.52%
Total for All Categories of Expenses		\$ 1,522,405	\$ 1,376,925	\$ (145,480)	-9.56%

GENERAL FUND

General Government
Legal Services - 11300
Fiscal Year 2026

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.

Legal Services 11300

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	303,901	557,168	253,267	83.34%
41300	Longevity Policy	5,100	5,100	-	0.00%
41600	Vehicle Allowance	7,200	15,120	7,920	110.00%
42000	FICA	18,500	35,285	16,785	90.73%
42210	401k	9,271	21,813	12,542	135.28%
42200	State Retirement	42,149	50,106	7,957	18.88%
42300	Medical Insurance	36,000	40,500	4,500	12.50%
42400	Life Insurance	2,108	3,162	1,054	50.00%
42500	Dental Insurance	696	1,392	696	100.00%
42600	Disability Insurance	2,900	3,900	1,000	34.48%
Sub-Total for Personnel Expenditures		\$ 427,825	\$ 733,546	\$ 305,721	71.46%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43300	Postage	500	1,000	500	100.00%
45250	Telephone	1,900	1,000	(900)	-47.37%
46100	Office Supplies	4,500	2,000	(2,500)	-55.56%
46200	Small Tools and Equipment	2,500	1,000	(1,500)	-60.00%
46300	Dues and Subscriptions	5,000	4,000	(1,000)	-20.00%
48000	Contracted Services	171,000	135,000	(36,000)	-21.05%
51100	Travel and Training	15,000	10,000	(5,000)	-33.33%
51800	Meetings	300	-	(300)	-100.00%
Sub-Total for Operating Expenditures		\$ 200,700	\$ 154,000	\$ (46,700)	-23.27%
TOTAL CITY ATTORNEY					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	427,825	733,546	305,721	71.46%
	Operating Expenditures	200,700	154,000	(46,700)	-23.27%
Total for All Categories of Expenses		\$ 628,525	\$ 887,546	\$ 259,021	41.21%

GENERAL FUND

General Government

Finance - 11400

Fiscal Year 2026

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.

Finance 11400

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	686,704	762,365	75,661	11.02%
41100	Salaries - Part Time	60,000	44,100	(15,900)	-26.50%
41200	Salaries - Overtime	6,500	6,825	325	5.00%
41300	Longevity Pay	4,300	4,300	-	0.00%
42000	FICA	56,816	58,043	1,227	2.16%
42210	401k	12,474	34,427	21,953	175.99%
42200	State Retirement	97,694	110,051	12,357	12.65%
42300	Medical Insurance	96,000	108,000	12,000	12.50%
42400	Life Insurance	1,032	1,758	726	70.35%
42500	Dental Insurance	2,784	5,568	2,784	100.00%
Sub-Total for Personnel Expenditures		\$ 1,024,304	\$ 1,135,437	\$ 111,133	10.85%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
46100	Office Supplies	6,000	4,000	(2,000)	-33.33%
46200	Small Tools and Equipment	2,500	-	(2,500)	-100.00%
46300	Dues and Subscriptions	3,000	2,000	(1,000)	-33.33%
48000	Contracted Services	85,000	113,500	28,500	33.53%
48410	Tax Collection	300,000	318,000	18,000	6.00%
48420	Audit	56,000	66,000	10,000	17.86%
51100	Travel and Training	30,000	10,000	(20,000)	-66.67%
51800	Meetings	1,500	5,000	3,500	233.33%
Sub-Total for Operating Expenditures		\$ 484,000	\$ 518,500	\$ 34,500	7.13%
TOTAL FINANCE					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	1,024,304	1,135,437	111,133	10.85%
	Operating Expenditures	484,000	518,500	34,500	7.13%
Total for All Categories of Expenses		\$ 1,508,304	\$ 1,653,937	\$ 145,633	9.66%

GENERAL FUND

General Government
Information Technology - 11500
Fiscal Year 2026

The Information Technology Department mission is 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.

Information Technology 11500

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	553,780	643,647	89,867	16.23%
41200	Salaries - Overtime	-	-	-	-
41300	Longevity Pay	9,200	9,200	-	0.00%
41600	Vehicle Allowance	6,000	6,300	300	5.00%
42000	FICA	43,115	49,189	6,074	14.09%
42210	401k	12,440	29,108	16,668	133.99%
42200	State Retirement	74,290	92,365	18,075	24.33%
42300	Medical Insurance	72,000	81,000	9,000	12.50%
42400	Life Insurance	868	1,434	566	65.21%
42500	Dental Insurance	2,088	4,176	2,088	100.00%
Sub-Total for Personnel Expenditures		\$ 773,781	\$ 916,419	\$ 142,638	18.43%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
45250	Telephone	5,000	26,800	21,800	436.00%
46100	Office Supplies	500	1,000	500	100.00%
46200	Small Equipment and Tools	632,200	200,000	(432,200)	-68.36%
46300	Dues and Subscriptions	3,000	-	(3,000)	-100.00%
47100	Uniforms	-	2,000	2,000	-
48000	Contracted Services	17,000	20,000	3,000	17.65%
48300	Consultants	23,000	-	(23,000)	-100.00%
48530	Annual Maintenance	2,728,336	2,650,000	(78,336)	-2.87%
4853-DECK	Annual Maintenance - DECK	20,000	-	(20,000)	-100.00%
51100	Travel and Training	10,000	10,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 3,439,036	\$ 2,909,800	\$ (529,236)	-15.39%
TOTAL INFORMATION TECHNOLOGY					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	773,781	916,419	142,638	18.43%
	Operating Expenditures	3,439,036	2,909,800	(529,236)	-15.39%
Total for All Categories of Expenses		\$ 4,212,817	\$ 3,826,219	\$ (386,598)	-9.18%

GENERAL FUND

General Government
General Services - 11600
Fiscal Year 2026

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

General Services 11600

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	575,341	689,689	114,348	19.87%
41200	Salaries - Overtime	40,000	73,500	33,500	83.75%
41300	Longevity Policy	10,400	10,400	-	0.00%
41600	Vehicle Allowance	6,000	6,300	300	5.00%
42000	FICA	52,803	53,419	616	1.17%
42200	State Retirement	87,872	100,324	12,452	14.17%
42210	401k	8,676	27,531	18,855	217.32%
42300	Medical Insurance	156,000	162,000	6,000	3.85%
42400	Life Insurance	866	1,752	886	102.31%
42500	Dental Insurance	4,524	9,048	4,524	100.00%
Sub-Total for Personnel Expenditures		\$ 942,482	\$ 1,133,963	\$ 191,481	20.32%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43300	Postage	13,000	10,000	(3,000)	-23.08%
43800	Credit Card Fees	2,500	5,000	2,500	100.00%
43810	Transaction Fees	8,500	17,000	8,500	100.00%
44100	Repair & Maintenance: Office Equip	500	1,000	500	100.00%
44200	Repair & Maintenance: Vehicles	12,000	8,000	(4,000)	-33.33%
44300	Repair & Maintenance: Buildings & Grounds	394,500	334,500	(60,000)	-15.21%
44300-FS2	Repair & Maintenance: Buildings & Grounds - FS2	-	-	-	-
44300-FS3	Repair & Maintenance: Buildings & Grounds - FS3	-	-	-	-
44300-DECK	Repair & Maintenance: Buildings & Grounds- DECK	53,500	22,000	(31,500)	-58.88%
44400	Repair & Maintenance: Equipment	20,000	10,000	(10,000)	-50.00%
44500	Repair & Maintenance: Railroad Depot	59,000	35,000	(24,000)	-40.68%
45220	Electricity	100,000	100,000	-	0.00%
45230	Water & Sewer	373,750	404,000	30,250	8.09%
45240	Gas Utilities	9,240	8,000	(1,240)	-13.42%
45250	Telephone	180,000	195,500	15,500	8.61%
45410	Equipment Rental	198,000	207,000	9,000	4.55%
45430	Real Property Rental	3,600	-	(3,600)	-100.00%
45610	Motor Fuel	6,825	6,000	(825)	-12.09%
46100	Office Supplies	24,000	25,000	1,000	4.17%
46200	Small Equipment and Tools	10,000	4,000	(6,000)	-60.00%
46300	Dues and Subscriptions	3,000	3,000	-	0.00%
46820	Cleaning Supplies	50,000	50,000	-	0.00%
47100	Uniforms	8,000	6,500	(1,500)	-18.75%
48000	Contracted Services	300,000	290,000	(10,000)	-3.33%
51100	Travel and Training	10,000	5,000	(5,000)	-50.00%
51300	Special Expenses	2,000	2,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 1,841,915	\$ 1,748,500	\$ (93,415)	-5.07%
TOTAL GENERAL SERVICES					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	942,482	1,133,963	191,481	20.32%
	Operating Expenditures	1,841,915	1,748,500	(93,415)	-5.07%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		\$ 2,784,397	\$ 2,882,463	\$ 98,066	3.52%

GENERAL FUND

PUBLIC SAFETY
Police Administration - 12010
Fiscal Year 2026

The Police Department exists to serve all people within our jurisdiction with respect, fairness, and dignity. They 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.

Police - Administration 12010

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	748,845	919,187	170,342	22.75%
41200	Salaries - Overtime	-	7,350	7,350	-
41300	Longevity Pay	24,500	25,600	1,100	4.49%
42000	FICA	25,167	33,271	8,104	32.20%
42200	State Retirement	111,280	185,655	74,375	66.84%
42210	401K	47,997	77,217	29,220	60.88%
42300	Medical Insurance	96,000	108,000	12,000	12.50%
42400	Life Insurance	1,118	2,072	954	85.33%
42500	Dental Insurance	2,784	5,568	2,784	100.00%
Sub-Total for Personnel Expenditures		\$ 1,057,691	\$ 1,363,920	\$ 306,229	28.95%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	2,420	3,000	580	23.97%
43300	Postage	5,500	6,000	500	9.09%
43415	Recruitment Initiatives	-	-	-	-
43710	Medical Expense	-	-	-	-
44100	Repair & Maintenance: Office Equipment	600	1,000	400	66.67%
44200	Repair & Maintenance: Vehicles	7,370	5,000	(2,370)	-32.16%
44400	Repair & Maintenance: Equipment	1,700	1,000	(700)	-41.18%
45250	Telephone	7,750	7,800	50	0.65%
45410	Equipment Rental	4,000	2,000	(2,000)	-50.00%
45610	Motor Fuel	9,700	5,000	(4,700)	-48.45%
46100	Office Supplies	9,000	9,000	-	0.00%
46200	Small Tools and Equipment	-	-	-	-
46300	Dues and Subscriptions	3,500	3,800	300	8.57%
46400	Public Safety Supplies	42,300	30,000	(12,300)	-29.08%
46400-ICAC	Public Safety Supplies - ICAC	-	-	-	-
47100	Uniforms	5,850	6,000	150	2.56%
48000	Contracted Services	34,780	35,000	220	0.63%
48000-NCACP	Contracted Services- Wellness Initiative	-	-	-	-
48300	Consultants	15,165	16,000	835	5.51%
51100	Travel and Training	20,500	22,000	1,500	7.32%
51100-ICAC	Travel and Training - ICAC	-	-	-	-
51800	Meetings	8,500	8,500	-	0.00%
Sub-Total for Operating Expenditures		\$ 178,635	\$ 161,100	\$ (17,535)	-9.82%
TOTAL POLICE ADMINISTRATION					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	1,057,691	1,363,920	306,229	28.95%
	Operating Expenditures	178,635	161,100	(17,535)	-9.82%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		\$ 1,236,326	\$ 1,525,020	\$ 288,694	23.35%

GENERAL FUND

Public Safety
Police Support Services - 12030
Fiscal Year 2026

The Police Department exists to serve all people within our jurisdiction with respect, fairness, and dignity. They 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.

Police - Support Services 12030

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	2,348,984	2,798,905	449,921	19.15%
41200	Salaries - Overtime	265,000	346,500	81,500	30.75%
41300	Longevity Pay	51,800	50,200	(1,600)	-3.09%
41700	Clothing Allowance	18,250	22,313	4,063	22.26%
42000	FICA	112,522	159,519	46,997	41.77%
42200	State Retirement	302,594	445,853	143,259	47.34%
42210	401K	97,792	179,526	81,734	83.58%
42300	Medical Insurance	468,960	540,000	71,040	15.15%
42400	Life Insurance	3,586	5,585	1,999	55.74%
42500	Dental Insurance	12,877	25,754	12,877	100.00%
Sub-Total for Personnel Expenditures		\$ 3,682,365	\$ 4,574,155	\$ 891,790	24.22%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	660	1,000	340	51.52%
44200	Repair & Maintenance: Vehicles	23,100	21,000	(2,100)	-9.09%
44400	Repair & Maintenance: Equipment	3,000	3,000	-	0.00%
45250	Telephone	21,600	24,000	2,400	11.11%
45410	Equipment Rental	4,000	-	(4,000)	-100.00%
45610	Motor Fuel	19,150	15,000	(4,150)	-21.67%
46100	Office Supplies	11,500	11,500	-	0.00%
46200	Small Equipment and Tools	10,400	10,000	(400)	-3.85%
46300	Dues and Subscriptions	1,300	1,400	100	7.69%
46400	Public Safety Supplies	42,000	21,000	(21,000)	-50.00%
47100	Uniforms	15,738	16,000	262	1.66%
48000	Contracted Services	260,610	250,000	(10,610)	-4.07%
48860	Pre-Construction Costs	-	-	-	-
51100	Travel and Training	20,000	22,000	2,000	10.00%
51300	Special Expenses	32,000	25,000	(7,000)	-21.88%
51800	Meetings	2,000	2,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 467,058	\$ 422,900	\$ (44,158)	-9.45%
TOTAL POLICE SUPPORT SERVICES					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	3,682,365	4,574,155	891,790	24.22%
	Operating Expenditures	467,058	422,900	(44,158)	-9.45%
Total for All Categories of Expenses		\$ 4,149,423	\$ 4,997,055	\$ 847,632	20.43%

GENERAL FUND

Public Safety
Police Field Services - 12035
Fiscal Year 2026

The Police Department exists to serve all people within our jurisdiction with respect, fairness, and dignity. They 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.

Police - Field Operations 12035

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	3,807,480	4,592,259	784,779	20.61%
41200	Salaries - Overtime	425,000	840,000	415,000	97.65%
41300	Longevity Pay	51,100	57,300	6,200	12.13%
42000	FICA	58,363	178,553	120,190	205.94%
42200	State Retirement	564,577	934,388	369,811	65.50%
42210	401K	241,737	408,492	166,755	68.98%
42300	Medical Insurance	780,000	877,500	97,500	12.50%
42400	Life Insurance	6,832	11,441	4,609	67.46%
42500	Dental Insurance	23,315	46,630	23,315	100.00%
Sub-Total for Personnel Expenditures		\$ 5,958,404	\$ 7,946,563	\$ 1,988,159	33.37%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	1,650	1,000	(650)	-39.39%
44200	Repair & Maintenance: Vehicles	187,000	200,000	13,000	6.95%
44400	Repair & Maintenance: Equipment	3,850	4,000	150	3.90%
45250	Telephone	52,000	45,000	(7,000)	-13.46%
45410	Equipment Rental	8,000	-	(8,000)	-100.00%
45610	Motor Fuel	245,700	246,000	300	0.12%
46100	Office Supplies	13,000	13,000	-	0.00%
46200	Small Equipment and Tools	6,600	6,000	(600)	-9.09%
46300	Dues and Subscriptions	4,500	4,000	(500)	-11.11%
46400	Public Safety Supplies	138,033	125,000	(13,033)	-9.44%
46500	Axon Lease	333,403	355,000	21,597	6.48%
47100	Uniforms	107,700	86,000	(21,700)	-20.15%
51100	Travel and Training	46,400	23,000	(23,400)	-50.43%
51800	Meetings	1,500	2,000	500	33.33%
Sub-Total for Operating Expenditures		\$ 1,149,336	\$ 1,110,000	\$ (39,336)	-3.42%
TOTAL POLICE FIELD OPERATIONS					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	5,958,404	7,946,563	1,988,159	33.37%
	Operating Expenditures	1,149,336	1,110,000	(39,336)	-3.42%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		\$ 7,107,740	\$ 9,056,563	\$ 1,948,823	27.42%

GENERAL FUND

Public Safety
Police Special Operations - 12070
Fiscal Year 2026

The Police Department exists to serve all people within our jurisdiction with respect, fairness, and dignity. They 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.

Police - Support Services 12070

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	683,544	747,611	64,067	9.37%
41100	Salaries- Part Time	46,000	68,250	22,250	48.37%
41200	Salaries - Overtime	38,500	48,300	9,800	25.45%
41300	Longevity Pay	11,100	12,500	1,400	12.61%
42000	FICA	12,660	48,452	35,792	282.72%
42200	State Retirement	87,960	177,086	89,126	101.33%
42210	401K	40,726	64,820	24,094	59.16%
42300	Medical Insurance	144,000	162,000	18,000	12.50%
42400	Life Insurance	718	1,805	1,087	151.39%
42500	Dental Insurance	3,480	6,960	3,480	100.00%
Sub-Total for Personnel Expenditures		\$ 1,068,688	\$ 1,337,784	\$ 269,096	25.18%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	440	1,000	560	127.27%
43415	Recruitment Initiatives	30,000	15,000	(15,000)	-50.00%
44200	Repair & Maintenance: Vehicles	9,900	11,000	1,100	11.11%
44400	Repair & Maintenance: Equipment	1,000	1,000	-	0.00%
45250	Telephone	9,100	9,000	(100)	-1.10%
45410	Equipment Rental	1,000	1,000	-	0.00%
45610	Motor Fuel	21,800	20,000	(1,800)	-8.26%
46100	Office Supplies	2,500	2,000	(500)	-20.00%
46200	Small Equipment and Tools	300	1,000	700	233.33%
46300	Dues and Subscriptions	500	1,000	500	100.00%
46400	Public Safety Supplies	35,000	34,000	(1,000)	-2.86%
47100	Uniforms	11,325	11,500	175	1.55%
51100	Travel and Training	12,000	20,000	8,000	66.67%
51800	Meetings	1,000	1,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 135,865	\$ 128,500	\$ (7,365)	-5.42%
TOTAL POLICE SUPPORT SERVICES					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	1,068,688	1,337,784	269,096	25.18%
	Operating Expenditures	135,865	128,500	(7,365)	-5.42%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		\$ 1,204,553	\$ 1,466,284	\$ 261,731	21.73%

GENERAL FUND

Public Safety
Fire Administration - 12510
Fiscal Year 2026

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

Fire - Administration 12510

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	513,817	594,031	80,214	15.61%
41200	Salaries - Overtime	22,000	27,300	5,300	24.09%
41300	Longevity Pay	12,700	13,500	800	6.30%
42000	FICA	39,950	46,056	6,106	15.28%
42200	State Retirement	71,560	87,159	15,599	21.80%
42210	401k	13,216	30,375	17,159	129.84%
42300	Medical Insurance	72,000	81,000	9,000	12.50%
42400	Life Insurance	855	1,371	516	60.35%
42500	Dental Insurance	2,088	4,176	2,088	100.00%
Sub-Total for Personnel Expenditures		\$ 748,186	\$ 884,968	\$ 136,782	18.28%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	2,750	2,000	(750)	-27.27%
43300	Postage	1,650	1,500	(150)	-9.09%
43710	Repair & Maintenance: Office Equipment	-	1,000	1,000	-
43710	Repair & Maintenance: Office Equipment	400	-	(400)	-100.00%
44200	Repair & Maintenance: Vehicles	3,000	5,000	2,000	66.67%
44400	Repair & Maintenance: Equipment	11,000	10,000	(1,000)	-9.09%
45220	Electricity	76,560	75,000	(1,560)	-2.04%
45230	Water & Sewer	30,000	35,000	5,000	16.67%
45240	Gas Utilities	18,810	19,000	190	1.01%
45250	Telephone	75,000	73,000	(2,000)	-2.67%
45410	Equipment Rental	1,000	2,000	1,000	100.00%
45610	Motor Fuel	4,830	5,000	170	3.52%
46100	Office Supplies	8,250	8,000	(250)	-3.03%
46200	Small Equipment and Tools	13,200	7,000	(6,200)	-46.97%
46300	Dues and Subscriptions	38,000	20,000	(18,000)	-47.37%
46400	Public Safety Supplies	2,800	3,000	200	7.14%
47100	Uniforms	4,200	4,000	(200)	-4.76%
48000	Contracted Services	600,000	400,000	(200,000)	-33.33%
51100	Travel and Training	8,000	6,000	(2,000)	-25.00%
51800	Meetings	5,500	10,000	4,500	81.82%
Sub-Total for Operating Expenditures		\$ 904,950	\$ 686,500	\$ (218,450)	-24.14%
TOTAL FIRE ADMINISTRATION					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	748,186	884,968	136,782	18.28%
	Operating Expenditures	904,950	686,500	(218,450)	-24.14%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		\$ 1,653,136	\$ 1,571,468	\$ (81,668)	-4.94%

