BUSINESS MEETING AGENDA

KANNAPOLIS CITY HALL
401 LAUREATE WAY, KANNAPOLIS, NC
JUNE 9, 2025
6:00 PM

Please Turn off Cell Phones or Place on Silent Mode.

APPROVED MINUTES

A. Approved Minutes - June 9, 2025 ()

CALL TO ORDER AND WELCOME

MOMENT OF SILENT PRAYER AND PLEDGE OF ALLEGIANCE

ADOPTION OF AGENDA - Motion to Adopt Agenda or make revisions

RECOGNITIONS

A. Youth Council Senior Graduates (Annette Privette Keller, Director of Communications)

PROCLAMATIONS

A. **PROCLAMATION** - Dr. Leonard Williams - Researcher of the Year (Darrell Hinnant, Mayor)

B. **PROCLAMATION -** Juneteenth June 19, 2025 (Darrell Hinnant, Mayor)

C. **PROCLAMATION** - Public Works Week May 18 - 24, 2025 (Darrell Hinnant, Mayor)

BOARD AND COMMISSION UPDATES

A. Water and Sewer Authority of Cabarrus County Update (Mike Legg, City Manager)

B. Planning and Zoning Commission Update (Mike Legg, City Manager)

C. Board of Adjustment Update (Mike Legg, City Manager)

D. Community Improvement Commission Update (Mike Legg, City Manager)

E. Cabarrus-Rowan Metropolitan Planning Organization - Transportation Advisory Committee and Technical Coordinating Committee Update (Mike Legg, City Manager)

F. Centralina Regional Council Update (Mike Legg, City Manager)

G. Parks & Recreation Commission Update (Mike Legg, City Manager)

H. Concord-Kannapolis Transit Commission Update (Mike Legg, City Manager)

CONSENT AGENDA - Motion to Adopt Consent Agenda or make revisions

A. **RESOLUTION** - To rescind an Ordinance for Budget Amendment #25-39 related to the planned Capital Reserve Fund **UNANIMOUSLY APPROVED** (Brian Roberts, Finance Director)

B. **BUDGET AMENDMENT #25-42 -** Establishing the budget for the City's portion of the Cabarrus/Iredell/Rowan HOME Consortium's American Rescue Plan (ARP) Program funds **UNANIMOUSLY APPROVED** (Irene Wong, Economic & Community Development Director)

C. **CONTRACT** - To award the bid to Garmon Mechanical Services, Inc. for replacement of HVAC unit at the Public Works Operation Center and authorize City Manager to execute the contract **UNANIMOUSLY APPROVED** (Jerome Blakeney, Director of General Services)

D. **BUDGET AMENDMENT #25-43 -** Appropriating Community Development Block Grant (CDBG) Program Income to be used for urgent repairs **UNANIMOUSLY APPROVED** (Sherry Gordon, Community Development Program Administrator)

E. **RESOLUTION** - To consider withdrawal from dedication a portion of right-of-way known as Vance Street between 304 and 310 Vance Street **UNANIMOUSLY APPROVED** (Richard Smith, Planning Director)

F. **BUDGET AMENDMENT # 25-44** - To provide assistance to the Town of Landis for street sign replacements **UNANIMOUSLY APPROVED** (Michael Rattler, Director of Transportation & Environmental Services)

G. **VOLUNTARY ANNEXATION** - (A-2025-08) Resolution Directing the Clerk to Investigate and Certify the Petition; adopt a Resolution of Intent to Annex; and Fix the Date of Public Hearing on approximately 0.26 +/- acres located at 5056 Wig Street. **UNANIMOUSLY APPROVED** (Richard Smith, Planning Director)

H. **INFORMATION** - Monthly Wastewater Allocation Update (Alex Anderson, Director of Water Resources, Elizabeth Hassenfritz, Director of Engineering)

I. **MINUTES:** April 28, 2025 Business Meeting **UNANIMOUSLY APPROVED** (Pam Scaggs, City Clerk)

J. **MINUTES:** May 12, 2025 Business Meeting **UNANIMOUSLY APPROVED** (Pam Scaggs, City Clerk)

BUSINESS AGENDA

A. **PUBLIC HEARING -** Proposed Budget for FY 2025-2026 **NO ACTION REQUIRED AT THIS TIME** (Mike Legg, City Manager)

CLOSED SESSION - GS. 143-318.11 (a) (3) to consult with an attorney in order to preserve the attorney client privilege and G.S. 143.318.11 (a) (4) for discussing matters relating to the location or expansion of industries or businesses in the area (Mayor Pro tem Berry)

MOTION TO ADJOURN

ADA Notice

In accordance with Title II of the Americans with Disabilities Act (ADA), any person requiring an accommodation to participate in a function or program of the City of Kannapolis should contact Daniel Jenkins, Assistant Human Resources Director & ADA Coordinator by phone at 704-920-4312, email adacoordinator@kannapolisnc.gov, or in person at Kannapolis City Hall as soon as possible, but not later than forty-eight (48) hours prior.

CITY OF KANNAPOLIS
CITY COUNCIL
BUSINESS MEETING MINUTES
June 9, 2025

A business meeting of City Council of the City of Kannapolis, North Carolina was held on Monday, June 9, 2025, at 6:00 P.M., at Kannapolis City Hall located at 401 Laureate Way, Kannapolis, NC.

CITY COUNCIL MEMBERS PRESENT:

Mayor:	Milton D. Hinnant	
Council Members:	Doug Wilson	
	Jeanne Dixon	
	Dianne Berry, Mayor Pro tem	
	Tom Kincaid	
	Darrell Jackson	
	Ryan Dayvault	
Council Members Absent:	None	
City Manager:	Mike Legg	
Deputy City Manager:	Eddie Smith	
Assistant City Manager:	Tina Cline	
Assistant City Manager:	Wilmer Melton	
City Attorney:	Andrew Kelly	
City Clerk:	Pam Scaggs	
Staff Present:	Michael Dodge	Terry Spry
	Kristin Jones	Kirk Beard
	Alex Andeson	Richard Smith
	Carson Purvis	TJ Cook
	Jennifer Clarke	Cody McSwain
	Albaro Reyes Martinez	Gary Mills
	Curtis Plyler	Irene Wong
	Annette Privette-Keller	Tracy Winecoff
Visitors Present:	Jayne Williams	Sophia Wilkerson
	Moira Hunter	Joe Hatley
	Richard Griggs	Demetra Grigley
	Rashad Goins	Tonda Childers
	Pam Smith	Mark Spitzer
	Grady Hardeman	Ken Lingafelt
	Phil Goodman	Dr. Leonard Williams

Sweta Chokshi Zach Erwin
Justin Mooder

CALL TO ORDER AND WELCOME

Mayor Hinnant called the meeting to order and welcomed all in attendance. He led a moment of silent prayer, followed by the Pledge of Allegiance by Councilmember Dixon.

RECOGNITIONS

Director of Communications, Annette Privette-Keller introduced Youth Council Co-Chairs, Sweta Chokshi and Moira Hunter, who shared highlights from the 2024–2025 program year. The Youth Council, composed of local high school students, held monthly meetings at various City facilities, including City Hall, the Fire Department, the Gem Theater, the Water Treatment Plant, and Atrium Health Ballpark. Key activities and initiatives included:

- Attending the State Youth Council Conference
- Launching a legacy project: painting Kannapolis-themed rocking chairs for public display
- Job shadowing across multiple City departments (e.g., Police, Fire, City Manager's Office, Legal, Engineering, Parks & Recreation)
- Volunteering at City events such as shred days, Run Kannapolis, Celebration of Lights, and the summer concert series
- Coordinating a toiletry drive for the local children's home and partnering with CCM to adopt a family for the holidays
- Creating Valentine's cards for a retirement home and assisting with the annual Daddy-Daughter Dance
- Participating in the Christmas parade, overnight "lock-in" events, and other social activities

They concluded by thanking Council for their support and funding and expressed excitement for the Youth Council's future.

ADOPTION OF AGENDA

Mayor Hinnant asked for a motion regarding the Agenda. Councilmember Jackson made motion to approve the agenda, second by Councilmember Wilson and the motion was unanimously approved.

PROCLAMATIONS

Mayor Hinnant presented a proclamation honoring Dr. Leonard Williams, Professor and Director at North Carolina Agricultural and Technical State University, in recognition of his achievement as *Researcher of the Year*. Additional proclamations recognizing June 19, 2025, as Juneteenth National Independence Day was presented to Demetra Grigley, as well as establishing May 18–24, 2025, as Public Works Week, which was accepted by several Public Works employees.

BOARD AND COMMISSION UPDATES

City Manager Mike Legg highlighted recent activities from City and area boards and commissions. He noted that Parks and Recreation Director Gary Mills presented a three-year strategic plan for the Swanee Theater, focused on enhancing programming, patron experience, and financial operations. Mr. Legg offered to share the plan with Council upon request. He also reported that the Water and Sewer Authority of Cabarrus County (WSACC) has begun work sessions to determine next steps for

wastewater capacity planning, following completion of the second expansion at the Rocky River Regional Wastewater Treatment Plant. Potential options include further expansion at the Pre-Treatment Plant and county-wide solutions to support continued growth. Mr. Legg will keep Council informed as discussions progress. He added that minutes from all boards and commissions could be made available at Council's request.

CONSENT AGENDA

Mayor Hinnant called for a motion on the Consent Agenda. Councilmember Dixon moved to approve, second by Councilmember Dayvault and unanimously approved.

Resolution to rescind the Ordinance for Budget Amendment #25-39 related to the planned Capital Reserve Fund (Brian Roberts, Director of Finance) (Copy included as Exhibit A)

Budget Amendment #25-42 establishing the budget for the City's portion of the Cabarrus/Iredell/Rowan HOME Consortium ARP Program Funds (Irene Wong, Economic & Community Development Director) (Copy included as Exhibit B)

Award the contract bid to Garmon Mechanical Services, Inc. for replacement of HVAC unit at the Public Works Operation Center and authorize the City Manager to execute the contract. (Jerome Blakeney, Director of General Services) (Copy included as Exhibit C)

Budget Amendment #25-43 Appropriating Community Development Block Grant (CDBG) Program Income to be used for urgent repairs. (Sherry Gordon, Community Development Program Administrator) (Copy included as Exhibit D)

Resolution to consider withdrawal from dedication a portion of right-of-way known as Vance Street between 304 and 310 Vance Street (Richard Smith, Planning Director) (Copy included as Exhibit E)

Budget Amendment #25-44 Appropriating funds to provide assistance to the Town of Landis for street sign replacements (Michael Rattler, Director of Transportation & Environmental Services) (Copy included as Exhibit F)

Resolution Directing the Clerk to Investigate and Certify the Petition; adopt a Resolution of Intent to Annex and Fix the Date of the Public Hearing on approximately 0.26 +/- acres located at 5056 Wig Street (Richard Smith, Planning Director) (Copy included as Exhibit G)

Monthly wastewater allocation update (Alex Anderson, Director of Water Resources; Elizabeth Hassenfritz, Director of Engineering) (Copy included as Exhibit H)

April 28, 2025 Business Meeting Minutes (Pam Scaggs, City Clerk) (Copy included as Exhibit I)

May 12, 2025 Business Meeting Minutes (Pam Scaggs, City Clerk) (Copy included as Exhibit J)

BUSINESS AGENDA

Public Hearing – Proposed Budget for FY 2025-2026 (Mike Legg, City Manager) (Copy included as Exhibit K)

Mr. Legg provided an overview of the proposed FY2026 budget, highlighting how the City's continued growth, in both residential and non-residential development, has expanded the tax base through increased private investment. He acknowledged a temporary slowdown in development activity, possibly linked to national economic conditions and financing trends, noting that a half-billion dollars in new development remains ready to proceed once the market activity resumes. Mr. Legg stated that the budget reflects cautious planning, with conservative revenue estimates and a focus on infrastructure, service delivery, and employee support. It includes a 5% salary increase for all employees, pauses the pay-for-performance evaluation system for two years based on employee feedback, and no new full-time positions or capital outlay beyond critical infrastructure needs. He emphasized that the City has "right-sized" departmental budgets to eliminate excess buffering and ensure alignment with actual spending trends.

Mr. Legg noted that while the FY2026 budget includes no change to the property tax rate, it does recommend moderate increases to fixed water and sewer charges as well as environmental fees to support ongoing operational needs. He also highlighted the inclusion of new debt service for the $8.4 million Kannapolis Lake Dam spillway repair project, which is required for safety reasons. At the same time, he reminded Council that overall debt service is trending downward across several funds due to the retirement of longstanding obligations, including $4.7 million in General Fund debt associated with the North Carolina Research Campus, which is scheduled to be fully paid off within the next five years.

Mr. Legg stated that cash reserves remain strong, with about $7.1 million available for one-time investments. He recommended allocating funds for a new fire training tower; matching funds for a new public safety communications tower and logistics building (both with federal support); enhancements to downtown spaces (e.g., seating, lighting, signage); $324,000 in match funding for the Little Texas sidewalk project; and under $400,000 for a new parking lot and pocket park near the train station. He reminded Council that several topics they added for further discussion included: YMCA funding; funding for the North Carolina Music Hall of Fame (NCMHF); the Federal lobbying contract; the recycling subsidy provided for Kannapolis and Cabarrus County Schools; City facility rental fees and the public art master plan.

There being no questions for Mr. Legg at this time, Mayor Hinnant opened the public hearing.

Justin Mooder noted a discrepancy between the City's projected and actual budget revenues and requested clarification regarding the cause of that gap.

Sophia Wilkerson expressed appreciation that Council agreed to review rental fees and asked them to consider approving a discount for residents.

Zack Erwin expressed regret that funding for the Jiggy Festival had been cut without input from the community. He described the festival as a major attraction and questioned the elimination when employee compensation was increasing. Mr. Erwin urged greater transparency, public engagement and consideration of community sentiment in future decisions.

Mark Spitzer, a longtime board member of the NCMHF, expressed continued support for the City's contribution to the institution but recommended that future funding be contingent upon locally hosted events in Kannapolis. He shared disappointment that the Gem Theater is no longer utilized for

NCMHF events and encouraged renewed collaboration to bring programming back to the city, emphasizing that even smaller-scale events could uphold the NCMHF's mission and strengthen its connection to the community.

There being no further comment, Mayor Hinnant closed the public hearing.

Councilmember Wilson commented on previous discussions regarding the transportation system, suggesting that a hybrid approach may be more appropriate and that further review is needed. He also noted that Downtown Kannapolis Inc. (DKI) is not yet fully established and cautioned against premature involvement until greater alignment and support from downtown retailers is achieved. Regarding the NCMHF, Mr. Wilson recommended scheduling future discussions to more thoroughly consider funding and budget allocations.

Mayor Pro tem Berry questioned the City's continued funding of employee YMCA memberships, noting 68% participation and suggested that funding levels should better reflect actual usage. She voiced support for eliminating funding to the NCMHF and recommended suspending the City's federal lobbying contract. Mrs. Berry requested more information on funding the recycling containers at area schools, referencing the importance of understanding its historical context and expressed support regarding street paving noting ongoing community concerns. She suggested placing the public arts master plan on hold and supported discussion and resolution regarding rental fee policies for City facilities.

Councilmember Dixon thanked Mr. Legg and staff for their work on the budget and directed attention to page 58 of the proposed Budget book and asked for clarification of the 144% increase in *Contracted Services*. Mr. Legg clarified that although there was an increase in this particular line item, it was offset by a corresponding decrease in the line item for *Contract – Resurfacing*. As a result, the overall budget did not experience a significant net increase and the adjustment ensures that the total expenditure remains balanced without causing any substantial impact on the budget. Mrs. Dixon asked for an explanation regarding the 25% increase in the *Dues/Subscriptions* line item on page 18 of the City Council Budget. Mr. Legg explained that this increase is primarily due to higher dues paid to various organizations, such as the League of Municipalities and similar entities. Mrs. Dixon stressed the importance of maintaining a vibrant and appealing city that enhances quality of life for both residents and visitors but cautioned against compromising essential infrastructure funding, such as for streets. She questioned the long-term value of continued financial support for the NC Music Hall of Fame and raised concerns about whether the Public Arts Master Plan would directly contribute to community well-being. Mrs. Dixon supports offering rental fee discounts to residents.

Councilmember Jackson referred to Mr. Wilson's comment regarding transportation and noted that as budgets grow, so do the City's responsibilities, particularly in areas like public transportation. Mr. Jackson added that many residents rely on transit services and, based on his experience serving on the board, hybrid and on-demand systems have proven more expensive to operate than fixed-route buses. Regarding the NCMHF, Mr. Jackson recommended maintaining funding for now, while strongly encouraging the organization to resume hosting events locally and reevaluating the City's financial support if events do not resume.

Councilmember Dayvault expressed support for the right-sizing approach with the budget and aligned with Mr. Jackson's view that continued funding for the NCMHF should be contingent upon

Kannapolis hosted events. Mr. Dayvault noted that while federal lobbying contracts can be effective during periods of available funding, current uncertainty warrants short-term agreements. Regarding supporting the school system recycling containers, he contrasted funding for athletic programs and gymnasium use with the City's role in providing container services. He acknowledged that many sidewalks are older and require ADA standards, but emphasized that street maintenance should remain the higher priority, particularly in a year of fiscal restraint. Mr. Dayvault cautioned against supporting new cultural initiatives, such as the public art master plan, in a year when core investments like the sewer outfall must be maintained and raised concern about the communication surrounding compensation changes, noting that recent emails about benefit adjustments impacted take-home pay and underscored the difficulty of standardizing evaluations across departments. He suggested a better dialogue with employees regarding these impacts moving forward. Mr. Dayvault supported a resident discount for facility rentals and addressed Mr. Erwin concern regarding the cancellation of the Jiggy festival stating that operational costs neared $700,000 versus $250,000 as cited by Mr. Erwin. He questioned the environmental fee increase and proposed considering whether the recycling program remains cost effective. Mr. Dayvault agreed with Mr. Wilson regarding funding for DKI until internal support materializes.

Councilmember Wilson expressed agreement with Mr. Jackson and Mr. Dayvault that continued funding for the NCMHF should be contingent on hosting events in Kannapolis. He supported placing the City's federal lobbying contract on hold and encouraged a clear agreement with local school systems regarding the shared use of athletic fields and gymnasiums. Mr. Wilson emphasized that street maintenance should be a top priority and stated his opposition to advancing the public art master plan at this time. Additionally, he voiced support for incorporating rental fee discounts for City residents.

Councilmember Kincaid expressed appreciation for hearing the perspectives of fellow council members. Regarding YMCA support, he favored continuing to assist the program through employee funding rather than direct financial contributions. He agreed that funding for the NCMHF should be tied to its presence and event activity in Kannapolis, suggesting that funding be reduced or eliminated if not locally active. On education-related support, he advocated assisting the school system through in-kind services rather than direct financial aid. Mr. Kincaid described street paving as a clear priority and expressed uncertainty regarding continued investment in the public arts master plan. Addressing employee compensation, he supported efforts to rebuild staff trust and morale following delays and changes in pay evaluation systems. Mr. Kincaid emphasized that City-owned spaces should serve the public, suggesting rates be reduced for residents while still covering maintenance costs without becoming a source of profit.

Councilmember Jackson expressed support in continuing to receive briefing from the City's federal lobbyist regarding potential upcoming funding opportunities and policy developments. He referred to Mr. Mooder's concerns about the variance between projected and actual revenues for property and sales taxes and asked for clarification. Mr. Legg responded that while projections had been highly accurate for the past seven years, this year's shortfall appears to be an anomaly, influenced in part by timing and county-level factors. He emphasized that the City took a conservative approach in its estimates and that actual revenues may still exceed current projections. Mr. Legg added that many other jurisdictions are facing similar forecasting challenges, particularly with volatile sales tax trends, and that flexibility remains in place to adjust if additional revenues materialize.

Mayor Hinnant agreed that Council should review and discuss rental discounts for residents. He also acknowledged the need for further discussion on funding for the YMCA, NCMHF, and a public art master plan. However, he supported continuing the contract with the federal lobbyist, noting the direct financial benefit to Kannapolis and suggested that it was in the City's best interest to maintain this relationship. He expressed regret over canceling the Jiggy festival, emphasizing that it cost the City significantly more than $250,000, as mentioned by Mr. Erwin. Additionally, Mayor Hinnant supported reallocating funds from sidewalk repairs to street repairs to avoid increasing overall spending.

Mayor Hinnant referred to a previous meeting where Council approved a Development Agreement with Dale Earnhardt Boulevard Partners, LLC., who proposed demolishing 23 existing homes to build 88 new townhomes. After that meeting, he discussed with Mr. Legg the possibility of saving the homes rather than demolishing them. A staff group, including Wilmer Melton, Andrew Kelly, Alex Anderson, Richard Smith, and Irene Wong, was created to explore this possibility. A contractor determined that 20 of the 23 homes could be salvaged, and a moving company agreed to relocate the homes within a one-mile radius for approximately $1,000,000. Mayor Hinnant indicated that the homes could possibly be moved and renovated for $100,000 each and would be used as affordable housing leased at below-market rates, with first choice given to police, fire, and teachers.

Mayor Hinnant noted that they are actively working with churches and schools to see if they have property that could be donated for the use and acknowledged the tight timeframe to secure the land and move the homes before the September 1, 2025 deadline. In addition to about $700,000 in CDBG funds that could be used to facilitate this project the City also has fund balance and savings to be used. He asked Council for approval to direct staff to continue the search for available lots within the City.

Councilmember Dayvault recalled a similar failed project and the mayor suggested that the failure may have been due to utility connection issues. While Mayor Pro Tem Berry expressed frustration over lack of knowledge of the project and additional expenditure amidst budget cuts, Councilmember Dixon supported the idea, suggesting outreach for property donations. Councilmember Wilson estimated the cost to be closer to $2.1 million to move all the homes and Councilmember Jackson supported further discovery but Mayor Pro Tem Berry questioned how Council could approve the budget without knowing the exact costs of the additional expense. Mr. Legg reminded Council that there are available funds for one-time projects as well as CDBG funds. Councilmember Dayvault indicated that he would like more information on the increased environmental fees and Councilmember Kincaid asked about land purchase versus donation. There was general consensus for further staff review of this proposed project.

CLOSED SESSION

NCGS 143-318.11 (a) (3) to consult with an attorney in order to preserve the attorney client privilege and G.S. 143.3189.11 (a) (4) for discussing matters relating to the location or expansion of industries or businesses in the area. (Mayor Pro tem Berry)

Mayor Pro tem Berry made the motion to go into closed session pursuant to NCGS 143-318 (a) (3) to consult with an Attorney in order to preserve the Attorney client privilege. The motion was seconded by Councilmember Dayvault and unanimously approved.

Council went into closed session at 8:00 PM.

There being no further business, Councilmember Wilson made a motion to come out of closed session, second by Councilmember Dayvault, and the motion was unanimously approved.

Council resumed regular session at 8:54 PM.

Councilmember Jackson made the motion to approve the Resolution authorizing the City Attorney to institute proceedings against Monteith Construction Corporation. The motion was seconded by Councilmember Dixon and unanimously approved.

MOTION TO ADJOURN

There being no further business, Councilmember Dayvault made motion to adjourn, second by Councilmember Dixon, and the motion was unanimously approved.

The meeting adjourned at 8:55 PM on Monday, June 9, 2025.

M. Darrell Hinnant, Mayor
City of Kannapolis

Pam Scaggs, CMC, NCCMC
City Clerk

Agenda Item: E.A

Kannapolis

Agenda Staff Report
June 9, 2025

To: Mayor and City Council

From: Annette Privette Keller, Director of Communications

Subject: Youth Council Senior Graduates

Recommended Action Requested by City Council

None - Recognition Only

Required Votes to Pass Required Action

Presentation Only. No Action Required

Background

The Kannapolis Youth Council will share a presentation on their program of work for the 2024-2025 school year. Outgoing Co-Chairs Moira Hunter and Sweta Chokshi will give the presentation.

Fiscal Implications

N/A

Alternate Courses of Action

None - Recognition Only

Attachments

None

KANNAPOLIS

Office of the Mayor

KANNAPOLIS, NORTH CAROLINA
P R O C L A M A T I ON
"HONORING DR. LEONARD L. WILLIAMS"

WHEREAS, Dr. Leonard L. Williams serves as a Professor and Director of the North Carolina Agricultural and Technical State University Center for Excellence in Post-Harvest Technologies (CEPHT), located on the North Carolina Research Campus in Kannapolis, NC; and

WHEREAS, Dr. Williams is widely recognized as a leading scholar and researcher in food microbiology, focusing on the use of plant-derived nutrients to combat chronic diseases; and

WHEREAS, he manages a multi-faceted research laboratory dedicated to identifying natural alternatives to fight antimicrobial resistance, advancing food biodefense, and developing value-added products to improve public health and wellness; and

WHEREAS, Dr. Williams has made significant contributions to the scientific community as co-author of one textbook, over 120 peer-reviewed journal articles, six extension or outreach publications, 16 book chapters, and more than 200 presentation papers and abstracts; and

WHEREAS, his commitment to research excellence has earned him multiple accolades, including the Partnership Award from the United States Department of Agriculture National Institute of Food and Agriculture (USDA-NIFA); and

WHEREAS, Dr. Williams was recently honored as Senior Researcher of the Year, an award recognizing outstanding research and creative contributions by tenured faculty members who have been at the university for at least five years; .

NOW, THEREFORE, I, MILTON DARRELL HINNANT, Mayor of the City of Kannapolis, North Carolina by virtue of the authority vested in me as Mayor together with the Kannapolis City Council, proudly recognize and honor Dr. Leonard L. Williams for his exceptional contributions to science, research, and public health. His dedication to innovation and scholarship continues to inspire and benefit communities locally and globally.



IN WITNESS WHEREOF I have set my hand and caused the Great Seal of the City of Kannapolis to be affixed this 9th day of June 2025.

Milton D. Hinnant

Office of the Mayor

KANNAPOLIS, NORTH CAROLINA
P R O C L A M A T I ON
"JUNETEENTH"

WHEREAS, Juneteenth, observed annually on June 19th, marks the historic day in 1865 when the last enslaved African Americans in Galveston, Texas, were informed of their freedom more than two years after President Abraham Lincoln issued the Emancipation Proclamation; and

WHEREAS, Juneteenth represents a significant milestone in American history, serving as a powerful reminder of the resilience, strength, and contributions of African Americans in the continued pursuit of justice and equality; and

WHEREAS, the City of Kannapolis recognizes the importance of Juneteenth as a time for reflection, education, and celebration, fostering unity, understanding, and appreciation for the rich heritage and achievements of the African American community; and

WHEREAS, this observance encourages all residents to engage in meaningful dialogue, honor the past, and commit to building a more inclusive and equitable society for future generations.

NOW, THEREFORE, I, MILTON DARRELL HINNANT, Mayor of the City of Kannapolis, North Carolina by virtue of the authority vested in me as Mayor together with the Kannapolis City Council, do recognize and hereby proclaim Thursday, June 19, 2025, as

JUNETEENTH NATIONAL INDEPENDENCE DAY

and encourage all citizens to join in commemorating this significant occasion and to participate in the festivities scheduled from 12:00 P.M. to 5:00 P.M. at Veteran's Park, 119 N. Main Street.

CITY OF KANNAPOLIS INCORPORATED SEAL 1984 NORTH CAROLINA

IN WITNESS WHEREOF I have set my hand and caused the Great Seal of the City of Kannapolis to be affixed this 9th day of June 2025.

Milton D. Hinnant

Office of the Mayor

KANNAPOLIS, NORTH CAROLINA
P R O C L A M A T I ON
"PUBLIC WORKS WEEK"

WHEREAS, public works professionals play a vital role in maintaining and improving the infrastructure, facilities, and services that enhance the quality of life for all residents; and

WHEREAS, these dedicated individuals ensure the safety, efficiency, and sustainability of essential services, including transportation, water supply, waste management, and public spaces; and

WHEREAS, the City of Kannapolis acknowledges the invaluable contributions of public works employees, whose expertise and commitment support the well-being and progress of our community; and

WHEREAS, National Public Works Week, observed from May 18 to May 24, 2025, provides an opportunity to recognize and celebrate the efforts of public works professionals across the nation; and

WHEREAS, while National Public Works Week is typically observed in May, the City of Kannapolis recognizes the importance of honoring these essential workers and is proud to observe this occasion to ensure their contributions receive the recognition they deserve;

NOW, THEREFORE, I, MILTON DARRELL HINNANT, Mayor of the City of Kannapolis, North Carolina by virtue of the authority vested in me as Mayor together with the Kannapolis City Council, do recognize and hereby proclaim May 18 to May 24, 2025, as

PUBLIC WORKS WEEK

and encourage all residents to express their appreciation for the dedication and service of public works professionals.



IN WITNESS WHEREOF I have set my hand and caused the Great Seal of the City of Kannapolis to be affixed this 9th day of June 2025.

Milton D. Hinnant

WATER & SEWER AUTHORITY
OF CABARRUS COUNTY

REGULAR MEETING

May 21, 2025
5:00 P.M.

CALL TO ORDER BY THE CHAIRMAN
ITEMS OF THE AGENDA

ADOPTION OF THE AGENDA

1. Request for Adoption of the Agenda of the May 21, 2025 Board Meeting

UNFINISHED BUSINESS

1. Request for Approval of the Minutes of April 16, 2025

SPECIAL RECOGNITION

1. NCDOL Gold Awards for WSACC – Robin Moore

2. Presentation of Design-Build Institute of America Awards to WSACC – Chad VonCannon

REPORTS

1. Quarterly Financial Reports – Wendi Heglar

2. Wastewater Treatment Expansion Alternatives from the WSACC Facilities Plan – Thomas Hahn

GENERAL DISCUSSION

1. Updates from the Executive Director – Chad VonCannon

PUBLIC COMMENTS

CLOSED SESSION

1. **Closed Session - G.S.143-318.11 (a)(1) - to prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes.**

ADJOURN

*****

(The next regular meeting will be held on Wednesday, June 18, 2025, at 5:00 p.m.)

Please note that anyone needing reasonable accommodation to participate in the meeting should contact the Secretary to the Board at (704) 786-1783, extension 234, at least twenty-four (24) hours before the meeting.

WATER & SEWER AUTHORITY
OF CABARRUS COUNTY (WSACC)
MEMBER LIST

Mike Legg
Chairman

Jeff Corley
Vice Chairman

Rob Donham
Board Member

Josh Mendoza
Board Member

Darrell Hinnant
Board Member

Doug Paris
Board Member

Randy Holloway
Board Member

Jennifer Parsley-Hubbard
Board Member

Chris Measmer
Board Member

CITY OF KANNAPOLIS
PLANNING & ZONING COMMISSION MEETING

May 20, 2025 at 6:00 pm

Agenda

1. **Call to Order**
2. **Roll Call and Recognition of Quorum**
3. **Approval of Agenda**
4. **Approval of Minutes:** April 15, 2025
5. **Public Hearing**

   a. **Z-2025-03 – Zoning Map Amendment – 2305 Lane Street**
   Public Hearing to consider a request to rezone property located at 2305 Lane Street from City of Kannapolis Office-Institutional (O-I) zoning district to City of Kannapolis Residential 4 (R4) zoning district. The subject property is approximately 0.45 +/- acres and further identified as Cabarrus County Parcel Identification Number 56248159610000.

   b. **Z-2025-04 – Zoning Map Amendment – 5400 and 5425 Odell School Road**
   Public Hearing to consider a request to assign City of Kannapolis zoning to recently annexed properties located at 5400 and 5425 Odell School Road. The subject properties are currently zoned Cabarrus County Office/Institutional (OI), and the request is to assign City of Kannapolis Agricultural (AG) zoning district. The subject properties are approximately 13.95 +/- combined acres and further identified as Cabarrus County Parcel Identification Numbers 46736668550000 and 46735792770000. This property was voluntarily annexed on April 28, 2025. Per the North Carolina General Statutes, a City of Kannapolis zoning designation must be applied to the property within sixty (60) days of annexation.

   c. **CZ-2025-02 – Conditional Zoning Map Amendment – 2423 and 2575 Jim Johnson Road and an Unaddressed parcel on Jim Johnson Road**
   Public Hearing to consider a request to assign City of Kannapolis zoning to recently annexed properties located at 2423 and 2575 Jim Johnson Road and an Unaddressed parcel on Jim Johnson Road. The subject properties are currently zoned Cabarrus County Countryside Residential (CR), and the request is to assign City of Kannapolis Residential 8-Conditional Zoning (R8-CZ) to allow for a residential development. The subject properties are approximately 87.748 +/- combined acres and further identified as Cabarrus County Parcel Identification Numbers 46729232550000, 46729217120000, and 46728256200000. This property was voluntarily annexed on April 28, 2025. Per the North Carolina General Statutes, a City of Kannapolis zoning designation must be applied to the property within sixty (60) days of annexation.

7. **Planning Director Update**
8. **Other Business**
9. **Adjourn**

Kannapolis
Planning and Zoning Commission Members
July 2024 – June 2025

Chair Chris Puckett 2770 Keady Mill Loop Kannapolis, NC 28081	(H) 704-933-4035 (C) 704-298-5872 Email: ch2realty@gmail.com Term Expires: 06/30/2026 Term: 3rd
Vice-Chair James Litaker 1994 Stratton Ct. Kannapolis, NC 28081	(H/C) 704-467-4808 Email: jlitaker55@gmail.com Term Expires: 6/30/2027 Term: 2nd
Daisy Malit 1295 Midlake Dr. Kannapolis, NC 28083	(C) 704-560-0170 Email: onyougos@gmail.com Term Expires: 6/30/2026 Term: 1st
Jamie Richardson 1500 Light House Ln. Kannapolis, NC 28081	(C) 805-953-5336 Email: jamieleerich22@yahoo.com Term Expires: 6/30/2025 Term: Filling unexpired term of Daniel O'Kelly
Larry Ensley 6600 Finger Lake Dr. Concord, NC 28027	(H) 704-782-3725 (C) 980-621-9617 Email: ensley@ctc.net Term Expires: 6/30/2027 Term: 3rd
Ryan French 1905 Pennsylvania Ave. Kannapolis, NC 28083	(C) 252-521-7967 Email: RyanLee_French@yahoo.com Term Expires: 06/30/2027 Term: 1st
Scott Trott 2909 Donegal Dr. Kannapolis, NC 28081	(H) 704-933-3944 (C) 704-743-8404 Email: sbtrott@aol.com Term Expires: 6/30/2025 Term: 4th
Shelly Stein 911 W B St. Kannapolis, NC 28081	(C) 980-866-1272 Email: kreashelly@gmail.com Term Expires: 6/30/2026 Term: 2nd
***Rowan ETJ Representative:** Mike McClain 2040 Rollingwood Dr. Kannapolis, NC 28081	(H/C) 704-490-2336 Email: mikecmcclain73@gmail.com Term Expires: 6/30/2027 Term: 1st

The Commission meets the third Tuesday of each month, at 6:00 PM., at the Kannapolis City Hall Municipal Building located at 401 Laureate Way, Kannapolis.

***Appointed by Rowan County Commissioners for representation of Extraterritorial Jurisdiction in Rowan County.**

BOARD OF ADJUSTMENT
AGENDA

Kannapolis City Hall
Laureate Center - Kannapolis, N.C.

Tuesday, June 3, 2025
6:00 PM

1. **Call to Order**
2. **Roll Call and Recognition of Quorum**
3. **Approval of Agenda**
4. **Approval of Minutes –** May 6, 2025
5. **Swearing In for Testimony**
6. **Public Hearing:**
   a. **BOA-2025-08 – Special Use Permit – 9170 Davidson Highway**
   Order is for approval of a Special Use Permit (SUP) submitted by the applicant, Sustar/Little LLC, to allow for a self-service storage facility in the General Commercial (GC) zoning district on an approximately 2.20 +/- acre portion of a 4.13 +/- acre property located at 9170 Davidson Highway, further identified as Cabarrus County Parcel Identification Number 46824023240000. **Note: This agenda item was continued from the May 6th meeting due to a request from the Board for more information from the applicant regarding off-site building visibility and lighting for the property.**

   b. **BOA-2025-09 – Certificate of Nonconformity Adjustment – 358 Oak Avenue Mall Drive**
   Order is for approval of a Certificate of Nonconformity Adjustment (CONA) submitted by the applicant, Rite Lite Signs, for property located at 358 Oak Avenue Mall Dr., to permit a wall mounted sign measuring 135 square feet, where a maximum of 32 square feet is allowed. The existing 135-square-foot sign was previously approved under CONA case BOA-2015-15. Section 2.5.E(4) of the Kannapolis Development Ordinance requires CONA approval prior to any change of use from one nonconforming use to another. The subject property is approximately 7.59 +/- acres, is zoned Center City (CC), and is identified as Cabarrus County Parcel Identification Number 56135929920000.

7. **Planning Director Updates**
8. **Other Business**
9. **Adjourn**

Kannapolis
Board of Adjustment
July 2024 – June 2025

Chair Emily Joshi 700 Evelyn Ave Kannapolis, NC 28083	(C) 843-622-4519 Email: emilyjoshi19@gmail.com Term Expires: 6/30/2026 Term: 2nd
Vice-Chair Holden Sides 803 Sprucewood St. Kannapolis, NC 28081	(H/C) 704-699-2092 Email: sideshb94@yahoo.com Term Expires: 6/30/2026 Term: 1st
Chris Dwiggins 210 S Main St. Apt #532 Kannapolis, NC 28081	(C) 704-791-0195 Email: chrisdwiggins7@gmail.com Term Expires: 6/30/2026 Term: 1st
Danielle Martini 404 N East Ave. Kannapolis, NC 28083	(W/C) 704-309-8024 Email: martinixdry@gmail.com Term Expires: June 30, 2027 Term: 1st
Jeff Parker 1630 Eastwood Dr. Kannapolis, NC 28083	(H) 704-933-5518 (C) 704-467-1471 Email: wa1wxl@carolina.rr.com Term Expires: 6/30/2027 Term: 1st
Wilfred W. Bailey, Sr. 3233 Lock Ern Ave. Kannapolis, NC 28081	(C) 704-737-8134 Email: baileywilfred@gmail.com Term Expires: 6/30/2026 Term: 2nd
***Rowan E.T.J. Representative** VACANT	
Alternate: VACANT	

The Board of Adjustment meets the First Tuesday of each month, at 6:00 P.M., at Kannapolis City Hall located at 401 Laureate Way, Kannapolis. ***Appointed by Rowan County Commissioners for representation of Extraterritorial Jurisdiction in Rowan County.**

CITY OF KANNAPOLIS

COMMUNITY IMPROVEMENT COMMISSION

Tuesday, May 20, 2025
6:00 PM

A. Welcome and Call to Order – Amos McClorey, Chairperson

B. CDBG Grant Presentations:

6:00 pm – Dream Create Grow Foundation
6:15 pm – Faith Fellowship Church
6:30 pm – Peek Into a New Horizon
6:45 pm – Pure Excellence

C. CDBG nonprofit grant discussion

D. CIC Appointments – Sherry Gordon

Next meeting August 19, 2025 @ 6 pm

KANNAPOLIS COMMUNITY IMPROVEMENT COMMISSION
July 2024 - June 2025

Chairperson Amos McClorey 1413 Cooper Avenue Kannapolis, NC 28081	(H) 704-938-4500 (C) 704-560-1877 Email: mccloreya@yahoo.com Term: 3 Term expires: June 30, 2026
Vice Chairperson Theron Smoutherson 614 N. Juniper Avenue Kannapolis, NC 28081	(C) 980-621-8494 Email: theron1970@hotmail.com Term: 2 Term Expires: June 30, 2025
Jacqueline Anthony 1563 Kingston Drive Kannapolis, NC 28083	(C) 704-352-7248 Email: jantdesigns@gmail.com Term: 3 Term Expires: June 30, 2026
Yolanda Thompson 2308 Coach House Lane Kannapolis, NC 28081	(H) 704-933-8370 (C) 980-621-0081 Email: yolaniedcor@outlook.com Term: 2 Term Expires: June 30, 2025
Mark Goodnight 909 N. Main Street Kannapolis, NC 28081	(H) 704-938-9259 (C) 704-773-0818 Email: markgoodnightrealtor@gmail.com Term: 2 Term expires: June 30, 2025
John Middleton 1020 Lindler Drive Concord, NC 28027	(H) 704-9820573 (C) 980-248-4688 Email: john@cssonsite.net Term: 2 Term expires: June 30, 2027
Patricia Ware 605 Hillside Street Kannapolis, NC 28083	(C) 980-677-6122 Email: patriciaware0675@gmail.com Term: 3 Term Expires: June 30, 2027
Spencer Swain 3676 Trinity Church Rd. Kannapolis, NC 28081	(C) 704-202-5057 Email: spencerswain@familiesfirst.org Term: 2 Term Expires: June 30, 2026
Debbie Wilkinson 306 Larry Drive Kannapolis, NC 28083	(C) 704-699-6915 Email: debbiegwilkinson@gmail.com Term: 2 Term Expires: June 30, 2027

This Commission meets the third Tuesday of January, February, April, May and August at 6:00 pm., at the Kannapolis City Hall/Police Headquarters located at 401 Laureate Way, Kannapolis, NC.

Meetings are subject to rescheduling due to holidays and other events. To ensure that a specific meeting is unchanged, please contact Sherry Gordon, Kannapolis Community Development Program Administrator at (704) 920-4332, or sgordon@kannapolisnc.gov.

Cabarrus Rowan Urban Area
Metropolitan Planning Organization

Transportation Advisory Committee

Wednesday May 28, 2025
5:30 pm
Dinner provided by
Rowan County

Rowan Community Center
(formerly West End Plaza)
1935 Jake Alexander Blvd
Salisbury, NC 28147

Agenda

1) Call to Order — TAC Chairman Smith

- Pledge of Allegiance
- Roll Call of Members for Quorum & Introduction of Guests
- List of Eligible TAC Voting Members
- Ethics Reminder
- Chamber of Commerce Update
- Speakers from the Floor (3 minutes per speaker)
- Adjustments/Approval to the Agenda including Consent

CONSENT AGENDA

All items on the consent agenda are considered to be routine and may be enacted by one motion. If a TAC member requests discussion on an item, the item will be removed from the consent agenda and considered separately. The following items are presented for TAC consideration on the Consent Agenda:

2) FY 2024-2033 MTIP Modification #10 — Phil Conrad

INFORMATION: MPO staff typically brings amendments or modifications from recent NCDOT Board of Transportation agendas to the TCC/TAC for consideration. The first project modification is to delay construction to FY 26 for Brenner Avenue safety project (HL-0049). Attachment 3 is a resolution modifying the MTIP for these projects.

ACTION/RECOMMENDATION: 1) Receive a report on modification #10 to the FY 2024-2033 MTIP; and 2) Consider endorsing modification #10 to the FY 2024-2033 MTIP.

THIS CONCLUDES THE CONSENT AGENDA

3) Approval of March 26, 2025 minutes TAC Chairman Smith

4) Functional Classification System Review Phil Conrad

INFORMATION: Functional classification is the process by which streets and highways are grouped into classes, or systems according to the character of service they are intended to provide. Generally, highways fall into one of four broad categories: principal arterials, minor arterials, collector roads, and local roads and are based on whether the area is urban or rural. Following the 2020 US Census and designation of urban area boundaries, the NCDOT conducts a review of the functional classification system. NCDOT staff has provided the maps and AADT point shapefiles to conduct this review. A list of the proposed functional classification system changes is included as attachment 4.

ACTION/RECOMMENDATION: 1) Receive a report on the proposed Functional Classification System changes; 2) Discuss; and 3) Consider endorsing the proposed Functional Classification System changes as presented.

5) TAP/CRP Program Project Call Phil Conrad

INFORMATION: The Transportation Alternatives Program (TAP) is a federal program to fund bicycle and pedestrian infrastructure. This program is similar to the STP-DA suballocation program, requiring a 20 percent local match for those eligible bicycle and pedestrian projects. The MPO issued a call for project proposals on March 20th that concluded on May 9th. A total of 2 projects proposals were submitted by 2 project sponsors. The total cost of these projects is $5.682 million. NCDOT has indicated that the MPO can anticipate receiving about $2.85 million in federal TAP funds thru FY 2030. MPO staff would propose using this balance for these projects. A summary table is also included as attachment 5A. The backup for these project proposals are included as attachment 5B. CRP or Congestion Reduction Program funds are a federal funding source for areas across the state to reduce transportation emissions under the recent Bipartisan Infrastructure Law (BIL). CRP funds require a local sponsor and also a 20 percent local match. Eligible projects must demonstrate a transportation emissions reduction benefit to the local area. The MPO issued a call for new project applications with a deadline of May 9th. NCDOT had indicated that the MPO could anticipate receiving about $.604 million annually in CRP funds beginning with FY 2025, which has been subsequently revised to $0. The MPO received a CRP project proposal for 2 Projects submitted by 2 project sponsors. MPO staff would proposed using all of the available CRP funds for the 2 project proposals, subject to eligibility. The associated application and narrative

for these projects is attachment 5C. A resolution of support is included as attachment 5D. The TCC reviewed the project proposals and given the available TAP funds has recommended an award to the City of Salisbury for the Brenner Avenue Safety Project.

ACTION/RECOMMENDATION: 1) Receive a report on the TAP and CRP Program Call for Projects; 2) Discuss; and 3) Consider endorsing the TAP recommendation from TCC for funding to the City of Salisbury Brenner Avenue Safety Project for inclusion in the MTIP.

6) Reports / MPO Business — Phil Conrad / TAC Members

- Local Reports – NCDOT Division 9 & 10
- 2026-2035 STIP Conformity - August
- 2055 MTP Update
- DRAFT 2028-2037 TIP Project Call
- Rowan Transit System Section 5310 Grant Application Letter of Support
- City of Kannapolis FY 26 Community Project Letter of Support
- 2024 Bicycle and Pedestrian Planning Grant Applications – Deadline May 12th
- Section 5310 Grant Awards
- CMAQ Priority Submittal and Funding Update
- STPB Project Call - August

7) Information Items — Phil Conrad

- Rider and Salisbury Transit Ridership
- NCDOT Statewide Multimodal Freight Plan Update
- NC Rail Public Meetings

Next meeting: June 25, 2025

- Agenda items for June TAC meeting

TRANSPORTATION ADVISORY COMMITTEE (TAC)
MEMBER LIST

Lee Withers
Town of China Grove

Ryan Dayvault
City of Kannapolis

J.C. McKenzie
City of Concord

Ron Smith, Vice Chair
Town of Harrisburg

Steve Morris
Cabarrus County

Dillon Brewer
Town of Rockwell

Karen Alexander
City of Salisbury

Justin Simpson
Town of Mount Pleasant

NCDOT Board of Transportation
Member / Division 9 & 10

Greg Edds
Rowan County

Brittany Barnhardt
Town of Granite Quarry

Steve Miller
Town of Spencer

Meredith Bare Smith
Town of Landis

Mike Tallent
Town of Midland

Randall Barger
Town of Faith

John Bradford
Town of Cleveland

Deloris High
Town of East Spencer

Cabarrus Rowan Urban Area
Metropolitan Planning Organization

Technical Coordinating Committee

Wednesday May 21, 2025
10:00 AM to 12:00 noon

VIRTUAL MEETING

Agenda

1) Call to Order & Quorum — TCC Vice-Chair Ambrose

- Roll Call of Voting Members & Introduction of Guests
- Adjustments to the Agenda
- Speakers from the Floor (3 minutes per speaker)

2) Approval of March 19, 2025 minutes — TCC Vice-Chair Ambrose

3) FY 2024-2033 MTIP Modification #10 — Wendy Miller

INFORMATION: MPO staff typically brings amendments or modifications from recent NCDOT Board of Transportation agendas to the TCC/TAC for consideration. The first project modification is to delay construction to FY 26 for Brenner Avenue safety project (HL-0049). Attachment 3 is a resolution modifying the MTIP for these projects.

ACTION/RECOMMENDATION: 1) Receive a report on modification #10 to the FY 2024-2033 MTIP; 2) Discuss; and 3) Recommend that the TAC consider endorsing modification #10 to the FY 2024-2033 MTIP.

4) Functional Classification System Review — Phil Conrad

INFORMATION: Functional classification is the process by which streets and highways are grouped into classes, or systems according to the character of service they are intended to provide. Generally, highways fall into one of four broad categories: principal arterials, minor arterials, collector roads, and local roads and are based on whether the area is urban or rural. Following the 2020 US Census and designation of urban area boundaries, the NCDOT conducts a review of the functional classification system. NCDOT staff has provided the maps and AADT point shapefiles to conduct this review. A list of the proposed functional classification system changes is included as attachment 4.

ACTION/RECOMMENDATION: 1) Receive a report on the proposed Functional Classification System changes; 2) Discuss; and 3) Recommend that the TAC

consider endorsing the proposed Functional Classification System changes as presented.

