

FUND AND BUDGET UNIT STRUCTURE (FY 2012-2013)

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, Electric Administration, 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

Public Safety

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

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 303 – COMMUNITY DEVELOPMENT

BLOCK GRANT (CDBG) FUND

1. Administration – 3030
2. Projects 2011 – 3035

FUND 253 – HOME CONSORTIUM FUND

1. Administration – 2530
2. Projects 2011 – 2535

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 – 7609

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

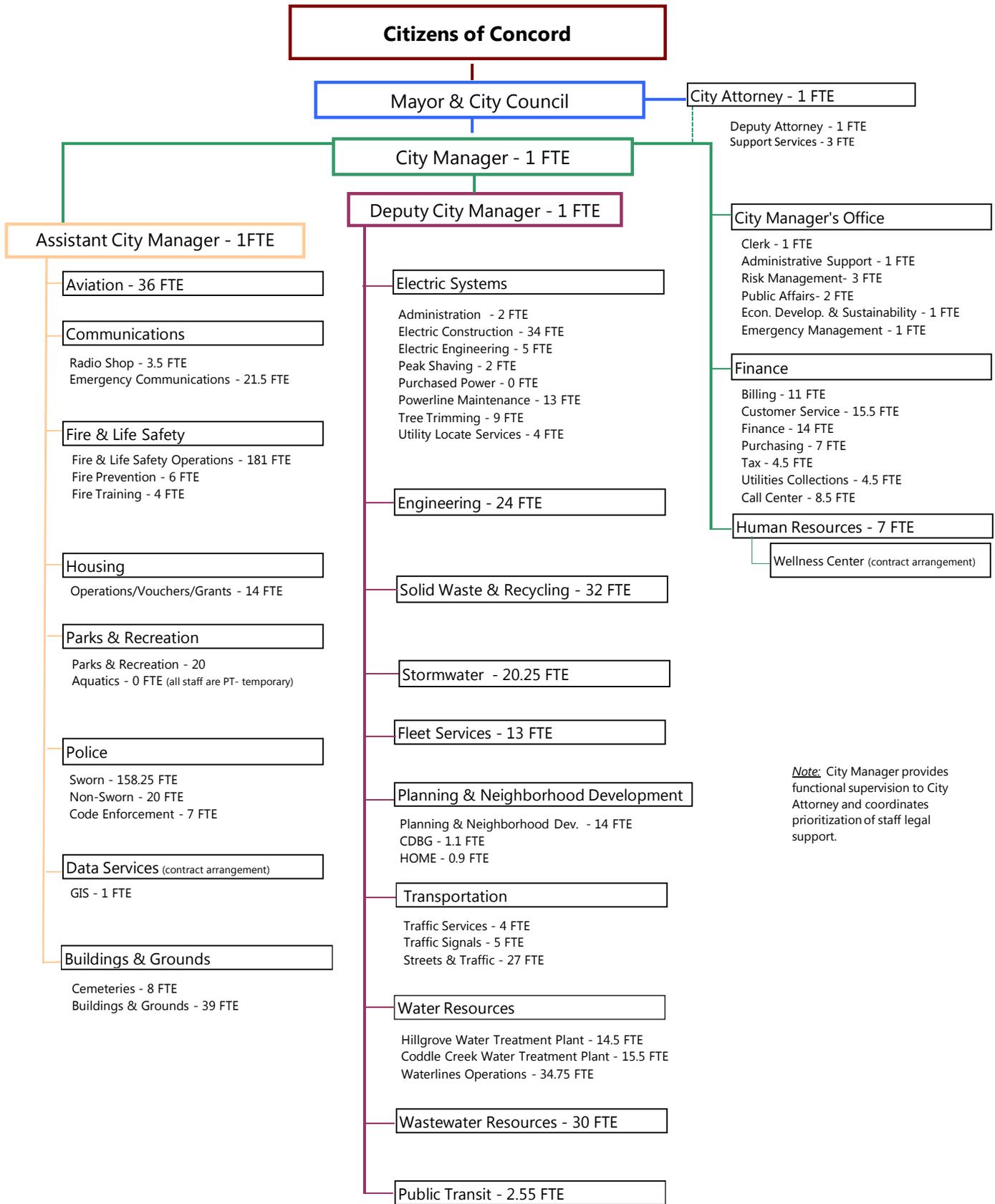
1. Public Housing Operations – 1000

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

CITY ORGANIZATIONAL CHART



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

MAJOR REVENUE SOURCES

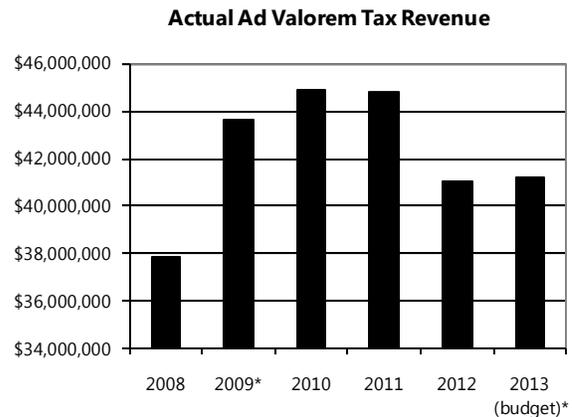
A balanced budget requires that anticipated revenues equal planned expenditures. Therefore, anticipated revenue is the key driver of the budget development process. The City's revenue forecasting philosophy has always been conservative, and it is no different for this fiscal year. Economic forecasting 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.

GENERAL FUND

The General Fund budget for the 2012-13 fiscal year totals \$67,463,286 compared to the amended budget of \$69,049,757 for FY 2011-12. It is important to note that the amended 2011-12 budget includes a onetime appropriation from fund balance in the amount of \$2.15 million which funded right-of-way and easement purchases and acquisition of infrastructure plans. Factoring out transfers, financing proceeds and appropriations from fund balance (non operating revenue); there is a revenue increase of \$2,812,536 (4%) when compared to the current amended budget. The increase in revenues for the City's General Fund budget proposal is a result of growth in the local option sales tax receipts. 2012 is a revaluation year for the City and due to the 13% decline in assessed property values as determined by the 2012 Revaluation, a revenue-neutral tax rate of 0.48¢ per \$100 of valuation, as calculated by following NC state statute, is being proposed. The revenue neutral rate will result in stable property tax revenues for budget year 2013. The City has estimated revenues conservatively using information provided by the North Carolina League of Municipalities, historical and statistical trends, and other local factors. This budget was prepared under the assumption that the City of Concord will receive all of its State shared revenues for the 2012-13 fiscal years.