GENERAL FUND

Public Safety
Fire Emergency Services - 12540
Fiscal Year 2026

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

Fire - Emergency Services 12540

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	5,373,177	7,187,628	1,814,451	33.77%
41100	Salaries - Part Time	240,000	255,836	15,836	6.60%
41200	Salaries - Overtime	720,000	824,250	104,250	14.48%
41300	Longevity Pay	127,100	129,200	2,100	1.65%
42000	FICA	402,641	592,466	189,825	47.14%
42200	State Retirement	723,643	985,887	262,244	36.24%
42210	401k	127,652	292,100	164,448	128.83%
42300	Medical Insurance	1,056,000	1,188,000	132,000	12.50%
42400	Life Insurance	-	14,307	14,307	-
42500	Dental Insurance	29,580	59,160	29,580	100.00%
Sub-Total for Personnel Expenditures		\$ 8,799,793	\$ 11,528,834	\$ 2,729,041	31.01%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	315,000	400,000	85,000	26.98%
44400	Repair & Maintenance: Equipment	23,000	27,500	4,500	19.57%
45250	Telephone	30,816	33,000	2,184	7.09%
45610	Motor Fuel	99,360	110,000	10,640	10.71%
46100	Office Supplies	800	1,000	200	25.00%
46200	Small Equipment and Tools	32,000	40,000	8,000	25.00%
46400	Public Safety Supplies	447,000	365,000	(82,000)	-18.34%
46820	Cleaning Supplies	12,000	16,000	4,000	33.33%
47100	Uniforms	50,000	50,000	-	0.00%
48000	Contracted Services	-	-	-	-
51300	Special Expenses	4,000	4,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 1,013,976	\$ 1,046,500	\$ 32,524	3.21%
TOTAL FIRE EMERGENCY SERVICES					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	8,799,793	11,528,834	2,729,041	31.01%
	Operating Expenditures	1,013,976	1,046,500	32,524	3.21%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		\$ 9,813,769	\$ 12,575,334	\$ 2,761,565	28.14%

GENERAL FUND

Public Safety
Fire Technical Services - 12545
Fiscal Year 2026

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

Fire - Technical Services 12545

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	469,103	531,624	62,521	13.33%
41200	Salaries - Overtime	28,000	42,000	14,000	50.00%
41300	Longevity Pay	13,500	11,900	(1,600)	-11.85%
42000	FICA	35,853	46,390	10,537	29.39%
42200	State Retirement	63,900	88,260	24,360	38.12%
42210	401k	12,956	25,274	12,318	95.08%
42300	Medical Insurance	72,000	81,000	9,000	12.50%
42400	Life Insurance	708	1,281	573	80.93%
42500	Dental Insurance	2,088	4,176	2,088	100.00%
Sub-Total for Personnel Expenditures		\$ 698,108	\$ 831,905	\$ 133,797	19.17%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	5,500	7,500	2,000	36.36%
44400	Repair & Maintenance: Equipment	-	-	-	-
45250	Telephone	10,914	8,000	(2,914)	-26.70%
45610	Motor Fuel	13,110	13,000	(110)	-0.84%
46100	Office Supplies	5,000	4,000	(1,000)	-20.00%
46300	Dues and Subscriptions	2,400	3,000	600	25.00%
46400	Public Safety Supplies	19,300	14,500	(4,800)	-24.87%
47100	Uniforms	7,000	5,000	(2,000)	-28.57%
51100	Travel and Training	29,500	29,500	-	0.00%
51800	Meetings	3,000	3,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 95,724	\$ 87,500	\$ (8,224)	-8.59%
TOTAL FIRE TECHNICAL SERVICES					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	698,108	831,905	133,797	19.17%
	Operating Expenditures	95,724	87,500	(8,224)	-8.59%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		\$ 793,832	\$ 919,405	\$ 125,573	15.82%

GENERAL FUND

Public Works

Engineering - 13000

Fiscal Year 2026

Ensures 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, and coordinating projects; 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.

Public Works - Engineering 13000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	720,620	820,440	99,820	13.85%
41100	Salaries - Part Time	-	42,000	42,000	-
41200	Overtime Pay	-	5,250	5,250	-
41300	Longevity Pay	3,300	2,200	(1,100)	-33.33%
41600	Vehicle Allowance	6,000	6,300	300	5.00%
42000	FICA	57,636	75,220	17,584	30.51%
42200	State Retirement	96,584	141,354	44,770	46.35%
42210	401k	12,290	37,510	25,220	205.21%
42300	Medical Insurance	108,000	121,500	13,500	12.50%
42400	Life Insurance	1,225	1,796	571	46.61%
42500	Dental Insurance	3,132	6,264	3,132	100.00%
Sub-Total for Personnel Expenditures		\$ 1,008,787	\$ 1,259,834	\$ 251,047	24.89%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43200	Advertising	2,000	1,000	(1,000)	-50.00%
43300	Postage	1,000	1,000	-	0.00%
44200	Repair & Maintenance: Vehicles	5,000	6,000	1,000	20.00%
44400	Repair & Maintenance: Equipment	500	1,000	500	100.00%
45250	Telephone	13,200	13,000	(200)	-1.52%
45610	Motor Fuel	5,000	8,000	3,000	60.00%
46100	Office Supplies	7,500	7,500	-	0.00%
46300	Dues and Subscriptions	12,000	10,000	(2,000)	-16.67%
47100	Uniforms	3,000	4,000	1,000	33.33%
48800	Contract - Engineering	200,000	200,000	-	0.00%
48300	Consultants	260,000	-	(260,000)	-100.00%
51100	Travel and Training	9,000	13,000	4,000	44.44%
51800	Meetings	2,000	3,000	1,000	50.00%
Sub-Total for Operating Expenditures		\$ 520,200	\$ 267,500	\$ (252,700)	-48.58%
TOTAL PUBLIC WORKS ENGINEERING					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	1,008,787	1,259,834	251,047	24.89%
	Operating Expenditures	520,200	267,500	(252,700)	-48.58%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		\$ 1,528,987	\$ 1,527,334	\$ (1,653)	-0.11%

GENERAL FUND

Public Works
Street Lighting - 13100
Fiscal Year 2026

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.

Public Works - Street Lighting 13100

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
45220	Electricity	600,000	750,000	150,000	25.00%
48000	Contracted Services	60,000	60,000	-	0.00%
48650	Contract - New Lights	53,900	60,000	6,100	0.00%
Sub-Total for Operating Expenditures		\$ 713,900	\$ 870,000	\$ 156,100	21.87%
TOTAL PUBLIC WORKS STREET LIGHTING					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	713,900	870,000	156,100	21.87%
Total for All Categories of Expenses		\$ 713,900	\$ 870,000	\$ 156,100	21.87%

GENERAL FUND

Public Works
Operations Center - 13200
Fiscal Year 2026

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

Public Works - Operations Center 13200

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
44100	Repair & Maintenance: Office Equipment	500	500	-	0.00%
45220	Electricity	66,000	60,000	(6,000)	-9.09%
45230	Water & Sewer	35,000	30,000	(5,000)	-14.29%
45240	Gas Utilities	12,000	12,000	-	0.00%
45250	Telephone	45,360	30,000	(15,360)	-33.86%
45410	Equipment Rental	10,000	5,000	(5,000)	-50.00%
45610	Motor Fuel	600	500	(100)	-16.67%
46100	Office Supplies	5,000	5,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 174,460	\$ 143,000	\$ (31,460)	-18.03%
TOTAL PUBLIC WORKS OPERATIONS CENTER					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	174,460	143,000	(31,460)	-18.03%
Total for All Categories of Expenses		\$ 174,460	\$ 143,000	\$ (31,460)	-18.03%

GENERAL FUND

Public Works
Signs and Markings - 13300
Fiscal Year 2026

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.

Public Works - Signs and Markings 13300

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	171,331	183,233	11,902	6.95%
41200	Salaries - Overtime	8,000	8,400	400	5.00%
41300	Longevity Pay	5,400	3,500	(1,900)	-35.19%
42000	FICA	13,328	14,126	798	5.99%
42200	State Retirement	24,107	26,822	2,715	11.26%
42210	401k	3,321	9,348	6,027	181.48%
42300	Medical Insurance	36,000	40,500	4,500	12.50%
42400	Life Insurance	289	461	172	59.52%
42500	Dental Insurance	1,044	2,088	1,044	100.00%
Sub-Total for Personnel Expenditures		\$ 262,820	\$ 288,478	\$ 25,658	9.76%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	10,000	10,000	-	0.00%
44400	Repair & Maintenance: Equipment	1,000	1,000	-	0.00%
45250	Telephone	6,900	7,000	100	1.45%
45610	Motor Fuel	8,800	11,000	2,200	25.00%
46100	Office Supplies	3,500	5,000	1,500	42.86%
46200	Small Equipment and Tools	5,000	4,000	(1,000)	-20.00%
46810	Sign Supplies	125,000	100,000	(25,000)	-20.00%
47100	Uniforms	3,500	3,500	-	0.00%
48000	Contracted Services	105,000	90,000	(15,000)	-14.29%
51100	Travel and Training	18,000	15,000	(3,000)	-16.67%
Sub-Total for Operating Expenditures		\$ 286,700	\$ 246,500	\$ (40,200)	-14.02%
TOTAL PUBLIC WORKS SIGNS AND MARKINGS					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	262,820	288,478	25,658	9.76%
	Operating Expenditures	286,700	246,500	(40,200)	-14.02%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		\$ 549,520	\$ 534,978	\$ (14,542)	-2.65%

GENERAL FUND

Public Works Street
Maintenance/Powell Bill - 13400
Fiscal Year 2026

The Street Maintenance Division's mission is to serve 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". "Powell Bill" is in reference to annual State funding for local street maintenance.

Public Works - Street Maintenance Powell Bill 13400

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
44900	Repair & Maintenance: Streets	300,000	250,000	(50,000)	-16.67%
45220	Electricity	6,000	5,000	(1,000)	-16.67%
45410	Equipment Rental	-	-	-	-
46200	Small Equipment and Tools	-	-	-	-
48000	Contracted Services	400,000	976,000	576,000	144.00%
48300	Consultants	-	-	-	-
48850	Contract - Resurfacing	1,088,902	760,000	(328,902)	0.00%
Sub-Total for Operating Expenditures		\$ 1,794,902	\$ 1,991,000	\$ 196,098	10.93%
TOTAL POWELL BILL					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	1,794,902	1,991,000	196,098	10.93%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		\$ 1,794,902	\$ 1,991,000	\$ 196,098	10.93%

GENERAL FUND

Public Works

Street Maintenance/Powell Bill - 13500

Fiscal Year 2026

the Street Maintenance Division's mission is to 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". "Powell Bill" is in reference to annual State funding for local street maintenance.

Public Works - Street Maintenance 13500

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	720,073	820,761	100,688	13.98%
41200	Salaries - Overtime	24,000	19,950	(4,050)	-16.88%
41300	Longevity Pay	16,000	17,600	1,600	10.00%
42000	FICA	54,879	63,165	8,286	15.10%
42200	State Retirement	91,153	120,034	28,881	31.68%
42210	401k	8,411	34,859	26,448	314.45%
42300	Medical Insurance	168,000	189,000	21,000	12.50%
42400	Life Insurance	1,097	2,109	1,012	92.25%
42500	Dental Insurance	4,872	9,744	4,872	100.00%
Sub-Total for Personnel Expenditures		\$ 1,088,485	\$ 1,277,222	\$ 188,737	17.34%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	55,000	55,000	-	0.00%
44400	Repair & Maintenance: Equipment	50,000	50,000	-	0.00%
44900	Repair & Maintenance: Streets	50,000	50,000	-	0.00%
45410	Equipment Rental	10,000	5,000	(5,000)	-50.00%
45610	Motor Fuel	42,240	42,000	(240)	-0.57%
46200	Small Tools and Equipment	6,000	6,000	-	0.00%
47100	Uniforms	16,000	14,000	(2,000)	-12.50%
48000	Contracted Services	-	-	-	-
48000-MLK	Contracted Services	-	-	-	-
48000-ROGER	Contracted Services	-	-	-	-
Sub-Total for Operating Expenditures		\$ 229,240	\$ 222,000	\$ (7,240)	-3.16%
TOTAL PUBLIC WORKS STREET MAINTENANCE					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	1,088,485	1,277,222	188,737	17.34%
	Operating Expenditures	229,240	222,000	(7,240)	-3.16%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		\$ 1,317,725	\$ 1,499,222	\$ 181,497	13.77%

GENERAL FUND

Planning

Planning - 14000

Fiscal Year 2026

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.

Planning 14000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	824,136	925,389	101,253	12.29%
41100	Salaries - Part Time	5,000	5,250	250	5.00%
41200	Salaries - Overtime	7,500	7,875	375	5.00%
41300	Longevity Policy	3,300	3,800	500	15.15%
41400	Board Member Fees	10,000	7,350	(2,650)	-26.50%
41600	Vehicle Allowance	6,000	6,300	300	5.00%
42000	FICA	60,802	80,878	20,076	33.02%
42200	State Retirement	112,868	157,536	44,668	39.58%
42210	401k	11,856	41,235	29,379	247.80%
42300	Medical Insurance	132,000	148,500	16,500	12.50%
42400	Life Insurance	1,325	2,057	732	55.25%
42500	Dental Insurance	3,828	7,656	3,828	100.00%
Sub-Total for Personnel Expenditures		\$ 1,178,615	\$ 1,393,826	\$ 215,211	18.26%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	1,200	1,000	(200)	-16.67%
43200	Advertising	21,000	18,500	(2,500)	-11.90%
43300	Postage	300	1,000	700	233.33%
43610	Demolition Expenditures	75,000	60,000	(15,000)	-20.00%
44200	Repair & Maintenance: Vehicles	7,200	5,000	(2,200)	-30.56%
45250	Telephone	8,000	12,000	4,000	50.00%
45610	Motor Fuel	1,800	1,800	-	0.00%
46100	Office Supplies	5,000	4,000	(1,000)	-20.00%
46200	Small Equipment and Tools	3,500	1,000	(2,500)	-71.43%
46300	Dues and Subscriptions	8,000	6,000	(2,000)	-25.00%
47100	Uniforms	2,500	3,000	500	20.00%
51100	Travel and Training	23,000	23,000	-	0.00%
51300	Special Expenses	2,000	2,000	-	0.00%
51800	Meetings	2,000	2,000	-	0.00%
Sub-Total for Operating Expenditures		\$ 160,500	\$ 140,300	\$ (20,200)	-12.59%
TOTAL PLANNING					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	1,178,615	1,393,826	215,211	18.26%
	Operating Expenditures	160,500	140,300	(20,200)	-12.59%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		\$ 1,339,115	\$ 1,534,126	\$ 195,011	14.56%

GENERAL FUND

Parks and Recreation

Parks - 15010

Fiscal Year 2026

The Parks and Recreation Department provides 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.

Parks and Recreation - Parks 15010

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	1,520,819	1,815,623	294,804	19.38%
41100-BCPK	Salaries - Part Time-Bakers Creek Park	137,000	131,250	(5,750)	-4.20%
41100-BUILD	Salaries - Part Time-Building Monitor	137,000	147,000	10,000	7.30%
41100-CONCE	Salaries- Part Time- Concessions	204,000	225,750	21,750	10.66%
41100-EVENT	Salaries - Part Time-Events	128,000	178,500	50,500	39.45%
411000-GEM	Salaries - Part Time-Gem	190,000	252,000	62,000	32.63%
41100-GROUN	Salaries - Part Time-Grounds Maintenance	196,000	210,000	14,000	7.14%
41100-SWANEE	Salaries - Part Time-Swanee	154,000	136,500	(17,500)	-11.36%
41100-VILPK	Salaries - Part Time-Village Park	255,000	318,150	63,150	24.76%
41200	Salaries - Overtime	16,000	21,000	5,000	31.25%
41300	Longevity Pay	27,400	30,800	3,400	12.41%
41600	Vehicle Allowance	1,950	2,048	98	5.03%
41600-GEM	Vehicle Allowance	-	-	-	-
42000	FICA	116,180	216,979	100,799	86.76%
42000-BCPK	FICA	10,906	21,320	10,414	95.49%
42000-BUILD	FICA	5,967	19,660	13,693	229.48%
42000-CONC	FICA	-	14,387	14,387	-
42000-EVENT	FICA	3,675	20,260	16,585	451.29%
42000-GEM	FICA	8,195	7,508	(687)	-8.38%
42000-GROUN	FICA	10,309	20,995	10,686	103.66%
42000-SWANE	FICA	-	17,101	17,101	-
42000-VILPK	FICA	25,695	77,632	51,937	202.13%
42200	State Retirement	185,490	223,596	38,106	20.54%
42200-BCPK	State Retirement	5,779	19,986	14,207	245.84%
42200-BUILD	State Retirement	-	-	-	-
42200-EVENT	State Retirement	-	3,009	3,009	-
42200-GEM	State Retirement	-	4,936	4,936	-
42200-GROUN	State Retirement	3,490	25,060	21,570	618.05%
42200-SAFPK	State Retirement	-	-	-	-
42200-SWANE	State Retirement	-	-	-	-
42200-VETPK	State Retirement	-	-	-	-
42200-VILPK	State Retirement	4,245	16,204	11,959	281.72%
42210	401k	30,331	77,635	47,304	155.96%
42210-BCPK	401k	-	901	901	-
42210-BUILD	401k	-	355	355	-
42210-EVENT	401k	-	410	410	-
42210-GEM	401k	-	764	764	-
42210-GROUN	401k	-	1,911	1,911	-
42210-SAFPK	401k	-	-	-	-
42210-SWANE	401k	-	300	300	-
42210-VILPK	401k	-	1,775	1,775	-
42300	Medical Insurance	336,000	378,000	42,000	12.50%
42400	Life Insurance	2,071	3,710	1,639	79.14%
42500	Dental Insurance	9,744	19,488	9,744	100.00%
Sub-Total for Personnel Expenditures		\$ 3,725,246	\$ 4,662,503	\$ 937,257	25.16%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	2,000	2,000	-	0.00%
43100-GEM	Printing-Gem	3,000	3,000	-	0.00%
43100-SWANEE	Printing-Swanee	2,000	1,500	(500)	-25.00%
43200	Advertising	2,000	2,000	-	0.00%
43200-GEM	Advertising-Gem	-	1,000	1,000	-
43300	Postage	300	500	200	66.67%
43300-GEM	Postage-Gem	250	1,000	750	300.00%
43300-SWANEE	Postage-Swanee	500	1,000	500	100.00%
43800	Credit Card Fees	52,000	56,000	4,000	7.69%

43800-GEM	Credit Card Fees-Gem	30,000	35,000	5,000	16.67%
43800-SWANEE	Credit Card Fees- Swanee	60,000	60,000	-	0.00%
44200	Repair & Maintenance: Vehicles	3,500	5,000	1,500	42.86%
44200-BCPK	Repair & Maintenance: Vehicles - Bakers Creek Park	7,500	8,000	500	6.67%
44200-GROUN	Repair & Maintenance: Vehicles - Grounds Maintenance	6,500	8,000	1,500	23.08%
44200-VILPK	Repair & Maintenance: Vehicles - Village Park	5,000	6,000	1,000	20.00%
44300	Repair & Maintenance: Buildings and Grounds	297,600	12,500	(285,100)	-95.80%
44300-BCPK	Repair & Maintenance: Buildings and Grounds-BC	30,000	33,000	3,000	10.00%
44300-DIXIE	Repair & Maintenance: Buildings and Grounds-Dixie	14,500	15,500	1,000	6.90%
44300-GEM	Repair & Maintenance: Buildings and Grounds-Gem	30,000	25,000	(5,000)	-16.67%
44300-GROUN	Repair & Maintenance: Buildings and Grounds-Grounds	95,000	90,000	(5,000)	-5.26%
44300-SWANEE	Repair & Maintenance: Buildings and Grounds-Swanee	10,000	16,000	6,000	60.00%
44300-SAFPK	Repair & Maintenance: Buildings and Grounds-SP	27,000	28,000	1,000	3.70%
44300-VILPK	Repair & Maintenance: Buildings and Grounds-VP	60,500	65,000	4,500	7.44%
44400	Repair & Maintenance: Equipment	-	-	-	-
44400-BCPK	Repair & Maintenance: Equipment-BC	5,000	6,500	1,500	30.00%
44400-GEM	Repair & Maintenance: Equipment-Gem	6,000	6,000	-	0.00%
44400-GROUN	Repair & Maintenance: Equipment-Grounds	6,500	8,000	1,500	23.08%
44400-SWANEE	Repair & Maintenance: Equipment-Swanee	5,000	5,000	-	0.00%
44400-VILPK	Repair & Maintenance: Equipment-VP	6,500	8,000	1,500	23.08%
45220	Electricity	170,000	150,000	(20,000)	-11.76%
45220-GEM	Electricity-Gem	20,000	40,000	20,000	100.00%
45220-SWANEE	Electricity-Swanee	13,000	40,000	27,000	207.69%
45230	Water & Sewer	99,000	325,000	226,000	228.28%
45230-GEM	Water & Sewer-Gem	15,000	-	(15,000)	-100.00%
45230-SWANEE	Water & Sewer-Swanee	4,000	-	(4,000)	-100.00%
45240	Gas Utilities	24,000	6,000	(18,000)	-75.00%
45240-GEM	Gas Utilities-Gem	-	-	-	-
45240-SWANEE	Gas Utilities-Swanee	10,000	8,000	(2,000)	-20.00%
45250	Telephone	43,900	59,200	15,300	34.85%
45250-GEM	Telephone-Gem	9,500	11,000	1,500	15.79%
45250-SWANEE	Telephone-Swanee	5,000	15,000	10,000	200.00%
45410	Equipment Rental	9,000	7,000	(2,000)	-22.22%
45450	Facility Expenses -Laundry	30,000	30,000	-	0.00%
45450-SWANEE	Facility Expenses-Swanee	21,000	16,000	(5,000)	-23.81%
45610	Motor Fuel	35,000	35,000	-	0.00%
46100	Office Supplies	9,800	10,000	200	2.04%
46100-GEM	Office Supplies-Gem	12,000	9,000	(3,000)	-25.00%
46100-SWANEE	Office Supplies-Swanee	5,000	3,500	(1,500)	-30.00%
46200	Small Equipment and Tools	1,900	1,900	-	0.00%
46200-BCPK	Small Equipment and Tools-BC	3,300	2,000	(1,300)	-39.39%
46200-GEM	Small Equipment and Tools-Gem	10,000	5,000	(5,000)	-50.00%
46200-GROUN	Small Equipment and Tools-Grounds	7,000	7,000	-	0.00%
46200-SWANEE	Small Equipment and Tools-Swanee	30,000	25,000	(5,000)	-16.67%
46200-VILPK	Small Equipment and Tools-VP	10,500	10,500	-	0.00%
46300	Dues and Subscriptions	4,500	5,300	800	17.78%
46300-GEM	Dues and Subscriptions-Gem	4,000	2,500	(1,500)	-37.50%
46300-SWANEE	Dues and Subscriptions-Swanee	1,000	1,000	-	0.00%
46620	Concession Supplies	105,000	140,000	35,000	33.33%
46620-GEM	Concession Supplies-GEM	95,000	120,000	25,000	26.32%
46620-SWANEE	Concession Supplies-Swanee	88,000	90,000	2,000	2.27%
46625-SWANEE	Rider Requirements- Swanee	25,000	20,000	(5,000)	-20.00%
46640	Cemetery Supplies	3,000	3,000	-	0.00%
46820	Cleaning Supplies	300	1,000	700	233.33%
46820-BCPK	Cleaning Supplies-BC	4,000	4,500	500	12.50%
46820-GEM	Cleaning Supplies-Gem	30,000	20,000	(10,000)	-33.33%
46820-GROUN	Cleaning Supplies-Grounds	7,300	7,000	(300)	-4.11%
46820-SWANEE	Cleaning Supplies-Swanee	10,000	7,500	(2,500)	-25.00%
46820-VILPK	Cleaning Supplies-VP	6,000	6,500	500	8.33%
47100	Uniforms	24,000	25,000	1,000	4.17%
47100-GEM	Uniforms-Gem	3,500	3,500	-	0.00%
47100-SWANEE	Uniforms- Swanee	3,500	3,500	-	0.00%
48000	Contracted Services	15,000	40,000	25,000	166.67%

