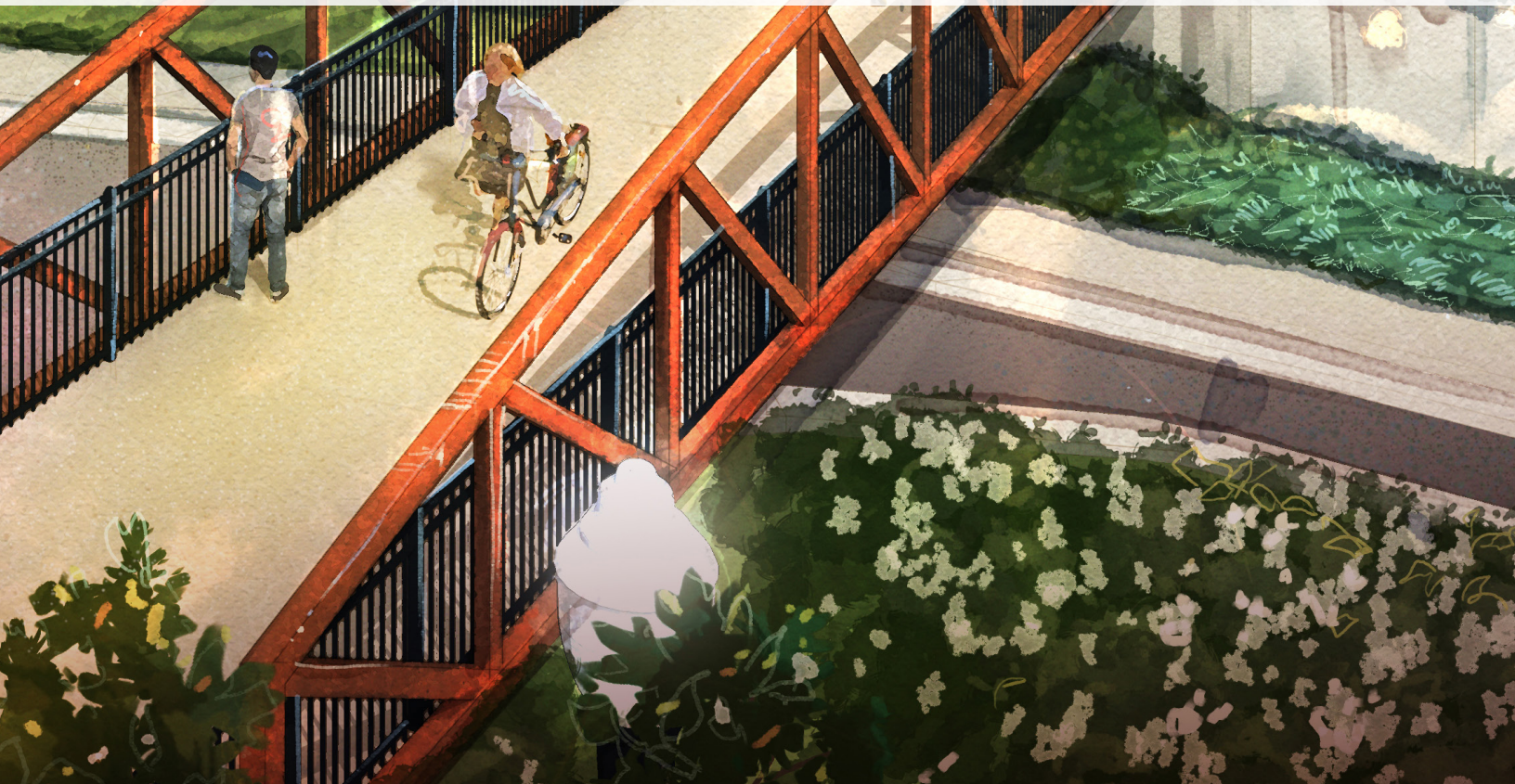




Fiscal Year  
2019-2020  
Adopted Budget







GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Hickory  
North Carolina**

For the Fiscal Year Beginning

**July 1, 2018**

*Christopher P. Morill*

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget presentation to the City of Hickory for its annual budget for the fiscal year beginning July 1, 2018.

In order to receive this award a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

# Hickory City Council



Mayor – Hank Guess



Ward 1 – Brad Lail



Ward 2 – Charlotte Williams



Ward 3 – Danny Seaver- Mayor Pro Tem



Ward 4 – David Williams



Ward 5 – David Zagaroli



Ward 6 – Jill Patton

## City of Hickory Adopted Budget



Fiscal Year  
July 1, 2019 – June 30, 2020



To deliver high quality services through excellent and ethical coworkers focused on innovation, communication, and customer service.

## City Administration

City Manager	Warren Wood
Assistant City Manager/CFO	Rodney Miller
Assistant City Manager	Rick Beasley
Assistant to the City Manager	Yaidee Fox
Airport Manager	Terry Clark
Communications and Marketing Manager	Dana Kaminske
Deputy City Attorney	Arnita Dula
Finance Officer	Melissa Miller
Fire Chief	Matt Hutchinson
Human Resources Director	Claudia Main
Information Technology Manager	Mike Woods
Library Director	Sarah Greene
Parks and Recreation Director	Mack McLeod
Planning Director	Brian Frazier
Police Chief	Thurman Whisnant
Public Services Director	Kevin Greer



# Introduction

From the Council and staff of the City of Hickory, welcome! The pages in this document represent our plans to utilize the City's resources to continue a quality of life that is safe, clean, prosperous, and enjoyable. Hickory is our home, and we take pride in having the opportunity to improve the City through our professional lives every day. We are pleased that by reading through this document you share our desire to enhance one of the most vibrant cities in the nation. We hope that readers at all levels of budget experience will find this document to be an informative presentation of the challenges and opportunities that face the City of Hickory.



Mayor, City Council, City Manager, and City Attorney

Municipal budgets can be complex and confusing. Discussions often present the same information from more than one perspective. Technical terms like “Unrestricted Intergovernmental Revenue,” for example, can also be confusing, so this document attempts to define and clarify terms wherever necessary. Should it fail to do so, please contact the City Manager’s Office at (828)323-7412. Please note, however, that the City of Hickory’s budget document emphasizes functional areas of City responsibilities (e.g., Public Safety, Transportation), and does not isolate organizational units or account groupings independently. While the document may present and discuss several pictures of the same budget, centering the discussion on these major themes (functions) facilitates budget discussion at a much broader level.

The layout of the document is intended to take the reader from the broadest budget presentations (trends, consolidated totals, etc.) to the more specific budget presentations (individual department budgets, specific projects, etc.). Realizing that information needs are different for every reader, the document is divided into sections to provide easy “flip-to” access.

# Introduction

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To present a complete picture of the City's finances and spending plans for FY 2019-20, this detailed Budget Document is organized into the following sections:

\*\*\*\*\*

**City Manager's Message:** The City Manager discusses the major issues that affect City operations. In essence, the City Manager defines the costs of the issues facing the City (expenditures) and proposes the resources (revenues) to apply to each issue.

**Budget Overview:** Fund and functional area highlights are outlined as well as personnel, operational and capital summary totals.

**Budget Ordinance:** The actual legally binding ordinance that establishes the new annual budget.

**City Council Priorities and Action Plan:** Council's priorities for the next fiscal year are established. Fiscal management policies are also presented, including modifications for the new year.

**Budget Guide:** How does the City develop its budget document, and what do all the pages of numbers and tables mean? This section dissects the structure of the budget and explains the relationships between its many facets. We recommend that the novice reader start here to gain an understanding of the budget.

**Consolidated Budget Summary:** The document begins to evaluate the numbers that have been articulated in the City Manager's Message and officially proposed in the Budget Ordinance. A context for the budget begins to develop as it is related to budgets of previous years. Consolidated summaries, as well as the detail underlying budget decisions, focus on the premises used to develop the budget. This section presents trends and assumptions for revenues and expenditures, as well as discussions of fund balance projections and personnel projections.

**Other Funds:** This section describes the Community Development Block Grant (CDBG) entitlement funding awarded to the City of Hickory by the Federal Department of Housing and Urban Development.

**Capital Improvements/Grant Projects:** This section outlines the 5-Year Capital Improvement Plan (CIP), which is a multi-year financial plan for the purchase or construction of capital assets.

**Debt Service:** The City's debt position is discussed with projections for future debt needs.

**Five Year Financial Forecast:** What are the assumptions that will guide the decision-making process in the coming years? Forecasts for expenditures and revenues establish the parameters for budgets for the next five years.



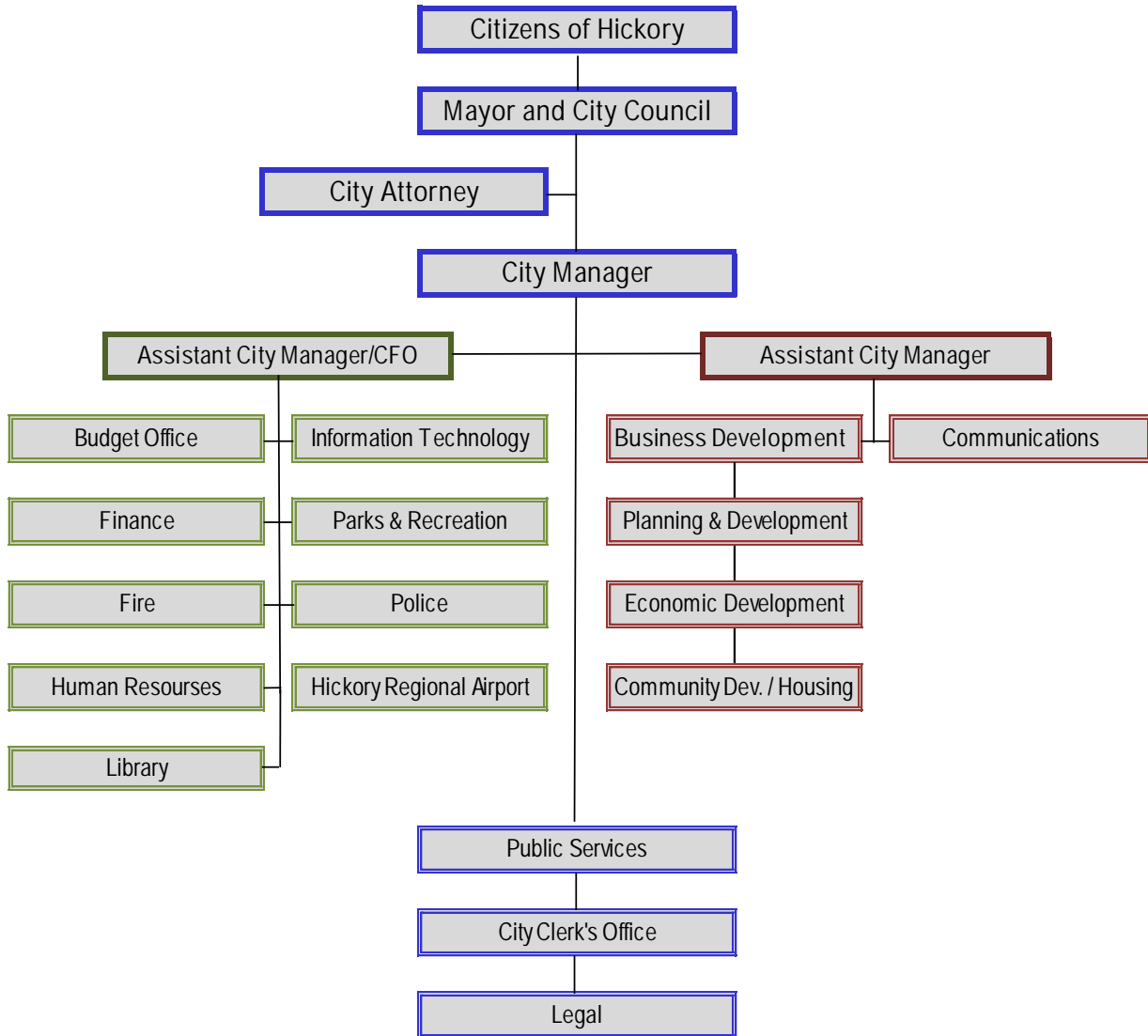
Performance Measurement: A feature section that highlights the results of the performance and cost data for those City departments participating in the North Carolina Performance Measurement Project.

Supplementary Information: Find background information about the City of Hickory in this section. Included are demographic, geographic, historical, and statistical information, as well as the City's pay plan.

Budget Glossary: Definitions of terms used in the document. Most acronyms and technical terms are defined when they first appear in the document, but some are defined in this section to provide needed explanations.

# City of Hickory

## Department Organizational Chart





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Life. Well Crafted.

May 21, 2019

City of Hickory  
 Post Office Box 398  
 Hickory, NC 28603  
 Phone: (828) 323-7412  
 Fax: (828) 323-7550  
 Email: wwood@hickorync.gov

Members of the Hickory City Council  
 Hickory, North Carolina

Dear Members of the Hickory City Council:

Pursuant to Section 159-11 of the North Carolina General Statutes, I am pleased to present the City of Hickory's Recommended Budget for FY2019-2020 for your review and consideration. The \$110,978,589 annual spending plan is balanced and prepared in accordance with generally accepted budgeting standards. The breakdown by fund for the FY2019-2020 Recommended Budget is as follows:

	<u>FY2019-2020</u>	<u>FY2018-2019</u>	<u>% CHG</u>
General	\$52,795,516	\$51,114,919	3.3%
Insurance	7,447,290	7,469,556	-0.3%
Fleet Management	2,796,782	2,708,459	3.2%
Water and Sewer	32,914,277	28,583,570	13.2%
Sludge	1,818,579	1,761,650	3.1%
Stormwater	259,922	236,908	8.9%
Transportation (Airport)	2,754,475	2,728,160	1.0%
Solid Waste	5,511,748	5,335,356	3.2%
Capital Reserve	<u>4,680,000</u>	<u>3,863,378</u>	<u>17.4%</u>
<b>Totals</b>	<b>\$110,978,589</b>	<b>\$103,801,956</b>	<b>6.9%</b>

**General Fund**

The General Fund budget is recommended at \$52,795,516, a 3.3% increase over the FY2018-2019 Budget. The property tax rate for FY2019-2020 is recommended to be increased 2.1 cents over the current rate of 56.65 cents to 58.75 cents for the upcoming fiscal year. This recommended property tax rate increase is needed to make debt service payments on our General Obligation (GO) Bonded Debt. Without this property tax rate increase, the FY2019-2020 General Fund budget would have actually experienced a small decline when compared to the FY2018-2019 budget.

With Catawba County finishing its county-wide revaluation of real property, which it does once every four years, the City of Hickory saw real property values within its City limits increase, on average, by 5.5%. With this increase in real property values, the City's revenue neutral property tax rate would be 55.50 cents.

The history and projected future of our General Obligation (GO) Bonds is as follows:

- November 2014, the citizens of Hickory approved two GO Bond Referendums
  - \$25 million for Streets and Sidewalks

- \$15 million for Economic Development
- September 2018, the City issued \$15 million in GO Bonds
- In the fall of 2019, the City will issue another \$12 million in GO Bonds
- In the fall of 2021, the City anticipates issuing the remaining \$13 million in GO Bonds
- The City's initial 7-year GO authorization will expire in October 2021
- If needed, the City can get a 3-year extension to October 2024 from the NC Local Government Commission

Regarding other sources of General Fund revenue, we are seeing a 3% increase in Sales Tax Revenue, and a good rebound in our investment earnings. However, we need to be cautious in relying too much on these sources of revenue as they will be the first to decline when this economic expansion cycle comes to an end. All other fees will be increased by the 2018 Consumer Price Index which was 1.9%.

During the height of the Great Recession, the City increased its reliance on its fund balance, or cash reserves, to balance its annual budget to offset declining revenue. However, with an improving local economy and revenue growth, we are recommending that we reduce that annual reliance on fund balance to a more historical average. The FY2019-2020 Recommended Budget recommends an appropriation of fund balance of \$740,000, which is \$252,353 less than the amount budgeted in the current fiscal year to balance the budget, and \$1,655,986 less than the largest amount of fund balance we appropriated in the FY2014-2015 Budget. We anticipate it will take one more budget cycle to reduce this reliance to around the equivalent of 1 penny on the City's property tax rate, or about \$500,000, which is closer to our historical average in fund balance used to balance the annual budget.

On the expenditure side, the City is experiencing the same workforce challenges as private sector companies in our community. There are a number of positions in particular we are having difficulty recruiting and retaining employees. We are recommending annual raises this year of 2.5% for coworkers who meet the performance standards set for them and 3.5% for coworkers who exceed those standards. We are also recommending increasing our 401k match by 1%, which would then total 2% for coworkers who choose to take advantage of this benefit.

We are recommending adding one new firefighter in order to improve both daily staffing levels and the level of service provided to the community. We are recommending transitioning a contract GIS employee to a City coworker position which will actually create a financial savings to the General Fund of \$40,000 annually. We are recommending making a part-time Fire Education Specialist a full-time position. And finally, repurposing an existing position to create a new Sports Tourism Manager.

In an effort to modernize the organization and to create higher levels of efficiency, we have made great headway in making a number of structural changes to the way we are organized. Some of those changes include:

- Consolidating a number of divisions and departments to create the Office of Business Development in order to be more deliberate in our economic development efforts.
- Transferring all park maintenance responsibilities from the Parks and Recreation Department to the Public Services Department, which has both more equipment and higher technical skill sets with which to maintain all City parks at a higher level.

- Renaming the “Parks and Recreation Department” the “Recreation and Sports Tourism Department” in order to focus more on the City’s desire to increase sports tourism throughout the City.
- Reassigning departmental oversight responsibilities in the City Manager’s Office in order to create more organizational capacity and better coordination of projects within our office

We will continue to make changes to the City’s organizational structure in order to be more efficient and effective in providing services to our citizens and visitors. We adopted new Core Values this past year that stress three fundamental attributes our coworkers must exhibit:

- Customer Focus
- Innovation
- Team Player

Additionally, we will continue to participate in the NC Municipal Benchmarking Project so we can compare with our peers how well we are delivering services and to make sure we are adopting and implementing best practices within our industry.

Regarding capital projects for the upcoming year, the most significant and expensive projects we will undertake are not a part of the FY2019-2020 Budget, but are a part of the ongoing Bond Program. However, there are a number of important capital projects included in the FY2019-2020 Recommended Budget including improvements to Deidra Lackey Memorial Park related to the Lackey project, construction of an artificial turf athletic field at the Henry Fork River Regional Soccer Complex, construction of a burn training structure for the Fire Department, design funds for the expansion to the Ridgeview Library, and improvements to 9<sup>th</sup> Ave Dr NW between LP Frans Stadium and the Hickory Regional Airport. We have applied for a Parks and Recreation Trust Fund Grant for development of Bruce Meisner Park to augment the \$700,000 we already have set aside. Additionally, the City’s equipment and vehicle replacement schedule is funded.

As we discussed at the Council-Staff Retreat, there are \$650 million in North Carolina Department of Transportation (NCDOT) road improvement projects planned for Hickory over the next 10 years. It is imperative that the City be in a position to fund enhancements to these projects when these road improvements are being made. These enhancements may include such things as bike lanes, street lighting, sidewalks, curb & gutter, mast arm traffic signals, multi-modal paths and streetscaping improvements in general. The FY2019-2020 Recommended Budget contains an initial allocation of \$200,000 to go towards these items with the goal of adding an additional \$200,000 each year over the next five years to end up with an annual budget allocation of \$1,000,000 by year five and the accumulation of \$3,000,000 in cash over that time. This is an aggressive goal but prudent on the City’s part because the NCDOT will participate financially in many of these enhancements if the City produces the matching funds. Missing this opportunity would be detrimental to our desire to significantly improve our community’s quality of life.

In addition to this, the City’s longstanding policy of setting the equivalent of two pennies aside on the property tax rate (\$1,000,000) in the Capital Reserve Fund for funding capital projects and capital purchases is also included in this recommended budget.

### **Water and Sewer Fund**

The Water and Sewer Fund budget is recommended at \$32,914,277, a 13.2% increase over the FY2018-2019 Budget. Most of this increase is being driven by a \$3.2 million increase in capital spending. Water and sewer rates are generally increased annually by what it takes to keep this utility business enterprise financially self-supporting. We use the previous year's "Construction Price Index" as a gauge to determine if our recommended increase is in line with what the market is experiencing nationally, since so much of what our water and sewer operation does relates to construction. In 2018, the Construction Price Index was 4.1% and the recommended water and sewer rate increase for FY2019-2020 is 3.75%.

The recommended water and sewer rate increase would have been 2.75%, but the State of North Carolina is now requiring local governments with water and sewer systems to participate at 50% of the cost of relocating their water and sewer lines related to NCDOT road construction projects. In fact, I will be recommending an additional 1% increase each year over the next 6 years in order to cover the City's cost of this unfunded State mandate, which is estimated to be \$13 million.

Another factor driving the need to increase water and sewer rates is the new North Carolina Plumbing Code, which was fully implemented in 2016. The new code is requiring more efficient plumbing hardware and fixtures to be installed with renovation projects and new construction. As a result of this new code, commode flushes go from using 7 gallons to 1.6 gallons, kitchen fixtures go from using 8 gallons per minute to less than 2 gallons per minutes, and shower heads go from using 18 gallons per minute to less than 6 gallons per minute. So anytime a residential plumbing renovation takes place on an existing home who is also our customer, the Water and Sewer Fund loses revenue on that customer. This is good for the environment but bad for our bottom line. New construction is helping to offset some of these losses, but not all of it. The Water and Sewer Fund is in good financial shape today due to the incremental increases in rates City Council has approved over the years.

On the capital expenditure side for FY2019-2020, the Water and Sewer Fund will undertake two major construction projects. The first will be a \$2.3 million waterline rehabilitation project in the Lenoir-Rhyne University/Mill District/Highland Ave area. This area has some outdated undersized lines that need to be replaced and increased in size. This project is funded through Water and Sewer Fund Capital Reserve funds. The second project will be a new \$4 million sewer line in the Murray Basin. This new line will divert sewer flow we currently send to and pay the City of Conover to treat. After this project is completed, our Henry Fork Wasterwater Treatment Plant will treat this flow. The annual payment to the City of Conover for treating this flow is around \$450,000, so this project will actually pay for itself as the savings will be used to make the debt service payments. We will be applying for a low interest loan through the State Revolving Loan Fund for this project.

### **Sludge Composting Fund**

The Sludge Composting Fund budget is recommended at \$1,818,579, a 3.1% increase over the FY2018-2019 Budget. The Sludge Composting facility is jointly operated by a Consortium made up of the City of Hickory, the City of Conover and Catawba County.

This facility was built in the late 1980s and is near its end of life. Plans are being developed to build a new facility with an estimated cost of \$15 million.



### **Solid Waste Fund**

The City provides an extremely robust solid waste service with four household stops made at every home, every week in Hickory: *residential waste, yard waste, white goods, junk items*, with an additional stop made every other week: *recycling*. Seasonal leaf collection also occurs in the fall on every residential street multiple times which allows residents to avoid the trouble of bagging leaves. With few exceptions, if a resident gets an item to the curb, the City will dispose of it.

The current Solid Waste Fee our customers pay stands at \$22.50 per month. Over the past 15 years, in an effort to promote self-sufficiency within the Solid Waste Fund, the monthly Solid Waste Fee charged to our customers has been incrementally increased each year. However, given the recommendation to increase both the property tax rate and water & sewer rates in FY2019-2020, we are not recommending increasing the Solid Waste Fee in the coming year. I am of the opinion that the additional monthly household financial burden this would cause in many homes would be too much when combined with the other increases being recommended. The operational side of the Solid Waste Fund budget is self-supporting, meaning revenues cover those expenditures. However, this fund's revenues only cover 25% of its capital expenditures. My recommendation is to appropriate about \$490,000 of the Solid Waste Fund Balance to cover the needed capital purchase shortfall. The Solid Waste Fund has a 27% fund balance, so this one time appropriation will not put the fund in financial jeopardy.

### **Transportation (Airport)**

The Transportation Fund contains the financial activity of the Hickory Regional Airport, which is owned and operated by the City of Hickory. The recommended budget for this Fund is \$2,754,475, a 1% increase over the FY2018-2019 Budget.

This Fund is generally self-supporting, but experienced a decline in fuel sales over the past year due to the unusual amount of rain we experienced this past year. Additionally, there was a loss of hangar revenues resulting from the loss of a large hangar destroyed by a tornado. We do anticipate a rebound in revenues in the coming year.

### **Bond Program**

The 42 member Bond Commission continues their work on multiple bond projects. The City has been fortunate in that we have taken the original \$40 million approved by the voters in November of 2014 and leveraged those funds to receive an additional \$47 million in grant funding. This will allow us to undertake twice the amount of improvements that were originally planned.

In May of 2018, construction on our Class A business park called Trivium Corporate Center began. Since construction began we have had two major economic development announcements for Trivium. The first was Corning Cable Systems announcing plans to build a \$60 million facility with 110 new jobs. The second was ITM, a German pharmaceutical company, who announced plans to build a \$17 million facility and hire 137 new employees.

Our first gateway project, at the interchange at Highway 321 and Highway 70, was completed in April of this year. The project was an artistic leaf structure, along with landscaping on the Highway 321 northbound offramp on to Highway 70.

The contract for the construction of the City Walk project will be awarded in June of this year. This is a 10 foot wide multipurpose path along Main Avenue from Lenoir-Rhyne University through Downtown Hickory to 9<sup>th</sup> Street NW. The project will continue the growth of company headquarters and professional jobs in the City's central business district connecting residents and employees to shops, services, educational and medical facilities as well as other locations. The City Walk project will ultimately connect to the Old Lenoir Road Streetscape project which, in turn, will connect to the Riverwalk bond project.

Work began on the renovations and improvements to Union Square in April of this year. Work should be completed by this fall. This project will tie into the City Walk project.

The Riverwalk project is anticipated to be under construction in the fall of this year. This multipurpose path will tie into a project being developed under a public private partnership with the Robert Lackey family in honor of Mr. Lackey's late wife, Deidra Lackey. This will be a \$5-\$7 million event center on Lake Hickory with a lake house, conservatory, boat dock and amphitheater. The Riverwalk will provide economic development opportunities and public access to the lake making an attractive area for shopping, entertainment, and residential development.

An additional project approved in April 2018 with grant funding is the Book Walk. This will be a 10 foot wide multipurpose path that will tie into the City Walk at South Center Street and Main Avenue and go to the Ridgeview Library. From there it will go down 7<sup>th</sup> Avenue SW to 4<sup>th</sup> Street SW and tie into the Walmart Grocery Store on Highway 70. Staff has engaged the Ridgeview community for public input and comment on this project and will have this project under design this summer.

Finally, the City received a \$17 million grant award from the US Department of Transportation in the form of a BUILD Grant. This grant will fund a pedestrian bridge over US321 and a 10 ft. wide multipurpose path that will travel past LP Frans Stadium and up to the Hickory Regional Airport providing much needed pedestrian and bike connectivity.

All together, these projects create almost 10 miles of multipurpose paths, nearly double the original 5.2 miles approved by the voters.

With our bond projects quickly getting underway, the first full payment on our bonded debt will take place in the coming fiscal year.

### **State and National Recognition**

As a result of national and international economic conditions and changes over the past two decades, Hickory has had its economic challenges. Our community has also risen to meet those challenges head on and we are now seeing the fruits of our labor. Our local economy is being transformed from one based on traditional manufacturing to one that is more diversified and sustainable. We are seeing growth in our property tax base, low unemployment, and a growing population. And this is before we have even completed all of the projects in our Bond Program. Economic conditions in Hickory today are as good as they have ever been, and Hickory's future looks even more promising.

Our transformation is well underway and has not gone unnoticed on the state and national level. We have been the recipient of numerous types of recognition including:

**Business North Carolina:** "Crafting a Future" Article on Hickory (May 2019)  
**National Geographic Travel:** Named one of the Best Small Cities in America (January 2018)  
**Kiplinger:** Hickory, Top 10 places to Retire (August 2017)  
**USA Today/Milken Institute:** Ranks #3 "biggest gainer" in economic growth nationally (Jan. 2018)  
**Forbes:** Best Places for Business and Careers 2017 (October 2017)  
**SmartAsset:** Hickory ranked 7th Best Place to Retire in North Carolina (March 2018)  
**SmartAsset:** Hickory ranked the 9<sup>th</sup> Best Place to Raise a Family in North Carolina (2017)  
**SafeHome:** Hickory ranked among safest cities in North Carolina (January 2018)

### **Conclusion**

Our community is unified in its focus and support for job growth, population growth, and tax base growth. Your efforts in these areas are beginning to see success with much more to come. As our economic base continues to grow and diversify and as our bond projects come on line, our quality of life will be as strong as it has ever been, and will make Hickory home to even more "Makers and Doers."

Sincerely,

A handwritten signature in black ink, appearing to read "Warren Wood". The signature is fluid and cursive, with a large initial "W" and a long, sweeping underline.

Warren Wood  
City Manager

# Budget Overview



## FY2019-2020 ADOPTED BUDGET OVERVIEW

<u>Operating Funds</u>	<u>Adopted Budget Amount</u>
General Fund	\$ 52,795,516
Water and Sewer Fund	32,914,277
Sludge Composting Fund	1,818,579
Stormwater Fund	259,922
Transportation Fund	2,754,475
Solid Waste Fund	<u>5,511,748</u>
Total	\$ 96,054,517
<u>*Internal Service Funds</u>	
Capital Reserve Fund	\$ 4,680,000
Fleet Maintenance Fund	2,796,782
Insurance Fund	<u>7,447,290</u>
Total	\$ 14,924,072
All Funds Total	\$ 110,978,589

\*The Internal Service Funds are supported by budgetary transfers from the Operating Funds they serve. Even though including them in the overview above creates a double counting, to exclude them would not give a comprehensive view of the City's budget.

## THE FUNDS OF THE ADOPTED BUDGET

### General Fund

The General Fund contains all the governmental services that do not generate sufficient revenue to support their activities including Police, Fire, Recreation, Public Services, Library, Planning and Development, Administration, and Governing Body. This fund also transfers portions of its revenue to support the City's Stormwater Fund and the Capital Reserve Fund.

In the FY2019-2020 Budget, the General Fund is balanced with a property tax rate of fifty-eight and seventy-five ten thousandths (\$0.5875) cents per one hundred dollars (\$100) valuation. During 2019 there was a revaluation of all real property in Catawba County, and the effective "revenue-neutral" tax rate for the City of Hickory is \$0.5550 cents. The proposed tax rate is an increase of \$0.021 cents above the FY18-19 rate of \$0.5665. During FY2019-20 this rate is expected to provide \$28,975,000 in property tax revenue.

The City's property tax base has increased \$291,220,722 over the FY2018-2019 amount. For FY2019-2020, the property tax base is estimated to be \$5,007,451,993.

The FY2019-2020 General Fund Budget totals \$52,795,516.

### Water and Sewer Fund

The Water and Sewer Fund contains all water production, water distribution, wastewater collection and wastewater treatment activities of the City. This fund is totally self-supporting, meaning it receives no supplement from any other fund to support its operations.

There is a 3.75% increase proposed in water and sewer rates for FY2019-2020. Water and sewer operations have experienced material and energy cost increases over the past year but only nominal growth in its



# Budget Overview

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customer base, therefore necessitating this increase. Additionally, in 2019 there are new requirements for greater municipal financial participation in NCDOT projects that involve impact to local water and sewer infrastructure.

The FY2019-2020 Water and Sewer Fund Budget totals \$32,914,277.

## Sludge Composting Fund

The Sludge Composting Fund contains all sludge (wastewater by-product) management activities of Hickory, Conover and Catawba County.

A consortium consisting of Hickory, Conover, and Catawba County manages the Sludge Composting Fund. This fund receives its revenues from those jurisdictions. The finances of the fund are managed by the City of Hickory, and its budget is contained within the City of Hickory's Annual Budget.

The FY2019-2020 Budget for the Sludge Composting Fund totals \$1,818,579.

## Stormwater Fund

The Stormwater Fund contains all the activities related to complying with Federal and State Stormwater Regulations. It is jointly funded by both the General Fund and the Water and Sewer Fund, each of which contributes half the Fund's cost.

The FY2019-2020 Stormwater Fund Budget totals \$259,922.

## Transportation Fund

The Transportation Fund contains all Airport activities of the City. The Hickory Regional Airport assumed Fixed Based Operations responsibilities in December 2011. This fund is totally self-supporting, meaning it receives no supplement from any other fund to support its operations.

The FY2019-2020 Budget for the Transportation Fund totals \$2,754,475.

## Solid Waste Fund

The Solid Waste Fund contains the following divisions: Residential Collection, Recycling, and Commercial Bulk Services.

The Solid Waste Fund is largely supported by the Solid Waste Fee which is paid by all residential solid waste customers in the City. For FY2019-2020 there is no recommended increase in the current fee of \$22.50 per month.

The FY2019-2020 Solid Waste Fund Budget totals \$5,511,748.

## Capital Reserve Fund

The Capital Reserve Fund exists as a financial tool to help in the funding of future capital projects. It is the City's practice to budget up to two (\$0.02) cents of the property tax rate towards the Capital Reserve Fund to ensure the availability of funds necessary for capital projects such as buildings, equipment, vehicles and infrastructure. The City also sets aside a portion of its Water and Sewer Fund revenue for future water and sewer related capital purchases and projects. Without adequate funding provided to the Capital Reserve

# Budget Overview

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Fund, the City would have to rely more heavily on its Fund Balance or debt financing for major capital purchases.

In the FY2019-2020 Budget, the General Fund and Water and Sewer Fund will both make financial contributions to the Capital Reserve Fund. The amounts will be \$1,200,000 and \$940,000 respectively.

The total budget for the Capital Reserve Fund for FY2019-2020 is \$4,680,000 which includes the appropriations toward major capital purchases and projects.

## Fleet Maintenance Fund

The Fleet Maintenance Fund contains all vehicle and equipment maintenance activities of the City. This is an Internal Service Fund, meaning this fund accounts for activities that serve other funds within the City's budget structure. The North Carolina General Statutes do not require that Internal Service Funds be included in the Annual Budget; however, they are included in this budget to more fully disclose all the financial operations of the City.

The FY2019-2020 Budget for the Fleet Maintenance Fund totals \$2,796,782.

## Insurance Fund

The Insurance Fund contains all insurance (health, dental, property/casualty, liability and worker's compensation) activities of the City. This is an Internal Service Fund, meaning this fund accounts for activities that serve other funds within the City's budget structure. The North Carolina General Statutes do not require that Internal Service Funds be included in the Annual Budget; however, they are included in this budget to more fully disclose all the financial operations of the City.

The FY2019-2020 Budget for the Insurance Fund totals \$7,447,290.

## EXPENDITURES BY FUNCTIONAL AREA

Not only are expenditures accounted for in the various funds, they are also organized into functional areas. Below you will find those functional areas as well as a sampling of programs, expenditures and purchases contained in the FY2019-2020 Budget.

General Government (Governing Body, City Manager's Office, Office of Communications, Finance, Human Resources, Information Technology, Budget Office, City Clerk, Legal, Engineering, District Court, Public Services Administration, Central Services, Landscape Services, Public Buildings, Insurance Fund, Fleet Maintenance)

- Continued Participation in the North Carolina Performance Measurement Project
- Public Art Commission Funding
- Community Appearance Commission Funding
- Neighborhood College
- Coworker Appreciation Day
- Coworker Service Awards Program
- Coworker Quality Awards Program
- Coworker Health Fair

# Budget Overview

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- Safety Consulting Services
- Technology Upgrades
- GIS Database Maintenance Services (WPCOG)
- Contracted Legal Services (City Attorney)

## Public Safety (Police, Code Enforcement, Fire, Hickory Rural Fire District)

- Catawba County Animal Shelter Funding
- Replacement of Police Communications Equipment
- Replacement Police Vehicles and Accessories
- Expansion of the Police Camera Program
- Replacement of Police Weapons
- Spay/Neutering Program
- Fire Department Suppression Equipment
- Mandated Fit and Flow Testing for Fire SCBA equipment

## Transportation (Traffic, Street, Airport, Airport – FBO)

- Installation of Traffic Signal Equipment
- Maintenance of Traffic Signal System
- Street Resurfacing
- Street Maintenance
- Right-of-Way Mowing
- Roadside Litter Contract
- Continued Implementation of the Sidewalk/Bikeway Master Plan (\$5 vehicle fee)

## Environmental Protection (Water and Sewer Administration, Wastewater Collection System, Henry Fork Wastewater Treatment Plant, Northeast Wastewater Treatment Plant, Hickory-Catawba Wastewater Treatment Plant, Water Treatment Plant, Pretreatment & Lab Division, Water Distribution System, Sludge Composting Facility, Recycling, Residential Sanitation, Commercial Bulk Services, Stormwater)

- Administration of Federal Stormwater Regulations
- Provide Water and Sewer Taps to Habitat for Humanity projects
- Sanitary Sewer Overflow Program
- Water Tank Maintenance Program
- Water Consumer Confidence Report
- Contract with Veolia Water North America for Sludge Composting Facility Operations
- Provide 66% of the Funding for the Sludge Composting Facility Operations (3 Member Consortium)
- Contract with Republic for Recycling Services (Single Stream)
- Contract for Yard Waste Grinding Services
- Contracted Labor for Leaf Collection
- Replacement of Cardboard Recycling Containers
- Replacement of Multifamily Recycling Containers
- Replacement of Residential Sanitation Containers
- Replacement of Commercial Bulk Dumpsters

## Economic and Community Development (Planning and Development, External Economic Development Appropriations, Business Incentives)

# Budget Overview

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- Hickory Metro Convention and Visitors Bureau Funding
- Community Relations Council Funding
- Catawba County Economic Development Corporation Funding
- Funding for the Hickory Downtown Development Association
- Neighborhood Grant Program
- Façade and Landscape Grant Program
- Vacant Building Revitalization and Demolition Grant Program
- Business Incentives Program

## Culture and Recreation (Recreation, Parks Maintenance, LP Frans Stadium, Library, Culture & Recreation Special Appropriations)

- Recreation Facility Upgrades
- Recreation Fitness Equipment Replacement
- Priority Facility Use Agreement With Hickory Public Schools
- Funding for Library Technology Upgrades
- Funding for United Arts Council of Catawba County
- Funding for the SALT Block

## Other Financing Uses

- General Fund Transfer to General Capital Reserve (2 cents policy)
- Water and Sewer Fund Transfer to General Capital Reserve

## Debt Service

- General Obligation Bonded debt
- Hickory Metro Convention Center – General Fund
- Geitner Basin Sewer Project – Water and Sewer Fund
- Maiden Waterline – Water and Sewer Fund
- North East Waste Water Treatment Plant – Water and Sewer Fund
- Henry River Basin Sewer Project – Water and Sewer Fund
- Hickory-Catawba Waste Water Treatment Plant – Water and Sewer Fund
- Cripple Creek Sewer Outfall – Water and Sewer Fund
- Central Business District Infrastructure Rehabilitation – Water and Sewer Fund
- Police Department Radio Communications System

## Contingency

- General Fund maintains Contingency Funding at a level up to 1.5% of Recurring Revenue
- Water and Sewer Fund has no official contingency target, but generally maintains Contingency Funding equal to between 0.5% and 1% of Recurring Revenue



## MASTER PLANS AND CITY INITIATIVES

The City has developed a number of master plans and initiatives to help guide both service delivery and development. These plans and initiatives are as follows:

- Inspiring Spaces Plan/Bond Projects: This is a multi-year plan which was developed to improve physical connectivity within the City, as well as to improve public spaces and sustainability for areas throughout Hickory. Since the scope and scale of this plan is so broad, funding mechanisms for this plan are currently being developed. This plan was developed between 2012 and 2014.
- Landscape Master Plan: This plan prioritizes planting projects and appearance issues. It was accepted by City Council in FY1996-1997.
- Parks and Recreation Master Plan: The Parks and Recreation Master Plan prioritizes current and future Parks and Recreation projects. It was accepted by City Council in FY1997-1998.
- Parks and Recreation Needs Assessment: This document, accepted by City Council in FY2009-2010, provides an inventory and assessment of current Parks and Recreation facilities while also prioritizing future needs.
- Hickory Horizons: This is the City's strategic plan for maintaining and improving Hickory's economic stability, growth and quality of life through regional leadership, recognition of the importance of the Hickory Metropolitan Area and coordinated approaches to common local government issues. The Hickory Horizons Report was first adopted in 1987 and was comprehensively updated in 1995. In 1997, the City Council held its first Hickory Horizons Congress with participation from throughout the Hickory Metro to promote implementation of key regional goals and programs.
- Sidewalk, Bikeway, Greenway and Trail Master Plan: This plan prioritizes sidewalk projects citywide, requires space for bikeways with the design and construction of new roads, and is proposed to be implemented over a 20 to 25 year period. A \$5 vehicle fee was implemented in FY1998-1999 to support this plan. This master plan was originally adopted in FY1997-1998, updated in FY2000-2001 and updated again in 2005 to include greenways and trails.
- Business/Industrial Master Plan: This plan proposes continued funding for economic development activities and sets guidelines for companies receiving economic incentives. This master plan was adopted by City Council in FY1996-1997 and updated in FY2003-2004.
- Water & Sewer Extension Plan: The Water and Sewer Extension Plan identifies major water and sewer system extensions over the next five years. This plan was developed in FY1996-1997.
- Library Long-range Plan: This plan identifies service expansion goals and facility/equipment enhancements and is funded as part of on-going library budgets.
- Airport Master Plan: This document was last developed in 1990 and has become outdated. In 2017 the North Carolina Department of Transportation – Division of Aviation (NCDOT/DOA) awarded the City a grant to update the Airport Master Plan. The Master Plan Update is needed to determine the future direction of

## Budget Overview

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Airport development so as to maximize the future potential of the airport. The Federal Aviation Administration requires a Master Plan to provide long-range plans for expansion and renovation of facilities.

- Neighborhood Focus: To date, twelve (12) self-identified neighborhoods have been recognized within the City and the City Manager has assigned a senior staff person to serve as a liaison with each group. City Council has approved two grant programs to assist neighborhood organizations to sustain their organizations and undertake neighborhood improvements. There have been six individual neighborhood plans developed to date, and they are:
  - Ridgeview - Adopted in 1992, updated in 1995 and 1999.
  - Kenworth - Originally adopted in 1997, updated in 2002. Readopted in 2003.
  - Green Park - Adopted in 1998; revised in 2017.
  - West Hickory/Westmont - Adopted in 2000.
  - Highland - Adopted in 2002.
  - Claremont – Adopted in 2008; readopted in 2015.
- Hickory by Choice: This Land Use and Transportation Plan for Hickory was originally adopted in 1999. There are limited expenditures associated with this plan, as most of it relates to the City's land use and transportation policy. The City updated and revised this plan into a comprehensive plan (Hickory by Choice 2030) in 2011, and again in 2017.



# Annual Budget Ordinance



CITY OF HICKORY  
Budget Ordinance  
Fiscal Year 2019-2020

BE IT ORDAINED by the Governing Board of the City of Hickory, North Carolina:

SECTION 1: It is estimated that the following revenues will be available in the General Fund for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020:

Ad Valorem Taxes	\$ 29,525,000
Other Taxes	17,143,213
Unrestricted Intergovernmental Revenues	663,000
Restricted Intergovernmental Revenues	2,385,427
Licenses and Permits	5,100
Sales and Services	1,534,740
Investment Earnings	258,036
Miscellaneous	301,000
Other Financing Sources	<u>980,000</u>
	\$52,795,516

SECTION 2: The following amounts are hereby appropriated in the General Fund for the operation of the City government and its activities for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020, in accordance with the chart of accounts heretofore established for this City:

General Government	\$ 6,940,006
Public Safety	24,087,158
Transportation	6,599,746
Economic and Community Development	3,691,666
Culture and Recreation	6,558,575
Other Financing Uses	1,329,961
Debt Service	2,888,404
Contingency	<u>700,000</u>
	\$52,795,516

SECTION 3: It is estimated that the following revenues will be available in the Water and Sewer Fund for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020:

Restricted Intergovernmental Revenues	\$ 1,297,597
Sales and Services	22,698,000
Investment Earnings	60,000
Miscellaneous	340,000
Other Financing Sources	<u>8,518,680</u>
	\$32,914,277



# Annual Budget Ordinance



SECTION 4: The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer utilities for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	\$ 28,242,268
Other Financing Uses	1,169,961
Debt Service	3,352,048
Contingency	<u>150,000</u>
	\$ 32,914,277

SECTION 5: It is estimated that the following revenue will be available in the Sludge Compost Fund for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020:

Restricted Intergovernmental Revenues	\$ <u>1,818,579</u>
	\$ 1,818,579

SECTION 6: The following amounts are appropriated in the Sludge Compost Fund for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	\$ <u>1,818,579</u>
	\$ 1,818,579

SECTION 7: It is estimated that the following revenue will be available in the Stormwater Fund for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020:

Other Financing Sources	\$ <u>259,922</u>
	\$ 259,922

SECTION 8: The following amounts are appropriated in the Stormwater Fund for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	\$ <u>259,922</u>
	\$ 259,922

SECTION 9: It is estimated that the following revenues will be available in the Transportation Fund for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020:

Sales and Services	\$ 2,601,337
Restricted Governmental Revenues	6,365
Investment Earnings	10,000
Other Financing Sources	<u>136,773</u>
	\$ 2,754,475

# Annual Budget Ordinance



SECTION 10: The following amounts are appropriated in the Transportation Fund for the operation of Transit and Airport activities for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020, in accordance with the chart of accounts heretofore established for this City:

Transportation	\$ 2,724,475
Contingency	<u>30,000</u>
	\$ 2,754,475

SECTION 11: It is estimated that the following revenues will be available in the Solid Waste Fund for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020:

Other Taxes	\$ 25,000
Sales and Services	4,985,000
Investment Earnings	12,000
Miscellaneous	2,500
Other Financing Sources	<u>487,248</u>
	\$ 5,511,748

SECTION 12: The following amounts are appropriated in the Solid Waste Fund for the operation of recycling, residential solid waste collection and commercial bulk services activities for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	\$ 5,491,748
Contingency	<u>20,000</u>
	\$ 5,511,748

SECTION 13: It is estimated that the following revenue will be available in the Capital Reserve Fund for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020:

Other Financing Sources	\$ <u>4,680,000</u>
	\$ 4,680,000

SECTION 14: The following amounts are hereby appropriated in the Capital Reserve Fund for the Fiscal Year beginning July 1, 2019, and ending June 30, 20120 in accordance with the chart of accounts heretofore established for this City:

General Government	\$ 1,200,000
Environmental Protection	940,000
Other Financing Uses	<u>2,540,000</u>
	\$ 4,680,000

SECTION 15: The following amounts form the revenue portion of the financial plan for the Fleet Maintenance Fund:

Sales & Services	\$ <u>2,796,782</u>
	\$ 2,796,782

# Annual Budget Ordinance



SECTION 16: The following amounts form the expenditure portion of the financial plan for the Fleet Maintenance Fund:

General Government	\$ <u>2,796,782</u>
	\$ 2,796,782

SECTION 17: The following amounts form the revenue portion of the financial plan for the Insurance Fund:

Sales & Services	\$ 7,216,917
Investment Earnings	30,000
Other Financing Sources	<u>200,373</u>
	\$ 7,447,290

SECTION 18: The following amounts form the expenditure portion of the financial plan for the Insurance Fund:

General Government	\$ <u>7,447,290</u>
	\$ 7,447,290

SECTION 19: The operating funds encumbered on the financial records of June 30, 2019 are hereby reappropriated into this budget.

SECTION 20: There is hereby levied a property tax at the rate of fifty-eight and seventy-five ten thousandths cents (\$0.5875) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2019, for the purpose of raising the revenue listed as "Ad Valorem Taxes" in the General Fund in Section 1 of this ordinance. This rate is based on a total estimated valuation of property for the purposes of taxation of \$5,007,451,993 and the Fiscal Year 2018-2019 estimated rate of collection of 98.03%.

SECTION 21: During 2019 there was a revaluation of all real property in Catawba County. Pursuant to North Carolina General Statute 159-11, the effective revenue-neutral tax rate for the City of Hickory is \$0.5550 cents per one hundred dollars (\$100) valuation.

SECTION 22: The corresponding "FY 2019-2020 Schedule of Fees" is approved with the adoption of this Annual Budget Ordinance.

SECTION 23: The City Manager (Budget Officer) is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line-item expenditures within the same functional area within a fund without limitation and without a report being required.
- b. He may transfer amounts up to \$50,000 between functional areas including contingency appropriations within the same fund.
- c. He may not transfer any amounts between funds, except as approved by the Governing Board in the Annual Budget Ordinance as amended.

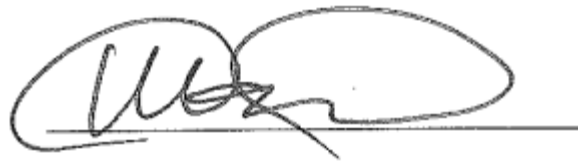
# Annual Budget Ordinance

**SECTION 24:** The City Manager (Budget Officer) is hereby authorized to execute agreements, within funds included in the Budget Ordinance or other actions by the Governing Body, for the following purposes:

- a. Form grant agreements to public and non-profit organizations;
- b. Leases of routine business equipment;
- c. Consultant, professional, or maintenance service agreements;
- d. Purchase of supplies, materials, or equipment where formal bids are not required by law;
- e. Purchase of real property when a budget amendment is not required;
- f. Applications for and agreements for acceptance of grant funds from federal, state, public, and non-profit organizations, and other funds from other governmental units, for services to be rendered which have been previously approved by the Governing Body;
- g. Construction or repair projects;
- h. Liability, health, life, disability, casualty, property, or other insurance or performance bonds;
- i. Other administrative contracts which include agreements adopted in accordance with the directives of the Governing Body.

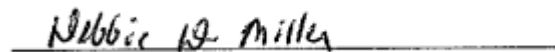
**SECTION 25:** Copies of the Annual Budget Ordinance shall be furnished to the City Clerk, to the Governing Board and to the City Manager (Budget Officer) and the Finance Officer to be kept on file by them for their direction in the disbursement of funds.

Adopted this 18<sup>th</sup> day of June, 2019



Mayor

Attest:



Debbie Miller

City Clerk



# City Council Priorities and Action Plan



## HICKORY CITY COUNCIL'S FY2019-2020 PRIORITIES AND ACTION PLAN

### Strategic Priority: Attract and Retain Jobs and People

#### 1. Implement Bond Projects

- A. Continue community involvement through the Bond Commission and other outreach efforts to communicate information related to the bond projects.
- B. Continue to use pre-engineering data and to determine phasing and scope of projects.
- C. Use best practices to select and manage design professionals as they develop plans for the bond projects.
- D. Implement financing plan to address both pre-issuance costs and timing of bond issuance.
- E. Maintain best practices for financial transparency and communication.

### Strategic Priority: Economic Growth & Transportation

#### 2. Promote Economic Development and Jobs

- A. Pursue development partnerships and opportunities for high-tech manufacturing at Trivium Corporate Center.
- B. Establish development opportunities and parameters along the City Walk.
- C. Continue promoting and working toward the goals set forth in the Hickory Trail Report.
- D. Implement new design standards for smart growth in city limits.
- E. Maintain investment in NC Data Campus project to attract and secure business development in region.
- F. Continue marketing the remaining industrial sites at Fairgrove Business Park and other City owned industrial properties.
- G. Promote the redevelopment of obsolete manufacturing facilities.
- H. Continue an aggressive Code Enforcement program for owner-abated commercial demolitions.
- I. Continue an aggressive program of utilizing Vacant Building Revitalization and Brownfield Grants to improve blighted properties.
- J. Consider policies and recommendations by the Business Development Committee that would stimulate economic development activity in Hickory.

#### 3. Improve Transportation

- A. Through the transportation Bond Project, establish scope and phase roadway improvements in strategic corridors and gateways.
- B. Pursue grant opportunities to leverage bond funds.
- C. Update the City's resurfacing analysis and street segment rating.
- D. Review new wayfinding sign locations and verbiage; add as needed for city residents and visitors.



- E. Partner with NCDOT on designing Sandy Ridge Road Roundabout project to improve traffic flows.
  - F. Work with NCDOT and the MPO to develop other projects benefiting Hickory.
4. Leverage the City's Regional Utilities
- A. Pursue new utility extensions and regional agreements to enhance the utility system's economy of scale.
  - B. Use the City's strength in water and sewer services as an economic development tool.
  - C. Market Hickory within and outside the region to increase economic development activity and increase water and sewer sales.

## Strategic Priority: Quality of Life and Natural Environment

1. Provide a Safe Community for Residents and Visitors
- A. Identify meaningful ways to engage and partner with our community and community leaders.
  - B. City departments will strive to provide exceptional service and communicate effectively through community involvement with our customers and workforce management.
  - C. Implement the comprehensive fire department strategic plan to meet the needs of our community and department.
  - D. Promote proactive public safety partnerships with citizens and neighborhood groups.
  - E. Continue to partner with other Catawba County jurisdictions and the community with the Catawba County Safe Initiative program to reduce violent behavior.
  - F. Support participation in the Law Enforcement Assisted Diversion (LEAD) program.
2. Support Downtown Development and Activities
- A. Continue to support downtown festivals and activities with in-kind services.
  - B. Maintain public assets downtown to promote growth and create a unique downtown experience.
  - C. Consider highest and best use for vacant parcels in the downtown area and support redevelopment of underutilized buildings.
3. Support and Protect Neighborhoods
- A. Pursue single-family home ownership opportunities in strategic locations to help stabilize distressed neighborhoods including partnerships with non-profit housing groups such as the partnership with Habitat for Humanity.
  - B. Provide staff liaisons to recognized neighborhood associations, where appropriate.
  - C. Respond in a timely manner to neighborhood requests for City services including traffic calming, trash collection, policing, etc.
  - D. Respond in a timely manner to neighborhood requests concerning Code Enforcement issues.

## 4. Offer High Quality Recreation and Library Opportunities

- A. Convert Parks & Recreation Department to Recreation & Sports Tourism Department to focus efforts on expanding recreational opportunities in Hickory.
- B. Finalize design and begin construction of the Citywalk and Riverwalk Bond Projects as recreational destinations for citizens and visitors.
- C. Continue partnership with Deidra Lackey family to complete design and begin construction of one-of-a-kind entertainment and cultural venue at Geitner Park.
- D. Pursue grant funds to begin phase one of Bruce Meisner Park with Outward Bound donation.
- E. Conduct customer surveys for recreation programs and strive for positive feedback and ratings.
- F. Continue to implement the updated library strategic plan as possible within budget constraints.
- G. Conduct customer surveys for library programs and strive for positive feedback and ratings.

## 5. Improve and Protect the Natural Environment

- A. Continue single-stream recycling efforts, increasing overall recycling participation by 5% and total tonnage of recycled material by 5%.
- B. In meeting the EPA NPDES Phase II federal storm water regulations, continue implementing stormwater best practices and complying with stormwater regulations.
- C. Partner with other organizations (Reese Institute, Covekeepers, WaterWatch, Duke Energy, Catawba River Study Committee) to promote policies and practices which protect the river, improve water quality and protect our water supply.

## 6. Improve Air Quality

- A. Monitor air quality attainment issues and support efforts to address those causes.
- B. Promote awareness of ozone action days.

## Strategic Priority: Operational Excellence

### 1. Provide Exceptional Customer Service, Communication and Teamwork

- A. Ensure that each coworker's performance evaluation reflects an emphasis on customer focus, innovation, creativity, and working as a team.
- B. Utilize regular City Manager/Coworker meetings to enhance communication within the organization.

### 2. Invest in City Coworkers

- A. Provide internal training opportunities for supervisors as well as front line staff.
- B. Promote and fund higher education opportunities which will benefit the coworker and the City.
- C. Recognize, formally and informally, coworkers' achievements.

# City Council Priorities and Action Plan



- D. Continue to support the coworker Wellness Program.
- 3. Constant Innovation in Delivery of Services
  - A. Maintain the City's excellent standing for all services included in the NC Performance Measurement Project.

## Strategic Priority: Vision and Leadership

- 1. Support and Promote Higher Education Opportunities
  - A. Work collaboratively with Lenoir-Rhyne University and Catawba Valley Community College on initiatives and opportunities which would positively impact our community.
- 2. Lead Regional Initiatives
  - A. Participate on local and regional boards/committees to ensure City interests are preserved (i.e. WPCOG, EDC, MPO, NC Works, and Innovate Catawba).
  - B. Continue to lead the region in protecting and promoting the Catawba River Basin.
  - C. Be the lead agency on regional economic development issues to adequately represent the hub of the population and workforce in the Metro area.
- 3. Promote City Priorities in the 2019-2020 Legislative Agenda to Federal and State Governments
  - A. Continue to educate citizens on State and Federal legislative issues affecting the City.
  - B. Develop and promote state and national legislative priorities that are in the specific interest of the City of Hickory.

## Strategic Priority: Communication and Marketing

- 1. Provide best practice quality communication on bond projects and city events to our residents.
- 2. Continue to market the City of Hickory "Life Well Crafted" Brand and partner with other entities to promote Hickory as a place to live, work and play.
- 3. Continue to offer and support interactive and innovative programs offered by the City, such as the Neighborhood College, and the Citizens' Police and Fire Academies.
- 4. Communicate Effectively with Customers about Delivery of Services:
  - A. Respond in a timely manner and inform citizens of results of "Action Requests."
  - B. Inform citizens about Hickory services, projects and awards.
  - C. Keep the city's website vibrant and informative.
  - D. Use print, radio, internet and social media to communicate with our citizens.
  - E. Communicate effectively with organized neighborhood groups, boards and commissions and other partners.

# City Council Priorities and Action Plan



## HICKORY CITY COUNCIL FY 2019-2020 FINANCIAL POLICIES

These Financial Policies are adopted to help guide the City in the management of its financial resources. Although the North Carolina Local Government Budget and Fiscal Control Act regulates North Carolina governmental units in financial matters, these policies adopted by the City Council are often more stringent, and reflect the specific desires of City Council. These Financial Policies are designed to allow the City to function as a fiscally sound governmental unit.

### 1. Revenue Policy

- A. The property tax rate shall be set each year based on the cost of providing general government services.
- B. The rate and fee structure established for the Water and Sewer Fund will be sufficient to finance needed operating, capital, and debt service costs for providing water and sewer services. Rates and fees in the Water and Sewer Fund will generally increase annually by the amount necessary to keep the Fund self-supporting.
- C. The City will continue to move the Solid Waste Fund towards becoming a self-supporting enterprise.
- D. Revenue projections will be made in a conservative manner.
- E. To the extent practical, any City service that benefits specific recipients shall be supported either fully or in part by user fees. Those fees will generally increase by the annual Consumer Price Index. Examples include certain recreation programs and fire inspections activities.
- F. The City will project revenues for five years and will update those projections annually.
- G. When investing City funds, safety and liquidity will take precedence over yield.
- H. Except in cases of emergencies, under urgent conditions, or for one-time capital expenses, Fund Balance Appropriated shall not exceed an amount that management can reasonably expect to save during the year.

### i. Operating Budget Policy

- A. The City will continue to develop benchmarks and productivity ratios integrated with work performance standards to assist in the evaluation of expenditures.
- B. Continue the City's participation in the North Carolina Performance Measurement Project.

- C. The City will prepare a five-year operating budget projection that will include projections of annual growth.
- D. Ensure that all water and sewer expansions represent sound investments for the City.
- E. During the course of the fiscal year, the City Manager may, at his discretion, take the necessary action to keep the City's Annual Budget balanced and solvent.

### 3. Capital Improvement Policy

- A. Annually, the City will update its Five-Year Capital Improvement Plan, which will list each capital project, the estimated cost and the anticipated year in which the project is to occur. This plan will be used as a guide in the development of the annual budget.
- B. When funding capital items, priority will be placed on the replacement of existing equipment, maintaining existing facilities, and making enhancements to existing facilities. Capital projects related to new facilities not currently in existence will receive the lowest priority, unless a designated funding source is available for the project.

### 4. Accounting Policy

- A. Annually, an independent certified public accounting firm will issue an official opinion on the City's annual financial statements to the City Council. Additionally, City Council will appoint an Audit Committee to meet with the auditors and discuss their findings.
- B. Financial systems will be maintained to monitor revenues and expenditures on a monthly, quarterly, and annual basis.
- C. Staff will give a Financial Report to City Council on a quarterly basis.