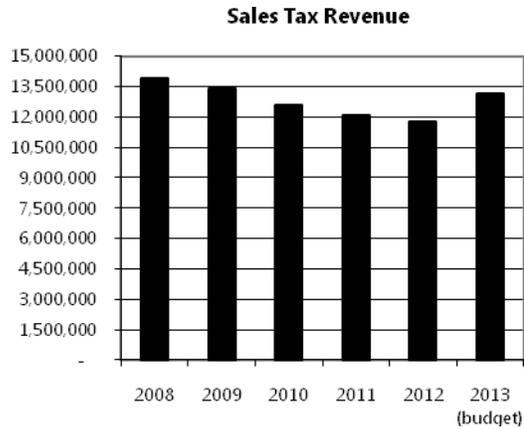
Property Taxes: The budget is balanced with a property tax rate of \$.48 per \$100 valuation. This will yield \$41,248,165 in ad valorem tax revenue based on an average real and personal property collection rate of 97.70%. The tax base used in this budget preparation represents a 13% decrease in property values for a total valuation of \$8,860,416,287 (including motor vehicles). The decline in values and the increase in the tax rate are results of the 2012 Revaluation. The City will remain revenue neutral as described above. One cent on the City's tax rate produces \$859,337 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. Property tax revenues comprise 62% of the General Fund budget.



*Prior year's revaluation reflected in FY09 & FY13 budgets.

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.



Sales taxes are estimated to be \$13,170,170 for fiscal year 2011-12, an 8% increase when compared to the prior year collections. Sales tax allocations for Cabarrus County are based on proportional property tax levies. The City has projected a 2% increase in sales tax allocations for FY 2012-13 when compared to FY 2011-12 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%). The estimated telecommunications sales tax included for FY 2012-13 is \$687,300, which represents 2% growth.

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 2012-13 is \$627,135, which represents a 2% growth in this revenue source. Combined, sales taxes combined represent 20% of General Fund revenues.

Utility Franchise Tax: As of July 1, 1999, each city's share of the utility franchise fee is based on actual receipts from companies that provide electricity. The State levies a 3.22% franchise tax on the total gross receipts of all businesses within the State that provide electricity. An amount equal to 3.09% of the total gross receipts of electricity service derived from the sale within any municipality is distributed to the municipality in which these gross sales are made. These funds are collected by the State and are distributed to the City of Concord based on the actual receipts from the providers for services provided within the city limits. This revenue source is expected to be \$2,100,000 (3% of General Fund revenue) for FY 2012-13, which is also the anticipated collection for the current year.

Beer & 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. For FY 2012-13, the City estimates \$358,000.

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 \$2,100,000 for FY 2012-13,

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 \$1,000,000 in revenues has been estimated in this budget, which represents no growth when compared to current year estimates.

Vehicle License: A \$5.00 General Municipal Vehicle Tax is levied on every motor vehicle owned by residents 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 1 ½% collection fee. This revenue source is estimated to be \$270,000.

Other Revenues: Revenues not otherwise defined are included in this category. These include investment earnings, transfers, and contributions, which equate to 4% of the General Fund Budget.

Fund Balance: The City's unassigned General Fund balance was \$36,921,449 as of June 30, 2011. It is anticipated that the City will meet our target goal of a 30-35% minimum General Fund unassigned fund balance at June 30, 2012, 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 is now experiencing a slowing economy, our conservative policies and procedures are even more important. The recommended budget does appropriate \$1,494,123 from the General Capital Reserve fund balance for one time capital expenditures. In FY 2007-08 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 \$13,000,000) 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

Community Development Block Grant (CDBG): Federal revenues for the City's CDBG program comprise the majority of the \$455,764 in revenue budgeted for FY 2012-13.

H.O.M.E Program: HOME Funds revenue is estimated at \$261,940 for FY 2012-13. As in past years, the majority of HOME revenues come from the federal government and are affected by Congressional funding levels and the number of cities nationally which apply for funding from the HOME Program.

Municipal Service District Tax: The Municipal Service District tax has been adjusted due to the 2012 Revaluation. The new tax rate has been calculated with the revenue neutral guidelines required by the State and is proposed at \$.23 per \$100 assessed valuation. This tax rate is expected to generate \$84,885 in revenue for FY 2012-13.

Housing Assistance Fund: Concord is allocated 541 Section 8 Housing Choice Vouchers to assist families with decent, safe, and sanitary housing needs. The program also provides funding for 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 2012-13 budget is \$3,721,124.

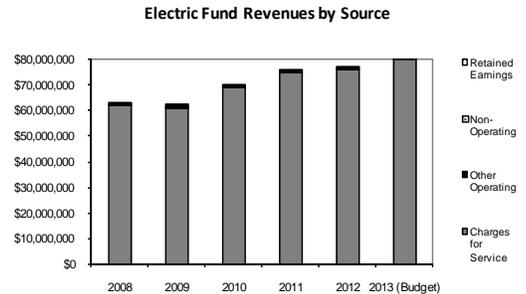
Additional \$5 Vehicle Tax (Transit) Fund: The Additional \$5 Vehicle Tax fund was established during

FY 2004-05 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. Funding for FY 2012-13 is estimated to be \$3,256,061.

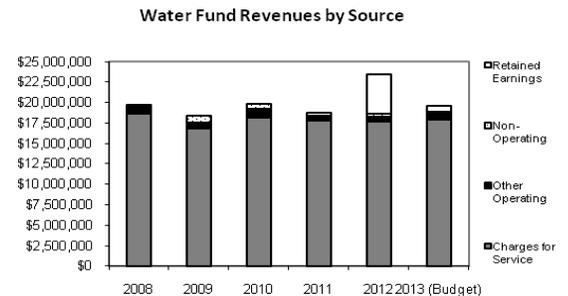
ENTERPRISE FUNDS

Stormwater: The Stormwater Fund is comprised of \$3,611,000 in operating revenue and \$61,000 in non-operating revenue. No rate or fee increases are proposed for the Stormwater program. Rate revenue for FY 2013 is expected to remain stable when compared to FY 2012 year end estimates. Stormwater has 29,683 customer accounts.

Electric Fund: Concord owns and operates 741 miles of overhead lines and 643 miles of underground lines. There are currently 27,675 electric customers. The Electric Fund is comprised of \$81,165,150 in operating revenues and \$190,000 in non-operating revenues, with an appropriation from the rate stabilization reserve in retained earnings of \$645,586. Electric revenues are estimated using the City's rate model. The proposed budgeted revenue does not include a rate increase. There will be a purchase power adjustment to rates of 2%, which will be effective with the September billing. FY 2013 rate revenue is anticipated to increase 4%.