48000-GEM	Contracted Services-Gem	200,000	200,000	-	0.00%
48000-SWANEE	Contracted Services-Swanee	15,000	19,000	4,000	26.67%
48220	Contract - Grounds Maintenance	917,700	627,600	(290,100)	-31.61%
48300-GEM	Consultants-Gem	40,000	20,000	(20,000)	-50.00%
48300-SWANEE	Consultants-Swanee	10,000	7,500	(2,500)	-25.00%
48455-SWANE	Convenience Expense	-	-	-	-
48840-SWANE	Talent and Entertainment-Swanee	690,000	550,000	(140,000)	-20.29%
48845-SWANE	Sound Technology-Swanee	69,000	69,000	-	0.00%
51100	Travel and Training	27,000	34,000	7,000	25.93%
51100-GEM	Travel and Training-Gem	1,000	1,300	300	30.00%
51100-SWANEE	Travel and Training-Swanee	2,000	2,000	-	0.00%
51800	Meetings	6,000	6,000	-	0.00%
51800-GEM	Meetings-Gem	250	1,000	750	300.00%
Sub-Total for Operating Expenditures		\$ 3,773,100	\$ 3,362,300	\$ (410,800)	-10.89%
TOTAL PARKS AND RECREATION - PARKS					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	3,725,246	4,662,503	937,257	25.16%
	Operating Expenditures	3,773,100	3,362,300	(410,800)	-10.89%
	Capital Improvements - GEM	-	-	-	-
	Capital Machinery and Equipment	3,000	-	(3,000)	-100.00%
Total for All Categories of Expenses		\$ 7,501,346	\$ 8,024,803	\$ 523,457	6.98%

GENERAL FUND

Parks and Recreation

Programs - 15060

Fiscal Year 2026

The Parks and Recreation Department provides 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.

Parks and Recreation - Programs 15060

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
46630-ADLT	Adult Program Supplies	24,000	28,000	4,000	16.67%
46630-ADV	Advertising Program Supplies	11,000	10,000	(1,000)	-9.09%
46630-EQUIP	Equipment Program Supplies	8,000	9,000	1,000	12.50%
46630-FAM	Family Program Supplies	23,000	25,000	2,000	8.70%
466300-GEM	GEM Program Supplies	10,000	7,000	(3,000)	-30.00%
46630-JIGGY	Jiggy Program Supplies	235,000	-	(235,000)	-100.00%
46630-LOOP	Loop Program Supplies	6,000	5,000	(1,000)	-16.67%
46630-PARAD	Christmas Parade Program Supplies	47,000	40,000	(7,000)	-14.89%
46630-PRINT	Printing Program Supplies	3,500	4,000	500	14.29%
46630-SENIR	Senior Program Supplies	27,000	22,500	(4,500)	-16.67%
46630-SUBS	Dues and Subs Program Supplies	9,100	9,500	400	4.40%
46630-WEST	West Avenue Program Supplies	10,000	5,000	(5,000)	-50.00%
46630-YTH	Youth Program Supplies	12,000	12,000	-	0.00%
46635	Program Supplies-Athletics	167,000	175,000	8,000	4.79%
46635-RUN	Run Program Supplies	32,000	40,000	8,000	25.00%
46630-ARTS	Cultural & Historical Programming	100,000	-	(100,000)	-100.00%
51441	Summer Event Series	575,000	575,000	-	0.00%
51442	Kannapolis Christmas	67,000	70,000	3,000	0.00%
Sub-Total for Operating Expenditures		\$ 1,366,600	\$ 1,037,000	\$ (329,600)	-24.12%
TOTAL PARKS AND RECREATION - PROGRAMS					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	1,366,600	1,037,000	(329,600)	-24.12%
Total for All Categories of Expenses		\$ 1,366,600	\$ 1,037,000	\$ (329,600)	-24.12%

GENERAL FUND

Parks and Recreation

Stadium - 15200

Fiscal Year 2026

Stadium 15200

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
44300	Repair & Maintenance: Buildings and Grounds	20,000	10,000	(10,000)	-50.00%
45220	Electricity	75,000	90,000	15,000	20.00%
45230	Water and Sewer	50,000	6,000	(44,000)	-88.00%
45240	Gas	5,000	15,000	10,000	200.00%
45455	Lease Expense	-	361,000	361,000	-
48300	Contracted Services	-	30,000	30,000	-
Sub-Total for Operating Expenditures		\$ 150,000	\$ 512,000	\$ 362,000	241.33%
TOTAL STADIUM					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	150,000	512,000	362,000	241.33%
	Capital Expenditures	200,000	200,000	-	0.00%
Total for All Categories of Expenses		\$ 350,000	\$ 712,000	\$ 362,000	103.43%

GENERAL FUND

City of Kannapolis
Debt Service - 18000
Fiscal Year 2026

General Fund Debt Service 18000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	10,602,153	10,604,903	2,750	0.03%
58200	Bond Interest	3,573,703	3,321,246	(252,457)	-7.06%
58300	Debt Issuance Cost	-	-	-	-
Sub-Total for Operating Expenditures		\$ 14,175,856	\$ 13,926,149	\$ (249,707)	-1.76%
TOTAL GENERAL FUND DEBT SERVICE					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Debt Service Expenditures	14,175,856	13,926,149	(249,707)	-1.76%
Total for All Categories of Expenses		\$ 14,175,856	\$ 13,926,149	\$ (249,707)	-1.76%

GENERAL FUND

City of Kannapolis

Transfers - 19000

Fiscal Year 2026

Transfers General Fund 19000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41800	Separation Pay	600,000	721,500	121,500	20.25%
57100	Transfer to Transit Fund	1,188,223	968,698	(219,525)	-18.48%
57200	Transfer to Capital Projects Fund	2,007,404	-	(2,007,404)	-100.00%
57250	Transfer to CRF	1,562,708	900,000	(662,708)	-42.41%
57400	Transfer to Environmental Fund	2,191,690	1,832,669	(359,021)	-16.38%
57400	Transfer to Downtown Fund	-	-	-	-
57700	Transfer to Insurance and Risk	-	-	-	-
Sub-Total for Operating Expenditures		\$ 7,550,025	\$ 4,422,867	\$ (3,127,158)	-41.42%
TOTAL GENERAL FUND TRANSFERS					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Transfer Expenditures	7,550,025	4,422,867	(3,127,158)	-41.42%
Total for All Categories of Expenses		\$ 7,550,025	\$ 4,422,867	\$ (3,127,158)	-41.42%

WATER AND SEWER FUND

City of Kannapolis Water & Sewer Fund Fiscal Year 2026

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

Water and Sewer Fund Summary Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Revenues						
Charges for Services	20,000,000	21,001,437	25,485,813	24,320,553	(1,165,260)	-4.57%
Other Revenues	3,370,000	3,285,000	4,258,000	4,104,463	(153,537)	-3.61%
Total Water and Sewer Fund	\$ 23,370,000	\$ 24,286,437	\$ 29,743,813	\$ 28,425,016	\$ (1,318,797)	-4.43%

Water and Sewer Fund Summary Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Expenditures						
General Management Services Fee	2,418,182	1,823,413	1,845,182	2,192,230	347,048	18.81%
Billing and Collections - Water and Sewer	1,306,070	1,556,054	1,704,289	1,815,401	111,112	6.52%
Distribution - Water and Sewer	5,248,474	6,299,389	6,920,193	6,362,613	(557,580)	-8.06%
WSACC - Sewage Treatment	4,274,460	4,455,480	5,869,191	6,520,775	651,584	11.10%
Water Treatment Plant	3,640,787	4,428,892	5,373,710	5,460,678	86,968	1.62%
Debt Service	6,482,027	5,723,209	8,031,248	6,073,319	(1,957,929)	-24.38%
Total Water and Sewer Fund	\$ 23,370,000	\$ 24,286,437	\$ 29,743,813	\$ 28,425,016	\$ (1,318,797)	-4.43%

SUMMARY WATER AND SEWER FUND EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Personnel	4,899,482	5,955,691	6,700,290	7,515,092	814,802	12.16%
Operating	8,840,309	9,701,124	12,247,093	12,644,375	397,282	3.24%
Capital	730,000	1,083,000	920,000	-	(920,000)	-100.00%
Debt Service	6,482,027	5,723,209	8,031,248	6,073,319	(1,957,929)	-24.38%
Transfers	2,418,182	1,823,413	1,845,182	2,192,230	347,048	18.81%
Total for All Categories of Expenses	\$ 23,370,000	\$ 24,286,437	\$ 29,743,813	\$ 28,425,016	\$ (1,318,797)	-4.43%

Water and Sewer Detailed Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted
Revenues				
Charges and Fees	20,000,000	21,001,437	25,485,813	24,320,553
Wholesale Water Sales	360,000	400,000	425,000	436,000
Tap Fees	1,175,000	800,000	1,168,000	953,463
Connection Fees	1,250,000	1,500,000	1,885,000	1,850,000
Reconnection Fees	140,000	140,000	140,000	140,000
Penalties	400,000	400,000	525,000	525,000
Miscellaneous Revenues	15,000	15,000	15,000	-
Investment Income	30,000	30,000	100,000	200,000
Developer Contribution	-	-	-	-
Transfers In / Out	-	-	-	-
Total Water and Sewer Fund	\$ 23,370,000	\$ 24,286,437	\$ 29,743,813	\$ 28,425,016

Water and Sewer Summary of Detailed Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted
Expenditures				
General Management Services Fee	2,418,182	1,823,413	1,845,182	2,192,230
Biling and Collections - Water and Sewer	1,306,070	1,556,054	1,704,289	1,815,401
Distribution - Water and Sewer	5,248,474	6,299,389	6,920,193	6,362,613
WSACC - Sewage Treatment	4,274,460	4,455,480	5,869,191	6,520,775
Water Treatment Plant	3,640,787	4,428,892	5,373,710	5,460,678
Debt Service	6,482,027	5,723,209	8,031,248	6,073,319
Total Water and Sewer Fund	\$ 23,370,000	\$ 24,286,437	\$ 29,743,813	\$ 28,425,016

WATER AND SEWER FUND

Water and Sewer Billing and Collections - 36000 Fiscal Year 2026

The Water and Sewer Billing and Collections 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.

Water and Sewer - Billing and Collections 36000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	861,652	866,934	5,282	0.61%
41200	Salaries - Overtime	6,000	22,050	16,050	267.50%
41300	Longevity Pay	11,100	6,000	(5,100)	-45.95%
42000	FICA	58,662	65,485	6,823	11.63%
42100	Workers Compensation Insurance	15,120	21,000	5,880	38.89%
42200	State Retirement	103,115	125,151	22,036	21.37%
42210	401k	9,018	34,909	25,891	287.10%
42300	Medical Insurance	180,000	202,500	22,500	12.50%
42400	Life Insurance	1,202	2,232	1,030	85.69%
42500	Dental Insurance	5,220	10,440	5,220	100.00%
Sub-Total for Personnel Expenditures		\$ 1,251,089	\$ 1,356,701	\$ 105,612	8.44%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	5,000	3,000	(2,000)	-40.00%
43300	Postage	175,000	150,000	(25,000)	-14.29%
44100	Repair & Maintenance: Office Equipment	1,000	1,000	-	0.00%
45250	Telephone	3,200	3,200	-	0.00%
46100	Office Supplies	5,000	7,000	2,000	40.00%
46200	Small Equipment and Tools	3,000	4,000	1,000	33.33%
46300	Dues and Subscriptions	3,000	3,000	-	0.00%
47100	Uniforms	3,000	3,000	-	0.00%
48000	Contracted Services	20,000	25,000	5,000	25.00%
48430	Banking Fees	165,000	190,000	25,000	15.15%
48440	Mailing Services	60,000	50,000	(10,000)	-16.67%
48460	Bank Admin Fees	-	12,000	12,000	-
51100	Travel and Training	10,000	7,500	(2,500)	-25.00%
Sub-Total for Operating Expenditures		\$ 453,200	\$ 458,700	\$ 5,500	1.21%
TOTAL BILLING AND COLLECTIONS					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	1,251,089	1,356,701	105,612	8.44%
	Operating Expenditures	453,200	458,700	5,500	1.21%
Total for All Categories of Expenses		\$ 1,704,289	\$ 1,815,401	\$ 111,112	6.52%

WATER AND SEWER FUND

Water and Sewer Distribution - 36100 Fiscal Year 2026

The Water and Wastewater Resources Department delivers the highest quality 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.

Water and Sewer - Distribution 36100

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	2,342,222	2,504,059	161,837	6.91%
41200	Salaries - Overtime	153,000	223,650	70,650	46.18%
41300	Longevity Pay	30,600	30,300	(300)	-0.98%
42000	FICA	158,813	187,911	29,098	18.32%
42100	Workers Compensation Insurance	47,520	65,000	17,480	36.78%
42200	State Retirement	268,658	334,520	65,862	24.52%
42210	401k	35,022	104,031	69,009	197.04%
42300	Medical Insurance	540,000	607,500	67,500	12.50%
42400	Life Insurance	3,188	5,834	2,646	83.00%
42500	Dental Insurance	16,704	33,408	16,704	100.00%
Sub-Total for Personnel Expenditures		\$ 3,595,727	\$ 4,096,213	\$ 500,486	13.92%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43100	Printing	3,000	1,500	(1,500)	-50.00%
43300	Postage	1,800	1,800	-	0.00%
44200	Repair & Maintenance: Vehicles	116,400	105,000	(11,400)	-9.79%
44300	Repair & Maintenance: Buildings and Grounds	1,800	2,000	200	11.11%
44400	Repair & Maintenance: Equipment	83,125	83,000	(125)	-0.15%
44600	Repair & Maintenance: Lift Station	277,000	244,000	(33,000)	-11.91%
44900	Repair & Maintenance: Streets	10,000	-	(10,000)	-100.00%
45220	Electricity	58,300	62,000	3,700	6.35%
45230	Water and Sewer	5,750	12,000	6,250	108.70%
45249	Gas Utilities	2,299	2,000	(299)	-13.01%
45250	Telephone	45,000	60,000	15,000	33.33%
45410	Equipment Rental	8,400	8,500	100	1.19%
45610	Motor Fuel	77,366	90,000	12,634	16.33%
46100	Office Supplies	12,000	12,000	-	0.00%
46200	Small Equipment and Tools	13,000	13,000	-	0.00%
46300	Dues and Subscriptions	50,400	50,000	(400)	-0.79%
46850	Materials for W&S Services	672,513	700,000	27,487	4.09%
47100	Uniforms	40,000	30,000	(10,000)	-25.00%
48000	Contracted Services	977,213	732,600	(244,613)	-25.03%
51100	Travel and Training	57,100	57,000	(100)	-0.18%
Sub-Total for Operating Expenditures		\$ 2,512,466	\$ 2,266,400	\$ (246,066)	-9.79%
TOTAL DISTRIBUTION					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	3,595,727	4,096,213	500,486	13.92%
	Operating Expenditures	2,512,466	2,266,400	(246,066)	-9.79%
	Capital Expenditures	812,000	-	(812,000)	-100.00%
Total for All Categories of Expenses		\$ 6,920,193	\$ 6,362,613	\$ 254,420	-8.06%

WATER AND SEWER FUND

Water Treatment

Plant - 36200

Fiscal Year 2026

The Water Treatment Plant protects 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.

Water and Sewer Fund - Water Treatment Plant 36200

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	1,244,005	1,279,072	35,067	2.82%
41100	Salaries - Part Time	20,000	21,000	1,000	5.00%
41200	Salaries - Overtime	60,000	84,000	24,000	40.00%
41300	Longevity Pay	16,300	20,100	3,800	23.31%
41600	Vehicle Allowance	6,000	12,600	6,600	110.00%
42000	FICA	79,091	99,646	20,555	25.99%
41200	Workers Compensation Insurance	19,440	27,000	7,560	38.89%
42200	State Retirement	146,312	185,673	39,361	26.90%
42210	401k	26,250	60,300	34,050	129.71%
42300	Medical Insurance	228,000	256,500	28,500	12.50%
42400	Life Insurance	1,464	3,063	1,599	109.22%
42500	Dental Insurance	6,612	13,224	6,612	100.00%
Sub-Total for Personnel Expenditures		\$ 1,853,474	\$ 2,062,178	\$ 208,704	11.26%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43200	Advertising	1,000	1,000	-	0.00%
43300	Postage	600	1,000	400	66.67%
44200	Repair & Maintenance: Vehicles	8,900	15,000	6,100	68.54%
44400	Repair & Maintenance: Equipment	178,500	180,000	1,500	0.84%
44600	Repair & Maintenance: Lift Station	76,000	100,000	24,000	31.58%
44700	Repair & Maintenance: Water Tank	152,900	160,000	7,100	4.64%
45220	Electricity	230,000	280,000	50,000	21.74%
45240	Gas Utilities	1,045	1,000	(45)	-4.31%
45250	Telephone	18,000	19,000	1,000	5.56%
45410	Equipment Rental	50,000	50,000	-	0.00%
45610	Motor Fuel	10,000	15,000	5,000	50.00%
46100	Office Supplies	6,000	7,000	1,000	16.67%
46200	Small Equipment and Tools	5,000	8,000	3,000	60.00%
46300	Dues and Subscriptions	20,000	20,000	-	0.00%
46820	Cleaning Supplies	100	1,000	900	900.00%
46830	Chemicals	800,000	721,000	(79,000)	-9.88%
46840	Raw Water Purchases	49,000	50,000	1,000	2.04%
47100	Uniforms	16,000	16,000	-	0.00%
48000	Contracted Services	449,691	450,000	309	0.07%
48000-LCRR	Contracted Services - Lead/Copper Rule Revision	25,000	25,000	-	0.00%
48300	Consultants	-	-	-	-
48220	Contract - Grounds Maintenance	46,000	60,000	14,000	30.43%
48240	Bulk Water Purchases	1,250,000	1,200,000	(50,000)	-4.00%
51100	Travel and Training	18,500	18,500	-	0.00%
Sub-Total for Operating Expenditures		\$ 3,412,236	\$ 3,398,500	\$ (13,736)	-0.40%
TOTAL WATER TREATMENT PLANT					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	1,853,474	2,062,178	208,704	11.26%
	Operating Expenditures	3,412,236	3,398,500	(13,736)	-0.40%
	Capital Expenditures	108,000	-	(108,000)	-100.00%
Total for All Categories of Expenses		\$ 5,373,710	\$ 5,460,678	\$ 194,968	1.62%

WATER AND SEWER FUND

Wastewater

Treatment - 36400

Fiscal Year 2026

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.