5) FY 2026-2029 TIP Conformity — Wendy Miller

INFORMATION: The Cabarrus-Rowan MPO and the Metrolina Regional Partners are working on an Air Quality Conformity Analysis and Determination Report for the 2026-2029 TIP. A copy of the report will be posted on the MPO website. The TIP Conformity Report demonstrates that the financially constrained MTP's in the Metrolina Region meet national ambient air quality standards. (An explanation of the fiscal constraint prologue will be provided by NCDOT.) The report also certifies that the Transportation Improvement Program is a subset of the 2050 MTP and the Conformity Report is consistent with the State Implementation Plan (SIP). An excerpt from the previous TIP Conformity Report is provided as attachment 5.

ACTION / RECOMMENDATION: 1) Receive a report on the Air Quality Conformity Analysis and Determination Report; 2) Discuss; and 3) Recommend that the TAC consider releasing the Air Quality Conformity Analysis and Determination for the 2026-2029 TIP and financial prologue for the STIP when available.

6) TAP/CRP Program Project Call — Phil Conrad

INFORMATION: The Transportation Alternatives Program (TAP) is a federal program to fund bicycle and pedestrian infrastructure. This program is similar to the STP-DA suballocation program, requiring a 20 percent local match for those eligible bicycle and pedestrian projects. The MPO issued a call for project proposals on March 20th that concluded on May 9th. A total of 2 projects proposals were submitted by 2 project sponsors. The total cost of these projects is $5.682 million. NCDOT has indicated that the MPO can anticipate receiving about $2.85 million in federal TAP funds thru FY 2030. MPO staff would propose using this balance for these projects. A summary table is also included as attachment 6A. The backup for these project proposals are included as attachment 6B. CRP or Congestion Reduction Program funds are a federal funding source for areas across the state to reduce transportation emissions under the recent Bipartisan Infrastructure Law (BIL). CRP funds require a local sponsor and also a 20 percent local match. Eligible projects must demonstrate a transportation emissions reduction benefit to the local area. The MPO issued a call for new project applications with a deadline of May 9th. NCDOT has indicated that the MPO can anticipate receiving about $.604 million annually in CRP funds beginning with FY 2025. The MPO received a CRP project proposal for 2 Projects submitted by 2 project sponsors. MPO staff would proposed using all of the available CRP funds for the 2 project proposals, subject to eligibility. A summary table is also included as attachment 6C. The associated application

and narrative for these projects is attachment 6D. A resolution of support is included as attachment 6E.

ACTION/RECOMMENDATION: 1) Receive a report on the TAP and CRP Program Call for Projects; 2) Discuss; and 3) Recommend that the TAC consider endorsing the TAP and CRP Program Projects for inclusion in the MTIP pending available federal funds and federal eligibility.

7) Reports / MPO Business — Phil Conrad / TCC Members

- Local Reports – MPO/NCDOT Division 9 & 10/TPD
- DRAFT 2028-2037 TIP Project Call
- 2055 MTP Update
- Rowan Transit System Section 5310 Grant Application Letter of Support
- City of Kannapolis FY 26 Community Project Letter of Support
- 2024 Bicycle and Pedestrian Planning Grant Applications – Deadline May 12th
- Section 5310 Grant Awards
- Update on Federal Funding Swaps
- CMAQ Priority Submittal and Funding Update

8) Informational Items — Phil Conrad

- Rider Transit, Salisbury Transit, and MTC Ridership
- CRAFT Meeting Minutes

Next scheduled meeting: June 18, 2025

- Agenda items for June TCC meeting

TECHNICAL COORDINATING COMMITTEE (TCC)
MEMBER LIST

Cabarrus County

Rowan County

City of Concord

City of Kannapolis

Town of Landis

Town of China Grove

Town of Harrisburg

Town of Cleveland

NCDOT Transportation Planning Division

Federal Highway Administration

City of Salisbury

Town of Spencer

Town of Faith

Town of Midland

Town of East Spencer

NCDOT Division 9

NCDOT Division 10

Town of Granite Quarry

Town of Mount Pleasant

Town of Rockwell

Other (public, staff, committees, etc. as deemed necessary by the MPO)

CENTRALINA REGIONAL COUNCIL

March 12, 2025
Executive Board Meeting Agenda

Wednesday, March 12, 2025
In-person with a virtual option
Join by computer:
https://us06web.zoom.us/j/85855172282
Meeting ID 858 5517 2282
or Call 646-931-3860,85855172282#

Vice Chair David Scholl will convene a meeting of the Centralina Executive Board ***on Wednesday, March 12, 2025, at 5:00 pm****. The meeting will be held in person at the Centralina office (located at 10735 David Taylor Dr., Suite 250, Charlotte, NC 28262) with a virtual attendance option via Zoom.*

Time	Item	Presenter
5:00 p.m.	**Call to Order**	David Scholl
	Roll Call	
	Moment of Silence	
	Amendments to the Agenda (if any)	
Consent Items: *Consent agenda items may be considered in one motion and without discussion except for those items removed by a Board Member.*		
5:05 p.m. **Item 1** 5 minutes ***Pages 6-8***	**Approval of January 8, 2025, Executive Board Meeting Minutes** Approval of January 8, 2025, Executive Board Meeting Minutes. The minutes from the January 8, 2025, meeting have been distributed to all members of the Executive Board and should be approved if correct. **Action/Recommendation:** *Motion to approve January 8, 2025, Executive Board meeting minutes.*	David Scholl
5:05 p.m. **Item 2** ***Pages 10-37***	**Solarize Charlotte Mecklenburg Project Approval** The City of Charlotte is contracting with Centralina Regional Council to deploy a community-based solar campaign using the City's awarded Energy Efficiency and Conservation Block Grant funding in the amount of $777,930. The Board is asked to authorize the Executive Director to enter into a contractual agreement to receive the funds from the City of Charlotte and to disperse a portion of these funds to a project partner secured through a federally compliant procurement process. **Action/Recommendation** *Motion to authorize the Executive Director to enter into a contractual agreement with the City of Charlotte to receive $777,930 in grant funds and to disperse a portion of these funds to qualified partners procured through a federally compliant RFP process.*	Jason Wager & Christina Danis
5:05 p.m. **Item 3** ***Pages 39-42***	**Resolution of Support for NC Department of Transportation FY2026 Public Transportation Program Funding** *As part of the implementation of CONNECT Beyond's recommendations, Centralina Regional Council*	Jason Wager

Time	Item	Presenter
	("Centralina") is launching the region's first transportation demand management (TDM) program, CONNECT Centralina. This grant application requires an organization's Board to adopt the attached resolution, which ensures the 50% match funding is programmed and available for TDM activities. Centralina will apply for funds by March 21, 2025, and will request $50,000 in NC DOT funds to be matched with $50,000 in local and federal funds. These funds will support efforts to establish and build regional recognition of CONNECT Centralina and to support marketing and education efforts to promote alternative transportation options to single occupancy vehicle trips **Action / Recommendation:** *The Executive Board is asked to adopt the attached TDM Grant Resolution and affirm $50,000 in match funds for Centralina's NC DOT TDM grant in FY2026.*	
5:05 p.m. **Item 4** ***Pages 44-50***	**Food Assistance for High-Risk Older Adults-Providing Elders with Additional Sustenance (PEAS) Project** The Executive Board is asked to approve the receipt of **the State Fiscal Recovery Fund (SFRF) Food Assistance for High-Risk Older Adults – Providing Elders with Additional Sustenance (PEAS) Project** funds from the NC Division on Aging. These funds have been authorized by the NC General Assembly to address food insecurity among frail and/or functionally impaired older adults. Administered by the Area Agency on Aging, the project will provide groceries, produce, and/or meals with a limit of $20 per produce box and/or grocery box, and $10 per meal. Funds designated for Centralina total $395,773 and must be spent by September 30, 2026. **Action/Recommendation:** *Motion to approve the State Fiscal Recovery Fund (SFRF) Food Assistance for High-Risk Older Adults – Providing Elders with Additional Sustenance (PEAS) Project funds for allowable services in the Centralina nine-county region.*	Linda Miller
5:05 p.m. **Item 5** ***Pages 52-57***	**Town of Norwood FY25 CDBG-NR Administration and Construction Management Services** Centralina Regional Council is contracting with the Town of Norwood on an NC Commerce FY25 CDBG-Neighborhood Revitalization (NR) grant award of $1,672,762 for home repair of up to 15 low to moderate-income (LMI) owner-occupied homes in the Town of Norwood. Centralina is	Christina Danis

Time	Item	Presenter
	contracting for CDBG-NR Grant Administrative services of $167,231 (10% of total award) and Construction Management support services of $89,700 ($5,900/unit x 15 units) for a contract total of $256,931. The Board is being asked to authorize the Executive Director to enter into a contractual agreement to receive these funds. **Action/Recommendation** *Motion to authorize the Executive Director to enter into a contractual agreement with the Town of Norwood to receive $256,931 in funds.*	
5:05 p.m. **Item 6** ***Pages 59-64***	**Town of Wadesboro FY 25 CDBG-NR Administrative and Construction Management Services** Centralina Regional Council is contracting with the Town of Wadesboro on an NC Commerce FY25 CDBG-Neighborhood Revitalization (NR) grant award of $1,438,382 for home repair of up to 12 low to moderate-income (LMI) owner-occupied homes in the Town of Wadesboro. Centralina is contracting for CDBG-NR Grant Administrative services of $143,838 (10% of total award) and Construction Management support services of $71,760 ($5,900/unit x 12 units) for a contract total of $215,598. The Board is being asked to authorize the Executive Director to enter into a contractual agreement to receive these funds. **Action/Recommendation:** *Motion to authorize the Executive Director to enter into a contractual agreement with the Town of Wadesboro to receive $215,598 in funds.*	Christina Danis
Regular Agenda Items:		
5:05 p.m. **Item 7** 5 minutes ***Pages 66-68***	**Executive Board Orientation & 2025 Forecast** The Executive Board will participate in an interactive session to meet new representatives and discuss the forecast of 2025 meeting topics. **Action/Recommendation** *Receive as information.*	Geraldine Gardner
5:10 p.m. **Item 8** 20 minutes ***Pages 70-74***	**Strategic Plan Update** The Executive Director will present an update on the Centralina Strategic Plan update process including a recap of the insights from stakeholder engagement and a review of the draft goals. **Action/Recommendation:** *Receive as information and provide feedback as requested.*	Geraldine Gardner

CENTRALINA REGIONAL COUNCIL

March 12, 2025
Executive Board Meeting Agenda

Wednesday, March 12, 2025
In-person with a virtual option
Join by computer:
https://us06web.zoom.us/j/85855172282
Meeting ID 858 5517 2282
or Call 646-931-3860,85855172282#

Time	Item	Presenter
5:30 p.m. **Item 9** 20 minutes ***Pages 76-101***	**NC Community Care Hub (NC CCH) Participation and Aging Services Spotlight** The NC Association of Regional Councils of Government and the NC Area Agencies on Aging are in the early stages of developing a community care hub (CCH) for the state. As a participating entity, Centralina Regional Council would become part of twelve Councils providing a network of services to align healthcare and social needs that would serve all 100 counties in the state. An update will be provided on the status of the NC Community Care Hub (NC CCH), progress in development of the hub, and a review of the role of the CCH for the future of expanding services and increasing capacity in the region. **Action/Recommendation** *Receive as information and provide feedback as requested.*	Linda Miller

5:50 p.m.
Item 10
20 minutes
Pages 103
	State and Federal Relations Update
	Staff will provide an update on the 2025 Federal and State advocacy agenda progress including:
	• February 19th Centralina Learns Event
	• Raleigh Relations
	  ○ UpState Legislative Tracking Tool
	  ○ Downzoning Repeal / SB382 Update
	  ○ NCARCOG Legislative Day – April 2nd
	• Federal
	  ○ February advocacy meetings recap
	  ○ Reconciliation and appropriations process update
	  ○ Transition impact on Centralina grants and finances
	
	Action/Recommendation:
	Receive information and provide feedback as requested.
		Geraldine Gardner and Shirley Spidell Strategics Consulting

6:10 p.m. 5 minutes	**Comments from the Executive Board and Centralina Staff**	Board Members and Staff
6:15 p.m. 5 minutes	**Comments from the Executive Director**	Geraldine Gardner
6:20 p.m. 5 minutes	**Comments from the Vice Chair**	David Scholl
6:25 p.m.	**Adjournment**	David Scholl

2025 CENTRALINA DELEGATES

1. Anson County, *Commissioner Jarvis Woodburn*
2. Cabarrus County, *Commissioner Kenny Wortman*
3. Gaston County, *Commissioner Bob Hovis*
4. Iredell County, *Commissioner Gene Houpe*
5. Lincoln County, *Commissioner Alex Patton*
6. Mecklenburg County, *Commissioner Elaine Powell*
7. Stanly County, *Commissioner Mike Barbee*
8. Union County, *Commissioner Melissa Merrell*
9. Albemarle, *Council Member Martha Sue Hall*
10. Ansonville, *Mayor Angela Caraway*
11. Badin, *Council Member Deloris Chambers*
12. Belmont, *no appointment made to date*
13. Bessemer City, *Council Member Brent Guffey*
14. Charlotte, *Council Member Edmund Driggs*
15. Cherryville, *Mayor H.L. Beam*
16. China Grove, Mayor Rodney Phillips
17. Cleveland, *Mayor Patrick Phifer*
18. Concord, *Council Member Lori Clay*
19. Cornelius, *Commissioner Susan Johnson*
20. Cramerton, *Mayor Nelson Wills*
21. Dallas, *Mayor Pro Tem Sam Martin*
22. Davidson, *Commissioner Autumn Michael*
23. East Spencer, *Council Member Shawn Rush*
24. Faith, *Alderwoman Jayne Lingle*
25. Gastonia, *Council Member Jennifer Stepp*
26. Granite Quarry, *Council Member Laurie Mack*
27. Harrisburg, *Mayor Jennifer Teague*
28. Huntersville, *Commissioner Alisia Bergsman*
29. Indian Trail, *Council Member Crystal Buchaluk*
30. Kannapolis, *Mayor Darrell Hinnant*
31. Kings Mountain, *no appointment made to date*
32. Landis, *Mayor Pro Tem Ashely Stewart*
33. Lilesville, *Commissioner Christopher Harrington*
34. Lincolnton, *Mayor Ed Hatley*
35. Locust, *Council Member Rusty Efird*
36. Love Valley,
37. Lowell, *Council Member DeWayne Chitwood*
38. Marshville, *Council Member Paulette Blakeney*
39. Marvin, *Council Member Wayne Deatherage*
40. Matthews, *Commissioner Ken McCool*

2025 CENTRALINA DELEGATES

41. McAdenville, *Council Member Jay McCosh*
42. Midland, *Council Member, no appointment made to date*
43. Mineral Springs, *Council Member Jim Muller*
44. Mint Hill, *Commissioner Tony Long*
45. Misenheimer, *Mayor Pro Tem Jamie Hammill*
46. Monroe, *Council Member Surluta Anthony*
47. Mooresville, *Mayor Chris Carney*
48. Morven, *Council Member Corinthia Lewis-Lemon*
49. Mount Holly, *Council Member Lauren Shoemaker*
50. Norwood, *Commissioner Wes Hartsell*
51. Oakboro, *no appointment made to date*
52. Peachland, Commissioner Mary Ruth Burns
53. Pineville, *Council Member Amelia Stinson-Wesley*
54. Ranlo, *Commissioner Katie Cordell*
55. Richfield, *no appointment made to date*
56. Rockwell, *Alderman Bill Earnhardt*
57. Salisbury, *no appointment made to date*
58. Spencer, *Alderwoman Pat Sledge*
59. Stallings, *Mayor Pro Tem David Scholl*
60. Stanfield, *Mayor Pro Tem James Kluttz*
61. Stanley, *no appointment made to date*
62. Statesville, *Council Member Joe Hudson*
63. Troutman, *Council Member Felina Harris*
64. Wadesboro, *Mayor Bill Thacker*
65. Waxhaw, *Commissioner Susanna Wedra*
66. Wingate, *Commissioner Thomas Legrand*

City of Kannapolis

PARKS AND RECREATION COMMISSION

"Discover the Fun!"

AGENDA
REGULAR MEETING
TUESDAY, MAY 13, 2025
6:00 P.M.

I. Call to Order

II. Approval of Minutes – April 8, 2025

III. Citizen's Concerns / Comments

IV. Old Business
- Project updates

V. New Business
- P&R Commission upcoming vacancies
- Discussion and approval of the Swanee Theatre Strategic Plan

VI. Program Report

VII. Director's Report

VIII. Commission Member Reports / Comments

IX. Upcoming Events / Meetings

- Monday, May 12, 2025 – City Council Mtg. Kannapolis City Hall at 6:00 p.m.
- Tuesday, May 13, 2025 – P&R Comm. Mtg. Kannapolis City Hall at 6:00 p.m.
- Monday, May 26, 2025 – City Council Mtg. cancelled
- Monday, June 9, 2025 – City Council Mtg. Kannapolis City Hall at 4:30 p.m.
- Tuesday, June 10, 2025 – P&R Comm. Mtg. Kannapolis City Hall at 6:00 p.m.

X. Adjourn

* Please note, that to speak during Citizen's Concerns / Comments, please use the sign-up sheet provided prior to the meeting and list your name, address, and topic. Each speaker is limited to 3 – 5 minutes.

PARKS AND RECREATION ADVISORY COMMISSION 2024-2025

BOARD MEMBERS	DATE APPOINTED	TERM EXPIRES	TERMS SERVED (original appointment date)
Michael Lee Whitney 604 Old Centergrove Road Kannapolis, NC 28083 Home – 704-960-7789 W: 704-938-2886 Email: mwhitney2007@gmail.com	06/10/19	06/30/2025	2nd (6/10/19)
Troy Dalsing 702 Church Avenue Kannapolis, N. C. 28081 H-704-970-9735 C-704-956-4964 Email: troyadalsing@icloud.com	06/30/2024	06/30/2027	1st (06/30/24)
Richard Chaney 1101 S. Windsor Drive Kannapolis, NC 28081 H-704-938-5479 C-704-796-8021 Email: popparktown@gmail.com	06/22/2015	06/30/2027	4th (06/22/15)
Jeff Ashbaugh - Chair 4949 Copper Creek Trail Kannapolis, NC 28081 H-704-932-8430 C-704-975-0471 Email: jashbaugh@benesch.com	06/22/2015	06/30/2027	4th (06/22/15)
Richard Money 1001 West A Street Kannapolis, NC 28081 H-704-783-7485 C-704-783-7485 Email: richardmoney04@gmail.com	07/1/2023	06/30/2026	3rd (06/26/17)
Olivia Linkel – Vice Chair 320 Courtland Court Kannapolis, NC 28081 H-980-621-8109 C-980-621-8109 Email: thelinkels@yahoo.com	07/1/2023	06/30/2026	3rd (06/26/17)
Eric Purvis 907 Lee Avenue Kannapolis, N.C. 28081 H-704-9381468 W-C-704-773-9582 Email: epurvispi@yahoo.com	06/10/19	06/30/2025	2nd (6/10/19)
EB Lentz 310 Cook Street Kannapolis, NC 28083 C-704-425-5105 eblentzjr@gmail.com	06/21/21	06/30/2025	1st (6/21/21) 1 yr of unexpired 21-22
Billy “Buddy” Amerson 105 S. East Avenue Kannapolis, NC 28083 H:-704-933-6952; W: 980-622-1248 Email: buddy.amerson@labor.nc.gov	07/1/2023	06/30/2026	2nd (7/27/20)

Staff Contact:

Gary Mills, Director Main: 704-920-4343 Direct: 704-920-4340 Email: gmills1@kannapolisnc.gov	Tammy Justice, Administrative Assistant Main: 704-920-4343 Direct: 704-920-4349 Email:tjusticel@kannapolisnc.gov

Agenda Item: H.A

Kannapolis

Agenda Staff Report
June 9, 2025

To: Mayor and City Council

From: Brian Roberts, Finance Director

Subject: **RESOLUTION** - To rescind an Ordinance for Budget Amendment #25-39 related to the planned Capital Reserve Fund **UNANIMOUSLY APPROVED**

Recommended Action Requested by City Council

Motion to approve a Resolution to Rescind an Ordinance for Budget Amendment #25-39.

Required Votes to Pass Required Action

Majority Present at Meeting

Background

On May 12, 2025, Council approved Ordinance #2025-37 for Budget Amendment #25-39 to appropriate cash reserves for the first year, funding set aside for a Capital Reserve Fund in the amount of $1,562,708. Upon further review of Government Accounting Standards Board (GASB) Statement No. 54, it has been determined that this original Budget Ordinance created a fund that was not the most appropriate type of fund due to the intent to set aside reserves for future infrastructure projects and the funding source as a cash transfer. Staff recommends that the Ordinance should be rescinded so this can be corrected. The funding will be reserved in the General Fund in Fiscal Year 2025. Staff will request a City Council action in Fiscal Year 2026 to establish a Community Investment Fund and transfer cash at that time. This will give City Council the most flexibility in future use of these funds.

Fiscal Implications

This funding was included in the adopted FY 2025 budget and will be reserved as part of Fund Balance.

Alternate Courses of Action

1. **Motion to approve a Resolution to Rescind Budget Amendment #25-39.**
2. Table the action to a future meeting.
3. Take no action.

Attachments

1. 2025-43 Resolution Rescinding Ordinance 2025-37

RESOLUTION RESCINDING ORDINANCE 2025-37
AMENDING FISCAL YEAR 2024-2025 BUDGET
VIA BUDGET AMENDMENT #25-39

WHEREAS, at its regular meeting on May 12, 2025, the City Council of the City of Kannapolis adopted Ordinance 2025-37 to amend the Fiscal Year 2024-2025 Budget via Budget Amendment #25-39;

WHEREAS, the action authorized by the foregoing ordinance and budget amendment has not yet been performed and City Council has determined it is in the best interest of the City to not proceed with the action authorized thereby and to further rescind the above-stated Ordinance and Budget Amendment;

NOW, THEREFORE, BE IT RESOLVED, by the Kannapolis City Council that:

1. Ordinance 2025-37 to amend the Fiscal Year 2024-2025 Budget via Budget Amendment #25-39 is hereby rescinded.

2. This Resolution is effective upon adoption.

Adopted this 9th day of June 2025.

M. Darrell Hinnant

M. Darrell Hinnant, Mayor
City of Kannapolis

ATTEST:

Pam Scaggs

Pam Scaggs, CMC, NCCMC
City Clerk

Kannapolis

Agenda Staff Report
June 9, 2025

To: Mayor and City Council

From: Irene Wong, Economic & Community Development Director

Subject: **BUDGET AMENDMENT #25-42 -** Establishing the budget for the City's portion of the Cabarrus/Iredell/Rowan HOME Consortium's American Rescue Plan (ARP) Program funds **UNANIMOUSLY APPROVED**

Recommended Action Requested by City Council

Motion to approve an Ordinance establishing the budget for the HOME America Rescue Plan (ARP) Consortium.

Required Votes to Pass Required Action

Majority Present at Meeting

Background

In 2022, the Cabarrus/Iredell/Rowan HOME Consortium received $4,777,338 in HOME American Rescue Plan (ARP) Program funds from the U.S. Department of Housing & Urban Development (HUD). Of this amount, the City of Kannapolis was allocated $561,907 for projects and $44,622 for administrative expenses. On February 28, 2022, City Council approved the use of these HOME ARP funds for transitional housing. City staff was notified on May 30, 2025 that HUD found an administrative error and is allocating an additional $7,166 to the Consortium for the HOME-ARP award. The result is that the City of Kannapolis will receive $562,750.86 for projects and $44,689.17 for administrative expenses. This budget amendment formally establishes the corrected accounts for the City's portion of the project.

Fiscal Implications

This budget amendment establishes the corrected accounts for the City's HOME-ARP allocation.

Alternate Courses of Action

1. **Motion to approve an Ordinance establishing the budget for the HOME ARP Consortium Budget (Recommended).**
2. Table action to a future meeting.
3. Do not approve the budget amendment.

Attachments

1. 2025-41 Ordinance Amending Budget #25-42 for Home-ARP Consortium Agreement

CITY OF KANNAPOLIS, NORTH CAROLINA
HOME-ARP CONSORTIUM AGREEMENT
FY 2024-2025
Amendment # 25-42

BE IT ORDAINED by the Governing Board of the City of Kannapolis, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Grant Project Budget Ordinance is hereby adopted:

Section 1. The project authorized is for an agreement between the City of Concord and the City of Kannapolis as an eligible HOME-ARP Consortium Member under the 24 CFR 92.252 or 92.254.

Section 2. The City Manager is hereby directed to proceed with the Project within the North Carolina General Statutes, the terms of the Grant document(s), the rules and regulations of HUD, and the budget contained herein.

Section 3. The following revenues are anticipated to be available to complete this project.

Home Program Grant: Revenue: 75000-33300-HOMA	$607,441

Section 4. The following amounts are appropriated for this project.

Administration Fees Expenditure: 75000-51910-HOMA	$44,690
Transitional Housing Expenditure: 75000-51960-HOMA	$562,751

Section 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to provide for accounting to the City Council and grantor agency as required by the Grant Agreement(s) and federal and state regulations.

Section 6. The Finance Officer is directed to report quarterly on the financial status of each project element in Section 4 and on total project revenues received or claimed.

Section 7. The Finance Officer is directed to include a detailed analysis of past and future costs and revenues on this project in every budget submission presented to City Council.

Section 8. The City Manager is hereby authorized to transfer funds from one line item to another line item without further approval by the City Council.

Section 9. Copies of this Grant Project Budget Ordinance shall be made available to the Finance Officer for direction in carrying out this project.

This ordinance is approved and adopted this 9th day of June 2025.

M. Darrell Hinnant, Mayor
City of Kannapolis

ATTEST:

Pam Scaggs, CMC, NCCMC
City Clerk

Kannapolis

Agenda Staff Report
June 9, 2025

To: Mayor and City Council

From: Jerome Blakeney, Director of General Services

Subject: **CONTRACT** - To award the bid to Garmon Mechanical Services, Inc. for replacement of HVAC unit at the Public Works Operation Center and authorize City Manager to execute the contract **UNANIMOUSLY APPROVED**

Recommended Action Requested by City Council

Motion to award the HVAC replacement project at the Public Works Operation Center to the lowest responsible bidder, Garmon Mechanical Services, Inc., in the amount of $404,999 and authorize the City Manager to execute the contract.

Required Votes to Pass Required Action

Majority Present at Meeting

Background

Replacement of the 25-year-old HVAC systems at the Public Works Operation Center (PWOC) was originally included in the approved FY 2024 budget and was carried forward to FY 2025, which also included funding for additional proposed PWOC renovations; however, due to Water and Sewer budget constraints, other renovations will not be completed at this time. Staff recommends proceeding with replacement of the office split systems and dual boilers. Three shop split systems are excluded from the current project, and this adjustment is reflected for each of the bids listed in the table below.

Vendor	Base Bid	Option #2 to Deduct Unit Cost (each unit)	x three units	Total bid with deductions
Garmon Mechanical Services	$ 615,680.00	$ (70,227.00)	$ (210,681.00)	**$ 404,999.00**
Graham's Piping	$ 644,000.00	$ (55,300.00)	$ (165,900.00)	**$ 478,100.00**
Miles McClellan	$ 805,000.00	$ (55,000.00)	$ (165,000.00)	**$ 640,000.00**

The Contractor is awaiting notice to proceed to begin work. The contract time for completion of the work is 120 days from the notice to proceed.

Fiscal Implications

City Council previously appropriated funds for this project with adoption of the FY 25 budget (34000-59200-PWOC1). No other action is required at this time.

Alternate Courses of Action

1. **Motion to award the PWOC HVAC project to the lowest responsible bidder, Garmon Mechanical Services, Inc., in the amount of $404,999 and authorize the City Manager to execute the contract (Recommended)**
2. Table to future meeting.
3. Take no action

Attachments

None

Kannapolis

Agenda Staff Report
June 9, 2025

To: Mayor and City Council

From: Sherry Gordon, Community Development Program Administrator

Subject: **BUDGET AMENDMENT #25-43 -** Appropriating Community Development Block Grant (CDBG) Program Income to be used for urgent repairs **UNANIMOUSLY APPROVED**

Recommended Action Requested by City Council

Motion to approve an Ordinance for a budget amendment which appropriates CDBG program income to be used towards urgent repairs.

Required Votes to Pass Required Action

Majority Present at Meeting

Background

The City has received $6,290 to repay the loan for the urgent repair project at 820 Fairview St. The project was completed in 2022. The homeowner has chosen to pay off the forgivable loan early.

Fiscal Implications

This budget amendment allocates the revenues as CDBG program income, which, in accordance with HUD regulations, must be utilized for urgent repair projects before regular CDBG allocations.

Alternate Courses of Action

1. **Motion to approve an Ordinance for a budget amendment appropriating CDBG program income funds to be used towards urgent repairs (Recommended).**
2. Table to a future meeting**.**
3. Take no action.

Attachments

1. 2025-42 Ordinance Amending Budget #25-43 for CDBG Program Income

ORDINANCE #2025-42

ORDINANCE AMENDING BUGDGET FOR THE
CITY OF KANNAPOLIS, NORTH CAROLINA
COMMUNITY DEVELOPMENT BLOCK GRANT ENTITLEMENT PRGRAM
FY 2024-2025
Amendment # 25-43

BE IT ORDAINED by the Governing Board of the City of Kannapolis, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Grant Project Budget Ordinance is hereby adopted:

Section 1. The project authorized is the Community Development Block Grant Entitlement Program described in the work statement contained in the Grant Agreement for urgent repair project.

Section 2. The City Manager is hereby directed to proceed with the Project within the North Carolina General Statutes, the terms of the Grant document(s), and the budget contained herein.

Section 3. The following revenues are anticipated to be available to complete this project:

CDBG Program Income: Revenue: 75000-33350-CPR24	$6,290

Section 4. The following amounts are appropriated for this project:

Urgent Repair Expenditure: 75000-51965-CPR24	$6,290

Section 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to provide for accounting to the City Council and grantor agency as required by the Grant Agreement(s) and federal and state regulations.

Section 6. The Finance Officer is directed to report quarterly on the financial status of each project element in Section 4 and on total project revenues received or claimed.

Section 7. The Finance Officer is directed to include a detailed analysis of past and future costs and revenues on this project in every budget submission presented to City Council.

Section 8. The City Manager is hereby authorized to transfer funds from one line item to another line item without further approval by the City Council.

Section 9. Copies of this Grant Project Budget Ordinance shall be made available to the Finance Officer for direction in carrying out this project.

This ordinance is approved and adopted this 9th day of June 2025.

M. Darrell Hinnant, Mayor
City of Kannapolis

ATTEST:

Pam Scaggs, CMC, NCCMC
City Clerk

Agenda Item: H.E

Kannapolis

Agenda Staff Report
June 9, 2025

To: Mayor and City Council

From: Richard Smith, Planning Director

Subject: **RESOLUTION** - To consider withdrawal from dedication a portion of right-of-way known as Vance Street between 304 and 310 Vance Street **UNANIMOUSLY APPROVED**

Recommended Action Requested by City Council

Motion to approve the Resolution stating the intent of the City to consider withdrawal from dedication a portion of an old North Carolina Department of Transportation (NCDOT) Right-of-Way (ROW) known as Vance Street from 304 to 310 Vance Street.

Required Votes to Pass Required Action

Majority Present at Meeting

Background

There is an old NCDOT Right of Way (ROW) located in this area (please see attached map). This ROW existed as part of the previous portion of Vance Street that existed prior to the relocation of this street's intersection with Dale Earnhardt Boulevard. We have received acknowledgment from NCDOT that this is a State ROW area. We also received acknowledgment that NCDOT has no record of abandonment of the old ROW area. It appears that NCDOT did cede roads to the City after the portion at issue was already not in use. This action removes this unopened, unused ROW.

The existing public drainage easement in this area will remain intact.

Fiscal Implications

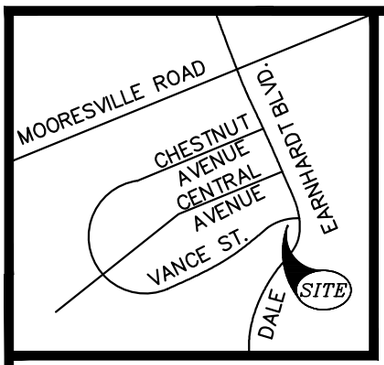
None.

Alternate Courses of Action

1. **Approve the Resolution stating the intent of the City to consider withdrawal from dedication a portion of ROW known as Vance Street from 304 to 310 Vance Street and to establish the Public Hearing date for June 23, 2025 (Recommended).**
2. Table action to a future meeting.
3. Take no action.

Attachments

1. Survey
2. Vance St ROW Closure 2025-05-29
3. 2025-44 Resolution of Intent to Close Portion of ROW Vance St



VICINITY MAP (NTS)

CURVE TABLE				
CURVE	RADIUS	LENGTH	CHORD	CHORD BEARING
C1	962.81'	176.81'	176.56'	N 60°14'14" E
C2	678.70'	36.61'	36.60'	S 09°49'22" W
C3	932.81'	95.63'	95.58'	S 61°17'36" W

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N 54°58'34" E	46.12'
L2	S 76°12'19" W	59.02'
L3	S 76°09'56" W	22.88'
L4	S 59°32'54" W	24.85'

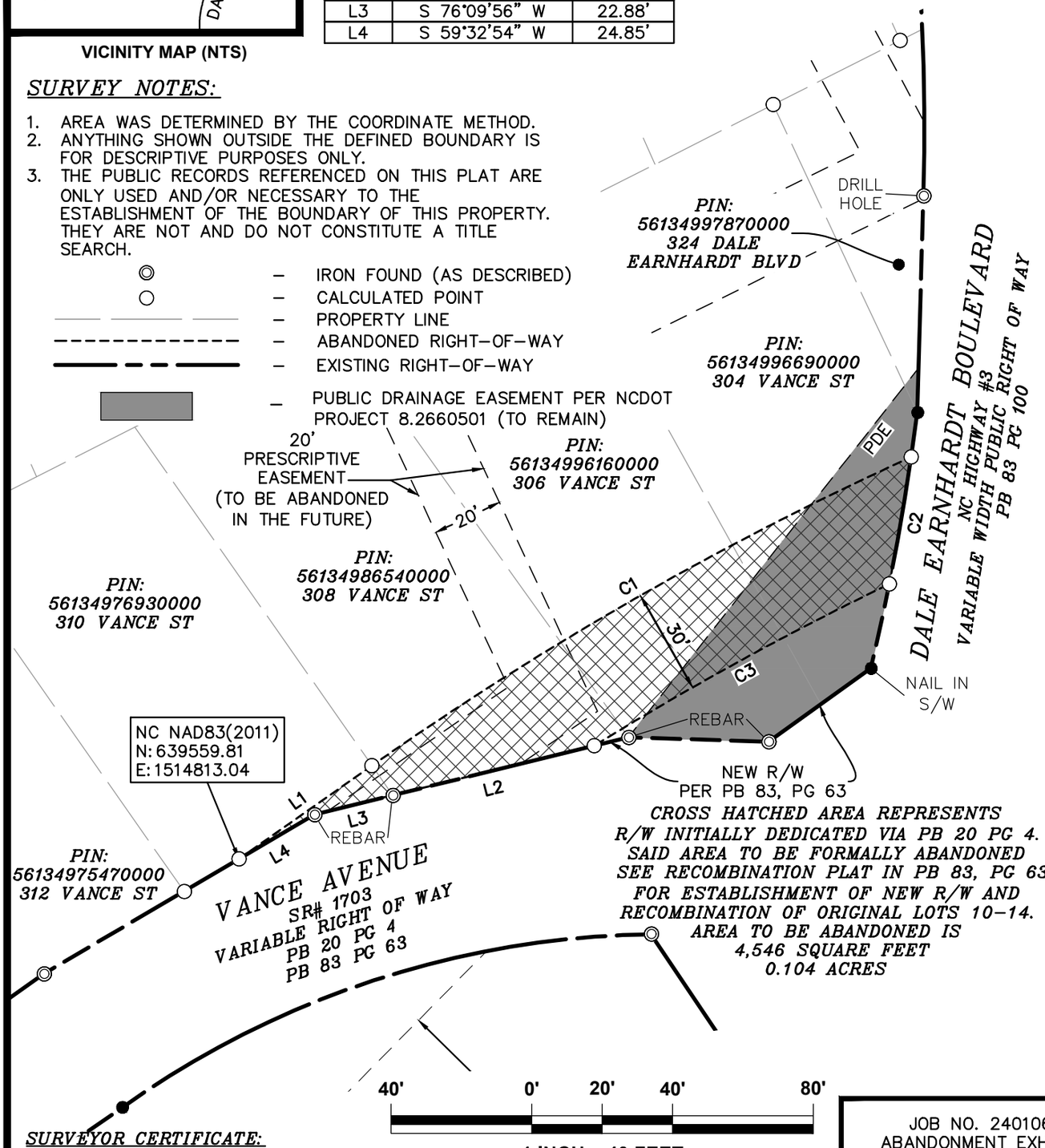
GPA

NAD83(2011)

N.C. GRID

SURVEY NOTES:

1. AREA WAS DETERMINED BY THE COORDINATE METHOD.
2. ANYTHING SHOWN OUTSIDE THE DEFINED BOUNDARY IS FOR DESCRIPTIVE PURPOSES ONLY.
3. THE PUBLIC RECORDS REFERENCED ON THIS PLAT ARE ONLY USED AND/OR NECESSARY TO THE ESTABLISHMENT OF THE BOUNDARY OF THIS PROPERTY. THEY ARE NOT AND DO NOT CONSTITUTE A TITLE SEARCH.



SURVEYOR CERTIFICATE:

I CHRISTOPHER G. DELLA MEA CERTIFY THAT THIS MAP WAS DRAWN UNDER MY SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION PLAT BOOK 20, PAGE 4; THAT THE BOUNDARIES NOT SURVEYED ARE INDICATED AS DRAWN FROM REFERENCES NOTED; THAT THE RATIO OF PRECISION OR POSITIONAL ACCURACY IS 1:10,000; AND THAT THIS MAP MEETS THE REQUIREMENTS OF THE STANDARDS OF PRACTICE FOR LAND SURVEYING IN NORTH CAROLINA (21 NCAC 56. 1600).

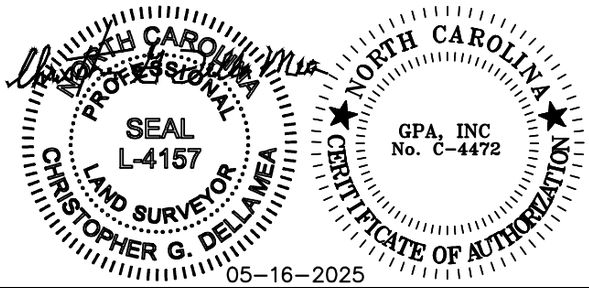
THIS 16TH DAY OF MAY, 2025.

Christopher G. Della Mea 05–16–2025

CHRISTOPHER G. DELLA MEA, PLS L– 4157

THIS MAP MAY NOT BE A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS AND HAS NOT BEEN REVIEWED FOR COMPLIANCE WITH RECORDING REQUIREMENTS FOR PLATS

PREPARED FOR:
THE CITY OF KANNAPOLIS
VANCE STREET
CITY OF KANNAPOLIS
TOWNSHIP NO. 4
CABARRUS COUNTY,
NORTH CAROLINA
MAY 16, 2025
SCALE: 1" = 40'



05–16–2025

JOB NO. 240106
ABANDONMENT EXHIBIT

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P:\Projects\2024 PROJECTS\240106-BEAUXWRIGHT-KANNAPOLIS-DALE EARNHARDT\DWG\240106-VANCE ABANDONMENT.dwg



Date Saved: 5/28/2025

RESOLUTION #2025-44

A RESOLUTION STATING THE INTENT OF THE CITY OF KANNAPOLIS TO CONSIDER CLOSING A PORTION OF AN OLD RIGHT-OF-WAY FOR VANCE STREET AS DESCRIBED HEREIN AND FIXING THE DATE OF PUBLIC HEARING ON THE QUESTION OF SUCH CLOSING

BE IT RESOLVED by City Council of the City of Kannapolis:

Section 1. That it is the intent of City Council of the City of Kannapolis to consider closing a portion of the following described Public Street or alley pursuant to Section 160A-299 of the General Statutes of North Carolina.

LYING AND BEING IN THE CITY OF KANNAPOLIS, CABARRUS COUNTY, NORTH CAROLINA AND BEING A PORTION OF A 30' WIDE OLD RIGHT-OF-WAY FOR VANCE STREET, AS SHOWN AND DEDICATED ON A PLAT RECORDED IN PLAT BOOK 20, PAGE 4, SAID PORTION TO BE ABANDONED BEING MORE PARTICULARLY DESCRIBED TO WIT:

BEGINNING AT A COMPUTED POINT ON THE EXISTING NORTHERN MARGIN OF VANCE STREET, SAID POINT HAVING THE FOLLOWING NAD 83 (2011) GRID COORDINATES: N=639,559.81, E=1,514,813.04 AND RUNNING THENCE ALONG THE ORIGINAL NORTHERN RIGHT-OF-WAY OF VANCE STREET THE FOLLOWING TWO (2) CALLS: 1) N 54°58'34" E, A DISTANCE OF 46.12' TO A COMPUTED POINT; 2) THENCE WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 176.81', HAVING A RADIUS OF 962.81', BEING SUBTENDED BY A CHORD BEARING OF N 60°14'14" E, WITH A CHORD LENGTH OF 176.56',TO A POINT ON THE WESTERN RIGHT-OF-WAY OF DALE EARNHARDT BOULEVARD (A VARIABLE WIDTH RIGHT-OF-WAY), THENCE ALONG THE WESTERN RIGHT-OF-WAY OF DALE EARNHARDT BOULEVARD WITH A COMPOUND CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 36.61' , HAVING A RADIUS OF 678.70', AND BEING SUBTENDED BY A CHORD BEARING OF S 09°49'22" W, WITH A CHORD LENGTH OF 36.60' TO A COMPUTED POINT; THENCE LEAVING THE WESTERN RIGHT-OF-WAY OF DALE EARNHARDT BOULEVARD AND RUNNING WITH THE SOUTHERN MARGIN OF THE 30' RIGHT-OF-WAY OF VANCE STREET TO BE ABANDONED ALONG A REVERSE CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 95.63', HAVING A RADIUS OF 932.81', AND BEING SUBTENDED BY A CHORD BEARING OF S 61°17'36" W, WITH A CHORD LENGTH OF 95.58' TO A COMPUTED POINT AT THE OLD RIGHT-OF-WAY INTERSECTING THE PRESENT RIGHT-OF-WAY OF VANCE STREET; THENCE WITH THE EXISTING RIGHT-OF-WAY OF VANCE STREET (PB 83, PG 63) THE FOLLOWING THREE (3) CALLS: 1) S 76°12'19" W, A DISTANCE OF 59.02' TO AN EXISTING REBAR; 2) S 76°09'56" W, A DISTANCE OF 22.88' TO AN EXISTING REBAR; 3) S 59°32'54" W, A DISTANCE OF 24.85' TO THE POINT AND PLACE OF BEGINNING AND COMPRISING AN AREA OF 4,546 SQUARE FEET AND/OR 0.104 ACRES, TO BE ABANDONED.

Section 2. That a public hearing on the question of closing the above-described right-of-way will be held at 401 Laureate Way, Kannapolis, North Carolina, at 6:00 P.M. on the 28th day of July 2025, at which time plans for such closing will be explained and all persons will be given an opportunity to be heard.

Section 3. That notice of said closing and public hearing shall be given by publication, mailing and posting as required by law.

Adopted this 9th day of June 2025

M. Darrell Hinnant, Mayor
City of Kannapolis

Pam Scaggs, CMC, NCCMC
City Clerk

Agenda Item: H.F

Kannapolis

Agenda Staff Report
June 9, 2025

To: Mayor and City Council

From: Michael Rattler, Director of Transportation & Environmental Services

Subject: **BUDGET AMENDMENT # 25-44** - To provide assistance to the Town of Landis for street sign replacements **UNANIMOUSLY APPROVED**

Recommended Action Requested by City Council

Motion to approve Budget Amendment #25-44 to facilitate assistance to the Town of Landis with street sign replacements.

Required Votes to Pass Required Action

Requires 2/3's vote or 5 votes

Background

In the spirit of cooperation, the City's Transportation and Environmental Services Department has been discussing a partnership with the Town of Landis to assist in replacing its street signs. This is a continuation of our approach to being a good neighbor in the continued economic growth in the area. This ordinance would allow for the funding process for an arrangement where the City of Kannapolis will produce the signs, while Landis will cover the cost of miscellaneous materials and labor (City staff time), totaling $11,292.00. The City can provide this service at a lower cost than Landis can find in the private sector market.

Fiscal Implications

A budget amendment is required. Assuming the budget amendment is approved, Landis will provide a purchase order to Kannapolis to cover the cost of producing the street signs. This cost includes labor and miscellaneous materials and equals $11,292.00.

Alternate Courses of Action

1. **Motion to approve Budget Amendment #25-44 to facilitate assistance to the Town of Landis with street sign replacements (Recommended)**
2. Table action for a future meeting.
3. Take no action.

Attachments

1. 2025-43 Ordinance Amendment Budgent #25-44 Landis Street Signs

ORDINANCE #2025-43

ORDINANCE AMENDING BUDGET FOR THE CITY OF KANNAPOLIS, NORTH CAROLINA FOR THE FISCAL YEAR BEGINNING JULY 1, 2024, AND ENDING JUNE 30, 2025
Amendment # 25-44

BE IT ORDAINED by the City Council of the City of Kannapolis, North Carolina meeting in open session this 9th day of June 2025, that the following amendment to the Budget Ordinance for the City of Kannapolis, North Carolina for the Fiscal Year beginning July 1, 2024, and ending June 30, 2025, is hereby adopted:

Description: The purpose of this budget amendment is to appropriate finding to allow the City to facilitate an agreement with the Town of Landis to assist with street sign replacement.

SECTION I – GENERAL FUND

Revenue:	Increase: Signs and Markings: Revenue: 13300-36000	Charges and Fees	$11,292
Expenditure:	Increase: Signs and Markings: Expenditure: 13300-41000	Salaries-Regular	$7,980
Expenditure:	Increase: Signs and Markings: Expenditure: 13300-46810	Sign Supplies	$3,312

This ordinance is approved and adopted on this 9th day of June 2025.

M. Darrell Hinnant, Mayor
City of Kannapolis

ATTEST:

Pam Scaggs, CMC, NCCMC
City Clerk

Kannapolis

Agenda Staff Report
June 9, 2025

To: Mayor and City Council

From: Richard Smith, Planning Director

Subject: **VOLUNTARY ANNEXATION** - (A-2025-08) Resolution Directing the Clerk to Investigate and Certify the Petition; adopt a Resolution of Intent to Annex; and Fix the Date of Public Hearing on approximately 0.26 +/- acres located at 5056 Wig Street. **UNANIMOUSLY APPROVED**

Recommended Action Requested by City Council

1. Motion to adopt a Resolution Directing the Clerk to Investigate an Intent to Annex and to Certify the Sufficiency of the Petition to Annex; and
2. Motion to adopt a Resolution of Intent to Annex and Fix Date of Public Hearing for Monday, June 23, 2025

Required Votes to Pass Required Action

Majority Present at Meeting

Background

The applicant, Melissa Walter, has submitted an application for voluntary noncontiguous annexation of approximately 0.0.26 +/- acres located at 5056 Wig Street. The property is further identified as Cabarrus County Parcel Identification Number 56034954710000.

Fiscal Implications

None

Alternate Courses of Action

1. **Motion to approve the Resolution Directing the Clerk to Investigate the Intent to Annex under 160A-58 et seq., and to Certify the Sufficiency of the Petition (Recommended); and**
2. **Motion to approve the Resolution of Intent to Annex and Fix Date of Public Hearing for Monday, June 23, 2025 (Recommended).**
3. Table actions to a future meeting.
4. Take no action.

Attachments

1. Annexation application
2. Vicinity A-2025-08
3. Vicinity Color A-2025-08
4. Black and White A-2025-08
5. Certificate of Sufficiency A-2025-08
6. 2025-45 Resolution Directing the Clerk to investigate an intent to annex 5056 Wig St
7. 2025-46 Resolution of Intent to Annex and to set a public hearing 5056 Wig St

Planning Department
401 Laureate Way
Kannapolis, NC 28081
704.920.4350

Petition for Non-Contiguous Annexation

So that we may efficiently review your request in a timely manner, it is important that all required documents are submitted with your application. Submit digitals and 1 hard copy of applications and accompanying documents to the Planning Department at the address above.

ANNEXATION REQUEST

Approval authority – City Council.

Property Address: 5056 Wig St. Kannapolis, NC 28081

Applicant: Melissa Walter

Address: PO Box 651 City: Harrisburg State: NC Zip : 28075

Contact number: 607-242-5546 Email: melissa@gmail.com

SUBMITTAL CHECKLIST

- ☑ **Pre-Application Meeting – send an email to planreviewappointment@kannapolisnc.gov**
- ☑ **Annexation Checklist and Application – Complete with all required property owner signatures**
- ☑ **Stamped, signed black and white 18 x 24" survey of subject property prepared by a registered engineer or surveyor (not preliminary)**
- ☑ **Metes and Bounds description of subject property**

PROCESS INFORMATION

Annexation involves two (2) separate City Council meetings:

First meeting: The City Clerk will certify the sufficiency of the annexation and City Council will set a date for the public meeting.

