



FY 2016-17 Recommended Annual Operating Budget And Performance Plan

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May 25, 2016

Topics Covered

- Budget Summary and Tax Rate Recommendation
- General Fund Summary:
 - Revenue trends
 - Fee schedule changes
 - Key expenditure highlights
- Utility, Aviation, and Other Fund Summaries
- Personnel Summary (including new positions)
- External Agency Recommendations
- Future Considerations
- Next Steps



GUIDING DOCUMENT

FY 2016-17
Mayor/City Council Goals



Total Recommended
City-Wide Budget
FY 2016-17

\$230,157,100



Total Budget - \$230,157,100

General Fund	\$78,771,691
MSD	\$89,000
Section 8 Vouchers	\$4,263,033
HOME	\$279,216
CDBG	\$470,745
\$5 Vehicle Tax	\$350,000
Stormwater	\$3,924,500
Electric	\$84,292,000
Water Resources	\$24,110,000
Transit	\$3,483,091
Wastewater	\$16,572,000
Golf Course/RRGC	\$2,618,427
Aviation	\$9,679,057
Public Housing	\$1,254,340



Recommendation Summary

- Recommended tax rate to remain at 48 cents (county-wide revaluation year).
- No recommended increase in utility rates
- Investments with a focus on the future, including infrastructure and parks and recreation capital needs such as greenways, recreation center improvements and programming space
- New positions added across the city to focus on services, expanded airport operations, public safety, and economic growth and development



Basis for Recommendation

- Council's aggressive goals for the community
- General Assembly did not provide alternate revenue source to the lost business license tax
- Increasing demands for service as part of a growing economy
- The ad valorem basis for distribution of sales taxes in Cabarrus County
- Funding future operational expenses due to facility/service expansion

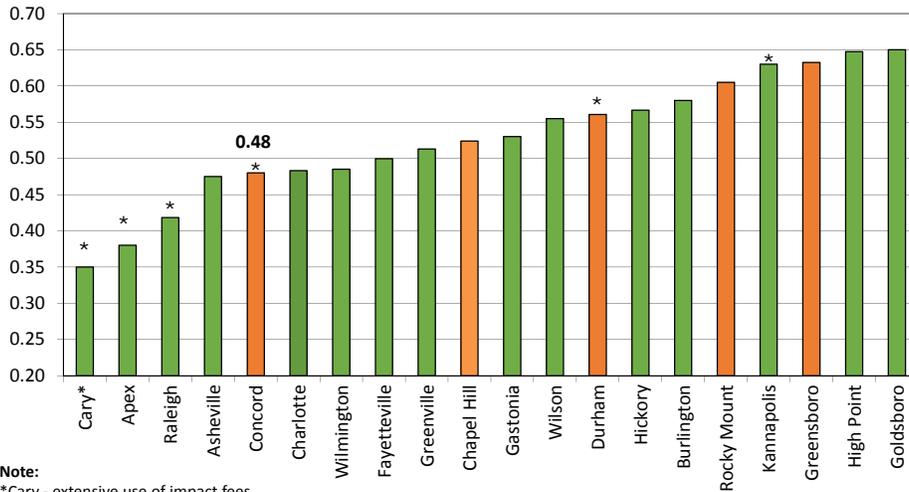


Total Recommended General Fund Budget FY 2016-17

\$78,771,691



**FY 2016-17 Proposed Property Tax Rates for
NC Full-Service Cities Over 40,000 Pop.
(Cents per \$100 Valuation)**



Note:
 *Cary - extensive use of impact fees.
 Cities in green apply a fee for solid waste (for some or all services) in addition to property tax.
 Cities with asterisks above the bar are proposing a tax rates above revenue neutral for FY2017.