Water and Sewer - Wastewater Treatment - WSACC 36400

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
49020	Wastewater Treatment Variable	2,827,470	3,300,000	472,530	16.71%
49030	Treatment Fixed Rate	2,597,841	2,800,000	202,159	7.78%
49050	Interceptor Fixed Rate	347,840	260,000	(87,840)	-25.25%
49060	Capital Assessments	31,040	31,000	(40)	-0.13%
49070	Concord Northlite Sewer	65,000	129,775	64,775	99.65%
Sub-Total for Operating Expenditures		\$ 5,869,191	\$ 6,520,775	\$ 651,584	11.10%
TOTAL SEWAGE TREATMENT PLANT (WSACC)					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	5,869,191	6,520,775	651,584	11.10%
Total for All Categories of Expenses		\$ 5,869,191	\$ 6,520,775	\$ 651,584	11.10%

Water and Sewer - Debt Service 38000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	6,262,280	3,110,700	(3,151,580)	-50.33%
58200	Bond Interest	1,268,968	1,538,081	269,113	21.21%
58300	Debt Issuance Cost	500,000	1,424,538	924,538	184.91%
58400	GAAP-Debt Service	-	-	-	-
Sub-Total for Operating Expenditures		\$ 8,031,248	\$ 6,073,319	\$ (1,957,929)	-24.38%
TOTAL WATER AND SEWER DEBT SERVICE					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Debt Service Expenditures	8,031,248	6,073,319	(1,957,929)	-24.38%
Total for All Categories of Expenses		\$ 8,031,248	\$ 6,073,319	\$ (1,957,929)	-24.38%

Water and Sewer Fund - General Management Services 39000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
56000	General Management Services	1,845,182	2,192,230	347,048	18.81%
Sub-Total for Operating Expenditures		\$ 1,845,182	\$ 2,192,230	\$ 347,048	18.81%
TOTAL GENERAL MANAGEMENT SERVICES FEE					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Transfers	1,845,182	2,192,230	347,048	18.81%
Total for All Categories of Expenses		\$ 1,845,182	\$ 2,192,230	\$ 347,048	18.81%

STORMWATER FUND

City of Kannapolis Stormwater Fund Fiscal Year 2026

The Stormwater Fund is the third largest fund. Revenue includes monies collected from monthly fees charged to each citizen based on the amount of impervious area on their property. Residential customers pay a fixed fee based on predetermined limits on square footage of these impervious areas which contribute to storm water runoff. The fund includes costs 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 Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Revenues						
Storm Water Fees	3,291,706	3,500,000	3,400,000	3,567,348	167,348	4.92%
Other Revenues	-	30,000	350,000	70,000	(280,000)	-80.00%
Total Stormwater Fund	\$ 3,291,706	\$ 3,530,000	\$ 3,750,000	\$ 3,637,348	\$ (112,652)	-3.00%

Stormwater Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Expenditures						
Personnel	1,203,061	1,431,652	1,511,360	1,791,414	280,054	18.53%
Operations	835,420	868,987	891,487	722,600	(168,887)	-18.94%
Debt Service	731,005	559,479	546,259	532,966	(13,293)	-2.43%
General Management Services Fee	427,220	463,882	412,528	590,368	177,840	43.11%
Capital	95,000	206,000	388,366	-	(388,366)	-100.00%
Total Stormwater Fund	\$ 3,291,706	\$ 3,530,000	\$ 3,750,000	\$ 3,637,348	\$ (112,652)	-3.00%

SUMMARY STORMWATER FUND EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Personnel	1,203,061	1,431,652	1,511,360	1,791,414	280,054	18.53%
Operating	835,420	868,987	891,487	722,600	(168,887)	-18.94%
Debt Service	731,005	559,479	546,259	532,966	(13,293)	-2.43%
Transfers	427,220	463,882	412,528	590,368	177,840	43.11%
Capital	95,000	206,000	388,366	-	(388,366)	-100.00%
Total for All Categories of Expenses	\$ 3,291,706	\$ 3,530,000	\$ 3,750,000	\$ 3,637,348	\$ (112,652)	-3.00%

Stormwater Fund Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted
Revenues				
Charges and Fees	3,291,706	3,500,000	3,400,000	3,567,348
Investment Income	-	30,000	80,000	70,000
Miscellaneous Revenues	-	-	270,000	-
Transfer In	-	-	-	-
Total Stormwater Fund	\$ 3,291,706	\$ 3,530,000	\$ 3,750,000	\$ 3,637,348

Stormwater Fund Detailed Summary of Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted
Expenditures				
Personnel	1,203,061	1,431,652	1,511,360	1,791,414
Operations	835,420	868,987	891,487	722,600
Debt Service	731,005	559,479	546,259	532,966
General Management Services Fee	427,220	463,882	412,528	590,368
Capital	95,000	206,000	388,366	-
Total Stormwater Fund	\$ 3,291,706	\$ 3,530,000	\$ 3,750,000	\$ 3,637,348

STORMWATER FUND

Stormwater

Stormwater Fund - 40000

Fiscal Year 2026

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; and educating citizens on pollution issues.

Stormwater 40000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	1,017,500	1,155,231	137,731	13.54%
41200	Salaries - Overtime	19,195	20,155	960	5.00%
41300	Longevity Pay	24,900	23,000	(1,900)	-7.63%
41600	Vehicle Allowance	6,000	12,600	6,600	110.00%
42000	FICA	72,195	90,255	18,060	25.02%
42100	Workers Compensation Insurance	18,360	25,000	6,640	36.17%
42200	State Retirement	125,127	169,656	44,529	35.59%
42210	401k	16,595	51,557	34,962	210.68%
42300	Medical Insurance	204,000	229,500	25,500	12.50%
42400	Life Insurance	1,572	2,628	1,056	67.18%
42500	Dental Insurance	5,916	11,832	5,916	100.00%
Sub-Total for Personnel Expenditures		\$ 1,511,360	\$ 1,791,414	\$ 280,054	18.53%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
43300	Postage	100	100	-	0.00%
44200	Repair & Maintenance: Vehicles	80,000	85,000	5,000	6.25%
44400	Repair & Maintenance: Equipment	60,500	65,000	4,500	7.44%
44900	Repair & Maintenance: Streets	187,000	137,000	(50,000)	-26.74%
45250	Telephone	8,667	9,000	333	3.84%
45410	Equipment Rental	13,000	8,000	(5,000)	-38.46%
45610	Motor Fuel	44,000	56,000	12,000	27.27%
46100	Office Supplies	3,500	3,000	(500)	-14.29%
46200	Small Equipment and Tools	10,000	10,000	-	0.00%
46300	Dues and Subscriptions	2,000	6,000	4,000	200.00%
47100	Uniforms	10,400	14,000	3,600	34.62%
48000	Contracted Services	277,820	200,000	(77,820)	-28.01%
48300	Consultants	175,000	125,000	(50,000)	-28.57%
51100	Travel and Training	19,500	4,500	(15,000)	-76.92%
Sub-Total for Operating Expenditures		\$ 891,487	\$ 722,600	\$ (168,887)	-18.94%
TOTAL STORMWATER					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	1,511,360	1,791,414	280,054	18.53%
	Operating Expenditures	891,487	722,600	(168,887)	-18.94%
	General Management Services Fee	412,528	-	(412,528)	-100.00%
	Capital Expenditures	388,366	-	(388,366)	-100.00%
Total for All Categories of Expenses		\$ 3,203,741	\$ 2,514,014	\$ 111,167	-21.53%

Stormwater - Debt Service 48000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
58100	Bond Principal	367,713	367,795	82	0.02%
58200	Bond Interest	178,546	165,171	(13,375)	-7.49%
Sub-Total for Operating Expenditures		\$ 546,259	\$ 532,966	\$ (13,293)	-2.43%
TOTAL STORMWATER DEBT SERVICE					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Debt Service Expenditures	546,259	532,966	(13,293)	-2.43%
Total for All Categories of Expenses		\$ 546,259	\$ 532,966	\$ (13,293)	-2.43%

Stormwater - General Management Services 49000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
56000	General Management Services Fee	-	590,368	590,368	-
Sub-Total for Operating Expenditures		\$ -	\$ 590,368	\$ 590,368	-
TOTAL GENERAL MANAGEMENT SERVICES FEE					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	General Management Services Fee	-	590,368	590,368	-
Total for All Categories of Expenses		\$ -	\$ 590,368	\$ 590,368	-

ENVIRONMENTAL FUND

City of Kannapolis Environmental Fund Fiscal Year 2026

This fund consists of revenues collected from the monthly user fee that all residents must pay, and, at certain times, revenue collected from the Materials Recovery Facility (“MRF”) when market dictates. To ensure the success of the Recycling Program, staff continues to invest in public education and outreach efforts.

Environmental Fund Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Revenues						
User Fees	4,132,244	4,200,000	4,200,000	5,604,193	1,404,193	33.43%
Transfer from General Fund	85,542	1,147,817	2,191,690	1,832,669	(359,021)	-16.38%
Transfer from Water and Sewer Fund	495,700	-	-	-	-	-
Other Revenues	158,594	300,000	265,000	201,000	(64,000)	-24.15%
Solid Waste Disposal Tax	36,000	36,000	44,000	44,000	-	0.00%
Total Environmental Fund	\$ 4,908,080	\$ 5,683,817	\$ 6,700,690	\$ 7,681,862	\$ 981,172	14.64%

Environmental Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Expenditures						
Personnel	450,262	838,659	905,220	1,144,262	239,042	26.41%
Operations	4,225,782	4,713,158	5,363,470	6,537,600	1,174,130	21.89%
Debt Service	232,036	-	-	-	-	-
Capital	-	132,000	432,000	-	(432,000)	-100.00%
Total Environmental Fund	\$ 4,908,080	\$ 5,683,817	\$ 6,700,690	\$ 7,681,862	\$ 981,172	14.64%

SUMMARY ENVIRONMENTAL EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Personnel	450,262	838,659	905,220	1,144,262	239,042	26.41%
Operating	4,225,782	4,713,158	5,363,470	6,537,600	1,174,130	21.89%
Debt Service	232,036	-	-	-	-	-
Capital	-	132,000	432,000	-	(432,000)	-100.00%
Total for All Categories of Expenses	\$ 4,908,080	\$ 5,683,817	\$ 6,700,690	\$ 7,681,862	\$ 981,172	14.64%

Environmental Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted
Revenues				
Solid Waste Disposal Tax	36,000	36,000	44,000	44,000
Charges and Fees	4,132,244	4,200,000	4,200,000	5,604,193
Commercial Revenue	-	120,000	160,000	155,000
Miscellaneous Revenue	158,594	160,000	60,000	-
Investment Income	-	20,000	45,000	46,000
Transfer In / General Fund	85,542	1,147,817	2,191,690	1,832,669
Transfer In / Water and Sewer Fund	495,700	-	-	-
Transfer In / Stormwater Fund	-	-	-	-
Proceeds from Debt Financing	-	-	-	-
Total Environmental Fund	\$ 4,908,080	\$ 5,683,817	\$ 6,700,690	\$ 7,681,862

Environmental Fund Detailed Summary of Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted
Expenditures				
Personnel	450,262	838,659	905,220	1,144,262
Operations	4,225,782	4,713,158	5,363,470	6,537,600
Debt Service	232,036	-	-	-
Capital	-	132,000	432,000	-
Total Environmental Fund	\$ 4,908,080	\$ 5,683,817	\$ 6,700,690	\$ 7,681,862

ENVIRONMENTAL FUND

Environmental
Environmental Fund - 50000
Fiscal Year 2026

Environmental Fund 50000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41000	Salaries - Regular	604,645	756,483	151,838	25.11%
41100	Salaries- Part Time	-	-	-	-
41200	Salaries - Overtime	30,000	38,535	8,535	28.45%
41300	Longevity Pay	8,400	10,600	2,200	26.19%
42000	FICA	41,565	58,485	16,920	40.71%
42100	Workers Compensation Insurance	10,800	16,000	5,200	48.15%
42200	State Retirement	75,649	93,067	17,418	23.02%
42210	401k	10,101	27,564	17,463	172.88%
42300	Medical Insurance	120,000	135,000	15,000	12.50%
42400	Life Insurance	580	1,568	988	170.34%
42500	Dental Insurance	3,480	6,960	3,480	100.00%
Sub-Total for Personnel Expenditures		\$ 905,220	\$ 1,144,262	\$ 239,042	26.41%
OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
44200	Repair & Maintenance: Vehicles	160,000	149,600	(10,400)	-6.50%
44400	Repair & Maintenance: Equipment	45,000	40,000	(5,000)	-11.11%
44900	Repair & Maintenance: Streets	10,000	10,000	-	0.00%
45250	Telephone	7,000	7,000	-	0.00%
45410	Equipment Rental	10,000	-	(10,000)	-100.00%
45670	Motor Fuel	68,250	100,000	31,750	46.52%
46100	Office Supplies	2,250	2,000	(250)	-11.11%
46200	Small Equipment and Tools	5,000	4,500	(500)	-10.00%
46630	Program Supplies	7,700	7,500	(200)	-2.60%
46860	Container Purchases	156,500	187,000	30,500	19.49%
47100	Uniforms	10,000	10,000	-	0.00%
48000	Contracted Services	180,000	50,000	(130,000)	-72.22%
48910	Solid Waste	3,787,170	4,150,000	362,830	9.58%
48920	Bulk Containers	134,000	200,000	66,000	49.25%
48930	Landfill	330,000	980,000	650,000	196.97%
48940	Recycling	300,000	460,000	160,000	53.33%
48950	Yard Waste - Tipping Fees	135,000	175,000	40,000	29.63%
51100	Travel and Training	15,600	5,000	(10,600)	-67.95%
Sub-Total for Operating Expenditures		\$ 5,363,470	\$ 6,537,600	\$ 1,174,130	21.89%
TOTAL ENVIRONMENTAL					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	905,220	1,144,262	239,042	26.41%
	Operating Expenditures	5,363,470	6,537,600	1,174,130	21.89%
	Debt Service	-	-	-	-
	Capital Expenditures	432,000	-	(432,000)	-100.00%
Total for All Categories of Expenses		\$ 6,700,690	\$ 7,681,862	\$ 1,413,172	14.64%

SEPARATION PAY FUND

City of Kannapolis Separation Pay Fund Fiscal Year 2026

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 attained 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 Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Revenues						
Transfer from General Fund	506,407	496,912	600,000	721,500	121,500	20.25%
Total Separation Fund	\$ 506,407	\$ 496,912	\$ 600,000	\$ 721,500	\$ 121,500	20.25%

Separation Pay Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Expenditures						
Personnel	506,407	496,912	600,000	721,500	121,500	20.25%
Total Separation Fund	\$ 506,407	\$ 496,912	\$ 600,000	\$ 721,500	\$ 121,500	20.25%

SUMMARY SEPARATION EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Personnel	506,407	496,912	600,000	721,500	121,500	20.25%
Total for All Categories of Expenses	\$ 506,407	\$ 496,912	\$ 600,000	\$ 721,500	\$ 121,500	20.25%

Separation Pay Fund Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted
Revenues				
Transfer from General Fund	506,407	496,912	600,000	721,500
Total Separation Pay Fund	\$ 506,407	\$ 496,912	\$ 600,000	\$ 721,500

Separation Pay Fund Detailed Summary of Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted
Expenditures				
Personnel - Separation Pay	506,407	496,912	600,000	721,500
Total Separation Fund	\$ 506,407	\$ 496,912	\$ 600,000	\$ 721,500

Separation Pay 60000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
41800	Separation Pay	554,000	670,000	116,000	20.94%
42000	FICA	46,000	51,500	5,500	11.96%
Sub-Total for Personnel Expenditures		\$ 600,000	\$ 721,500	\$ 121,500	20.25%
TOTAL SEPARATION PAY					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Personnel Expenditures	600,000	721,500	121,500	20.25%
Total for All Categories of Expenses		\$ 600,000	\$ 721,500	\$ 121,500	20.25%

TRANSIT FUND

City of Kannapolis

Transit Fund

Fiscal Year 2026

The Transit Fund was established by the City to set aside funds for payments for the City's share of expenses related to the Concord-Kannapolis Local Public Transportation System. This is the twenty third year this fund has existed. To offset the cost of transit operations, an annual transfer from the General Fund is needed to supplement it in conjunction with the vehicle license fee. The largest part of this entire initiative is funded by the State and Federal Governments.

Transit Fund Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Revenues						
Motor Vehicle Privilege Tax	900,000	900,000	433,600	434,000	400	0.09%
Transfer from the General Fund	303,235	323,031	1,188,223	968,698	(219,525)	-18.48%
Appropriated Fund Balance	540,336	-	-	-	-	-
Total Transit Fund	\$ 1,743,571	\$ 1,223,031	\$ 1,621,823	\$ 1,402,698	\$ (219,125)	-13.51%

Transit Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Expenditures						
Contracted Services	1,203,235	1,223,031	1,621,823	1,402,698	(219,125)	-13.51%
Capital Outlay	540,336	-	-	-	-	-
Total Transit Fund	\$ 1,743,571	\$ 1,223,031	\$ 1,621,823	\$ 1,402,698	\$ (219,125)	-13.51%

SUMMARY TRANSIT FUND EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Operating	1,203,235	1,223,031	1,621,823	1,402,698	(219,125)	-13.51%
Capital Outlay	540,336	-	-	-	-	-
Total for All Categories of Expenses	\$ 1,743,571	\$ 1,223,031	\$ 1,621,823	\$ 1,402,698	\$ (219,125)	-13.51%

Transit Fund Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted
Revenues				
Vehicle License Tax	900,000	900,000	433,600	434,000
Transfer from General Fund	303,235	323,031	1,188,223	968,698
Appropriated Fund Balance	540,336	-	-	-
Total Transit Fund	\$ 1,743,571	\$ 1,223,031	\$ 1,621,823	\$ 1,402,698

Transit Fund Detailed Summary of Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted
Expenditures				
Contracted Services	1,203,235	1,223,031	1,621,823	1,402,698
Capital Outlay	540,336	-	-	-
Total Transit Fund	\$ 1,743,571	\$ 1,223,031	\$ 1,621,823	\$ 1,402,698

Transit Fund 77500

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
48000	Contracted Services	1,621,823	1,402,698	(219,125)	-13.51%
57000	Transfer to the General Fund	-	-	-	-
Sub-Total for Operating Expenditures		\$ 1,621,823	\$ 1,402,698	\$ (219,125)	-13.51%
TOTAL TRANSIT					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	1,621,823	1,402,698	(219,125)	-13.51%
Total for All Categories of Expenses		\$ 1,621,823	\$ 1,402,698	\$ (219,125)	-13.51%

INSURANCE AND RISK FUND

City of Kannapolis Insurance and Risk Fund Fiscal Year 2026

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

To make sure this fund is solvent as an internal service fund, the City will likely increase the per employee employer contribution in most budget years.

This covers the City's portion to offset projected claims, operations of the Employee Health Center, administration, stop-loss and the Health Savings Account (HSA) contribution provided to each employee. Revenue estimates are based off the number of full-time positions. The remainder makes up dependent premiums based on current estimates provided by the City's healthcare broker. Worker's Compensation premiums are budgeted an equivalent way based on the number of full-time positions budgeted each year.

