



## Mission

The City of Concord partners with our community to deliver excellent service, and plans for the future while preserving, protecting, and enhancing the quality of life.

## Core Values

**Culture of Excellence:** We *respect* members of the public and each other, and treat all with courtesy and dignity. We rely on *teamwork* to provide a seamless experience for all customers. We uphold high *ethical standards* in our personal, professional, and organizational conduct. We *continuously improve* by promoting innovation and flexibility to best meet the needs of customers with available resources.

**Accountability:** We accept responsibility for our personal and organizational decisions and actions, while delivering cost-effective and efficient services that are done right the first time.

**Communication:** We openly communicate with the public and each other by sharing information and soliciting feedback to achieve our goals.

**Environment:** We are concerned about our natural, historic, economic, and aesthetic resources and work to preserve and enhance them for future generations.

**Safety:** We use education, prevention, and enforcement methods to protect life and property in the community, and maintain our infrastructure and facilities to provide a safe environment in which to live, work, shop, and play.

**Trust:** We realize the perception of our organization is dependent upon the public's confidence in our commitment to our core values and to meeting the goals set collectively by the Mayor and City Council.

## Team Concord's Principles of Excellent Service

Concern for the Individual  
Professional Service  
Timeliness

Customer Focus  
Effective Communications  
Teamwork

Fair and Equitable Service  
Taking Ownership  
Great Service Recovery

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(AVAILABLE ONLINE: [HTTP://WWW.CONCORDNC.GOV/DEPARTMENTS/FINANCE/BUDGET/CAPITAL-IMPROVEMENT-PLAN](http://www.concordnc.gov/departments/finance/budget/capital-improvement-plan))

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***INTRODUCTION &  
SUMMARY INFORMATION***

# GUIDE TO THE SECTIONS OF THE FY 2015-2019 CAPITAL IMPROVEMENT PLAN

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The capital improvement plan (CIP) outlines the City's plan for achieving the goals, objectives, and service delivery levels desired by the Mayor and City Council. The purpose of this plan is to forecast and match projected revenues and major capital needs over a five (5)-year period. Capital planning is an important management tool that strengthens the linkages between community infrastructure needs and the financial capacity of the City.

The City defines CIP capital expenditures as any expenditure of major value that recurs irregularly, results in the acquisition of a fixed asset, and has a useful life greater than one (1) year. As a rule of thumb, items included in the CIP are those which involve:

- acquisition, renovation, and/or construction of a single fixed asset greater than \$100,000
- any land purchases not associated with or included in another CIP project
- capital road maintenance or construction greater than \$100,000 – excluding recurring or routine maintenance projects

The CIP is updated annually to ensure that it addresses new and changing priorities within the City.

**Introduction/Summary Information:** The introduction section consists primarily of the Manager's Message – an executive summary of the CIP from the City Manager to the Mayor and City Council. It discusses the major factors impacting the CIP and provides a summary of first-year projects and funding sources. The introduction also includes the CIP Policy, the Mayor and Council goals and objectives, organizational and financial summary charts, and the CIP Ordinance.

**Detailed CIP Project Information:** This section includes a brief summary of the City's capital improvement projects approved in the FY 2014-15 budget. For each capital expenditure, the CIP includes an expenditure description, a justification of the expenditure and how it addresses a City goal, proposed funding levels and sources, and, if applicable, an estimate of ongoing operating costs.

**Detailed CIP Project Information for Year 1 Projects and Projects Previously Approved by City Council:** This section includes a brief summary of the City's capital improvement projects that are currently in-progress and those that were approved for funding in the first fiscal year of the CIP, or FY 2014-15. The CIP includes projects that are spread out over multiple years, and as such, this document also includes descriptions of previously approved projects that are currently in-progress. For each of these capital projects, the CIP includes an expenditure description, a justification of the expenditure and how it addresses a City goal, proposed funding levels and sources, and, if applicable, an estimate of the five-year impact of ongoing personnel and operating costs.

**Supplemental Information:** This section contains supplemental information regarding the City's CIP process, including the CIP Request Form, the CIP Request Form Instructions, Future Year CIP project planning, and a glossary of CIP terminology.

## **CONTACT INFORMATION**

If you have any questions regarding this document, please contact the Finance Department at:  
(704) 920-5261 or (704) 920-5263, or visit the City's website at:

<http://www.concordnc.gov/Departments/Finance/Budget/Capital-Improvement-Plan>

# CAPITAL IMPROVEMENT PLAN PROCESS

## **HOW IS THE CIP DEVELOPED?**

The CIP is updated annually as part of the City’s regular budget process. After departments submit their CIP requests to the Finance Department in February, the City’s capital project selection committee reviews and evaluates the proposed projects based on Mayor and City Council service priorities, infrastructure needs, the financial capacity of the city, and the impact the projects could have on the City’s operating budget.

Once the projects are evaluated, the committee recommends the selection and timing of capital projects through future fiscal years. First-year projects are incorporated into the City Manager’s recommended annual operating budget. In some cases, plans are made to include the project in a separate capital project ordinance, to be approved by the City Council when the operating budget is approved. The Mayor and City Council are also presented the future, unappropriated, planning years for their consideration, review, and endorsement so that staff can proceed with planning and evaluation of potential capital projects.

## **CAPITAL IMPROVEMENT PLAN**

The capital improvement plan is simply that – a *plan*. As such, projects are subject to change based on new or shifting service needs, special financing opportunities, emergency needs, or other directives or priorities established by the Mayor and City Council. Because priorities can change, projects included in outward planning years are not guaranteed for funding.