General Fund Revenues

- 48.00 cents tax rate recommended
 - Same tax rate since FY12-13
 - 2016 Revaluation – Revenue Neutral Rate equal to 45.94 cents
 - Revaluation reflects 5.75% increase in real property assessed values county-wide
 - City growth in total values estimated at 7.8%
 - One cent on tax rate = approx. \$1,014,206

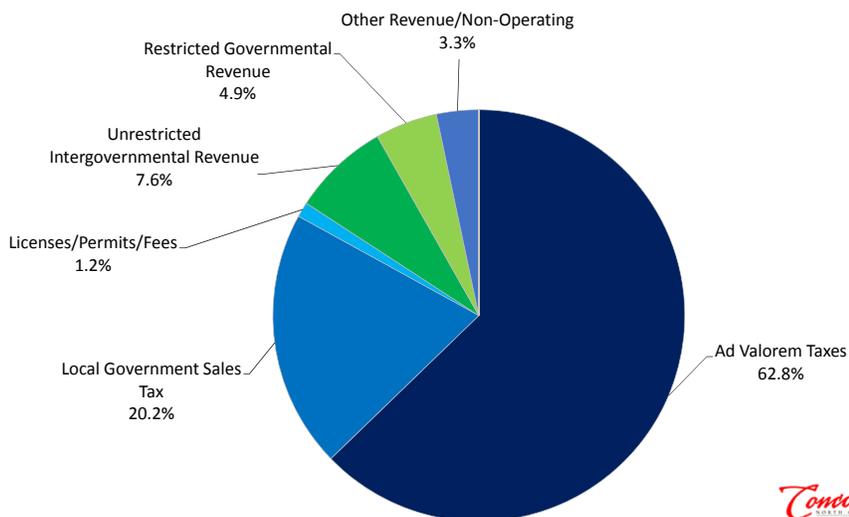


Other Revenue Trends

- Sales tax growth of 2%, total collections equal to \$14.9 million
- Recycling revenues will not cover recycling expenses
- Interest rates remain below 1%. No interest revenue included in budget proposal
- Privilege licenses revenue loss - \$1 Million
- Most other revenue will remain stable



General Fund Revenues by Source



General Fund Balance/Capital Reserve Fund

- Unassigned Fund Balance will meet 30-35% City Council goal
- No appropriation from General Fund Balance
- Use of \$2.98 million in funds from Capital Reserve Fund recommended for FY 2016-17
 - Renovations to Hartsell Recreation Center (\$1.8 M)
 - Renovations to Burrage Rd property for use in Parks and Rec programming (\$300k)
 - Partial funding of McEachern Greenway, Fink phase construction (\$300k, remainder from General Fund)
 - Additional infrastructure related to construction of Traffic Management Center (\$550,000)



Recommended Fee Changes (non-utility funds)

- Aviation – parking fees associated with parking deck defined; addition of rental vehicle fee
- Clearwater Artists Studios – increase in hourly rental rates and annual lease rates
- Engineering – added Master Utility Permit Agreement
- Fire – added Lieutenant to list of personnel costs (dedicated non-emergencies)
- Transit – added ADA Paratransit fare
- Transportation – increased street and sidewalk cut repair charges



Recommended Fee Changes (non-utility funds)

- Parks and Rec – simplified categories
 - Elimination of programs no longer offered (have not been offered for years)
 - Added deposits on facilities
 - Increased ballfield and soccer field rental rates
 - Changed structure/rental of Fire Station Community Rooms and added deposits



Recommended Fee Changes (non-utility funds)