Insurance and Risk Fund Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Revenues						
Health Insurance Premiums	-	5,391,600	5,940,204	6,578,904	638,700	10.75%
Retiree Premiums	-	184,000	200,000	200,000	-	0.00%
Workers Compensation Premiums	-	470,880	620,880	840,000	219,120	35.29%
Total Insurance and Risk Fund	\$ -	\$ 6,046,480	\$ 6,761,084	\$ 7,618,904	\$ 857,820	12.69%

Insurance and Risk Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Expenditures						
Health Insurance	-	5,575,600	6,140,204	6,773,904	633,700	10.32%
Workers Compensation	-	470,880	620,880	845,000	224,120	36.10%
Total Insurance and Risk Fund	\$ -	\$ 6,046,480	\$ 6,761,084	\$ 7,618,904	\$ 857,820	12.69%

SUMMARY INSURANCE AND RISK FUND EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
Operating	-	6,046,480	6,761,084	7,618,904	857,820	12.69%
Total for All Categories of Expenses	\$ -	\$ 6,046,480	\$ 6,761,084	\$ 7,618,904	\$ 857,820	12.69%

Insurance and Risk Fund Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted
Revenues				
Health Insurance Premiums	-	5,391,600	5,940,204	6,578,904
Workers Compensation Premiums	-	470,880	620,880	840,000
Retiree Premiums (Health Insurance)	-	184,000	200,000	200,000
Total Health Insurance and Risk Fund	\$ -	\$ 6,046,480	\$ 6,761,084	\$ 7,618,904

Insurance and Risk Fund Detailed Summary of Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Adopted
Expenditures				
Health Insurance	-	5,575,600	6,140,204	6,773,904
Workers Compensation	-	470,880	620,880	845,000
Total Insurance and Risk Fund	\$ -	\$ 6,046,480	\$ 6,761,084	\$ 7,618,904

Health Insurance 90000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
42330	Retiree Insurance	1,200,000	900,000	(300,000)	-25.00%
42335	Retiree Insurance-Post 65	-	300,000	300,000	-
42340	HSA & HRA Benefits	965,800	940,000	(25,800)	-2.67%
42341	HSA/HRA Retiree	80,000	80,000	-	0.00%
48000	Contracted Services	140,000	116,000	(24,000)	-17.14%
51446	Health Clinic	150,000	400,000	250,000	166.67%
51447	Dispensing Service	-	-	-	-
51448	Stop Loss	-	650,000	650,000	-
51449	BCBS Care Management	-	30,000	30,000	-
51640	Insurance Claims	2,634,404	3,265,904	631,500	23.97%
51910	Administration Fees	970,000	92,000	(878,000)	-90.52%
Sub-Total for Operating Expenditures		\$ 6,140,204	\$ 6,773,904	\$ 633,700	10.32%
TOTAL HEALTH INSURANCE					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	6,140,204	6,773,904	633,700	10.32%
Total for All Categories of Expenses		\$ 6,140,204	\$ 6,773,904	\$ 633,700	10.32%

Workers Compensation 90100

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
42100	Workers' Comp Insurance	265,000	250,000	(15,000)	-5.66%
48560	Pre Hire Screening	-	5,000	5,000	-
51641	WC Insurance Claims	320,880	550,000	229,120	71.40%
51911	WC Admin Fees	35,000	40,000	5,000	14.29%
Sub-Total for Operating Expenditures		\$ 620,880	\$ 845,000	\$ 224,120	36.10%
TOTAL WORKERS COMPENSATION					
	Expense Category	FY 2025 Adopted	FY 2026 Adopted	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	620,880	845,000	224,120	36.10%
Total for All Categories of Expenses		\$ 620,880	\$ 845,000	\$ 224,120	36.10%

LONG RANGE FINANCIAL PLAN

The City of Kannapolis implemented a new financial forecast and new financial policies in FY 2012 and has maintained a long-range financial plan ever since. The long-range financial plan has spanned from 10 years to 6 years and is updated annually through the budget process. The Financial Forecasting plan enables the City to project future revenues and expenditures for years ahead to analyze the impact of rate adjustments over a period. This fiscal year, the City of Kannapolis imposed no rate adjustment for property taxes. The property tax rate was changed to \$0.5595 per \$100 assessed valuation. There was a full cost recovery tap fee increase worked into the Water and Sewer budget.

City of Kannapolis: Five Year Financial Plan

GENERAL FUND

Budgeted Revenues for:					
	2026	2027	2028	2029	2030
			Rowan Reval	Cabarrus Reval	
Property Taxes (3% GR, 5% Rowan Reval, 9% Cabarrus County revaluation for FY 29)	47,910,255	49,747,563	52,634,941	57,772,085	59,905,248
NVCTS (5% GR)	3,485,790	3,660,080	3,843,083	4,035,238	4,237,000
MSD Tax (3% GR)	200,000	206,000	212,180	218,545	225,102
Interest and penalty (3% GR)	50,000	51,500	53,045	54,636	56,275
Sales Tax (4% growth for FY 25; 2% growth FY 26, 3% growth thru FY29) based of FY 25 YE	17,134,463	17,648,497	18,177,952	18,723,290	19,284,989
Franchise Tax (based on FY 25 projected YE, 3% growth for future years)	3,500,000	3,683,151	3,793,646	3,907,455	4,024,679
Powell Bill (flat at FY 25 actuals, 3% growth for future years)	1,991,000	2,050,730	2,112,252	2,175,619	2,240,888
Stadium Fees (CVB- \$500k first year, \$100k for 7 subsequent years, team lease- \$450k until FY 26 goes up to \$500k and then \$525k for FY 28 and 29)	600,000	600,000	625,000	625,000	625,000
Enterprise Management Fee (keeps us in line with debt service parity ratio/bond covenants) \$1,845,182 from WS and \$412,528 from SW)	2,782,598	2,782,598	2,782,598	2,782,598	2,782,598
Investment Income	1,400,000	1,000,000	1,000,000	1,000,000	1,000,000
Fire Districts Sales Tax (projections from Cabarrus County) *This is property and sales tax 3% GR	450,000	463,500	477,405	491,727	506,479
Vehicle License \$20 of the \$30 vehicle tag fee. Used for Street paving and GF efforts of street maintenance.	900,000	900,000	900,000	900,000	900,000
TIF Contribution (Cabarrus County TIF contribution)	1,325,000	1,320,865	-	-	-
PD Charges and Fees (includes SRO Grant for 4 officers)	200,000	200,000	200,000	200,000	200,000
PD Officer Court Reimbursement (flat)	14,000	14,000	14,000	14,000	14,000
PD Shop with a Cop	75,000	-	-	-	-
Parks and Rec Fees- (3% GR)	650,000	669,500	689,585	710,273	731,581
Parking Garage lease-DECK	100,000	100,000	100,000	100,000	100,000
Parks and Recreation Gem Revenues (3% GR)	800,000	840,000	882,000	926,100	972,405
Swanee Theatre Revenues (3% GR)	450,000	463,500	477,405	491,727	506,479
Parks-Recreation Programs (3% GR)	200,000	210,000	220,500	231,525	243,101
Parks-Donations	40,000	40,000	40,000	40,000	40,000
Parks- Convenience Fee	20,000	20,000	20,000	20,000	20,000
Planning Permits and Fees (flat)	100,000	100,000	100,000	100,000	100,000
Planning- Code Enforcement (flat)	55,000	55,000	55,000	55,000	55,000
Engineering- Second Review revenue	-	-	-	-	-
Beer and Wine Tax (5% growth rate)	281,275	250,000	262,500	275,625	289,406
Parking Revenues - based on FY 23 actuals	40,000	95,000	95,000	95,000	95,000
ABC Funds (flat off FY 26 budget)	145,000	145,000	145,000	145,000	145,000
College Station/Commercial Rent (5% growth rate; properties at college station)	400,000	420,000	441,000	463,050	486,203
Building Rental (3% GR)	290,000	290,000	290,000	290,000	290,000
Tower Rental (3% GR)	130,000	133,900	137,917	142,055	146,316
P card rebates	80,000	80,000	80,000	80,000	80,000
Miscellaneous Revenue	25,000	25,000	25,000	25,000	25,000
Vehicle Rental Tax (based on FY 24 YE)	50,000	60,000	60,000	60,000	60,000
False Alarm Fees	15,000	15,000	15,000	15,000	15,000
Fire- Technical Services Fees (based on FY 24 YE)	20,000	21,000	22,050	23,153	24,310
Fire- Rowan County Contributions (flat)	4,000	4,000	4,000	4,000	4,000
CDBG Administration Revenues (flat)	70,000	70,000	70,000	70,000	70,000
Fund Balance Appropriated	-	-	-	-	-
Transfers In	-	-	-	-	-
Sub-total Recurring Revenues	85,983,381	88,435,383	91,058,058	97,262,701	100,501,058
		2.85%	2.97%	6.81%	3.33%
Personnel Costs	46,123,528	46,123,528	51,279,704	57,170,218	63,310,846
New Positions	-	-	-	-	-
Separation Pay Increases	-	-	800,000	800,000	800,000
Health Insurance increases	-	50,000	50,000	50,000	50,000
Salary study (average of options)	-	1,700,000	-	-	2,000,000
Salary study adjustments/longevity/etc.	-	100,000	-	-	-
Retiree Insurance, Workers Compensation, HSA	-	-	-	-	-
Performance Evaluation Increase- based on 5%	-	2,306,176	2,375,362	2,446,623	2,520,021
Retirement Rate increase	-	1,000,000	1,000,000	1,000,000	1,000,000
Sub- total Personnel Costs	46,123,528	51,279,704	55,505,066	61,466,841	69,680,867
	0.00%	11.18%	8.24%	10.74%	13.36%
Operational Costs	-	-	-	-	-
Departmental Operations -5% GR	21,510,837	22,586,379	23,925,698	25,121,983	27,113,082
Eastside Park recurring costs once online (FY 26 debt- operating FY 27?)	-	200,000	-	-	-
Westside Park recurring costs once online (FY 29 debt- operating FY 30)	-	-	-	500,000	-
Public Safety Training Facility	-	-	-	200,000	200,000
Sub- total Operating Costs	21,510,837	22,786,379	23,925,698	25,821,983	27,313,082
		6%	5%	8%	6%
Debt	-	-	-	-	-
Debt Service	13,248,399	12,466,007	9,581,200	9,143,860	9,143,860
Proposed Debt Service	-	-	-	-	-
Motorola Lease for Police and Fire Radio Replacement (\$2.4 m) ends in FY 26	677,750	-	-	-	-
Sub- total Debt Service	13,926,149	12,466,007	9,581,200	9,143,860	9,143,860
		-10%	-23%	-5%	0%
Transfers	-	-	-	-	-
Transfer to Transit	968,698	1,065,568	1,172,125	1,289,337	1,418,271
Transfer to Separation Pay	721,500	793,650	873,015	960,317	1,056,348
Transfer to Capital Project Fund - Odell	-	-	-	-	-
Transfer to Capital Project Fund- Museum	-	-	-	-	-
Transfer to Capital Project Fund - Block 6	-	-	-	900,000	900,000
Transfer to Capital Reserve Fund (assumes one penny on tax rate each year)	900,000	900,000	900,000	900,000	900,000
Transfer to Environmental (\$5 takes place in FY 26 and \$5 in FY 27, \$5 in FY 29)	1,832,669	1,500,000	-	1,575,000	-
Sub- total Transfers	4,422,867	4,259,218	2,945,140	5,624,654	4,274,619
Total Recurring Expenditures	85,983,381	90,791,308	91,957,103	102,057,337	110,412,428
Revenues over (under) Expenditures	\$ -	\$ (2,355,925)	\$ (899,045)	\$ (4,794,635)	\$ (9,911,369)

**AN ORDINANCE ADOPTING A BUDGET FOR THE
CITY OF KANNAPOLIS, NORTH CAROLINA FOR THE
FISCAL YEAR BEGINNING JULY 1, 2025 AND ENDING JUNE 30, 2026**

BE IT ORDAINED by City Council of the City of Kannapolis, North Carolina, meeting in open session this 23rd day of June 2025, that the following fund revenues and expenditures, together with certain restrictions and authorizations are hereby adopted.

SECTION I – GENERAL FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Ad Valorem taxes	\$ 51,446,045
Sales taxes	17,134,463
Intergovernmental	7,966,275
Other Revenues	<u>9,436,598</u>
TOTAL	<u>\$ 85,983,381</u>

SECTION II - WATER AND SEWER FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Charges for Services	\$ 24,320,553
Other Revenues	<u>4,104,463</u>
TOTAL	<u>\$ 28,425,016</u>

SECTION III – STORM WATER FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Charges for Services	\$ 3,567,348
Other Revenues	<u>70,000</u>
TOTAL	<u>\$ 3,637,348</u>

SECTION IV – ENVIRONMENTAL FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Solid Waste Disposal Tax	\$ 44,000
Charges for Services	5,604,193
Other Revenues	201,000
Transfer In / General Fund	<u>1,832,669</u>
TOTAL	<u>\$ 7,681,862</u>

SECTION V – SEPARATION PAY FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Transfer In / General Fund	<u>\$ 721,500</u>
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TOTAL	<u>\$ 721,500</u>
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SECTION VI –TRANSIT FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Motor Vehicle Privilege Tax	\$ 434,000
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Transfer In / General Fund	<u>968,698</u>
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TOTAL	<u>\$ 1,402,698</u>
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SECTION VII – INSURANCE AND RISK FUND: The City Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Health Insurance Premiums	\$ 6,578,904
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Workers Compensation Premiums	840,000
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Retiree Premiums (Health Ins)	<u>200,000</u>
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TOTAL	<u>\$ 7,618,904</u>
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SECTION VIII - GENERAL FUND: A total of \$85,983,381 is hereby authorized to be expended from the General Fund as follows:

General Government Services	\$ 14,315,886
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Planning	1,534,126
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Public Safety	32,111,129
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Parks and Recreation	9,773,803
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Public Works	6,565,534
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Other	7,756,754
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General Debt Service	<u>13,926,149</u>
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TOTAL	<u>\$ 85,983,381</u>
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SECTION IX - WATER AND SEWER FUND: A total of \$28,425,016 is hereby authorized to be expended from the Water and Sewer Fund as follows:

General Management Services Fee	\$ 2,192,230
Billing and Collections – Water and Sewer	1,815,401
Distribution - Water and Sewer	6,362,613
WSACC – Sewage Treatment	6,520,775
Water Treatment Plant	5,460,678
Debt Service	<u>6,073,319</u>
TOTAL	<u>\$28,425,016</u>

SECTION X – STORM WATER FUND: A total of \$3,637,348 is hereby authorized to be expended from the Storm Water Fund as follows:

Personnel	\$ 1,791,414
Operations	722,600
Debt Service	532,966
General Management Services Fee	<u>590,368</u>
TOTAL	<u>\$ 3,637,348</u>

SECTION XI – ENVIRONMENTAL FUND: A total of \$7,681,862 is hereby authorized to be expended from the Environmental Fund as follows:

Personnel	\$ 1,144,262
Operations	<u>6,537,600</u>
TOTAL	<u>\$ 7,681,862</u>

SECTION XII - SEPARATION PAY FUND: A total of \$721,500 is hereby authorized to be expended from the Separation Pay Fund as follows:

Personnel	\$ <u>721,500</u>
TOTAL	<u>\$ 721,500</u>

SECTION XIII – PUBLIC TRANSIT SYSTEM FUND: A total of \$1,402,698 is hereby authorized to be expended from the Public Transit System Fund as follows:

Contracted Services	<u>\$ 1,402,698</u>
TOTAL	<u>\$ 1,402,698</u>

SECTION XIV – INSURANCE AND RISK FUND: A total of \$7,618,904 is hereby authorized to be expended from the Insurance and Risk Fund as follows:

Health Insurance	\$ 6,773,904
Workers Compensation	<u>845,000</u>
TOTAL	<u>\$ 7,618,904</u>

SECTION XV - TAX RATE ESTABLISHED: An Ad Valorem Tax Rate of \$.5595 per \$100 property valuation is hereby established as the official tax rate for the City of Kannapolis for the fiscal year 2025-2026. This rate is based on an estimated valuation of \$9,222,187,096 and an estimated 99.08 percent collection rate, the audited FY 24 collection rate. Allocation of the 2025-2026 tax rate will be as follows:

GENERAL FUND	\$.5595
TOTAL TAX RATE	\$.5595

SECTION XVI - SPECIAL AUTHORIZATION - CITY MANAGER OR DESIGNEE:


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

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

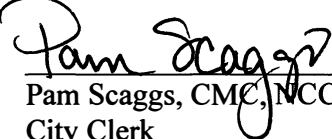
SECTION XVI - SPECIAL AUTHORIZATION – STAFFING AUTHORIZATION:

Funds allocated in this budget ordinance are meant to fund the employment of 448 Full Time positions for fiscal year 2026.

This Ordinance is approved and adopted this 23rd day of June 2025.


M. Darrell Hinnant, Mayor
City of Kannapolis

ATTEST:


Pam Scaggs, CMC, NCCMC
City Clerk



Adopted Fiscal Year 2026 Fee Schedule

Revised: July 28, 2025

Table 1.6 Filing Fees For Elected City Office

Elected Office	Fee
Mayor of the City of Kannapolis	\$60.00
Council Member of the City of Kannapolis	\$30.00

Downtown Parking

Table 2.1 Parking Deck

Types	1 st Vehicle	2 nd Vehicle	3 rd Vehicle
Guaranteed Parking Permit (Vida Deck)	Vida Issued	\$30.00 (Monthly)	\$60.00 (Monthly)
Non-Guaranteed Parking Permits (Surface Lots Only)	Vida Issued	\$15.00 (Monthly)	\$30.00 (Monthly)
Lost Permits Replacement	\$5.00 (Each)	\$5.00 (Each)	\$5.00 (Each)

Table 2.2 Hourly & Daily Parking Fees

Types	Time Allotted	Fee
Grace Period	30 minutes	No Charge
Non-Peak Rate	Everyday 1:00 am to 4:00 pm	\$1.00 (Hourly)
Peak Rate	\$5.00 (Each)	\$3.00 (Each)
Daily Rate	Starts after 5 hours	\$25.00
Multi-Day Rate	For resident guest	\$10.00 (Day)
“Pass Back” Penalty		\$100.00

Electric Vehicle (EV) Parking

- **Fee for power** - \$0.10/kWh (per kilowatt-hour).
- **Fee for parking** - grace period of 30 minutes after the vehicle has been fully charged. There is a charge of \$2 for the first hour, after the time expires, a max charge of \$10.
- **Transaction Fees** - are transferred to the drive at \$0.50 + 5% of the total transaction. (This is a fee paid by the driver, not one that the City won't have to recover).

Engineering

- For infill lots the Engineering Department provides services for driveways, storm drainage pipe, grading/drainage, sidewalk, & water & sewer connections. There is no fee for the initial inspection.
 - *\$50.00 re-inspection fee*

Table 3.1 Site Development Inspection Fees

Type of Inspection	Fee
Roadway Inspection	\$1.00/ Linear Foot
Storm Drain Inspection	\$1.00/ Linear Foot
Water Inspection	\$1.00/ Linear Foot
Sewer Inspection	\$1.00/ Linear Foot
Greenways/MUP Inspection	\$1.00/ Linear Foot
SCM Closeout Inspection	\$300.00/per SCM

Table 3.2 Site Development Plan Review Fees

Type of Plan Review	Fee
Water Permit Application	\$50.00
Sewer Permit Application	\$50.00
Plan Review Fee – Utility	\$500.00 + \$25.00/Acre
Plan Review Fee – Roadway and Storm	\$500.00 + \$25.00/Acre
Plan Review Fee – Grading and Erosion	\$500.00 + \$25.00/Acre

Planning & Zoning

Table 4.1 Zoning & Land Use Applications

Application Type	Base Fee
KDO Text Amendment	\$400.00*plus applicable Legal Ad & Mailed notification fees
Zoning Map Amendment	\$500.00 *plus applicable Legal Ad & Mailed notification fees
Conditional Zoning Map Amendment	\$600.00 *plus applicable Legal Ad & Mailed notification fees
Special Use Permit	\$600.00 *plus applicable Legal Ad & Mailed notification fees
Variance, Appeal, Special Intensity Allocation, Nonconformity Adjustment	\$300.00 *plus applicable Legal Ad & Mailed notification fees
Mailed Notification	\$50.00 Per notification batch

Table 4.2 Residential

Application Type	Base Fee
Single-Family (1F)	\$25.00
Two-Family (2F)	\$25.00
Multi-family (5 units or less)	\$250.00
Multi-family(more than 5 units)	\$300.00 or \$0.04/SF (Whichever is greater)

Table 4.3 Structures & Accessory Uses

Application Type	Base Fee
Accessory Structure (Residential -Non-Residential)	\$25.00
Driveway Permit	\$25.00
Temporary Construction Trailer	\$50.00
Temporary Use	\$50.00
Signs	\$40.00

Table 4.4 Use & Occupancy

Application Type	Base Fee
Non-Residential	\$30.00
Home Occupation	\$50.00
Change of Use Permits	\$30.00
Certification Letter *Zoning, Watershed, Floodplain, Demo, etc.	\$25.00

Table 4.5 Grading and Site Work Fees

Application Type	Base Fee
Grading Permit (without Site Plan)	\$50.00 <i>Plus \$25.00 per additional acre</i>
Temporary Construction Trailer Permit	\$50.00
Site Plan Review (Multi-Family Residential & Non-Residential)	\$200.00 <i>*plus \$100.00 per additional acre</i>

Table 4.6 Structures & Accessory Uses

Application Type	Base Fee
Accessory Structure (Residential -Non-Residential)	\$25.00
Driveway Permit	\$25.00
Temporary Construction Trailer	\$50.00
Temporary Use	\$50.00
Signs	\$50.00

Table 4.7 Plat Reviews Fees

Type of Review	Base Fee
Exempt Plat	No Charge
Minor Subdivision Plat Review	\$50.00
Minor Subdivision Plat Revision	\$40.00
Preliminary Major Subdivision Plat Review	\$400.00 (<i>plus \$30.00 per lot</i>)
Preliminary Major Subdivision Revision	\$50.00 (<i>Minor Amendment</i>)
Final Subdivision Plat Review	\$200.00
Final Subdivision Plat Revision	\$40.00

Table 4.8 Publication Fees

Publication Item	Fees
Land Use Plan	\$25.00
Kannapolis Development Ordinance	\$50.00
Map – Extra Large (36’’ x 48’’)	\$15.00
Map – Large (24’’ x 36’’)	\$10.00
Map – Medium (18’’ x 24’’)	\$5.00
Map – Small (8.5’’ x 11’’)	Free

** All fees established are due and payable at the time of product delivery or upon initial submittal of any item or items to be reviewed, processed or approved.

** There will be a \$25.00 returned check fee for any check received by the City.

***Double Permit Fee- ***A doubled permit fee will be charged for projects that begin work without first obtaining appropriate permits from the Planning Department. The fee amount to be doubled will be that of the particular permit that should have been issued.