**FY 2015-2019 CAPITAL IMPROVEMENT PLAN (CIP) DEVELOPMENT CALENDAR**

TASK	START DATE	DUE/END DATE(S)	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE
CIP Informational Meeting, CIPs due Council and Community service level goals and objectives established by Mayor & City Council	11/21/13	2/21/14												
CIPs discussed during departmental budget meetings	2/21/14	3/14/14												
CIP selection committee review meetings	3/19/14	4/11/14												
City Manager’s recommended budget containing CIPs compiled and presented to Mayor & City Council	5/29/14	5/29/14												
Budget available for public viewing at City Clerk’s Office	5/29/14	6/12/14												
Mayor & City Council review budget and performance objectives	5/29/14	6/12/14												
Public Hearing conducted; CIP ordinance adopted by City Council	6/12/14 <small>(Budget Public Hearing)</small>	6/12/14												

- Legend:
- Budget Staff, Department Directors
  - 
 Mayor, City Council, City Mgt., Dept. Directors, Budget Staff
  - 
 CIP Selection Committee
  - 
 City Mgt., Budget Staff, Department Directors
  - 
 City Mgt. & Budget Staff
  - 
 Mayor & City Council



July 1, 2014

The Honorable J. Scott Padgett, Mayor  
Members of the City Council  
Concord, North Carolina

Dear Mayor Padgett and Members of the City Council:

I'm pleased to present you the Capital Improvement Plan (CIP) for the fiscal years 2015-2019. The CIP serves as a long-range planning tool used to help the City match revenues with major capital (generally items/projects with a unit cost over \$100,000) needs over a five-year period. The projects on the CIP are derived from Council Goals, citizen requests, and departmental recommendations. A summary version of the CIP was provided with my recommended budget and fiscal year 2015 projects were included in the operating budget that City Council adopted on June 12, 2014. Subsequent fiscal year projects are unfunded and presented for planning purposes only.

### **MAJOR FACTORS IMPACTING CAPITAL PLANNING**

**Revenue** – All budgets are constrained by available revenues and that is no different for Concord. Although there are signs that the economy continues to improve, fiscal year 2015 revenues are projected conservatively. Capital projects are prioritized so that available funds are allocated based on need, Council priority, and their impact on service provision.

**Transportation Infrastructure Needs** –The strain on our existing road infrastructure has become increasingly visible. The CIP reflects the need for improvements to our transportation system and the priority placed upon it. Transportation projects include improvements to Virginia Street SE, Phase Design of Brookwood Rd, and continued sidewalk improvements.

**Maintenance of City Assets** – As the City continues to hold the line in operating costs, there remains the need to maintain the City's aging assets. Projects include construction of a new City Hall municipal building, expansion of the City's fiber network, renovations to the clubhouse at Rocky River Golf Course, system improvements for Electric Substation H, renovation of the Electric Systems SCADA Control Center and upgrades to Delivery Two.

**Environmental Protection and Green Space Preservation**– Our environment is fragile and we realize the importance of being good stewards. The CIP continues to ensure our continuing attention to the undesired effects of stormwater run-off and its environmental impacts through the master planning of the stormwater system, replacement of one stormwater culvert, two waterline replacements related to infrastructure changes, and maintenance projects at the water treatment plants. Priority has also been placed on Parks and Recreation projects, including the development of the McEachern and Hector H. Henry, II Greenways.

### **FIRST-YEAR (FY2014-15) CIP PROJECT HIGHLIGHTS**

A total of \$26,985,795 in capital projects has been identified for FY2014-15. A list of all first-year projects and their primary funding sources (in parenthesis) can be found below. Additional project detail is available on the following pages of this CIP document.

## **General Fund**

### *Fire & Life Safety*

- Replacement FD-110 Pumper: \$560,000 (capital reserves)

### *Solid Waste & Recycling*

- Replacement Loader truck SWR-421: \$180,000 (capital reserve)
- Replacement Knuckleboom truck SWR-431: \$135,000 (capital reserve)

## **Parks & Recreation Capital Projects Fund**

- McEachern Greenway – Cabarrus Ave: \$380,000 (capital reserve)
- Hector H. Henry, II Greenway Exit 49 Connector/Dog Park: \$704,380 (capital reserve)

## **Transportation Capital Projects Fund**

- Virginia Street SE Segment Improvement: \$450,000 (transportation capital reserves)
- Infrastructure Improvements, Sidewalk Program: \$150,000 (transportation capital reserves)
- Brookwood Avenue NE Corridor Improvements: \$1,527,400 (transportation capital reserves)

## **General Capital Projects Fund**

- Fiber Network Extension: \$156,000 (operating revenues)

## **2014 LOBS**

- Construction of a new Municipal Building: \$18,529,500 (debt financing)

## **Stormwater Projects Fund**

- Capital Projects Master Planning: \$350,000 (operating revenue)
- Wyoming Drive at Montana Drive Culvert Replacement: \$178,000 (operating revenue)

## **Stormwater**

- Replacement Street Sweeper SW-325: \$220,000 (operating revenue)

## **Rocky River Golf Course Project Fund:**

- Clubhouse Renovations: \$135,000 (capital reserve)

## **Electric Projects Fund**

- Substation H Switchgear Replacement: \$650,000 (operating revenue)
- Delivery 2 Upgrades: \$415,000 (operating revenue)