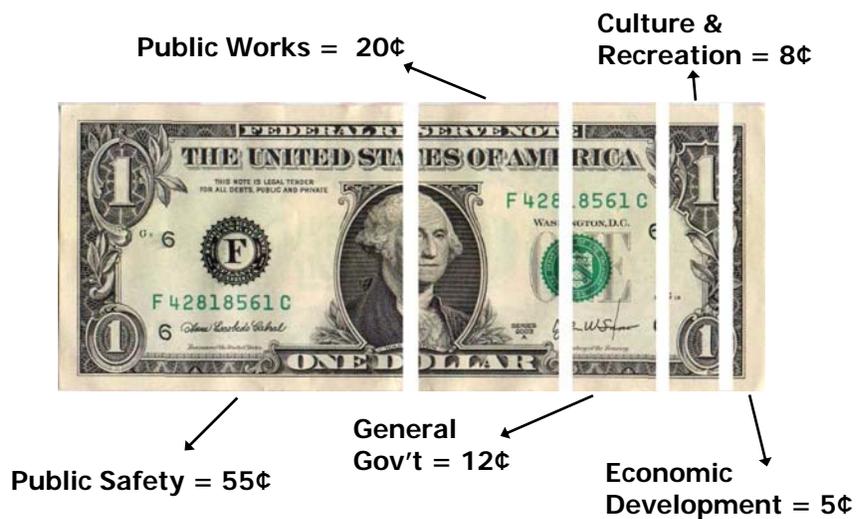
- Police –
 - Changed parking fine structure/eliminated late fees
 - Added fees for Video Recording Public Record requests
 - Added fees for Secondary Employment Application Processing



Summary of Recommended General Fund Expenditures



How will each General Fund tax dollar be spent?



Public Safety

Police-

- Addition of 4 Police Officers and 1 Sergeant for Proactive Policing Unit (including equipment/supplies/vehicles) - \$593,053
- Addition of 4 Police Officers and 1 Sergeant dedicated to Concord Regional Airport (including necessary equipment/supplies/vehicles) - \$532,953
- Continuation of funds for SROs (elementary schools remain paid for by grant)
- Evidence.com subscription for body-cam data storage - \$147,000
- Addition of 1 Code Enforcement Officer



Public Safety

Fire –

- Addition of 3 Lieutenant and 3 Captain positions dedicated to Concord Regional Airport (including necessary equipment/supplies) - \$404,265
- Replacement of aerial platform ladder truck and related equipment- \$1,400,000
- Increased maintenance needs at fire stations (kitchen at FS7, roof replacement at FS 3) - \$100,000
- Addition of 1 Part-time Assistant Fire Marshall to better align staff with increased plan review workload - \$24,192
- Replacement of Fire Safety House (with carport) - \$82,962



Public Safety

Emergency Communications –

- Addition of Administrative Assistant in October 2016 for false alarm program and database management (offset with increased revenue from bringing collection of fees in-house) - \$42,374

Emergency Management –

- Addition of 1 Assistant Emergency Management Manager (with equipment/supplies/vehicle) - \$118,625
- Purchase of unmanned aerial device for use primarily in Public Safety - \$12,000



Culture and Recreation

Parks and Recreation -

- Install playground equipment at Bark Park - \$35,000
- Replace doors/windows and HVAC units on west side of Academy Recreation Center - \$59,000
- Various improvements/equipment replacement at parks and athletic fields - \$49,300
- Expand and make improvements to Daniel Pharr building for additional meeting space - \$68,000
- Funding for Hector H Henry II Greenway Airport phase design (\$52,000) and ROW/Land Acquisition funds for Riverwalk phase (\$50,000)



Culture and Recreation

Parks and Recreation -

- Additional funds needed to construct McEachern Greenway Cabarrus Phase - \$100,000
- Use of Capital Reserve funds for:
 - Renovations to Hartsell Recreation Center (\$1.8 M)
 - Upfit of Burrage Rd property for future programming space (\$309,540)
 - Complete funding of McEachern Greenway Fink phase (\$1.3 M project) with \$1 million coming from General Fund Parks and Recreation budget and remaining \$311,000 from Capital Reserve
- Resurface inside of pool at McInnis Aquatics - \$38,000



