



May 31, 2019

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

Dear Mayor Dusch and Members of the City Council:

I am pleased to present to you the Fiscal Year 2019-2020 Annual Budget for your review and consideration. This proposed budget represents the goals and priorities expressed by you at our annual planning session and budget workshop. Staff has worked hard to align your goals with the recommended projects and operational items. Continuous improvement has and will continue to be at the forefront of our decision-making process.

The proposed annual budget was prepared in accordance with North Carolina General Statutes Chapter 159, Article 3, The Local Government Budget and Fiscal Control Act. All funds within the proposed budget are balanced, and all revenues and expenditures are identified for Fiscal Year 2019-2020. I want to offer a special thank you to Assistant City Managers Joshua Smith and LeDerick Blackburn; Finance Director Pam Hinson; Budget staff Robin Barham and Lesley Reder; and all Department Directors for their tireless efforts to provide the proposed budget documents.

The City-wide budget totals \$257,752,019 for all funds, including utilities and special revenue funds. This is an overall budget increase of 2.7% over the FY 19 adopted budget.

The recommended General Fund budget for FY 2019-20 totals \$94,483,872 for City personnel, operations, capital improvements and debt service. This recommendation maintains the tax rate at 48¢ per \$100 of valuation which is the same tax rate since 2013. As in past years, this proposed tax rate includes restricting the 2¢ budgeted for use in the Transportation Improvement Fund as mandated by City Council.

Per the Cabarrus County tax collector's office, the City's property values are \$11,687,479,000, an increase of 3% over the previous year. One cent on the property tax rate equates to \$1,145,375.

No rate increases are anticipated for the Water, Stormwater, or Wastewater funds, despite a 2.5% increase in our wastewater treatment rates from WSAAC. No changes are recommended in electric rates at this time. As is the practice, if there is a need to consider a Purchased Power Adjustment, changes would be implemented in the September time frame.

Per Council's direction, the focus of this budget is maintaining essential services provided to our residents and businesses and fund the essential projects necessary to maintain and improve the quality of life in a growing community. To do this and to continue to make basic capital purchases, I am recommending the use of \$3,819,644 from the City's Capital Reserve Funds to pay for one-time expenses.

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

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

The General Fund is broken down into five categories: General Government, Public Safety, Public Works, Economic Development, and Culture & Recreation. A detailed description of each of these categories and associated expenditures are contained within the budget documents. I have highlighted some of the major changes recommended in the FY 2019-2020 operations budget below:

### **GENERAL GOVERNMENT**

#### City Manager's Office

- Biennial Citizen Customer Satisfaction Survey - \$16,000
- Updates to the City's website - \$10,000
- Neighborhood Matching Grant funds – allow neighborhoods to participate in our annual grant program to make qualified improvements in their community – \$30,000

#### Non-Departmental

- Worker's Comp pool – money set aside to pay for unanticipated claims which cannot be handled in individual operating budgets
- Election expenses – only occurs in the odd numbered years –\$72,936
- Merit – budgeting average of 2% compared to 3% in FY 19 – decrease of \$150,630
- Clearwater Artist Studios – Roof Replacement \$30,000
- City Street Lighting –the City is beginning to realize the cost savings associated with LED street lighting – decrease of \$170,00 from FY19 budget

### **PUBLIC SAFETY**

#### Police

- Education Incentive pay – recruitment tool for hiring officers possessing degrees/credentials – \$89,000
- Executive Leadership Training for the next generation of Police command staff -- \$20,000
- Radio Replacements – 50 portable and 23 mobile – \$242,159
- SWAT Vest Replacements (25) -- \$75,000
- In-car laptops– \$94,000
- In-car cameras – Year 3 of 7 – \$207,736

#### Code Enforcement

- Radio Replacements (8) – \$25,192
- Reclass 2 Code Enforcement Officer positions to Senior Code Enforcement Officers -- \$16,000
- Relocation of the Code Enforcement work area to accommodate additional office space needed by the Police Department – \$81,447

