



May 31, 2018

The Honorable William C. "Bill" Dusch, Mayor  
Members of the City Council  
Concord, North Carolina

Dear Mayor Dusch and Members of the City Council:

I am pleased to present to you the Fiscal Year 2018-2019 Annual Budget for your review and consideration. This proposed budget represents the goals and priorities expressed by you at our annual planning session and budget workshop. Staff has worked hard to align your goals with the recommended projects and operational items. Continuous improvement has and will continue to be at the forefront of our decision making process.

The proposed annual budget was prepared in accordance with North Carolina General Statutes Chapter 159, Article 3, The Local Government Budget and Fiscal Control Act. All funds within the proposed budget are balanced, and all revenues and expenditures are identified for Fiscal Year 2018-2019. I want to offer a special thank you to Deputy City Manager Merl Hamilton, Finance Director Pam Hinson, Budget and Performance Manager Robin Barham, Budget Analyst Lesley Reder, and all Department Directors for their tireless efforts to provide the proposed budget documents.

The City-wide budget totals \$250,896,647 for all funds, including utilities and special revenue funds. This is an overall budget increase of 1.8% over the FY 18 adopted budget.

The recommended General Fund budget for FY 2018-19 totals \$88,215,189 for City personnel, operations, capital improvements and debt service. This recommendation maintains the tax rate at 48¢ per \$100 of valuation which is the same tax rate since 2013. As in past years, this proposed tax rate includes restricting the 2¢ budgeted for use in the Transportation Improvement Fund as mandated by City Council.

Per the Cabarrus County tax collector's office, the City's property values are \$11,321,000,000, an increase of 3% over the previous year. One cent on the property tax rate equates to \$1,100,000.

No rate increases are anticipated for the Water, Stormwater, or Wastewater funds, despite a 4% increase in our wastewater treatment rates from WSAAC. No changes are recommended in electric rates at this time. As is the practice, if there is a need to consider a Purchased Power Adjustment, changes would be implemented in the September time frame.

Per Council's direction, the focus of this budget is maintaining essential services provided to our residents and businesses and fund the essential projects necessary to maintain and improve the quality of life in a growing community. To do this and to continue to make basic capital purchases, I am recommending the use of \$6,847,445 from the City's Capital Reserve Funds to pay for one-time expenses.

The Council's goal is to maintain a General Fund balance target between 30% and 35% of expenditures. The General Fund balance will continue to meet the Council's goal.

### **GENERAL FUND EXPENDITURE HIGHLIGHTS (OPERATIONS)**

The General Fund is broken down into five categories: General Government, Public Safety, Public Works, Economic Development, and Culture & Recreation. A detailed description of each of these categories and associated

expenditures are contained within the budget documents. I have highlighted some of the major changes recommended in the FY 2018-2019 operations budget below:

## **GENERAL GOVERNMENT**

### City Manager's Office

- Real Estate property acquisition – this is the realtor/broker we have on retainer to assist the City in identification and purchase of land for future projects – \$24,000
  - Additional Neighborhood Matching Grant funds – will allow more neighborhoods to participate in our annual grant program to make qualified improvements in their community – \$10,000
  - Public Engagement Software – staff is analyzing the use of additional software to help us better engage our citizens and communicate with them more efficiently – \$13,000
- Non-Departmental
- Worker's Comp pool – money set aside to pay for unanticipated claims which cannot be handled in individual operating budgets – decrease of \$200,000
  - Video conferencing system for training room #444 – will assist staff in conducting more in-house training and will enable us to host larger training sessions - \$32,000
  - Election expenses – only occurs in the odd numbered years – decrease of \$67,000
  - Merit – budgeting average of 3% compared to 4% in FY 18 – decrease of \$130,000
  - Transit – increase in General Fund transfer due to ADA service request increases as well as CK Rider operating the new CCX route - \$133,751