### 5. Debt Management Policy

#### Introduction

The City of Hickory recognizes that one of the keys to sound financial management is the development of a debt management policy. A debt management policy sets forth the parameters for issuing debt and managing outstanding debt. The policy provides guidance to the administration regarding purpose for which debt may be issued, types and amounts of permissible debt, and method of sale that may be used. The debt policy recognizes a binding commitment to full and timely repayment of any and all tax supported debt as an essential requirement for entry into the capital markets. The policy shall be reviewed annually as part of the City's budget process and amended as appropriate.

#### Purpose

The debt management policy is intended to guide the prudent use of resources to provide the needed services to the citizens of the City of Hickory. Adherence to a debt policy helps to ensure that a

# City Council Priorities and Action Plan

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government retains a sound debt position and maintains the City's credit ratings with various rating agencies. Development of a debt management policy is a recommended practice by the Government Finance Officers Association (GFOA).

## Debt Instruments

The City will use appropriate debt instruments to provide funding for capital assets at the lowest cost with minimal risk.

### General Obligation Bonds:

General obligation bonds are bonds secured by a promise to levy taxes in an amount necessary to pay debt service, principal and interest, coming due each fiscal year. General obligation bonds are backed by the full faith and credit of the City. These bonds are authorized by a referendum or by non-voted (2/3) authorization by the governing body. The non-voted authorization allows governments to issue up to two-thirds of the previous year's net debt reduction without a referendum.

### Revenue and Special Obligation Bonds:

Revenue bonds are bonds that pledge revenues generated by the debt-financed asset or by the operating system of which that asset is a part. Special obligation bonds are bonds that are payable from the pledge of revenues other than locally levied taxes.

### Other Financing Options:

Installment financings are alternative financing methods that do not require voter approval. Certificates of participation or limited obligation bonds represent an undivided interest in the payments made by a public agency pursuant to a financing lease or an installment purchase agreement. The security for this financing is represented by a lien on the property acquired or constructed.

An Installment Purchase Contract is an agreement with a financial institution in which the equipment or property is acquired and periodic payments are made to satisfy the debt service. The City will typically use this type of financing to finance a capital asset for ten to twenty years with the capital asset being used as collateral for the loan. In other cases, this financing will be used for short-term equipment or vehicle purchases of three to five years.

The City will use pay-as-you-go funding for capital improvements or capital assets having a cost of less than \$250,000 or assets having a useful life of less than ten years unless budgetary constraints require the use of financing to acquire the necessary funding for those capital improvements or capital assets.

### Guidelines for Debt Issuance

The City may issue debt for the purpose of acquiring or constructing capital assets including land, buildings, machinery, equipment, fixtures and any other eligible expenses of the project and for making major renovations to existing capital improvements, for the good of the public. Exceptions to this rule will be considered on a case-by-case basis to determine if the contemplated debt is in the best interests of



# City Council Priorities and Action Plan



the City. Long-term debt shall not be used to finance ongoing operational expenses. When applicable, debt issuance will be pooled together to minimize issuance expense.

Before issuing any new debt, the City will consider the following factors:

- Global, national, and local financial environment and economy
- Current interest rates and expected interest rate changes
- Cash position and current debt position
- Availability of funds to repay the debt
- Urgency of current capital needs and flexibility to meet future needs
- Appropriate debt issuance practices and debt structuring

## Debt Structure

The debt structure is made up of the type of debt, interest rate, and principal maturity schedule. This debt could be general obligation, revenue, or special obligation bonds, or other installment financings. The cost of taxable debt is typically higher than the cost of tax-exempt debt; however, the issuance of taxable debt is mandated in some circumstances and may allow flexibility in subsequent contracts with users or managers of the improvements constructed with the bond proceeds. The City will usually issue obligations on a tax-exempt basis, but may occasionally issue taxable obligations when there is an expected benefit from doing so. The City shall establish an affordable debt level to preserve credit quality and ensure sufficient revenue is available to pay annual debt service obligations.

General obligation bonds will generally be competitively bid with no more than a 20-year life unless there are compelling factors which make it necessary to extend beyond this point and applicable law allows a longer term. In a competitive sale, the City may sell its debt obligations in which any interested underwriter or syndicate is invited to submit a proposal to purchase an issue of bonds. The bonds are awarded to the underwriter presenting the best bid according to stipulated criteria set forth in the notice of sale.

Negotiated sales or private placements may be used where allowed when complex financing or sales structure is a concern with regard to marketability. In a negotiated sale, the bonds may be sold through an exclusive arrangement between the City and an underwriter or underwriting syndicate. At the end of successful negotiations, the issue is awarded to the underwriter. This method offers the most flexibility to the City. The criteria used to select an underwriter or syndicate in negotiated sales should include, but not be limited to, the following: overall experience, marketing philosophy, capability, recent experience, underwriter's discount, and overall expenses.

The City may elect to sell its debt obligations through a private placement with a financial institution when appropriate. Selection through private placement shall be determined through a Request for Proposal (RFP) process.

Debt service for each issue will be structured in an attempt to minimize the City's interest payments over the life of the issue while taking into account the existing debt obligations of the City. Any debt issued

shall not have a maturity date beyond the useful life of the asset being acquired or constructed by the debt proceeds.

The City may also consider various financing methods including fixed or variable interest rate debt in order to minimize the interest costs over the life of the issue. The use of these methods will be evaluated based on market conditions and the maximum benefit to the City while minimizing the City's risk. When appropriate, the City may choose to issue securities that pay a rate of interest that varies according to a predetermined formula or results from a periodic remarketing of the securities or reset date determined by the bondholder. The City will limit the issuance of variable rate debt to help maintain the City's credit rating. The City's long term variable rate debt will not exceed 10% of the total outstanding general debt.

Investment of bond proceeds will be consistent with those authorized by existing state law, the City's investment policy and applicable bond covenants. Bond proceeds shall be invested and tracked separately from other investments.

## Debt Ratios

The City will use an objective, analytical approach to determine the amount of debt to be considered for authorization and issuance. This process involves the comparison of generally accepted debt ratios from similar cities and are consistent with rating agencies best practices. These ratios will be re-evaluated every five years or sooner as market conditions dictate. In the event that the City anticipates exceeding any of the debt ratios, staff may request an exception from City Council stating the reason and the length of time. The City shall adhere to the following ratios:

### Net Direct Debt as a Percentage of Assessed Valuation:

This ratio measures debt levels against the property tax base that generates the tax revenues used as the main source of debt repayment. The City will maintain its debt at no more than 2.00% of the citywide assessed value.

### Net Direct Debt Service as a Percentage of Operational Budget:

This ratio reflects the City's budgetary flexibility to adjust spending levels as economic conditions change. The City will maintain its net debt service at no more than 15% of the operational budget.

### Ten-Year Payout Ratio:

This ratio measures how quickly the City retires its outstanding indebtedness. A higher payout ratio preserves the City's capacity to borrow for future capital needs. The City will maintain its ten-year payout ratio at a 50% level or higher.

## Refinancing of Outstanding Debt

The City will continually review its outstanding debt and recommend issue for refunding as market opportunities arise. Debt shall only be refinanced for the purpose of achieving debt service savings, unless required to achieve specific debt management goals of the City. The estimation of net present value savings should be, at a minimum, in the range of 3% of the refunded maturities before a refunding process would be considered unless the City otherwise determines the annual savings warrant the refunding. The City will not refinance debt for the purpose of deferring scheduled debt service, unless

unique circumstances are present. The City is aware that refinancing for the purpose of deferring debt service may have an impact on its credit rating.

The City may issue advance refunding bonds when advantageous, legally permissible and prudent while net present value savings are achieved. Advance refunding transactions are those undertaken in advance of the first date the refunded debt can be called for optional redemption and will require an establishment of an escrow account for the defeasance of the refunded debt. All costs incurred in completing the refunding shall be taken into account when determining the net present value savings.

The City may issue current refunding bonds when advantageous, legally permissible and prudent while net present value savings are achieved. Current refunding transactions shall be considered whenever possible. These transactions are undertaken at or after the call date on outstanding debt and provide for redemption and replacement of refunded debt within ninety days of issuance of the refunding debt.

## Pay-As-You-Go Financing

The City shall use pay-as-you-go and other alternative sources of funding for capital projects to minimize debt levels. To have an effective pay-as-you-go program, at least one funding source must be identified that is consistent, reliable and large enough to provide for capital needs in an amount that reduces dependency on debt. In order to reduce the impact of capital programs on future years, the City will annually appropriate funds for its capital improvement plan. The City will also appropriate proceeds from the sale of capital assets and land, as deemed appropriate, for capital projects. This practice will allow additional funding of capital improvement projects and reduce the City's dependence on borrowing. Pay-as-you-go funding will save money by eliminating interest expense on funding projects and will improve financial flexibility in the event of sudden revenue shortfalls or emergency spending.

## Issuance of Debt

The scheduling and amount of bond sales and installment purchase transactions will be recommended by the City Manager, Chief Financial Officer, and Finance Officer. City Council must approve the sale. These decisions will be based upon the identified cash flow requirements for each project to be financed as well as market conditions and other relevant factors including debt ratios. If the cash requirements for capital projects are minimal in any given year, the City may choose not to issue the debt and fund the project costs and reimburse these costs when financing is arranged. In these situations, the City will adopt a reimbursement resolution prior to the expenditure of project funds. Fixed rate general obligation bond sales are conducted on a competitive basis by the Local Government Commission (LGC), a division of the Office of State Treasurer. Variable rate bonds, revenue and special obligation bonds will be sold on a negotiated basis with a selected underwriter.

The City must receive an opinion acceptable to the market from a nationally recognized law firm that each financing transaction complies with applicable laws and all agreements in connection with any financing are legal, valid and binding obligations of the City.

## Continuing Disclosure

In accordance with the Securities and Exchange Commission (SEC), Rule 15c-2-12, the City will provide financial and operating information to the repository or repositories designated by the SEC. Where

applicable, the City will also provide its Comprehensive Annual Financial Report (CAFR) and other relevant information to rating agencies, corporate trustees, and financial institutions as required by Continuing Disclosure requirements within all debt documents.

## Arbitrage Liability Management

The City will maintain a system of record keeping and reporting to meet the arbitrage and rebate compliance requirements of the federal tax code. This effort includes tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting applicable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the City's outstanding debt issues.

It is the City's policy to minimize the cost of arbitrage rebate and yield restriction while strictly complying with the applicable laws. Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, arbitrage calculation will be performed by qualified arbitrage professionals in strict adherence to applicable laws and regulations. These calculations are done in accordance with required Internal Revenue Service reporting dates.

## Credit Ratings

The City will maintain good communication with bond rating agencies about its financial condition. This effort will include providing periodic updates on the City's general financial condition, coordinating meetings, and presentations in conjunction with a new issuance. The City will continually strive to maintain its bond rating by improving financial policies, budgets, forecasts, and the financial health of the City.

## Financing Team

The City will provide for a solicitation and selection process for securing all professional services required in connection with any debt issues. The service professionals selected will be required to follow the City's debt management policy with the goal of continuity, quality service, and competitive prices.

## Administration and Implementation

The City Manager, Chief Financial Officer, and Finance Officer are responsible for the administration and issuance of debt including the completion of specific tasks and responsibilities included in this policy. Any exception to the debt management policy must be presented to City Council and approved by a specific action by the Council.

## 6. Reserve Policies

- A. In the Annual Budget, the City will reserve the equivalent of two pennies on the City's property tax rate in the General Capital Reserve Fund, for the purpose of funding capital expenditures on a pay-as-you-go basis.

- B. The City will establish a General Fund Contingency Reserve to provide for unanticipated expenditures of a nonrecurring nature to meet unexpected increases in service delivery costs. This reserve will be budgeted at an amount up to 1.5% of recurring General Fund revenues estimated for that fiscal year.

C. Fund Balance:

## Introduction

The City of Hickory recognizes that a fund balance policy is essential to establishing guidelines for adequate fund balance. The policy will assist in maintaining sufficient levels of available fund balance to meet unexpected financial needs of the City during emergency situations or adverse financial conditions. Rating agencies examine fund balance when considering overall economic health and credit quality of the City.

## Definitions

Fund balance is the difference between assets and liabilities reported in a governmental fund. It is simply a measurement of financial resources available to fund future expenditures of the City.

Fund balance is categorized into five specific classifications based on limitations of use. The Governmental Accounting Standards Board (GASB) defines the classifications as non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

- I. Non-spendable fund balance – Amounts that are not in spendable form or amounts which are legally required to be remain intact.
- II. Restricted fund balance – Amounts that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation.
- III. Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action of the Council. Commitments may be modified or removed by the same formal action required for initial commitment.
- IV. Assigned fund balance – Amounts intended to be used by the government for specific purposes which are neither restricted nor committed.
- V. Unassigned fund balance – Amounts not included in any other classification. Unassigned amounts are available for any legal purpose.

## Policy

The City of Hickory formally establishes the goal of maintaining unassigned fund balance in the General Fund in an amount of twenty-five percent (25%) of the General Fund expenditures. This amount represents three months of operating expenditures for the City.

Based on the recommendation of the North Carolina Local Government Commission, the City of Hickory will maintain available fund balance in the General Fund in an amount no less than eight percent (8%) of the General Fund expenditures.

The independent auditor of the City shall monitor the City's compliance with this established fund balance policy. The auditor shall report related findings and recommendations annually as part of the City audit.

## Use and Replenishment

General fund balance will not be appropriated to support the ongoing operations of the City except in extreme emergency situations. It will be used for expenditures considered non-recurring in nature. If the fund balance amount should fall below the twenty-five percent (25%) goal level at the end of the fiscal year, Council must approve and adopt a plan to restore the balance to the goal level within twenty-four (24) months. If restoration of the fund balance cannot be accomplished within the time period without severe hardship to the City, then Council will establish a different time period agreed upon by Council members and City management.

## 7. Financial Partnerships Policy

- A. When feasible, the City will seek financial partnerships with organizations in the community as a means of providing services in the most cost-effective way.
- B. When renovating, enhancing or constructing City-owned facilities, the City will seek financial partnerships, when feasible, with organizations or individuals who benefit from those facilities in order to limit the use of public funds and to maximize the benefit of those funds.

## 8. Investment Policy

### PURPOSE

It is the policy of the City of Hickory (hereafter the "City") to invest public funds in a manner which maximizes security and provides maximum return in preserving and protecting funds while meeting the daily cash flow demands and adhering to all applicable statutes governing the investment of public funds.

### GOVERNING AUTHORITY

The investment program of the City shall be operated in conformance with federal, state and other legal requirements, including provisions of North Carolina General Statute 159-30.



## SCOPE

This investment policy applies to all financial assets in the City's investment portfolio. Except for cash in certain restricted and special funds, the City will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds in accordance with generally accepted accounting principles and G.S. 159-30(e).

## GENERAL OBJECTIVES

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield.

### Safety

Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

### Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

### Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- Liquidity needs of the portfolio require that the security be sold.

## STANDARDS OF CARE

### Prudence

Investments will be made according to the "prudent person" standard. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit

risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

## Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officials shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

## Delegation of Authority

Authority to manage the investment portfolio is granted to the City's Finance Officer, who shall act in accordance with established procedures and internal controls for the operation of the investment portfolio consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Officer. The Finance Officer will be responsible for all transactions undertaken and will establish a system of controls to regulate the activities of subordinates.

## SAFEKEEPING AND CUSTODY

### Delivery vs Payment (DVP)

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

### Safekeeping

Securities will be held by an independent third party custodian selected by the City as evidenced by safekeeping receipts in the name of and for the benefit of the City. The custodian shall be a trust department with an account with a Federal Reserve Bank and authorized to act as trustee in North Carolina.

### Internal Controls

The Finance Officer shall establish a system of internal controls designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City.

## SUITABLE AND AUTHORIZED INVESTMENTS

### Investment Types

Only the investments authorized by General Statute 159-30 will be permitted by this policy.

### Collateralization

In accordance with North Carolina General Statute 159-31(b) and the GFOA Recommended Practices on the Collateralization of Public Deposits, full collateralization will be required on deposits at interest and certificates of deposit. The City shall utilize the pooling method of collateralization and shall use only banking institutions approved by the North Carolina Local Government Commission.

## INVESTMENT PARAMETERS

### Diversification

Investments of the City covered by this policy must be diversified to eliminate the risk of loss as a result of over concentration of securities in a specific maturity, a specific issuer, or a specific class of securities.

### Maximum Maturities

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase.

It is the City's intent to hold investments until maturity to ensure the return of all invested principal dollars. Changes in economic or market conditions may require the City to sell or trade securities prior to maturity.

## REPORTING

Investment activity shall be reported to City Council during the quarterly financial report presentation by the City's Chief Financial Officer.

## EXEMPTION

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, funds shall be reinvested in securities which conform to this policy.



The information in the previous sections focused on how City government plans to allocate resources for the upcoming fiscal year. Subsequent sections of the document describe the detail behind those plans as the budget is examined at consolidated, functional, departmental, divisional, and in some cases, line item levels.

The Budget Guide begins the transition from a broad budgetary plan to a specific working budget for City operations. Here, the reader will find explanations for much of the data that follows. This section also provides an opportunity to pause and examine the many facets of budgeting for which this document is merely the end product. What has changed in the City budget since last year? How and when does the process of allocating over \$100 million occur? How is the City's budget organized, and what do all those terms mean?

Because this section is intended to provide mostly background information, the reader is invited to exercise judgment when reading it. The veteran budget reader may wish to skip the Budget Format: The Basics pages because they describe the basic structure of the City's budget. However, the novice reader will find these pages a good starting point for developing an understanding of information in the rest of the document.

## What's New in the Budget?

Changes to the FY2019-2020 budget reflect the ongoing efforts by the City of Hickory to enhance the municipal environment through ongoing Bond Projects while maintaining a high level of basic service provision to the public. As with any new budget year, any changes are necessary to meet new community, financial, or legal obligations and mandates.

The most significant changes to the structure of the FY2019-2020 budget are:

- A property tax increase of 2.1 cents per \$100 value (former rate was .5665, and new rate .5875) primarily to accommodate the annual Debt Service payment on General Obligation Bonds.
- Continued moderate growth in property tax base and revenues; 2019 is a revaluation year for Catawba County, therefore this has been recognized in setting the new ad valorem tax rate.
- Moderate growth in sales tax revenues;
- Water and Sewer capital projects have increased significantly in the upcoming year; to maintain pace with new NCDOT requirements for greater financial participation by localities in road projects and associated utility work, both the General Fund and Water & Sewer Fund are contributing more funding into Capital Reserve to meet these future obligations.
- For the third consecutive year, the Solid Waste Fund is self-supporting without a transfer from the General Fund; and
- Parks Maintenance has been restructured to fall under the purview of the Public Services Division. Locating this operation within Public Services will allow the City to more efficiently strategize the ongoing management and comprehensive financial needs of all facilities presently undergoing transformation due to implementation of the Bond Projects.

There have been no other significant changes to the structure of the budget. However, each year the City of Hickory submits its budget document to the Government Finance Officers Association Distinguished Budget Awards Program for review. This year's budget contains minor revisions based on the comments of those professionals who reviewed last year's budget document.

# Budget Development Calendar



- December 7, 2018 Personnel expenditures projected by Human Resources
- December 7, 2018 Worker's Compensation, Property and Liability Insurance by Risk Management
- December 7, 2018 New position requests and reclassification requests due to Human Resources (per Personnel Ordinance)
- December 7, 2018 Debt projected by Finance (existing debt only)
- December 7, 2018 City Council Financial Policy expenditures (transfers and contingency) projected by Budget Office
- December 7, 2018 External appropriation request letters sent out; also notices re: Board and Commission Workplan deadlines
- December 7, 2018 Publish newspaper ad re: notification of call for External appropriation requests (due date January 21, 2019)
- December 17, 2018 Budget Kick-off Meeting: 9:00 a.m. @ Council Chambers
  - Distribute Initial Allocation Sheets
  - Distribute Budget Manual
- January 4, 2019 Projected revenues entered into H.T.E. by Budget Office
- January 11, 2019 Departments to have [entered FY19-20 operational](#) budget requests into H.T.E. **Requests to balance to your department's initial budget allocation.**
- January 11, 2019 Departments to have [entered FY19-20 capital](#) budget requests into H.T.E.
- January 2-31, 2019 Departments may request to meet with the City Manager to make additional budget requests or to negotiate budgets
- January 21, 2019 External Appropriation requests due
- January 24, 2019 Fleet Management to review and make recommendations on new capital equipment requests
- January 24, 2019 City Engineer to review and make recommendations on capital construction requests
- January 24, 2019 Information Technology to review and make recommendations on technology requests



# Budget Development Calendar



- January 31, 2019 Fee Schedule sent to departments for FY19-20 changes
- February 5, 2019 Board & Commission workplans due
- February 5, 2019 5-year CIP to be entered into H.T.E. by departments
- February 19, 2018 City Council Meeting:
  - External appropriation requests presented
- February 22, 2018 Departments to return FY19-20 Fee Schedule changes to Budget Office
- March 5, 2019 City Council Meeting:
  - Board & Commission workplans presented
- March 5, 2019 City Manager's Recommended Budget balanced
- March 8, 2019 Performance Measurement page due to Budget Office from departments
- Weeks of April 29 & May 6, 2019 Individual Management Briefings to City Council members re: FY19-20 budget
- Weeks of May 13 & 20, 2019 Management Presentations to City Coworkers on FY19-20 budget
- May 21, 2019 City Council Meeting:
  - Call for public hearing on Recommended Budget
- May 22, 2019 Publish notice of public hearing and make a copy available to news media in the County
- June 4, 2019 City Council Meeting:
  - Public Hearing on Recommended Budget
  - FY19-20 Budget approved on 1<sup>st</sup> reading
- June 18, 2019 City Council Meeting:
  - FY19-20 Budget adopted on 2<sup>nd</sup> reading
- June 19, 2019 Notification of tax rate sent to Tax Administrators in Burke, Caldwell and Catawba Counties
- June 20, 2019 Notify organizations who requested appropriation of City funds of funding status
- July 1, 2019 Fiscal Year 2019-2020 begins

# Budget Planning

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## Phase I (Initial Budget Planning Stage)

Budget planning for the FY2019-2020 Annual Budget began in August 2018. Recommendations were to continue with the budget development cycle and budget development calendar.

## Phase II

In December of 2018, projections of personnel expenditures and projections of risk management insurance expenditures were made for the upcoming fiscal year. This information is used to determine what new revenues would need to be produced to maintain current staffing levels and to maintain current risk management insurance policies. These projections are done early due to the significant dollar value involved with these items and the vital role they play in the overall budget development process.

## Phase III

In November and December of 2018, Budget staff held individual budget meetings with divisions/departments for preliminary discussions on significant budgetary needs for FY2019-2020 and to review the status of performance measures.

## Phase IV

In December of 2018, there was a "Budget Kick-off Meeting" held with all departments. At this meeting, departments were given the FY2019-2020 budget manuals, FY2019-2020 budget calendar, FY2019-2020 personnel projections, FY2019-2020 risk insurance projections, instructions for performance measurement reporting, and initial operational target budgets for each department. In addition, debt projections were made by the Finance Department for FY2019-2020. All new personnel requests were due to the Human Resources Department by December 5, 2018.

## Phase V (Final Budget Planning Stage)

Annually, the Hickory City Council adopts their Priorities and Action Plan, which are derived from the Council-Staff Work Sessions. This document is used throughout the year as a guiding tool to ensure that the philosophy defined by the City Council is advocated and carried out by City departments as they deliver services to the public. Also, the Priorities and Action Plan guides City officials in budget development and planning for the upcoming and future budget years. In short, this policy document provides the structure by which the City of Hickory functions during the fiscal year.

Planning for the FY2019-2020 budget was completed at this point and the development of the FY2019-2020 recommended annual budget began.

## How the Budget Process Works

### Basis of Accounting and North Carolina Local Government and Fiscal Control Act

The City of Hickory uses the modified accrual method as the basis for budgeting and for accounting for all funds. This approach to accounting recognizes revenues when they become measurable and expenditures at the time the liability is incurred. All revenues and expenditures must be included in the annual budget ordinance or the appropriate capital and/or grant project ordinances. Any operational appropriations that are not expended or encumbered shall lapse. The North Carolina Local Government Budget and Fiscal Control Act (LGBFCA) controls how cities budget and spend money. The major effects of the LGBFCA on the budgetary process are as follows:

# Budget Development Calendar

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## Budget Preparation Calendar

The LGBFCA establishes the dates by which each stage in the annual budget process is to be completed (G.S. 159-10 through 13). These dates are as follows:

Departmental requests must be submitted to the budget officer by April 30.

Revenue estimates must be submitted to the budget officer by April 30.

The recommended annual budget must be submitted to the Governing Board by June 1.

The Governing Board must adopt the annual budget ordinance by June 30.

## Budget Forms and Procedures

The Budget Officer must prescribe the forms and procedures for the departments to use in preparing their requests; in the words of G.S. 159-10, requests "shall be made in such form and detail, with such supporting information and justifications, as the Budget Officer may prescribe." G.S. 159-10 also requires that a budget request show actual expenditures for the prior year, estimated ones in the current year, and requested ones for the coming budget year.

## Departmental Requests

G.S. 159-10 requires that the budget request for a department include revenues or fees that it will collect in the budget year.

## Recommended Budget

G.S. 159-11 requires that the Budget Officer's recommended budget be balanced unless the Governing Board insists that an unbalanced budget be submitted. It is also required that the budget be submitted to the Governing Board with a budget message. G.S. 159-11(b) states that the message should include:

- A concise explanation of the governmental goals fixed by the budget for the budget year.
- Important features of the activities anticipated in the budget.
- The reasons for stated changes from the previous year in program goals, programs, and appropriation levels.
- Any major changes in fiscal policy.

## Board Review

Once the recommended budget is presented to the Governing Board, several general legal provisions apply to Board review and adoption of the budget ordinance.

- At least ten days must pass between the submission of the recommended budget and adoption of the budget ordinance.
- On the same day the budget is submitted to the Governing Board, the Budget Officer must file a copy of it in the City Clerk's Office where it is made available to the public and press.
- The City Clerk must publish a notice that the budget has been delivered to the Governing Board and is available for public inspection. This advertisement must also note the time and place of the required public hearing.
- During the time between submission and adoption, the Governing Board may conduct its review at both regular and special meetings. At least one of these dates must be a public hearing at which any person who wishes to comment may.
- The Open Meeting Law (G.S. 143-318.9 through 318.18) applies to the budget review and adoption process.

# Budget Development Calendar

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## Adoption of the Budget Ordinance

The budget ordinance must contain the appropriations, the estimated revenues, and the property tax levy as well as the property tax rate.

## Budget Adoption and Amendment

The operations conducted by the City are guided by the annual budget ordinance adopted in accordance with the provisions of the North Carolina Local Government Budget and Fiscal Control Act. The Budget Ordinance must be balanced and adopted prior to the beginning of the Fiscal Year. Adoption of the budget by City Council establishes the legal authority to incur expenditures in the ensuing fiscal year.

After the adoption of the Budget Ordinance, the City Manager (Budget Officer) is authorized to transfer appropriations between line-item expenditures within a department without making an official report to the City Council. He may also transfer amounts not to exceed \$50,000 between functional areas, including contingency appropriations, within the same fund. All other budget amendments must be approved by the City Council through legislative action. All amendments affecting the original budget ordinance not within the scope of the authority granted to the City Manager require two readings for City Council approval.

Comprehending the Annual City Budget requires the reader to understand the differences between two perspectives of the same budget: the functional perspective, by which the City is managed, and the accounting perspective, by which City finances are accounted for. When City Council adopts or amends a budget, it is allocating resources into functional areas (as listed in the Budget Ordinance). By managing a budget organized around these major functions, City Council can better direct how City resources are applied.

City Council manages the budget at the broadest level. Council policy, statutes, and financial standards mandate the City's accounting system parallel the functions, but at a much more detailed level. The accounting structure of the City is organized on the basis of account groupings called funds, each of which is considered a separate accounting entity. Government monies are allocated to and accounted for in individual funds based upon the purposes for which they are earmarked, and the means by which spending activities are managed. The budgeted monies (i.e., revenues) must always equal the proposed expenditures within each fund. This segregation of financial activity ensures that certain funds, which are restricted in purpose, are explicitly spent on the appropriate government function.

A fund is one of two types: an annual fund or a project fund. Council appropriates operational funds on an annual basis and operational funding lapses at the close of the year. Project funds continue for the life of each specific capital or grant project with appropriations continuing until the project is finished. The City of Hickory's Annual Budget Ordinance contains all operational appropriations and consists of nine funds: the General Fund, Water and Sewer Fund, Sludge Fund, Transportation Fund, Stormwater Fund, Fleet Maintenance Fund, Insurance Fund, Solid Waste Fund, and Capital Reserve Fund. The City adopts all project budgets as Capital or Grant Project Ordinances, which are described in the Capital Improvements/Grant Projects section of this document.

An operational fund's revenue sources are a key distinction for two types of operating funds – General Fund and Enterprise Funds. All city budgets have at least one fund, the General Fund, which is supported by a variety of revenue sources, including the most substantial, the ad valorem property tax levy. The General Fund contains those departments and divisions which do not produce enough revenue to support their operations. The best examples of operations housed in the General Fund include Police, Fire, Library, Recreation, Planning, and Administration.

Like most cities, Hickory has another type of fund called Enterprise Funds, which exist on the market viability of the services provided in that fund. The Water and Sewer Fund, the Solid Waste Fund and the Stormwater Fund are Enterprise Funds that rely almost solely on user fees generated from the services they provide. The Sludge Compost Fund is an enterprise fund financed through intergovernmental agreements of participation by Catawba County and the cities of Conover and Hickory. The Transportation Fund exists with funding from user fees, intergovernmental agreements, and grant funding.

Although funding sources can vary, an Enterprise Fund is expected to generate enough revenue to equal projected expenditures.

Finally, Hickory also utilizes Internal Service Funds. These funds account for activities that serve other departments or parts of the same government, rather than the public. Hickory maintains two Internal Service Funds including the Fleet Maintenance Fund and the Insurance Fund. In addition, Hickory has one Special Revenue Fund which is the Capital Reserve Fund. Even though there is no statutory obligation to include Internal Service Funds or the Special Revenue Fund in the Annual Budget, Hickory does include them in order to more fully reveal the City's finances. We have established that budgets, while managed by functions, are also managed as complex accounting groupings called funds, which are either operational or project oriented in nature. Operational funds can be enterprise funds depending on the fund's revenue characteristics.

Knowing these key principles is important, but consider this: City employees do not work for funds, they work for departments and divisions. The day-to-day operations of City government are conducted through 45 departments and divisions.

Here is the most important question for budget understanding: How do functions, funds, and departments (divisions) interrelate? The simple answer is that departments are subsections of both functions and funds. Each department is managed by its functional duties and its financial distinctions. For example, the Fire Department is part of the Public Safety function, and is included in the General Fund because it is not a self-supporting entity (enterprise fund). Each department belongs to one function and one fund. A fund can include any number of departments, including departments of different functions. A function can include departments from many funds. Managing the aggregate of all departments in a fund allows staff to measure the financial health of specific City endeavors, while managing the aggregate of all departments in functions allows City Council to consolidate the myriad of City services into clearer segments. When Council appropriates money for the Fire Department and the Recreation Department, it is addressing needs in two functional areas, Public Safety and Culture and Recreation, but it is allocating the resources of one fund, the General Fund.

## About the Document Presentation

All combinations of departments and divisions, funds, and functions appear in this budget document. The presentation takes the reader from discussions of the broadest overview in the budget document (Consolidated Budget Summary) to discussions of the most specific departmental review (General Fund, Enterprise Funds). The document places a distinct emphasis on the City's departments and divisions because these pages represent the plans of the men and women who are charged with the duty of providing services to citizens. Following the City budget from this basic level back up through funds, functions, and consolidated totals can help the reader associate services to the respective budget data.

The departmental presentations are summaries of all expenditures and revenues associated with each department's activities. One of the most daunting tasks of preparing a budget document is deciding how to present the hundreds of individual budget codes (line-items) in a format that promotes the decision-making process. Every account code is relevant to the process. Unfortunately, it is not possible to effectively present literally hundreds of account codes.

Instead, this document presents budget data in a summary form that shows groups of like data by category (e.g., Personnel, Operations, Capital). Presenting the City of Hickory's budget in this style facilitates comparisons between groups of data, making the overall trends more discernible to the reader. Acknowledging that the reader does not have access to every account code, the Budget Highlights attempt

# Budget Format: The Basics

to explain key departmental changes by relating the “numbers behind the numbers” to budget summaries. A second document that presents the complete listing of all City of Hickory budget codes only is also available through the City of Hickory’s Budget Office (828-327-7412) if further detail is needed.

In the General Fund and Enterprise Funds sections the reader will find the cornerstones of the City: the departments and the divisions. Here is where narrative descriptions highlight what each department accomplished in the year that is ending, as well as the goals and objectives for the upcoming budget year. Coupled with this is a presentation of the resources budgeted for the department. The purpose is to show the evolution of City services as of the start of the new fiscal year. Using an expenditure table as an example, the presentation of the data is as follows:

Expenditure by Type	2015-2016	2016-2017	2017-2018	Percent Change
	Actual	Budgeted	Budgeted	
Personnel	6,548,258	6,674,652	6,844,130	3%
Operations	799,871	771,684	782,356	1%
Capital	99,567	256,680	263,750	3%
Pro Rata Reimbursement	8,804	9,331	9,331	0%
<b>Expenditure Total</b>	<b>7,456,500</b>	<b>7,712,347</b>	<b>7,899,567</b>	<b>2%</b>
<b>Per Capita</b>	<b>191</b>	<b>198</b>	<b>202</b>	

Audited data from the last completed fiscal year.

Budget for each category as adopted for the current fiscal year. The fiscal year begins July 1 of each calendar year.

The budget for the new fiscal year which begins on July 1.

The percentage of change from budget to budget.

Please note that all tables in the budget present the same three-year format. Since the budget data is in summary form (as discussed earlier), we should understand what the summaries constitute.

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Includes salaries, wages, and fringe benefits (FICA, insurance, et al.)

All expenditures not directly related to Personnel, Capital, or Pro-Rata Admin. Reimbursement. Includes everything from postage to traffic signs.

Adjustments for the value of services provided or received to or from other City departments. (Example: The cost for the Human Resources Department to recruit for a vacancy in another department.)

Includes expenditures for land, buildings, equipment, vehicles, and other expenditures exceeding \$500, with a life expectancy of more than 1 year.



# Budget Format: The Specifics

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## GENERAL FUND

The General Fund is the general operating fund of the City and is used to account for all revenues and expenditures except those required to be accounted for in another fund. This fund is established at the inception of a government and exists throughout the government's life.

### General Fund Revenues

- Ad Valorem Taxes - Collections of current and prior year property tax levies, refunds, late listing penalties, and interest on delinquent taxes. (55.92%)
- Other Taxes - Three sales tax allocations (Article 39 one cent, Article 40 one-half cent and Article 42 one-half cent), utility franchise tax, telecommunications tax, \$5 vehicle fee, and a local option hotel/motel occupancy tax levied for tourism development. (32.47%)
- Unrestricted Intergovernmental - Beer and wine tax, payments in lieu of taxes, and traffic control revenue received from NCDOT. (1.26%)
- Restricted Intergovernmental - Federal, state, and local assistance restricted for specific uses including the Powell Bill street allocation, North Carolina Department of Transportation (NCDOT) street maintenance, various public safety and culture/recreation grants, Catawba County fire district tax, and Catawba County's participation in the provision of Hickory library services. (4.52%)
- Licenses and Permits - Revenues generated for privilege beer and wine licenses, and taxi permits. (0.01%)
- Sales and Services - User fees charged for the provision of various city services including, but not limited to: parking rentals, cemetery lot sales, police and fire charges and fines, cable franchise fees, and revenues generated for recreation and library services. (2.91%)
- Investment Earnings - Interest earned on the investment of the fund's idle cash balance. (0.49%)
- Miscellaneous – Includes unanticipated revenues such as donations, discounts earned, the sale of capital assets, and insurance reimbursements. (0.57%)
- Other Financing Sources - Proceeds from the issuance of bonds, installment purchase contracts, or lease purchase agreements, transfers from capital project funds, or fund balance appropriated. (1.86%)

### General Fund Expenditures

- General Government - Expenditures for the City Council and Administration consisting of the City Manager's Office, Budget Office, Risk Management, Human Resources, Finance, City Clerk, Communications, Information Technology, Legal, Public Buildings, District Court Building, Union Square, Engineering, Central Services, and Landscape Services, as well as various special appropriations. (13.15%)
- Public Safety - Expenditures for the Police Department, the Fire Department, the Hickory Rural District, and various special appropriations. (45.62%)
- Transportation - Expenditures for the Traffic and Street Divisions of Public Services. (12.50%)

## Budget Format: The Specifics

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- Economic and Community Development - Expenditures for the Planning and Development Department; Economic Development Incentives, and several special appropriations. (6.99%)
- Culture and Recreation - Expenditures for the Recreation Department, Parks Maintenance, L.P. Frans Stadium, Hickory Public Library, and various special appropriations. (12.42%)
- Other Financing Uses – Money transferred to other funds to subsidize and/or finance activity required to be accounted for in another fund. (2.52%)
- Debt Service - Expenditures for the required repayment of debt principal and interest incurred for the construction of large capital projects or major capital purchases. (5.47%)
- Contingency - Budgetary reserve set aside for emergencies or unforeseen expenditures. (1.33%)

### ENTERPRISE FUNDS

The Water and Sewer, Stormwater, Sludge Compost, Transportation, and Solid Waste Enterprise Funds combine to account for proprietary fund activity. These funds are financed and operated in a manner similar to private business enterprises, where the intent of the Governing Body is to recover costs of providing the service through user charges. These funds provide water and sewer service to over 97,000 customers inside and outside the city limits, regulate stormwater runoff, produce a high quality compost material, provide air transportation services, and provide solid waste services, respectively.

#### Water and Sewer Fund Revenues

- Restricted Intergovernmental - City of Conover repayment portion of debt service for Hickory's Water Treatment Plant, Catawba County's portion of the Hickory Catawba Wastewater Treatment Plant, City of Claremont and Town of Hildebran operations maintenance contracts, and the Town of Maiden's buy in to the City's Water Plant. (3.94%)
- Sales and Services - Initial tap fees and user fees charged for the provision of water and sewer service. (68.96%)
- Investment Earnings - Interest earned on the investment of the fund's idle cash balance. (0.18%)
- Miscellaneous - Plant capacity fees charged with water or sewer taps and any unanticipated revenues. (1.03%)
- Other Financing Sources - Proceeds from the issuance of bonds, installment purchase contracts, or lease purchase agreements, transfers from capital project funds, or fund balance appropriated. (25.88%)

#### Water and Sewer Fund Expenditures

- Environmental Protection - Expenditures for Administration, Collection Division, the Henry Fork Wastewater Treatment Plant, the Northeast Wastewater Treatment Plant, the Hickory-Catawba Wastewater Treatment Plant, the Water Treatment Plant, the Lab Division, and the Distribution Division of the Public Services Department, and special appropriations. (85.81%)
- Other Financing Uses – Money transferred to other funds to subsidize and/or finance activity required to be accounted for in another fund. (3.55%)

# Budget Format: The Specifics



- Debt Service - Expenditures for the required repayment of debt principal and interest incurred for the construction of large capital projects or major capital purchases. (10.18%)
- Contingency - Budgetary reserve set aside for emergencies or unforeseen expenditures. (0.46%)

## Stormwater Fund Revenues

- Other Financing Sources - Transfers from other funds, or fund balance appropriated. (100%)

## Stormwater Fund Expenditures

- Environmental Protection - Expenditures for Administration/Engineering, Stormwater - Transportation Division, Stormwater - Solid Waste Division, and the Stormwater - Landscape Division. (100%)

## Sludge Composting Fund Revenues

- Restricted Intergovernmental - Intergovernmental funding for operational expenses from the City of Hickory for 66%, Catawba County for 18.5%, and the City of Conover for 15.5%. (100%)

## Sludge Composting Fund Expenditures

- Environmental Protection - Expenditures for contracted services with a private contractor to operate the Sludge Composting Facility. (100%)

## Transportation Fund Revenues

- Sales and Services - User fees charged for the provision of various Airport services such as Airport property rentals. (94.44%)
- Investment Earnings - Interest earned on the investment of the fund's idle cash balance. (0.36%)
- Restricted Intergovernmental Revenues – Contributions from Catawba and Burke Counties for tower operations. (0.23%)

## Transportation Fund Expenditures

- Transportation - Expenditures for Airport operations. (98.91%)
- Contingency - Budgetary reserve set aside for emergencies or unforeseen expenditures. (1.09%)

## Solid Waste Fund Revenues

- Other Taxes - Solid Waste Excise Tax revenue received from the State of North Carolina. (0.45%)

# Budget Format: The Specifics

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- Sales and Services - User fees charged for the provision of various solid waste collection services including: curbside, recycling center, cardboard, white goods, yard waste, tipping fees for the county landfill and commercial bulk services. (90.44%)
- Investment Earnings - Interest earned on the investment of the fund's idle cash balance. (0.22%)
- Miscellaneous - Unanticipated revenues. (0.05%)
- Other Financing Sources – Transfer from Capital Reserve Fund towards replacement truck, and an appropriation from the Solid Waste Fund Balance for operational support. (8.84%)

## Solid Waste Fund Expenditures

- Environmental Protection - Expenditures for Recycling Services, Residential Sanitation, Commercial Bulk Services, contracted services with Republic, and Catawba County landfill tipping fees. (99.64%)
- Contingency - Budgetary reserve set aside for emergencies or unforeseen expenditures. (0.36%)

## INTERNAL SERVICE FUNDS

The Fleet Maintenance Fund, Insurance Fund, and Capital Reserve Fund are internal service funds that have been set up in order to more accurately account for expenditures for vehicle and equipment maintenance, insurance costs and capital reserves. This enables the City to better grasp the true cost of providing these internal services on the departmental and divisional levels.

### Fleet Maintenance Fund Revenues

- Sales and Services – Charges for vehicle and equipment repairs, which are charged to individual departments. (100%)

### Fleet Maintenance Fund Expenditures

- General Government – Expenditures for vehicle and equipment maintenance and repair. (100%)

### Insurance Fund Revenues

- Sales and Services – Charges for health, dental, workers compensation, property, casualty, and liability insurance. These revenues are derived from charges to individual departments. (96.91%)
- Investment Earnings - Interest earned on the investment of the fund's idle cash balance. (0.40%)
- Other Financing Sources – Support from Fund Balance allocation. (2.69%)

# Budget Format: The Specifics

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## Insurance Fund Expenditures

- General Government – Expenditures for health, dental, worker’s compensation, property, casualty and Liability of insurance. (100%)

## Capital Reserve Fund Revenues

- Other Financing Sources - Transfer from the General Fund and Water & Sewer Fund for future capital projects or purchases, and an appropriation from the Capital Reserve Fund Balance towards General Fund capital expenditures during FY2019-20. (100%)

## Capital Reserve Fund Expenditures

- General Government – Money received from the General Fund into Capital Reserve, to be used for future general capital expenditures. (25.64%)
- Environmental Protection – Money received from the Water and Sewer Fund into Capital Reserve, to be used for future water and sewer capital expenditures (20.09%).
- Other Financing Uses – Money transferred to other funds for planned capital projects or capital purchases during the current Fiscal Year. (54.27%)

# Consolidated Budget Summary



The Consolidated Budget Summary section begins the budget presentation by examining the budget at the broadest level. Here, the assumptions and trends that helped determine the basic framework described in the Budget Guide section are presented. Later sections will provide further detail about the individual funds, departments, and divisions.

The discussion here begins with revenues, which are followed by financial totals, functional trends, fund balance projections, and staffing totals. Revenues must fully support expenditures in a balanced budget, so no budget can begin without an understanding of the resources available. Certain methods, techniques and approaches have been used to aid the City in estimating future revenues. By analyzing current trends and the underlying forces, the City can make realistic projections of revenues.

## Revenue Assumptions

The most important aspect to understand regarding how revenues are budgeted in the City of Hickory's Annual Budget is that for most of the City's major sources of revenue, all that will be budgeted for FY2019-2020 is what we project to receive by the end of FY2018-2019. This conservative approach to budgeting helps ensure that budget projections are met, helps to guard against unanticipated economic downturns and, in most years, allows us to place funds into Fund Balance at year end. City Management believes that budgeting unrealized increases in revenues for an upcoming fiscal year, especially with major sources of revenue, is risky at best and could be counter-productive in the end.

The following are other assumptions concerning some of our most significant sources of revenue that are forecast in the City of Hickory's FY2019-2020 Annual Budget.

### REVENUES

### FORECAST RATIONALE

#### AD VALOREM TAXES

##### Ad Valorem Taxes

The City contracts with Catawba County to assess and collect property taxes. By the beginning of FY2019-2020, Hickory's assessed property value is projected to have increased by 6.17% (or \$291,220,722) to \$5,007,451,993 due to Catawba County's revaluation of real property.

The General Fund's property tax rate will be \$.5875 per one hundred dollars (\$100) valuation of property with an estimated collection rate of 98.03%. The total Ad Valorem Tax category of revenues is budgeted at \$29,525,000 for FY2019-2020. The Ad valorem category of revenue includes: current year's collections, prior year's collections, penalties and interest, and refunds.

# Consolidated Budget Summary



## OTHER TAXES

### Sales Tax

The State collects and distributes the proceeds from the locally levied tax on retail sales. The Article 39 original one-cent local option sales tax is distributed on a point-of-sale basis. Article 40, a one-half of one percent rate and Article 42, also a one-half of one percent rate, are revenue placed in a statewide pool and then distributed state-wide on a per capita basis. Revenue projections for FY2019-2020 are based on anticipated local retail sales and other economic conditions, and reflect a 4.4% increase over the FY2018-2019 budgeted amount.

### Utility Franchise Tax

The City shares in the sales tax levied by the State on piped natural gas and electricity sales. This tax is collected by the State and then distributed quarterly through a predetermined formula to North Carolina municipalities. This revenue is highly sensitive to the weather. Cool summers and mild winters can lead to a year with little or no growth in receipts from this tax. Any annexations of industrial or other facilities that are heavy users of utility services could also create growth in this source of revenue. For FY2019-2020 we project a 7.4% increase from what was budgeted in FY2018-2019.

### Telecommunications Tax

This tax was previously a part of the Utility Franchise Tax, but was broken out as a separate tax received from the State of North Carolina in FY2003-2004. The Telecommunications Tax is levied by the State on all telephone service. Each city's share of this is tax based on the actual receipts from telephone and cable television service within their municipal boundaries during the fiscal year. For FY2019-2020 we anticipate a 5.8% decrease in this revenue.

## UNRESTRICTED INTERGOVERNMENTAL REVENUES

### Beer and Wine Tax

Cities share in the sales tax revenue from the sale of both beer and wine, based on population. Revenue for FY2019-2020 is projected to remain flat compared to the FY2018-2019 budgeted amount.

### Traffic Control Revenue

The City of Hickory, through a cooperative agreement, maintains the NCDOT's traffic control systems located within the city limits of Hickory. The City receives annual reimbursements for this service from the NCDOT through the form of Traffic Control Revenue. This revenue may vary from year to year depending upon annual maintenance schedules and scheduled projects, and is projected based on what the City's Traffic Division anticipates.



# Consolidated Budget Summary



## RESTRICTED INTERGOVERNMENTAL REVENUES

### Powell Bill

Gasoline sales taxes are shared by the State with its municipalities through a legislative act known as the Powell Bill. Revenue distribution projections to local governments are based on a formula that combines both “per capita” values and “per mile” values. Hickory has had little growth in its population or the miles of streets it maintains. This revenue for FY2019-2020 is projected to be approximately 1% less than the FY2018-2019 budgeted amount.

### Sludge Compost

These revenues are based on the percentage of participation for the fixed contract to operate the Sludge Compost Facility by Veolia Water. The percentage of participation is: City of Hickory - 66%, City of Conover – 15.5%, and Catawba County – 18.5%. Variable costs of operations are charged by percentage of use by each local government. These revenues have been estimated to meet projected operational requirements for FY2019-2020 and are expected to increase 3.1% from FY2018-2019.

## LICENSES AND PERMITS

Privilege Licenses were previously a significant source of revenue for the City but were repealed in FY2015-2016. As was the case from FY2016-2017 through 2018-2019, no revenue is projected for FY2019-2020.

## SALES AND SERVICES

(Most fees are increased by 1.9%, which is the 2018 Consumer Price Index, unless otherwise indicated)

### Parking Rentals

The City owns and operates eleven (11) parking lots in the downtown area. Some are unrestricted lots and some are leased lots. Revenue received from this enterprise, as well as parking tickets issued, remains relatively constant from year to year and is transferred to the City's Capital Reserve Parking Fund for future parking projects, after the cost of collection/enforcement is deducted.

### Recycling Revenue

Revenue received for recycling services. These charges are based, in part, on costs for collection, preparation and transportation of recycling material to market.

### Water and Sewer Charges

Water and sewer rates will see a 3.75% increase with the FY2019-2020 Annual Budget over the FY2018-2019 rates. This increase will help to keep the Water and Sewer Fund 100% self-supporting.

### Water and Sewer Taps

The City charges fees to customers for connecting to the City's water or sewer system. FY2019-2020 tap fee revenue is projected to remain flat compared to the FY2018-2019 budgeted amount.

# Consolidated Budget Summary

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## INVESTMENT EARNINGS

Investment Earnings

Investment earnings are conservatively projected on the basis of average available cash balances at an anticipated average rate of return of 1%.

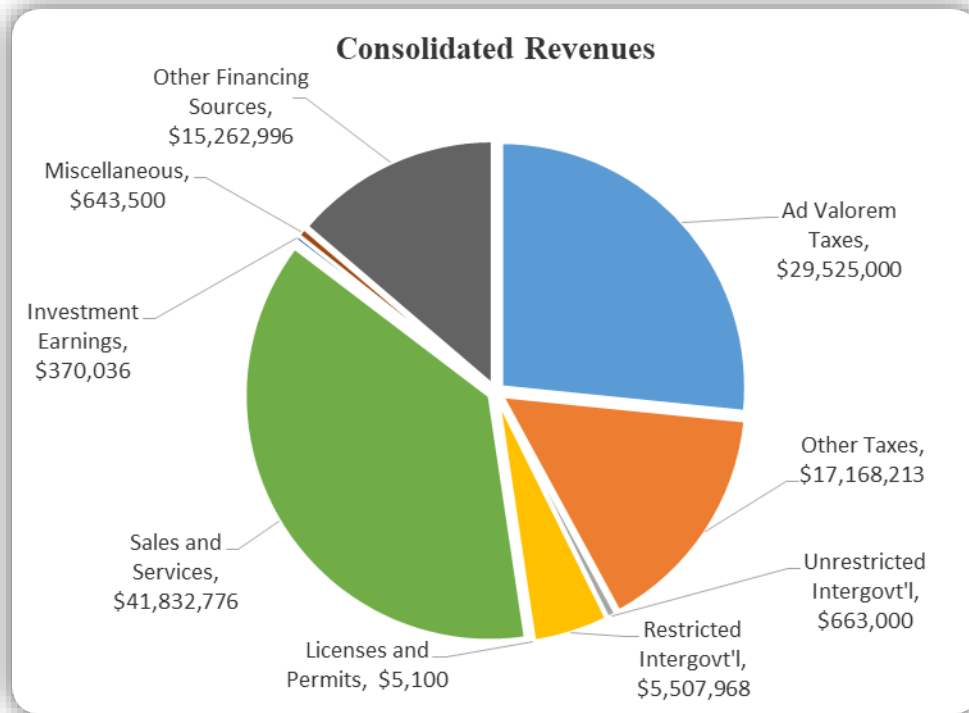
## FUND BALANCE/ RETAINED EARNINGS

Fund Balance Appropriated

Fund Balance/Retained Earnings appropriated generally does not exceed an amount that management can reasonably expect to save during the year.

# Consolidated Budget Summary

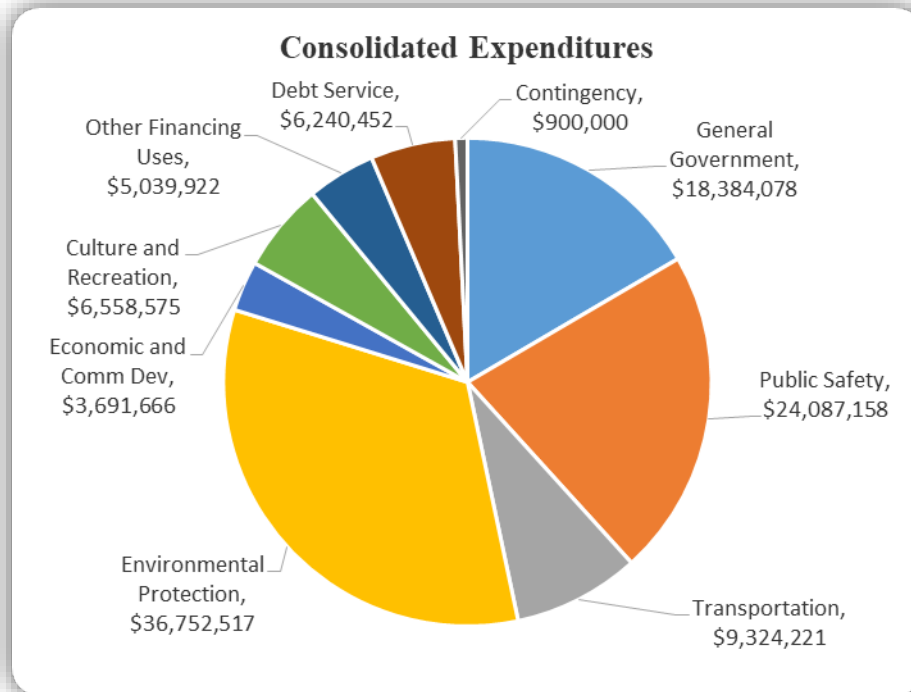
This consolidated revenue graph and table contain all funds, including the internal service funds (Fleet Maintenance and Insurance) and the Capital Reserve Fund. Insurance and fleet costs are budgeted in each of the departments/divisions in order to better capture the actual cost to provide services. The Fleet Maintenance Fund and Insurance Fund then budget revenues from each of these departments and the expenditures associated with the actual costs to provide these services. This inflates the "Sales and Services" revenue source, but omitting these funds from this section would not give the reader a comprehensive view of the City's finances.



Consolidated Revenues	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Ad Valorem Taxes	27,349,367	27,250,000	29,525,000	8.3%
Other Taxes	16,880,450	16,407,000	17,168,213	4.6%
Unrestricted Intergovernmental	660,473	595,000	663,000	11.4%
Restricted Intergovernmental	5,444,090	5,374,634	5,507,968	2.5%
Licenses and Permits	4,852	5,100	5,100	0.0%
Sales and Services	40,781,124	40,800,344	41,832,776	2.5%
Investment Earnings	348,270	252,500	370,036	46.5%
Miscellaneous	951,870	668,500	643,500	-3.7%
Other Financing Sources	(2,153,944)	12,448,878	15,262,996	22.6%
Revenue Total	90,266,552	103,801,956	110,978,589	6.9%
Per Capita	2,225.12	2,556.01	2,703.89	

# Consolidated Budget Summary

This consolidated expenditure graph and table are broken down by functional area and include expenses in all funds, including the internal service funds (Fleet Maintenance and Insurance) and the Capital Reserve Fund. As was explained on the previous page, insurance and fleet costs are budgeted in each of the departments/divisions in order to better capture the actual cost to provide services. The Fleet Maintenance Fund and Insurance Fund then budget revenues from each of these departments and the expenditures associated with the actual costs to provide these services. This inflates the “General Government” expenditure, but again, omitting these funds from this section would not give the reader a comprehensive view of the City’s finances.



Consolidated Expenditures	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
General Government	13,980,211	17,199,615	18,384,078	6.9%
Public Safety	22,884,339	24,636,426	24,087,158	-2.2%
Transportation	6,911,051	9,026,977	9,324,221	3.3%
Environmental Protection	26,429,811	32,178,479	36,752,517	14.2%
Economic and Community Develop.	3,222,774	3,549,444	3,691,666	4.0%
Culture and Recreation	7,657,917	6,613,531	6,558,575	-0.8%
Other Financing Uses	6,539,660	5,079,672	5,039,922	-0.8%
Debt Service	1,553,368	4,617,812	6,240,452	35.1%
Contingency	-	900,000	900,000	0.0%
<b>Expenditure Total</b>	<b>89,179,131</b>	<b>103,801,956</b>	<b>110,978,589</b>	<b>6.9%</b>

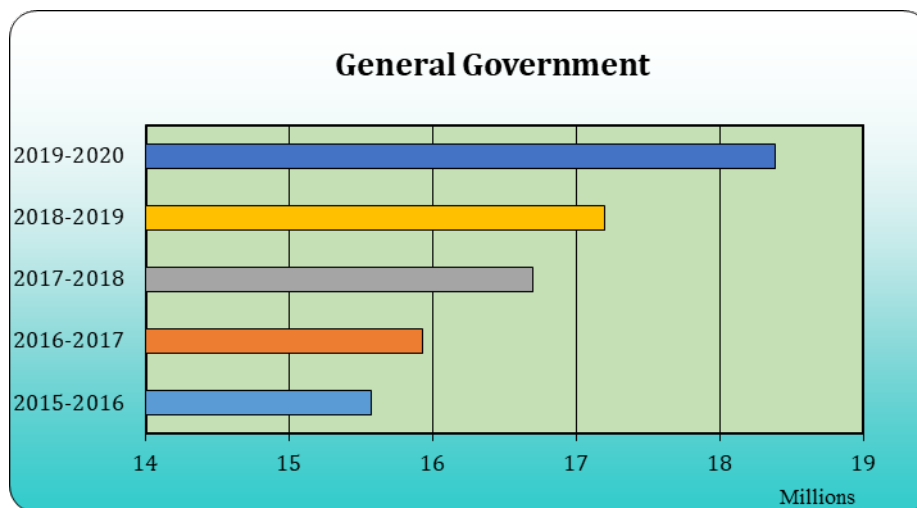
# Consolidated Budget Summary



## Functional Expenditure Trend Summary

While the City of Hickory's budget consists of approximately 45 individual departments and divisions, each conducts the business of City government as a part of a functional area. For example, the Police Department is part of the functional area known as Public Safety, as is the Fire Department. Both share the common theme of protecting citizens. Grouping activities by these functions (themes), allows the decision-making process to be managed at broader, more comprehensive levels.

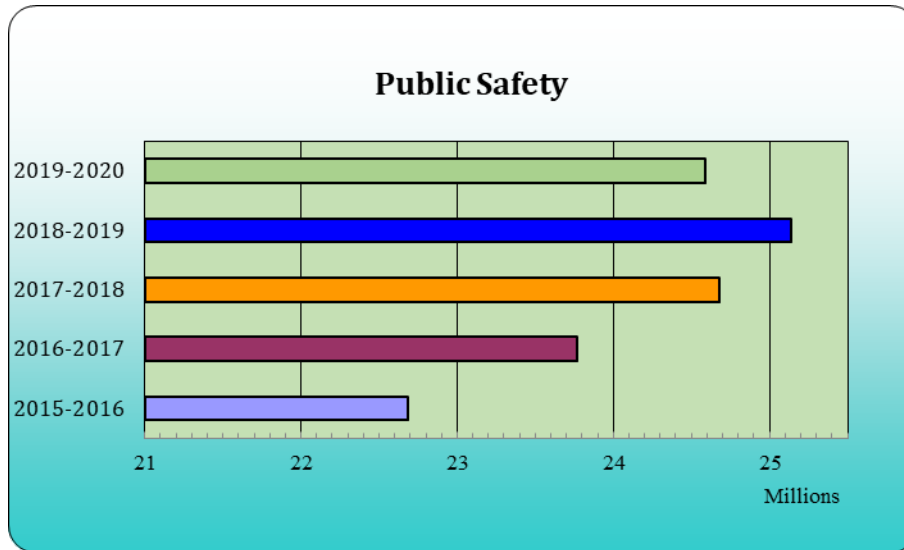
The following is a presentation of the trends for the major functions in the City's budget. By examining the long-term and short-term progressions of each, the overall dynamics of Hickory's budget can be better understood. A five-year graph shows the function as it progresses from the FY2015-2016 budget; a table compares the budget expenditure categories for the current budget proposal. The presentation references key departments, which are discussed in depth in either the General Fund, Enterprise Funds, or Other Funds sections.