#### Radio Shop

- Radio infrastructure upgrade – this the last phase of the upgrade of our regional radio system which is a partnership between us, Kannapolis, and Cabarrus County – \$88,887
- Transition Part-time Communications Technician to full-time due to increased workload -- \$24,206
- Fire
- 15 New Fire Fighter positions associated with Engine 11 – \$1,058,437
- Turnout Gear Sets (55) – \$155,870
- Radio Replacements – 14 portable and 20 mobile - \$105,993
- HVAC Remote Access Replacement – \$31,799
- Office 10 computer upgrades (70) – \$30,000

#### Emergency Management

- Medical Supplies for City facilities – \$3,560

## **PUBLIC WORKS**

### Streets & Traffic

- Street Resurfacing – changes in the vehicle fee will provide \$1,480,000; an increase over the \$725,000 budgeted in FY19
- Radio Replacements (6) - \$16,614

### Powell Bill

- Street Resurfacing - \$1,129,169

### Solid Waste

- 1,650 additional garbage and recycling carts for growth – \$198,000
- Recycling Processing Contract Cost Increase - \$243,000
- Household Waste Contract Cost increase - \$666,585

## **ECONOMIC DEVELOPMENT**

### Planning & Neighborhood Development

- Small Area Plan – this will allow us to develop additional site-specific plans in accordance with the adopted 2030 Land Use Plan – \$50,000. Funding had been included in FY19 budget but was removed.
- Historic Preservation Plan Implementation – \$10,000
- Modifications to Clear Water Artist Studio Sign on Kerr Street to advertise programming - \$25,000
- Interactive video and audio upgrades to Planning conference room - \$23,000

### Economic Development

- Economic Incentives – funds for approved economic development incentives – \$808,210
- Union Street Streetscape Design – staff will continue the public process of redesigning the Union Street – \$200,000
- Affordable Housing Construction Revolving Account – will add additional monies to allow for additional affordable housing to be built in the coming year - \$50,000

## **CULTURE & RECREATION**

### Parks and Recreation

- With the adoption of the Connectivity Plan, efforts will focus on connecting the City through greenways, sidewalks, and multi-use paths.

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

### **PARKS AND RECREATION**

- Refinish Gym Floors at Academy Recreation Center - \$23,000
- Hartsell Park Playground Equipment Replacement - \$75,000
- Floor leveling & replacement at Academy and Logan Recreation Centers - \$90,830
- Repair Boardwalks on the McEachern Greenway Downtown Connector - \$27,240
- Resurface all Tennis Courts at City Facilities - \$113,235
- Installation of HVAC units at Gymnasiums - \$528,000
- Coddle Creek Greenway, design & land acquisition - \$566,800
- Connectivity Plan Projects - \$350,000
- Parking Improvements for Logan Multipurpose Center - \$47,000
- McEachern Greenway, Hospital Phase & Parking Lot - \$303,200

### **FIRE**

- Fire Station #13, land acquisition - \$300,000
- Joint Police/Fire Training Facility, land and design - \$1,050,000
- Parking Lot Repair at Fire Station 7 - \$150,000
- Replacement Exhaust Removal System at all stations except #9 - \$46,000

- Replacement of FD115 and Equipment - \$775,000
- Replacement of FD510 - \$140,000
- Digital Fire Extinguisher Trainer for citizen training - \$25,000

### **GENERAL CAPITAL PROJECTS**

- Grounds Shed Expansion at Brown Operations Complex - \$545,000
- Parking & Access Road at Brown Operations Complex - \$458,000
- City fiber expansion to City facilities - \$250,000

### **GOLF COURSE**

- Bunker Restoration Project - \$129,800

### **TRANSPORTATION**

- Pedestrian Improvement Plan for Sidewalks - \$500,000 (increase due to dedicated vehicle fees)
- US 601 at Flowes Store Road - \$1,951,469 (\$410,000 in previous years; \$1,708,403 in future years)
- Spring/Chestnut/Broad Intersection Improvements - \$695,000 (\$5,000 in previous years)
- Virginia Street \$450,000 (\$1,050,00 in previous years)