## **Electric Systems**

- SCADA Control Center: \$350,000 (operating revenue)
- Replacement E-256 Line Truck: \$245,000 (operating revenue)
- Replacement E-222 Line-Truck: \$240,000 (operating revenue)

## **Water Projects Fund:**

- Disinfection Byproduct Reduction Needs: \$440,000 (operating revenue)
- I-85 Widening Related Waterline Replacement: \$206,335 (operating revenue)
- George Liles Boulevard Waterline: \$282,430 (operating revenue)
- Replacement High Service Pump Motor Starters : \$306,000 (operating revenue)

## **Wastewater**

- TV Truck Replacement S-655: \$195,000 (operating revenue)

### **REVENUE SOURCES (FIRST YEAR/FY2014-15)**

*Pay-as-you-go:* Whenever possible, pay-as-you-go (or “operating revenue”) funding is the preferred method of funding CIP projects. Most items listed above use this method of financing.

*Capital Reserve Funds:* These funds come from the General Fund and the Dedicated Transportation Reserve Funds; and are used for one-time, non-reoccurring projects.

*Limited Obligation Bonds:* The City will use Limited Obligation Bonds (or LOBS) for financing the construction of the new Municipal Building.

### **CONCLUSION**

The following pages of this document provide additional detail on the projects listed above as well as those in future planning years. This document is considered a “living” document that serves as a planning guide and will be adjusted as existing projects change and new needs arise.

Respectfully submitted,



W. Brian Hiatt  
City Manager



## **FY 2014-2015 CITY COUNCIL GOALS**

On January 17, 2014, the Mayor and City Council held the annual planning session. The direction provided by the Mayor and Council during the planning session has been developed into a statement of goals for the City of Concord for FY 2014-2015. These goals guide budget development and implementation. In addition to this statement of goals, the City has also developed a set of financial policies that are approved by City Council to guide the City in the financial management of all funds. Although North Carolina local governmental units must adhere to the requirements set forth in the North Carolina Local Government Budget and Fiscal Control Act, the financial policies approved by City Council are often more stringent than State requirements to assure the City of Concord will continue to function in a very fiscally sound manner.

The FY 2014-2015 goals are presented according to functional areas. During the year, monthly functional meetings are held to monitor progress on these goals and to identify new issues that must be considered for long-range planning. City Departments are evaluated on their performance in meeting these goals.

### **General Government**

- Communicate legislative goals and agendas to representatives for both the Federal and State legislative processes.
- Continue to maintain a fund balance goal of 30 to 35 percent of General Fund expenditures and use fund balance only for non-recurring capital expenditures.
- Continue to include a performance measurement component in the external agency process, requiring monitoring, and reporting of performance outcomes for funded agencies.
- Continue to adhere to approved financial management policies that maintain the City's financial strength and integrity including continuation of conservative revenue estimates that reflect economic conditions and the aggressive pursuit of revenues collections.
- Continue to prepare the City's annual budget document in compliance with criteria established to obtain the Government Finance Officers Association's (GFOA) budget award and submit the document for review to the GFOA.
- Continue to maintain a sound financial position that results in bond ratings that are at least as beneficial as current ratings.
- Continue to update and re-adopt the Capital Improvement Program, detailing capital projects, estimated costs, and funding sources.
- Continue to maintain accounting systems in compliance with the NC Local Government Budget and Fiscal Control Act.
- Continue to prepare the Comprehensive Annual Financial Report (CAFR) in compliance with the required criteria in order to obtain the GFOA Certificate of Achievement for Excellence in Financial Reporting.
- Continue to finance capital costs so that future growth can help pay for major capital needs and improvements, but continue to use pay-as-go method for most other capital purchases.
- Direct staff to require a health risk assessment for coworkers and retirees in order to be covered by the City's health insurance plan, increase the deductibles for the HRA plan to \$2,000 and the PPO plan to \$1,000, increase rates proportionately to cover projected expenses, and increase the wellness incentive for coworkers that are tobacco free.

### **Customer Service, User Friendliness, and Technology**

- Continue to support the Customer Service Excellence emphasis and the efforts of the Customer Service Design Team in realizing the Customer Service Vision Statement.
- Continue to support the recognized neighborhood program and seek opportunities to enhance the quality of relationships, strengthen communications, and build capacity of neighborhood leaders.

- Direct staff to evaluate an electric smart meter pilot project and recommend to Council whether to fully deploy this technology for electric and possibly water, and how to fund this implementation.
- Direct staff to proceed with the implementation of the Mobile311 Citizen Access Portal and integrate the application with the current city work order systems including Cityworks and Harris NorthStar along with the future Accela system.
- Develop an ordinance and system for non-utility encroachments, including banners, that is uniform, revenue-neutral, protects City property, and does not violate the First Amendment.
- Continue to plan a future New City Hall capital improvement project, with construction funded beginning in FY 2014-15.

