



May 28, 2021

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 2021-2022 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 2021-2022. I want to offer a special thank you to Assistant City Managers Joshua Smith, LeDerick Blackburn and Pam Hinson; Finance Director Jessica Jones; Budget & Performance Manager Lesley Reder, Budget Analysts Amanda Newton and Brandon Edwards; and all Department Directors for their commitment to developing a budget that maintains the excellent service provided to our citizens.

The City-wide budget totals \$275,070,238 for all funds, including utilities and special revenue funds. This is an overall budget increase of 2.3% over the FY 21 adopted budget.

The recommended General Fund budget for FY 2021-2022 totals \$109,257,712 and maintains the tax rate at 48¢ per \$100 of valuation, which is the same tax rate since 2013. The proposed tax rate continues restricting the 2.5¢ budgeted for use in the Transportation Improvement Fund, 1¢ for Parks & Recreation Projects, and 1¢ designated to Affordable Housing as mandated by City Council.

Per the Cabarrus County tax collector's office, the City's updated assessed property values are \$14,420,691,632, which is an increase of 3.5% over the previous year. One cent on the property tax rate equates to \$1,414,018 after the City's collection rate is applied.

No rate increases are anticipated for Stormwater or Wastewater funds, despite a 1.3% 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. I am proposing a 2% increase in Water rates to help plan for future growth needs in the system and cover the costs associated with Albemarle's proposed 4% rate increase for the purchase of finished water under our take-or-pay agreement. In the coming year, the City will pursue revenue bonds for major capital improvements at our water treatment plants and for water line extensions.

Per Council's direction, the focus of this budget is maintaining essential services provided to our residents and businesses and funding essential projects as necessary to maintain and improve the quality of life in a growing community. To do this and to continue making basic capital purchases, I am recommending the use of \$7,805,404 from the City's General Capital Reserve Funds. In addition, I am recommending \$19,080,276 from the City's Utility Capital Reserve Fund to pay for construction of a new Electric Operations

Facility and the electrical portion of the Union StreetScape project. Capital Reserve Funds are used to accumulate funds for projects that are included in the City's capital improvement plan.

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

GENERAL FUND EXPENDITURE HIGHLIGHTS (OPERATIONS)

The General Fund is comprised of five categories: General Government, Public Safety, Public Works, Economic Development, and Culture & Recreation. A detailed description of each of these categories and associated expenditures is contained within the budget documents. I have highlighted some of the noteworthy items recommended in the FY 2021-2022 budget below:

GENERAL GOVERNMENT

Public Services Administration

- Smoke Detectors at the Brown Operations Complex – Ready Room & Warehouse: \$33,600
- Roof & Mezzanine Restorations at 3 Sheds: \$38,500

City Manager's Office

- Neighborhood Matching Grant funds – allow neighborhoods to participate in an annual grant program to make qualified improvements in their community: \$30,000
- Biennial Citizen Satisfaction Survey: \$16,000
- First full year of Diversity, Equity, & Inclusion Coordinator position

Human Resources/Wellness Center

- Additional funding for telehealth provider Teladoc: \$6,000
- Funding to assume annual Coworker Service Awards, Jo Atwater Award, and Journey through Concord: \$28,200 (previously funding in City Manager's Office budget)
- Expanded Wellness Center hours and staffing due to COVID-19 related demands (will be covered with American Rescue Plan funding): \$144,000

Finance

- Position Reclass to better match skills and current job duties – Senior Payroll Technician II

Non-Departmental

- Worker's Comp pool – money set aside to pay for unanticipated claims that cannot be handled in individual operating budgets
- Customer Service Advancement Team expenses shifted to this budget unit due to a change in team facilitator arrangements: \$55,150

PUBLIC SAFETY

Police

- 8 New Police Officers: a percentage of costs will be offset by a \$1 million Community Oriented Policing Services (COPS) grant for the next 3 years
- 1 New Officer to act as District Court Liaison
- Mobile Radio Replacements (32): \$109,529
- Year 2 of 2 for Patrol Rifle Optics (64): \$25,400
- Carpeting Replacement, Phase 2 of 2: \$90,000

Code Enforcement

- Replacement Ford Rangers (2): \$56,000

Emergency Communications

- Reclass for 911 Communications Center Manager

Radio Shop

- Fusion Splicer Kit for Fiber: \$10,400
- 1 New Communications Technician

Fire

- 1 New Logistics Officer I (January 2022 start)
- 1 New Training Captain (January 2022 start)
- Mobile and Portable Radio replacements: \$231,034
- New Ladder Truck for Fire Station #10: \$1,400,000
- Replacement Pumper Truck FD114: \$725,000
- Replacement generators for Fire Stations #2 & #7: \$174,000