### **PUBLIC SERVICES ADMINISTRATION**

- BOC Shed Roof Replacement - \$45,000

### **EMERGENCY COMMUNICATIONS**

- New MCC7500 Radio Console to accommodate growth – \$75,000

### **SOLID WASTE**

- 1-Person Leaf Vacuum Truck to replace a dump truck for more efficient leaf collection- \$210,000

### **MUNICIPAL SERVICE DISTRICT**

- The recommended tax rate for the MSD is 23¢ per \$100, which is unchanged. The City collects these monies and remits the full amount back to the Concord Downtown Development Corporation. It is anticipated this amount to be \$96,830 for FY 2019-2020.

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

#### **STORMWATER FUND**

- Stormwater
  - Replacement SW321 Camera Truck - \$320,000

#### **WATER FUND**

- Water Operations & Maintenance
  - Replacement W130 Crane Truck - \$110,000
  - Update to Water System Master Plan - \$200,000

#### **WASTEWATER FUND**

- WSACC 2.5% rate increase - \$180,740

#### **ELECTRIC FUND**

- 100KV Buss Cleaning - \$65,000
- Decrease in Materials Budget from FY19 - \$1,231,000
- Fuel Oil decrease related to NTE Contract - \$172,000

- Overhead Construction contract – increase of \$50,000
- Underground Construction contract – decrease of \$600,000
- Construction Materials – decrease of \$1,231,000

### **AVIATION**

- AVGAS fuel costs – increase of \$108,520
- JET A fuel costs – increase of \$700,929
- LED Lighting Installation for ramps, parking lots, entrance, hangars, etc - \$119,025
- Replacement Foam for Fire Suppression System - \$100,000
- General Aviation Terminal, 2<sup>nd</sup> floor renovations - \$90,000

### **TRANSIT**

- TransDev contract – increase of \$12,129
  - Projected Fuel increase - \$46,000

### **PUBLIC HOUSING**

- Construction of Maintenance Building - \$375,000

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

### **WATER FUND**

- Hillgrove Water Treatment Plant Bulk Storage Fluoride Tank –\$300,000
- Hillgrove Water Treatment Plant, Clearwell Resurfacing - \$130,000
- Hillgrove Water Treatment Plant, Filter & Waste Value - \$250,000
- Hillgrove Water Treatment Plant, GAC Contactors - \$775,000 (\$5,000,000 in future years)
- Hillgrove Water Treatment Plant, Settling Basin Improvements- \$300,000 (\$2,300,000 in future years)
- TRS for Midland and Mt. Pleasant Water Tanks - \$100,000 (\$100,000 in prior years)
- US Highway 29/601 Bridge Waterline - \$20,000 (\$200,000 in future year)
- Union Cemetery Road Realignment - \$30,000 (\$300,000 in future years)
- NC Highway 49 Waterline Extension - \$900,000 (\$6,288,000 in future years)
- Spring, Chestnut, and Broad Waterline - \$280,000
- Coddle Creek Water Treatment Plant Switchgear - \$1,485,000
- Coddle Creek Water Treatment Plant Settling Basin - \$500,000 (\$1,725,000 in prior years)
- Virginia Street Waterline - \$537,000
- Poplar Tent Road Waterline - \$413,000 (\$3,475,000 in prior years)
- US 29 Water Tank - \$300,000 (\$5,550,000 in prior years)

### **WASTEWATER FUND**

- Irish Buffalo Creek to Central Drive Outfall Replacement - \$100,000 (\$340,000 in future years)
- Irish Buffalo Creek to Aaron Place Outfall Replacement - \$155,000 (\$654,000 in future years)
- Lincoln Street to Broad Drive Outfall Replacement - \$1,348,000 (\$365,000 in prior years)