General Government	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Total Budgeted Amount	15,574,931	15,932,924	16,702,258	17,199,615	18,384,078
Dollar Change	(30,904)	357,993	769,334	497,357	1,184,463
Percent Change	-0.2%	2.3%	4.8%	3.0%	6.9%

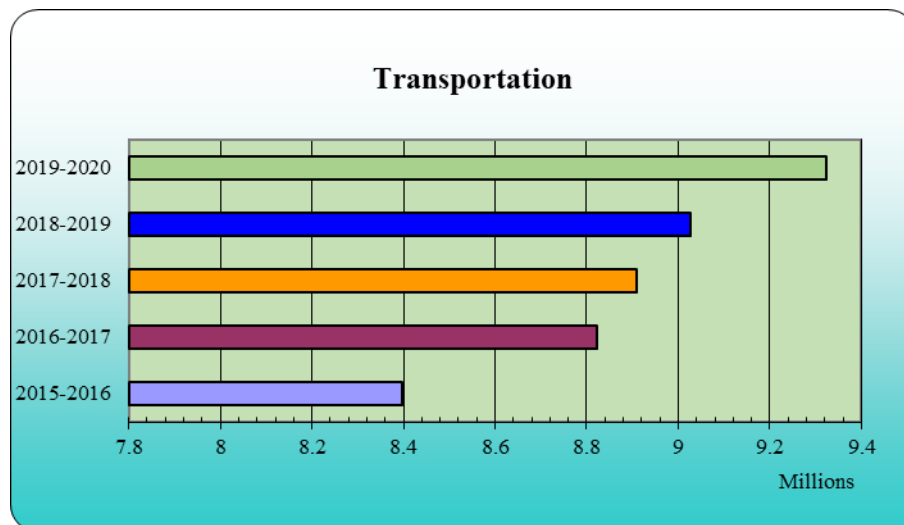
Departments/Divisions: Governing Body, City Manager's Office, Budget Office, Finance, Legal, Risk Management, City Clerk, Information Technology, Human Resources, Communications Office, Building Services, Engineering, Public Buildings/City Hall, District Court, Fleet Maintenance and Landscape Services.

# Consolidated Budget Summary



Public Safety	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Total Budgeted Amount	22,185,081	23,271,046	24,179,973	24,636,425	24,087,158
Dollar Change	45,244	1,085,965	908,927	456,452	(549,267)
Percent Change	0.2%	4.9%	3.9%	1.9%	-2.2%

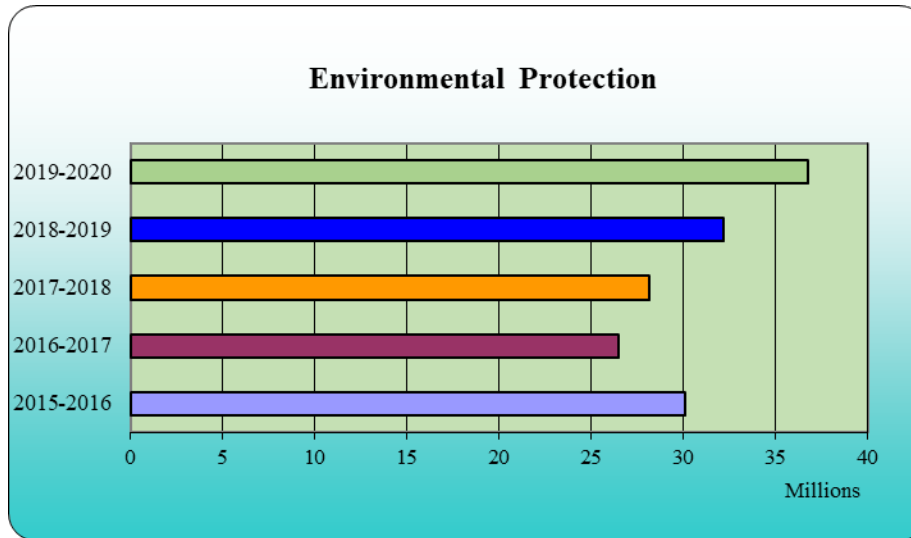
Departments/Divisions: Police, Fire and Volunteer Fire Departments



Transportation	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Total Budgeted Amount	8,396,561	8,823,064	8,909,830	9,026,976	9,324,221
Dollar Change	(341,930)	426,503	86,766	117,146	297,245
Percent Change	-3.9%	5.1%	1.0%	1.3%	3.3%

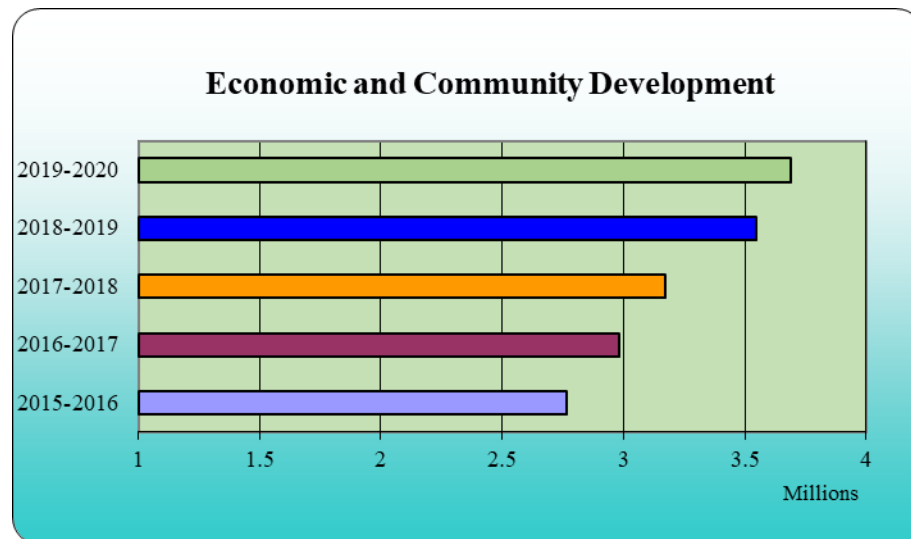
Departments/Divisions: Airport, FBO, Street and Traffic

# Consolidated Budget Summary



Environmental Protection	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Total Budgeted Amount	30,120,569	26,481,997	28,163,205	32,178,478	36,752,517
Dollar Change	1,874,017	(3,638,572)	1,681,208	4,015,273	4,574,039
Percent Change	6.6%	-12.1%	6.3%	14.3%	14.2%

Departments/Divisions: Public Utilities (Water and Sewer), Stormwater, Residential Sanitation, Commercial Bulk Services, Recycling and Sludge Composting Facility

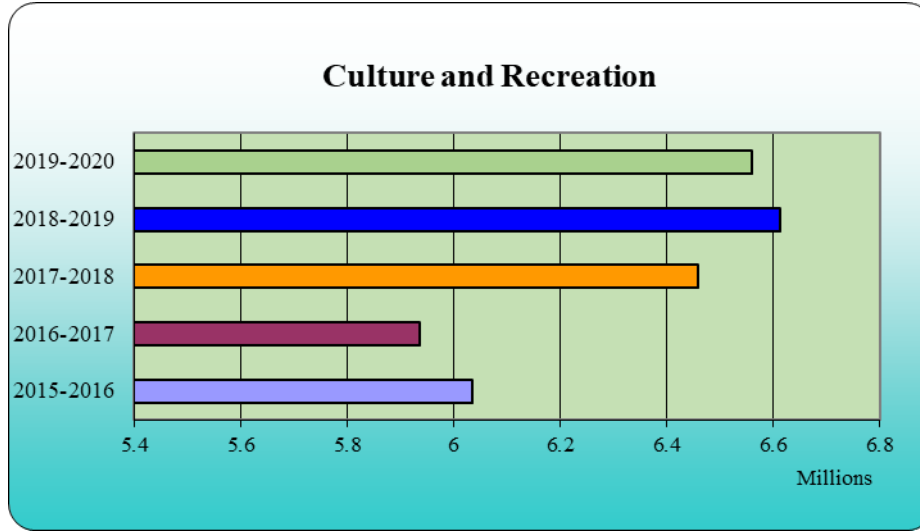


Economic/Community Dev.	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Total Budgeted Amount	2,763,670	2,981,290	3,173,774	3,549,443	3,691,666
Dollar Change	409,338	217,620	192,484	375,669	142,223
Percent Change	17.4%	7.9%	6.5%	11.8%	4.0%

Departments/Divisions: Tourism Development Authority, Special Appropriations (General Fund) and Planning

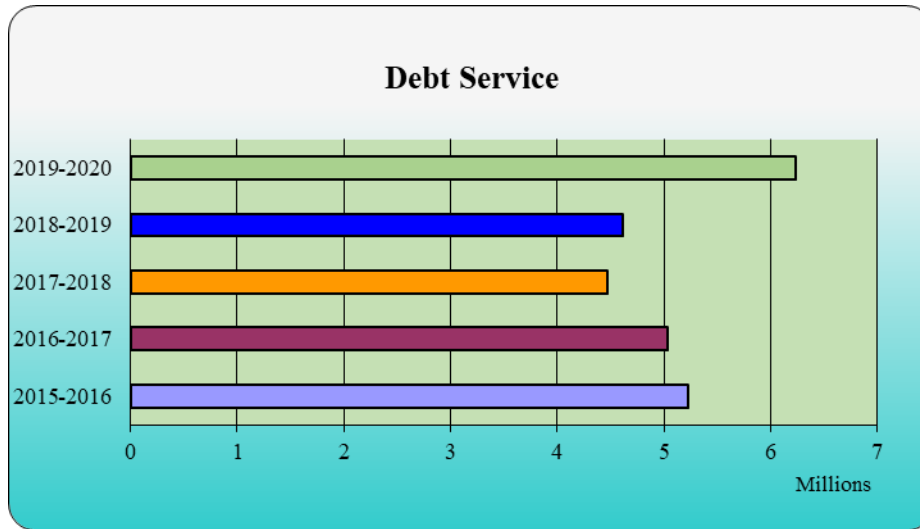


# Consolidated Budget Summary



Culture and Recreation	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Total Budgeted Amount	6,034,469	5,937,195	6,459,330	6,613,530	6,558,575
Dollar Change	156,181	(97,274)	522,135	154,200	(54,955)
Percent Change	2.7%	-1.6%	8.8%	2.4%	-0.8%

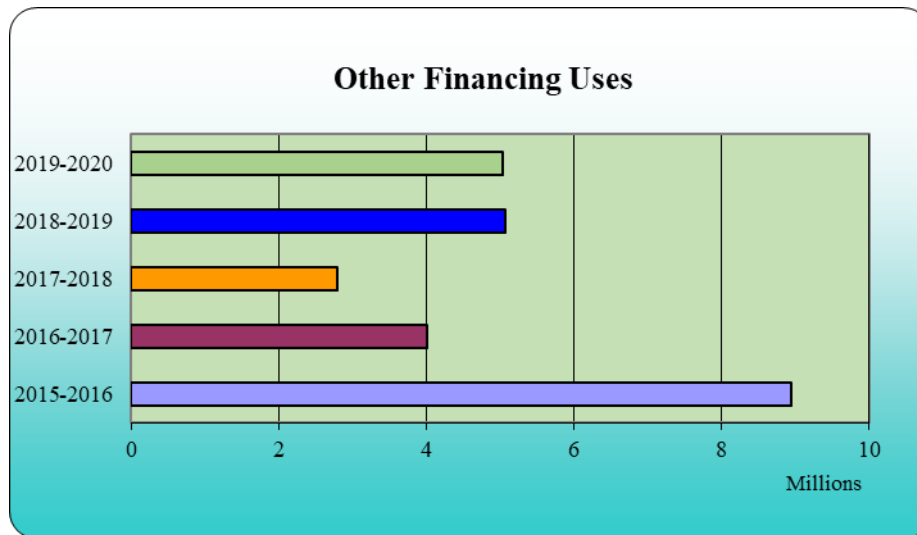
Departments/Divisions: Parks and Recreation, Parks Maintenance, L.P. Frans Stadium and Library



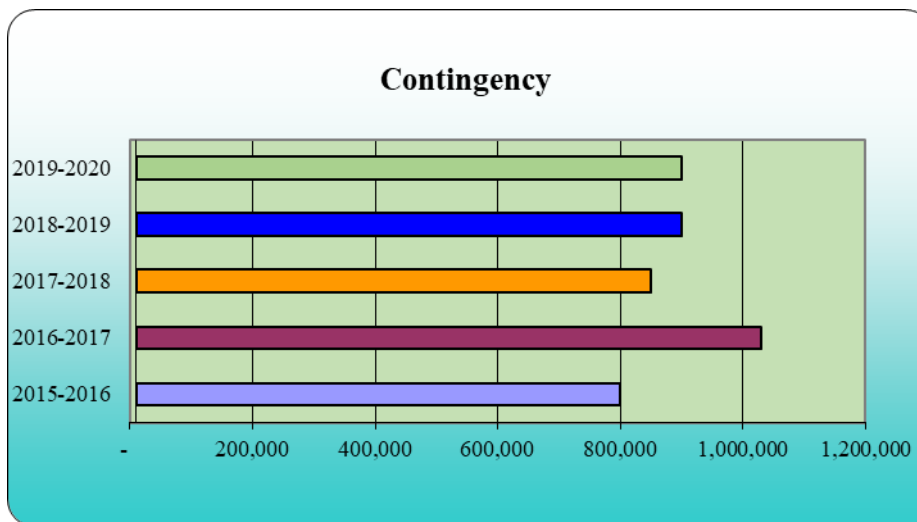
Debt Service	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Total Budgeted Amount	5,229,714	5,035,311	4,468,320	4,617,811	6,240,452
Dollar Change	(302,615)	(194,403)	(566,991)	149,491	1,622,641
Percent Change	-5.5%	-3.7%	-11.3%	3.3%	35.1%

Funds with Debt: General Fund and Water and Sewer Fund

# Consolidated Budget Summary



Other Financing Uses	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Total Budgeted Amount	8,940,142	4,018,008	2,790,274	5,079,671	5,039,922
Dollar Change	4,080,485	(4,922,134)	(1,227,734)	2,289,397	(39,749)
Percent Change	84.0%	-55.1%	-30.6%	82.0%	-0.8%



Contingency	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Total Budgeted Amount	800,000	1,030,000	850,000	900,000	900,000
Dollar Change	10,000	230,000	(180,000)	50,000	-
Percent Change	1.3%	28.8%	-17.5%	5.9%	0.0%

Funds with Contingency: General Fund, Water and Sewer Fund, Transportation, and Solid Waste

# Consolidated Budget Summary



## Consolidated Fund Balance Discussion

In all City funds at the close of 2017-2018, there was a total of \$57,133,339 in fund balance/unrestricted net position. The Local Government Commission recommends the minimum level of General Fund Balance available for appropriation at 8% of prior years' expenditures. The Hickory City Council has a financial policy striving to maintain a fund balance of 25% of its general operating budget. The reason for this policy is to avoid cash flow interruptions, to generate investment income, to eliminate the need for short-term borrowing, and to have a reserve available in case of sudden emergencies or opportunities.

Going into FY 2019-2020, the City has continued to strategically utilize its General Fund Balance to front-load the administrative and "soft" costs in lead up to implementation of the Bond Projects. During fall of 2018, the City issued its first round of the Bonds for construction in the amount of \$16 million, therefore the related Debt Service payment has been included in the 2019-2020 budget. Future bond issues will occur over the next year to complete further elements of planned construction; again, these Debt Service payments will be calculated and budgeted at that time. In FY 2019-20, the City continues to strike a balance between the Bond Project initiatives and the regular use of Fund Balance for its usual operating and capital needs. The City has reduced its reliance on fund balance over the past few years as the economy has grown, and it continues to meet and exceed its minimum policy of 25% Unassigned General Fund Balance. The estimated Unassigned General Fund Balance as of June 30, 2019 is expected to be approximately 40% of the General Fund budgeted amount as we enter FY 2019-2020.

For all City of Hickory funds, the fund balance/unrestricted net position trends and totals are as follows:

Fund Balance / Unrestricted Net Position	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated
General Fund-Unassigned FB	14,106,300	15,908,792	17,872,210	21,124,096
Capital Reserve Fund-Committed FB	4,810,507	5,835,895	5,835,895	4,440,939
Water and Sewer-Unrestricted Net Position	33,405,340	31,642,539	29,612,777	36,189,322
Sludge-Unrestricted Net Position	(1)	(67,937)	84,931	-
Stormwater-Unrestricted Net Position	427,533	689,103	771,120	670,027
Solid Waste-Unrestricted Net Position	2,020,084	2,079,383	1,492,261	993,096
Fleet Maint.-Unrestricted Net Position	(735,164)	(913,183)	(1,328,590)	(1,961,180)
Transportation-Unrestricted Net Position	258,768	410,428	252,250	111,282
Insurance-Unrestricted Net Position	2,302,633	1,772,521	2,540,485	3,753,491
<b>Fund Totals</b>	<b>56,596,000</b>	<b>57,357,541</b>	<b>57,133,339</b>	<b>65,321,074</b>

# Consolidated Budget Summary



## Staffing Analysis FY 2019-2020

The City has 661 full-time employees.

There is a new position in the recommended FY 2019-20 budget for the Fire Department/Fire and Life Safety Division. This position was previously a part-time position working an average of 20 hours per week, which limited the division's ability to meet the increasing need for safety program delivery in the community. The needs of the Fire and Life Safety Division's education program will be more easily met with a full-time position. Being proactive in fire education will reduce fire emergencies and the damage caused by them. Community safety and education is the goal of this division.

There is a new Firefighter position in the recommended FY 19-20 budget for the Fire Department. Current staffing does not allow for adequate vacation and sick coverage. Additional staffing is needed to fully staff each fire truck and strive to meet NFPA standards.

To streamline landscaping and maintenance services for all city-owned properties, the Parks and Recreation Maintenance Division was moved to the Landscape Services Division in Public Services. This move improved staff utilization, use of equipment and ensures that all City properties are maintained at the same professional level of service. All personnel now report to the Landscape Services Manager in Public Services.

During the past 5 years, the City has been experiencing increasing difficulty in retaining and recruiting Police Officers. The City of Hickory was losing fully trained officers to surrounding jurisdictions that were smaller and yet offering larger entry rate salaries. Salaries for entry-level police officers were increased to \$40,120. This made the City competitive in our surrounding municipalities and also assists in retaining well-trained Hickory officers.

In the Police Department, the position of Systems Analyst was reclassified to Network Architect to more accurately reflect the knowledge, skills and abilities of the position. The work being performed was equal to the work being performed by the Network Architect in the Information Technology Department.

To communicate more effectively about library programs and services, a part-time Marketing Specialist was added to Library staff. Hickory Public Library offers more than 1,000 lifelong learning programs and classes each year in addition to other library services. Prior to hiring the marketing specialist, these responsibilities were shared by 6 members of the staff, none of whom had prior marketing or graphic design experience. The new position has allowed those staff members to focus their time on direct service to library patrons and has improved the quality of the library's marketing efforts.

To better accommodate the workload at each of the Recreation Centers, a crew leader position in Recreation Maintenance was converted to a recreation programmer position. This programmer will be primarily located at Brown Penn Recreation Center but will also fill in at other centers during vacations and staff absences.

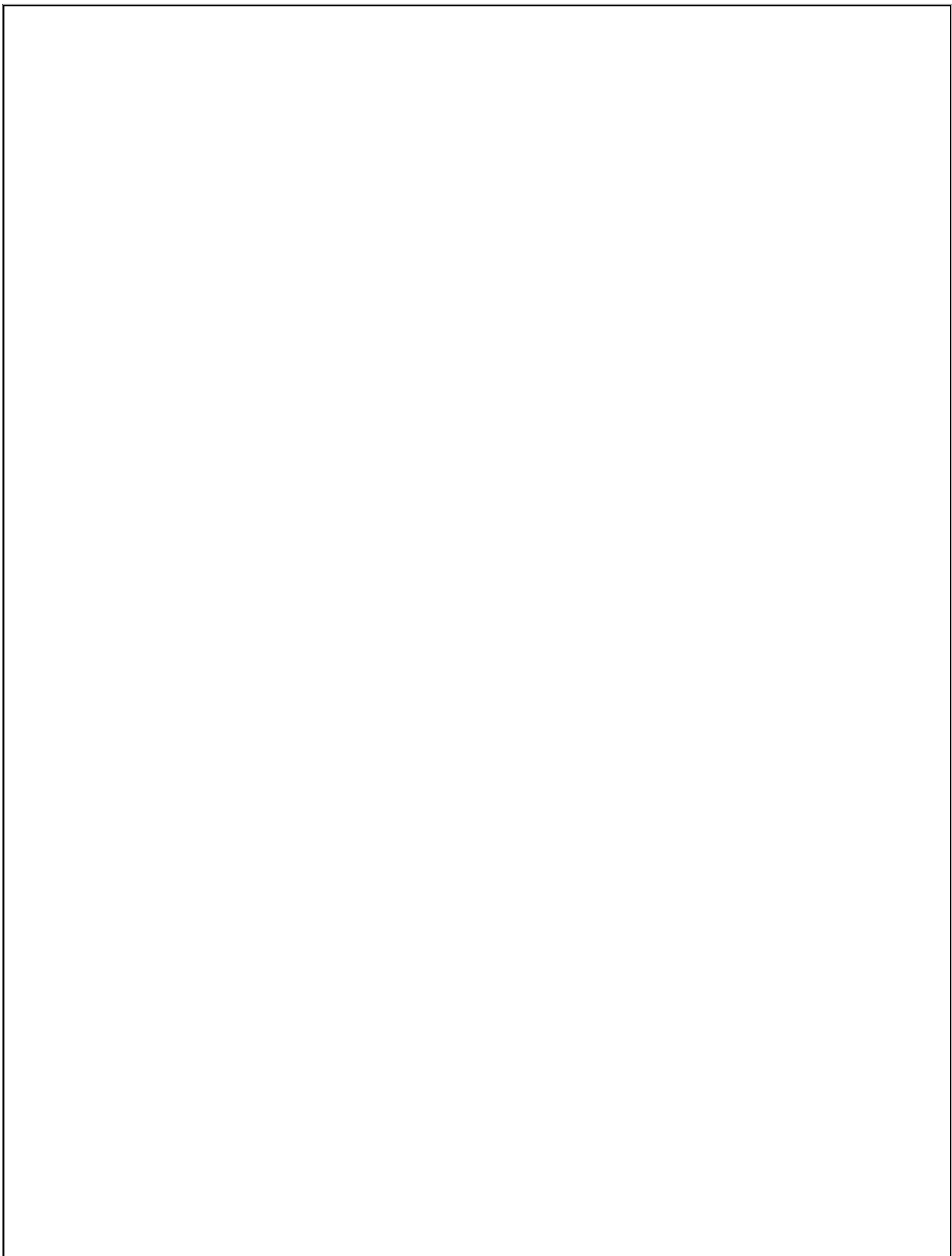
A GIS Manager position was added in the Information Technology department,. This position was previously contracted through the Western Piedmont Council of Governments. By adding the position in-house, there will be a significant cost savings from the previous contracted charges.

Another functional area that experienced difficulty in recruitment and retention was the Solid Waste Division, specifically with the position of CDL drivers. In researching other local governments and private Sanitation companies, it became evident that the City's salaries had not kept pace with the market. Drivers received increases commensurate with their skill levels.

# Consolidated Budget Summary



Staffing Analysis	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted
Administration - City Manager's Office	5	5	5	5	6	6
Communications	3	3	3	3	3	3
Budget	1	1	1	1	1	1
Bond Project Manager			1	1	1	1
Human Resources	5	5	5	5	6	6
Risk	1	2	2	2	2	2
City Clerk	1	1	1	1	1	1
Engineering	8	8	7	7	6	6
Finance	21	21	20	20	18	18
Legal	2	2	2	2	2	2
Public Services						
Building Services	6	6	6	6	6	6
Landscape Services	17	17	17	17	17	17
Central Services	7	7	7	7	7	7
Fleet Maintenance	11	12	12	12	12	12
Information Technology	8	8	8	8	8	9
Public Safety						
Fire	135	135	135	135	135	137
Police (116 Sworn and 36 Civilian)	152	153	152	152	152	152
Transportation						
Airport	8	8	8	8	10	10
Public Services						
Streets	43	43	43	43	43	43
Traffic	11	11	11	11	11	11
Environmental Protection						
Public Services						
Sanitation - Commercial	12	11	11	11	11	11
Sanitation - Residential	8	12	12	12	12	12
Stormwater	1	1	1	1	1	1
Public Utilities Administration	10	10	11	11	11	11
Henry Fork Plant	10	10	10	10	10	10
Northeast Plant	11	11	11	11	11	11
Pretreatment and Labs	7	7	7	7	7	7
Collection System (Pump Stations)	13	13	13	16	16	16
Distribution System (Construction)	34	35	35	33	33	33
Water Plant	11	11	11	12	12	12
Claremont	2	2	2	2	2	2
Catawba		3	3	3	3	3
Recycling	16	13	13	13	13	13
Economic and Community Development						
Planning	8	8	8	8	10	10
Culture and Recreation						
Library	18	18	18	18	17	17
Parks and Recreation	18	18	18	18	18	18
Maintenance	24	24	24	24	24	24
<b>Total</b>	<b>648</b>	<b>655</b>	<b>654</b>	<b>656</b>	<b>658</b>	<b>661</b>



When we think of Hickory City government, we often think only of the City Hall building at 76 North Center Street. City government, however, is not made of concrete and steel, but the men and women who put out fires, repair potholes, and perform hundreds of other services all across the City. Because the number of services is so vast and involves over 45 City departments and divisions, the sometimes overwhelming search for information leaves many citizens with the same question: "Where do I go to find out about...?"

Because City government never exists in one place at one time, it is impossible to adequately present all of the services provided by City employees. However, thanks to the Internet, we can point the reader to the people who can best answer questions. The following is a short "virtual tour" of City services, which attempts to provide some background about City departments and divisions. You can access City departments directly through the e-mail addresses indicated.

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## ACTION CENTER

The Action Center provides a single point of contact for inquiries and service requests from citizens and businesses. The Action Center is the first step to getting answers to questions about City government. Call (828) 323-7400. The Action Center is particularly recommended for those who might have more general questions about City government, or who do not have access to the Internet.

## AIRPORT ([tclark@hickorync.gov](mailto:tclark@hickorync.gov))

The Airport Department is responsible for the maintenance and operation of the City's airport according to City policy and Federal Aviation Administration (FAA) regulations. The Airport Director supervises general airport operations, Airport Tower operations and the FBO (Fixed Base Operations). Promotion of the services that are offered at the Hickory Regional Airport is the responsibility of this department. The airport features commercial air service, free parking, a café, a conference room for meetings, and several car rental agencies.

## BUDGET OFFICE ([cmcharque@hickorync.gov](mailto:cmcharque@hickorync.gov))

The Budget Office assists the City Manager's Office in the preparation of the annual budget for adoption by the City Council. The budget is monitored throughout the fiscal year through budget reports, amendments and trend analysis. This office also compiles and reviews departmental performance measures, goals, objectives, and conducts special management studies.

## CITY CLERK'S OFFICE ([dmiller@hickorync.gov](mailto:dmiller@hickorync.gov))

The City Clerk's Office is located on the third floor of the Julian G. Whitener Municipal Building. The City Clerk provides information about City Council meetings and minutes, City ordinances, applications for Boards and Commissions, and official City records. The orientation of all boards and commissions, as well as the publicizing of these groups' meetings, is also a role of the City Clerk's Office.

## CITY COUNCIL (see [www.hickorync.gov](http://www.hickorync.gov) for e-mail addresses)

The Mayor and six members of the City Council are the elected representatives of City of Hickory residents. The City Council is the legislative and policy-making body of the City and, as such, is charged with making decisions and formulating public policy based on community needs. The Governing Body adopts the annual budget that is designed to allocate available funds as efficiently and effectively as possible in order to ensure that residents receive the highest levels of service at the lowest possible cost. The City Council meets on



# About City Services



the first and third Tuesday of each month and holds special planning sessions, as well as an annual Council-Staff Work Session. Communications with the City Council can be directed to the City Manager's Office.

## CITY MANAGER'S OFFICE ([wwood@hickorync.gov](mailto:wwood@hickorync.gov))

The City Manager's Office is located on the third floor of the Julian G. Whitener Municipal Building. It is the responsibility of the City Manager's Office to professionally manage all City operations and to execute policy as directed by the City Council and prescribed by the North Carolina General Statutes. The City Manager's Office advises City Council on issues related to municipal operations. In addition to daily interaction with department heads and staff, the City Manager's Office holds monthly functional meetings covering the following areas: Administrative Issues, Economic and Community Development, Environmental Issues, Transportation, Leisure Time Activities, Public Safety, Public Properties, Neighborhoods, and General Staff. In addition, the City Manager's Office plans the annual Council-Staff Work Session and special Council planning sessions during the budget development process.

## COMMUNICATIONS OFFICE ([dkaminske@hickorync.gov](mailto:dkaminske@hickorync.gov))

The Communications Office provides citizens, businesses, organizations, visitors and employees with information about Hickory, its goals, projects, public awareness campaigns, programs, and events through various media venues, [www.hickorync.gov](http://www.hickorync.gov), speaking engagements and more. The Communications Office also heads the Brand initiative for the City of Hickory. In addition to coordinating the Neighborhood College, this office conducts special projects, assists all City departments and boards and commissions with their communications needs, and maintains the City's websites.

## FINANCE ([mmiller@hickorync.gov](mailto:mmiller@hickorync.gov))

The Accounting and Purchasing Divisions of the Finance Department are located on the third floor of the Julian G. Whitener Municipal Building. The Billing and Collections Divisions are located on the second floor of the Julian G. Whitener Municipal Building. The Finance Department, in accordance with ordinances, handles all City-related financial matters and financial policies enacted by the City Council as well as North Carolina statutes. The Finance Officer manages the City's investment program. The Finance Department also is responsible for the preparation of the Comprehensive Annual Financial Report.

## FIRE ([mhutchinson@hickorync.gov](mailto:mhutchinson@hickorync.gov))

Fire Station 1 located at 19 2<sup>nd</sup> Street NE is headquarters for Fire Administration. The Fire Chief's office is located at the headquarters station. Fire Education and Fire Prevention offices are located on the second floor of the Julian G. Whitener Municipal Building. The City of Hickory Fire Department operates out of six community-based locations along with one aircraft fire rescue station located at the Hickory Regional Airport. All fire stations are staffed with full time personnel working a twenty-four shift schedule. The Hickory Fire Prevention Bureau can assist with information on fire code, plan reviews and fire code inspections for all types of occupancy classification. Fire Prevention issues permits for installation of fire alarms, sprinkler systems, other related fire protection systems, storage tank installation and removal, including special events.

## HUMAN RESOURCES ([cmain@hickorync.gov](mailto:cmain@hickorync.gov))

The Human Resources Department is located on the third floor of the Julian G. Whitener Municipal Building. All employment applications and inquiries are processed in this division. This division also administers the benefits package for City employees and conducts employment searches for department heads and other staff positions.

# About City Services



- Risk Management ([tshoebridge@hickorync.gov](mailto:tshoebridge@hickorync.gov)) - The Risk Management Division of the Human Resources Department is located on the third floor of the Julian G. Whitener Municipal Building. The Risk Manager assures the safety of all coworkers and also manages City property, insurance procurement and administration, the safety program, and ADA compliance. The Risk Manager chairs the Coworker Safety Committee.

## INFORMATION TECHNOLOGY ([mwoods@hickorync.gov](mailto:mwoods@hickorync.gov))

The Information Technology Department is located on the third floor of the Julian G. Whitener Municipal Building. This department operates and installs the City's computer systems and networks, provides technical support and training to City departments.

## LEGAL ([adula@hickorync.gov](mailto:adula@hickorync.gov))

The Legal Department is located on the third floor of the Julian G. Whitener Municipal Building and provides in-house legal counsel to City departments. The Legal Department assists staff in answering questions about City ordinances and legal procedures. The Deputy City Attorney provides legal counsel and advice to the City Council, City Manager and City departments.

## LIBRARY ([sgreene@hickorync.gov](mailto:sgreene@hickorync.gov))

The City of Hickory operates two libraries, the Patrick Beaver Memorial Library and Ridgeview Library. The Patrick Beaver Memorial Library is a state-of-the-art facility that opened in January 1998. The Ridgeview branch opened in the Spring of 1998. The libraries are committed to providing timely and accurate information for the citizens of the community, enhancing the informational literacy of customers, and stimulating the interest of citizens in reading and learning. The libraries provide audiovisual collections, reference materials, children's collections and access to the internet. The libraries' patrons include residents of Hickory and at least four surrounding counties.

## OFFICE OF BUSINESS DEVELOPMENT

- Community Development / Housing Division ([dleonetti@hickorync.gov](mailto:dleonetti@hickorync.gov))  
The Community Development Division is located within the Planning and Development Department on the second floor of the Julian G. Whitener Municipal Building. The Community Development Staff is available to answer questions concerning housing rehabilitation funds, low- income housing, home ownership/down payment assistance, fair housing and Community Development Block Grants (CDBG) for improvement projects in lower income neighborhoods.
- Economic Development Division ([bfrazier@hickorync.gov](mailto:bfrazier@hickorync.gov))  
The Economic Development Division is located within the Planning and Development Department on the second floor of the Julian G. Whitener Municipal Building. Marketing the City of Hickory to interested developers outside the area is a key economic development function of this division. The Economic Development Staff is available to answer questions concerning assistance in location of new or expanded commercial and industrial businesses within the City of Hickory.
- Planning and Development Division ([bfrazier@hickorync.gov](mailto:bfrazier@hickorync.gov))  
The Planning and Development Division is located on the second floor of the Julian G. Whitener Municipal Building. Planning staff is responsible for enforcing zoning, subdivision regulations, property uses, assisting with thoroughfare plans and annexations, managing historic preservation,

public art and community appearance, and maintaining watershed regulations. The Permit Assistance Center is housed in the Planning Division. This division also staffs the Hickory Regional Planning Commission and is additionally responsible for staffing and promoting the work of the Historic Preservation Commission, the Public Art Commission and Community Appearance Commission, as well as maintaining the City's historic resources inventory. The Planning and Development Division also coordinates the City of Hickory's transportation systems and assists other departments, including the Airport and Transit departments, with transportation planning, grant applications, and contacts with outside agencies.

## PARKS AND RECREATION ([mmcleod@hickorync.gov](mailto:mmcleod@hickorync.gov))

The Parks and Recreation Department is located at 1451 8<sup>th</sup> Street Drive NE. The City operates five general and two senior citizen recreation centers, eighteen parks (active and passive) consisting of 428 acres. Athletic league games, special events and instructional programs for youth, adult, and senior groups are provided in large numbers. The recreation centers offer classes in arts and crafts, ceramics and many other activities to all age groups. This department also operates the Parks Maintenance Division and L. P. Frans Stadium.

## PERMIT ASSISTANCE CENTER ([bfrazier@hickorync.gov](mailto:bfrazier@hickorync.gov))

The Permit Assistance Center, a subdivision of the Planning and Development Division within the Office of Business Development, is located on the second floor of City Hall and provides guidance and assistance to property owners and developers in obtaining development approvals for residential and commercial projects. The PAC also coordinates approval of permits for Special Events throughout the City.

## POLICE ([twhisnant@hickorync.gov](mailto:twhisnant@hickorync.gov))

The Hickory Police Department is located at 347 2<sup>nd</sup> Avenue SW. The administrative offices of the Chief of Police, Patrol Division, Support Services Division, Animal Control Unit, Criminal Investigations Division, and Code Enforcement are housed at this facility. The Hickory Police Department also offers a Victim Assistance Program and many other community education services. The Hickory Police Department uses a community policing approach in its daily work activities.

## PUBLIC SERVICES DEPARTMENT ([kgreer@hickorync.gov](mailto:kgreer@hickorync.gov))

The Public Services Department is located at 1441 9<sup>th</sup> Avenue NE and includes the following divisions and services:

- Central Services ([wberry@hickorync.gov](mailto:wberry@hickorync.gov)) - This division provides office support to all divisions within Public Services. Customer inquiries, complaints, and service requests regarding Public Services divisions are fielded by this division and forwarded to the proper individuals for prompt response.
- Landscape Services ([jhogan@hickorync.gov](mailto:jhogan@hickorync.gov)) - This division is responsible for City cemetery maintenance, planting and landscaping of City properties, and maintaining City properties.
- Fleet Maintenance ([babernathy@hickorync.gov](mailto:babernathy@hickorync.gov)) - This division maintains and repairs City vehicles and equipment.
- Street ([ckone@hickorync.gov](mailto:ckone@hickorync.gov)) - This division is responsible for curb and gutter installation, sidewalks, driveway entrance construction, pothole repair, and street maintenance (sweeping, cleaning, and right-of-way mowing). This division also handles snow removal, storm drain repairs, and mowing of overgrown

lots. Each year the City Council adopts a paving list that identifies all streets to be paved/resurfaced in the upcoming fiscal year. The Street Division assists the Engineering Division in preparation of the list and executes work as directed by Council.

- Public Utilities ([spennell@hickorync.gov](mailto:spennell@hickorync.gov)) - This division provides safe drinking water to residents of the area and treats wastewater prior to its release into the environment. The Hickory Water Treatment Plant is located at 1560 Old Lenoir Road and has a 32 million gallon per day capacity. The City of Hickory operates two wastewater treatment plants, the Henry Fork Wastewater Treatment Facility (nine million gallons per day capacity) and the Northeast Wastewater Treatment Facility (six million gallons per day capacity). This division also handles questions concerning the availability and repair of water and sewer lines. Water tap connections can be arranged through the Billing and Collections Division of the Finance Department located in the Municipal Building. The Pretreatment/Lab Division provides professional services to the other divisions in the Public Utilities.
- Sanitation ([aballentine@hickorync.gov](mailto:aballentine@hickorync.gov)) - This division manages routine garbage pickup in addition to several other waste removal services. Regular yard waste, such as leaves, grass clippings, and shrubbery trimmings, are collected curbside weekly on the same day as residential garbage pickup. Additional assistance is available for citizens with disabilities. A special pickup is available on Tuesdays and Thursdays for items such as appliances, furniture, yard waste, and bulky tree debris. Curbside leaf collections occur in the fall, and residents are notified in advance through the local media. Due to the City operating leaf vacuum trucks, the citizens do not need to bag their leaves for collection.
- Traffic ([ckone@hickorync.gov](mailto:ckone@hickorync.gov)) - All traffic signals within City limits are maintained by this division for the North Carolina Department of Transportation (NCDOT). Traffic signals, traffic markings, and street signs all fall under the responsibility of this division.
- Engineering ([kgreer@hickorync.gov](mailto:kgreer@hickorync.gov)) - The Engineering Division is located on the second floor of the Municipal Building. The City Engineer and staff provide professional engineering and surveying services, transportation planning, and can answer questions related to street paving petitions, curb and gutter petitions, sidewalk petitions, driveway permits, city maps, and physical addresses. This division also prepares long-range plans for street and drainage improvements, and assists other City departments in construction and engineering efforts.

# About City Services



The following is a telephone listing of City services. To get answers to specific questions, you can call the number directly.

ACTION CENTER/CUSTOMER SERVICE .....	323-7400
ADDRESS ASSIGNMENT .....	323-7422
AIRPORT .....	323-7408
ANIMAL CONTROL .....	324-2060
BILL INQUIRIES .....	323-7424
BILLING AND COLLECTIONS.....	323-7424
BROKEN WATER OR SEWER LINES .....	323-7427
BUDGET .....	261-2200
BUILDING CODE REQUIREMENTS .....	465-8399
BUILDING PERMITS .....	465-8399
BURNING PERMITS .....	323-7420
BUS SYSTEM – Greenway public transportation .....	464-9444
BUSINESS LICENSES .....	323-7424
CEMETERY OFFICE .....	323-7500
CITY CLERK .....	323-7409
CITY MANAGER .....	323-7412
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM .....	323-7414
CURB AND GUTTER PETITIONS .....	323-7416
CURB CUTS .....	323-7500
DEVELOPMENT ASSISTANCE CENTER .....	323-7410
DOWNPAYMENT ASSISTANCE PROGRAM .....	323-7414
DRIVEWAY PERMITS .....	323-7416
ECONOMIC DEVELOPMENT .....	323-7422
FENCING REQUIREMENTS .....	323-7410
FINANCE .....	323-7417
FIRE DEPARTMENT - NON-EMERGENCY CALLS FOR SERVICE .....	323-7420
- EMERGENCY .....	911
- LIFE SAFETY EDUCATION .....	323-7521
- PREVENTION.....	323-7522
- PUBLIC INFORMATION.....	323-7521
- TRAINING DIVISION .....	323-7505
GARBAGE, TRASH, RECYCLING COLLECTION .....	323-7500
GENERAL CITY INFORMATION .....	323-7400
GEOGRAPHIC INFORMATION SYSTEM (GIS) .....	261-2215
HISTORIC PROPERTIES.....	323-7422
HOUSING REHABILITATION LOANS .....	323-7414
HUMAN RESOURCES .....	323-7421
JUNK CARS.....	261-2649
LANDFILL - CATAWBA COUNTY .....	704-462-1348
LIBRARY – PATRICK BEAVER MEMORIAL LIBRARY .....	304-0500
RIDGEVIEW PUBLIC LIBRARY .....	345-6037

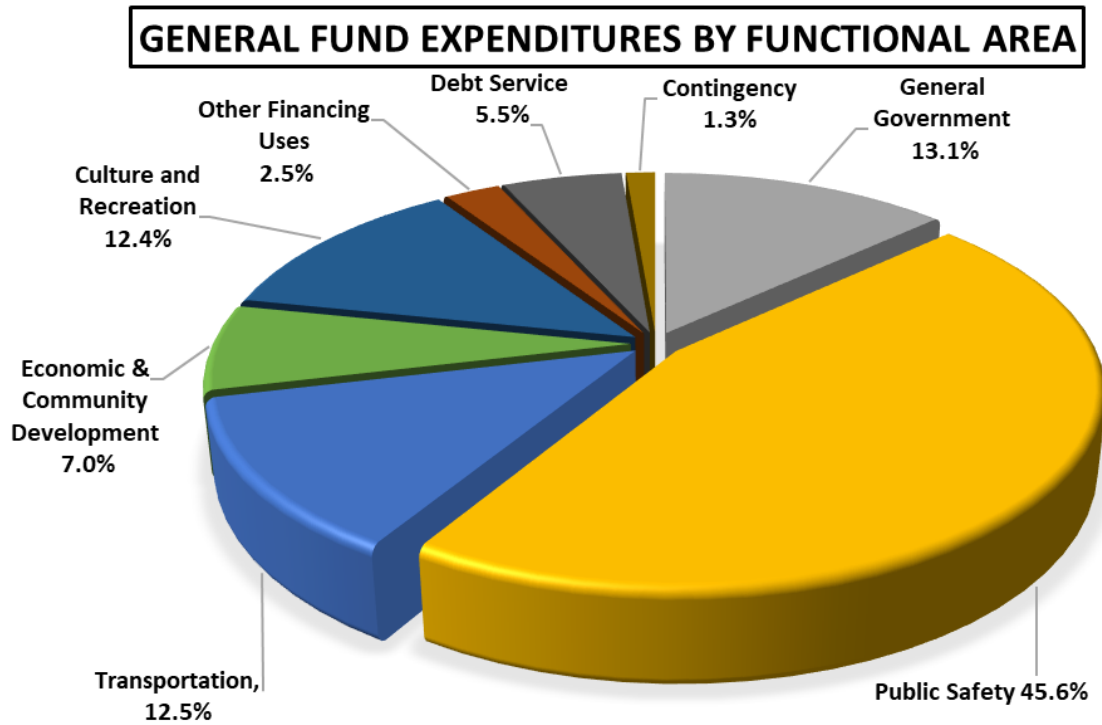
# About City Services



LOTS/YARDS THAT NEED MOWING.....	261-2649
MAPS .....	323-7416
MINIMUM HOUSING CODE .....	323-7410
NEIGHBORHOOD PLANNING .....	261-2206
NEIGHBORHOOD WATCH PROGRAM .....	324-2060
NOISE .....	261-2649
OCCUPANCY PERMITS .....	465-8399 or 323-7410
PARKS AND RECREATION .....	322-7046
POLICE - NON-EMERGENCY CALLS FOR SERVICE .....	328-5551
- EMERGENCY .....	911
- ADMINISTRATIVE .....	324-2060
- ANIMAL CONTROL .....	324-2060
- CHIEF OF POLICE .....	261-2600
- CRIME PREVENTION .....	261-2644
- CRIMINAL INVESTIGATIONS.....	261-2606
- PATROL DIVISION.....	324-2060
- RECORDS UNIT .....	324-2060
- SUPPORT SERVICES .....	261-2604
PUBLIC HOUSING .....	328-5373
PUBLIC INFORMATION .....	261-2222
PUBLIC SERVICES ADMINISTRATION .....	323-7500
PUBLIC SERVICES EMERGENCY NIGHT NUMBER – (HICKORY POLICE DEPARTMENT).....	328-5551
RECYCLING .....	323-7500
REZONING MATTERS .....	323-7422
SEWER TAPS AND BILLS .....	323-7424
SETBACK REQUIREMENTS .....	323-7410
SUBDIVISION REGULATIONS .....	323-7422
SIGN REQUIREMENTS .....	323-7410
STORM DRAIN MAINTENANCE.....	323-7500
STREETLIGHTS (DUKE POWER).....	800-769-3766
STREET PAVING PETITIONS.....	323-7416
STREET RESURFACING .....	323-7500
WATER AND SEWER TAP FEES .....	323-7424
TAXES .....	323-7417
THOROUGHFARE PLAN .....	323-7422
TRAFFIC.....	323-7500
VOTING - CATAWBA COUNTY BOARD OF ELECTIONS .....	464-2424
WATER AND SEWER LINE CONSTRUCTION.....	323-7427
WATER AND SEWER LINE MAINTENANCE .....	323-7427
WATER METER READINGS .....	323-7424
WATER TAPS AND BILLS .....	323-7424
WATERSHED REQUIREMENTS .....	323-7422
ZONING .....	323-7422

# General Fund

The General Fund accounts for all financial resources not restricted to specific purposes or otherwise required to be accounted for in another fund. The following functional areas are included in the General Fund: General Government, Public Safety, Transportation, Economic and Community Development, Culture and Recreation, Other Financing Uses, Debt Service, and Contingency.





# General Fund



General Fund Revenue by Category	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Ad Valorem Taxes	27,349,367	27,250,000	29,525,000	8.3%
Other Taxes	16,853,553	16,382,000	17,143,213	4.6%
Unrestricted Intergovernmental	660,473	595,000	663,000	11.4%
Restricted Intergovernmental	2,583,796	2,333,590	2,385,427	2.2%
Licenses and Permits	4,852	5,100	5,100	0.0%
Sales and Services	1,674,129	1,515,876	1,534,740	1.2%
Investment Earnings	136,995	155,000	258,036	66.5%
Miscellaneous	(135,936)	326,000	301,000	-7.7%
Other Financing Sources	833,911	2,552,353	980,000	-61.6%
<b>Revenue Total</b>	<b>49,961,140</b>	<b>51,114,919</b>	<b>52,795,516</b>	<b>3.3%</b>
Per Capita	1,231.57	1,258.65	1,290.06	

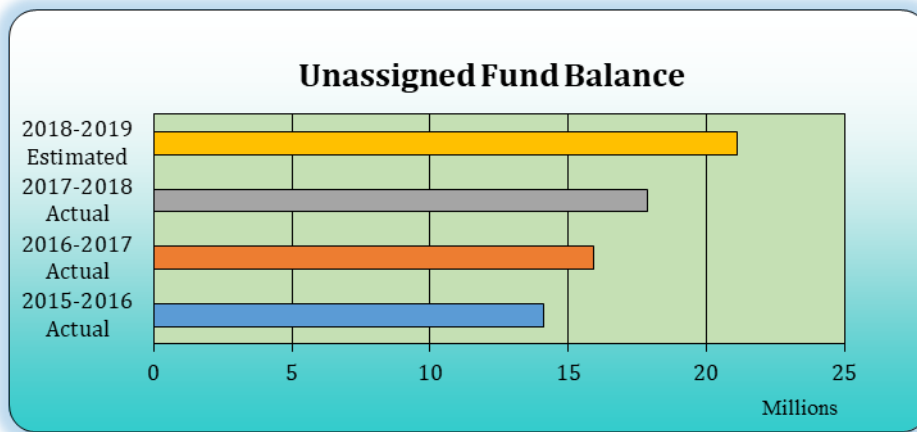
General Fund Expenditure by Category	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	29,324,406	32,384,785	33,628,248	3.8%
Operations	13,255,750	13,766,010	14,141,582	2.7%
Capital	4,472,615	4,084,772	2,497,840	-38.8%
Contingency	-	700,000	700,000	0.0%
Board / Agency Funding	843,835	1,079,422	1,004,605	-6.9%
Debt Service	896,548	1,186,647	2,888,404	143.4%
Interfund Transfers	3,565,330	1,241,832	1,329,961	7.1%
Pro Rata Reimbursement	(3,263,451)	(3,328,549)	(3,395,124)	2.0%
<b>Expenditure Total</b>	<b>49,095,033</b>	<b>51,114,919</b>	<b>52,795,516</b>	<b>3.3%</b>
Per Capita	1,210.22	1,258.65	1,290.06	

# General Fund

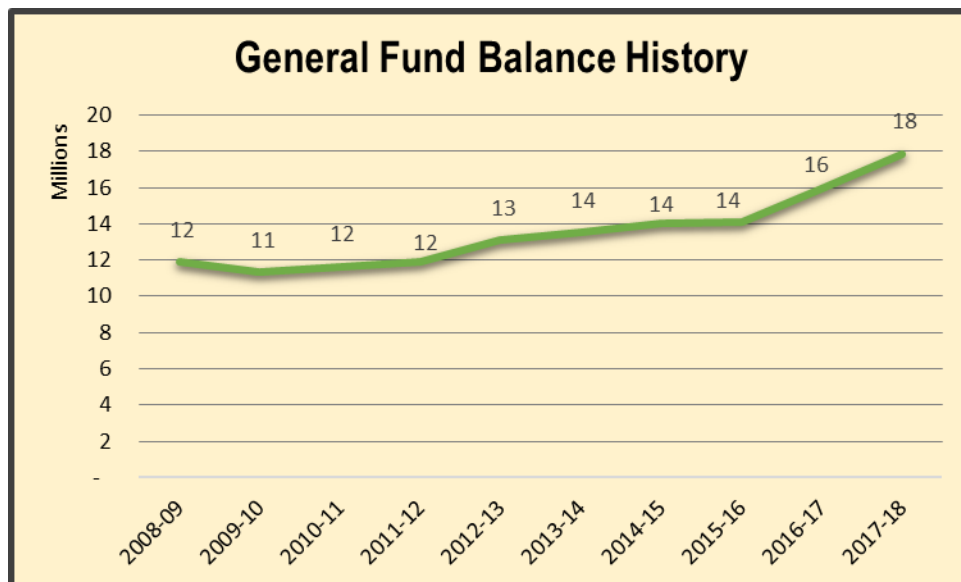
## General Fund Balance

The unassigned General Fund Balance is projected to be \$21,124,096 on June 30, 2019. Going into FY 2019-2020, this is approximately 40% of the budgeted General Fund amount.

Unassigned Fund Balance	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated
General Fund	14,106,300	15,908,792	17,872,210	21,124,096
Dollar Change	74,864	1,802,492	1,963,418	3,251,886
Percent Change	4.4%	13.4%	26.7%	49.7%



10-Year History:



Additional Information about the City Council may be obtained by calling  
The City Manager's Office at 828.323.7412

**Functional Area:** General Government

**Mission Statement:**

To adopt ordinances, rules and regulations as may be necessary or appropriate to protect the health, life or property, or to preserve or promote the comfort, convenience, security, better government, or general welfare of the City and its inhabitants.

**2018/2019 Accomplishments:**

- Participated in extended sessions during the 4th Annual Council Staff Work Session as well as another Mini-Session during the same fiscal year
- Adopted City Council's Priorities and Action Plan and a financial policy for the ensuing fiscal year.
- Continue to support the recommendations from Hickory's master plans and initiatives in the areas of Environment, Culture and Recreation, Transportation, Economic Development, Public Safety, Public Properties, Administration, and Fiscal Policy.

**2019/2020 Goals and Objectives:**

Goal: Grow current and new economic development opportunities for the City.

- Objective: Market and promote product development and economic growth, repurpose redevelopment with various programs and incentives, and support the recommendations from Hickory's Bond Commission.

Goal: Enhance special events and programs within the City.

- Objective: Promote and partner with the community and various organizations with City branded events

Goal: Engage the community with more involvement opportunities and promote the City.

- Objective: Support community partnerships and community donors to specific projects in public spaces.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
# of Public Hearings	175	222	190	190
# of City Council Meetings	29	40	35	35
<b>Efficiency</b>				
General Fund Balance as a % total budget	30%	33.15%	33%	25%
<b>Effectiveness</b>				
# of years with no increase in property tax	0	1	2	1

# Hickory City Council



The members of the City Council are the elected representatives of the City of Hickory. The City Council is the legislative and policy-making body of the City, and as such, is charged with making decisions and formulating public policy based on community needs. The City Council adopts an annual budget that is designed to allocate available funds as efficiently and effectively as possible in order to ensure that residents receive the highest levels of service at the lowest possible cost. The City Council meets on the first and third Tuesdays of each month and holds special planning sessions, as well as an annual Council-Staff Planning Session. Communications with the City Council can be directed to the City Manager's Office.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	449,513	471,273	512,939	8.8%
Operations	195,549	194,175	221,429	14.0%
Pro Rata Reimbursement	(192,262)	(196,108)	(200,030)	2.0%
<b>Expenditure Total</b>	<b>452,800</b>	<b>469,340</b>	<b>534,338</b>	<b>13.8%</b>
<b>Per Capita</b>	<b>\$ 11.16</b>	<b>\$ 11.56</b>	<b>\$ 13.06</b>	<b>13.0%</b>

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
General Fund	452,800	469,340	534,338	13.8%
<b>Revenue Total</b>	<b>452,800</b>	<b>469,340</b>	<b>534,338</b>	<b>13.8%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Part Time	7	7	7	0.0%
<b>Total</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>0.0%</b>

# City Manager's Office



Additional Information about the City Manager's office may be obtained by calling Warren Wood at 828.323.7412 or [wwood@hickorync.gov](mailto:wwood@hickorync.gov)

Functional Area:

General Government

Mission Statement:

To conduct the overall administration of the City as prescribed by the North Carolina General Statutes. As administrative head of the City Government, the City Manager coordinates all city activities in accordance with adopted City Council's Priorities and Action Plan and carries out all policies and actions of the City Council.

2018/2019 Accomplishments:

- Managed the implementation of the City Council's Priorities and Action Plan.
- Coordinated all activities associated with attracting and retaining jobs and people, economic growth and transportation, quality of life and natural environment, operational excellence, vision and leadership and communication and marketing.
- Continued pursuit of mutually beneficial projects with the Hickory Metro local governments.
- Participated in the North Carolina League of Municipalities, National League of Cities, International City/County Manager's Association, Alliance for Innovation, and North Carolina City/ County Manager's Association.
- Hosted a successful 2019 North Carolina League of Municipalities CityVision Annual Conference showcasing Hickory in May 2019 due to Hurricane Florence in 2019.

2019/2020 Goals and Objectives:

Goal: Implement City Council's Priorities and Action Plan through effective and efficient operation of City Services.

- Objective: Oversee adoption and implementation of the City's budget in compliance with the Local Government Budget and Fiscal Control Act.
- Objective: Continue working with staff, City boards, commission, and task forces to implement priorities and action plan.

	2016-2017	2017-2018	2018-2019	2019-2020
Performance Measures	Actual	Actual	Estimated	Goal
Work Load				
# of inquiries/concerns to the City Manager's Office per year	New	New	20	20
# of community presentations and speaking engagement by the City Manager per quarter	New	New	4	4
Efficiency				
% of presentations/speaking engagements per quarter	New	New	100%	100%
Effectiveness				
% of inquiries/concerns responded to / actioned within 3 business days per quarter	New	New	90%	90%

# City Manager's Office



The City Manager's Office is located on the third floor of the Julian G. Whitener Municipal Building. It is the responsibility of the City Manager's Office to professionally manage all City operations and to execute policy as directed by the City Council and prescribed by the North Carolina General Statutes. The City Manager's Office advises City Council on issues related to municipal operations. In addition to daily interaction with department heads and staff, the City Manager's Office holds monthly functional meetings covering the following areas: Administrative Issues, Economic and Community Development, Environmental Issues, Transportation, Leisure Time Activities, Public Safety, Public Properties, Neighborhoods, and General Staff. In addition, the City Manager's Office plans the annual Council-Staff Work Session and special Council planning sessions during the budget development process.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	816,604	842,460	888,318	5.4%
Operations	224,215	95,274	120,566	26.5%
Capital	5,538	4,800	-	-100.0%
Pro Rata Reimbursement	(203,375)	(207,443)	(211,593)	2.0%
Expenditure Total	842,982	735,091	797,291	8.5%
Per Capita	\$ 20.78	\$ 18.10	\$ 19.48	7.6%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
General Fund	842,982	735,091	797,291	8.5%
Revenue Total	842,982	735,091	797,291	8.5%

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	5	6	6	0.0%
Part Time	-	-	-	0.0%
Seasonal	1	1	1	0.0%
Total	6	7	7	0.0%

# Communications



Additional Information about the Office of Communication may be obtained by calling Dana Kaminske, Communication and Marketing Manager, at 828.261.2289 or [dkaminske@hickorync.gov](mailto:dkaminske@hickorync.gov)

Functional Area: General Government

## Mission Statement:

The Office of Communications provides information to citizens, businesses, organizations and more about day to day activities with the city, as well as projects, events, and accomplishments. Information is posted on [www.HickoryNC.gov](http://www.HickoryNC.gov) and distributed to the public through media news releases, e-newsletters, City Snippets, social media, videos, and various other outlets. This office oversees City websites, including MYHKY.com, and "Life. Well Crafted." brand activities/events and partnerships.

## 2018/2019 Accomplishments:

- Kept the [www.HickoryNC.gov](http://www.HickoryNC.gov) site user-friendly, designed with citizens in mind, while always improving the content and visual appeal.
- Reached more people with the City's marketing messages and project updates through increasing social media reach, event notifications, increasing traffic to the HickoryNC.gov website, and through the use of videos about Hickory.
- Created, and rolled out with a marketing campaign, MyHKY.com virtual tour of Hickory with the Office of Business Development as a recruitment tool.

## 2019/2020 Goals and Objectives:

- Goal: Bring awareness to the City of Hickory as a viable option for living, working, and visiting through MyHKY.com.
- Objective: Increase the overall reach with the marketing campaigns to external audiences and to local HR and business recruiters and developers.
- Goal: Drive traffic to the Crafting Hickory section of [www.HickoryNC.gov](http://www.HickoryNC.gov) to bring additional awareness to the projects.
- Objective: Showcase all project updates through social media and enewsletter links to that site, as well as the Crafting the Future marketing campaign.
- Goal: Drive traffic to HickoryWellCrafted.com page to increase awareness to the City's overall marketing messages, as well as the Maker and Doers section for recruitment and quality of living messages to the public.
- Objective: Showcase Hickory's marketing and branding messages on HickoryWellCrafted.com with highlights of Makers and Doers, Hickory's Trending, Hickory videos, partnerships, presentations, and HickoryEventsCalendar.com.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
# of Facebook "Likes" (annually)	6,172	7,201	10,400	13,000
# of HickoryNC.gov unique visitors (annually)	217,545	213,525	230,000	250,000
<b>Efficiency</b>				
% increase of "Facebook Likes" (annually)	25%	17%	44%	25%
# of pages viewed per user on HickoryNC.gov (annually)	New	New	2.21	2.5
<b>Effectiveness</b>				
# of people viewing the MyHKY.com page (quarterly)	New	New	1,500	6,000



# Communications



The Communications Office provides citizens, businesses, organizations, visitors and employees with information about Hickory, its goals, projects, public awareness campaigns, programs, and events through various media venues, [www.hickorync.gov](http://www.hickorync.gov), speaking engagements and more. The Communications Office also heads the Brand initiative for the City of Hickory. In addition to coordinating the Neighborhood College, this office conducts special projects, assists all City departments and boards and commissions with their communication needs, and maintains the City's websites.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	234,435	249,053	260,363	4.5%
Operations	28,897	48,380	46,469	-3.9%
Capital	1,990	4,100	2,050	-50.0%
Pro Rata Reimbursement	(43,434)	(44,305)	(45,191)	2.0%
Expenditure Total	221,888	257,228	263,691	2.5%
Per Capita	\$ 5.47	\$ 6.33	\$ 6.44	1.7%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
General Fund	221,888	257,228	263,691	2.5%
Revenue Total	221,888	257,228	263,691	2.5%

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	3	3	3	0.0%
Total	3	3	3	0.0%

# Risk Management



Additional Information about the Risk Management Division may be obtained by calling Todd Shoebridge at 828.323.7442 or [tshoebridge@hickorync.gov](mailto:tshoebridge@hickorync.gov)

**Functional Area:** General Government

Risk management involves the identification and management of risks, and the financial application of resources to afford control of the probability and impact of unfortunate events, or to maximize the realization of opportunities.