Water Fund: The Water Fund is comprised of \$18,627,700 in operating revenue, non-operating revenue of \$188,785, and an appropriation from retained earnings of \$811,919 for one time capital project costs. Water revenues are estimated using no growth in consumption and no rate adjustments are recommended. There are currently 34,431 water customers. The City's water rate structure is designed to promote water conservation. The rate structure includes a base fee and a volume rate per 1,000 gallons of consumption for inside and outside customers. Residential customers have three tiered volume rates, the greater the consumption the higher the volume rate. Industrial and commercial customers are each charged a uniformed volume rate.



Wastewater Funds: The Wastewater Fund is comprised of operating revenue of \$13,922,000, non-operating revenues of \$110,000, and no appropriation from retained earnings. Wastewater revenues are estimated using no growth in consumption. There are currently 31,569 customers. No increase in wastewater rates is recommended.

Public Transit: The Public Transit budget is comprised of \$225,000 in operating revenue, \$2,119,006 in restricted intergovernmental revenue, and transfers of \$294,154. In FY 2012-13, Concord's General Fund contribution to the Transit system is \$617,901, which includes our portion of the CATS 79x and 80x services. The City operates 10 buses on 7 fixed routes. No fare increases are proposed for the adoption of the FY 2012-13 budget, however potential fare increases may be discussed by City Council in late summer 2012.

Golf Course: The Golf Course Fund anticipates earned revenue for FY 2012-13 to decrease 3% when compared to the proposed budget of the prior year. Revenue projections have been reduced due to a greens renovation project that will result in temporary greens being used during the upcoming summer months. Although the greens renovations have been planned for the hot summer months,

there will be anticipated revenue losses. Total revenues are estimated at \$1,279,530 from operations and an additional transfer from the General Fund of \$1,061,456 the majority of which is designated towards debt service.

Aviation: The Aviation budget is comprised of \$10,088,235 in operating revenue, \$46,000 in non-operating revenue and a transfer of \$775,742 from the General Fund. An appropriation from retained earnings, \$747,399, is included for one time capital and improvements at the airport. Fuel Sales have been budgeted with no material increases due to the current decreases in fuel prices.

Public Housing: The City manages 174 Public Housing Units (HUD properties) and has the responsibility to provide decent, safe, and sanitary housing for low-income families. The Public Housing Revenue for FY 2012-13 is \$1,130,720.

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 \$9,357,485. 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.

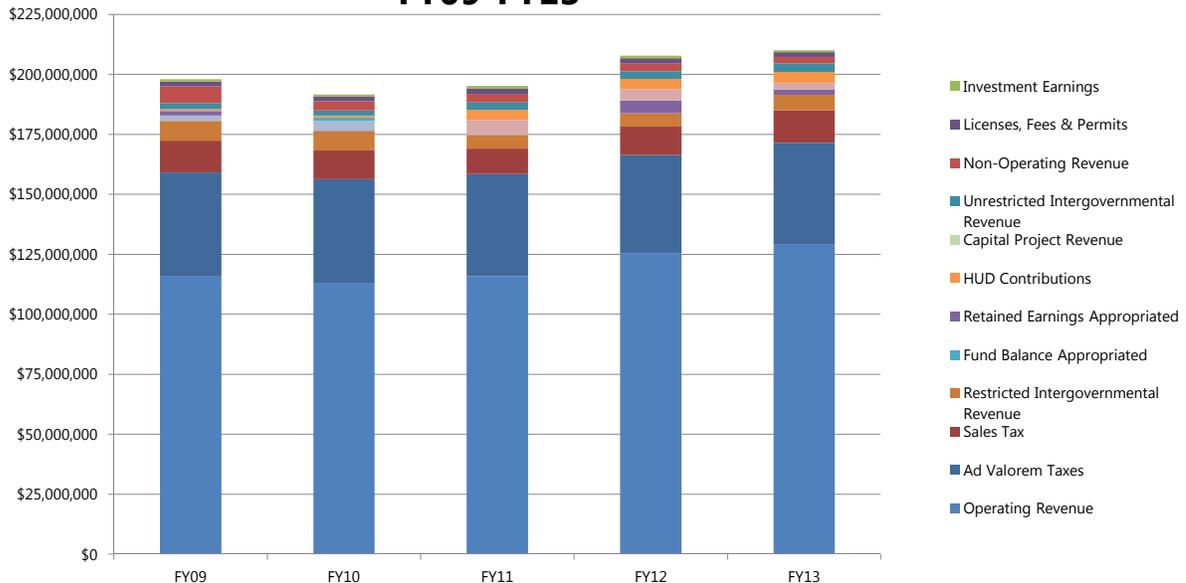
All rates, fees, and charges are listed in the Schedule of Fees and Charges.

FY 2012-2013 Budget Summary by Fund

Revenues:	General Fund	Special Revenue Funds					Enterprise Fund
	General Fund	Municipal Service District	Section 8 Voucher Program	CDBG	HOME Consortium	\$5 Vehicle Tax	Stormwater
Ad Valorem Taxes	\$ 42,056,015	\$ 84,885	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	\$ 13,469,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Fees & Permits	\$ 1,669,700	\$ -	\$ -	\$ -	\$ -	\$ 294,154	\$ -
Unrestricted Intergovernmental Revenue	\$ 3,474,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Intergovernmental Revenue	\$ 3,850,268	\$ -	\$ -	\$ 420,764	\$ 177,126	\$ -	\$ -
Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,611,000
Other/Non-Operating Revenue	\$ 2,678,669	\$ -	\$ 5,700	\$ 35,000	\$ 35,331	\$ -	\$ 1,000
Investment Earnings	\$ 265,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
Retained Earnings Appropriated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance Appropriated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HUD Contributions	\$ -	\$ -	\$ 3,715,424	\$ -	\$ -	\$ -	\$ -
Transfers	\$ -	\$ -	\$ -	\$ -	\$ 49,483	\$ -	\$ -
TOTAL REVENUE	\$ 67,463,286	\$ 84,885	\$ 3,721,124	\$ 455,764	\$ 261,940	\$ 294,154	\$ 3,672,000