### **STORMWATER FUND**

- Glen Eagles Lane Culvert Replacement - \$936,000 (\$36,700 in previous years)

### **ELECTRIC FUND**

- Electric Substation N, Copperfield Blvd area - \$500,000 (\$350,000 in prior years, \$3,160,000 in future years)

- New Delivery #4, Phase I, 100 kV - \$5,109,912 (\$1,370,000 in previous years, \$5,000,000 in future years)
- New Delivery #4, Substation Q - \$3,195,254 (\$1,000,000 in prior years)
- New Delivery #6, Substation P - \$2,090,000
- 100 kV Tie-lines to Substation O - \$1,000,000 (\$3,465,000 in future years)
- Electric Substation R, Poplar Tent Rd area - \$500,000 (\$3,510,000 in future years)
- Electric Substation S, Hwy 601 area - \$510,000 (\$3,510,000 in future years)

### **PERSONNEL HIGHLIGHTS**

Personnel expenditures include salaries, FICA, group insurance, retirement, 401K, longevity pay, merit pay, and other miscellaneous benefits for co-workers. Contract, legal, medical, and other outside professional services are not included under personnel. They are included under the Operations category. For FY 2019-2020, personnel expenditures account for \$79,349,127 or 31% of the total budget.

This year, I am proposing funds for reasonable performance-based merit increases. An overall average increase of 2% is recommended with merit increases to range from 1% to 3%, depending upon performance. A 1.5% market adjustment will be provided to all employees effective July 1, 2019. I am proposing a continuation of our career development program in the coming year to allow staff to enhance their skills sets – benefiting themselves and the City. As employees complete their career development, I am proposing they receive a 2% salary increase.

I am also strongly recommending we implement a living wage for all of our permanent full-time and part-time positions. If adopted, this would take our minimum hourly rate to \$15 for an annual salary of \$31,200. As housing and living costs increase, we need to take care of our employees and their families. A living wage is needed to attract and retain valuable employees, ensure they have the ability to live in our community, and can provide for their families. Other counties and cities in North Carolina have taken this step in recent years. We have approximately 120 employees whose hourly rate falls below the \$15/hour wage across multiple departments. An additional 60 employees are paid just above the \$15/hour wage and will receive a slight adjustment to alleviate salary compression. The impacted employees are split evenly between the General Fund and our Enterprise Funds.

This budget includes funding for 1 PT and 31 FT additional staff positions for FY 2019-20. The recommended positions are as follows:

#### General Fund (25 FT, 1 PT)

- Fire: Staffing for Engine 11 – Firefighter I (9), Fire Lieutenant (3), Fire Captain (3)
- Police: School Resource Officer (2) for Beverly Hills Elementary and the Performance Learning Center
- Police: Police Officer
- Finance: Budget Analyst
- Solid Waste & Recycling: Compliance Inspector
- Transportation/Streets: Assistant Streets Superintendent
- Transportation/Signals: Traffic Management Center Operator
- Cemeteries: Cemetery Maintenance Worker
- Parks & Recreation: Facility Manager, Administrative Assistant (Dave Phillips Activity Center), PT Recreation Center Leader (Dave Phillips Activity Center)

#### Other Funds

- Aviation: Airport Maintenance Mechanic, Administrative Assistant, Aviation Supervisor
- Water Resources: AMI Project Manager
- Building & Grounds: Custodian, Grounds Maintenance Worker (to start January 2020)

A total of 1,079 full-time equivalent positions are recommended for funding.

The City is self-insured for our medical insurance available to employees and dependents. The City's HRA health care plan continues to be used by most coworkers. Employees have the option of selecting this plan at a lower cost with the City paying most of the full cost for the individual. The alternate PPO based plan, which is similar to the plans used by most employers in the region, provides a higher level of benefits at an increased cost for coverage. The coworker must pay most of the additional cost over that of the HRA for employee only and family plans. Both plans are self-funded and administered by Blue Cross/Blue Shield. Slight premium increases in employee cost are recommended for both the PPO and the HRA plans.

