



## FY 2017-18 Recommended Annual Operating Budget And Performance Plan

W. Brian Hiatt, City Manager  
May 30, 2017

### 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 2017-18 Mayor/City Council Goals



## Basis for Recommendation

- Council's aggressive goals for the community
- Increasing demands for infrastructure and services as part of a growing economy
- Phased implementation of Master Plans for Parks and Recreation, Downtown, Water and Stormwater
- Quality of Place



Total Recommended  
City-Wide Budget  
FY 2017-18

\$246,574,923



**Total Budget - \$246,574,923**

General Fund	\$86,330,539
MSD	\$90,000
Section 8 Vouchers	\$4,303,974
HOME	\$279,216
CDBG	\$470,745
\$5 Vehicle Tax	\$350,000
Stormwater	\$5,271,649
Electric	\$84,956,000
Water Resources	\$29,738,976
Transit	\$4,271,951
Wastewater	\$17,116,711
Golf Course/RRGC	\$2,844,551
Aviation	\$9,339,679
Public Housing	\$1,210,932



## Recommendation Summary

- Recommended tax rate to remain at 48¢.
- No recommended increase in water/sewer rates, or electric rates. Stormwater utility rates are recommended to increase.
- Investments with a focus on the future, including infrastructure and parks and recreation capital needs, and maintenance of City assets.
- New positions and expanded performance based increases added to focus on customer service/demand across multiple departments, fire and communications, and economic growth and development.

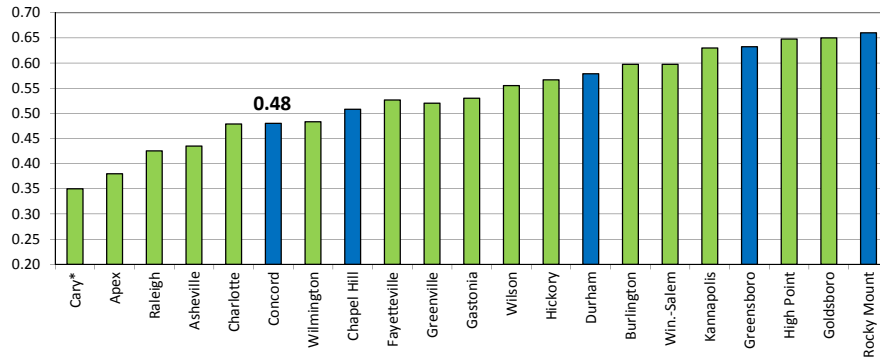


Total Recommended  
General Fund Budget  
FY 2017-18

**\$86,330,539**



**FY 2017-18 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.

## General Fund Revenues

- 48.00 cents tax rate recommended
  - Same tax rate since FY12-13
  - Reflects 5% increase in real property assessed values within the City
  - One cent on tax rate = approx. \$1,068,650