Second meeting: City Council will review the petition and either or approve or decline the annexation request:

1. Newspaper notification at least ten (10) days prior to the second Council meeting
2. Notification to the County or municipality from which the subject property is being annexed
3. Public Hearing
4. State recordation of the Resolution to Extend the Corporate City Limits, the signed/stamped 18X24" survey (can not be stamped as preliminary) and the Metes and Bounds Description.

By signing below, I acknowledge that I have reviewed the Submittal Checklist and have included the required submittal items and reviewed them for completeness and accuracy. I also acknowledge that my application will be rejected if incomplete.

Applicant's Signature: Melissa Walter *Date:* 5/8/2025

Planning Department
401 Laureate Way
Kannapolis, NC 28081
704.920.4350

PETITION REQUESTING A NON-CONTIGUOUS ANNEXATION

Approval authority – City of Kannapolis City Council

DATE: 5/8/2025

To the City Council of the City of Kannapolis, North Carolina:

1. We, the undersigned owners of real property respectfully request that the area described in paragraph 2 below be annexed to the City of Kannapolis.

2. The area to be annexed, located at 5056 Wig St. Kannapolis, NC 280, further identified as _____ County Parcel Identification Number 56034954710000, is non-contiguous to the primary limits of the City of Kannapolis, is approximately 0.26 acres, and the boundaries of such territory are as follows:

See Attached Signed, Stamped Survey Map and **Metes and Bounds Description**

3. This petition is signed by all property owners of the area to be annexed.

4. ☐ The undersigned owners acknowledge that the following City service(s) is (are) not presently available for immediate taps upon annexation: water ☐ sewer ☐; and, subsequently agree that the City shall not provide water and sewer service to the area to be annexed except in accordance with the City's standard water and sewer policy.

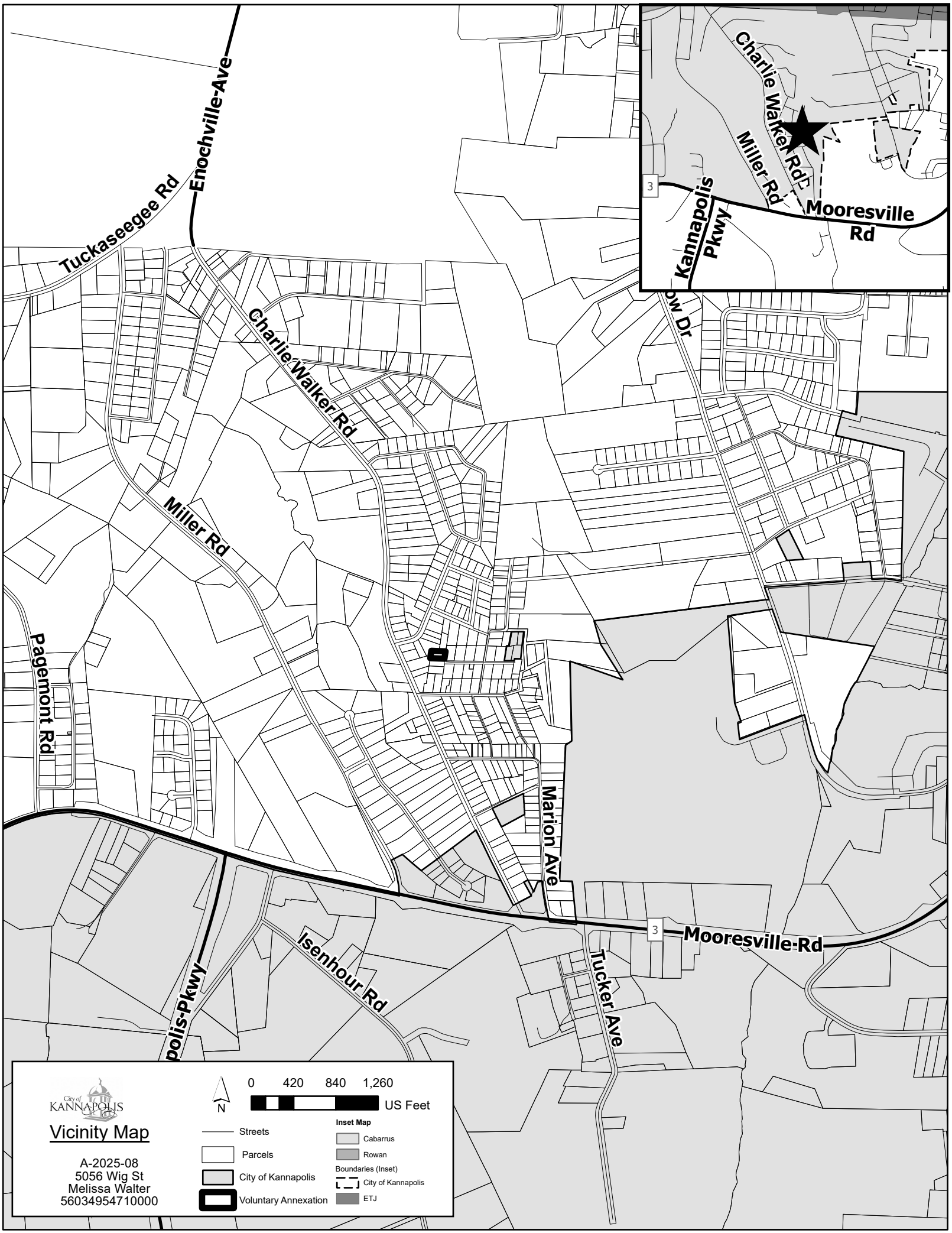
5. Please check ONE box below:

   ☐ The undersigned owners declare that zoning vested rights have been established on the area to be annexed under G.S. 160D-108 or G.S. 160D-108.1 and provide proof of such rights by attachment hereto.

   ☑ The undersigned owners hereby declare that no such vested rights have been established and that any vested rights previously acquired are hereby terminated.

Name (print or type)	**Address**	**Signature***
1. Jason Gaddis	PO Box 651 Harrisburg, NC 28075	Jason Gaddis
2.		
3.		
4.		

**Family members (e.g., husbands and wives) need to sign separately. Signatures for corporations, institutions, etc., are by those with the authority to sign legal documents.*



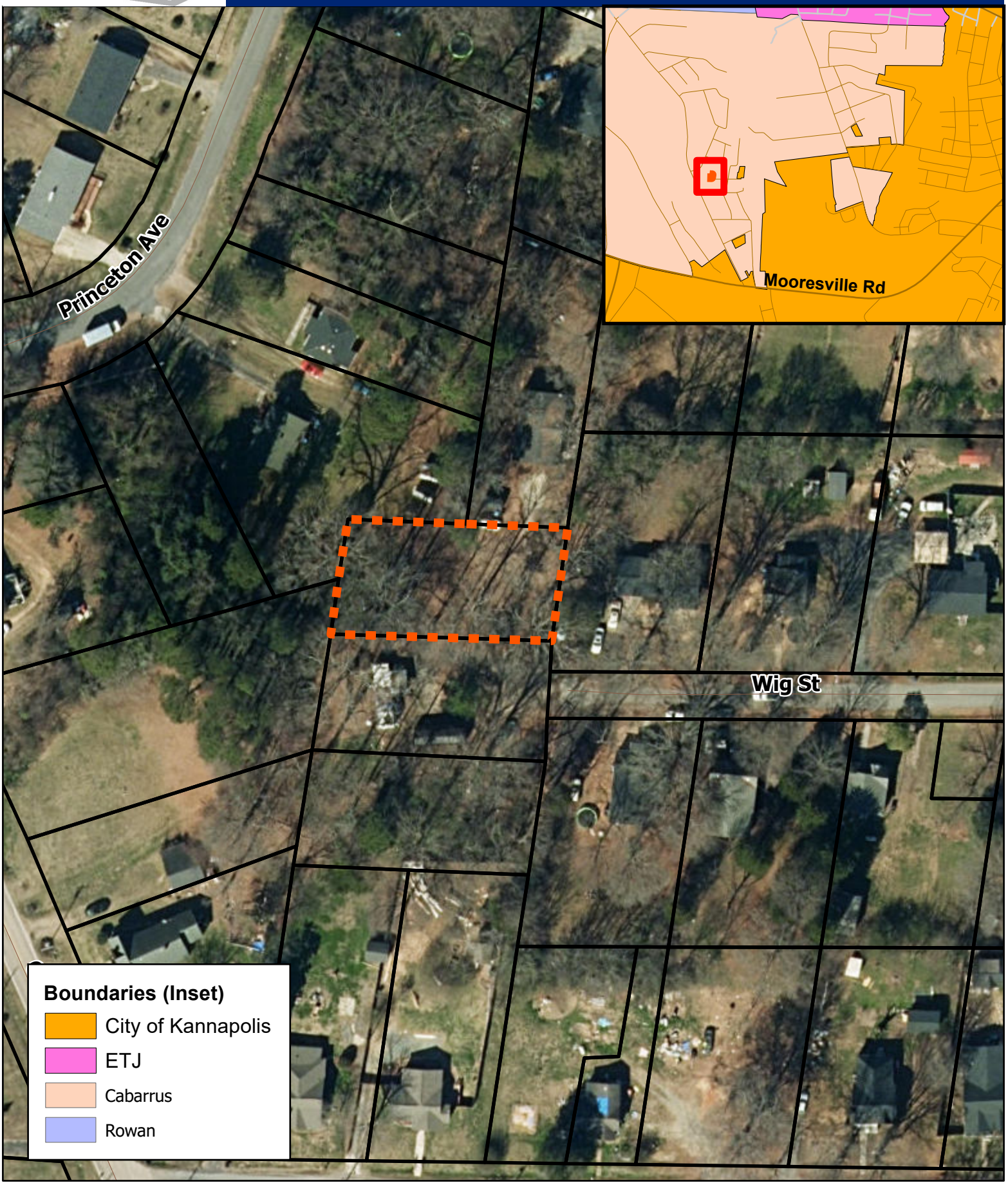
City of KANNAPOLIS

Vicinity Map

A-2025-08
5056 Wig St
Melissa Walter
56034954710000

Vicinity Map

5056 Wig St
Melissa Walter
56034954710000




Princeton Ave
Bridgeport Dr
Yale A
Charleston Ave
Wig St
Charlie Walker Rd
Athens St
Sumter Ave
Marion Ave
Miller Rd
Charlie Walker Rd
Kannapolis Pkwy
Mooresville-Rd
3
City of KANNAPOLIS
Vicinity Map
A-2025-08
5056 Wig St
Melissa Walter
56034954710000
N
0 80 160
US Feet
Streets
Parcels
City of Kannapolis
Voluntary Annexation
Inset Map
Cabarrus
Rowan
Boundaries (Inset)
City of Kannapolis
ETJ

CERTIFICATE OF SUFFICIENCY
A-2025-08

To City Council of the City of Kannapolis, North Carolina.

I, Pam Scaggs, City Clerk, do hereby certify that pursuant to NCGS Chapter 160A-58 *et seq*., I have investigated the petition attached hereto and have found as a fact that said petition is signed by all owners of real property lying in the area described therein.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the City of Kannapolis, North Carolina, this the 9th day of June 2025.

_____
Pam Scaggs, CMC, NCCMC
City Clerk

RESOLUTION #2025-45

RESOLUTION DIRECTING THE CLERK TO INVESTIGATE AN INTENT TO ANNEX

A-2025-08 – 5056 Wig Street

WHEREAS, City Council may initiate annexation of noncontiguous property owned by the petitioners by adopting a resolution stating its intent to annex the property of the area described herein; and

WHEREAS, N.C.G.S Chapter 160A-58 *et seq*, provide that the sufficiency of the petition shall be investigated by the City Clerk of the City of Kannapolis, North Carolina before further annexation proceedings consistent within the intent to annex can take place; and

WHEREAS, City Council of the City of Kannapolis, North Carolina deems it advisable to direct the City Clerk to investigate the sufficiency of the intent to annex.

NOW, THEREFORE, BE IT RESOLVED by City Council of the City of Kannapolis, North Carolina that:

The City Clerk is hereby directed to investigate the sufficiency of the above-described intent to annex under N.C.G.S. Chapter 160A-58 *et seq* and to certify as soon as possible to the City Council the result of the investigation.

ADOPTED this the 9th day of June 2025.

M. Darrell Hinnant, Mayor
City of Kannapolis

ATTEST:

Pam Scaggs, CMC, NCCMC
City Clerk

RESOLUTION #2025-46

RESOLUTION OF INTENT TO ANNEX AND FIX DATE OF PUBLIC HEARING ON QUESTION OF ANNEXATION

A-2025-08 – 5056 Wig Street

WHEREAS, pursuant to N.C.G.S Chapter 160A-58 *et seq.*, City Council may initiate annexation of real property noncontiguous to the City's boundary pursuant to a Petition for Annexation by all property owners located therein by adopting a Resolution stating its intent to annex the property described.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Kannapolis, North Carolina that:

Section 1. A public hearing on the question of annexation of the area described herein will be held at the Laureate Center, 401 Laureate Way, Kannapolis, NC at 6:00 PM on the 23th day of June 2025.

Section 2. The area proposed for annexation is described as follows:

See attached Metes and Bounds Description and Annexation Survey.

Section 3. Notice of public hearing shall be published in the Independent Tribune on Thursday, June 12th and Thursday, June 19, 2025

ADOPTED this the 9th day of June 2025.

M. Darrell Hinnant, Mayor
City of Kannapolis

ATTEST:

Pam Scaggs, CMC, NCCMC
City Clerk

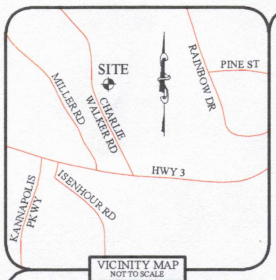
Exhibit "A"

Lying and being in Number Four (4) Township, Cabarrus County, North Carolina, being northwest of but not adjoining Wig Street and being a 0.26 acre tract for particularly described as follows:

BEGINNING at an iron pipe at the northeast corner of J.L. McCullough (now or formerly, Book 1466, Page 196), said iron being North 71-02-04 West 92.55 feet from a manhole on the northern side of Wig Street and runs thence from the point of Beginning with the lien of J.L. McCullough North 84-06-47 West 151.53 feet to an axle at cog in the line of Covenant Presbyterian Church (now or formerly, Book 747 Page 14), thence with the line of Covenant Presbyterian Church North 11-53-35 East 28.60 feet to an open pipe, corner of Gloria White (now or formerly, Book 2845, Page 234), thence with the line of White North 11-53-35 East 46.00 feet to a new iron pin, thence continuing with the line of White South 84-06-47 East 93.08 feet to a rebar, corner of ME Williamson (now or formerly, Book 1786, Page 270), thence with the line of Williamson South 84-06-47 East 59.35 feet to a rebar in the line of L.R. Stewart (now or formerly, Book 502, Page 168), thence with the line of Stewart South 12-30-00 West 74.79 feet to the point of BEGINNING, containing 0.26 acres, more or less, as surveyed by James T. West, P.L.S., dated December 16, 2009.

Tax Parcel Number: 56034954710000
Property Address: 000 Wig Street, Kannapolis, NC 28081

THIS SURVEY HAS BEEN SCALED FROM THE ORIGINAL VERSION.



Digitally Signed by Daryl W. Long

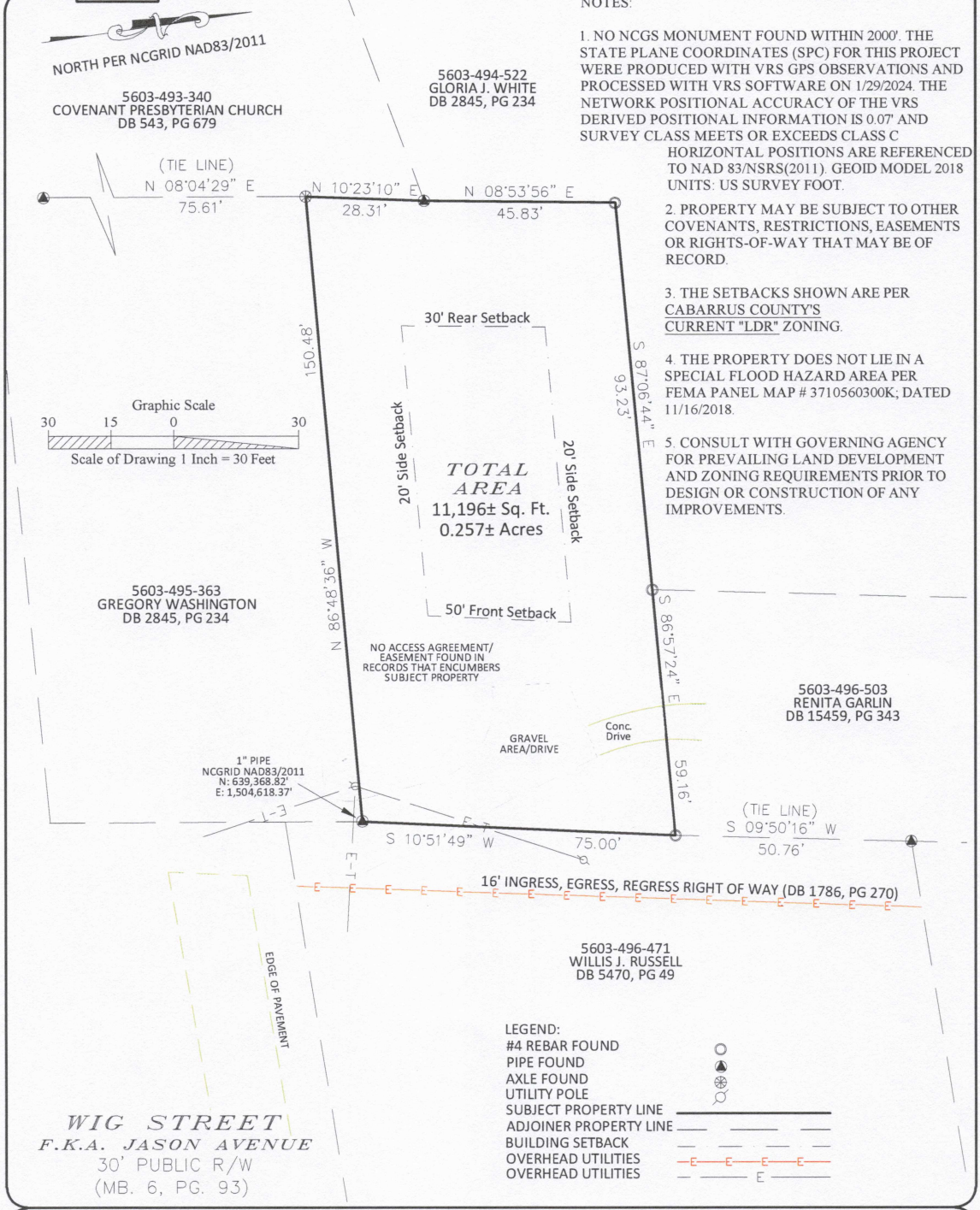
Professional Property Surveyors, Inc. 10/2/2024

DARYL W. LONG, P.L.S.
18335 OLD STATESVILLE ROAD
SUITE A
CORNELIUS, N.C. 28031
(704) 765-5134

NORTH CAROLINA PROFESSIONAL SEAL L-4918 LAND SURVEYOR DARYL W. LONG

NOTES:

1. NO NCGS MONUMENT FOUND WITHIN 2000'. THE STATE PLANE COORDINATES (SPC) FOR THIS PROJECT WERE PRODUCED WITH VRS GPS OBSERVATIONS AND PROCESSED WITH VRS SOFTWARE ON 1/29/2024. THE NETWORK POSITIONAL ACCURACY OF THE VRS DERIVED POSITIONAL INFORMATION IS 0.07' AND SURVEY CLASS MEETS OR EXCEEDS CLASS C HORIZONTAL POSITIONS ARE REFERENCED TO NAD 83/NSRS(2011). GEOID MODEL 2018 UNITS: US SURVEY FOOT.
2. PROPERTY MAY BE SUBJECT TO OTHER COVENANTS, RESTRICTIONS, EASEMENTS OR RIGHTS-OF-WAY THAT MAY BE OF RECORD.
3. THE SETBACKS SHOWN ARE PER CABARRUS COUNTY'S CURRENT "LDR" ZONING.
4. THE PROPERTY DOES NOT LIE IN A SPECIAL FLOOD HAZARD AREA PER FEMA PANEL MAP # 3710560300K; DATED 11/16/2018.
5. CONSULT WITH GOVERNING AGENCY FOR PREVAILING LAND DEVELOPMENT AND ZONING REQUIREMENTS PRIOR TO DESIGN OR CONSTRUCTION OF ANY IMPROVEMENTS.



Physical Survey of Parcel ID #5603-495-471

Professional Property Surveyors, Inc. 18335 Old Statesville Road Ste. A Cornelius, N.C. 28031 704-765-5134 Phone/Fax Firm License: C-3666	Property of: Covenant Presbyterian Church Kannapolis	As Recorded in: Deed Book 12103, Pg 67	Site Address: #0 Wig Street Kannapolis, NC 28081 Cabarrus County

092624-01 Job No.	JML Prepared By	≥ 1:10,000 Error of Closure	1"=30' Drawing Scale	5603-496-503 Tax Parcel Number	GREER Drawing File Name	1 of 1 Sheet Number	10/02/2024 Date

Kannapolis

Agenda Staff Report
June 9, 2025

To: Mayor and City Council

From: Alex Anderson, Director of Water Resources, Elizabeth Hassenfritz, Director of Engineering

Subject: **INFORMATION** - Monthly Wastewater Allocation Update

Recommended Action Requested by City Council

None. Information only.

Required Votes to Pass Required Action

Presentation Only. No Action Required

Background

This monthly wastewater allocations update is in response to several City Council members' request regarding an update on projects and current wastewater capacity. This update also captures all known and allocated projects through our 2027 projected allocation and captures wastewater allocation for all approved development agreements.

Fiscal Implications

None

Alternate Courses of Action

None. Information only.

Attachments

1. 2025 06 Update

City of Kannapolis
Monthly Wastewater Allocations Update
June 2025

Summary of Available WSACC Sewer Allocation for Kannapolis: 950,514

Total Restricted and Previously Committed Reserves: 903,002

WSACC Distributions this month: None

Pending Projects Approved by Policy: None

Remaining Non-Restricted Reserves: 989,867

Summary Remaining for post-2027 Sewer Allocation: 63,000 (approximately)

Pending Projects under Review:

- Irvin Farms (under review at Staff Level): ~21,000 GPD as a Priority 2 category 4 Strategic Reserve Project which improves City Infrastructure. This project will reduce post-2027 sewer allocation by ~21,000 GPD leaving a new approximate proposed total of 42,000 GPD. The project is anticipated for distribution in 2027.

- Additional commercial and industrial property at Stanley Drive is under staff review as a Priority 2 category 3 Strategic Reserve Project which is being evaluated as an Economic Development Project. Staff will continue to evaluate this project and present a Development Agreement if warranted. This sewer capacity is currently captured in the remaining non-restricted reserves.

<u>Update Summary:</u>

1. Due to passage of Development Agreement #2025-09, total restricted and previously committed reserves increased from 876,602 to 903,002 and non-restricted was reduced from 1,016,267 to 989,867. DA #2025-09 was a total of 26,400 GPD.

2. Staff will continue to evaluate Irvin Farms for concurrence as a Priority 2 classification and future presentation should this project be approved at the staff level.
3. Staff intend to present an updated Exhibit A for City Council review and adoption in August or September 2025.
4. Staff are preparing to transfer up to 12,500 GPD from Reserves to Wyrick Property as a Priority 1 Project with prior City Commitment. This transfer was always planned but did not

occur in the most recent Exhibit A in 2024 as the project timing was not yet finalized. This action will not reduce the post-2027 sewer allocation total.

5. Staff are preparing to propose a reduction in 2027 Affordable Housing and Plant 4 site reserves of a combined 42,000 GPD to restore Concrescere Business Park to 42,000 GPD. This action will not reduce the post-2027 sewer allocation total. City Council authorization will be requested to amend Exhibit A.

Exhibits and Appendices

All figures are shown in GPD

Executive Summary Calculations

Summary of Available WSACC Sewer Allocation for Kannapolis (current):	950,514
Previous WSACC Distribution #12:	43,485
Projected WSACC 2027 distribution:	962,000
Total Restricted and Previously Committed Reserves:	(903,002)
Remaining Non-Restricted Reserves:	(989,867)
WSACC Distributions this month: None	0
Pending Projects Approved by Policy: None Current	0
Summary Remaining for post-2027 Sewer Allocation (approximate):	**~63,000**

General Tracking Based on Adopted Exhibit A

Previously Approved or Otherwise Committed Projects 2024-2025 (as shown in Exhibit A):

Lowes Foods - Kellswater Commons	9,698
Summerlyn Village Subdivision (2024)	12,900
Summerlyn Village Subdivision (2024)	30,600
Summerlyn Village Subdivision (2027)	30,600
Cannon Manor Subdivision	7,650
Emerson Glen Subdivision	12,900
Pace (Medical)	5,000
Coldwater Ridge Phase II apartments	9,100
Trinity Corners	10,125
85 Exchange (Industrial)	24,500
McDonalds – Kellswater Commons	1,280
Bakers Creek Subdivision (2024)	28,125
Bakers Creek Subdivision	28,125
Kannapolis Crossing – Development Agreement	316,000
Kannapolis Gateway Business Park	~5,000
Afton – Childers Cline Building III	*~5,000*
Downtown Reserves	*225,305*
• Market at Millstone (16,655)	
• Millstone Village (48,500)	
• Crest Field (50,400)	
• Bainbridge Kannapolis (52,975)	
• Towns at Millstone (30,375)	
• Dale Earnhardt Blvd Partners (26,400)	
Loop Yard Phase 1	36,225
Residential In-Fill (2024)	11,213
Hedgecliff Towns	28,856
Evolve-Hawthorne	41,925
Greenview Apartments	14,175
Stanley Drive (existing building)	8,700
Total Restricted and Previously Committed Reserve	903,002

Non-Restricted Reserves (between 2024 and 2027 distributions) Total (as shown in Exhibit A):

Block 5 (Mixed Use/Apartments)	16,150
Block 5 (Commercial Reserves)	36,000
Block 6 (Mixed Use/Apartments)	56,250
Afton Ridge Reserves (remaining)	7,000
Lakeshore Reserves	18,000
Kannapolis Crossings Reserves	100,000
Downtown Reserves (remaining)	*92,067*
Additional Downtown Set-Aside Reserves	100,000
Loop Yard Phase 2 (lift station improvements)	95,000
Non-Residential In-Fill	100,000
Affordable Housing (2024)	21,600
Affordable Housing (2027)	20,000
Metro 63	18,000
85 Exchange Industrial Reserves	28,000
Kannapolis Parkway and Rogers Lake Road Reserves	28,000
Stanley Drive Industrial Reserves	10,300
Concord Lake Road and Roxie Street Reserves	12,000
Glen Afton and Kannapolis PKWY (Motely Industrial)	42,000
Plant 4 Site	94,500
Concrescere Business Park	0
Community Enhancement (schools and infrastructure)	20,000
Strategic Buffer	75,000
Total Non-Restricted and Previously Committed Reserve	989,867

Waitlist Projects (No current allocation available) (as shown in Exhibit A):

Blue Ridge Apartments	44,100
The Farm at Riverpointe Phases 3B, 5, 6	59,588
Riverpointe at Davidson	131,250
Bridges of Cabarrus II	31,500
Abberly (885 Kannapolis Pkwy)	52,650
Lane St Townhomes W of Royce St	42,075
Cavallaro Ridge (Windy Hill Farm) at Boy Scout Camp/Isenhour	20,250
Kannapolis Pkwy Townhomes North of Redwood Apartments	26,100
Stonehaven	2,025
Sudbury Rd Subdivision	18,900
Camp Cabarrus at Kannapolis Pkwy & Dovefield Ln	54,900
Trinity Church Rd Apartments at Northwest Cabarrus High School	21,300
Orphanage Rd Apartments north side	8,100

Exhibit Tracking Calculations:

- Stanley Drive = 19,000 – 8,700 (not to exceed 8,700)

- Afton Ridge Reserves = 12,000 – ~5,000 = 7,000

- Wyrick (Maple Ridge Calculations) = Twelve 1-bedroom, forty-six 2-bedroom, twelve 3-bedroom and up to 2,000 GPD amenity/clubhouse. Total not to exceed 12,500.

- Downtown Reserves:

Current Reserve	317,372
• Market at Millstone	(16,655)
• Millstone Village	(48,500)
• Crest Field	(50,400)
• Bainbridge Kannapolis	(52,975)
• Towns at Millstone	(30,375)
• Dale Earnhardt Blvd Partners	(26,400)
Remaining Original Downtown Reserves	92,067

Sewer Capacity as of December 1, 2024 Calculations:

○ Start	1,054,306
○ Approved	(123,518)
○ Restricted	(846,002)
○ Unrestricted	(941,267)
○ Strategic Buffer	(75,000)
○ Anticipated by policy	(~11,000)
○ WSACC Dist #12	43,485
○ 2027 Addition	962,000

Exhibit A Remaining Capacity in Post 2027: ~**63,000 (within 1%)**

Agenda Item: H.I

Kannapolis

Agenda Staff Report
June 9, 2025

To: Mayor and City Council

From: Pam Scaggs, City Clerk

Subject: **MINUTES:** April 28, 2025 Business Meeting **UNANIMOUSLY APPROVED**

Recommended Action Requested by City Council

Required Votes to Pass Required Action

Majority Present at Meeting

Background

Fiscal Implications

Alternate Courses of Action

Attachments

1. 2025.04.28 Business Minutes

CITY OF KANNAPOLIS
CITY COUNCIL
WORK SESSION MEETING MINUTES
April 28, 2025

A business meeting of the Kannapolis North Carolina City Council was held on Monday, April 28, 2025, at 6:00 P.M., at Kannapolis City Hall located at 401 Laureate Way, Kannapolis, NC.

CITY COUNCIL MEMBERS PRESENT:

Mayor:	Milton D. Hinnant	
Council Members:	Doug Wilson	
	Jeanne Dixon	
	Dianne Berry	
	Tom Kincaid	
	Darrell Jackson	
	Ryan Dayvault	
Executive Staff:	Mike Legg, City Manager	
	Eddie Smith, Deputy City Manager	
	Tina Cline, Assistant City Manager	
	Wilmer Melton, Assistant City Manager	
City Attorney:	Andrew Kelly	
City Clerk:	Pam Scaggs	
Staff Present:	Alex Anderson	Richard Smith
	Albaro Reyes	Terry Spry
	Gary Mills	Annette Privette-Keller
	Kirk Beard	Irene Wong
	Michael Rattler	
Visitors Present:	Joe Hatley	Tonya Williams
	John Eskam	Carla Murray
	Bridget Grant	Nate Buhler
	Aaron Wagoner	Sophia Wilkerson
	Josh Teague	Phil Goodman
	Stephen Freeman	Marc Meeuwissen
	Emmy Watkins	Harris Watkins
	Ben Vermeire	Kendall Stavenger
	Taylor Deaton	Naomi Hatchell
	Greg Lambert	Pam Lambert
	Lottie Forney	

CALL TO ORDER AND WELCOME

Mayor Hinnant called the meeting to order and welcomed all in attendance. He led a moment of silent prayer, followed by the Pledge of Allegiance by Councilmember Dayvault.

ADOPTION OF AGENDA

Mayor Hinnant asked for a motion regarding the Agenda. Mayor Pro tem Berry made motion to approve the agenda, second by Councilmember Jackson and the motion was unanimously approved.

CEREMONIAL OATH OF OFFICE

Police Captain Chris Hill formally introduced two of the City's newest police officers, explaining that both officers are transferring to the City of Kannapolis from other law enforcement agencies and that they are B.L.E.T. (Basic Law Enforcement Training) certified. Captain Hill added that they are currently completing field training. City Clerk Pam Scaggs ceremonially provided the Oath of Office to both Andrew Coleman and Vincent Murray.

CONSENT AGENDA

Mayor Hinnant asked for a motion regarding the Consent Agenda. Councilmember Dayvault made the motion to approve, second by Councilmember Jackson and the motion was unanimously approved.

Ordinance to demolish property located at 108 Airport Road. (Richard Smith, Planning Director) (Copy included as Exhibit A)

Agreement for DFI Predevelopment Services Agreement Amendment. (Irene Wong, Economic & Community Development Director) (Copy included as Exhibit B)

Resolution supporting a Grant Application to the Cabarrus Rowan Metropolitan Planning Organization Carbon Reduction Program to fund the Bakers Creek Greenway HAWK Signal. (Wilmer Melton, Assistant City Manager, and Richard Smith, Planning Director) (Copy included as Exhibit C)

Resolution Directing Clerk to Investigate and Certify the Petition and Resolution of Intent to Annex and Fix Date of Public Hearing on approximately 5.039 +/- acres of property located at 2806 North Cannon Boulevard (Rowan County Parcel Identification Number 133 05708. (Richard Smith, Planning Director) (Copy included as Exhibit D)

Work Session Minutes – April 14, 2025 (Pam Scaggs, City Clerk)

Closed Session Minutes – April 14, 2025 (Pam Scaggs, City Clerk)

BUSINESS AGENDA

Public Hearing Text Amendment #2025-04 – KDO Text Amendments to Article 4, Section 4.2.D(3)a.4(b)3 to increase the maximum number of dwellings permitted in a pocket neighborhood development from twelve (12) to thirty (30). (Elizabeth McCarty, Assistant Planning Director) (Copy included as Exhibit E)

Assistant Planning Director, Elizabeth McCarty, provided information regarding a proposed text amendment to the Kannapolis Development Ordinance (KDO) to increase the maximum number of

dwellings permitted in a pocket neighborhood development from twelve to thirty dwellings. Ms. McCarty identified the applicant and explained that pocket neighborhoods are small, clustered single-family homes designed around shared spaces to encourage community interaction and promote affordable housing. She added that the Move Kannapolis Forward 2030 Comprehensive Plan supports these developments noting that they are currently permitted in the Residential 8 (R8), Residential 18 (R18), Mixed-Use Neighborhood (MU-N), Planned Development (PD) and Planned Development Traditional Neighborhood Development (PD-TND) zoning districts.

Ms. McCarty stated that the Planning and Zoning Commission recommended approval of the text amendment with the following added standards as well a change to the Principal Use Table reflecting the addition of the SUP:

1. Developments with 13 to 30 units must obtain a Special Use Permit (SUP).
2. Homes should be arranged in clusters of no more than 12 units.
3. Each cluster will have shared open space to include a community gathering feature, such as a barbecue area, picnic space, garden, playground, or similar amenity.
4. Multiple clusters should be connected via pedestrian pathways.
5. Gross density of the development should not exceed a 20 percent increase in the density of the underlying base zoning district.

Council members raised several questions regarding the proposed pocket neighborhood development, including its location, total unit count, comparisons to similar projects in nearby municipalities, individual unit size and number of bedrooms, affordability qualifications, and spacing between homes.

Ms. McCarty confirmed that the project is planned for Alpine Street (R8 zoning district) and that the applicant is requesting 27 units, which prompted the text amendment request since current standards limit the total number of units to 12. She noted that the applicant had developed similar neighborhoods in the Charlotte area but did not have further details. Regarding unit size, she stated they would range from approximately 1,200 to 1,600 square feet, though the number of bedrooms had not been specified. She explained that smaller lots and homes contribute to affordability by reducing land and construction costs. As for unit spacing, she clarified that a 5-foot side yard setback is required, consistent with the R8 zoning district.

Mayor Pro tem Berry expressed concern over the lack of renderings, raised questions about parking, and inquired whether the applicant had met with neighboring residents. She suggested tabling the matter until visual representations could be provided. Ms. McCarty directed Council to the submitted site plan, identified parking locations as well as how the homes will be oriented on the lots, noting that all units will be "rear-loading" and accessed via an alley. She added that a neighborhood meeting was not required because pocket neighborhoods are a permitted use by right in the R8 zoning district. Ms. McCarty noted that Council is reviewing the request because the applicant was seeking approval for more than 12 units and submitted the text amendment application which requires Council approval.

City Manager, Mike Legg, suggested that understanding other uses permitted by right or by SUP in the R8 zoning district could be beneficial. Ms. McCarty explained that townhomes, duplexes, triplexes, single-family attached and detached homes, pocket neighborhoods, tiny house neighborhoods, and multi-family residential developments are all uses permitted by right. She also

highlighted that the R8 zoning district allows up to eight units per acre, meaning the applicant's proposal presents a lower density than what is currently permitted while providing an option for smaller homes.

Mayor Hinnant advised against tabling the request emphasizing that the proposed text amendment provides a viable solution to the housing shortage, with the SUP requirement serving as a safeguard to ensure that pocket neighborhoods exceeding 12 units undergo a thorough review to align with the city's needs and standards. He added that renderings and drawings should be provided during the SUP process.

There being no additional questions or comments for staff, Mayor Hinnant opened the Public Hearing.

Nicholas Parker, Managing Partner for Green Street Capital Partners, addressed earlier questions regarding similar projects and stated that they have successfully developed similar communities in Charlotte, Cramerton, and Albermarle. Mr. Parker added that there is a similar project currently under construction in Weaverville, North Carolina. He stated that their homes meet Zero Energy Home standards and are designed for expansion allowing homeowners to build equity in their homes.

Resident Phil Goodman expressed agreement with Mayor Pro tem Berry and urged Council to consider postponing the decision until the applicant could present drawings or further details on the project's design. He also voiced concerns about the proposed five-foot spacing between homes.

There being no further questions or comments, Mayor Hinnant closed the Public Hearing.

Planning Director, Richard Smith, addressed an earlier question regarding notifying neighbors of the proposed development clarifying that if the text amendment is approved by Council, the applicant will need to apply for a SUP, at which point neighbors will be notified and given the opportunity to attend a separate public hearing. Mr. Smith also addressed Mr. Goodman's concerns about spacing, explaining that each home must be set back five feet from both property lines, resulting in a ten-foot gap between homes. Additionally, he noted that while home prices are market-driven, the smaller size of these residences will lead to lower costs.

Councilmember Dayvault asked whether the project has received sewer allocation and Mr. Smith responded that they have met the requirements to receive allocation. There was additional discussion regarding the various uses allowed by right and Councilmember Dayvault expressed appreciation for the SUP requirement.

Mayor Pro tem Berry reiterated her preference to postpone the request, allowing the applicant time to provide renderings of the proposed homes. However, Mr. Smith cautioned that state statute prohibits basing decisions on design standards.

Council members Dixon and Wilson asked about price range and whether the units will be for sale or for rent. Mr. Parker responded that the homes will be for sale, with prices ranging from $250,000 to $350,000 and sized between 1200 - 1600 square feet with the ability to expand.

There being no further comment or question, Mayor Hinnant called for a motion on the Statement of Consistency. Councilmember Jackson made the motion to approve, second by Councilmember Kincaid and the motion was approved 5-2, with Councilmember Dixon and Mayor Pro tem Berry dissenting.

Mayor Hinnant called for a motion regarding approval of the proposed text amendment. Councilmember Dayvault made the motion to approve with the added conditions proposed by the Planning and Zoning Commission, second by Councilmember Kincaid, and the motion was approved 5-2 with Councilmember Dixon and Mayor Pro tem Berry dissenting.

Public Hearing & Resolution – Development Agreement #2025-05 – CP Kannapolis Investments, LLC (Loop Yard Amendment) (Richard Smith, Planning Director) (Copy included as Exhibit F)

Mr. Smith explained that the proposed amendment to the Development Agreement with CP Kannapolis Investments, LLC., pertains to a project originally approved as a Planned Unit Development (PUD) several years ago and is located between Dale Earnhardt Boulevard and Old Earnhardt Road. The amendment focuses on the town portion of the development, enabling the applicant to adjust payments to the City for pump station improvements specified in the initial agreement. It applies to a 16.4-acre section of the overall 23-acre site, with the remaining area designated for 160 detached homes.

Councilmember Dayvault asked that staff provide general descriptions of where projects are located in future staff reports.

Mayor Hinnant asked for additional clarification and Mr. Smith responded that the agreement allows for payments of the pump station to be broken up, with the first payment scheduled for this week and the second due within the next year. He also clarified that necessary specifications have been met regarding size of the pump station.

There being no further comments or questions for staff, Mayor Hinnant opened the Public Hearing, which was closed without comment.

Mayor Hinnant called for a motion approving the Resolution adopting the Ordinance to execute the Development Agreement. Motion to approve was made by Councilmember Dixon, second by Councilmember Dayvault and unanimously approved.

Public Hearing & Resolution – Development Agreement #2025-06 – Dale Earnhardt Boulevard Partners, LLC (Dale Earnhardt Boulevard Townhomes) (Richard Smith, Planning Director) (Copy included as Exhibit G)

Mr. Smith identified the developer of a proposed development to be located between Chestnut Avenue and Vance Street, and consisting of 5.31-acres with 26 existing home to be replaced with 88 single-family attached units. He added that the agreement includes development of a public dog park featuring designated areas for small and large dogs, as well as encroachment on city property to allow for storm control measures. Mr. Smith directed Council's attention to elevation renderings of the units which were provided by the home builder, Ryan Homes.

There being no further comments or questions for staff, Mayor Hinnant opened the Public Hearing, which was closed without comment.

Mayor Hinnant called for a motion approving the Resolution adopting the Ordinance to execute the Development Agreement. Motion to approve was made by Councilmember Kincaid with second by

Councilmember Jackson. However, the motion failed in a 3-4 vote, with Mayor Pro tem Berry and Councilmembers Dixon, Dayvault and Wilson dissenting.

Public Hearing & Resolution – Development Agreement #2025-07 – Cambridge Properties, Inc. (Millstone Townhomes) (Richard Smith, Planning Director) (Copy included as Exhibit H)

Mr. Smith identified the developer of a proposed development to be located along South Main Street and North Loop Road. He reminded Council that they previously approved a text amendment which allowed for narrower lots in the Center City Zoning District. Mr. Smith directed Council's attention to a site plan and renderings of the proposed 135-unit townhome development and also provided a site plan and renderings of the entire project which includes a grocery store, retail, and multi-family apartments.

There being no further comments or questions for staff, Mayor Hinnant opened the Public Hearing.

Nate Buhler, representing Cambridge Properties Inc., stated that, in addition to the 75,000 square feet of retail space, anchored by a Class A grocery store, and a 300-unit multi-family apartment development, the final component of the *Millstone Village* project includes a 135-unit attached townhome development. Mr. Buhler made himself available for questions regarding the proposed development.

There being no additional comments or questions, Mayor Hinnant closed the Public Hearing and called for a motion approving the Resolution adopting the Ordinance to execute the Development Agreement. Motion to approve was made by Councilmember Wilson, second by Councilmember Dixon and unanimously approved.

Public Hearing & Resolution – Development Agreement #2025-08 – Bainbridge Communities Acquisition II, LLC. (Bainbridge Kannapolis) (Richard Smith, Planning Director) (Copy included as Exhibit I)

Mr. Smith identified the applicant of a proposed development to be located behind City Hall, stating that the 335-unit multifamily project will feature a connection to the pedestrian tunnel to Village Park along with surface lots as well as framed parking within buildings. Proposed amenities include a dog park, green spaces, and several trees identified for preservation. The buildings, designed for accessibility, will range from 40 to 45 units each and incorporate elevators, and their architectural style will complement the existing downtown landscape. He emphasized the site's strong connectivity to current streets, with opportunities for future expansion and integrated trails.

Councilmember Jackson noted the large scale of the project and asked about the project's investment, but Mr. Smith did not know. Councilmember Wilson requested a map review and asked for clarification that access to the project will include extension of the road next to the Dollar Tree and Mr. Smith confirmed. Councilmember Dayvault asked for clarification that future road extensions could include a connection between Watson Crick and Biotechnology Lane behind City Hall, which Mr. Smith confirmed. Councilmember Dayvault referenced previous plans by Mr. Murdock, highlighting the intent to mirror City Hall's road layout and align with the original mixed-use master plan, which included apartments, townhomes, and retail. Mr. Smith confirmed that apartments will be built directly behind City Hall and that additional on-street parking is planned, which will help accommodate events such as July 4th celebrations.

There being no further comments or questions for staff, Mayor Hinnant opened the Public Hearing, which was closed without comment and called for a motion approving the Resolution adopting the Ordinance to execute the Development Agreement. Motion to approve was made by Councilmember Wilson, second by Councilmember Dayvault and unanimously approved.

Public Hearing – Voluntary Annexation (A-2025-04) of approximately 13.95 +/- combined acres of properties located at 5400 and 5425 Odell School Road (Cabarrus County Parcel Identification Numbers 46736668550000 and 46735792770000 and consider a motion to extend the Corporate Limits of the City of Kannapolis. (Elizabeth McCarty, Assistant Planning Director) (Copy included as Exhibit J)

Ms. McCarty presented Case # A-2025-04, an annexation petition from Cobble Creek LLC for two parcels located at 5400 and 5425 Odell School Road, totaling 13.95 acres. While non-contiguous, the site borders existing city limits and falls within Kannapolis' planned growth area. Using maps, she illustrated the property's location, noting its current zoning as Cabarrus County Office Institutional (OI). The annexation plat and legal description submitted by the applicant described Lot 1 being 9.35 acres and Lot 2 being 4.6 acres. Ms. McCarty reminded Council that actions requested are to hold a public hearing on the proposed annexation and consider a motion to extend the City's corporate limits.

There being no further comments or questions for staff, Mayor Hinnant opened the Public Hearing, which was closed without comment. He called for a motion regarding the Ordinance to Extend the Corporate Limits of the City for annexation Case # A-2025-04. Motion to approve was made by Councilmember Jackson, second by Councilmember Dixon and unanimously approved.

Public Hearing – Voluntary Annexation (A-2025-05) of approximately 87.748 +/- combined acres of properties located at 2423 and 2575 Jim Johnson Road and Unaddressed parcel on Jim Johnson Road (Cabarrus County Parcel Identification Numbers 46729232550000, 46729217120000, and 46728256200000 and consider a motion to extend the Corporate Limits of the City of Kannapolis. (Elizabeth McCarty, Assistant Planning Director) (Copy included as Exhibit K)

Ms. McCarty stated that annexation Case #A-2025-05 is a petition submitted by Blue River Development to annex three parcels: 2423, 2575 and an unaddressed parcel on Jim Johnson Road. This non-contiguous annexation falls within the Western Growth area and is adjacent to several properties already within the city. She utilized maps to illustrate that the properties are located between the Pellem Point and Waterford communities and identified nearby city-owned land designated for a future park. Ms. McCarty stated that the properties are currently zoned Cabarrus County Countryside Residential (CR) and reminded Council that action requested include holding a public hearing and to consider a motion to extend the corporate limits of Kannapolis.

There being no further comments or questions for staff, Mayor Hinnant opened the Public Hearing, which was closed without comment. He called for a motion regarding the Ordinance to Extend the Corporate Limits of the City for annexation Case # A-2025-04. Motion to approve was made by Councilmember Wilson, second by Councilmember Kincaid and unanimously approved.

Presentation and Discussion – Broadcasting of City Council Meetings. (Mike Legg, City Manager) (Copy included as Exhibit L)

Mike Legg informed City Council that, in response to their interest in broadcasting meetings, staff is recommending outsourcing production for the first year due to staffing and equipment limitations. The selected vendor will provide personnel to manage multiple cameras, integrate PowerPoint

presentations, and oversee remote participation. He emphasized the importance of ADA compliance and long-term video storage, noting that sound quality is critical and will require a technician at each meeting.

Mr. Legg stated that Council must consider whether meetings will be live-streamed or recorded, revise public speaker policies to align with broadcasting, establish an implementation timeline, and select a vendor. He added that the City received four quotes ranging from $48,000 to $180,000 annually, with Crown Productions identified as the most experienced and cost-effective option. A budget amendment, aligning with the new fiscal year, will also be necessary.

Mayor Hinnant shared insights from meetings with leaders from approximately 35 other cities, highlighting three recurring topics: homelessness, affordable housing, and managing public speakers. He cautioned that video broadcasting will likely increase participation and stressed the need to revise public speaking policies accordingly. He outlined potential scenarios Council may face and urged consideration of how broadcasting could shape engagement. Council discussed these scenarios in detail and generally agreed on the importance of maintaining meeting decorum and handling violations consistently.

Discussion shifted to the quotes received from the possible vendors and what was included in each quote as well as options for muting or editing offensive language, ability to address on-line comments and closed captioning for accessibility. Council also discussed hiring a separate sound technician, and the number of camera's that may be needed.

Mr. Legg confirmed that he will attempt to negotiate a reduced rate for a one-year contract from Crown Productions, possibly using fewer cameras and drafting updated policy changes with a proposal review back to Council in May.

Mayor Hinnant called for a 10 minute break. Council resumed session at 8:40 P.M.

