



FY 2014-15
Recommended Annual Operating
Budget and Performance Plan

W. Brian Hiatt, City Manager
May 27, 2014

GUIDING DOCUMENT

FY 2014-15
Mayor/City Council Goals

Total Recommended
City-Wide
Budget FY 2014-15

\$216,784,204

Recommendation Summary

- No property tax rate increase (48 cents)
- Continued conservative, but not worst case, revenue projections
- Moving forward with planned capital projects, including construction of City Hall
- Small Water and Wastewater rate increases (due to capital needs/Albemarle Waterline)

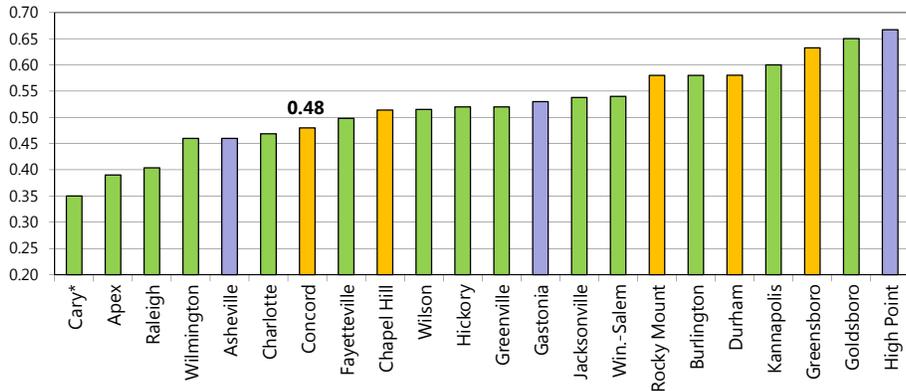
Recommendation Summary

- Electric rates:
 - No electric rate increase
 - Per state law, there will be a sales tax increase to customer's electric bills (replaces the City's Franchise revenue). Will be partially offset as we lower the Purchase Power Adjustment for our customers.
- Privilege License debate in the General Assembly

Total Recommended
General Fund Budget
FY 2014-15

\$71,577,540

**FY 2014-15 Proposed Property Tax Rates for
NC Full-Service Cities Over 35,000 Pop.
(Cents per \$100 Valuation)**



Note:

*Cary - extensive use of impact fees.

Cities in green apply a fee for solid waste (for some or all services) in addition to property tax.

Cities in blue (Asheville, Gastonia and High Point) charge a nominal recycling fee, but not for garbage or yard waste.

Charlotte and Jacksonville residents are assessed a solid waste fee for disposal through property tax or utility bills.

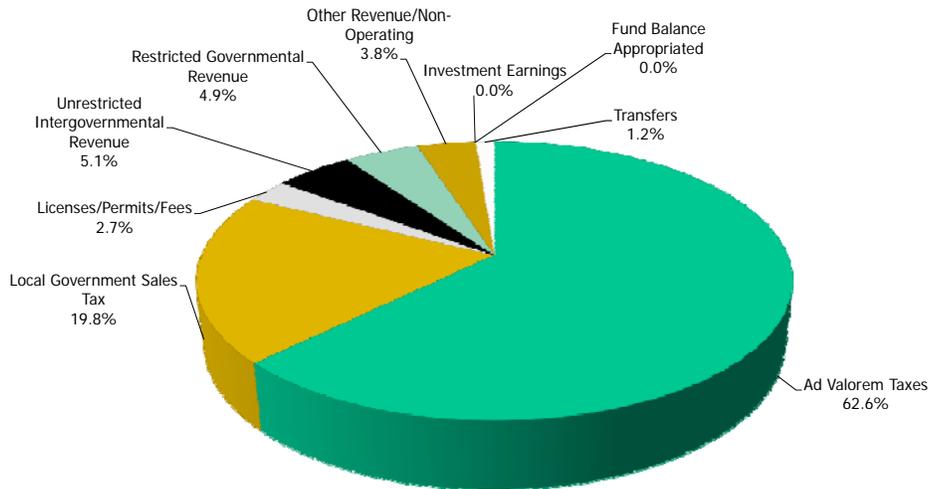
General Fund Revenues

- .4800 tax rate recommended
 - Same tax rate as FY13-14
 - Anticipate revaluation in FY15-16
- One cent on tax rate = approx. \$915,022
- Projecting 4% increase in tax base over FY 2013-14