Emergency Management

- Centralization of first aid supply ordering: \$2,300

PUBLIC WORKS

Transportation/Powell Bill

- 2.5¢ dedicated to Transportation Projects: \$3,535,045
- Street Resurfacing: \$2,396,695
- Crack Sealing Equipment & Supplies for In-house Application: \$157,080
- Automated Traffic Signal performance measure software: \$25,000
- Reclass 2 Signal Technicians to Signal Technicians II
- Mini-Excavator for Sidewalk and Utility Cut repairs: \$75,500

Solid Waste & Recycling

- 2 New Senior Equipment Operators (May 2022 start)
- 2 New Solid Waste Workers (May 2022 start)

ECONOMIC DEVELOPMENT

Planning & Neighborhood Development

- Complete Logan National Registry District: \$23,000
- Updates to the Downtown Master Plan: \$15,000
- Funding for Public Art: \$25,000

Economic Development

- Downtown Façade Grants: \$50,000
- Reclass of Economic Development Coordinator due to a change in supervisory responsibilities
- Economic Incentives – funds for approved economic development: \$561,315

CULTURE & RECREATION

Parks and Recreation

- 1¢ dedicated to Parks & Recreation projects: \$1,414,018
- 1 New PT Recreation Center Leader for Teen Room staffing
- Replacement Playground Equipment at McGee Park: \$165,000
- Field Maintenance at Cox Mill & Pitts School Elementary Schools: \$35,500
- Lights at Cox Mill & Pitts School Elementary School Fields: \$21,600
- Logan Gym Floor Restoration: \$15,000
- Roof Replacement at Hartsell Recreation Center: \$178,717
- Replacement Lights at Hartsell & Beverly Hills Parks: \$229,245
- Automatic Goals at Recreation Centers (10): \$30,560

Parks and Recreation – Aquatics

- Replacement Lifeguard Stands: \$7,125

GENERAL FUND EXPENDITURE HIGHLIGHTS (CAPITAL PROJECTS)

PARKS AND RECREATION

- Northwest/West Park (design): \$2,137,404
- Caldwell Park Improvements (design & grant match): \$1,205,000
- WW Flowe Park Phase 1 Improvements (design, construction phase 1, & playground): \$460,000
- Clarke Creek Greenway Development, Cox Mill Loop (design): \$323,520
- David Phillips Activity Center Property Development (construction): \$250,000

GENERAL CAPITAL PROJECTS

- Fleet Services Facility (design): \$810,100
- David District Police Substation (design): \$250,000
- West Concord Master Plan (core bore): \$50,000
- Fiber Network (expansion & maintenance): \$250,000

GOLF COURSE

- Clubhouse Improvements/Renovation: \$940,000

TRANSPORTATION

- Pedestrian Improvement Plan for Sidewalks: \$500,000
- Intersection Improvements at Poplar Tent Rd/Harris Rd (engineering): \$1,445,000
- Lincoln Street Bridge Replacement (design/right-of-way): \$475,000
- Road Improvements at Flowes Store Rd (construction): \$1,718,404

SPECIAL REVENUE & INTERNAL SERVICE FUND EXPENDITURE HIGHLIGHTS (OPERATIONS)

MUNICIPAL SERVICE DISTRICT

- The recommended tax rate for the MSD is 23¢ per \$100, which is unchanged. The City collects these monies and appropriates the full amount to the Concord Downtown Development Corporation, which became a unit of the City in 2020. It is anticipated this amount will be \$123,963 for FY 22.

AFFORDABLE HOUSING FUND

- 1¢ dedicated to the affordable housing projects: \$1,414,018

INTERNAL SERVICE FUND

Purchasing

- Replacement Forklift WO300: \$65,000

Buildings & Grounds

- Interstate 85 Interchange Maintenance Agreement: \$148,000
- 1 New Building Maintenance Mechanic II
- New Grounds Maintenance Crew: 1 Supervisor & 3 Grounds Crew Workers

ENTERPRISE FUND EXPENDITURE HIGHLIGHTS (OPERATIONS)

STORMWATER FUND

- 1 New Equipment Operator
- Replacement Street Sweeper SW327: \$300,000

WATER FUND

Water Operations & Maintenance

- 1 New Utility Systems Technician
- New Pickup Truck for Technician: \$35,000
- Replacement Crew Truck W138: \$80,000
- Replacement Excavator W344: \$65,000

Coddle Creek Water Treatment Plant

- Structural Facility Improvements: \$80,000
- Additional Water Sampling Stations (10): \$7,500

Hillgrove Water Treatment Plant

- Chemical Feed Control Panel Replacement: \$150,000

WASTEWATER FUND

- WSACC 1.3% rate increase: \$98,958
- Replacement S119 Crew Truck: \$80,000
- Sewer Lining & Manhole Rehabilitation: \$1,000,000