Risks can stem from legal liabilities, project failures, natural disasters, accidents, or events which cannot be predicted. Risk management targets the many “what if” scenarios potentially faced by organizations.

## Mission Statement:

To minimize local government risk by administering comprehensive and proactive, workers compensation, insurance, safety, education and ADA programs that are in compliance with local, state and federal laws and regulations.

## 2018/2019 Accomplishments:

- Revisions and updates of the City of Hickory Automated External Defibrillator (AED) Protocols, and the purchase and installation of 2 new Zoll AED’s for airport FBO, and terminal.
- Development and Implementation of the City of Hickory’s NCDOT ADA Transition plan
- Revision, Completion & Implementation of the City of Hickory All Hazard Plan, and RMP program as it relates to the city’s Water Treatment Facilities, and 3 Wastewater Treatment Facilities January 2018
- Continued Reorganization and updating processes for adding/deleting insured properties in conjunction with the City’s asset process and procedures through audits, meetings and the review of all policies

## 2019/2020 Goals and Objectives:

Goal: Provide a safe and hazard free workplace for employees through proactive training and inspections

- Objective: Risk Division to work in cooperation with all divisions throughout the city to develop and administer needed safety programs, and policies.
- Objective: Creation of an updated Safety Policy that identifies basic safety procedures and identifies the Risk Management Executive Team as the city’s safety committee.

Goal: Continue to reduce the number of accidents and injuries through training, policy and procedural updates and revisions.

- Objective: Continue to update outdated and current safety policies and practices throughout the City of Hickory
- Objective: Taylor training programs to the needs of each division based on current accident and injury trends

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
# of recordable workers comp. claims	24	27	25	21
<b>Efficiency</b>				
# of safety training workshops completed by the Risk Division	33	35	35	35
<b>Effectiveness</b>				
Cost of workers comp. claims	\$452,544	\$639,373	\$500,000	\$500,00
# of worksite inspections and % of worksite inspections in full safety compliance	33/98%	29/97%	35/98%	35/98%

# Risk Management



The Risk Management Division is located on the third floor of the Julian G. Whitener Municipal Building. The Risk Manager assures the safety of all coworkers and also manages City property, insurance procurement and administration, the safety program, and ADA compliance. The Risk Manager chairs the Coworker Safety Committee.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	123,185	125,976	132,881	5.5%
Operations	12,105	126,613	126,665	0.0%
Capital	1,175	-	-	0.0%
Pro Rata Reimbursement	(47,408)	(48,173)	(49,137)	2.0%
Expenditure Total	89,057	204,416	210,409	2.9%
Per Capita	\$ 2.20	\$ 5.03	\$ 5.14	2.1%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Miscellaneous	142,297	100,000	100,000	0.0%
General Fund	(53,240)	104,416	110,409	5.7%
Revenue Total	89,057	204,416	210,409	2.9%

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	2	2	2	0.0%
Part Time	-	-	-	0.0%
Seasonal	-	-	-	0.0%
Total	2	2	2	0.0%

# Budget Office



Additional Information about the Budget Office may be obtained by calling Cameron McHargue, Budget Analyst, at 828.261.2200 or [cmchargue@hickorync.gov](mailto:cmchargue@hickorync.gov)

**Functional Area:** General Government

**Mission Statement:**

Efficiently and effectively develop, implement and administer a balanced budget that clearly communicates City goals, objectives and priorities. Ensure that the budget document includes valid and reliable performance measures and quality management principles.

**2018/2019 Accomplishments:**

- Earned the Government Finance Officers Association Distinguished Budget Presentation Award for fiscal year beginning July 1, 2018
- Processed budget amendments and transfers in a timely manner
- Coordinated and managed the City of Hickory's data collection for the UNC School of Government NCPMP (North Carolina Performance Measurement Project)

**2019/2020 Goals and Objectives:**

- Goal: Earn the Government Finance Officers Association Distinguished Budget Presentation Award.  
Objective: Continue to create a budget document that serves as a policy document, financial plan, operations guide, and communications policy.
- Goal: Participate in the North Carolina Performance Measurement Project.  
Objective: Meet all data collection deadlines as specified by the UNC School of Government.
- Goal: Evaluate the current budget process and develop an efficient method for producing the document  
Objective: Streamline the budget development process through continuous feedback from internal/external customers and comparison to other units.

	2016-2017	2017-2018	2018-2019	2019-2020
Performance Measures	Actual	Actual	Estimated	Goal
<b>Work Load</b>				
# of individual budget amendments/ transfers processed	242	245	250	250
<b>Efficiency</b>				
% of budget amendments submitted to Budget that require follow up with initiating departments	1%	1%	1%	1%
% of budget amendments sent to City Clerk's Office without error	100%	100%	95%	100%
<b>Effectiveness</b>				
Average Response Rate - Annual Survey (Scale: 1-5)	n/a	n/a	n/a	n/a

# Budget Office



The Budget Office assists the City Manager's Office in the preparation of the annual budget for adoption by the City Council. The budget is monitored throughout the fiscal year through budget reports, amendments and trend analysis. This office also compiles and reviews departmental performance measures, goals, objectives, and conducts special management studies.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	72,082	71,501	74,617	4.4%
Operations	23,785	40,551	40,667	0.3%
Capital	1,470	1,500	-	-100.0%
Pro Rata Reimbursement	(70,249)	(71,656)	(73,090)	2.0%
<b>Expenditure Total</b>	<b>27,088</b>	<b>41,896</b>	<b>42,194</b>	<b>0.7%</b>
<b>Per Capita</b>	<b>\$ 0.67</b>	<b>\$ 1.03</b>	<b>\$ 1.03</b>	<b>-0.1%</b>

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
General Fund	27,088	41,896	42,194	0.7%
<b>Revenue Total</b>	<b>27,088</b>	<b>41,896</b>	<b>42,194</b>	<b>0.7%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	1	1	1	0.0%
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0.0%</b>

# Human Resources



Additional Information about the Human Resources Department may be obtained by calling Claudia Main, Human Resources Director, at 828.323.7447 or [cmain@hickorync.gov](mailto:cmain@hickorync.gov)

Functional Area: General Government

Mission Statement:

To develop and support effective personnel systems, which enable departments to recruit, select and maintain a workforce, committed to the City's quality principles at comparatively appropriate staffing levels.

2018/2019 Accomplishments:

- For the second year, Human Resources earned the GOLD Well-Business designation from Live Well. Catawba. This award is given to businesses who focus in wellness in both action and policy.
- Human Resources chaired and ran a successful United Way campaign, raising over \$13,000.
- HR worked closely with several City Departments on salary studies and market adjustments.
- Worked in partnership with the City Manager's Office to deliver core values training.
- Assisted the City Manager's Office with conducting focus groups.
- Participated with the Chamber of Commerce and business partners in recruiting military veterans to the Hickory Metro Area (NC4ME).

2019/2020 Goals and Objectives:

Goal: To attract and retain qualified employees.

- Objective: Continue to offer competitive and cost-effective salaries and benefits.

Goal: Work in consultation with City Manager's Office and Department Heads/Supervisors to maintain appropriate staffing levels.

- Objective: Seek to maintain employee per 1,000 population ratio at 20 or below.

Goal: Manage wellness program and onsite clinic to benefit employees and the City.

- Objective: Continue metrics in the wellness clinic and HRAs to monitor downward trends in risk factors.
- Objective: Continue current trend of coworkers having less than 2 risk factors.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
Number of Applications Received	4,074	4,356	4,000	4,000
<b>Efficiency</b>				
Percent of wellness program participants with four or more high risk factors who reduced at least one of their high risks.	-	-	100%	100%
Percent of wellness program participants who improved one of their high risk factors	66%	21.3%	24%	20%
Turnover rate (by fiscal year)	9.3%	11.9%	12.8%	Under 11%
<b>Effectiveness</b>				
New Hire Retention Rate	n/a	n/a	84%	80%

# Human Resources



The Human Resources Department is located on the third floor of the Julian G. Whitener Municipal Building. All employment applications and inquiries are processed in this division. This division also administers the benefits package for City employees and conducts employment searches for department heads and other staff positions.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	357,910	404,923	431,370	6.5%
Operations	110,573	108,093	108,510	0.4%
Capital	1,174	3,500	-	-100.0%
Pro Rata Reimbursement	(156,029)	(159,151)	(162,334)	2.0%
<b>Expenditure Total</b>	<b>313,628</b>	<b>357,365</b>	<b>377,546</b>	<b>5.6%</b>
<b>Per Capita</b>	<b>\$ 7.73</b>	<b>\$ 8.80</b>	<b>\$ 9.23</b>	<b>4.8%</b>

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
General Fund	313,628	357,365	377,546	5.6%
<b>Revenue Total</b>	<b>313,628</b>	<b>357,365</b>	<b>377,546</b>	<b>5.6%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	5	6	6	0.0%
<b>Total</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>0.0%</b>



# Finance Department



Additional Information about the Finance Department may be obtained by calling Melissa Miller at 828.323.7545 or [mmiller@hickorync.gov](mailto:mmiller@hickorync.gov)

Functional Area: General Government

Mission Statement:

The mission of the Finance Department is to administer and provide fiscally responsible control and guidance for all financial matters of the City while complying with all applicable City, State, and Federal mandates.

2018/2019 Accomplishments:

- Contracted with Paymentus for an enhanced online payment center and began implementation phase of project.
- Created a new fillable deposit slip template for the daily Collections deposit to increase workflow productivity and reduce future supply costs with bank.
- Scanned monthly journal entries and executed contracts for easy access by all Finance staff and City auditors.
- Received the Government Finance Officers Association (GFOA) Certificate of Achievement Award for Excellence in Financial Reporting for FY 2017-2018 for the 23<sup>rd</sup> consecutive year.

2019/2020 Goals and Objectives:

- Goal: Maintain electronic timekeeping records which integrates with the Central Square financial system.
- Objective: Implement Executime Timekeeping System with all City employees.
- Goal: Provide accurate financial information to the citizens of Hickory.
- Objective: Prepare the 2019 Comprehensive Annual Financial Report and submit to GFOA for Certificate of Achievement Award.
- Goal: Review City procurement opportunities for goods, services, and travel purposes.
- Objective: Work with credit card companies to allow more convenient purchase options for City coworkers.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
% of Water/Sewer accounts collected	97.9%	96.2%	97.8%	97.0%
# of days required to process a new vendor application	1	1	1	1
Utility bills processed per Billing employee	8,911	9,026	9,121	9,000
<b>Efficiency</b>				
Financial Reports issued within 5 working days of the end of the month.	75.0%	83.3%	83.3%	83.3%
<b>Effectiveness</b>				
Average Response Rate-Annual Survey (1-5)	4.01	4.21	4.20	4.00

# Finance Department



The Accounting and Purchasing Divisions of the Finance Department are located on the third floor of the Julian G. Whitener Municipal Building. The Billing and Collections Divisions are located on the second floor of the Julian G. Whitener Municipal Building. The Finance Department, in accordance with ordinances, handles all City-related financial matters and financial policies enacted by the City Council, as well as North Carolina statutes. The Finance Officer manages the City's investment program. The Finance Department also is responsible for the preparation of the Comprehensive Annual Financial Report.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	857,918	944,499	995,479	5.4%
Operations	382,961	390,752	406,876	4.1%
Capital	7,127	9,800	-	-100.0%
Pro Rata Reimbursement	(1,373,802)	(1,401,279)	(1,429,304)	2.0%
<b>Expenditure Total</b>	<b>(125,796)</b>	<b>(56,228)</b>	<b>(26,949)</b>	<b>-52.1%</b>
Per Capita	\$ (3.10)	\$ (1.38)	\$ (0.66)	-52.4%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Investment Earnings	136,995	155,000	258,036	66.5%
General Fund	(262,791)	(211,228)	(284,985)	34.9%
<b>Revenue Total</b>	<b>(125,796)</b>	<b>(56,228)</b>	<b>(26,949)</b>	<b>-52.1%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	20	18	18	0.0%
<b>Total</b>	<b>20</b>	<b>18</b>	<b>18</b>	<b>0.0%</b>

# City Clerk's Office



Additional Information about the City Clerk's Office may be obtained by calling  
Debbie Miller, City Clerk, at 828.323.7409 or [dmiller@hickorync.gov](mailto:dmiller@hickorync.gov)

**Functional Area:** General Government

**Mission Statement:**

To serve the City Council as Clerk by being responsible for preparation of agendas, minutes, and all documents relating to Council activities. The City Clerk is custodian of all official records of the City and is responsible for the disposition of these records in accordance with state law.

**2018/2019 Accomplishments:**

- Completed all documents necessary for seven annexation ordinance including correspondence to Secretary of State, et al.; three petitions for street improvements, and one street closing
- Maintained scanning and filing all contracts, minutes, ordinance and resolutions
- Posted all agendas, action agendas, minutes and legal notices to the website
- Attended conferences and workshops for continuing education classes for Certified Municipal Clerk and North Carolina Certified Paralegal
- Applied for recertification as Certified Municipal Clerk with the North Carolina Association of Municipal Clerks

**2019/2020 Goals and Objectives:**

Goal: Continue Clerk and Paralegal Education

- Objective: to maintain paralegal certification and North Carolina Certified Municipal Clerk Certification continuing education is required

Goal: Maintain and scan all documents into laserfiche

- Objective: to make easy access to documents for public records requests by citizens or information needed by staff and to archive documents in accordance with the records retention schedule

Goal: Average Annual Response Rate 5

- Objective: Continue a high level of service provided by the Clerk's office.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
Employee hours required to prepare City Council Agenda for regular meetings	3.79	3.79	3.825	5.00
Average # of days following a City Council meeting to obtain official signatures and return documents to the initiating department(s)	3.00	3.00	1.00	3.00
<b>Efficiency</b>				
% of Council minutes that are transcribed within 3 days of meeting without error	100%	100%	100%	100%
<b>Effectiveness</b>				
Average Response Rate - Annual Survey (Scale: 1-5)	5.0	5.0	5.0	5.0

# City Clerk's Office



The City Clerk's Office is located on the third floor of the Julian G. Whitener Municipal Building. The City Clerk provides information about City Council meetings and minutes, City ordinances, applications for Boards and Commissions, and official City records. The orientation of all boards and commissions, as well as the publicizing of these groups' meetings, is also a role of the City Clerk's Office.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	87,017	86,642	91,299	5.4%
Operations	20,075	25,375	25,442	0.3%
Capital	-	-	-	0.0%
Pro Rata Reimbursement	(60,355)	(61,563)	(62,795)	2.0%
Expenditure Total	46,737	50,454	53,946	6.9%
Per Capita	\$ 1.15	\$ 1.24	\$ 1.32	6.1%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
General Fund	46,737	50,454	53,946	6.9%
Revenue Total	46,737	50,454	53,946	6.9%

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	1	1	1	0.0%
Part Time	1	1	1	0.0%
Total	1	1	1	0.0%

# Information Technology Department



Additional Information about the Information Technology Department may be obtained by calling Mike Woods, at 828.323.7513 or [mwoods@hickorync.gov](mailto:mwoods@hickorync.gov)

**Functional Area:** General Government

**Mission Statement:**

To BE Customer Focused, Innovative, a Team Player, and our Best Self.  
 To provide and support information technology resources to internal and external customers of the City of Hickory.

**2018/2019 Accomplishments:**

- Upgraded primary accounting systems hardware to IBM Power9 architecture.
- Implemented additional cyber security countermeasures to prevent malware intrusion.
- Expanded Laserfiche functionality to include online forms for community involvement.

**2019/2020 Goals and Objectives:**

- Goal: Deploy Intra-net website with advanced capabilities
- Objective: Enhance coworker experience and accessibility to City resources and policies
- Goal: Deploy cloud solutions for Application and Disaster Recovery technologies
- Objective: Reduce complexity of City Data Center hardware and resources
- Goal: Acquire and deploy a comprehensive Asset Management solution
- Objective: Assist Public Services efforts in achieving greater efficiencies with advanced analytics

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
Workstations supported	596	608	623	
Monthly average service requests	82	79	85	
<b>Efficiency</b>				
% of help desk requests with a contact from assigned technician within one business day	90%	92%	94%	95%
% of service requests resolved by due date	91%	93%	93%	95%
<b>Effectiveness</b>				
Average Response Rate - Annual Survey (Scale: 1-5)	4.17	4.32	4.37	4.5

# Information Technology Department



The Information Technology Department is located on the third floor of the Julian G. Whitener Municipal Building. This department operates and installs the City's computer systems and networks, and provides technical support and training to City departments.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	531,942	592,610	711,853	20.1%
Operations	735,870	765,287	636,913	-16.8%
Capital	112,878	341,000	100,000	-70.7%
Pro Rata Reimbursement	(126,367)	(128,895)	(131,472)	2.0%
Expenditure Total	1,254,323	1,570,002	1,317,294	-16.1%
Per Capita	\$ 30.92	\$ 38.66	\$ 32.19	-16.7%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Sales and Services	194,339	210,000	197,264	-6.1%
General Fund	1,059,984	1,360,002	1,120,030	-17.6%
Revenue Total	1,254,323	1,570,002	1,317,294	-16.1%

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	8	8	9	12.5%
Total	8	8	9	12.5%

# Legal Department



Additional Information about the Legal Department may be obtained by calling Arnita Dula, Deputy City Attorney, at 828.323.7564 or [adula@hickorync.gov](mailto:adula@hickorync.gov)

Functional Area: General Government

Mission Statement:

To provide in house counsel to all City Departments, City Council and various Boards and Commissions, and to serve as the Police Attorney to the Hickory Police Department.

2018/2019 Accomplishments:

- Reviewed and revised municipal forms
- Completed 100% of requested title searches within 10 days
- Coordinated litigation with outside counsel on various cases
- Handled multiple public records request

2019/2020 Goals and Objectives:

Goal: Review and revise 50 municipal forms in a year

- Objective: Complete initial review and revision of a municipal form within 7 – 10 days

Goal: Research title opinions for various departments

- Objective: Research 80% of requested title searches within 10 days

Goal: Provide guidance to streamline processes for the creation, review, and execution of contracts

- Objective: Create and distribute a contracts’ negotiation and review checklist
- Objective: Create a policy for city management outlining the delegation of signature authority to department heads for certain contracts

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
# of municipal forms reviewed/revised	152	135	125	100
<b>Efficiency</b>				
% of title opinions requested and researched w/in 10 days	100%	100%	100%	100%
<b>Effectiveness</b>				
Average Response Rate - Annual Survey (Scale: 1-5)	4.70	4.84	4.70	4.0



# Legal Department



The Legal Department is located on the third floor of the Julian G. Whitener Municipal Building and provides in-house legal counsel to City departments. The Legal Department assists staff in answering questions about City ordinances and legal procedures. The Deputy City Attorney provides legal counsel and advice to the City Council, City Manager and City departments.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	179,162	180,347	189,160	4.9%
Operations	76,225	102,179	102,253	0.1%
Capital	-	1,500	-	-100.0%
Pro Rata Reimbursement	(61,397)	(62,626)	(63,879)	2.0%
Expenditure Total	193,990	221,400	227,534	2.8%
Per Capita	\$ 4.78	\$ 5.45	\$ 5.56	2.0%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
General Fund	193,990	221,400	227,534	2.8%
Revenue Total	193,990	221,400	227,534	2.8%

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	2	2	2	0.0%
Total	2	2	2	0.0%

# Engineering Division



Additional Information about the Engineering Division may be obtained by calling Kevin Greer, P.E., City Engineer, at 828.323.7500 or [kgreer@hickorync.gov](mailto:kgreer@hickorync.gov)

**Functional Area:** General Government

**Mission Statement:**

To provide professional engineering, surveying, transportation planning, stormwater design and project management services for both internal city departments and external customers.

**2018/2019 Accomplishments:**

- Completed construction of Falling Creek Road bridge replacement
- Completed construction of City Park building and parking lot
- Completed installation of Kiwanis concessions and restroom building

**2019/2020 Goals and Objectives:**

Goal: Regain compliance with stormwater requirements

- Objective: Implement stormwater management program, good housekeeping and illicit discharge protocols

Goal: Complete design drawings on Sandy Ridge Road intersection improvements for right of way acquisition

- Objective: Maintain CMAQ funding and continue toward construction

Goal: Provide in-house engineering for Old Lenoir Road improvement project

- Objective: Streamline design process to improve cost effectiveness

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
# of plans reviewed	164	148	109	130
# of projects completed	8	16	13	15
Annual \$ spent on Stormwater	\$250,000	\$250,000	\$250,000	\$250,000
<b>Efficiency</b>				
% of site plans w/o Stormwater reviewed w/in five days	95%	95%	95%	95%
% of site plans w/ Stormwater reviewed w/in ten days (FY14-15 goal revised to 10 days)	95%	95%	95%	95%
<b>Effectiveness</b>				
% of billable hours to total work hours	75%	66%	62%	65%

# Engineering Division



The Engineering Division is located on the second floor of the Julian G. Whitener Municipal Building. The City Engineer and staff provide professional engineering and surveying services, transportation planning, and can answer questions related to street paving petitions, curb and gutter petitions, sidewalk petitions, driveway permits, city maps, and physical addresses. This division also prepares long-range plans for street and drainage improvements, and assists other City departments in construction and engineering efforts.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	245,394	387,047	415,859	7.4%
Operations	39,702	58,721	59,974	2.1%
Capital	12,800	11,180	-	-100.0%
Pro Rata Reimbursement	(126,607)	(129,140)	(131,723)	2.0%
<b>Expenditure Total</b>	<b>171,289</b>	<b>327,808</b>	<b>344,110</b>	<b>5.0%</b>
Per Capita	\$ 4.22	\$ 8.07	\$ 8.41	4.2%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
General Fund	171,289	327,808	344,110	5.0%
<b>Revenue Total</b>	<b>171,289</b>	<b>327,808</b>	<b>344,110</b>	<b>5.0%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	7	6	6	0.0%
Part Time	-	-	-	0.0%
Seasonal	1	1	1	0.0%
<b>Total</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>0.0%</b>

# Planning and Development Department



Additional Information about the Planning and Development Department may be obtained by calling Brian M. Frazier, Director, at 828.323.7422 or [bfrazier@hickorync.gov](mailto:bfrazier@hickorync.gov)

Functional Area:

Economic and Community Development

Mission Statement:

To develop plans, provide staff services to boards and commissions, and administer ordinances, policies and programs to promote sound growth, orderly development, economic vitality, improved housing, stable neighborhoods and necessary redevelopment in the Hickory Planning Area.

2018/2019 Accomplishments:

- Completed annual revision to HBC 2030
- Completed annual LDC revisions
- Applied for EPA Brownfield Grant
- Completed several significant rezonings

2019/2020 Goals and Objectives:

Goal: Enhance quality of life for all city residents.

- Objective: Support neighborhood associations, boards and commissions.

Goal: Enhance both current and comprehensive planning strategies.

- Objective: Perform annual update to Hickory by Choice 2030 and Land Development Code revisions.
- Objective: Implement 2019-2021 EPA Brownfield Assessment Grant (if funded)

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
Identify illegal signs and banners	1,545	1,677	1400	1200
<b>Efficiency</b>				
Conduct field inspections within 24 hours	99%	99%	90%	95%
<b>Effectiveness</b>				
% of zoning compliance achieved within 30 days of written compliance notices	93%	95%	90%	90%

# Planning and Development Department



The Planning and Development Department is located on the second floor of the Julian G. Whitener Municipal Building. Planning staff is responsible for enforcing zoning, subdivision regulations, property uses, assisting with thoroughfare plans and annexations, managing historic preservation, public art and community appearance, and maintaining watershed regulations. The Permit Assistance Center and the Community Development Office are housed in the Planning Department. Marketing the City of Hickory to interested developers outside the area is a key economic development function of this department. This department staffs the Hickory Regional Planning Commission and is also responsible for staffing and promoting the work of the Historic Preservation Commission, the Public Art Commission and Community Appearance Commission, as well as maintaining the City's historic resources inventory. The Planning and Development Department also coordinates the City of Hickory's transportation systems and assists other departments, including the Airport and Transit departments, with transportation planning, grant applications, and contacts with outside agencies.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	642,679	775,408	822,549	6.1%
Operations	51,296	63,275	65,567	3.6%
Capital	5,422	30,000	-	-100.0%
Pro Rata Reimbursement	(30,966)	(31,586)	(32,218)	2.0%
<b>Expenditure Total</b>	<b>668,431</b>	<b>837,097</b>	<b>855,898</b>	<b>2.2%</b>
Per Capita	\$ 16.48	\$ 20.61	\$ 20.91	1.5%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Miscellaneous	52,693	52,000	52,000	0.0%
Sales and Services	28,340	30,000	30,000	0.0%
General Fund	587,398	755,097	773,898	2.5%
<b>Revenue Total</b>	<b>668,431</b>	<b>837,097</b>	<b>855,898</b>	<b>2.2%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	8	10	10	0.0%
<b>Total</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>0.0%</b>

# Police Department



Additional Information about the Police Department may be obtained by calling Thurman Whisnant, Chief of Police, at 828.324.2060 or [twhisnant@hickorync.gov](mailto:twhisnant@hickorync.gov)

Functional Area: Public Safety

Mission Statement:

The Hickory Police Department is committed to providing the highest quality service to customers: The citizens of and visitors to our city. Dedicated to improving the quality of life in the city, the department will work in partnership with the community to provide a high degree of effective and efficient public safety while maintaining respect for cultural diversity and individual rights and integrity.

2018/2019 Accomplishments:

- Hickory Police Department had the lowest FBI Uniform Crime Reports crime index rate in calendar year 2018 since the implementation of city-wide community policing in 1994. There was a 12.03% reduction of Part 1 index crimes in 2018 compared to 2017.
- HPD released a smart phone application to better connect officers with the community. The application provides an easy way for citizens to access commonly requested information and services related to the department. Some features include: Real Time Alerts, Crime Mapping, Tips, Access to Departmental Social Media, and Home Watch Registration.
- HPD started a new officer/staff wellness and career resiliency program called "Blue Courage." The program focuses on a positive organizational culture, decision making, leadership, wellness and career longevity so that HPD staff can better serve the community.

2019/2020 Goals and Objectives:

Goal: . Continue to reduce repeat cases and calls for service primarily related to drug addiction and/or substance abuse.

- Objective: Continue to focus on programs such as (LEAD) Law Enforcement Assisted Diversion to direct persons out of the criminal justice system and into needed treatment programs.

Goal: . Continue community policing and innovative patrol techniques to promote bicycle and pedestrian safety with the addition of new bike paths and walkways.

- Objective: Utilize new patrol techniques such as e-bikes and increased traffic enforcement in and around bike and pedestrian areas.

Goal: Continue to focus on innovative ways to address quality of life and complex code enforcement issues.

- Objective: Work closely with Catawba County and a contracted law firm that specializes in tax and code fine lien foreclosures to address derelict properties.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
# of calls received	97,598	97,492	96,517	96,500
# of calls dispatched	42,549	44,849	41,534	42,500
# dispatched calls per Patrol Officer	541	598	553	550
<b>Efficiency</b>				
# of cases assigned to Criminal Investigations Division	570	563	627	600
<b>Effectiveness</b>				
Average call time from receipt to generated	01:29	01:28	1:19	1:25

# Police Department



The Hickory Police Department is located at 347 2<sup>nd</sup> Avenue SW. The administrative offices of the Chief of Police, Patrol Division, Support Services Division, Animal Control Unit, Criminal Investigations Division, and Code Enforcement are housed at this facility. The Hickory Police Department also offers a Victim Assistance Program and many other community education services. The Hickory Police Department uses a community policing approach in its daily work activities.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	9,235,959	9,889,800	10,095,082	2.1%
Operations	2,048,076	2,298,067	2,324,866	1.2%
Capital	747,998	940,895	676,830	-28.1%
Pro Rata Reimbursement	2,661	2,715	2,769	2.0%
<b>Expenditure Total</b>	<b>12,034,694</b>	<b>13,131,477</b>	<b>13,099,547</b>	<b>-0.2%</b>
<b>Per Capita</b>	<b>\$ 296.66</b>	<b>\$ 323.35</b>	<b>\$ 320.09</b>	<b>-1.0%</b>

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Unrestricted Intergovernmental	90,000	90,000	90,000	0.0%
Restricted Intergovernmental	83,490	171,949	213,786	24.3%
Licenses and Permits	4,727	5,100	5,100	0.0%
Miscellaneous	-	3,000	3,000	0.0%
Sales and Services	18,039	25,200	27,200	7.9%
Other Financing Sources	-	100,000	-	-100.0%
General Fund	11,838,438	12,736,228	12,760,461	0.2%
<b>Revenue Total</b>	<b>12,034,694</b>	<b>13,131,477</b>	<b>13,099,547</b>	<b>-0.2%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	152	152	152	0.0%
Part Time	22	22	22	0.0%
Seasonal	4	4	4	0.0%
<b>Total</b>	<b>178</b>	<b>178</b>	<b>178</b>	<b>0.0%</b>



# Fire Department



Additional information about the Fire Department may be obtained by calling Matthew S. Hutchinson, Fire Chief, at 828.323.7501 or [mhutchinson@hickorync.gov](mailto:mhutchinson@hickorync.gov).

## Functional Area:

Public Safety

## Mission Statement:

The Hickory Fire Department shall provide high quality emergency services, education, and prevention that protect our community through professional coworkers that are focused on customer service, compassion, commitment, and innovation.

## 2018/2019 Accomplishments:

- Added one new Smeal apparatus to the fire department's emergency response fleet. Ladder 3 will replace the current 2000 American LaFrance Quint at Station 3.
- Expanded the teaching opportunities provided to the department by utilizing regional training centers. The department completed a comprehensive rescue training program to get all personnel up to the same North Carolina state standards on rescue certifications.
- Conducted community-based strategic plan during the months of April and May 2019.

## 2019/2020 Goals and Objectives:

Goal: Maintain the Hickory Fire Department Strategic Plan

- Objective: Identify the core services provided by the fire department while focusing on innovation, communication, and customer service. Create attainable goals with realistic objectives from these core services. Review the Strategic Plan annually to determine progress and completion of goals.

Goal: Conduct a risk assessment utilizing the fire department service demand zones.

- Objective: Combine recognized standards of community risk analysis and master planning to create a comprehensive standard of cover document. Maintain this document annually in order to provide the best emergency services possible.

Goal: Continue expansion into different disciplines of rescue specialization.

- Objective: Continue expansion into different rescue disciplines that will be needed for future expansion within the city's infrastructure. These include the bond projects for the City and River Walks. These new ventures will test the limits of the fire department's responses to emergencies in difficult terrain.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
# of Incident Responses	6,720	6,815	6,900	7,000
Educational Programs/Projects	472	441	440	450
# of Fire Inspector Activities	6,112	5,205	5,225	5,500
Department Training Hours (New)		24,296	25,000	25,000
<b>Efficiency</b>				
% of fires with a cause and origin determination (new)	n/a	96%	96%	98%
Property Value Saved (New)	n/a	\$91,396,770	\$50,000,000	\$35,000,000
% Mechanical Availability of Apparatus (New)	n/a	92%	92%	92%
<b>Effectiveness</b>				
90th Percentile Travel Time for the First Arriving Unit (new)	n/a	4:58	4:58	4:50
% of Full Response within 8-minutes Travel Time	85%	85%	85%	86%

# Fire Department



# Preventable Structure Fires in Inspectable Properties (new)	n/a	21	21	19
% of fires extinguished before fire department arrival (new)	n/a	47%	47%	50%
% of total fires confined to room of origin (new)	n/a	60%	60%	60%

Fire Station 1 located at 19 2<sup>nd</sup> Street NE is headquarters for Fire Administration. The Fire Chief's office is located at the headquarters station. Fire Education and Fire Prevention offices are located on the second floor of the Julian G. Whitener Municipal Building. The City of Hickory Fire Department operates out of six community-based locations along with one aircraft fire rescue station located at the Hickory Regional Airport. All fire stations are staffed with full time personnel working a twenty-four shift schedule. The Hickory Fire Prevention Bureau can assist with information on fire code, plan reviews and fire code inspections for all types of occupancy classification. Fire Prevention issues permits for installation of fire alarms, sprinkler systems, other related fire protection systems, storage tank installation and removal, including special events.

Expenditures by Type	2017-2018	2018-2019	2019-2020	Percent Change
	Actual	Budgeted	Budgeted	
Personnel	8,349,599	8,644,251	9,016,565	4.3%
Operations	1,614,770	1,523,284	1,547,026	1.6%
Capital	831,987	1,202,000	247,500	-79.4%
Pro Rata Reimbursement	(35,819)	(36,535)	(37,266)	2.0%
<b>Expenditure Total</b>	<b>10,760,537</b>	<b>11,333,000</b>	<b>10,773,825</b>	<b>-4.9%</b>
Per Capita	\$ 265.25	\$ 279.06	\$ 263.26	-5.7%

Revenues by Type	2017-2018	2018-2019	2019-2020	Percent Change
	Actual	Budgeted	Budgeted	
Restricted Intergovernmental	524,378	536,715	536,715	0.0%
Sales and Services	189,425	163,000	163,000	0.0%
Other Financing Sources	450,000	910,000	-	-100.0%
General Fund	9,596,734	9,723,285	10,074,110	3.6%
<b>Revenue Total</b>	<b>10,760,537</b>	<b>11,333,000</b>	<b>10,773,825</b>	<b>-4.9%</b>

Authorized Personnel	2017-2018	2018-2019	2019-2020	Percent Change
	Actual	Budgeted	Budgeted	
Full Time	135	135	137	1.5%
Part Time	2	2	2	0.0%
<b>Total</b>	<b>137</b>	<b>137</b>	<b>139</b>	<b>1.5%</b>

# Public Services: Building Services Division



Additional Information about the Building Services Division may be obtained by calling Alex Brittain at 828.323.7500 or [abrittain@hickorync.gov](mailto:abrittain@hickorync.gov)

**Functional Area:** General Government

**Mission Statement:** To coordinate public service activities in such a way to maximize resources, while maintaining a healthy and pleasant environment for customers and coworkers.

## 2018/2019 Accomplishments:

- Hickory City Park: Install a new 600 amp 3 phase 120/208 volt service to supply power to the new multipurpose facility and future tennis court additions, Also installed 34 new 300 watt LED tennis court lights to supply better night lighting for tennis players.
- LP Frans: Diamond Ground concrete on concourse and epoxy painted, Installed new LED decorative wall packs on the inside and outside of stadium, Steam cleaned and painted both concession areas and installed new fire rated ceiling tiles and new LED lighting in both concession areas.
- City of Hickory facility roofing list has been incorporated and ALL City owned roof systems are on a maintenance schedule.
- HRA: wiring for new electrical gate system to minimize access to hanger locations at the Hickory Regional Airport.
- Duke Energy lighting project on 7<sup>th</sup> St at Lenoir Rynne University.
- Installed new LED lighting on both upper and lower parking deck located in Trade Alley.

## 2019/2020 Goals and Objectives:

Goal: Continue to update all City facility's to LED lighting.

- Objective: To continue partnering with all City divisions to upgrade each facility ( HPD, Water Plant, Henry Fork plant, Neill Clark and Brown Penn) to LED lighting to reduce electricity consumption.

Goal: To compile a City Facility HVAC list:

- Objective: To get all City owned HVAC systems on a rotation schedule to eliminate having 35 year old out dated non efficient equipment in operation.

Goal: Newly obtained Rec. facility's

- Objective: To continue updating all Rec. facility's that are assigned to the Building Services division to a much higher standard (updating lighting, fresh coats of paint, pressure washing) so the patrons that visit the Rec. facility's will have a more pleasant experience.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
# of service requests received, scheduled & serviced by the Building Services division	848	900	1200	1300
<b>Efficiency</b>				
% of Building Division's service requests completed in 48 hours	92%	95%	95%	98%
<b>Effectiveness</b>				
Average labor cost per service request	\$54.74	\$57.59	\$59.25	\$61.25

# Public Services: Building Services Division



The Building Services division is located and operates from the Public Services complex located at 1441 9th Ave NE. The division consists of six staff personnel: one Building Maintenance Manager, one Electrical Supervisor, two Electricians and two Construction & Maintenance Worker positions. The group mainly performs a variety of internal citywide services for all city facilities. These services range from general and preventative maintenance, HVAC troubleshooting and repair work, remedial plumbing and small construction, extensive electrical maintenance and troubleshooting as well as awarded council directive projects and a 24 hour on call emergency services to provide services in maintaining facility operations. The Building Services group works under the direction of the Public Services Manager and the Public Services Director.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	274,004	315,975	332,777	5.3%
Operations	51,353	74,267	76,057	2.4%
Capital	40,712	36,400	43,000	18.1%
Pro Rata Reimbursement	312,958	(319,218)	(325,604)	2.0%
<b>Expenditure Total</b>	<b>679,027</b>	<b>107,424</b>	<b>126,230</b>	<b>17.5%</b>
Per Capita	\$ 16.74	\$ 2.65	\$ 3.08	16.6%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Sales and Services				0.0%
General Fund	679,027	107,424	126,230	17.5%
<b>Revenue Total</b>	<b>679,027</b>	<b>107,424</b>	<b>126,230</b>	<b>17.5%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	6	6	6	0.0%
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>0.0%</b>

# Public Services: Central Services Division



Additional Information about Central Services Division may be obtained by calling Steve Miller, Assistant Public Services Director, at 828.323.7500 or [smiller@hickorync.gov](mailto:smiller@hickorync.gov)

**Functional Area:** General Government

**Mission Statement:**

To provide customer service that is accurate for both internal and external customers. This division provides daily assistance to all Public Services Divisions in their reporting and response activities.

**2018/2020 Accomplishments:**

- Processed weekly and bi-weekly Payroll for Public Services.
- Maintain data entry of work orders on a daily basis. This allows all divisions to accurately report quarterly and year with respect to Powell Bill, NCDOT Benchmarking and Performance Measures.
- Streamlined VC3 to have important information pertaining to Public Service.
- Decreased errors on Work Orders to less than 1 percent.
- Provided data and administrative help to meet each division's goals for all Public Services Divisions.

**2019/2020 Goals and Objectives:**

Goal: Assist all Public Services Divisions in daily activities as needed.

- Objective: Provide data collection on service request for better service delivery.
- Objective: Produce reports as needed by division supervisors.
- Objective: Analyze time allocation by determining work order hours versus scheduled hours worked.

Goal: Maintain data entry of work orders on a daily basis.

- Objective: Provide work orders to office assistant on a daily basis.

Goal: Improve efficiency of office automation.

- Objective: Move to electronic filing program.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
Work Load				
# of work orders entered (annual)	19,753	22,354	21,169	20,000
Efficiency				
Average Response Rate-VC3 Service Request Days	3	5	7	3
Effectiveness				
% of time accounted for on work orders vs. actual time turned in for Public Services	96%	93%	98%	95%

# Public Services: Central Services Division



This division provides office support to all divisions within Public Services. Customer inquiries, complaints, and service requests regarding Public Services divisions are fielded by this division and forwarded to the proper division for prompt response.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	481,121	493,694	519,256	5.2%
Operations	115,277	153,835	156,128	1.5%
Capital	61,946	8,600	75,000	772.1%
Pro Rata Reimbursement	(265,189)	(270,493)	(275,903)	2.0%
<b>Expenditure Total</b>	<b>393,155</b>	<b>385,636</b>	<b>474,481</b>	<b>23.0%</b>
<b>Per Capita</b>	<b>\$ 9.75</b>	<b>\$ 9.51</b>	<b>\$ 11.68</b>	<b>22.9%</b>

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
General Fund	393,155	385,636	474,481	23.0%
<b>Revenue Total</b>	<b>393,155</b>	<b>385,636</b>	<b>474,481</b>	<b>23.0%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	7	7	7	0.0%
<b>Total</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>0.0%</b>

# Public Services: Traffic Division



Additional Information about the Public Services Traffic Division may be obtained by calling Caroline M. Kone, P.E., at 828.323.7500 or [ckone@hickorync.gov](mailto:ckone@hickorync.gov)

Functional Area: Transportation

Mission Statement:

To provide and maintain a safe, effective, and efficient surface transportation system through appropriate and innovative traffic engineering solutions.

2018/2019 Accomplishments:

- Installed 110,000 feet of centerline paint
- Installed 111 intersection markings
- Installed/Replaced 282 signs
- Retimed/optimized 6 signalized intersections
- Set up 40 work zones

2019/2020 Goals and Objectives:

Goal: Optimize travel time for drivers

- Objective: Maintain signal system to MUTCD and NCDOT standards

Goal: Provide effective transportation system

- Objective: Refresh intersection pavement markings

Goal: Enhance safety on roadways

- Objective: Make sure minimum retroreflectivity standards are met

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
Work Load				
# of intersection markings refreshed	96	124	111	150
Efficiency				
Reduce travel time delay at signalized intersections (average percent reduction)	20.45%	10.60%	25.3%	15%
Effectiveness				
Average response time (VC3) to citizens	18 hrs 29 min	7 hrs 27 min	17 hrs 23min	24 hrs

# Public Services: Traffic Division



This division maintains all traffic signals within City limits for the North Carolina Department of Transportation (NCDOT). Traffic signals, traffic markings, and street signs also fall under the responsibility of this division.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	580,275	650,174	683,898	5.2%
Operations	1,090,072	1,262,145	1,263,133	0.1%
Capital	23,166	42,000	50,000	19.0%
Pro Rata Reimbursement	(14,072)	(15,015)	(15,315)	2.0%
<b>Expenditure Total</b>	<b>1,679,441</b>	<b>1,939,304</b>	<b>1,981,716</b>	<b>2.2%</b>
Per Capita	\$ 41.40	\$ 47.75	\$ 48.42	1.4%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Unrestricted Intergovernmental	369,440	300,000	370,000	23.3%
Sales and Services	64,271	56,000	56,000	0.0%
General Fund	1,245,730	1,583,304	1,555,716	-1.7%
<b>Revenue Total</b>	<b>1,679,441</b>	<b>1,939,304</b>	<b>1,981,716</b>	<b>2.2%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	11	11	11	0.0%
Part Time	-	-	-	0.0%
Seasonal	4	4	4	0.0%
<b>Total</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>0.0%</b>



# Public Services: Street Division



Additional Information about the Public Services Street Division may be obtained by calling Caroline M. Kone, PE at 828.323.7500 or [ckone@hickorync.gov](mailto:ckone@hickorync.gov)

Functional Area: Transportation

Mission Statement:

To provide an attractive and safe transportation system for pedestrians and vehicles by maintaining present facilities and constructing additional infrastructure where and when necessary.

2018/2019 Accomplishments:

- Resurfaced 10 lane-miles of streets
- Installed 3,500 linear feet of new sidewalk
- Installed 1,750 linear feet of new curb & gutter

2019/2020 Goals and Objectives:

Goal: Provide safe walkways for pedestrians

- Objective: Address trip hazards and update ADA ramps along popular walking routes

Goal: Provide safe streets for the travelling public

- Objective: Resurface asphalt roadway and provide necessary maintenance within budget

Goal: Provide safe and reliable storm drain system

- Objective: Repair or replace aging infrastructure to maintain a sustainable and reliable system

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
Linear feet of new sidewalk construction	1,681	2,289	3,500	4,000
NCDOT right of way miles maintained	4,700	4,700	4,700	4,700
<b>Efficiency</b>				
Tons of asphalt in place per lane mile maintained (annually)	580	580	580	580
Cost per ton of asphalt placed – contractor	\$76.50	\$83.00	\$94.00	\$95.00
<b>Effectiveness</b>				
% of potholes repaired within 24 hours	96%	87%	95%	95%

# Public Services: Street Division



This division is responsible for curb and gutter installation, sidewalks, driveway entrance construction, pothole repair, and street maintenance (sweeping, cleaning, and right of way mowing). This division also handles snow removal, storm drain repairs, and mowing of overgrown lots. Each year the City Council adopts a paving list that identifies all streets to be paved/resurfaced in the upcoming fiscal year. The Street Division assists the Engineering Division in preparation of the list and executes work as directed by Council.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	1,559,378	2,104,388	2,148,265	2.1%
Operations	1,499,403	1,674,881	1,685,624	0.6%
Capital	466,745	442,800	603,000	36.2%
Pro Rata Reimbursement	(59,180)	(60,364)	(61,571)	2.0%
<b>Expenditure Total</b>	<b>3,466,346</b>	<b>4,161,705</b>	<b>4,375,318</b>	<b>5.1%</b>
Per Capita	\$ 85.45	\$ 102.48	\$ 106.91	4.3%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Other Taxes	184,709	170,000	180,000	5.9%
Restricted Intergovernmental	1,348,128	1,315,000	1,325,000	0.8%
Sales and Services	11,787	10,000	10,000	0.0%
Other Financing Sources	-	70,000	210,000	200.0%
General Fund	1,921,722	2,596,705	2,650,318	2.1%
<b>Revenue Total</b>	<b>3,466,346</b>	<b>4,161,705</b>	<b>4,375,318</b>	<b>5.1%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	43	43	43	0.0%
Part Time	5	5	5	0.0%
Seasonal	6	6	6	0.0%
<b>Total</b>	<b>54</b>	<b>54</b>	<b>54</b>	<b>0.0%</b>

# Public Services: Landscape Services Division



Additional Information about the Public Services Landscape Services Division may be obtained by calling Jonathan Hogan, Landscape Manager at 828.323.7500 or [jhogan@hickorync.gov](mailto:jhogan@hickorync.gov)

Functional Area: General Government

Mission Statement:

To beautify and maintain all City properties in order for them to be aesthetically pleasing and functional in purpose for the benefit of citizens.

2018/2019 Accomplishments:

- Completed Lenoir Rhyne University Streetscape Project.
- Completed Arrowhead and 3<sup>rd</sup> Ave NE Streetscape Project.
- Completed 18<sup>th</sup> Ave Dr NW & 11<sup>th</sup> Ave Cir NW island landscapes.
- Completed design and installation of LP Frans Stadium Parking lot and Interior Landscapes.
- Completed removal and cleanup of storm debris on NW corner of Hilton Park.

2019/2020 Goals and Objectives:

Goal: Install and stamp concrete medians and plant trees on HWY 70 at S.Center St & 4<sup>th</sup> St SW

- Objective: To beautify these medians, tying into the Gateway projects as well as make it safer for motorist and coworkers performing maintenance.

Goal: Re-Landscape entrance ways to Hilton Park and Stanford Park.

- Objective: To enhance the aesthetics of each of these heavily visited parks.

Goal: Continue to improve upon the aesthetics of landscaped properties throughout the City of Hickory.

- Objective: Re-design and install new landscape materials on properties on a 3 to 5 year rotation schedule.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
# of trees/shrubs planted annually	6/2,568	17/1,368	101/5,925	20/1,000
# of trees/shrubs maintained	449/4794	363/6,607	545/4,036	300/5,000
<b>Efficiency</b>				
Annual cost to maintain Oakwood Cemetery	88,656	72,983	76,873	78,000
Annual cost to maintain Ridgeview Cemetery	9,759	4,540	6,771	8,000
Annual cost to maintain Fairview Cemetery	12,757	9,928	10,958	11,000
<b>Effectiveness</b>				
% of Cemetery plots/graves repaired due to settling	4%	1%	1%	3%

# Public Services: Landscape Services Division



This division is responsible for City cemetery maintenance, planting and landscaping of City properties, and maintaining City grounds and streets.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	657,558	841,039	838,331	-0.3%
Operations	326,948	293,642	354,217	20.6%
Capital	60,621	93,300	30,000	-67.8%
Pro Rata Reimbursement	(125,124)	(127,626)	(130,179)	2.0%
<b>Expenditure Total</b>	<b>920,003</b>	<b>1,100,355</b>	<b>1,092,369</b>	<b>-0.7%</b>
Per Capita	\$ 22.68	\$ 27.09	\$ 26.69	-1.5%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Sales and Services	30,965	30,000	30,000	0.0%
General Fund	889,038	1,070,355	1,062,369	-0.7%
<b>Revenue Total</b>	<b>920,003</b>	<b>1,100,355</b>	<b>1,092,369</b>	<b>-0.7%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	17	17	17	0.0%
Part Time	1	1	1	0.0%
Seasonal	8	8	8	0.0%
<b>Total</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>0.0%</b>

# Parks and Recreation Department



Additional Information about the Parks and Recreation Department may be obtained by calling Mack McLeod, Director of Parks and Recreation, at 828.322.7046 or [mmcleod@hickorync.gov](mailto:mmcleod@hickorync.gov)

**Functional Area:** Culture and Recreation

**Mission Statement:**

To provide quality leisure services and park facilities for the citizens of Hickory including preschool ages to senior citizens.

**2018/2019 Accomplishments:**

- Hosted Tar Heel Leagues Inc. State Baseball Tournaments at Stanford Park, Kiwanis Park, Jaycee Park and Lenoir Rhyne University; 5 divisions, 44 teams; July 26-29, 2018. Won Little League State Tournament!
- Held grand re-opening Ribbon Cutting at Hickory City Park on October 13, 2018. GHYA's \$125,000 commitment paid in full to the City in August 2018.
- Sliver Sneakers fitness program implemented at Highland Recreation Center.
- Took two trips with seniors; New York City in August 2018 and New Orleans in February 2019.

**2019/2020 Goals and Objectives:**

Goal: Measure the cost of operating concessions for all athletic sports.

- Objective: Analyze overall profit or loss from operating concessions each fiscal year.

Goal: Increase participation in adult athletic sports.

- Objective: Continue marketing programs of interest for the adult population.

Goal: Increase the percent and variety of recreation programs planned that are actually held.

- Objective: Implement 95% of recreation programs planned.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
% of residents/non-residents in athletic programs	80%/20%	81%,19%	80%/20%	81%/19%
Annual # of participants in athletic programs	2,000	1,886	2,000	2,000
# of drop-in users of recreation centers/month (Avg.)	5,300	5,900	6,000	6,000
<b>Efficiency</b>				
\$ profit/loss concessions	\$4,500	\$4,500	\$4,500	\$4,500
<b>Effectiveness</b>				
% increase in number of adult athletic programs	10%	0%	10%	10%
% recreation center programs planned that are actually held	95%	96%	95%	95%

# Parks and Recreation Department



The Parks and Recreation Department is located at 1451 8<sup>th</sup> Street Drive NE. The City operates five general and two senior citizen recreation centers, eighteen parks (active and passive) consisting of 428 acres. Athletic league games, special events and instructional programs for youth, adult, and senior groups are provided in large numbers. The recreation centers offer classes in arts and crafts, ceramics and many other activities to all age groups. This department also operates the Parks Maintenance Division and L. P. Frans Stadium.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	1,243,981	1,234,284	1,334,046	8.1%
Operations	472,445	290,772	310,006	6.6%
Capital	304,027	147,267	128,908	-12.5%
Pro Rata Reimbursement	43,898	44,776	45,672	2.0%
<b>Expenditure Total</b>	<b>2,064,351</b>	<b>1,717,099</b>	<b>1,818,632</b>	<b>5.9%</b>
Per Capita	\$ 50.89	\$ 42.28	\$ 44.44	5.1%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Sales and Services	185,342	195,500	195,500	0.0%
Miscellaneous	84,823	11,000	11,000	0.0%
General Fund	1,794,186	1,510,599	1,612,132	6.7%
<b>Revenue Total</b>	<b>2,064,351</b>	<b>1,717,099</b>	<b>1,818,632</b>	<b>5.9%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	18	18	18	0.0%
Part Time	15	15	15	0.0%
Seasonal	12	12	12	0.0%
<b>Total</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>0.0%</b>

# Parks and Recreation Dept: Parks Maintenance



Additional Information about the Parks Maintenance Division may be obtained by calling Brantley Hicks, Assistant Parks Supervisor at 828.328-8020 or [bhicks@hickorync.gov](mailto:bhicks@hickorync.gov)

**Functional Area:** Culture and Recreation

**Mission Statement:**

To provide an efficient maintenance and renovation program for all city parks and recreation facilities.

**2018/2019 Accomplishments:**

- Park improvements to Cliff Teague Park & Hickory City Park
- Improved the quality of athletic fields for the Little League State Baseball Tournament.
- Assisted with new landscape design of Hilton Park entranceway.
- Installed sunflower plot in Hilton Park.

**2019/2020 Goals and Objectives:**

Goal: Improve the quality of athletic fields.

- Objective: Integrate a turf program to improve the turf quality of Bermuda grass. Implement a proper over-seeding, topdressing, and chemical program.

Goal: Make parks increasingly inviting to the public.

- Objective: Install new, updated landscaping and park amenities in the parks.

Goal: To create a more aesthetically pleasing environment for park goers.

- Objective: Implement over-seeding and fertilizing of turf in parks and add hardscape and landscape materials (perennials, shrubs, baskets etc.) to create a more aesthetically pleasing environment.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
% of Fescue ball fields mowed and trimmed every five days	100%	100%	100%	100%
<b>Efficiency</b>				
% of playground systems inspected and serviced once every 30 days	90%	90%	70%	90%
% of work orders completed within 48 hours	35%	35%	40%	40%
<b>Effectiveness</b>				
% of coaches rating playing fields and gyms above or better	100%	100%	100%	100%

# Parks and Recreation Dept: Parks Maintenance



This division is responsible for all maintenance functions within the jurisdiction of the City of Hickory Parks and Recreation Department.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	1,007,324	1,098,174	1,078,105	-1.8%
Operations	797,715	687,477	742,876	8.1%
Capital	1,224,962	255,880	361,130	41.1%
<b>Expenditure Total</b>	<b>3,030,001</b>	<b>2,041,531</b>	<b>2,182,111</b>	<b>6.9%</b>
Per Capita	\$ 74.69	\$ 50.27	\$ 53.32	6.1%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
General Fund	3,030,001	2,041,531	2,182,111	6.9%
<b>Revenue Total</b>	<b>3,030,001</b>	<b>2,041,531</b>	<b>2,182,111</b>	<b>6.9%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	24	24	24	0.0%
Part Time	-	-	-	0.0%
Seasonal	7	7	7	0.0%
<b>Total</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>0.0%</b>



# Parks and Recreation Dept: L.P. Frans Stadium



Additional Information about the Parks and Recreation Department may be obtained by calling Jonathan Hogan, Landscape Services Manager at 828.323.7584 or ([jhogan@hickorync.gov](mailto:jhogan@hickorync.gov))

Functional Area: Culture and Recreation

Mission Statement:

To maintain L.P. Frans Stadium in accordance with the existing lease agreement between the City of Hickory and Hickory Baseball, Inc.

2018/2019 Accomplishments:

- Re-Designed and installed new landscaping around the parking lot and within the stadium.
- Re-paved ½ of the stadium parking lot.
- 45 LED light fixtures installed throughout the stadium and 12 LED lights for Parking lot.

2019/2020 Goals and Objectives:

Goal: To provide an aesthetically pleasing environment for attendees.

- Objective: Replace awnings at ticket booths, complete Phase II of painting and replacing old restroom fixtures.

Goal: Replace Play System in the Kid's Zone.

- Objective: To provide a safe and up to date system for children.

Goal: To beautify the interior of the stadium to provide a pleasing experience for the attendees.

- Objective: To add landscaping shrubs, perennials, annuals and hardscape materials such as planters and hanging baskets to the interior and exterior of the stadium.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
Work Load				
Average attendance at baseball games	2,000	2,128	1,923	2,200
Efficiency				
% of work order requests from Hickory Baseball completed within 72 hours	35%	35%	98%	100%
Effectiveness				
Cost to maintain stadium structure (Annual)	\$102,423	\$97,402	\$236,826	\$100,000

# Parks and Recreation Dept: L.P. Frans Stadium



This division is responsible for the maintenance of L.P. Frans Stadium in accordance with professional baseball standards, and for minor league baseball games and other special events.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Operations	141,360	97,402	108,956	11.9%
Capital	313,500	343,250	-	-100.0%
<b>Expenditure Total</b>	<b>454,860</b>	<b>440,652</b>	<b>108,956</b>	<b>-75.3%</b>
Per Capita	\$ 11.21	\$ 10.85	\$ 2.66	-75.5%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Sales and Services	24,299	12,200	22,200	82.0%
General Fund	430,561	428,452	86,756	-79.8%
<b>Revenue Total</b>	<b>454,860</b>	<b>440,652</b>	<b>108,956</b>	<b>-75.3%</b>

# Public Library Department



Additional Information about the Hickory Public Library system may be obtained by calling Sarah Greene, Library Director, at 828.304.0500 or [sgreene@hickorync.gov](mailto:sgreene@hickorync.gov)

Functional Area: Culture and Recreation

## Mission Statement:

Hickory Public Library connects people with excellent service, resources and empowering opportunities.

## 2018/2019 Accomplishments:

- Worked with a community partners to provide innovative programs, including Catawba Science Center, Hickory Community Theatre, Hickory Museum of Art, Western Piedmont Symphony, and others.
- Completed a community survey. Feedback will be used to help create a new strategic plan and to improve services.
- Completed a space needs assessment of the Ridgeview Branch Library to ensure modern and welcoming library spaces

## 2019/2020 Goals and Objectives:

Goal: The library provides state-of-the-art technology for library patrons

- Objective: Expand technology services and programs for library patrons

Goal: The library offers superior customer service experiences

- Objective: Complete a new strategic plan to guide the development of library services.

Goal: The library provides modern and welcoming spaces for residents of all ages and backgrounds.

- Objective: Complete needed facilities upgrades including new carpet at the Patrick Beaver Memorial Library and design of a possible expansion of the Ridgeview Branch Library.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
Work Load				
Circulation (raw number)	383,402	359,719	349,198	360,000
Efficiency				
% of items checked out using self-check stations	6.27%	16.61%	18.93%	20%
Effectiveness				
Program Attendance	19,201	20,266	17,354	20,000

# Public Library Department



The City of Hickory operates two libraries, the Patrick Beaver Memorial Library and Ridgeview Library. The Patrick Beaver Memorial Library is a state-of-the-art facility that opened in January 1998. The Ridgeview branch opened in the Spring of 1998. The libraries are committed to providing timely and accurate information for the citizens of the community, enhancing the informational literacy of customers, and stimulating the interest of citizens in reading and learning. The libraries provide audiovisual collections, reference materials, children's collections and access to the internet. The libraries' patrons include residents of Hickory and at least four surrounding counties.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	1,209,249	1,336,236	1,309,664	-2.0%
Operations	670,712	707,265	810,148	14.5%
Capital	86,855	157,000	180,422	14.9%
Pro Rata Reimbursement	1,746	1,781	1,817	2.0%
<b>Expenditure Total</b>	<b>1,968,562</b>	<b>2,202,282</b>	<b>2,302,051</b>	<b>4.5%</b>
<b>Per Capita</b>	<b>\$ 48.53</b>	<b>\$ 54.23</b>	<b>\$ 56.25</b>	<b>3.7%</b>

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Restricted Intergovernmental	244,974	246,717	246,717	0.0%
Sales and Services	42,703	43,000	43,000	0.0%
General Fund	1,680,885	1,912,565	2,012,334	5.2%
<b>Revenue Total</b>	<b>1,968,562</b>	<b>2,202,282</b>	<b>2,302,051</b>	<b>4.5%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	18	17	17	0.0%
Part Time	18	18	18	0.0%
Seasonal	2	2	2	0.0%
<b>Total</b>	<b>38</b>	<b>37</b>	<b>37</b>	<b>0.0%</b>

# City Hall/Public Buildings



Additional information about the City Hall/ Public Buildings Division may be obtained by calling Alex Brittain, Buildings Manager or [abrittain@hickorync.gov](mailto:abrittain@hickorync.gov)

**Functional Area:** General Government

**Mission Statement:**

To house and accommodate the operations of government in a cost-effective manner.