Contract and Budget Ordinance – Downtown Sewer Outfall Contract Award and Budget Amendment #25-37. (Brian Roberts, Finance Director and Alex Anderson, Director of Water Resources) (Copy included as Exhibit M)

Alex Anderson, Director of Water Resources, detailed plans to replace a deteriorating 72-year-old sanitary sewer line prone to overflow during heavy rain. The new 18-inch pipeline will run from the old post office site to Irish Buffalo Creek, improving hydraulic capacity and downtown sewer conveyance. Mr. Anderson stated that the project will provide an infrastructure upgrade as it will eliminate the existing tie-in to the City's 12-inch sewer line, connecting instead to a larger 42-inch line which will enhance downstream capacity. He added that the project will also expand gravity sewer access for downtown areas and surrounding neighborhoods.

Alex Anderson stated that Carolina Siteworks Inc. has been identified as the lowest bidder ($3,722,313.) and that the project will be funded using cash reserves but that a budget amendment will be necessary to transfer the necessary funds. He reminded Council of the actions required and made himself available for questions.

Councilmember Dixon asked about service disruptions, mitigation efforts, and resident notifications. Mr. Anderson stated that the contractor must maintain driveway access despite excavation, and the city will work to minimize inconvenience. Residents were previously notified during site survey

work, and two more notices are planned with one 30 days before the contractor is notified and another 30 days before work begins.

Councilmember Kincaid asked about sewer capacity. Mr. Anderson explained that the new line supports maximum density and includes extra capacity for future high-density developments.

Mayor Pro Tem Berry inquired about the timeline, financial impact, and start date. Mr. Anderson noted the nine-month completion goal, with a possible one- to two-month extension for weather delays. Finance Director Brian Roberts confirmed a $1.6 million transfer from sewer reserves and the use of unspent bond proceeds to reduce financial strain. The start date depends on pipe delivery schedules.

Councilmember Jackson asked why the project wasn't considered in the 2015 downtown infrastructure improvements. Mr. Legg explained that while the need was recognized earlier, final plans were not completed at that time. The offsite project will redirect downtown's sewer flow and address capacity constraints.

Mayor Hinnant asked about homes affected by sewer tap renewals. Mr. Anderson said around 100 taps will be renewed, mainly along Mooresville Highway. Some will tie into existing infrastructure, while others require full replacement. The contractor may use pipe bursting to accelerate work but must absorb associated costs within the bid.

Mayor Hinnant asked for a motion to award the bid to Carolina Siteworks, Inc. Motion to approve was made by Councilmember Dayvault, second by Mayor Pro tem Berry and unanimously approved.

Mayor Hinnant asked for a motion regarding the Ordinance approving Budget Amendment #25-37. Motion to approve was made by Councilmember Dixon, second by Councilmember Kincaid and unanimously approved.

CITY MANAGER REPORT

Mr. Legg announced that the budget will be presented at Council's May 12, 2025 meeting, with a public hearing set for June 9, 2025. Additional discussions can take place throughout June before finalizing the budget on June 28, 2025. He provided an update on development regulation bills, including House Bill 765, which he expects not to advance beyond committee. Downtown promotions with DKI (Downtown Kannapolis Inc.) are progressing, and the parks department has reported increasing ridership on downtown shuttles, a trend expected to continue.

Mr. Legg stated that the City has submitted congressional funding requests for intersection improvements on Rogers Lake Road and congestion relief on South Main Street.

CITY COUNCIL COMMENTS

None

SPEAKERS FROM THE FLOOR

Phil Goodman, expressed appreciation for Council's work on televised meetings, noting frequent resident inquiries. While he expected a straightforward discussion, he was frustrated by repetitive debate on existing regulations. He urged Council to focus on implementation rather than obstacles,

learn from other cities, and make a decisive choice. Despite his disappointment, he valued the discussion and commended Mr. Legg for advancing the issue.

Mark Meeuwissen stated that he attended a 2021 meeting about a potential skate park in Kannapolis and asked for an update. Mr. Meeuwissen stated that many of his friends were excited about having the park and recalled that other residents and visitors seemed excited as well. He noted that the 3D renderings presented at the 2021 meeting looked great and reiterated that any information would be appreciated.

Naomi Hatchell urged Council to televise meetings, emphasizing transparency and accessibility for all Kannapolis residents. She noted other government meetings are recorded, highlighting the opportunity to adopt best practices from other cities. Ms. Hatchell stressed that televising sessions would enhance public trust, improve accountability, and help residents understand procedures. She called on Council to lead with integrity and make meetings available to everyone.

Lottie Forney raised concerns about high fees for city venues, calling $100 per hour excessive for taxpaying residents. She urged Council to reduce costs and to clarify whether Parks and Recreation or Council sets the fees. Additionally, she requested an explanation for the $31 city vehicle tax fee and why no city tag is issued. Rising costs have also forced her church to seek alternative locations for annual gatherings, highlighting the need for affordable indoor spaces, especially for seniors.

Councilmember Dayvault requested that staff review facility fees, including parks, shelters, and the train station, and explore adjustments. He suggested that examining how other communities structure fees for residents versus non-residents could help identify a viable approach.

MOTION TO ADJOURN

There being no further business, Councilmember Dixon made motion to adjourn, second by Councilmember Jackson, and the motion was unanimously approved.

The meeting adjourned at 9:06 PM on Monday, April 28, 2025.

M. Darrell Hinnant, Mayor
City of Kannapolis

Pam Scaggs, CMC, NCCMC
City Clerk

Agenda Item: H.J

Kannapolis

Agenda Staff Report
June 9, 2025

To: Mayor and City Council

From: Pam Scaggs, City Clerk

Subject: **MINUTES:** May 12, 2025 Business Meeting **UNANIMOUSLY APPROVED**

Recommended Action Requested by City Council

Required Votes to Pass Required Action

Majority Present at Meeting

Background

Fiscal Implications

Alternate Courses of Action

Attachments

1. 2025.05.12 Business Minutes

CITY OF KANNAPOLIS
CITY COUNCIL
BUSINESS MEETING MINUTES
May 12, 2025

A business meeting of City Council of the City of Kannapolis, North Carolina was held on Monday, May 12, 2025, at 6:00 P.M., at Kannapolis City Hall located at 401 Laureate Way, Kannapolis, NC.

CITY COUNCIL MEMBERS PRESENT:

Mayor:	Milton D. Hinnant
Council Members:	Doug Wilson
	Jeanne Dixon
	Dianne Berry, Mayor Pro tem
	Tom Kincaid
	Darrell Jackson
	Ryan Dayvault
Council Members Absent:	None
City Manager:	Mike Legg
Deputy City Manager:	Eddie Smith
Assistant City Manager:	Tina Cline
Assistant City Manager:	Wilmer Melton
City Attorney:	Andrew Kelly
City Clerk:	Pam Scaggs

Staff Present:	Tina Cline	Richard Smith
	Terry Spry	Daniel Jenkins
	Heather James	Jason Hinson
	Gerald Faulkner	Alex Anderson
	Kirk Beard	Chris Hill
	Irene Wong	Chris Fitzpatrick
	Albaro Reyes	Michael Rattler
	Gary Mills	Brett Mann
	Jonathan Wilhort	Tracy Winecoff
	Jennifer Clarke	Jamie Livengood
	Travis Furr	Nick Corn
	Chris Howard	Ramsey Nimer
	Jeremy Page	Wesley Wilson
	GlennTingen	Joe Galyan
	Donald Newton	Chase Crowe
	Gaspar Ruiz	Sam Small

	Tyler Goodell	Jonathan Lambert
	Ataurus Tennyson	Eric Albright
Visitors Present:	Joe Hatley	Zach Erwin
	Mark Spitzer	Sophia Wilkerson
	Tonda Childers	Pam Smith
	Rick Stewart	Phil Goodman
	James Moore	Pam Lambert
	Greg Lambert	Charles Vavra
	Shane Watkins	Stephanie Forman
	Barbara Messick	Mike Messick
	William Pasquale	Joyce Schmit
	Padam Karki	Manisha Rauniyar
	Jailene Lopez	Naomi Hatchell
	Isaiah Payne	Victoria Woolford

CALL TO ORDER AND WELCOME

Mayor Hinnant called the meeting to order and welcomed all in attendance. He led a moment of silent prayer, followed by the Pledge of Allegiance by Councilmember Jackson.

RECOGNITIONS

Deputy Fire Chief Kirk Beard recognized the graduates of the 2025 Fire Department Citizens Academy, highlighting their dedication to learning more about fire and emergency services. He provided a brief history of the academy, noting that it was established in 2016 and runs for 9 to 10 weeks. Chief Beard also acknowledged Mayor Pro tem Berry's participation, inviting her to join the class as he presented her and the following citizens with certificates: Charles Vavra, Shane Watkins, Stephanie Foreman, Barbara Messick (a member of the first academy class), Mike Messick, William Pasquale, Joyce Schmit, Padam Karki, Manisha Rauniyar, and Jailene Lopez.

ADOPTION OF AGENDA

Mayor Hinnant asked for a motion regarding the Agenda. Councilmember Jackson made motion to approve the agenda, second by Councilmember Dixon and the motion was unanimously approved.

PROCLAMATIONS

Mayor Hinnant presented several proclamations, celebrating Wayne Brothers, Inc.'s 40th anniversary, officially recognizing May 4, 2025, as National Firefighter Day and May 11–17, 2025, as National Police Week. Members of both the Fire Department and Police Department were presented with their respective proclamations.

CONSENT AGENDA

Mayor Hinnant called for a motion on the Consent Agenda with Councilmember Dixon moving to approve. Mayor Pro tem Berry requested that Item G (Public Arts Master Plan Agreement) be moved to the Business Agenda, a motion that was unanimously supported. Mayor Hinnant confirmed Councilmember Dixon's original motion, asking if it stood as amended, to which she agreed. Councilmember Wilson seconded, and the revised motion was unanimously approved.

Monthly Wastewater Allocation Update. (Alex Anderson, Director of Water Resources and Elizabeth Hassenfritz, Director of Engineering) (Copy included as Exhibit A)

Budget Amendment #25-38 Appropriating Cash Reserves for a Workers Compensation Settlement (Brian Robers, Finance Director and Daniel Jenkins, Assistant Human Resources Director) (Copy included as Exhibit B)

Budget Amendment #25-39 Appropriating Cash Reserves for the first year funding set aside for a Capital Reserve Fund). (Mike Legg, City Manager) (Copy included as Exhibit C)

Budget Amendment #25-40 Appropriating Cash Reserves for the first year funding set aside for the Western Cabarrus Fire Protection Capital Project Fund). (Mike Legg, City Manager) (Copy included as Exhibit D)

Resolution adopting the Cabarrus Stanly Union Regional Hazard Mitigate Plan (Tracy Winecoff, Fire Chief) (Copy included as Exhibit E)

Bid Award and Contract regarding the Opal Street Water and Street Improvement Project (Michael Rattler, Director of Transportation & Environmental Services) (Copy included as Exhibit F)

Authorize the City Manager to negotiate and execute a Public Arts Master Plan Agreement with consultant Todd W. Bressi (Gary Mills, Parks & Recreation Director) (Copy included as Exhibit G) [*Moved to Business Agenda by unanimous approval.*]

Ordinance to revise Chapter 12 of the City Code of Ordinances related to Park Rules and Regulations (Gary Mills, Parks & Recreation Director) (Copy included as Exhibit H)

Resolution amending the 2025 City Council Meeting Schedule (Pam Scaggs, City Clerk) (Copy included as Exhibit I)

Approval for the 2025 Board of Election filing fees (Pam Scaggs, City Clerk) (Copy included as Exhibit J)

BUSINESS AGENDA

Presentation of the City Manager's Recommended FY 2025-2026 Budget (Mike Legg, City Manager) (Copy included as Exhibit K)

City Manager Mike Legg provided a brief overview to help orient City Council using the information in the budget book. He announced that the proposed budget Public Hearing is set for June 9, 2025, with the final presentation and adoption scheduled for June 23, 2025. He reminded Council that the budget must be approved by June 30, 2025.

Mr. Legg then presented the Fiscal Year 2025-2026 Budget, directing Council to Tab 1 for the budget summary and highlighted key achievements from the previous fiscal year. These included: reopening and renovating the Swanee and Gem theatres; launching downtown electric shuttles; hosting a successful summer concert series; installing new pickleball courts at Bakers Creek Park; opening the Green Room at Village Park; celebrating renovations at Fire Stations 1 and 2; creating 11 new city positions; introducing paid caregiver leave for full-time employees; implementing a citywide

supervisory and leadership orientation program; securing four economic development investments; obtaining $2.1 billion in new capital outlay; hiring a new City Attorney; appointing a new City Clerk; completing major capital projects; approving the largest cost-of-living (COLA) and merit increase in city history (8% across the board); and making the tough decision to cancel Jiggy with the Piggy. Mr. Legg stated that the proposed budget is just over $126 million, reflecting a 2.36% increase from the 2025 budget.

Mr. Legg stated that the budget is structured around five key themes: 1) fiscal responsibility; 2) employee retention and recruitment; 3) cash reserves; 4) implementing the strategic plan and new projects/initiatives; and 5) maintaining core services.

Fiscal Responsibility: Mr. Legg emphasized the budget's strong focus on fiscal responsibility in response to challenging revenue trends. While the City previously anticipated a 6% annual growth in property taxes based on historical data, projections now estimate only 3.72%, creating a $1 million gap from expectations. Sales tax revenue, which has averaged 5% annual growth in past years, is expected to be significantly lower at 1.46%, leading to a $500,000 shortfall—an issue impacting municipalities across the state. He also noted that while water and sewer revenues continue to grow, they are increasing at a slower pace than anticipated. He added that despite these challenges, several development projects are expected to move forward which could potentially generate approximately $3.5 million in connection fees, but given the current trends, the proposed budget remains conservative to ensure financial stability. Mr. Legg commended the Finance Department for conducting a thorough analysis of historical budget usage across multiple years rather than relying solely on year-to-year comparisons. As a result, unused funds were adjusted, ensuring a more precise and efficient budget.

Employee Retention and Recruitment: Mr. Legg stated that employee retention and recruitment are key budget priorities, noting that while full staffing strengthens service delivery, it also limits budget flexibility, necessitating full funding for personnel costs. The budget includes a $10.6 million increase in personnel expenses, primarily due to salary increases, along with benefits such as 401(k) contributions, state retirement, and FICA. He noted that City Council has significantly improved employee benefits more in the last five years than in any previous period.

Cash Reserves: Mr. Legg indicated that cash reserves are another key component of the budget, totaling $47 million. Of this, $7 million exceeds the minimum reserve set by Council and is available for one-time expenditures. He advised using these funds cautiously, ensuring they support non-recurring expenses. Cash reserves have funded numerous city projects without incurring new debt, allowing for prudent financial management.

Implementing the Strategic Plan and New Projects/Initiatives: Mr. Legg directed Council to page A-8 of the budget book for a list of projects that were funded in FY25. He reminded Council that several initiatives remain active for potential funding which include: a Fire Training Tower ($1.35 million); the Western Cabarrus Communication Tower (supported by a nearly $1 million federal grant); a Fire Department Logistics Building ($105,000 needed, supplemented by existing funds and a $345,000 federal grant); and funds earmarked for projects such as the Little Texas sidewalk and a parking lot near the train station, in partnership with the North Carolina Department of Transportation (NCDOT). Additionally, the budget includes funds for downtown development alongside a recurring allocation for promotions and event planning.

Maintaining core services: While funding limitations restrict new capital investments, City Council previously approved $2 million in capital outlay and the addition of 11 new positions. This marks one of the largest investments in equipment and personnel in recent years, addressing past gaps in vehicle replacements and other needs. Despite these constraints, department heads remain confident in their ability to sustain current service levels.

The general fund, the largest in the budget, which includes everything other than water and sewer, stormwater, and enterprise funds, reflects a 3% increase. The recommended tax rate remains at 55.95 cents per $100 valuation, with the citywide property tax base projected at $9.2 billion, up $339.8 million from the current year. This increase generates $1.8 million in new property tax revenue from private sector development. Sales tax revenue is expected to fall short by $200,000 to $400,000 for the second consecutive year. While the North Carolina League of Municipalities recommends a 2.8% increase, a more conservative estimate of slightly under 2% is being recommended. Combined, property and sales taxes account for 80% of general fund revenues. The general fund also allocates $9.3 million for personnel expenditures, with more than half supporting new full-time salaries and benefits.

Mr. Legg stated that a $408,000 adjustment in the property tax revenue estimate from the Cabarrus County tax office was provided to the City late in the budget process. This additional amount could serve as a buffer for other uses or integration into cash reserves. Combined with the $400,000 contingency fund, City Council has the potential for $800,000 in flexible funds for discretionary allocation. As an election year, and consistent with past cycles, the budget includes $50,000 for election-related expenses and also supports collaboration with Downtown Kannapolis, Inc. (DKI) and business owners to include: $15,000 for marketing and branding; $20,000 for event supplies (large events that include road closures and public resources); and a matching grant for internal DKI programming or approximately $3,200. Mr. Legg explained that the biggest expense includes the creation of two part-time positions to support program initiatives. He commented that while the budget allocates $25,000 for the North Carolina Music Hall of Fame, Council should discuss whether this allocation is still an appropriate level of financial support since they have relocated the annual awards event to Mooresville, North Carolina.

Mr. Legg talked about decreases, or "right-sizing" in the budget which include the removal of funds that were one-time or limited expenses as well as transfers between funds. He emphasized that while the budget may appear to maintain the status quo, approximately $4.7 million in annual debt payments will be phased out over the next five years. This reduction will create financial flexibility, enabling the City to pursue Council-recommended projects that were excluded from the current budget due to financial constraints. One example of a decrease is a renewed contract with Odell Fire Department that appears to be a more cost effective way for them to continue to provide service and eliminate the need for the City to fund a new fire station in that area.

The proposed water and sewer fund reflects a 4.43% decrease from the previous budget due to lower-than-anticipated revenue projections. Mr. Legg stated that while the FY25 revenues were significantly higher than previous years, they remained below the initial estimates and prompted a more cautious approach. He noted that while the fund decreased, the water and sewer rate was increasing ($3 per month) due to several factors that included a financial feasibility study; expansion of the Rocky River regional wastewater treatment plant; debt service on the Kannapolis dam spillway replacement project

(state mandated); and replacement of a downtown sewer outfall line. Mr. Legg directed Council to pages A-17 and A-18 for a more detailed overview.

Mr. Legg stated that while stormwater fees remain unchanged and no new capital projects are planned, the environmental fee is proposed to increase to $5 per month to address inflation-driven service costs and growth-related expenses. He highlighted that recycling costs have tripled compared to landfill disposal, making it increasingly expensive despite its environmental necessity. Additionally, he suggested that Council reassess the bulk container agreement with Kannapolis City and Cabarrus County Schools, which previously generated revenue but now presents a financial burden for the City.

Separation Pay is a fund that benefits employees retiring up to age 62 for all employees, whereas many jurisdictions limit this benefit to only law enforcement. The transit fund, jointly managed with the City of Concord, will realize a 13.5% decrease due to financial "rightsizing", meaning that the reductions stem from eliminating unused allocations and no expanded services. And in its third year, the standalone insurance and risk fund consolidates medical and workers' compensation insurance, without financial support from other funds. Mr. Legg explained that while rising insurance premiums and healthcare claims contribute to the financial strain, costs are not passed to employees, and the City realized a $300,000 savings by transitioning retiree health insurance (for those over 65) to a separate city-managed plan. Additionally, a new agreement with Atrium Health will provide an onsite employee health clinic which is expected to reduce long-term healthcare costs.

Mr. Legg highlighted that since 2018, the City has permitted 6,000 residential units, adding approximately 18,000 new residents to Kannapolis. He indicated that $1.4 billion in projected residential development is linked to wastewater allocation capacity, which will shape future expansion over the next decade. Rather than restricting growth, wastewater allocation ensures managed development, allowing for sustainable progress. Over the next seven years, the City anticipates $2 billion in non-residential investments, spanning ten million square feet of manufacturing and distribution facilities, with some retail and office spaces which include Kannapolis Crossing and Overlook 85. Property tax revenue from private development has steadily increased, with projections of $1.8 million this year, averaging $2 million annually. The cumulative impact on tax rates equates to approximately 18 cents, demonstrating how new growth offsets the need for tax increases. He speculated that had the City been a no-growth community, funding key initiatives would have required either higher tax rates or significant service reductions. Growth has allowed the city to expand infrastructure and services while maintaining financial stability.

Mr. Legg formally presented the budget to Council stating that it is a balanced budget per state statutes and while it may not advance certain projects as aggressively as in previous years, it maintains momentum toward long-term development goals and positions the city for continued progress. He thanked staff members for their help in preparing the budget and Council for their collective vision for the City.

Mayor Pro tem Berry asked if Council previously voted on the funds for the NC Hall of Fame. Mr. Legg responded that they approved it approximately eight years ago and that it has been included in every budget since that time and reiterated that Council should discuss if they want to continue funding it. Mayor Pro tem Berry agreed and indicated that she also wanted to talk about the YMCA. Councilmember Dixon asked about the impact of declining revenue on the fund balance and potential reductions in federal funding. Mr. Legg clarified that the fund balance will remain unaffected, unless

City Council chooses to allocate funds for specific projects and that while no fund balance is currently appropriated, Council retains flexibility to use it as needed. Regarding federal funding, Mr. Legg noted that the budget does not allocate funds for the current federal lobbyist strategics, despite its value to the city, and suggested that Council add the matter to their discussion list. Additionally, he stated that they are closely monitoring the Community Development Block Grant (CDBG), a non-general fund program, which is at risk of elimination by the U.S. Department of Housing and Urban Development (HUD).

Councilmember Dayvault referred to the recycling collection costs associated with school systems, suggesting that the expense is a fair trade-off for the use of school gym facilities to support youth athletic programs. Mr. Legg generally agreed but emphasized that the issue warrants further Council discussion. He also noted that the City provides recycling services to Cabarrus County schools, despite not utilizing their facilities, presenting a potential negotiation opportunity to expand access to county facilities.

Councilmember Jackson noted that Mr. Legg described the budget as having a stronger foundation than any in past years and asked for clarification. Mr. Legg explained that the budget is more reflective of actual expenditures and revenue streams, with a deeper level of analysis than in previous years, providing a better understanding of the City's financial position and the nuances of past budgets. Councilmember Jackson remarked that he does not recall as many decreases in prior budgets. Mr. Legg responded that the reductions were a direct response to revenue trends. He added that a mid-year reevaluation will be conducted to assess key areas such as employee salaries, benefits, and capital outlay needs. If revenues exceed expectations, Council should revisit priorities and consider mid-year adjustments.

Councilmember Wilson noted that many roads are in poor condition and asked why sidewalk repair versus street paving is getting more attention. Mr. Legg confirmed that road paving is included in the budget, but a portion of funds previously allocated to street paving were shifted to sidewalk repairs due to increased complaints. He emphasized that City Council has full discretion over funding priorities and suggested that it be added to the list for further discussion.

Resolution directing the filing with the City Clerk of the recommended budget for FY 2025-2026 and setting a public hearing (Mike Legg, City Manager) (Copy included as Exhibit L)

There being no further questions or comments, Mayor Hinnant noted that a Public Hearing is required before adoption of the budget and asked for a motion regarding a Resolution directing the filing with the City Clerk and setting a public hearing date for June 9, 2025.

Councilmember Dayvault made the motion to approve, second by Councilmember Wilson and the motion was unanimously approved.

Public Hearing – Voluntary Annexation (A-2025-06) of approximately 5.039 +/- acres of property located at 2806 N Cannon Boulevard (Rowan County parcel Identification Number 133 05708) and consider a motion to extend the Corporate Limits of the City of Kannapolis (Richard Smith, Planning Director) (Copy included as Exhibit M)

Planning Director, Richard Smith, stated that the applicant for the proposed annexation withdrew the petition to annex and no further action is needed.

Mayor Hinnant confirmed for the audience that the applicant has withdrawn application for annexation of property located at 2806 North Cannon Boulevard and that no other action is needed from Council.

Public Hearing & Resolution – Development Agreement #2025-06 – Dale Earnhardt Boulevard Partners, LLC (Dale Earnhardt Boulevard Townhomes) (Richard Smith, Planning Director) (Copy included as Exhibit N)

Mr. Smith stated that the Development Agreement for Dale Earnhardt Boulevard Partners, LLC., was previously discussed at the April 28, 2025, Council meeting and is now being resubmitted with additional information. He directed Council's attention to maps and elevation renderings, explaining that the applicant proposes 88 single-family attached townhomes. The project includes storm control measures that will encroach on City property, and in exchange, the applicant plans to construct a public dog park with fenced areas separating small and large dogs. Addressing previous questions about existing homes, Mr. Smith noted that 15 homes have already been vacated, with several deemed uninhabitable. Ten homes remain occupied by renters, and the property owner has given tenants until July to vacate.

Councilmember Dixon asked for confirmation that none of the homes are owner-occupied. Mr. Smith confirmed that all properties are owned by the applicant, and the current residents are renters who have been notified to vacate by July.

There being no further questions or comments for staff, Mayor Hinnant opened the Public Hearing, which was then closed without public comment. He then called for a motion on the Resolution to approve the Ordinance for the Development Agreement with Dale Earnhardt Boulevard Partners, LLC. Councilmember Dixon made the motion to approve, second by Councilmember Jackson. The motion passed 4-3 with Mayor Pro tem Berry and Councilmembers Dayvault and Wilson dissenting.

Agreement – Motion to authorize the City Manager to execute a 12-month agreement with Crown Productions for professional services related to the broadcasting of City Council meetings (Mike Legg, City Manager) (Copy included as Exhibit O)

Mr. Legg provided information regarding the broadcasting of Council meetings stating that Crown Productions has been selected as the proposed vendor at a cost of $1500 per meeting. The total budget equates to $46,000 for 24 meetings and includes two test meetings. Mr. Legg stated that the assumption is that the meetings would be taped live, similar to Cabarrus County's approach, and then uploaded to YouTube in real time, noting that long-term storage of the tapings will need to be determined. Pending Council approval, the implementation timeline would begin with a contract start date of July 1, 2025, with added sound system integration. The two test broadcasts (not live) would occur in late July or early August to evaluate camera setup and production quality with an expected launch date of September 1, 2025. Mr. Legg noted that revised policies on public speakers, video handling and public records will also be presented to Council at one of their July meetings.

Councilmember Kincaid asked if the City would need to purchase any new equipment. Mr. Legg responded that all equipment and personnel will be provided by the production and sound companies.

There being no further discussion, Mayor Hinnant called for a motion to authorize the City Manager to execute a 12-month agreement with Crown Productions. Councilmember Dayvault made the motion to approve, second by Councilmember Wilson and the motion was unanimously approved.

Budget Amendment #25-41 – Motion to approve an Ordinance appropriating cash reserves for the first year funding for Professional Services related to the Broadcasting of City Council meetings and related professional sound technician support (Mike Legg, City Manager) (Copy included as Exhibit P)

Mr. Legg stated that a budget amendment was required to appropriate the required funds from the fund balance to proceed with the contract.

Mayor Pro tem Berry made the motion to approve the Ordinance for the budget amendment, second by Councilmember Kincaid and the motion was unanimously approved.

Authorize the City Manager to negotiate and execute a Public Arts Master Plan Agreement with consultant Todd W. Bressi (Gary Mills, Parks & Recreation Director) (Copy included as Exhibit G) [*Moved to Business Agenda by unanimous approval.*]

Mayor Pro tem Berry proposed that Council pause or redirect funds toward a Cannon Family scholarship sculpture or monument to honor their legacy. She suggested approaching the Cannon Foundation for a potential partnership, making this project a cornerstone of the City's public arts collection.

Mayor Hinnant called on Gary Mills, Parks and Recreation Director to explain the Master Plan. Mr. Mills explained that as a result of the Imagine Kannapolis initiative, two resident-led focus groups, one on tourism and arts and the other on historic preservation, identified the need for a Public Arts Master Plan. The plan aims to expand public arts opportunities, determine locations, and establish policies and procedures to guide future projects. In response, City Council allocated funds in last year's budget to develop the plan and after reviewing multiple proposals, the recommendation tonight is to proceed with Mr. Bressi, who previously developed Public Arts Master Plans for Raleigh and Concord and is highly experienced in crafting these strategic documents.

Mayor Hinnant asked whether delaying action on the item would have any negative repercussions. Mr. Mills confirmed that it would not, while Mr. Legg suggested adding the item to the discussion list for further review. Mayor Hinnant agreed and called for a motion

Councilmember Wilson made the motion to table for further discussion, second by Councilmember Jackson and the motion was unanimously approved.

CITY MANAGER REPORT

Nothing to report.

CITY COUNCIL COMMENTS

Councilmember Dixon emphasized the need to expand downtown shuttle service and better market the parking deck, which remains underutilized, particularly during events. She suggested collaborating with DKI to improve awareness and accessibility. Councilmember Dixon commented that she was made aware of the lack of Habitat for Humanity projects in Rowan County and proposed investigating available Rowan County properties to address affordable housing needs.

Councilmember Jackson expressed concern related to downtown parking management, particularly for ballpark employees and downtown workers. Councilmember Wilson agreed but noted that employee parking should be managed by DKI.

SPEAKERS FROM THE FLOOR

Zach Erwin commended Council for approving the broadcasting of future meetings. Mr. Erwin then raised concerns about the procedural handling of moving an item from the Consent Agenda to the Business Agenda. After reviewing the transcript and consulting with the City Attorney, it was determined that proper procedures were followed.

Phil Goodman also commended Council for approving meeting broadcasts, emphasizing community collaboration. Mr. Goodman urged written responses or calls for neighborhood concerns and suggested adding Swanee Theatre events to Kannapolis Matters, noting its absence despite 60-70 listed events. He invited Council to a May 31st walking tour hosted by the Kannapolis and Concord History Groups, celebrating 19 years of collaboration. Lastly, he praised Parks and Recreation employees Raygen Ellis and Megan Keul for their responsiveness to community inquiries.

Naomi Hatchell thanked City Council for voting to broadcast meetings, and shared her advocacy efforts, including door-to-door outreach, conversations at churches and gyms, and a petition urging Council to record and make meetings accessible. She emphasized that recorded meetings foster trust, keep residents informed, holds officials accountable and reinforces community engagement.

Victoria Wolford expressed concern about Pennant Square residents unknowingly being subject to downtown Covenants, Conditions and Restrictions (CCRs) regulations and noted that while residents already have one HOA, they are now governed by additional rules that were not disclosed during the home-buying process. She believes this lack of disclosure left residents unexpectedly bound by new regulations, potentially impacting their purchase decisions and expressed frustration over the lack of clear answers and asked that someone confirm whether Pennant Square is officially part of the CCRs and clarification on its implications for residents.

Isaiah Payne thanked City Council for voting to record and broadcast meetings, highlighting a strong community support for the initiative. He also shared his advocacy efforts and emphasized that transparency is not a burden but a foundation and is one that empowers residents, strengthens dialogue, and improves government-community relations.

MOTION TO ADJOURN

There being no further business, Councilmember Kincaid made motion to adjourn, second by Councilmember Dixon, and the motion was unanimously approved.

The meeting adjourned at 7:41 PM on Monday, May 12, 2025.

M. Darrell Hinnant, Mayor
City of Kannapolis

Pam Scaggs, CMC, NCCMC
City Clerk

Kannapolis

Agenda Staff Report
June 9, 2025

To: Mayor and City Council

From: Mike Legg, City Manager

Subject: **PUBLIC HEARING -** Proposed Budget for FY 2025-2026 **NO ACTION REQUIRED AT THIS TIME**

Recommended Action Requested by City Council

Conduct a Public Hearing. No Other Action Required.

Required Votes to Pass Required Action

Presentation Only. No Action Required

Background

A copy of the recommended budget was presented to City Council on May 12, 2025 and was made available for public inspection at the City of Kannapolis Administration Offices. A Public Hearing on the recommended budget for Fiscal Year 2025-2026 was scheduled for 6:00 P.M. on June 9, 2025. State law requires that "before adopting the Budget Ordinance, the Board shall hold a Public Hearing at which time any persons who wish to be heard on the budget may appear" (G.S. 159-12)(b).

City Council may elect to discuss the budget at this meeting and may set additional budget work sessions. City Council will be asked to adopt the budget at the June 23, 2025 City Council meeting.

A copy of the Preliminary Budget is attached to this agenda item. A brief presentation will precede the public hearing.

Fiscal Implications

Described in the recommended budget.

Alternate Courses of Action

Conduct a Public Hearing. No other action at this time. The adoption of the Budget Ordinance for FY 2025-2026 will be presented at the June 23, 2025 City Council meeting for Council's consideration.

Attachments

1. Preliminary Budget FY 2025-2026

City of KANNAPOLIS







PROPOSED BUDGET

FY 2025 / 2026











City of Kannapolis

Preliminary Budget

Fiscal Year 2025 - 2026



Prepared by:

City of Kannapolis Staff

Special Thanks to:

City Manager's Office, Communications and Finance

City of Kannapolis

City Council

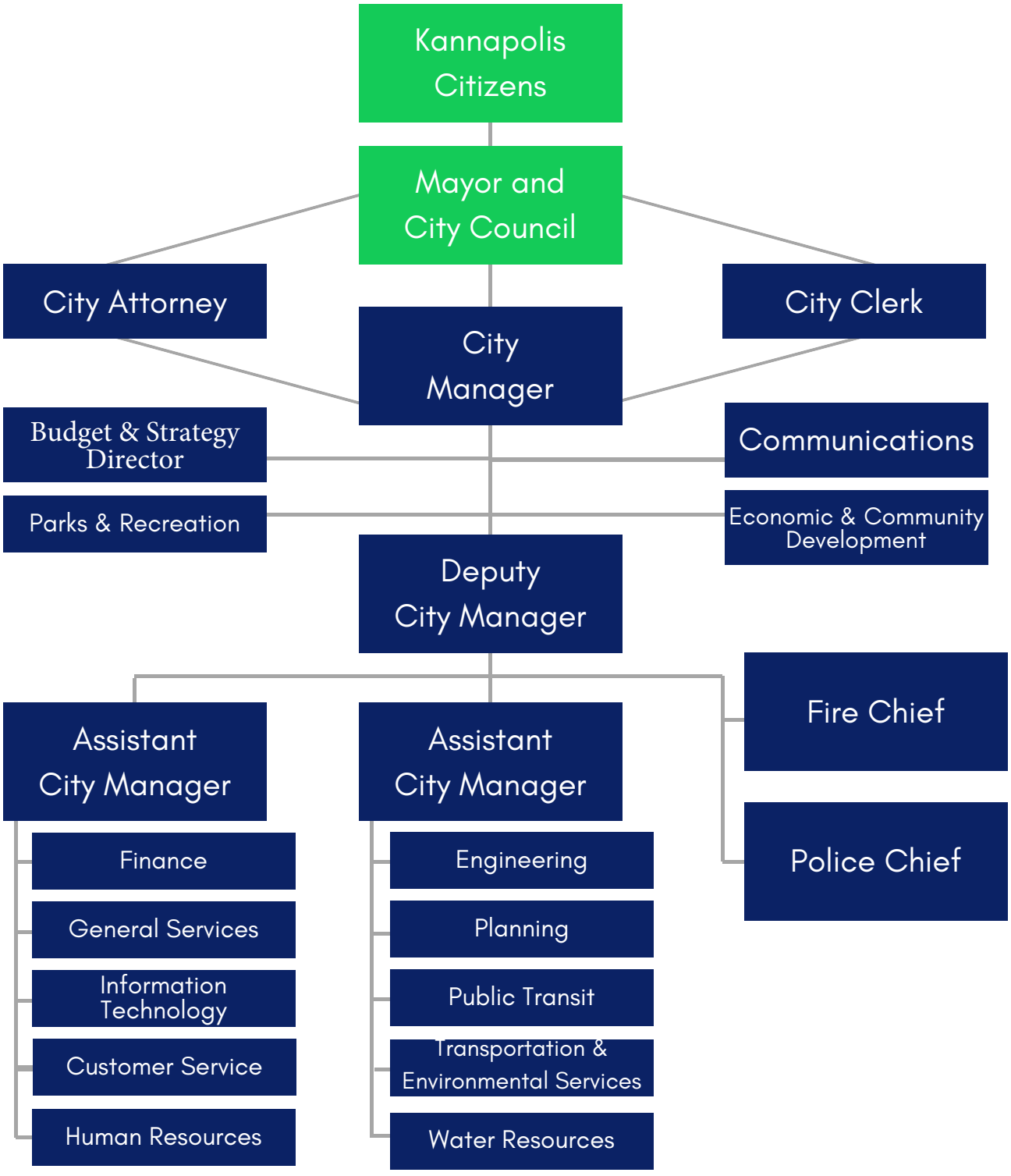


Left to right: Councilmember Ryan Dayvault, Councilmember Doug Wilson, Councilmember Jeanne Dixon, Mayor M. Darrell Hinnant, Councilmember Darrell Jackson, Councilmember Tom Kincaid, and Mayor Pro Tem Dianne Berry.

KANNAPOLIS

KANNAPOLIS

CITY ORGANIZATION



CITY OF KANNAPOLIS

Fiscal Year 2026 Proposed Budget

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May 12, 2025

Subject: Proposed FY 2025-26 Budget

Dear Mayor Hinnant and Members of the Kannapolis City Council:

I am pleased to present to you the proposed Fiscal Year 2025-26 ("FY 26") Budget for the City of Kannapolis, North Carolina, which begins July 1, 2025, and ends June 30, 2026. This budget has been prepared in accordance with the North Carolina Local Government Budget and Fiscal Control Act and the requirements of the N.C. General Statutes. This balanced Budget identifies the revenue projections and expenditure estimates for FY 26.

The FY 26 Budget represents what is expected to be a brief pause (a "reset") to the highly proactive and aggressive budgets of most of the past decade. This proposed budget recognizes the need to continue implementing the City's Strategic Plan - Imagine Kannapolis, and other City Council priorities. It also continues an emphasis on employee retention and recruitment and improvements to the City's quality of life and service delivery.

Looking Back: FY 24-25

The past fiscal year was full of numerous positive events and changes. Some of the key successes over the past 12 months include:

- The successful re-opening of the Swanee Theatre and the newly renovated Gem Theatre to sold out crowds.
- Completion of the renovations to City Hall including new accessible parking areas in front of the building.
- Establishment of the downtown electric shuttle service intended to assist downtown patrons with accessible transportation to and from remote parking areas.
- Another highly successful summer concert series – the first with expanded funding appropriations.
- Installed new pickleball courts at Baker's Creek Park.
- The green room at Village Park was completed and put into service for the 2024 Summer Concert Series.
- Open houses were held for two newly renovated Fire Stations #1 and #4.

- Decision to cancel the Jiggy with the Piggy Festival due to significant cost escalations. The final festival was in May 2024.
- Created 11 new positions across the organization.
- Implemented Paid Caregiver Leave for all full-time employees. This allowed for six weeks of paid leave for the birth or adoption of a child and paid leave to care for immediate family members.
- Implementation of organization-wide supervisory and new hire orientation programming.
- Several economic development announcements were made including Chick-Fil-A Supply, Rebel, Amazon, and Alta Warehousing.
- $2.1 million in new capital outlay in multiple City departments.
- Hired a new City Attorney, Andrew Kelly, filling the position to be vacated by long-tenured former City Attorney, Walter M. "Wally" Safrit.
- Hired a new City Clerk, Pam Scaggs, filling the position vacated by long-tenured former City Clerk, Bridgette Bell.
- Several Capital Project funds were created to support: (a) future street, sidewalk or stormwater projects, (b) a potential future cultural arts facility/history museum, (c) a future downtown economic development project, (d) future fire protection service in Western Cabarrus (if necessary) and, (e) the Eastside Park. Approximately $2.85 million has been set aside in the first year of this new financial planning strategy.
- Cost of Living Adjustment (COLA) and Merit Pay for all employees at 8% which was likely the largest across the board compensation adjustment in the City organization's history.

FY 2025-26 Budget Overview

The total proposed FY 26 Budget for the City of Kannapolis is **$126,007,842,** a 2.36% increase ($2,722,549 actual), from the FY 2025 budget.

This FY 26 Budget total is the sum of the seven separate funds: the General Fund, the Water and Sewer Fund, the Stormwater Fund, the Environmental Fund, the Public Transit Fund, the Separation Pay Fund, and the Insurance and Risk Fund.

Recent Budget History						
FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	**FY 2026 Proposed**
$77,279,526	$80,523,452	$85,250,848	$94,916,039	$104,385,876	$123,106,329	**$126,007,842**

The above budgets exclude all interfund transfers (as defined by transfers between the annually adopted funds). Interfund transfers excluded for the FY 26 Budget total $9,462,867:

- $721,500 to the Separation Pay Fund from the General Fund (increase of $121,500 from FY 25)
- $968,698 to the Transit Fund from the General Fund (*decrease* of $219,525 from FY 25)

- $1,832,669 to the Environmental Fund from the General Fund (*decrease* of $359,021 from FY 25)
- $5,940,000 to the Insurance and Risk Fund from all funds except Transit and Separation Pay (increase of $588,000 from FY 25)

Similar to previous budget years, the FY 26 Budget has been prepared with the following process for determining budget levels and identifying operational priorities:

- Level 1 - Continuation: defined as "keeping the lights on" in that these expenditures are required to maintain essentially same service levels in FY 26 as experienced in FY 25. Unavoidable inflationary, and contractual increases are reflected at this level. For FY 26 some reductions were made as a reset of "keeping the lights on."
- Level 2 – Expansion: defined as anything new that was not previously approved through the budget process, including enhancements to programs or services, new positions, new projects, initiatives, and capital outlay items. This includes certain projects and initiatives that have emerged from the draft Imagine Kannapolis Strategic Plan. For the reasons outlined at the beginning of this budget message, the amount of expansion in this budget is quite limited.

The proposed FY 26 Budget is built around five key themes: 1) being fiscally responsible in challenging times, 2) supporting the most valuable asset for our City - our existing employees, 3) continued use of excess cash reserves to fund key projects and initiatives, 4) advancing key City Council priorities, including implementation of the Imagine Kannapolis Strategic Plan, and 5) maintaining core services, These themes are described in more detail below.

1. **Fiscal Responsibility.** The FY 26 Budget has been a bit more challenging than originally expected. Over the past decade revenue projections for each annual budget have been extremely accurate - in most years actual revenues have exceeded projections by comfortable margins resulting in the ability to build up reserve funds. The City's current 5-year financial plan (FY 25 through FY 29) was crafted with assumptions that had stood the test of time. As the preparation of the proposed FY 26 Budget progressed, it became clear that those assumptions would likely not hold true for this upcoming budget year.

   The primary cause of these challenges is related to property taxes and sales taxes (which make up 80% of the General Fund Budget) as well as Water and Sewer revenue shortfalls. These impacts are described below.

   - Property Taxes. Property taxes were projected to increase by 6% due to new investment in the community. This projection was, in part, based on the average growth rate of the past seven years (excluding the Cabarrus revaluation years) of 5.72%. ***The FY 26 Budget includes an increase of only 3.72%.***

     The result is a shortfall of approximately $1 million for the FY 26 Budget.

   - Sales Taxes. Similarly, sales taxes were expected to increase 5% for the FY 26 Budget. This projection was also based on several years of prior data and information from the North Carolina League of Municipalities. **The sales tax growth rate included in the FY 26 Budget is only 1.46% based on receipts to date in the FY 25 Budget.** This is not unique to Kannapolis. The average statewide sales tax increase (year over year) from FY

21 to FY 23 was 11.8%. Admittedly, the Covid Pandemic created some unusual consumer activities during those years but by FY 23 the pandemic was in the past. In FY 24, statewide growth rate dropped to 3.5% and in FY 25 it appears that number will be about 2.2%.

The result is a shortfall of approximately $500,000 for the FY 26 Budget.

- Water and Sewer Revenues. Like sales tax revenues, utility revenues (especially tap and connection fees) are often an indicator of growth in a community. However, for FY 26 it is hard to define what the revenues shifts really mean. The collective totals for tap and connection fees is projected to come in under budget for FY 25 which *may* mean stagnant or lower growth for FY 26. Twenty-three development projects across the City have been identified by the City's Planning Department as stopped or slow in getting to construction. These projects have wastewater allocation and most have had approvals to begin construction for a significant period of time. These projects represent 1,445 dwelling units and a potential $512 million in estimated market value. It is likely most of these projects will eventually move forward and when they do, they will represent more than $3.5 million in water & sewer connection fee revenues (in addition to the increased tax base).

  Part of this slowdown may be attributed to caution in the local and national homebuilding and development industry due to uncertainty in the national economy and the complexities of securing financing for certain projects. The hope is that this is only temporary and during the next six to twelve months this is no longer a concern.

On the other end of the budget process are, of course, expenditures. Due, in part, to the revenue challenges and the overall sense of caution with the national economy, the City's staff budget team decided early on that FY 26 would be the appropriate year for a "budget reset" which is a healthy budget management practice. Accordingly, a significant focus of the FY 26 Budget process has been to develop the budget based on a trend line of multiple previous years of data. This budget has its foundation built on actual budget usage more than on the method of comparing the previous budget to the proposed budget.

This should explain the status quo/reduction nature of this budget. The FY 26 Budget has been "rightsized." It should be acknowledged that this will be a "take-a-deep-breath kind" of year.

As we approach this year's budget cycle, we are reminded that stewardship and responsibility remain at the heart of our commitment to this community. External economic influences are beginning to test local governments, and Kannapolis is no exception. In summary, the FY 26 Budget reflects a strategy grounded in fiscal responsibility while protecting essential services that our residents rely on and continuing to move the City ahead in a positive way.

2. **Employee Retention and Recruitment.** Being nearly fully staffed for the first time in many years may somewhat lessen the urgency on employee recruitment. However, in reality, retention and recruitment are two sides of the same coin. The things that retain employees generally serve as recruitment tools as well. For the fourth straight budget year, the FY 26 Budget continues to provide the most competitive pay and benefits as well as an excellent overall workplace. For the FY 26 Budget, personnel costs (including most benefits) will total

$55,131,796, an **increase of $10,655,426**. These costs are driven by a lot of factors, including the planned salary increases and all the related costs that are tied to salaries (401k, State retirement, FICA, etc.).

As noted elsewhere in this budget message, the FY Budget has been developed in a more conservative manner than in previous years due to a lot of factors (internal and external). It is the intention of the City's management, finance and human resources teams to monitor the revenues and expenditures through the first six months of the new fiscal year. If during the course of the year revenues exceed expenditures, additional adjustments may be made to salaries beyond the initial compensation adjustment plan.

It is important to take a look back and reflect on the dramatic improvements made to City employment compensation and benefits over the past several years. This kind of workplace transformation takes a lot of resource commitment from elected leadership, and it doesn't happen overnight. The following is a summary of these improvements since FY 21:

Employee Benefit Enhancements FY 21 - FY 26

- Remote Work Options (implemented FY21)
- Competitive Market Pay (compensation study implementation FY23)
- Longevity Pay (reimplemented in FY24 and one-time backpay in FY23)
- Employee Appreciation Program (FY24)
- Incentive Pay
    - *Fixed shifts in police (FY23)*
    - *Shift Differential Pay (FY23) for police and water resources*
        - *Peak shift and night shift*
- Employer Paid Health Insurance
    - *No significant increases to health insurance premiums for employees (but there were increases for the City)over the last four fiscal years*
    - *15% premium increase for PPO grandfathered plans in FY25*
- Employer Paid Dental Insurance
- Employer Paid Vision Insurance (new employer paid benefit implemented FY25)
- Employer Paid Short Term Disability (new employer paid benefit implemented FY25)
- Enhanced Funding for HSA and HRA Accounts
    - *$2,200 (FY25 increase from $2,110)*
    - *$2,000 (FY25 increase from $1,960)*
- Paid Caregivers Leave (implemented FY25)
    - *6 weeks of paid leave for varying circumstances*
- 401(k) 2% automatic contribution (implemented FY25) and additional 3% match
- 401(k) 2% automatic contrition in addition to the State mandate for law enforcement officers for 5% = 7% total contribution with an additional 3% match
- Childcare Tuition Grant
    - *10 children across all departments are currently participating*
    - *Projected $20,000 to be distributed for FY 25*
- Kannapolis Cannon Baller Tickets Suite
    - *General Admission Tickets (enhancement in FY25)*
- Kannapolis YMCA Membership Free and discount for families of employees
    - *Extended this program to retirees and PT employees (enhancements FY25)*

- Free personalized nutrition counseling
- Onsite Health Clinic (partnership with Cab Co. April – August 2025)
    - *Clinic services are at no cost to the employee. IRS regulates fair market value for primary care - $5 charge will be collected.*
    - *Enhanced services of primary care to our employees and families*
    - *Occupational and behavioral health*
    - *Physical Abilities Testing (PAT)*
    - *Provide two full-time Atrium staff members*
- Paid volunteer hours
- Paid birthday leave
- Paid sick, vacation and holiday leave
- Separation Pay

Compensation Changes FY 21 - FY 26

FY21
- Employees eligible for developmental increase (5%) or merit increase (up to 3%) based on hire date or promotional date depending on where employees fell in the pay range
- July: 2.5% COLA
- December: 1.5% COLA

FY22
- Employees eligible for developmental increase (5%) or merit increase (up to 3%) based on hire date or promotional date depending on where you employees in the pay range
- July: 1.5% COLA

FY23
- Employees eligible for developmental increase (5%) or merit increase (up to 3%) based on hire date or promotional date depending on where employees fell in the pay range
- July: 5% COLA

FY24
- Employees eligible for developmental increase (5%) or merit increase (up to 3%) based on hire date or promotional date depending on where employees fell in the pay range
- April: Market study 2% increase or pay adjustment based on study
- July: 3% COLA

FY25
- Evaluations stopped for one full year in preparation of the new evaluation system
- July: 3% COLA
- July: 5% Merit

FY26
- Performance-based system will be merit based. The percentages awarded will take into consideration the southeast region inflation rate for Q2.

