

# FUND AND BUDGET UNIT STRUCTURE (FY 2014-2015)

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, Tree Trimming, Purchasing, Police, 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. Risk Management – 4121
5. Human Resources – 4125
6. Wellness Center – 4126
7. Finance – 4130
8. Tax – 4140
9. Legal – 4150
10. Non-Departmental – 4190
11. Emergency Management -- 4343

#### *Public Safety*

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

#### *Public Works*

19. Streets & Traffic – 4510
20. Powell Bill – 4511
21. Traffic Signals – 4513
22. Traffic Services – 4514
23. Solid Waste & Recycling – 4520
24. Cemeteries – 4540
25. Fleet Services -- 4550

#### *Economic Development*

26. Planning & Neighborhood Development – 4910
27. Transportation Planning – 4915
28. Economic Development – 4920

#### *Cultural and Recreational*

29. Parks and Recreation – 6120
30. 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 255 – HOME CONSORTIUM FUND**

1. Administration – 2550
2. Projects 2014 – 2555

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

1. Addl. \$5 Vehicle Tax – 8200

### **FUND 305 – COMMUNITY DEVELOPMENT**

#### **BLOCK GRANT (CDBG) FUND**

1. Administration – 3050
2. Projects 2014 – 3055

## **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 – 7611

### **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. Purchasing – 4250
7. Customer Care Center – 4260
8. Buildings & Grounds – 4270

## **PROJECT FUNDS**

### **FUND 285 – GENERAL CAPITAL RESERVE PROJECTS**

1. Capital Reserve Expenditures – 8150

### **FUND 420 – PARKS & RECREATION CAPITAL PROJECTS**

2. Parks & Recreation Capital Projects – 8300
3. Hector H Henry II Greenway – 8311
4. McEachern Greenway – 8312
5. Parks – 8313

### **FUND 421 – WASTEWATER CAPITAL PROJECTS**

1. Wastewater Projects – 8402
2. Quail Haven – 8403
3. Irish Buffalo/Zion Church Outfall – 8404

### **FUND 423 – TRANSPORTATION CAPITAL PROJECTS**

1. Streets Projects – 8600

### **FUND 426 – FIRE & LIFE SAFETY PROJECTS**

1. Fire & Life Safety Projects – 8670

### **FUND 429 – WATER CAPITAL PROJECTS**

1. Water Projects – 8700

### **FUND 430 – GENERAL CAPITAL PROJECTS**

1. BOC Projects - 8800
2. Business & Neighborhood Services Projects - 8801
3. Solid Waste Projects - 8802
4. Data Service Projects - 8803
5. General Fund Projects - 8804

### **FUND 451 –AIRPORT PROJECTS**

1. Airport Projects – 6300

### **FUND 473 – ELECTRIC PROJECTS**

1. Electric Projects – 6949

### **FUND 474 – STORMWATER PROJECTS**

1. Stormwater Master Plan – 7101
2. Stream Restoration Project – 7102
3. Stormwater Projects – 7103

### **FUND 475 – ROCKY RIVER GOLF COURSE PROJECTS**

1. Golf Course – 7550

## **FIRST CONCORD/DEBT SERVICE FUNDS**

### **FUND 550 – 2010 LIMITED OBLIGATION**

1. 2010 LOBS – 7020

### **FUND 552 – 2014 LOBS**

1. 2014 LOBS First Concord – 6990

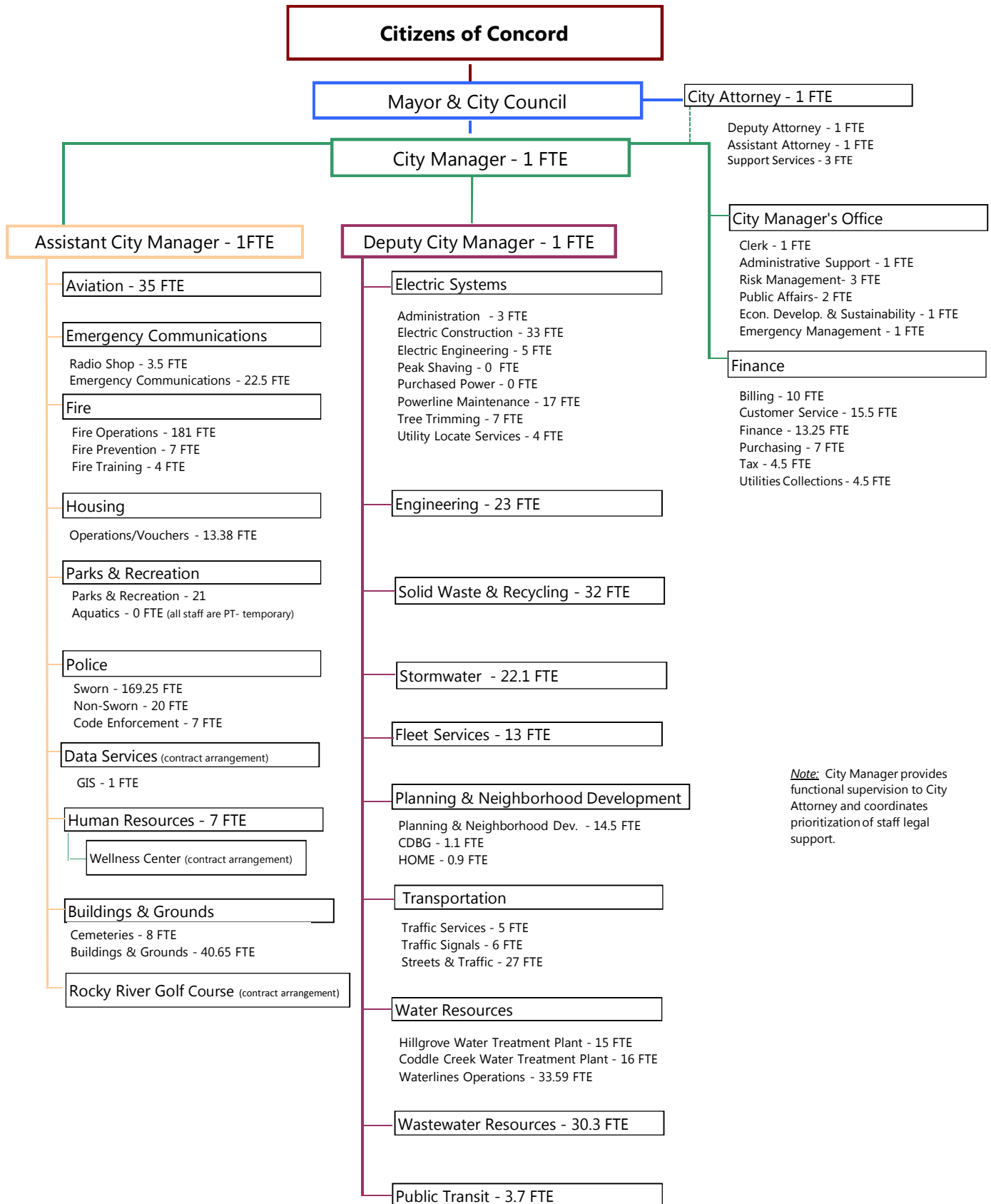
### **FUND 553– 2005 CERTIFICATES OF PARTICIPATION**

1. Police Headqtrrs & Commun – 7000

### **FUND 569 – 160A-19 FINANCING AGREEMENT**

1. Golf Course – 4600
2. Aviation – 4650

# CITY ORGANIZATIONAL CHART



*Note:* City Manager provides functional supervision to City Attorney and coordinates prioritization of staff legal support.