ELECTRIC FUND

- 1 New Operations Manager
- 1 New Project Engineer
- Substation Security Cameras (8): \$90,000
- 100 kV Spare Transformer: \$750,000
- Geographical Inventory of Electric Assets: \$60,000
- Update to ARC Flash Study: \$50,000
- Overhead Construction contract: decrease of \$50,000
- Underground Construction contract: increase of \$100,000

AVIATION

- 1 New Customer Service Specialist
- 1 New Grounds Maintenance Worker
- Continue resurfacing hangar floors: \$120,000
- Replace T-Hanger Door Tracks and Roller Wheels (34): \$29,000
- Upgrade Ramp Lighting to LED: \$20,000
- Replacement Generator for Parking Deck: \$85,000
- AC Unit Replacements in Terminal South & Hangars A, E, & Honda: \$76,489
- Natural Gas Conversion Project: \$99,316
- 2 Lighted Xs to alert incoming pilots of runway closures: \$36,500
- Gate 7 Generator: \$34,000

TRANSIT

- Funding for Security Personnel at the Transit Center: \$126,368

ENTERPRISE FUND EXPENDITURE HIGHLIGHTS (CAPITAL PROJECTS)

WATER FUND

- General Services Drive 12" Parallel Waterline (construction): \$476,000
- GAC Contactors at Hillgrove Water Treatment Plant (construction): \$5,000,000
- Settling Basin Improvements at Hillgrove Water Treatment Plant (construction): \$3,750,000
- Highway 49 24" Waterline Extension (construction & right-of-way): \$7,697,250
- 5 MGD Water Booster Pump Station (design & right-of-way): \$450,000

- Union StreetScape (construction): \$1,091,534
- Coddle Creek Water Treatment Plant, Dewatering Process Improvements: \$200,000

WASTEWATER FUND

- Cold Water Creek Tributary Outfall to NC Highway 49 (construction): \$6,951,000
- Coddle Creek Tributary Outfall Weyburn Drive to Sunberry Lane (construction): \$1,600,000
- Union Street Streetscape (construction): \$171,105

STORMWATER FUND

- Dylan Place Culvert Replacement, Upper & Lower (construction): \$1,800,000
- Brookwood Avenue Roadway Improvements (construction): \$480,000
- Farmwood Boulevard Culvert Replacement (design & right-of-way): \$171,000
- Mall North Culvert Replacement (design, right-of-way, & construction): \$136,000
- Union StreetScape (construction): \$466,446

ELECTRIC FUND

- New Electric Substation N near Copperfield Blvd (construction): \$4,996,500
- New Electric Operations Center (construction): \$17,912,500
- Union StreetScape (construction): \$1,167,776

PERSONNEL HIGHLIGHTS

Personnel expenditures include salaries, FICA, group insurance, retirement, 401K, longevity pay, merit pay, and other miscellaneous benefits for coworkers. Contract, legal, medical, and other outside professional services are included under the Operations category. For FY 2021-2022, personnel expenditures total \$94,690,761; approximately \$11.5 million of which is cost-allocated out from our internal service budget units.

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 12, 2021. I am proposing a continuation of our career development program in the coming year to allow staff to enhance their skill sets – benefiting themselves and the City. As employees complete their career development, I am proposing they receive a 1.5% salary increase.

This budget includes funding for 1 PT and 27 FT additional staff positions for FY 2021-2022. The recommended positions are as follows:

General Fund (16.5 FTE)

- Police: Court Liaison Officer
- Police: 8 Police Officers
- Radio Shop: Communications Technician
- Fire: Logistics Officer I (Jan 2022 start)
- Fire: Training Captain (Jan 2022 start)
- Solid Waste: 2 Senior Equipment Operators (May 2022 start)
- Solid Waste: 2 Solid Waste Workers (May 2022 start)
- Parks & Recreation: PT Recreation Center Leader

Other Funds (11 FT)

- Aviation: Administrative Assistant
- Aviation: Grounds Maintenance Worker
- Stormwater: Equipment Operator

- Electric/Administration: Operations Manager
- Electric/Electric Engineering: Project Engineer
- Water Resources: Utility Systems Technician
- Building & Grounds: Building Maintenance Mechanic II – HVAC
- Building & Grounds: Grounds Maintenance Supervisor
- Building & Grounds: 3 Grounds Maintenance Workers

Reclasses & Moves

- Finance: Payroll Technician to Senior Payroll Technician
- Emergency Communications: 911 Communications Center Manager grade change
- Traffic Signals: 2 Signal Technician I to Signal Technician IIs
- Economic Development: Economic Development Coordinator to Manager
- GIS Coordinator: funding moves from Data Services to Fire, Cemeteries, & Solid Waste to better reflect workload

A total of 1,148.2 full-time equivalent positions are recommended for funding. This figure includes 1,129 full-time and 41 part-time positions.