### **Transportation**

- Continue to routinely monitor projects and consider participation in additional projects to assure Transportation Fund revenues are being used to fund highest priorities and funds are available for local matches to leverage additional projects with a focus on City infrastructure.
- Continue, at a minimum, appropriating existing revenue amounts using 2-cents of the Ad Valorem tax and \$5.00 of the Vehicle tax for the Transportation Fund.
- Continue to maintain the \$400,000 minimum balance in the Transportation Fund.
- Budget \$150,000 annually within the Transportation Fund to implement priorities in the Pedestrian Improvement Plan based on established policy.
- Continue efforts to secure funding for Congestion Mitigation Air Quality (CMAQ), Federal Stimulus Package, Earmark, Economic Enhancement, Spot Safety, and Small Construction projects from the Federal government and/or the NCDOT and continue to coordinate associated local activities with NCDOT Division 10.
- Continue to apply funding revenues toward City infrastructure rehabilitation projects not addressed under routine maintenance programs.
- Commit to contributing City funds to leverage potential NCDOT funds in support of economic development and alleviating congestion and pedestrian needs in the Exit 49 area. Direct staff to explore funding mechanisms for this contribution and the comparison of funding through cash versus financing options, considering the ranking of Exit 49 improvements on NCDOT's priority list.
- Revise the Virginia Street, SE Rehabilitation project to include the segment from Louise Ave. SE to Hillcrest Ave. SE; thus establishing the new limits from Corbin Ave., SE to Hillcrest Ave. SE. Also, revise CIP and funding in the Transportation Project Fund to reflect the change.
- Continue efforts to obtain FAA funding for Airport capital improvements and safety projects.
- Direct staff to analyze increased commercial operations at Concord Regional Airport, including cost-benefit analysis and impact on current tenants.
- Continue funding the Concord portion of the CATS 80X service for 2014-2015. This will allow the significant upcoming changes to the 80X route to take effect and let users respond to those changes before revisiting this issue next year. If at that time ridership has continued to drop and cost keep rising, look at reducing or eliminating the 80X at that time until a new service model linking Concord and Charlotte can be developed.

### **Environment/Solid Waste and Recycling/Stormwater**

- Continue emphasis on improving community appearance through regular street sweeping, litter pick-up and removal of signs that violate City ordinance.
- Continue to pursue strategies to reduce fuel consumption, including diversification of fueling methods, purchasing hybrid vehicles when possible, replacing aging light-duty vehicles with smaller more fuel-efficient vehicles, increasing fuel storage capacity and the use of blended fuels and target goals to reduce overall fuel consumption.

- Continue the current practice of only maintaining stormwater systems on public rights of way, and seek alternate funding mechanisms and encourage private owners to do the same to address drainage issues on property outside of public rights of way.
- Implement an appeals process through the Stormwater Advisory Committee to provide an additional recommendation to Management and Council.

### **Utilities**

- Continue to educate the public and all system customers on the importance of water conservation.
- Continue to pursue strategies to promote water conservation, water re-use, and investigate alternatives to reducing individual water use.
- Continue to work with WSACC to develop a plan to reuse water for irrigation and other permitted purposes.
- Continue to enforce consistent rights-of-way protection policy to include notification of property owners relative to existing obstructions, conflicts or structures within the utility right-of-way.
- Continue to follow the RW Beck recommendations for the Electric System.
- Allow the wholesale cost increases to be handled by the purchased power adjustment over the next few years that Duke has forecasted significant capital cost expenditures that will affect increases in the City's demand cost.
- Investigate ways to control/buffer these increases for customers through applying rate stabilization funds to the purchased power adjustment.
- Continue to match Duke Energy's avoided cost rate for purchase of renewable generation projects that attach to the City's system.

### **Planning/Economic Development/Redevelopment**

- Continue implementation of the Logan Redevelopment Plan if financing becomes available to a private development partner.
- Continue to support the business recruitment and development efforts of the Concord Downtown Development Corporation (CDDC) in attracting new business and enhancing existing downtown businesses.
- Continue to work closely with economic development partners in Cabarrus County to present a complete coordinated recruitment and retention effort.
- Continue to regulate the design criteria for commercial development in accordance with the Concord Development Ordinance (CDO).
- Continue to utilize five specialized guidelines to create standards to promote low impact development into the CDO.
- Continue to update the five-year annexation plan.
- Continue to use policy for voluntary annexations that includes cost-benefit assessments and requirement of acceptance of water and sewer utility service where feasible.
- Continue the close working relationship between various City Departments on zoning and ordinance issues, and continue to use the methods in place to weigh the positives versus the negatives of future annexations.
- Direct staff to investigate and present a proposal for a parklet pilot location including any legal issues and all associated costs as well as feedback from downtown merchants.
- Draft ordinance changes to implement recommended options for developers for planting trees in residential subdivisions and commercial/industrial areas, providing flexibility to meet requirements and be creative with streetscapes. Fund a City Arborist/Landscape Architect position in the FY15 budget that would work with developers on streetscapes, inspect developments for street tree/plan compliance, work with neighborhoods and City departments to promote tree planting, and educate the community.

**Public Safety**

- Continue to explore opportunities to make Fire Station #1 on Church Street a museum if Fire Station #1 is relocated to another location in the future.
- Continue support of an Urban Archery Season consistent with state and local law.
- Continue to maintain code enforcement penalties and fees, with annual monitoring of potential changes in order to ensure that the penalties properly discourage code violations.

**Recreation/Parks/Open Space**

- Continue active participation in and representation on the Carolina Thread Trail Advisory Board with goal of having greenway sections being designated as part of the Thread Trail.
- Continue to make full use of Carolina Thread Trail and Trust Funds money to acquire properties for future greenways if net cost to City is reduced.
- Continue to evaluate properties that are available, pursue joint development opportunities and master plan future park development, with a special focus on the northwest section of the City.