# MAJOR REVENUE SOURCES

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**General Fund:** The General Fund budget for the 2014-15 fiscal year totals \$71,577,540 compared to the current amended budget of \$71,250,446 for FY 2013-14. Factoring out transfers, financing proceeds and appropriations from fund balance (non-operating revenue); there is a revenue increase of \$1,626,060 (2%) when compared to the current amended budget. The increase in revenues for the City's General Fund budget proposal is a result of modest growth in the local option sales tax receipts and a 4% growth in the City's assessed values. The City's tax rate of 0.48¢ per \$100 will not change. The City has estimated revenues conservatively using information provided by the North Carolina League of Municipalities, historical and statistical trends, and other local factors. Again, this budget was prepared under the assumption that the City of Concord will receive all of its State shared revenues for the 2014-15 fiscal years.

**Property Taxes:** The budget is balanced with a property tax rate of \$.48 per \$100 valuation. This will yield \$44,540,720 in total current and prior year ad valorem tax revenue based on an average real and personal property collection rate of 97.70%. The tax base used in this budget preparation represents a 4% increase in property values for a total valuation of \$9,439,323,694 (including motor vehicles). One cent on the City's tax rate produces \$915,022 in revenue, after the City's estimated collection rate is applied. This rate compares favorably to past City tax rates and remains one of the lowest in the state among medium to large size cities. The City continues to feel the effects of the Philip Morris plant closure, which has impacted property tax values, resulting in a total assessed value decline of 82% (\$895 million) since the closure was announced in June of 2007. The property value losses associated with Philip Morris should now be fully realized in prior years and future declines are not anticipated.

**Sales Taxes:** Local sales taxes levied by the City and County comprise 2.25% of the total 7.0% 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 took over one quarter cent of the Article 44 local option sales tax and effective October 1, 2009 the state took 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.

Local option sales taxes, telecommunications sales taxes and video programming sales taxes are estimated to be \$14,152,270 for fiscal year 2014-15, a 2% increase when compared to the current year estimates. Sales tax allocations for Cabarrus County are based on proportional property tax levies. The City has projected a 2% increase in local option sales tax allocations for FY 2014-15 when compared to FY 2013-14 anticipated collections. The City continues to apply a conservative approach when estimating this revenue source, but current trends indicate that local option sales tax will continue to grow.

Legislation passed during the 2001 session repealed the utility franchise tax on telephone companies and replaced it with a sales tax on telecommunications of 6% of gross receipts (now 8%). As State and local tax rates change, the percentage of the net proceeds on which the municipal distribution is based also changes in order to keep municipality's revenue share neutral. The rate is currently 18.7%. The estimated telecommunications sales tax included for FY 2014-15 is \$549,100, which represents a 4% decline when compared to FY14 estimated collections. Much of the recent decline has been driven by a loss in revenue from landlines as consumers have increasingly opted to go solely wireless.

The N.C. Department of Revenue distributes part of the state sales tax collected on video programming and telecommunication services to counties and cities. Local governments receive 23.6% of the sales tax collections from video programming service, an additional 7.7% of the existing telecommunications sales tax and 37.1% of sales tax collections on satellite television service. The estimated video programming sales tax included in FY 2014-15 is \$537,170, which represents no growth in this revenue source when compared to FY14 estimates.

**Utility Franchise Tax & Piped Natural Gas Sales Tax:** The distribution method for the electricity sales tax will change in Fiscal Year 2014-15 as a result of the tax reform legislation passed during the last General Assembly session in 2013. The general sales tax rate will now be applied to the sales of electricity, and 44 percent of the proceeds from the sales tax will be returned to cities and towns. That percentage was chosen with the intent that it would be sufficient to hold municipalities harmless from the amount they are currently receiving in utility franchise tax distributions. The amount of electricity franchise tax municipalities receive in Fiscal Year 2013-14 is intended to serve as a baseline for the amount they are to receive going forward. The City has projected Franchise Tax in FY2014-15 to be \$2,300,000 which is based on actual estimated collections in FY2014. As with the electricity sales tax, the distribution method for the tax on piped natural gas was changed as part of the tax reform legislation passed during the last General Assembly session in 2013. The general sales tax rate will now be applied to the sale of piped natural gas, and 20 percent of the proceeds from the sales tax will be returned to cities and towns. Similar to the electricity sales tax, that percentage was chosen with the intention that it would be sufficient to hold municipalities harmless from the amount they are currently receiving in utility franchise tax distributions. The amount of piped natural gas excise tax municipalities receive in Fiscal Year 2013-14 is intended to serve as a baseline for the amount they are to receive going forward. The FY2014-15 proposed budget of \$400,000 is based on estimated collections for FY2014.

**Powell Bill Street Allocation:** These funds represent redistribution by the State of a portion of the motor fuel taxes collected. The use of these funds is restricted to maintaining, repairing, constructing, reconstructing or widening any public street or thoroughfare within the City limits. Bridges, drainage, curb and gutter and other necessary appurtenances are also approved uses of these funds. One-quarter of distribution is based on the number of miles of local streets in the City and the remainder is distributed on a population basis. These funds are expected to provide \$2,216,400 for FY 2014-15, which represents no growth when compared to current year estimates. This revenue source continues to remain flat as the State's allocation per street mile does not increase; in some years, it is reduced.

**Privilege License Taxes:** Each business activity operating within the City limits is required to purchase a privilege license to conduct such business. These taxes are a revenue measure provided to cities by the North Carolina General Statutes. Staff recommends continuing a gross receipts basis for our privilege license ordinance. A total of \$1,120,000 in revenues has been estimated in this budget, which represents no growth when compared to current year estimates. Staff continues to monitor current legislation which could eliminate the majority of this revenue for budget year 2015-16.

**Fund Balance:** The City's unassigned General Fund balance was \$40,600,448 as of June 30, 2013. It is anticipated that the City will meet our target goal of a 30-35% minimum General Fund unassigned fund balance at June 30, 2014, as unassigned fund balance is not expected to materially change. Our ability to maintain a healthy fund balance in previous fiscal years was attributable to the economic vibrancy present in the City of Concord and increases in available

cash for investments, collection percentage of property taxes, and conservative estimates on revenues. As the City experienced a slowing economy, our conservative policies and procedures were even more important. The recommended budget does appropriate \$2,094,380 from the General Capital Reserve fund balance for one time capital expenditures. In FY2007-08 the City created a General Fund Reserve to begin preparing for future projects and each year the City contributes available resources to this Capital Reserve Fund. Although these reserves (approximately \$14,800,000) now reside in a separate fund from the General Fund and are no longer included in the City's General Fund *Balance*, the amounts are still available for projects and capital designated by the City Council.

**Special Revenue Funds:** The Municipal Service District tax rate is \$0.23 per \$100 assessed valuation. Also, included in the Special Revenue Fund is the budget request for Community Development Block Grant Funds, the H.O.M.E. Program, the \$5 Vehicle Tax fund (Transit), and the Section 8 Housing Vouchers program. The special revenue funds total \$5,993,339.

**Enterprise Funds:** Stormwater, Electric, Water and Wastewater rates and charges will generate \$115,644,542 in revenues.

**Stormwater:** The Stormwater Fund is comprised of \$3,732,000 in operating revenue and \$1,000 in non-operating revenues. No rate or fee increases are proposed for the Stormwater program. Rate revenue for FY 2015 is expected to remain stable when compared to FY 2014 year-end estimates.

**Electric Fund:** The Electric Fund is comprised of \$80,626,573 in operating revenues and \$50,000 in non-operating revenues, with an appropriation from the rate stabilization reserve in retained earnings of \$1,012,647. Electric revenues are estimated using the City's rate model. The proposed budgeted revenue does not include a rate increase. The purchase power adjustment to rates will be evaluated during the year, but the FY 2015 budget proposal does not project increases in purchase power rate adjustments. FY 2015 rate revenue is anticipated to remain stable.