## **PUBLIC SAFETY**

### Police

- Retention adjustment for all sworn officers – \$550,000
- Supplemental retirement increase as mandated by NC General Statutes – \$120,000
- Education incentive pay – recruitment tool for hiring officers possessing degrees/credentials – \$75,000
- Radio Replacements – 42 portable and 43 mobile – \$317,383
- In-car laptops – 45 total – \$252,000
- In-car cameras – 36 total – \$61,200

### Code Enforcement

- Laptop replacements – 8 tablets with associated equipment – \$30,560

### Radio Shop

- Radio infrastructure upgrade – this is our payment to Charlotte for our regional radio system which is a partnership between us, Kannapolis, and Cabarrus County – \$413,840

### Fire Operations

- Fire fighter positions – full funding is included in case the City does not receive the SAFER grant – \$293,292
- Remote HVAC – replacement for stations 3 and 8 – \$55,709
- Door access controller replacements – \$38,752
- Windows 10 computer upgrades – \$39,900

### Emergency Management

- Cyber Security – this City-wide study was budgeted in FY 18 – decrease of \$50,000

## **PUBLIC WORKS**

### Powell Bill

- FY 18 contained \$443,775 in additional capital costs with only \$125,000 in FY 19 which represents a sizable increase shown in the proposed budget

### Solid Waste

- 500 additional garbage and recycling carts for growth – \$60,000

## **ECONOMIC DEVELOPMENT**

### Planning & Neighborhood Development

- Small Area Plans – this will allow us to develop additional site specific plans in accordance with the adopted 2030 Land Use Plan – \$80,000
- Historic Preservation Plan – this will allow us to develop a plan which currently does not exist – \$30,000
- 2030 Land Use Plan – revisions need to be made to our Comprehensive Development Ordinance to fully integrate the 2030 Land Use Plan – \$45,000

## Economic Development

- County Parking Deck – FY 18 budget included \$3M to Cabarrus County in exchange for an allocation of parking spots which shows as a sizable decrease for the FY 19 proposed budget
- Economic Incentives – additional funds for approved economic development incentives – \$500,000
- Union Street Streetscape Design – staff will begin the public process of redesigning the Union Street – \$25,000

## **CULTURE & RECREATION**

### Parks and Recreation

- Multiple “small” projects throughout the City’s parks and recreation facilities; additional information on the larger projects are contained within the City’s Capital Improvement Plan

## **GENERAL FUND EXPENDITURE HIGHLIGHTS (CAPITAL)**

### **PARKS AND RECREATION**

- Three-Mile Branch Stream Restoration - \$180,000
- Coddle Creek Greenway, Phase 1 - \$88,000
- NW Park Development - \$1,700,000
- McEachern Greenway, Hospital Phase - \$20,000
- Open-Air Learning Center, Burrage Road property - \$110,000
- Hector H. Henry II Greenway, Cannon Crossing - \$60,000
- Dorton Park Playground Equipment Replacement - \$150,000
- Hartsell Recreation Center Gym Floor Replacement - \$150,000
- Academy Recreation Center Partial Roof Replacement - \$76,920
- Les Myers Park Playground Equipment Replacement - \$75,000

### **FIRE**

- Construction of Fire Station #10 - \$5,147,445
- Design of Fire Station #12 - \$350,000
- Breathing Air Compressor Replacement – Station 7’s compressor is out of service and cannot be repaired - \$52,000
- Replacement of Access Door Controllers – current controllers are 8 years old and cannot be repaired - \$38,752
- Radio Replacements (38) – considered capital due to each radio costing \$5589 each - \$212,382
- HVAC Remote Controls - \$55,709
- New Engine 11 and Equipment - \$775,000
- Replacement of Engine FD112 and Equipment - \$775,000
- Replacement of Aircraft Rescue and Fire Fighting Vehicle (ARFF) – grant request for \$900,000 with a 10% match - \$100,000