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

Below outlines the organizational structure the city uses to account for (including accounting numbers) revenues and expenditures of city operations. Revenues are accounted at the fund level. Expenditures are accounted at the budget unit level (e.g. Governing Body, Tree Trimming, Purchasing, Police, etc.).

## **GENERAL FUND**

### **FUND 100 – GENERAL FUND**

#### *General Government*

1. Governing Body – 4110
2. Public Services Admin. – 4115
3. City Manager’s Office – 4120
4. Risk Management – 4121
5. Human Resources – 4125
6. Wellness Center – 4126
7. Finance – 4130
8. Tax – 4140
9. Legal – 4150
10. Non-Departmental – 4190
11. Emergency Management -- 4343

#### *Public Safety*

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

#### *Public Works*

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

#### *Economic Development*

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

#### *Cultural and Recreational*

29. Parks and Recreation – 6120
30. Aquatics – 6121

## **SPECIAL REVENUE FUNDS**

### **FUND 201 – MUNICIPAL SERVICE DISTRICT FUND**

1. Municipal Service District – 5000

### **FUND 210 – SECTION 8 VOUCHER PROGRAM FUND**

1. Housing Vouchers Program – 1500

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

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

1. Administration – 3050
2. Projects 2014 – 3055

### **FUND 255 – HOME CONSORTIUM FUND**

1. Administration – 2550
2. Projects 2014 – 2555

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

1. Addl. \$5 Vehicle Tax – 8200

## **ENTERPRISE FUNDS**

### **FUND 600 – STORMWATER FUND**

1. Stormwater Operations – 7100

### **FUND 610 – ELECTRIC SYSTEMS FUND**

1. Electric Administration – 7200
2. Purchased Power – 7210
3. Powerlines Maintenance – 7220
4. Tree Trimming – 7230
5. Electric Construction – 7240
6. Peak Shaving – 7241
7. Electric Engineering Services – 7250
8. Utility Locate Services – 7260

### **FUND 620 – WATER RESOURCES FUND**

1. Hillgrove Treatment Plt. – 7330
2. Coddle Creek Treatment Plt. – 7331
3. Waterlines Oper. & Maint. – 7340

### **FUND 630 – PUBLIC TRANSIT FUND**

1. Rider Transit System – 7611

### **FUND 640 – WASTEWATER RESOURCES FUND**

1. Wastewaterlines Operations & Maintenance – 7420

### **FUND 650 – GOLF COURSE FUND**

1. Rocky River Golf Club – 7501

### **FUND 680 – AVIATION FUND**

1. Aviation Operations – 4530

### **FUND 690 – PUBLIC HOUSING FUND**

1. Public Housing Operations – 1000

## **INTERNAL SERVICES FUND**

### **FUND 800 – INTERNAL SERVICES FUND**

1. Utilities Collections – 4200
2. Data Services – 4210
3. Billing – 4215
4. Customer Service – 4220
5. Engineering - 4230
6. Purchasing – 4250
7. Customer Care Center – 4260
8. Buildings & Grounds – 4270

## **PROJECT FUNDS**

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

1. Capital Reserve Expenditures – 8150

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

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

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

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

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

1. Streets Projects – 8600

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

1. Fire & Life Safety Projects – 8670

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

1. Water Projects – 8700

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

2. General Fund Capital Projects – 8804

### **FUND 451 –AIRPORT PROJECTS**

1. Airport Projects – 6300

### **FUND 473 – ELECTRIC PROJECTS**

1. Electric Projects – 6949

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

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

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

1. Golf Course – 7550

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

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

1. 2010 LOBS – 7020

### **FUND 552 – 2014 LOBS**

1. 2014 LOBS First Concord – 6990

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

1. Police Headqtrrs & Commun – 7000

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

1. Golf Course – 4600
2. Aviation – 4650

# CAPITAL IMPROVEMENT PLAN, BUDGET, AND FINANCIAL POLICY

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## **I. PREPARATION OF THE CAPITAL IMPROVEMENT PLAN (CIP):**

- A. The purpose of the capital improvement plan (CIP) is to forecast and match projected revenues and major capital needs over a five (5)-year period. Long-range capital planning is an important management tool, which strengthens the linkages between community infrastructure needs and the financial capacity of the City.
- B. All proposals for capital investment shall go through the capital planning process.
- C. Definition of appropriate capital items for inclusion on the CIP:
  - 1. Definition of a CIP capital expenditure – Expenditure of major value that recurs irregularly, results in the acquisition of a fixed asset, and has a useful life greater than one (1) year.
  - 2. As a rule of thumb, items to be included in the CIP include those which:
    - (a) Involve the acquisition, renovation, and/or construction of a single fixed asset greater than \$100,000
    - (b) involve any land purchases not associated with or included in another CIP project
    - (c) involve capital road maintenance or construction greater than \$100,000 – excluding recurring or routine maintenance projects
- D. Difference between departmental capital outlay items (in operating budget) and capital project outlay items (in CIP):
  - 1. Departmental capital items shall not be submitted as part of the CIP. Departmental capital items include:
    - (a) equipment/tools, furniture, office equipment such as computers and fax machines, minor remodeling, or other construction projects below \$100,000 (such items should be outlined in the “Capital Outlay” section of the operating budget request).
    - (b) all vehicles/rolling stock/machinery below \$100,000
  - 2. However, any upcoming, or 1<sup>st</sup> year costs associated with a CIP request shall be entered in the department’s operating budget request in order to ensure that 1<sup>st</sup> year CIP costs are noted and included in the Manager’s Recommended Budget.
- E. Inclusion of expenditures for maintenance and/or staffing in the CIP:
  - 1. All operating, maintenance, and personnel budget expenditures associated with the purchase of a CIP item shall be included and noted in the annual operating budget. However, for reporting and future expenditure forecasting purposes, the estimated additional expenditures on operating, maintenance, and personnel shall be included on all CIP requests.

