

# PROPOSED BUDGET

FY 2025 / 2026



# City of Kannapolis

## Preliminary Budget

Fiscal Year 2025 - 2026



**Prepared by:**

City of Kannapolis Staff

**Special Thanks to:**

City Manager's Office, Communications and Finance





# City of Kannapolis

## City Council

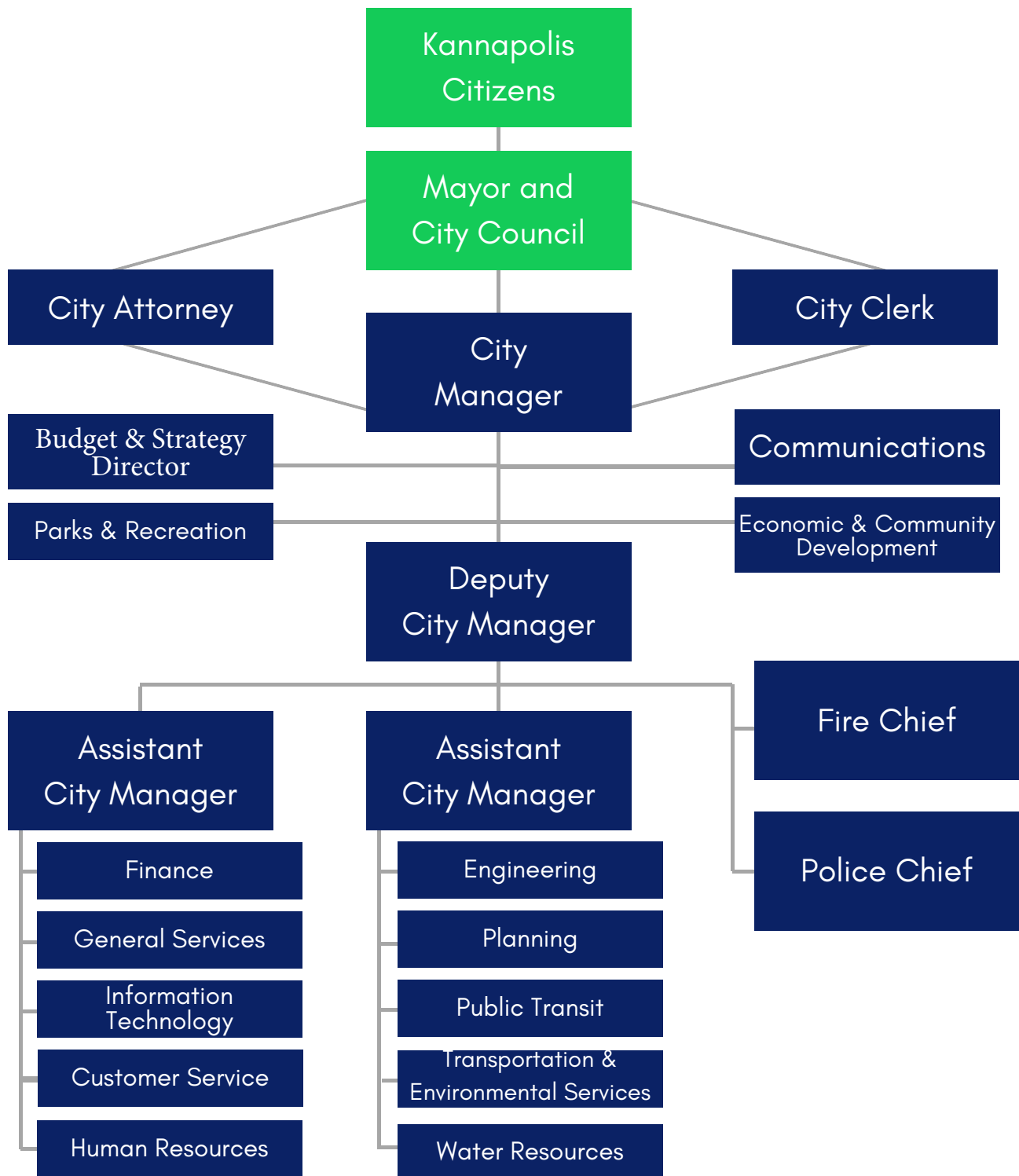


Left to right: Councilmember Ryan Dayvault, Councilmember Doug Wilson, Councilmember Jeanne Dixon, Mayor M. Darrell Hinnant, Councilmember Darrell Jackson, Councilmember Tom Kincaid, and Mayor Pro Tem Dianne Berry.





