

FUND AND BUDGET UNIT STRUCTURE (FY 2009-2010)

Below outlines the organizational structure the city uses to account for (including accounting numbers) revenues and expenditures of city operations. Revenues are accounted at the fund level. Expenditures are accounted at the budget unit level (e.g. Governing Body, Hillgrove Water Treatment Plant, etc.).

GENERAL FUND

FUND 100 – GENERAL FUND

General Government

1. Governing Body – 4110
2. Public Services Admin. – 4115
3. City Manager's Office – 4120
4. Human Resources – 4125
5. Wellness Center – 4126
6. Finance – 4130
7. Tax – 4140
8. Legal – 4150
9. Non-Departmental – 4190

Public Safety

10. Police – 4310
11. Code Enforcement – 4312
12. Emergency Communications – 4315
13. Radio Shop – 4330
14. Fire Operations – 4340
15. Fire Prevention – 4341
16. Fire Training – 4342
17. Emergency Management - 4343

Public Works

18. Streets & Traffic – 4510
19. Powell Bill – 4511
20. Traffic Signals – 4513
21. Traffic Services – 4514
22. Solid Waste & Recycling – 4520
23. Cemeteries – 4540

Economic Development

24. Business & Neighborhood Services – 4910
25. Transportation Planning – 4915
26. Economic Development – 4920
27. Development Services - 4925

Cultural and Recreational

28. Parks and Recreation – 6120
29. Aquatics – 6121

SPECIAL REVENUE FUNDS

FUND 201 – MUNICIPAL SERVICE DISTRICT FUND

1. Municipal Service District – 5000

FUND 210 – SECTION 8 VOUCHER PROGRAM FUND

1. Housing Vouchers Program – 1500

FUND 300 – COMMUNITY DEVELOPMENT

BLOCK GRANT (CDBG) FUND

1. Administration – 3005
2. Projects 2009 – 3010

FUND 250 – HOME CONSORTIUM FUND

1. Administration – 2500
2. Projects 2009 – 2505

FUND 290 – TRANSPORTATION IMPROVEMENT FUND

1. Transportation Projects – 4512

FUND 292 – ADDL. \$5 VEHICLE TAX (TRANSIT) FUND

1. Addl. \$5 Vehicle Tax – 8200

ENTERPRISE FUNDS

FUND 600 – STORMWATER FUND

1. Stormwater Operations – 7100

FUND 610 – ELECTRIC SYSTEMS FUND

1. Electric Administration – 7200
2. Purchased Power – 7210
3. Powerlines Maintenance – 7220
4. Tree Trimming – 7230
5. Electric Construction – 7240
6. Peak Shaving – 7241
7. Electric Engineering Services – 7250
8. Utility Locate Services – 7260

FUND 620 – WATER RESOURCES FUND

1. Hillgrove Treatment Plt. – 7330
2. Coddle Creek Treatment Plt. – 7331
3. Waterlines Oper. & Maint. – 7340

FUND 630 – PUBLIC TRANSIT FUND

1. Rider Transit System – 7606

FUND 640 – WASTEWATER RESOURCES FUND

1. Wastewaterlines Operations & Maintenance – 7420

FUND 650 – GOLF COURSE FUND

1. Rocky River Golf Club – 7501

FUND 680 – AVIATION FUND

1. Aviation Operations – 4530

FUND 690 – PUBLIC HOUSING FUND

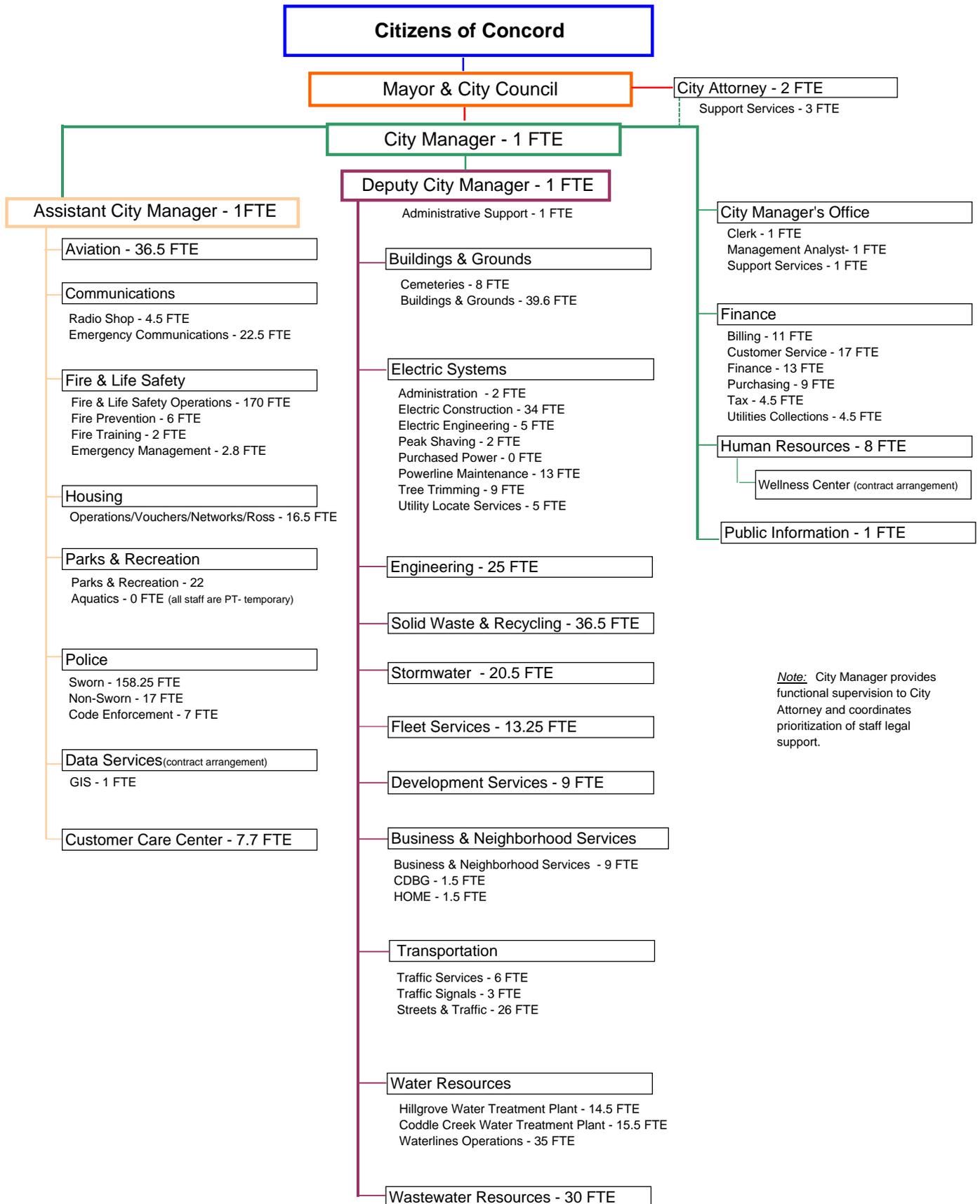
1. Public Housing Operations – 1000

INTERNAL SERVICES FUND

FUND 800 – INTERNAL SERVICES FUND

1. Utilities Collections – 4200
2. Data Services – 4210
3. Billing – 4215
4. Customer Service – 4220
5. Engineering - 4230
6. Fleet Services – 4240
7. Purchasing – 4250
8. Customer Care Center – 4260
9. Buildings & Grounds – 4270

CITY ORGANIZATION CHART



REVENUE ASSUMPTIONS AND TRENDS

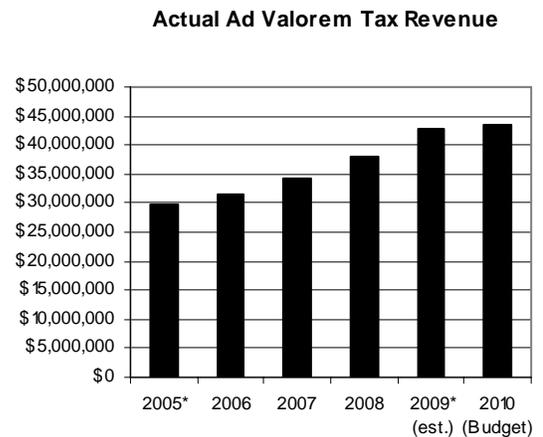
A balanced budget requires that anticipated revenues equal planned expenditures. Therefore, anticipated revenue is the key driver of the budget development process. The City's revenue forecasting philosophy has always been conservative, and it is no different for this fiscal year. Economic forecasting is not an exact science and at times relies upon the best professional judgment of the forecaster. To reduce the risks of miscalculating revenues or expenditures, the City identifies as many factors as possible that may contribute to changes in revenue and expenditures, such as population growth, property values, development and the economy.