3. **Cash Reserves.** As has been the case for the past several years, the FY 26 Budget has a focus of appropriating excess cash reserves to key investments in the City. Target percentages of expenditures for each fund have long been established (generally 25% of previous year's expenditures to be set aside in the City's "Savings Account"). Additionally, the City's real estate development activities in recent years, coupled with the $9.3 million Federal ARPA funds, has resulted in an infusion of cash which has increased the available fund balance in a

substantial way. The table below depicts the current cash reserves and fund balance estimates and the cash that is available for appropriation in FY 26.

Unrestricted Cash Reserves				
Fund	**Minimum Target %**	**Projected Total Reserves, June 30, 2025**	**Available for Appropriation in FY 26**	**Amount needed to reach Target %**
General	25%	$31,791,807	$4,266,757	Above Target
Water and Sewer	25%	$10,111,902	($1,070,660)	Below Target
Stormwater	25%	$1,631,011	$1,413,461	Above Target
Environmental	10%	$2,311,940	$1,531,629	Above Target
Transit	NA	$971,613	$971,613	NA
Totals		**$46,818,273**	**$7,112,800**	

More than $25 million of cash reserves has already been appropriated by City Council over the past three years for a wide variety of one-time investments, many related to the early advancement of the draft Imagine Kannapolis Strategic Plan. The use of these funds has permitted the City to avoid significant new debt and related tax increases for several years.

The City still owns two valuable real estate assets that could add to available cash reserves if sold: 1) the 14.7-acre Plant 4 site, and 2) Downtown Block 6. These values are estimated at approximately $11 million.

4. **Implementing the Imagine Kannapolis Strategic Plan and New Projects & Initiatives**. The City's strategic planning process, Imagine Kannapolis, was concluded in late 2024. Due to a number of external factors the plan has not been officially adopted by City Council. Nevertheless, the planning process was a significant guide for the FY 25 Budget as it is for the proposed FY 26 Budget. The Strategic Plan was never intended to be a static, place-on-the-shelf, document. It is intended to be a general guide for the direction the City is heading. It will continue to evolve over the coming months.

   It is anticipated that for the next several years, new debt financing, one-time cash outlay and increased recurring operating expenses will be considered to facilitate implementation of the Strategic Plan. As has been described in other parts of this budget message, FY 26 is somewhat of a "pause year" due to a number of factors. As a result, proceeding confidently into the future, but with caution, is the recommended approach to decision making regarding the Strategic Plan priorities.

   Accordingly, over the course of the next year, a reset on several items seems to be in order: 1) capital outlay, 2) new personnel needs, 3) significant operational needs (both recurring and one-time), and 4) capital improvements. The previously discussed Strategic Plan projects and initiatives should be woven into these four budget planning categories.

   City staff is preparing a separate document outlining these four future investment categories and where they fit over the next 5 to 10 years of budget planning. This document will not be tied directly to the FY 26 Budget. All department heads will participate in the development of

this document. Presentation to City Council is anticipated by the end of calendar year 2025 with most of the City Council discussion happening in early calendar year 2026.

Identifying funding sources will be part of this planning exercise which will include cash reserves, short- and long-term debt, and grants. Some revenue adjustments may need to be examined as well. A deeper look at water, sewer and stormwater projects will be part of this review. The future of transit may enter into the discussion as well

Looking back, the following Strategic Plan Projects and initiatives were funded in FY 25:

- City Hall Upfits ($2,034,950). This project is completed.
- Block 10 Hotel Park ($600,000). This amount is intended to match a developer contribution. Construction is anticipated in FY 26.
- I-85 Entrance Monuments ($787,576). This is Kannapolis' contribution in partnership with the City of Concord. Design is completed. Construction is anticipated for FY 26.
- Oak Avenue South Parking Lot ($295,361). This project is completed.
- Design of the Eastside Park ($397,500). Design is underway. It is anticipated that construction will begin in FY 26. Debt service will begin in FY 27 (likely interest only) with full debt service beginning in FY 28.
- Public Works Operations Center Improvements ($468,000 from the General Fund, with $1.4 million from the Water & Sewer Fund being diverted to the Downtown sewer outfall capital project).

There are also several Strategic Plan projects and initiatives that are ready to move forward based on previous City Council commitments. By no means are these projects irreversible; but a number of factors point to the projects proceeding. These will all have separate City Council review in the coming months. Cash reserves will be the likely funding mechanism. These projects are listed below:

- $1,350,000 for the Fire Training Tower. $150,000 is already funded for design and demolition of the existing tower.
- $1,000,000 for the Western Cabarrus Communications Tower. $200,000 is already funded, + a $963,000 Federal grant.
- $105,000 for the Fire Dept Logistics Building. $50,000 is already funded + a $345,000 Federal Grant.
- $124,500 for Downtown one-time capital and operational investments.
- $324,000 in remaining funding for the Little Texas Sidewalk. $1,226,00 is the total local match.
- $392,119 for the Main Street Parking Lot. NCDOT is funding a portion of its planned parking lot. The City will manage the project.

Finally, there are a few Strategic Plan initiatives that are included in the proposed FY 26 Budget. These are listed below:

- $100,000. Downtown Event and Promotional Support (annually recurring):

- $100,000 Cultural Arts/Historic Preservation Programming (part may be annually recurring). Note: this is not actually part of the FY 26 Budget but is an encumbrance from FY 25 carrying over to FY 26. From a practical sense it will be administered in the upcoming budget year.

5. **Maintaining Core Services.** Unfortunately, the FY 26 Budget has little in the way of new capital outlay or new personnel. However, FY 25 was a "catch up year" with the funding of $2.1 million in capital outlay and the funding of 11 new positions across the organization. This was one of the larger expenditures of funds on equipment and new personnel in many years. Perhaps more importantly, several million dollars was spent on a wide range of deferred maintenance projects in several departments (most notably in Parks and Recreation and General Services).

   There is a high level of confidence in our department heads to maintain the high level of service delivery over the next year even with what amounts to status quo resources. Most of our department heads have been here before and are very experienced in managing during a challenging budget year.

General Fund Overview

The proposed FY 26 General Fund Budget is $85,983,381 which represents a 3.27% increase over the FY 25 Budget ($2,722,549 actual). As noted in the opening section of this budget message, for the FY 26 Budget several revenue and expenditure line items in the General Fund were analyzed and "right sized" based on multi-year historical trends and revised future projections.

General Fund Revenue Highlights:

1. The projected total **Property Tax revenue** for FY 26 is $51,446,045 (which represents a 3.72% increase from FY 25 Budget of $49,599,642 ($1,846,403 actual). The projection is based on a collection rate of 99.08% (per the FY 24 audit). Property taxes represent 60% of the proposed FY 26 General Fund Budget (FY 25 was also 60% and FY 24 was 55%).

   The property tax rate is recommended to remain unchanged at 55.95 cents per $100 valuation.

   Each penny on the tax rate is now equal to $922,219 up from $888,232 in FY 25 and more than double FY 20 ($425,107).

2. The City-wide **property tax base** is projected to be $9,222,187,096 an increase of $339,861,156 from FY 25. This is similar to the estimated non-revaluation increase of $351,555,925 in FY 25 (from FY 24). The non-revaluation increase was $252,275,336 in FY 24 (from FY 23), $412,597,907 in FY 22 (from FY 23) and $210,951,347 in FY 22 (from FY 21).

   Of the total assessed value City-wide, $8,169,448,641 (89.58%) is attributed to the Cabarrus County side of the City and $1,052,738,455 (11.42%) is attributed to the Rowan County side.

   The FY 26 increase and the corresponding projection of $1.8 million in new property tax revenues is exclusively due to new private sector investment in our City.

3. **Sales Tax Revenue** is projected to increase 1.46% to $17,134,463 ($247,217). This is nearly half the growth projected in the proposed FY 25 Budget in May 2024. Sales tax collections in FY 24 fell short of projections by $202,366 and the FY 25 collections are now expected to be below the original projections by between $200,000 and $400,000. The North Carolina League of Municipalities analysis recommended a 2.8% increase for FY 26, but the current local trend analysis warrants a more conservative budget.

   Sales taxes comprise 20% of the FY 25 General Fund revenues; this was also 20% in FY 25, 23% in FY 24, 22% in FY 23 and 20% in FY 22.

4. **Powell Bill** funding for FY 26 is projected to increase by 10.93% to $1,991,000, which represents an actual increase of $196,098 from the FY 25 Budget. No General Assembly changes are expected for the per capita and mileage-based allocations for FY 26. The growth is simply adding streets from new private developments to the City system. This increase is similar to FY 25.

5. **Franchise Tax** revenues are projected to increase by 11.62% to $3,500,000 ($364,373 actual) based on collections from the full year of FY 24. This is similar to the FY 25 increase.

6. **Ballpark-Related Revenues** includes a contribution from the Cabarrus Convention and Visitors Bureau (CCCVB) of $100,000, an amount that will continue for the next 3 years. These revenues help pay for the annual debt service on the new ballpark. The CCCVB has contributed $800,000 to date. Temerity Baseball will pay the City its annual lease payment of $500,000 for the use of Atrium Health Ballpark (which includes an increase of $50,000 in FY 26 per the lease agreement).

7. **Enterprise Fund Management Fee Reimbursement**. This reimbursement is being increased by 23.25% in FY 25 to $2,782,598 ($524,888 actual increase from the FY 25 payment of $2,257,710). This is a budget action that facilitates the Water and Sewer Fund ($2,192,230) and Stormwater Fund ($590,368) "paying back" the General Fund for indirect staffing and other support throughout the year. This is based on a formula of employee allocation across funds.

8. **Fund Balance.** No appropriation of fund balance is included in the proposed FY 26 General Fund Budget.

General Fund Expenditure Highlights

On the following pages are key General Fund operating expenditure highlights (increases, decreases or other notable expenditures).

1. No **new positions** are included.

2. No **new Capital Outlay** is included. It should be noted that $2.1 million was included in the FY 25 Budget, which represents a much larger amount than in most recent years.

3. $9,331,528 increase in **personnel expenditures** (to $44,681,028 total for FY 26). This increase is driven by multiple factors described below. Significantly impacting the FY 26 Budget is the full – or nearly full – staffing levels which has reduced most of the annual "buffer" that has been in place in previous years. While this is a positive trend from a service delivery standpoint, it does have implications to the budget process this year.

- $5.3 million increase (up 13% from FY 25) for actual new expenditures related to:

  (a) $2.4 million increase in full-time salaries (generally driven by increases tied to performance evaluations).

  (b) $321,000 increase in permanent part-time salaries (increases tied to performance evaluations).

  (c) $741,000 increase in N.C. local Government Retirement System employer contribution requirements.

  (d) $587,000 increase in FICA obligations tied to salary increases.

  (e) $291,000 increase in employer contributions to employee 401k accounts.

  (f) $276,000 increase in overtime salaries.

  (g) $413,000 increase in medical insurance costs (increase in per employee cost from $12,000 to $13,500) to help pay for claims and offset the reserve fund.

  (h) 170,000 increase in dental, life and unemployment insurance costs.

  (i) 20,000 in miscellaneous benefits tied to salary such as longevity pay.

- $1 million increase to correct accounting changes in our public safety departments salaries in FY26. Historically, base salaries for employees were the only part of compensation that was budgeted on an annual basis. Past budgets, including FY 25, didn't include the long weeks that these employees sometimes work. For example, Fire Department salary budgets have been based on 2,756 hours working per year but did not include automatic OT hours that are built into the department's personnel scheduling practices. Over the years lapsed salaries from normal position vacancies would cover these costs. In FY 25 (and presumably in FY 26) that is not the case. This is being corrected in the FY 26 Budget.

- $1.77 million increase in personnel costs that were included in the non-departmental operating budget for FY 25 simply as a holding account until those funds were moved into individual departmental personnel accounts. This increase is offset in the FY 26 Budget by a similar reduction in special expenses.

- $1.3 million increase due to underbudgeting in the FY 25 Budget for personnel cost adjustments throughout the year. Accounting changes in FY 26 to better cover the cost impacts for salary related adjustments (FICA, 401K, State Retirement, etc.) are included as budgeted expenses. Additionally, forecasted COLA and Merit Pay, on call pay, and overtime costs exceeded projections largely due to full staffing levels and limited flexibility in budget management. In FY 26 the full amount of personnel costs are being included.

4. **Non-Departmental Operating Expenditures**.

   - $176,300 increase in **workers compensation insurance** based on claim trends (total of $686,000 for FY 26).

   - $1,770,254 *decrease* in **Special Expenses** (to $575,280 for FY 26) as noted above. In FY25, this was primarily a holding account for the employee compensation increases (and related benefits) to transfer out to the various departmental budgets during the budget year. Also included were a multitude of other smaller items to transfer to departmental budgets.

     For FY 26 this budget includes $125,000 for the YMCA memberships for employees and $42,000 for the Cabarrus County Partnership for Children daycare subsidy for employees. Excluded for FY 26 is the $90,000 Federal lobbying contract with Strategics. While their services (and performance) has been excellent, the unknowns with the Federal Government coupled with the nature of this year's somewhat challenging budget makes it more difficult to fully justify the cost.

     This account also includes $408,280 from a late property tax increase estimate from Cabarrus County. This amount should be viewed as an additional contingency to provide some budget flexibility as the year progresses. One use of this funding might be a 3 or 6 month extension of our Strategics contract to provide more time to see how the changes in Washington might impact our need for D.C. representation. This warrants a City Council discussion prior to making this commitment.

   - $270,837 increase in **Insurance Premiums** (General Liability, Public Officials and Building & Contents, and fees/deductibles) based primarily on increased costs from our carrier, the North Carolina League of Municipalities and increased auto claims. Total insurance premiums for FY 26 are projected at $1,644,107. Excluded are health and workers compensation costs as the City is self-insured for those coverages. This is nearly double the increase in the FY 25 Budget.

   - $420,000 is included in the **Contingency** line item (no increase from FY 25). Use of these funds requires prior City Council authorization.

5. The FY 26 General Fund Budget *excludes* several expansion expenditures of note. These **Unfunded Expansion Items** include personnel, capital outlay and operating expenditures. They are all worthy of consideration but are not included in the proposed budget due to revenue limitations, management priorities, or other reasons. These requests are not presented in the proposed FY 26 Budget but are summarized in a separate document as information.

6. **General Government Operating Expenditures**. (City Council, City Manager, Economic Development, Communications, Legal).

   - $51,000 increase in **municipal election expenses** (2025 is a municipal election year).

   - $8,019 increase in **City Council salaries and 401k contributions** (5% market adjustment).

   - $100,000 increase in **Community Support** ($174,250 total). The increase is exclusively to fund recurring operational support for Downtown Kannapolis through a new partnership

with Downtown Kannapolis, Inc (DKI). The following is the draft operations budget that has been discussed with the DKI Board. This will require the adoption of a formal agreement between DKI and the City in late June or early July after approval of the City's FY 26 budget by City Council.

- $15,000 for Marketing and Branding (brand development, marketing, social media, logo saturation). The focus will be on Downtown Kannapolis as the branded place (not DKI or the City as the steering organizations).
- $20,000 for event supplies (4 large events x $5,000).
- $3,200 for event entertainment (4 large events x $800).
- $4,800 for a matching grant to DKI for programming entertainment (12 x $800).
- $53,000 for two part-time positions: one in Parks & Rec. and one in Communications. Additionally, an existing full-time Parks & Rec. position will be dedicated 1/2 time to downtown - this position is already included in the Parks budget and will split time coordinating the new Cultural Arts/Historic Preservation program. These staff members will report to the Parks and Recreation and Communications directors but will serve the DKI Board in implementing its program and event plans.
- $4,000 for part-time salaries for event day logistics (set-up, trash collection, street closures, take-down, clean-up, etc.). These will be City employees.

Other organizations this line item supports include the Cabarrus Arts Council ($21,500) and the North Carolina Music Hall of Fame ($25,000). As to the North Carolina Music Hall of Fame, no payment was made in FY 25 due, in part, to the organization's decision to hold its signature event in Mooresville when there are several viable venue options in Kannapolis. City Council discussion on the future of the City's support of the Music Hall of Fame is warranted.

- $90,000 *decrease* in **consultant services** for contract grant management assistance. This was proposed as a full-time position for FY 25 but was eliminated by City Council in the final budget. This adjustment eliminates the funding as well.
- $83,328 *decrease* in **economic development incentives**. This is mostly due to Gordon Foods' successful appeal of its taxes, which reduced the taxes owed, which also decreased the incentive due from the City. The current incentives due are $158,000 for Gordon Foods and $172,200 for the second of a three year grant to Chick Fil-A Logistics at Lakeshore Corporate Park.
- $112,546 decrease in **Strategic Planning Initiatives** to $0 for FY 25. In FY 25 these funds were intended *to* support several Imagine Kannapolis Strategic Plan initiatives:
  - $30,546 for part-time driver salaries for the downtown shuttle program. This initiative started and the program has been absorbed in the Parks and Recreation budget for FY 26.
  - $10,000 for reserve officer program funding. This initiative has started and has been absorbed in the Police Department budget for FY 26.

- $2,000 for the Downtown Ambassador Program. This program was started but these funds were not used.
- $20,000 for the promotion of motorsports. This has not yet been initiated.
- $50,000 for a new Environmental Stewardship Program. This has not yet been initiated. It would involve creating an Environmental Stewardship Commission establishing a Keep Kannapolis/Cabarrus/Rowan Beautiful Organization and re-establishing the façade and site improvement matching grant program.

Some discussion is warranted regarding City Council support (or lack thereof) for starting these initiatives in FY 26. If there is support, a funding source will need to be identified.

7. **Human Resources Operating Expenditures**.

- $230,500 *decrease* in Medical Expenses to $14,500 for FY 26. This is primarily an accounting adjustment. Short-term disability and vision benefits are being moved into different budget accounts. Additionally, the City's expenditures for pre-hire physicals are being moved to the employee health clinic budget in the Insurance and Risk Fund.
- $240,000 *decrease* in Contracted Services. The largest cause of this decrease was the one-time cost of a major document scanning project to scan all personnel files electronically and reduce paper files for record retention efforts.

8. **Information Technology Operating Expenditures**.

- $432,000 *decrease* in **Small Equipment and Tools.** This budget provides for the replacement of technical equipment (computers, laptops, tablets, etc.). In keeping with FY 26 being a "budget reset year" the IT Department will spend the next 9 months completing a full inventory of technology assets and a long-range replacement plan. This initial plan will be the considered for the FY 27 Budget. For FY 26 the smaller funding amount will be used in a more reactive way – focusing on equipment failures or imminent failures.

9. **Fire Department Operating Expenditures**.

- $200,000 *decrease* in **contracted fire protection services** with the Odell Volunteer Fire Department for services to Kannapolis residents and businesses in the areas west of Lake Howell. The new budget figure is $400,000 for FY 26, which is enough of a decrease to continue with the contracted service for the foreseeable future. Negotiations are underway to facilitate this contractual change. If these negotiations are not ultimately successful, additional discussion will be necessary regarding the future of these services in this area of the City.

10. **Engineering Operating Expenditures**.

- $260,000 *decrease* in **Consultants**. These funds were used for several one-time projects in FY 25, including assistance in the transferring of as-built drawings into the City's digital filing system and design of the Oak Avenue and City Hall parking lot improvements. These projects have been completed in FY 25 and are not recurring in FY 26.

11. **Street Lighting**.

- $150,000 increase in **electricity** costs due to trends (Duke Energy increases, expansion).

12. **Transportation Operating Expenditures.**

- $328,902 *decrease* in **Resurfacing** ($760,000 total for FY 26). For FY 26 it is recommended that a small shift be implemented to spend more resources on street and sidewalk repairs.
- $576,000 increase in **Contracted Services** (street and sidewalk repairs) as noted above ($976,000 total for FY 26).

13. **Parks and Recreation Department Operating Expenditures**.

- $285,000 *decrease* in **Building and Grounds** ($12,500 is included for FY 26). This decrease is the result of the completion of a number of long overdue projects throughout the Parks system. There were approximately twenty non-recurring projects. Examples include carpet replacement at the Village Park building, Village Park pond drainage repairs, flooring repair at the Village Park train station and the splash pad restrooms, and infield replacement of the ballfield at Baker's Creek.

- $226,000 increase in **Water and Sewer Charges** ($325,000 total for FY 26). This is an internal transfer to maintain the independent nature of the Water and Sewer Fund. This is an accounting correction, not charges for increased usage. These fees were not being properly billed to the General Fund, and this is being corrected in FY 26.
- $290,100 *decrease* in **Grounds Maintenance** ($627,600 included in FY 26). This reduction was in response to required budget reductions in the larger departments. This impact will primarily be focused on less frequent delivery of certain contracted services such as tree maintenance and supplemental mowing of NCDOT Streets. It also assumes the transfer of the Gateway Business Park to a property owner's association (vs. City ownership).
- $140,000 *decrease* in **Swanee Theatre Talent and Entertainment**. $550,000 is included in FY 26. This decrease is in response to a year of operations and the actual expenditures. It will take another year or two of operations to fully understand the optimum business model for this complicated venture.
- $235,000 *decrease* in **Jiggy with the Piggy** expenses due to the ending of this festival.
- $100,000 *decrease* in **Cultural & Historical Programming.** This program is still in the start-up stages and a number of planned expenses are being rolled over from FY 25 to FY 26 via a purchase order and encumbrance. As a result, the program is planned to start Fall 2025. The needs for the FY 27 Budget will be developed over the next 12 months.

14. There are no new **General Fund Debt Service** obligations added to the FY 26 Budget. The annual debt obligation (principal and interest) is $13,926,149 for FY 26 which represents a *decrease* of 1.76% ($249,707 actual) from FY 25. The current General Fund Obligations are shown in the table on the following page.

    It is important to note approximately $4.7 million in General Fund debt will be paid off over the next five years. That equates to about five (5) cents on the property tax rate. This will be a significant part of the multi-year financial plan.

General Fund Debt Service			
Limited Obligation Bonds	**Principal**	**Interest**	**Maturity Date**
Fire Stations 2 and 3	$555,000	$286,436	04/01/2038
City Hall/Police Headquarters	$1,365,000	$470,807	04/01/2034
Irish Buffalo Creek Greenway	$92,000	$20,424	04/01/2035
College Station/Downtown Streetscape	$394,999	$185,887	04/01/2038
Atrium Health Ballpark	$2,600,000	$1,633,580	10/01/2039
Parking Deck at VIDA	$735,000	$253,620	04/01/2041
Other Debt	**Principal**	**Interest**	**Maturity Date**
Misc. Equipment	$42,154	$1,068	6/10/2026
Village Park and Fire Engine	$446,000	$125,788	4/1/2037
Downtown Property Purchase	$733,000	$192,303	8/1/2030
NCRC Projects	$2,550,000	$94,650	3/1/2027
Motorola (Radio) Lease Payment	$677,750	$0	11/1/2025
Capital Outlay	$414,000	$56,683	6/1/2029
Total	**$10,604,903**	**$3,321,246**	

15. **General Fund Transfers** to the following other funds are included in the proposed FY 26 Budget:

- **Transfer to Environmental Fund**: $1,832,669 (a *decrease* of $359,021 from FY 25). The decrease is primarily due to the revenue increases from the proposed $5 per month Environmental Fee increase. This is generally an unavoidable transfer unless services are cut or an additional Environmental Fee increase is considered.

- **Transfer to Separation Pay Fund:** $721,500 (an increase of $121,500 from FY 25) based on a projected 36 employees receiving this benefit in FY 26. This assumes a net of two additional employees receiving the benefit. This is an unavoidable transfer.

- **Transfer to Transit Fund**: $968,698 (a *decrease* of $219,525 from FY 25). This decrease is exclusively due to cuts in the Transit Budget for FY 26. The transfer increase from FY 24 to FY 25 was significant due to the restructuring of the way the Vehicle License Tax was appropriated. This is an unavoidable transfer unless services are cut.

- **Transfer to the Capital Reserve Fund:** $900,000. This fund was established by City Council in FY 25 and is designed to set aside funding for future infrastructure projects, primarily, but not exclusively, focused on street, transportation, and sidewalk enhancements. City Council action will be necessary to determine the specific planned use of these funds over time. The funds can be used in one year, every couple of years, or after several years of accumulation for a larger project. This funding amount equates to approximately 1.0 cent on the tax rate.

  This Fund currently has a balance of $1,562,708, not including the proposed FY 26 appropriation. This is a completely discretionary transfer and maintaining the current or future balance of these funds is also discretionary. These funds can be redirected should City Council wish to do so.

- **Transfer to Western Cabarrus Fire Protection Capital Project Fund**: $0. Because of the positive initial discussions with the Odell Volunteer Fire Department, it appears that the cost of service for the City will decrease, leading to a recommended pause in funding

this Capital Project Fund. This Fund, established in FY 25, was designed to facilitate the gradual establishment of City-managed fire protection and life safety services in the areas of Western Cabarrus County west of Lake Howell and north of NC Highway 73. The funding amount for FY 25 was equal to 0.42 cents on the tax rate.

There is currently $373,057 in this Fund. Maintaining the current or future balance of these funds is discretionary. These funds can be redirected should City Council wish to do so.

- **Transfer to Cultural Arts Facility/History Museum Capital Project Fund**: $0. Due to the current budget limitations projected for FY 26, it is recommended that this transfer be suspended for at least the next year. This is a multi-year project fund designed to facilitate the purchase of an existing structure and related renovation costs for a Cultural Arts Facility/History Museum project. Eventually should a project emerge, additional capital funding (and debt service) will be necessary. The funding amount for FY 25 was equal to 0.84 cents on the tax rate.

  There is currently $770,402 in this Fund. Maintaining the current or future balance of these funds is discretionary. These funds can be redirected should City Council wish to do so.

- **Transfer to Downtown Economic Development Project Fund**: $0. Due to current budget limitations projected for FY 26, it is recommended that this transfer be suspended for at least the next year. This a set aside of funds to facilitate the construction of public infrastructure (likely parking) in partnership with a to-be-determined private sector developer. This funding amount for FY 25 was equal to 1.0 cent on the tax rate.

  There is currently $917,146 in this Fund. Maintaining the current or future balance of this fund is discretionary. These funds can be redirected should City Council wish to do so**.**

Water and Sewer Fund Overview

The proposed FY 26 Water and Sewer Fund Budget is $28,425,016 which represents a 4.43% *decrease* from the FY 25 Budget ($1,318,797 actual *decrease*). Through April 2025, the FY 25 revenue streams do not appear that they will meet the projections. Accordingly, the FY 26 Budget is being reduced to a more conservative number to reflect actual revenue trends. Like much of the FY 26 Budget this is a "resetting" explanation. While revenues in FY 25 were substantially higher than FY 23 and FY 24, they were short of the full projection. There is no clear explanation for this, but it is more prudent to err on the side of caution and assume a reset revenue expectation. Over the past year or so there is little evidence to suggest that the natural growth projected of 2.5% to 3% will be realized in FY 25 into FY 26. Similarly, the growth projected for tap and connection fees, while significant, is also slower than expected.

Water and Sewer Fund Revenue Highlights

Through the course of the last several months, City staff and our financial and utility consultants have been engaged in an update to our Water & Sewer Fund's (the "Fund" or the "System") Capital Planning and Financial Feasibility Study. This work involves: (1) a look-back at the System's historical financial performance to confirm compliance with a number of key financial covenants that are specified in the City's revenue bond documents, (2) a review of the System's Capital Improvement Plan ("CIP") and (3) development of a forward-looking financial pro-forma that

demonstrates the expected financial performance of the Fund inclusive of operating and capital/debt activities. This modeling is important as a general planning document to help inform City staff and City Council related to making capital investment decisions and as a guide for setting System rates and charges in the future. It is also required as part of any debt issuance process for the System. The Local Government Commission (the "LGC"), the bond rating agencies, revenue bond investors and bank lenders will all expect to review the System's financial projections as part of making assessments of the System's creditworthiness, its ability to meet its operating and capital obligations and importantly, its ability to continue to comply with its financial and operating covenants as identified in the City's Water & Sewer System revenue bond documents.

Related to rate setting, this document will identify the expected needed rate increases by fiscal year for an approximate 5-year projection period. As a budgeting practice, the City Council is expected to set rates and charges on an annual basis. The projected rate increases included in the modeling described above are not intended to be approved at one time, but rather, they serve as a guide for future decisions and are calculated to facilitate sound financial performance and to facilitate adequate revenues to meet future capital funding and debt issuance requirements. System rate increases, along with natural system growth driven by new users, are key inputs in this modeling. As such, City staff has been advised by its consultants that any material deviation from the increases shown for the FY 26 budget could jeopardize compliance with bond covenants and the debt issuance process scheduled for the fall of 2025 (and more importantly, into the future).

With the above narrative being the foundation moving forward, the revenue highlights for the FY 26 Budget include the following:

1. The following **water and sewer rate increases** are recommended for the FY 26 Budget which are projected to generate an estimated $1,047,847 in new revenue ($457,598 for water and $692,111 for sewer). These (and the small increases in FY 25) are the first rate increases proposed in the past 6 years.

Proposed Water and Sewer Rates FY 26			
	FY 25	Proposed FY 26	Change FY 25 to 26
Water – Fixed Charges (per connection)	$6.95	$7.20	$0.25
Water – Variable charges (per 1000 gallons)	$7.31	$7.31	$0
Sewer – Fixed Charges (per connection)	$5.24	$8.30	$3.06
Sewer – Variable charges (per 1000 gallons)	$7.45	$7.45	$0

It should be noted that the projected revenue increases from the fixed charges assumes every customer, regardless of size or impact on the system, pays the same fixed charge. For instance, the resident of a single-family home will pay $7.20 a month for the fixed charge for water (also called the "base charge"). Under the current fee schedule, a large apartment complex with a master meter would also pay $7.20 for this fixed charge when there is obviously a larger impact on the system than the single family home. The City's Water Resources Department estimates that by tying the fixed charge to the size of the meter (customers with larger meters pay more), an additional $150,000-$200,000 in new revenue may be generated. This approach is fair and equitable to all the users in the system.

Unfortunately, some adjustments to our billing system are needed to ensure that such a change can be implemented properly. Accordingly, no changes related to meter factoring are going to be recommended in the Fee Schedule until this can be resolved. Once the billing issue is addressed, this will be brought back to City Council for consideration.

In addition to the system's financial stability reasons stated above, other drivers to these rate increases include: 1) the City's financial obligations to the Water and Sewer Authority of Cabarrus County (WSACC) for the fixed costs of the Rocky River Regional Wastewater Treatment Plant (RRRWWTP) expansion, and 2) debt service on the Kannapolis Lake Dam Spillway Replacement Project (estimated at $8.44 million).

2. **Water and Sewer Tap and Connection Fee** revenues are projected to decrease by $249,537 from the FY 25 Budget. The projections for FY 26 are $953,463 in tap fees and $1,850,000 in connection fees. These could be overly conservative projections as they are tied to new development which can be influenced by many external factors.

Water and Sewer Fund Expenditure Highlights:

1. No new positions are included.
2. No new Capital Outlay is included.
3. $814,802 increase in personnel expenditures which is driven primarily by four factors – (a) average 5% salary increases tied to performance evaluations (including compensation elements tied to salaries), (b) increases in state retirement system obligations, (c) expected full – or nearly full – staffing levels, and (d) and various insurance cost increases.

   The personnel cost increases described in the General Fund section of this Budget Message provide a more comprehensive summary of the factors impacting all City funds.
4. $347,048 increase to the General Management Services fee (to a total of $2,192,230) based on updated annual review of General Fund overhead costs charged back to the enterprise funds.
5. **Customer Service**.

   This operating budget is virtually unchanged from FY 25. The only changes are to better reflect actual expenditure trends and to address certain inflationary impacts.
6. **Water Distribution and Wastewater Collection**.

   The operating budget is proposed to *decrease* by 9.79% from FY 25. The only changes are to better reflect actual expenditure trends and to address certain inflationary impacts. The only significant reduction is $244,613 in contracted services (sewer outfall easement mowing, root control, etc.) to better align with actual expenditures over the past few years.
7. **Water Treatment Plant**.

   This operating budget is virtually unchanged from FY 25. The only changes are to better reflect actual expenditure trends and to address certain inflationary impacts. Included is a decrease of $108,000 in capital outlay that will not be recurring in FY 26.
8. **Wastewater Treatment (Water and Sewer Authority of Cabarrus County or "WSACC").** Wastewater Treatment expenditures total $6,520,775 in FY 26 which represent an increase of 11.1% ($651,584 actual increase) from FY 25 with the following factors:

- $472,530 increase in Wastewater Treatment Variable rate paid to WSACC. This rate increase was 1.52% with the majority of this increase due to projected new flow (growth in the system).
- $202,159 increase in Wastewater Treatment Fixed Rate. WSACC issued $65.5 million in revenue bonds in May 2022 and an additional $84.96 million in revenue bonds in February 2024 to expand the Rocky River Regional Wastewater Treatment Plant (RRRWWTP) from 26.5 MGD to 30 MGD and then to 34 MGD. WSACC absorbed the debt service on the $65.5 million revenue bonds in the prior year (with State funding assistance). However, the $84.96 million in revenue bonds issued in February 2024 will require increases in fixed charges in FY 26 for the principal payments. The net increase of fixed charges due to the new debt service is $704,500. Kannapolis' portion of these fixed charges is slightly under 30% with Concord, Harrisburg and Mt. Pleasant splitting the remainder. The increase for Kannapolis was $1.3 million in FY 25.
- $87,840 *decrease* in the sewer interceptor fixed rate based on estimated costs from WSACC.

9. $347,048 increase to the **General Management Services fee** (to a total of $2,192,230) based on updated annual review of General Fund overhead costs charged back to the enterprise funds.
10. The following **Water and Sewer Capital Improvement Project** is included in the proposed FY 26 Budget for the Water and Sewer Fund. This will impact long term debt service, also beginning in FY 26.

    - Kannapolis Lake Dam Spillway Replacement Project (estimated at $8.44 million including debt issuance costs). The Kannapolis Lake Dam, which impounds the City's primary drinking water supply (Kannapolis Lake) is owned and operated by the City of Kannapolis. The original dam was constructed in 1940. The dam is categorized by the State as a Medium sized, High Hazard dam. The dam is an earthen embankment with a concrete auxiliary spillway on the right abutment and an intake tower in the reservoir that feeds the City's water treatment plant downstream of the dam and across Pump Station Road. Flows from the reservoir are conveyed through the spillway into Irish Buffalo Creek.

      Kannapolis Lake Dam Spillway Replacement Project includes demolition of the existing concrete auxiliary spillway that does not have adequate spillway capacity and is structurally deteriorating. The project also includes construction of a new cast-in-place concrete auxiliary spillway with a labyrinth weir control section. Most of these repairs are being mandated by the NC Department of Environmental Quality Dam Safety Program.

Of note, in April 2025, City Council approved the Downtown Sewer Outfall project. This project involves the replacement/rehabilitation of approximately more than 5,000 linear feet of 18-inch and 24-inch gravity sewer lines. The current sewer piping is approximately 72 years old and is subject to significant inflow from rainwater. More importantly, this part of the City's wastewater system is at its hydraulic capacity. This project is required to create gravity sewer conveyance capacity for much of downtown, including future projects on Block 5, Block 6, the Plant 4 site, old Post Office site, and the residential project at Vance and W D Street, as well as other land in the downtown area.

This project was intended to be constructed through debt financing. However, to reduce the amount of new debt in the Water and Sewer Fund, City Council approved a cash funding plan with the following sources: a) Water and Sewer Fund cash reserves, b) appropriated investment earnings specifically in this capital project fund, c) re-appropriated unspent bond proceeds from existing and previous projects, and d) reduces (delays) by $1.4 million a portion of the Public Works Operations Center improvement project. The construction contract for this project is $3.72 million. This project does not impact the FY 26 Budget in any way.

11. **Water and Sewer Debt Service**. The proposed FY 26 Budget includes a *decrease* of $1,957,929 in annual debt obligations. The decrease is the satisfaction of a large revenue bond issuance in FY 25 (mostly the Water Treatment Plant improvements from the early 2000s). The total annual debt service for FY 26 is $6,073,319. The only new debt to be added is the aforementioned Kannapolis Spillway project. The project cost is estimated at $8.44 million and is anticipated to begin this fiscal year with the 20-year debt being issued about the same time as the project start. For FY 26 there is an interest only payment estimated at $353,606. The full payment will grow to $950,725 in FY 27.

    The current Water and Sewer Fund debt obligations are shown in the table below.

Water and Sewer Debt			
Revenue Bonds	**Principal**	**Interest**	**Maturity Date**
Proposed New Debt – Kannapolis Lake Spillway 2025	$0	$353,606	20 yrs -TBD
Kannapolis Crossing/Lane St/WTP Improvements 2021B	$427,000	$164,070	2/1/2042
Kannapolis Crossing/Lane St/WTP Improvements 2023	$858,000	$226,590	2/1/2042
Downtown Water and Sewer 2018	$780,000	$486,476	4/1/2038
Downtown Water and Sewer 2021	$638,000	$159,393	4/1/2038
Davidson Road Water 2017	$316,000	$143,380	4/1/2041
Other	**Principal**	**Interest**	**Maturity Date**
Misc. Equipment 2011	$76,528	$1,932	06/10/2026
Second Creek 2011A	$15,172	$2,634	05/01/2032
Total	**$3,110,700**	**$1,538,081**	

12. The FY 26 Water and Sewer Fund Budget excludes several expansion expenditures of note. These **Unfunded Expansion Items** include personnel, capital outlay and operating expenditures. They are all worthy of consideration but are not included in the proposed budget due to revenue limitations, management priorities, or other reasons. These requests are not presented in the proposed FY 26 Budget but will be subject to the new long range planning exercise highlighted in the beginning for this budget message.

Stormwater Fund Overview

Stormwater Fund Revenue Highlights:

The proposed FY 26 Stormwater Fund Budget is $3,637,348 which represents a 3.00% *decrease* ($112,652 actual decrease) from the FY 25 adopted budget of $3,750,000.

Charges and fee revenue is projected to increase by $167,348 for FY 26 reflecting new development expected to be completed over the next 14 months. An additional revenue impact is a "rightsizing" of "Other Revenues" that were projected in the current FY 25 Budget at $350,000. Part of this revenue stream is interest earnings but not to this larger amount. For FY 26 this projected revenue stream has been decreased by $280,000 (to a total of $70,000).

No fee increase is proposed for FY 26.

The Stormwater Fund continues to be fully self-sustaining with no transfers from other funds to support its operations.

Stormwater Fund Expenditure Highlights:

1. No new positions are included.
2. No new Capital Outlay is included.
3. $280,054 increase in **personnel expenditures** which is driven primarily by four factors – (a) average 5% salary increases tied to performance evaluations (including compensation elements tied to salaries), (b) increases in state retirement system obligations, (c) expected full – or nearly full – staffing levels, and (d) and various insurance cost increases.

   The personnel cost increases described in the General Fund section of this Budget Message provide a more comprehensive summary of the factors impacting all City funds.
4. $177,840 increase to the **General Management Services fee** (to a total of $598,368) based on updated annual review of General Fund overhead costs charged back to the enterprise funds.
5. $13,293 *decrease* in **Stormwater Debt Service** due to reduced obligations for various projects and equipment. $532,966 in debt remains. A very small equipment debt obligation matures in FY 26 but the bulk of the debt in this Fund does not mature until 2038.

   There is no new debt service included in the FY 26 Budget.
6. There are no new **Capital Improvement Projects** included in the proposed FY 26 Budget for the Stormwater Fund. It should be noted that requests from citizens for stormwater improvements continue to occur. The only realistic way to respond to most of the concerns is to develop a stormwater master plan to guide the prioritization of these projects and establish a dedicated funding source to pay for them.
7. The FY 26 Stormwater Fund Budget excludes several expansion expenditures of note. These **Unfunded Expansion Items** include personnel, capital outlay and operating expenditures. They are all worthy of consideration but are not included in the proposed budget due to revenue limitations, management priorities, or other reasons. These requests are not presented in the proposed FY 26 Budget but will be subject to the new long range planning exercise highlighted in the beginning for this budget message.

Environmental Fund Overview

Environmental Fund Revenue Highlights:

The proposed FY 26 Environmental Fund budget totals $7,681,862 which is an increase of 14.64% ($1,413,172 actual) over the FY 25 adopted budget of $6,700,690.

A **$5.00 per month Environmental Fee increase** is proposed for FY 26 (representing an increase of $1,404,193 in new revenues). This fee increase has been planned for several years in a long-standing effort for the Environmental Fund to be self-sustaining exclusively with user fees. This fee has been delayed for a number of years due to a variety of factors. For FY 26 it is also necessary to address several projected operational increases.

The General Fund transfer (subsidy) for FY 26 is proposed to *decrease* by 16.38% ($359,021 actual decrease). By comparison, this transfer in the FY 25 Budget was nearly double the amount in the FY 24 Budget.

This Fund is still reliant upon General Fund transfers to support its operations (see table below). The last fee increase was in FY 22 which brought the monthly per household fee from $15.60 to its current $18.10. Since FY 22 there have been significant pressures on this fund: increases in recycling disposal costs, increased landfill costs, the addition of supplemental funding to address service delivery lapses by the City's previous solid waste collection contractor, and significant increases in the new solid waste collection contract. These pressures have made the goal of achieving self-sustainability for the Environmental Fund more challenging. To make the Fund fully self-sustaining, a fee increase of at least $8.00 (likely spread over 2 or more years) would be necessary.

Environmental Fund Transfers In						
Transfer From:	**FY 21**	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**
Stormwater Fund	$400,000	$0	$0	$0	$0	$0
General Fund	$150,000	$85,542	$85,542	$1,147,817	$2,191,690	$1,832,669
Water & Sewer Fund	$495,700	$495,700	$495,700	$0	$0	$0
Total Transfers in	**$1,045,700**	**$581,242**	**$581,242**	**$1,147,817**	**$2,191,690**	**$1,832,669**

Environmental Fund Expenditure Highlights:

1. No new positions are included.
2. No new capital outlay is included.
3. $239,042 increase in **personnel expenditures** which is driven primarily by four factors – (a) average 5% salary increases tied to performance evaluations (including compensation elements tied to salaries), (b) increases in state retirement system obligations, (c) expected full – or nearly full – staffing levels, and (d) and various insurance cost increases.

   The personnel cost increases described in the General Fund section of this Budget Message provide a more comprehensive summary of the factors impacting all City funds.
4. $362,830 increase in **solid waste collection costs** through the City's contractor, Waste Collections of the Carolinas (for a total of $4,150,000 for FY 26). This increase includes the

3% CPI increase in the contract and the per house cost increase based on a projected additional 600 new homes expected during FY26.

5. $160,000 increase in the **cost of recycling material disposal** (for a total of $460,000 in FY 26). In FY 24 the disposal cost at the Materials Recovery Facility (MRF) in Charlotte was $116 per ton and the cost for FY 25 was $124 per ton. It is assumed that FY 26 will include a similar increase although this may not be confirmed until after the budget is adopted. The City produces 3,500 tons of single stream recyclable material annually (resulting in $434,000 disposal costs in FY 25). Additionally, in FY 25 the City's previous solid waste collection firm (Waste Management, Inc.) disposed of some materials at its transfer yard at no charge to the City. This is no longer a benefit under the new contract, so those savings are no longer possible.
6. $650,000 increase in **landfill costs** (for a total of $980,000 in FY 26). There are a number of factors that are causing this increase:
    - $225,000 increase in landfill costs due to a) the natural increase in new customers and the increased tonnage being delivered. 600 new homes are expected to begin service in FY 26, and b) an increase in landfill costs disposal rate 2.9% (current rate of $45.5 per ton increased to $46.82 per ton).
    - The FY 25 landfill budget was decreased by $300,000 in error. This was resolved through a fund balance appropriation earlier this year and it being corrected in the FY 26 Budget resulting in the adding back of this amount.
    - $125,000 due to internal coding errors that have been corrected in the FY 26 Budget.
7. $130,000 *decrease* in **contract services** due to the reduced need to supplement solid waste collection services that was required prior to the improvement of service with the new collection contractor Waste Connections.
8. $66,000 increase in **bulk container costs** (for a total of $200,000) due to inflationary price increases and a refreshed accounting of the service. Upon establishment of the City's new collection contract an audit of dumpsters was completed and some minor discrepancies in billing and collections were uncovered. The management of commercial dumpsters is a pass-through service for non-residential customers that choose to take advantage of potential lower costs via the City's contract for collections. This budget item is always impacted by the number of commercial customers that choose to sign up for the service. Each user pays the full amount for their service with the City as the go-between. The City bills and collects the fee from the user. Waste Connections the amount on the invoice to be paid by the City. The annual cost is expected to be $200,000 for FY 26.

    The only exception to this process is the that the City agreed several years ago to pay for this service for both the Kannapolis City School System and Cabarrus County School System for the schools located in the City limits ($31,920 annually). When these agreements were first reached, the market for recyclable materials was fairly significant and the revenues offset much of the costs. Unfortunately, the opposite is now true, which may warrant a discussion about this in the future.
9. $432,000 *decrease* in Capital Expenditures due to certain one-time expenditures from FY 25 not being repeated in FY 26.

10. There is no existing or new **Environmental Fund Debt Service.**

11. The FY 26 Environmental Budget excludes several expansion expenditures of note. These **Unfunded Expansion Items** include personnel, capital outlay and operating expenditures. They are all worthy of consideration but are not included in the proposed budget due to revenue limitations, management priorities, or other reasons. These requests are not presented in the proposed FY 26 Budget but will be subject to the new long range planning exercise highlighted in the beginning for this budget message.

Separation Pay Fund Overview

The proposed FY 26 Separation Pay Fund Budget is **$721,500,** which represents a 20.25% increase ($121,500 actual) from the FY 25 adopted budget.

The full amount of the Separation Pay Fund is projected for separation pay obligations for retired City employees. From FY 25 to FY 26, three (3) former employees are no longer eligible to receive special separation pay because they are over age 62. Five (5) new employees are projected to roll on for FY 26.

Thirty-one (31) former employees currently receive separation pay benefits.

Transit Fund Overview

The proposed FY 26 Transit Fund budget is $1,402,698, which is a 13.51% *decrease* over the FY 25 adopted budget of $1,621,823 ($219,125 actual decrease). This amount is Kannapolis' local contribution to the larger Concord-Kannapolis Transit System Budget of approximately $6.86 million for FY 26. The other large funding sources for the system include approximately $3 million in Federal and State funding and approximately $2 million from the City of Concord. Fare box revenue only accounts for about 4% of the total revenue stream ($248,597 projected for FY 26).

Transit Fund Revenue Highlights:

The City's current Municipal Vehicle Tax (MVT) is $30 per vehicle with $10 going directly to the Transit Fund to support the public transit system. NOTE: $5 of the MVT can only be used for transit expenditures. Another $5 can be used for "any other general purpose" including transit support.

The remaining $20 of the MVT is allocated to the General Fund to support transportation related improvements like street paving. Prior to FY 25, Kannapolis' transit system obligations were met using $20 of the MVT. In FY 25 this was reversed to be more aligned with the state law governing the use of these funds. Using only $10 of the MVT for Transit expenditures is a more appropriate way of accounting for this fee.

Accordingly, the revenue streams to support the Transit Fund in FY 26 include $434,000 ($10 of MVT) and $980,292 in a transfer from the General Fund ($1,188,223 in FY 25).

Transit Fund Expenditure Highlights:

Transit is a contracted service; as such there are no direct (City owned or managed) capital, personnel, or operating expenditures. The Transit System staff function as a department of the City of Concord as the lead agency. This year, Concord and Kannapolis management staff took a deeper look into some of the Transit operating expenditures, similarly to how both city's staff do as part of the respective city budgets. As a result of this review, several "rightsizing" adjustments were made. This led to an overall decrease in the budget. Factors contributing to the decreased operating expenditures for FY 26 include:

1. $24,500 decrease in the travel budget (to $18,000).
2. $75,000 decrease by delaying customer survey funding (moved for possible discussion in FY 27 since Long Range plan has a survey component).
3. $45,000 reduction in the marketing budget (to $20,000).
4. $125,000 decrease in fuel cost from (to $525,000).
5. $3,500 decrease in printing costs (to $4,000).

Other than these reductions, the FY 26 Transit Budget is largely unchanged from FY 25.