# CITY ORGANIZATION



**CITY OF KANNAPOLIS**  
**Fiscal Year 2026 Proposed Budget**

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**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.

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

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
<b>Totals</b>		<b>\$46,818,273</b>	<b>\$7,112,800</b>	

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 million 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
<b>Total</b>	<b>\$10,604,903</b>	<b>\$3,321,246</b>	

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 is 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
<b>Total</b>	<b>\$3,110,700</b>	<b>\$1,538,081</b>	

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
<b>Total Transfers in</b>	<b>\$1,045,700</b>	<b>\$581,242</b>	<b>\$581,242</b>	<b>\$1,147,817</b>	<b>\$2,191,690</b>	<b>\$1,832,669</b>

## 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.

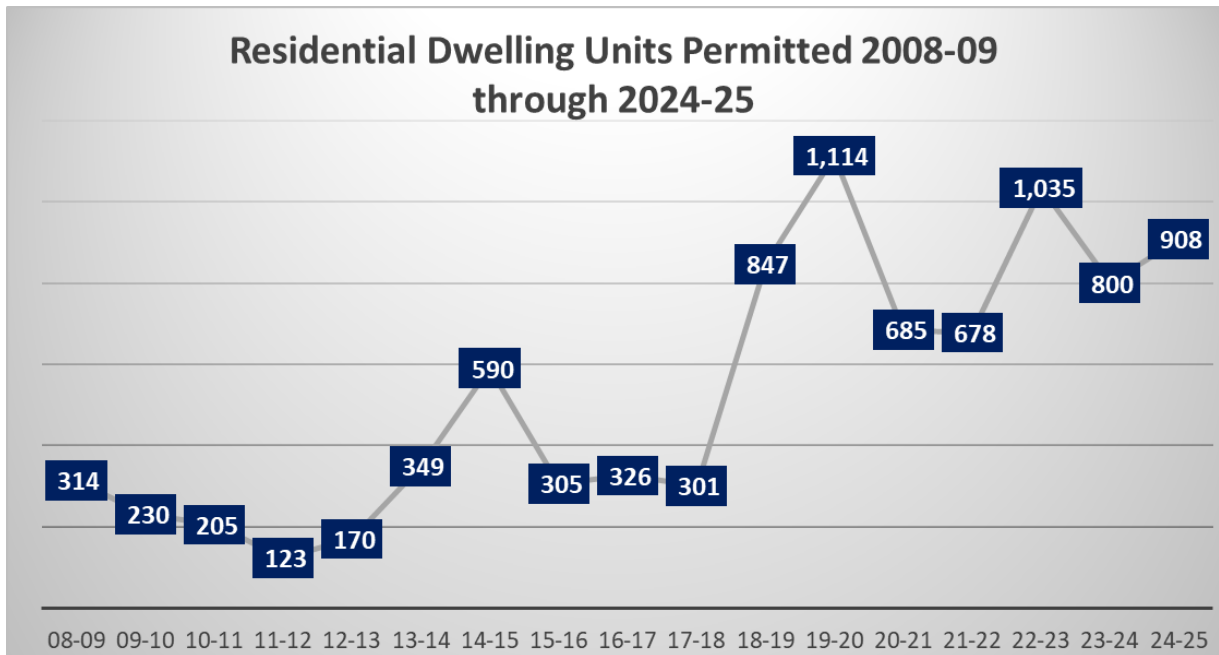
## ***Looking Ahead – FY 2027 and beyond***

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.

<b>Wastewater Allocation Exhibit A Residential (Dwelling Units)</b>	<b>Reserved Dwelling Units</b>	<b>Projected Value</b>
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
<b>Total Residential Dwelling Units</b>	<b>7,120</b>	<b>\$1,423,180,000</b>

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:

<b>Wastewater Allocation - Exhibit A Non-Residential (Square Feet)</b>	<b>Reserved Sq. Ft.</b>	<b>Projected Value</b>
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
<b>Total Non-Residential Sq. Ft.</b>	<b>10,132,469</b>	<b>\$2,034,940,700</b>

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
<b>Totals</b>	<b>\$1,854,151,672</b>	<b>\$11,207,841</b>	<b>18.14</b>