Other Revenue Trends

- Projecting 2% growth in sales tax revenue over FY14 estimates
- Development related revenue continues to recover
- Privilege licenses fully budgeted at \$1.1 million, but expecting changes in FY15-16
- Use of \$2.1 million in Capital Reserve Funds for capital needs

General Fund Revenues by Source



General Fund Balance/Capital Reserve Fund

- Unassigned Fund Balance will meet 30-35% City Council goal
- Use of \$2.1 million in funds from Capital Reserve Fund recommended for FY 2014-15
 - Hector H Henry II Greenway, Exit 49 Connector
 - McEachern Greenway, Cabarrus Phase
 - Replacement of Fire pumper
 - Replacement of 2 Solid Waste trucks
 - Clubhouse Expansion at Rocky River Golf Course

Recommended Fee Changes

- Administrative – added a fee for Encroachment/Banner Attachments and a statement regarding special service charges for public record requests
- Tax – Added a gross receipts fee for Electronic Gaming facilities
- Clearwater – Addition of facility rental and artist studio lease fees
- Code Enforcement – Revised vacant lot cleaning fee to actual cost per contractor
- Fire – Added Outdoor Concerts as a type of event requiring an operation permit

Recommended Fee Changes

- Parks & Recreation – added rates for Fall Youth Baseball and Youth Softball, Adult Flag Football, removed the Get Fit Punch Card, added admission fee category for groups at Aquatics Center
- Transit – added credit/debit card processing fee
- Aviation – note added to clarify based tenant landing/ramp fees/fuel discount; addition of a daily Terminal Lots parking fee
- Electric – addition of LED lighting rates to Outdoor and Public Lighting Service

Water Resources - Recommended Rates

Water Volume Charges (all rates per 1000 gallons)

Residential Volume Charges:	Proposed FY15	FY14
<i><u>Inside City</u></i>		
Residential – Block 1 (0-6,000 gallons)	\$5.22	\$5.08
Residential – Block 2 (6,001-8,999 gallons)	6.79	6.61
Residential – Block 3 (9,000+ gallons)	8.36	8.14
<i><u>Outside City</u></i>		
Residential – Block 1 (0-6,000 gallons)	\$6.27	\$6.10
Residential – Block 2 (6,001-8,999 gallons)	8.15	7.93
Residential – Block 3 (9,000+) & Irrigation	10.04	9.77

Increase of \$0.63 on average water bill (with 4500 gallons consumed per month)

Water Resources - Recommended Rates

(all rates per 1000 gallons)

Commercial/Institutional Volume Charges:	Proposed FY15	FY14
<u><i>Inside City</i></u>		
Commercial/Institutional	5.27	5.06
Commercial/Institutional Irrigation	8.36	8.14
<u><i>Outside City</i></u>		
Commercial/Institutional	6.33	6.07
Commercial/Institutional Irrigation	10.04	9.77
 Industrial Volume Charges:		
<u><i>Inside City</i></u>		
Industrial	4.33	4.20
Industrial Irrigation	8.36	8.14
<u><i>Outside City</i></u>		
Industrial	5.20	5.05
Industrial Irrigation	10.04	9.77