Insurance and Risk Fund Overview

The proposed FY 26 Insurance and Risk Fund budget is $7,618,904. This represents a 12.69% increase ($857,820 actual) over the FY 25 adopted budget. FY 25 was the second year of this new internal service fund to manage the City's health related expenses for all active and retired employees on the plan as well as City workers' compensation expenses.

Insurance and Risk Fund Revenue Highlights

Revenues for this Fund come from four sources (two internal and two external):

1. $5,953,500 from employee **Health Insurance premiums** which is accomplished through the premiums being paid directly into the fund. hese premiums are budgeted by individual City departments to provide an accurate picture of the total cost of each City service/department. For FY 25 the projection is based on 441 full-time positions budgeted at $13,500 per person (up from $12,000 in FY 25). This represents an increase of 10.75% ($638,700 actual) from FY 24. This increase is necessary to maintain this Fund as a stand-alone, self-sustaining fund (and not reliant on transfers from the General Fund).

   These revenues <u>do not</u> come from employee payroll deductions as these are employer-paid insurance costs.

2. $625,404 is from **employee dependents Health Insurance premiums** that will be credited to this Fund directly when collected through employee payroll deductions. This represents no change from FY 25. The amount also includes those former employees on COBRA plans.
3. $200,000 from **retiree Health Insurance premiums** that will be credited to this Fund directly upon collection from retiree payments. This represents no change from FY 25.

4. $840,000 from **Workers Compensation premiums** which is also a transfer from all funds. These premiums are budgeted similarly to Health Insurance premiums. They are based on 440 full-time positions budgeted at $1,909 per person (up from $1,414 in FY 25). This is an increase of 35.29% ($219,120 actual) from FY 25.

Insurance and Risk Fund Expenditure Highlights

This Fund includes the following major expenditures:

1. $400,000 to operate the **Employee Health Clinic** (increase of $110,000 in FY 26). In FY 26 the City will partner with Atrium Health for the onsite Health Clinic. Atrium is the leading onsite provider in the Charlotte region with specialties in emergency personnel in both behavioral and primary healthcare. After several attempts to expand services with the City's current vendor, the business model did not support the growing need of our workforce population. Atrium Health can provide primary care to our employees and families as well as provide occupational and behavioral health services. Atrium is able to also offer physical abilities testing - this is a valuable offer that can help avoid costly workers' compensation claims. These offerings were unavailable as our previous clinic provider could only offer acute care for our workforce.

   Additionally, under this new arrangement, the City will be able to provide two full-time Atrium staff members at the clinic. The City's wellness program will no longer be a contracted event - it will be administered through individual appointments which will focus on employees health opposed to generic metrics.

   From a financial perspective, many of the previous contracted services will now be combined into one turn-key service at the onsite health clinic. A significant part of the increase in the Health Clinic budget is offset by small decreases in multiple accounts that were paying for fragmented service to several different vendors.

2. $1,200,000 for **Retiree Medical Insurance** claims (*decrease* of $300,000 in FY 26). This decrease is primarily due to the decision to move all retirees to a new Medicare Supplement insurance that created significant savings. $300,000 of this amount is for retirees over age 65.

3. $940,000 for **Employee HSA and HRA benefits** *(decrease* of $25,800 in FY 26). This benefit is estimated at 440 employees at either $2,000 or $2,200 per year, per employee depending on the Health Insurance plan.

4. $80,000 for **Retiree HSA and HRA benefits** (no change in FY 26).

5. $3,265,904 for employee **Medical Insurance Claims** (an increase of $631,500 in FY 26). This is an estimate based on trends forecasted from the City's broker.

6. $92,000 for **Medical Administration Fees** (decrease of $878,000 in FY 26). These are fees for Blue Cross Blue Shield NC to administer the medical plan. This decrease is due to the accounting changes that moved these fees (and stop loss insurance costs) to a new budget line. The fees for FY 26 are projected to be $650,000, which represents a decrease of more than $200,000.

7. $550,000 for **Workers Compensation Claims** (increase of $229,120 from FY 25). This estimate is based on trends forecasted from the City's administrative consultant.

Approximately $50,000 of this increase is due to incorrect salary projections in the last fiscal year. This is being corrected in FY 26.

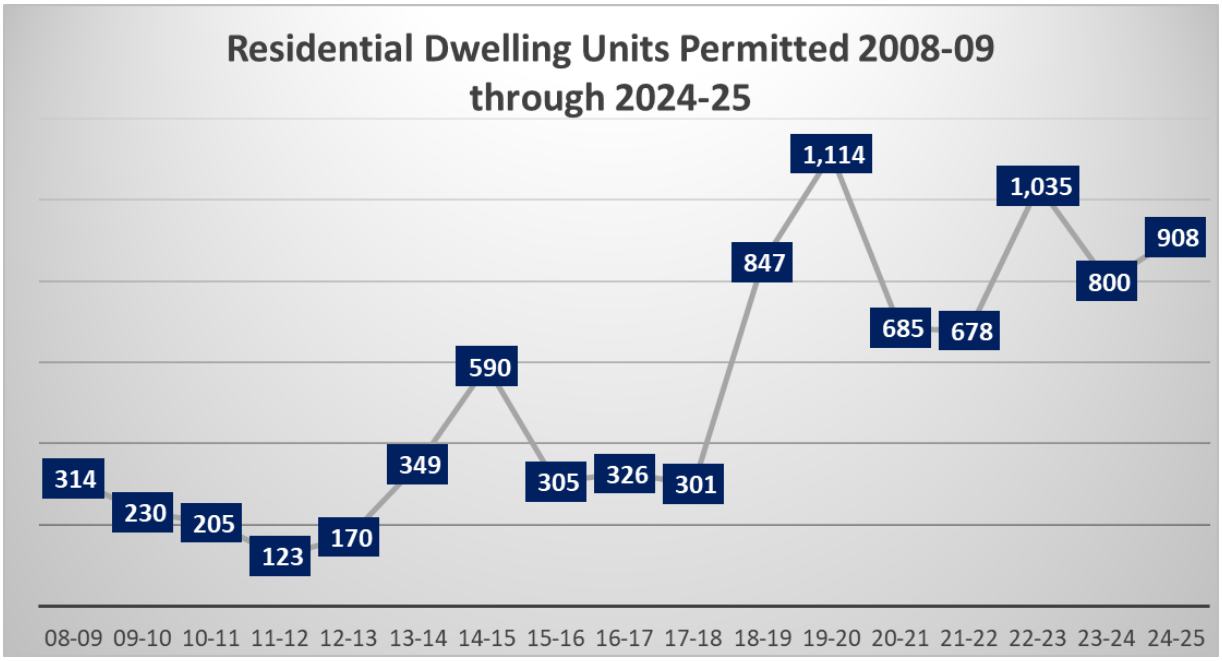
Looking Ahead – FY 2027 and beyond

As evidenced by the recommendations contained in the FY 26 Budget, this is a largely status quo budget. However, one budget should not define (or re-define) where our City is heading. The future is incredibly bright as the following information will demonstrate.

The City's rapid private sector development trends began in earnest in FY 18-19. Over the past seven years, 6,067 residential dwelling units were permitted (an average of 867 per year). This equates to nearly 18,000 new residents in our City.

As land prices escalate and household sizes decrease, higher density residential projects will become more of the norm. Of the 908 residential dwelling unit permits issued in the past 12 months, only 43% (384) were for single family homes. The economics of low-density large lot single family development are no longer realistic in most settings.

The City's residential growth trends from the past 17 years are depicted on the graph below.



This residential growth, while certainly requiring increased City service delivery, brings with it significant new tax value. The table on the following page is a summary of the residential development that has been allocated wastewater under the current policy.

Wastewater Allocation Exhibit A Residential (Dwelling Units)	Reserved Dwelling Units	Projected Value
Single-Family Homes	1,893	$567,900,000
Condos/Townhome Units	926	$208,350,000
Apartment Units	3,197	$447,580,000
Residential Infill Homes	300	$67,500,000
Affordable Homes	654	$98,100,000
Exempt Single-Two Family Homes	150	$33,750,000
Total Residential Dwelling Units	**7,120**	**$1,423,180,000**

We are also in the midst of an unprecedented period of our City's history where the non-residential economic development is positioned to grow at a pace unseen in Kannapolis for nearly a century. Approximately seven million square feet of new industrial space is in various stages of planning or development.

There are several large investments in various stages of development, most notably: Kannapolis Crossing/Overlook 85 (I-85 exit 65), Mill Creek Crossing (Kannapolis Parkway@NC73), Lakeshore Corporate Park, 85 Exchange, the re-introduction of the NCRC properties into the marketplace, and the remaining downtown properties. These projects alone could total more than $1 billion in private investment over the next five years. This is only a sampling of the projects – all of which will have a long-lasting positive revenue impact on the City.

The table below is a summary of this non-residential impact:

Wastewater Allocation - Exhibit A Non-Residential (Square Feet)	Reserved Sq. Ft.	Projected Value
Manufacturing	4,510,752	$1,014,919,200
Distribution	3,671,392	$458,924,000
Commercial	588,325	$176,497,500
Office	882,000	$264,600,000
Commercial/Office Infill	480,000	$120,000,000
Total Non-Residential Sq. Ft.	**10,132,469**	**$2,034,940,700**

The wastewater capacity limitations have tempered growth expectations to some degree. However, as the two previous tables show, even a strictly managed growth plan will still result in significant growth in coming years. The City's current wastewater allocation plans are projected to facilitate more than 7,000 dwelling units, more than 10 million square feet of non-residential space and more than 500 hotel rooms. These developments are projected to generate $3.5 billion in new private investment (current City-wide total tax base is $9.2 billion). This level of investment will generate $20 million in new annual property tax revenues and $12 million in new annual water and sewer use revenues over the next decade. This level of development alone will generate an estimated 15,000 new residents.

These tax base increases are similar to the past several years of increases due to new development ($313.6 million average annual tax base growth over the past five years) as shown on the table on the following page.

Property Tax Base Increases due to new Private Sector Investment FY 20-FY 26			
Fiscal Year	**Private Investment (Tax Base Increase)***	**Property Tax Revenue**	**Cents on the Tax Rate**
FY 20	$174,680,000	$1,100,484	2.59
FY 21	$112,230,000	$707,049	1.43
FY 22	$210,951,347	$1,328,993	2.68
FY 23	$412,597,907	$2,599,367	4.58
FY 24	$252,275,333	$1,589,334	2.57
FY 25	$351,555,929	$2,036,211	2.29
FY 26	$339,861,156	$1,846,403	2.00
Totals	**$1,854,151,672**	**$11,207,841**	**18.14**

* Excludes county revaluations

Without the above $1.85 billion in new private investment in our City, the more than $11.2 million of recurring revenues would never have been available. They would have to have been replaced by an 18+ cent tax increase to achieve what we have achieved in Kannapolis since 2020.

Closing Thoughts

This proposed FY 2025-26 Budget is balanced in accordance with N.C. Statutes. While this budget may not advance the City and its planned projects and initiative as rapidly as in recent years, it by no means represents any sort of diversion from the positive strides we have made over the past decade.

I am so appreciative of the many staff members that have dedicated tremendous time and effort towards completion of the FY 26 Budget. Our Budget and Strategy Director Kristin Jones, Finance Director Brian Roberts, and Deputy Finance Director Suzanne Burgess played critical roles this year. The budget process was enhanced greatly through the efforts of Assistant City Manager, Tina Cline, Communications Director, Annette Privette Keller and her team, and our City Clerk Pam Scaggs. The rest of our management team and each of our department heads and many other staff members also played very important roles in the development of this Budget.

Please accept my thanks to each of you as the elected officials for our City. Your enthusiastic communication of your collective vision for our great City represents the foundation for our prosperous future. Readily apparent is your support of our City staff as we do our very best to implement your vision and priorities.

Without reservation, I respectfully submit this proposed FY 2025-26 Budget to the City Council for your thoughtful consideration.

Sincerely,



Mike Legg
City Manager

Revenue Summary

All Funds

Fiscal Years 2024-2026

	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Difference FY 25 to FY 26
Ad Valorem Taxes	39,027,140	49,599,642	51,446,045	1,846,403
Sales Tax	16,440,102	16,887,246	17,134,463	247,217
Intergovernmental	6,373,357	7,138,972	7,966,275	827,303
Other	7,288,295	9,634,972	9,436,598	(198,374)
Transfers In/Appropriated Fund Balance	1,242,385	-	-	-
Total General General Fund	**$ 70,371,279**	**$ 83,260,832**	**$ 85,983,381**	**$ 2,722,549**
Total Water and Sewer Fund	**$ 24,286,437**	**$ 29,743,813**	**$ 28,425,016**	**$ (1,318,797)**
Total Stormwater Fund	**$ 3,530,000**	**$ 3,750,000**	**$ 3,637,348**	**$ (112,652)**
Total Environmental Fund	**$ 5,683,817**	**$ 6,700,690**	**$ 7,681,862**	**$ 981,172**
Total Separation Fund	**$ 496,912**	**$ 600,000**	**$ 721,500**	**$ 121,500**
Total Transit Fund	**$ 1,223,031**	**$ 1,621,823**	**$ 1,402,698**	**$ (219,125)**
Total Insurance and Risk Fund	**$ 6,046,480**	**$ 6,761,084**	**$ 7,618,904**	**$ 857,820**
Grand Total All Funds	**$ 111,637,956**	**$ 132,438,242**	**$ 135,470,709**	**$ 3,032,467**
Less Inter-Fund Transfers	**$ 7,252,080**	**$ 9,331,913**	**$ 9,462,867**	**$ 309,918**
Grand Total All Funds	**$ 104,385,876**	**$ 123,106,329**	**$ 126,007,842**	**$ 2,722,549**

Sources of Revenues - All Funds FY 2022 to FY 2026

	FY 2022 Actual	FY 2023 Adopted	F Y2023 Actual	FY 2024 Adopted	FY 2024 Actual	FY 2025 Adopted	FY 2026 Proposed
Revenues							
Ad Valorem Taxes	34,727,004	35,588,732	36,434,778	39,027,140	40,155,180	49,599,642	51,446,045
Sales Tax	14,084,123	13,626,161	15,646,536	16,440,102	16,107,155	16,887,246	17,134,463
Intergovernmental	6,512,774	6,333,541	7,229,188	6,373,357	8,482,373	7,138,972	7,966,275
Other	6,118,410	6,185,267	8,919,108	7,288,295	10,995,405	9,634,972	9,436,598
Fund Balance	-	753,458	-	1,242,385	-	-	-
Transfers	200,000	-	-	-	-		
Total General General Fund	**$ 61,642,311**	**$ 62,487,159**	**$ 68,229,610**	**$ 70,371,279**	**$ 75,740,114**	**$ 83,260,832**	**$ 85,983,381**
Total Water and Sewer Fund	25,550,307	23,370,000	25,171,999	24,286,437	26,633,107	29,743,813	28,425,016
Total Stormwater Fund	3,142,858	3,291,706	3,242,106	3,530,000	3,582,592	3,750,000	3,637,348
Total Environmental Fund	4,659,918	4,908,080	4,767,896	5,683,817	5,658,150	6,700,690	7,681,862
Total Separation Fund	484,210	506,407	510,940	496,912	527,538	600,000	721,500
Total Transit Fund	843,070	1,743,571	1,179,208	1,223,031	1,240,338	1,621,823	1,402,698
Total Insurance and Risk Fund	-	-	-	6,046,480	7,051,838	6,761,084	7,618,904
Grand Total All Funds	**$ 96,322,674**	**$ 96,306,923**	**$ 103,101,759**	**$ 111,637,956**	**$ 120,433,677**	**$ 132,438,242**	**$ 135,470,709**
Less Inter-Fund Transfers	**$ (1,277,452)**	**$ (1,390,884)**	**$ (1,395,417)**	**$ (7,252,080)**	**$ (8,147,760)**	**$ (9,331,913)**	**$ (9,462,867)**
Grand Total All Funds	**$ 95,045,222**	**$ 94,916,039**	**$ 101,706,342**	**$ 104,385,876**	**$ 112,285,917**	**$ 123,106,329**	**$ 126,007,842**

Revenue Sources - All Funds FY 26

	FY 26 General Fund	FY 26 Water and Sewer	FY 26 Stormwater	FY 26 Environmental	FY 26 Separation Pay	FY 26 Transit Fund	FY 26 Insurance and Risk	FY 26 Total All Funds
Sources of Funds								
Ad Valorem Taxes	51,446,045	-	-	-	-	-	-	51,446,045
Sales Tax	17,134,463	-	-	-	-	-	-	17,134,463
Intergovernmental	7,966,275	-	-	-	-	-	-	7,966,275
Investment Income	1,400,000	200,000	70,000	46,000	-	-	-	1,716,000
Other	7,136,598	1,101,000	-	199,000	-	-	7,618,904	16,055,502
Charges for Services	-	24,320,553	3,567,348	5,604,193	-	-	-	33,492,094
Tap/Connection Fees	-	2,803,463	-		-	-	-	2,803,463
Vehicle License Tax	900,000	-	-		-	434,000	-	1,334,000
Fund Balance	-	-	-		-	-	-	-
Transfers	-	-	-	1,832,669	721,500	968,698	-	3,522,867
Total Sources	**$ 85,983,381**	**$ 28,425,016**	**$ 3,637,348**	**$ 7,681,862**	**$ 721,500**	**$ 1,402,698**	**$ 7,618,904**	**$ 131,947,842**

Detailed Revenue Summary - All Funds

	FY 23 Adopted	FY 23 Actual	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
Revenues					
Ad Valorem Taxes - Current	35,188,732	36,121,632	38,627,140	49,199,642	51,096,045
Ad Valorem Taxes - Prior	400,000	313,146	400,000	400,000	350,000
Total Ad Valorem Taxes	**$ 35,588,732**	**$ 36,434,778**	**$ 39,027,140**	**$ 49,599,642**	**$ 51,446,045**
1% Sales Tax (State)	5,458,782	6,152,861	6,480,219	6,609,245	6,734,463
1/2% Sales Tax (Local)	8,167,379	9,493,675	9,959,883	10,278,001	10,400,000
Total Sales Tax	**$ 13,626,161**	**$ 15,646,536**	**$ 16,440,102**	**$ 16,887,246**	**$ 17,134,463**
Fire District Sales Tax	273,000	286,714	236,790	423,617	450,000
Franchise Tax	2,698,000	3,049,099	2,805,308	3,135,627	3,500,000
Beer and Wine Tax	210,000	246,618	210,000	240,000	281,275
Interlocal Agreement MSD	-	69,026	-	-	200,000
ABC Funds	102,296	140,625	138,000	144,900	145,000
Cabarrus Contributions	1,328,433	1,349,495	1,326,113	1,325,926	1,325,000
Powell Bill Funds	1,572,822	1,583,146	1,583,146	1,794,902	1,991,000
State Asset Forfeiture	-	68,305	-	-	-
Federal Grants	-	-	-	-	-
State Grants	-	65,384	-	-	-
Private Grants	-	-	-	-	-
Police - ICAC/JAG Grant	74,990	83,510	-	-	-
Fire - Rowan County Contributions	4,000	9,015	4,000	4,000	4,000
Federal Asset Forfeiture	-	48,908	-	-	-
CDBG Administration Revenues	70,000	229,344	70,000	70,000	70,000
Total Intergovernmental	**$ 6,333,541**	**$ 7,229,188**	**$ 6,373,357**	**$ 7,138,972**	**$ 7,966,275**
Vehicle License	397,390	433,605	420,000	900,000	900,000
Vehicle Rental Tax	25,000	41,590	25,000	35,000	50,000
Building Rental	90,000	219,729	200,000	250,000	290,000
Tower Rental	84,000	97,176	95,000	115,000	130,000
Commercial Rent / Lease - College Station	401,630	832,590	475,000	475,000	400,000
Parking Deck Lease	-	138,860	-	140,000	100,000
Donations	-	199,620	-	-	-
Insurance Proceeds	-	337,769	-	-	-
Common Area Main	-	85,846	-	-	-
Parking Fees	-	35,037	-	35,037	40,000
Special Event Fees	-	3,167	-	-	-
Sale of Capital Assets	-	393,231	-	-	-
Sale of Surplus Property	-	22,996	-	-	-
Enterprise Management Fee	2,349,702	2,349,702	2,287,295	2,257,710	2,782,598
Miscellaneous Revenue	310,000	(24,353)	310,000	500,000	25,000
Investment Income	210,000	1,958,102	1,000,000	1,400,000	1,400,000
Interest Income - Leases	-	45,271	-	-	-
Lease and Subscription Liabilities Issued	-	-	-	-	-
Settlement Fees	-	-	-	-	-
Police - Charges and Fees	169,000	234,864	323,000	235,000	200,000
Officer Court Reimbursement	20,000	11,658	20,000	20,000	14,000
Police - Donations	-	91,938	-	-	75,000
False Alarm Fees	8,000	14,259	8,000	15,000	15,000
Fire - Technical Services Charges and Fees	25,000	34,939	35,000	35,000	20,000
Street Lighting Fees and Charges	-	-	-	-	-
Engineering - Charges and Fees	-	-	-	30,000	-
Planning - Charges and Fees	120,000	158,886	200,000	200,000	100,000
City Code Violation s	65,000	41,583	65,000	71,625	55,000
P card Rebates	-	60,317	-	70,000	80,000
Parks - Charges and Fees	1,185,545	747,660	1,100,000	2,050,600	1,920,000
Recreation Programs - Charges and Fees	125,000	226,674	125,000	200,000	200,000
Recreation Programs - Donations	50,000	26,391	50,000	50,000	40,000
CVB Contribution	100,000	100,000	100,000	100,000	100,000
Team Lease	450,000	-	450,000	450,000	500,000
Total Other	**$ 6,185,267**	**$ 8,919,108**	**$ 7,288,295**	**$ 9,634,972**	**$ 9,436,598**
Transfers In from Other Funds	-	-	-	-	-
Appropriated Fund Balance	753,458	-	1,242,385	-	-
Total Transfers In / Appropriated Fund Balance	**$ 753,458**	**$ -**	**$ 1,242,385**	**$ -**	**$ -**
Total General Fund	**$ 62,487,159**	**$ 68,229,610**	**$ 70,371,279**	**$ 83,260,832**	**$ 85,983,381**

Detailed Revenue Summary - All Funds *(continued)*

	FY 23 Adopted	FY 23 Actual	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
Revenues					
Charges and Fees	20,000,000	20,331,182	21,001,437	25,485,813	24,320,553
Wholesale Water Sales	360,000	428,916	400,000	425,000	436,000
Tap Fees	1,175,000	879,395	800,000	1,168,000	953,463
Connection Fees	1,250,000	1,688,483	1,500,000	1,885,000	1,850,000
Reconnection Fees	140,000	130,350	140,000	140,000	140,000
Penalties	400,000	513,107	400,000	525,000	525,000
Miscellaneous Revenues	15,000	42,641	15,000	15,000	-
Investment Income	30,000	157,927	30,000	100,000	200,000
Rowan County Contribution	-	500,000			
Developer Contribution	-	500,000	-	-	-
Transfers In / Out	-	-	-	-	-
Total Water and Sewer Fund	**$ 23,370,000**	**$ 25,171,999**	**$ 24,286,437**	**$ 29,743,813**	**$ 28,425,016**
Charges and Fees	3,291,706	3,219,956	3,500,000	3,400,000	3,567,348
Investment Income	-	22,150	30,000	80,000	70,000
State Grants	-	-	-		
Miscellaneous Revenues	-	-	-	270,000	-
Transfer In	-	-	-	-	-
Total Stormwater Fund	**$ 3,291,706**	**$ 3,242,106**	**$ 3,530,000**	**$ 3,750,000**	**$ 3,637,348**
Solid Waste Disposal Tax	36,000	43,866	36,000	44,000	44,000
Charges and Fees	4,132,244	3,985,382	4,200,000	4,200,000	5,604,193
Commercial Revenue	-	138,373	120,000	160,000	155,000
Miscellaneous Revenue	158,594	5,805	160,000	60,000	-
Investment Income	-	13,228	20,000	45,000	46,000
Transfer In / General Fund	85,542	85,542	1,147,817	2,191,690	1,832,669
Transfer In / Water and Sewer Fund	495,700	495,700	-	-	-
Transfer In / Stormwater Fund	-	-	-	-	-
Proceeds from Debt Financing	-	-	-	-	-
Total Environmental Fund	**$ 4,908,080**	**$ 4,767,896**	**$ 5,683,817**	**$ 6,700,690**	**$ 7,681,862**
Transfer from General Fund	506,407	303,235	496,912	600,000	721,500
Total Separation Pay Fund	**$ 506,407**	**$ 303,235**	**$ 496,912**	**$ 600,000**	**$ 721,500**
Vehicle License Tax	900,000	864,822	900,000	433,600	434,000
Investment Income	-	11,151	-	-	-
Transfer from General Fund	303,235	303,235	323,031	1,188,223	968,698
Appropriated Fund Balance	540,336	-	-	-	-
Total Transit Fund	**$ 1,743,571**	**$ 1,179,208**	**$ 1,223,031**	**$ 1,621,823**	**$ 1,402,698**
Health Insurance Premiums	-	-	5,391,600	5,940,204	6,578,904
Workers Compensation Premiums	-	-	470,880	620,880	840,000
Retiree Premiums (Health Insurance)	-	-	184,000	200,000	200,000
Investment Income	-	-	-	-	
Miscellaneous Revenue	-	-	-	-	
Transfer in / General Fund	-	-	-	-	
Appropriated Fund Balance	-	-	-	-	-
Total Health Insurance and Risk Fund	**$ -**	**$ -**	**$ 6,046,480**	**$ 6,761,084**	**$ 7,618,904**

Expenditure Summary

All Funds

Fiscal Years 2024 - FY 2026

	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Difference FY 25 to FY 26
General Government Services	11,518,036	14,143,755	14,315,886	172,131
Planning	1,263,207	1,339,115	1,534,126	195,011
Public Safety	24,950,736	25,958,779	32,111,129	6,152,350
Parks and Recreation	7,027,545	9,217,946	9,773,803	555,857
Public Works	5,719,735	6,079,494	6,565,534	486,040
Other	5,907,929	12,345,887	7,756,754	(4,589,133)
General Debt Service	13,984,091	14,175,856	13,926,149	(249,707)
Total General General Fund	**$ 70,371,279**	**$ 83,260,832**	**$ 85,983,381**	**$ 2,722,549**
Total Water and Sewer Fund	**$ 24,286,437**	**$ 29,743,813**	**$ 28,425,016**	**$ (1,318,797)**
Total Stormwater Fund	**$ 3,530,000**	**$ 3,750,000**	**$ 3,637,348**	**$ (112,652)**
Total Environmental Fund	**$ 5,683,817**	**$ 6,700,690**	**$ 7,681,862**	**$ 981,172**
Total Separation Fund	**$ 496,912**	**$ 600,000**	**$ 721,500**	**$ 121,500**
Total Transit Fund	**$ 1,223,031**	**$ 1,621,823**	**$ 1,402,698**	**$ (219,125)**
Total Insurance and Risk Fund	**$ 6,046,480**	**$ 6,761,084**	**$ 7,618,904**	**$ 857,820**
Grand Total All Funds	**$ 111,637,956**	**$ 132,438,242**	**$ 135,470,709**	**$ 3,032,467**

Expenditures Uses - All Funds

	FY 26 General Fund	FY 26 Water and Sewer	FY 26 Stormwater	FY 26 Environmental	FY 26 Separation Pay	FY 26 Transit Fund	FY 26 Insurance and Risk	FY 26 Total All Funds
Uses of Funds								
General Government	14,315,886	-	-	-	-	-	-	14,315,886
Planning	1,534,126	-	-	-	-	-	-	1,534,126
Public Safety	32,111,129	-	-	-	-	-	-	32,111,129
Parks and Recreation	9,773,803	-	-	-	-	-	-	9,773,803
Public Works	6,565,534	-	-	-	-	-	-	6,565,534
Other	7,756,754	-	2,514,014	7,681,862	721,500	1,402,698	-	20,076,828
Debt Service	13,926,149	6,073,319	532,966	-	-	-	-	
Risk and Insurance	-	-	-	-	-	-	7,618,904	7,618,904
Distribution	-	6,362,613	-	-	-	-	-	6,362,613
Water Treatment Plant	-	5,460,678	-	-	-	-	-	5,460,678
Sewage Treatment (WSACC)	-	6,520,775	-	-	-	-	-	6,520,775
Billing and Collections	-	1,815,401	-	-	-	-	-	1,815,401
Transfers Other Funds	-	2,192,230	590,368	-	-	-	-	2,782,598
Total Sources	**$ 85,983,381**	**$ 28,425,016**	**$ 3,637,348**	**$ 7,681,862**	**$ 721,500**	**$ 1,402,698**	**$ 7,618,904**	**$ 112,155,677**

POSITION SUMMARY

City of Kannapolis

Full Time Employees - All Funds

Fiscal Year 2026

POSITION SUMMARY

FULL-TIME EMPLOYEES BY DEPARTMENT

DEPARTMENT	ADOPTED FY 2024	ADOPTED FY 2025	BUDGET 2026	CHANGES/ ADDITIONS	COMMENTS
GENERAL FUND					
General Government					
City Council	7	7	7	0	
City Manager	10	10	10	0	
Human Resources	6	6	6	0	
Legal Services	3	3	3	0	
General Services	11	12	12	0	
Planning	11	11	11	0	
Finance	8	8	8	0	
Information Technology	5	6	6	0	
Total General Government	**61**	**63**	**63**		
Public Safety					
Police Administration	7	8	8	0	
Police Support Services	13	40	38	-2	Detective position 2030048 moved to Field Services as a police officer trainee position. Detective position 2030047 moved to Field Services as a police officer trainee position.
Police Field Operations	65	65	68	3	2 positions moved from Field Services and 1 position from Special Operations
Police Special Operations	12	12	11	-1	SRO position 2070015 reclassified to police officer trainee in Field Services.
Total Police	***97***	***125***	***125***		
Fire Administration	6	6	6	0	
Fire Emergency Services	88	88	88	0	
Fire Technical Services	5	6	6	0	
Total Fire	***99***	***100***	***100***		
Total Public Safety	**196**	**225**	**225**		
TOTAL PARKS AND RECREATION	**28**	**28**	**28**	0	
Public Works					
Engineering	9	9	9	0	
Signs	3	3	3	0	
Street Maintenance	13	14	14	0	
Total Public Works	25	26	26		
TOTAL GENERAL FUND	**310**	**342**	**342**		

POSITION SUMMARY

FULL-TIME EMPLOYEES BY DEPARTMENT

DEPARTMENT	ADOPTED FY 2024	ADOPTED FY 2025	BUDGET 2026	CHANGES/ ADDITIONS	COMMENTS
WATER & SEWER FUND					
Customer Service	14	15	15	0	
Water Treatment Plant	18	19	19	0	
Water Resources	44	45	45	0	
TOTAL WATER & SEWER FUND	**76**	**79**	**79**	0	
TOTAL STORMWATER FUND	**17**	**17**	**17**	0	
TOTAL ENVIRONMENTAL FUND	**10**	**10**	**10**	0	
TOTAL ALL FUNDS	**413**	**448**	**448**		**Total less elected officials = 441**

**This chart does not include part-time, seasonal, auxiliary, and temporary positions that are not budgeted by position.

City of Kannapolis

General Fund Revenues and Expenditures

Fiscal Year 2026

The General Fund (GF) is the largest fund with the City and represents most of the financial resources of the City. General Fund revenue includes monies collected from property taxes, licenses and permits, local taxes, and other types of revenue. This fund includes most of the basic operating services, such as fire and police protection, administration, finance, information technology, economic development, communications, parks, planning, and general services.

General Fund Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Revenues						
Ad Valorem Taxes	35,588,732	39,027,140	49,599,642	51,446,045	1,846,403	3.72%
Sales Tax	13,626,161	16,440,102	16,887,246	17,134,463	247,217	1.46%
Intergovernmental	6,333,541	6,373,357	7,138,972	7,966,275	827,303	11.59%
Other	6,185,267	7,288,295	9,634,972	9,436,598	(198,374)	-2.06%
Transfers In/Appropriated Fund Balance	753,458	1,242,385	-	-	-	-
Total General General Fund	**$ 62,487,159**	**$ 70,371,279**	**$ 83,260,832**	**$ 85,983,381**	**$ 2,722,549**	**3.27%**

General Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Expenditures						
General Government Services	9,117,500	11,518,036	14,143,755	14,315,886	172,131	1.22%
Planning	1,102,225	1,263,207	1,339,115	1,534,126	195,011	14.56%
Public Safety	20,265,066	24,950,736	25,958,779	32,111,129	6,152,350	23.70%
Parks and Recreation	5,650,799	7,027,545	9,217,946	9,773,803	555,857	6.03%
Public Works	4,853,405	5,719,735	6,079,494	6,565,534	486,040	7.99%
Other	6,537,498	5,907,929	12,345,887	7,756,754	(4,589,133)	-37.17%
General Debt Service	14,960,666	13,984,091	14,175,856	13,926,149	(249,707)	-1.76%
Total General Fund	**$ 62,487,159**	**$ 70,371,279**	**$ 83,260,832**	**$ 85,983,381**	**$ 2,722,549**	**3.27%**

SUMMARY GENERAL FUND EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Personnel	26,894,334	32,040,473	35,349,500	44,681,028	9,331,528	26.40%
Operating	19,525,475	20,204,955	25,955,451	22,753,337	(3,202,114)	-12.34%
Capital	211,500	2,174,000	230,000	200,000	(30,000)	-13.04%
Debt Service	14,960,666	13,984,091	14,175,856	13,926,149	(249,707)	-1.76%
Transfers	895,184	1,967,760	7,550,025	4,422,867	(3,127,158)	-41.42%
Total for All Categories of Expenses	**$ 62,487,159**	**$ 70,371,279**	**$ 83,260,832**	**$ 85,983,381**	**$ 2,722,549**	**3.27%**

General Fund Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed	Percentage Change
Revenues					
Ad Valorem Taxes - Current	35,188,732	38,627,140	49,199,642	51,096,045	3.85%
Ad Valorem Taxes - Prior	400,000	400,000	400,000	350,000	-12.50%
Total General Government	**$ 35,588,732**	**$ 39,027,140**	**$ 49,599,642**	**$ 51,446,045**	**3.72%**
1% Sales Tax (State)	5,458,782	6,480,219	6,609,245	6,734,463	1.89%
1/2% Sales Tax (Local)	8,167,379	9,959,883	10,278,001	10,400,000	1.19%
Total Sales Tax	**$ 13,626,161**	**$ 16,440,102**	**$ 16,887,246**	**$ 17,134,463**	**1.46%**
Fire District Sales Tax	273,000	236,790	423,617	450,000	6.23%
Franchise Tax	2,698,000	2,805,308	3,135,627	3,500,000	11.62%
Beer and Wine Tax	210,000	210,000	240,000	281,275	17.20%
Interlocal Agreement MSD	-	-	-	200,000	-
ABC Funds	102,296	138,000	144,900	145,000	0.07%
Cabarrus Contributions	1,328,433	1,326,113	1,325,926	1,325,000	-0.07%
Powell Bill Funds	1,572,822	1,583,146	1,794,902	1,991,000	10.93%
State Asset Forfeiture	-	-	-	-	-
State Grants	-	-	-	-	-
Police - ICAC/JAG Grant	74,990	-	-	-	-
Fire - Rowan County Contributions	4,000	4,000	4,000	4,000	0.00%
Federal Asset Forfeiture	-	-	-	-	-
CDBG Administration Revenues	70,000	70,000	70,000	70,000	0.00%
Total Intergovernmental	**$ 6,333,541**	**$ 6,373,357**	**$ 7,138,972**	**$ 7,966,275**	**11.59%**
Vehicle License	397,390	420,000	900,000	900,000	0.00%
Vehicle Rental Tax	25,000	25,000	35,000	50,000	42.86%
Building Rental	90,000	200,000	250,000	290,000	16.00%
Tower Rental	84,000	95,000	115,000	130,000	13.04%
Commercial Rent / Lease - College Station	401,630	475,000	475,000	400,000	-15.79%
Parking Deck Lease	-	-	140,000	100,000	-28.57%
Parking Fees	-	-	35,037	40,000	14.17%
Enterprise Management Fee	2,349,702	2,287,295	2,257,710	2,782,598	23.25%
Miscellaneous Revenue	310,000	310,000	500,000	25,000	-95.00%
Investment Income	210,000	1,000,000	1,400,000	1,400,000	0.00%
Interest Income - Leases	-	-	-	-	-
Police - Charges and Fees	169,000	323,000	235,000	200,000	-14.89%
Officer Court Reimbursement	20,000	20,000	20,000	14,000	-30.00%
Police - Donations	-	-	-	75,000	-
False Alarm Fees	8,000	8,000	15,000	15,000	0.00%
Fire - Technical Services Charges and Fees	25,000	35,000	35,000	20,000	-42.86%
Street Lighting Fees and Charges	-	-	-	-	-
Engineering - Charges and Fees	-	-	30,000	-	-100.00%
Planning - Charges and Fees	120,000	200,000	200,000	100,000	-50.00%
City Code Violation s	65,000	65,000	71,625	55,000	-23.21%
P card Rebates	-	-	70,000	80,000	14.29%
Parks - Charges and Fees	1,185,545	1,100,000	2,050,600	1,920,000	-6.37%
Recreation Programs - Charges and Fees	125,000	125,000	200,000	200,000	0.00%
Recreation Programs - Donations	50,000	50,000	50,000	40,000	-20.00%
CVB Contribution	100,000	100,000	100,000	100,000	0.00%
Team Lease	450,000	450,000	450,000	500,000	11.11%
Total Other	**$ 6,185,267**	**$ 7,288,295**	**$ 9,634,972**	**$ 9,436,598**	**-2.06%**
Transfers In from Other Funds	-	-	-	-	-
Appropriated Fund Balance	753,458	1,242,385	-	-	-
Total Transfers In / Appropriated Fund Balance	**$ 753,458**	**$ 1,242,385**	**$ -**	**$ -**	**-**
Total General Fund	**$ 62,487,159**	**$ 70,371,279**	**$ 83,260,832**	**$ 85,983,381**	**3.27%**

General Fund Detailed Summary of Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
Expenditures				
City Council	327,592	336,560	297,875	371,583
City Manager - Administation	1,683,345	2,041,514	2,143,659	2,375,163
Economic Development	377,887	375,887	597,873	627,550
Communications	322,740	388,908	447,900	314,500
Human Resources	717,750	830,135	1,522,405	1,376,925
City Attorney	628,377	585,760	628,525	887,546
Finance	1,035,053	1,326,491	1,508,304	1,653,937
Information Technology	2,119,622	3,131,988	4,212,817	3,826,219
General Services	1,905,134	2,500,793	2,784,397	2,882,463
Total General Government	**$ 9,117,500**	**$ 11,518,036**	**$ 14,143,755**	**$ 14,315,886**
Police - Administration	1,200,317	1,080,807	1,236,326	1,525,020
Police - Support Services	3,102,224	3,709,993	4,149,423	4,997,055
Police - Field Operations	5,806,123	7,611,955	7,107,740	9,056,563
Police - Special Operations	704,948	1,166,360	1,204,553	1,466,284
Total Police	**$ 10,813,612**	**$ 13,569,115**	**$ 13,698,042**	**$ 17,044,922**
Fire - Administration	1,246,627	1,482,736	1,653,136	1,571,468
Fire - Emergency Services	7,648,966	9,270,350	9,813,769	12,575,334
Fire - Technical Services	555,861	628,535	793,832	919,405
Total Fire	**$ 9,451,454**	**$ 11,381,621**	**$ 12,260,737**	**$ 15,066,207**
Public Works - Engineering	1,036,308	1,213,486	1,528,987	1,527,334
Public Works - Street Lighting	740,300	613,900	713,900	870,000
Public Works - Operations Center	138,700	147,100	174,460	143,000
Public Works - Signs and Markings	463,006	529,538	549,520	534,978
Public Works - Powell Bill	1,513,120	1,583,146	1,794,902	1,991,000
Public Works - Street Maintenance	961,971	1,632,565	1,317,725	1,499,222
Total Public Works	**$ 4,853,405**	**$ 5,719,735**	**$ 6,079,494**	**$ 6,565,534**
Planning	1,102,225	1,263,207	1,339,115	1,534,126
Total Planning	**$ 1,102,225**	**$ 1,263,207**	**$ 1,339,115**	**$ 1,534,126**
Parks and Recreation - Parks	4,470,299	5,679,545	7,501,346	8,024,803
Parks and Recreation - Recreation Programs	930,500	998,000	1,366,600	1,037,000
Stadium	250,000	350,000	350,000	712,000
Total Parks and Recreation	**$ 5,650,799**	**$ 7,027,545**	**$ 9,217,946**	**$ 9,773,803**
Non-Departmental	5,642,314	3,940,169	4,795,862	3,333,887
Transfers	895,184	1,967,760	7,550,025	4,422,867
Total Other	**$ 6,537,498**	**$ 5,907,929**	**$ 12,345,887**	**$ 7,756,754**
Debt Service	14,960,666	13,984,091	14,175,856	13,926,149
Total Debt Service	**$ 14,960,666**	**$ 13,984,091**	**$ 14,175,856**	**$ 13,926,149**
Total General Fund Expenditures	**$ 62,487,159**	**$ 70,371,279**	**$ 83,260,832**	**$ 85,983,381**

General Government

Non-Departmental - 10000

Fiscal Year 2026

The General Fund (GF) is the largest fund with the City and represents most of the financial resources of the City. General Fund revenue includes monies collected from property taxes, licenses and permits, local taxes, and other types of revenue. This fund includes most of the basic operating services, such as fire and police protection, administration, finance, information technology, economic development, communications, parks, planning, and general services.

Non - Departmental 10000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
42100	Workers Comp Insurance	509,640	686,000	176,360	34.60%
42300	Medical Insurance	64,492	-	(64,492)	-100.00%
42700	Unemployment Insurance	15,000	35,000	20,000	133.33%
45220-COLL	Electricity-College Station	7,500	7,500	-	0.00%
45230	Water and Sewer	-	10,000	10,000	-
45230-COLL	Water and Sewer-College Station	2,000	-	(2,000)	-100.00%
45240-COLL	Gas Utilities-College Station	2,000	-	(2,000)	-100.00%
48000-COLL	Contracted Services-College Station	27,000	20,000	(7,000)	-25.93%
48430	Banking Fees	14,000	35,000	21,000	150.00%
51300	Special Expenses	2,345,534	575,280	(1,770,254)	-75.47%
51300-GEM	Special Expenses- GEM	-	-	-	-
51320	Contingency Appropriation	420,000	420,000	-	0.00%
51325	Strategic Planning Intiatives	112,546	-	(112,546)	-100.00%
51610	Insurance - Public Officials	100,032	177,100	77,068	77.04%
51620	Insurance - General Liability	660,342	759,000	98,658	14.94%
51630	Insurance - Buildings	199,800	243,800	44,000	22.02%
51640	Insurance - Self Insured	313,096	364,207	51,111	16.32%
51650	Encroachment Bond	2,880	1,000	(1,880)	-65.28%
Sub-Total for Operating Expenditures		**$ 4,795,862**	**$ 3,333,887**	**$ (1,461,975)**	**-30.48%**

TOTAL NON-DEPARTMENTAL					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Operating Expenditures	4,795,862	3,333,887	(1,461,975)	-30.48%
Total for All Categories of Expenses		**$ 4,795,862**	**$ 3,333,887**	**$ (1,461,975)**	**-30.48%**

General Government

City Council - 11000

Fiscal Year 2026

The Governing Body consists of a Mayor and six Council members who comprise the City Council. The Council is elected to a four-year staggered term by its citizens and holds ultimate authority to act for the City. The Council decides what services the City provides and at what level, establishes fiscal policy by adopting the annual budget ordinance, levies the City's taxes, and adopts local laws and regulations. The City of Kannapolis will work in partnership with our community to enhance the quality of life through positive leadership the delivery of effective, quality service and the achievement of our shared vision.

City Council 11000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	130,250	136,763	6,513	5.00%
42000	FICA	9,496	6,204	(3,292)	-34.67%
42210	401K	30,110	31,616	1,506	5.00%
Sub-Total for Personnel Expenditures		**$ 169,856**	**$ 174,583**	**$ 4,727**	**2.78%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43200	Advertising	5,000	5,000	-	0.00%
45250	Telephone	3,500	2,000	(1,500)	-42.86%
46100	Office Supplies	1,600	1,000	(600)	-37.50%
46300	Dues and Subscriptions	80,419	100,000	19,581	24.35%
51100	Travel and Training	20,000	20,000	-	0.00%
51200	Elections	-	51,000	51,000	100.00%
51300	Special Expenses	17,500	18,000	500	2.86%
Sub-Total for Operating Expenditures		**$ 128,019**	**$ 197,000**	**$ 68,981**	**53.88%**

TOTAL CITY COUNCIL					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	169,856	174,583	4,727	2.78%
	Operating Expenditures	128,019	197,000	68,981	53.88%
Total for All Categories of Expenses		**$ 297,875**	**$ 371,583**	**$ 73,708**	**24.74%**

General Government

City Manager - 11100

Fiscal Year 2026

The City Manager acts as the Chief Executive Officer of the City and is responsible to the City Council for administering all municipal affairs including appointment and termination of City personnel; directing the supervision of City operations; advising City Council; ensuring that laws, resolutions, and regulations are faithfully executed; preparing and submitting the annual budget and capital improvement program; and other duties as directed by City Council.

City Manager 11100

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	1,387,200	1,603,167	215,967	15.57%
41100	Salaries - Part Time	2,550	2,678	128	5.02%
41200	Salaries - Overtime	-	-	-	-
41300	Longevity Pay	27,200	24,300	(2,900)	-10.66%
41600	Vehicle Allowance	42,000	44,100	2,100	5.00%
42000	FICA	107,968	110,392	2,424	2.25%
42210	401k	37,825	82,227	44,402	117.39%
42200	State Retirement	201,666	233,434	31,768	15.75%
42230	Deferred Compensation	14,028	16,727	2,699	19.24%
42300	Medical Insurance	144,000	135,000	(9,000)	-6.25%
42400	Life Insurance	3,784	5,676	1,892	50.00%
42500	Dental Insurance	4,524	9,048	4,524	100.00%
42600	Disability Insurance	914	914	-	0.00%
Sub-Total for Personnel Expenditures		**$ 1,973,659**	**$ 2,267,663**	**$ 294,004**	**14.90%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
45250	Telephone	10,500	16,000	5,500	52.38%
45610	Motor Fuel	-	500	500	-
46100	Office Supplies	10,000	7,000	(3,000)	-30.00%
46200	Small Equipment and Tools	5,000	4,000	(1,000)	-20.00%
46300	Dues and Subscriptions	12,500	20,000	7,500	60.00%
48300	Consultants	90,000	-	(90,000)	-100.00%
51100	Travel and Training	36,000	35,000	(1,000)	-2.78%
51300	Special Expenses	3,000	20,000	17,000	100.00%
51800	Meetings	3,000	5,000	2,000	66.67%
Sub-Total for Operating Expenditures		**$ 170,000**	**$ 107,500**	**$ (62,500)**	**-36.76%**

TOTAL CITY MANAGER					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	1,973,659	2,267,663	294,004	14.90%
	Operating Expenditures	170,000	107,500	(62,500)	-36.76%
Total for All Categories of Expenses		**$ 2,143,659**	**$ 2,375,163**	**$ 231,504**	**10.80%**

GENERAL FUND

General Government

Economic Development - 11115

Fiscal Year 2026

Economic Development recruits new businesses and assists expanding businesses to increase the commercial and industrial tax base, create new high-paying jobs, and shift the tax burden away from residential taxpayers.

Economic Development 11115

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43405	EDC Contribution	75,095	87,100	12,005	15.99%
43415	Economic Development Initiatives	15,000	15,000	-	0.00%
46350	Community Support	74,250	174,250	100,000	0.00%
48000	Contracted Services	20,000	21,000	1,000	0.00%
51310	Incentive Grant	413,528	330,200	(83,328)	0.00%
Sub-Total for Operating Expenditures		**$ 597,873**	**$ 627,550**	**$ 29,677**	**4.96%**

TOTAL ECONOMIC DEVELOPMENT					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Operating Expenditures	597,873	627,550	29,677	4.96%
Total for All Categories of Expenses		**$ 597,873**	**$ 627,550**	**$ 29,677**	**4.96%**

General Government

Communications - 11120

Fiscal Year 2026

The Communication Department's objective is to communicate and engage citizens, elected officials, and staff in the process of the City's governmental functions and services.