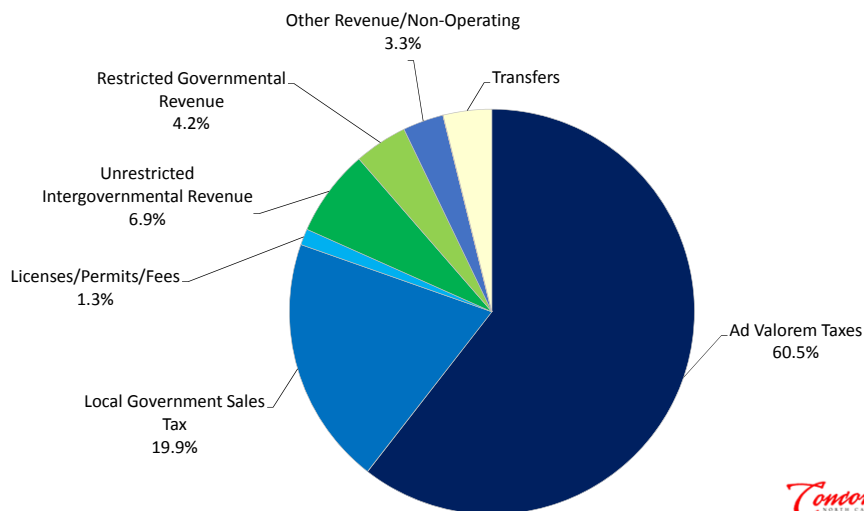


## Other Revenue Trends

- Sales tax growth of 2%, total collections equal to \$16.1 million
- Interest rates remain below 1%. No interest revenue included in budget proposal
- Potential sales tax redistribution (SB126)
- 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 \$3.59 million in funds from Capital Reserve Fund recommended for FY 2017-18
  - Contribution to County-developed parking deck downtown (\$3 M)
  - Purchase of land needed for future fire station (\$240,000)
  - Contribution to Boys and Girls Club for capital expansion of recreation facilities (\$350,000)



## Recommended Fee Changes (non-utility funds)

- Aviation – change in off-site rental car rate to a negotiated rate
- Code Enforcement – addition of Taxicab permit fees to the schedule (fee amounts did not change)
- Rocky River Golf Club – increase in selected rates and change to an earlier “In-season” date
- Solid Waste – removal of container sizes and collection services that are no longer offered
- Transportation – addition of fee for blocking City controlled parking spaces



## Recommended Fee Changes (non-utility funds)

- Cemeteries -
  - Change in lot cost at West Concord cemetery (based on larger lot size)
- Parks and Rec –
  - Direction of all golf programming to Rocky River Golf Club
  - Lower rates for youth in need of replacement Identification Cards
  - Addition of half day rental rates under Picnic Shelters for City residents

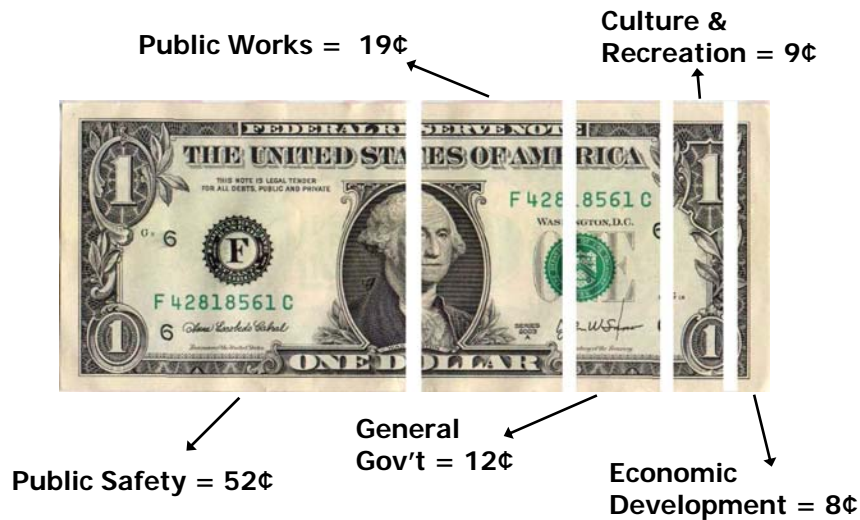


## Summary of Recommended General Fund Expenditures





## How will each General Fund tax dollar be spent?



## Public Safety

### *Police-*

- Addition of 1 Park Patrol Officer (including equipment/supplies/vehicles) - \$124,200
- Assumption of continuing outside funds for SROs (elementary schools remain paid for by grant)
- Expansion of fitness training area for officers - \$36,700
- Narcan overdose prevention program - \$7,200
- Purchase/training of 2 replacement canine officers - \$30,000
- Addition of overtime funding for Code Enforcement



## Public Safety

### *Fire –*

- Addition of 6 Firefighter positions (including equipment/supplies) - \$282,132 (potential for grant funding)
- Addition of Logistics Officer position, including benefits (bringing total to 2 under Logistics) - \$47,022
- Replacement of 1 fire engine and related equipment- \$680,000
- Purchase of swift water rescue boat - \$45,238
- Transfer of funds for engineering and design of permanent FS 10 - \$319,921
- Addition of 40 total hours assigned to the 3 Part-time Assistant Fire Marshal positions to better align staff with increased plan review workload - \$46,382