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

Coworkers are offered an incentive again this year for managing their health. Employees who complete a Health Risk Assessment and certify they do not use tobacco or attended a tobacco cessation program if they do receive a reduction in monthly health care premium costs. The Health Risk Assessment includes the completion of a questionnaire and biometric measures. The City also provides health care benefits to eligible retirees until they are Medicare eligible. This benefit will cost the City more as baby boomers continue to retire.

The City's required contribution levels to the North Carolina Local Government Employees Retirement System will increase with FY 2019-2020. The contribution per general employee increased to 8.95%, while contributions for law enforcement officers are 9.70%. The budget also maintains the City's 401(k) contribution for coworkers at 3.5%. By State mandate, the City contributes 5% to accounts for sworn law enforcement officers.

## **KEY RECOMMENDATIONS AND CHALLENGES FOR THE FUTURE**

### **THE ECONOMY AND THE CHALLENGES OF GROWTH**

We are extremely fortunate to have an economy which continues to flourish. Staff are working hard each day to develop and redevelop our City into a continued desirable place for businesses and our citizens. We value our partnership with Cabarrus County and Cabarrus Economic Development Corporation as we work closely together to attract and retain quality, high-paying jobs for our residents.

With the adoption of the 2030 Land Use Plan, staff, in conjunction with Council, will be aligning our Development Ordinances with the Plan. This will assist and guide us in future development of the City. We continue to examine various expected growth areas across the City and develop small area plans for the type of growth we desire.

Providing excellent customer service has and will remain a priority for our staff. Additional growth leads to an increase in service demands for City residents. While we focus on providing efficient service, adding personnel to meet these demands must occur. As previously described, I am proposing to add 31 full-time and 1 part-time staff members in the FY 2019-2020 budget.

## **DOWNTOWN DEVELOPMENT**

The public process is underway to determine what our downtown streetscape will look like in the future. Staff will gather this input and present the options to Council in the coming year. Development (new and infill) continues to be strong in Downtown Concord. Hotel Concord has been completed and is accepting tenants. The County's new parking deck was completed this past year and provides 614 much needed additional parking for visitors, residents, and business owners. The surface parking lot behind City Hall/Police Station (between Market Street and Spring Street) will be developed in the coming year adding 166 multi-family residential units, 2,600 square feet of retail space, and a parking garage. Seventeen of these units will be for affordable housing, implementing a Council priority. Downtown Concord continues to thrive and attract investors to our City.

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

Funding is proposed to continue the implementation of our Water, Wastewater, and Stormwater Master Plans. The proposed CIP covers many of these projects for the upcoming year and into the future. The City has been fortunate to have available funds which have been used for the past couple of years to pay for many of these needed improvements. System development fees will be used in water and wastewater to pay for some of the capital expenses proposed in this budget.

I am proposing a Water Protection Plan fee to be implemented in the coming year. Unexpected water leaks are a challenge for customers and the City. Leaks can lead to high bills. Our current policy allows customers with leaks to receive a partial adjustment to their bill. The remaining portion of water is "written off" by the City and shows as lost revenue (hundreds of thousands of dollars each year). With the proposed Plan, all residential and commercial customers (not irrigation meters or industrial customers) will be charged a monthly fee (based on meter size). If a leak occurs, the customer would be allowed one 100% leak adjustment over a 24-month period. Customers can "opt out" of this Plan, but if they do so and have a leak, no leak adjustment would be made to their bill.

## **ELECTRIC SYSTEMS**

Concord entered into a 20-year agreement with NTE effective January 1, 2019 to purchase power. The contract also provides for access to power produced from other types of generation if it is more cost effective to buy on the market. Though early in the contract, NTE's performance has been exceptional. Our cost of purchasing power has dropped resulting in a savings to the City. As you will see in the proposed budget to include future years of CIP, we have a great deal of projects to construct to account for the growth of our City – both retrofitting existing stations and planning to build new, additional stations. These investments in our electric system will continue our pursuit for reliable public power now and into the future.