Communications 11120

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43415	Recruitment Initiatives	20,000	-	(20,000)	-100.00%
43425	Marketing/Branding	224,000	180,000	(44,000)	-19.64%
43425- GEM	Marketing/Branding- Gem	20,000	20,000	-	0.00%
43425-SWANEE	Marketing/Branding- Swanee	20,000	20,000	-	0.00%
44300	R&M: Buildings and Grounds	-	-	-	0.00%
46200	Small Equipment and Tools	-	2,500	2,500	-
46300	Dues and Subcriptions	-	7,500	7,500	-
48300	Consultants	60,000	25,000	(35,000)	-58.33%
48540	Website	8,800	9,000	200	2.27%
51100	Travel and Training	14,000	8,000	(6,000)	-42.86%
51300	Special Expenses	9,200	8,000	(1,200)	-13.04%
51421	Academy Programs	15,400	12,500	(2,900)	-18.83%
51422	Outreach Education Programs	14,500	12,000	(2,500)	-17.24%
51422-YTH	Outreach Education Programs-Yth	15,000	10,000	(5,000)	-33.33%
Sub-Total for Operating Expenditures		**$ 420,900**	**$ 314,500**	**$ (106,400)**	**-25.28%**

TOTAL COMMUNICATIONS					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Operating Expenditures	420,900	314,500	(106,400)	-25.28%
	Capital Expenditures	27,000	-	(27,000)	-100.00%
Total for All Categories of Expenses		**$ 447,900**	**$ 314,500**	**$ (133,400)**	**-29.78%**

General Government

Human Resources - 11200

Fiscal Year 2026

To provide a centralized source of support and professional assistance which enables the City to recruit, select, and maintain an appropriate level of qualified and trained staff that are committed to providing quality service.

Human Resources 11200

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	479,833	566,124	86,291	17.98%
41100	Salaries- Part Time	80,000	120,750	40,750	50.94%
41200	Salaries - Overtime	5,500	5,775	275	5.00%
41300	Longevity Pay	5,700	4,600	(1,100)	-19.30%
42000	FICA	35,534	56,169	20,635	58.07%
42200	State Retirement	58,249	98,569	40,320	69.22%
42210	401k	12,814	27,033	14,219	110.96%
42300	Medical Insurance	72,000	81,000	9,000	12.50%
42400	Life Insurance	687	1,229	542	78.89%
42500	Dental Insurance	2,088	4,176	2,088	100.00%
42800	Tuition Reimbursement	8,000	4,000	(4,000)	-50.00%
Sub-Total for Personnel Expenditures		**$ 760,405**	**$ 969,425**	**$ 209,020**	**27.49%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43100	Printing	500	1,000	500	100.00%
43200	Advertising	10,000	15,000	5,000	50.00%
43710	Medical Expenses	245,000	14,500	(230,500)	-94.08%
43710-STD	Medical Expenses	-	83,500	83,500	-
43710-VIS	Medical Expenses	-	32,000	32,000	-
44200	Repair & Maintenance: Vehicles	3,000	2,500	(500)	-16.67%
45250	Telephone	3,000	4,000	1,000	33.33%
45610	Motor Fuel	1,500	2,000	500	33.33%
46100	Office Supplies	5,500	10,000	4,500	81.82%
46200	Small Tools and Equipment	2,500	1,000	(1,500)	-60.00%
46300	Dues and Subscriptions	4,000	4,500	500	12.50%
48000	Contracted Services	350,000	110,000	(240,000)	-68.57%
51100	Travel and Training	25,500	30,000	4,500	17.65%
51800	Meetings	-	2,500	2,500	-
51110	Departmental Training	1,500	-	(1,500)	-100.00%
51421	Academy Programs	50,000	35,000	(15,000)	100.00%
51425	Employee Initiatives	60,000	60,000	-	0.00%
Sub-Total for Operating Expenditures		**$ 762,000**	**$ 407,500**	**$ (354,500)**	**-46.52%**

TOTAL HUMAN RESOURCES					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	760,405	969,425	209,020	27.49%
	Operating Expenditures	762,000	407,500	(354,500)	-46.52%
Total for All Categories of Expenses		**$ 1,522,405**	**$ 1,376,925**	**$ (145,480)**	**-9.56%**

GENERAL FUND

General Government

Legal Services - 11300

Fiscal Year 2026

The City Attorney is a statutory personnel appointment made by the City Council who serves at the pleasure of the City Council. The City Attorney is responsible for the management, charge, and control of all legal issues before the City and is the legal advisor to draft all legal instruments, resolutions, orders, and ordinances, as well as commencing and prosecuting all actions and suits before any tribunal in the State on behalf of the City. The City Attorney also serves as legal counsel for all boards and commissions of the City.

Legal Services 11300

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	303,901	557,168	253,267	83.34%
41300	Longevity Policy	5,100	5,100	-	0.00%
41600	Vehicle Allowance	7,200	15,120	7,920	110.00%
42000	FICA	18,500	35,285	16,785	90.73%
42210	401k	9,271	21,813	12,542	135.28%
42200	State Retirement	42,149	50,106	7,957	18.88%
42300	Medical Insurance	36,000	40,500	4,500	12.50%
42400	Life Insurance	2,108	3,162	1,054	50.00%
42500	Dental Insurance	696	1,392	696	100.00%
42600	Disability Insurance	2,900	3,900	1,000	34.48%
Sub-Total for Personnel Expenditures		**$ 427,825**	**$ 733,546**	**$ 305,721**	**71.46%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43300	Postage	500	1,000	500	100.00%
45250	Telephone	1,900	1,000	(900)	-47.37%
46100	Office Supplies	4,500	2,000	(2,500)	-55.56%
46200	Small Tools and Equipment	2,500	1,000	(1,500)	-60.00%
46300	Dues and Subscriptions	5,000	4,000	(1,000)	-20.00%
48000	Contracted Services	171,000	135,000	(36,000)	-21.05%
51100	Travel and Training	15,000	10,000	(5,000)	-33.33%
51800	Meetings	300	-	(300)	-100.00%
Sub-Total for Operating Expenditures		**$ 200,700**	**$ 154,000**	**$ (46,700)**	**-23.27%**

TOTAL CITY ATTORNEY					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	427,825	733,546	305,721	71.46%
	Operating Expenditures	200,700	154,000	(46,700)	-23.27%
Total for All Categories of Expenses		**$ 628,525**	**$ 887,546**	**$ 259,021**	**41.21%**

General Government

Finance - 11400

Fiscal Year 2026

The Finance Department is charged with the responsibility of administering the City's financial affairs in compliance with all State and Federal laws and reporting requirements and is dedicated to doing so with credibility and in a manner worthy of distinction and excellence.

Finance 11400

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	686,704	762,365	75,661	11.02%
41100	Salaries - Part Time	60,000	44,100	(15,900)	-26.50%
41200	Salaries - Overtime	6,500	6,825	325	5.00%
41300	Longevity Pay	4,300	4,300	-	0.00%
42000	FICA	56,816	58,043	1,227	2.16%
42210	401k	12,474	34,427	21,953	175.99%
42200	State Retirement	97,694	110,051	12,357	12.65%
42300	Medical Insurance	96,000	108,000	12,000	12.50%
42400	Life Insurance	1,032	1,758	726	70.35%
42500	Dental Insurance	2,784	5,568	2,784	100.00%
Sub-Total for Personnel Expenditures		**$ 1,024,304**	**$ 1,135,437**	**$ 111,133**	**10.85%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
46100	Office Supplies	6,000	4,000	(2,000)	-33.33%
46200	Small Tools and Equipment	2,500	-	(2,500)	-100.00%
46300	Dues and Subscriptions	3,000	2,000	(1,000)	-33.33%
48000	Contracted Services	85,000	113,500	28,500	33.53%
48410	Tax Collection	300,000	318,000	18,000	6.00%
48420	Audit	56,000	66,000	10,000	17.86%
51100	Travel and Training	30,000	10,000	(20,000)	-66.67%
51800	Meetings	1,500	5,000	3,500	233.33%
Sub-Total for Operating Expenditures		**$ 484,000**	**$ 518,500**	**$ 34,500**	**7.13%**

TOTAL FINANCE					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	1,024,304	1,135,437	111,133	10.85%
	Operating Expenditures	484,000	518,500	34,500	7.13%
Total for All Categories of Expenses		**$ 1,508,304**	**$ 1,653,937**	**$ 145,633**	**9.66%**

General Government

Information Technology - 11500

Fiscal Year 2026

The Information Technology Department mission is to create a more efficient accessible form of City government and to provide City departments with a means of obtaining needed information through computer-generated applications.

Information Technology 11500

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	553,780	643,647	89,867	16.23%
41200	Salaries - Overtime	-	-	-	-
41300	Longevity Pay	9,200	9,200	-	0.00%
41600	Vehicle Allowance	6,000	6,300	300	5.00%
42000	FICA	43,115	49,189	6,074	14.09%
42210	401k	12,440	29,108	16,668	133.99%
42200	State Retirement	74,290	92,365	18,075	24.33%
42300	Medical Insurance	72,000	81,000	9,000	12.50%
42400	Life Insurance	868	1,434	566	65.21%
42500	Dental Insurance	2,088	4,176	2,088	100.00%
Sub-Total for Personnel Expenditures		**$ 773,781**	**$ 916,419**	**$ 142,638**	**18.43%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
45250	Telephone	5,000	26,800	21,800	436.00%
46100	Office Supplies	500	1,000	500	100.00%
46200	Small Equipment and Tools	632,200	200,000	(432,200)	-68.36%
46300	Dues and Subscriptions	3,000	-	(3,000)	-100.00%
47100	Uniforms	-	2,000	2,000	-
48000	Contracted Services	17,000	20,000	3,000	17.65%
48300	Consultants	23,000	-	(23,000)	-100.00%
48530	Annual Maintenance	2,728,336	2,650,000	(78,336)	-2.87%
4853-DECK	Annual Maintenance - DECK	20,000	-	(20,000)	-100.00%
51100	Travel and Training	10,000	10,000	-	0.00%
Sub-Total for Operating Expenditures		**$ 3,439,036**	**$ 2,909,800**	**$ (529,236)**	**-15.39%**

TOTAL INFORMATION TECHNOLOGY					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	773,781	916,419	142,638	18.43%
	Operating Expenditures	3,439,036	2,909,800	(529,236)	-15.39%
Total for All Categories of Expenses		**$ 4,212,817**	**$ 3,826,219**	**$ (386,598)**	**-9.18%**

General Government

General Services - 11600

Fiscal Year 2026

The budget for General Services covers utilities, facilities maintenance expences, non-department specific contracted services, real property rental, and maintenance and repair of equipment, etc.

General Services 11600

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	575,341	689,689	114,348	19.87%
41200	Salaries - Overtime	40,000	73,500	33,500	83.75%
41300	Longevity Policy	10,400	10,400	-	0.00%
41600	Vehicle Allowance	6,000	6,300	300	5.00%
42000	FICA	52,803	53,419	616	1.17%
42200	State Retirement	87,872	100,324	12,452	14.17%
42210	401k	8,676	27,531	18,855	217.32%
42300	Medical Insurance	156,000	162,000	6,000	3.85%
42400	Life Insurance	866	1,752	886	102.31%
42500	Dental Insurance	4,524	9,048	4,524	100.00%
Sub-Total for Personnel Expenditures		**$ 942,482**	**$ 1,133,963**	**$ 191,481**	**20.32%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43300	Postage	13,000	10,000	(3,000)	-23.08%
43800	Credit Card Fees	2,500	5,000	2,500	100.00%
43810	Transaction Fees	8,500	17,000	8,500	100.00%
44100	Repair & Maintenance: Office Equip	500	1,000	500	100.00%
44200	Repair & Maintenance: Vehicles	12,000	8,000	(4,000)	-33.33%
44300	Repair & Maintenance: Buildings & Grounds	394,500	334,500	(60,000)	-15.21%
44300-FS2	Repair & Maintenance: Buildings & Grounds - FS2	-	-	-	-
44300-FS3	Repair & Maintenance: Buildings & Grounds - FS3	-	-	-	-
44300-DECK	Repair & Maintenance: Buildings & Grounds- DECK	53,500	22,000	(31,500)	-58.88%
44400	Repair & Maintenance: Equipment	20,000	10,000	(10,000)	-50.00%
44500	Repair & Maintenance: Railroad Depot	59,000	35,000	(24,000)	-40.68%
45220	Electricity	100,000	100,000	-	0.00%
45230	Water & Sewer	373,750	404,000	30,250	8.09%
45240	Gas Utilities	9,240	8,000	(1,240)	-13.42%
45250	Telephone	180,000	195,500	15,500	8.61%
45410	Equipment Rental	198,000	207,000	9,000	4.55%
45430	Real Property Rental	3,600	-	(3,600)	-100.00%
45610	Motor Fuel	6,825	6,000	(825)	-12.09%
46100	Office Supplies	24,000	25,000	1,000	4.17%
46200	Small Equipment and Tools	10,000	4,000	(6,000)	-60.00%
46300	Dues and Subscriptions	3,000	3,000	-	0.00%
46820	Cleaning Supplies	50,000	50,000	-	0.00%
47100	Uniforms	8,000	6,500	(1,500)	-18.75%
48000	Contracted Services	300,000	290,000	(10,000)	-3.33%
51100	Travel and Training	10,000	5,000	(5,000)	-50.00%
51300	Special Expenses	2,000	2,000	-	0.00%
Sub-Total for Operating Expenditures		**$ 1,841,915**	**$ 1,748,500**	**$ (93,415)**	**-5.07%**

TOTAL GENERAL SERVICES					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	942,482	1,133,963	191,481	20.32%
	Operating Expenditures	1,841,915	1,748,500	(93,415)	-5.07%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		**$ 2,784,397**	**$ 2,882,463**	**$ 98,066**	**3.52%**

PUBLIC SAFETY

Police Administration - 12010

Fiscal Year 2026

The Police Department exists to serve all people within our jurisdiction with respect, fairness, and dignity. They are committed to the prevention of crime and the protection of life and property; the preservation of peace, order, and safety; the enforcement of laws and ordinances; and the safeguarding of constitutional guarantees.

Police - Administration 12010

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	748,845	919,187	170,342	22.75%
41200	Salaries - Overtime	-	7,350	7,350	-
41300	Longevity Pay	24,500	25,600	1,100	4.49%
42000	FICA	25,167	33,271	8,104	32.20%
42200	State Retirement	111,280	185,655	74,375	66.84%
42210	401K	47,997	77,217	29,220	60.88%
42300	Medical Insurance	96,000	108,000	12,000	12.50%
42400	Life Insurance	1,118	2,072	954	85.33%
42500	Dental Insurance	2,784	5,568	2,784	100.00%
Sub-Total for Personnel Expenditures		**$ 1,057,691**	**$ 1,363,920**	**$ 306,229**	**28.95%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43100	Printing	2,420	3,000	580	23.97%
43300	Postage	5,500	6,000	500	9.09%
43415	Recruitment Initiatives	-	-	-	-
43710	Medical Expense	-	-	-	-
44100	Repair & Maintenance: Office Equipment	600	1,000	400	66.67%
44200	Repair & Maintenance: Vehicles	7,370	5,000	(2,370)	-32.16%
44400	Repair & Maintenance: Equipment	1,700	1,000	(700)	-41.18%
45250	Telephone	7,750	7,800	50	0.65%
45410	Equipment Rental	4,000	2,000	(2,000)	-50.00%
45610	Motor Fuel	9,700	5,000	(4,700)	-48.45%
46100	Office Supplies	9,000	9,000	-	0.00%
46200	Small Tools and Equipment	-	-	-	-
46300	Dues and Subscriptions	3,500	3,800	300	8.57%
46400	Public Safety Supplies	42,300	30,000	(12,300)	-29.08%
46400-ICAC	Public Safety Supplies - ICAC	-	-	-	-
47100	Uniforms	5,850	6,000	150	2.56%
48000	Contracted Services	34,780	35,000	220	0.63%
48000-NCACP	Contracted Services- Wellness Initiative	-	-	-	-
48300	Consultants	15,165	16,000	835	5.51%
51100	Travel and Training	20,500	22,000	1,500	7.32%
51100-ICAC	Travel and Training - ICAC	-	-	-	-
51800	Meetings	8,500	8,500	-	0.00%
Sub-Total for Operating Expenditures		**$ 178,635**	**$ 161,100**	**$ (17,535)**	**-9.82%**

TOTAL POLICE ADMINISTRATION					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	1,057,691	1,363,920	306,229	28.95%
	Operating Expenditures	178,635	161,100	(17,535)	-9.82%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		**$ 1,236,326**	**$ 1,525,020**	**$ 288,694**	**23.35%**

GENERAL FUND

Public Safety

Police Support Services - 12030

Fiscal Year 2026

The Police Department exists to serve all people within our jurisdiction with respect, fairness, and dignity. They are committed to the prevention of crime and the protection of life and property; the preservation of peace, order, and safety; the enforcement of laws and ordinances; and the safeguarding of constitutional guarantees.

Police - Support Services 12030

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	2,348,984	2,798,905	449,921	19.15%
41200	Salaries - Overtime	265,000	346,500	81,500	30.75%
41300	Longevity Pay	51,800	50,200	(1,600)	-3.09%
41700	Clothing Allowance	18,250	22,313	4,063	22.26%
42000	FICA	112,522	159,519	46,997	41.77%
42200	State Retirement	302,594	445,853	143,259	47.34%
42210	401K	97,792	179,526	81,734	83.58%
42300	Medical Insurance	468,960	540,000	71,040	15.15%
42400	Life Insurance	3,586	5,585	1,999	55.74%
42500	Dental Insurance	12,877	25,754	12,877	100.00%
Sub-Total for Personnel Expenditures		**$ 3,682,365**	**$ 4,574,155**	**$ 891,790**	**24.22%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43100	Printing	660	1,000	340	51.52%
44200	Repair & Maintenance: Vehicles	23,100	21,000	(2,100)	-9.09%
44400	Repair & Maintenance: Equipment	3,000	3,000	-	0.00%
45250	Telephone	21,600	24,000	2,400	11.11%
45410	Equipment Rental	4,000	-	(4,000)	-100.00%
45610	Motor Fuel	19,150	15,000	(4,150)	-21.67%
46100	Office Supplies	11,500	11,500	-	0.00%
46200	Small Equipment and Tools	10,400	10,000	(400)	-3.85%
46300	Dues and Subscriptions	1,300	1,400	100	7.69%
46400	Public Safety Supplies	42,000	21,000	(21,000)	-50.00%
47100	Uniforms	15,738	16,000	262	1.66%
48000	Contracted Services	260,610	250,000	(10,610)	-4.07%
48860	Pre-Construction Costs	-	-	-	-
51100	Travel and Training	20,000	22,000	2,000	10.00%
51300	Special Expenses	32,000	25,000	(7,000)	-21.88%
51800	Meetings	2,000	2,000	-	0.00%
Sub-Total for Operating Expenditures		**$ 467,058**	**$ 422,900**	**$ (44,158)**	**-9.45%**

TOTAL POLICE SUPPORT SERVICES					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	3,682,365	4,574,155	891,790	24.22%
	Operating Expenditures	467,058	422,900	(44,158)	-9.45%
Total for All Categories of Expenses		**$ 4,149,423**	**$ 4,997,055**	**$ 847,632**	**20.43%**

GENERAL FUND

Public Safety

Police Field Services - 12035

Fiscal Year 2026

The Police Department exists to serve all people within our jurisdiction with respect, fairness, and dignity. They are committed to the prevention of crime and the protection of life and property; the preservation of peace, order, and safety; the enforcement of laws and ordinances; and the safeguarding of constitutional guarantees.

Police - Field Operations 12035

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	3,807,480	4,592,259	784,779	20.61%
41200	Salaries - Overtime	425,000	840,000	415,000	97.65%
41300	Longevity Pay	51,100	57,300	6,200	12.13%
42000	FICA	58,363	178,553	120,190	205.94%
42200	State Retirement	564,577	934,388	369,811	65.50%
42210	401K	241,737	408,492	166,755	68.98%
42300	Medical Insurance	780,000	877,500	97,500	12.50%
42400	Life Insurance	6,832	11,441	4,609	67.46%
42500	Dental Insurance	23,315	46,630	23,315	100.00%
Sub-Total for Personnel Expenditures		**$ 5,958,404**	**$ 7,946,563**	**$ 1,988,159**	**33.37%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43100	Printing	1,650	1,000	(650)	-39.39%
44200	Repair & Maintenance: Vehicles	187,000	200,000	13,000	6.95%
44400	Repair & Maintenance: Equipment	3,850	4,000	150	3.90%
45250	Telephone	52,000	45,000	(7,000)	-13.46%
45410	Equipment Rental	8,000	-	(8,000)	-100.00%
45610	Motor Fuel	245,700	246,000	300	0.12%
46100	Office Supplies	13,000	13,000	-	0.00%
46200	Small Equipment and Tools	6,600	6,000	(600)	-9.09%
46300	Dues and Subscriptions	4,500	4,000	(500)	-11.11%
46400	Public Safety Supplies	138,033	125,000	(13,033)	-9.44%
46500	Axon Lease	333,403	355,000	21,597	6.48%
47100	Uniforms	107,700	86,000	(21,700)	-20.15%
51100	Travel and Training	46,400	23,000	(23,400)	-50.43%
51800	Meetings	1,500	2,000	500	33.33%
Sub-Total for Operating Expenditures		**$ 1,149,336**	**$ 1,110,000**	**$ (39,336)**	**-3.42%**

TOTAL POLICE FIELD OPERATIONS					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	5,958,404	7,946,563	1,988,159	33.37%
	Operating Expenditures	1,149,336	1,110,000	(39,336)	-3.42%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		**$ 7,107,740**	**$ 9,056,563**	**$ 1,948,823**	**27.42%**

GENERAL FUND

Public Safety

Police Special Operations - 12070

Fiscal Year 2026

The Police Department exists to serve all people within our jurisdiction with respect, fairness, and dignity. They are committed to the prevention of crime and the protection of life and property; the preservation of peace, order, and safety; the enforcement of laws and ordinances; and the safeguarding of constitutional guarantees.

Police - Support Services 12070

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	683,544	747,611	64,067	9.37%
41100	Salaries- Part Time	46,000	68,250	22,250	48.37%
41200	Salaries - Overtime	38,500	48,300	9,800	25.45%
41300	Longevity Pay	11,100	12,500	1,400	12.61%
42000	FICA	12,660	48,452	35,792	282.72%
42200	State Retirement	87,960	177,086	89,126	101.33%
42210	401K	40,726	64,820	24,094	59.16%
42300	Medical Insurance	144,000	162,000	18,000	12.50%
42400	Life Insurance	718	1,805	1,087	151.39%
42500	Dental Insurance	3,480	6,960	3,480	100.00%
Sub-Total for Personnel Expenditures		**$ 1,068,688**	**$ 1,337,784**	**$ 269,096**	**25.18%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43100	Printing	440	1,000	560	127.27%
43415	Recruitment Initiatives	30,000	15,000	(15,000)	-50.00%
44200	Repair & Maintenance: Vehicles	9,900	11,000	1,100	11.11%
44400	Repair & Maintenance: Equipment	1,000	1,000	-	0.00%
45250	Telephone	9,100	9,000	(100)	-1.10%
45410	Equipment Rental	1,000	1,000	-	0.00%
45610	Motor Fuel	21,800	20,000	(1,800)	-8.26%
46100	Office Supplies	2,500	2,000	(500)	-20.00%
46200	Small Equipment and Tools	300	1,000	700	233.33%
46300	Dues and Subscriptions	500	1,000	500	100.00%
46400	Public Safety Supplies	35,000	34,000	(1,000)	-2.86%
47100	Uniforms	11,325	11,500	175	1.55%
51100	Travel and Training	12,000	20,000	8,000	66.67%
51800	Meetings	1,000	1,000	-	0.00%
Sub-Total for Operating Expenditures		**$ 135,865**	**$ 128,500**	**$ (7,365)**	**-5.42%**

TOTAL POLICE SUPPORT SERVICES					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	1,068,688	1,337,784	269,096	25.18%
	Operating Expenditures	135,865	128,500	(7,365)	-5.42%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		**$ 1,204,553**	**$ 1,466,284**	**$ 261,731**	**21.73%**

Public Safety

Fire Administration - 12510

Fiscal Year 2026

The Kannapolis Fire Department is composed of a dedicated, qualified, and diverse group of professionals that exists to provide effective fire and emergency services. The department is committed to meeting the needs of our dynamic community through preparedness, proactive public education, fire prevention, risk reduction, and partnerships with others.

Fire - Administration 12510

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	513,817	594,031	80,214	15.61%
41200	Salaries - Overtime	22,000	27,300	5,300	24.09%
41300	Longevity Pay	12,700	13,500	800	6.30%
42000	FICA	39,950	46,056	6,106	15.28%
42200	State Retirement	71,560	87,159	15,599	21.80%
42210	401k	13,216	30,375	17,159	129.84%
42300	Medical Insurance	72,000	81,000	9,000	12.50%
42400	Life Insurance	855	1,371	516	60.35%
42500	Dental Insurance	2,088	4,176	2,088	100.00%
Sub-Total for Personnel Expenditures		**$ 748,186**	**$ 884,968**	**$ 136,782**	**18.28%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43100	Printing	2,750	2,000	(750)	-27.27%
43300	Postage	1,650	1,500	(150)	-9.09%
43710	Repair & Maintenance: Office Equipment	-	1,000	1,000	-
43710	Repair & Maintenance: Office Equipment	400	-	(400)	-100.00%
44200	Repair & Maintenance: Vehicles	3,000	5,000	2,000	66.67%
44400	Repair & Maintenance: Equipment	11,000	10,000	(1,000)	-9.09%
45220	Electricity	76,560	75,000	(1,560)	-2.04%
45230	Water & Sewer	30,000	35,000	5,000	16.67%
45240	Gas Utilities	18,810	19,000	190	1.01%
45250	Telephone	75,000	73,000	(2,000)	-2.67%
45410	Equipment Rental	1,000	2,000	1,000	100.00%
45610	Motor Fuel	4,830	5,000	170	3.52%
46100	Office Supplies	8,250	8,000	(250)	-3.03%
46200	Small Equipment and Tools	13,200	7,000	(6,200)	-46.97%
46300	Dues and Subscriptions	38,000	20,000	(18,000)	-47.37%
46400	Public Safety Supplies	2,800	3,000	200	7.14%
47100	Uniforms	4,200	4,000	(200)	-4.76%
48000	Contracted Services	600,000	400,000	(200,000)	-33.33%
51100	Travel and Training	8,000	6,000	(2,000)	-25.00%
51800	Meetings	5,500	10,000	4,500	81.82%
Sub-Total for Operating Expenditures		**$ 904,950**	**$ 686,500**	**$ (218,450)**	**-24.14%**

TOTAL FIRE ADMINISTRATION					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	748,186	884,968	136,782	18.28%
	Operating Expenditures	904,950	686,500	(218,450)	-24.14%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		**$ 1,653,136**	**$ 1,571,468**	**$ (81,668)**	**-4.94%**

GENERAL FUND

Public Safety

Fire Emergency Services - 12540

Fiscal Year 2026

The Kannapolis Fire Department is composed of a dedicated, qualified, and diverse group of professionals that exists to provide effective fire and emergency services. The department is committed to meeting the needs of our dynamic community through preparedness, proactive public education, fire prevention, risk reduction, and partnerships with others.

Fire - Emergency Services 12540

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	5,373,177	7,187,628	1,814,451	33.77%
41100	Salaries - Part Time	240,000	255,836	15,836	6.60%
41200	Salaries - Overtime	720,000	824,250	104,250	14.48%
41300	Longevity Pay	127,100	129,200	2,100	1.65%
42000	FICA	402,641	592,466	189,825	47.14%
42200	State Retirement	723,643	985,887	262,244	36.24%
42210	401k	127,652	292,100	164,448	128.83%
42300	Medical Insurance	1,056,000	1,188,000	132,000	12.50%
42400	Life Insurance	-	14,307	14,307	-
42500	Dental Insurance	29,580	59,160	29,580	100.00%
Sub-Total for Personnel Expenditures		**$ 8,799,793**	**$ 11,528,834**	**$ 2,729,041**	**31.01%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
44200	Repair & Maintenance: Vehicles	315,000	400,000	85,000	26.98%
44400	Repair & Maintenance: Equipment	23,000	27,500	4,500	19.57%
45250	Telephone	30,816	33,000	2,184	7.09%
45610	Motor Fuel	99,360	110,000	10,640	10.71%
46100	Office Supplies	800	1,000	200	25.00%
46200	Small Equipment and Tools	32,000	40,000	8,000	25.00%
46400	Public Safety Supplies	447,000	365,000	(82,000)	-18.34%
46820	Cleaning Supplies	12,000	16,000	4,000	33.33%
47100	Uniforms	50,000	50,000	-	0.00%
48000	Contracted Services	-	-	-	-
51300	Special Expenses	4,000	4,000	-	0.00%
Sub-Total for Operating Expenditures		**$ 1,013,976**	**$ 1,046,500**	**$ 32,524**	**3.21%**

TOTAL FIRE EMERGENCY SERVICES					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	8,799,793	11,528,834	2,729,041	31.01%
	Operating Expenditures	1,013,976	1,046,500	32,524	3.21%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		**$ 9,813,769**	**$ 12,575,334**	**$ 2,761,565**	**28.14%**

Public Safety

Fire Technical Services - 12545

Fiscal Year 2026

The Kannapolis Fire Department is composed of a dedicated, qualified, and diverse group of professionals that exists to provide effective fire and emergency services. The department is committed to meeting the needs of our dynamic community through preparedness, proactive public education, fire prevention, risk reduction, and partnerships with others.

Fire - Technical Services 12545

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	469,103	531,624	62,521	13.33%
41200	Salaries - Overtime	28,000	42,000	14,000	50.00%
41300	Longevity Pay	13,500	11,900	(1,600)	-11.85%
42000	FICA	35,853	46,390	10,537	29.39%
42200	State Retirement	63,900	88,260	24,360	38.12%
42210	401k	12,956	25,274	12,318	95.08%
42300	Medical Insurance	72,000	81,000	9,000	12.50%
42400	Life Insurance	708	1,281	573	80.93%
42500	Dental Insurance	2,088	4,176	2,088	100.00%
Sub-Total for Personnel Expenditures		**$ 698,108**	**$ 831,905**	**$ 133,797**	**19.17%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
44200	Repair & Maintenance: Vehicles	5,500	7,500	2,000	36.36%
44400	Repair & Maintenance: Equipment	-	-	-	-
45250	Telephone	10,914	8,000	(2,914)	-26.70%
45610	Motor Fuel	13,110	13,000	(110)	-0.84%
46100	Office Supplies	5,000	4,000	(1,000)	-20.00%
46300	Dues and Subscriptions	2,400	3,000	600	25.00%
46400	Public Safety Supplies	19,300	14,500	(4,800)	-24.87%
47100	Uniforms	7,000	5,000	(2,000)	-28.57%
51100	Travel and Training	29,500	29,500	-	0.00%
51800	Meetings	3,000	3,000	-	0.00%
Sub-Total for Operating Expenditures		**$ 95,724**	**$ 87,500**	**$ (8,224)**	**-8.59%**

TOTAL FIRE TECHNICAL SERVICES					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	698,108	831,905	133,797	19.17%
	Operating Expenditures	95,724	87,500	(8,224)	-8.59%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		**$ 793,832**	**$ 919,405**	**$ 125,573**	**15.82%**

GENERAL FUND

Public Works

Engineering - 13000

Fiscal Year 2026

Ensures high quality workmanship and cost effectiveness in the installation of infrastructure projects that the City will ultimately maintain. This assurance is accomplished by designing, administering, and coordinating projects; working with developers and engineers to be sure contractors maintain a high level of workmanship and construction practices, and by providing technical assistance to citizens and other City departments.

Public Works - Engineering 13000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	720,620	820,440	99,820	13.85%
41100	Salaries - Part Time	-	42,000	42,000	-
41200	Overtime Pay	-	5,250	5,250	-
41300	Longevity Pay	3,300	2,200	(1,100)	-33.33%
41600	Vehicle Allowance	6,000	6,300	300	5.00%
42000	FICA	57,636	75,220	17,584	30.51%
42200	State Retirement	96,584	141,354	44,770	46.35%
42210	401k	12,290	37,510	25,220	205.21%
42300	Medical Insurance	108,000	121,500	13,500	12.50%
42400	Life Insurance	1,225	1,796	571	46.61%
42500	Dental Insurance	3,132	6,264	3,132	100.00%
Sub-Total for Personnel Expenditures		**$ 1,008,787**	**$ 1,259,834**	**$ 251,047**	**24.89%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43200	Advertising	2,000	1,000	(1,000)	-50.00%
43300	Postage	1,000	1,000	-	0.00%
44200	Repair & Maintenance: Vehicles	5,000	6,000	1,000	20.00%
44400	Repair & Maintenance: Equipment	500	1,000	500	100.00%
45250	Telephone	13,200	13,000	(200)	-1.52%
45610	Motor Fuel	5,000	8,000	3,000	60.00%
46100	Office Supplies	7,500	7,500	-	0.00%
46300	Dues and Subscriptions	12,000	10,000	(2,000)	-16.67%
47100	Uniforms	3,000	4,000	1,000	33.33%
48800	Contract - Engineering	200,000	200,000	-	0.00%
48300	Consultants	260,000	-	(260,000)	-100.00%
51100	Travel and Training	9,000	13,000	4,000	44.44%
51800	Meetings	2,000	3,000	1,000	50.00%
Sub-Total for Operating Expenditures		**$ 520,200**	**$ 267,500**	**$ (252,700)**	**-48.58%**

TOTAL PUBLIC WORKS ENGINEERING					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	1,008,787	1,259,834	251,047	24.89%
	Operating Expenditures	520,200	267,500	(252,700)	-48.58%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		**$ 1,528,987**	**$ 1,527,334**	**$ (1,653)**	**-0.11%**

Public Works

Street Lighting - 13100

Fiscal Year 2026

In administering the City's street lighting program, staff works with citizens, developers and utility agencies to evaluate, review, design and coordinate all street lighting requests and installations to ensure adequate and aesthetically pleasing lighting in our comunity and to provide for the general safety of our citizens.

Public Works - Street Lighting 13100

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
45220	Electricity	600,000	750,000	150,000	25.00%
48000	Contracted Services	60,000	60,000	-	0.00%
48650	Contract - New Lights	53,900	60,000	6,100	0.00%
Sub-Total for Operating Expenditures		**$ 713,900**	**$ 870,000**	**$ 156,100**	**21.87%**

TOTAL PUBLIC WORKS STREET LIGHTING					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Operating Expenditures	713,900	870,000	156,100	21.87%
Total for All Categories of Expenses		**$ 713,900**	**$ 870,000**	**$ 156,100**	**21.87%**

GENERAL FUND

Public Works

Operations Center - 13200

Fiscal Year 2026

To minimize the cost of the daily functions of the Operations Center by contracting various vendors, for lower cost of any services rendered; monitor all systems associated with the Public Works Operation Center (PWOC), whether it be daily or weekly, to keep systems functional and up to standards.

Public Works - Operations Center 13200

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
44100	Repair & Maintenance: Office Equipment	500	500	-	0.00%
45220	Electricity	66,000	60,000	(6,000)	-9.09%
45230	Water & Sewer	35,000	30,000	(5,000)	-14.29%
45240	Gas Utilities	12,000	12,000	-	0.00%
45250	Telephone	45,360	30,000	(15,360)	-33.86%
45410	Equipment Rental	10,000	5,000	(5,000)	-50.00%
45610	Motor Fuel	600	500	(100)	-16.67%
46100	Office Supplies	5,000	5,000	-	0.00%
Sub-Total for Operating Expenditures		**$ 174,460**	**$ 143,000**	**$ (31,460)**	**-18.03%**

TOTAL PUBLIC WORKS OPERATIONS CENTER					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Operating Expenditures	174,460	143,000	(31,460)	-18.03%
Total for All Categories of Expenses		**$ 174,460**	**$ 143,000**	**$ (31,460)**	**-18.03%**

Public Works

Signs and Markings - 13300

Fiscal Year 2026

The Signs and Markings Division is responsible for promoting public safety by installing and maintaining regulatory signs, street name signs, pavement markings, construction signs, cones and barricades. Staff also completes minor bridge repairs and clearing of line-of sight and signage obstruction.

Public Works - Signs and Markings 13300

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	171,331	183,233	11,902	6.95%
41200	Salaries - Overtime	8,000	8,400	400	5.00%
41300	Longevity Pay	5,400	3,500	(1,900)	-35.19%
42000	FICA	13,328	14,126	798	5.99%
42200	State Retirement	24,107	26,822	2,715	11.26%
42210	401k	3,321	9,348	6,027	181.48%
42300	Medical Insurance	36,000	40,500	4,500	12.50%
42400	Life Insurance	289	461	172	59.52%
42500	Dental Insurance	1,044	2,088	1,044	100.00%
Sub-Total for Personnel Expenditures		**$ 262,820**	**$ 288,478**	**$ 25,658**	**9.76%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
44200	Repair & Maintenance: Vehicles	10,000	10,000	-	0.00%
44400	Repair & Maintenance: Equipment	1,000	1,000	-	0.00%
45250	Telephone	6,900	7,000	100	1.45%
45610	Motor Fuel	8,800	11,000	2,200	25.00%
46100	Office Supplies	3,500	5,000	1,500	42.86%
46200	Small Equipment and Tools	5,000	4,000	(1,000)	-20.00%
46810	Sign Supplies	125,000	100,000	(25,000)	-20.00%
47100	Uniforms	3,500	3,500	-	0.00%
48000	Contracted Services	105,000	90,000	(15,000)	-14.29%
51100	Travel and Training	18,000	15,000	(3,000)	-16.67%
Sub-Total for Operating Expenditures		**$ 286,700**	**$ 246,500**	**$ (40,200)**	**-14.02%**

TOTAL PUBLIC WORKS SIGNS AND MARKINGS					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	262,820	288,478	25,658	9.76%
	Operating Expenditures	286,700	246,500	(40,200)	-14.02%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		**$ 549,520**	**$ 534,978**	**$ (14,542)**	**-2.65%**

Public Works Street Maintenance/Powell Bill - 13400

Fiscal Year 2026

The Street Maintenance Division's mission is to serve and maintain safe driving, walking and biking conditions for the citizens of Kannapolis along with facitliies designated as part of the "City System" as accepted by the Kannapolis City Council. Maintain and preserve the storm drainage system along with the "City System". "Powell Bill" is in reference to annual State funding for local street maintenance.

Public Works - Street Maintenance Powell Bill 13400

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
44900	Repair & Maintenance: Streets	300,000	250,000	(50,000)	-16.67%
45220	Electricity	6,000	5,000	(1,000)	-16.67%
45410	Equipment Rental	-	-	-	-
46200	Small Equipment and Tools	-	-	-	-
48000	Contracted Services	400,000	976,000	576,000	144.00%
48300	Consultants	-	-	-	-
48850	Contract - Resurfacing	1,088,902	760,000	(328,902)	0.00%
Sub-Total for Operating Expenditures		**$ 1,794,902**	**$ 1,991,000**	**$ 196,098**	**10.93%**

TOTAL POWELL BILL					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Operating Expenditures	1,794,902	1,991,000	196,098	10.93%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		**$ 1,794,902**	**$ 1,991,000**	**$ 196,098**	**10.93%**

Public Works

Street Maintenance/Powell Bill - 13500

Fiscal Year 2026

the Street Maintenance Division's mission is to preserve and maintain safe driving, walking and biking conditions for the citizens of Kannapolis along with facitliies designated as part of the "City System" as accepted by the Kannapolis City Council. Maintain and preserve the storm drainage system along with the "City System". "Powell Bill" is in reference to annual State funding for local street maintenance.

Public Works - Street Maintenance 13500

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	720,073	820,761	100,688	13.98%
41200	Salaries - Overtime	24,000	19,950	(4,050)	-16.88%
41300	Longevity Pay	16,000	17,600	1,600	10.00%
42000	FICA	54,879	63,165	8,286	15.10%
42200	State Retirement	91,153	120,034	28,881	31.68%
42210	401k	8,411	34,859	26,448	314.45%
42300	Medical Insurance	168,000	189,000	21,000	12.50%
42400	Life Insurance	1,097	2,109	1,012	92.25%
42500	Dental Insurance	4,872	9,744	4,872	100.00%
Sub-Total for Personnel Expenditures		**$ 1,088,485**	**$ 1,277,222**	**$ 188,737**	**17.34%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
44200	Repair & Maintenance: Vehicles	55,000	55,000	-	0.00%
44400	Repair & Maintenance: Equipment	50,000	50,000	-	0.00%
44900	Repair & Maintenance: Streets	50,000	50,000	-	0.00%
45410	Equipment Rental	10,000	5,000	(5,000)	-50.00%
45610	Motor Fuel	42,240	42,000	(240)	-0.57%
46200	Small Tools and Equipment	6,000	6,000	-	0.00%
47100	Uniforms	16,000	14,000	(2,000)	-12.50%
48000	Contracted Services	-	-	-	-
48000-MLK	Contracted Services	-	-	-	-
48000-ROGER	Contracted Services	-	-	-	-
Sub-Total for Operating Expenditures		**$ 229,240**	**$ 222,000**	**$ (7,240)**	**-3.16%**

TOTAL PUBLIC WORKS STREET MAINTENANCE					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	1,088,485	1,277,222	188,737	17.34%
	Operating Expenditures	229,240	222,000	(7,240)	-3.16%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		**$ 1,317,725**	**$ 1,499,222**	**$ 181,497**	**13.77%**

Planning

Planning - 14000

Fiscal Year 2026

The Kannapolis Planning Department is committed to excellent public service and enhancing the quality of life in the community by guiding its orderly growth and development while preserving its cultural heritage and natural resources. We strive to offer the most efficient service possible in the management of our activites and programs. We always adhere to providing professionally competent advice to officials and citzens on the issues of planning and public policy, land develoment regulation and community improvement.

Planning 14000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	824,136	925,389	101,253	12.29%
41100	Salaries - Part Time	5,000	5,250	250	5.00%
41200	Salaries - Overtime	7,500	7,875	375	5.00%
41300	Longevity Policy	3,300	3,800	500	15.15%
41400	Board Member Fees	10,000	7,350	(2,650)	-26.50%
41600	Vehicle Allowance	6,000	6,300	300	5.00%
42000	FICA	60,802	80,878	20,076	33.02%
42200	State Retirement	112,868	157,536	44,668	39.58%
42210	401k	11,856	41,235	29,379	247.80%
42300	Medical Insurance	132,000	148,500	16,500	12.50%
42400	Life Insurance	1,325	2,057	732	55.25%
42500	Dental Insurance	3,828	7,656	3,828	100.00%
Sub-Total for Personnel Expenditures		**$ 1,178,615**	**$ 1,393,826**	**$ 215,211**	**18.26%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43100	Printing	1,200	1,000	(200)	-16.67%
43200	Advertising	21,000	18,500	(2,500)	-11.90%
43300	Postage	300	1,000	700	233.33%
43610	Demolition Expenditures	75,000	60,000	(15,000)	-20.00%
44200	Repair & Maintenance: Vehicles	7,200	5,000	(2,200)	-30.56%
45250	Telephone	8,000	12,000	4,000	50.00%
45610	Motor Fuel	1,800	1,800	-	0.00%
46100	Office Supplies	5,000	4,000	(1,000)	-20.00%
46200	Small Equipment and Tools	3,500	1,000	(2,500)	-71.43%
46300	Dues and Subscriptions	8,000	6,000	(2,000)	-25.00%
47100	Uniforms	2,500	3,000	500	20.00%
51100	Travel and Training	23,000	23,000	-	0.00%
51300	Special Expenses	2,000	2,000	-	0.00%
51800	Meetings	2,000	2,000	-	0.00%
Sub-Total for Operating Expenditures		**$ 160,500**	**$ 140,300**	**$ (20,200)**	**-12.59%**

TOTAL PLANNING					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	1,178,615	1,393,826	215,211	18.26%
	Operating Expenditures	160,500	140,300	(20,200)	-12.59%
	Capital Expenditures	-	-	-	-
Total for All Categories of Expenses		**$ 1,339,115**	**$ 1,534,126**	**$ 195,011**	**14.56%**

Parks and Recreation

Parks - 15010

Fiscal Year 2026

The Parks and Recreation Department provides residents of all ages and abilities positive experiences through a variety of quality activities, facilities, and services under the direction of professional and dedicated staff that are responsive to the changing needs of the community.