### **GENERAL CAPITAL PROJECTS**

- Rutherford and West Concord Cemetery expansions - \$67,000 (\$433,000 to be used from existing trust monies)
- City fiber expansion to City facilities - \$150,000

### **GOLF COURSE**

- Bridge repairs (Hole #18) and assessment of other bridges - \$75,000

### **TRANSPORTATION**

- Downtown Signal Replacement - \$440,000
- Pedestrian Improvement Plan for Sidewalks - \$150,000 (recurring annual amount)
- Concord Mills Blvd Flyover - \$63,330 (\$1,500,000 in previous years)
- Brookwood Corridor - \$1,211,843 (\$4,902,400 in previous years; \$1,888,157 in future years)
- US 601 at Flowes Store Road - \$185,000 (\$225,000 in previous years; \$1,951,469 in future years)
- Bruton Smith Blvd/NW Intersection Improvement - \$182,099

- Union Street South Sidewalk Extensions - \$400,000 (\$10,000 in previous years)
- Downtown Pedestrian Signal Upgrade - \$242,000 (\$70,000 in previous years)
- I-85 Branding Project - \$250,000
- Dorland Avenue Realignment Phase II - \$200,000 (\$775,000 in future years)

#### **PUBLIC SERVICES ADMINISTRATION**

- BOC Warehouse Roof Replacement - \$100,000

#### **FINANCE**

- Finance Plus Upgrade – required software upgrade to improve functionality and security - \$100,000

#### **POLICE**

- Interview Room IT Upgrades – current hardware is original to building and is experiencing technical issues - \$67,200

#### **SOLID WASTE**

- New Rear Loader Truck – with the growth in the eastern and western part of the City, a new route is being proposed to handle the work load - \$170,000

#### **PLANNING AND NEIGHBORHOOD DEVELOPMENT**

- Affordable Housing Construction Revolving Account – will add additional monies to allow for addition affordable housing to be built in the coming year - \$300,000

#### **MUNICIPAL SERVICE DISTRICT**

- The recommended tax rate for the MSD is 23¢ per \$100, which is unchanged. The City collects these monies and remits the full amount back to the Concord Downtown Development Corporation. It is anticipated this amount to be \$91,800 for FY 2018-2019.

### **ENTERPRISE FUND EXPENDITURE HIGHLIGHTS (OPERATIONS)**

#### **WATER FUND**

- Hillgrove Water Treatment Plant
  - Safety Toe Boards for basins - \$85,000
  - Increase in existing maintenance contracts - \$28,000
- Coddle Creek Water Treatment Plant
  - Increase in “take or pay” contract with Albemarle - \$637,500
  - Small projects maintenance - \$185,800

#### **WASTEWATER FUND**

- WSACC 4% rate increase - \$210,571

#### **ELECTRIC FUND**

- Cost of Service Study - \$58,000
- Handheld Radio Replacements – \$90,000
- Purchase Power contract with NTE contract effective January 1, 2019 – decrease of \$6,500,000
- Overhead Construction contract – increase of \$150,000
- Underground Construction contract – increase of \$650,000
- Construction Materials – increase of \$1,832,000
- Peak Saving – current generators will not need to run post-NTE contract – decrease of \$198,000

#### **AVIATION**

- AVGAS fuel costs – increase of \$170,000
- JET A fuel costs – increase of \$750,000
- Entrance signs - \$16,000
- General Aviation Terminal renovations - \$75,000

## **TRANSIT**

- TransDev contract – increase of \$599,568
  - Fixed Route including CCX Route – increase of \$458,387
  - Paratransit – increase of \$141,181