Expenditures:							
Personal Services	\$ 37,243,729	\$ -	\$ 272,276	\$ 77,260	\$ 56,698	\$ -	\$ 1,214,651
Operations	\$ 21,512,354	\$ 84,885	\$ 3,448,848	\$ 378,504	\$ 205,242	\$ -	\$ 547,572
Capital Outlay	\$ 2,406,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,000
Debt Service	\$ 3,105,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,372
Cost Allocations	\$ (2,353,548)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 444,034
Transfers	\$ 5,548,739	\$ -	\$ -	\$ -	\$ -	\$ 294,154	\$ 1,192,371
TOTAL EXPENDITURES	\$ 67,463,286	\$ 84,885	\$ 3,721,124	\$ 455,764	\$ 261,940	\$ 294,154	\$ 3,672,000

Budgeted Revenues FY09-FY13

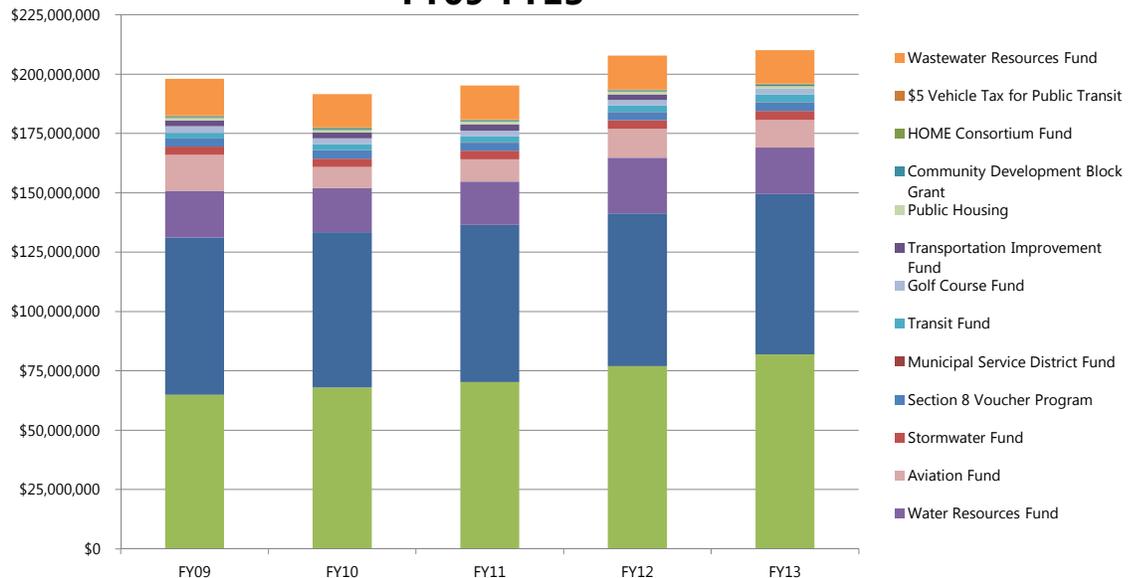


Budget Summary by Fund, Continued

Enterprise Funds								
Revenues:	Electric	Water Resources	Transit	Wastewater Resources	Golf Course	Aviation	Public Housing	All Funds
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	42,140,900
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	13,469,634
Licenses, Fees & Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,963,854
Unrestricted								
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3,474,000
Restricted								
Intergovernmental Revenue	\$ -	\$ -	2,119,006	\$ -	\$ -	\$ -	\$ -	6,567,164
Operating Revenue	\$ 81,165,150	\$ 18,627,700	\$ 225,000	\$ 13,922,000	\$ 1,244,362	\$ 10,244,235	\$ 290,000	129,329,447
Other/Non-Operating								
Revenue	\$ -	\$ 38,785	\$ -	\$ -	\$ 35,168	\$ (150,000)	\$ 16,500	2,696,153
Investment Earnings	\$ 190,000	\$ 150,000	\$ -	\$ 110,000	\$ -	\$ 40,000	\$ -	815,000
Retained Earnings								
Appropriated	\$ 645,586	\$ 811,919	\$ -	\$ -	\$ -	\$ 747,399	\$ -	2,204,904
Fund Balance Appropriated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
HUD Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 824,220	4,539,644
Transfers	\$ -	\$ -	\$ 912,055	\$ -	\$ 1,061,456	\$ 775,742	\$ -	2,798,736
TOTAL REVENUE	\$ 82,000,736	\$ 19,628,404	\$ 3,256,061	\$ 14,032,000	\$ 2,340,986	\$ 11,657,376	\$ 1,130,720	\$ 209,999,436

Expenditures:								
Personal Services	\$ 4,901,598	\$ 3,715,283	\$ 186,750	\$ 1,613,036	\$ -	\$ 1,780,398	\$ 430,580	51,492,259
Operations	\$ 66,161,834	\$ 6,574,498	\$ 3,020,993	\$ 7,251,214	\$ 1,345,656	\$ 7,691,094	\$ 680,471	118,903,165
Capital Outlay	\$ 2,353,500	\$ 1,294,000	\$ -	\$ 908,500	\$ -	\$ 603,750	\$ -	7,796,287
Debt Service	\$ 3,245,941	\$ 5,125,180	\$ -	\$ 2,319,735	\$ 995,330	\$ 1,267,759	\$ -	16,102,792
Cost Allocations	\$ 2,992,233	\$ 2,272,136	\$ 48,318	\$ 1,929,545	\$ -	\$ 310,082	\$ -	5,642,800
Transfers	\$ 2,345,630	\$ 647,307	\$ -	\$ 9,970	\$ -	\$ 4,293	\$ 19,669	10,062,133
TOTAL EXPENDITURES	\$ 82,000,736	\$ 19,628,404	\$ 3,256,061	\$ 14,032,000	\$ 2,340,986	\$ 11,657,376	\$ 1,130,720	\$ 209,999,436