## **II. ORGANIZATIONAL ISSUES:**

- A. Departments are responsible for identifying, documenting, and justifying CIP requests. Departments are also responsible for obtaining project cost estimates and identifying appropriate revenue sources for the project (the Finance Dept. shall assist in identifying costs and appropriate revenue sources).
- B. The City Manager, in conjunction with the Finance Director and Budget staff, shall be responsible for coordinating the CIP process and submission of the CIP to the Mayor and City Council.
- C. A capital project selection committee shall be used to evaluate and recommend a ranking of proposed projects to the City Manager. This committee shall be comprised of:

City Manager, Deputy City Manager, Director of Planning & Neighborhood Development, Finance Director, Budget & Performance Manager, Budget Analyst, and Director of Engineering.

D. Council review, recommendation, and adoption of CIP:

1. The City Manager's Recommended CIP shall be submitted to the Mayor and City Council for their review and recommendation during the beginning stages of the annual budget process. **NOTE:** Governing Body recommendation of the CIP does not authorize money for any of the projects in the plan, but the recommendation by the Governing Body shall provide the City Manager direction to proceed with formulating the annual CIP and inclusion of first year CIP items in the City Manager's Recommended City Budget.
2. A Capital Projects Ordinance will be adopted by City Council with the City's Operating Budget establishing necessary project fund structures for CIP expenditures at the beginning of the fiscal year.

**III. EVALUATION OF PROJECT MERIT:**

- A. Proposed CIP items will be evaluated and ranked according to merit.
- B. Projects should generally be foreseen ahead of the time (preferably 2+ years) of need to allow time for planning long-term financing strategies or financing methods.

**IV. FUNDING SOURCES:**

- A. Debt will be considered for capital projects under the following circumstances:
  1. The capital item is a long-living (useful life greater than one (1) year) asset.
  2. The asset has a useful life expectancy that equals or exceeds the length of the debt financing period.
- B. The following types or combination of financing may be considered under the following circumstances:
  1. *Debt methods:*
    - (a) *General Obligation Bonds (G.O. Bonds)* – The capital item is used for a public facility or equipment that is a public good and that has no revenue-producing capability (e.g. streets and municipal buildings or structures). Generally, G.O. Bonds are only used for major General Fund projects.
    - (b) *2/3 General Obligation Bonds* – Without voter approval, G.O. Bonds may be issued annually on 2/3 of net G.O. debt reduction (principal retirement) in the prior year.
    - (c) *Revenue Bonds* -- The capital item is used for a non-public good in which a revenue stream is associated with the capital item (e.g. airport, water, wastewater, and electric system capital items).
    - (d) *Special Obligation Bonds (S.O. Bonds)* – S.O. Bonds may be used for solid waste management projects which can include equipment or facilities for construction of incinerators, land for recycling facilities, drainage collection and treatment systems for landfills, land and liners for landfills, monitoring wells, recycling equipment and facilities, and volume reduction equipment; can also be used for water/sewer projects
    - (e) *Special Assessments* – The capital item benefits only immediately adjacent property. Adjacent property owners pay the special assessments after the improvement is completed and its cost is known. Therefore, special assessments are not a method of capital financing, but rather a method of eventually paying for the improvements for which they are levied. Other sources of funds are needed to finance the improvements for which the assessments are later levied.

- (f) *Property Secured Debt* – The capital item can be secured as collateral itself. Includes lease or installment purchase transactions and certificates of participation (COPS).
- 2. *Non-debt methods (Also referred to as Pay-as-you-go, or Pay-Go)*
  - (a) *Current revenues* – The capital item can be acquired through existing revenues.
  - (b) *Capital reserves* – The capital item can be funded from City Council designated taxes or revenue streams that are set aside in a separate fund.
  - (c) *Capital recovery, facility, or impact fees* – Capital items may be financed from charges to benefiting property owners for major infrastructure or facilities that benefit that property. Charges can be levied and collected before infrastructure is built.
  - (d) *Fund Balance* – The capital item can be funded with unassigned operating fund balances.
  - (e) *Grants* – Funding of the capital item was secured upon application of a governmental grant (examples might include CDBG or HOME grants, law enforcement grants, or EPA water quality grants.)
  - (f) *Gifts* – The capital item may be purchased or acquired with restricted or non-restricted donations by citizens or corporations.