**2018/2019 Accomplishments:** Over the past year Building Services has been involved in several large projects that were funded from the 7000 budget.

- Shuford House: Contracted to tear out and replace the main seal that had rotten out due to weather exposure and painted porch and windows on the North side of the house where main seal had been replaced.
- City Hall: Installed new Mini Split HVAC system in the computer room for a backup system to the Liebert Unit that supplies cooling to that location.
- Union Square: Contracted to paint the Sails Poles black to color match other City owned Light Poles.
- Trade Alley: Contracted to Pressure Wash ALL of Trade Alley and Paint the front of the Hickory Community Theater for the League of Municipalities event held in Hickory this review period.
- Oktober Fest and the Shuck and Peel events.
- Union Square: Building Services installed new ¾ marine grade plywood onto the mobile stage then contracted Evergreen Awing to construct and aluminum awing to make the stage more presentable for upcoming events.

**2019/2020 Goals and Objectives:**

Goal: City Hall Roof.

- Objective: To pressure wash and clean the entire City hall roof system then recoat with a new GE seamless silicone roof system and a new 10 year manufacture warranty.

Goal: Shuford House:

- Objective: To paint the front columns and windows of the Shuford House.

Goal: Hickory Community Theater:

- Objective: Contract to install a new 7.5 ton HVAC system that supplies heating and cooling to the main office area for theater full time staff.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
# of service requests received scheduled & serviced for City Hall & Union Square	257	254	285	300
<b>Efficiency</b>				
% of preventive maintenance program completed via internally or under contract	100%	100%	100%	100%
<b>Effectiveness</b>				
# of false security alarms requiring response in maintaining facility security	98%	98%	95%	98%

# City Hall/Public Buildings



City Hall for the City of Hickory is located in the Julian G. Whitener Municipal Building in downtown Hickory and was built in 1977. This is where the City Manager’s Office is located and where the administration of the City, as prescribed by the North Carolina General Statutes, coordinates all activities and carries out all policies and actions of the City Council. The Council Chambers are also located in this building where the Council holds their meetings on the first and third Tuesdays of the month. General information and service requests from citizens and businesses are also available at this site through the Action Center.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	25,064	27,031	27,572	2.0%
Operations	309,001	322,349	322,428	0.0%
Capital	160,522	8,000	-	-100.0%
Pro Rata Reimbursement	(8,402)	(8,570)	(8,742)	2.0%
Expenditure Total	486,185	348,810	341,258	-2.2%
Per Capita	\$ 11.98	\$ 8.59	\$ 8.34	-2.9%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
General Fund	486,185	348,810	341,258	-2.2%
Revenue Total	486,185	348,810	341,258	-2.2%

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Part Time	2	2	2	0.0%
Total	2	2	2	0.0%

# Board and Agency Funding



The City Council provides financial support to various organizations that contribute to the quality of life for all City residents, contribute to the revenue base of the City, or provide a necessary service that the City itself does not currently provide. To qualify for funding, an organization must generally be non-profit with a policy of non-discrimination and submit multi-year plans, audited financial records, and a list of board of directors. The City Council also appoints several Boards and Commissions to assist the Council by providing recommendations on policies, enforcing regulations established by Council and promoting activities and programs that improve the quality of life in the City.

Board/Agency Funding by Functional Area	2016-2017 Actual	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
<b>General Government</b>					
Community Appearance Commission	174	724	1,300	1,300	0%
Public Art Commission	14,076	14,281	16,000	18,000	13%
<b>Subtotal</b>	<b>14,250</b>	<b>15,005</b>	<b>17,300</b>	<b>19,300</b>	<b>12%</b>
<b>Public Safety</b>					
Spay and Neuter Program	1,062	1,000	1,000	1,000	0%
<b>Subtotal</b>	<b>1,062</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>0%</b>
<b>Economic and Community Development</b>					
Catawba County EDC	133,983	136,715	140,587	124,499	-11%
Catawba County Chamber of Commerce	0	0	4,000	5,000	25%
Downtown Development Association	41,435	50,000	50,000	65,000	30%
Economic Dev. - Miscellaneous	25,426	69,833	17,140	2,500	-85%
Economic Dev. Incentives	4,970	4,970	135,810	162,197	19%
Façade/Landscape Grant	33,255	15,000	40,000	40,000	0%
Hickory Community Relations Council	15,909	16,779	17,000	17,000	0%
Hickory Convention/Visitors Bureau	20,000	20,000	25,000	25,000	0%
Historic Preservation	8,180	2,111	8,800	15,800	80%
International Council	12,169	12,933	13,000	13,000	0%
Tourism Development Authority	1,927,878	2,050,198	2,000,000	2,100,000	5%
University City Commission	9,473	8,889	12,000	12,000	0%
Vacant Building Revitalization	15,000	20,000	100,000	100,000	0%
Western Piedmont Council of Governments	35,059	35,622	39,603	45,365	15%
Youth Council	9,892	3,020	3,600	3,600	0%
<b>Subtotal</b>	<b>2,292,629</b>	<b>2,446,070</b>	<b>2,606,540</b>	<b>2,730,961</b>	<b>5%</b>
<b>Culture and Recreation</b>					
SALT Block Facility Improvement	100,000	100,000	100,000	100,000	0%
United Arts Council of Catawba County	40,143	40,143	40,567	40,611	0%
<b>Subtotal</b>	<b>140,143</b>	<b>140,143</b>	<b>140,567</b>	<b>140,611</b>	<b>0%</b>
<b>Transportation</b>					
Western Piedmont Regional Transit Authority	213,062	219,542	227,808	232,712	2%
<b>Subtotal</b>	<b>213,062</b>	<b>219,542</b>	<b>227,808</b>	<b>232,712</b>	<b>2%</b>
<b>Total</b>	<b>2,661,146</b>	<b>2,821,760</b>	<b>2,993,215</b>	<b>3,124,584</b>	<b>4%</b>

# General Fund Debt Service



The debt service appropriations account for the payment of principal and interest on general obligation bonds and notes, and proceeds from debt instruments to finance major capital projects. General Statute 159-13 (b) (1) requires the full amount established by the finance officer for a budget year to be appropriated for debt service. A government unit will earmark respective fund revenues to meet debt service obligations.

General Fund Debt	2016-2017 Actual	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
<b>Bonded Debt</b>					
Interest	0	0	0	616,875	100%
G.O. Bond Series 2018	0	0	0	750,000	100%
Subtotal	0	0	0	1,366,875	100%
<b>Installment Purchase</b>					
Communications System	104,268	104,269	104,270	115,000	10%
General Government	702,800	702,800	561,400	310,000	-45%
Interest	102,289	89,479	70,977	71,529	1%
Transportation	0	0	0	360,000	100%
Recreation	385,618	0	0	285,000	100%
Subtotal	1,294,975	896,548	736,647	1,141,529	55%
Grand Total	1,294,975	896,548	736,647	2,508,404	241%



# Transfers/Other Financing Uses

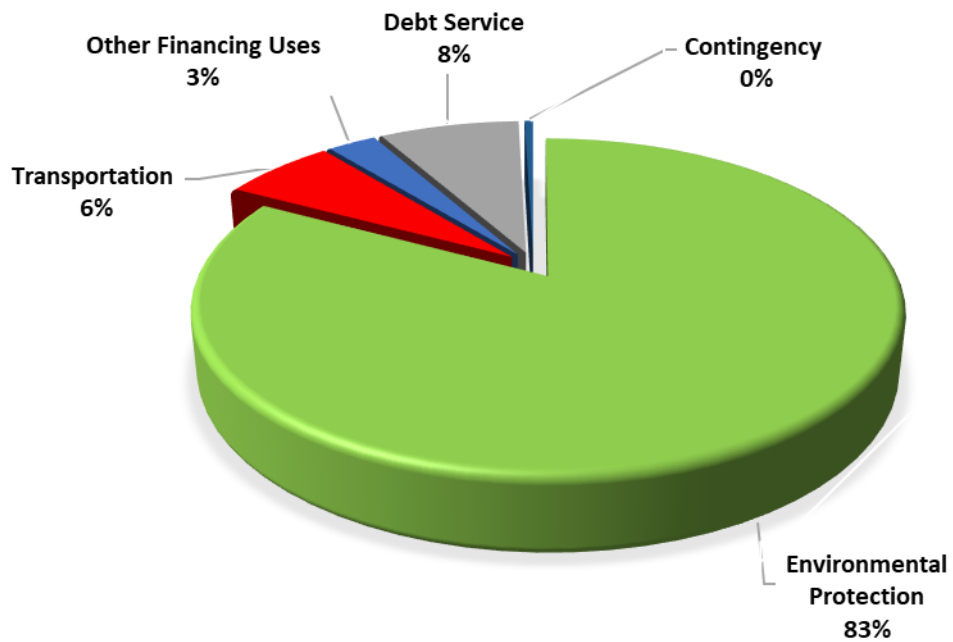


Interfund transfers are transfers between the fund(s) receiving sources and the fund(s) through which the resources are to be expended. The transfer to the Capital Reserve Fund, for example, reserves funds for future capital outlay needs as prescribed in Council's financial policy and Capital Improvement Plan.

Transfers from General Fund	2016-2017 Actual	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Capital Projects	2,789,312	2,448,728	0	0	0%
Capital Reserve Fund	920,000	920,000	923,378	1,200,000	30%
Internal Service Fund	0	0	200,000	0	-100%
Multi-Year Grant Program Fund	0	11,465	0	0	0%
Solid Waste Fund	146,460	50,000	0	0	0%
Stormwater Fund	763,107	135,137	118,454	129,961	10%
Transportation Capital Projects Fund	0		0	0	0%
Transportation Fund	0		0	0	0%
<b>Total</b>	<b>4,618,879</b>	<b>3,565,330</b>	<b>1,241,832</b>	<b>1,329,961</b>	<b>7%</b>

The Enterprise Funds are comprised of the Water and Sewer, Stormwater, Sludge Compost, Transportation, and Solid Waste funds. The Water and Sewer and Solid Waste funds are financed through user charges. Hickory, Conover and Catawba County finance the Sludge Compost Fund through intergovernmental agreements and participation. The following functional areas are included in the Enterprise Funds: Environmental Protection, Transportation, Other Financing Uses, Debt Service and Contingency.

## ENTERPRISE FUND EXPENDITURES BY FUNCTIONAL AREA



# Enterprise Fund



Enterprise Fund Revenue by Category	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Other Taxes	26,897	25,000	25,000	0.0%
Restricted Intergovernmental	2,860,294	3,041,044	3,122,541	2.7%
Sales and Services	30,068,215	29,695,737	30,284,337	2.0%
Investment Earnings	173,253	72,500	82,000	13.1%
Miscellaneous	1,000,264	342,500	342,500	0.0%
Other Financing Sources	6,284,989	5,468,863	9,402,623	71.9%
<b>Revenue Total</b>	<b>40,413,912</b>	<b>38,645,644</b>	<b>43,259,001</b>	<b>11.9%</b>
Per Capita	996.23	951.61	1,057.03	

Enterprise Fund Expenditure by Category	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	7,033,950	8,176,715	8,556,427	4.6%
Operations	12,097,910	14,676,064	15,499,082	5.6%
Capital	1,424,880	7,017,526	10,136,200	44.4%
Contingency	-	200,000	200,000	0.0%
Special Appropriations	49,116	56,027	53,467	-4.6%
Debt Service	656,820	3,431,165	3,352,048	-2.3%
Interfund Transfers	2,114,270	877,840	1,169,961	33.3%
Pro Rata Reimbursement	4,056,171	4,210,307	4,291,816	1.9%
<b>Expenditure Total</b>	<b>27,433,117</b>	<b>38,645,644</b>	<b>43,259,001</b>	<b>11.9%</b>
Per Capita	676.24	951.61	1,057.03	

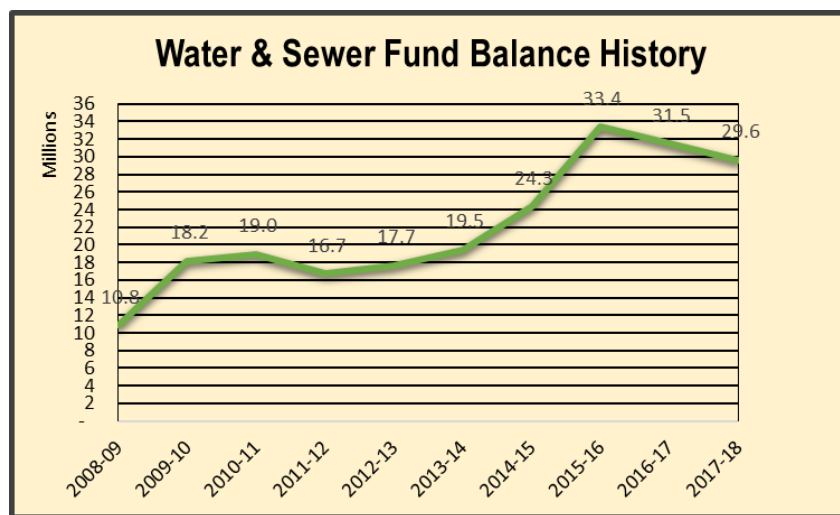
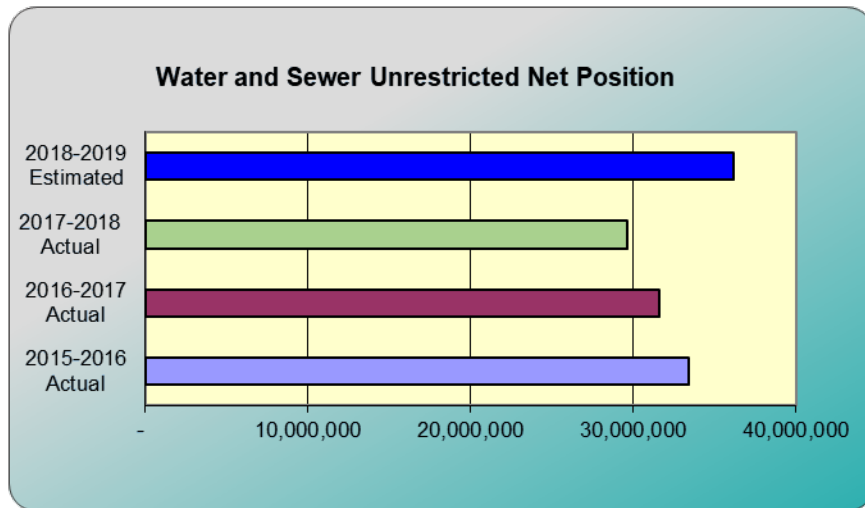
# Water and Sewer Fund



## Unrestricted Net Position Projection

The unrestricted net position in the Water and Sewer Fund was \$29,612,777 on June 30, 2018. This amount is expected to increase by \$6,576,545 during FY2018-2019. Going into FY2019-2020, the unrestricted net position of the Water and Sewer Fund is expected to be \$36,189,322.

Unrestricted Net Position	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated
Water and Sewer Fund	33,405,340	31,642,539	29,612,777	36,189,322
Dollar Change	9,082,121	(1,762,801)	(2,029,762)	6,576,545
Percent Change	37.3%	-5.3%	-6.4%	22.2%



# Public Utilities Administration



Additional Information about the Public Utilities Administration Division may be obtained by calling M. Shawn Pennell, DS-A, CS-4, Assistant Public Services Director, at 828.323.7427 or [spennell@hickorync.gov](mailto:spennell@hickorync.gov)

Functional Area: Environmental Protection

Mission Statement:

To respond to Federal, State and Local requirements, to educate the community about public utilities, and to provide leadership in developing regional utility agreements in anticipation of becoming a regional provider.

2018/2019 Accomplishments:

- Successfully renewed operations and maintenance contract with the City of Claremont.
- Successfully negotiated contract for treatment of wastewater with City of Claremont.
- Completed 7 Local Water Supply Plans.

2019/2020 Goals and Objectives:

Goal: Provide regional services.

- Objective: Partner with systems in the region to provide reliable, sustainable water and sewer services.

Goal: Sustainably manage the City of Hickory utility system.

- Objective: Operate within Budget to provide water and sewer services and improve the system.

Goal: Improve system reliability.

- Objective: Plan for and complete budgeted projects to rehabilitate critical components of the system.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
Work Load				
# of publications produced per year	18	15	19	15
Efficiency				
% of meters read per month	99.8%	99.8%	99.8%	95.0%
Effectiveness				
% of construction plans reviewed within 10 days	100%	100%	100%	100%

# Public Utilities Administration



Public Utilities Administration is responsible for ensuring proper management and operation of the Public Utilities Department. They are directly responsible for budget preparation and management, meter reading, capital projects/planning and development, plan review and permit writing. Public Utilities Administration manages the water and wastewater enterprise fund.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	613,250	773,142	818,624	5.9%
Operations	3,081,529	3,446,369	3,737,987	8.5%
Capital	5,380	129,800	205,800	58.6%
Contingency	-	150,000	150,000	0.0%
Special Appropriations	49,116	56,027	53,467	-4.6%
Pro Rata Reimbursement	3,408,815	3,550,003	3,620,817	2.0%
<b>Expenditure Total</b>	<b>7,158,090</b>	<b>8,105,341</b>	<b>8,586,695</b>	<b>5.9%</b>
<b>Per Capita</b>	<b>\$ 176.45</b>	<b>\$ 199.58</b>	<b>\$ 209.82</b>	<b>5.1%</b>

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Sales and Services	6,140,750	7,705,341	8,186,695	6.2%
Investment Earnings	148,844	60,000	60,000	0.0%
Miscellaneous	868,496	340,000	340,000	0.0%
<b>Revenue Total</b>	<b>7,158,090</b>	<b>8,105,341</b>	<b>8,586,695</b>	<b>5.9%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	11	11	11	0.0%
Seasonal	1	1	1	0.0%
<b>Total</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>0.0%</b>

# Utilities Collections Division



Additional Information about the Collection System Division may be obtained by calling Kevin Hutchison, CS-4, Collections Manager, at 828.323.7427 or [khutchison@hickorync.gov](mailto:khutchison@hickorync.gov)

Functional Area: Environmental Protection

Mission Statement:

To maintain and timely repair water and wastewater facilities in order to protect the environment and natural resources of the community.

2018/2019 Accomplishments:

- Replaced 2 major creek crossings; one at turf farm and one at Henry Fork creek crossing.
- Worked with contractor to get new barscreen installed and also primary clarifier drive replaced at Henry Fork Wastewater Treatment Facility.
- Worked with contractor to have new Borger pump installed at Northeast Wastewater Treatment Facility.

2019/2020 Goals and Objectives:

- Goal: To make sure the required sewer line amount is cleaned
- Objective: To achieve 10% of line cleaning
- Goal: To clear right-of-way to make accessible for cleaning and inspecting of sewer lines
- Objective: To achieve 20% of clearing of right-of-way
- Goal: To study and make corrections in system Inflow / Infiltration.
- Objective: To achieve a 1% reduction in I/I in the Collection System.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
Total linear feet of sewer line cleaned	236,600	260,000	455,829	260,000
Total # of sewer service requests	257	250	117	257
<b>Efficiency</b>				
Average cost per request for sewer maintenance	\$214	\$225	\$173	\$214
<b>Effectiveness</b>				
% of Right-of-Way maintained	27%	20%	10%	20%

# Utilities Collections Division



This division is responsible for proper operation and maintenance of Hickory's 476 miles of collection system and 51 pump stations. This operation is staffed 24 hours a day with State Certified Operators on each crew that performs construction or maintenance.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	687,198	897,808	940,453	4.7%
Operations	651,146	716,785	791,245	10.4%
Capital	(637,195)	898,000	4,926,000	448.6%
<b>Expenditure Total</b>	<b>701,149</b>	<b>2,512,593</b>	<b>6,657,698</b>	<b>165.0%</b>
Per Capita	\$ 17.28	\$ 61.87	\$ 162.68	162.9%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Water and Sewer Fund	701,149	2,512,593	6,657,698	165.0%
<b>Revenue Total</b>	<b>701,149</b>	<b>2,512,593</b>	<b>6,657,698</b>	<b>165.0%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	16	16	16	0.0%
Seasonal	1	1	1	0.0%
<b>Total</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>0.0%</b>



# Henry Fork Plant Division



Additional Information about the Henry Fork Division may be obtained by calling Robert Shaver, WWT-4, WWTF Superintendent, at 828.294.0861 or [rshaver@hickorync.gov](mailto:rshaver@hickorync.gov).

Functional Area: Environmental Protection

## Mission Statement:

To promote and protect the environment, health and natural resources of customers through responsible stewardship in the treatment of wastewater returned to streams and lakes.

## 2018/2019 Accomplishments:

- Henry Fork Wastewater Treatment Facility was 100% compliant with all NPDES permit requirements.
- Completed inspection process by DWR, Mooresville Regional Office with no discrepancies noted.
- Integrated the Facilities Master Plan into budgeting process.

## 2019/2020 Goals and Objectives:

Goal: Maintain a safe and effective workplace.

- Objective: To meet or exceed NPDES permit requirements and promote coworker safety.

Goal: Work to develop a cross training program with each wastewater facility.

- Objective: To ensure a well trained staff with a diverse skill set.

Goal: Update the Standard Operating Procedures as needed.

- Objective: To create a comprehensive manual for the daily operation of the facility to ensure the continuity of operation from one operator to another.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
Work Load				
Tons of solids hauled to Compost Facility	1,225	1,177.2	1,250	1,500
Efficiency				
Chemical cost per thousand gallons wastewater treated	\$.05	\$.06	\$.06	\$.07
Effectiveness				
% of solids removal through the facility	98%	98%	98%	90%

# Henry Fork Plant Division



This division is responsible for ensuring wastewater is properly treated before discharge into the Jacob Fork River. This is a nine million gallons per day facility, staffed continuously with State Certified Operators. This facility receives wastewater flow generally from areas in South Hickory and Burke County.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	511,654	533,805	560,873	5.1%
Operations	489,294	572,576	588,653	2.8%
Capital	-	456,000	135,000	-70.4%
Expenditure Total	1,000,948	1,562,381	1,284,526	-17.8%
Per Capita	\$ 24.67	\$ 38.47	\$ 31.39	-18.4%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Restricted Intergovernmental	160,384	50,000	50,000	0.0%
Water and Sewer Fund	840,564	1,512,381	1,234,526	-18.4%
Revenue Total	1,000,948	1,562,381	1,284,526	-17.8%

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	10	10	10	0.0%
Seasonal	1	1	1	0.0%
Total	11	11	11	0.0%

# Northeast Plant Division



Additional Information about the Northeast Plant Division may be obtained by calling Keith Rhyne, WWT-4, WWTF Superintendent, at 828.322.5075 or [krhyne@hickorync.gov](mailto:krhyne@hickorync.gov).

Functional Area: Environmental Protection

Mission Statement:

To promote and protect the environment, health and natural resources of customers through responsible stewardship in the treatment of wastewater returned to streams and lakes.

2018/2019 Accomplishments:

- Replaced Seepex pump with a new rotary lobe pump.
- Maintained full NPDES requirements with 0 violations.
- Maintained chemical cost at \$.025 per thousand gallons treated and had a 96% solids removal efficiency.

2019/2020 Goals and Objectives:

Goal: Meet all NPDES requirements.

- Objective: Meet all Permit monitoring and limit requirements.

Goal: 5 Year NPDES Permit Renewal.

- Objective: Assist in the application process to meet the October 2019 deadline.

Goal: Meet the current Performance Measure Goals.

- Objective: Maintain solids removal above 90% and keep chemical cost below \$0.05 per thousand gallons treated.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
Work Load				
Tons of solids hauled to Compost Facility	738	722	818	1000
Efficiency				
Chemical cost per thousand gallons wastewater treated	\$0.03	\$0.03	\$0.03	\$0.05
Effectiveness				
% of solids removal through the facility	98%	98%	96%	90%

# Northeast Plant Division



This division is responsible for ensuring wastewater is properly treated before discharge into the Catawba River/Lake Hickory. This is a six million gallons per day facility staffed continuously with State Certified Operators. This facility receives wastewater flow generally from North Hickory and Alexander County.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	533,227	566,225	586,549	3.6%
Operations	397,854	472,197	478,489	1.3%
Capital	1,176	57,500	60,000	4.3%
Expenditure Total	932,257	1,095,922	1,125,038	2.7%
Per Capita	\$ 22.98	\$ 26.99	\$ 27.49	1.9%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Water and Sewer Fund	932,257	1,095,922	1,125,038	2.7%
Revenue Total	932,257	1,095,922	1,125,038	2.7%

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	11	11	11	0.0%
Total	11	11	11	0.0%

# Water Plant Division



Additional Information about the Water Plant Division may be obtained by calling Wesley Boyd, SW-A, Water Treatment Facility Superintendent, at 828.323.7530 or [wboyd@hickorync.gov](mailto:wboyd@hickorync.gov)

Functional Area: Environmental Protection

Mission Statement:

To promote and protect the environment, health and natural resources of customers through responsible stewardship in the treatment of water.

2018/2019 Accomplishments:

- Facility staff earned a combined eight certification upgrades.
- Updated the Water Treatment Facility's chemical storage area in order to ensure continued facility performance.
- Continued the Water Plant efforts to engage and educate the community through hosting tour groups, community groups, schools, and universities.
- Met all State and Federal drinking water standards to maintain compliance with no exceedances or violations.

2019/2020 Goals and Objectives:

Goal: Position the Water Treatment Facility to continue being a utility provider prepared for the future.

- Objective: Through continued commitment to the Facility Master Plan, provide for the appropriate replacement or renovation of equipment and facilities to improve the level of service to the communities we serve.

Goal: Continue to research options to increase facility performance and reduce expenses while maintaining compliance with water quality standards.

- Objective: Research new treatment and analytical methods to aid in providing superior water quality results.

Goal: Develop and train the facility staff to elevate employee performance as well as provide for advancement opportunities.

- Objective: Encourage and provide support for educational opportunities, training events, and continued professional development to all staff members.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
Average million gallons treated per day	12.4	12.1	11.6	12.0
Million Gallons of Billed Water per all staff FTE	61.31	58.83	61.9	61.5
<b>Efficiency</b>				
Peak capacity daily demand as a percent of treatment	50.1%	52.5%	63.6%	56.3%
Billed water as % of finished water	85%	85%	85%	85%
<b>Effectiveness</b>				
Customer complaints about water quality per 1,000 meters	4.92	0.06	0.09	3.5

# Water Plant Division



This division is responsible for providing safe drinking water for distribution to our customers. The City of Hickory's Water Treatment Facility is a 32 million gallon-per-day facility currently producing an average of 13.85 MGD.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	511,068	647,546	658,493	1.7%
Operations	1,586,395	1,919,234	2,019,691	5.2%
Capital	8,800	187,000	815,000	335.8%
Expenditure Total	2,106,263	2,753,780	3,493,184	26.9%
Per Capita	\$ 51.92	\$ 67.81	\$ 85.36	25.9%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Water and Sewer Fund	2,106,263	2,753,780	3,493,184	26.9%
Revenue Total	2,106,263	2,753,780	3,493,184	26.9%

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	12	12	12	0.0%
Part Time	1	1	1	0.0%
Seasonal	1	1	1	0.0%
Total	14	14	14	0.0%

# Pretreatment/Lab Division



Additional Information about the Pretreatment/Lab Division may be obtained by calling David Cox, WWLA-3, WWT-1, Pretreatment Coordinator, at 828-322-4821 or [dcox@hickorync.gov](mailto:dcox@hickorync.gov)

**Functional Area:** Environmental Protection

## Mission Statement:

To provide quality laboratory/pretreatment services in order to promote and protect public health, the environment, and natural resources.

## 2018/2019 Accomplishments:

- Prepared & submitted Pretreatment Annual Report to NCDWR
- Completed Industrial Waste Survey
- Renewed 5 Northeast SIU permits
- Modified 2 SIU permits
- Completed and submitted Northeast POTW Headworks Analysis to NCDWR
- Provided laboratory tours to help educate the public
- Maintained NC laboratory certification

## 2019/2020 Goals and Objectives:

Goal: Maintain the City of Hickory's Pretreatment Program

- Objective: Monitor the City of Hickory's 14 SIU's & maintain the major elements of our active pretreatment programs.

Goal: Administer Oil & Grease policy in accordance with the City of Hickory's SUO.

- Objective: Monitor the City of Hickory's approximately 235 oil & grease contributors.

Goal: Maintain the City of Hickory's laboratory certification

- Objective: Conduct laboratory testing for 5 NPDES permits, 14 SIU's, & 7 industries for the City of Claremont. Pass proficiency testing for each parameter on the City of Hickory's laboratory certified parameter list.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
Work Load				
# of industrial contacts for assistance of permits annually	574	854	750	525
Efficiency				
% of oil and grease contributors re-inspected	16.3%	8.1%	10%	≤15%
Effectiveness				
% of industrial permit non-compliant	3.1%	2.0%	1.5%	≤4%

# Pretreatment/Lab Division



The Pretreatment/Lab Division performs laboratory services for the Henry Fork and Northeast Wastewater Treatment Facilities. This division also performs biological and chemical testing for industries that make up the City of Hickory's Pretreatment Program.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	322,106	381,665	392,362	2.8%
Operations	160,783	196,788	182,008	-7.5%
Capital	8,003	38,900	37,900	-2.6%
Expenditure Total	490,892	617,353	612,270	-0.8%
Per Capita	\$ 12.10	\$ 15.20	\$ 14.96	-1.6%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Water and Sewer Fund	490,892	617,353	612,270	-0.8%
Revenue Total	490,892	617,353	612,270	-0.8%

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	7	7	7	0.0%
Part Time	-	-	-	0.0%
Seasonal	1	1	1	0.0%
Total	8	8	8	0.0%



# Distribution Division



Additional Information about the Utilities Distribution Division may be obtained by calling Paul Solomon, DS-A, Utilities Infrastructure Manager, at 828.323.7427 or [psolomon@hickorync.gov](mailto:psolomon@hickorync.gov)

Functional Area: Environmental Protection

Mission Statement:

To provide premium quality water and sewer service to all existing and new customers as it relates to construction.

2018/2019 Accomplishments:

- House Bill 630 waterline installation and 70 water service connections in Sherrill's Ford Area.
- Completed the City Walk Water System replacement and Sewer System Rehab Project.
- Completed the LRU Area Water System Design.
- Completed the Design for the Hwy 127 North 16" waterline over Lake Hickory to Alexander County.

2019/2020 Goals and Objectives:

Goal: Environmental Stewardship and meet requirement of Safe Drinking Water Act.

- Objective: To maintain state approved Chlorine residuals throughout the Distribution System.

Goal: Improve Utilities Distribution Record Keeping.

- Objective: Update City of Hickory Water Distribution Comprehensive GIS Maps.

Goal: To improve Utilities Distribution Operations and Maintenance Technology.

- Objective: Update Equipment, Material and Computer Technology to improve the overall efficiency of the Utilities Distribution Division.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
Thousands of gallons of billed water per meter	143.0	141.2	141.1	141.0
Millions of gallons of billed water per water services FTE's	64.7	64.6	64.9	65.0
Miles of main line pipe per square mile of service area	2.9	2.9	2.8	2.9
Breaks and leaks per mile of main pipe line	0.2	0.3	0.2	0.2
<b>Efficiency</b>				
Percent of existing pipeline replaced or rehabbed	0.20%	0.10%	0.10%	0.10%
<b>Effectiveness</b>				
Percent of water bills not collected	3.45%	3.81%	2.25%	3.00%

# Distribution Division



This division is responsible for proper operation and maintenance of Hickory's 717 miles of distribution system. This operation is staffed with State Certified Operators on each construction crew that performs construction, maintenance or service connection installations.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	1,464,482	1,771,637	1,831,209	3.4%
Operations	884,284	776,247	900,638	16.0%
Capital	657,401	4,179,000	2,464,000	-41.0%
Expenditure Total	3,006,167	6,726,884	5,195,847	-22.8%
Per Capita	\$ 74.10	\$ 165.64	\$ 126.96	-23.4%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Water and Sewer Fund	3,006,167	6,726,884	5,195,847	-22.8%
Revenue Total	3,006,167	6,726,884	5,195,847	-22.8%

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	33	33	33	0.0%
Part Time	-	-	-	0.0%
Seasonal	4	4	4	0.0%
Total	37	37	37	0.0%



# Sludge Composting Fund

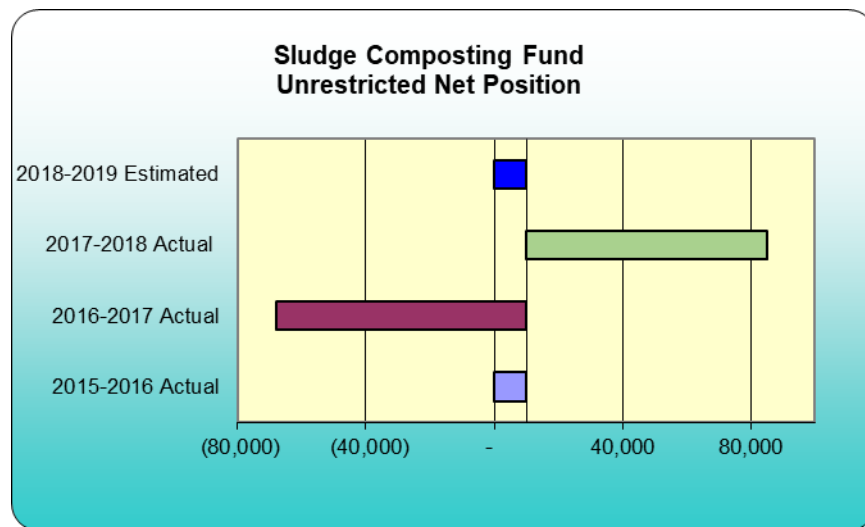


The Sludge Composting Fund consists of only one department, the Sludge Compost Facility of the Public Services Department. The fund exists because of the shared ownership of the facility; Catawba County and the cities of Hickory and Conover own the facility as part of the Sludge Consortium. Hickory serves as the lead agent. The original facility was built in the late 1980's through a grant from the Environmental Protection Agency (EPA).

## Unrestricted Net Position Projection

The Sludge Composting facility is a regionally operated facility whose operating costs are funded by the participating units. The City of Hickory provides administrative support and retains title to all fund assets. The facility was originally constructed with an innovative technology grant received from the Federal Environmental Protection Agency. The updated facility has been in operation since 1993. Trend information related to Sludge Composting Fund retained earnings balance is presented below:

Unrestricted Net Position	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated
Sludge Composting Fund	(1)	(67,937)	84,931	-
Dollar Change	(1)	(67,936)	152,868	(84,931)
Percent Change	0.0%	0.0%	-225.0%	-100.0%



# Sludge Composting Division



Additional Information about the Sludge Compost Facility of the Public Services Department may be obtained by calling M. Shawn Pennell, DS-A, CS-4, Assistant Public Services Director, at 828.323.7427 or [spennell@hickorync.gov](mailto:spennell@hickorync.gov)

**Functional Area:** Environmental Protection

**Mission Statement:**

To accept and treat wastewater biosolids generated in the region into a reusable product, which has a positive impact on the environment.

**2018/2019 Accomplishments:**

- Completed permit renewal
- Facility was operated in compliance with 503 permit without violations.
- Produced Annual Report for EPA and NCDEQ.

**2019/2020 Goals and Objectives:**

Goal: Safely treat biosolids received at facility.

- Objective: Operate facility in compliance with 503 regulations.

Goal: Ensure sustainable long term operations.

- Objective: Complete long term plan for future facility operations.

Goal: To be a good neighbor to the surrounding community.

- Objective: Operate the facility with no odor complaints.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
Average million gallons of sludge treated (annually)	14,729,800	15,411,700	15,191,200	16,000,000
Average dry tons treated (daily)	9.5	8.95	10.24	10
Cubic Yards of compost sold	8,393	8,759	9,005	13,000
<b>Efficiency</b>				
Avg. cost per dry ton produced	\$614.16	\$541.55	\$692.00	\$650.00
<b>Effectiveness</b>				
Percentage of weeks compliant with Residuals Permit	100%	100%	100%	100%

# Sludge Composting Division



This facility is operated under contract with Veolia Water for the Sludge Consortium, of which Hickory is the lead agent. This facility is responsible for accepting biosolids from consortium participants and producing Class "A" residual compost.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Operations	1,521,258	1,585,499	1,642,424	3.6%
Capital	-	50,000	50,000	0.0%
Pro Rata Reimbursement	123,678	126,151	126,155	0.0%
Expenditure Total	1,644,936	1,761,650	1,818,579	3.2%
Per Capita	\$ 40.55	\$ 43.38	\$ 44.44	2.4%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Restricted Intergovernmental	1,644,229	1,761,650	1,818,579	3.2%
Revenue Total	1,644,229	1,761,650	1,818,579	3.2%

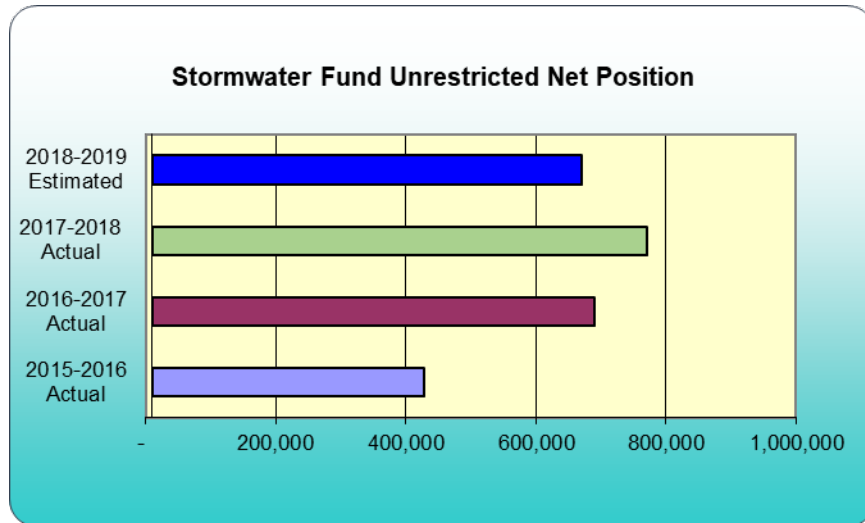
# Stormwater Fund

The Stormwater Fund consists of only one department.

## Unrestricted Net Position Projection

The Stormwater Fund's unrestricted net position was \$771,120 on June 30, 2018. This amount is expected to decrease by \$101,093 during FY20178-2019. The unrestricted net position of the Stormwater Fund is expected to be \$670,027 going into FY2019-2020.

Unrestricted Net Position	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated
Stormwater Fund	427,533	689,103	771,120	670,027
Dollar Change	33,154	261,570	82,017	(101,093)
Percent Change	8.4%	61.2%	11.9%	-13.1%



# Stormwater Division



The Stormwater Fund was presented for the first time in the FY2007-2008 budget document. The City continues their efforts in the process of developing recommendations related to the implementation of new federal stormwater mandates. However, in order to gain a greater understanding of the amount of money the City is spending related to stormwater activities, we began tracking expenses in this area in FY2007-2008. The Stormwater Division is located on the second floor of the municipal building. The Stormwater Engineer works with the Engineering Division staff to provide engineering services related to the City's storm drainage system, and serves as the primary contact for compliance with the National Pollutant Discharge Elimination System (NPDES) Phase II regulations.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	71,006	104,731	127,714	21.9%
Operations	109,127	132,177	132,208	0.0%
Capital	1,100,000	-	-	0.0%
Expenditure Total	1,280,133	236,908	259,922	9.7%
Per Capita	\$ 31.56	\$ 5.83	\$ 6.35	8.9%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Miscellaneous	2	-	-	0.0%
Restricted Intergovernmental Revenues	-	-	-	0.0%
Investment Earnings	3,885	-	-	0.0%
Other Financing Sources	1,370,274	236,908	259,922	9.7%
Revenue Total	1,374,161	236,908	259,922	9.7%

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	1	1	1	0.0%
Part Time	1	1	1	0.0%
Total	2	2	2	0.0%





# Transportation Fund

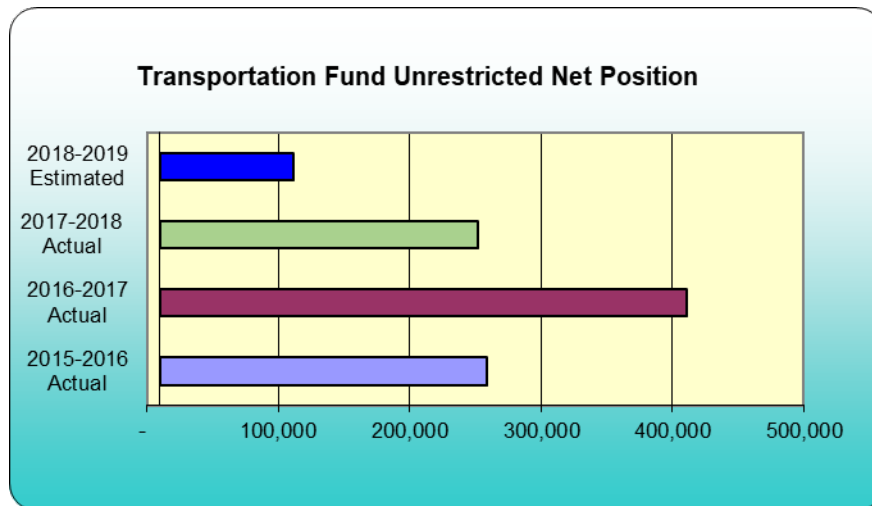


With the growth of Hickory Metro Area, no issue is more prominent than the very conduit that feeds that growth, the transportation system. The Transportation Fund includes the Hickory Regional Airport (including tower operations) and the FBO (Fixed Based Operations). The Transportation Fund was established to differentiate these divisions from General Fund departments due to the intergovernmental coalitions that fund its activities in conjunction with the City of Hickory.

## Unrestricted Net Position Projection

The Transportation Fund’s unrestricted net position was \$252,250 on June 30, 2018. During FY2018-2019 this amount is expected to decrease by \$140,968. Going into FY2019-2020 the unrestricted net position of the Transportation Fund is expected to be \$111,282. Trend information for the Transportation Fund is presented below:

Unrestricted Net Position	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated
Transportation Fund	258,768	410,428	252,250	111,282
Dollar Change	133,530	151,660	(158,178)	(140,968)
Percent Change	106.6%	58.6%	-38.5%	-55.9%



# Airport Division



Additional Information about the Airport may be obtained by calling Terry Clark at 828.323.7408 or [tclark@hickorync.gov](mailto:tclark@hickorync.gov)

Functional Area: Transportation

Mission Statement:

Ensure the Hickory Regional Airport is managed in a safe and efficient manner consistent with federal, state and local laws and regulations and to ensure the airport meets the current and future needs of the aviation public.

2018/2019 Accomplishments:

- Resurfaced Airport's Main Parking Lot
- Began Vision Meetings for the Development of Master Plan Update
- Continue to Hold 139 Certificate
- Replacement of "Distance Remaining" Signs on Runway 6/24 and Replacement of Taxiway "B" Signage
- Installation of Generator Transfer Switch
- Entered into a Maintenance Agreement with NCDOT for safety/maintenance services at no cost to the City

2019/2020 Goals and Objectives:

- Goal: To complete Obstruction Removal of Runway 6/24
  - Objective: To prepare for the extension of Runway 6/24
- Goal: To begin the design phase for the extension of Runway 6/24
  - Objective: To allow for larger aircraft and the taking on of larger quantities of fuel
- Goal: To finalize the Design/Bid Phase of Rehabilitation of the North Ramp following the tornado destruction
  - Objective: To begin construction of two (2) hangars to replace the two (2) lost
- Goal: To proceed with the development of the Master Plan Update
  - Objective: To have direction and a plan for the future of the Airport
- Goal: Continue to apply for grant funding
  - Objective: To maintain and improve airport infrastructure and operations

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
# of <b>airfield</b> Inspections	730	730	730	730
<b>Efficiency</b>				
# of operations per year	23,062	24,827	25,639	26,000
<b>Effectiveness</b>				
# of airfield incursions	0	0	2	0

# Airport Division



The Airport Department is responsible for the maintenance and operation of the City's airport according to City policy and Federal Aviation Administration (FAA) regulations. The Airport Director supervises general airport operations, Airport Tower operations and the FBO (Fixed Base Operations). Promotion of the services that are offered at the Hickory Regional Airport is the responsibility of this department. The airport features commercial air service, free parking, a café, a conference room for meetings, and several car rental agencies.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	222,913	234,973	235,661	0.3%
Operations	192,989	166,239	167,825	1.0%
Capital	41,832	82,499	70,000	-15.2%
Contingency	-	30,000	30,000	0.0%
Pro Rata Reimbursement	121,851	124,289	126,779	2.0%
<b>Expenditure Total</b>	<b>579,585</b>	<b>638,000</b>	<b>630,265</b>	<b>-1.2%</b>
Per Capita	\$ 14.29	\$ 15.71	\$ 15.40	-2.0%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Restricted Intergovernmental Revenue	6,730	6,365	6,365	0.0%
Sales and Services	55,102	43,368	50,368	16.1%
Investment Earnings	3,244	1,750	5,000	185.7%
Transportation Fund	514,510	586,517	568,532	-3.1%
<b>Revenue Total</b>	<b>579,585</b>	<b>638,000</b>	<b>630,265</b>	<b>-1.2%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	3	3	3	0.0%
Part Time	-	1	1	0.0%
Seasonal	-	-	-	0.0%
<b>Total</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>0.0%</b>

# Fixed Base Operations Division



Additional Information about the Fixed Based Operations Division may be obtained by calling Terry Clark at 828.323.7408 or [tclark@hickorync.gov](mailto:tclark@hickorync.gov)

Functional Area: Transportation

Mission Statement:

The Hickory Regional Airport fixed based operations is dedicated in providing the best aviation fuel service and storage of aircraft possible to the aviation community while providing a safe workplace and maintaining an excellent on-time performance to meet the needs of our based and transient customers. Our staff are highly trained and experienced in airport fueling and towing operations. We are dedicated in expanding our operations while maintaining the same high level of services throughout.

2018/2019 Accomplishments:

- Renovated the FBO Lobby and Pilot’s Lounge
- Renovated FBO Meeting Room with New Tables and Chairs
- Continued Maintaining/Upgrading Hangars as Necessary
- Painted Interior of FBO Building
- Put into Service New Diesel Ground Power Unit (GPU)
- Upgraded Self-Serve 100LL Pump’s Fuel Management System
- Purchased Belt Loader and Boarding Stairs to Better Serve Larger Aircraft
- Put into Service Potable Water Cart

2019/2020 Goals and Objectives:

- Goal: Continue to maintain hangars
  - Objective: To provide hangars that are structurally sound and operable
- Goal: To begin construction of new hangars to replace hangars lost in tornado
  - Objective: To attract new base customers and to increase revenue
- Goal: Continue to offer competitive fuel prices to our customers
  - Objective: To provide our customers and attract new customers with the best prices possible
- Goal: Continue to train and educate staff on safety and handling of aircraft
  - Objective: To reduce personal injury and aircraft damage and to better serve our customers

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
Gallons of aviation fuel sold at Airport	566,636	522,000	502,354	510,000
# of based aircraft	88	86	75	80
<b>Efficiency</b>				
# of aircraft fueled	4,075	4,798	4785	4800
<b>Effectiveness</b>				
Value of based aircraft (annual)	20,338,369	37,626,581	47,626,581	47,640,000

# Fixed Base Operations Division



Fixed Based Operations is a division of the Hickory Regional Airport. The City of Hickory assumed Fixed Based Operations at the Airport in December 2011, and the revenue and expenses associated with that operation continue to be included as its own cost center in this year's budget.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	329,663	313,251	339,161	8.3%
Operations	316,877	1,697,909	1,686,049	-0.7%
Capital	-	79,000	93,000	17.7%
Expenditure Total	646,540	2,090,160	2,118,210	1.3%
Per Capita	\$ 15.94	\$ 51.47	\$ 51.76	0.6%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Sales and Services	1,179,702	2,596,969	2,550,969	-1.8%
Investment Earnings	3,244	1,750	5,000	185.7%
Transportation Fund	(536,406)	(508,559)	(437,759)	-13.9%
Revenue Total	646,540	2,090,160	2,118,210	1.3%

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	7	7	7	0.0%
Part Time	-	-	-	0.0%
Total	7	7	7	0.0%



# Solid Waste Fund

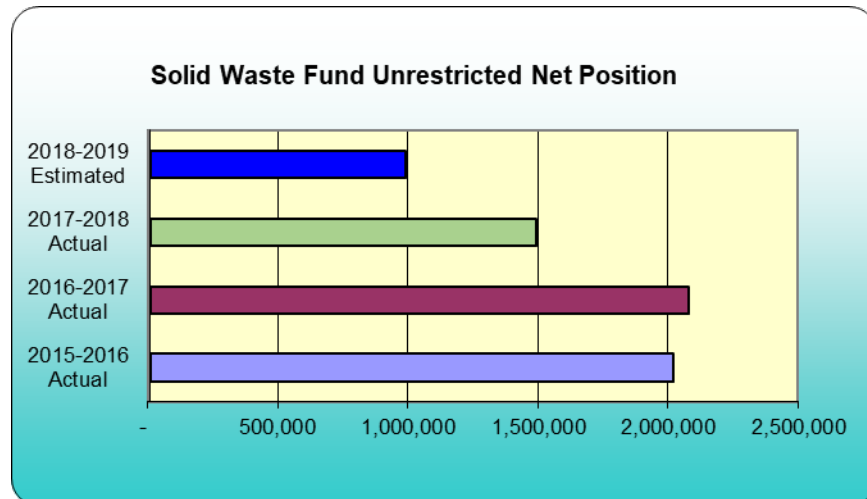


The Solid Waste Fund accounts for the City's recycling operations, as well as commercial and residential sanitation services. This fund is considered an Enterprise Fund because it generates revenues through sales and services to support operations.

## Unrestricted Net Position Projection

The unrestricted net position of the Solid Waste Fund was \$1,492,261 on June 30, 2018. That amount is expected to decrease by \$499,165 during FY2018-2019. Going into FY2019-2020, the unrestricted net position of the Solid Waste Fund is expected to be \$993,096. The fund's income is derived primarily from user fees for commercial bulk services, residential service, and recycling fees. In previous years, the General Fund had also contributed operating funds to Solid Waste, with the goal of steering the Solid Waste Fund towards a one hundred percent (100%) self-sustaining status. FY 2019-20 marks the third consecutive year where the General Fund will not provide a financial contribution to the Solid Waste Fund. Trend information related to the Solid Waste Fund retained earnings is presented below:

Unrestricted Net Position	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated
Solid Waste Fund	2,020,084	2,079,383	1,492,261	993,096
Dollar Change	468,499	59,299	(587,122)	(499,165)
Percent Change	30.2%	2.9%	-28.2%	-33.5%





# Recycling Division



Additional Information about the Recycling Division may be obtained by calling Andrew Ballentine, Solid Waste Manager, at 828.323.7439 or [aballentine@hickorync.gov](mailto:aballentine@hickorync.gov)

**Functional Area:** Environmental Protection

**Mission Statement:**

To provide quality and timely waste reduction services to residential and business customers in order to continue to meet North Carolina's Solid Waste Management Act and to reduce Hickory's landfill waste.

**2018/2019 Accomplishments:**

- 208,342 recycling rollouts were emptied in our Residential Single Stream Program resulting in over 6 million pounds of recyclable material.
- We have maintained continued growth in our enhanced single stream recycling tonnage in our Residential Service and Business Service of 2% and 6% respectively.
- Yard Waste picked up over 6.5 million pounds.
- Our Grapple Truck picked up over 6 million pounds of yard waste.
- Our Leaf Crews picked up over 7 million pounds of leaves.

**2019/2020 Goals and Objectives:**

Goal: Continue to educate residents and business about clean recycling opportunities available to them  
Objective: Use media, Snippets, Door hangers and other informational opportunities.

Goal: Improve recycling in our community through education and explaining cost savings for their location by clean recycling, reducing and reusing.  
Objective: Use media, educational videos, Snippets, Door hangers, direct contact and other informational opportunities.

Goal: Continue to revitalize recycling programs throughout School System within the city.  
Objective: Partner with schools to help expand the recycling efforts and education by meeting with Faculty and Students and demonstrating the benefits of recycling, repurposing and reusing material to protect and keep our community beautiful.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
Tons of curbside recyclables collected	3,054	3,182	3,287	3,350
# of curbside collection points	12,200	12,200	11,940	12,200
<b>Efficiency</b>				
Direct cost per ton of curbside recyclables collected (annual)	\$96.00	\$94.20	\$92.13	\$93.98
Direct cost per curbside collection point (annual contract amount)	\$23.81	\$24.56	\$25.36	\$25.87
<b>Effectiveness</b>				
% of residential solid waste diverted by curbside program	31.15%	25.95%	26%	27%
% of eligible curbside pick-up points participating	64.93%	63%	65%	70%

# Recycling Division



The City of Hickory has an integrated waste reduction and recycling program in place. Services are provided curbside for the collection of appliances, yard waste, newspaper, catalogs and magazines as well as glass, plastic, and metal food and drink containers. The City also has two drop off recycling convenience centers for the public to use for the disposal of old corrugated cardboard, newspaper, plastic and all colors of food and drink glass bottling. The City has a permitted Yard Waste Composting Facility where mulch and compost is made from the collected yard waste. State law requires restaurants and bars with ABC permits to recycle. The Recycling Division is part of the City's enterprise Solid Waste Fund.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	569,523	601,898	652,146	8.3%
Operations	1,601,148	1,597,098	1,697,678	6.3%
Capital	-	160,000	141,500	-11.6%
Pro Rata Reimbursement	487,723	497,477	507,431	2.0%
<b>Expenditure Total</b>	<b>2,658,394</b>	<b>2,856,473</b>	<b>2,998,755</b>	<b>5.0%</b>
Per Capita	\$ 65.53	\$ 70.34	\$ 73.27	4.2%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Other Taxes	15,447	13,385	13,602	1.6%
Sales and Services	2,647,560	2,575,419	2,712,169	5.3%
Investment Earnings	8,061	4,818	6,529	35.5%
Miscellaneous	13,452	1,338	1,360	1.7%
Other Financing Sources	86,145	261,512	265,095	1.4%
<b>Revenue Total</b>	<b>2,770,665</b>	<b>2,856,472</b>	<b>2,998,755</b>	<b>5.0%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	13	13	13	0.0%
Part Time	1	1	1	0.0%
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>0.0%</b>

# Sanitation Division



Additional Information about the Public Services Sanitation Division may be obtained by calling Andrew Ballentine, Solid Waste Manager, at 828-323-7439 or [aballentine@hickorync.gov](mailto:aballentine@hickorync.gov)

Functional Area: Environmental Protection

Mission Statement:

To provide customers with a healthy and a sanitary environment through the collection, disposal and recycling of solid waste in the most productive manner while meeting the requirements of the North Carolina Solid Waste Management Act.

2018/2019 Accomplishments:

- The Residential Division handled over 634,400 rollouts resulting in over 14 million pounds of residential waste being collected.
- The Rear Packer Trucks loaded over 5 million pounds of garbage by hand.

2019/2020 Goals and Objectives:

Goal: Reduce vehicle maintenance and repair expenses by 5%.

- Objective: Reduce vehicle maintenance and repair expenses by continuing to drive the importance of maintenance programs to ensure vehicles are properly maintained through training and inspection.

Goal: Operational Efficiency of the Sanitation Division

- Objective: Track expenses quarterly through spreadsheet analysis and adjusting operations real-time.

Goal: Continue to educate the public regarding proper disposal methods for solid waste.

- Objective: Continue to utilize personal contact, various media platforms, Snippets, Door hangers and other informational opportunities to increase and educate our customer base and larger community about solid waste and procedures to not only protect the environment, but enhance the aesthetics of our community.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
Tons collected per 1,000 population	245.94	306.55	325	315
Tons per 1,000 collection points	806	1005	1,066	1010
<b>Efficiency</b>				
Direct cost per ton collected (annual)	\$33.20	\$26.73	\$24.46	\$30.00
Direct cost per collection point (annual)	\$6.64	\$6.72	\$26.16 / \$6.54	\$26.75 / \$6.69
<b>Effectiveness</b>				
Repeated collection points per 1,000 population	0.01%	.01%	.01%	.01%

# Sanitation Division



This division manages routine garbage pickup in addition to several other waste removal services. Regular yard waste, such as leaves, grass clippings, and shrubbery trimmings, are collected curbside weekly on the same day as residential garbage pickup. Additional assistance is available for citizens with disabilities. A special pickup is available on Tuesdays and Thursdays for items such as appliances, furniture, yard waste, and bulky tree debris. Curbside leaf collections occur in the fall, and residents are notified in advance through the local media. Due to the City operating leaf vacuum trucks, the citizens do not need to bag their leaves for collection.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	490,970	544,352	582,719	7.0%
Operations	338,320	391,927	391,633	-0.1%
Capital	-	290,700	311,000	7.0%
<b>Expenditure Total</b>	<b>829,290</b>	<b>1,226,979</b>	<b>1,285,352</b>	<b>4.8%</b>
Per Capita	\$ 20.44	\$ 30.21	\$ 31.41	4.0%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Other Taxes	5,512	5,749	5,830	1.4%
Sales and Services	944,772	1,106,254	1,162,513	5.1%
Investment Earnings	2,877	2,070	2,798	35.2%
Miscellaneous	4,800	575	583	1.4%
Other Financing Sources	30,740	112,331	113,627	1.2%
<b>Revenue Total</b>	<b>988,701</b>	<b>1,226,979</b>	<b>1,285,352</b>	<b>4.8%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	12	12	12	0.0%
<b>Total</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>0.0%</b>

# Commercial Bulk Services Division



Additional Information about the Public Services Commercial Bulk Services Division may be obtained by calling Andrew Ballentine, Solid Waste Manager, at 828.323.7439 or [aballentine@hickorync.gov](mailto:aballentine@hickorync.gov)

Functional Area: Environmental Protection

Mission Statement:

To provide customers with a commercial bulk service, which meets their requirements and is performed in a cost efficient manner for the city.

2018/2019 Accomplishments:

- We have approximately 1,185 dumpster boxes in use by our customers.
- We emptied over 59,250 dumpsters collecting over 13,000 tons.
- Each driver averages over 128 dumpsters on their route each day.
- Gained 15 new customers overall in the past year which translates into a 1.5% increase in our customer base.

2019/2020 Goals and Objectives:

Goal: Increase customer base

- Objective: Increase our customer base through advertising and promoting the services available through the City of Hickory.

Goal: Operational efficiency of the Commercial Bulk Division

- Objective: To continue to investigate our operation to maximize efficiency and minimize cost through the use of technology. For example, using iPads in our vehicles for the reporting of special circumstances on the route and using routing software to increase efficiency therefore saving time and fuel.

Goal: Continue to educate the private sector businesses regarding proper disposal methods for solid waste.

- Objective: Continue to utilize personal contact, educational videos, media, Snippets, Door Hangers, individual audits and other informational opportunities to increase and educate our customer base and larger community about solid waste procedures to not only protect the environment, enhance the aesthetics of our community and but to reduce their solid waste expenses when possible.

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
# of boxes serviced per route	119	119	128	120
<b>Efficiency</b>				
Direct cost per ton collected	\$29.87	\$24.49	\$20.55	\$25.00
<b>Effectiveness</b>				
# of new permanent accounts	27	20	15	48

# Commercial Bulk Services Division



To better provide solid waste collection to commercial waste generators, the City of Hickory provides dumpster service for a fee. Currently, Hickory services nearly 1,500 dumpsters per week, averaging over 100 boxes per route. The Commercial Bulk Collection Division operates as part of the enterprise Solid Waste Fund, whereby user fees support the operation of the service.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	459,535	523,260	536,042	2.4%
Operations	447,021	420,930	482,965	14.7%
Capital	10,905	375,327	278,000	-25.9%
Pro Rata Reimbursement	(85,896)	(87,613)	(89,366)	2.0%
Expenditure Total	831,565	1,231,904	1,207,641	-2.0%
Per Capita	\$ 20.50	\$ 30.33	\$ 29.51	-2.7%

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Other Taxes	5,938	5,772	5,478	-5.1%
Sales and Services	1,017,745	1,110,695	1,092,229	-1.7%
Investment Earnings	3,099	2,078	2,629	26.5%
Miscellaneous	5,171	577	548	-5.1%
Other Financing Sources	33,115	112,782	106,758	-5.3%
Revenue Total	1,065,067	1,231,904	1,207,641	-2.0%

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	11	11	11	0.0%
Total	11	11	11	0.0%

# Board and Agency Funding



The City Council provides financial support to various organizations that contribute to the quality of life for all City residents, contribute to the City's revenue base, or provide a necessary service that the City itself does not currently provide. To qualify for this type of funding, an organization must generally: a) be non-profit with a policy of non-discrimination, and; b) submit multi-year plans, audited financial records and a Board of Directors roster.