## **TRANSPORTATION**

### **Surface Transportation**

This budget maintains the Transportation Improvement Fund created by the City Council to fund transportation projects. These funds come from 2 cents of the property tax rate and are supplemented by dollars generated from local vehicle license fees.

Staff continue to work closely with NC DOT on projects in our City to reduce traffic and congestion concerns. The City maintains over 254 miles of sidewalk and over 354 miles of roads. With cost increases, we can and should improve the maintenance of these assets. In addition, we have areas across the City where sidewalks could be placed to enhance the aesthetics and walkability of our community. Our current motor vehicle tax is \$15. State Statutes allows us to go up to \$30, which I am proposing in this budget. State Statutes also



dictate how the tax is used. Currently, the \$15 is broken up accordingly: \$5 to Transit, \$5 to resurfacing, and \$5 to General Fund (used for transportation projects). With the increase to \$30, \$5 will remain with Transit, \$5 will go towards sidewalks, and \$20 will go towards resurfacing. This increase will allow our sidewalk budget to increase from \$150,000 to \$540,000. Our resurfacing budget will increase by \$1.17 million. This will be impactful as we continue to maintain and enhance our roads and sidewalks.

### **Public Transit**

Federal funding remains the core of the CK Rider public transit system. As the lead agency, Concord is the responsible party for Federal transit funds for not only CK Rider but also for Cabarrus County transit, Rowan County transit, and Salisbury transit. The Public Transit Master Plan was completed this past year and shared with Cabarrus County and its municipal elected/appointed officials as well as the Charlotte Area Transit System (CATS). The Plan details a variety of suggestions for enhancing our current systems (Rider and the County) internally (consolidation) and externally (continued partnership with CATS). Transit staff along with County transit staff will be working together in the coming year to determine which of the recommendations we can feasibly accomplish in the near future.

### **PUBLIC SAFETY**

The permanent Fire Station #10 construction is underway. Planning for Fire Station #12 is included in the proposed budget. In addition, Fire, Police, and Communications are exploring property options for a joint training facility which would be constructed and operated by the City with the possibility of relocating our current Communications Department (currently housed in Fire Station #3) to said facility. Our current 911 center is out of room, and we need additional space to accommodate our growth and subsequent call volumes.

### **SOLID WASTE**

Over 32,500 customers receive weekly solid waste services (garbage, recycling, bulky waste, and yard waste) from a combination of in-house (City) and contracted staff. Development trends indicate that 1,800 new weekly collection points could be added between now and June 2020, accompanied by increased operational costs. Although City's collection cost per customer has not changed significantly since 2011 due to contract safeguards; costs in fuel, vehicles, labor, and recyclable processing have risen considerably since that time. With new collection and processing agreements taking effect July 1, 2019, the upcoming budget must account for about \$900,000 in increased expenses.

In addition, communities across the United States are dealing with a changing global recycling market greatly impacted by policy changes in China. Stricter contamination standards and rejection of materials by the shipload, along with reduced or eliminated marketability of materials, have put pressure on local recycling waste streams and increased the processing cost for municipalities across the nation. This is a major change from a time when recycling offered a source of revenue for local solid waste operations. These cost increases and dwindling market revenues are having major impacts on local budgets and have caused many municipalities to evaluate whether they should continue recycling services or eliminate it all together; eliminating recycling is not being proposed in Concord at this time.

Because the factors are outside of the City's control and the impacts are projected to last well into the future, the City must work now to ensure that core services are funded at appropriate levels. It costs the City about \$18 per collection point to provide the current menu of services each month, exceeding \$7 million of General Fund tax dollars each year. In an effort to maintain service levels and keep up with rising costs, the budget recommendation includes implementing a \$2.24 monthly Solid Waste Fee for each residential household. This fee would cover the projected increased costs for contracted residential garbage,

recycling, and bulky waste collection (\$560,000) and recycling processing (\$343,000) for FY20. The fee would appear on monthly City of Concord utility billing statements.