The City is self-insured for the medical insurance available to employees and their dependents. For FY 2021-2022, the City is adding a third health insurance option, the High Performance Network Plan. This Plan offers greatly reduced premiums for family coverage in exchange for a limited network of covered providers. Coworkers also have the option of selecting the Basic Plan or an HRA plan, which offer lower deductibles and larger provider networks but have higher premiums. All three plans are self-funded and administered by Blue Cross/Blue Shield. No premium increases are recommended for the upcoming fiscal year.

Wellness efforts are a priority, both for the benefit of our coworkers and to reduce costs. The Wellness Center provides a basic level of routine medical services and health screenings to all full-time City of Concord employees, retirees, spouses, and dependents enrolled in a City 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. Clinic hours were expanded in FY 2020-21 and will continue into FY 2021-2022 to help with increased demand due to the COVID-19 pandemic.

Coworkers continue to be offered incentives for managing their health. If an employee visits his/her dentist for an annual cleaning appointment, the coworker will qualify for a reduction in dental insurance premiums. Employees who complete a Health Risk Assessment and certify they do not use tobacco or attend a tobacco cessation program receive a reduction in monthly health care premium costs. The Health Risk Assessment includes the completion of a questionnaire and biometric measures. Health care benefits are provided for eligible retirees until they become Medicare eligible. This benefit will cost the City more as the retirement rate for baby boomers continues to increase. The City is preparing for this cost by ensuring annual contributions are made to fund a trust for post-employment benefits. In addition, the Human Resources Department offers multiple health/wellness-oriented trainings each month for coworkers.

The City's required contribution levels to the North Carolina Local Government Employees Retirement System will increase again in FY 2021-2022. The contribution rate for general employees is now 11.35%, while the contribution rate for law enforcement officers is 12.10%. 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

EMERGING FROM COVID-19

This past year has been one of uncertainty due to the COVID-19 pandemic. An array of emotions ranging from despair and desperation to hope have surrounded us. We, like most other local governments, adjusted our FY 21 budget late in FY 20 and prior to adoption due to the revenue uncertainties caused by shuttered (and temporarily closed) businesses, private sector furloughs, and general uncertainty about individual spending habits. Travel came to a screeching halt, impacting our City due to the loss of tourism monies many of our businesses rely on to thrive.

Work from home became common place in Concord and across our country as we strove to provide the same levels of customer service and responsiveness that our citizens have come to expect and deserve. There was no playbook to guide our response, but I feel Team Concord did an excellent job in their service delivery.

We are cautiously optimistic as we enter FY 2021-2022. Many vaccination options are available to most age groups who want to get vaccinated. More citizens are receiving their vaccination(s) each day, and we are hopeful a more normal atmosphere is within reach. Sales tax numbers during FY 2020-2021 exceeded our predictions as they did for the State of North Carolina. This was certainly a positive for most local governments. No COVID-19 impacts are anticipated in FY 2021-2022 as our overall economy has remained relatively strong. Due to our fiscally conservative approach, we were able to continue all of our capital plans and projects, and I anticipate this to continue in the coming year.

DOWNTOWN DEVELOPMENT

Construction will begin soon on the new Union StreetScape in Downtown Concord. Development (new and infill) continues to be strong in Downtown Concord. New businesses and restaurants continue to fill spots as soon as they are vacated. The City has worked hard with Cabarrus County and Lansing Melbourne to develop 30 Market Street (current surface lot and former Police Department), 26 Union Street (former City Hall), and the Cabarrus County parking deck "wrap". Demolition of the former Police Department and former City Hall buildings was completed in the spring of 2021. It is anticipated these projects will continue to move forward in the coming year resulting in 292 housing units with 170 of these being affordable/workforce units. The value of these projects is estimated to be \$50M once completed. 66 Union Street, site of the original City Hall, is being redeveloped into commercial office space, with the City partnering with the developer to offer discounted office space rentals to local non-profits on the building's lower level.

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 will pay for these projects using a mix of funding sources – including reserves, operating revenues, and bond proceeds. In the coming year, the City will pursue revenue bonds for projects, which will bring important improvements to our water and wastewater systems.

My proposal includes a 2% rate increase for Water rates to meet the needs of a growing system. The Water department will undertake two large projects at Hillgrove Water Treatment Plant, begin studying process improvements at Coddle Creek Water Treatment Plant, and continue water line extensions. There are three planned Stormwater culvert replacements in the City and stormwater-related roadway improvements. The

Wastewater fund will begin two major sewer line extensions that will allow for the abandonment of existing pump stations, which is a goal of staff.