## Public Safety

### *Emergency Communications –*

- Addition of 2 full-time Telecommunicator positions to handle growing call volume and provide more efficient model of staffing - \$89,510

### *Radio Shop –*

- Addition of part time Communications Tech position, including benefits - \$22,466

### *Emergency Management –*

- Purchase of a new Mobile Command Unit replacing the current unit - \$500,000
- Cybersecurity Risk Assessment City-wide - \$50,000



## Culture and Recreation

### *Parks and Recreation -*

- Open Space Connectivity Analysis - \$90,000
- New positions associated with Master Plan Implementation
- Complete project funding for Burrage Rd House renovations - \$165,000
- Funding for Greenway construction
  - Hector H Henry II Greenway Riverwalk Phase construction (\$1,581,000)
  - Design of Coddle Creek Greenway Phase 1 (\$25,000)



## 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
  - Projects for FY18 aimed at closing loops, improving reliability, and creating redundancy throughout the system
  - \$200,000 recommended to come from General Fund, Aviation and all utilities



## Public Works

### *Transportation –*

- Combined funds for street resurfacing: \$1.2 million
- Addition of 1 Streets crew (4 FTE/equipment) to enhance sidewalk maintenance activities - \$271,760
- Additional Sidewalk repair funds (in addition to \$150,000 in Transportation Imp Fund) - \$30,000
- Purchase of brine distributor cover - \$95,000
- Purchase of Trailer Mounted Crash Attenuator (\$21,210) and High Pressure Trailer Spray Unit (\$10,500, split between GF and Powell Bill)



## Public Works

Transportation Improvement Fund - \$3,560,000

*(using dedicated tax/Transportation funds)*

- PIP Sidewalk projects - \$150,000
- Brookwood Corridor Enhancements - \$2.3M
- Bruton Smith Blvd Pedestrian Improvements - \$800,000
- US 601/Flowe Store Rd Improvements (CMAQ) - \$225,000
- Downtown Pedestrian Signal Upgrade - \$70,000
- Spring/Broad/Chestnut Intersection Improvements – Design/Right-of-Way FY 18 with FY 19 Construction
- Union Street South Sidewalk Extension - \$10,000

*Revenue received from 2 cents transfer, \$5 Vehicle tax revenue, CMAQ funds, Transportation Alternative Program (TAP) funds, and use of project reserves.*



## Public Works

### *Solid Waste and Recycling –*

- Addition of one Yard Waste collections crew due to growth across City (2 FTE/equipment) - \$199,270
- Scheduled replacement of Knuckleboom and Rear Loader - \$310,000 combined
- Purchase of a one-person truck mounted leaf machine - \$180,000

### *Cemeteries –*

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

### *Fleet Services –*

- Reduction of \$100,000 in city-wide fuel budget



## General Government

### *Administrative Departments–*

- Improvements to the Brown Center Upper Laydown Yard - \$500,000 (allocated to General Fund and utilities)
- Construction of a roundabout on General Services Drive - \$100,000
- Conduct biennial Citizen's Survey - \$16,000
- Addition of HR Analyst position for recruiting/hiring - \$71,954
- Transfer of tax collections to Cabarrus County - \$72,000
- Continue restoration of "ghost" signs downtown - \$5,000



## Economic Development

### *Planning and Neighborhood Development-*

- Addition of 1 Development Services Technician position due to increased demand for plan review - \$39,404
- Development of a web-based Concord Development Ordinance - \$3,200

### *Economic Development-*

- Continue economic development grant funding for projects already approved by Council
- Contribution of \$3M to the new County parking deck



## Proposed List of Items On-Hold Until SB 126 (Sales Tax Redistribution) Decided



## Items Proposed for Hold in General Fund: \$816,799

### Police

- Reduction in Police/Code Enforcement overtime - \$50,000
- Reduction in in-car cameras purchased - \$97,500
- Reduction of 2 unmarked vehicle replacements - \$76,328
- Departmental supply items for Tasers and fingerprinting- \$25,971

### Fire

- Additional Rescue tools under Fire - \$37,169
- Delay in replacement of outdated radios - \$167,593
- Purchase of swift-water rescue boat - \$45,238