## **ENTERPRISE FUND EXPENDITURE HIGHLIGHTS (CAPITAL)**

### **WATER FUND**

- George Liles Blvd 24” Waterline, Phase 3 - \$270,000 (\$1,777,621 in previous years)
- US Highway 29 Water Tank - \$550,000 (\$5,000,000 in previous years)
- Poplar Tent Road 24” Waterline Extension - \$3,143,000 (\$332,000 in previous years)
- Pitts School Road 24” Waterline Extension - \$1,189,000 (\$137,000 in previous years)
- NC Highway 49 30” Waterline Extension - \$5,279,000 (\$753,000 in previous years)
- Corban Avenue Pump Station - \$133,000 (\$137,000 in previous years)
- Hillgrove WTP Emergency Generator Replacement - \$600,000
- Roberta Road 8” Waterline Replacement - \$35,000 (\$725,000 in future years)
- TRS for Midland Tank and Mt. Pleasant Tank - \$100,000 (\$100,000 in future years)

### **WASTEWATER FUND**

- Lincoln Street Sewer Outfall Replacement - \$365,000 (\$1,348,000 in future years)
- Wilshire Avenue Sewer Replacement - \$285,000 (\$1,130,000 in future years)

### **STORMWATER FUND**

- Havencrest Court Culvert Replacement - \$274,000 (\$849,000 in previous years)
- Chadbourne Avenue Culvert Replacement - \$882,000 (\$690,500 in previous years)
- Chelwood Drive Culvert Replacement - \$904,000 (\$1,443,488 in previous years)

### **ELECRIC FUND**

- New Delivery #4, Phase I - \$1,000,000 (\$370,000 in previous years, \$6,329,912 in future years)
- New Delivery #4, Phase II - \$1,000,000 (\$2,645,254 in future years)
- New Electric Substation N – land purchase in Copperfield area - \$350,000 (\$3,360,000 in future years)
- New Truck/Equipment shed at BOC - \$1,200,000

### **AVIATION FUND**

- South Development Apron Expansion, Phase II - \$250,000 (\$4,470,589 in previous years, \$5,914,000 in future years)
- North Apron Expansion, Phase III - \$250,000 (\$1,750,000 in future years)
- Airport Hangar Taxilane Rehabilitation - \$100,000 (\$2,060,000 in future years)
- Runway 20 EMAS - \$938,675 (\$3,754,700 in future years)

## **PERSONNEL HIGHLIGHTS**

Personnel expenditures include salaries, FICA, group insurance, retirement, 401K, longevity pay, merit pay, and other miscellaneous benefits for co-workers. Contract, legal, medical, and other outside professional services are not included under personnel. They are included under the Operations category. For FY 2018-2019, personnel expenditures account for \$72,311,257 or 29% of the total budget.

This year, I am proposing funds for reasonable performance based merit increases. An overall average increase of 3.0% is recommended with merit increases to range from 2% to 4%, depending upon performance. A 2% market adjustment will be provided to all employees effective July 1, 2018. In the past, career development programs have been available to some staff but not all. I am proposing to broaden our career development program in the coming year to allow more staff to enhance their skills sets – benefiting themselves and the City. As employees complete their career development, I am proposing they receive a 2% salary increase.

A total of 23 FT and 3 PT in additional staffing is recommended for FY 2018-19. The recommended positions are as follows:

General Fund (13 FT, 3 PT)

- Human Resources: HR Analyst (Employee Relations)
- Police: Senior Crime Analyst and Police Officer (authorized slot, no budgetary impact)
- Code Enforcement: Code Enforcement Officer
- Fire: Fire Fighter I (6 positions)
- Solid Waste and Recycling: Solid Waste Worker and Solid Waste Equipment Operator
- Planning and Neighborhood Development: Senior Planner (Land Use)
- Parks and Recreation: PT Recreation Center Leader (Burrage Road) and PT Recreation Center Leader (2-Athletics)

Other Funds

- Electric Fund: Tree Trimmer I and Electric Systems Coordinator I (2)
- Aviation: Electrician and Administrative Assistant
- Water Resources: Utility Services Technician
- Customer Care/Finance: Customer Service Specialist
- Building and Grounds: Building Maintenance Mechanic II, Grounds Maintenance Worker, and Deputy Director (effective January 1, 2019)

A total of 1,044 full-time equivalent positions are recommended for funding.