The following brief discussion outlines the City's major revenue sources and the City's general assumptions, forecasts and trends.

MAJOR REVENUE SOURCES BY FUND

GENERAL FUND

Ad Valorem Taxes: The City of Concord relies on property taxes for 65.4% of the General Fund budget. The assessment of all property located in the City of Concord is provided to us by Cabarrus County. The assessed property value is projected to increase 2% over the FY 2008-09 values, for a total of \$10,493,796,139. The General Fund tax rate will be forty-two cents (\$.42) per one hundred dollars (\$100) valuation of property with an estimated collection rate of 97.7%. Ad Valorem tax revenues are budgeted at \$42,787,284 for FY 2009-10. A comparison graph outlining proposed tax rates for some of the larger cities in North Carolina can be found on the first page of the Manager's Budget Message.



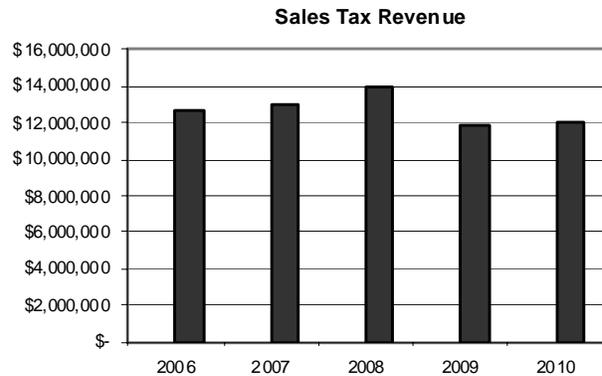
*2004 & 2008 Revaluation reflected in FY 05 and FY 09 budgets.

Penalties and Interest: The revenues generated by penalties and interest is estimated based on trend analysis and increases in tax levies. Penalties are assessed on payments made after January 5. For the period from January 6 to January 31, interest accrues at the rate of 2%. Thereafter, interest accrues at the rate of ¾% per month until outstanding balances are paid in full.

Other Taxes

Local Option Sales Tax: Local sales taxes levied by the City and County comprise 2.25% of the total 6.75% sales tax paid on retail sales in North Carolina. The local sales tax portion consists of a 1-cent tax that was first levied in 1971, a ½-cent tax levied in 1983, a ½-cent tax levied in 1986 and an additional ½-cent that was levied July 1, 2003. Effective October 1, 2008, the State will take over one quarter cent of the Article 44 local option sales tax and effective October 1, 2009 the state will take over the remaining one-quarter cent of this local tax. The City will be completely reimbursed for the loss of this revenue with hold harmless payments. The State of North Carolina collects the sales taxes and distributes them to the local units. Sales taxes are estimated to be \$11,976,880 for fiscal year 2009-10. Sales tax allocations for Cabarrus County are based on proportional property tax levies. The City has projected very little growth in sales tax allocations for FY 2009-10 when compared to FY 2008-09 anticipated collections. No major

tax increases were adopted in other jurisdictions located in Cabarrus County in the past fiscal year, but the current economy indicates a that spending will remain low in the county. The City continues to apply a conservative approach when estimating this revenue source, as it is difficult to project when the current economy will rebound. The county as a whole experienced sales tax declines of around 6% as of May 2009 distributions. Sales tax in Cabarrus County is distributed based on the proportional property tax levy method, where sales tax distributions are made according to what percentage each jurisdiction comprises of the total property tax levy "pie" that includes all local government entities in the county. When increases in property taxes and/or the tax base take place in other Cabarrus County local governments, this impacts Concord's sales tax receipts. The City has projected very little growth in this revenue source due to the unknown change in the relationship among the various local government tax levies as well as the slow down in the national and local economy. The FY 2009-10 sales tax projection is \$11,976,880, which includes \$1,038,000 of estimated sales tax on video and telecommunication. Combined, this represents 18.3% of General Fund revenues.



Franchise Tax: As of July 1, 1999, each City's share of the utility franchise fee is based on actual receipts from companies that furnish electricity. These funds are collected by the State and distributed to the City based on the actual receipts from providers for services provided within the City's municipal boundaries. This revenue source is expected to be \$1,500,000 (2.3% of General Fund revenue) for FY 2009-10.

Intergovernmental Revenue

Intergovernmental revenues include those revenues that are collected by the State of North Carolina and returned to local governments. The City's budget was prepared under the assumption that the City will receive all of its State Shared revenues for FY 2009-10.

Beer and Wine Tax: Cities share in the beer and wine tax (where sales are legal) based on their population. Allocations are based on system profits and revenues generated within the city's municipal boundaries. This revenue source is estimated to be \$296,000 for FY 2009-10, no increase above the FY 2008-09 estimates.

Powell Bill: The state currently levies a gasoline tax of 17 cents per gallon of motor fuel plus a variable rate of either three and ½ cents per gallon or 7 percent of the average wholesale price of motor fuels for the applicable base period, whichever is greater. One and ¾ cents of this gasoline tax is distributed to cities and towns for street and sidewalk maintenance purposes. Of this allocation, 25% is distributed based on the relative mileage of non-state system or local streets, and 75% is based on relative population. The projected minimum value of the mileage-based portion is \$1,758 per mile. The projected minimum value of the population-based portion is \$22.90 per capita. These funds are estimated to provide \$1,828,264 for FY 2009-10, a 14.5% decrease from FY 2008-09 estimates.

Licenses and Permits

Business Privilege License: Each business activity operating within the City limits is required to purchase a privilege license to conduct such business. The license fees that are not set by the N.C. General Statutes are based on gross receipts of the business for sales inside the City limits. The City Council changed the basis of this fee from a flat fee schedule to the gross receipts schedule

effective 7/1/02 and the fee schedule was modified effective 7/1/03 to be more equitable to smaller businesses. This revenue source is estimated to be \$900,000 for FY 2009-10, a 10% decrease from 2008-2009 estimates.

Vehicle Licenses: A \$5.00 General Municipal Vehicle Tax is levied on every motor vehicle resident within the City of Concord and licensed or required to be licensed by the State of North Carolina. This \$5.00 tax is billed and collected by Cabarrus County and remitted monthly to the City less a 1½% collection fee. This revenue source is estimated to be \$278,000 for FY 2009-10.

Other Revenues

Revenues not otherwise defined are included in this category. These include investment earnings and contributions, which equate to 1.4% of the General Fund Budget. Investment earnings are conservatively projected on the basis of average available cash balances. In FY 2009-10, the City anticipates a reduction in interest earnings due to the low interest rates currently available in the investment market.

Fund Balance

The City's undesignated General Fund balance was \$30,965,709 as of June 30, 2008. This number was calculated before funds were transferred to the General Capital Reserve in FY2008-09. It is anticipated that we will meet our target goal of a 30-35% minimum General Fund undesignated fund balance at June 30, 2009. Our ability to maintain a healthy fund balance in previous fiscal years is attributable to the continued economic vibrancy present in the City and increases in available cash for investments, collection % of property taxes, and conservative estimates on revenues. As a working guideline, fund balance coverage for the General Fund is maintained at a minimum of 30-35% of General Fund Appropriations.