Wastewater - Recommended Rates

Wastewater Volume Charges

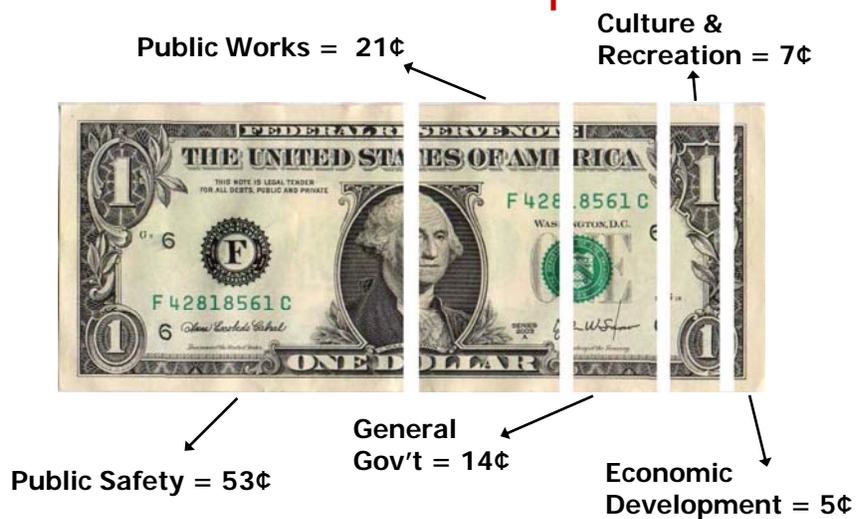
(all rates per 1,000 gallons)

Volume Charges:	Proposed FY15	FY14
<u><i>Inside City</i></u>		
Water Customers of Concord Utilities	\$5.45	\$5.29
Flat-Rate Customers	36.38	35.32
 <u><i>Outside City</i></u>		
Water Customers of Concord Utilities	\$6.55	\$6.35
Flat-Rate Customers	43.66	42.38

Increase of \$0.72 on average wastewater bill

Summary of Recommended General Fund Expenditures

How will each General Fund tax dollar be spent?



General Government

Administrative Departments–

- Downtown Ghost Sign restoration
- Last phase of BOC parking and yard rehabilitation
- Rewrite of CDO amendments
- First debt service payment on City Hall (within each dept's budget)

Public Safety

Police-

- Supplies/equipment needed for 9 new positions (will use surplus vehicles for now)
- First year of 4 Year plan to complete one camera per patrol vehicle (25 each year) - \$162,500
- Broadband video streaming initiative (uploading of live dash-camera video)
- Replacement of body armor/vests for Patrol and SWAT - \$114,500

Public Safety

Fire and Life Safety –

- Replacement of pumper and related equipment- \$560,000 (Capital Reserve funds)
- Increased maintenance needs at fire stations (lighting, bathrooms, roofs, driveways, etc.) - \$126,000
- Bay floor replacement at Fire Station 7 (first phase) - \$81,000

City-wide Public Safety Expenses/Projects

- Continue fund for fiber extension and maintenance needs – budgeted at \$100,000 total each year (across all funds)
- Additional \$56,000 budgeted in FY15 to update fiber master plan

Culture and Recreation

Parks and Recreation -

- Additional funds for summer camp and youth athletics (enrollment increasing)
- Replace basketball goals at all Rec Centers, playground at Beverly Hills Park, and resurface tennis and basketball court at Caldwell Park
- Construction of McEachern Greenway – Cabarrus Phase – addtl \$380,000 (Capital Reserves)
- Hector H Henry II Greenway Exit 49 Connector - \$704,380 (budgeted with City-funds, using Capital Reserve)

Public Works

Transportation –

- Combined funds for street resurfacing: \$1.4 million
- Transportation Projects (using dedicated Transportation funds) - \$2,127,400
 - PIP Sidewalk projects - \$150,000
 - Virginia St SE Segment Improvement - \$450,000
 - Brookwood Corridor Design (\$1.5M)

Public Works

Solid Waste and Recycling –

- Replacement of Knuckleboom and Rear Loader (using Capital Reserve funds)
- Small increase in funds for temporary/contract labor

Cemeteries –

- Maintenance to fencing, sidewalks, and landscaping at Oakwood Cemetery - \$34,620

Economic Development

Planning and Neighborhood Development-

- Downtown Master Plan
- Small planning projects for future growth areas

Economic Development (under Planning)-

- Continue incentive grant funding for economic development projects already approved by Council
- Funding for grant related to Heilig Meyers building apartment project - \$100,000

Summary of Recommended Utility Fund Expenditures

Water, Wastewater, Electric and
Stormwater

Water Resources

- Continued maintenance of waterlines, mains, and valves; replacement/upgrade of problem areas - \$240,000
- Upsizing of lines and extension of water mains - \$285,500
- Completion of 2 multi-year projects:
 - Disinfection Byproduct Reduction
 - High Service Pump Motor Starter projects
- Completion of waterline for George Liles Blvd. Extension (Phase 2) - \$282,430
- I-85 Widening waterline replacement - \$206,335