Parks and Recreation - Parks 15010

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	1,520,819	1,815,623	294,804	19.38%
41100-BCPK	Salaries - Part Time-Bakers Creek Park	137,000	131,250	(5,750)	-4.20%
41100-BUILD	Salaries - Part Time-Building Monitor	137,000	147,000	10,000	7.30%
41100-CONCE	Salaries- Part Time- Concessions	204,000	225,750	21,750	10.66%
41100-EVENT	Salaries - Part Time-Events	128,000	178,500	50,500	39.45%
411000-GEM	Salaries - Part Time-Gem	190,000	252,000	62,000	32.63%
41100-GROUN	Salaries - Part Time-Grounds Maintenance	196,000	210,000	14,000	7.14%
41100-SWANEE	Salaries - Part Time-Swanee	154,000	136,500	(17,500)	-11.36%
41100-VILPK	Salaries - Part Time-Village Park	255,000	318,150	63,150	24.76%
41200	Salaries - Overtime	16,000	21,000	5,000	31.25%
41300	Longevity Pay	27,400	30,800	3,400	12.41%
41600	Vehicle Allowance	1,950	2,048	98	5.03%
41600-GEM	Vehicle Allowance	-	-	-	-
42000	FICA	116,180	216,979	100,799	86.76%
42000-BCPK	FICA	10,906	21,320	10,414	95.49%
42000-BUILD	FICA	5,967	19,660	13,693	229.48%
42000-CONC	FICA	-	14,387	14,387	-
42000-EVENT	FICA	3,675	20,260	16,585	451.29%
42000-GEM	FICA	8,195	7,508	(687)	-8.38%
42000-GROUN	FICA	10,309	20,995	10,686	103.66%
42000-SWANE	FICA	-	17,101	17,101	-
42000-VILPK	FICA	25,695	77,632	51,937	202.13%
42200	State Retirement	185,490	223,596	38,106	20.54%
42200-BCPK	State Retirement	5,779	19,986	14,207	245.84%
42200-BUILD	State Retirement	-	-	-	-
42200-EVENT	State Retirement	-	3,009	3,009	-
42200-GEM	State Retirement	-	4,936	4,936	-
42200-GROUN	State Retirement	3,490	25,060	21,570	618.05%
42200-SAFPK	State Retirement	-	-	-	-
42200-SWANE	State Retirement	-	-	-	-
42200-VETPK	State Retirement	-	-	-	-
42200-VILPK	State Retirement	4,245	16,204	11,959	281.72%
42210	401k	30,331	77,635	47,304	155.96%
42210-BCPK	401k	-	901	901	-
42210-BUILD	401k	-	355	355	-
42210-EVENT	401k	-	410	410	-
42210-GEM	401k	-	764	764	-
42210-GROUN	401k	-	1,911	1,911	-
42210-SAFPK	401k	-	-	-	-
42210-SWANE	401k	-	300	300	-
42210-VILPK	401k	-	1,775	1,775	-
42300	Medical Insurance	336,000	378,000	42,000	12.50%
42400	Life Insurance	2,071	3,710	1,639	79.14%
42500	Dental Insurance	9,744	19,488	9,744	100.00%
Sub-Total for Personnel Expenditures		**$ 3,725,246**	**$ 4,662,503**	**$ 937,257**	**25.16%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43100	Printing	2,000	2,000	-	0.00%
43100-GEM	Printing-Gem	3,000	3,000	-	0.00%
43100-SWANEE	Printing-Swanee	2,000	1,500	(500)	-25.00%
43200	Advertising	2,000	2,000	-	0.00%
43200-GEM	Advertising-Gem	-	1,000	1,000	-
43300	Postage	300	500	200	66.67%
43300-GEM	Postage-Gem	250	1,000	750	300.00%
43300-SWANEE	Postage-Swanee	500	1,000	500	100.00%
43800	Credit Card Fees	52,000	56,000	4,000	7.69%

43800-GEM	Credit Card Fees-Gem	30,000	35,000	5,000	16.67%
43800-SWANEE	Credit Card Fees- Swanee	60,000	60,000	-	0.00%
44200	Repair & Maintenance: Vehicles	3,500	5,000	1,500	42.86%
44200-BCPK	Repair & Maintenance: Vehicles - Bakers Creek Park	7,500	8,000	500	6.67%
44200-GROUN	Repair & Maintenance: Vehicles - Grounds Maintenance	6,500	8,000	1,500	23.08%
44200-VILPK	Repair & Maintenance: Vehicles - Village Park	5,000	6,000	1,000	20.00%
44300	Repair & Maintenance: Buildings and Grounds	297,600	12,500	(285,100)	-95.80%
44300-BCPK	Repair & Maintenance: Buildings and Grounds-BC	30,000	33,000	3,000	10.00%
44300-DIXIE	Repair & Maintenance: Buildings and Grounds-Dixie	14,500	15,500	1,000	6.90%
44300-GEM	Repair & Maintenance: Buildings and Grounds-Gem	30,000	25,000	(5,000)	-16.67%
44300-GROUN	Repair & Maintenance: Buildings and Grounds-Grounds	95,000	90,000	(5,000)	-5.26%
44300-SWANEE	Repair & Maintenance: Buildings and Grounds-Swanee	10,000	16,000	6,000	60.00%
44300-SAFPK	Repair & Maintenance: Buildings and Grounds-SP	27,000	28,000	1,000	3.70%
44300-VILPK	Repair & Maintenance: Buildings and Grounds-VP	60,500	65,000	4,500	7.44%
44400	Repair & Maintenance: Equipment	-	-	-	-
44400-BCPK	Repair & Maintenance: Equipment-BC	5,000	6,500	1,500	30.00%
44400-GEM	Repair & Maintenance: Equipment-Gem	6,000	6,000	-	0.00%
44400-GROUN	Repair & Maintenance: Equipment-Grounds	6,500	8,000	1,500	23.08%
44400-SWANEE	Repair & Maintenance: Equipment-Swanee	5,000	5,000	-	0.00%
44400-VILPK	Repair & Maintenance: Equipment-VP	6,500	8,000	1,500	23.08%
45220	Electricity	170,000	150,000	(20,000)	-11.76%
45220-GEM	Electricity-Gem	20,000	40,000	20,000	100.00%
45220-SWANEE	Electricity-Swanee	13,000	40,000	27,000	207.69%
45230	Water & Sewer	99,000	325,000	226,000	228.28%
45230-GEM	Water & Sewer-Gem	15,000	-	(15,000)	-100.00%
45230-SWANEE	Water & Sewer-Swanee	4,000	-	(4,000)	-100.00%
45240	Gas Utilities	24,000	6,000	(18,000)	-75.00%
45240-GEM	Gas Utilities-Gem	-	-	-	-
45240-SWANEE	Gas Utilities-Swanee	10,000	8,000	(2,000)	-20.00%
45250	Telephone	43,900	59,200	15,300	34.85%
45250-GEM	Telephone-Gem	9,500	11,000	1,500	15.79%
45250-SWANEE	Telephone-Swanee	5,000	15,000	10,000	200.00%
45410	Equipment Rental	9,000	7,000	(2,000)	-22.22%
45450	Facility Expenses -Laundry	30,000	30,000	-	0.00%
45450-SWANEE	Facility Expenses-Swanee	21,000	16,000	(5,000)	-23.81%
45610	Motor Fuel	35,000	35,000	-	0.00%
46100	Office Supplies	9,800	10,000	200	2.04%
46100-GEM	Office Supplies-Gem	12,000	9,000	(3,000)	-25.00%
46100-SWANEE	Office Supplies-Swanee	5,000	3,500	(1,500)	-30.00%
46200	Small Equipment and Tools	1,900	1,900	-	0.00%
46200-BCPK	Small Equipment and Tools-BC	3,300	2,000	(1,300)	-39.39%
46200-GEM	Small Equipment and Tools-Gem	10,000	5,000	(5,000)	-50.00%
46200-GROUN	Small Equipment and Tools-Grounds	7,000	7,000	-	0.00%
46200-SWANEE	Small Equipment and Tools-Swanee	30,000	25,000	(5,000)	-16.67%
46200-VILPK	Small Equipment and Tools-VP	10,500	10,500	-	0.00%
46300	Dues and Subscriptions	4,500	5,300	800	17.78%
46300-GEM	Dues and Subscriptions-Gem	4,000	2,500	(1,500)	-37.50%
46300-SWANEE	Dues and Subscriptions-Swanee	1,000	1,000	-	0.00%
46620	Concession Supplies	105,000	140,000	35,000	33.33%
46620-GEM	Concession Supplies-GEM	95,000	120,000	25,000	26.32%
46620-SWANEE	Concession Supplies-Swanee	88,000	90,000	2,000	2.27%
46625-SWANEE	Rider Requirements- Swanee	25,000	20,000	(5,000)	-20.00%
46640	Cemetery Supplies	3,000	3,000	-	0.00%
46820	Cleaning Supplies	300	1,000	700	233.33%
46820-BCPK	Cleaning Supplies-BC	4,000	4,500	500	12.50%
46820-GEM	Cleaning Supplies-Gem	30,000	20,000	(10,000)	-33.33%
46820-GROUN	Cleaning Supplies-Grounds	7,300	7,000	(300)	-4.11%
46820-SWANEE	Cleaning Supplies-Swanee	10,000	7,500	(2,500)	-25.00%
46820-VILPK	Cleaning Supplies-VP	6,000	6,500	500	8.33%
47100	Uniforms	24,000	25,000	1,000	4.17%
47100-GEM	Uniforms-Gem	3,500	3,500	-	0.00%
47100-SWANEE	Uniforms- Swanee	3,500	3,500	-	0.00%
48000	Contracted Services	15,000	40,000	25,000	166.67%

48000-GEM	Contracted Services-Gem	200,000	200,000	-	0.00%
48000-SWANEE	Contracted Services-Swanee	15,000	19,000	4,000	26.67%
48220	Contract - Grounds Maintenance	917,700	627,600	(290,100)	-31.61%
48300-GEM	Consultants-Gem	40,000	20,000	(20,000)	-50.00%
48300-SWANEE	Consultants-Swanee	10,000	7,500	(2,500)	-25.00%
48455-SWANE	Convenience Expense	-	-	-	-
48840-SWANE	Talent and Entertainment-Swanee	690,000	550,000	(140,000)	-20.29%
48845-SWANE	Sound Technology-Swanee	69,000	69,000	-	0.00%
51100	Travel and Training	27,000	34,000	7,000	25.93%
51100-GEM	Travel and Training-Gem	1,000	1,300	300	30.00%
51100-SWANEE	Travel and Training-Swanee	2,000	2,000	-	0.00%
51800	Meetings	6,000	6,000	-	0.00%
51800-GEM	Meetings-Gem	250	1,000	750	300.00%
Sub-Total for Operating Expenditures		**$ 3,773,100**	**$ 3,362,300**	**$ (410,800)**	**-10.89%**

TOTAL PARKS AND RECREATION - PARKS

	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	3,725,246	4,662,503	937,257	25.16%
	Operating Expenditures	3,773,100	3,362,300	(410,800)	-10.89%
	Capital Improvements - GEM	-	-	-	-
	Capital Machinery and Equipment	3,000	-	(3,000)	-100.00%
Total for All Categories of Expenses		**$ 7,501,346**	**$ 8,024,803**	**$ 523,457**	**6.98%**

Parks and Recreation

Programs - 15060

Fiscal Year 2026

The Parks and Recreation Department provides residents of all ages and abilities positive experiences through a variety of quality activities, facilities, and services under the direction of professional and dedicated staff that are responsive to the changing needs of the community.

Parks and Recreation - Programs 15060

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OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
46630-ADLT	Adult Program Supplies	24,000	28,000	4,000	16.67%
46630-ADV	Advertising Program Supplies	11,000	10,000	(1,000)	-9.09%
46630-EQUIP	Equipment Program Supplies	8,000	9,000	1,000	12.50%
46630-FAM	Family Program Supplies	23,000	25,000	2,000	8.70%
466300-GEM	GEM Program Supplies	10,000	7,000	(3,000)	-30.00%
46630-JIGGY	Jiggy Program Supplies	235,000	-	(235,000)	-100.00%
46630-LOOP	Loop Program Supplies	6,000	5,000	(1,000)	-16.67%
46630-PARAD	Christmas Parade Program Supplies	47,000	40,000	(7,000)	-14.89%
46630-PRINT	Printing Program Supplies	3,500	4,000	500	14.29%
46630-SENIR	Senior Program Supplies	27,000	22,500	(4,500)	-16.67%
46630-SUBS	Dues and Subs Program Supplies	9,100	9,500	400	4.40%
46630-WEST	West Avenue Program Supplies	10,000	5,000	(5,000)	-50.00%
46630-YTH	Youth Program Supplies	12,000	12,000	-	0.00%
46635	Program Supplies-Athletics	167,000	175,000	8,000	4.79%
46635-RUN	Run Program Supplies	32,000	40,000	8,000	25.00%
46630-ARTS	Cultural & Historical Programming	100,000	-	(100,000)	-100.00%
51441	Summer Event Series	575,000	575,000	-	0.00%
51442	Kannapolis Christmas	67,000	70,000	3,000	0.00%
Sub-Total for Operating Expenditures		**$ 1,366,600**	**$ 1,037,000**	**$ (329,600)**	**-24.12%**

TOTAL PARKS AND RECREATION - PROGRAMS					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Operating Expenditures	1,366,600	1,037,000	(329,600)	-24.12%
Total for All Categories of Expenses		**$ 1,366,600**	**$ 1,037,000**	**$ (329,600)**	**-24.12%**

Parks and Recreation

Stadium - 15200

Fiscal Year 2026

Stadium 15200

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OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
44300	Repair & Maintenance: Buildings and Grounds	20,000	10,000	(10,000)	-50.00%
45220	Electricity	75,000	90,000	15,000	20.00%
45230	Water and Sewer	50,000	6,000	(44,000)	-88.00%
45240	Gas	5,000	15,000	10,000	200.00%
45455	Lease Expense	-	361,000	361,000	-
48300	Contracted Services	-	30,000	30,000	-
Sub-Total for Operating Expenditures		**$ 150,000**	**$ 512,000**	**$ 362,000**	**241.33%**

TOTAL STADIUM					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Operating Expenditures	150,000	512,000	362,000	241.33%
	Capital Expenditures	200,000	200,000	-	0.00%
Total for All Categories of Expenses		**$ 350,000**	**$ 712,000**	**$ 362,000**	**103.43%**

City of Kannapolis

Debt Service - 18000

Fiscal Year 2026

General Fund Debt Service 18000

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OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
58100	Bond Principal	10,602,153	10,604,903	2,750	0.03%
58200	Bond Interest	3,573,703	3,321,246	(252,457)	-7.06%
58300	Debt Issuance Cost	-	-	-	-
Sub-Total for Operating Expenditures		**$ 14,175,856**	**$ 13,926,149**	**$ (249,707)**	**-1.76%**

TOTAL GENERAL FUND DEBT SERVICE					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Debt Service Expenditures	14,175,856	13,926,149	(249,707)	-1.76%
Total for All Categories of Expenses		**$ 14,175,856**	**$ 13,926,149**	**$ (249,707)**	**-1.76%**

City of Kannapolis

Transfers - 19000

Fiscal Year 2026

Transfers General Fund 19000

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OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41800	Separation Pay	600,000	721,500	121,500	20.25%
57100	Transfer to Transit Fund	1,188,223	968,698	(219,525)	-18.48%
57200	Transfer to Capital Projects Fund	2,007,404	-	(2,007,404)	-100.00%
57250	Transfer to CRF	1,562,708	900,000	(662,708)	-42.41%
57400	Transfer to Environmental Fund	2,191,690	1,832,669	(359,021)	-16.38%
57400	Transfer to Downtown Fund	-	-	-	-
57700	Transfer to Insurance and Risk	-	-	-	-
Sub-Total for Operating Expenditures		**$ 7,550,025**	**$ 4,422,867**	**$ (3,127,158)**	**-41.42%**

TOTAL GENERAL FUND TRANSFERS					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Transfer Expenditures	7,550,025	4,422,867	(3,127,158)	-41.42%
Total for All Categories of Expenses		**$ 7,550,025**	**$ 4,422,867**	**$ (3,127,158)**	**-41.42%**

City of Kannapolis

Water & Sewer Fund

Fiscal Year 2026

The Water and Sewer Fund (W/S Fund) is the second largest fund in the City. The W/S. Fund revenue includes monies collected from charges for water and sewer services, fees, sales tax, and other revenue. This fund includes most of the operating services, such as administration, billing and collection, water treatment and distribution, sewage treatment, and general management services.

Water and Sewer Fund Summary Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Revenues						
Charges for Services	20,000,000	21,001,437	25,485,813	24,320,553	(1,165,260)	-4.57%
Other Revenues	3,370,000	3,285,000	4,258,000	4,104,463	(153,537)	-3.61%
Total Water and Sewer Fund	**$ 23,370,000**	**$ 24,286,437**	**$ 29,743,813**	**$ 28,425,016**	**$ (1,318,797)**	**-4.43%**

Water and Sewer Fund Summary Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Expenditures						
General Management Services Fee	2,418,182	1,823,413	1,845,182	2,192,230	347,048	18.81%
Biling and Collections - Water and Sewer	1,306,070	1,556,054	1,704,289	1,815,401	111,112	6.52%
Distribution - Water and Sewer	5,248,474	6,299,389	6,920,193	6,362,613	(557,580)	-8.06%
WSACC - Sewage Treatment	4,274,460	4,455,480	5,869,191	6,520,775	651,584	11.10%
Water Treatment Plant	3,640,787	4,428,892	5,373,710	5,460,678	86,968	1.62%
Debt Service	6,482,027	5,723,209	8,031,248	6,073,319	(1,957,929)	-24.38%
Total Water and Sewer Fund	**$ 23,370,000**	**$ 24,286,437**	**$ 29,743,813**	**$ 28,425,016**	**$ (1,318,797)**	**-4.43%**

SUMMARY WATER AND SEWER FUND EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Personnel	4,899,482	5,955,691	6,700,290	7,515,092	814,802	12.16%
Operating	8,840,309	9,701,124	12,247,093	12,644,375	397,282	3.24%
Capital	730,000	1,083,000	920,000	-	(920,000)	-100.00%
Debt Service	6,482,027	5,723,209	8,031,248	6,073,319	(1,957,929)	-24.38%
Transfers	2,418,182	1,823,413	1,845,182	2,192,230	347,048	18.81%
Total for All Categories of Expenses	**$ 23,370,000**	**$ 24,286,437**	**$ 29,743,813**	**$ 28,425,016**	**$ (1,318,797)**	**-4.43%**

Water and Sewer Detailed Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
Revenues				
Charges and Fees	20,000,000	21,001,437	25,485,813	24,320,553
Wholesale Water Sales	360,000	400,000	425,000	436,000
Tap Fees	1,175,000	800,000	1,168,000	953,463
Connection Fees	1,250,000	1,500,000	1,885,000	1,850,000
Reconnection Fees	140,000	140,000	140,000	140,000
Penalties	400,000	400,000	525,000	525,000
Miscellaneous Revenues	15,000	15,000	15,000	-
Investment Income	30,000	30,000	100,000	200,000
Developer Contribution	-	-	-	-
Transfers In / Out	-	-	-	-
Total Water and Sewer Fund	**$ 23,370,000**	**$ 24,286,437**	**$ 29,743,813**	**$ 28,425,016**

Water and Sewer Summary of Detailed Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
Expenditures				
General Management Services Fee	2,418,182	1,823,413	1,845,182	2,192,230
Biling and Collections - Water and Sewer	1,306,070	1,556,054	1,704,289	1,815,401
Distribution - Water and Sewer	5,248,474	6,299,389	6,920,193	6,362,613
WSACC - Sewage Treatment	4,274,460	4,455,480	5,869,191	6,520,775
Water Treatment Plant	3,640,787	4,428,892	5,373,710	5,460,678
Debt Service	6,482,027	5,723,209	8,031,248	6,073,319
Total Water and Sewer Fund	**$ 23,370,000**	**$ 24,286,437**	**$ 29,743,813**	**$ 28,425,016**

Water and Sewer

Billing and Collections - 36000

Fiscal Year 2026

The Water and Sewer Billing and Collections program was established to provide billing, collection, meter reading and installation, and customer service to the individuals in Kannapolis who receive water and sewer services from the City. We are dedicated to effectively and courteously servicing customer accounts by working with individual customers to insure accurate and timely billing, up to date customer records, and a high level of cooperative, knowledgeable, and personal service both at the City offices and at the Customer sites.

Water and Sewer - Billing and Collections 36000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	861,652	866,934	5,282	0.61%
41200	Salaries - Overtime	6,000	22,050	16,050	267.50%
41300	Longevity Pay	11,100	6,000	(5,100)	-45.95%
42000	FICA	58,662	65,485	6,823	11.63%
42100	Workers Compensation Insurance	15,120	21,000	5,880	38.89%
42200	State Retirement	103,115	125,151	22,036	21.37%
42210	401k	9,018	34,909	25,891	287.10%
42300	Medical Insurance	180,000	202,500	22,500	12.50%
42400	Life Insurance	1,202	2,232	1,030	85.69%
42500	Dental Insurance	5,220	10,440	5,220	100.00%
Sub-Total for Personnel Expenditures		**$ 1,251,089**	**$ 1,356,701**	**$ 105,612**	**8.44%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43100	Printing	5,000	3,000	(2,000)	-40.00%
43300	Postage	175,000	150,000	(25,000)	-14.29%
44100	Repair & Maintenance: Office Equipment	1,000	1,000	-	0.00%
45250	Telephone	3,200	3,200	-	0.00%
46100	Office Supplies	5,000	7,000	2,000	40.00%
46200	Small Equipment and Tools	3,000	4,000	1,000	33.33%
46300	Dues and Subscriptions	3,000	3,000	-	0.00%
47100	Uniforms	3,000	3,000	-	0.00%
48000	Contracted Services	20,000	25,000	5,000	25.00%
48430	Banking Fees	165,000	190,000	25,000	15.15%
48440	Mailing Services	60,000	50,000	(10,000)	-16.67%
48460	Bank Admin Fees	-	12,000	12,000	-
51100	Travel and Training	10,000	7,500	(2,500)	-25.00%
Sub-Total for Operating Expenditures		**$ 453,200**	**$ 458,700**	**$ 5,500**	**1.21%**

TOTAL BILLING AND COLLECTIONS					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	1,251,089	1,356,701	105,612	8.44%
	Operating Expenditures	453,200	458,700	5,500	1.21%
Total for All Categories of Expenses		**$ 1,704,289**	**$ 1,815,401**	**$ 111,112**	**6.52%**

Water and Sewer

Distribution - 36100

Fiscal Year 2026

The Water and Wastewater Resources Department delivers the highest quality drinking water and to continue to build and maintain a reliable Water Distribution and Wastewater Colletion System. We are also committed to providing a safe environment for our employees and citizens.

Water and Sewer - Distribution 36100

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	2,342,222	2,504,059	161,837	6.91%
41200	Salaries - Overtime	153,000	223,650	70,650	46.18%
41300	Longevity Pay	30,600	30,300	(300)	-0.98%
42000	FICA	158,813	187,911	29,098	18.32%
42100	Workers Compensation Insurance	47,520	65,000	17,480	36.78%
42200	State Retirement	268,658	334,520	65,862	24.52%
42210	401k	35,022	104,031	69,009	197.04%
42300	Medical Insurance	540,000	607,500	67,500	12.50%
42400	Life Insurance	3,188	5,834	2,646	83.00%
42500	Dental Insurance	16,704	33,408	16,704	100.00%
Sub-Total for Personnel Expenditures		**$ 3,595,727**	**$ 4,096,213**	**$ 500,486**	**13.92%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43100	Printing	3,000	1,500	(1,500)	-50.00%
43300	Postage	1,800	1,800	-	0.00%
44200	Repair & Maintenance: Vehicles	116,400	105,000	(11,400)	-9.79%
44300	Repair & Maintenance: Buildings and Grounds	1,800	2,000	200	11.11%
44400	Repair & Maintenance: Equipment	83,125	83,000	(125)	-0.15%
44600	Repair & Maintenance: Lift Station	277,000	244,000	(33,000)	-11.91%
44900	Repair & Maintenance: Streets	10,000	-	(10,000)	-100.00%
45220	Electricity	58,300	62,000	3,700	6.35%
45230	Water and Sewer	5,750	12,000	6,250	108.70%
45249	Gas Utilities	2,299	2,000	(299)	-13.01%
45250	Telephone	45,000	60,000	15,000	33.33%
45410	Equipment Rental	8,400	8,500	100	1.19%
45610	Motor Fuel	77,366	90,000	12,634	16.33%
46100	Office Supplies	12,000	12,000	-	0.00%
46200	Small Equipment and Tools	13,000	13,000	-	0.00%
46300	Dues and Subscriptions	50,400	50,000	(400)	-0.79%
46850	Materials for W&S Services	672,513	700,000	27,487	4.09%
47100	Uniforms	40,000	30,000	(10,000)	-25.00%
48000	Contracted Services	977,213	732,600	(244,613)	-25.03%
51100	Travel and Training	57,100	57,000	(100)	-0.18%
Sub-Total for Operating Expenditures		**$ 2,512,466**	**$ 2,266,400**	**$ (246,066)**	**-9.79%**

TOTAL DISTRIBUTION					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	3,595,727	4,096,213	500,486	13.92%
	Operating Expenditures	2,512,466	2,266,400	(246,066)	-9.79%
	Capital Expenditures	812,000	-	(812,000)	-100.00%
Total for All Categories of Expenses		**$ 6,920,193**	**$ 6,362,613**	**$ 254,420**	**-8.06%**

Water Treatment

Plant - 36200

Fiscal Year 2026

The Water Treatment Plant protects public health by producing a continuous, adequate, and safe source of potable water for distribution to citizens. Service is provided by ten City employees operating a 15 million-gallon (MG) capacity water treatment plant fed by a 1,356 MG storage capacity lake.

Water and Sewer Fund - Water Treatment Plant 36200

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	1,244,005	1,279,072	35,067	2.82%
41100	Salaries - Part Time	20,000	21,000	1,000	5.00%
41200	Salaries - Overtime	60,000	84,000	24,000	40.00%
41300	Longevity Pay	16,300	20,100	3,800	23.31%
41600	Vehicle Allowance	6,000	12,600	6,600	110.00%
42000	FICA	79,091	99,646	20,555	25.99%
41200	Workers Compensation Insurance	19,440	27,000	7,560	38.89%
42200	State Retirement	146,312	185,673	39,361	26.90%
42210	401k	26,250	60,300	34,050	129.71%
42300	Medical Insurance	228,000	256,500	28,500	12.50%
42400	Life Insurance	1,464	3,063	1,599	109.22%
42500	Dental Insurance	6,612	13,224	6,612	100.00%
Sub-Total for Personnel Expenditures		**$ 1,853,474**	**$ 2,062,178**	**$ 208,704**	**11.26%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43200	Advertising	1,000	1,000	-	0.00%
43300	Postage	600	1,000	400	66.67%
44200	Repair & Maintenance: Vehicles	8,900	15,000	6,100	68.54%
44400	Repair & Maintenance: Equipment	178,500	180,000	1,500	0.84%
44600	Repair & Maintenance: Lift Station	76,000	100,000	24,000	31.58%
44700	Repair & Maintenance: Water Tank	152,900	160,000	7,100	4.64%
45220	Electricity	230,000	280,000	50,000	21.74%
45240	Gas Utilities	1,045	1,000	(45)	-4.31%
45250	Telephone	18,000	19,000	1,000	5.56%
45410	Equipment Rental	50,000	50,000	-	0.00%
45610	Motor Fuel	10,000	15,000	5,000	50.00%
46100	Office Supplies	6,000	7,000	1,000	16.67%
46200	Small Equipment and Tools	5,000	8,000	3,000	60.00%
46300	Dues and Subscriptions	20,000	20,000	-	0.00%
46820	Cleaning Supplies	100	1,000	900	900.00%
46830	Chemicals	800,000	721,000	(79,000)	-9.88%
46840	Raw Water Purchases	49,000	50,000	1,000	2.04%
47100	Uniforms	16,000	16,000	-	0.00%
48000	Contracted Services	449,691	450,000	309	0.07%
48000-LCRR	Contracted Services - Lead/Copper Rule Revision	25,000	25,000	-	0.00%
48300	Consultants	-	-	-	-
48220	Contract - Grounds Maintenance	46,000	60,000	14,000	30.43%
48240	Bulk Water Purchases	1,250,000	1,200,000	(50,000)	-4.00%
51100	Travel and Training	18,500	18,500	-	0.00%
Sub-Total for Operating Expenditures		**$ 3,412,236**	**$ 3,398,500**	**$ (13,736)**	**-0.40%**

TOTAL WATER TREATMENT PLANT					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	1,853,474	2,062,178	208,704	11.26%
	Operating Expenditures	3,412,236	3,398,500	(13,736)	-0.40%
	Capital Expenditures	108,000	-	(108,000)	-100.00%
Total for All Categories of Expenses		**$ 5,373,710**	**$ 5,460,678**	**$ 194,968**	**1.62%**

Wastewater

Treatment - 36400

Fiscal Year 2026

The Water and Sewer Authority of Cabarrus County (WSACC) provides the City's sewage treatment. WSACC is an independent, incorporated public body funded by user fees with no taxing authority supporting five jurisdictions (Cabarrus County, Concord, Kannapolis, Harrisburg, and Mount Pleasant). WSACC may plan for the provision of wholesale water and may, when tasked by its organizing jurisdictions, provide retail water and sewer service.

Water and Sewer - Wastewater Treatment - WSACC 36400

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OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
49020	Wastewater Treatment Variable	2,827,470	3,300,000	472,530	16.71%
49030	Treatment Fixed Rate	2,597,841	2,800,000	202,159	7.78%
49050	Interceptor Fixed Rate	347,840	260,000	(87,840)	-25.25%
49060	Capital Assessments	31,040	31,000	(40)	-0.13%
49070	Concord Northlite Sewer	65,000	129,775	64,775	99.65%
Sub-Total for Operating Expenditures		**$ 5,869,191**	**$ 6,520,775**	**$ 651,584**	**11.10%**

TOTAL SEWAGE TREATMENT PLANT (WSACC)					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Operating Expenditures	5,869,191	6,520,775	651,584	11.10%
Total for All Categories of Expenses		**$ 5,869,191**	**$ 6,520,775**	**$ 651,584**	**11.10%**

Water and Sewer - Debt Service 38000

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OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
58100	Bond Principal	6,262,280	3,110,700	(3,151,580)	-50.33%
58200	Bond Interest	1,268,968	1,538,081	269,113	21.21%
58300	Debt Issuance Cost	500,000	1,424,538	924,538	184.91%
58400	GAAP-Debt Service	-	-	-	-
Sub-Total for Operating Expenditures		**$ 8,031,248**	**$ 6,073,319**	**$ (1,957,929)**	**-24.38%**

TOTAL WATER AND SEWER DEBT SERVICE					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Debt Service Expenditures	8,031,248	6,073,319	(1,957,929)	-24.38%
Total for All Categories of Expenses		**$ 8,031,248**	**$ 6,073,319**	**$ (1,957,929)**	**-24.38%**

Water and Sewer Fund - General Management Services 39000

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OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
56000	General Management Services	1,845,182	2,192,230	347,048	18.81%
Sub-Total for Operating Expenditures		**$ 1,845,182**	**$ 2,192,230**	**$ 347,048**	**18.81%**
TOTAL GENERAL MANAGEMENT SERVICES FEE					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Transfers	1,845,182	2,192,230	347,048	18.81%
Total for All Categories of Expenses		**$ 1,845,182**	**$ 2,192,230**	**$ 347,048**	**18.81%**

City of Kannapolis

Stormwater Fund

Fiscal Year 2026

The Stormwater Fund is the third largest fund. Revenue includes monies collected from monthly fees charged to each citizen based on the amount of impervious area on their property. Residential customers pay a fixed fee based on predetermined limits on square footage of these impervious areas which contribute to storm water runoff. The fund includes costs related to a federally mandated educational program plus the annual maintenance of the storm drainage system within the City. Also included is administrative cost provided by the General Fund and the Billing and Collection office.

Stormwater Fund Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Revenues						
Storm Water Fees	3,291,706	3,500,000	3,400,000	3,567,348	167,348	4.92%
Other Revenues	-	30,000	350,000	70,000	(280,000)	-80.00%
Total Stormwater Fund	**$ 3,291,706**	**$ 3,530,000**	**$ 3,750,000**	**$ 3,637,348**	**$ (112,652)**	**-3.00%**

Stormwater Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Expenditures						
Personnel	1,203,061	1,431,652	1,511,360	1,791,414	280,054	18.53%
Operations	835,420	868,987	891,487	722,600	(168,887)	-18.94%
Debt Service	731,005	559,479	546,259	532,966	(13,293)	-2.43%
General Management Services Fee	427,220	463,882	412,528	590,368	177,840	43.11%
Capital	95,000	206,000	388,366	-	(388,366)	-100.00%
Total Stormwater Fund	**$ 3,291,706**	**$ 3,530,000**	**$ 3,750,000**	**$ 3,637,348**	**$ (112,652)**	**-3.00%**

SUMMARY STORMWATER FUND EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Personnel	1,203,061	1,431,652	1,511,360	1,791,414	280,054	18.53%
Operating	835,420	868,987	891,487	722,600	(168,887)	-18.94%
Debt Service	731,005	559,479	546,259	532,966	(13,293)	-2.43%
Transfers	427,220	463,882	412,528	590,368	177,840	43.11%
Capital	95,000	206,000	388,366	-	(388,366)	-100.00%
Total for All Categories of Expenses	**$ 3,291,706**	**$ 3,530,000**	**$ 3,750,000**	**$ 3,637,348**	**$ (112,652)**	**-3.00%**

Stormwater Fund Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
Revenues				
Charges and Fees	3,291,706	3,500,000	3,400,000	3,567,348
Investment Income	-	30,000	80,000	70,000
Miscellaneous Revenues	-	-	270,000	-
Transfer In	-	-	-	-
Total Stormwater Fund	**$ 3,291,706**	**$ 3,530,000**	**$ 3,750,000**	**$ 3,637,348**

Stormwater Fund Detailed Summary of Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
Expenditures				
Personnel	1,203,061	1,431,652	1,511,360	1,791,414
Operations	835,420	868,987	891,487	722,600
Debt Service	731,005	559,479	546,259	532,966
General Management Services Fee	427,220	463,882	412,528	590,368
Capital	95,000	206,000	388,366	-
Total Stormwater Fund	**$ 3,291,706**	**$ 3,530,000**	**$ 3,750,000**	**$ 3,637,348**

Stormwater

Stormwater Fund - 40000

Fiscal Year 2026

The Stormwater Division administers the State and Federally mandated program that requires the City to reduce pollution in its waterways as well as the maintenance of over 400 miles of storm water infrastructure. The Division's focus on water quality includes collecting and analyzing surface waters for contaminants; locating and eliminating illicit discharges; implementing industry standard practices for improvement of storm water quality; and educating citizens on pollution issues.

Stormwater 40000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	1,017,500	1,155,231	137,731	13.54%
41200	Salaries - Overtime	19,195	20,155	960	5.00%
41300	Longevity Pay	24,900	23,000	(1,900)	-7.63%
41600	Vehicle Allowance	6,000	12,600	6,600	110.00%
42000	FICA	72,195	90,255	18,060	25.02%
42100	Workers Compensation Insurance	18,360	25,000	6,640	36.17%
42200	State Retirement	125,127	169,656	44,529	35.59%
42210	401k	16,595	51,557	34,962	210.68%
42300	Medical Insurance	204,000	229,500	25,500	12.50%
42400	Life Insurance	1,572	2,628	1,056	67.18%
42500	Dental Insurance	5,916	11,832	5,916	100.00%
Sub-Total for Personnel Expenditures		**$ 1,511,360**	**$ 1,791,414**	**$ 280,054**	**18.53%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
43300	Postage	100	100	-	0.00%
44200	Repair & Maintenance: Vehicles	80,000	85,000	5,000	6.25%
44400	Repair & Maintenance: Equipment	60,500	65,000	4,500	7.44%
44900	Repair & Maintenance: Streets	187,000	137,000	(50,000)	-26.74%
45250	Telephone	8,667	9,000	333	3.84%
45410	Equipment Rental	13,000	8,000	(5,000)	-38.46%
45610	Motor Fuel	44,000	56,000	12,000	27.27%
46100	Office Supplies	3,500	3,000	(500)	-14.29%
46200	Small Equipment and Tools	10,000	10,000	-	0.00%
46300	Dues and Subscriptions	2,000	6,000	4,000	200.00%
47100	Uniforms	10,400	14,000	3,600	34.62%
48000	Contracted Services	277,820	200,000	(77,820)	-28.01%
48300	Consultants	175,000	125,000	(50,000)	-28.57%
51100	Travel and Training	19,500	4,500	(15,000)	-76.92%
Sub-Total for Operating Expenditures		**$ 891,487**	**$ 722,600**	**$ (168,887)**	**-18.94%**

TOTAL STORMWATER					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	1,511,360	1,791,414	280,054	18.53%
	Operating Expenditures	891,487	722,600	(168,887)	-18.94%
	General Management Services Fee	412,528	-	(412,528)	-100.00%
	Capital Expenditures	388,366	-	(388,366)	-100.00%
Total for All Categories of Expenses		**$ 3,203,741**	**$ 2,514,014**	**$ 111,167**	**-21.53%**

Stormwater - Debt Service 48000

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OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
58100	Bond Principal	367,713	367,795	82	0.02%
58200	Bond Interest	178,546	165,171	(13,375)	-7.49%
Sub-Total for Operating Expenditures		**$ 546,259**	**$ 532,966**	**$ (13,293)**	**-2.43%**
TOTAL STORMWATER DEBT SERVICE					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Debt Service Expenditures	546,259	532,966	(13,293)	-2.43%
Total for All Categories of Expenses		**$ 546,259**	**$ 532,966**	**$ (13,293)**	**-2.43%**

Stormwater - General Management Services 49000

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OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
56000	General Management Services Fee	-	590,368	590,368	-
Sub-Total for Operating Expenditures		**$ -**	**$ 590,368**	**$ 590,368**	**-**
TOTAL GENERAL MANAGEMENT SERVICES FEE					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	General Management Services Fee	-	590,368	590,368	-
Total for All Categories of Expenses		**$ -**	**$ 590,368**	**$ 590,368**	**-**

City of Kannapolis

Environmental Fund

Fiscal Year 2026

This fund consists of revenues collected from the monthly user fee that all residents must pay, and, at certain times, revenue collected from the Materials Recovery Facility ("MRF") when market dictates. To ensure the success of the Recycling Program, staff continues to invest in public education and outreach efforts.

Environmental Fund Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Revenues						
User Fees	4,132,244	4,200,000	4,200,000	5,604,193	1,404,193	33.43%
Transfer from General Fund	85,542	1,147,817	2,191,690	1,832,669	(359,021)	-16.38%
Transfer from Water and Sewer Fund	495,700	-	-	-	-	-
Other Revenues	158,594	300,000	265,000	201,000	(64,000)	-24.15%
Solid Waste Disposal Tax	36,000	36,000	44,000	44,000	-	0.00%
Total Environmental Fund	**$ 4,908,080**	**$ 5,683,817**	**$ 6,700,690**	**$ 7,681,862**	**$ 981,172**	**14.64%**

Environmental Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Expenditures						
Personnel	450,262	838,659	905,220	1,144,262	239,042	26.41%
Operations	4,225,782	4,713,158	5,363,470	6,537,600	1,174,130	21.89%
Debt Service	232,036	-	-	-	-	-
Capital	-	132,000	432,000	-	(432,000)	-100.00%
Total Environmental Fund	**$ 4,908,080**	**$ 5,683,817**	**$ 6,700,690**	**$ 7,681,862**	**$ 981,172**	**14.64%**

SUMMARY ENVIRONMENTAL EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Personnel	450,262	838,659	905,220	1,144,262	239,042	26.41%
Operating	4,225,782	4,713,158	5,363,470	6,537,600	1,174,130	21.89%
Debt Service	232,036	-	-	-	-	-
Capital	-	132,000	432,000	-	(432,000)	-100.00%
Total for All Categories of Expenses	**$ 4,908,080**	**$ 5,683,817**	**$ 6,700,690**	**$ 7,681,862**	**$ 981,172**	**14.64%**

Environmental Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
Revenues				
Solid Waste Disposal Tax	36,000	36,000	44,000	44,000
Charges and Fees	4,132,244	4,200,000	4,200,000	5,604,193
Commercial Revenue	-	120,000	160,000	155,000
Miscellaneous Revenue	158,594	160,000	60,000	-
Investment Income	-	20,000	45,000	46,000
Transfer In / General Fund	85,542	1,147,817	2,191,690	1,832,669
Transfer In / Water and Sewer Fund	495,700	-	-	-
Transfer In / Stormwater Fund	-	-	-	-
Proceeds from Debt Financing	-	-	-	-
Total Environmental Fund	**$ 4,908,080**	**$ 5,683,817**	**$ 6,700,690**	**$ 7,681,862**

Environmental Fund Detailed Summary of Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
Expenditures				
Personnel	450,262	838,659	905,220	1,144,262
Operations	4,225,782	4,713,158	5,363,470	6,537,600
Debt Service	232,036	-	-	-
Capital	-	132,000	432,000	-
Total Environmental Fund	**$ 4,908,080**	**$ 5,683,817**	**$ 6,700,690**	**$ 7,681,862**

Environmental

Environmental Fund - 50000

Fiscal Year 2026

Environmental Fund 50000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41000	Salaries - Regular	604,645	756,483	151,838	25.11%
41100	Salaries- Part Time	-	-	-	-
41200	Salaries - Overtime	30,000	38,535	8,535	28.45%
41300	Longevity Pay	8,400	10,600	2,200	26.19%
42000	FICA	41,565	58,485	16,920	40.71%
42100	Workers Compensation Insurance	10,800	16,000	5,200	48.15%
42200	State Retirement	75,649	93,067	17,418	23.02%
42210	401k	10,101	27,564	17,463	172.88%
42300	Medical Insurance	120,000	135,000	15,000	12.50%
42400	Life Insurance	580	1,568	988	170.34%
42500	Dental Insurance	3,480	6,960	3,480	100.00%
Sub-Total for Personnel Expenditures		**$ 905,220**	**$ 1,144,262**	**$ 239,042**	**26.41%**

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
44200	Repair & Maintenance: Vehicles	160,000	149,600	(10,400)	-6.50%
44400	Repair & Maintenance: Equipment	45,000	40,000	(5,000)	-11.11%
44900	Repair & Maintenance: Streets	10,000	10,000	-	0.00%
45250	Telephone	7,000	7,000	-	0.00%
45410	Equipment Rental	10,000	-	(10,000)	-100.00%
45670	Motor Fuel	68,250	100,000	31,750	46.52%
46100	Office Supplies	2,250	2,000	(250)	-11.11%
46200	Small Equipment and Tools	5,000	4,500	(500)	-10.00%
46630	Program Supplies	7,700	7,500	(200)	-2.60%
46860	Container Purchases	156,500	187,000	30,500	19.49%
47100	Uniforms	10,000	10,000	-	0.00%
48000	Contracted Services	180,000	50,000	(130,000)	-72.22%
48910	Solid Waste	3,787,170	4,150,000	362,830	9.58%
48920	Bulk Containers	134,000	200,000	66,000	49.25%
48930	Landfill	330,000	980,000	650,000	196.97%
48940	Recycling	300,000	460,000	160,000	53.33%
48950	Yard Waste - Tipping Fees	135,000	175,000	40,000	29.63%
51100	Travel and Training	15,600	5,000	(10,600)	-67.95%
Sub-Total for Operating Expenditures		**$ 5,363,470**	**$ 6,537,600**	**$ 1,174,130**	**21.89%**

TOTAL ENVIRONMENTAL					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	905,220	1,144,262	239,042	26.41%
	Operating Expenditures	5,363,470	6,537,600	1,174,130	21.89%
	Debt Service	-	-	-	-
	Capital Expenditures	432,000	-	(432,000)	-100.00%
Total for All Categories of Expenses		**$ 6,700,690**	**$ 7,681,862**	**$ 1,413,172**	**14.64%**

City of Kannapolis

Separation Pay Fund

Fiscal Year 2026

The Separation Pay Fund was set up by the City to set aside funds for future payments to qualified employees who are eligible for retirement and have retired and have reached age 55 but have not attained age 62. For law enforcement officers, the State has made this separation allowance mandatory by Article 12D of the North Carolina General Statute 143. The City has chosen to make this benefit available to all City employees. This benefit is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the employee for each year of creditable service. The Separation Allowance is reported in the City's annual financial report as a Pension Trust Fund.

Separation Pay Fund Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Revenues						
Transfer from General Fund	506,407	496,912	600,000	721,500	121,500	20.25%
Total Separation Fund	**$ 506,407**	**$ 496,912**	**$ 600,000**	**$ 721,500**	**$ 121,500**	**20.25%**

Separation Pay Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Expenditures						
Personnel	506,407	496,912	600,000	721,500	121,500	20.25%
Total Separation Fund	**$ 506,407**	**$ 496,912**	**$ 600,000**	**$ 721,500**	**$ 121,500**	**20.25%**

SUMMARY SEPARATION EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Personnel	506,407	496,912	600,000	721,500	121,500	20.25%
Total for All Categories of Expenses	**$ 506,407**	**$ 496,912**	**$ 600,000**	**$ 721,500**	**$ 121,500**	**20.25%**

Separation Pay Fund Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
Revenues				
Transfer from General Fund	506,407	496,912	600,000	721,500
Total Separation Pay Fund	**$ 506,407**	**$ 496,912**	**$ 600,000**	**$ 721,500**

Separation Pay Fund Detailed Summary of Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
Expenditures				
Personnel - Separation Pay	506,407	496,912	600,000	721,500
Total Separation Fund	**$ 506,407**	**$ 496,912**	**$ 600,000**	**$ 721,500**

Separation Pay 60000

PERSONNEL EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
41800	Separation Pay	554,000	670,000	116,000	20.94%
42000	FICA	46,000	51,500	5,500	11.96%
Sub-Total for Personnel Expenditures		**$ 600,000**	**$ 721,500**	**$ 121,500**	**20.25%**

TOTAL SEPARATION PAY					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Personnel Expenditures	600,000	721,500	121,500	20.25%
Total for All Categories of Expenses		**$ 600,000**	**$ 721,500**	**$ 121,500**	**20.25%**

City of Kannapolis

Transit Fund

Fiscal Year 2026

The Transit Fund was established by the City to set aside funds for payments for the City's share of expenses related to the Concord-Kannapolis Local Public Transportation System. This is the twenty third year this fund has existed. To offset the cost of transit operations, an annual transfer from the General Fund is needed to supplement it in conjunction with the vehicle license fee. The largest part of this entire initiative is funded by the State and Federal Governments.

Transit Fund Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Revenues						
Motor Vehicle Privilege Tax	900,000	900,000	433,600	434,000	400	0.09%
Transfer from the General Fund	303,235	323,031	1,188,223	968,698	(219,525)	-18.48%
Appropriated Fund Balance	540,336	-	-	-	-	-
Total Transit Fund	**$ 1,743,571**	**$ 1,223,031**	**$ 1,621,823**	**$ 1,402,698**	**$ (219,125)**	**-13.51%**

Transit Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Expenditures						
Contracted Services	1,203,235	1,223,031	1,621,823	1,402,698	(219,125)	-13.51%
Capital Outlay	540,336	-	-	-	-	-
Total Transit Fund	**$ 1,743,571**	**$ 1,223,031**	**$ 1,621,823**	**$ 1,402,698**	**$ (219,125)**	**-13.51%**

SUMMARY TRANSIT FUND EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Operating	1,203,235	1,223,031	1,621,823	1,402,698	(219,125)	-13.51%
Capital Outlay	540,336	-	-	-	-	-
Total for All Categories of Expenses	**$ 1,743,571**	**$ 1,223,031**	**$ 1,621,823**	**$ 1,402,698**	**$ (219,125)**	**-13.51%**

Transit Fund Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
Revenues				
Vehicle License Tax	900,000	900,000	433,600	434,000
Transfer from General Fund	303,235	323,031	1,188,223	968,698
Appropriated Fund Balance	540,336	-	-	-
Total Transit Fund	**$ 1,743,571**	**$ 1,223,031**	**$ 1,621,823**	**$ 1,402,698**

Transit Fund Detailed Summary of Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
Expenditures				
Contracted Services	1,203,235	1,223,031	1,621,823	1,402,698
Capital Outlay	540,336	-	-	-
Total Transit Fund	**$ 1,743,571**	**$ 1,223,031**	**$ 1,621,823**	**$ 1,402,698**

Transit Fund 77500

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
48000	Contracted Services	1,621,823	1,402,698	(219,125)	-13.51%
57000	Transfer to the General Fund	-	-	-	-
Sub-Total for Operating Expenditures		**$ 1,621,823**	**$ 1,402,698**	**$ (219,125)**	**-13.51%**

TOTAL TRANSIT					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Operating Expenditures	1,621,823	1,402,698	(219,125)	-13.51%
Total for All Categories of Expenses		**$ 1,621,823**	**$ 1,402,698**	**$ (219,125)**	**-13.51%**

City of Kannapolis

Insurance and Risk Fund

Fiscal Year 2026

The Insurance and Risk Fund was established by the City in FY 24 to better track revenues and expenses tied to the City's self-insured health insurance and workers compensation policies. In the past, this funding ran through a payable account, and the Enterprise Funds were not paying their adequate share of health and workers' compensation costs. This fund accounts for all health-related costs associated with active and retired employees on the plan as well as active employees covered by the City's workers' compensation policy.

To make sure this fund is solvent as an internal service fund, the City will likely increase the per employee employer contribution in most budget years. This covers the City's portion to offset projected claims, operations of the Employee Health Center, administration, stop-loss and the Health Savings Account (HSA) contribution provided to each employee. Revenue estimates are based off the number of full-time positions. The remainder makes up dependent premiums based on current estimates provided by the City's healthcare broker. Worker's Compensation premiums are budgeted an equivalent way based on the number of full-time positions budgeted each year.

Insurance and Risk Fund Summary of Revenues

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Revenues						
Health Insurance Premiums	-	5,391,600	5,940,204	6,578,904	638,700	10.75%
Retiree Premiums	-	184,000	200,000	200,000	-	0.00%
Workers Compensation Premiums	-	470,880	620,880	840,000	219,120	35.29%
Total Insurance and Risk Fund	**$ -**	**$ 6,046,480**	**$ 6,761,084**	**$ 7,618,904**	**$ 857,820**	**12.69%**

Insurance and Risk Fund Summary of Expenditures

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Expenditures						
Health Insurance	-	5,575,600	6,140,204	6,773,904	633,700	10.32%
Workers Compensation	-	470,880	620,880	845,000	224,120	36.10%
Total Insurance and Risk Fund	**$ -**	**$ 6,046,480**	**$ 6,761,084**	**$ 7,618,904**	**$ 857,820**	**12.69%**

SUMMARY INSURANCE AND RISK FUND EXPENDITURE CATEGORIES

Expense Category	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
Operating	-	6,046,480	6,761,084	7,618,904	857,820	12.69%
Total for All Categories of Expenses	**$ -**	**$ 6,046,480**	**$ 6,761,084**	**$ 7,618,904**	**$ 857,820**	**12.69%**

Insurance and Risk Fund Detailed Summary of Revenues

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
Revenues				
Health Insurance Premiums	-	5,391,600	5,940,204	6,578,904
Workers Compensation Premiums	-	470,880	620,880	840,000
Retiree Premiums (Health Insurance)	-	184,000	200,000	200,000
Total Health Insurance and Risk Fund	**$ -**	**$ 6,046,480**	**$ 6,761,084**	**$ 7,618,904**

Insurance and Risk Fund Detailed Summary of Expenditures

	FY 23 Adopted	FY 24 Adopted	FY 25 Adopted	FY 26 Proposed
Expenditures				
Health Insurance	-	5,575,600	6,140,204	6,773,904
Workers Compensation	-	470,880	620,880	845,000
Total Insurance and Risk Fund	**$ -**	**$ 6,046,480**	**$ 6,761,084**	**$ 7,618,904**

Health Insurance 90000

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
42330	Retiree Insurance	1,200,000	900,000	(300,000)	-25.00%
42335	Retiree Insurance-Post 65	-	300,000	300,000	-
42340	HSA & HRA Benefits	965,800	940,000	(25,800)	-2.67%
42341	HSA/HRA Retiree	80,000	80,000	-	0.00%
48000	Contracted Services	140,000	116,000	(24,000)	-17.14%
51446	Health Clinic	150,000	400,000	250,000	166.67%
51447	Dispensing Service	-	-	-	-
51448	Stop Loss	-	650,000	650,000	-
51449	BCBS Care Management	-	30,000	30,000	-
51640	Insurance Claims	2,634,404	3,265,904	631,500	23.97%
51910	Administration Fees	970,000	92,000	(878,000)	-90.52%
Sub-Total for Operating Expenditures		**$ 6,140,204**	**$ 6,773,904**	**$ 633,700**	**10.32%**

TOTAL HEALTH INSURANCE					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Operating Expenditures	6,140,204	6,773,904	633,700	10.32%
Total for All Categories of Expenses		**$ 6,140,204**	**$ 6,773,904**	**$ 633,700**	**10.32%**

Workers Compensation 90100

OPERATING EXPENDITURES					
Account #	Account Description	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
42100	Workers' Comp Insurance	265,000	250,000	(15,000)	-5.66%
48560	Pre Hire Screening	-	5,000	5,000	-
51641	WC Insurance Claims	320,880	550,000	229,120	71.40%
51911	WC Admin Fees	35,000	40,000	5,000	14.29%
Sub-Total for Operating Expenditures		**$ 620,880**	**$ 845,000**	**$ 224,120**	**36.10%**

TOTAL WORKERS COMPENSATION					
	Expense Category	FY 2025 Adopted	FY 2026 Proposed	Actual Increase/ Decrease ($)	% Change
	Operating Expenditures	620,880	845,000	224,120	36.10%
Total for All Categories of Expenses		**$ 620,880**	**$ 845,000**	**$ 224,120**	**36.10%**