SPECIAL REVENUE FUNDS

Community Development Block Grant (CDBG) Funds: Federal revenues (Congress provides funding for the CDBG program) for the City's CDBG program are expected to increase when compared to prior fiscal year's budget. Federal, shared revenue comprises 91% of the CDBG Fund. Program income comprises the remaining 9% of revenue.

HOME Funds: HOME funds are budgeted to decrease approximately 8% as compared to the prior fiscal year budget. Federal assistance, which is solely dependant upon Congress, is expected to remain stable. Another factor affecting funding includes the number of cities nationally that receive funding from the national HOME program. Fifty-eight percent (58%) of the fund's revenue is derived from shared Federal restricted revenue, 30% from program income, and 12% from a General Fund contribution.

Municipal Service District Tax: The levy on Municipal Service District businesses is \$.18, with no increase from FY08-09. This tax rate is expected to generate \$74,650 in revenue in FY 2009-10.

Transportation Improvement Fund: Revenue is anticipated to increase 1% from FY 2008-09. Revenues in this fund include an additional \$5.00 vehicle tax authorized 7/1/05. Proceeds from this tax are dedicated for City transportation projects. Similar to the \$5.00 General Municipal Vehicle Tax in the General Fund, this tax is levied on every motor vehicle resident within the City of Concord and licensed or required to be licensed by the State. It is billed, collected, and remitted monthly by Cabarrus County for a 1.5% collection fee. This revenue source is estimated to be \$250,000 for FY 2009-10.

Housing Assistance Fund: The City of Concord is allocated 534 Section 8 Housing Vouchers to assist families with decent, safe and sanitary housing needs. This program also provides funding to provide Family Self-Sufficiency with support resources for current residents in order to promote

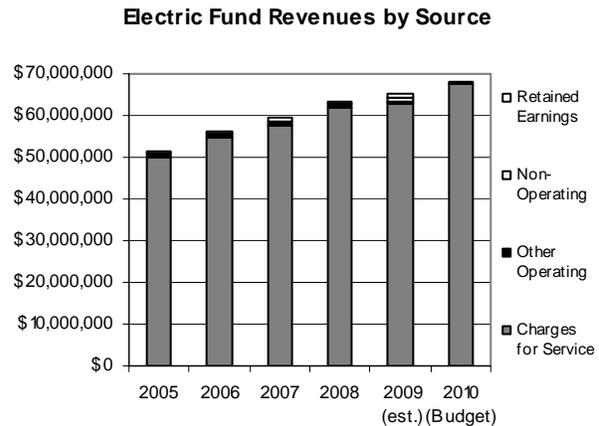
home ownership. The program is 100% funded from Federal Housing and Urban Development Funds and the FY 2009-10 budget is \$3,502,492, which represents approximately a 3% decrease from the FY 2008-09 approved budget. As funding becomes more limited, this revenue source may continue to decrease.

Addl. \$5 Vehicle Tax (Transit) Fund: The Addl. \$5 Vehicle Tax Fund was established during FY2004-2005 to account for revenues associated with operating the Concord/Kannapolis *RIDER* public transit system. These funds are transferred to the Transit Fund as necessary to meet the City's local funding requirements. Revenue is estimated to be \$250,000 for FY 2009-10.

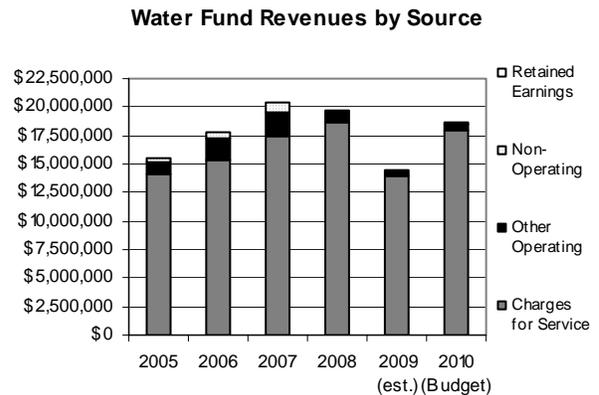
ENTERPRISE FUNDS

Stormwater Revenue: Prior to FY 2005-06 the City's Stormwater Division resided as a budget unit within the General Fund. As a result of implementation of the EPA Phase II Stormwater Program mandate, the City established a Stormwater Utility effective 1/1/06. Revenue is estimated to decrease 2% from the FY 2008-09 budget. Revenue is estimated to be \$3,476,180 for FY 2009-10. As of April 30, 2009, Stormwater has 29,353 customers.

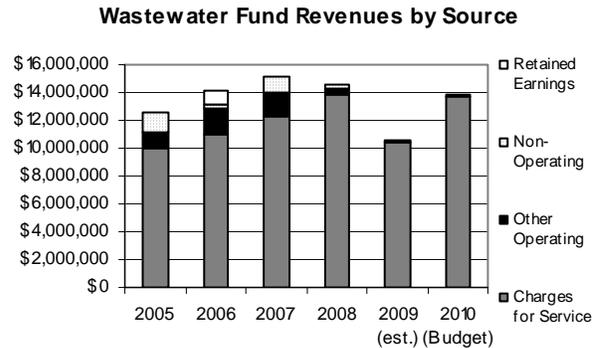
Electric Systems Revenue: This budget is \$67,960,752 for FY 2009-10, an increase of 4% from the prior fiscal year projections. The City owns and maintains an electric distribution system comprised of 741 miles of overhead and 618 miles of underground electric lines. The number of electric accounts has increased from 17,124 in 1994 to 27,725 as of April 30, 2009. The City purchases the majority of its power from Duke Energy Corporation at a wholesale rate. This wholesale rate is based on a contract that was negotiated with Duke Power and is effective 1/1/09. The contract is good for ten years and thereafter, service may continue from year to year and either party has the right to terminate service upon providing the other with at least one year's prior written notice. The City also purchases a portion of its power from the Southeastern Power Administration and Gas Recovery Systems at the Allied Waste Landfill in Concord. The City will adjust rates for fuel adjustment charges to adhere to the City's policy maintaining retail rates that are competitive with those rates charged by Duke Energy.



Water and Wastewater Revenues: The City has approximately 34,302 water customers and approximately 30,770 wastewater customers. Residential customers currently account for approximately 52% of the City's total consumption while commercial and industrial customers together account for approximately 38% of total consumption. The City's remaining consumption is from water sales to the Town of Harrisburg and the City of Kannapolis. From FY 2008-09 to FY 2009-10, total water and wastewater consumption for all customer classes is anticipated to increase remain flat. It is possible that consumption may decrease



depending on the actual closing date of Phillip Morris, our largest user. Based on a recent study, the City's demand for water is expected to grow by an average rate of approximately 2.89% annually over the next twenty-five years. The projected water demand for FY 2009-10 is based on actual consumption for FY 2008-09, with no growth rate. Wastewater demand for FY 2009-10 was based on actual consumption for FY 2008-09, with no growth rate.



The water rate structure incorporates both a base fee and volume rate. Residential customers follow a tiered volume rate structure. Outside-City customers are charged 1.2 times (120%) the rates charged to inside-City residential customers. Commercial and industrial customers are each charged a separate uniform volume rate. The wastewater rate structure requires all customers to pay a uniform volume rate based on their metered water consumption. Customers that do not have water meters pay a flat fee based on a consumption level of 6,000 gallons per month, including a base fee. Wastewater customers located outside of the City are charged 1.2 times (120%) the rates charged to inside-City residential customers. The FY 2009-10 budget includes a 5% monthly bill increase for an average residential water user and 6% for an average wastewater user. The average is computed assuming an average household will have a consumption of 4,800 gallons per month, which will equate to an average increase per monthly bill of \$3.08

Aviation Revenues: The Concord Regional Airport (CRA) is the busiest general aviation airport in North Carolina and the 4th busiest airport overall in the state. The airport has experienced strong demand from increased recreational flyers, the motorsports industry, and continued emphasis on CRA as the primary general aviation reliever airport for Charlotte/Douglas International Airport. The need for more hangar space is documented by a waiting list and all hangar space is 100% leased. Charges for Service are anticipated to decrease when compared to the prior fiscal year, and total revenue is projected to be \$8,210,675 in FY 2009-10; which excludes a transfer from the General Fund of \$699,091.