\* 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

**Revenue Summary**  
**All Funds**  
**Fiscal Years 2024-2026**

	<b>FY 2024 Adopted</b>	<b>FY 2025 Adopted</b>	<b>FY 2026 Proposed</b>	<b>Difference FY 25 to FY 26</b>
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	-	-	-
<b>Total General General Fund</b>	<b>\$ 70,371,279</b>	<b>\$ 83,260,832</b>	<b>\$ 85,983,381</b>	<b>\$ 2,722,549</b>
<b>Total Water and Sewer Fund</b>	<b>\$ 24,286,437</b>	<b>\$ 29,743,813</b>	<b>\$ 28,425,016</b>	<b>\$ (1,318,797)</b>
<b>Total Stormwater Fund</b>	<b>\$ 3,530,000</b>	<b>\$ 3,750,000</b>	<b>\$ 3,637,348</b>	<b>\$ (112,652)</b>
<b>Total Environmental Fund</b>	<b>\$ 5,683,817</b>	<b>\$ 6,700,690</b>	<b>\$ 7,681,862</b>	<b>\$ 981,172</b>
<b>Total Separation Fund</b>	<b>\$ 496,912</b>	<b>\$ 600,000</b>	<b>\$ 721,500</b>	<b>\$ 121,500</b>
<b>Total Transit Fund</b>	<b>\$ 1,223,031</b>	<b>\$ 1,621,823</b>	<b>\$ 1,402,698</b>	<b>\$ (219,125)</b>
<b>Total Insurance and Risk Fund</b>	<b>\$ 6,046,480</b>	<b>\$ 6,761,084</b>	<b>\$ 7,618,904</b>	<b>\$ 857,820</b>
<b>Grand Total All Funds</b>	<b>\$ 111,637,956</b>	<b>\$ 132,438,242</b>	<b>\$ 135,470,709</b>	<b>\$ 3,032,467</b>
<b>Less Inter-Fund Transfers</b>	<b>\$ 7,252,080</b>	<b>\$ 9,331,913</b>	<b>\$ 9,462,867</b>	<b>\$ 309,918</b>
<b>Grand Total All Funds</b>	<b>\$ 104,385,876</b>	<b>\$ 123,106,329</b>	<b>\$ 126,007,842</b>	<b>\$ 2,722,549</b>

## 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 Proposed
<b>Revenues</b>							
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	-	-	-	-	-	-
<b>Total General General Fund</b>	<b>\$ 61,642,311</b>	<b>\$ 62,487,159</b>	<b>\$ 68,229,610</b>	<b>\$ 70,371,279</b>	<b>\$ 75,740,114</b>	<b>\$ 83,260,832</b>	<b>\$ 85,983,381</b>
<b>Total Water and Sewer Fund</b>	<b>25,550,307</b>	<b>23,370,000</b>	<b>25,171,999</b>	<b>24,286,437</b>	<b>26,633,107</b>	<b>29,743,813</b>	<b>28,425,016</b>
<b>Total Stormwater Fund</b>	<b>3,142,858</b>	<b>3,291,706</b>	<b>3,242,106</b>	<b>3,530,000</b>	<b>3,582,592</b>	<b>3,750,000</b>	<b>3,637,348</b>
<b>Total Environmental Fund</b>	<b>4,659,918</b>	<b>4,908,080</b>	<b>4,767,896</b>	<b>5,683,817</b>	<b>5,658,150</b>	<b>6,700,690</b>	<b>7,681,862</b>
<b>Total Separation Fund</b>	<b>484,210</b>	<b>506,407</b>	<b>510,940</b>	<b>496,912</b>	<b>527,538</b>	<b>600,000</b>	<b>721,500</b>
<b>Total Transit Fund</b>	<b>843,070</b>	<b>1,743,571</b>	<b>1,179,208</b>	<b>1,223,031</b>	<b>1,240,338</b>	<b>1,621,823</b>	<b>1,402,698</b>
<b>Total Insurance and Risk Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,046,480</b>	<b>7,051,838</b>	<b>6,761,084</b>	<b>7,618,904</b>
<b>Grand Total All Funds</b>	<b>\$ 96,322,674</b>	<b>\$ 96,306,923</b>	<b>\$ 103,101,759</b>	<b>\$ 111,637,956</b>	<b>\$ 120,433,677</b>	<b>\$ 132,438,242</b>	<b>\$ 135,470,709</b>
<b>Less Inter-Fund Transfers</b>	<b>\$ (1,277,452)</b>	<b>\$ (1,390,884)</b>	<b>\$ (1,395,417)</b>	<b>\$ (7,252,080)</b>	<b>\$ (8,147,760)</b>	<b>\$ (9,331,913)</b>	<b>\$ (9,462,867)</b>
<b>Grand Total All Funds</b>	<b>\$ 95,045,222</b>	<b>\$ 94,916,039</b>	<b>\$ 101,706,342</b>	<b>\$ 104,385,876</b>	<b>\$ 112,285,917</b>	<b>\$ 123,106,329</b>	<b>\$ 126,007,842</b>