Special Appropriations by Functional Area	2016-2017 Actual	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
<b>Environmental Protection</b>					
Catawba County EDC	37,994	38,905	40,196	41,500	3%
Habitat for Humanity	4,192	4,116	9,735	5,744	-41%
Western Piedmont Council of Governments	5,919	6,095	6,096	6,223	2%
<b>Total</b>	<b>48,105</b>	<b>49,116</b>	<b>56,027</b>	<b>53,467</b>	<b>-5%</b>

# Enterprise Fund Debt Service



	2016-2017	2017-2018	2018-2019	2019-2020	Percent
Enterprise Fund Debt	Actual	Actual	Budgeted	Budgeted	Change
<b>Water and Sewer Fund</b>					
<b>NC Revolving Loan</b>					
Cripple Creek	40,057	40,057	40,058	40,058	0%
Interest	365,362	343,662	432,874	376,917	-13%
Geitner Basin	0	0	163,617	163,617	0%
Central Business District Sewer	0	0	68,205	68,205	0%
Northeast Plant	874,999	875,000	875,000	875,000	0%
Subtotal	1,280,418	1,258,719	1,579,754	1,523,797	-4%
<b>Intergovernmental Agreements</b>					
Catawba County Contracts	8,394	0	0	0	0%
Interest	0	0	0	0	0%
Subtotal	8,394	0	0	0	0%
<b>Installment Purchases</b>					
Area II Annexation- Sewer	199,475	199,475	99,738	99,738	0%
Henry Fork Sewer	475,000	475,000	475,000	475,000	0%
Hickory-Catawba Wastewater Treatment Plant	600,162	613,864	627,878	642,211	2%
Interest	353,707	313,158	279,750	242,257	-13%
Maiden Waterline	369,045	369,045	369,045	369,045	0%
Subtotal	1,997,389	1,970,542	1,851,411	1,828,251	-1%
<b>Water and Sewer Fund Total</b>	<b>3,286,201</b>	<b>3,229,261</b>	<b>3,431,165</b>	<b>3,352,048</b>	<b>-2%</b>

Special Appropriations by	2014-2015	2015-2016	2016-2017	2017-2018	Percent
Functional Area	Actual	Actual	Budgeted	Budgeted	Change
<b>Transportation</b>					
Western Piedmont Regional Transit Authority	155,702	155,702	213,062	219,542	3%
<b>Total</b>	<b>155,702</b>	<b>155,702</b>	<b>213,062</b>	<b>219,542</b>	<b>3%</b>



# Transfers/Other Financing Uses



Transfers from Enterprise Funds	2016-2017 Actual	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
<b>Water and Sewer Fund</b>					
Capital Reserve Fund	740,000	740,000	740,000	940,000	27%
General Capital Project	0	7,800	0	0	0%
General Fund	0	31,500	0	0	0%
Internal Service Fund	0	0	0	100,000	100%
Stormwater Fund	133,851	1,235,137	137,840	129,961	-6%
Water and Sewer Capital Projects Fund	1,851,574	0	0	0	0%
<b>Total</b>	<b>2,725,425</b>	<b>2,014,437</b>	<b>877,840</b>	<b>1,169,961</b>	<b>33.28%</b>

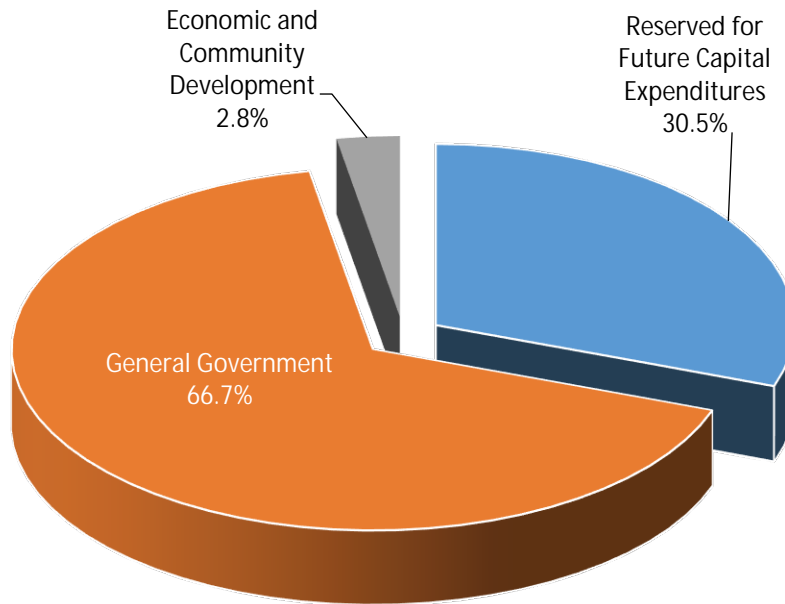
Transfer from Transportation Fund	2016-2017 Actual	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Enterprise Capital Project	0	9,833	0	0	0%
<b>Total</b>	<b>0</b>	<b>9,833</b>	<b>0</b>	<b>0</b>	<b>0%</b>

Transfers from Solid Waste Fund	2016-2017 Actual	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
General Capital Project	0	0	0	0	0%
Stormwater Fund	0	0	0	0	0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>

# Other Funds

The City of Hickory has four funds that serve special purposes. These “Other Funds” include the Fleet Maintenance Fund, the Insurance Fund, the Capital Reserve Fund and the Community Development Block Grant (CDBG) Fund. The Fleet Maintenance and Insurance Funds are internal service funds, which are used to consolidate financial activities associated with these programs, providing management with improved information about program results. The Capital Reserve Fund is set up to reserve funds for future capital expenditures. The CDBG Fund, which is technically a grant fund, administers housing funds allocated by the United States Department of Housing and Urban Development. Descriptions of these funds follow, along with the CDBG Budget Ordinance.

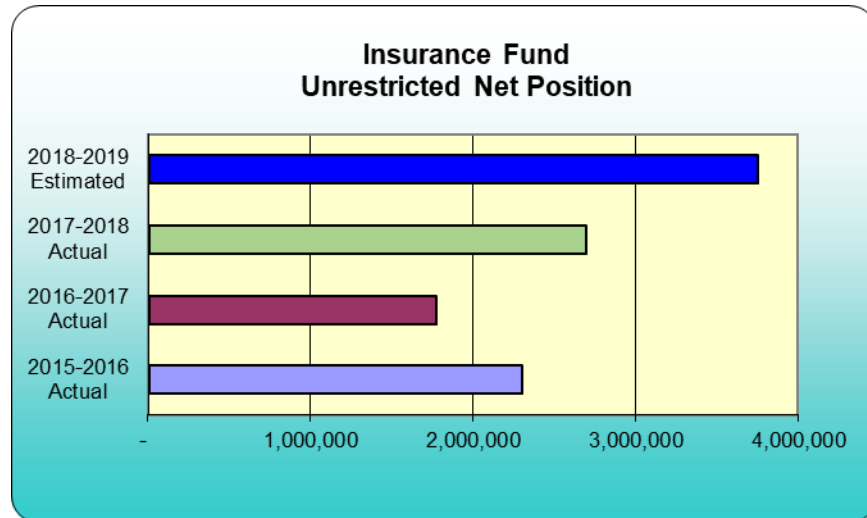
**Other Fund Expenditures By Functional Area**



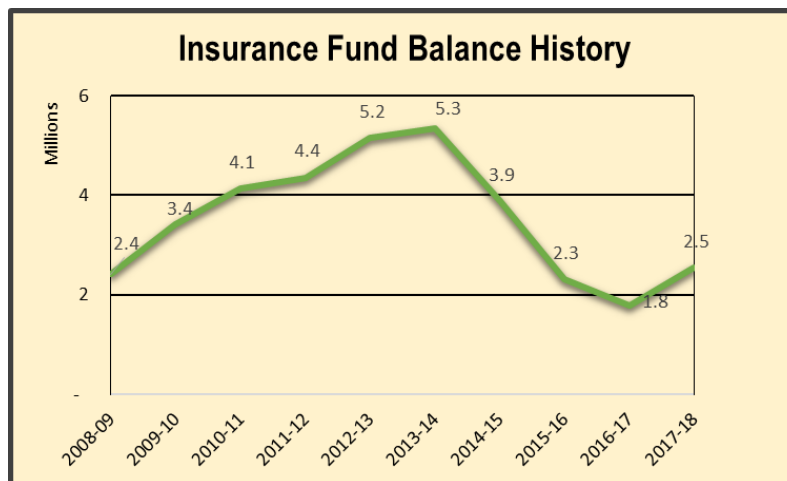
## Insurance Fund Unrestricted Net Position Projection

The Insurance Fund was added to the budget in FY1999-2000 and accounts for all the insurance and risk management activities of the City. As of June 30, 2018, the unrestricted net position of this fund was \$2,699,400. This amount is expected to increase by \$1,054,091 in FY2018-2019. Going into FY2019-2020, the unrestricted net position of this fund is estimated to be \$3,753,491. The fiscal health of this fund is primarily determined by the City's experience with health insurance, property liability, and workers' compensation costs during the year. For greater context given the importance of this issue in contemporary times, a 10-year history is also included below.

Unrestricted Net Position	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated
Insurance Fund	2,302,633	1,772,521	2,699,400	3,753,491
Dollar Change	(1,579,869)	(530,112)	926,879	1,054,091
Percent Change	-40.7%	-23.0%	52.3%	39.0%



10-Year History:

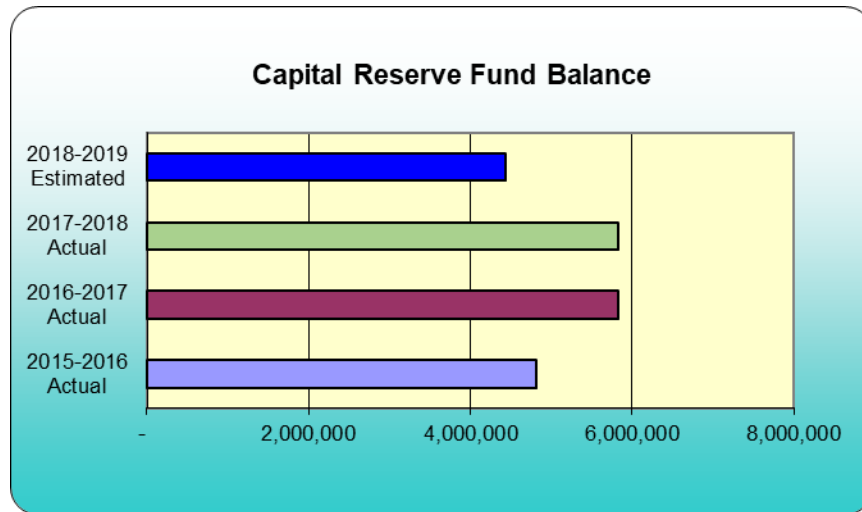


# Other Funds

## Capital Reserve Fund Balance

The Capital Reserve Fund includes funds set aside for future capital projects and equipment purchases. This fund's dollars are set aside into specific categories including Right-of-Way Acquisition, Future Parking, General Capital Reserve, General Water and Sewer Reserve, Water Plant Reserve, and District Court. The fund balance of the Capital Reserve Fund totaled \$5,835,895 at June 30, 2018. It is expected to decrease by \$1,394,956 through FY2018-2019. Going into FY2019-2020, the Capital Reserve Fund Balance is expected to be \$4,440,939.

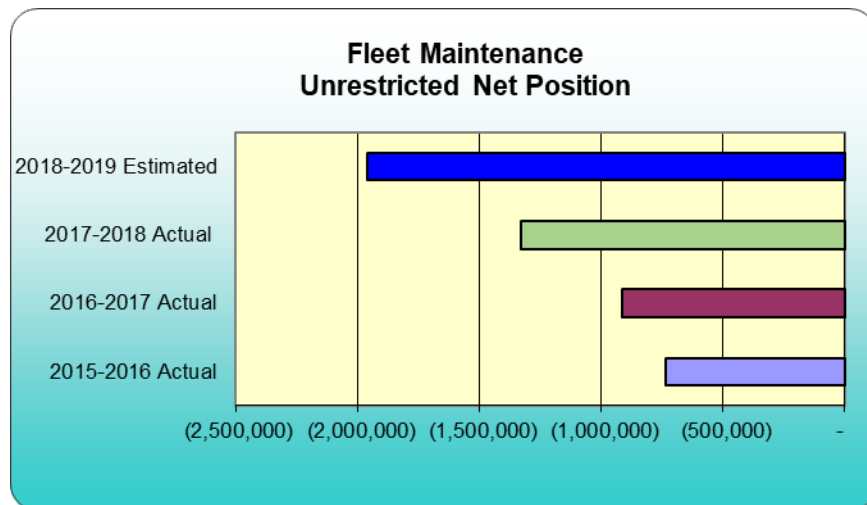
Capital Reserve Fund Balance	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated
Capital Reserve	4,810,507	5,835,895	5,835,895	4,440,939
Dollar Change	(6,626,944)	1,025,388	-	(1,394,956)
Percent Change	-57.9%	21.3%	0.0%	-23.9%



## Fleet Maintenance Fund Unrestricted Net Position (Fund Balance) Projections

The Fleet Maintenance Fund was added to the budget in FY1998-1999. This fund provides vehicle and equipment maintenance services to all City departments and divisions and charges them for those services. As of June 30, 2018 the unrestricted net position of the Fleet Maintenance Fund was (\$1,328,290). It is expected to decrease during FY2018-2019 by \$632,890. Entering FY2019-2020, the unrestricted net position of the Fleet Maintenance Fund is projected to be (\$1,961,180).

Unrestricted Net Position	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated
Fleet Maintenance Fund	(735,164)	(913,183)	(1,328,290)	(1,961,180)
Dollar Change	(161,511)	(178,019)	(415,107)	(632,890)
Percent Change	28.2%	24.2%	45.5%	47.6%



# Fleet Maintenance Division



Additional Information about the Public Services Fleet Maintenance Division may be obtained by calling Brad Abernathy, Fleet Services Manager, at 828.323.7500 or [babernathy@hickorync.gov](mailto:babernathy@hickorync.gov)

Functional Area: General Government

Mission Statement:

To meet the needs of internal and external (vendors) customers with respect and courtesy while conserving the value of the vehicles and equipment in an efficient and cost effective manner.

2018/2019 Accomplishments:

- Mechanics Training Heil Body Front Loader Garbage Trucks
- Mechanics attended Technician Efficiency Classes and FREON Certification Training at CVCC
- Purchased Mobile ALLDATA Repair S3000 Diagnostic Software for vehicles
- Purchase Mobile Column Lifts and now have the ability to lift trucks and equipment inside and outside the shop

2019/2020 Goals and Objectives:

Goal: Continue Education or Training

- Objective: To improve knowledge, skills and efficiency to obtain individual development

Goal: Purchase a new Fluid Management System

- Objective: Replacing a 20 year old system that is not working properly. New system will help us keep up with inventory Quantities and more areas to put Fluid Stations

Goal: Fleet Operations Spreadsheet

- Objective: To perform research and analytical work in the areas of cost management, performance and tracking

Performance Measures	2016-2017 Actual	2017-2018 Actual	2018-2019 Estimated	2019-2020 Goal
<b>Work Load</b>				
Total job orders completed	4,959	4,902	5,250	5,100
<b>Efficiency</b>				
Job orders per mechanic	195	817	750	729
<b>Effectiveness</b>				
Unscheduled repairs per mechanic FTE	142	570	513	495
% of repairs that are unscheduled	73%	70%	73%	71%

# Fleet Maintenance Division



The Fleet Maintenance Division is responsible for the maintenance of all City of Hickory vehicles. As the City implements cost accounting techniques, measuring the City's vehicle maintenance expenses through this fund will provide better data to manage garage services.

Expenditures by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Personnel	544,650	620,162	683,735	10.3%
Operations	1,793,073	1,752,263	1,756,619	0.2%
Capital	6,079	66,500	81,500	22.6%
Pro Rata Reimbursement	264,250	269,534	274,928	2.0%
<b>Expenditure Total</b>	<b>2,608,052</b>	<b>2,708,459</b>	<b>2,796,782</b>	<b>3.3%</b>
<b>Per Capita</b>	<b>\$ 64.29</b>	<b>\$ 66.69</b>	<b>\$ 68.34</b>	<b>2.5%</b>

Revenues by Type	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Sales and Services	2,449,364	2,708,459	2,796,782	3.3%
Miscellaneous Revenues	1,880	-	-	0.0%
Fleet Maintenance Fund	156,808	-	-	0.0%
<b>Revenue Total</b>	<b>2,608,052</b>	<b>2,708,459</b>	<b>2,796,782</b>	<b>3.3%</b>

Authorized Personnel	2017-2018 Actual	2018-2019 Budgeted	2019-2020 Budgeted	Percent Change
Full Time	12	12	12	0.0%
<b>Total</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>0.0%</b>

# Community Development Block Grant



The Community Development Block Grant (CDBG) Fund was created to administer annual block grants from the United States Department of Housing and Urban Development (HUD). Hickory must use the funds for strictly defined HUD purposes, including income generated through loans made with CDBG funds. Specifically, the CDBG-eligible activities that are applicable to the City of Hickory's needs are:

- Acquisition of real property
- Disposition of real property
- Public facilities and improvements such as senior centers, neighborhood facilities, and street improvements
- Clearance and demolition
- Housing rehabilitation assistance
- Economic development
- Funding for neighborhood-based non-profit entities to accomplish neighborhood revitalization

The primary objective of the CDBG program is to develop viable urban communities by providing decent housing, creating a suitable living environment, and by expanding economic opportunities, principally for persons of low and moderate income. Hickory, which has been a CDBG Entitlement City since 1982, has long recognized the need to assist in community development. The City of Hickory completes a Consolidated Plan for Housing and Community Development every five years. This plan was most recently updated in spring 2015 for the 2015 through 2019 program years.

The City of Hickory's Community Development Office, which is part of the Planning and Development Department, is responsible for marketing the program, screening and determining project eligibility (generally based benefit to households earning less than 80% of the area median income).

The City's 2015-2019 Consolidated Plan for Housing and Community Development contains ten primary goals for the five year Consolidated Plan:

1. Preserve the City's Housing Stock - Provide support for the rehabilitation and reconstruction of existing housing units to be used for owner and rental occupancy.
2. Public Infrastructure - Provide support for necessary improvements to public infrastructure in low to moderate income neighborhoods.
3. Down Payment Assistance - Increase homeownership by providing down payment assistance to first time homebuyers.
4. Provide Services to Persons Living with HIV and AIDS - Provide funding to ensure persons living with HIV and AIDS are able to access case management services and housing services.
5. Park Improvements - Provide support for necessary improvements to parks and neighborhood facilities in low to moderate income neighborhoods.
6. Homelessness Services and Prevention - Provide services to support the homelessness as well as services aimed at preventing households from becoming homeless.
7. Youth Services - Provide support for at risk youth to increase their chances of succeeding in academics and employment.
8. Increase Entrepreneurship Opportunities - Provide support to microenterprises as a means to increase economic opportunities for low and moderate income individuals.
9. Increase Fair Housing Outreach and Awareness - Provide support to increase awareness of fair housing rights in the community and affirmatively further fair housing.
10. Demolish Dilapidated Structures - Provide funding to demolish dilapidated structures to reduce blight.



# Community Development Block Grant

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## Fund Balance Projection

One of the HUD stipulations for the Community Development Block Grant Fund is that an administering agency cannot profit from the use of grant funds. A fund balance of zero is maintained by grant reimbursements to offset program expenditures less program income.

## Contacts

If you have any questions about this program, please call CDBG Manager Karen Dickerson at 828-323-7414.

# Community Development Block Grant



CITY OF HICKORY  
2019 COMMUNITY DEVELOPMENT ENTITLEMENT  
BLOCK GRANT PROJECT ORDINANCE

BE IT ORDAINED by the City Council of the City of Hickory that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted.

SECTION 1. The project authorized is the 2019 Community Development Entitlement Block Grant program.

SECTION 2. The officers of this unit are hereby directed to proceed with the grant project within the terms of the grant document(s), the rules and regulations of the Department of Housing and Urban Development, and the budget contained herein.

SECTION 3. The following revenues are anticipated to be available to complete the project:

Restricted Intergovernmental Revenues	\$ 316,023
Miscellaneous	\$ <u>115,000</u>
	\$ 431,023

SECTION 4. The following amounts are appropriated for the project:

Economic and Community Development	\$ <u>431,023</u>
	\$ 431,023

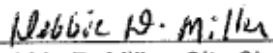
SECTION 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to provide the accounting to the grantor agency required by the grant agreement(s) and Federal and State regulations.

SECTION 6. Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

SECTION 7. The Finance Officer is directed to report quarterly on the financial status of each project element in Section 4 and on the total grant revenues received or claimed.

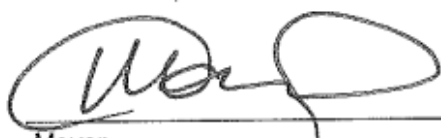
SECTION 8. The City Manager (Budget Officer) is directed to include a summary analysis of past and future costs and revenues on this grant project in every budget submission made to this board.

SECTION 9. Copies of this grant project ordinance shall be furnished to the Clerk of the Governing Board, the City Manager (Budget Officer) and the Finance Officer for direction in carrying out this project.

  
Debbie D. Miller, City Clerk



Adopted this 18th day of June, 2019

  
Mayor



# Capital Improvements/Grant Projects



The Capital Improvements/Grant Projects portion of the budget document contains information on the following areas:

## 5 Year CIP

The 5 Year Capital Improvement Plan (CIP) is the financial plan for the purchase or construction of capital assets. The CIP contains information on the upcoming budget year as well as five planning years beyond the upcoming year.

This section contains information on equipment purchases and construction projects that are listed in the City of Hickory's 5 Year CIP. This section is intended to provide a comprehensive look at all capital purchases and capital projects greater than \$5,000 which are either taking place or scheduled to take place within the City.

As part of the CIP requests, departments are asked to include estimates of how each project may affect future operating budgets. Examples of this include any new personnel, equipment, maintenance, or operating expenses that a capital purchase or project might necessitate.

Some of the purchases or projects listed in this plan will not occur in the year listed, or may never occur. To omit them would not give the reader a full understanding of the capital needs of the City. Decisions on proceeding with the purchases or projects listed in the 5 Year CIP are ultimately made by City Council.

## Capital Projects

Capital projects are those projects which either acquire or construct an asset of a long term character such as land, buildings, improvements, machinery or equipment. Capital projects may be accounted for in any fund.

## Grant Projects

Grant projects are those projects which are funded either in full or in part by federal or state funds. These funds may be for either capital or operating purposes. Grant projects may be accounted for in any fund.

## Disclosure

The purpose of this section is not to describe the different funds, ordinances or accounting requirements for each capital purchase or capital project as much as it is to describe the purchases and projects themselves. Therefore, you will find less continuity related to individual funds than you found earlier in this document. This is by design and is necessitated due to the broad transcending nature of the subject.

# Capital Improvements/Grant Projects



5 Year CIP Items	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
<b>GENERAL FUND EQUIPMENT</b>						
<b>Administration</b>						
Computer Replacements/Software		\$ 4,200	\$ 6,200			
<b>Communications</b>						
Computer Replacements/Software	\$ 2,050					
<b>Human Resources</b>						
Computer Replacements/Software		\$ 2,600	\$ 1,300			
<b>Budget</b>						
Computer Replacements/Software			\$ 1,800	\$ 1,500		
<b>Risk Management</b>						
Computer Replacements			\$ 1,500			
<b>Finance</b>						
Computer Replacements/Software		\$ 7,800	\$ 7,100	\$ 7,800	\$ 6,700	\$ 7,800
<b>Information Technology</b>						
APC UPS Batteries						
Cisco Phones	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Offsite Data Center Refresh				\$ 200,000		
Color Printer Replacement		\$ 9,000				
Computer / Laptop Replacements			\$ 19,200	\$ 6,000		
Data Center for Public Services			\$ 100,000			
Discretionary Funds	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Door Control System upgrade - City Hall	\$ 20,000					
Firewall Upgrade		\$ 75,000				
iSeries Replacement / Update					\$ 80,000	
Network - LAN / WAN Infrastructure					\$ 200,000	
Reverse Proxy	\$ 30,000					
Security Risk Assessment	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Switch Replacement / Upgrades		\$ 40,000	\$ 140,000			
Time Clocks				\$ 35,000		
UCS Replacement/Upgrade						\$ 175,000
Upgrade Office Suite / G3						\$ 100,000
UPS Upgrade		\$ 100,000				
Voice Gateway Upgrade-Phones		\$ 15,000				
<b>City Clerk</b>						
Computer Replacements		\$ 1,400	\$ 2,000		\$ 1,500	\$ 2,000
<b>Legal</b>						
Computer Replacements		\$ 1,500	\$ 2,000	\$ 1,500	\$ 2,000	\$ 1,500
<b>Engineering</b>						
Computer Replacements		\$ 5,000	\$ 2,000	\$ 5,000	\$ 5,000	\$ 5,000
Drone with UAV-Photo-LIDAR package		\$ 159,135				
Inkjet Plotter / Scanner					\$ 15,000	
Robotic, Data Collector and GPS		\$ 39,000				
Truck Mounted Scanner				\$ 135,061		
Vehicle		\$ 25,000	\$ 28,000	\$ 35,000		
<b>Planning and Development</b>						
Computer Replacements		\$ 6,000	\$ 6,000	\$ 5,000	\$ 6,000	\$ 6,000
Printer replacement		\$ 20,000				
Vehicle Replacement						\$ 25,000
<b>Police Department</b>						
Police Vehicles	\$ 520,000	\$ 596,000	\$ 584,000	\$ 620,000	\$ 620,000	\$ 620,000
AVL Locators		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Ebikes		\$ 16,000				
Radios-Vehicle	\$ 48,000	\$ 48,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000
Radio System Refresh						\$ 600,000
SOT Night Vision	\$ 50,425					
Alco Sensors	\$ 8,000					
Tasers	\$ 15,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Weapons	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Time Synchronization Device (Communications Ctr)	\$ 3,500					
Batteries for UPS System		\$ 15,000		\$ 15,000		\$ 15,000

# Capital Improvements/Grant Projects



5 Year CIP Items	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Camera Replacement	\$ 3,000					
Computer / Laptop Replacements		\$ 155,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 80,000
Software Maintenance		\$ 8,000				
Touchscreen Monitors for Communications Center		\$ 40,000		\$ 125,000		\$ 140,000
Furniture		\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
ZETX Phone Tracking System		\$ 30,000				
<b>Fire Department</b>						
Apparatus Replacement Engine 2				\$ 675,000		\$ 675,000
Equipment for Engine 2				\$ 130,000		\$ 130,000
Apparatus Replacement Engine 5		\$ 675,000				
Equipment Replacement for Engine 5		\$ 125,000				
Apparatus Replacement Engine 6			\$ 675,000			
Equipment for Engine 6			\$ 125,000			
Apparatus Replacement Tanker 6					\$ 450,000	
Equipment for Tanker 6					\$ 125,000	
Apparatus Computer Replacements	\$ 25,000		\$ 25,000	\$ 25,000	\$ 60,000	\$ 25,000
Appliances & Furniture		\$ 84,000	\$ 24,000	\$ 24,000	\$ 72,000	\$ 27,000
Automated External Defibrillator Replacement	\$ 25,000					
Base Radio Upgrades				\$ 30,000		
Mobile Responder Software		\$ 38,000				
Computer Replacements		\$ 45,000	\$ 25,000	\$ 25,000	\$ 35,000	\$ 20,000
Fitness Equipment Replacements	\$ 12,000	\$ 12,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Gas Detectors for Apparatus (10)						
Icemaker Replacements					\$ 10,000	
Personal Protective Turn-out Gear	\$ 13,000	\$ 400,000	\$ 400,000			
Replace Bay Doors FS #2, FS #3, FS #5						
SCBA Breathing Equipment / Replacements	\$ 40,000	\$ 250,000				
Software - Staff Tracking, Scheduling/Timekeeping			\$ 24,000			
Software - Wireless Accountability System						\$ 30,000
Specialized Rescue Equipment			\$ 75,000			
Training Equipment (smoke generator & flow meter)	\$ 7,500					
Video Conferencing Equipment						
Vehicle Replacements (Operations and Administration)	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 90,000	\$ 90,000
Mobile Portable Radio Upgrades	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000		\$ 30,000
<b>Rural Fire Department</b>						
SCBA Breathing Equipment/Upgrade	\$ 15,000					
<b>Building Services</b>						
Ditch Witch Trencher					\$ 40,000	
Mini-excavator / Trailer combo				\$ 75,000		
Pole/Auger Truck						\$ 65,000
Pole/Post Puller for Auger/Pole Truck	\$ 5,000					
Service Truck	\$ 38,000	\$ 35,000				
Utility Trailer						\$ 10,000
Bucket Truck			\$ 65,000			
Computer Replacements		\$ 4,400	\$ 2,800		\$ 4,800	\$ 3,200
<b>Central Services</b>						
Computer / Laptop Replacements		\$ 4,600	\$ 9,000	\$ 3,200	\$ 4,000	\$ 11,000
Color-printer replacement				\$ 4,500		
Gate Replacement				\$ 10,000		
Digital Recorder Replacement					\$ 2,500	
Icemaker Replacement					\$ 4,000	
Security Camera upgrades						\$ 2,400
HVAC #3 replacement		\$ 5,000				
Building Renovations & Maintenance	\$ 150,000	\$ 5,000		\$ 5,000		
Vehicle replacement					\$ 40,000	
<b>Traffic</b>						
Computer Replacement / Software / Monitors		\$ 10,000	\$ 17,000	\$ 7,000	\$ 4,000	
Emergency Vehicle Pre-emption System Replacement				\$ 350,000		
Heat Pump - Paint Shop						\$ 6,500
Paint Striper			\$ 25,000			
Pavement Marking Eraser						\$ 7,500
Rotary Hammer replacement		\$ 5,000				
Sign Post Driver Unit						\$ 8,000
Traffic Counter replacement		\$ 4,000	\$ 4,000	\$ 4,000	\$ 5,000	
Traffic Signal Equipment / Software			\$ 28,000	\$ 27,000	\$ 25,000	\$ 26,000

# Capital Improvements/Grant Projects



5 Year CIP Items	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Traffic Signal Video Equipment		\$ 57,000				
Trailer		\$ 3,500				
Truck Replacement	\$ 50,000	\$ 50,000	\$ 85,000	\$ 45,000	\$ 80,000	
Upgrade Synchro				\$ 2,500		
<b>Street</b>						
Air Compressor replacement				\$ 35,000		
4x4 SUV/ Pickup					\$ 35,000	\$ 30,000
Backhoe	\$ 95,000	\$ 100,000				
Brine Machine and Building		\$ 75,000				
Cargo Emergency Trailer			\$ 20,000			
Cement Mixer			\$ 2,000			
Computer Replacements			\$ 2,000			\$ 2,100
Concrete Saw replacement					\$ 20,000	
Crew Cab 4x4 Replacements	\$ 45,000	\$ 70,000	\$ 35,000			\$ 100,000
Dump Truck Replacement #2601		\$ 130,000				
Dump Truck Replacement #3547		\$ 155,000				
Dump Truck Replacement #2651			\$ 85,000			
Dump Truck Replacement #2763			\$ 85,000			
Dump Truck Replacements #2603 & 3549						\$ 310,000
GPS replacement					\$ 5,500	
Hudson Trailer			\$ 17,000			\$ 15,000
IPAD replacement for crews			\$ 10,000			
Lowboy Trailer				\$ 55,000		
Pro Patch Truck Replacement	\$ 210,000					
Rubber Tire Loader		\$ 140,000				
Skid Steer and Trailer	\$ 73,000					
Track Hoe					\$ 300,000	
Tractor w/Box Blade		\$ 50,000				
Salt spreader		\$ 20,000	\$ 20,000			
Small Pad Tamp			\$ 1,900		\$ 2,000	\$ 2,000
Straw Blower		\$ 15,000				
Street Flusher				\$ 150,000		
Street Sweeper				\$ 300,000	\$ 300,000	
Walk-behind Wacker Tamp			\$ 20,000			
Z-Mowers			\$ 28,000			
<b>Landscape</b>						
Mowers / Snowplows	\$ 20,000	\$ 22,000	\$ 11,500	\$ 36,000	\$ 22,000	\$ 44,800
Dump Truck Replacements		\$ 90,000	\$ 48,000			
Crew Cab Trucks			\$ 30,500		\$ 59,000	
Bobcat Skid Steer w/Attachments				\$ 85,500		
Computer Replacement					\$ 3,000	\$ 5,500
Hudson Trailer replacement			\$ 5,000			
Sidewalk Sweeper Replacement		\$ 85,000				
Tractors			\$ 50,000	\$ 60,000		
Pickup Trucks		\$ 31,000				
Solar Detour Light		\$ 1,500				
Trailer with Trimmer Rail		\$ 3,000			\$ 3,000	
<b>Parks and Recreation</b>						
ADA Evaluation and Transition Plan			\$ 56,700			
Baseball Scoreboard Replacements			\$ 18,000	\$ 13,500		
Basketball Scoreboard Replacements	\$ 4,500	\$ 9,000				
Bleacher Replacement - Neill Clark Park			\$ 34,832			
Bleacher Replacement - Jaycee Park					\$ 30,100	
Bleacher Replacement - Kiwanis Park				\$ 82,504		
Bleacher Replacement - Taft-Broome Park						\$ 34,800
Ceramic Kiln Replacement				\$ 3,200		
Computer Replacements		\$ 7,800	\$ 5,200	\$ 5,200	\$ 3,900	\$ 7,800
Fitness Center Equip. Replacement	\$ 24,408	\$ 54,582	\$ 36,333	\$ 32,586	\$ 26,621	\$ 26,220
Gymnasium Divider - Highland Rec. Center			\$ 17,650			
Lightning Prediction and Warning System - Stanford Pk					\$ 8,075	
Lightning Prediction and Warning System - Kiwanis Pk						\$ 8,075
Playground Equipment Replacement-Jaycee Park				\$ 38,630		
Playground Equipment Replacement - Henry Fork		\$ 65,000				
Playground Equipment Replacement - Hilton Park					\$ 100,000	
Playground Equipment Replacement - Kiwanis Park			\$ 59,550			

# Capital Improvements/Grant Projects



5 Year CIP Items	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Playground Equipment Replacement - Winkler Park	\$ 100,000					
Playground Equipment Replacement - Taft-Broome Park						\$ 100,000
Skate park Component Replacement		\$ 75,250				
<b>Parks and Recreation Maint.</b>						
Athletic Field Prep Machine Replacement		\$ 25,750				
Backhoe Attachment Replacement					\$ 8,600	
Computer Replacement			\$ 2,600			
Field Sprayer		\$ 3,950				
Flail Mower					\$ 5,200	
Leaf Vacuums	\$ 7,000					
Pesticide Sprayer - Henry Fork River Park			\$ 11,850			
Reel Mower Replacement					\$ 53,270	
Rotary Cutter Replacement				\$ 2,750		
Tiller				\$ 1,250		
Truck Replacements		\$ 36,000	\$ 72,000	\$ 36,000	\$ 72,000	
<b>Library</b>						
Computer Replacements		\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
<b>GF Equipment Total</b>	<b>\$ 1,829,383</b>	<b>\$ 4,835,967</b>	<b>\$ 3,734,515</b>	<b>\$ 4,010,181</b>	<b>\$ 3,373,766</b>	<b>\$ 3,894,195</b>
<b>GENERAL FUND CONSTRUCTION</b>						
<b>Police Department</b>						
Expansion of Storage in Archives		\$ 50,000				
HVAC Replacement		\$ 10,000				
Painting Int/Ext Building		\$ 35,000	\$ 6,000			
Scenario Based Training Facility		\$ 100,000	\$ 100,000			
FS #2 Property Relocation - Springs Rd						
FS #2 New Construction		\$ 2,500,000				
FS #3 Land Acquisition for Relocation			\$ 250,000			
FS #3 New Construction					\$ 2,500,000	
FS #6 Demolish and Rebuild						
Maintenance and Upkeep Fire Stations		\$ 30,000	\$ 30,000			\$ 30,000
<b>Central Services</b>						
Roof repairs - Security House			\$ 10,000			
Maintenance/Repair - Landscape Shed						\$ 5,000
Maintenance/Repair - Solid Waste Shed			\$ 5,000			
Maintenance/Repair - Street Shed					\$ 5,000	
Repaving a portion of Public Services			\$ 25,000	\$ 25,000		
Roof Repairs - Public Services building					\$ 110,000	
<b>Street &amp; Traffic</b>						
Sidewalk Construction	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000
Street Paving Study / Update Pavement Condition study						\$ 45,000
Repaving - Paint Shop					\$ 15,000	
<b>Landscape</b>						
Greenhouse Roof Replacement	\$ 10,000					
Greenhouse Wall Replacement		\$ 10,000				
Oakwood Cemetery Roof Replacement						\$ 10,000
<b>Parks and Recreation</b>						
Bruce Meisner Park		\$ 2,282,886		\$ 1,652,223		
<b>Parks and Recreation Maint.</b>						
Ballfield Fence Repl. - West Hickory		\$ 52,800				
Ballfield Fence Repl. - Kiwanis Park			\$ 70,100			
Ballfields #3, #4 Replacement - Kiwanis Park			\$ 70,100			
Ballfield Fence Replacement Taft Broome Park				\$ 34,000		
Bleacher Replacement - Stanford Park		\$ 68,524				



# Capital Improvements/Grant Projects



5 Year CIP Items	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Boardwalk Replacement - Hilton Park (Phased)		\$ 588,525	\$ 588,525			
Boy Scout Cabin Restrooms				\$ 81,650		
Carpet Replacement - Highland Rec. Center			\$ 11,200			
Demolition of - Westmont Recreation Center			\$ 39,200			
Field #1 Lighting Sys Repl. - Kiwanis Park	\$ 213,730					
Game Room Carpet replacement - Neill Clark		\$ 6,500				
Gym Floor Cover - Ridgeview Recreation Center		\$ 10,200				
HVAC System Repl. - Recreation Maintenance			\$ 6,200			
HVAC System Repl.- Westmont		\$ 5,200				
HVAC System Repl. - Winkler Mus/Winkler Act Ctr	\$ 22,700					
Lighting of Soccer Fields - Henry Fork (phased)				\$ 385,000	\$ 192,500	
Lighting System Replacement - Brown Penn	\$ 8,500					
Painting - Ridgeview Recreation Center			\$ 34,200			
Painting - Brown Penn Recreation Center		\$ 32,500				
Painting - Highland Recreation Center				\$ 76,000		
Painting - Neill Clark Main Bldg/Gymnasium					\$ 83,600	
Painting - Westmont Senior Citizens' Center						\$ 32,500
Parking Lot Construction - Kiwanis Park Fields		\$ 163,185				
Parking Lot Repaving - Stanford Park		\$ 68,250				
Pedestrian Bridge Replacement - Hilton Park	\$ 109,200					
Picnic Shelter #1 Replacement - Hilton Park			\$ 96,300			
Restroom Facility Replacement - Civitan Park						\$ 175,000
Restroom Facility Replacement - Jaycee Park		\$ 160,400				
Restroom Facility Replacement - Kiwanis Park		\$ 160,400				
Roof Replacement - Ridgeview Recreation Center		\$ 52,500				
Soccer Field (new) Construction - Henry Fork						\$ 4,300,440
Tennis Court Lighting replacement - Hky City Park			\$ 275,000	\$ 175,000		
Tennis Court Reconstruction - Cliff Teague Park			\$ 19,600			
Tennis Court Resurfacing - Taft Broome Park					\$ 16,000	
Tennis Court Resurfacing - Hky City Park						\$ 64,000
<b>LP Frans Stadium</b>						
Parking Lot Repaving - Winkler Park			\$ 93,700			
Playground Equipment Replacement		\$ 27,000				
<b>Library</b>						
Boiler Replacement	\$ 104,422					
Carpet Replacement - Patrick Beaver	\$ 66,000	\$ 74,000				
HVAC System Updates	\$ 10,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<b>GF Construction Total</b>	<b>\$ 724,552</b>	<b>\$ 6,687,870</b>	<b>\$ 1,930,125</b>	<b>\$ 3,128,873</b>	<b>\$ 3,122,100</b>	<b>\$ 4,861,940</b>
<b>GENERAL FUND TOTAL</b>	<b>\$ 2,553,935</b>	<b>\$ 11,523,837</b>	<b>\$ 5,664,640</b>	<b>\$ 7,139,054</b>	<b>\$ 6,495,866</b>	<b>\$ 8,756,135</b>
<b>FLEET FUND EQUIPMENT</b>						
<b>Fleet Maintenance</b>						
Air Compressor replacement					\$ 10,000	
Air Jack (10 ton)				\$ 4,500		
Computer Replacement	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,500	\$ 3,500	\$ 3,500
Exterior Door Replacement						\$ 4,000
Fuel Dispensers			\$ 20,000			
Fluids Management System	\$ 22,000					
Fluid Pumps, Reels and Tanks		\$ 10,600				
Handwash Fountains replacement		\$ 8,750				
Hot Water Heater Replacement				\$ 2,000		
HVAC		\$ 9,300				
Forklift Replacement		\$ 17,000				
Gasoline and Diesel Fuel Storage Tanks						
Heavy Truck Lift / Other Equipment				\$ 10,200	\$ 18,000	\$ 14,200
Jump Starter		\$ 3,000				
Roof Maintenance						
Garage Bay Expansion						\$ 383,000
Office Expansion						\$ 225,100
Deltaweld 452 replacement		\$ 5,200				
Paint Walls - Small Vehicle Bay			\$ 4,500			
Resurface Floors - Small Vehicle Bay			\$ 8,000			
Tire Balancer				\$ 5,500		

# Capital Improvements/Grant Projects



5 Year CIP Items	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Tire Changing Machine			\$ 8,000			
Tire Truck replacement					\$ 35,000	
Transmission Jack	\$ 10,000					
Truck Wash Water Pump			\$ 7,550			
Truck Wash Chemical Pumps			\$ 8,700			
Service Truck	\$ 46,500			\$ 29,600		
Spectrum Plasma Cutter			\$ 3,000			
<b>Fleet Fund Equipment Total</b>	<b>\$ 81,500</b>	<b>\$ 56,850</b>	<b>\$ 62,750</b>	<b>\$ 55,300</b>	<b>\$ 66,500</b>	<b>\$ 629,800</b>
<b>FLEET FUND TOTAL</b>	<b>\$ 81,500</b>	<b>\$ 56,850</b>	<b>\$ 62,750</b>	<b>\$ 55,300</b>	<b>\$ 66,500</b>	<b>\$ 629,800</b>
<b>WATER AND SEWER FUND EQUIPMENT</b>						
<b>Administration</b>						
Base Unit Radio Mount in Vehicle	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200
Computer Replacements	\$ 2,000		\$ 6,000	\$ 2,000	\$ 2,000	
Non Asset Inventory						
Radio Read Meters	\$ 102,600	\$ 102,600	\$ 102,600	\$ 102,600	\$ 102,600	\$ 102,600
Truck	\$ 23,000	\$ 20,000	\$ 20,000	\$ 25,000	\$ 20,000	\$ 20,000
Trailblazer						
<b>Collection System</b>						
ATV for accessing Sewer Rights-of-way						\$ 10,000
Backhoe	\$ 75,000					
Computers	\$ 2,000	\$ 4,000	\$ 3,000	\$ 2,000	\$ 2,000	\$ 4,000
Dump Truck			\$ 100,000			
Full-size 4x4 Truck						
ISCO Flow Monitor	\$ 9,000					
Jett Trailer			\$ 75,000			
Portable Welder		\$ 5,000				
Pumps for Pump Station						
Service Truck with Boom						
Service Trucks	\$ 75,000	\$ 30,000	\$ 35,000	\$ 110,000	\$ 70,000	\$ 75,000
Sewer Camera System						
Skid Steer w/ Mulcher					\$ 100,000	
Tractor Replacement			\$ 50,000			
Unanticipated Sewer Line Installation	\$ 15,000	\$ 15,000	\$ 15,000	\$ 7,000	\$ 15,000	\$ 15,000
Utility Trailer						
Vac-All Jett Vac Truck		\$ 400,000				
<b>Henry Fork Plant</b>						
Aeration Basin Mixer			\$ 36,000			
Barscreen Conveyor replacement			\$ 45,000			
Blower		\$ 80,000				\$ 95,000
Computer Replacement	\$ 2,000				\$ 2,000	
Decant Pump		\$ 55,000				
Effluent Sampler				\$ 9,500		
Emergency Generator				\$ 275,000		
EQ Basin Aerator Motors						
EZ GO Electric Powered Cart replacement			\$ 12,500			
Influent Sampler			\$ 7,000			
Master Plan						
Mixed Liquor Return Pump						
Mower			\$ 10,000	\$ 10,000		
<b>Other Equipment</b>						
Primary Sludge Pump						
Raw Sewage Pump						
Replacement Pumps (Various)	\$ 133,000			\$ 115,000	\$ 98,000	\$ 80,000
Scada System PLC's Upgrade						
Specialized Equipment						
Tanker Truck						
Truck Replacements		\$ 110,000		\$ 30,000		
<b>Northeast Plant</b>						
Computer Replacement	\$ 2,000	\$ 2,000	\$ 2,000			\$ 2,000
Chlorine Alarm			\$ 6,000			
Chlorine Induction Pump		\$ 7,000				
DO Meter						
Effluent Sampler			\$ 8,000		\$ 8,000	

# Capital Improvements/Grant Projects



5 Year CIP Items	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Influent Flow Meter	\$ 4,000					
Influent Refrig. Sampler			\$ 8,000			
Golf Cart						
Master Plan						
Mower/ Lawn Tractor			\$ 10,000			
Oxidation Ditch Aerator						\$ 120,000
Oxidation Ditch Mixer		\$ 20,000			\$ 60,000	
Pickup Truck 4x4		\$ 20,000	\$ 25,000			
Replacement Pumps (Various)	\$ 54,000		\$ 26,000		\$ 30,000	\$ 55,000
SCADA System Upgrades				\$ 30,000		
Sludge Odor Control Ozone Unit			\$ 5,000			
Sludge Road Tractor				\$ 100,000	\$ 100,000	
Sludge Tanker						
Specialized Equipment				\$ 70,000		
Splitter 3 Ph Meter		\$ 3,000				
<b>Water Treatment Plant</b>						
Computer Replacements		\$ 2,000				\$ 2,000
Brine tank		\$ 60,000				
Cabinet & Appliance upgrades		\$ 10,000				
Dechlorination System			\$ 20,000			
Distribution Sampling Stations			\$ 7,500	\$ 7,500		
Electrical Panelboards replacement		\$ 10,000	\$ 10,000			
Elevator upgrades			\$ 25,000			
Equalization and Sludge Basin Repairs						\$ 65,000
Filter Accuators						
Finish Water Clearwell Top				\$ 60,000		
Filter Accuators	\$ 135,000					
Filter Control Consoles	\$ 15,000					
Filtered Water Turbidimeter replacement			\$ 55,000			
Fire Alarm System upgrade						\$ 15,000
Flash Mixer			\$ 25,000			
Flocculators	\$ 20,000	\$ 22,000		\$ 25,000		\$ 25,000
Flow Metering Raw Water						
Furniture Replacement - Conference room				\$ 10,000		
HVAC replacements - rooftop						\$ 30,000
Lab Cabinets	\$ 40,000					
Lab Incubator			\$ 6,000			
Lab PH Meter		\$ 4,000				
Lab Spectrophotometer	\$ 5,000					\$ 6,000
Lab Titrator				\$ 6,000		
Master Plan						
Mower (Zero Turn)		\$ 9,000				
Old Finish Clearwell Top						
Remote Water Quality Sensors		\$ 15,000				
Replacement Pumps (Various)	\$ 60,000	\$ 60,000	\$ 60,000	\$ 127,000	\$ 122,000	\$ 67,000
Scada Upgrade		\$ 50,000	\$ 20,000			
Sodium Hypochlorite Generator						
Specialized Equipment					\$ 24,000	\$ 80,000
Tube Settlers	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	
Variable Flow Drives					\$ 60,000	
Vehicle Replacement					\$ 25,000	\$ 30,000
<b>Pretreatment &amp; Lab</b>						
Computer Replacement		\$ 4,000				\$ 4,000
DI Water Unit		\$ 6,000				
Electronic Balance Replacement				\$ 10,000		
Cargo Van						\$ 32,000
Low Temp Incubator		\$ 6,000				
Meters/Samplers/Storage Tank			\$ 16,800			\$ 9,500
Non Asset Inventory	\$ 14,900	\$ 9,900		\$ 10,600	\$ 11,800	\$ 2,700
Spectrophotometer			\$ 10,000			
Truck	\$ 23,000				\$ 32,000	
<b>Hickory Catawba Wastewater Plant</b>						
Replacement Pumps (Various)	\$ 10,000	\$ 9,000				\$ 28,000
Effluent Sampler					\$ 10,000	
Oxidation Ditch Mixer replacement				\$ 2,000		

# Capital Improvements/Grant Projects



5 Year CIP Items	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
OD Mixer (channel)					\$ 15,000	
SCADA Upgrade						\$ 30,000
Shed for Equipment						
Service Truck 4WD	\$ 28,000	\$ 30,000			\$ 35,000	
Sludge Pump Loading Rebuild						
Specialized Equipment			\$ 20,000			
DO Meter	\$ 5,000			\$ 5,000		
<b>Distribution</b>						
Air Compressor	\$ 16,000					
Backhoe Replacements		\$ 73,000	\$ 82,000	\$ 81,000	\$ 85,000	\$ 85,000
Computer Replacement	\$ 4,000					
Dump Truck Replacement			\$ 120,000			
Flusher Truck						
Ground Penetrating Radar	\$ 30,000					
Mini Excavator w/ Trailer						
Pickup Truck 4x4						\$ 60,000
Piercing Tools, Tamps, Miscellaneous		\$ 18,000	\$ 15,000	\$ 17,000	\$ 18,000	\$ 17,000
Pipe Saw, Metal Detectors, Misc.						
Pumps, Locators, Pipe Saws	\$ 23,000	\$ 10,000	\$ 13,000	\$ 15,000	\$ 14,000	\$ 15,000
Service Truck Replacements / Vehicle SUV 4x4	\$ 76,000	\$ 60,000	\$ 132,000	\$ 94,000	\$ 114,000	
Shed for Equipment						
Unanticipated Water Line Repairs	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
<b>W &amp; S Equipment Total</b>	<b>\$ 1,061,700</b>	<b>\$ 1,399,700</b>	<b>\$ 1,302,600</b>	<b>\$ 1,416,400</b>	<b>\$ 1,233,600</b>	<b>\$ 1,200,000</b>
<b>WATER AND SEWER CONSTRUCTION</b>						
12th St Dr NW to Main Ave NW Waterline Rehab						
1st St NE & 2nd St NE (behind FRMC)						
Brookford Replacement			\$ 250,000			
Citywide Bathroom Rehabilitation	\$ 500,000					
Citywalk & Riverwalk waterline replacements			\$ 750,000			
Compost Facility Replacement				\$ 24,000,000		
Comprehensive System Analysis			\$ 220,000			
Education Center waterline			\$ 1,200,000			
Filter Rehab - Water Treatment Plant	\$ 500,000	\$ 500,000				
Henry Fork Outfall Repl Engineering SSO Program		\$ 1,250,000				
Hwy 321 Water and Sewer Improvements					\$ 8,000,000	
LRU / Highland Water System	\$ 2,300,000					
Main Ave. NW to 1200 Block	\$ 500,000					
Moose Club - Complete Rebuild						
Moose Club - Evaluate Alternate Route						
Murray Basin Sewer rehab	\$ 4,000,000					
Old Lenoir Rd Area Repl/Rehab Waterline		\$ 812,500				
Spring Haven Subdivision - Water Main			\$ 262,500			
SSES Evaluation - Hospital Area						
SSES Evaluation - Shuford Pump Station						
SSES Evaluation - Hwy 127N						
Swr System Eval (Repl/Rehab) Downtown to Southgate						
Ward Hosiery - SSO Program		\$ 300,000				
Sewer Lines	\$ 250,000					
Water Lines				\$ 1,000,000		
<b>W &amp; S Construction Total</b>	<b>\$ 8,050,000</b>	<b>\$ 2,862,500</b>	<b>\$ 2,682,500</b>	<b>\$ 24,000,000</b>	<b>\$ 8,000,000</b>	<b>\$ -</b>
<b>WATER AND SEWER FUND TOTAL</b>	<b>\$ 9,111,700</b>	<b>\$ 4,262,200</b>	<b>\$ 3,985,100</b>	<b>\$ 25,416,400</b>	<b>\$ 9,233,600</b>	<b>\$ 1,200,000</b>
<b>SLUDGE FUND EQUIPMENT</b>						
Housing and Chains for Conveyors	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
<b>SLUDGE FUND TOTAL</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
<b>TRANSPORTATION FUND EQUIPMENT</b>						
<b>Airport</b>						
Computer Replacements			\$ 5,000	\$ 2,500		
Equipment						
Lobby Couches						
Replace Tractor Loader	\$ 70,000					
Replace Snow Removal Truck & Plow						\$ 90,000
Specialized Equipment						
Vehicle		\$ 35,000				

# Capital Improvements/Grant Projects



5 Year CIP Items	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
<b>Tower</b>						
Voice Logging Recorder replacement	\$ 6,000					\$ 6,000
Main Console Radio Replacements			\$ 45,000			
<b>FBO</b>						
Automatic Main Entry Door w/awning	\$ 43,000					
Computer Replacements		\$ 2,500		\$ 2,500		\$ 2,500
Forklift Replacement		\$ 30,000				
New TUG					\$ 45,000	
<b>Transportation Equipment Total</b>	<b>\$ 119,000</b>	<b>\$ 67,500</b>	<b>\$ 50,000</b>	<b>\$ 5,000</b>	<b>\$ 45,000</b>	<b>\$ 98,500</b>
<b>TRANSPORTATION CONSTRUCTION</b>						
<b>Airport</b>						
HVAC Main Terminal					45,000	
Paint Interior Main Terminal						
Precision Approach Path Indicators (PAPI) Repl.						
Repair Fire Station Roof and Paint						
Replace Main Terminal Carpet		\$ 50,000				
Roof Main Terminal		\$ 35,000				
Renovate Main Terminal Café				100,000		
Restrooms Lobby Main Terminal			\$ 150,000			
<b>Tower</b>						
Recoat Roof		\$ 10,000				
Paint Exterior of Control Tower				20,000		
Paint Interior of Control Tower					12,000	
<b>FBO</b>						
Construct New Hangar						
FBO Building Repairs		\$ 40,000				
FBO Roof Replacement					50,000	
Hangar Repairs	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
HVAC System Replacement			\$ 15,000			
Jet A and 100LL Fuel Trucks						
<b>Transportation Construction Total</b>	<b>\$ 50,000</b>	<b>\$ 185,000</b>	<b>\$ 215,000</b>	<b>\$ 170,000</b>	<b>\$ 157,000</b>	<b>\$ 50,000</b>
<b>TRANSPORTATION FUND TOTAL</b>	<b>\$ 169,000</b>	<b>\$ 252,500</b>	<b>\$ 265,000</b>	<b>\$ 175,000</b>	<b>\$ 202,000</b>	<b>\$ 148,500</b>
<b>SOLID WASTE EQUIPMENT</b>						
<b>Recycling</b>						
Boom Truck						
Computer replacement	\$ 1,500					\$ 1,500
Front Loader / Automated Truck						\$ 311,000
Hook Lift Truck replacement			\$ 156,000		\$ 165,000	
Leaf Machine replacement	\$ 140,000	\$ 156,000				
Leaf Truck (automated) Replacement				\$ 248,000		\$ 263,000
Pickup Truck Replacement					\$ 41,000	
Rear Packer		\$ 570,000		\$ 303,000		
Rubber Tire Loader				\$ 154,571		
Trackhoe for Handling Yard Waste				\$ 250,000		
Vehicle Replacement - Admin		\$ 41,000				
Yard Waste Facility Upgrade				\$ 250,000		
Yard Waste Grinder				\$ 750,000		
<b>Residential Sanitation</b>						
Automated Truck	\$ 308,000	\$ 317,000	\$ 326,000	\$ 335,000	\$ 688,000	\$ 353,000
Computer replacement	\$ 3,000				\$ 3,000	
Pickup Truck		\$ 27,050			\$ 41,000	
Rear Packer				\$ 303,000		
<b>Commercial Bulk Services</b>						
Box Truck		\$ 108,000				
Compactor Trailer		\$ 148,568	\$ 76,000	\$ 78,000	\$ 80,000	\$ 82,000
Computer replacement	\$ 3,000				\$ 3,000	
Dumpster Boxes / Kits						
Front Loader Replacement	\$ 275,000	\$ 284,000	\$ 293,000			

# Capital Improvements/Grant Projects



5 Year CIP Items	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Hook Lift Truck Replacement				\$ 161,000		
Pickup Truck		\$ 35,000				
Road Tractor Replacement		\$ 152,000	\$ 312,000	\$ 161,000	\$ 165,000	\$ 171,000
Steam Pressure Washer Replacement					\$ 5,100	
Vehicle Replacement						
Transfer Station Renovation				\$ 75,000		
Transfer Station Fuel Tank		\$ 25,000				
Transfer Station Trailer						
<b>Solid Waste Equipment Total</b>	<b>\$ 730,500</b>	<b>\$ 1,863,618</b>	<b>\$ 1,163,000</b>	<b>\$ 3,068,571</b>	<b>\$ 1,191,100</b>	<b>\$ 1,181,500</b>
<b>SOLID WASTE FUND TOTAL</b>	<b>\$ 730,500</b>	<b>\$ 1,863,618</b>	<b>\$ 1,163,000</b>	<b>\$ 3,068,571</b>	<b>\$ 1,191,100</b>	<b>\$ 1,181,500</b>
<b>TOTAL FUNDS</b>	<b>\$ 12,696,635</b>	<b>\$ 18,009,005</b>	<b>\$ 11,190,490</b>	<b>\$ 35,904,325</b>	<b>\$ 17,239,066</b>	<b>\$ 11,965,935</b>

# Capital Improvements/Grant Projects



## Geitner Basin Outfall Replacement Project

Project # 803303

Total Project Cost: \$3,867,715

Project Start Date: January 2017

Project End Date: 2019

Project Manager: Kevin Greer, PE

Revenue	Budgeted	Project to Date	Remaining
Proceeds from Financing	\$ 3,519,475.00	\$ 1,824,026.00	\$ 1,695,449.00
Water & Sewer Fund	\$ 286,790.00	\$ 286,790.00	\$ -
Water & Sewer Capital Reserve	\$ 61,450.00	\$ 61,450.00	\$ -
Interest Earned		\$ 388.59	\$ (388.59)
<b>Total</b>	<b>\$ 3,867,715</b>	<b>\$ 2,172,654.59</b>	<b>\$ 1,695,060.41</b>

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 532,700	\$ 222,200.00	\$ 310,500.00
Construction	\$ 3,077,948	\$ 3,077,947.40	\$ 0.60
Land	\$ 20,000	\$ -	\$ 20,000.00
Contingency	\$ 101,677	\$ -	\$ 101,677.00
Miscellaneous	\$ 135,390	\$ 71,805.48	\$ 63,584.52
<b>Total</b>	<b>\$ 3,867,715</b>	<b>\$ 3,371,953</b>	<b>\$ 495,762</b>

### Description:

The Geitner Basin project is intended to renovate the sanitary sewer infrastructure in the area bounded by Hwy 70, US 321, 4<sup>th</sup> St Dr SW and 2<sup>nd</sup> Ave SW, as well as replace a large diameter outfall that transports sewer collected from this area. The project consists of a series of identified corrective actions that need to be implemented from full replacement of lines to Manhole rehabilitation to point repairs, and service line replacements. This area consists of infrastructure nearing the end of its useful life as originally installed and is prone to Inflow and Infiltration. The Outfall replacement is complete replacement of approximately 4,000-lft of 16-inch concrete pipe that has severely deteriorated and approximately 4,000-lft of 8-inch sewer to serve the 4<sup>th</sup> St Dr Extension area.