Golf Course Revenues: The City owns Rocky River Golf Club at Concord – a Dan Maples designed full service 18-hole championship golf course open to the public. FY 2009-10 marks its twelfth year of operation. The City contracts course operation and maintenance. The FY 2009-10 budget for this fund is \$2,550,399, which represents an 8.7% decrease from the prior fiscal year.

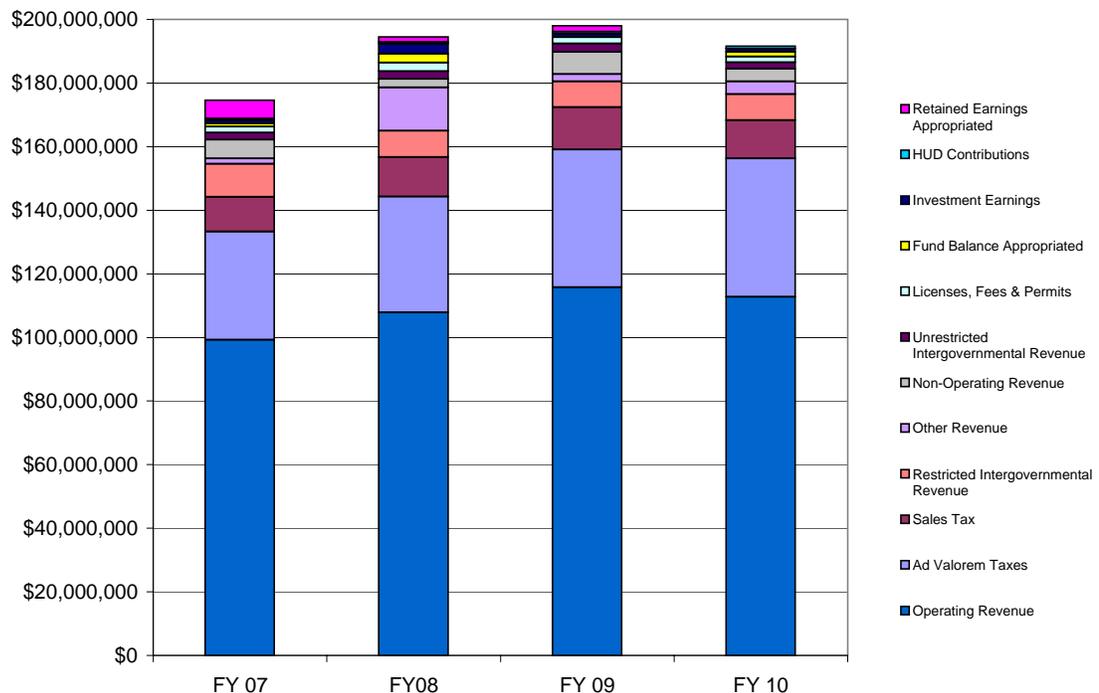
Public Housing Revenues: The City owns and manages 174 Public Housing Units and has the responsibility to provide decent, safe and sanitary housing for low-income families. The Public Housing budget for FY 2009-10 budget is \$1,067,500 of which 73% is allocated from Federal Housing, Urban Development Funds and contributions and 26% is derived from charges to residents. The \$1,067,500 is a 10% decrease from FY 2008-09 due to a decrease in expected contributions.

FY 2009-2010 Budget

Revenues:	General Fund		Special Revenue Funds				
	General Fund	Municipal Service District	Section 8 Voucher Program	CDBG	HOME Consortium	Transportation Improvement	\$5 Vehicle Tax
Ad Valorem Taxes	\$ 43,436,224	\$ 74,650	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	\$ 11,976,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Fees & Permits	\$ 1,528,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Unrestricted Intergovernmental Revenue	\$ 2,093,565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Intergovernmental Revenue	\$ 2,298,664	\$ -	\$ 3,492,492	\$ 494,800	\$ 223,190	\$ -	\$ -
Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,398,761	\$ -
Investment Earnings	\$ 930,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retained Earnings Appropriated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance Appropriated	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HUD Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ 1,638,233	\$ -	\$ 10,000	\$ 50,000	\$ 160,000	\$ -	\$ -
TOTAL REVENUE	\$ 65,402,191	\$ 74,650	\$ 3,502,492	\$ 544,800	\$ 383,190	\$ 2,398,761	\$ 250,000

Expenditures:							
Personal Services	\$ 33,665,903	\$ -	\$ 287,179	\$ 78,480	\$ 76,473	\$ -	\$ -
Operations	\$ 16,231,906	\$ 74,650	\$ 3,215,313	\$ 466,320	\$ 306,717	\$ 2,976	\$ -
Capital Outlay	\$ 1,605,688	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -
Debt Service	\$ 4,428,797	\$ -	\$ -	\$ -	\$ -	\$ 1,282,080	\$ -
Cost Allocations	\$ 2,633,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers	\$ 6,835,974	\$ -	\$ -	\$ -	\$ -	\$ 1,013,705	\$ 250,000
TOTAL EXPENDITURES	\$ 65,402,191	\$ 74,650	\$ 3,502,492	\$ 544,800	\$ 383,190	\$ 2,398,761	\$ 250,000

Budgeted Revenues



City Revenues

	2006-2007	2007-2008	2008-2009	2008-2009	2009-2010	2009-2010
	Actual Revenues	Actual Revenues	Council Approved*	Actual Revenues**	Manager Recommended	Council Approved
By Fund						
General Fund	\$ 61,333,549	\$ 64,724,251	\$ 70,019,383	\$ 65,853,263	\$ 65,402,191	\$ 65,402,191
Municipal Service District	\$ 71,147	\$ 68,265	\$ 76,400	\$ 74,790	\$ 74,650	\$ 74,650
Home Consortium Fund	\$ 284,789	\$ 397,281	\$ 415,012	\$ 174,595	\$ 383,190	\$ 383,190
Transportation Improvement Fund	\$ 1,854,935	\$ 2,226,822	\$ 2,324,156	\$ 2,421,981	\$ 2,398,761	\$ 2,398,761
Community Development Block Grant (CDBG) Fund	\$ 279,512	\$ 195,273	\$ 442,930	\$ 118,283	\$ 544,800	\$ 544,800
\$5 Vehicle Tax for Public Transit	\$ 282,274	\$ 310,845	\$ 283,000	\$ 296,549	\$ 250,000	\$ 250,000
Section 8 Voucher Program	\$ 3,602,664	\$ 3,805,617	\$ 3,661,753	\$ 10,064	\$ 3,502,492	\$ 3,502,492
Stormwater Fund	\$ 3,174,651	\$ 3,398,710	\$ 3,519,510	\$ 3,690,147	\$ 3,476,180	\$ 3,476,180
Electric Fund	\$ 59,156,630	\$ 63,383,806	\$ 71,985,871	\$ 69,160,717	\$ 67,960,984	\$ 67,960,984
Water Resources Fund	\$ 20,807,837	\$ 19,665,076	\$ 30,668,334	\$ 31,144,954	\$ 18,609,500	\$ 18,609,500
Transit Fund	\$ 3,057,643	\$ 2,964,394	\$ 2,586,869	\$ 2,082,990	\$ 2,505,798	\$ 2,505,798
Wastewater Resources Fund	\$ 14,921,358	\$ 14,503,626	\$ 18,728,764	\$ 17,130,599	\$ 13,910,725	\$ 13,910,725
Golf Course Fund	\$ 2,693,652	\$ 2,622,432	\$ 2,792,470	\$ 2,702,978	\$ 2,550,399	\$ 2,550,399
Aviation Fund	\$ 10,813,975	\$ 14,412,592	\$ 15,183,455	\$ 11,009,401	\$ 8,909,766	\$ 8,909,766
Public Housing	\$ 1,091,361	\$ 1,026,738	\$ 1,186,509	\$ 1,037,188	\$ 1,067,500	\$ 1,067,500
TOTAL CITY REVENUES	\$ 183,425,977	\$ 193,705,728	\$ 223,874,416	\$ 206,908,499	\$ 191,546,936	\$ 191,546,936