## 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
<b>Sources of Funds</b>								
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
<b>Total Sources</b>	<b>\$ 85,983,381</b>	<b>\$ 28,425,016</b>	<b>\$ 3,637,348</b>	<b>\$ 7,681,862</b>	<b>\$ 721,500</b>	<b>\$ 1,402,698</b>	<b>\$ 7,618,904</b>	<b>\$ 131,947,842</b>

## Detailed Revenue Summary - All Funds

	FY 23 Adopted	FY 23 Actual	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
<b>Revenues</b>					
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
<b>Total Ad Valorem Taxes</b>	<b>\$ 35,588,732</b>	<b>\$ 36,434,778</b>	<b>\$ 39,027,140</b>	<b>\$ 49,599,642</b>	<b>\$ 51,446,045</b>
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
<b>Total Sales Tax</b>	<b>\$ 13,626,161</b>	<b>\$ 15,646,536</b>	<b>\$ 16,440,102</b>	<b>\$ 16,887,246</b>	<b>\$ 17,134,463</b>
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
<b>Total Intergovernmental</b>	<b>\$ 6,333,541</b>	<b>\$ 7,229,188</b>	<b>\$ 6,373,357</b>	<b>\$ 7,138,972</b>	<b>\$ 7,966,275</b>
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
<b>Total Other</b>	<b>\$ 6,185,267</b>	<b>\$ 8,919,108</b>	<b>\$ 7,288,295</b>	<b>\$ 9,634,972</b>	<b>\$ 9,436,598</b>
Transfers In from Other Funds	-	-	-	-	-
Appropriated Fund Balance	753,458	-	1,242,385	-	-
<b>Total Transfers In / Appropriated Fund Balance</b>	<b>\$ 753,458</b>	<b>\$ -</b>	<b>\$ 1,242,385</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total General Fund</b>	<b>\$ 62,487,159</b>	<b>\$ 68,229,610</b>	<b>\$ 70,371,279</b>	<b>\$ 83,260,832</b>	<b>\$ 85,983,381</b>



## Detailed Revenue Summary - All Funds *(continued)*

	FY 23 Adopted	FY 23 Actual	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
<b>Revenues</b>					
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	-	-	-	-	-
<b>Total Water and Sewer Fund</b>	<b>\$ 23,370,000</b>	<b>\$ 25,171,999</b>	<b>\$ 24,286,437</b>	<b>\$ 29,743,813</b>	<b>\$ 28,425,016</b>
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	-	-	-	-	-
<b>Total Stormwater Fund</b>	<b>\$ 3,291,706</b>	<b>\$ 3,242,106</b>	<b>\$ 3,530,000</b>	<b>\$ 3,750,000</b>	<b>\$ 3,637,348</b>
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	-	-	-	-	-
<b>Total Environmental Fund</b>	<b>\$ 4,908,080</b>	<b>\$ 4,767,896</b>	<b>\$ 5,683,817</b>	<b>\$ 6,700,690</b>	<b>\$ 7,681,862</b>
Transfer from General Fund	506,407	303,235	496,912	600,000	721,500
<b>Total Separation Pay Fund</b>	<b>\$ 506,407</b>	<b>\$ 303,235</b>	<b>\$ 496,912</b>	<b>\$ 600,000</b>	<b>\$ 721,500</b>
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	-	-	-	-
<b>Total Transit Fund</b>	<b>\$ 1,743,571</b>	<b>\$ 1,179,208</b>	<b>\$ 1,223,031</b>	<b>\$ 1,621,823</b>	<b>\$ 1,402,698</b>
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	-	-	-	-	-
<b>Total Health Insurance and Risk Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,046,480</b>	<b>\$ 6,761,084</b>	<b>\$ 7,618,904</b>