### Impact on the Operating Budget:

Completion of this project should result in fewer calls for service to this area during rain events or inclement conditions. The project is being completed with a State Revolving Loan of \$3,519,475.00 with a 20-year payback term at 1.66%.

# Capital Improvements/Grant Projects



2012 NE Sewer Grant Project – Random Woods

Project # 802501

Total Project Cost: \$2,946,043

Project Start Date: November 2016

Project End Date: 2018

Project Manager: Kevin Greer, PE

Revenue	Budgeted	Project to Date	Remaining
Miscellaneous	\$ 2,946,043	\$ 2,265,029.00	\$ 681,014.00
<b>Total</b>	<b>\$ 2,946,043</b>	<b>\$ 2,265,029.00</b>	<b>\$ 681,014.00</b>

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 248,627	\$ 245,230.05	\$ 3,396.95
Construction	\$ 2,485,194	\$ 2,291,673.45	\$ 193,520.55
Land	\$ 7,850	\$ 7,752.38	\$ 97.62
Contingency	\$ 84,372	\$ -	\$ 84,372.00
Miscellaneous	\$ 120,000	\$ 48,283.22	\$ 71,716.78
<b>Total</b>	<b>\$ 2,946,043</b>	<b>\$ 2,592,939</b>	<b>\$ 353,104</b>

## Description:

The Public Utilities Department and Catawba County Environmental Health identified three areas of concern with existing subdivisions that are approximately 30 to 40 years old and are principally built out. This project will have a potential to serve approximately 226 homes and eliminate the potential public health hazard of septic system failures impacting surface waters. This project includes construction of approximately 25,100 linear feet of 8-inch PVC sanitary sewer lines. The three subdivisions are within the existing City of Hickory ETJ and the City of Hickory does have existing sanitary sewer lines available for connection by the proposed subdivision sanitary sewer lines.

## Impact on future operating budgets:

The project is funded with Grant monies through NCDEQ, therefore Capital Cost are minimized. The cost of operation will be consistent with other portions of the Collection System and will not create a financial burden to the System.



# Capital Improvements/Grant Projects

Central Business District Infrastructure  
 Rehabilitation Project  
 Project # 803302  
 Total Project Cost: \$ 5,361,176  
 Project Start Date: December 2016  
 Project End Date: December 2017 / TBD  
 Project Manager: Kevin Greer, PE



Revenue	Budgeted	Project to Date	Remaining
State Revenue	\$ 78,980.00	\$ 101,515.90	\$ (22,535.90)
Loan Proceeds	\$ 1,364,100	\$ 1,232,398.00	\$ 131,702.00
Water & Sewer Fund	\$ 1,878,496	\$ 1,878,496.00	\$ -
Water & Sewer Capital Reserve	\$ 2,039,600	\$ 2,039,600.00	\$ -
Interest Earned	\$ -	\$ 22,280.37	\$ (22,280.37)
<b>Total</b>	<b>\$ 5,361,176</b>	<b>\$ 5,274,290.27</b>	<b>\$ 86,885.73</b>

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 336,943	\$ 336,942.80	\$ 0.20
Construction	\$ 4,753,254	\$ 4,521,406.37	\$ 231,847.63
Contingency	\$ 214,405	\$ -	\$ 214,405.00
Miscellaneous	\$ 56,574	\$ 36,323.72	\$ 20,250.28
<b>Total</b>	<b>\$ 5,361,176</b>	<b>\$ 4,894,672.89</b>	<b>\$ 466,503.11</b>

## Description:

The Central Business District is defined as the area bounded by Trade Alley, 2nd Ave NW, 2nd St NW and 3rd St NW. This area is served by some of the oldest lines in the Hickory publicly owned treatment works. This project includes the replacement or rehabilitation of approximately 5,300 linear feet of water lines, 6-12 inches in size; approximately 2,400 linear feet of storm drainage and 4,700 linear feet of sanitary sewer lines. Complete renovation of Trade Alley including surface finishes is included in this project.

## Impact on future operating budgets:

The project will result in the expenditure of approximately \$1.8 million in Public Utilities Fund Balance/Capital Reserves and is anticipated to result in approximately \$1.4 million in low interest loan at 1.66% for 20 years. Cost savings will be realized by eliminating substantial inflow and infiltration inherent in older Collection Systems and renovate lines that exist that are greater than 100 years old.

# Capital Improvements/Grant Projects

Pedestrian Signal Upgrade Project  
 Project # 545006  
 Total Project Cost: \$ 402,500  
 Project Start Date: Spring 2017  
 Project End Date: TBD  
 Project Manager: Caroline Kone, PE

Revenue	Budgeted	Project to Date	Remaining
Federal / Miscellaneous	\$ 322,000	\$ -	\$ 322,000.00
General Fund	\$ 80,500	\$ 80,500.00	\$ -
Interest Earned	\$ -	\$ 1,042.32	\$ (1,042.32)
<b>Total</b>	<b>\$ 402,500</b>	<b>\$ 81,542.32</b>	<b>\$ 322,000.00</b>

Expenditure	Budgeted	Project to Date	Remaining
Construction	\$ 402,500	\$ -	\$ 402,500.00
<b>Total</b>	<b>\$ 402,500</b>	<b>\$ -</b>	<b>\$ 402,500.00</b>

## Description:

During early 2017, the City of Hickory received a grant from the NCDOT Surface Transportation Program to upgrade approximately 40 signalized intersections throughout the City with new pedestrian signal heads and audible pedestrian push buttons. Intersections chosen will complete pedestrian corridors to have new pedestrian signal heads at signalized intersections where they do not currently exist. In addition, signalized intersections near schools will be upgraded to audible pedestrian push buttons where regular push buttons currently exist. The grant is federally funded and administered through NCDOT, with a cost share of 80% from NCDOT and a 20% local match.

## Impact on future operating budgets:

Immediate impact on the operating budget is the upfront 20% match to this federally-funded grant. The local match of \$80,500 will be derived from General Fund Balance. Over future budget years, this project should minimize the ongoing financial burden of budgeting and reserving annual funds for these type improvements to enhance public safety throughout the City.



# Capital Improvements/Grant Projects

## Falling Creek Road Bridge Replacement Project

Project # 490001

Total Project Cost: \$ 2,133,055

Project Start Date: April 2017

Project End Date: December 2018 / TBD

Project Manager: Rick Patton, PE



Revenue	Budgeted	Project to Date	Remaining
State Reimbursements	\$ 37,440	\$ -	\$ 37,440.00
Federal / Miscellaneous	\$ 1,585,353	\$ 1,012,922.19	\$ 572,430.81
General Fund	\$ 344,262	\$ 344,262.00	\$ -
Capital Reserve Fund	\$ 166,000	\$ 166,000.00	\$ -
Interest Earned	\$ -	\$ 2,536.47	\$ (2,536.47)
<b>Total</b>	<b>\$ 2,133,055</b>	<b>\$ 1,525,720.66</b>	<b>\$ 607,334.34</b>

Expenditure	Budgeted	Project to Date	Remaining
Engineering	\$ 300,077	\$ 294,147.75	\$ 5,929.25
Construction	\$ 1,381,437	\$ 1,315,197.73	\$ 66,239.27
Right-of-Way Acquisition	\$ 39,150	\$ 39,150.00	\$ -
Land	\$ 25,245	\$ 25,244.29	\$ 0.71
Construction Administration	\$ 218,225	\$ 143,922.85	\$ 74,302.15
Utility Construction	\$ 168,921	\$ 162,055.16	\$ 6,865.84
<b>Total</b>	<b>\$ 2,133,055</b>	<b>\$ 1,979,717.78</b>	<b>\$ 153,337.22</b>

### Description:

The City of Hickory participates with NCDOT in the evaluation of bridges for structural integrity. Upon inspection, the Falling Creek Road Bridge was evaluated and determined to be structurally deficient and functionally obsolete with respect to roadway width, railings, railing geometrics, and railing end treatments. It was determined that repairs alone would not be sufficient to restore the structural integrity and that a full replacement of the structure was necessary. This project was placed on the State Transportation Improvement Program (STIP) and will be performed under an "80/20" cost-sharing agreement between NCDOT and the City.

### Impact on future operating budgets:

This project involves a 20% (\$426,611) local contribution, with NCDOT covering the remaining 80% (\$1,706,444). The City's portion will come from General Fund Balance. The project will result in a safer structure for the motoring public and less demand for maintenance in the coming years.

# Capital Improvements/Grant Projects

Citywalk  
 Project#B1C001  
 Total Project Cost: TBD  
 Project Start Date: 2016  
 Project End Date: 2019  
 Project Manager: Rick Beasley

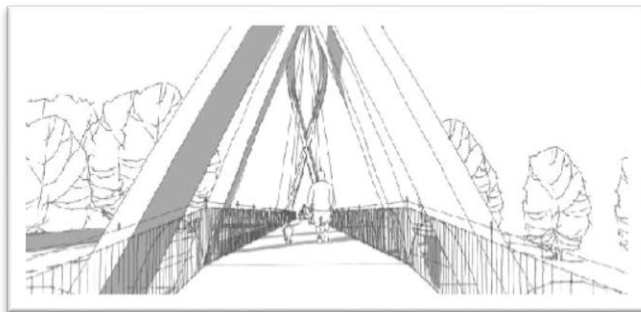


Revenue	Budgeted	Project to Date	Remaining
Federal / Citywalk	\$ 11,280,000	\$ -	\$ 11,280,000.00
Interest Earned	\$ -	\$ 6,731.38	\$ (6,731.38)
Bond Proceeds	\$ 2,820,000	\$ -	\$ 2,820,000.00
General Fund	\$ 11,423,269	\$ 11,423,269.00	\$ -
<b>Total</b>	<b>\$ 25,523,269</b>	<b>\$ 11,430,000.38</b>	<b>\$ 14,093,268.62</b>

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 1,346,451	\$ 1,223,265.05	\$ 123,185.95
Construction	\$ 24,165,892	\$ 9,054.00	\$ 24,156,838.00
Miscellaneous	\$ 10,926	\$ 9,786.00	\$ 1,140.00
<b>Total</b>	<b>\$ 25,523,269</b>	<b>\$ 1,242,105.05</b>	<b>\$ 24,281,163.95</b>

## Description:

Citywalk is a pedestrian link from Lenoir-Rhyne University through the downtown area and continues the mill redevelopments and corporate headquarter opportunities that have already taken place along this corridor. The goal of this project is to create destinations for jobs, service, and professional opportunities in the City's Central Business District. Locations along the Citywalk are viable for a number of activities including corporate headquarters, urban residential units, commercial services, and retail jobs. By June 30, 2017, funds were allocated in this project's budget to conduct the initial planning and design. Actual construction costs will be determined as the project planning is completed at a future date. Construction will be paid for by the future issuance of bonds approved during the 2014 Bond Referendum along with any grant funding sources possible.



**Impact on future operating budgets:**  
 The initial project planning costs for Citywalk are being funded through General Fund monies. Upon completion of construction, the repayment of bonds will occur over time through a portion of City tax dollars.



# Capital Improvements/Grant Projects

Riverwalk  
 Project # B1R001  
 Total Project Cost: TBD  
 Project Start Date: February 2017  
 Project End Date: 2020  
 Project Manager: Rick Beasley



Revenue	Budgeted	Project to Date	Remaining
Interest Earned	\$ -	\$ 8,581.03	\$ (8,581.03)
Federal / Riverwalk	\$ 2,000,000		\$ 2,000,000.00
General Fund	\$ 1,804,814	\$ 1,804,814.00	\$ -
<b>Total</b>	<b>\$ 3,804,814</b>	<b>\$ 1,813,395.03</b>	<b>\$ 1,991,418.97</b>

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 794,564	\$ 762,581.03	\$ 31,982.97
Construction	\$ 3,000,000	\$ -	\$ 3,000,000.00
Miscellaneous	\$ 10,250	\$ 7,210.00	\$ 3,040.00
<b>Total</b>	<b>\$ 3,804,814</b>	<b>\$ 769,791.03</b>	<b>\$ 3,035,022.97</b>

## Description:

Another project to be funded by the voter-approved Bond Referendum from 2014, the Riverwalk will be Hickory's first on-water boardwalk experience, along the shoreline of Lake Hickory. This will take the form of a mile-long ADA-accessible walkway extending from Highway 321 to Geitner-Rotary Park and is designed to let people view and experience the water through enhanced pedestrian access to Lake Hickory. Going into FY2017-2018, the initial planning stages commenced with geotechnical work for the boardwalk's support system.

## Impact on future operating budgets:

The initial project costs as depicted in the budget above include funds for preliminary engineering and design. This phase is being funded through General Fund monies and, upon completion of construction, the repayment of bonds will occur over time through portion of City tax dollars.



# Capital Improvements/Grant Projects

Trivium Corporate Center (formerly known as Business Park 1764)

Project # B1B001

Total Project Cost: \$ 7,505,834

Project Start Date: Spring 2017

Project End Date: TBD

Project Manager: Kevin Greer, PE

Revenue	Budgeted	Project to Date	Remaining
State Reimbursements / Misc.	\$ 671,920	\$ 410,114.55	\$ 261,805.45
Catawba County Revenues	\$ 2,029,785	\$ 1,213,082.25	\$ 816,702.75
Interest Earned	\$ -	\$ 6,089.11	\$ (6,089.11)
General Fund	\$ 4,256,744	\$ 4,256,744.00	\$ -
Water and Sewer Fund	\$ 180,950	\$ 180,950.00	\$ -
Capital Reserve Fund	\$ 366,435	\$ 366,435.00	\$ -
<b>Total</b>	<b>\$ 7,505,834</b>	<b>\$ 6,433,414.91</b>	<b>\$ 1,072,419.09</b>

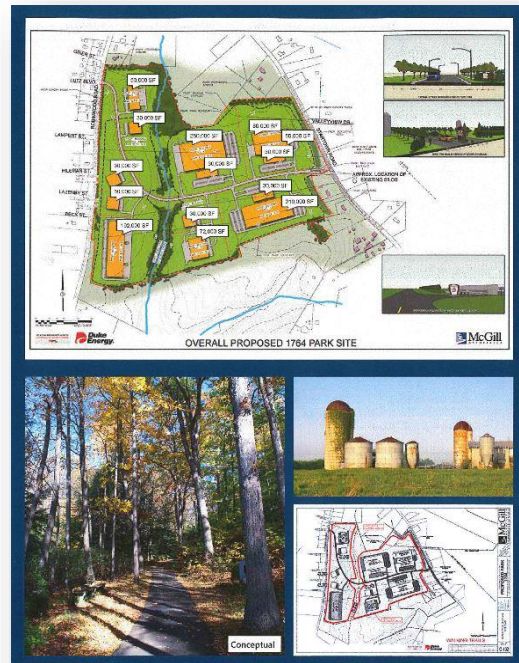
Expenditure	Budgeted	Project to Date	Remaining
Construction	\$ 3,861,742	\$ 1,961,951.85	\$ 1,899,790.15
Engineering	\$ 394,095	\$ 527,715.52	\$ (133,620.52)
Land	\$ 2,795,875	\$ 2,795,875.00	\$ -
Miscellaneous	\$ 454,122	\$ 447,830.35	\$ 6,291.65
<b>Total</b>	<b>\$ 7,505,834</b>	<b>\$ 5,733,372.72</b>	<b>\$ 1,772,461.28</b>

## Description:

Trivium Corporate Center is a joint venture between Catawba County and the City of Hickory. The mission is to develop an upscale business park of some 200 acres located south of Catawba Valley Community College between Robinwood Road and Startown Road, placing it with excellent access to Interstate 40 and Highway 321. Of the 2014 Bond Referendum approval, \$5 million is earmarked for the City's portion of the Park's development costs to include utility infrastructure and site preparation work. Also participating in the project is the NC Industrial Development Fund, which has provided a \$671,920 grant to assist in the site development. The Catawba County Economic Development Commission is currently marketing the property.

## Impact on future operating budgets:

Enhanced opportunities for international and upper-end business development will benefit not only the local property tax base but will also enhance the availability of quality, higher technology jobs in the local community. This economic activity will have a broad impact on local revenues by increasing overall activity in the local housing, retail, and service sectors.



# Capital Improvements/Grant Projects

## Streetscapes and Gateways

Project # B1G001  
 Total Project Cost: TBD  
 Project Start Date: 2016  
 Project End Date: 2018  
 Project Manager: Rick Beasley



Revenue	Budgeted	Project to Date	Remaining
Interest Earned	\$ -	\$ 90.41	\$ (90.41)
General Fund	\$ 687,682	\$ 687,682.00	\$ -
<b>Total</b>	<b>\$ 687,682</b>	<b>\$ 687,772.41</b>	<b>\$ (90.41)</b>

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 37,956	\$ 27,140.74	\$ 10,815.26
Construction	\$ 649,726	\$ 299,854.21	\$ 349,871.79
<b>Total</b>	<b>\$ 687,682</b>	<b>\$ 326,995</b>	<b>\$ 360,687</b>

### Description:

Another component of the 2014 Bond projects, Streetscapes and Gateways is a project to identify and develop solutions for enhanced access throughout the City at key locations. Gateway plans will be developed for the interchanges at Highway 70 / 321 and Lenoir-Rhyne Boulevard and Interstate 40. Streetscape plans will be developed for the section of Lenoir Rhyne Boulevard between Highway 70 and Tate Boulevard, as well as Old Lenoir Road which will connect the Citywalk to the Riverwalk.

Impact on future operating budgets: The initial design phase is being funded through General Fund monies and, upon completion of construction, the repayment of bonds will occur over time through a portion of City tax dollars.







Like most municipalities, the City of Hickory utilizes debt as a means to finance long-term capital projects. Hickory has traditionally maintained a conservative position regarding the use of debt while simultaneously benefiting from its use to fund projects such as water plants, libraries, and police stations. Because of its critical importance to the City's financial solvency, debt is regulated not only by Council policy, but also by North Carolina statutes. The Debt Service section examines the specifics of the City's debt, and includes only that debt that the City has outstanding at the time of the printing of this document. To view the anticipated debt for the next five years, please review the Five Year Financial Forecast sections. This section concludes with the computation of the legal debt margin that presents the City's debt ceiling.

## Discussion

The City of Hickory's bond rating is AA+ from Standard & Poor's, and Aa2 from Moody's. These ratings were upgraded during FY2018-2019, from a previous rating of AA from Standard & Poor's. In the future, these bond ratings will continue to allow the City to borrow money at lower interest rates than what we have been able to achieve previously.

Beginning with FY2019-2020 is the debt service payment on the 2018 General Obligation Bond issue. This payment alone comprises 26.7% of all debt service for the year.

Debt service payments on State Revolving Loan funds borrowed from the State of North Carolina for the Northeast Wastewater Treatment Plant, Geitner Basin, Central Business District, and Cripple Creek sewer projects will make up 29.8% of all debt service requirements. The Cripple Creek Interceptor replacement is a revolving loan funded by the American Recovery and Reinvestment Act (ARRA).

Debt service payments on Installment Purchase Agreements will make up 43.5% of all debt service requirements for the City of Hickory in FY2019-2020. Funds borrowed through this means of financing were for the Hickory Metro Convention Center, the Henry River Basin area sewer, upgrades to the Police radio system, Maiden waterlines, and upgrades to the Hickory-Catawba Wastewater Treatment Plant.

# Debt Service



DEBT SERVICE		FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24
<b>General Obligation Bonds</b>						
Purpose	G.O. Bond Series 2018					
Interest Rate	3% - 5% variable					
Issued	8/28/2018					
Due	Annually to 2038					
Outstanding	\$20,683,125					
Principal		750,000	750,000	750,000	750,000	750,000
Interest		616,875	579,375	541,875	504,375	466,875
<b>Subtotal</b>		<b>1,366,875</b>	<b>1,329,375</b>	<b>1,291,875</b>	<b>1,254,375</b>	<b>1,216,875</b>
<b>State Revolving Loan</b>						
Purpose	S-SRF-T-0900181 Northeast Plant					
Interest Rate	2.48%					
Issued	1/20/2013					
Due	Annually to 2033					
Outstanding	\$14,528,500					
Principal		875,000	875,000	875,000	875,000	875,000
Interest		303,800	282,100	260,400	238,700	217,000
Purpose	Central Business District					
Interest Rate	1.66%					
Issued	11/4/17					
Due	semi-annual through 2038					
Outstanding	\$1,511,014					
Principal		68,205	68,205	68,205	68,205	68,205
Interest		21,512	20,380	19,247	18,115	16,983
Purpose	Geitner Basin Sewer					
Interest Rate	1.66%					
Issued	43,093					
Due	semi-annual through 2038					
Outstanding	\$3,624,752					
Principal		163,616	163,616	163,616	163,616	163,616
Interest		51,605	48,889	46,172	43,456	40,740
Purpose	Cripple Creek ARRA Loan					
Interest Rate	0%					
Issued						
Due	Annually to 2031					
Outstanding	\$440,631					
Principal		40,057	40,057	40,057	40,057	40,057
Interest						
<b>Subtotal</b>		<b>1,523,795</b>	<b>1,498,247</b>	<b>1,472,697</b>	<b>1,447,149</b>	<b>1,421,601</b>
<b>Installment Purchase Agreements</b>						
Purpose	Hky Metro Conv. Center Renovations					
Interest Rate	2.63% Variable Interest					
Issued	2004					
Due	Semi-annually to 2019					
	3.91% 5/05 Locked Interest Rate					
	2.09% Reduced Interest Rate 04/12					
Outstanding	\$111,150					
Principal		110,000				
Interest		1,150				

# Debt Service



Debt Service		FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24
Purpose	Hky Metro Conv. Center Parking Deck					
Interest Rate	2.94%					
Issued	10/22/2014					
Due	Semi-annually to 2030					
Outstanding	\$2,296,466					
Principal		200,000	200,000	200,000	200,000	200,000
Interest		56,107	50,227	44,347	38,467	32,587
Purpose	Henry River Basin Sewer					
Interest Rate	3.55%					
Issued	04/05/05					
Due	Semi-annually to 2025					
	3.19% Reduced Interest Rate 03/21/12					
Outstanding	\$3,145,474					
Principal		475,000	475,000	475,000	475,000	475,000
Interest		87,127	71,975	56,822	41,670	26,517
Purpose	Radio System Upgrade					
Interest Rate	2.92%					
Issued	10/9/2018					
Due	Semi-annually to 2023					
Outstanding	\$555,278					
Principal		115,000	115,000	115,000	115,000	57,500
Interest		14,272	10,914	7,556	4,198	840
Purpose	Maiden Water Line					
Interest Rate	4.46%					
Issued	2002					
Due	Semi-annually to 2021					
	4.19% Reduced Interest Rate 4/16/06					
	2.17% Reduced Interest Rate 04/2012					
Outstanding	\$758,112					
Principal		369,045	369,046			
Interest		14,014	6,007			
Purpose	Hickory-Catawba WWTP Upgrade					
Interest Rate	2.27%					
Issued	02/01/13					
Due	Semi-annually to 2028					
Outstanding	\$7,041,891					
Principal		642,211	656,872	671,868	687,205	702,894
Interest		140,221	125,561	110,565	95,227	79,539
<b>Subtotal</b>		<b>2,224,147</b>	<b>2,080,602</b>	<b>1,681,157</b>	<b>1,656,767</b>	<b>1,574,877</b>
<b>Grand Total</b>		<b>5,114,817</b>	<b>4,908,224</b>	<b>4,445,729</b>	<b>4,358,291</b>	<b>4,213,353</b>



\*Debt retired

Computation of Legal Debt Margin

Net Assessed Value – June 30, 2019	\$ 5,007,451,993	8%
Debt Limit - Eight Percent (8%) of Assessed Value	\$ 400,596,159	
Gross Debt:		
Total Bonded Debt	\$ 20,683,125	
Notes Payable and Installment Purchase Agreements	\$ 20,104,897	
	Total Gross Debt \$ 40,788,022	
Less: Deductions for debt paid from sources other than the property tax (i.e. Water and Sewer debt)	\$ 31,050,374	
Total Amount of Debt Applicable to Debt Limit ("Net Debt")	\$ 9,737,648	
Legal Debt Margin	\$ 390,858,511	
Net Debt as Percentage of Assessed Valuation		0.19%

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The City is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the City may have outstanding to 8% of the assessed value of the property subject to taxation. The City's net debt as a percentage of assessed valuation is 0.19% compared to the legal debt limit of 8%.



# Five Year Financial Forecast

## FIVE YEAR FINANCIAL FORECAST 2019-2020 THROUGH 2024-2025

The City of Hickory recognizes the importance of long-range planning throughout the organization. No effective plan, however, can exist without an understanding of the resources and obligations anticipated in the coming years. The City develops its Five Year Budget Forecast to establish a reasonable basis for the budget planning process.

This Five Year Budget Forecast includes the General Fund, Water and Sewer Fund, Stormwater Fund, Sludge Composting Fund, Transportation Fund, Solid Waste Fund, Fleet Maintenance Fund and Insurance Fund.

To complete this Five Year Budget Forecast, we consider:

1. City Council's Priorities and Action Plan
2. Five Year CIP
3. Five Year Debt Schedule
4. Master Plans
5. Past budgetary trends
6. Current economic conditions
7. Projected economic conditions

In that we are projecting into the future based on what we know today and what we have experienced in the past, the last consideration of projected economic conditions can be extremely volatile, particularly as it relates to future revenue growth. We have a level of control over future expenditure growth, but economic conditions will ultimately dictate future revenue growth. You will see that our forecasted revenue growth has been estimated at what we believe to be achievable levels, but there are no guarantees.

You will also notice that projected expenditures may exceed projected revenues. Every Annual Budget adopted by City Council is statutorily required to be balanced, so these unbalanced projected numbers reflect the work which must be done every year to get expenditures in line with revenues. To present balanced budget projections would not provide an accurate accounting of the budgetary challenges faced every year. Improved economic conditions will translate into revenue growth that exceeds what is being forecast in this document. That generally translates into fewer cuts on the expenditure side or less pressure to increase revenue through new or increased taxes to provide the same level of service or new services.

The following projections present the budget framework around which planning for the City's next five fiscal years can begin.

### GENERAL FUND REVENUE

- **Ad Valorem**  
Anticipated growth in the City's property tax base will produce 2.0% growth in property tax revenues annually.
- **Other Taxes**  
This category of revenue is highly impacted by both local and state-wide economic conditions. On average, these revenues will increase by 3% annually through FY2024-2025. Sales Taxes and Utility Franchise Taxes are the largest sources of revenue in this category.

# Five Year Financial Forecast

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- **Unrestricted Governmental Revenue**  
These are revenues received from other governmental jurisdictions for which there are no restrictions on use. There is no growth forecasted in this category of revenue through FY2024-2025. The Beer & Wine Tax is the single largest source of revenue in this category.
- **Restricted Governmental Revenue**  
These revenues are received from other governmental jurisdictions and are restricted for specific purposes in their use. We project 2% annual growth in this category of revenue due to most of these revenues coming from the State of North Carolina, an unstable financial partner with structural budgetary problems. The single largest source of revenue in this category is Powell Bill revenues, which are used solely for road maintenance.
- **Licenses & Permits**  
These revenues are driven by local economic conditions and are derived from fees approved by City Council in the City's Fee Schedule. Fees are normally increased annually by the Consumer Price Index, but this gauge does not necessarily correspond to increases in revenue.
- **Sales & Services**  
These revenues are also driven by local economic conditions, but to a lesser degree, and are derived from fees approved by City Council in the City's Fee Schedule. Many, but not all of the fees related to Sales and Services are increased annually by the Consumer Price Index. Examples of revenue in this category are TDA Convention Center Rental, Parking Rentals, and Recreational Program fees. TDA Convention Center Rental Revenue is tied to the debt service payments the City makes on this facility. Most sources of revenue in this category are expected to increase by 2% annually.
- **Investment Earnings**  
These revenues are the earnings gained by the investment of the City's cash reserves in the financial markets. A conservative 2% growth is estimated over the next five years.
- **Miscellaneous**  
These are revenues that do not qualify for any other category of revenue. Revenue growth in this category is projected at 2%.
- **Other Financing Sources**  
This category of revenue reflects the appropriation of fund balance for designated purposes, and transfers from the Capital Reserve Fund for capital purchases. It is anticipated that this source of revenue will increase by 2% annually over the next five years.

## GENERAL FUND EXPENDITURES

- **Personnel**  
These expenses are incurred as a result of full-time and part-time employees. Increases are generally driven by annual salary adjustments and the ever-increasing cost of providing health insurance coverage to employees which is anticipated to grow 5% annually. Longevity pay, part-time salaries, overtime and holiday pay are projected to stay flat. The addition of new employees for new or expanded services will increase this expenditure by more than the projected increases. On average this category of expenses is projected to increase by 2% annually.

## Five Year Financial Forecast

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- **Operational**  
Operational expenses include such things as maintenance & repair, departmental supplies, fuel, power, natural gas and risk insurance. This category of expenses is projected to increase by the annual Consumer Price Index, estimated to average 2% annually.
- **Capital**  
Capital is defined as a tangible purchase more than \$5,000 in value with a life expectancy of more than one year. The majority of purchases in this category are replacement equipment and replacement vehicle purchases. Most major construction projects are budgeted outside of the Annual Budget.
- **Contingency**  
City Council's adopted policy calls for General Fund Contingency funding of up to 1.5% of recurring General Fund Revenues. Projected increases in Contingency funding mirror projected increases in budgeted revenue.
- **Special Appropriations Funding**  
City Council provides financial support to various organizations that contribute to the quality of life for all City residents, contribute to the revenue base of the City, or provide a necessary service that the City itself does not provide. In that such organizations operate regular services to achieve these public objectives, growth in Special Appropriations funding is anticipated at 2% annually.
- **Debt Service**  
Debt service appropriations account for the payment of principal and interest on proceeds from debt instruments to finance major capital projects and capital purchases. Exclusive of any unanticipated issuance of new debt, this category of expenditure will increase approximately 2% annually over the next five years.
- **Interfund Transfers**  
Interfund transfers are transfers between the fund receiving financial resources and the fund through which the financial resources are to be expended. This category of expenditures is projected to grow by 2% annually.
- **Pro-Rata Reimbursements**  
This category of expenditure includes the payment from one fund to another fund for services rendered. A good example of this is the Water and Sewer Fund reimbursing the General Fund for the cost to bill and collect utility accounts. The actual reimbursement is shown as a credit to the fund providing the service and a debit (cost) to the fund receiving the service. This category of expenditure is projected to increase by the annual Consumer Price Index.

### WATER AND SEWER FUND REVENUE

- **Restricted Governmental Revenue**  
These revenues are received from other governmental jurisdictions and are restricted for specific purposes in their use. Among the largest sources of revenue in this category are from the Town of Longview and Burke County related to their past participation in the Henry Fork Wastewater Treatment Plant, the Town of Maiden's purchase of capacity in the City's Water Plant, and the Town of Claremont for operational services provided by the City of Hickory to their utility system. Growth is projected to remain flat.
- **Sales & Services**  
This category of revenue comprises the vast majority of revenue received by the Water and Sewer Fund. Revenue generated from water sales and sewer sales make up the majority of the revenue received in this category. Growth in this category of revenue is greatly impacted by the weather, economic activity and growth in the utility system. Growth is projected at 2% annually.



## Five Year Financial Forecast

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- **Investment Earnings**  
These revenues are the earnings gained by the investment of the City's cash reserves in the financial markets. A conservative 2% growth is estimated over the next five years.
- **Miscellaneous**  
These are revenues that do not qualify for any other category of revenue. Revenue growth in this category is projected to increase 2% annually over the next five years.
- **Other Financing Sources**  
This category of revenue reflects the transfer of funds from the Capital Reserve Fund for capital purchases. It is anticipated that this source of revenue will increase 2% annually over the next five years.

### WATER AND SEWER FUND EXPENDITURES

- **Personnel**  
These expenses are incurred as a result of full-time and part-time employees. Increases are generally driven by annual salary adjustments, and the ever-increasing cost of providing full health insurance coverage to employees which is anticipated to grow 5% annually. Longevity pay, part-time salaries, overtime and holiday pay are projected to stay flat. The addition of new employees for new or expanded services will increase this expenditure by more than the projected increases. On average, this category of expenses is projected to increase by 2% annually.
- **Operational**  
Operational expenses include such things as maintenance & repair, departmental supplies, fuel, power, natural gas and risk insurance. This category of expenses is projected to increase by the annual Consumer Price Index.
- **Capital**  
Capital is defined as a tangible purchase more than \$5,000 in value with a life expectancy of more than one year. The majority of purchases in this category are replacement equipment and replacement vehicle purchases. Most construction projects are budgeted outside of the Annual Budget.
- **Contingency**  
Contingency is budgeted in the Water and Sewer Fund to provide funding for unanticipated, unbudgeted, nonrecurring expenses that may occur during the year. Projected increases in Contingency funding in the Water and Sewer Fund are based on the projected average annual Consumer Price Index.
- **Special Appropriations Funding**  
City Council provides financial support to various organizations that contribute to the quality of life for all City residents, contribute to the revenue base of the City, or provide a necessary service that the City itself does not provide. In the Water and Sewer fund, the extent of this type of funding is to Habitat for Humanity for water and sewer taps related to new homes they construct each year, as well as water quality funding to the Western Piedmont Council of Government. 2% growth is projected annually in this category of expenditures.
- **Debt Service**  
Debt service appropriations account for the payment of principal and interest on general obligation bonds and notes, and proceeds from debt instruments to finance major capital projects and capital purchases. Exclusive of any unanticipated issuance of new debt, this category of expenditure will generally be expected to increase 2% annually over the next five years.

## Five Year Financial Forecast

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- **Interfund Transfers**  
Interfund transfers are transfers between the fund receiving financial resources and the fund through which the financial resources are to be expended. Two Interfund Transfers are made by the Water and Sewer Fund, one to the Capital Reserve Fund and another to the Stormwater Fund. These expenditures are expected to increase by 2% annually over the next five years.
- **Pro-Rata Reimbursements**  
This category of expenditure includes the payment from one fund to another fund for services rendered. A good example of this is the Water and Sewer Fund reimbursing the General Fund for the cost to bill and collect utility accounts. The actual reimbursement is shown as a credit to the fund providing the service and a debit (cost) to the fund receiving the service. This category of expenditure is projected to increase by the annual Consumer Price Index.

### SLUDGE COMPOSTING FUND REVENUE

- **Restricted Governmental**  
It is anticipated that this fund will continue to receive funding from the City of Conover, Catawba County and City of Hickory at the agreed upon percentages for the operation of this facility. The City of Newton is no longer a partner in this operation. Revenues are received at a level to support operations and are projected to increase by 2% annually.

### SLUDGE COMPOSTING FUND EXPENDITURES

- **Operational**  
Operational expenditures are projected to increase slightly less than the projected annual Consumer Price Index.
- **Capital**  
Capital is defined as a tangible purchase more than \$5,000 in value with a life expectancy of more than one year. The majority of purchases in this category are replacement equipment and replacement vehicle purchases. Most construction projects are budgeted outside of the Annual Budget. There are minimal capital purchases anticipated with the Sludge Composting Facility over the next five years.
- **Pro-Rata Reimbursements**  
Pro-Rata Reimbursements are projected to increase by the Consumer Price Index, or 2% annually.

### STORMWATER FUND REVENUE

- **Other Financing Sources**  
This category of revenue reflects the transfer of funds from both the General Fund and the Water and Sewer Fund which both support this fund financially.

# Five Year Financial Forecast

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## STORMWATER FUND EXPENDITURES

- **Personnel**  
These expenses are incurred as a result of full-time and part-time employees. Increases are generally driven by annual salary adjustments, and the ever-increasing cost of providing health insurance coverage to employees which is anticipated to grow 5% annually. Longevity pay, part-time salaries, overtime and holiday pay are projected to stay flat. The addition of new employees for new or expanded services will increase this expenditure by more than the projected increases. On average, this category of expenses is projected to increase by 2% annually.
- **Operational**  
Operational expenses include such things as maintenance & repair, departmental supplies, fuel, power, natural gas and risk insurance. This category of expenses is projected to increase by the annual Consumer Price Index.

## SOLID WASTE FUND REVENUE

- **Other Taxes**  
This is the Solid Waste Excise Tax the City receives from the State of North Carolina. It is related to Tipping Fees the City pays and is a partial rebate. There will be no growth in this source of revenue.
- **Sales & Services**  
This category of revenue comprises the vast majority of revenue received by the Solid Waste Fund. Revenue generated from the Solid Waste Fee, Dumpster Rentals and Tipping Fees make up the majority of the revenue received in this category. Growth in this category of revenue is greatly impacted by economic activity and growth of the customer base within the City and it projected at 3% annually.
- **Investment Earnings**  
These revenues are the earnings gained by the investment of the City's cash reserves in the financial markets. A conservative 3% growth is estimated over the next five years.
- **Miscellaneous**  
These are revenues that do not qualify for any other category of revenue. Revenue growth in this category is projected to remain flat.
- **Other Financing Sources**  
The Solid Waste Fund receives a significant subsidy from the General Fund due to the Solid Waste Fund's revenues not meeting its expenditure requirements. It is projected that this subsidy will increase by 3% annually.

## SOLID WASTE FUND EXPENDITURES

- **Personnel**  
These expenses are incurred as a result of full-time and part-time employees. Increases are generally driven by annual salary adjustments and the ever-increasing cost of providing health insurance coverage to employees. The addition of new employees for new or expanded services will increase this expenditure by more than the projected increases. On average, this category of expenses is projected to increase by 2% annually.

# Five Year Financial Forecast

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- **Operational**  
Operational expenses include such things as maintenance & repair, departmental supplies, fuel, power, natural gas and risk insurance. This category of expenses is projected to increase by the annual Consumer Price Index.
- **Capital**  
Capital is defined as a tangible purchase more than \$5,000 in value with a life expectancy of more than one year. The majority of purchases in this category are replacement equipment and replacement vehicle purchases. Most construction projects are budgeted outside of the Annual Budget.
- **Pro-Rata Reimbursements**  
This category of expenditure includes the payment from one fund to another fund for services rendered. A good example of this is the Solid Waste Fund reimbursing the General Fund for the cost to bill and collect on accounts. The actual reimbursement is shown as a credit to the fund providing the service and a debit (cost) to the fund receiving the service. This category of expenditure is projected to increase by the annual Consumer Price Index.

## TRANSPORTATION FUND REVENUES

- **Sales & Services**  
This category of revenue comprises the vast majority of revenue received by the Airport. Growth in this category of revenue is greatly impacted by local economic activity and air travel, and is projected at 2% annually.
- **Investment Earnings**  
These revenues are the earnings gained by the investment of the City's cash reserves in the financial markets. A conservative 2% annual growth is estimated over the next five years.

## TRANSPORTATION FUND EXPENDITURES

- **Personnel**  
These expenses are incurred as a result of full-time and part-time employees. Increases are generally driven by annual salary adjustments and the ever-increasing cost of providing health insurance coverage to employees. The addition of new employees for new or expanded services will increase this expenditure by more than the projected increases. On average, this category of expenses is projected to increase by 2% annually.
- **Operational**  
Operational expenses include such things as maintenance & repair, departmental supplies, fuel, power, natural gas and risk insurance. This category of expenditures is projected to increase by the annual Consumer Price Index.
- **Capital**  
Capital is defined as a tangible purchase more than \$5,000 in value with a life expectancy of more than one year. The majority of purchases in this category are replacement equipment and replacement vehicle purchases. Most construction projects are budgeted outside of the Annual Budget.

## Five Year Financial Forecast

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- Pro-Rata Reimbursements

This category of expenditure includes the payment from one fund to another fund for services rendered. A good example of this is the Transportation Fund reimbursing the General Fund for the cost to bill and collect on accounts. The actual reimbursement is shown as a credit to the fund providing the service and a debit (cost) to the fund receiving the service. This category of expenditures is projected to increase by the annual Consumer Price Index.

### FLEET MAINTENANCE FUND REVENUE

- Sales and Services

Sales and Services are the only source of revenue for this fund. As this fund is classified as an internal service fund, the fee structure for this fund is set to produce sufficient revenue to meet the vital expenditure needs of the service provided. Revenue is expected to increase an average of 2% annually.

### FLEET MAINTENANCE FUND EXPENDITURES

- Personnel

Personnel expenditures increase by an annual average of 2%. This increase is driven by annual salary adjustments and the ever-increasing cost of providing health insurance coverage to the employee.

- Operational

Operational expenditures are projected to increase generally by the Consumer Price Index, or about 2% annually.

- Capital

Capital is defined as a tangible purchase more than \$5,000 in value with a life expectancy of more than one year. The majority of purchases in this category are replacement equipment and replacement vehicle purchases. Most construction projects are budgeted outside of the Annual Budget.

- Pro-Rata Reimbursements

This category of expenditure includes the payment from one fund to another fund for services rendered. A good example of this is the Fleet Maintenance Fund reimbursing the General Fund for the cost of billing fleet charges to the various departmental users of Fleet services. The actual reimbursement is shown as a credit to the fund providing the service and a debit (cost) to the fund receiving the service. This category of expenditure is projected to increase by the annual Consumer Price Index.

### INSURANCE FUND REVENUE

- Sales and Services

Sales and Services is the major source of revenue for this fund. As this fund is classified as an internal service fund, the fee structure for this fund is set to produce sufficient revenue to meet the vital expenditure needs of the service provided. Revenue is expected to increase an average of 2% annually.

- Investment Earnings.

A conservative 2% annual growth is estimated over the next five years.

# Five Year Financial Forecast

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## INSURANCE FUND EXPENDITURES

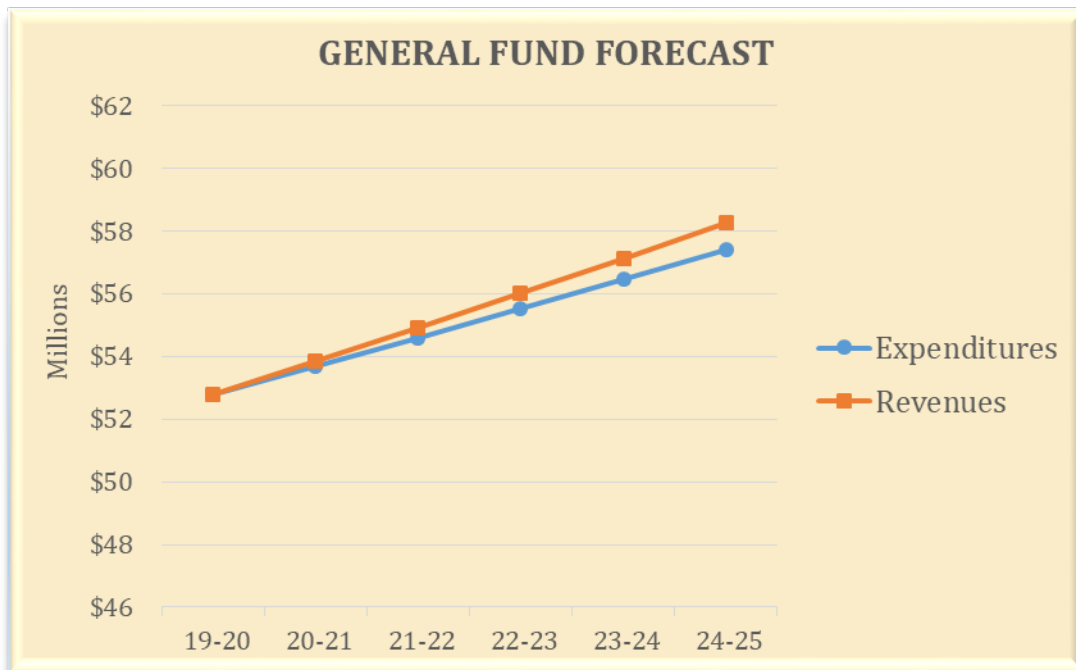
- Personnel  
Health insurance expenditures make up all the personnel related expenditures in this fund. These expenditures are projected to increase by an annual average of 5%. Adding new employees for new or expanded services will increase this expenditure by more than the projected amount.
- Operational  
Other non-personnel related Risk financing expenditures are projected to increase by 2% annually.

# Five Year Financial Forecast



## General Fund Forecast

Revenues	19-20	20-21	21-22	22-23	23-24	24-25
Ad Valorem Taxes	\$ 29,525,000	\$ 30,115,500	\$ 30,717,810	\$ 31,332,166	\$ 31,958,810	\$ 32,597,986
Other Taxes	\$ 17,143,213	\$ 17,486,077	\$ 17,835,799	\$ 18,192,515	\$ 18,556,365	\$ 18,927,492
Unrestricted Intergovernmental	\$ 663,000	\$ 676,260	\$ 689,785	\$ 703,581	\$ 717,653	\$ 732,006
Restricted Intergovernmental	\$ 2,385,427	\$ 2,433,136	\$ 2,481,798	\$ 2,531,434	\$ 2,582,063	\$ 2,633,704
Licenses and Permits	\$ 5,100	\$ 5,202	\$ 5,306	\$ 5,412	\$ 5,520	\$ 5,631
Sales and Services	\$ 1,534,740	\$ 1,565,435	\$ 1,596,743	\$ 1,628,678	\$ 1,661,252	\$ 1,694,477
Investment Earnings	\$ 258,036	\$ 263,197	\$ 268,461	\$ 273,830	\$ 279,306	\$ 284,893
Miscellaneous	\$ 301,000	\$ 307,020	\$ 313,160	\$ 319,424	\$ 325,812	\$ 332,328
Other Financing Sources	\$ 980,000	\$ 999,600	\$ 1,019,592	\$ 1,039,984	\$ 1,060,784	\$ 1,081,999
<b>Total</b>	<b>\$ 52,795,516</b>	<b>\$ 53,851,426</b>	<b>\$ 54,928,455</b>	<b>\$ 56,027,024</b>	<b>\$ 57,147,564</b>	<b>\$ 58,290,516</b>
<b>Expenditures</b>						
Personnel	\$ 33,688,779	\$ 34,362,555	\$ 35,049,806	\$ 35,750,802	\$ 36,465,818	\$ 37,195,134
Operational	\$ 13,003,667	\$ 13,133,704	\$ 13,265,041	\$ 13,397,691	\$ 13,531,668	\$ 13,666,985
Capital	\$ 3,501,435	\$ 3,536,449	\$ 3,571,814	\$ 3,607,532	\$ 3,643,607	\$ 3,680,043
Contingency	\$ 700,000	\$ 714,000	\$ 728,280	\$ 742,846	\$ 757,703	\$ 772,857
Special Appropriations Funding	\$ 1,078,564	\$ 1,100,135	\$ 1,122,138	\$ 1,144,581	\$ 1,167,472	\$ 1,190,822
Debt Service	\$ 2,888,404	\$ 2,946,172	\$ 3,005,096	\$ 3,065,197	\$ 3,126,501	\$ 3,189,031
Interfund Transfers	\$ 1,329,961	\$ 1,356,560	\$ 1,383,691	\$ 1,411,365	\$ 1,439,593	\$ 1,468,384
Pro-Rata Reimbursements	\$ (3,395,294)	\$ (3,463,200)	\$ (3,532,464)	\$ (3,603,113)	\$ (3,675,175)	\$ (3,748,679)
<b>Total</b>	<b>\$ 52,795,516</b>	<b>\$ 53,686,375</b>	<b>\$ 54,593,401</b>	<b>\$ 55,516,901</b>	<b>\$ 56,457,187</b>	<b>\$ 57,414,578</b>



# Five Year Financial Forecast

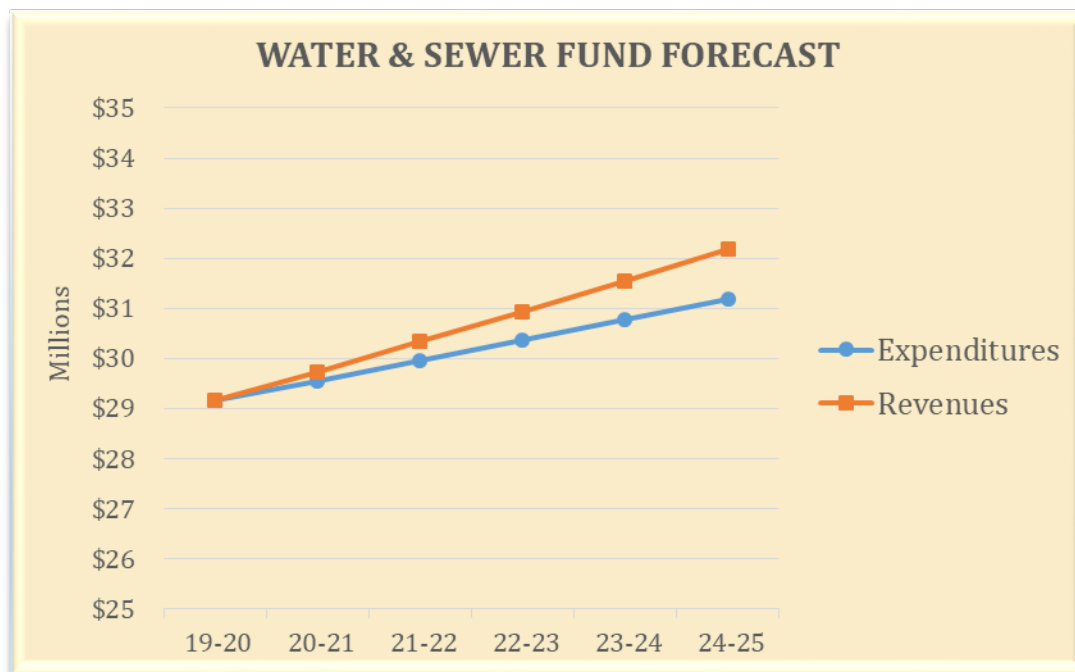


## Water and Sewer Fund Forecast

Revenues	19-20	20-21	21-22	22-23	23-24	24-25
Restricted Intergovernmental	\$ 1,298,490	\$ 1,324,459	\$ 1,350,949	\$ 1,377,968	\$ 1,405,527	\$ 1,433,637
Sales and Services	\$ 22,689,900	\$ 23,143,698	\$ 23,606,572	\$ 24,078,703	\$ 24,560,277	\$ 25,051,483
Investment Earnings	\$ 61,200	\$ 62,424	\$ 63,672	\$ 64,946	\$ 66,245	\$ 67,570
Miscellaneous	\$ 346,800	\$ 353,736	\$ 360,811	\$ 368,027	\$ 375,387	\$ 382,895
Other Financing Sources	\$ 4,758,852	\$ 4,854,029	\$ 4,951,109	\$ 5,050,132	\$ 5,151,134	\$ 5,254,157
<b>Total</b>	<b>\$ 29,155,241</b>	<b>\$ 29,738,346</b>	<b>\$ 30,333,113</b>	<b>\$ 30,939,775</b>	<b>\$ 31,558,571</b>	<b>\$ 32,189,742</b>

Expenditures	19-20	20-21	21-22	22-23	23-24	24-25
Personnel	\$ 5,313,663	\$ 5,419,936	\$ 5,528,335	\$ 5,638,902	\$ 5,751,680	\$ 5,866,713
Operational	\$ 7,931,708	\$ 8,011,025	\$ 8,091,135	\$ 8,172,047	\$ 8,253,767	\$ 8,336,305
Capital	\$ 7,550,000	\$ 7,625,500	\$ 7,701,755	\$ 7,778,773	\$ 7,856,560	\$ 7,935,126
Contingency	\$ 150,000	\$ 153,000	\$ 156,060	\$ 159,181	\$ 162,365	\$ 165,612
Special Appropriations Funding	\$ 66,858	\$ 68,195	\$ 69,559	\$ 70,950	\$ 72,369	\$ 73,817
Debt Service	\$ 3,352,048	\$ 3,385,568	\$ 3,419,424	\$ 3,453,618	\$ 3,488,155	\$ 3,523,036
Interfund Transfers	\$ 1,169,961	\$ 1,193,360	\$ 1,217,227	\$ 1,241,572	\$ 1,266,403	\$ 1,291,731
Pro-Rata Reimbursements	\$ 3,621,003	\$ 3,693,423	\$ 3,767,292	\$ 3,842,637	\$ 3,919,490	\$ 3,997,880
<b>Total</b>	<b>\$ 29,155,241</b>	<b>\$ 29,550,009</b>	<b>\$ 29,950,788</b>	<b>\$ 30,357,680</b>	<b>\$ 30,770,790</b>	<b>\$ 31,190,221</b>



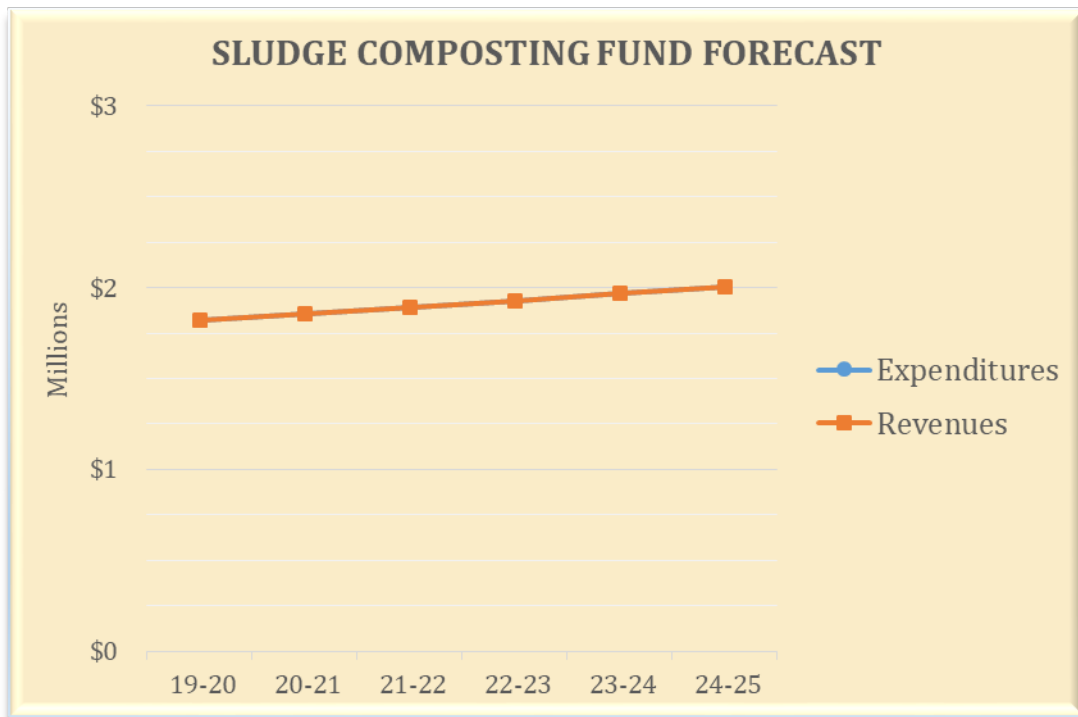


# Five Year Financial Forecast



## Sludge Composting Fund Forecast

Revenues	19-20	20-21	21-22	22-23	23-24	24-25
Restricted Intergovernmental	\$ 1,818,579	\$ 1,854,951	\$ 1,892,050	\$ 1,929,891	\$ 1,968,488	\$ 2,007,858
<b>Total</b>	<b>\$ 1,818,579</b>	<b>\$ 1,854,951</b>	<b>\$ 1,892,050</b>	<b>\$ 1,929,891</b>	<b>\$ 1,968,488</b>	<b>\$ 2,007,858</b>
<b>Expenditures</b>						
Operational	\$ 1,642,424	\$ 1,675,272	\$ 1,708,778	\$ 1,742,953	\$ 1,777,813	\$ 1,813,369
Capital	\$ 50,000	\$ 51,000	\$ 52,020	\$ 53,060	\$ 54,122	\$ 55,204
Pro-Rata Reimbursements	\$ 126,155	\$ 128,678	\$ 131,252	\$ 133,877	\$ 136,554	\$ 139,285
<b>Total</b>	<b>\$ 1,818,579</b>	<b>\$ 1,854,951</b>	<b>\$ 1,892,050</b>	<b>\$ 1,929,891</b>	<b>\$ 1,968,488</b>	<b>\$ 2,007,858</b>



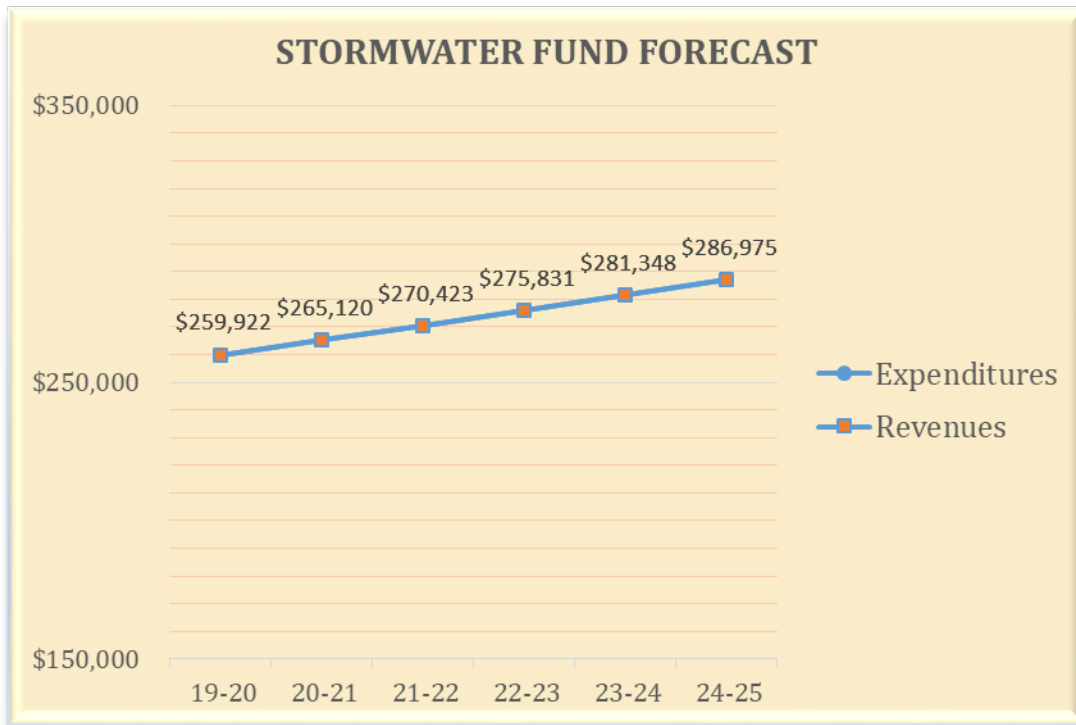
# Five Year Financial Forecast

## Stormwater Fund Forecast

Revenues	19-20	20-21	21-22	22-23	23-24	24-25
Other Financing Sources	\$ 259,922	\$ 265,120	\$ 270,423	\$ 275,831	\$ 281,348	\$ 286,975
<b>Total</b>	<b>\$ 259,922</b>	<b>\$ 265,120</b>	<b>\$ 270,423</b>	<b>\$ 275,831</b>	<b>\$ 281,348</b>	<b>\$ 286,975</b>

Expenditures	19-20	20-21	21-22	22-23	23-24	24-25
Personnel	\$ 111,024	\$ 113,244	\$ 115,509	\$ 117,820	\$ 120,176	\$ 122,579
Operational	\$ 148,898	\$ 151,876	\$ 154,913	\$ 158,012	\$ 161,172	\$ 164,395
<b>Total</b>	<b>\$ 259,922</b>	<b>\$ 265,120</b>	<b>\$ 270,423</b>	<b>\$ 275,831</b>	<b>\$ 281,348</b>	<b>\$ 286,975</b>