**Water Fund:** The Water Fund is comprised of \$19,496,700 in operating revenue, non-operating revenue of \$34,000 and an appropriation from retained earnings of \$708,010 for one time capital project costs. Water revenues are estimated using a recommended average rate increase of 3% and no growth in consumption.

**Wastewater Funds:** The Wastewater Fund is comprised of operating revenue of \$15,027,000 and no appropriation from retained earnings. Wastewater revenues are estimated using no growth in consumption and a recommended average rate increase of 3%.

**Public Transit:** The Public Transit budget is comprised of \$248,000 in operating revenue, \$2,440,145 in restricted intergovernmental revenue, and transfers of \$745,441. In FY 2014-15, Concord's General Fund contribution to the Transit system is \$435,441, which includes our portion of the CATS 79x service. No fare increases are proposed for the adoption of the FY 2014-15 budget.

**Golf Course:** The Golf Course Fund anticipates earned revenue for FY 2014-15 to increase when compared to the proposed budget of the prior year. Revenue projections have been increased in FY 2015 due to a greens renovation project that has resulted in an increase in rounds of golf. Total revenues are estimated at \$1,697,542 with an additional transfer from the General Fund of \$998,050 the majority of which is designated towards debt service.

**Aviation:** The Aviation budget is comprised of \$10,608,375 in operating revenue, \$(161,500) in non-operating revenue and a transfer of \$793,091 from the General Fund. There are no appropriations from retained earnings. Fuel Sales have been budgeted with no material increases. There are some adjustments to fees charged for daily terminal lots parking.

**Internal Services Fund:** The Internal Services Fund – comprised of Data Services, Customer Service, Utilities Collections, Billing, Engineering, Call Center, Buildings and Grounds and Purchasing – totals \$10,116,811. All costs within this fund are allocated among the Electric, Water, Wastewater, Stormwater, Aviation and General Funds based on percentages derived from a cost allocation method.

All rates, fees, and charges are listed in the Schedule of Fees and Charges.

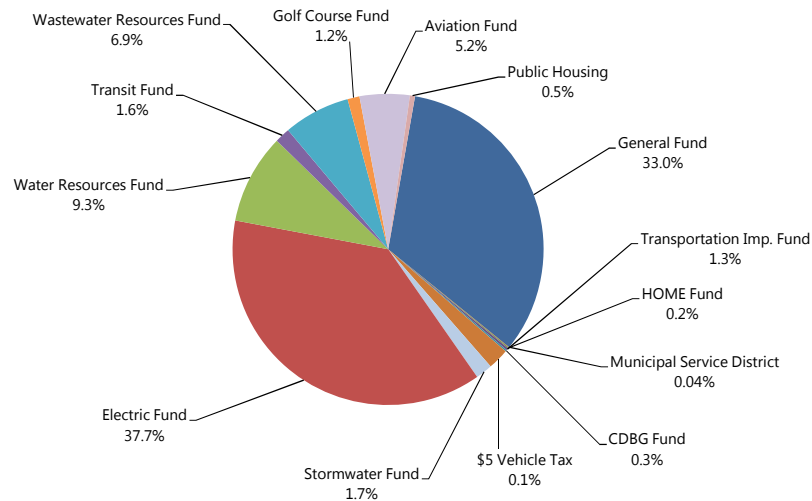
# City Revenues

	2011-2012	2012-2013	2013-2014	2013-2014	2014-2015	2014-15
	Actual	Actual	Council	Actual	Manager	Council
	Revenues	Revenues	Approved*	Revenues**	Recommended	Approved
<b>By Fund</b>						
General Fund	\$ 69,610,405	\$ 69,939,222	\$ 71,250,447	\$ 73,998,621	\$ 71,577,540	\$ 71,577,540
Municipal Service District	\$ 81,677	\$ 99,263	\$ 101,775	\$ 99,007	\$ 87,794	\$ 87,794
Home Consortium Fund	\$ 132,745	\$ 98,870	\$ 274,781	\$ 132,582	\$ 308,402	\$ 308,402
Community Development						
Block Grant (CDBG) Fund	\$ 273,489	\$ 297,596	\$ 496,036	\$ 288,600	\$ 496,426	\$ 496,426
\$5 Vehicle Tax for Public Transit	\$ 312,623	\$ 320,103	\$ 310,000	\$ 655,530	\$ 310,000	\$ 310,000
Section 8 Voucher Program	\$ 3,361,724	\$ 4,636,094	\$ 3,926,464	\$ 4,514,998	\$ 4,790,717	\$ 4,790,717
Stormwater Fund	\$ 3,776,037	\$ 3,745,026	\$ 3,771,614	\$ 3,936,832	\$ 3,733,000	\$ 3,733,000
Electric Fund	\$ 79,449,658	\$ 81,131,380	\$ 82,244,028	\$ 81,513,408	\$ 81,689,220	\$ 81,689,220
Water Resources Fund	\$ 20,369,913	\$ 19,358,500	\$ 23,188,597	\$ 20,389,774	\$ 20,238,710	\$ 20,238,710
Transit Fund	\$ 1,218,813	\$ 1,189,620	\$ 9,121,801	\$ 6,578,015	\$ 3,433,586	\$ 3,433,586
Wastewater Resources Fund	\$ 15,067,900	\$ 15,212,155	\$ 15,170,913	\$ 15,537,033	\$ 15,027,000	\$ 15,027,000
Golf Course Fund	\$ 2,329,266	\$ 2,352,763	\$ 2,487,411	\$ 2,539,685	\$ 2,695,592	\$ 2,695,592
Aviation Fund	\$ 11,259,652	\$ 11,144,207	\$ 11,273,386	\$ 11,100,573	\$ 11,239,966	\$ 11,239,966
Public Housing	\$ 1,164,963	\$ 1,110,677	\$ 1,215,547	\$ 1,032,799	\$ 1,156,251	\$ 1,156,251
<b>TOTAL CITY REVENUES</b>	<b>\$ 208,408,865</b>	<b>\$ 210,635,476</b>	<b>\$ 224,832,800</b>	<b>\$ 222,317,457</b>	<b>\$ 216,784,204</b>	<b>\$ 216,784,204</b>