**Expenditure Summary**  
**All Funds**  
**Fiscal Years 2024 - FY 2026**

	<b>FY 2024 Adopted</b>	<b>FY 2025 Adopted</b>	<b>FY 2026 Proposed</b>	<b>Difference FY 25 to FY 26</b>
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)
<b>Total General General Fund</b>	<b>\$ 70,371,279</b>	<b>\$ 83,260,832</b>	<b>\$ 85,983,381</b>	<b>\$ 2,722,549</b>
<b>Total Water and Sewer Fund</b>	<b>\$ 24,286,437</b>	<b>\$ 29,743,813</b>	<b>\$ 28,425,016</b>	<b>\$ (1,318,797)</b>
<b>Total Stormwater Fund</b>	<b>\$ 3,530,000</b>	<b>\$ 3,750,000</b>	<b>\$ 3,637,348</b>	<b>\$ (112,652)</b>
<b>Total Environmental Fund</b>	<b>\$ 5,683,817</b>	<b>\$ 6,700,690</b>	<b>\$ 7,681,862</b>	<b>\$ 981,172</b>
<b>Total Separation Fund</b>	<b>\$ 496,912</b>	<b>\$ 600,000</b>	<b>\$ 721,500</b>	<b>\$ 121,500</b>
<b>Total Transit Fund</b>	<b>\$ 1,223,031</b>	<b>\$ 1,621,823</b>	<b>\$ 1,402,698</b>	<b>\$ (219,125)</b>
<b>Total Insurance and Risk Fund</b>	<b>\$ 6,046,480</b>	<b>\$ 6,761,084</b>	<b>\$ 7,618,904</b>	<b>\$ 857,820</b>
<b>Grand Total All Funds</b>	<b>\$ 111,637,956</b>	<b>\$ 132,438,242</b>	<b>\$ 135,470,709</b>	<b>\$ 3,032,467</b>

## 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
<b>Uses of Funds</b>								
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
<b>Total Sources</b>	<b>\$ 85,983,381</b>	<b>\$ 28,425,016</b>	<b>\$ 3,637,348</b>	<b>\$ 7,681,862</b>	<b>\$ 721,500</b>	<b>\$ 1,402,698</b>	<b>\$ 7,618,904</b>	<b>\$ 112,155,677</b>

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	BUDGET 2026	CHANGES/ ADDITIONS	COMMENTS
<b>GENERAL FUND</b>					
<b>General Government</b>					
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	
<b>Total General Government</b>	<b>61</b>	<b>63</b>	<b>63</b>		
<b>Public Safety</b>					
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.
<b>Total Police</b>	<b>97</b>	<b>125</b>	<b>125</b>		
Fire Administration	6	6	6	0	
Fire Emergency Services	88	88	88	0	
Fire Technical Services	5	6	6	0	
<b>Total Fire</b>	<b>99</b>	<b>100</b>	<b>100</b>		
<b>Total Public Safety</b>	<b>196</b>	<b>225</b>	<b>225</b>		
<b>TOTAL PARKS AND RECREATION</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>0</b>	
<b>Public Works</b>					
Engineering	9	9	9	0	
Signs	3	3	3	0	
Street Maintenance	13	14	14	0	
<b>Total Public Works</b>	<b>25</b>	<b>26</b>	<b>26</b>		
<b>TOTAL GENERAL FUND</b>	<b>310</b>	<b>342</b>	<b>342</b>		

## POSITION SUMMARY

### FULL-TIME EMPLOYEES BY DEPARTMENT

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

\*\*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

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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.

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## General Fund Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease (\$)	% Change
<b>Revenues</b>						
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	-	-	-	-
<b>Total General General Fund</b>	<b>\$ 62,487,159</b>	<b>\$ 70,371,279</b>	<b>\$ 83,260,832</b>	<b>\$ 85,983,381</b>	<b>\$ 2,722,549</b>	<b>3.27%</b>

## General Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease (\$)	% Change
<b>Expenditures</b>						
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%
<b>Total General Fund</b>	<b>\$ 62,487,159</b>	<b>\$ 70,371,279</b>	<b>\$ 83,260,832</b>	<b>\$ 85,983,381</b>	<b>\$ 2,722,549</b>	<b>3.27%</b>

### SUMMARY GENERAL FUND EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	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%
<b>Total for All Categories of Expenses</b>	<b>\$ 62,487,159</b>	<b>\$ 70,371,279</b>	<b>\$ 83,260,832</b>	<b>\$ 85,983,381</b>	<b>\$ 2,722,549</b>	<b>3.27%</b>