## Items Proposed for Hold in General Fund: \$816,799

### Parks and Recreation

- Reduction in Group Tours offered - \$2,000
- Reduction in Postage and Utilities - \$21,000
- Expansion of Hartsell Soccer Field - \$15,000
- Replacement of carpet in Administrative offices - \$22,000
- Re-roof 2 bleacher covers at Hartell Rec Center - \$10,000
- Upgrade of Paul's Kitchen Shelter at Les Myers Park - \$30,000

### Transportation

- Purchase of Brine Distributor Cover (delay until FY19) - \$95,000



## Items Proposed for Hold in General Fund: \$816,799

### Alfred Brown Operations Center (Public Services Admin)

- Delay of Upper Laydown Yard Project until FY19 - \$500,000  
(impact to GF is \$92,000, affects utility funds as well)

### Solid Waste

- Reduce Residential Recycling Disposal Fees by \$30,000



## Summary of Recommended Utility Fund Expenditures

Water, Wastewater, Stormwater, and Electric





## Revenue Trends and Fee Recommendations for Utilities

- No Water or Sewer residential rate increases
- Electric – change in LED lighting offerings and rates under Flood Lighting only
- Stormwater –
  - Increase in tiered rates for all customers



## Stormwater Rate Options

Tier	Current Rate	Proposal 1	Proposal 2 RECOMMENDED
Residential Tier 1	\$2.58 per sq ft Impervious area	\$2.84	\$3.10
Residential Tier II	\$4.30 per sq ft Impervious area	\$4.73	\$5.16
Residential Tier III	\$7.74 per sq ft Impervious area	\$8.51	\$9.29
Non-Residential 1 ERU	\$4.30 per sq ft Impervious area	\$4.73	\$5.16
Revenue generated	\$3,923,000	\$4,315,300 (+\$392,300)	\$4,707,600 (+\$784,600)



## Stormwater Rate Options

Under current list of Capital Projects Identified in the Stormwater Master Plan, completion rates would be:

	Current Rate	Proposal 1	Proposal 2 RECOMMENDED
Capital Project Funding Total	\$31,500,000	\$31,500,000	\$31,500,000
Annual CIP Funding Available	\$1,500,000	\$1,892,300	\$2,284,600
Estimated Years to Complete	21	17	14



## Water Resources

- Transfers for the following capital projects:
  - Coddle Creek Plant Settling Basin Upgrades - \$1,500,000
  - George Liles Blvd Extension Waterline Phase 3 - \$300,000
  - US Highway 29 Water Tank - \$5,000,000
  - Design of Poplar Tent Rd 24" Waterline Extension - \$332,000
  - Design of Pitts School Rd 24" Waterline Extension - \$137,000
  - Design of NC Highway 49 30" Waterline Extension - \$753,000
  - Corban Avenue Pump Station Rehabilitation - \$137,000
- Upsizing of lines/extension of mains - \$285,500
- Continued maintenance of waterlines, mains, valves, and replacement/upgrades - \$240,000



## Wastewater

- Replacement of Jet Vac truck - \$440,000
- Small sewer replacements/upgrades:
  - Manhole installation/rehabilitation
  - Pump replacements
- Continue to invest in slip lining for wastewater lines - \$720,000
- Transfer for Havencrest Court Sewer Outfall Phase II - \$452,000



## Stormwater

- Replace Jet Vac truck - \$350,000
- Funds to complete Army Corps of Engineering Stream Restoration project - \$465,610
- Transfer of funds for Capital Improvement Plan (CIP) Projects:
  - Hanover Circle Culvert- \$601,000
  - Havencrest Court Culvert - \$849,000
  - Design of Glen Eagles Lane Culvert - \$36,700
  - Design of Chadbourne Ave Culvert - \$54,500
  - Design of Chelwood Drive Culvert - \$53,700