Fire

Table 5.1 Required Certificate of Compliance

Certificate Type	Fees
Certificate of Compliance (1–1,000 SF)	\$20.00
Certificate of Compliance (1,001–20,000 SF)	\$50.00
Certificate of Compliance (20,001–50,000 SF)	\$100.00
Certificate of Compliance (50,001–70,000 SF)	\$200.00
Additional per 20,000 SF over 70,000 SF	+ \$50.00
Certificate of Compliance Re-inspections	\$50.00

Table 5.2 Plan Review & Inspection Fees

Types of Review	Fees
Plan Review – Construction	\$50.00 + .025 /sf
Plan Review – Up-Fit	\$50.00 + .025 /sf
Plan Review – Site Plan	\$50.00
Re-review Fee (* <i>applied on third submittal & each re-submittal thereafter</i>)	\$50.00
Hydrant Flow Test (per hydrant)	\$150.00
Temporary Power Inspection	\$50.00
Load Merchandise Inspection	\$50.00

NOTE: Specification on Load Merchandise Inspections

1. For a multi-tenant building, fees are per tenant.
2. For multiple buildings owned by the same owner(s), fees are per building as defined by the NC Building Code, Vol. 1.
3. Individuals or companies that have not secured permits or Certificates of Compliance prior to beginning work or occupying the structure shall be charged double the listed amount.
4. Re-inspections of the sprinkler system, fire alarm system, or building for Certificate of Compliance will result in an additional fee per inspection.

Table 5.3 Required Construction Permits

Types of Permits	Permit Fee	Test Fee
Automatic Fire Extinguishing Systems (Ansul/Sprinkler)	\$150.00	\$150.00**
Compressed Gases	\$150.00	\$150.00
Fire Alarm & Detection Systems	\$150.00	\$150.00**
Fire Pumps	\$150.00	\$150.00

Flammable & Combustible liquids	\$150.00	\$150.00
Hazardous Materials	\$150.00	\$150.00
Industrial Ovens	\$150.00	\$150.00
Spraying or Dipping Operations	\$150.00	\$150.00
Standpipe Systems	\$150.00	\$150.00

NOTE: Any system installation prior to plan review and/or a permit being issued will incur a double fee.

Any structure over 70,000 SF x .002 + \$150 **

(DOES NOT INCLUDE HOOD SYSTEM/ANSUL)

Table 5.4 Required Operation Permits

Types of Permits	Fees
Amusement Building	\$150.00
Carnivals & Fairs	\$300.00
Covered Mall Building	\$150.00
Exhibits & Trade Buildings	\$2,500/yr or \$300/90-days
Explosives (blasting)	\$100/1-day or \$300/90-days
Liquids Use, Dispensing, Storage, Transportation	\$150.00
UGST/AGST Install, Alter, Remove, Abandon	\$250.00
Change in Liquid in Tanks	\$150.00
Liquid Dispensing – AGST/UGST to Vehicles	\$150.00
Liquid Dispensing – Tankers to Vehicles	\$150.00
Pyrotechnic Special Effects Material (Fireworks)	\$300.00/day & site
Spraying or Dipping	\$150.00
Tents & Canopies	\$50.00/tent

Table 5.5 Required Other Charges/Fee

Types of Charges	Fees
Environmental Site Assessment Research	\$25.00 per hour (<i>one hour minimum</i>)
Fire Flow request/Special Request (fee per hydrant)	\$150.00/hydrant
Stand-by firefighters <i>*when required by fire official or requested by occupant</i>	\$20.00/hr per firefighter
After Hours Inspection – Special Requested	\$35.00/hr (<i>minimum of 2 hours</i>)
After Hours Plan Review – Special Request	\$150.00/submittal
Other inspection by request	\$100.00
Knox/Lock Box Maintenance (Found with incorrect key)	\$100.00
Re-Inspection (Third visit or additional inspection)	\$50.00
State License Inspection Fee (ABC, State Bar, etc.)	\$100.00
Daycare & Nursing Home License Inspection Fee	\$75.00
Group Home License Inspection Fee (annually)	\$75.00
Foster License Inspection Fee (annually)	\$20.00 (<i>second visit \$50.00</i>)

Fire Incident Report Copy(s)	\$1.00 (<i>per report</i>)
Fire Extinguisher Recharge use for class	Current Market Rate per Ext.
Fire Extinguisher Program (Training Class)	\$ 50.00/On-site (Fire Station/City Hall)
Fire Extinguisher Program (Training Class)	\$75.00/Off-site at Requested Business

Table 5.6 Annual Fire Inspection Program

Fire Inspection Programs	Fees
First Inspection (initial)	\$0.00
Second Visit Re-inspection	\$0.00
Third Visit Re-inspection	\$50.00
Fourth Visit Re-inspection	\$100.00

Additional Re-inspections will increase at \$50 per inspection until violations are corrected.

Table 5.7 Hazardous Materials Fees

Solids (lbs)	Liquids (gals)	Gases (SCF)	Fee
< 501	< 56	< 201	\$50.00
501 – 5,000	56 – 550	201 - 2000	\$150.00
5,001 – 25,000	551 – 2,750	2,001 – 10,000	\$200.00
25,001 – 50,000	2751 – 5500	10,001 – 20,000	\$250.00
50,001 – 75,000	5501 – 10,000	20,001 – 40,000	\$300.00
>75,000	> 10,000	>40,000	\$300.00

pound *** (plus .01/per gallon//scf in excess of listed amount)*

NOTE: Excluding LPG/Medical gases

Table 5.8 LPG/Medical gases

Specific Hazardous Materials	Fees
LPG (Excludes LPG used ONLY for heating and cooking)	\$150.00/tank
Medical Gasses	150.00/tank
Radioactive Material any amount	\$125.00

Table 5.9 Stand-by Personnel/Equipment

Equipment	Fee (work hrs.)	Fee (Overtime)
Ladder/Hazmat	\$125.00/\$95.00	
Engine/Tanker	\$95.00	
Crash Truck/ Heavy Rescue	\$95.00	

Rescue Units	\$95.00	
Mobile Command Unit/Bus	\$30.00	
USAR	\$28.00	
Light Vehicles (Cars/Pick-ups)	\$17.00/\$27.00	
Trailers	\$10.25	
Mules/ATV	\$8.00	
Assistant Chief/Division Chief	\$35.87	\$53.81
Battalion Chief	\$23.39	\$35.08
Fire Captain	\$21.21	\$31.82`
Engineer	\$17.45	\$26.18
Firefighter	\$15.07	\$22.61
Risk Reduction Personnel <i>Based on Stand-by per quarter hour, minimum 2 hours.</i>	\$25.49	\$38.24

Table 5.10 Hazmat Supplies

Level “A” (enclosed, splash, & vapor protection)	Rate
Large-XLarge	\$1775.00
2XLarge	\$1975.00

Level “A” Suits (Flash protection)	Rate
Large – XLarge	\$2495.00
XXLarge	\$2695.00

Level B Suits (Splash protection)	Rate
S- XLarge	\$170.50
2XL to 4XL	\$207.00

Table 5.11 Hazardous Materials Spill Response Equipment

Equipment	Rate
Tyvek Disposable Coveralls	\$17.00
Butyl Gloves	\$76.25 pair
Silver Shield Gloves	\$10.95 pair
Nitrile Gloves	\$5.30 pair
Rain fair Latex Nuke Boots (yellow over boots)	\$6.00 pair
Chem-Tape (for sealing gaps in suits at sleeve, ankle, hood & storm flap)	\$42.00
Pipettes	\$1.00 each
Boom 8 x 10	\$72.64
Boom 3 x 10	\$10.77
Boom 3 x 4	\$6.40
Absorbent	\$15.00/bag

Absorbent pads 17"x19" (Universal, oil only & Haz-Mat)	\$0.75 each
Absorbent Pillows 16"	\$5.07 each
Absorbent Padding Roll (Universal) 30"x150'	\$105.00 roll
Pail of Acid Neutralizer 40 lb.	\$132.95
Pail of Base Neutralizer 40 lb.	\$360.00
Soda Ash 50lb. bag	\$45.25
55-gallon drums	\$99.00
Overpack Drum	\$189.00
20-gallon containment Pool	\$82.00
66-gallon containment Pool	\$120.00
100-gallon containment Pool	\$193.95
150-gallon containment Pool	\$206.95
Drain seal/inlet guard	\$78.40
3'x2' Magnet Drain Cover	\$95.60
2'x2' Magnet Drain Cover	\$63.80
Large Wooden Cone Plug	\$10.00
Small Wooden Cone Plug	\$5.00
Plug N Dike	\$28.00
Flow Stop Football	8\$8.00
Flow Stop Golfball	\$46.00
Foam Class B (Thunderstorm)	\$37.00/gallon
Foam Class A	\$12.75/gallon

Table 5.12 Drager CMS Chips

Equipment	Rate
Acetic Acid 2 -50 ppm	\$77.95
Acetone 40-600 ppm	\$81.25
Ammonia 2-50 ppm	\$55.31
Ammonia 10-150 ppm	\$55.31
Benzene 10-250 ppm	\$147.91
Benzene 0.2-10 ppm	\$144.65
Carbon Dioxide 200-3000ppm	\$55.52
Carbon Dioxide 1000-25000ppm	\$55.52
Carbon Monoxide 5-150ppm	\$53.70
Chlorine 0.2-10 ppm	\$55.31
Formaldehyde 0.2-5 ppm	\$75.85
Hydrochloric Acid 1-25 ppm	\$70.17
Hydrogen Peroxide .2-2 ppm	\$79.49
Hydrogen Sulfide 2-50 ppm	\$55.31
Methanol 20-500 ppm	\$89.20
Nitrogen Dioxide .5-25 ppm	\$55.24
Nitrous Fumes (NO + NO2) 0.5-15ppm	\$53.70

Perchloroethylene 5-500 ppm	\$64.74
Petroleum Hydrocarbons 100 – 3000ppm	\$78.53
Petroleum Hydrocarbons 20-500ppm	\$79.42
Phosgene .05-2.0ppm	\$89.20
Phosphine 1-25 ppm	\$66.91
Sulfur Dioxide 0.4-10 ppm	\$55.24
Trichloroethylene 5 – 100 ppm	\$64.00
Vinyl Chloride 0.3-10 ppm	\$70.87

Table 5.13 Hazmat Supplies

Drager & GasTec Detector Tubes	Rate
Acetaldehyde 100-1000ppm	\$66.71
Acetic Acid 5-80ppm	\$62.81
Ammonia 5-700ppm	\$55.75
Carbon Dioxide 0.5-20% Vol	\$88.30
Chlorine 0.3 – 5ppm	\$66.03
Chlorine 50-500ppm	\$63.97
Chlorobenzene 5-200ppm	\$63.97
Clan Lab Simultaneous Test Set	\$75.92
Cyanogen Chloride .25-5ppm	\$85.03
Haz-Mat Simultaneous Test Set 1 (inorganic)	\$127.16
Haz-Mat Simultaneous Test Set 2 (inorganic)	\$127.16
Haz-Mat Simultaneous Test Set 3 (organic)	\$127.16
Hydrocyanic Acid 2-150ppm	\$58.26
Hydrogen Cyanide 0.36-120 ppm	\$78.51
Hydrogen Fluoride .5-90ppm	\$67.44
Nitrogen Dioxide 0.1-30ppm	\$80.12
Nitrogen Dioxide 0.5-125 ppm	\$52.97
Organic Arsenic Qualitative	\$80.26
Organic Basic Nitrogen Comp 1mg/ m3	\$85.73
Phenol 0.4-187 ppm	\$80.97
Phosphoric Acids Esters Up to .05ppm	\$104.94
Thioether 1mg/ m3	\$86.08
Vinyl Chloride 0.25-54 ppm	\$80.26
Decon Pools/Burms	\$360.00 ea
Chemical Classifiers Strips	\$10.00 ea
PH Papers	\$10.00 roll
Chemical Agent Detection Paper/Tape	\$50.00 ea
35-gallon trash can	\$30.00
Drum Sampler Tube	\$7.00 ea
Decon Solution	\$88.00/gallon
Tarp	\$57.00 ea
Mercury Spill Kit	\$24.00 ea

1 lb of 8p nails	\$3.47
1 lb of 16p nails	\$4.20
1 lb of 3" deck screws	\$9.94
4' x 8' 7/16" OSB Sheathing	\$7.25
4" x 6" x 12' Lumber	\$22.00
4" x 4" x 16' Lumber	\$21.00
2" x 4" x 16' Lumber	\$7.00

Water & Sewer Fees

WATER RATES

Table 6.1 Individual Water Service: (less than 2 inch) (Note 1)

Size	Inside City	Outside City
- Tier 1 per 1,000 gallons (0-7,000 gals)	\$7.31	\$8.46
- Tier 2 per 1,000 gallons (over 7,000 gals)	\$7.60	\$8.81
- Irrigation per 1,000 gallons	\$7.60	\$8.81
* Base monthly charge (Note 2)	\$8.30	\$9.96
* Monthly rate for unmetered service – residential only (Note 3)	\$47.60	\$55.65

Table 6.2 Private Water Systems (more than one user)

Size	Inside City	Outside City
- Tier 1 per 1,000 gallons (0-7,000 gals)	\$7.31	\$8.46
- Tier 2 per 1,000 gallons (over 7,000 gals)	\$7.60	\$8.81
- Irrigation per 1,000 gallons	\$7.60	\$8.81
* Base monthly charge per user as determined by number of dwelling units or commercial spaces on site, occupied or vacant	\$8.30	\$9.96

Table 6.3 Commercial Water Service

Size	Inside City	Outside City
- Tier 1 per 1,000 gallons (0-7,000 gals)	\$7.31	\$8.46
- Tier 2 per 1,000 gallons (over 7,000 gals)	\$7.31	\$8.46
- Irrigation per 1,000 gallons	\$7.60	\$8.81
*Base monthly charge	\$8.30	\$9.96

Fire Line Service: (incremental charge based on size of line)

Size	Inside City	Outside City
Monthly service rate (4 inch or less) *no increase	\$47.60	\$55.65
Monthly service rate (6 inch) \$16.00 increase	\$63.60	\$71.65
Monthly service rate (8 inch) \$24.00 increase	\$71.60	\$79.65

Monthly service rate (10 inch) \$42.00 increase	\$89.60	\$97.65
Monthly service rate (12 inch) \$73.00 increase	\$120.60	\$128.65

Sewer Rates

Table 6.4 Individual Sewer Service

Size	Inside City	Outside City
* per 1,000 gallons water used	\$7.45	\$7.45
* base monthly charge	\$7.20	\$8.64
* monthly rate for unmetered service – residential only	\$46.90	\$46.90

Table 6.5 Private Sewer Systems (more than one user)

Size	Inside City	Outside City
* per 1,000 gallons based on master meter	\$ 7.45	\$7.45
* base monthly charge per user as determined by number of dwelling units or commercial spaces on site, occupied or vacant (Note 2)	\$7.20	\$8.64

(Note 1) Water rates for customers with 2-inch meters or larger should pay inside City rates.

(Note 2) All City customers will pay the base charge in addition to the per 1,000-gallon charge. Master metered customers will pay the base charge times the number of units served in addition to the per 1,000-gallon charge. Residential water customers using metered service for irrigation purposes only, shall not (during periods when level II or higher water restrictions are in effect) be billed a minimum bill for zero (-0-) usage.

(Note 3) Unmetered service is based upon an average of 7,000 gallons usage within a given month.

Water Tap & Connection Fees

Table 6.6 Individual Water Tap Fees

Size	Inside City	Outside City
3/4" service (installation by City)	\$3,250.00	\$3,250.00
1" service (installation by City)	\$3,450.00	\$3,450.00
1-1/2" service (installation by City)	\$3,750.00	\$3,750.00
2" service (installation by City)	\$4,050.00	\$4,050.00
Larger than 2" (installation by customer or City)	All Cost Borne By Customer	All Cost Borne By Customer

Individual Water connection fees: These fees were derived from meter factors as developed in the American Water Works Association Standards Manual. (See Note A)

Table 6.7 Water Meter Size

Size	Inside City	Outside City
* 3/4" service	\$ 1,350.00	\$ 1,350.00
* 1" service	\$ 3,000.00	\$ 3,000.00
* 1-1/2" service	\$ 6,000.00	\$ 6,000.00
* 2" service	\$ 9,600.00	\$ 9,600.00
* 3" service	\$ 18,000.00	\$ 18,000.00
* 4" service	\$ 30,000.00	\$ 30,000.00
* 6" service	\$ 60,000.00	\$ 60,000.00
* 8" service	\$ 96,000.00	\$ 96,000.00
* 10" service	\$ 138,000.00	\$ 138,000.00

(Note A)

- (1) Tap fee & connection fee shall be per lot or per unit to be served. Commercial Customers shall be all cost borne by customer & the tap fee is waived.
- (2) Master metered developments shall pay a connection fee for each lot or individual unit served or fee for meter size whichever is greater
- (3) Connection fee due from residential developers shall be paid before issuance of the zoning clearance permit. (Tap fees are waived where developer has installed water systems in accordance with City Ordinance.)
- (4) Connection fee is due from commercial & industrial developers before zoning permits can be issued by the City.
- (5) Connection fee for residential customers where a tap fee is also due shall be paid before tap is installed by the City.
- (6) Residential & commercial developers who have preliminary plats approved by the City before December 18, 2000 shall be exempt from paying the connection fee.
- (7) Commercial & industrial developers who are not required to obtain plat approval shall be exempt from paying the connection fee if zoning permits have been issued by the City prior to December 18, 2000. (Manufactured home parks & multi-family apartment complexes are included as commercial developers).
- (8) All applicable fees must be paid before receiving City water service.
- (9) All new or modified services in NCDOT owned rights-of-way shall be at cost, All Cost Borne By Customer.

SEWER TAP & CONNECTION FEES

Table 6.8 Individual Sewer Service Tap Fees

Size	Inside City	Outside City
* 4" service (installation by the City) (includes any size pumped by customer)	\$4,250.00	\$4,250

* 6" or larger or where utility encasement may be required (installation by customer or City)	All Cost Borne By Customer	All Cost Borne By Customer
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Table 6.9 Tap on a New Sewer Line to Existing

Size	Inside City	Outside City
* All sizes (installation by the customer)	All Cost Borne By Customer	All Cost Borne By Customer

Individual Sewer Connection Fees: These fees were derived from meter factors as developed in the American Water Works Association Standards Manual. (See Note B)

Table 6.10 Water Meter Size

Size	Inside City	Outside City
* 3/4" service	\$1,000.00	\$1,000.00
* 1" service	\$1,625.00	\$1,625.00
* 1-1/2" service	\$3,250.00	\$3,250.00
* 2" service	\$5,200.00	\$5,200.00
* 3" service	\$9,750.00	\$9,750.00
* 4" service	\$16,250.00	\$16,250.00
* 6" service	\$32,500.00	\$32,500.00
* 8" service	\$52,000.00	\$52,000.00
* 10" service	\$74,000.00	\$74,750.00

(Note B)

(1) Tap fee and connection fee shall be per lot or per unit to be served. Commercial Customers shall be all cost borne by customer and the tap fee is waived.

(2) Master metered developments shall pay a connection fee for each lot or individual unit served or fee for meter size whichever is greater.

(3) Connection fee due from residential developers shall be paid before issuance of the zoning clearance permit. (Tap fees are waived where developer has installed sewer systems in accordance with City Ordinance.)

(4) Connection fee is due from commercial and industrial developers at the time of application for service.

(5) Connection fee for residential customers where a tap fee is also due shall be paid before tap is installed by the City.

(6) Residential and commercial developers who have preliminary plats approved by the City before December 18, 2000, shall be exempt from paying the connection fee.

(7) Commercial and industrial developers who are not required to obtain plat approval shall be exempt from paying the connection fee if zoning permits have been issued by the City prior to December 18, 2000. (Manufactured home parks and multi-family apartment complexes are included as commercial developers).

- (8) All applicable fees must be paid before receiving City sewer service.
- (9) All new or modified services in NCDOT owned rights-of-way shall be at cost, All Cost Borne By Customer
- (10) No new sewer only tap shall be sold or installed. Connection to City water is required for sewer service.

WATER & SEWER SYSTEM ADMINISTRATIVE FEES

Table 6.11

Administrative Services	Fees
Non-payment administrative service disconnect fee	\$ 30.00
Returned Check Fee	\$ 25.00
Re-connection Fee (after normal business hours)	\$100.00
Physical notification of non-payment bill	\$ 0.00
Unauthorized / illegal connection or re-connection	\$300.00
Locking Devices cut or damaged	\$300.00
Meter Yokes damaged	\$300.00
Tampering, altering, removing, or replacing meter	\$400.00
Water meter bypass	\$300.00
Re-read / No Error	\$ 50.00
Meter Test Fee (<i>1 inch or less</i>)	\$100.00

WATER & SEWER SYSTEM ADMINISTRATIVE FEES

Table 6.12

Administrative Services	Fees
Repeat trip fee (starting with trip #3)	\$ 50.00
Inspection Fee for New or Modified Service (if not installed by City Staff)	\$ 50.00

MUNICIPAL WATER & SEWER RATES

Table 6.13

Municipalities	Fees
City of Concord (<i>Water & Sewer Services</i>)	Per Contract
City of Landis (<i>Water & Sewer Service</i>)	Per Contract

WATER & SEWER SERVICE RELOCATION & DAMAGE

Any relocation of service and/or apparatus, adjustment of grade or elevation, and/or damage to City equipment or infrastructure shall be performed at cost (All Cost Borne By Customer). This will include the cost of labor, equipment, & materials.