## General Fund Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed	Percentage Change
<b>Revenues</b>					
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%
<b>Total General Government</b>	<b>\$ 35,588,732</b>	<b>\$ 39,027,140</b>	<b>\$ 49,599,642</b>	<b>\$ 51,446,045</b>	<b>3.72%</b>
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%
<b>Total Sales Tax</b>	<b>\$ 13,626,161</b>	<b>\$ 16,440,102</b>	<b>\$ 16,887,246</b>	<b>\$ 17,134,463</b>	<b>1.46%</b>
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%
<b>Total Intergovernmental</b>	<b>\$ 6,333,541</b>	<b>\$ 6,373,357</b>	<b>\$ 7,138,972</b>	<b>\$ 7,966,275</b>	<b>11.59%</b>
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%
<b>Total Other</b>	<b>\$ 6,185,267</b>	<b>\$ 7,288,295</b>	<b>\$ 9,634,972</b>	<b>\$ 9,436,598</b>	<b>-2.06%</b>
Transfers In from Other Funds	-	-	-	-	-
Appropriated Fund Balance	753,458	1,242,385	-	-	-
<b>Total Transfers In / Appropriated Fund Balance</b>	<b>\$ 753,458</b>	<b>\$ 1,242,385</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>Total General Fund</b>	<b>\$ 62,487,159</b>	<b>\$ 70,371,279</b>	<b>\$ 83,260,832</b>	<b>\$ 85,983,381</b>	<b>3.27%</b>

## General Fund Detailed Summary of Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
<b>Expenditures</b>				
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
<b>Total General Government</b>	<b>\$ 9,117,500</b>	<b>\$ 11,518,036</b>	<b>\$ 14,143,755</b>	<b>\$ 14,315,886</b>
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
<b>Total Police</b>	<b>\$ 10,813,612</b>	<b>\$ 13,569,115</b>	<b>\$ 13,698,042</b>	<b>\$ 17,044,922</b>
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
<b>Total Fire</b>	<b>\$ 9,451,454</b>	<b>\$ 11,381,621</b>	<b>\$ 12,260,737</b>	<b>\$ 15,066,207</b>
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
<b>Total Public Works</b>	<b>\$ 4,853,405</b>	<b>\$ 5,719,735</b>	<b>\$ 6,079,494</b>	<b>\$ 6,565,534</b>
Planning	1,102,225	1,263,207	1,339,115	1,534,126
<b>Total Planning</b>	<b>\$ 1,102,225</b>	<b>\$ 1,263,207</b>	<b>\$ 1,339,115</b>	<b>\$ 1,534,126</b>
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
<b>Total Parks and Recreation</b>	<b>\$ 5,650,799</b>	<b>\$ 7,027,545</b>	<b>\$ 9,217,946</b>	<b>\$ 9,773,803</b>
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
<b>Total Other</b>	<b>\$ 6,537,498</b>	<b>\$ 5,907,929</b>	<b>\$ 12,345,887</b>	<b>\$ 7,756,754</b>
Debt Service	14,960,666	13,984,091	14,175,856	13,926,149
<b>Total Debt Service</b>	<b>\$ 14,960,666</b>	<b>\$ 13,984,091</b>	<b>\$ 14,175,856</b>	<b>\$ 13,926,149</b>
<b>Total General Fund Expenditures</b>	<b>\$ 62,487,159</b>	<b>\$ 70,371,279</b>	<b>\$ 83,260,832</b>	<b>\$ 85,983,381</b>

## 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 Proposed	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 Proposed	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

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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.

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## City Council 11000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	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 Proposed	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 Proposed	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

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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.

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## City Manager 11100

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 1,794,902</b>	<b>\$ 1,991,000</b>	<b>\$ 196,098</b>	<b>10.93%</b>
TOTAL POWELL BILL					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	1,794,902	1,991,000	196,098	10.93%
	Capital Expenditures	-	-	-	-
<b>Total for All Categories of Expenses</b>		<b>\$ 1,794,902</b>	<b>\$ 1,991,000</b>	<b>\$ 196,098</b>	<b>10.93%</b>

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 Proposed	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 Proposed	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 Proposed	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

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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.

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## Planning 14000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 3,773,100</b>	<b>\$ 3,362,300</b>	<b>\$ (410,800)</b>	<b>-10.89%</b>
<b>TOTAL PARKS AND RECREATION - PARKS</b>					
	<b>Expense Category</b>	<b>FY 2025 Adopted</b>	<b>FY 2026 Proposed</b>	<b>Actual Increase/ Decrease (\$)</b>	<b>% Change</b>
	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%
<b>Total for All Categories of Expenses</b>		<b>\$ 7,501,346</b>	<b>\$ 8,024,803</b>	<b>\$ 523,457</b>	<b>6.98%</b>

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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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

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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.