## Electric System

- FY 18 Purchase Power budget reflects 3.24% increase over FY 17 budget
- Addition of Electric Analyst position/equipment to provide systems analysis of data/operations - \$87,310
- Addition of 2 Electric Systems Line Tech I positions associated with underground construction - \$96,530
- Increased funding for contracted construction crews (due to growth in the system) - \$845,000
- Purchase of additional bucket truck (45' working height) - \$180,000



## Electric System

- Transfer for the following capital projects:
  - Solid State Relay Delivery 3 - \$350,000
  - Land costs for new Delivery 4 - \$370,000
  - Solid State Relay Substation E - \$95,000
  - Design of additional shed to be constructed in FY19 at the Brown Center - \$100,000
  - DOT-related projects, for which revenues offset movement of electric lines



# Summary of Recommended Expenditures in Other Funds

Transit, Aviation, Golf Course, Internal Services



## Public Transit

- Second year for ADA Paratransit service – growth of 36% in first year
- Continue to provide bus stop amenities and maintenance of the Rider system
- Dedication of more staff time necessary for compliance and reporting to FTA
- Discussing options for express service to Charlotte once the CATS Blue Line opens next year



## Concord Regional Airport

- Begin Master Plan of airport operations - \$350,000
- Replacement of tug for line service - \$95,000
- Addition of 2 Aviation Service Worker positions associated with increased operations - \$87,324
- Ongoing discussions for commercial carrier expansion



## Rocky River Golf Course

- Budget reflects small increase in revenue/rounds associated with recent course and clubhouse improvements.
- Transfer from General Fund:
  - Irrigation project (\$92,000)
  - Purchase of capital equipment needed for grounds maintenance (\$108,000)



## Data Services

- Creation of City-wide GIS Strategic Plan - \$40,000
- Network Intrusion Prevention Program - \$13,000
- NetMotion Server Upgrades - \$42,000
- Websense Upgrade for web-browsing - \$20,000
- Northstar Automation Platform - \$41,700
- Network Upgrade Phase V - \$25,000
- Wireless Equipment Upgrade at FS 1 and 8 - \$10,000



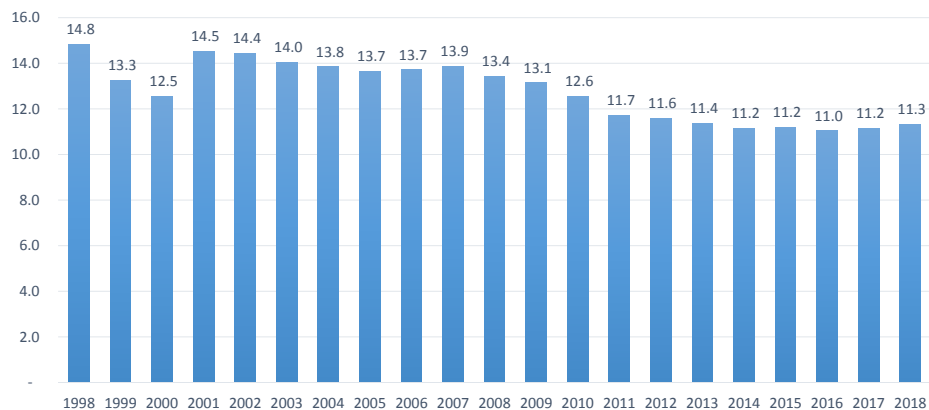
## Other Internal Services

- Self Service Payment Kiosk for City Hall - \$35,000
- Addition of 1 Billing Specialist position - \$51,490
- Addition of 1 Customer Service Representative in Customer Care - \$48,188
- Addition of 2 Construction Inspectors in Engineering associated with treescape (2 FTE/equipment) - \$164,644
- Addition of 1 Grounds Maintenance Worker/equipment in January 2018 for greenway expansion - \$32,144
- Increase from part-time to full-time of existing Custodian position at Hartsell Recreation Center - \$21,615
- WIN Inventory System Evaluation in Purchasing - \$20,000