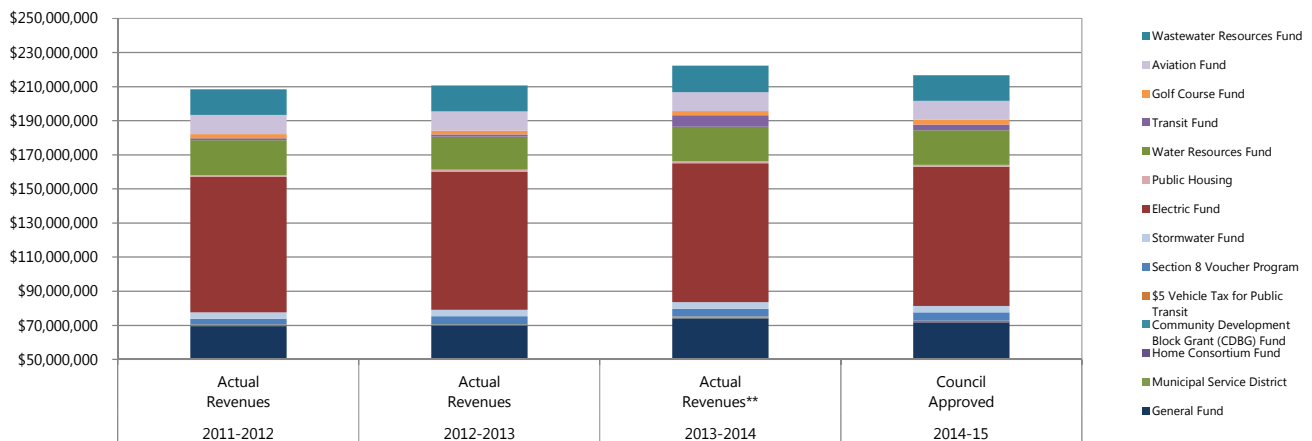
% budget change

\* as amended \*\*as of 7/31/14, unaudited

## FY 2014-2015 City-wide Revenues (by Fund)



## Total City Revenue Trend





# City Expenditures

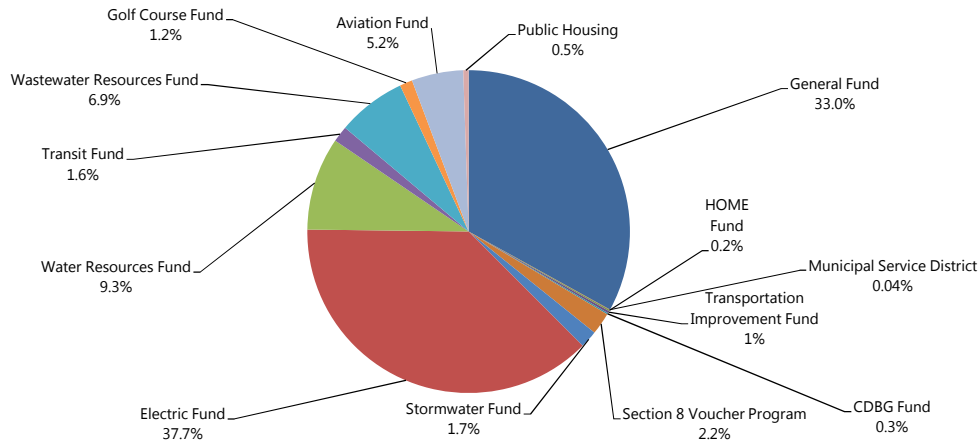
By Fund	2011-2012	2012-2013	2013-2014	2013-2014	2014-2015	2014-2015
	Actual Expenses	Actual Expenses**	Council Approved	Actual Expenses**	Manager Recommended	Council Approved
General Fund	\$ 65,159,212	\$ 72,259,282	\$ 71,250,447	\$ 71,649,527	\$ 71,577,540	\$ 71,577,540
Municipal Service District	\$ 81,678	\$ 99,263	\$ 101,775	\$ 99,007	\$ 87,794	\$ 87,794
Home Consortium Fund	\$ 119	\$ 93	\$ 274,781	\$ 80	\$ 308,402	\$ 308,402
Community Development Block Grant (CDBG) Fund	\$ 272,229	\$ 303,396	\$ 496,036	\$ 291,152	\$ 496,426	\$ 496,426
\$5 Vehicle Tax for Public Transit	\$ 312,623	\$ 320,103	\$ 310,000	\$ 383,145	\$ 310,000	\$ 310,000
Section 8 Voucher Program	\$ 4,068,088	\$ 4,588,823	\$ 3,926,464	\$ 4,596,324	\$ 4,790,717	\$ 4,790,717
Stormwater Fund	\$ 4,278,045	\$ 4,119,527	\$ 3,771,614	\$ 3,460,856	\$ 3,733,000	\$ 3,733,000
Electric Fund	\$ 71,489,691	\$ 79,083,228	\$ 82,244,028	\$ 76,407,890	\$ 81,689,220	\$ 81,689,220
Water Resources Fund	\$ 20,604,131	\$ 16,149,891	\$ 23,188,597	\$ 20,108,311	\$ 20,238,710	\$ 20,238,710
Transit Fund	\$ 1,673,973	\$ 3,056,103	\$ 9,121,801	\$ 7,749,440	\$ 3,433,586	\$ 3,433,586
Wastewater Resources Fund	\$ 13,994,818	\$ 13,966,088	\$ 15,170,913	\$ 13,660,161	\$ 15,027,000	\$ 15,027,000
Golf Course Fund	\$ 2,366,147	\$ 2,372,081	\$ 2,487,411	\$ 2,539,685	\$ 2,695,592	\$ 2,695,592
Aviation Fund	\$ 11,766,408	\$ 11,728,617	\$ 11,273,386	\$ -	\$ 11,239,966	\$ 11,239,966
Public Housing	\$ 1,385,702	\$ 1,532,032	\$ 1,215,547	\$ 1,176,711	\$ 1,156,251	\$ 1,156,251
Internal Service Fund***	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL CITY EXPENDITURES</b>	<b>\$ 197,452,864</b>	<b>\$ 209,578,526</b>	<b>\$ 224,832,800</b>	<b>\$ 202,122,289</b>	<b>\$ 216,784,204</b>	<b>\$ 216,784,204</b>

% budget change

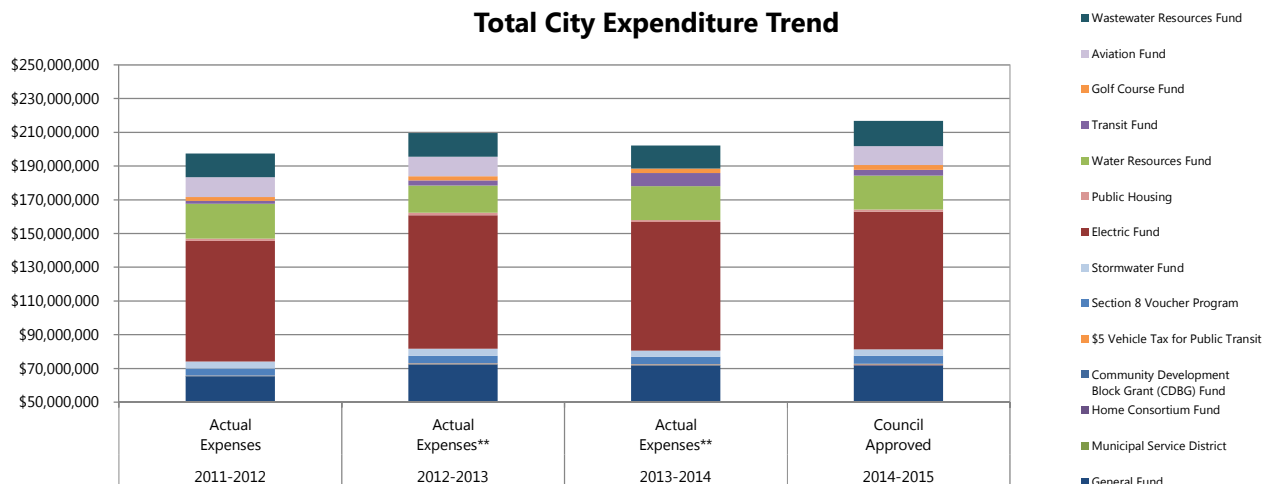
\* as amended \*\*as of 7/31/14, unaudited

\*\*\* All Internal Service Expenditures are allocated to other City departments.