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## Water and Sewer Fund Summary Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease (\$)	% Change
<b>Revenues</b>						
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%
<b>Total Water and Sewer Fund</b>	<b>\$ 23,370,000</b>	<b>\$ 24,286,437</b>	<b>\$ 29,743,813</b>	<b>\$ 28,425,016</b>	<b>\$ (1,318,797)</b>	<b>-4.43%</b>

## Water and Sewer Fund Summary Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease (\$)	% Change
<b>Expenditures</b>						
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%
<b>Total Water and Sewer Fund</b>	<b>\$ 23,370,000</b>	<b>\$ 24,286,437</b>	<b>\$ 29,743,813</b>	<b>\$ 28,425,016</b>	<b>\$ (1,318,797)</b>	<b>-4.43%</b>

### SUMMARY WATER AND SEWER FUND EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	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%
<b>Total for All Categories of Expenses</b>	<b>\$ 23,370,000</b>	<b>\$ 24,286,437</b>	<b>\$ 29,743,813</b>	<b>\$ 28,425,016</b>	<b>\$ (1,318,797)</b>	<b>-4.43%</b>

## Water and Sewer Detailed Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
<b>Revenues</b>				
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	-	-	-	-
<b>Total Water and Sewer Fund</b>	<b>\$ 23,370,000</b>	<b>\$ 24,286,437</b>	<b>\$ 29,743,813</b>	<b>\$ 28,425,016</b>

# Water and Sewer Summary of Detailed Expenditures

	<b>FY 23 Adopted</b>	<b>FY 24 Adopted</b>	<b>FY 25 Adopted</b>	<b>FY 26 Proposed</b>
<b>Expenditures</b>				
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
<b>Total Water and Sewer Fund</b>	<b>\$ 23,370,000</b>	<b>\$ 24,286,437</b>	<b>\$ 29,743,813</b>	<b>\$ 28,425,016</b>

## WATER AND SEWER FUND

### Water and Sewer Billing and Collections - 36000 Fiscal Year 2026

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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.

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## Water and Sewer - Billing and Collections 36000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	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 Proposed	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 Proposed	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

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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.

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## Water and Sewer - Distribution 36100

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	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 Proposed	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 Proposed	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

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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.

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## Water and Sewer Fund - Water Treatment Plant 36200

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	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 Proposed	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 Proposed	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

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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.

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## Water and Sewer - Wastewater Treatment - WSACC 36400

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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

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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.

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## Stormwater Fund Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease (\$)	% Change
<b>Revenues</b>						
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%
<b>Total Stormwater Fund</b>	<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>	<b>\$ 3,750,000</b>	<b>\$ 3,637,348</b>	<b>\$ (112,652)</b>	<b>-3.00%</b>

## Stormwater Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease (\$)	% Change
<b>Expenditures</b>						
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%
<b>Total Stormwater Fund</b>	<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>	<b>\$ 3,750,000</b>	<b>\$ 3,637,348</b>	<b>\$ (112,652)</b>	<b>-3.00%</b>

### SUMMARY STORMWATER FUND EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	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%
<b>Total for All Categories of Expenses</b>	<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>	<b>\$ 3,750,000</b>	<b>\$ 3,637,348</b>	<b>\$ (112,652)</b>	<b>-3.00%</b>

## Stormwater Fund Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
<b>Revenues</b>				
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	-	-	-	-
<b>Total Stormwater Fund</b>	<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>	<b>\$ 3,750,000</b>	<b>\$ 3,637,348</b>



## Stormwater Fund Detailed Summary of Expenditures

	<b>FY 23 Adopted</b>	<b>FY 24 Adopted</b>	<b>FY 25 Adopted</b>	<b>FY 26 Proposed</b>
<b>Expenditures</b>				
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	-
<b>Total Stormwater Fund</b>	<b>\$ 3,291,706</b>	<b>\$ 3,530,000</b>	<b>\$ 3,750,000</b>	<b>\$ 3,637,348</b>

## STORMWATER FUND

### Stormwater

Stormwater Fund - 40000

Fiscal Year 2026

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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.

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## Stormwater 40000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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 Proposed	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

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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.