Environmental

Table 7.1 Residential Environmental Fees *(per occupied dwelling)*

Administrative Services	Fees
Recycling/ Solid Waste	\$23.10
Additional Trash Bin Fee	\$4.00
Additional Recycle Cart	\$7.12
Garbage Ordinance Violation	\$50.00

Table 7.2 Commercial Environmental Fees *(per occupied dwelling)*

Administrative Services	Fees
Garbage/Recycle	\$23.10
96 Gallon Recycle X2	\$10.25
96 Gallon MSW X2	\$7.12

Table 7.2 Commercial Environment Fees

Commercial (City Bulk Pick Up)	<u>1X per Wk</u>	<u>2X per Wk</u>	<u>3X Per Wk</u>	<u>4X per Wk</u>	<u>5X per W</u>
4 Yd	\$120.00	\$239.00	\$358.00	\$454.00	\$596.00
6 Yd	\$151.00	\$289.00	\$431.00	\$575.00	\$719.00
8 Yd	\$184.00	\$368.00	\$525.00	\$735.00	\$875.00
Commercial (Business)	<u>1X per Wk</u>	<u>2X per Wk</u>	<u>3X per Wk</u>	<u>4X per Wk</u>	<u>5X per Wk</u>
4 Yd	\$140.00	\$280.00	\$420.00	\$560.00	\$700.00
6 Yd	\$175.00	\$250.00	\$525.00	\$700.00	\$875.00
8 Yd	\$190.00	\$380.00	\$551.00	\$735.00	\$1,837.00
Container Size (Recycle)	<u>1X per Wk</u>	<u>2X per Wk</u>			
4 Yd	\$147.00	\$294.00			
6 Yd	\$175.00				
8 Yd	\$200.00				

Stormwater

Table 8.1 Stormwater Rate Tier Schedule

Impervious Area Size (<i>per Equivalent Residential Unit</i>)	Fee
Tier 1 – < 1,200 square feet	\$5.75
Tier 2 – 1,200 – 3,250 square feet	\$7.25
Tier 3 - > 3,250 square feet	\$8.75
Commercial – Per 3,250 square feet	\$7.25

Parks

Table 9.1 Village Park Shelter

Shelter Type	½ Day Rental Fee	Full Day Rental Fee
Shelter A		
Resident	\$25.00	\$40.00
Non-Residential	\$32.00	\$55.00
Shelter B		
Resident	\$45.00	\$80.00
Non-Residential	\$55.00	\$100.00
Shelter C		
Resident	\$25.00	\$40.00
Non-Residential	\$32.00	\$55.00
Shelter C- Saturday – 2 Hour		
Resident	\$15.00	
Non-Residential	\$20.00	
Shelter D		
Resident	\$35.00	\$60.00
Non-Residential	\$45.00	\$80.00
Shelter E		
Resident	\$25.00	\$40.00
Non-Residential	\$32.00	\$55.00
Rental of all 4 Shelter		
Resident	\$110.00	\$144.00
Non-Residential	\$200.00	\$270.00

Descriptions of Shelter Areas:

Village Park Shelter A – use by reservation only

Shelters A & C hold approximately 36 people & have 6 picnic tables. These shelters offer power receptacles

& grills. They are located close to the splash pad, carousel, train & playground. Cost for a resident to reserve Shelter A is \$25 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$40. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

Village Park Shelter B – use by reservation only

Shelter B holds approximately 96 people & has 16 picnic tables. Shelter B offers power receptacles & a grill. This shelter is close to the splash pad, carousel, train & playground. Cost for a resident to reserve Shelter B is \$45 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$80. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

Village Park Shelter C – use by reservation only

Shelters A & C hold approximately 36 people & have 6 picnic tables. These shelters offer power receptacles & grills. They are located close to the splash pad, carousel, train & playground. Cost for a resident to reserve Shelter C is \$25 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$40.

BIRTHDAY PARTY TIME BLOCKS: On Saturdays, Shelter C may be reserved in 2-hour time blocks. (9:30 – 11:30, 12:00 – 2:00, 2:30 – 4:30, 5:00 – 7:00). Cost for residents to reserve a 2-hour time block is \$15.00. Two Hour time blocks & half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

Village Park Shelter D – use by reservation only

Shelter D holds approximately 60 people & has 10 picnic tables. Shelter D offers power receptacles & a grill. This shelter is close to the splash pad, carousel, train & playground. Cost for a resident to reserve Shelter D is \$35 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$60. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

Village Park Shelter E – use by reservation only

Shelter E holds approximately 24 people & has 4 picnic tables. Shelter E offers power receptacles & a grill. This shelter is located adjacent to the playground & close to the splash pad, carousel & train. Cost for a resident to reserve Shelter E is \$25 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is \$40. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

Table 9.2 Bakers Creek Park Shelter

Shelter Type	½ Day Rental Fee	Full Day Rental Fee
Shelter 1,2 & 3		
Resident	\$40.00	\$65.00
Non-Residential	\$47.00	\$72.00
Shelter 4		
Resident	\$25.00	\$45.00
Non-Residential	\$32.00	\$52.00
Shelter (930 West 8 th Street)	\$50.00	

Table 9.3 Individual Picnic Sites

Shelter Type	½ Day Rental Fee	Full Day Rental Fee
Site A (3 Tables, 1 grill, seats 20 – 24)	\$15.00	\$30.00
Site B (2 Tables, 1 grill, seats 12-15)	\$10.00	\$20.00
Site C (2 Tables, 1 grill, seats 12-15)	\$10.00	\$20.00
Site D (1 Tables, 1 grill, seats 8-10)	\$5.00	\$10.00

Descriptions of Shelter Areas:

Bakers Creek Park Large Picnic Shelters – use by reservation only

Shelters 1 & 2 hold up to 90 people & Shelter 3 holds up to 125 people. These large picnic shelters offer water, lights, receptacles, grills & horseshoe pits.

Bakers Creek Small Shelter Picnic Site (Shelter #4) – use by reservation only

This one covered picnic site is available that holds up to 30 people. Four large picnic tables & a grill are included. No power, water or horseshoe pits are available. Located adjacent to playground.

Mountain Street Park (Bakers Creek Park Expansion) Shelter – use by reservation only

The Expansion Park, located at the corner of **930 West 8th St. & Mountain St.**, offers four picnic tables, a grill, playground, two sand volleyball courts, horseshoe pits & restrooms. Limited parking is available. Good for small groups under 30 people. For use only daily, no half-day rentals.

OTHER FEES

- Excessive Cleaning (see policy): \$30/hr.
- Police Officer: If required, rate will be provided during application submission

HOURS

- Business Hours: 8:00AM – 5:00PM (Mon – Fri)
- After Business Hours: Nights & Weekends
- Holidays: Any designated City holiday

Table 9.4 Village Park Amphitheater

Rental	Fee
Resident for-profit:	\$550
Resident non-profit :	\$350
Non-Resident for-profit :	\$1,050
Non-Resident non-profit	\$800
Staffing (2 staff required)	\$30/per hour (3hr minimum)
Parking	\$15/per hour per person

Refundable Security Deposit	\$500
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Add-Ons	Fee
Use of Green Room	\$200.00 /Flat Rate
Setup	\$200.00
Clean-Up	\$300.00

**Each additional hour after 5 hours is \$50/hour*

**Must be reserved through the special event process*

Table 9.5 Village Park Amenities

Amenity	Fee
Splash Pad	\$1.50 /per person per day Children 1 year of age & under are free
Train	\$1.50 /per person per ride Children 1 year of age & under are free
Carousel	\$1.50 /per person per ride Children 1 year of age & under are free

*10% off for the purchase of 10 tickets or more for the train/carousel; or 10% off the purchase of 10 wristbands or more for the splashpad

Table 9.6 Special Admission

Type	Cost
Fast Pass	\$5.00

Table 9.7 Facility Rentals and Special Use

Facility	Fee
Carousel/Train Photo Shoots <i>*Only permitted during non-operational hours for both</i> <i>*No earlier than 8 am & not later than 9 pm</i>	\$30.00/ hour (1-hour minimum)
Gym Rentals (<i>KMS city schools</i>) Residential Non-Residential	\$30.00 /per hour \$40.00/ per hour

Table 9.8 Programs & Activities

Program	Fee
Youth Athletics Residential Non-Residential	\$45.00 Residential \$65.00 Non-Residential
Senior Trips	Variable (Based on destination and activity)

Table 9.9 Cemetery Fees

Transfers	Fee
Transfer of burial rights within a family	\$25.00
Transfer of burial rights outside of immediate family members	\$200.00/per plot
Transfer of vacant plots to the City	No Charge
Burial Fee (must be paid prior to burial)	\$150.00/per plot
Security deposit to ensure marker (must be paid prior to burial)	\$280.00

Table 9.10 Gem Theater

Product / Service	Fee
Movie Tickets	Before 6pm: \$4.00 (<i>all tickets</i>) After 6pm: Children & Seniors: \$4.00, Adults: \$5.00
Photo Shoots inside theatre	\$30/hr. (1 hour minimum) <i>*Only permitted during non-operational hours</i> <i>*No earlier than 8 am and not later than 6 pm (M-F only)</i>
Special Event Room:	Business Hours: \$40.00 per hour Evenings & Weekends: \$50.00 per hour Refundable Security Deposit: \$250-\$500
Special Events for whole theater: <i>Example: Graduation ceremony/private non-movie event (prior to show times)</i>	\$1,000 minimum <i>includes 5 hours; each additional hour \$200.00</i>
Special Events for whole theater: <i>Example: Private event during a normal show time</i>	\$3,000 minimum <i>includes 5 hours; each additional hour \$200.00</i>
Theater for special movie showings (outside normal hours):	\$240 <i>minimum (\$4.00 per person afterwards) + applicable licensing fees</i>
School Groups for special movie showing:	\$200 <i>minimum (\$2.00 per person afterwards) + applicable licensing fees</i> Group Rate Concessions: \$1.50 small drink \$1.50 small popcorn
Special Message on the Marquee	\$50.00 (<i>3 hours for one side</i>)
Birthday Party Packages	\$200.00 includes: <ul style="list-style-type: none"> • Admission, small popcorn, & medium drinks for 15 guests for the current movie showing at one of the already scheduled movie times. • One hour of use of the party room either before or after the movie. • Use of our fountain drink machine in the party room during that time. • Each additional guest is \$7.75 after the first fifteen. Parents/Chaperones ratio must be 1:10 for anyone under the age of 18.
Bulk Ticket Pricing: (<i>valid during any showtime</i>)	\$3.50 per child/senior ticket (25 tickets or more) \$4.50 per adult ticket (25 tickets or more)

Table 9.11 Gem Theater Static Slide Advertising

Advertising	Fee
Static Slide (13-week contract)	\$650.00
Static Slide (26-week contract)	\$1,134.00
Static Slide (52-week contract)	\$2,040.00

Table 9.12 Gem Theater Video Advertising

Advertising	Fee
Video (13-week contract)	15 second video: \$912.00 30 second video: \$1,824.00
Video (26-week contract)	15 second video: \$1,723.00 30 second video: \$3,468.00
Video (52-week contract)	15 second video: \$3,285.00 30 second video: \$6,570.00

SWANEE THEATER RENTAL

Table 9.13 Swanee Theater Standard Rental

Application Type	Base Fee
Standard Rental Rate	\$500.00/ Hour (<i>all inclusive; tables, chairs, linens</i>)
Prime Time Rate (Friday & Saturday)	\$800.00/Hour (<i>Minimum of 8 hours</i>)

Table 9.14 Additional Staffing

Application Type	Base Fee
Sound Staff	\$50.00/Hour (<i>Required</i>)
Bartending Staff	<i>\$20.00/Hour (Required if bar service is requested)</i> <i>*Gratuity/ 20% of alcohol service (Required if open bar or drink tickets are being used) This fee goes directly to the bartenders.</i>
Event Staff	\$15.00/Hour (<i>Required if changes to room setup occur during the event</i>)

Table 9.15 Swanee Theater Rental

Application Type	Base Fee
Upstairs Meeting Room	\$200.00/flat rate
Green Room	\$200.00/flat rate
Kitchen	\$100.00/flat rate
Use of Outside Catering Company	\$100.00/flat rate (<i>other than preferred catering list; must provide health department & insurance information</i>)
Marquee price	\$50.00 for 3 hours

*** Deposits/minimum required hours: \$250.00 for professional events; \$500.00 for social events; \$150 alcohol fee (Flat Rate); 4 hours min for social, 2 hours min for business events except Friday & Saturdays.

Table 9.16

Application Type	Kannapolis Based Organization (Resident)	Non-Kannapolis Based Organization (Non-Resident)
Softball field without lights	\$10.00 per hour per field	\$15.00 per hour per field
Softball field with lights	\$20.00 per hour per field	\$30.00 per hour per field
*There will also be \$15.00 per field/per time that fields are lined & dragged.		
Soccer field without lights	\$15.00 per hour per field	\$20.00 per hour per field
Soccer field with lights	\$26.00 per hour per field	\$35.00 per hour per field

Table 9.17

Fields available for reservations			
Fields	Fence distance Field size	Base distance options	Pitching distance options
Bakers Creek Park softball field (1 available)	285 ft	65'	50'
Safrit Park softball fields (2 available) 1415 Bethpage Road	300 ft	60', 65', or 90'	46' or 54'
Safrit Park soccer field (1 available) 1415 Bethpage Road	225 x 360	N/A	N/A
Kannapolis Middle School (baseball field) 1445 Oakwood Avenue	305 ft	90'	mound
Kannapolis Middle School (softball field) 1445 Oakwood Avenue	225 ft	65'	
Kannapolis Middle School (football & soccer field) 1445 Oakwood Avenue			

Rainout Hotline & Program Information number: 704-920-4344

In cases of inclement weather, the Kannapolis Parks & Recreation Department reserves the right to close any athletic field for safety or maintenance concerns. The hotline will be updated at 4:00 p.m. on each questionable day. Please call the number above to see if your games are being played or not.

Table 9.18

Rate	Lining	Turf	Additional Fees	Lights	Deposit
\$150.00/day per field	one free lining then \$15.00/prep	\$12.00/bag	\$75.00 gate, 100% concession	\$15.00/hr. per field	\$100.00

Tournament Cancellations:

A tournament that is cancelled after 5:00 PM on Wednesday (non-weather related) will be charged \$100 for the first cancellation, \$100 for a second cancellation & \$100 for a third cancellation. Aside from the \$100 cancellation fee, all remaining tournaments will be removed if the user has canceled a tournament for a third time.

A tournament that is cancelled after 5:00 PM on Wednesday (weather-related) will be credited with the rental fee for a future date. Please note all weather-related cancellation will be subject to approval.

If the tournament is cancelled by the Parks & Recreation department due to weather after it has begun, the following format will be used to determine the amount of credit for future field rentals:

Less than ½ of the tournament has been played, 100% of remaining tournament fees will be credited

More than ½ of the tournament has been played, 50 % of remaining tournament fees will be credited

Application Type	Kannapolis Based Organization (Resident)Base Fee	Non-Kannapolis Based Organization (Non-Resident)
Tennis court	\$3.00 per hour per court	\$5.00 per hour per court
Tennis court lights	\$4.00 per hour	\$4.00 per hour
*Light fee covers all lights at tennis complex.		

Special Event Fees

Police: The Special Events Committee, in consultation with the Kannapolis Police Department, shall determine the number of police officers required to appropriately manage street closures & for internal security, as well as the time when such services shall commence & end. Applicants will be invoiced before the event at the rate of \$50.00 per hour per police officer assigned to the event. These fees are due one (1) week before the event.

Fire & EMS: The Special Events Committee, in consultation with the Kannapolis Fire Department, will determine the number of Emergency Medical Personnel required as well as the time when such services shall commence & end. Applicants will be invoiced before the event at the rate of \$35.00 per hour per firefighter/EMS assigned to the event. These fees are due one (1) week before the event.

Street Closure Equipment: The Special Events Committee, in consultation with the Kannapolis Public Works Department, shall determine the need for traffic control equipment to appropriately manage street closures. Applicants will be notified of the recommended controls. The applicant

may rent the equipment at the rate of \$175.00 per event. These fees are due one (1) week before the event.

Greenway Event Usage: For events held on a Kannapolis Parks & Recreation maintained Greenway usage must be pre-approved by the Special Events Committee.

Insurance: If an event requires a street or sidewalk closure then Comprehensive General Public Liability Insurance is required: \$1,000,000 per person per occurrence with a \$2,000,000 aggregate naming the City of Kannapolis as additionally insured. **Certificate should be specifically worded: “The City of Kannapolis, its officers, employees, & agents are additionally insured”. If alcohol is being served at the event, Liquor Liability is required to be included in the Certificate of Insurance. Proof of insurance is required at least 30 days before the event.

Current Special Events Permit Fee Schedule: Fees for special events & neighborhood block parties will utilize the below fee schedule.

Permit fees are non-refundable & are subject to change.

Parade, Walk, or Run:	\$125
Festival/Exhibition Shows:	
Non-Profit without Sales	\$100
For- Profit Organizations	\$200

Neighborhood Block Parties: \$50

Fees are not applicable if the event is contained to private property & requires no City resources.

Table 9.19

Horseshoe Property	Special Event Fees
Refundable Security Deposit	\$500.00
Resident for-profit	\$500.00 per day
Resident non-profit	\$350.00 per day
Non-Resident for-profit	\$1,050.00 per day
Non-Resident non-profit	\$800.00 per day
*Must be reserved through the special event process.	

Event Space Rentals

- A \$250.00 security deposit is required for all meetings
- A \$500.00 security deposit for all parties, receptions, & banquets
- Events serving alcohol will be assessed a venue service charge of \$150.00

Table 10.1

Event Space	Professional Events	Social Events	Security Fee <i>Refundable</i>	Other Conditions
Kitchen*	\$100.00 flat rate			
Council Conference	\$ 50.00/hour	\$ 60.00/hour	\$ 250.00 - \$ 500.00	
The Gallery*	\$100.00 flat rate			
Outside Terrace **	\$100.00flat rate			
Train Station – Event Room	\$ 75.00/hour	\$ 100.00/hour	\$ 250.00 - \$ 500.00	Alcohol Deposit if applicable
Village Park Event Room	\$ 75.00/hour	\$ 100.00/hour	\$ 250.00 - \$ 500.00	Alcohol Deposit if applicable
Village Park Patio	\$ 50.00 /per day	\$100.00 / per day	\$ 250.00 - \$ 500.00	
Public Works Training Room	\$ 45.00	n/a	\$ 250.00 - \$ 500.00	
Gem Theatre Event Room	\$ 40.00 /hour	\$ 50.00/hour	\$250.00 - \$ 500.00	Alcohol Deposit if applicable
Veterans Park Gazebo	\$ 50.00/hour	\$ 75.00/hour	\$ 250.00 - \$ 500.00	Alcohol Deposit if applicable
Dale Earnhardt Plaza	\$ 20.00/hour	\$ 25.00/hour	\$ 250.00 - \$ 500.00	
West Avenue Reading Room***	\$ 20.00/hour	\$ 25.00/hour	\$ 100.00	
West Avenue Reading Room Terrace	\$ 20.00/hour	\$ 25.00/hour	\$ 100.00	
West Avenue Event Lawn	\$ 25.00/hour	\$ 30/hour	\$ 100.00	
West Avenue Platform 1 "L-shaped"***	\$ 25.00/hour	\$ 30.00/hour	\$ 100.00	
West Avenue Platform 2 "3 Decks"	\$ 30.00/hour	\$ 35.00/hour	\$ 100.00	
West Avenue Pergola	\$ 20.00/hour	\$ 25.00/hour	\$ 100.00	
West Avenue Pump House Patio	\$ 25.00/hour	\$ 30.00/hour	\$ 100.00	

West Avenue Putting Green	\$ 20.00/hour	\$ 25.00/hour	\$ 100.00	
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** Kitchen & Gallery areas cannot be rented unless space in the Laureate Center is rented.*

** A venue service charge of \$150.00 will be assessed for all groups serving alcohol.*

*** Outside terrace / Patio Areas cannot be rented unless inside space is rented.*

**** West Avenue Platform 1 cannot be rented unless West Avenue Event Lawn is rented.*

**** West Avenue Reading Room cannot be rented unless West Avenue Reading Room Terrace is rented.*

- *Professional Event Rental Minimum – 2 hours*
- *Social Event Rental Minimum – 4 hours*

• **Professional Events** are considered gatherings where business professionals carry out business related activities. This includes but is not limited to conferences, training, meetings, religious services, networking, political party gatherings, & corporate dinners.

• **Social Events** are considered an occasion that involves social interactions & behaviors. This includes but is not limited to galas, weddings, birthdays, class reunions, & fundraising or celebratory banquets.