## FY 2014-2015 City-wide Expenditures (by Fund)



## Total City Expenditure Trend



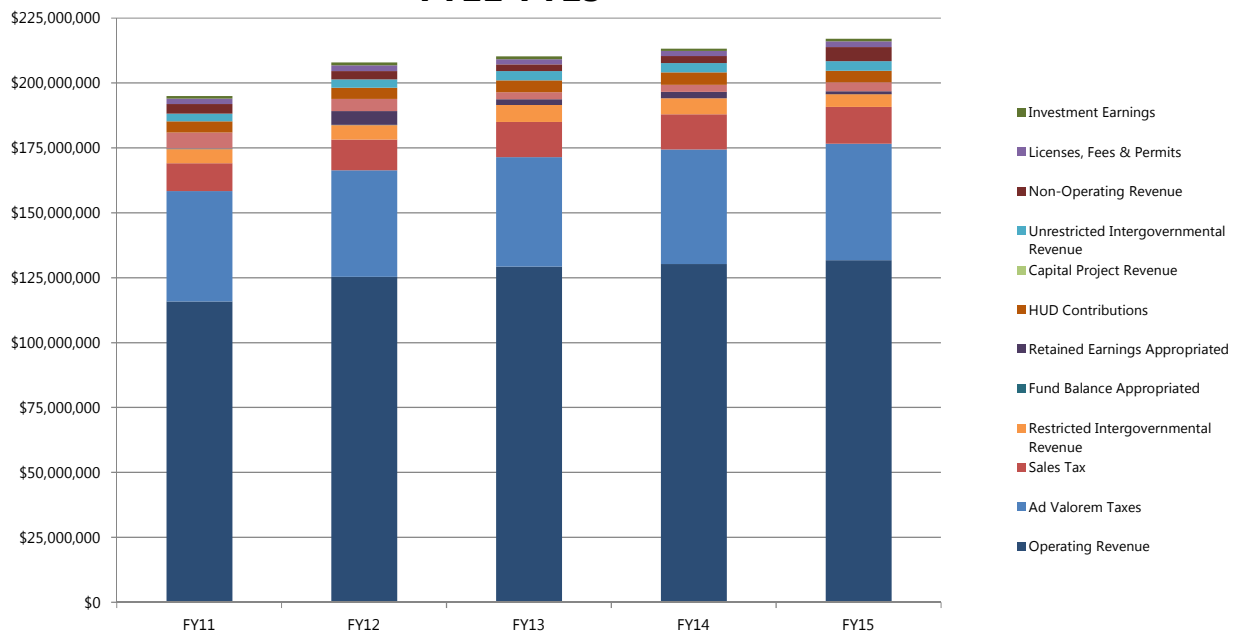
# FY 2014-2015 Budget

Revenues:	General Fund	Special Revenue Funds					Stormwater
	General Fund	Municipal Service District	Section 8 Voucher Program	HOME Consortium	CDBG	\$5 Vehicle Tax	
Ad Valorem Taxes	\$ 44,815,720	\$ 87,794	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	\$ 14,152,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Fees & Permits	\$ 1,916,000	\$ -	\$ -	\$ -	\$ -	\$ 310,000	\$ -
Unrestricted Intergovernmental Revenue	\$ 3,632,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Intergovernmental Revenue	\$ 3,475,655	\$ -	\$ -	\$ 204,328	\$ 481,426	\$ -	\$ -
Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,732,000
Other/Non-Operating Revenue	\$ 2,710,395	\$ -	\$ 1,009,000	\$ 48,331	\$ 15,000	\$ -	\$ 1,000
Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retained Earnings Appropriated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance Appropriated	\$ -	\$ -	\$ 100,550	\$ -	\$ -	\$ -	\$ -
HUD Contributions	\$ -	\$ -	\$ 3,681,167	\$ -	\$ -	\$ -	\$ -
Transfers	\$ 875,000	\$ -	\$ -	\$ 55,743	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 71,577,540</b>	<b>\$ 87,794</b>	<b>\$ 4,790,717</b>	<b>\$ 308,402</b>	<b>\$ 496,426</b>	<b>\$ 310,000</b>	<b>\$ 3,733,000</b>

Expenditures:							
Personal Services*	\$ 39,763,888	\$ -	\$ 260,507	\$ 58,890	\$ 69,839	\$ -	\$ 1,369,681
Operations	\$ 23,379,984	\$ 87,794	\$ 4,530,210	\$ 249,512	\$ 426,587	\$ -	\$ 613,369
Capital Outlay	\$ 3,258,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 385,000
Debt Service	\$ 3,267,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cost Allocations	\$ (2,302,779)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 449,763
Transfers	\$ 4,211,208	\$ -	\$ -	\$ -	\$ -	\$ 310,000	\$ 915,187
<b>TOTAL EXPENDITURES</b>	<b>\$ 71,577,540</b>	<b>\$ 87,794</b>	<b>\$ 4,790,717</b>	<b>\$ 308,402</b>	<b>\$ 496,426</b>	<b>\$ 310,000</b>	<b>\$ 3,733,000</b>

\*Note: Personal Service costs for the Internal Service Fund (\$6,303,832) are captured in the Cost Allocations line above

## Budgeted Revenues FY11-FY15

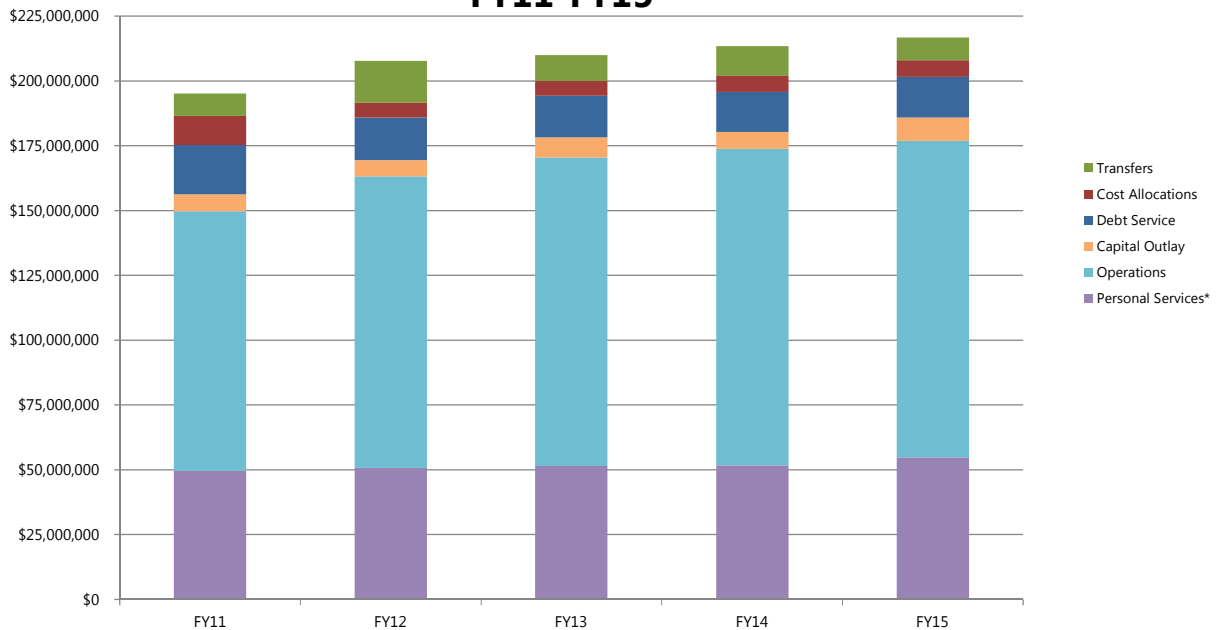


# Summary By Fund

Enterprise Funds								
Revenues:	Electric	Water Resources	Transit	Wastewater Resources	Golf Course	Aviation	Public Housing	All Funds
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	44,903,514
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	14,152,270
Licenses, Fees & Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,226,000
Unrestricted								
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3,632,500
Restricted Intergovernmental								
Revenue	\$ -	\$ -	697,205	\$ -	\$ -	\$ -	\$ -	4,858,614
Operating Revenue	\$ 80,626,573	\$ 19,496,700	\$ 248,000	\$ 15,027,000	\$ 1,677,575	\$ 10,608,375	\$ 330,000	131,746,223
Other/Non-Operating Revenue	\$ 50,000	\$ 34,000	\$ 1,742,940	\$ -	\$ 19,967	\$ (161,500)	\$ 17,000	5,486,133
Investment Earnings	\$ -	\$ 708,010	\$ -	\$ -	\$ -	\$ -	\$ -	708,010
Retained Earnings								
Appropriated	\$ 1,012,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,591	1,041,238
Fund Balance Appropriated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100,550
HUD Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 780,660	4,461,827
Transfers	\$ -	\$ -	\$ 745,441	\$ -	\$ 998,050	\$ 793,091	\$ -	3,467,325
<b>TOTAL REVENUE</b>	<b>\$ 81,689,220</b>	<b>\$ 20,238,710</b>	<b>\$ 3,433,586</b>	<b>\$ 15,027,000</b>	<b>\$ 2,695,592</b>	<b>\$ 11,239,966</b>	<b>\$ 1,156,251</b>	<b>\$ 216,784,204</b>