Wastewater

- Small sewer replacements/upgrades:
 - Manhole rehabilitation
 - Irish Buffalo Creek
 - Hatley Circle and Moore Place
- Continue to invest in slip lining for wastewater lines - \$654,000
- Development-related upsizing of wastewater lines - \$100,000
- Scheduled replacement of camera truck

Electric System

- FY15 Wholesale Purchase Power budget is \$824,000 less than the FY14-15 budget
- Smart Grid Meter Pilot project - \$10,000
- Construction of SCADA control room/offices - \$350,000
- CIP Projects: Substation H Switchgear Replacement (\$650,000), Delivery 2 Upgrades (\$415,000), and replacement of 2 trucks (knuckleboom/bucket truck)

Stormwater

- Replacement of sweeper truck - \$220,000
- Funding for 2 Capital Improvement Plan (CIP) Projects:
 - Last phase of System Master Planning - \$350,000
 - Wyoming Drive at Montana Culvert Replacement - \$178,000
- Completion of culvert replacements funded in FY13-14 budget
- Creation of ditch maintenance program

Summary of Recommended Expenditures in Other Funds

Transit, Aviation, Golf Course, and
Internal Services

Public Transit

- All 8 hybrid buses are now in service, which should save significant fuel dollars in the FY15 budget
- Continue to provide bus stop amenities and maintenance of the Rider system
- Focus on use of technology to improve the passenger experience



Aviation

- Continues commercial service, with potential for added flights
- Projecting 5.8% increase in fuel revenue and sales
- Complete construction of 2 parking lot areas – increase in capacity of 350 spaces



Rocky River Golf Course

- Budget reflects increased revenue/rounds associated with new course greens
- Funding for Clubhouse expansion (from Capital Reserve) - \$135,000



Internal Services

Data Services –

- Upgrades to network capacity (Phase 2)
- Complete migration of all pc's to Windows 7
- Move to Microsoft's Active Directory (Windows Servers/Network)
- Server replacements for several systems and programs
- Disaster recovery solutions for GIS and Harris Utility servers

Summary of Recommended Human Resources Expenditures

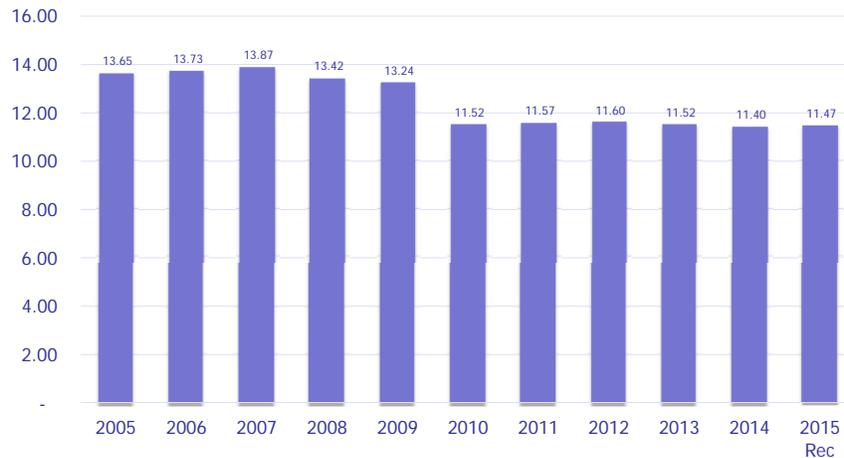
Position Summary

This budget represents **935.4 FTE**, with **2** full-time and **10** part-time vacant positions eliminated in FY15.



Authorized FTE count is still below the 941.25 FTE approved in 2009.