Budgeted Expenditures FY09-FY13



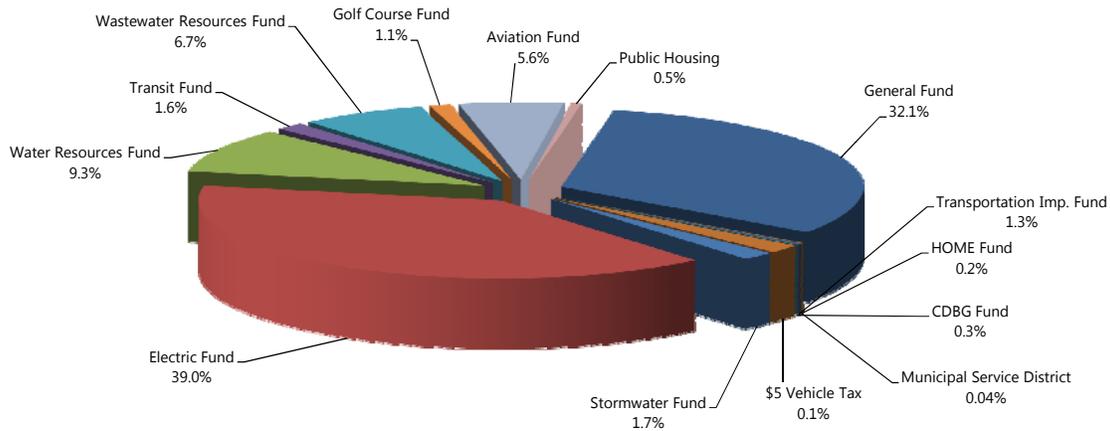
City Revenues

	2009-2010	2010-2011	2011-2012	2011-2012	2012-2013	2012-2013
	Actual	Actual	Council	Actual	Manager	Council
By Fund	Revenues	Revenues	Approved*	Revenues**	Recommended	Approved
General Fund	\$ 72,212,855	\$ 70,900,160	\$ 69,385,106	\$ 69,642,709	\$ 67,463,286	\$ 67,463,286
Municipal Service District	\$ 76,899	\$ 81,730	\$ 81,823	\$ 81,680	\$ 84,885	\$ 84,885
Home Consortium Fund	\$ 116,558	\$ 92,815	\$ 318,961	\$ 132,746	\$ 261,940	\$ 261,940
Community Development						
Block Grant (CDBG) Fund	\$ 489,008	\$ 167,876	\$ 405,477	\$ 120,526	\$ 455,764	\$ 455,764
\$5 Vehicle Tax for Public Transit	\$ 297,485	\$ 301,896	\$ 275,000	\$ 312,623	\$ 294,154	\$ 294,154
Section 8 Voucher Program	\$ 3,513,600	\$ 3,946,296	\$ 4,263,637	\$ 3,339,718	\$ 3,721,124	\$ 3,721,124
Stormwater Fund	\$ 4,003,955	\$ 3,715,344	\$ 3,616,805	\$ 3,765,500	\$ 3,672,000	\$ 3,672,000
Electric Fund	\$ 70,421,935	\$ 75,516,130	\$ 84,630,296	\$ 83,494,855	\$ 82,000,736	\$ 82,000,736
Water Resources Fund	\$ 19,563,144	\$ 19,710,501	\$ 40,977,932	\$ 35,717,710	\$ 19,628,404	\$ 19,628,404
Transit Fund	\$ 2,284,417	\$ 3,057,431	\$ 1,407,565	\$ 1,218,813	\$ 3,256,061	\$ 3,256,061
Wastewater Resources Fund	\$ 14,054,095	\$ 14,269,425	\$ 14,580,527	\$ 14,986,916	\$ 14,032,000	\$ 14,032,000
Golf Course Fund	\$ 2,410,888	\$ 2,494,065	\$ 2,384,230	\$ 2,329,268	\$ 2,340,986	\$ 2,340,986
Aviation Fund	\$ 9,331,618	\$ 10,435,435	\$ 12,243,065	\$ 11,240,883	\$ 11,657,376	\$ 11,657,376
Public Housing	\$ 1,117,969	\$ 1,177,442	\$ 1,164,963	\$ 1,194,321	\$ 1,130,720	\$ 1,130,720
TOTAL CITY REVENUES	\$ 199,894,427	\$ 205,866,546	\$ 235,735,387	\$ 227,578,268	\$ 209,999,436	\$ 209,999,436

% budget change

* as amended **as of August 8, 2012

FY 2012-2013 City-wide Revenues (by Fund)



Total City Revenue Trend



City Expenditures

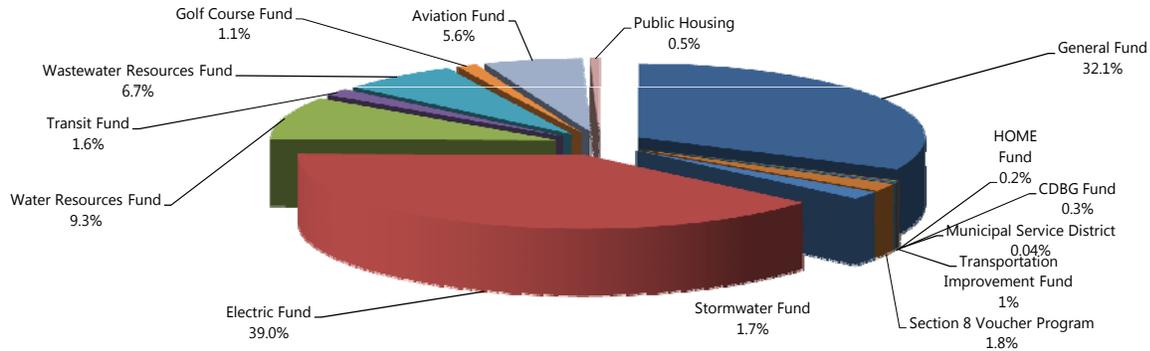
	2009-2010	2010-2011	2011-2012	2011-2012	2012-2013	2012-2013
	Actual Expenses	Actual Expenses	Council Approved*	Actual Expenses**	Manager Recommended	Council Approved
By Fund						
General Fund	\$ 73,651,430	\$ 68,939,754	\$ 69,385,106	\$ 64,747,832	\$ 67,463,286	\$ 67,463,286
Municipal Service District	\$ 76,889	\$ 81,728	\$ 81,823	\$ 81,678	\$ 84,885	\$ 84,885
Home Consortium Fund	\$ 187,462	\$ 15,098	\$ 318,961	\$ 119	\$ 261,940	\$ 261,940
Community Development Block Grant (CDBG) Fund	\$ 488,222	\$ 350,968	\$ 405,477	\$ 272,232	\$ 455,764	\$ 455,764
\$5 Vehicle Tax for Public Transit	\$ 370,548	\$ 301,897	\$ 275,000	\$ 312,623	\$ 294,154	\$ 294,154
Section 8 Voucher Program	\$ 3,455,917	\$ 3,688,768	\$ 4,263,637	\$ 4,068,095	\$ 3,721,124	\$ 3,721,124
Stormwater Fund	\$ 4,258,604	\$ 4,282,110	\$ 3,616,805	\$ 2,832,978	\$ 3,672,000	\$ 3,672,000
Electric Fund	\$ 70,421,935	\$ 75,516,130	\$ 84,630,296	\$ 83,494,855	\$ 82,000,736	\$ 82,000,736
Water Resources Fund	\$ 15,955,287	\$ 15,618,502	\$ 40,977,932	\$ 37,441,528	\$ 19,628,404	\$ 19,628,404
Transit Fund	\$ 2,368,593	\$ 2,629,242	\$ 1,407,565	\$ 1,673,973	\$ 3,256,061	\$ 3,256,061
Wastewater Resources Fund	\$ 13,507,142	\$ 14,370,561	\$ 14,580,527	\$ 13,624,286	\$ 14,032,000	\$ 14,032,000
Golf Course Fund	\$ 2,382,090	\$ 2,502,300	\$ 2,384,230	\$ 2,329,267	\$ 2,340,986	\$ 2,340,986
Aviation Fund	\$ 10,060,530	\$ 11,507,486	\$ 12,243,065	\$ 10,778,968	\$ 11,657,376	\$ 11,657,376
Public Housing	\$ 1,233,001	\$ 1,227,287	\$ 1,164,963	\$ 1,094,247	\$ 1,130,720	\$ 1,130,720
Internal Service Fund***	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CITY EXPENDITURES	\$ 198,417,651	\$ 201,031,831	\$ 235,735,387	\$ 222,752,681	\$ 209,999,436	\$ 209,999,436