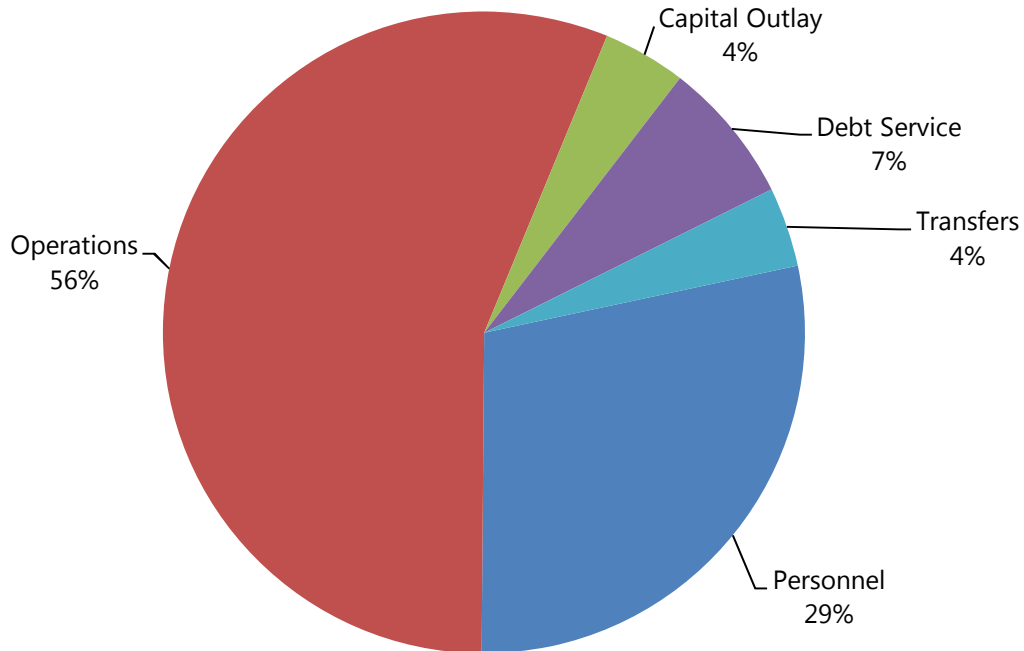
Expenditures:								
Personal Services*	\$ 5,232,772	\$ 3,926,969	\$ 206,920	\$ 1,757,138	\$ -	\$ 1,805,186	\$ 374,144	54,825,934
Operations	\$ 65,143,848	\$ 7,047,075	\$ 3,170,570	\$ 7,247,055	\$ 1,548,020	\$ 7,884,227	\$ 760,338	122,088,589
Capital Outlay	\$ 3,333,730	\$ 831,000	\$ -	\$ 1,072,000	\$ -	\$ 30,000	\$ -	8,909,869
Debt Service	\$ 2,972,885	\$ 4,465,526	\$ -	\$ 2,811,842	\$ 998,050	\$ 1,191,546	\$ 2,100	15,709,049
Cost Allocations	\$ 3,381,978	\$ 2,727,325	\$ 56,096	\$ 1,783,131	\$ -	\$ 325,118	\$ -	6,420,632
Transfers	\$ 1,624,007	\$ 1,240,815	\$ -	\$ 355,834	\$ 149,522	\$ 3,889	\$ 19,669	8,830,131
<b>TOTAL EXPENDITURES</b>	<b>\$ 81,689,220</b>	<b>\$ 20,238,710</b>	<b>\$ 3,433,586</b>	<b>\$ 15,027,000</b>	<b>\$ 2,695,592</b>	<b>\$ 11,239,966</b>	<b>\$ 1,156,251</b>	<b>\$ 216,784,204</b>

## Budgeted Expenditures FY11-FY15



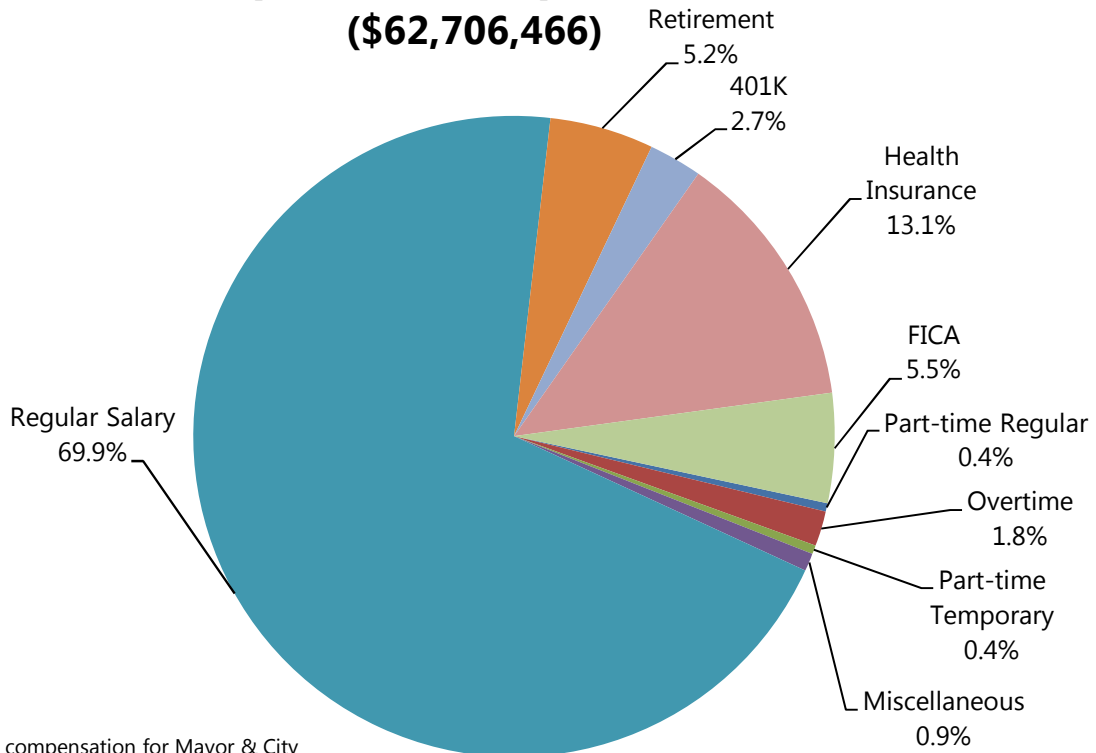
## FY 14-15 Expenditures by Line-item Category

(City total = \$216,784,204)



## FY 14-15 Summary of Budgeted City-wide Compensation Expenditures\*

(\$62,706,466)



\*Includes compensation for Mayor & City Council Members

## Fund Balances / Net Position

Amounts shown as fund balance for Governmental Funds represent 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 available 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. In accordance with GASB, the City reports net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) in Proprietary Funds as opposed to retained earnings (accumulated earnings of funds after all budget business expenses have been made).