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. While it is still early in the contract, NTE's performance has been exceptional. 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 substations, planning to build new substations, and constructing an Electric Operations Center. These investments in our electric system will continue our pursuit for reliable public power now and into the future.

TRANSPORTATION

Surface Transportation

Citizen surveys continue to state the need for transportation improvements across the City. This budget maintains the 2.5¢ of dedicated pennies for the Transportation Improvement Fund as directed by the City Council to fund transportation projects. The primary focus of these dedicated monies is to fund roadway projects and will be supplemented by dollars generated from local vehicle license fees.

Staff continue to work closely with NCDOT on projects in our City to reduce traffic and congestion concerns. The City maintains 279.8 miles of sidewalk and 361.5 miles of roads. Despite continuing cost increases, we can and should improve the maintenance of these assets. In addition, there are still areas across the City where sidewalks are needed to enhance the aesthetics and walkability of our community.

In FY 20, our current motor vehicle tax was increased to \$30. State Statutes dictate how the tax is used. Currently, the \$30 is broken up accordingly: \$5 goes toward Transit, \$5 go towards sidewalks, and \$20 supplements our costs of road resurfacing. Major projects in this proposal include road improvements at US 601/Flowers Store Road, engineering work for the intersection at Poplar Tent Rd/Harris Rd, and design/right-of-way acquisition for the Lincoln Street Bridge replacement.

Public Transit

Federal funding remains the core of the Rider public transit system. As the lead agency, Concord is the responsible party for Federal transit funds for not only Rider but also for Cabarrus County transit, Rowan County transit, and Salisbury transit. The Public Transit Master Plan was completed in 2020 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 and County transit staff continue to work together to determine which of the recommendations we can feasibly accomplish in the near future. The upcoming budget includes funding for security staffing by off-duty Concord Police personnel to better assist with policy enforcement and dispute resolution.

Concord-Padgett Regional Airport

No other City operation experienced the impact of the pandemic as quickly or as dramatically as Concord-Padgett Regional Airport. With the collapse of air travel in the spring of 2020, parking revenue and other aviation-related revenues (i.e. sale of fuel) at the Airport saw steep declines. Two years ago, Allegiant Travel Company announced plans to establish a base of operations at Concord-Padgett Regional Airport. The Las Vegas-based company had planned to invest \$50 million to establish the new base in Concord, creating at least 66 high-wage jobs and housing two airbus aircraft. Due to the COVID-19 crisis, this project has been

placed on a temporary hold, but the City still expects this project to resume at some point in the future. As I draft this message, flights are resuming at the Airport and the future looks much more promising.

PUBLIC SAFETY

After some construction delays, permanent Fire Station #10 opened in April 2021. Construction of Fire Station #12 is expected to be completed in December 2021. Fire, Police, and Communications continue to work with our State and County partners to discuss options for a joint training facility. With the construction of a facility comes the possibility of relocating our current Communications Department (currently housed in Fire Station #3) to said facility or within a renovated Station #3. Our current 911 center is out of room, and we need additional space to accommodate our growth and subsequent call volumes.

SOLID WASTE

Solid Waste Services continues to provide an incredible and comprehensive service to our citizens. As the City grows, so does the number of our pickup locations. While the current crisis has produced an increase in the volume of yard waste setouts and bulky items, Solid Waste expects this to level off in the coming year. The City continues to work towards transitioning to a completely in-house collection model and will begin collecting bulky waste starting in July 2022. Recycling and garbage collection are planned to come in-house starting in July of 2023. A solid waste fee was implemented in FY 20 to offset some of the expense that was covered by property tax revenues. A small increase to this fee is proposed for FY 22 to cover cost increases for recyclable processing from FY 20 and FY 21.

AFFORDABLE HOUSING

Affordable housing is an area that needs greater emphasis in our City and is specifically called out in the City's Strategic Plan. An affordable housing study conducted in FY 20 showed a sizable deficit in the number of affordable units within the City. Later that year, the Concord Family Enrichment Association (CFEA) was formed. This non-profit will allow the City to pursue funding opportunities that are not possible under the City's existing Housing Department. I am continuing to recommend that 1¢ of the tax rate be set aside to fund the building of new affordable housing units and/or the renovation of dilapidated housing for affordable housing purposes.