The City is self-insured for our medical insurance available to employees and dependents. The City's HRA health care plan continues to be used by most coworkers. Employees have the option of selecting this plan at a lower cost with the City paying most of the full cost for the individual. The alternate PPO based plan, which is similar to the plans used by most employers in the region, provides a "richer" level of benefits at a higher cost for coverage and the coworker must pay most of the additional cost over that of the HRA for employee only and family plans. Both plans are self-funded and administered by Blue Cross/Blue Shield. Slight increases were made to the PPO plan to encourage more employees and their dependents to utilize the HRA plan which saw no premium increases.

Wellness efforts have been a priority, both for the benefit of our coworkers and to reduce costs. The City of Concord Wellness Center offers free health care services to all full-time City of Concord employees, along with retirees, spouses, and dependents who are enrolled in the City's self-funded insurance plan. The Wellness Center provides a basic level of routine medical care and health screenings. It is not intended to replace an individual's primary care physician, but rather to provide a convenient, no-cost access point for basic medical care. The Center is staffed by a licensed nurse practitioner and a medical office assistant with direct oversight by a licensed physician.

An incentive has been offered to coworkers again this year for managing their health. Employees who completed a Health Risk Assessment and certified they do not use tobacco, or attended a tobacco cessation program if they do, receive a reduction in monthly health care premium costs. The Health Risk Assessment includes the completion of a questionnaire and biometric measures. The City also provides health care benefits to eligible retirees up to the time they are Medicare eligible. This benefit cost the City more as more baby boomer continue to retire.

The City's required contribution levels to the North Carolina Local Government Employees Retirement System will increase with FY 2018-19. The contribution per general employee increased to 7.75%, while contributions for law enforcement officers are at 8.5%. The budget also maintains the City's 401(k) contribution for coworkers at 3.5%. By State mandate, the city contributes 5% to accounts for sworn law enforcement officers.

**KEY RECOMMENDATIONS AND CHALLENGES FOR THE FUTURE**

**THE ECONOMY AND THE CHALLENGES OF GROWTH**

The economy remains strong and there are many opportunities to continue to plant the seeds for the future of better paying industrial and technology jobs, mixed-use office parks, and the continued redevelopment of Concord's Center

City. The City partners closely with the Cabarrus County Economic Development Commission and with private land owners to pursue such opportunities.

The City Council, with staff assistance and help from a consultant, has updated and adopted the City's 2030 Land Use Plan. Over the course of the coming year, staff will be working to align the Plan with our Development Ordinances for consistency. In addition, staff will be working with private property owners to develop small area plans which will provide a roadmap for future development on large vacant properties. The Plan and associated work will help guide Council on public and private development in Concord as well as what our community will look like in future years.

While growth does produce additional revenues for the City, it likewise increases the demand for services. It is Council's goal as well as staff to maintain our current level of services and to enhance those services where opportunities arise. In order to do this, additional personnel are needed in certain Departments. As previously described, I am proposing to add 23 full-time and 3 part-time staff members in the FY 2018-2019 budget.

### **DOWNTOWN DEVELOPMENT**

In conjunction with the Concord Downtown Development Corporation, staff will be looking to undertake a public process in the coming year to redefine our downtown street scape. With continued public and private investment, Downtown Concord continues to be a haven for development and redevelopment. Hotel Concord has been completed and accepting tenants. The County's new parking deck will be completed in the coming year and will provide much needed additional parking for visitors, residents, and business owners. The old City Hall and Police Headquarters as well as the surface parking lot between Market and Spring Streets is being closely examined for mixed use development including additional parking, retail, and residential. Downtown Concord is vibrant and will continue to refine itself as we see additional residential development attracting all age groups to our Center City.