Number of Funded FTE Positions Per 1,000 Population



Proposed Eliminations

Aviation (10 positions):

- Aviation Manager (8 months)
- PT Aviation Assistants (5)
- PT Customer Service Specialists (3)
- PT Custodian

Engineering (1 position):

- GIS Coordinator

Building & Grounds (1 position):

- PT Custodian

Frozen Positions

Vacant and unfunded (frozen) for FY 14-15:

- 13 Full-time positions
- 1 Part-time position

Value of Positions Frozen (savings): \$632,994



This includes 2 positions added to the list in FY15:

- Accounting Supervisor in Aviation
- Engineering Manager in Engineering

Recommended Positions

21.6 new full-time positions recommended

- *Police* – 9 School Resource Officers (grant approved in April 2014)
- *Radio Shop* – 1 Communication Tech Supvsr
- *Fire Prevention* – 1 Inspector/Investigator
- *Traffic Signals* – 1 Staff Engineer (partially reimbursed by NCDOT)

Recommended Positions

21.6 new full-time positions recommended

- *Stormwater* – 1 Utility Service Supervisor, 1 Utility Service Worker (ditch maintenance)
- *Aviation* – 2 Aviation Service Workers, 2 Customer Service Specialists (replaces 8 of the PT positions eliminated)
- *Transit* – 1 Transportation Planner (grant funded)

Recommended Positions

21.6 new full-time positions recommended

- *Building & Grounds* – 1 Urban Forester
- *Housing* – 1 Housing Specialist and 1 PT Family Self Sufficiency Specialist (both federally funded)

Recommended Positions

3 positions recommended to be unfrozen for FY15

- *Aviation* –
 - Unfreeze 1 Aviation Supervisor
 - Unfreeze 1 Executive Assistant
- *Water* –
 - Unfreeze Staff Engineer and reclassify to a GIS Coordinator

Employee Compensation

Human Resources-

- Full Compensation study of all positions on-going; results to be shared in summer 2014
- Monies have been set aside in each fund pending results of the study
- Recommendations for distribution of amounts will come later and will be designed to address Compensation study results (to the extent possible) and any merit-based opportunities granted to co-workers

Compensation/Benefits

Human Resources -

- Small increases in health insurance premiums paid by City and co-workers, continuation of “tobacco-free” and “wellness ” incentives
- City-paid health insurance premiums increase of approx \$1 Million in FY15 (this includes retirees)
- Continues funding of Post Employment Benefits - \$100,000 set aside as a contribution to the State health insurance trust fund for retirees

External Agency Funding

General Fund Recommended: \$74,500

(6% increase over FY14)

- Cabarrus Arts Council - \$30,000
- Cabarrus Events Association - \$5,000
- CVAN - \$10,000
- Concord Museum/Historic Cabarrus - \$10,000
- Boys & Girls Club - \$6,500
- Multicultural Student Union- \$2,000
- Special Olympics of Cabarrus County - \$2,000
- Habitat for Humanity (Affordable Housing Construction Grant) - \$4,000
- Teen Court (Conflict Resolution Center) - \$3,000
- Hope Haven (formerly Serenity House) - \$2,000

Utility Funds Recommended: \$13,000

- *Cabarrus Cooperative Christian Ministries - \$13,000*

External Agency Funding

CDBG Recommended: \$41,000

(10% increase over FY14)

- Cabarrus Arts Council - \$1,500
- Cabarrus Cooperative Christian Ministry - \$6,000
- Cabarrus Literacy Council - \$4,000
- Cabarrus Meals on Wheels - \$5,000
- Coltrane LIFE Center - \$5,000
- ICCD (formerly Hispanic Learning Center) - \$2,000
- Prosperity Unlimited - \$8,500
- Prosperity Community Connection - \$1,500
- Hope Haven - \$5,000
- Safe Alliance - \$2,500

LOOKING AHEAD

- NC General Assembly
- The economy and the development of infrastructure to support more "product"
- Exit 49 Improvements
- Public Transit funding
- Impact of the Albemarle water line
- Recreation and the Hector H Henry II Greenway

LOOKING AHEAD

- New City Hall and study of plaza concept
- Downtown

The Budget Adoption Process:

Budget Workshop June 10, 2014

Budget Hearing (regular meeting)
June 12, 2014

Budget Adoption
??

For More Details:

The entire budget document, including the City Manager's Message, can be viewed on our website at:

www.concordnc.gov

There will be a link from the City's main page.

Hard copies will also be available at the City Clerk's Office (located within Municipal Building).