RECREATION AND OPEN SPACE

The adopted Comprehensive Master Plan and Open Space Connectivity Plan continue to drive Parks and Recreation programming, greenway development, park development, and connectivity to neighborhood parks and schools across the City. Staff continues to focus on site control for greenway development, improved connectivity and other pedestrian-friendly trails throughout the City through donation and dedication, with a goal of having 30 miles of greenways by the year 2030. In the coming year, staff will focus on the master plans for the Academy/Gibson area, Hartsell Park/Recreation Center Complex and the WW Flowe Complex. The completion of the YMCA connector greenway will add .5 miles to the existing trail within Dorton Park by Summer of 2022. Final design for renovations to Caldwell Park, based on the adopted master plan, will be completed by Summer 2022. Staff will begin the design of the Clarke Creek Greenway-Cox Mill Loop providing connectivity from the proposed Northwest Park to area schools and neighborhoods. By Spring 2022, the design of the Coddle Creek Greenway, connecting Dorton Park to the existing George Liles Parkway Greenway, will be completed. The City continues to utilize the 1¢ tax rate dedicated to parks and recreation to help accelerate connectivity and recreational needs across the City.

CUSTOMER SERVICE AND CITIZEN COMMUNICATIONS

Excellent customer service remains at the core of what the City's staff strive for daily. I am proud of the work done by Team Concord to provide continuous communications with our citizens throughout the challenges of the last year. Citizen communications will continue to be varied and expansive. Direct mailings such as the "City Circular" newsletter, newspaper placements, the CityLink electronic newsletter, website, news releases, television, radio, and other outlets will continue. The City's new website debuted in March 2021. It is user-friendly and much easier to navigate. We will continue to focus on utilizing our social media outlets to keep our citizens and the public informed about important projects and updates across our City.

The Journey Through Concord program was paused in 2020 and early 2021 due to the Governor's restrictions on gatherings. It will continue to be an important internal tool for our employees to gain a more thorough understanding of the entirety of City operations once it is able to resume. 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. The Civic Education program is an important partnership with Cabarrus County Schools and 3rd grade students to better inform them of the services the City provides. Due to the continuing efforts of our staff, all three public outreach education programs were able to continue in an online-only, virtual format. Youth Council continues to flourish and provides a great venue for high school students to be engaged in our community and to enhance their leadership abilities.

EMPLOYEES: A DIVERSITY FOCUS, BENEFITS, & COMPENSATION

My goal is to attract and retain the very best employees possible. Our ability to do this is vital to the City's success in maintaining the level of customer service we are committed to providing to our citizens. In addition, the City's focus has moved toward a goal of having a workforce that more closely resembles the citizens we serve. To achieve this, our Human Resources department has worked hard to help departments through the hiring process by providing interviewing training and assisting with candidate screening. This past year, all City employees were required to attend at least one diversity, equity, and inclusion training and all newly hired employees have diversity training now incorporated into their orientation. The City hired its first Diversity, Equity, and Inclusion Coordinator who will partner with the Concord United Committee and develop a plan for providing equitable practices and policies throughout our organization.

We continue to compete, not only with other governmental entities, but also with the private sector for many of our positions. 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. The pandemic provided us with a unique opportunity to test out remote work, virtual meeting platforms, flexible scheduling, enhanced internal communication, and additional training opportunities (including across Departments). In addition, I anticipate our completion of the job specification study in FY 22 whereby all City positions will be examined to ensure we maintain a competitive workforce.

EXTERNAL AGENCY FUNDING

As we have all seen throughout the last year, 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 during difficult times. City funding provided to these agencies allows us to focus on our 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. All non-profits receiving funds from the City must sign an agreement and are accountable for how they spend these public monies.

City Council's recommendations call for allocations to many of the agencies that received City support last year. \$104,500 is recommended from the General Fund. \$96,750 is recommended from Community Development Block Grant monies. \$30,000 is recommended from the utility funds. The individual agency funding recommendations are included within the budget of their associated functional areas as directed by Council.

CONCLUSION

The FY 2021-2022 budget proposal pursues 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. I feel the proposed FY 22 annual budget does this.

As always, City staff have worked closely with me to develop this proposed budget for FY 22. Concord continues to grow, and our aim is to ensure we are correctly positioned and have the resources available to handle this growth responsibly. It certainly takes all of us working together to meet this goal, and Team Concord strives to do this each day for our citizens.

Respectfully submitted,

A handwritten signature in black ink that reads "Lloyd Wm. Payne, Jr." in a cursive style.

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

2021-2022 BUDGET ORDINANCE

BE IT ORDAINED by the City Council of the City of Concord, North Carolina, meeting in open session this 10th day of June 2021 that the following fund revenues and departmental expenditures, together with certain restrictions and authorizations are adopted.