## Summary of Recommended Human Resources Expenditures



### City Employees per 1,000 Citizens





## Recommended Positions:

### General Fund

Additional 26.85 FTE

**Human Resources:** 1 HR Analyst

**Emergency Communications:** 2 Telecommunicators

**Radio Shop:** 1 PT Communications Tech (0.6 FTE)

**Transportation:** 1 Streets Crew Supervisor

**Transportation:** 1 Senior Equipment Operator

**Transportation:** 2 Equipment Operators

**Solid Waste:** 2 Equipment Operators

**Planning:** 1 Development Services Technician



## Recommended Positions:

### General Fund

Additional 26.85 FTE

**Police:**

- 1 Master Police Officer/Park Ranger

**Fire:**

- 6 Firefighters
- 1 Logistics Officer
- PT Fire Marshal Hour Increase (1 FTE Equivalent)



## Recommended Positions:

### General Fund

Additional 26.85 FTE

#### Parks & Recreation:

- 1 Parks & Recreation Coordinator (reclass of existing Assistant Center Supervisor position)
- 1 Parks & Recreation Specialist (Outdoor programming)
- 1 Senior Planner (Park Planner)
- 7 PT Recreation Center Leaders (3.5 FTE)
- Additional PT Recreation Center Leader Hours (1.5 FTE)
- Senior Administrative Assistant Additional Hours (.25 FTE)



## Recommended Positions:

### Other Funds

Additional 11.62 FTE

**Powerlines Maintenance:** 1 Electric Systems Analyst

**Electric Construction:** 2 Electric Systems Line Tech I

**Aviation:** 2 Aviation Service Workers

**Transit:** 1 Grant Compliance Coordinator

**Billing:** 1 Billing Specialist

**Customer Care:** 1 Customer Service Specialist

**Engineering:** 2 Construction Inspectors

**Building & Grounds:** 1 Grounds Maintenance Worker (Jan. 1 start date); Reclass PT Custodian to FT



## Employee Compensation

### *Human Resources-*

- Pay for performance pool for full-time and part-time co-workers budgeted at an average of 4.0% for each fund:
  - Range of increases to extend from 3% to 6% depending upon performance rating
- Career Development
- Surveys



## Compensation/Benefits

- Changes in health insurance costs paid by City and co-workers, continuation of tobacco-free and wellness incentives
- Impact of retiree health insurance overall and Police supplemental retirement costs (potential for Fire)
- 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: \$86,780  
(1.2% increase from FY17)

- Boys & Girls Club: \$7,500
- Cabarrus Arts Council: \$42,780
- Cabarrus Events Assoc: \$5,000
- CVAN: \$10,000
- Habitat for Humanity: \$6,500
- Historic Cabarrus: \$9,000
- Special Olympics: \$2,000
- Conflict Resolution Center (Teen Court Program): \$4,000

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



## External Agency Funding

CDBG Recommended: \$50,500  
(12.2% increase from FY17)

- Cooperative Christian Ministries: \$8,000
- Cabarrus Meals on Wheels: \$5,000
- Coltrane LIFE Center: \$5,000
- Hope Haven: \$10,000
- Multicultural Community Student Union: \$4,000
- Opportunity House: \$3,000
- Prosperity Unlimited: \$8,500
- Salvation Army: \$7,000

Mayor's Golf Tournament Recommended: \$6,000  
Academic Learning Center: \$3,000  
Big Brothers/Big Sisters: \$3,000



## LOOKING AHEAD

- NC General Assembly (SB 126 and contingency plan)
- Quality Built Homes v. Town of Carthage and related Concord lawsuits
- Economic Development
- Implementing and financing Master Plans within a higher cost bidding environment
  - Downtown (Parking Deck and Plaza)
  - Recreation and Parks (including land needs)
  - Land Use Plan
  - Water
  - Wastewater
  - Stormwater



## LOOKING AHEAD

- Financing transportation needs during rapid growth and higher cost bidding environment.
- Maintaining basic service levels and quality of place during rapid growth and instability at federal and state levels
- Workforce
  - Competition for retaining and attracting coworkers
  - Retiree costs
  - Changing workforce



## The Budget Adoption Process:

Budget Workshop June 6, 2017

- Stormwater fees
- Street tree changes

Budget Hearing (regular meeting)  
June 8, 2017

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](http://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 3<sup>rd</sup> floor of City Hall)