% budget change

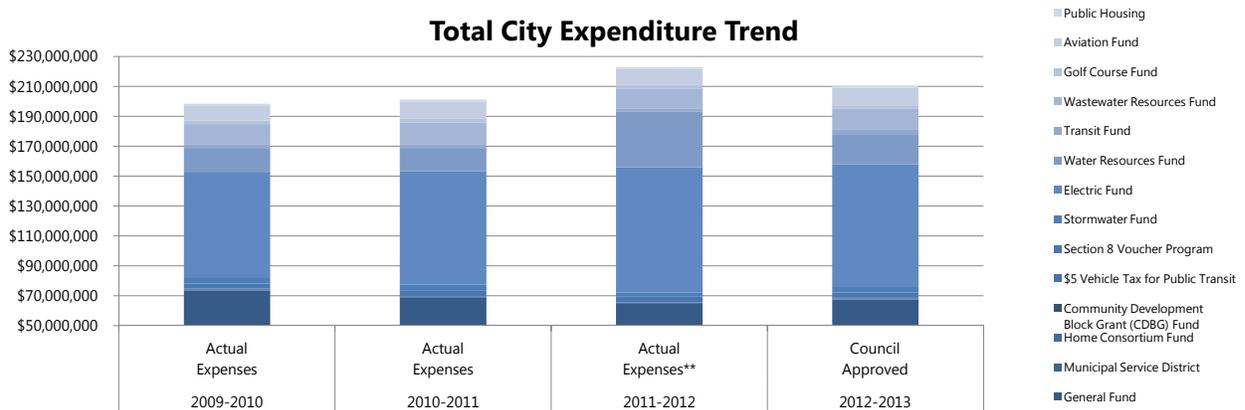
* as amended **as of August 8, 2012

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

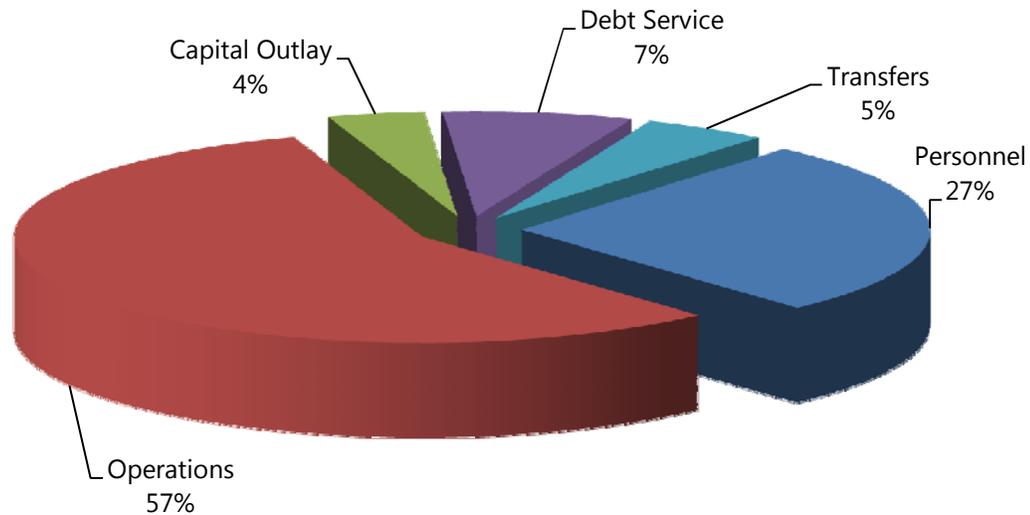
FY 2012-2013 City-wide Expenditures (by Fund)



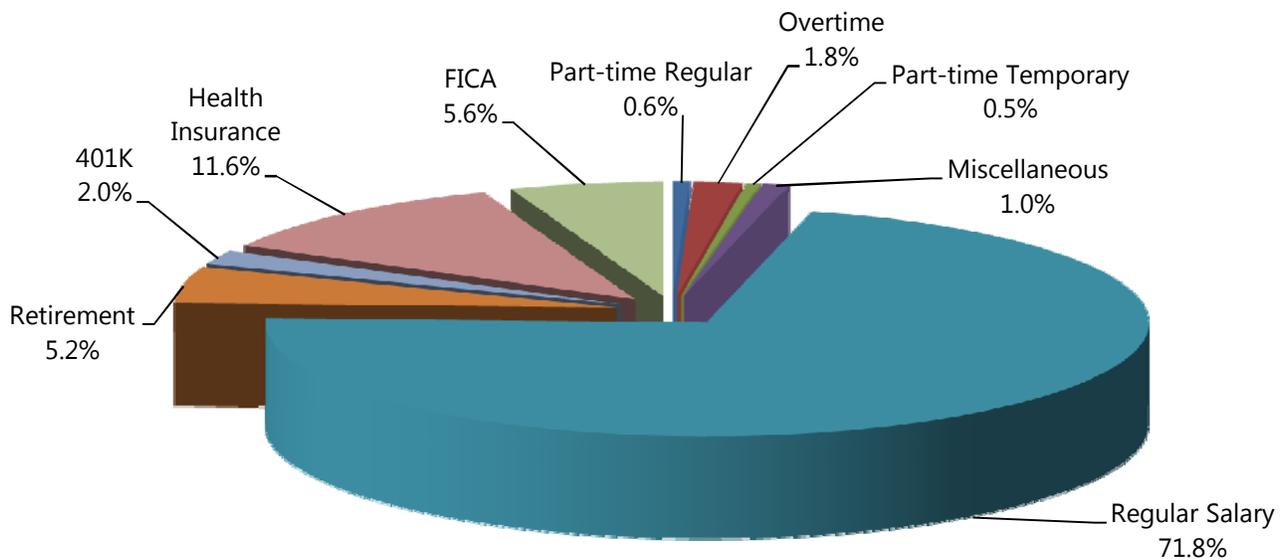
Total City Expenditure Trend



FY 12-13 Expenditures by Line-item Category (City total = \$209,999,436)



FY 12-13 Summary of Budgeted City-wide Compensation Expenditures* (\$57,321,799)



*Includes compensation for Mayor & City Council Members and City employees in the Internal Service Fund. Internal Service Fund personnel costs are paid for through cost allocations paid by other Funds.