### **RECREATION AND OPEN SPACE**

The Connectivity Study has been completed and adopted by City Council. It will drive additional park and recreational opportunities and guide us in how we connect neighborhoods, communities, schools, and other life centers across the City. In the coming year, staff will be focused on site control for the eventual building of greenways and other pedestrian friendly trails throughout the City. This effort is greater, of course, than what can be accomplished in the coming year and will continue into the future. Staff will be meeting with property owners, neighborhoods, and developers to share the City's interconnected vision with the goal of acquiring as much land as possible through donations to the City. This will allow us to place additional monies into greenway/trail development. City staff continue to seek land for the construction of a much-needed park in the northwest section of the City.

### **CUSTOMER SERVICE AND CITIZEN COMMUNICATIONS**

Excellent customer service remains at the core of what the City and its staff strive for on a daily basis. Citizen communications will continue to be varied. Direct mailings such as the "City Circular" newsletter, newspaper placements, the electronic newsletter, the City's website, news releases, television, radio and other outlets will continue. I am proposing an overhaul of the City's current website to make it more user-friendly and easier to navigate. Our social media outreach will greatly increase in the coming year as my focus to staff has been on "telling our story" more efficiently and effectively – and of course, more often. In conjunction with Cabarrus County and Kannapolis, we will be looking to change vendors (currently Blackboard) for mass telephone, email, and text notifications in the coming year to allow us yet another effective way to communicate with our citizens and the public.

Our Journey Through Concord program will continue to be an important tool (internally) for our employees to gain a better, more thorough understanding of the entirety of City operation. Our Concord 101 and Public Safety Academy programs are likewise critical education venues for the public to join us in learning more about City functions and how we operate. Our Civic Education program is also an important partnership with Cabarrus County Schools and 3<sup>rd</sup> grade students to better inform them on the services the City provides. Our Youth Council program continues to flourish and provides a great venue for high school students to be engaged in our community and to increase their leadership abilities.

### **EMPLOYEE COMPENSATION AND BENEFITS**

Unemployment continues to hover around or below the 4% mark in our region. This continues to be a challenge for our City as we want to attract and retain the very best employees possible. Our ability to do this is vital to the City's success in addition to the level of customer service we are committed to providing to our citizens. We continue to compete, not only with other governmental entities, but also with the private sector for many of our positions. My proposal (aforementioned) concerning increasing our minimum wage to \$15/hour (or \$31,200 annual salary) is a big component of this goal. Much work has gone into our workplace culture with our efforts directed at making the City of Concord a preferred employer – a place where our employees are excited about coming to work each day, find value in the work they perform, and share their experiences with others to encourage them to likewise seek employment on Team Concord. Flexible scheduling, flexible work space, enhancing internal communication, continually seeking feedback throughout the organization, additional training opportunities (including across Departments), and providing additional information to employees about their benefits are just some examples of the initiatives our staff are taking to meet this goal.

## **EXTERNAL AGENCY FUNDING**

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

The recommendations call for allocations to most of the agencies that received City support last year. \$101,500 is recommended from the General Fund. \$69,000 is recommended from Community Development Block Grant monies. \$24,000 is recommended from the utilities funds. The individual agency funding recommendations are included within the budget of their associated functional areas as directed by Council.

## **CONCLUSION**

The FY 2019-2020 budget proposal operationalizes the goals of the 2020-2023 Strategic Plan for the City of Concord established by the Mayor and City Council. I along with staff have been very deliberate in ensuring we first maintain the basic services to our citizens while looking for ways to build upon and enhance the quality of life for our City.

Staff has worked hard to craft this proposed budget, and I am honored to recommend it to you for your consideration and adoption. Exciting things are happening in Concord! Rest assured, your staff are prepared to meet the future challenges of our City and will do so in the utmost professional manner.

Respectfully submitted,

A handwritten signature in cursive script that reads "Lloyd Wm. Payne, Jr.".

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