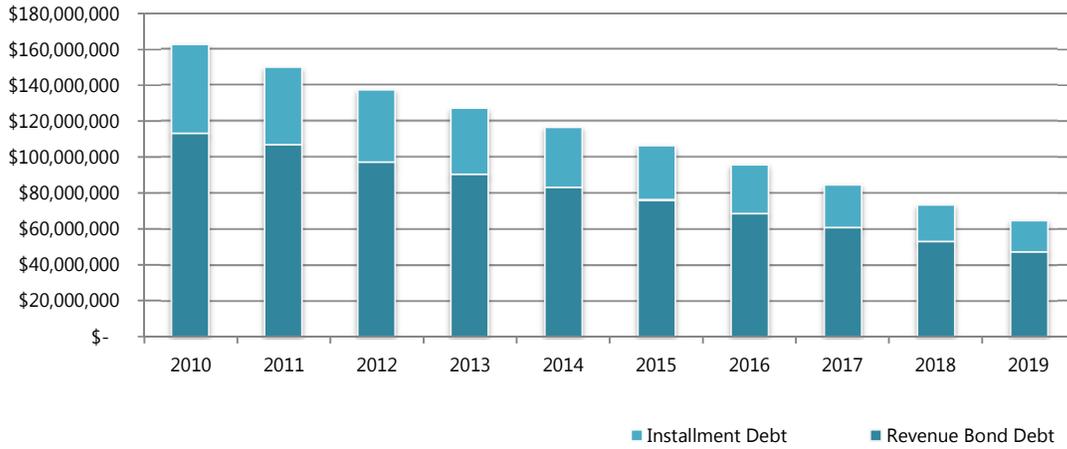
C. *Debt Limits*

- 1. The City shall not exceed N.C.G.S. 159-55(c) limiting the amount of net bonded debt outstanding to 8% of appraised value of property subject to taxation, and
- 2. Annual G.O Bond debt service payments (principal and interest) shall not exceed 15% of the City's General Fund operating budget.

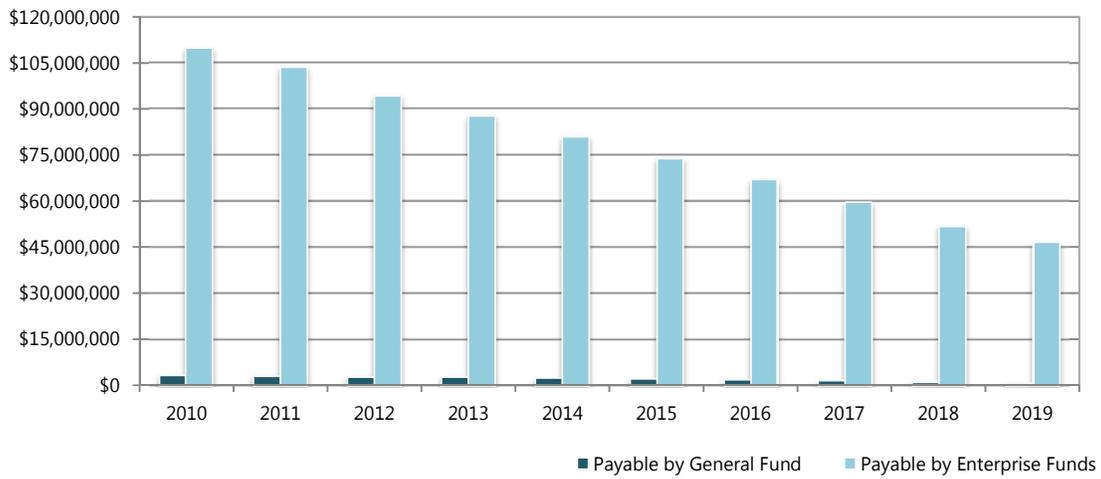
D. *Course of action in the event that the costs of a capital project are under or overestimated*

- 1. Underestimated –
  - (a) Review project scope and performance of contractor.
  - (b) Analyze need for more funding – i.e. cost overruns, unforeseen circumstances, new legal requirements.
  - (c) Execute budget transfers to obtain idle funds.
  - (d) Close out PO's to obtain additional funding from idle funds.
  - (e) Develop and present options with recommended action to the Governing Body.
- 2. Overestimated –
  - (a) Savings are reprogrammed in the next CIP.
  - (b) Analyze reasons for overestimation.

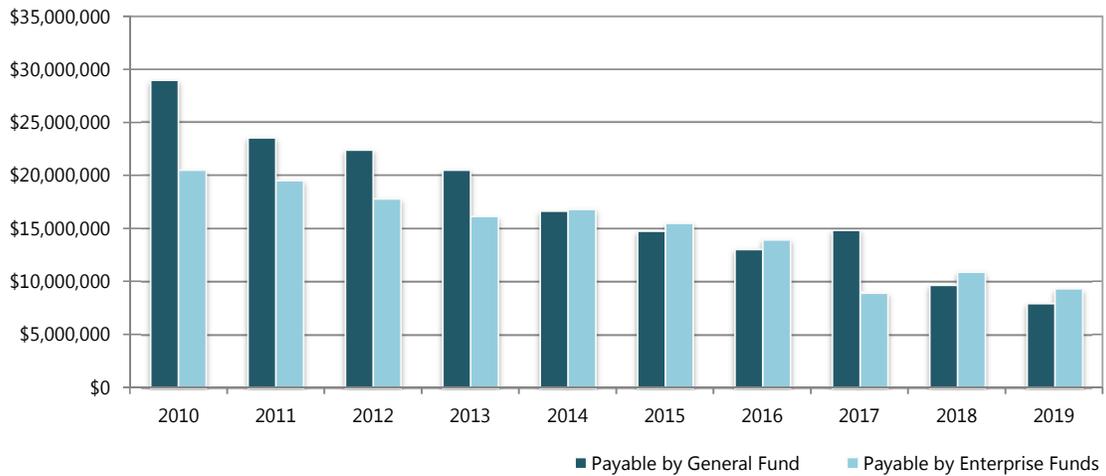
## Total City Debt Principal by Financing Method