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## Environmental Fund Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease (\$)	% Change
<b>Revenues</b>						
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%
<b>Total Environmental Fund</b>	<b>\$ 4,908,080</b>	<b>\$ 5,683,817</b>	<b>\$ 6,700,690</b>	<b>\$ 7,681,862</b>	<b>\$ 981,172</b>	<b>14.64%</b>

## Environmental Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease (\$)	% Change
<b>Expenditures</b>						
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%
<b>Total Environmental Fund</b>	<b>\$ 4,908,080</b>	<b>\$ 5,683,817</b>	<b>\$ 6,700,690</b>	<b>\$ 7,681,862</b>	<b>\$ 981,172</b>	<b>14.64%</b>

### SUMMARY ENVIRONMENTAL EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	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%
<b>Total for All Categories of Expenses</b>	<b>\$ 4,908,080</b>	<b>\$ 5,683,817</b>	<b>\$ 6,700,690</b>	<b>\$ 7,681,862</b>	<b>\$ 981,172</b>	<b>14.64%</b>

## Environmental Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
<b>Revenues</b>				
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	-	-	-	-
<b>Total Environmental Fund</b>	<b>\$ 4,908,080</b>	<b>\$ 5,683,817</b>	<b>\$ 6,700,690</b>	<b>\$ 7,681,862</b>



## Environmental Fund Detailed Summary of Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
<b>Expenditures</b>				
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	-
<b>Total Environmental Fund</b>	<b>\$ 4,908,080</b>	<b>\$ 5,683,817</b>	<b>\$ 6,700,690</b>	<b>\$ 7,681,862</b>

ENVIRONMENTAL FUND

Environmental  
Environmental Fund - 50000  
Fiscal Year 2026

## Environmental Fund 50000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	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 Proposed	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 Proposed	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

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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.

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## Separation Pay Fund Summary of Revenues

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

## Separation Pay Fund Summary of Expenditures

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

### SUMMARY SEPARATION EXPENDITURE CATEGORIES

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

## Separation Pay Fund Detailed Summary of Revenues

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

## Separation Pay Fund Detailed Summary of Expenditures

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

## Separation Pay 60000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	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 Proposed	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

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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.

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## Transit Fund Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease (\$)	% Change
<b>Revenues</b>						
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	-	-	-	-	-
<b>Total Transit Fund</b>	<b>\$ 1,743,571</b>	<b>\$ 1,223,031</b>	<b>\$ 1,621,823</b>	<b>\$ 1,402,698</b>	<b>\$ (219,125)</b>	<b>-13.51%</b>

## Transit Fund Summary of Expenditures

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

### SUMMARY TRANSIT FUND EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	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	-	-	-	-	-
<b>Total for All Categories of Expenses</b>	<b>\$ 1,743,571</b>	<b>\$ 1,223,031</b>	<b>\$ 1,621,823</b>	<b>\$ 1,402,698</b>	<b>\$ (219,125)</b>	<b>-13.51%</b>

## Transit Fund Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
<b>Revenues</b>				
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	-	-	-
<b>Total Transit Fund</b>	<b>\$ 1,743,571</b>	<b>\$ 1,223,031</b>	<b>\$ 1,621,823</b>	<b>\$ 1,402,698</b>

## Transit Fund Detailed Summary of Expenditures

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

## Transit Fund 77500

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	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 Proposed	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

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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.

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## Insurance and Risk Fund Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease (\$)	% Change
<b>Revenues</b>						
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%
<b>Total Insurance and Risk Fund</b>	<b>\$ -</b>	<b>\$ 6,046,480</b>	<b>\$ 6,761,084</b>	<b>\$ 7,618,904</b>	<b>\$ 857,820</b>	<b>12.69%</b>

## Insurance and Risk Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease (\$)	% Change
<b>Expenditures</b>						
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%
<b>Total Insurance and Risk Fund</b>	<b>\$ -</b>	<b>\$ 6,046,480</b>	<b>\$ 6,761,084</b>	<b>\$ 7,618,904</b>	<b>\$ 857,820</b>	<b>12.69%</b>

### SUMMARY INSURANCE AND RISK FUND EXPENDITURE CATEGORIES

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

## Insurance and Risk Fund Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
<b>Revenues</b>				
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
<b>Total Health Insurance and Risk Fund</b>	<b>\$ -</b>	<b>\$ 6,046,480</b>	<b>\$ 6,761,084</b>	<b>\$ 7,618,904</b>



## Insurance and Risk Fund Detailed Summary of Expenditures

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

## Health Insurance 90000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	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%
<b>Sub-Total for Operating Expenditures</b>		<b>\$ 6,140,204</b>	<b>\$ 6,773,904</b>	<b>\$ 633,700</b>	<b>10.32%</b>
TOTAL HEALTH INSURANCE					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease (\$)	% Change
	Operating Expenditures	6,140,204	6,773,904	633,700	10.32%
<b>Total for All Categories of Expenses</b>		<b>\$ 6,140,204</b>	<b>\$ 6,773,904</b>	<b>\$ 633,700</b>	<b>10.32%</b>

## Workers Compensation 90100

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	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 Proposed	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%