% budget change

7%

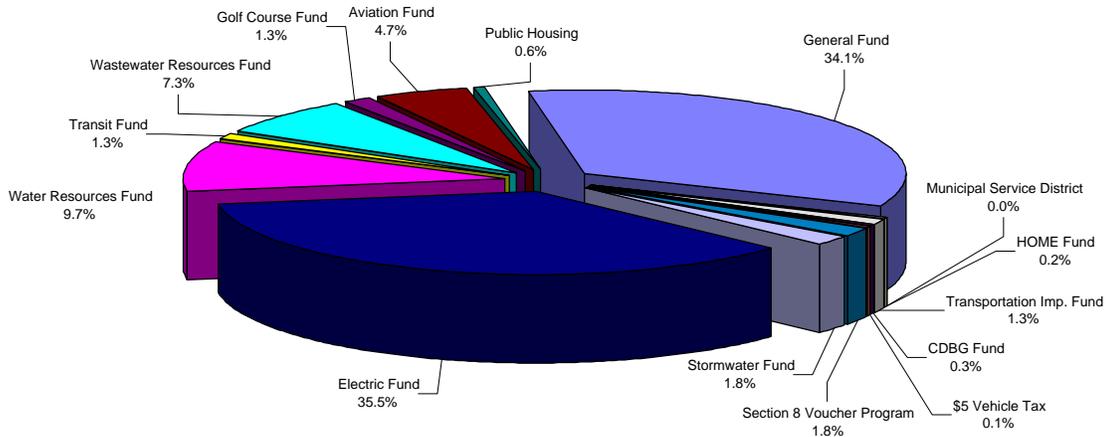
6%

16%

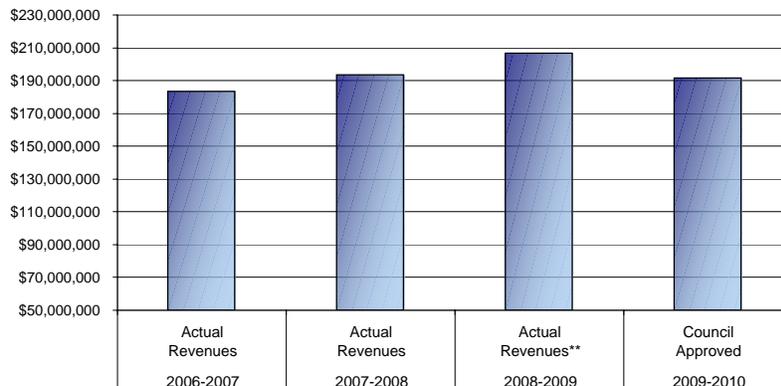
-14%

* as amended ** as of 7/20/09

FY 2009-2010 City-wide Revenues
(by Fund)



Total City Revenue Trend



City Expenditures

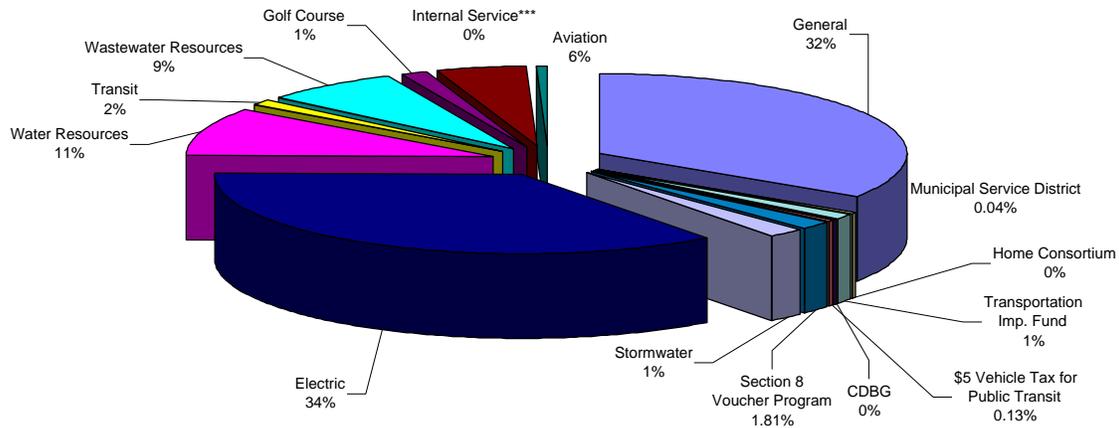
	2006-2007	2007-2008	2008-2009	2008-2009	2009-2010	2009-2010
	Actual Expenses	Actual Expenses	Council Approved*	Actual Expenses**	Manager Recommended	Council Approved
By Fund						
General Fund	\$ 54,515,137	\$ 60,074,853	\$ 70,019,383	\$ 65,162,901	\$ 65,402,191	\$ 65,402,191
Municipal Service District	\$ 71,146	\$ 67,902	\$ 76,400	\$ 70,823	\$ 74,650	\$ 74,650
Home Consortium Fund	\$ 38,005	\$ 135,871	\$ 415,012	\$ 93,994	\$ 383,190	\$ 383,190
Transportation Improvement Fund	\$ 1,866,945	\$ 1,674,902	\$ 2,324,156	\$ 2,062,172	\$ 2,398,761	\$ 2,398,761
Community Development						
Block Grant (CDBG) Fund	\$ 279,494	\$ 195,165	\$ 442,930	\$ 116,379	\$ 544,800	\$ 544,800
\$5 Vehicle Tax for Public Transit	\$ 266,665	\$ 293,524	\$ 283,000	\$ 273,439	\$ 250,000	\$ 250,000
Section 8 Voucher Program	\$ 3,329,175	\$ 3,592,182	\$ 3,661,753	\$ 3,737,192	\$ 3,502,492	\$ 3,502,492
Stormwater Fund	\$ 3,731,818	\$ 3,953,643	\$ 3,519,510	\$ 3,197,713	\$ 3,476,180	\$ 3,476,180
Electric Fund	\$ 58,717,270	\$ 58,371,814	\$ 71,985,871	\$ 71,551,198	\$ 67,960,984	\$ 67,960,984
Water Resources Fund	\$ 18,692,702	\$ 20,049,867	\$ 30,668,334	\$ 28,733,732	\$ 18,609,590	\$ 18,609,500
Transit Fund	\$ 2,636,075	\$ 3,128,370	\$ 2,586,869	\$ 1,893,431	\$ 2,505,758	\$ 2,505,798
Wastewater Resources Fund	\$ 16,124,321	\$ 14,182,645	\$ 18,728,764	\$ 18,524,908	\$ 13,910,725	\$ 13,910,725
Golf Course Fund	\$ 2,723,913	\$ 2,623,864	\$ 2,792,470	\$ 2,664,257	\$ 2,550,399	\$ 2,550,399
Aviation Fund	\$ 11,875,632	\$ 14,974,364	\$ 15,183,455	\$ 10,444,842	\$ 8,909,766	\$ 8,909,766
Public Housing	\$ 1,019,448	\$ 1,204,365	\$ 1,186,509	\$ 1,027,007	\$ 1,067,500	\$ 1,067,500
Internal Service Fund***	\$ -	\$ -	\$ -	\$ (127,158)	\$ -	\$ -
TOTAL CITY EXPENDITURES	\$ 175,887,746	\$ 184,523,331	\$ 223,874,416	\$ 209,553,988	\$ 191,546,936	\$ 191,546,936
% budget change	13%	5%	21%			-14%