## Revenue Bond Debt Principal



## Loans & Installment Notes Principal



## City of Concord, North Carolina

## CAPITAL PROJECT ORDINANCE

BE IT ORDAINED BY THE CITY OF CONCORD, NORTH CAROLINA, the following project expenditures and anticipated fund revenues are hereby appropriated for the construction of the City's various capital projects and funds for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

## SECTION 1: GENERAL CAPITAL RESERVE PROJECTS

General Fund – Capital Reserve Fund 285

Transfer to Capital Projects	\$1,219,380	8150-5987000	
Transfer to General Fund	875,000	8150-5983000	
From Future Project Reserves		8150-5811082	\$2,094,380
	<u>\$2,094,380</u>		<u>\$2,094,380</u>

## SECTION 2: GENERAL FUND CAPITAL PROJECTS

Recreation Projects Fund 420

McEachern Greenway-Cabarrus	\$380,000	8312-5811012	
Dog Park/Henry Exit 49 Connector	\$704,380	8313-5811015	
From General Capital Reserve		420-4501285	\$1,084,380
	<u>\$1,084,380</u>		<u>\$1,084,380</u>

General Projects Fund 430

Fiber Network Extension	\$156,000	8804-5811235	
Transfer from General Fund		430-4501100	\$131,152
Transfer from Stormwater Fund		430-4501600	\$2,161
Transfer from Electric Fund		430-4501610	\$9,507
Transfer from Water Fund		430-4501620	\$6,050
Transfer from Aviation Fund		430-4501680	\$3,889
Transfer from Wastewater Fund		430-4501640	\$3,241
	<u>\$156,000</u>		<u>\$156,000</u>

## SECTION 3: OTHER FUND CAPITAL PROJECTS

Transportation Projects Fund 423

Infrastructure (Sidewalks)	\$150,000	8600-5585000	
Virginia St SE Segment	\$450,000	8600-5811231	
Brookwood Phase Design	\$1,527,400	8600-5811232	
Vehicle Licenses \$5 Fee		423-4324250	\$310,000
Transfer from General Fund		423-4501100	\$1,817,400
	<u>\$2,127,400</u>		<u>\$2,127,400</u>

Stormwater Projects Fund 474

Master Plan	\$350,000	7101-5811200	
Wyoming Drive @ Montana Culvert	\$178,000	7103-5811236	
Transfer from Stormwater Fund		474-4501600	\$528,000
	<u>\$528,000</u>		<u>\$528,000</u>

Electric Projects Fund 473

Sub H Switchgear	\$650,000	6949-5801133	
Delivery 2 Upgrade	\$415,000	6949-5801132	
Transfer from Electric Fund		473-4501610	\$1,065,000
	<u>\$1,065,000</u>		<u>\$1,065,000</u>

Water Projects Fund 429

George Liles Blvd Line	\$282,430	8700-5801084	
High Service Pump Motor Starters	\$306,000	8700-5811307	
Disinfection By-Product Reduction	\$440,000	8700-5811309	
I 85 Widening Project	\$206,335	8700-5811306	
Transfer from Water Fund		429-4501620	\$1,234,765
	<u>\$1,234,765</u>		<u>\$1,234,765</u>

Golf Projects Fund 475

Clubhouse Expansion	\$135,000	7550-5811401	
Transfer from General Capital Reserve		475-4501285	\$135,000
	<u>\$135,000</u>		<u>\$135,000</u>

2014 LOBS Fund 552

Municipal Building	\$18,529,500	6990-5811233	
Financing Proceeds		552-4602000	\$18,529,500
	<u>\$18,529,500</u>		<u>\$18,529,500</u>

SECTION 4: SPECIAL AUTHORIZATION – CITY MANAGER

- a. The City Manager (or his/her designee if sum is under \$10,000) shall be authorized to reallocate departmental appropriations among the various objects of expenditures, as he believes necessary.
- b. The City Manager shall be authorized to effect interdepartmental transfers in the same fund, not to exceed 10 percent of the appropriated monies for the department whose allocation is reduced.
- c. Interfund transfers, which are already established in the capital improvement budget document, may be accomplished without recourse to the Council.
- d. Projects that are complete and inactive for at least one year may be closed without recourse to the Council.

SECTION 5: RESTRICTIONS – CITY MANAGER

- a. The interfund transfer of monies, except as noted in Section 4, Paragraph C, shall be accomplished with Council authorization only.
- b. Any unused funds may be reappropriated to other funds with Council authorization only.

SECTION 6: UTILITIZATION OF CAPITAL IMPROVEMENTS BUDGET

This ordinance shall be the basis of the financial plan for capital improvement projects for the City of Concord during FY 2014-15. The above revenues/expenditures shall extend from year to year until each individual project is completed and closed.

This Ordinance is approved and adopted this 12th day of June 2014.

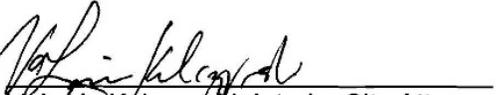
CITY COUNCIL  
CITY OF CONCORD  
NORTH CAROLINA

  
\_\_\_\_\_  
J. Scott Padgett, Mayor

ATTEST:

  
\_\_\_\_\_  
Kirt Deason, City Clerk



  
\_\_\_\_\_  
Valerie Kolczynski, Interim City Attorney