Fund Balances / Net Assets

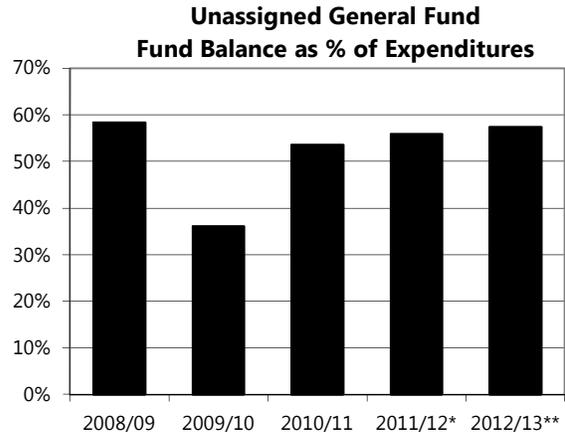
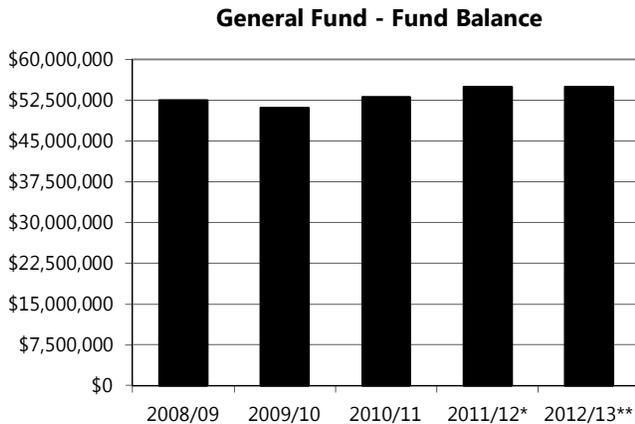
Amounts shown as fund balance for Governmental Funds represent a running total of monies over the years that remain unspent after all budgeted expenditures have been made. For many years, the North Carolina Local Government Commission has recommended that units retain an amount of available fund balance 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. 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	2008/09	2009/10	2010/11	2011/12*	2012/13**
General Fund	\$ 52,507,102	\$ 51,068,523	\$ 53,028,928	\$ 54,989,332	\$ 54,989,332
Other Governmental Funds	\$ 11,225,995	\$ 20,914,517	\$ 23,244,199	\$ 15,158,516	\$ 15,158,516
Totals	\$ 63,733,097	\$ 71,983,040	\$ 76,273,127	\$ 70,147,848	\$ 70,147,848

Net Assets					
Business Type Activities - Enterprise Funds					
Electric Fund	\$ 64,246,115	\$ 70,890,040	\$ 76,154,683	\$ 81,419,326	\$ 80,773,740
Water Fund	\$ 70,869,325	\$ 75,953,853	\$ 82,017,548	\$ 88,081,243	\$ 87,269,325
Wastewater Fund	\$ 50,204,621	\$ 53,576,556	\$ 56,542,454	\$ 59,508,352	\$ 59,508,352
Aviation Fund	\$ 63,712,123	\$ 67,443,193	\$ 66,995,105	\$ 66,547,016	\$ 65,799,617
Stormwater Fund	\$ 52,775,206	\$ 52,892,559	\$ 52,958,042	\$ 52,391,275	\$ 52,391,275
Other Enterprise Funds	\$ 10,903,775	\$ 13,030,925	\$ 14,454,123	\$ 15,639,473	\$ 15,639,473
Totals	\$ 312,711,165	\$ 333,787,126	\$ 349,121,955	\$ 363,586,685	\$ 361,381,782

* unaudited

** estimate



Personnel Summary

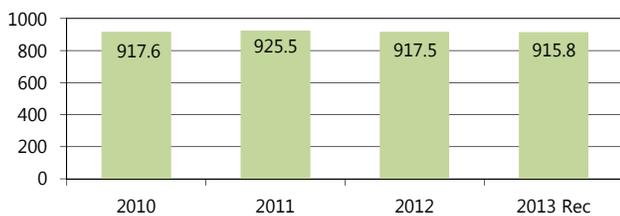
Personnel counts are calculated using the full-time-equivalent (FTE) method for all full-time and permanent part-time city employees (seasonal and temporary positions are not included). The FTE converts the hours worked by a position into a percentage of a full year's number of hours. For most city positions, 1 FTE equals 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 2009-10 FTE	FY 2010-11 FTE	FY 2011-12 FTE	FY 2012-13 FTE*
GENERAL FUND				
General Government				
Public Services Administration	2	2	1	1
City Manager's Office	6	6	5	6
Risk Management	-	2	2	3
Human Resources	8	6	7	7
Finance	13	13.35	14	14
Tax	4.5	4.5	4.5	4.5
Legal	5	5	5	5
Non-Departmental	0	0	0	0
Public Safety				
Police	175.25	177.25	178.25	178.25
Code Enforcement	7	7	7	7
Communications	22.5	22.5	21.5	21.5
Radio Shop	4.5	4.5	3.5	3.5
Fire & Life Safety (Operations)	170	182	182	181
Fire & Life Safety (Prevention)	6	6	6	6
Fire & Life Safety (Training)	2	2	2	4
Emergency Management (reports to CMO)	2.8	2.85	2.85	1
Public Works				
Streets & Traffic	26	27	27	27
Powell Bill (staff part of Streets & Traffic)	0	0	0	0
Traffic Services	6	5	5	5
Traffic Signals	3	4	4	4
Solid Waste & Recycling	36.5	33	32	32
Cemeteries	8	8	8	8
Fleet Services	13.25	13	13	13
Economic Development				
Planning & Neighborhood Development	18	17.85	15	14
Transportation Planning (contract)	0	0	0	0
Economic Development (reports to CMO)	0	0	1	1
Culture & Recreation				
Parks & Recreation	22	22	20	20
Parks & Recreation - Aquatics (seasonal staff)	0	0	0	0
Total FTE General Fund	561.3	572.8	566.6	566.75
OTHER FUNDS				
Municipal Service District Fund	0	0	0	0
HOME Consortium Fund	1.5	1.5	0.9	0.9
Transportation Improvement Fund	0	0	0	0
CDBG Fund	1.5	1.3	1.1	1.1
Addl. \$5 Vehicle Tax (Transit) Fund	0	0	0	0