* as amended **as of 7/20/09

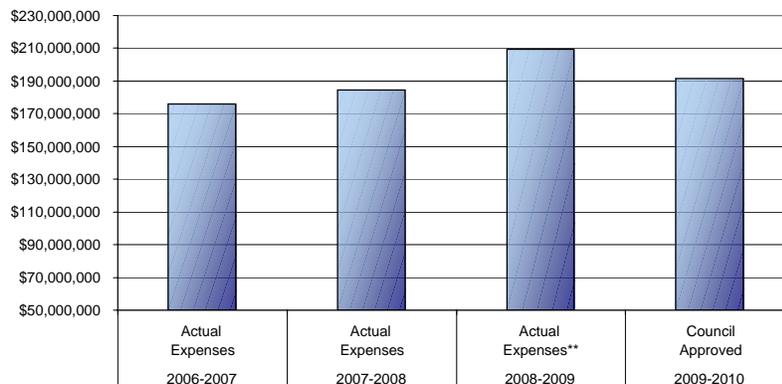
*** All Internal Service Expenditures are allocated to other City departments. FY08-09 actuals have not been reconciled at time of printing.

FY 2009-2010 City-wide Expenditures

(by Fund)

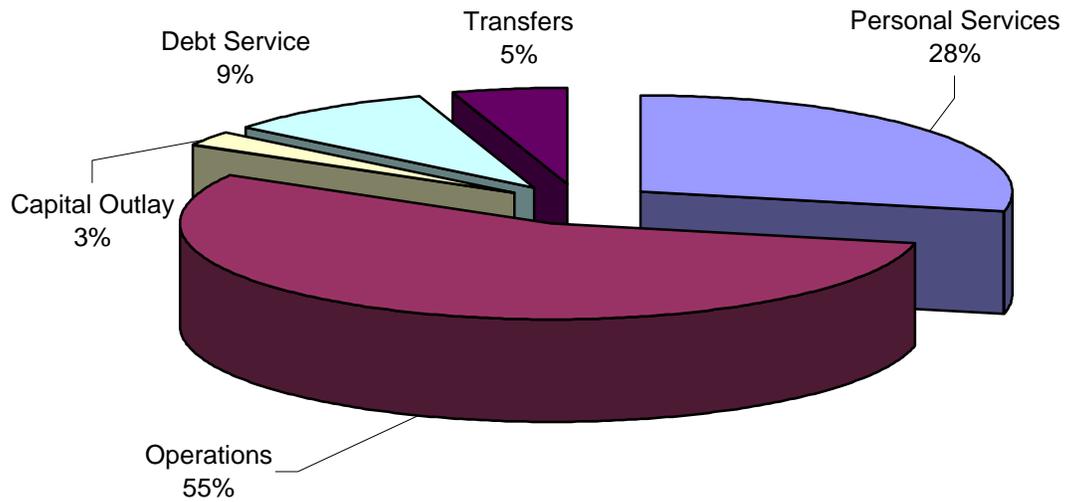


Total City Expenditure Trend



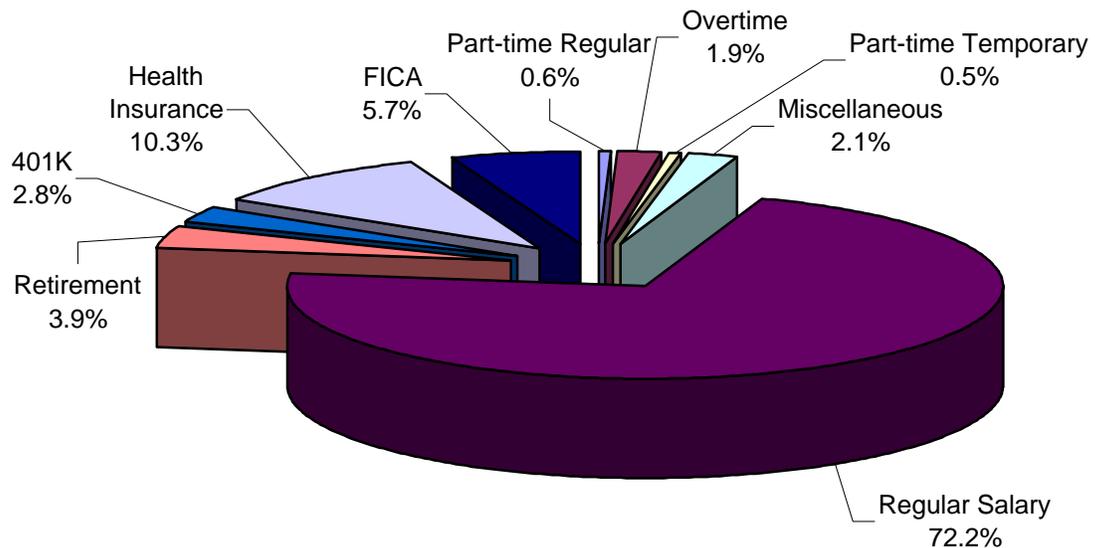
FY 09-10 Expenditures by Line-item Category

(City total = \$191,546,936)



FY09-10 Summary of Budgeted City-wide Compensation Expenditures*

(\$54,211,084)



*Includes compensation for Mayor & City Council Members

Fund Balances / Net Assets

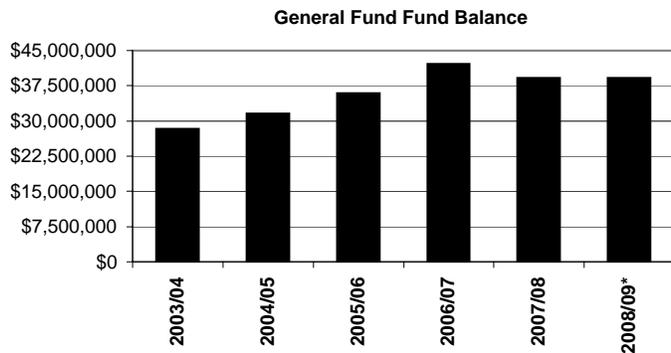
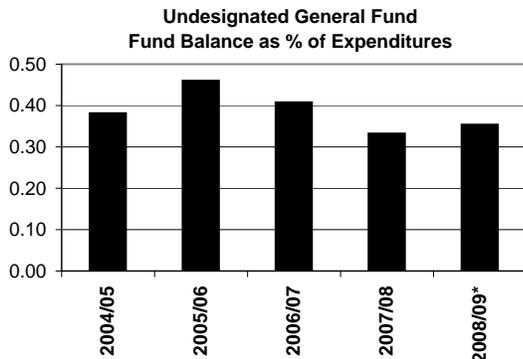
Amounts shown as fund balance for Governmental Funds represents a running total of monies over the years that remain unspent after all budgeted expenditures have been made. For many years, the North Carolina Local Government Commission has recommended that units retain an amount of unappropriated fund balance in the general fund to at least 8% of the appropriations of the fund. The Concord City Council has a financial policy requiring a fund balance between 30%-35% of its general fund operating budget. The reason for this policy is to avoid cash flow interruptions, to generate investment income, to eliminate the need for short-term borrowing, and to have a reserve available in case of sudden emergencies.

The City implemented GASB #34 in the FY 2001-02 Comprehensive Annual Financial Report (CAFR). One component of this change involved the reporting of net assets (total assets less liabilities) in Proprietary Funds as opposed to retained earnings (accumulated earnings of funds after all budget business expenses have been made).