Fiber Infrastructure

- Continue funding for fiber extension and maintenance needs
 - increasing demand for this growing asset - over 91 miles and connecting almost every major facility
 - 6 projects for FY17 aimed at closing loops, improving reliability, and creating redundancy throughout the system
 - \$339,000 recommended to come from General Fund, Aviation and all utilities



Public Works

Transportation –

- Combined funds for street resurfacing: \$1.3 million
- Addition of 1 Senior Equipment Operator and 1 Equipment Operator position to enhance utility patching crew - \$134,106
- Additional Sidewalk repair funds (in addition to \$150,000 in Transportation Imp Fund) - \$30,000
- Purchase of additional fiber optics fusion splicer - \$11,000



Public Works

Transportation Improvement Fund - \$3,003,410

(using dedicated tax/Transportation funds)

- PIP Sidewalk projects - \$150,000
- Concord Mills Blvd Fly-over participation - \$1.5M
- Construction of Traffic Mgmt Center (signals) - \$1.1M
- Incentive payment for Derita Rd Widening - \$75,000
- Funds reserved for future projects - \$178,410

Revenue received from 2 cents transfer, \$5 Vehicle tax revenue, transfer from Capital Reserve and use of project reserves.



Public Works

Solid Waste and Recycling –

- Scheduled replacement of Knuckleboom and Rear Loader - \$310,000 combined
- Addition of \$120,000 in disposal fees as defined by new recycling contract with Sonoco
- Bulky pickup changing to every other week

Cemeteries –

- Continued focus on maintenance – monument repair, landscaping, and sidewalks - \$28,000

Fleet Services –

- Reduction of \$400,000 in city-wide fuel costs
- Unfreeze and fund Master Mechanic position



General Government

Administrative Departments–

- Roof replacement of the Warehouse at the Brown Operations Center - \$275,000
- Updated process for biennial Citizen's Survey - \$16,000
- Addition of a HR Analyst position for benefits/compliance - \$62,963
- Upgrade of budget software to Questica - \$60,000
- Continue restoration of "ghost" signs downtown - \$5,000
- Inclusion of funds for Mosquito Control Program administered by CHA - \$12,000



Economic Development

Planning and Neighborhood Development-

- Addition of 1 Planner position
- Increase in hours of Clearwater Studios Supervisor to full-time
- First full year of Accela On-line Plan Review
- Wayfinding Sign Fabrication Project (Concord's share) - \$42,000
- Replace additional lights downtown with LED's - \$52,000

Economic Development-

- Continue economic development grant funding for projects already approved by Council
- Enlistment of a consultant to target specialty retail



Summary of Recommended Utility Fund Expenditures

Water, Wastewater, Stormwater, and Electric



Revenue Trends and Fee Recommendations for Utilities

- No utility rate increases
- Rate revenue for utility funds increase around 2% due to anticipated growth in consumption
- Flat rate sewer rates decrease
- Electric –
 - LED lighting
 - added wording to luminaires/decorative poles section
 - increase in Electric Meter Base Fee



Water Resources

- Water Treatment Plant Security Improvements- \$100,000
- Sampling Stations for Distribution System - \$100,000
- Hillgrove Treatment Plant:
 - Design & Construction of Motor Control Center Lineup - \$190,000
- Coddle Creek Treatment Plant:
 - Settling Basin Improvements - \$225,000
 - Secondary Raw Waterline & Flow Meter- \$1,190,000 (use of retained earnings)
 - Replacement PLC Cabinet Motor & Controls - \$150,000



Water Resources

- Upsizing of lines/extension of mains - \$285,500
- Continued maintenance of waterlines, mains, valves, and replacement/upgrades - \$240,000
- Waterline for Derita Road Widening - \$125,000
- George Liles Extension Waterline Phase 3 - \$282,430
- Transfer of funds for projects: \$960,000
- Creation of a reserve fund for future projects