SECTION I. GENERAL FUND: Revenues totaling \$109,257,712 are hereby approved from the following sources:

Ad Valorem Taxes	\$68,682,889
Sales Taxes	20,516,278
Unrestricted Intergovernmental Revenue	5,974,645
Restricted Intergovernmental Revenue	4,530,516
Licenses, Permits and Fees	2,182,500
Sales & Services Revenue	3,439,684
Other Revenues	838,200
Investment Earnings	0
Transfer from Capital Reserves	3,093,000
TOTAL	 \$109,257,712

A total of \$109,257,712 is hereby authorized to be expended from the departmental accounts of the General Fund as follows:

Governing Body	\$ 255,984
Public Services – Admin.	139,984
City Manager's Office	841,636
Human Resources	868,867
Wellness Center	223,329
Finance	818,294
Tax	428,514
Legal	472,788
Non-Departmental	7,311,953
Police	27,053,064
Code Enforcement	1,138,879
Communications	2,042,298
Radio Shop	605,240
Fire	28,423,722
Fire – Prevention	1,036,443
Fire – Training	650,824
Emergency Management	204,800
Streets & Traffic	8,895,884
Powell Bill	1,638,619
Traffic Signal Division	1,305,184
Traffic Services	628,067
Solid Waste & Recycling	8,822,094
Cemeteries	744,666
Fleet Services (costs are direct billed)	0
Planning & Neighborhood Development	3,389,586
Transportation Planning	348,820
Economic Development	989,011
Parks & Recreation	9,766,110
Parks & Recreation - Aquatics	213,052
TOTAL	 \$ 109,257,712

SECTION II. SPECIAL REVENUE FUNDS: Revenues totaling \$9,192,424 are hereby approved comprising Municipal Service District Tax Revenues, Community Development Block Grant Funds

and H.O.M.E. Program, Transportation Improvement Fund, \$5 Vehicle Tax – Transit Fund, Housing Assistance Voucher Program, Market Rate Units Fund, and Affordable Housing Revolving Fund.

A total of \$9,192,424 is hereby authorized to be expended from Special Revenue Funds as follows:

Municipal Service District Fund	\$219,613
Housing Assistance Voucher Program Fund	4,976,635
Community Development Block Grant Fund	677,769
H.O.M.E. Consortium Fund	1,447,773
\$5 Vehicle Tax – Transit Fund	390,000
Market Rate Units Fund	66,616
Affordable Housing Revolving Fund	1,414,018
TOTAL	\$9,192,424

SECTION III. STORMWATER FUND: Revenues are hereby approved comprised of \$5,169,875 in operating revenue, \$6,000 in non-operating revenues, and \$1,500,731 in retained earnings appropriated. A total of \$6,676,606 is hereby authorized to be expended from the Stormwater Fund as follows:

Stormwater Operations & Maintenance	\$6,676,606
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SECTION IV. ELECTRIC FUND: Revenues are hereby approved comprised of \$83,484,000 in operating revenues, \$70,000 in non-operating revenues, and \$0 in retained earnings appropriated. A total of \$83,554,000 is hereby authorized to be expended from the Electric Fund as follows:

Electric Administration	\$6,918,694
Purchased Power	49,259,326
Maintenance - Power Lines	9,163,203
Tree Trimming	1,232,719
Electric Construction	15,263,397
Electric Engineering	1,396,040
Utility Locate Services	320,621
TOTAL	\$83,554,000

SECTION V. WATER FUND: Revenues are hereby approved comprised of \$26,166,680 in operating revenue, non-operating revenue of \$58,000, and \$1,549,118 in retained earnings appropriated. A total of \$27,773,798 is hereby authorized to be expended from the Water Fund as follows:

Hillgrove Water Plant	\$3,731,463
Coddle Creek Water Plant	7,325,452
Waterlines - Operation & Maintenance	16,716,883
TOTAL	\$27,773,798

SECTION VI. TRANSIT FUND: Revenues are hereby approved comprised of \$317,766 in operating revenues, restricted intergovernmental revenue of \$4,378,295, and transfer of \$390,000 from the \$5 Vehicle Tax – Transit Fund. A total of \$5,086,061 is hereby authorized to be expended from the Transit Fund as follows:

Transit Farebox/Local Expense	\$964,262
Transit Grant Expense	4,121,799
TOTAL	\$5,086,061

SECTION VII. WASTEWATER FUND: Revenues are hereby approved comprised of operating revenues of \$18,058,000, non-operating revenues of \$2,000, and \$1,080,115 in retained earnings appropriated. A total of \$19,140,115 is hereby authorized to be expended from the Wastewater Fund as follows:

Wastewater Operations & Maintenance	\$19,140,115
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SECTION VIII. GOLF COURSE FUND: Revenues are hereby approved comprised of \$1,916,091 in operating revenues and \$18,273 in other revenues. A total of \$1,934,364 is hereby authorized to be expended from the Golf Course Fund as follows:

Golf Course Operating	\$1,934,364
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SECTION IX. AVIATION FUND: Revenues are hereby approved comprised of \$8,506,511 in operating revenue, \$89,200 in non-operating revenue, \$1,544,738 in restricted intergovernmental revenues, \$49,060 in licenses, and a transfer of \$860,270 from the General Fund. A total of \$11,049,779 is hereby authorized to be expended from the Aviation Fund as follows:

Aviation Operating	\$11,049,779
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SECTION X. PUBLIC HOUSING FUND: Revenues are hereby approved comprised of \$445,000 in operating revenues, \$70,000 in other revenue, a Transfer from Market Rate fund of \$3,320, and HUD contributions of \$887,059. A total of \$1,405,379 is hereby authorized to be expended from the Public Housing Fund as follows:

Public Housing Operations	\$1,405,379
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SECTION XI. DEBT SERVICE (FIRST CONCORD): Revenues are hereby approved comprised of transfers from operating funds in the amount of \$2,358,781. A total of \$2,358,781 is hereby authorized to be expended from First Concord for debt service payments as follows:

2014 LOBS	\$2,358,781
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SECTION XII. ENCUMBRANCES AS OF JUNE 30, 2021: Funds appropriated in the 2020-2021 budget and encumbered at June 30, 2021, shall be authorized as part of the 2021-2022 budget appropriation by adoption of this budget ordinance.

SECTION XIII. EMPLOYEE COMPENSATION: In accordance with the provisions of the current Personnel Policy for the City of Concord, a 3.5% contribution to a 401K program is included for all employees except law enforcement. Law enforcement is funded at 5%, as required. Monies have been set aside in each fund for a 1.5% market adjustment to all employees effective July 1, 2021, as well as merit increase opportunities for co-workers. An overall average merit increase of 2% of salaries is authorized in each fund for FY 22. The range for merit increases will be from 1 to 3%, depending on performance.

SECTION XIV. TAX RATE ESTABLISHED: An Ad Valorem Tax rate of \$0.4800 per \$100 property valuation is hereby established as the official tax rate for the City of Concord for the fiscal year 2021-2022. The adopted tax rate is based on an estimated valuation of \$1 (including motor vehicles) and an estimated 98% collection rate.

A Municipal Service District Tax of \$0.23 per \$100 property valuation (other than personal property of public service corporations) is hereby established for revitalization and other services permitted under N.C. General Statute 160A-536 in the Downtown Municipal

Service District created July 1, 1989. The adopted MSD rate reflects an estimated valuation of \$5 with an estimated 98% percent collection rate.

Allocation of the 2021-2022 tax rates will be as follows:

GENERAL FUND	\$ 0.4800
MUNICIPAL SERVICE DISTRICT	\$ 0.2300

SECTION XV. 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/she 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 budget document, may be accomplished without recourse to the Council.
- d. The City Manager, by designation of City Council under NC General Statute 159-13, shall be authorized to appropriate and/or transfer up to \$50,000 in Contingency funds. The transfer must be recorded by budget amendment at the next regularly scheduled City Council meeting.

SECTION XVI. RESTRICTIONS – CITY MANAGER:

- a. The interfund transfer of monies, except as noted in Section XV, Paragraph C and D, shall be accomplished with Council authorization only.

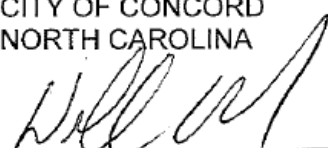
SECTION XVII. UTILIZATION OF BUDGET AND BUDGET ORDINANCE:

This Ordinance includes the 2021-2022 Annual Operating Budget document, which is on file with the City Clerk and adopted as a part of this Ordinance and is incorporated by reference as if fully re-stated herein. The 2021-2022 Schedule of User Fees, Rates and Charges is also included within the Annual Operating Budget document and is thereby adopted under this ordinance.

This Ordinance shall be the basis of the financial operation of the City of Concord during the 2021-2022 fiscal year. The City Manager shall administer the budget, and he shall insure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the budget. The Finance Department shall establish records, which are in consonance with the Budget and the Ordinance and the appropriate statutes of the State of North Carolina.

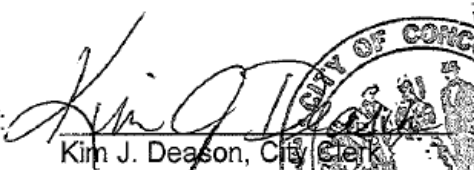
This Ordinance is approved and adopted this 10th day of June 2021.

CITY COUNCIL
CITY OF CONCORD
NORTH CAROLINA



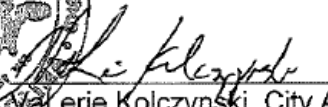
William C. Dusch, Mayor

ATTEST:



Kim J. Deason, City Clerk





Lerie Kolczynski, City Attorney