Fund Balances	2005/06	2006/07	2007/08	2008/09*	2009/10**
General Fund	\$ 35,873,416	\$ 42,213,821	\$ 46,845,733	\$ 46,561,633	\$ 45,061,633
Other Governmental Funds	\$ 7,178,746	\$ 5,687,202	\$ 12,427,190	\$ 12,427,190	\$ 12,427,190
Totals	\$ 43,052,162	\$ 47,901,023	\$ 59,272,923	\$ 58,988,823	\$ 57,488,823

Net Assets					
Business Type Activities - Enterprise Funds					
Electric Fund	\$ 55,336,049	\$ 58,589,641	\$ 64,335,670	\$ 62,335,670	\$ 61,801,477
Water Fund	\$ 49,733,461	\$ 60,241,341	\$ 66,459,196	\$ 66,031,242	\$ 64,480,498
Wastewater Fund	\$ 38,039,597	\$ 44,999,777	\$ 48,019,313	\$ 46,059,505	\$ 45,915,040
Aviation Fund	\$ 55,380,106	\$ 57,286,741	\$ 60,507,544	\$ 60,078,829	\$ 60,015,500
Stormwater Fund	\$ 53,222,104	\$ 53,299,463	\$ 53,094,548	\$ 53,094,548	\$ 52,958,636
Other Enterprise Funds	\$ 7,623,506	\$ 8,813,801	\$ 9,841,980	\$ 9,841,980	\$ 9,841,980
Totals	\$ 259,334,823	\$ 283,230,764	\$ 302,258,251	\$ 297,441,774	\$ 295,013,131

* unaudited
 ** estimate



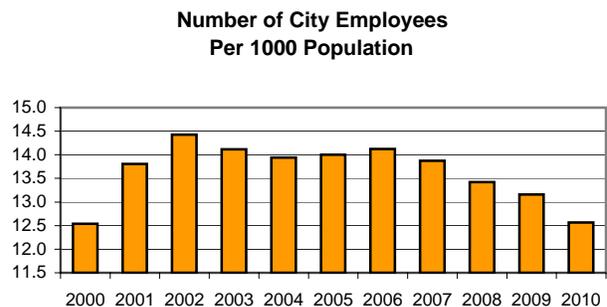
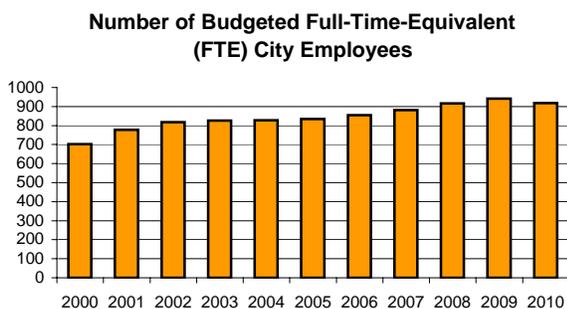
Personnel Summary

Personnel counts are calculated using the full-time-equivalent (FTE) method for all full-time and permanent part-time city employees (seasonal and temporary positions are not included). The FTE converts the hours worked by a position into a percentage of a full year's number of hours. For most city positions, 1 FTE equals 2080 hours per year per position (based on a 40hr. work week and a 52 week work year). If a position works 1040 hrs. per year, this translates into .5 FTE. Similarly, if a new full-time position has a Jan. 1 effective date (1/2 of the fiscal year), this translates into .5 FTE. In the case of Police Officer positions, 1 FTE equals 2229.84 hours per year. Additionally, 1 Fire Fighter FTE equals 2920.96 hours per year.

Budget Unit	FY 2006-07 FTE	FY 2007-08 FTE	FY 2008-09 FTE	FY 2009-10 FTE
GENERAL FUND				
General Government				
Public Services Administration	2	2	2	2
City Manager's Office	6	6	6	6
Human Resources	7	7	8	8
Finance	13	13	13	13
Tax	4.75	5	5	4.5
Legal	4	5	5	5
Non-Departmental	0	0	0	0
Public Safety				
Police	161.5	170.25	174.25	175.25
Code Enforcement	7	7	7	7
Communications	20.94	22.5	22.5	22.5
Radio Shop	4.7	4.7	4.7	4.5
Fire & Life Safety (Operations)	149.78	160.3	173.3	170
Fire & Life Safety (Prevention)	5	6	6	6
Fire & Life Safety (Training)	2	2	2	2
Fire & Life Safety (Emergency Management)	2.85	2.85	2.8	2.8
Public Works				
Streets & Traffic	26	27	27	26
Powell Bill (staff part of Streets & Traffic)	0	0	0	0
Traffic Services	5.83	6	6	6
Traffic Signals	3	3	3	3
Solid Waste & Recycling	33	35.34	37	36.5
Cemeteries	8	8	8	8
Economic Development				
Business & Neighborhood Services	8.5	8.5	9	9
Transportation Planning (contract)	0	0	0	0
Economic Development (staff part of Bus. & Neighborhood Services)	0	0	0	0
Development Services	9	10	10	9
Culture & Recreation				
Parks & Recreation	21	21.75	22.75	22
Parks & Recreation - Aquatics (seasonal staff)	0	0	0	0
Total FTE General Fund	504.85	533.19	554.3	548.05
OTHER FUNDS				
Municipal Service District Fund	0	0	0	0
HOME Consortium Fund	1.25	1.5	1.5	1.5
Transportation Improvement Fund	0	0	0	0
CDBG Fund	1.75	2	1.5	1.5
Addl. \$5 Vehicle Tax (Transit) Fund	0	0	0	0

Budget Unit	FY 2006-07 FTE	FY 2007-08 FTE	FY 2008-09 FTE	FY 2009-10 FTE
Stormwater Fund				
Stormwater Operations	19	20	21	20.5
Electric Systems Fund				
Electric Administration	2	2.75	3	2
Purchased Power	0	0	0	0
Powerlines Maintenance	14	14	13	13
Tree Trimming	10	10	10	9
Electric Construction	34	34	34	34
Peak Shaving	1	1	2	2
Electric Engineering Services	6	6	6	5
Utility Locate Services	4.5	5	5	5
Water Resources Fund				
Hillgrove Water Treatment Plant	14.5	14.5	14.5	14.5
Coddle Creek Water Treatment Plant	15.5	15.5	15.5	15.5
Waterlines Operations & Maintenance	37	37	37	35
Public Transit Fund				
Rider Transit System	0	0	0	0
Wastewater Resources Fund				
Wastewaterlines Operations & Maintenance	29.5	31	31	30
Golf Course Fund				
Golf Course Operations (contract)	0	0	0	0
Internal Services Fund				
Utilities Collections	5	5	5	4.5
Data Services (contract)	1	1	1	1
Billing	14	13	13	11
Customer Service	15	17	17	17
Engineering	27.92	28	28	25
Fleet Services	14	14	14	13.25
Purchasing	9	9	9	9
Customer Care Center	6.9	7.15	7.95	7.7
Buildings & Grounds	38.685	41.27	41.5	39.6
Aviation Fund				
Aviation Operations	37.59	38	40.5	36.5
Public Housing / Sec. 8 Vouchers Funds				
Public Housing Operations / Vouchers Program	16	16	16	16.5
Total FTE Other Funds	375.095	383.67	387.95	369.55
Total FTE All City Funds	879.945	916.860	942.250	917.600

* A total of 19.75 FTE are not funded in the FY09-10 budget, but remain authorized for the future.





BACKGROUND ON THE CITY'S CUSTOMER SERVICE INITIATIVE

Concord is committed to creating a culture of customer service and providing the best service possible to our citizens. Customer service is the responsibility of every coworker; and as such, each time he or she interacts with an individual, answers a telephone, sends an e-mail, writes a letter, or attends a meeting, an impression is made on customers - whether they are citizens, visitors, or our own coworkers. The City hopes that **TEAM CONCORD** becomes the standard for how we work together to serve and interact with customers.

Upon the direction of the City Council, a Customer Service Design Team composed of representatives from each department began a series of weekly meetings in September 2007. The Design Team was tasked with defining excellent customer service and determining the best way to bring other city coworkers on board. Concord residents and city customers also provided input through several focus groups. From these meetings, 9 Key Principles of excellent customer service emerged.