Wastewater

- Wastewater Master Plan - \$150,000
- Small sewer replacements/upgrades:
 - Manhole installation/rehabilitation
 - Pump replacements
 - Carriage Downs Sewer Replacement
- Continue to invest in slip lining for wastewater lines - \$721,035
- Accent Drive Outfall Replacement - \$590,000
- Creation a reserve fund for future projects



Stormwater

- Funds to complete Army Corps of Engineering Stream Restoration project - \$362,892
- Funding for 2 Capital Improvement Plan (CIP) Culvert Replacement Projects:
 - Hanover Circle Culvert- \$278,000
 - Chelwood Drive Culvert- \$491,000



Electric System

- FY17 Purchase Power budget reflects 6.7% decrease from FY15-16 budget
- Solid State Relay Conversions:
 - Substation M- \$495,000
 - Substation C- \$935,000
- Construction of Substation P - \$2,500,000
- LED Lighting Replacement Program - \$1,000,000



Summary of Recommended Expenditures in Other Funds

Transit, Aviation, Golf Course, Internal Services



Public Transit

- Transition to TransDev as provider of services
- First year for ADA Paratransit service
- Continue to provide bus stop amenities and maintenance of the Rider system
- Expand access to and quality of customer service at the Rider Transit Center utilizing addition staffing (increase of part-time position to full-time)



Revenue Trends and Fee Recommendations for Aviation

- NEW REVENUE – Summer of 2016
 - Passenger Facility Charge - \$4 per passenger estimated - \$376,472 projected for the year
 - Parking Revenue - \$4/\$5 per night estimated for each car - \$372,707 projected for the year
 - Increase in revenue associated with rental cars, taxi transportation, and concessions - \$31,060 projected for the year



Concord Regional Airport

- Physical expansion underway
- Commercial carrier expansion
 - Additional destinations
 - More frequent flights on existing destinations
 - Potential new carrier(s)
- Additional Personnel (directed by TSA and FAA, as well as customer service needs)
- Projected opening date – August 2016



Rocky River Golf Course

- Budget reflects small increase in revenue/rounds associated with recent course and clubhouse improvements.
- Transfer of funds from General Fund for first year of 2 year project to restore course bunkers - \$199,650



Data Services

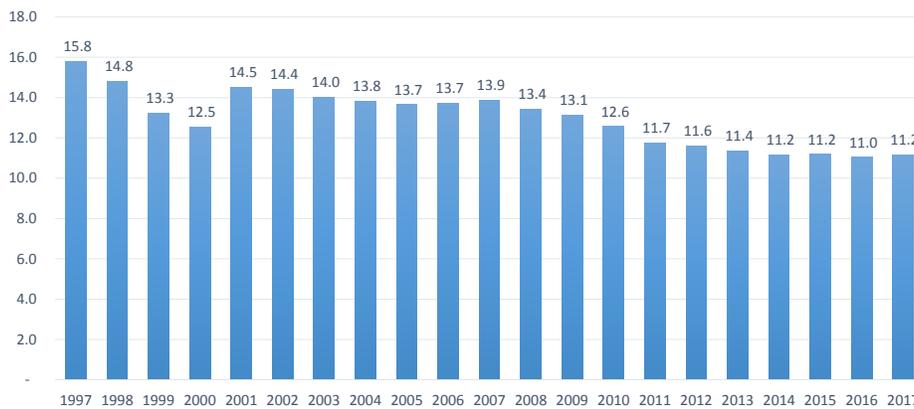
- Addition of staff hours related to City network
- Network Upgrade Phase IV (P&R, Fire Stations) - \$75,000
- Network Monitoring System - \$20,000
- Email Protection System Upgrade - \$43,000
- Server replacements:
 - Northstar Disaster Recovery and Report server (\$60,000), GIS1 server (\$60,000), SQL server (\$52,000)
- Police Email Migration tool - \$12 per person



Summary of Recommended Human Resources Expenditures



City Employees per 1,000 Citizens



Recommended Positions: General Fund Additional 24.8 FTE

Police:

- 4 Police Officers, 1 Sergeant for Proactive Policing Unit
- 4 Police Officers, 1 Sergeant dedicated to Airport

Code Enforcement:

- 1 Code Enforcement Officer

Fire:

- 3 Lieutenants, 3 Captains dedicated to Airport
- 1 PT Fire Marshal



Recommended Positions: General Fund (cont.)