### **WATER, WASTEWATER, AND STORMWATER NEEDS**

Water, Wastewater, and Stormwater Master Plans have been completed. Staff have incorporated the recommendations from the Plans into our Capital Improvement Plan and are incorporating these needs into our rate models. The City has been fortunate to have available funds which have been used for the past couple of years to pay for many of these needed improvements. As noted in the detailed CIP documents which follow this message, we have infrastructure needs which cannot be met using a "pay as you go" or "pull from reserves" philosophy. Staff is looking at the needs we have and how we might be able to leverage a Revenue Bond to fund many of these larger projects. Likely, we will need to look at our revenue projections parallel to projected debt to ensure our rates are appropriately adjusted as needed.

The system development fees' case has yet to be settled and lingers in the court system. During the FY 2017-2018 year, we collected the permitted water and wastewater system development fees but did not use any of these revenues. In the FY 2018-2019 budget, I am recommending we use the water system development fees from the FY 2017-2018 year (\$2,000,000) as well as the projected fees for FY 2018-2019 (\$2,000,000) to help fund the Highway 49 30" waterline extension project. I project \$1,300,000 in wastewater system development fees in FY 2017-2018 and \$1,300,000 in FY 2018-2019 but do not anticipate to use any of this revenue.

### **ELECTRIC SYSTEMS**

The City's current contract to purchase power from Duke Energy is based on Duke Energy's system average cost. Costs are tied to Duke's expenditures and go up (or down) depending upon market conditions and infrastructure investment. Concord has entered into a contract with NTE, the builder and operator of a natural gas fired plant under construction in Kings Mountain. Under the terms of the agreement, the City of Concord will be provided with electric generation services by NTE using a portion of the capacity and energy generated by the facility for an initial term of 20 years. This will allow Concord to utilize this source when the Duke contract ends (December 31, 2018). The contract also provides for access to power produced from other types of generation if it is more cost effective to buy on the market.

## **TRANSPORTATION**

### **Surface Transportation**

This budget maintains the Transportation Improvement Fund created by the City Council to fund transportation projects. These funds come from 2 cents of the property tax rate and are supplemented by dollars generated from local vehicle license fees. Many of the projects described will be at least partially funded through this source.

Congestion remains a concern throughout Concord and was voiced as such by citizens participating in a recent survey. Many of the major roads belong to the NC Department of Transportation. Funding for these roads are subject to a prioritization process and compete for similar roads in our district and region. Our Transportation Improvement Fund has enabled Concord to “speed up” some lesser expensive projects but we do not have enough funds to move many of these projects up on the State’s Transportation Improvement Plan (i.e. Hwy 73, Poplar Tent). Many of these projects are several years away from planning and construction. In addition, a booming economy equates to contractors becoming scarcer and thus more costly. Staff will continue to work closely with NC DOT to appropriately prioritize heavily congested roads in the City and the associated funding to address these issues.

### **Public Transit**

Federal funding remains the core of the CK Rider public transit system. As the lead agency, Concord is the responsible party for Federal transit funds for not only CK Rider but also for Cabarrus County transit, Rowan County transit, and Salisbury transit. The pot of money continues to be less even as service provider contracts and associated expenses rise. A study is currently underway with CK Rider and Cabarrus County transit to examine the most efficient way for our services to continue. We expect this study to be completed in the FY 2018-2019 budget year.

We were successful in FY 2017-2018 for redefining the 80X route (operated by Charlotte Area Transit System). CK Rider now operates the CCX route which links our riders to the newly open Blue Line Extension Light Rail system.

## **PUBLIC SAFETY**

I am proposing to build a permanent Fire Station #10 in the coming year. This will replace the temporary facility that has been used for several years. Planning will be underway for Fire Station #12 in the FY 2018-2019 year.