Once these principals were developed, a training program was created as a way to bring the Initiative to coworkers. In February 2008, the Design Team presented the Initiative to Department Heads and City Council members at the annual Planning Session. In March and April 2008, nearly 900 coworkers received introductory training in the 9 Key Principles. The annual Supervisory Summit for departmental managers brought in additional leadership training focused on enhancing the city's customer service efforts. The following spring, individualized, department-specific trainings were rolled out to coworkers across the city. All new city coworkers will receive this training during their orientation.

The Principals of Excellent Customer Service

1. Concern for the Individual
2. Professional Service
3. Timeliness
4. Customer Focus
5. Effective Communications
6. Teamwork
7. Fair & Equitable Service
8. Taking Ownership
9. Great Service Recovery

Noteworthy elements of the City's Customer Service Initiative include:

I Saw a STAR (Special Thanks And Recognition)

Above and Beyond Customer Service Awards are presented to individuals, work teams, or departments who demonstrate innovative, especially unique, or thoughtful levels of customer service (to both internal and external customers) associated with going "above and beyond" what might normally be expected. Coworkers may be nominated by fellow city staffers or Concord citizens.

Specialized Customer Service Training

With the assistance of the Design Team, each department developed and presented training sessions specifically tailored to meet that department's needs.

BACKGROUND ON THE CITY'S PERFORMANCE MEASUREMENT EFFORTS

The City of Concord is deeply committed to exploring new methods in providing cost efficient and quality services to citizens. In order to support these efforts, the City monitors its performance in a program commonly referred to as performance measurement. Performance measurement involves the regular collection of quantifiable information regarding the results of city services. It includes the measurement of the kind of job we are doing and includes the effects our efforts are having in our community. Together with benchmarking, performance measurement forms the nucleus for managing for results and productivity improvement. Performance information is designed to be a tool for use by the citizens of Concord, the City Council, city management, department directors, supervisors, and front-line employees.

Why do local governments measure performance? There are a number of reasons, which include:¹

1. To improve accountability
2. To enhance city planning and budgeting
3. To improve operational practices
4. To conduct performance evaluations/management by objectives/performance appraisals
5. To assist decision-making with regard to resource allocation, and
6. To enhance management decisions and contract monitoring

Several noteworthy elements of the City's performance measurement efforts include:

The Productivity Improvement Team ("The PIT Crew")

This team advises City Management and the Finance Department on the implementation of performance measurement and generates productivity improvement ideas for possible future implementation.

Striving Towards Excellence Program (STEProgram)

The STEProgram is the name given to the City's performance measurement program.

North Carolina Local Government Performance Measurement Project

In 1999, the City of Concord joined the North Carolina Local Government Performance Measurement Project - coordinated by the University Of North Carolina Institute Of Government. The Project's measures are standardized so city services can be compared across seventeen municipalities and best practices identified. The program tracks performance information on basic city services including:

- | | |
|--------------------------------|--|
| -Residential Refuse Collection | -Police Services |
| -Yard Waste/Leaf Collection | -Asphalt Maintenance & Repair |
| -Emergency Communications | -Fleet Maintenance |
| -Fire Services | -Building Inspections (service provided
by Cabarrus County) |
| -Human Resources | -Water Services |
| -Household Recycling | |

This budget document does not attempt to list all performance measures associated with the NC Local Government Performance Measurement Project. Additional Project information can be obtained by contacting the City's Finance Department or the UNC – Chapel Hill School of Government.

In the spring of 2001, the City began an aggressive effort to incorporate the use of performance measures in all city departments. Most departments report performance information, which can be found on individual departmental pages later in this document. The implementation and enhancement of performance measurement is a continuous journey that will be reflected in future budget documents.

¹ Ammons, David N. (2001). *Municipal Benchmarks: Assessing Local Performance and Establishing Community Standards* (2nd ed.). Thousand Oaks, CA: Sage Publications.

SUMMARY OF EXTERNAL AGENCY FUNDING

The City of Concord grants funding to non-governmental, or "External Agencies," that contribute to the City's cultural, social, and economic vitality. External Agency funding requests are considered by the City Council under the auspices of the Public Purpose Clause of the North Carolina State Constitution (Article V, Sec. 2(7)). Further guidance by North Carolina Supreme Court case law allows the City Council to choose to fund activities that 1) are within the appropriate scope of governmental involvement and reasonably related to community needs and 2) benefit the general public, as opposed to special interests or persons.

<u>External Agency</u>	<u>Departmental Budget</u>	<u>FY 06/07 Actual</u>	<u>FY 07/08 Actual</u>	<u>FY 08/09 Budget</u>	<u>FY 09/10 Request</u>	<u>FY 09/10 Manager Rec.</u>	<u>FY 09/10 Council Approved</u>
General Fund monies							
Boys & Girls Club of Cabarrus County	Parks & Rec	0	10,000	-	20,000	5,000	5,000
Cabarrus Arts Council, Inc.	Parks & Rec	22,000	25,000	30,000	30,000	27,000	27,000
Cabarrus Cooperative Christian Ministries	Water, Wastewater Electric	0	0	10,000	35,000	10,000	10,000
Cabarrus Events Association	Econ Dev	0	5,000	5,000	5,000	5,000	5,000
Cabarrus Partnership for Children	n/a	-	-	-	6,000	0	0
Cabarrus Victims Assistance Network (CVAN) Sustaining Grant	Police	10,000	10,000	10,000	10,000	9,500	9,500
Cabarrus Victims Assistance Network (CVAN) Renovations Grant	n/a	-	10,000	-	-	-	-
Concord Museum	n/a	5,000	5,000	6,000	-	-	-
Habitat for Humanity Cabarrus County (Affordable Housing Construction Grant)	Bus. & Nbhnd	20,400	21,000	27,300	22,392	20,000	20,000
Historic Cabarrus, Inc./Concord Museum	Econ Dev	3,000	-	-	10,000	5,000	5,000
LifeSpan	Econ Dev	4,000	4,000	4,000	4,000	3,600	3,600
Prosperity Unlimited, Inc	n/a	-	-	-	4,189	0	0
Special Olympics Cabarrus County	Parks & Rec	4,000	4,000	4,000	3,500	3,500	3,500
Walter T. Morgan/First Tee	Mayor's Tournament	-	-	-	10,000	0	0
Sub-total		\$68,400	\$94,000	\$96,300	\$160,081	\$88,600	\$88,600
Community Development Block Grant monies							
Cabarrus Cooperative Christian Ministry	CDBG	6,200	6,500	6,500	6,800	6,500	6,500
Cabarrus Literacy Council	CDBG	-	5,000	5,000	10,000	5,000	5,000
Cabarrus Meals on Wheels	CDBG	-	5,000	5,000	5,000	4,500	4,500
Coltrane LIFE Center, Inc.	CDBG	5,000	5,000	5,000	5,000	4,500	4,500
Hispanic Learning Center	CDBG	5,000	5,000	5,000	8,000	4,500	4,500
Hospice of Cabarrus Co., Inc.	n/a	5,000	-	-	-	-	-
Kerr Street United Methodist Church	n/a	-	-	-	1,000	0	0
Prosperity Community Connection Inc. (formerly Prosperity Ministries Inc.)	CDBG	1,500	1,500	1,500	2,000	1,500	1,500
Prosperity Unlimited, Inc. Sustaining Grant	CDBG	10,000	10,000	10,000	10,000	10,000	10,000
Prosperity Unlimited, Inc. (Affordable Housing Construction Grant)	n/a	5,100	-	-	-	-	-
Serenity House	CDBG	5,000	5,000	5,000	8,000	4,500	4,500
Sub-total		\$42,800	\$43,000	\$43,000	\$55,800	\$41,000	\$41,000
		FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 09/10	FY 09/10
TOTAL		\$111,200	\$137,000	\$139,300	\$215,881	\$129,600	\$129,600

NOTE: A dash (-) signifies that no request was made.