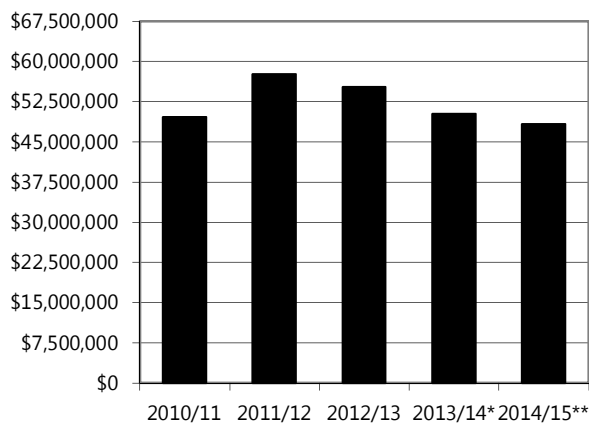
Fund Balances	2010/11	2011/12	2012/13	2013/14*	2014/15**
General Fund	\$ 49,565,000	\$ 57,480,127	\$ 55,160,067	\$ 50,161,248	\$ 50,161,248
Other Governmental Funds	\$ 19,914,517	\$ 22,271,455	\$ 31,634,171	\$ 36,634,171	\$ 36,634,171
<b>Totals</b>	<b>\$ 69,479,517</b>	<b>\$ 79,751,582</b>	<b>\$ 86,794,238</b>	<b>\$ 86,795,419</b>	<b>\$ 86,795,419</b>

### Net Position

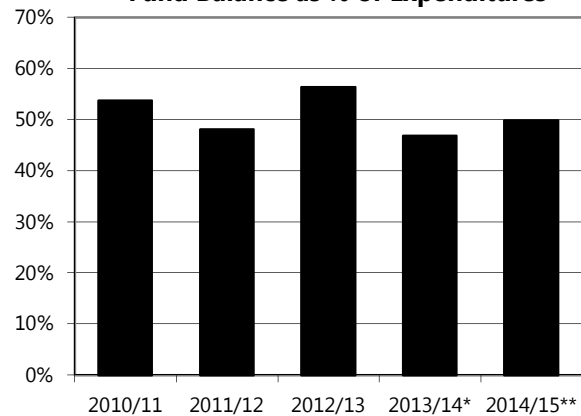
Business Type Activities - Enterprise Funds					
Electric Fund	\$ 75,000,000	\$ 88,702,887	\$ 94,000,371	\$ 92,761,920	\$ 91,749,275
Water Fund	\$ 76,000,000	\$ 87,737,772	\$ 90,882,515	\$ 86,803,620	\$ 86,095,610
Wastewater Fund	\$ 53,500,000	\$ 58,342,053	\$ 58,986,048	\$ 58,552,135	\$ 58,552,135
Aviation Fund	\$ 67,000,000	\$ 66,158,930	\$ 69,723,777	\$ 69,520,025	\$ 69,520,025
Stormwater Fund	\$ 52,900,000	\$ 53,002,720	\$ 53,037,393	\$ 53,036,500	\$ 53,036,500
Other Enterprise Funds	\$ 13,000,000	\$ 15,410,714	\$ 15,298,407	\$ 15,200,400	\$ 15,200,400
<b>Totals</b>	<b>\$ 337,400,000</b>	<b>\$ 369,355,076</b>	<b>\$ 381,928,511</b>	<b>\$ 375,874,600</b>	<b>\$ 374,153,945</b>

\* unaudited  
 \*\* estimate

**General Fund - Fund Balance**



**Unassigned General Fund Fund Balance as % of Expenditures**



# Personnel Summary

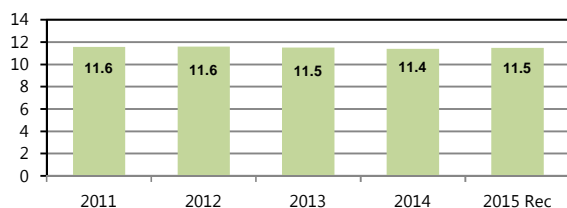
Personnel counts are calculated using the full-time-equivalent (FTE) method for all full-time and permanent part-time city employees (seasonal and temporary positions are not included). The FTE converts the hours worked by a position into a percentage of a full year's number of hours. For most city positions, 1 FTE equals 2,080 hours per year per position (based on a 40 hour work week and a 52 week work year). If a position works 1,040 hours 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 2,229.84 hours per year. A Fire Fighter FTE equals 2,920.96 hours per year.

Budget Unit	FY 2010-11 FTE	FY 2011-12 FTE	FY 2012-13 FTE	FY 2013-14 FTE	FY 2014-15 FTE*
<b>GENERAL FUND</b>					
<b>General Government</b>					
Public Services Administration	2	1	1	1	1
City Manager's Office	6	5	6	6	6
Risk Management	2	2	3	3	3
Human Resources	6	7	7	7	7
Finance	13.35	14	14	14	13.25
Tax	4.5	4.5	4.5	4.5	4.5
Legal	5	5	5	6	6
Non-Departmental	0	0	0	0	0
Emergency Management	2.85	2.85	1	1	1
<b>Public Safety</b>					
Police	177.25	178.25	178.25	180.25	189.25
Code Enforcement	7	7	7	7	7
Communications	22.5	21.5	21.5	22.5	22.5
Radio Shop	4.5	3.5	3.5	2.5	3.5
Fire Operations	182	182	181	181	181
Fire Prevention	6	6	6	6	7
Fire Training	2	2	4	4	4
<b>Public Works</b>					
Streets & Traffic	27	27	27	27	27
Powell Bill (staff part of Streets & Traffic)	0	0	0	0	0
Traffic Signals	4	4	4	5	6
Traffic Services	5	5	5	5	5
Solid Waste & Recycling	33	32	32	32	32
Cemeteries	8	8	8	8	8
Fleet Services	13	13	13	13	13
<b>Economic Development</b>					
Planning & Neighborhood Development	17.85	15	14	14.5	14.5
Transportation Planning (contract)	0	0	0	0	0
Economic Development	0	1	1	1	1
<b>Culture &amp; Recreation</b>					
Parks & Recreation	22	20	20	21.25	21
Parks & Recreation - Aquatics (seasonal staff)	0	0	0	0	0
<b>Total FTE General Fund</b>	<b>572.8</b>	<b>566.6</b>	<b>566.75</b>	<b>572.5</b>	<b>583.5</b>
<b>OTHER FUNDS</b>					
<b>Municipal Service District Fund</b>	0	0	0	0	0
<b>HOME Consortium Fund</b>	1.5	0.9	0.9	1	0.9
<b>Transportation Improvement Fund</b>	0	0	0	0	0
<b>CDBG Fund</b>	1.3	1.1	1.1	1	1.1
<b>Addl. \$5 Vehicle Tax (Transit) Fund</b>	0	0	0	0	0