Human Resources – 1 HR Analyst

Emergency Communications – 1 Administrative Assistant
(October 2016 start date)

Emergency Management – 1 Assistant Emergency Mgmt
Manager

Transportation – 1 Equipment Operator and 1 Senior Equipment
Operator

Fleet Services – 1 Master Mechanic (previously frozen)

Planning and Neighborhood Services – 1 Planner

Clearwater Artists Studios – 1 part-time Supervisor to full-time



Recommended Positions:

Other Funds

Additional 10.3 FTE

Aviation:

- 2 Customer Service Representatives (for new terminal)
- 1 Senior Customer Service Representative (previously frozen)
- 2 Custodians: 1 new and 1 previously frozen
- 1 Aviation Service Worker



Recommended Positions:

Other Funds (cont.)

Electric Engineering: Electric Engineering Specialist (previously frozen)

Water: Utility Service Worker (previously frozen)

CK Rider Transit: 1 Part-time Customer Service Rep to full-time

Engineering: Engineering Manager (previously frozen)

Building and Grounds: 1 Grounds Maintenance Worker related to added greenways, facilities



Employee Compensation

Human Resources-

- Merit pool for full-time and part-time co-workers budgeted at an average of 3.5% for each fund:
 - 3% for “meets” expectations at time of evaluation
 - 3.5% for “exceeds” expectations at time of evaluation
 - 4% for “outstanding” performance at time of evaluation



Compensation/Benefits

- Minor changes in health insurance premiums paid by City and co-workers, continuation of tobacco-free and wellness incentives
- Growing number of retirees, resulting in higher health insurance costs for those eligible and higher supplemental retirement costs in Police
- Continues funding of Post Employment Benefits - \$100,000 per year set aside as a contribution to the State health insurance trust fund for retirees



External Agency Funding

General Fund Recommended: \$85,780
(27% increase from FY16)

- Boys & Girls Club: \$7,500
- Cabarrus Arts Council: \$42,780
- Cabarrus Events Assoc: \$5,000
- CVAN: \$10,000
- Habitat for Humanity: \$6,000
- Historic Cabarrus: \$9,000
- Special Olympics: \$2,000
- Teen Court: \$3,500

Utility Funds Recommended: \$15,000
Cabarrus Cooperative Christian Ministries: \$15,000



External Agency Funding

CDBG Recommended: \$45,000
(20% decrease from FY16)

- Cooperative Christian Ministries: \$7,000
- Cabarrus Meals on Wheels: \$5,000
- Coltrane LIFE Center: \$5,000
- Hope Haven: \$7,500
- Multicultural Community Student Union: \$3,500
- Opportunity House: \$2,500
- Prosperity Unlimited: \$8,500
- Salvation Army: \$6,000





LOOKING AHEAD

- NC General Assembly (SB 846)
- Master Plans
 - Downtown (and use of City Union St. buildings)
 - Land Use Plan
 - Recreation
 - Water
 - Wastewater



LOOKING AHEAD

- Maintaining basic service levels during rapid growth
- Implementation of Advanced Metering Infrastructure
- Workforce
 - Competition
 - Stability versus compensation
 - Changing workforce
 - Federal government's final Fair Labor Standards Act overtime rule



The Budget Adoption Process:

Budget Workshop June 7, 2016?

Budget Hearing (regular meeting)
June 9, 2016?

Budget Adoption
??



For More Details:

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

www.concordnc.gov

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

Hard copies will also be available at the City Clerk's Office
(located on 3rd floor of City Hall)