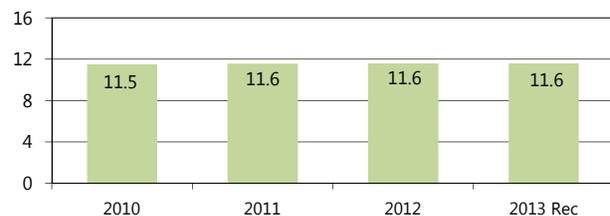
Budget Unit	FY 2009-10 FTE	FY 2010-11 FTE	FY 2011-12 FTE	FY 2012-13 FTE*
Stormwater Fund				
Stormwater Operations	20.5	20.25	20.25	20.25
Electric Systems Fund				
Electric Administration	2	2	2	2
Purchased Power	0	0	0	0
Powerlines Maintenance	13	13	13	13
Tree Trimming	9	9	9	9
Electric Construction	34	34	34	34
Peak Shaving	2	2	2	2
Electric Engineering Services	5	5	5	5
Utility Locate Services	5	5	4	4
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	35	34.75	34.75	34.75
Public Transit Fund				
Rider Transit System	0	2	2.75	2.55
Wastewater Resources Fund				
Wastewaterlines Operations & Maintenance	30	30	30	30
Golf Course Fund				
Golf Course Operations (contract)	0	0	0	0
Internal Services Fund				
Utilities Collections	4.5	4.5	4.5	4.5
Data Services (contract)	1	1	1	1
Billing	11	11	11	11
Customer Service	17	16	16	15.5
Engineering	25	25	25	24
Purchasing	9	8	7	7
Customer Care Center	7.7	7.65	8.15	8.5
Buildings & Grounds	39.6	38.5	39.5	39
Aviation Fund				
Aviation Operations	36.5	35.25	36	36
Public Housing / Sec. 8 Vouchers Funds				
Public Housing Operations / Vouchers Program	16.5	16	14	14
Total FTE Other Funds	356.3	352.7	350.9	349.05
Total FTE All City Funds	917.60	925.50	917.50	915.80

* For FY13, 4.25 FTE were eliminated and the equivalent of 14.5 FTE are not funded, but remain authorized for the future.

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



Number of City Employees
Per 1,000 Population





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 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

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 (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 (to be added in FY13) | -Parks & Recreation (to be added in FY13) | |

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.

<i>External Agency</i>	<i>Departmental Budget</i>	FY 09/10 Actual	FY 10/11 Actual	FY 11/12 Budget	FY 12/13 Request	FY 12/13 Manager Rec.	FY 12/13 Council Approved
General Fund monies							
Boys & Girls Club of Cabarrus County	Parks & Rec	5,000	6,000	6,000	15,000	6,000	6,000
Cabarrus Arts Council, Inc.	Parks & Rec	27,000	27,000	25,000	30,000	25,000	25,000
Cabarrus County Museum of Fine Art & African American History	Econ Dev	-	1,500	1,500	1,900	1,500	1,500
Cabarrus Events Association	Econ Dev	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	10,000	9,500	9,500
Habitat for Humanity Cabarrus County (Affordable Housing Construction Grant)	Bus. & Nbhd	20,000	17,874	10,000	8,000	7,000	7,000
Historic Cabarrus, Inc./Concord Museum	Econ Dev	5,000	6,000	5,000	10,000	5,000	5,000
LifeSpan	Econ Dev	3,600	-	-	-	-	-
Multicultural Student Union	Parks & Rec	-	2,000	2,000	2,500	2,000	2,000
Walking in the Harvest - Operation Bread Basket	n/a	-	-	-	15,724	0	0
Special Olympics Cabarrus County	Parks & Rec	3,500	-	2,000	2,000	2,000	2,000
Tabernacle of Judah	n/a	-	-	-	50,000	0	0
Teen Court (Conflict Resolution Center)	Police	-	-	2,500	5,000	2,500	2,500
United Family Services	n/a	-	-	-	10,000	0	0
Sub-total		\$78,600	\$74,874	\$68,500	\$165,124	\$65,500	\$65,500
Utility Fund monies							
Cabarrus Cooperative Christian Ministries	Water, Electric, Wastewater	10,000	10,000	12,000	12,000	12,000	12,000
Sub-total		\$10,000	\$10,000	\$12,000	\$12,000	\$12,000	\$12,000
Community Development Block Grant monies							
Cabarrus Arts Council, Inc.	CDBG	-	2,000	1,750	3,000	1,500	1,500
Cabarrus Cooperative Christian Ministry	CDBG	6,500	6,500	6,000	12,000	6,000	6,000
Cabarrus Literacy Council	CDBG	5,000	5,000	4,000	5,000	4,000	4,000
Cabarrus Meals on Wheels	CDBG	4,500	4,500	4,000	5,000	4,000	4,000
Coltrane LIFE Center, Inc.	CDBG	4,500	4,500	4,000	5,000	4,000	4,000
Hispanic Learning Center	CDBG	4,500	4,500	4,000	7,000	2,000	2,000
Making a Difference Community Outreach	CDBG	-	-	-	30,000	0	0
Walking in the Harvest - Operation Bread Basket	n/a	-	-	-	15,724	0	0
Prosperity Community Connection Inc.	CDBG	1,500	1,500	1,500	1,500	1,500	1,500
Prosperity Unlimited, Inc. Sustaining Grant	CDBG	10,000	10,000	9,000	12,000	8,000	8,000
Serenity House	CDBG	4,500	4,500	3,500	4,500	3,000	3,000
Tabernacle of Judah	n/a	-	-	-	50,000	0	0
United Family Services	CDBG	-	2,000	1,750	5,000	1,750	1,750
Sub-total		\$41,000	\$45,000	\$39,500	\$155,724	\$35,750	\$35,750
		FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 12/13	FY 12/13
TOTAL		\$129,600	\$129,874	\$120,000	\$332,848	\$113,250	\$113,250

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