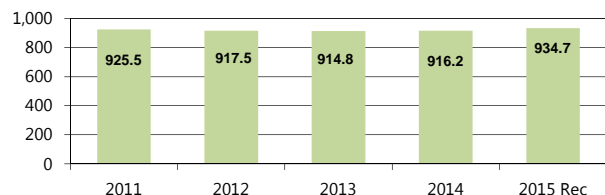
Budget Unit	FY 2010-11 FTE	FY 2011-12 FTE	FY 2012-13 FTE	FY 2013-14 FTE	FY 2014-15 FTE*
<b>Stormwater Fund</b>					
Stormwater Operations	20.25	20.25	20.25	19.77	22.09
<b>Electric Systems Fund</b>					
Electric Administration	2	2	2	2	3
Purchased Power	0	0	0	0	0
Powerlines Maintenance	13	13	13	13	17
Tree Trimming	9	9	9	9	7
Electric Construction	34	34	34	34	33
Peak Shaving	2	2	2	2	0
Electric Engineering Services	5	5	5	5	5
Utility Locate Services	5	4	4	4	4
<b>Water Resources Fund</b>					
Hillgrove Water Treatment Plant	14.5	14.5	14.5	14.5	15
Coddle Creek Water Treatment Plant	15.5	15.5	15.5	15.5	16
Waterlines Operations & Maintenance	34.75	34.75	34.75	34.24	33.59
<b>Public Transit Fund</b>					
Rider Transit System	2	2.75	2.55	2.7	3.7
<b>Wastewater Resources Fund</b>					
Wastewaterlines Operations & Maintenance	30	30	30	30	30.32
<b>Golf Course Fund</b>					
Golf Course Operations (contract)	0	0	0	0	0
<b>Aviation Fund</b>					
Aviation Operations	35.25	36	36	33	35
<b>Public Housing / Sec. 8 Vouchers Funds</b>					
Public Housing Operations / Vouchers Program	16	14	13	12	13.38
<b>Internal Services Fund</b>					
Utilities Collections	4.5	4.5	4.5	4.5	4.5
Data Services (contract)	1	1	1	1	1
Billing	11	11	11	10	10
Customer Service	16	16	15.5	15.5	15.5
Engineering	25	25	24	24	23
Purchasing	8	7	7	7	7
Customer Care Center	7.65	8.15	8.5	9.5	9.5
Buildings & Grounds	38.5	39.5	39	39.5	40.65
<b>Total FTE Other Funds</b>	<b>352.7</b>	<b>350.9</b>	<b>348.1</b>	<b>343.7</b>	<b>351.2</b>
<b>Total FTE All City Funds</b>	<b>925.5</b>	<b>917.5</b>	<b>914.8</b>	<b>916.2</b>	<b>934.7</b>

\* For FY15, 6 FTE were eliminated and the equivalent of 13.5 FTE are not funded, but remain authorized for the future.

Number of City Employees  
Per 1,000 Population



Number of Budgeted Full-Time-Equivalent (FTE)  
City Employees





## BACKGROUND ON THE CITY'S CUSTOMER SERVICE INITIATIVE

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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 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 receive this training during their orientation.

### 9 Key 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

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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:<sup>1</sup>

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 (STEP)**

STEP 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 fourteen municipalities and best practices identified. The program tracks performance information on the following basic city services:

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

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.

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<sup>1</sup> Ammons, David N. (2001). *Municipal Benchmarks: Assessing Local Performance and Establishing Community Standards* (2<sup>nd</sup> 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.

<b>External Agency</b>	<b>Departmental Budget</b>	<b>FY 10/11 Actual</b>	<b>FY 11/12 Actual</b>	<b>FY 12/13 Budget</b>	<b>FY 13/14 Budget</b>	<b>FY 14/15 Request</b>	<b>FY 14/15 Manager Rec.</b>	<b>FY 14/15 Council Approved</b>
<b>General Fund monies</b>								
Boys & Girls Club of Cabarrus County	Parks & Rec	6,000	6,000	6,000	6,000	10,000	6,500	6,500
Cabarrus Arts Council, Inc.	Parks & Rec	27,000	25,000	25,000	25,000	41,000	30,000	30,000
Cabarrus County Museum of Fine Art & African American History	Econ Dev	1,500	1,500	1,500	-	-	-	-
Cabarrus Events Association	Econ Dev	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Cabarrus Victims Assistance Network (CVAN) Sustaining Grant	Police	9,500	9,500	9,500	9,500	10,000	10,000	10,000
Habitat for Humanity Cabarrus County (Affordable Housing Grant)	Planning & Nbhd	17,874	10,000	7,000	6,000	4,000	4,000	4,000
Historic Cabarrus, Inc./Concord Museum	Econ Dev	6,000	5,000	5,000	10,000	15,000	10,000	10,000
Hope Haven (formerly Serenity House)	Planning & Nbhd	-	-	-	2,000	4,000	2,000	2,000
Multicultural Community Student Union	Parks & Rec	2,000	2,000	2,000	2,000	5,000	2,000	2,000
Prosperity Unlimited	n/a	-	-	-	-	5,000	-	-
Safe Alliance (formerly United Family Services)	n/a	-	-	-	-	10,000	-	-
Special Olympics Cabarrus County	Parks & Rec	-	2,000	2,000	2,000	2,000	2,000	2,000
Teen Court (Conflict Resolution Center)	Police	-	2,500	2,500	2,500	3,000	3,000	3,000
<b>Sub-total</b>		<b>\$74,874</b>	<b>\$68,500</b>	<b>\$65,500</b>	<b>\$70,000</b>	<b>\$114,000</b>	<b>\$74,500</b>	<b>\$74,500</b>
<b>Utility Fund monies</b>								
Cabarrus Cooperative Christian Ministries	Water, Electric, Wastewater	10,000	12,000	12,000	13,000	13,000	13,000	13,000
<b>Sub-total</b>		<b>\$10,000</b>	<b>\$12,000</b>	<b>\$12,000</b>	<b>\$13,000</b>	<b>\$13,000</b>	<b>\$13,000</b>	<b>\$13,000</b>
<b>Community Development Block Grant monies</b>								
Cabarrus Arts Council, Inc.	CDBG	2,000	1,750	1,500	1,500	3,000	1,500	1,500
Cabarrus Cooperative Christian Ministry	CDBG	6,500	6,000	6,000	6,000	8,000	6,000	6,000
Cabarrus Literacy Council	CDBG	5,000	4,000	4,000	4,000	4,000	4,000	4,000
Cabarrus Meals on Wheels	CDBG	4,500	4,000	4,000	4,000	5,000	5,000	5,000
Coltrane LIFE Center, Inc.	CDBG	4,500	4,000	4,000	4,000	5,000	5,000	5,000
Hispanic Learning Center	CDBG	4,500	4,000	2,000	2,000	10,000	2,000	2,000
Hope Haven - Sustaining (formerly Serenity House)	CDBG	4,500	3,500	3,000	3,500	5,000	5,000	5,000
Hope Haven - Affordable Housing (formerly Serenity House)	CDBG	-	-	-	1,000	-	-	-
Prosperity Community Connection Inc.	CDBG	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Prosperity Unlimited, Inc. Sustaining Grant	CDBG	10,000	9,000	8,000	8,000	10,000	8,500	8,500
Safe Alliance (formerly United Family Services)	CDBG	2,000	1,750	1,750	1,750	7,500	2,500	2,500
Walking in the Harvest - Operation Bread Basket	n/a	-	-	0	-	7,500	-	-
<b>Sub-total</b>		<b>\$45,000</b>	<b>\$39,500</b>	<b>\$35,750</b>	<b>\$37,250</b>	<b>\$66,500</b>	<b>\$41,000</b>	<b>\$41,000</b>
		FY 10/11	FY 11/12	FY 12/13	<b>FY 13/14</b>	<b>FY 14/15</b>	<b>FY 14/15</b>	<b>FY 14/15</b>
<b>TOTAL</b>		<b>\$129,874</b>	<b>\$120,000</b>	<b>\$113,250</b>	<b>\$120,250</b>	<b>\$193,500</b>	<b>\$128,500</b>	<b>\$128,500</b>