## **RECREATION AND OPEN SPACE**

The Connectivity Study is underway and will be completed in the coming year. It will drive additional park and recreational opportunities for us as well as guide us in how we connect neighborhoods, communities, schools, and other life centers across the City. With the completion of the Park and Recreation Master Plan, we are actively seeking opportunities to develop addition land throughout the City in order to further solidify the exceptional quality of place which exists in Concord. Many of the projects we are undertaking have been aforementioned.

Staff is still working with the City of Kannapolis as well as Cabarrus County on park development projects. This will require land acquisition and additional passive/active facilities to be constructed.

## **CUSTOMER SERVICE AND CITIZEN COMMUNICATIONS**

The organization will continue the emphasis on customer service excellence. The Customer Service Advancement Team continues to meet and implement various activities to keep our Principles of Excellent Customer Service in front of our coworkers in support of our Mission Statement and Core Values. These coworkers help the management team keep the focus on what it means to be in public service. We will also focus on our internal customer service to ensure our employees know how much we value them and their work for the City.

Citizen communications will continue to be varied. Direct mailings such as the “City Circular” newsletter, newspaper placements, the electronic newsletter, the City’s website, news releases, television, radio and other outlets will continue. However, we have also moved into new media such as, Facebook, and RSS feeds, as citizens get their news from vastly different media outlets than a few years ago. The Connect CTY calling system continues to be a very valuable tool to notify groups during emergency situations and notify citizens of work that might impact their neighborhood, changes in City services and changes in schedules during holidays. The City continues its partnership with the school system by offering various opportunities to learn about City services. The City’s Civic Education program involving 3<sup>rd</sup> grade students attending participating elementary schools continues to expand. One of the best ways to teach the parents about local government is through their children. Also, the highly successful Youth Council



will continue this year. Concord 101 and the Public Safety Academy are very well received by participants. These programs give residents an opportunity to learn more about their municipal government and to provide feedback on important local needs and issues. Funds are budgeted to continue these programs in the new fiscal year as well as additional funds to look at other avenues for us to more effectively and efficiently communicate with citizens.

### **EMPLOYEE COMPENSATION AND BENEFITS**

Our ability to attract and retain a high quality workforce is paramount to the success of the City of Concord. A booming economy provides great challenges with recruitment and retention of high quality employees. We continue to compete, not only with other governmental entities, but also with the private sector for many of our positions. Skilled labor is especially challenging with the magnitude of construction in the region. Duke Energy's 10-year plan has provided a tenuous issue for Concord (and other neighboring energy providers) to attract and hold onto our skilled employees. Market adjustments are included in the proposed FY 2018-2019 budget in the Electric Department. Similar issues are being faced in the Police Department. Market adjustments were made in FY 2017-2018 with additional educational/degree incentives being included in the proposed FY 2018-2019 budget.

### **EXTERNAL AGENCY FUNDING**

Non-profits play an important role in ensuring a high quality of life in our community and, in some cases, providing a safety net for those in need. However, Concord must focus on its core mission of providing municipal services. While many of the services these agencies provide are vital, they are not considered municipal in nature in North Carolina. Community Development Block Grant funds can be used for human services and housing, but they are limited to a certain percentage of the grant amount.

The recommendations call for allocations to most of the agencies that received City support last year. \$98,050 is recommended from the General Fund. \$69,900 is recommended from Community Development Block Grant monies. \$22,000 is recommended from the utilities funds. The individual agency funding recommendations are included within the budget of their associated functional areas as directed by Council.

### **CONCLUSION**

The FY 2018-19 budget proposal operationalizes the goals for the City of Concord established by the Mayor and City Council. The services, programs, and facility needs prioritized in the City Council Goals Statement were addressed. In addition, basic services have been maintained.

I am proud of the hard work and effort put forth by staff to craft this proposed FY 2018-2019 budget for your consideration. Based on your goals and priorities, we will continue to modify our budget process as we jointly look for creative ways to be more efficient and effective in our service delivery to the citizens of Concord.

Respectfully submitted,



Lloyd Wm. Payne, Jr., ICMA-CM  
City Manager