Table 10.2

Organization Type	Potential Discount
Extended Time Rental	15%
City Partner	100%
Employee Hosted	50%
Extended Stay	15%
Government-Affiliated Organization	100%
High Tourism Impact	50%
Kannapolis City Schools	100%
Low Tourism Impact	33%
NCRC Partner	100%
Non-Profit Donation	50%
Dance Floor	\$450
Stage	\$50 per 3'x6' section; (\$450 for complete unit)

** For more information on discount qualifications, please refer to the City of Kannapolis Facilities Use Policy or contact the Parks and Recreation Depart*

Table 10.3 Laureate Center Rental Of Section Charges

Rates are Per Hour	Professional Events	Social Events	Security Fee	Other Conditions
Laureate Center – One Section	\$ 100.00/hour *\$50.00 Flat Rate per Day	\$125.00/hour *\$100.00 Flat Rate per Day	\$ 250.00 - \$ 500.00	Alcohol Deposit if applicable
Laureate Center – Two Sections	\$ 200.00/hour *\$50.00 Flat Rate per Day	\$ 250.00/hour *\$100.00 Flat Rate per Day	\$ 250.00 - \$ 500.00	Event Liability Insurance if applicable
Laureate Center – Three Sections	\$ 300d.00/hour *\$50.00 Flat Rate per Day	\$ 350.00/hour *\$100.00 Flat Rate per Day	\$ 250.00 - \$ 500.00	Event Liability Insurance if applicable

Table 10.4 Potential Charges

Charges	Fee
Damages/Claim Fee	\$0.00 (Per expenses incurred)
NSF	\$25.00 (Per returned Item)
Excessive Cleaning	\$30.00 Per Hour

Private Use Zones

Table 11.1

Private Use Zone ID	Hourly Rate	After Hours Hourly Rate	Annual License Fee
1A	\$10.00	\$15.00	\$181
1B	\$5.00	\$10.00	\$77
1C	\$10.00	\$15.00	\$189
1D	\$5.00	\$10.00	\$77
1E	\$10.00	\$15.00	\$210
1F	\$5.00	\$10.00	\$32
1G	\$10.00	\$15.00	\$308
2A	\$5.00	\$10.00	\$66
2B	\$5.00	\$10.00	\$65
2C	\$5.00	\$10.00	\$86
2D	\$5.00	\$10.00	\$24
2E	\$10.00	\$15.00	\$204
3A	\$5.00	\$10.00	\$12
3B	\$5.00	\$10.00	\$24

Private Use Zone ID	Hourly Rate	After Hours Hourly Rate	Annual License Fee
3C	\$5.00	\$10.00	\$63
3D	\$10.00	\$15.00	\$140
3E	\$5.00	\$10.00	\$68
3F	\$5.00	\$10.00	\$88
3G	\$10.00	\$15.00	\$175
3H	\$5.00	\$10.00	\$59
3I	\$5.00	\$10.00	\$63
3J	\$5.00	\$10.00	\$63
3K	\$5.00	\$10.00	\$99
6B	\$5.00	\$10.00	\$30
6C	\$5.00	\$10.00	\$88
7A	\$20.00	\$25.00	\$425
7B	\$5.00	\$10.00	\$61
7C	\$5.00	\$10.00	\$11
7D	\$10.00	\$15.00	\$263
7E	\$5.00	\$10.00	\$88
8A	NA	NA	\$1,013
Reserved Parking Space (1)	\$5.00	NA	\$162
Reading Room	\$20.00	\$25.00	NA
Event Lawn	\$25.00	\$30.00	NA
Platform 1	\$25.00	\$30.00	NA
Platform 2	\$30.00	\$35.00	NA
Pergola	\$20.00	\$25.00	NA
Pump House Patio	\$25.00	\$30.00	NA
Reading Room Terrace	\$20.00	\$25.00	NA
Putting Green	\$20.00	\$25.00	NA

NOTES:

1. Annual License Fees (except reserved parking) are based on \$0.25 per square foot of space. The actual square footage calculation will be included as part of the license issuance.
2. All hourly rentals require a 50% reservation deposit & refundable security deposit of \$100.
3. Hourly Rates are Monday Through Friday 7:00 AM to 6:00 PM. All other times will be subject to the After Hours Rate.

*See Private Use Zone Ordinance for map of Zone ID designations

Community Information

City of Kannapolis, NC

Government	
Date of Incorporation	December 11, 1984
Form of Government	Council-manager
Number of Employees (Full Time)	436
County location	Cabarrus and Rowan

Area Statistics	
Population	63,000
Area in square miles	31 square miles

Taxes	
NC Retail Sales Tax	4.75%
Cabarrus County Local Sales Tax	2.25%
City of Kannapolis- Property Tax Rate	0.63 cents per \$100 value

Public Safety	
Fire Protection	
Stations	5
Number of fire personnel and officers	99
Police Services	
Number of sworn personnel	95
Number of civilians	28
Number of patrol units	120

Education	
Public School Enrollment *Kannapolis City Schools	5,379
Elementary Schools	6
Middle School	1
High School	1
Graduation Rate	82%

Economy	
Unemployment rate	3.3% Cabarrus; 3.4% Rowan
Per capita personal income	\$53,647 Cabarrus; \$46,763 Rowan
Single Family permits issued (July 1-June 30)	1,035
Non-residential construction permit value	\$102.9

CITY OF KANNAPOLIS
TAX RATES AND ASSESSED VALUTION

FISCAL YEAR	TAX RATE PER \$100	ASSESSED VALUATION	TAX LEVY	% INCREASE (DECREASE)
1990	0.38	\$710,502,765	\$2,716,471	22%
1991	0.45	756,215,698	3,402,971	25%
1992	0.37	937,808,108 *	3,469,890	2%
1993	0.39	969,630,566	3,781,559	9%
1994	0.42	1,008,377,099	4,223,979	12%
1995	0.46	1,049,078,046	4,810,874	14%
1996	0.46	1,192,811,135 *	5,491,956	14%
1997	0.46	1,241,130,090	5,709,717	4%
1998	0.49	1,293,059,850	6,345,535	11%
1999	0.49	1,359,260,351	6,666,506	5%
2000	0.49	1,803,928,729 **	8,492,318	27%
2001	.047	1,847,521,353	9,052,855	7%
2002	0.49	1,983,954,396	9,721,377	7%
2003	0.49	2,027,762,094	10,717,459	10%
2004	0.53	1,969,103,832 ???	10,543,899	(1.6)%
2005	0.53	2,178,372,302 ****	10,826,510	3%
2006	0.497	2,270,062,374	11,282,210	4%
2007	0.497	2,375,528,118	12,054,762	7%
2008	0.497	2,560,383,000 ***	12,725,104	6%
2009	0.497	3,540,416,000 ****	17,348,038	36%
2010	0.49	3,699,101,000	18,225,595	4%
2011	0.49	3,733,730,000	18,295,595	0.4%
2012	0.49	3,762,762,000	18,437,534	0.7%
2013	0.56	3,405,337,747 ***	19,069,891	3.4%

2014	0.56	3,468,844,752	****	19,425,531	1.8%
2015	0.60	3,546,893,759		21,281,363	10%
2016	0.63	3,653,710,000	***	23,404,948	10%
2017	0.63	3,859,718,981	****	23,708,300	2%
2018	0.63	3,981,333,560		24,538,000	3.5%
2019	0.63	4,080,738,159		25,294,944	5%
2020	0.63	4,337,823,300	***	26,781,721	6%
2021	0.63	5,049,289,745	****	31,212,488	14%
2022	0.63	5,260,241,092		32,860,158	4%
2023	0.63	5,672,838,999		35,588,732	8.3%
2024	0.63	6,190,764,848	***	39,027,140	9.13%
2025	.5595	8,882,324,940	****	49,599,642	27.09%

Legend:

*	A Citywide re-valuation of real property was conducted by Rowan County and Cabarrus County
**	In addition to a Citywide re-valuation being conducted, the City annexed ten square miles on its west side.
???	Rowan County re-valued property and the Pillowtex property was de-valued due to bankruptcy.
***	A re-valuation was done in the Rowan County portion of the City.
****	A re-valuation was done in the Cabarrus County portion of the City.

AAP – Atlantic American Properties, a real estate dealer in Kannapolis.

ABC Revenues - Contributions from the local Alcoholic Beverage Control Board. The City is appropriated a portion of the net operating revenue derived from the operation of the local liquor stores.

Accrual Accounting - A basis of accounting in which revenues and expenses are recorded at the time they are incurred, instead of when cash is actually received or disbursed. For example, in accrual accounting, revenue earned between June 1 and June 30, but for which payment was not received until July 12, is recorded as earned on June 30, rather than on July 12.

Activity - A specific service or unit of work performed.

Ad Valorem Taxes - Revenue accounts showing taxes paid on real property, personal property to include property of public service companies allocated by the Ad Valorem Tax Division of the State Department of Revenue.

Adopted Budget - Term used to describe revenues and expenditures for the upcoming year beginning July 1 as adopted by the City Council.

And procedures necessary to define accepted accounting practices.

Annexation – Method by which a city may expand its boundaries (procedures are set forth in North Carolina General Statute 160A-46)

Appropriation (Budgeting) - An authorization granted by the City Council to make budgeted expenditures and to incur obligations for purposes specified in the budget ordinances.

Appropriation - An authorization made by the City Council which permits the City to incur obligations and to make expenditures of resources.

Assessed Valuation - A value that is established for real or personal property for use as a basis to levy property taxes.

Audit – an official inspection of an organization's accounts, typically by an independent body.

ARP- American Rescue Plan funding that was part of the Biden administration that offered federal relief funds as a result of the COVID-19 pandemic.

AWWA – American Water Works Association

Balanced Budget - Occurs when planned expenditures equal anticipated revenues. In North Carolina, it is a requirement that the budget submitted to the City Council be balanced.

Basis of Accounting - A term used to refer to when revenues, expenditures, expenses, and transfers--and the related assets and liabilities--are recognized in the accounts and reported in the financial statements; the City of Kannapolis uses the modified accrual basis of accounting for budget preparation, as required by the North Carolina Local Government Budget and Fiscal Control Act.

Biotechnology – A term used to describe any technological application that uses biological systems, living organisms, or derivatives thereof, to make or modify products or processes most commonly related to human health and disease.

Bond - A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets and bridges.

Bond Funds - Resources derived from issuance of bonds for specific purposes and related Federal project grants used to finance capital expenditures.

Budget - A statement in dollar terms of the City's program of service delivery for the ensuing fiscal year.

Budget Amendment - A legal procedure utilized by the City staff and City Council to revise a budget appropriation.

Budget Calendar - The schedule of key dates which the City's departments follow in the preparation, adoption and administration of the budget.

Budget Document - The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

Budget Message - The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the City Manager.

Budget Ordinance - The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

Budgetary Control - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

C.O.P. – Community Oriented Policing

CAD - Acronym for Computer Aided Design.

CAFR – Certificate of Achievement in Excellence for Financial Reporting

CALEA – Commission on Accreditation for Law Enforcement Agencies

Capital Equipment - Vehicles, equipment, software, and furniture purchased by the City which individually amount to a value in excess of \$500 and an expected life of more than one year.

Capital Expenditure – Payments for acquisition of fixed capital assets, stock, land or intangible assets.

Capital Improvement Program - A plan for major capital expenditures to provide long-lasting physical improvements to be incurred over a fixed period of several future years.

Capital Improvements - Major construction, repair of or addition to buildings, parks, streets, bridges and other City facilities. Capital Improvements projects cost \$10,000 or more, and have a useful life of more than three years.

Capital Improvements Budget - The schedule of project expenditures for the acquisition and construction of capital assets for the current fiscal year.

Capital Outlays - Expenditures for the acquisition of capital assets. Includes the cost of land, buildings, permanent improvements, machinery, large tools, rolling and stationary equipment.

Capital Reserve Fund - A special fund used as a clearing house for monies being transferred from General Fund and Water and Sewer Fund operations.

Cash Accounting - A basis of accounting in which transactions are recorded when cash is either received or expended for goods and services.

Cash Management - The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships.

CD – Community Development.

CDBG – Community Development Block Grant given by the Federal Department of Housing and Urban Development.

CIP – Capital Improvement Program.

Classification - Assignment of a position title and an associated pay range based on the job skills required for a particular position.

Contingency Account - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

Contributed Capital – Donations of capital property to the City. Streets and water and sewer lines installed by developers and turned over to the City in order to be owned and maintained by the City are examples of contributed capital.

D.A.R.E. – Drug Abuse Resistance Education

Debt Services - The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Deficit - An excess of expenditures over revenues or expense over income.

Delinquent Taxes - Taxes that remain unpaid on and after the due date on which a penalty for non-payment is attached.

Department - An organizational unit responsible for carrying out a major governmental function.

Depreciation - The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed assets lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

Developmental Range: This is the range on the job classification schedule that occurs between the minimum and the midpoint of a salary range in which employees can get up to 5% on their annual performance evaluation. After they are outside of this range, employees qualify for standard merit percentages (0-3%).

Disbursement - Payment for goods and services in cash or by check.

DS1 – Digital Service broadband hookup. Telephone line for high speed service measured at 1,544,000 bits per second.

DWI – Driving under the influence of drugs or alcohol.

Encumbrance - The commitment of appropriated funds to purchase an item or service. To encumber funds is to set aside or commit funds for future expenditures.

Encumbrance Accounting - The system under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

Enterprise Fund - A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to insure that revenues are adequate to meet all necessary expenditures. Enterprise funds in Kannapolis are established for services such as water and sewer.

Estimated Revenue - The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by the City Council.

Expenditure - This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services regardless of when the expense is actually paid. This term applies to all funds.

Expenses - Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest and other charges.

Fiscal Year - The time period designating the beginning and ending period for recording financial transactions. The City of Kannapolis's fiscal year begins July 1st and ends June 30th.

Fixed Assets - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

FPS – Finkbeiner, Pettis & Strout, Inc., Consulting Engineers.

FTO – Field Training Officer.

Function - A group of related programs crossing organizational (department) boundaries and aimed at accomplishing a broad goal or accomplishing a major service.

Fund - An accounting entity that has a set of self-balancing accounts and that records all financial transactions for specific activities or government functions.

Fund Balance - Amounts shown as fund balance represent monies which remain unspent after all budgeted expenditures have been made. North Carolina statute declares that a portion of fund balance is not available for appropriation.

FY – Fiscal Year.

GASB - Acronym for Government Accounting Standards Board.

Generally Accepted Accounting Principles (GAAP) - Uniform minimum standards of and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures that organizations use to compile their financial statements. GAAP are a combination of authoritative standards set by policy boards and simply the most common ways of recording and reporting accounting information.

General Fund - The largest fund within the City, the General Fund accounts for most of the financial resources of the government. General Fund revenue include property taxes, licenses and permits, local taxes and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, finance, data processing, public works, and general administration.

General Ledger - A file that contains a listing of the various accounts necessary to reflect the financial position of the government.

General Obligation Bonds - Bonds that finance a variety of public projects such as streets, buildings and improvements; the repayment of these bonds is usually made from the General Fund and these bonds are backed by the full faith and credit of the issuing government.

Geographic Information System - A project which will link the City to a county-wide database, including hardware, software, and added personnel. This system is to be utilized as a planning tool by the City departments.

GF – General Fund.

GFOA - Acronym for Government Finance Officers Association.

GHSP – Governors Highway Safety Program.

GIS – Geographic Information System.

Goal - A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given time period.

Governmental Fund. – Money, assets or property of the government used to account for activities primarily supported by taxes, grants and other various form of governmental activity.

Grant - A contribution by a government or other organizations to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed by the grantee.

HACV (HVAC) – heating, Air Conditioning, Ventilation

Interfund Transfers - Amounts transferred from one fund to another.

Intergovernmental Revenue - Revenue received from another government for a specified purpose.

Internal Service Fund - Funds used to account for the financing of goods or services provided by one department to another department on a cost reimbursement basis.

Inventory - A detailed listing of property currently held by the government.

Investment Revenue - Revenue earned on investments with a third party. The City uses a pooled cash system. We pool all funds' cash and invest it in total. The interest earned is then allocated back to individual funds by average cash balance in that fund.

K9 – Police canine program.

KPD – Kannapolis Police Department.

Lease-Purchase Agreement - An agreement that conveys the right to property or equipment for a stated period of item that allows the City to spread the cost of the acquisition over several budget years.

Levy - To impose taxes, special assessments, or service charges for the support of City activities.

LGC – Local Government Commission in the State Treasurer’s office. Oversees local government Finance and Debt issuance.

LLEBG – Local Law Enforcement Block Grant.

Line Item Budget - A budget that lists each expenditure category (salaries, material, telephone, travel, etc.) separately, along with the dollar amount budgeted for each specified category.

Local Government Budget and Fiscal Control Act - This act governs all financial activities of local Governments within the State of North Carolina.

Long Term Debt - Debt with a maturity of more than one year after the date of issuance.

Maturities - The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

Merit Program - An established system to recognize and financially reward employee performance that exceeds the City's standards for a classification.

Modified Accrual Accounting - The accounting approach under which revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period, and expenditures are recognized in the accounting period in which a fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, which is recognized when due.

MPO – Metropolitan Planning Organization

NC ALE – North Carolina Alcohol Law Enforcement

NC SAFIS – North Carolina State Automated Fingerprint Identification System

NCDOT - Acronym for North Carolina Department of Transportation.

NCGS – North Carolina General Statute

NCSBI – North Carolina State Bureau of Investigations

NFPA – National Fire Protection Association

North Carolina Research Campus – A 157 acre biotechnology research center including laboratories, offices, housing, parking decks, retail shopping, and other amenities, being built in Kannapolis on the former Fieldcrest Cannon textile industrial plant site.

Object Code - An expenditure category, such as salaries, supplies or vehicles.

Objectives - A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. A good statement of objective should imply a specific standard of performance for a given program.

Operating Budget - The City's financial plan which outlines proposed expenditures for the coming fiscal year and estimates the revenues which will be used to finance them.

Operating Funds - Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

Operating Transfers - Routine and/or recurring transfers of assets between funds.

Operations - The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as supplies, utilities, materials and travel. Generally, all expenses that do not meet the personal services and capital outlay criteria.

Organic Growth: Growth that is achieved by internal metrics such as expanding the customer base due to development.

OSHA – Occupational Safety and Health Administration

PARTF – Parks and Recreation Trust Fund. A Trust Fund with the State of North Carolina.

Performance Measures - Descriptions of a program's effectiveness or efficiency (i.e., response time to public requests, frequency of document updates).

Personnel Services - General category that includes salaries and wages, pensions, health insurance and other fringe benefits.

Powell Bill Funds - Funding from state-shared gasoline tax which is restricted for use on maintenance of local streets and roads.

Productivity - A measure of the increase of service output of City programs compared to the per unit of resource input invested.

Program - An organized set of related work activities which are directed toward accomplishing a common goal. Each City department is usually responsible for a number of related service programs.

Proprietary Fund – Funds like those in the private sector. They are used to account for activities that receive significant support from fees and charges. There are two types: enterprise funds and internal service funds.

Property Tax - Property taxes are levied on both real and personal property according to the property's valuation and tax rate.

Property Tax Rate - The rate at which real and personal property in the City is taxed in order to produce revenues sufficient to conduct necessary governmental activities. This rate is currently \$.47 per \$100 of assessed valuation.

PWOC – Public Work Operations Center.

Reappropriation - Appropriations which are not expended at the end of a fiscal year that were earmarked for a specific purpose and are funded in the subsequent year.

Reclassification - Change in a position title and /or the associated pay range based on changes in the job skills required for a given position.

Requisition - A written request from a department to the purchasing office for specific goods or services. This action precedes the authorization of a purchase order.

Reserve - A portion of fund balance earmarked to indicate 1) that is not available for expenditure, or 2) is legally segregated for a specific future use.

Resources - Assets that can be used to fund expenditures. These can be such things as Property Taxes, Charges for Service, Beginning Fund Balance or Working Capital.

Restricted Reserve - An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Retained Earnings - An equity account reflecting the accumulated earnings of an Enterprise or Internal Service Fund.

Re-valuation - Assignment of value to properties, buildings, vehicles, and equipment used for business purposes by the County Tax Assessor's Office; under State law, all property must be revalued no less frequently than once every eight years.

Revenue - Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

Revenue Bonds - Bonds whose principal and interest are payable exclusively from earnings of an Enterprise Fund.

SCADA – Supervisory Control and Data Acquisition. Type of communication system used at the water treatment plant to monitor all plant functions as well as water tanks throughout the City.

Service Level - Services(s) or product(s) which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

SFR – Single Family Residential.

Source of Revenue - Revenues are classified according to their source or point of origin.

Special Assessment - A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Special Revenue Fund - A fund used to account for the revenues from specific sources which are to be used for legally specified expenditures.

SRO – School Resource Officer.

STEP – Selective Traffic Enforcement Plan

Tax Base - The assessed valuation of all taxable real and personal property within the City's corporate limits.

TEA-21 – Transportation Efficiency Act of the 21st Century.

TIF – Tax Increment Financing. This is a type of financing authorized by North Carolina which stipulates that City property taxes received on the incremental value of a development can be pledged to pay debt service related to infrastructure improvements done by the City related to the development.

Transfers - All interfund transactions except loans or advances, quasi-external transactions and reimbursements.

UDO – Unified Development Ordinance.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

WAN – Wide Area Network .

WSACC – Water and Sewer Authority of Cabarrus County.

WTP – Water Treatment Plant.