# Five Year Financial Forecast

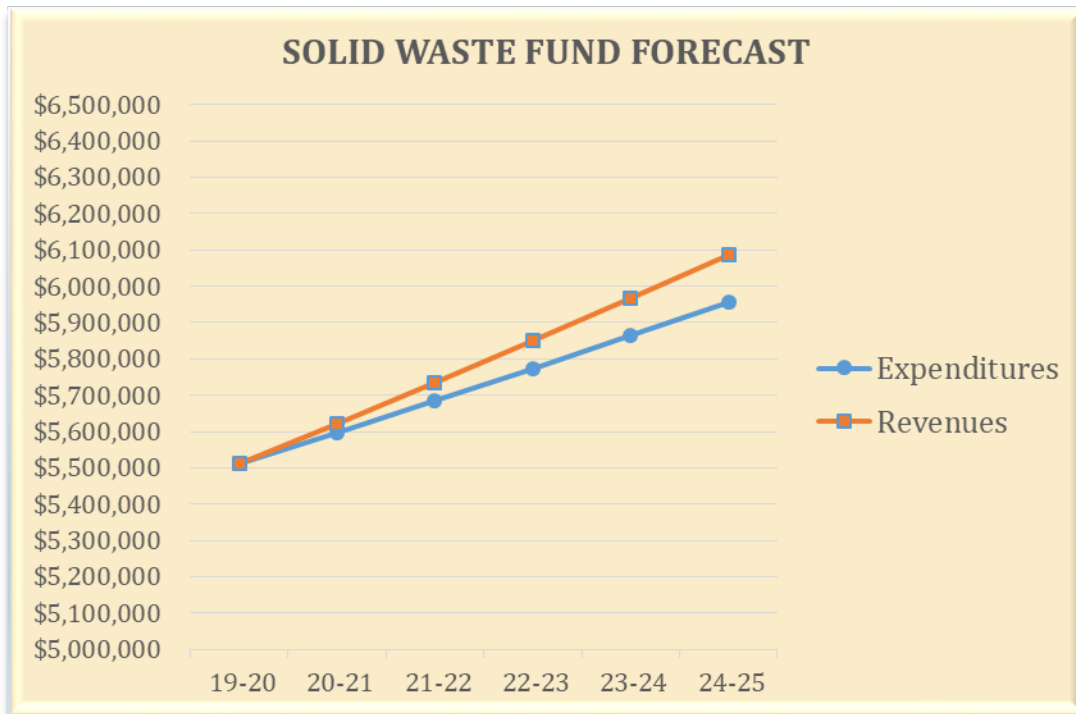


## Solid Waste Fund Forecast

Revenues	19-20	20-21	21-22	22-23	23-24	24-25
Other Taxes	\$ 25,000	\$ 25,500	\$ 26,010	\$ 26,530	\$ 27,061	\$ 27,602
Sales and Services	\$ 4,985,000	\$ 5,084,700	\$ 5,186,394	\$ 5,290,122	\$ 5,395,924	\$ 5,503,843
Investment Earnings	\$ 12,000	\$ 12,240	\$ 12,485	\$ 12,734	\$ 12,989	\$ 13,249
Miscellaneous	\$ 2,500	\$ 2,550	\$ 2,601	\$ 2,653	\$ 2,706	\$ 2,760
Other Financing Sources	\$ 487,248	\$ 496,993	\$ 506,933	\$ 517,071	\$ 527,413	\$ 537,961
<b>Total</b>	<b>\$ 5,511,748</b>	<b>\$ 5,621,983</b>	<b>\$ 5,734,423</b>	<b>\$ 5,849,111</b>	<b>\$ 5,966,093</b>	<b>\$ 6,085,415</b>

Expenditures	19-20	20-21	21-22	22-23	23-24	24-25
Personnel	\$ 1,713,600	\$ 1,747,872	\$ 1,782,829	\$ 1,818,486	\$ 1,854,856	\$ 1,891,953
Operational	\$ 2,452,608	\$ 2,477,134	\$ 2,501,905	\$ 2,526,924	\$ 2,552,194	\$ 2,577,716
Capital	\$ 730,500	\$ 745,110	\$ 760,012	\$ 775,212	\$ 790,717	\$ 806,531
Contingency	\$ 20,000	\$ 20,400	\$ 20,808	\$ 21,224	\$ 21,649	\$ 22,082
Pro-Rata Reimbursements	\$ 595,040	\$ 606,941	\$ 619,080	\$ 631,461	\$ 644,090	\$ 656,972
<b>Total</b>	<b>\$ 5,511,748</b>	<b>\$ 5,597,457</b>	<b>\$ 5,684,635</b>	<b>\$ 5,773,308</b>	<b>\$ 5,863,505</b>	<b>\$ 5,955,253</b>



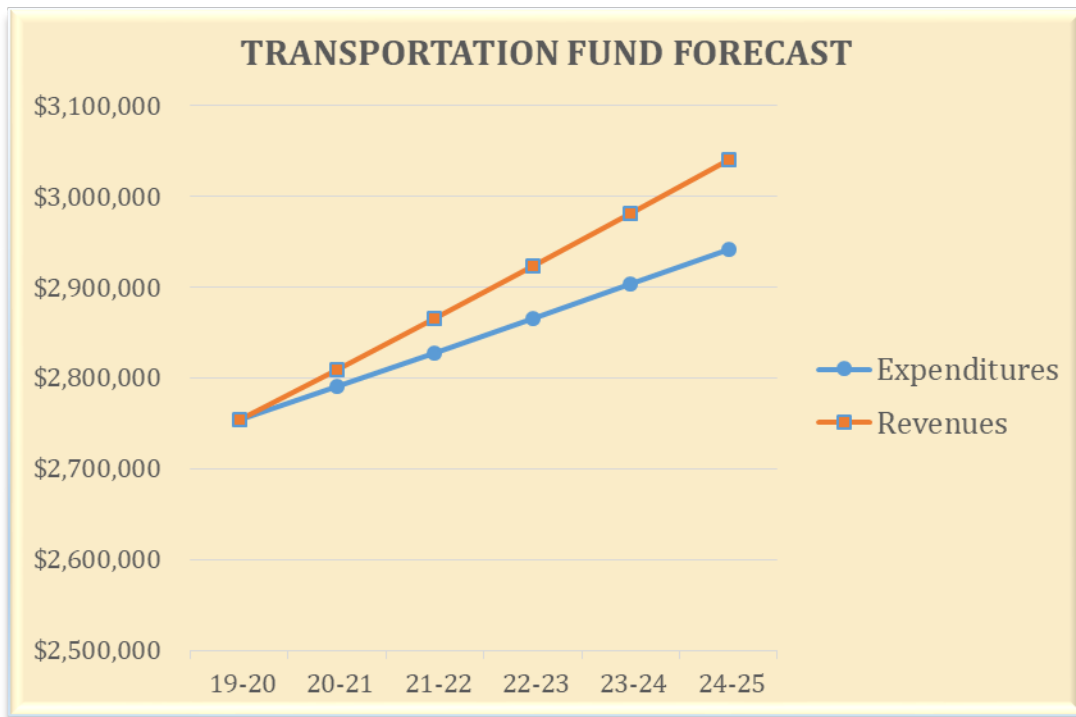
# Five Year Financial Forecast



## Transportation Fund Forecast

Revenues	19-20	20-21	21-22	22-23	23-24	24-25
Sales and Services	\$ 2,601,337	\$ 2,653,364	\$ 2,706,431	\$ 2,760,560	\$ 2,815,771	\$ 2,872,086
Restricted Governmental	\$ 6,365	\$ 6,492	\$ 6,622	\$ 6,755	\$ 6,890	\$ 7,027
Investment Earnings	\$ 10,000	\$ 10,200	\$ 10,404	\$ 10,612	\$ 10,824	\$ 11,041
Other Financing Sources	\$ 136,773	\$ 139,508	\$ 142,299	\$ 145,145	\$ 148,047	\$ 151,008
<b>Total</b>	<b>\$ 2,754,475</b>	<b>\$ 2,809,565</b>	<b>\$ 2,865,756</b>	<b>\$ 2,923,071</b>	<b>\$ 2,981,532</b>	<b>\$ 3,041,163</b>

Expenditures	19-20	20-21	21-22	22-23	23-24	24-25
Personnel	\$ 565,533	\$ 576,844	\$ 588,381	\$ 600,148	\$ 612,151	\$ 624,394
Operational	\$ 1,863,167	\$ 1,881,799	\$ 1,900,617	\$ 1,919,623	\$ 1,938,819	\$ 1,958,207
Capital	\$ 169,000	\$ 172,380	\$ 175,828	\$ 179,344	\$ 182,931	\$ 186,590
Contingency	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473	\$ 33,122
Pro-Rata Reimbursements	\$ 126,775	\$ 129,310	\$ 131,896	\$ 134,534	\$ 137,225	\$ 139,970
<b>Total</b>	<b>\$ 2,754,475</b>	<b>\$ 2,790,933</b>	<b>\$ 2,827,933</b>	<b>\$ 2,865,486</b>	<b>\$ 2,903,599</b>	<b>\$ 2,942,283</b>

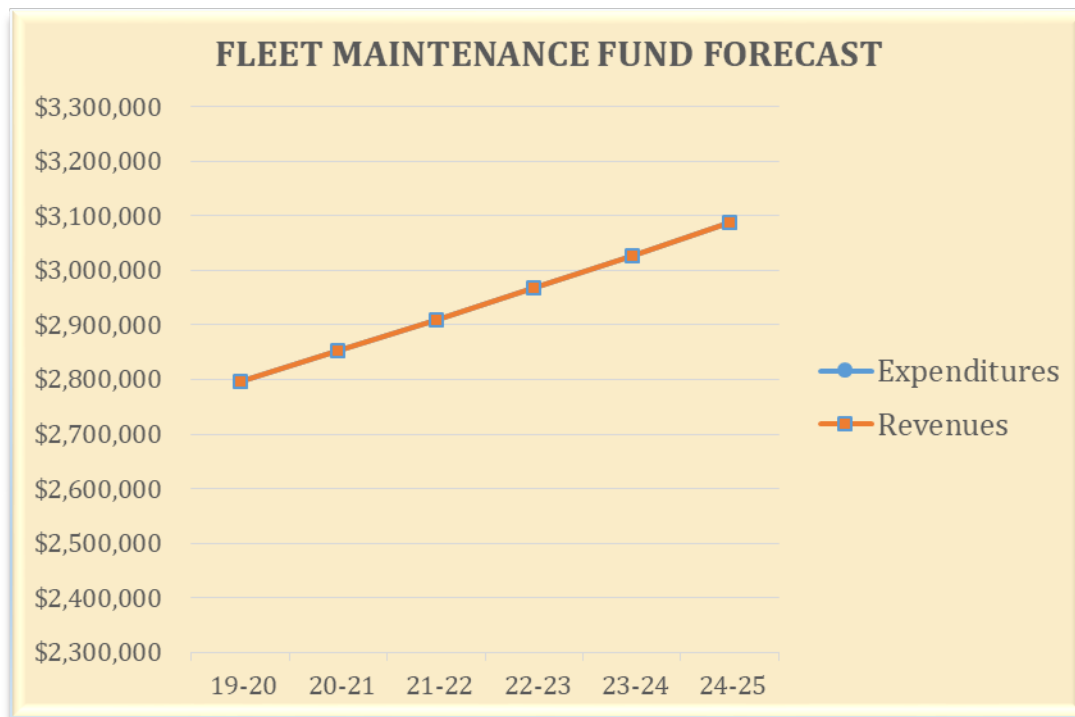


# Five Year Financial Forecast



## Fleet Maintenance Fund Forecast

Revenues	19-20	20-21	21-22	22-23	23-24	24-25
Sales and Services	\$ 2,796,782	\$ 2,852,718	\$ 2,909,772	\$ 2,967,967	\$ 3,027,327	\$ 3,087,873
<b>Total</b>	<b>\$ 2,796,782</b>	<b>\$ 2,852,718</b>	<b>\$ 2,909,772</b>	<b>\$ 2,967,967</b>	<b>\$ 3,027,327</b>	<b>\$ 3,087,873</b>
<b>Expenditures</b>						
Personnel	\$ 641,385	\$ 654,213	\$ 667,297	\$ 680,643	\$ 694,256	\$ 708,141
Operational	\$ 1,798,969	\$ 1,834,948	\$ 1,871,647	\$ 1,909,080	\$ 1,947,262	\$ 1,986,207
Capital	\$ 81,500	\$ 83,130	\$ 84,793	\$ 86,488	\$ 88,218	\$ 89,983
Pro-Rata Reimbursements	\$ 274,928	\$ 280,427	\$ 286,035	\$ 291,756	\$ 297,591	\$ 303,543
<b>Total</b>	<b>\$ 2,796,782</b>	<b>\$ 2,852,718</b>	<b>\$ 2,909,772</b>	<b>\$ 2,967,967</b>	<b>\$ 3,027,327</b>	<b>\$ 3,087,873</b>



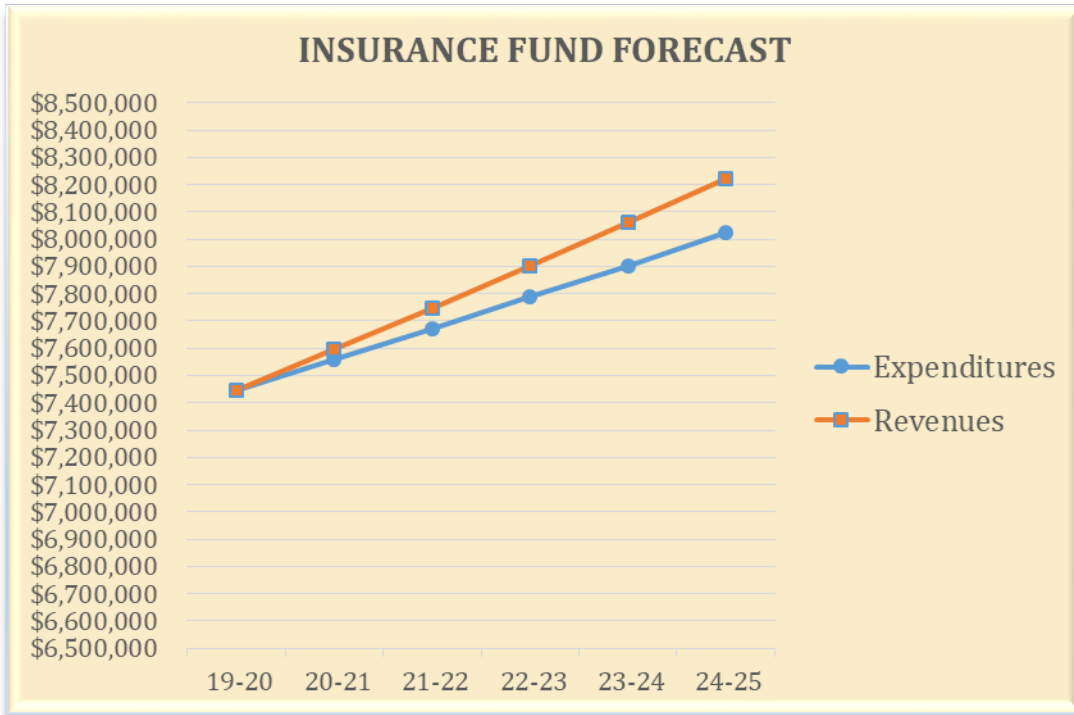
# Five Year Financial Forecast



## Insurance Fund Forecast

Revenues	19-20	20-21	21-22	22-23	23-24	24-25
Sales and Services	\$ 7,216,917	\$ 7,361,255	\$ 7,508,480	\$ 7,658,650	\$ 7,811,823	\$ 7,968,060
Investment Earnings	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473	\$ 33,122
Other Financing Sources	\$ 200,373	\$ 204,380	\$ 208,468	\$ 212,637	\$ 216,890	\$ 221,228
<b>Total</b>	<b>\$ 7,447,290</b>	<b>\$ 7,596,236</b>	<b>\$ 7,748,161</b>	<b>\$ 7,903,124</b>	<b>\$ 8,061,186</b>	<b>\$ 8,222,410</b>

Expenditures	19-20	20-21	21-22	22-23	23-24	24-25
Operational	\$ 7,447,290	\$ 7,558,999	\$ 7,672,384	\$ 7,787,470	\$ 7,904,282	\$ 8,022,846
<b>Total</b>	<b>\$ 7,447,290</b>	<b>\$ 7,558,999</b>	<b>\$ 7,672,384</b>	<b>\$ 7,787,470</b>	<b>\$ 7,904,282</b>	<b>\$ 8,022,846</b>





# Performance Measurement

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The City of Hickory places a strong emphasis on quality improvement through performance measurement. Performance measures identify the results achieved and the benefits delivered to citizens and indicate how well government resources are being used.

Since FY1998-1999 the City has participated in the North Carolina Local Government Performance Measurement Project (NCPMP). The primary purpose of the project is to develop a model that North Carolina cities can duplicate and use to support ongoing efforts in performance measurement and benchmarking. One of the greatest benefits of the project is the annual "Benchmarking Meetings," in which the participating cities convene to discuss their service-area processes. This interactive method among peers allows the appropriate city staff an opportunity to learn and explore possible avenues towards enhancing efficiency and effectiveness in their own jurisdictions. Hickory representatives from the Budget Office and representative departments typically attend and participate in these sessions held at the UNC School of Government in Chapel Hill.

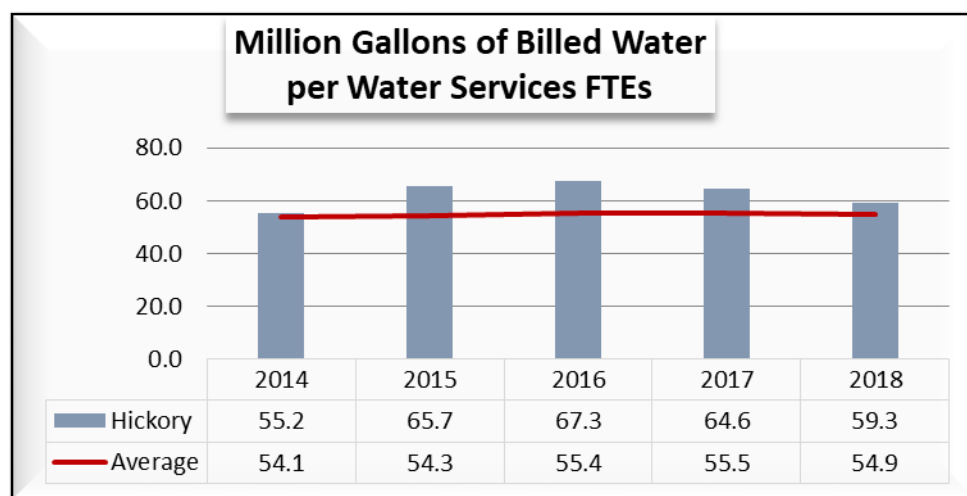
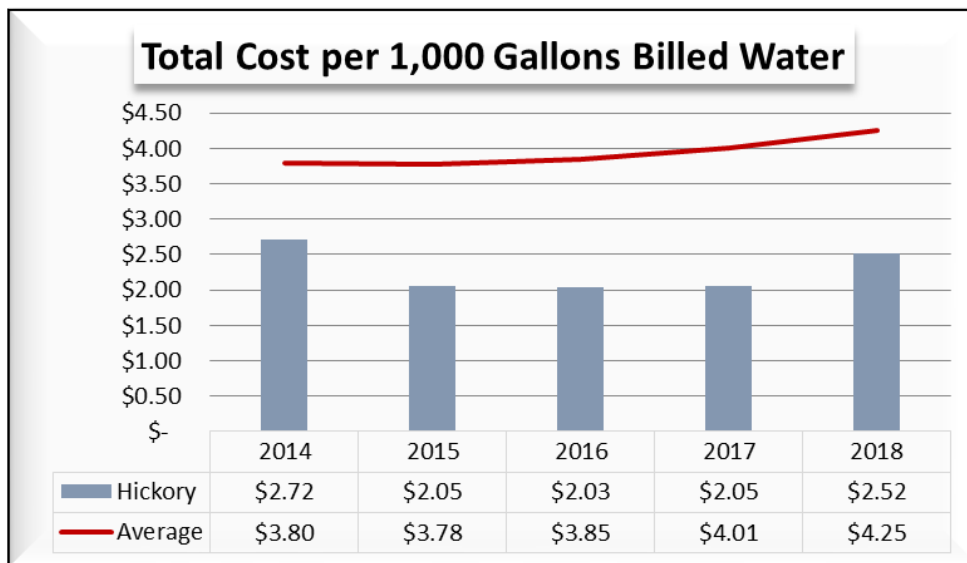
The City of Hickory reports on the following service areas:

- Residential Refuse Collection
- Household Recycling
- Yard Waste & Leaf Collection
- Police Services
- Emergency Communications
- Asphalt Maintenance and Repair
- Fire Services
- Fleet Maintenance
- Central Human Resources
- Water Services
- Wastewater Services
- Core Parks and Recreation

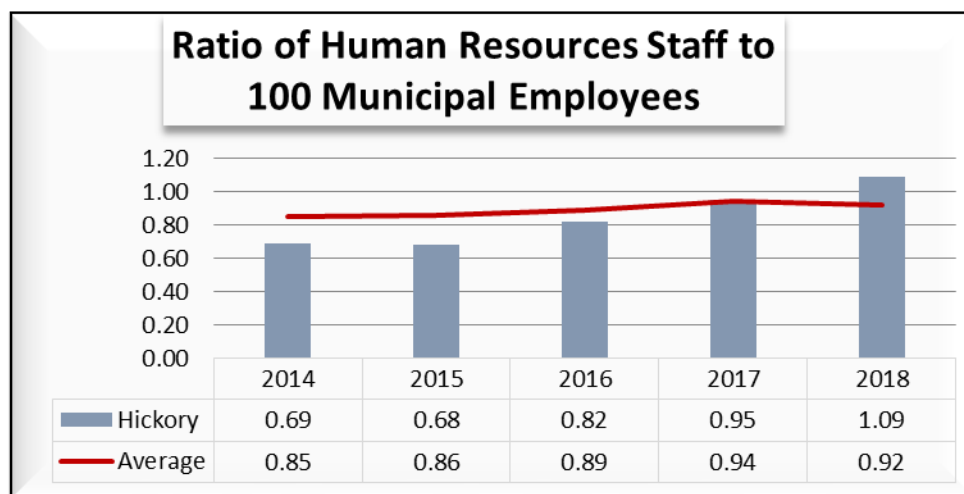
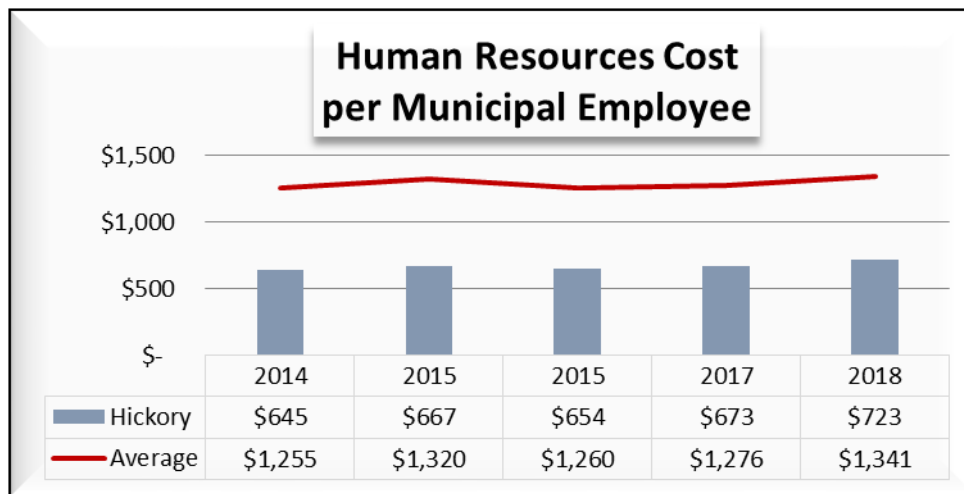
Current participants in the NCPMP include the cities of: Apex, Asheville, Chapel Hill, Charlotte, Concord, Goldsboro, Greensboro, Greenville, Hickory, High Point, Mooresville, Raleigh, Wilson, and Winston-Salem. The following are the FY2017-2018 services measured and a sampling of the results.



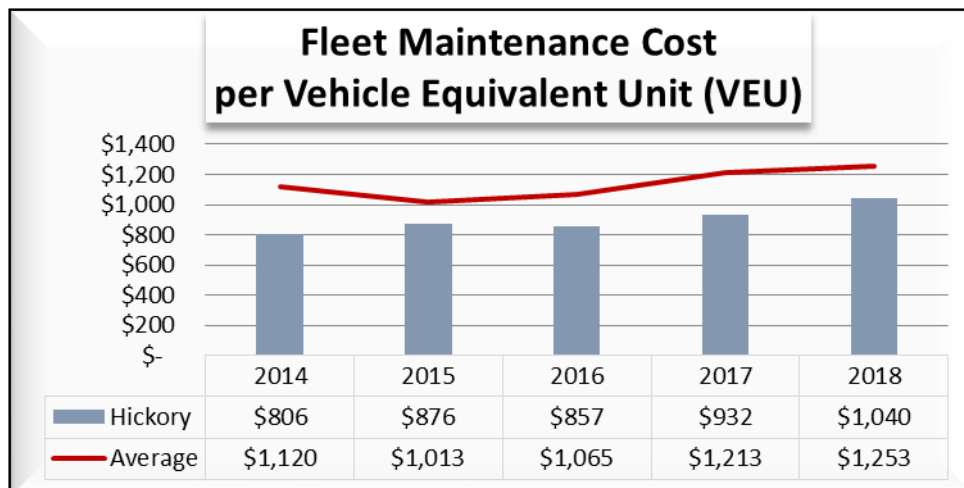
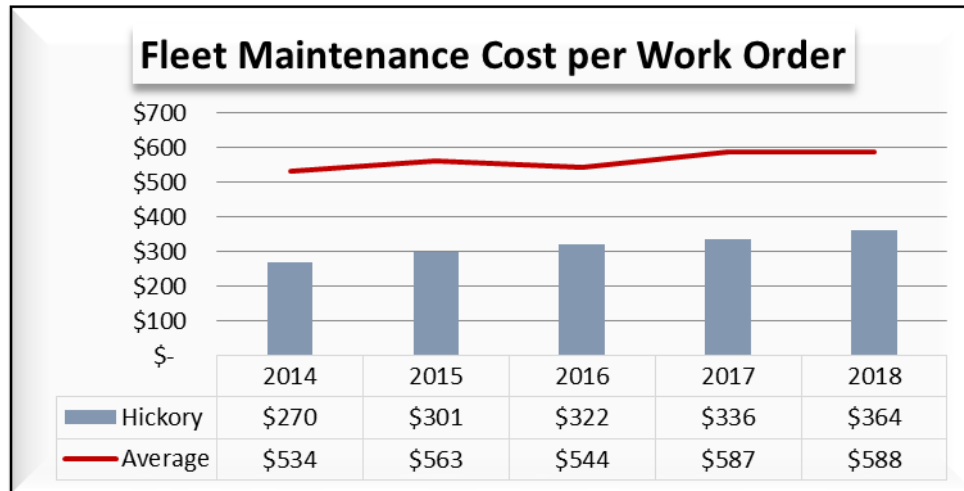
## Water Services



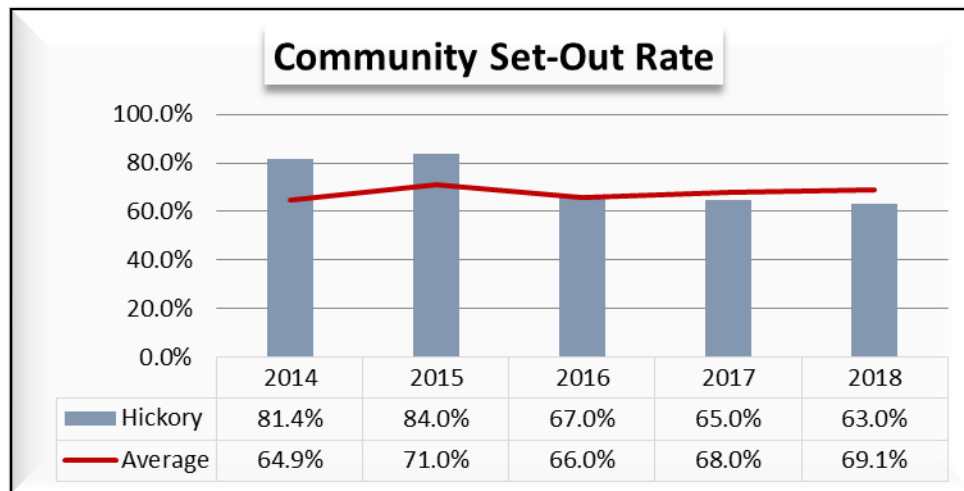
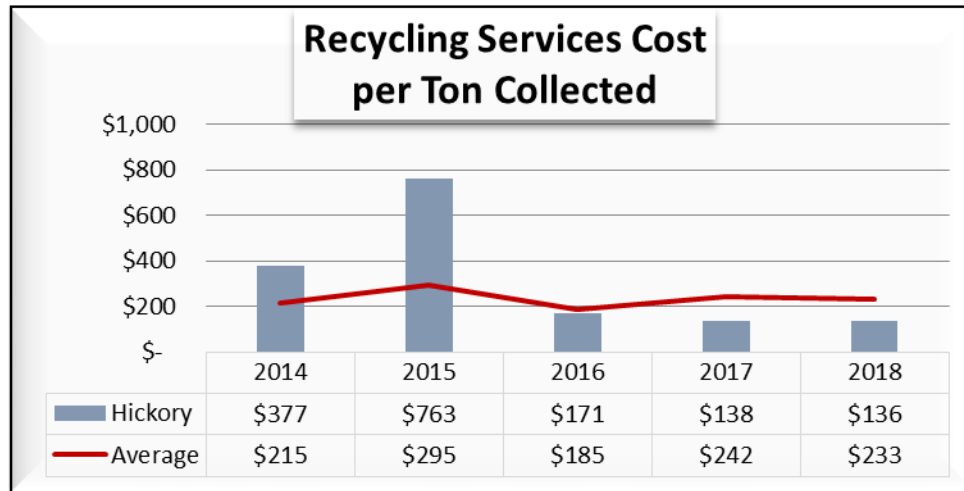
## Human Resources



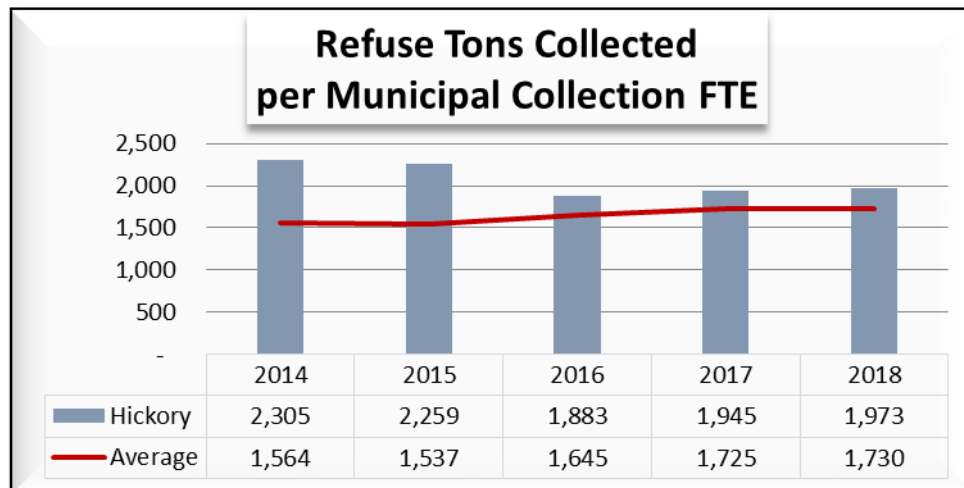
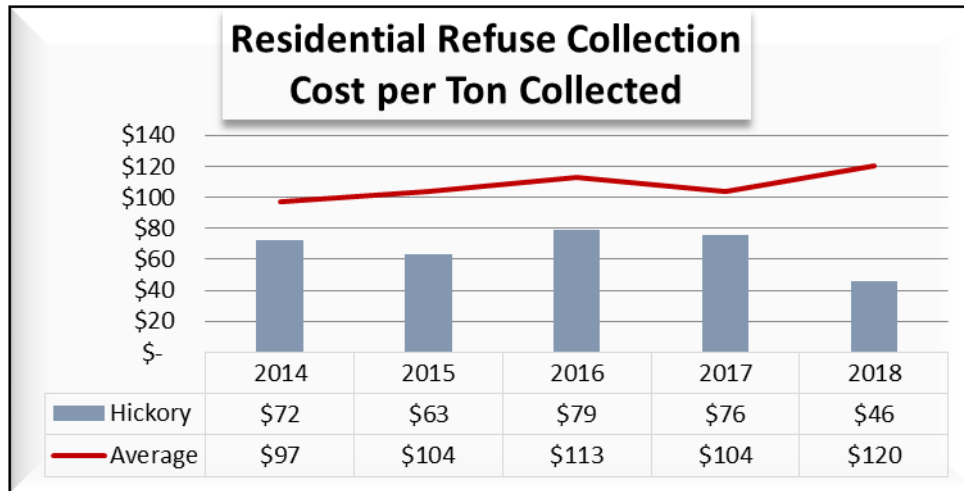
## Fleet Maintenance



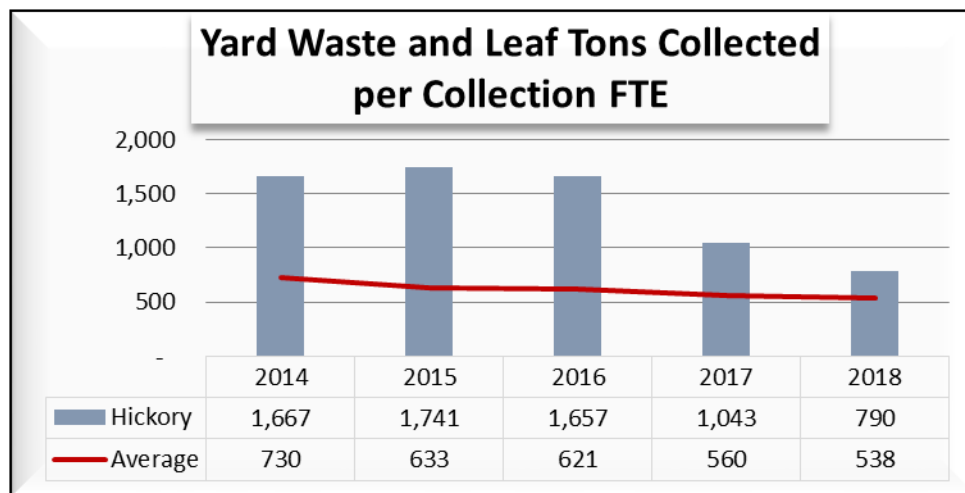
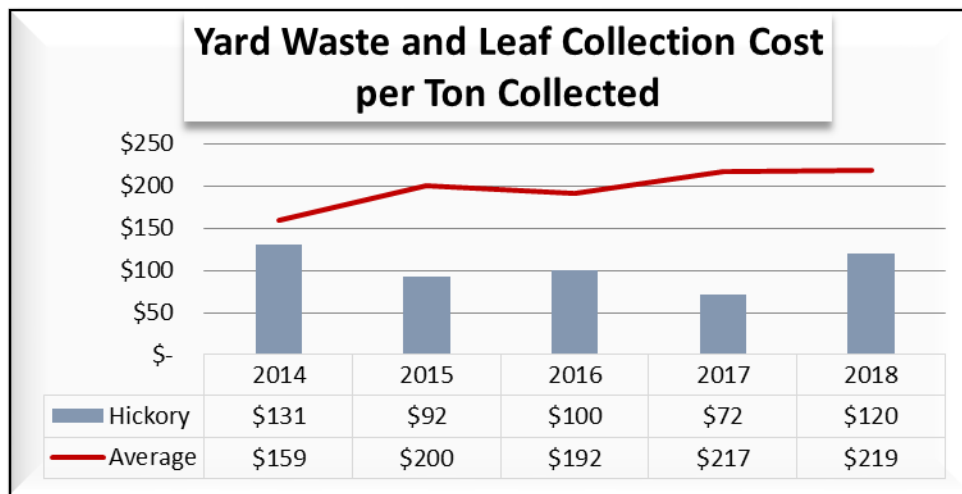
## Household Recycling



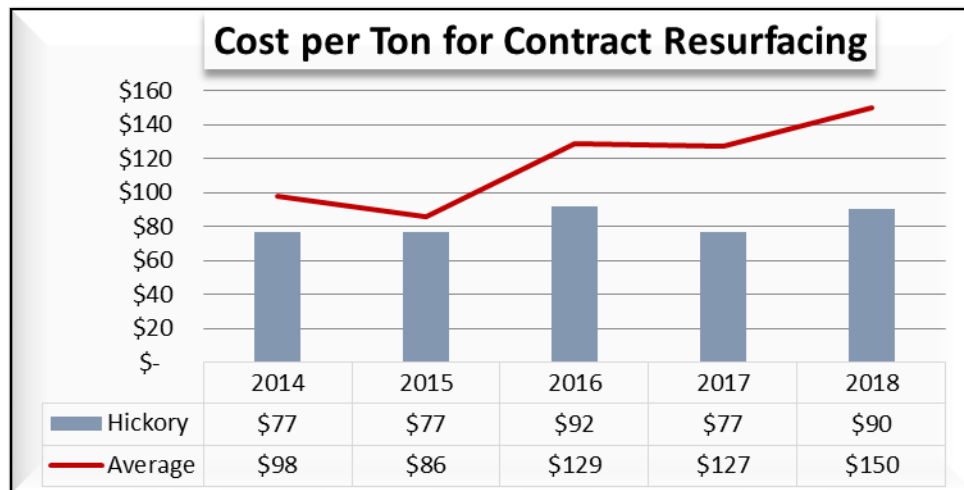
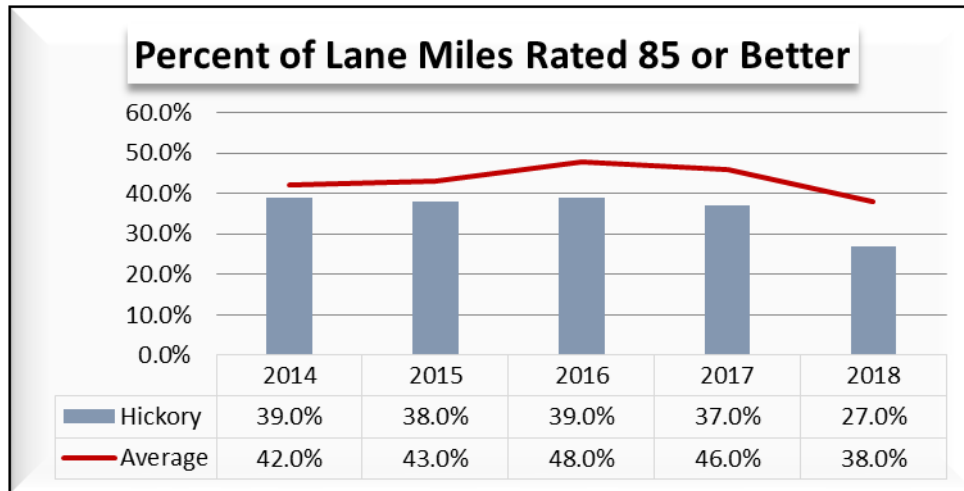
## Residential Refuse Collection



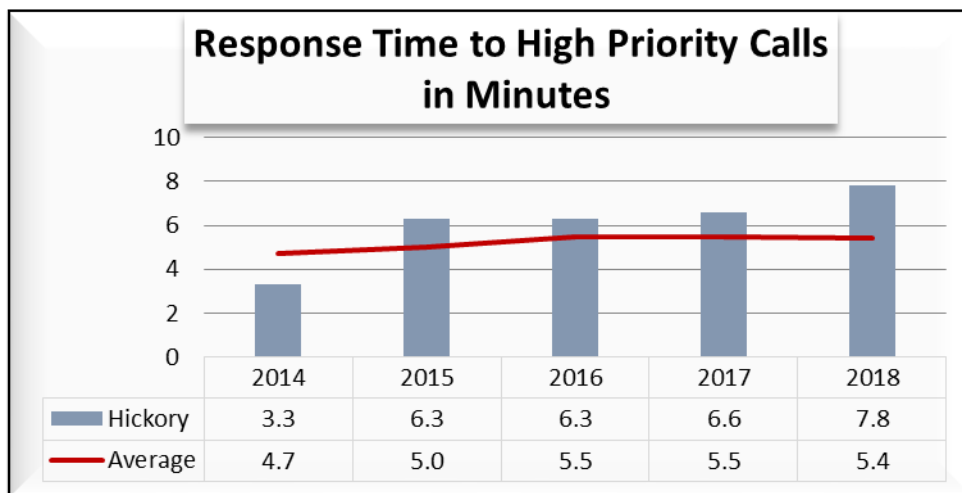
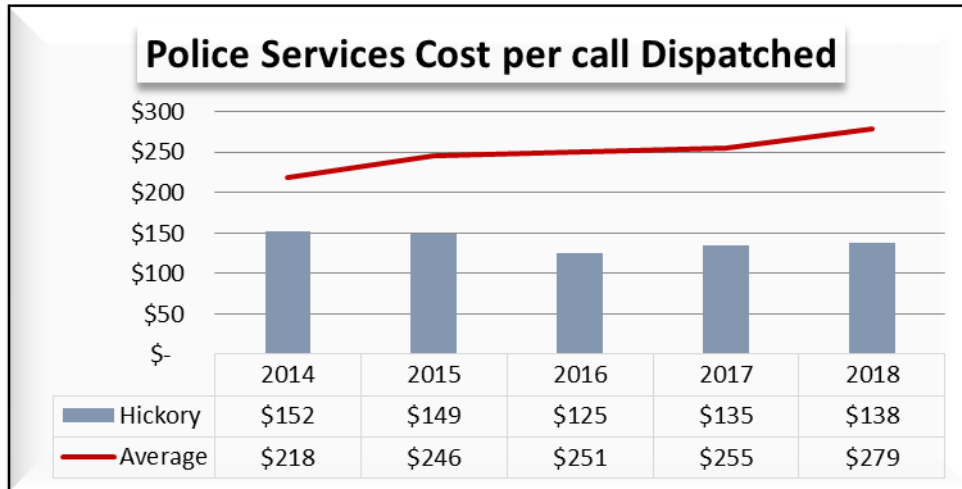
## Yard Waste and Leaf Collection



## Asphalt Maintenance

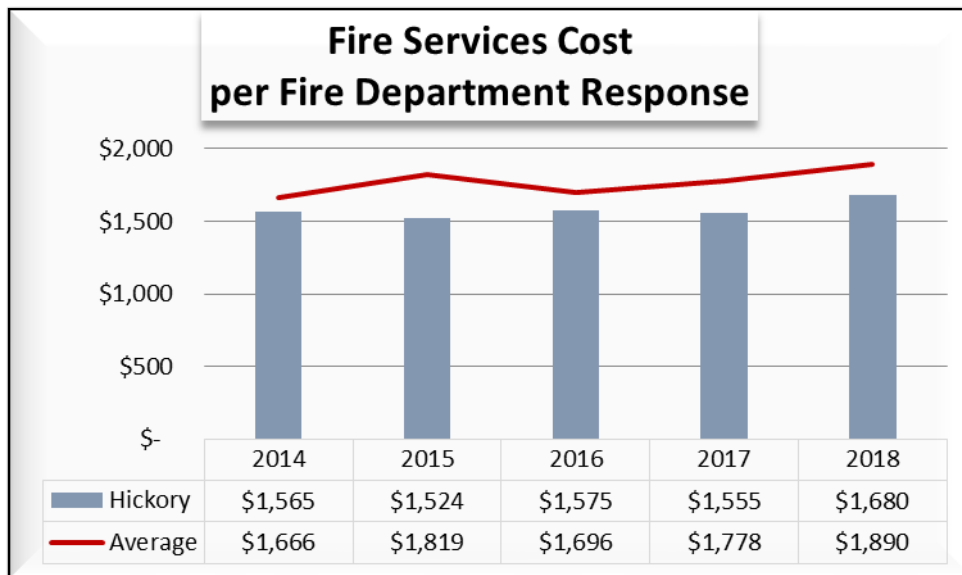
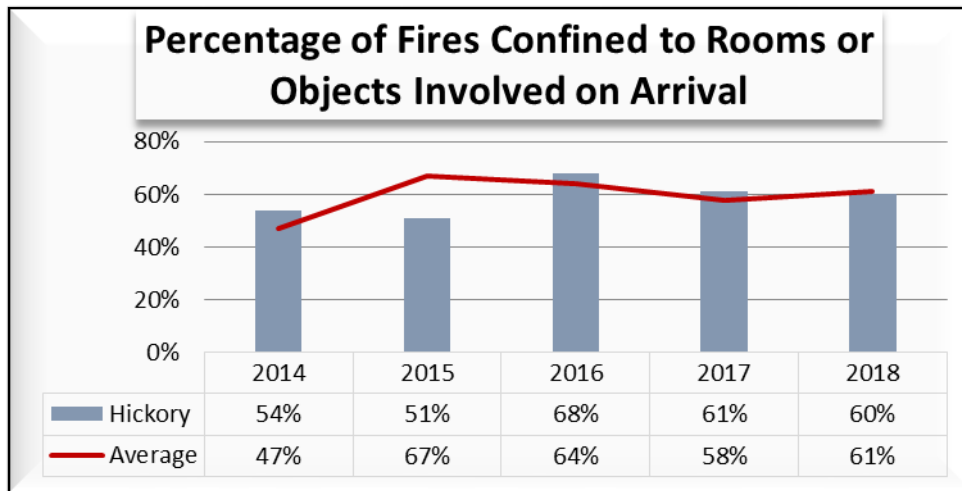


## Police Services





## Fire Services



# Supplementary Information

## History

Hickory owes its early beginnings to Henry Weidner, a young German who came from Montgomery, Pennsylvania to find a new home in the South. After selecting a home site on the South Fork and Henry Rivers, he was careful to make the friendship of the Catawba Indians who had a settlement there. With his home thus established, in 1750 he married Katrina Mull and, with his brother-in-law Adam Mull, took out a land grant. The Weidner lands embraced thousands of acres. Several miles northwest of the Weidner home, at a point where the trails of the Cherokee and Catawba Indians crossed, a stagecoach turnpike was established which opened up the territory for transportation and communication.

Hickory cost 46 pounds in the King's money or \$128.80 in U.S. dollars for 360 acres located where Union Square and the Hickory Station Restaurant are located today. This same acreage was sold at public auction on May 8, 1798 in Lincoln County to Jesse Robinson, whose family deeded the property to the railroad and Hickory as a public common.



In 1846, William Hale opened a store at this stagecoach junction and established a post office under the name of Chestnut Oak. Henry Robinson, a descendant of Henry Weidner, built a tavern of logs there beneath a huge hickory tree during the 1850's. The inn was known as "Hickory Tavern."

The community of Hickory Tavern had its first Charter drawn on December 12, 1863; "Corporate limits to be one square mile, having its center the depot of Western North Carolina Railroad." Mileposts were erected in four directions (one still exists at Lenoir-Rhyne College). The legislature appointed judges to hold an election for town commissioners on the first Monday in January 1870. Thus, the Town of Hickory Tavern was established. The name was changed to the Town of Hickory by the 1873 legislature and to the City of Hickory by the 1889 legislature. Berryville was incorporated in 1895 and the name changed to West Hickory; Highland was incorporated in 1905. Both of these towns became part of the City of Hickory in 1931.

The first train operated in Hickory Tavern in 1859 opening up the area for further settlement. The first settler was Henry Link who bought the first lot in the Town of Hickory in 1858 for the sum of \$45. His house was known as The 1859 Café.

The first mayor of Hickory was Marcus Yoder who held court in his store on the west end of Union Square and used his warehouse for a "calaboose" (local jail).

The community of "Hickory Tavern" was one of the first towns in North Carolina to install electric lights in 1888 and also a water works and complete sewage system in 1904.

Another milepost in Hickory's history is the adoption of the Council-Manager form of government on March 17, 1913, becoming the first city in the state and the third city in the country to adopt the Council-Manager form of government.

Hickory has always been a very progressive and innovative city. Hickory has been known as the "Industrial Hub of Western North Carolina", "The City that does Things", and the "Best Balanced City". The entrepreneurial spirit of its citizens has been recognized nationally with Hickory being named an All-America City three times, in 1967, 1987, and 2007.

## Demographic Information

With a population of 40,925 the City serves as a trade, distribution, communications and service center to approximately 368,416 people due to its location at the geographic center of a four-county region and its ready access to major transportation facilities. Historically, the City's economy was influenced by a significant concentration in the manufacturing trade; however, over the past several years this has shifted. Principal industries now include wholesale grocery, retail trade, communications, utilities, health care, textiles, real estate, and furniture.



The principal taxpayers for Hickory include Merchants Distributors Inc., Corning Cable Systems LLC, Duke Energy Corp., Valley Hills Mall LLC, American Med International, Tate Boulevard LLC, HSM Solutions, Shurtape Technologies, Inland Western Hickory-Catawba LLC, and Legends of Hickory LLC.

The City of Hickory provides access to many social and economic resources. Hickory offers extensive educational opportunities with two colleges in the area: Catawba Valley Community College (CVCC) and Lenoir-Rhyne University, a fully accredited liberal arts university affiliated with the North Carolina Evangelical Lutheran Church of America. In addition, the City is home to the Hickory Metro Higher Education Center.



The citizens of Hickory and surrounding areas enjoy minor league baseball at L.P. Frans Stadium, home of the Hickory Crawdads.

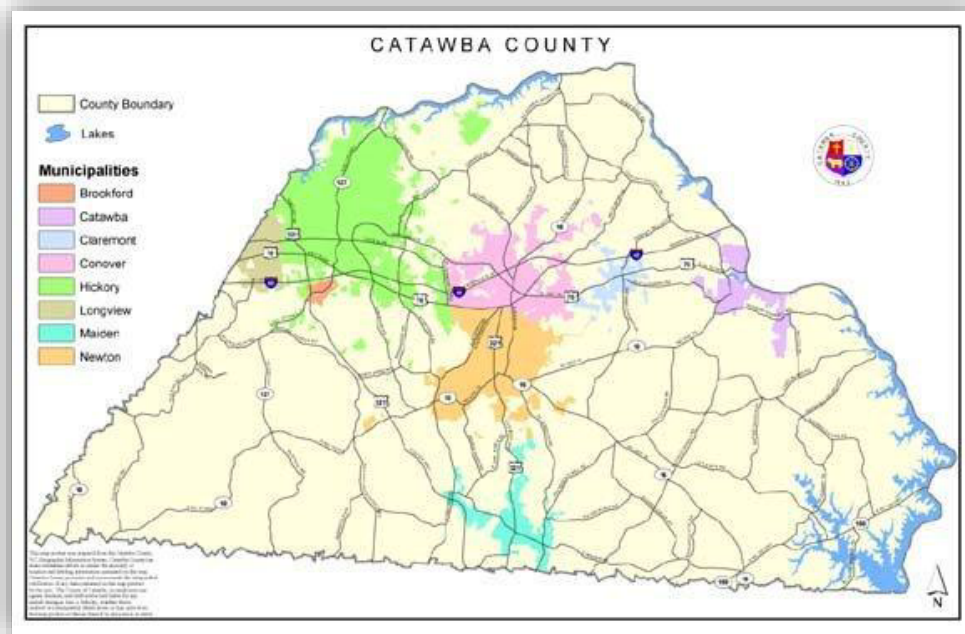
The SALT Block (Sciences, Arts and Literature Together) provides wide-ranging cultural experiences for adults and children alike. Hickory also offers significant resources in visual and performing arts such as the Hickory Community Theater, its own regional symphony orchestra, and several historic sites and museums.

# Supplementary Information



## Geographic Characteristics

Located in North Carolina's Piedmont Region, Hickory is fifty miles northwest of Charlotte and eighty miles east of Asheville. Hickory is the geographic and economic center of North Carolina's fourth largest metropolitan statistical area. The City spans approximately 28 square miles and resides in the prime crescent of the Interstate 40 system. Citizens enjoy the recreational advantages of a setting that allows easy access to the Blue Ridge Mountains and the coastal areas of North and South Carolina.





# Supplementary Information



JURISDICTION	POPULATION (JULY 2018)	SIZE (SQUARE MILES)
City of Hickory	40,925	29.8
Catawba County	157,974	398.7

(Sources: Western Piedmont Council of Governments and US Census Estimates as of July 1, 2018; www.factfinder.census.gov)



## MILESTONES IN HICKORY

- 1986 Opening of the Arts Center of Catawba Valley
- 1987 Hickory named "All America City" for the second time
- 1989 Construction begins on new US 321 Corridor
- 1992 Opening of 32 million gallons-per-day water plant
- 1993 First Baseball Game at Hickory's L.P. Frans Stadium
- 1996 Police Department moves to new state-of-the-art facility
- 1997 Hickory named "One of 10 Best Places to Live" by Reader's Digest Magazine
- 1997 Hickory ranked 189 out of 300 MSA's by Money Magazine (17-point improvement over 1996)  
Hickory ranked 16<sup>th</sup> among medium-sized cities in the South as being "...the most livable place to live in the nation" by Money Magazine
- 1998 Hickory Public Library is named one of the five best in the nation by Gale Research and Library Journal
- 2000 Hickory Public Library is the first Public Library in North America to use "smart card" technology
- 2000 During the year 2000, the one-millionth person walked through the doors of the Hickory Public Libraries.
- 2001 City and county government officials announce the Hickory Metropolitan Higher Education Center, a collaboration of Lenoir-Rhyne College, Catawba Valley Community College (CVCC) and Appalachian State University. The announcement and signing of a collaborative agreement by the three higher education institutions culminated more than two years of discussions and planning.
- 2006 McDonald Parkway connector opens and is the 2.8 mile connector between Interstate 40 and Springs Road.
- 2007 Hickory named an "All-America City" for the third time
- 2007 North Carolina Center for Engineering Technologies begins classes. The City of Hickory was part of the coalition that helped bring Western North Carolina engineering courses to Hickory.
- 2008 Hickory will begin a \$25 million upgrade of the Northeast Wastewater Treatment Plant.
- 2010 North Carolina Department of Transportation completed the Lenoir-Rhyne Boulevard project.
- 2012 Hickory gained ownership of the Fixed Based Operator (FBO) at the Hickory Regional Airport.
- 2014 Voters of Hickory overwhelming approved the \$15 and \$25 million dollar Hickory Bond Referendum in November 2014. These bonds will be used for various projects throughout the city including Business Park 1764, Riverwalk, City Walk and improving all of the City's major roads and gateways.

## City of Hickory Awards and Recognitions

\*\*\*\*\*

All-America City Award  
National Civic League  
1967, 1987, 2007

10 Best Places to Raise a Family Reader's Digest

All-America City  
National Civic League  
Three times Awarded, Four times finalist

One of the top 300 "Best Places to Live" in the United States  
Money Magazine Annual Survey

One of the top 20 "Most Entrepreneurial Cities in America"  
Incorporated Magazine

An "economic success story" Federal Reserve Bank of Richmond

"A reputation for fiscal soundness"  
North Carolina Securities Advisory Commission

"Affordable Cost of Living"  
American Chamber of Commerce Researchers Association

"5<sup>th</sup> Best Small Town in the Country for Manufacturing"  
Outlook Americas Magazine

"7<sup>th</sup> in the United States as an Entrepreneurial Hotspot"  
Nations Business Magazine

"7<sup>th</sup> Best Small Metro Area to Start a Business"  
Cogentics Research

"8<sup>th</sup> Best World-Class Community"  
Industry Week

"Hickory is Booming"  
Wall Street Journal

"8<sup>th</sup> Best Quality of Life in North Carolina"  
Business North Carolina

# Supplementary Information



Distinguished Budget Presentation Award  
Government Finance Officers Association  
1994-1995 through 2017-2018

Certificate of Achievement for Excellence in Financial Reporting  
Government Finance Officers Association  
1995-1996 through 2017-2018

Certificate of Safety Achievement  
North Carolina Department of Labor

One of 12 Parks & Recreation Departments chosen to participate  
in the national "Hearts 'N Parks" Program National Recreation and Parks Association

North Carolina Governor's Business Award  
Awarded to the SALT Block

One of top 5 finalists for "Library of the Year"  
Library Journal and the Gale Corporation

Named as a model city for the Composer in Residence award  
Meet the Composer Foundation

Finalist – Computerworld/Smithsonian Innovative Technology Award  
For the Hickory Library Smart Card System

National "Learn Not to Burn" Champion  
National Fire Protection Association

Operation Life Safety Award  
International Association of Fire Chiefs/National Sprinkler Association

Award of Excellence in Fire and Life Safety  
North Carolina Fire Education Board  
Risk Watch Champion program site  
National Fire Protection Association

Best Dressed Police Department in the Nation  
National Uniform Manufacturers Association

Web site ranks Hickory among top U.S. Hometowns  
Web company ePodunk Inc. Ranks Hickory Second in the top ten list for towns

Digital Government Award of Excellence  
Web Site of Distinction

# Supplementary Information



Hickory received Tree City USA award 2005, 2006, 2007

Hickory designated as a North Carolina Main Street  
Community by the North Carolina Department of Commerce 2006

The Friends of Hickory Public Library received the Volunteer of the Year Award (West Central District) for  
"Exemplary Service and Dedication to the Friends of Hickory Public Library" to Mary Ann Crane in 2008  
and to Paula Finnegan in 2009

Hickory was a Best Tennis Town finalist-2009

Hickory's Parks and Recreation Department was named Playful City USA 2011 and 2012

North Carolina City County Communications (NC3C) Awards 2009

Hickory received the 2010 "BELIEF" Award from Champions of Education

Hickory received the 2010 ICMA Community Sustainability Award for  
"Operation No Vacancy"

2011 Excellence in Communications  
1<sup>st</sup> Place Printed Publications - Annual Report  
1<sup>st</sup> Place Special Events - International Springfest  
1<sup>st</sup> Place Communication Technology - Website

Hickory earned the prestigious Playful City USA 2011 award from KaBOOM

Hickory Public Library received the Outstanding Children's and Family Program Award (Medium Size  
Library) for the 2011 Summer Reading Program "Where in the World is Lucy" from the North Carolina  
Public Library Directors Association.

The Friends of Hickory Public Library received the Frances B. Reid Award for Outstanding Service to the  
Library and Community: 2004, 2006 and 2011

Hickory Human Resources received the 2012 "Healthiest Employer Award"

In June 2012, The City of Hickory Fire Department was recognized for two prestigious awards, the "Pro  
Patria Award" and the "Freedom Award". The City of Hickory was chosen from across the state of North  
Carolina as the best supporter in the Government category. From that award, they were then submitted to  
represent North Carolina for the national award in September. The City of Hickory was chosen as one of  
the top 10% of employers who hire Guardsmen and Reservist in North Carolina. The selection was based  
on information supplied by Hickory Senior Firefighter Patrick Auton, who served in Iraq in 2010 for four  
months. Patrick also served in 2004 for one year and two weeks.

Excellence in Communication Citizen Participation First Place Award for the Zahra Baker All Children's  
Playground community build and fundraising campaign.



# Supplementary Information



Excellence in Communication Special Events First Place Award for the Zahra Baker All Children's Playground ribbon cutting and dedication event.

Excellence in Communication Most Creative Project with the Least Amount of Funds First Place Award for the Catawba Communities show that airs on Charter's Government Channel (this was a joint award with Catawba County).

Hickory Public Library was selected to be among the first institutions in the country to take part in the Edge Initiative, a ground-breaking, national initiative that provides libraries with new strategies and tools to help achieve community priorities through enhanced technology.

Hickory Public Library received an income distribution of almost \$40,000 from the library's five endowment funds for the first time since 2009.

Sarah Nelson was awarded 2013 Civilian of the Year  
North Carolina Gang Investigators Association

Street Crimes Interdiction Unit was awarded 2013 Gang Unit of the Year  
North Carolina Gang Investigators Association

The Hickory Fire Department was nominated and received the 2014 "Giving from the Heart" Volunteer Award for their work benefitting the Catawba County Christmas Bureau

Rich Jenkins, Hickory Firefighter, received the 2015 Dedicated Service Award  
Western North Carolina Association of Firefighters

Tamara Faulkner awarded the 2015 Paralibrarian of the Year  
Library Journal

Hickory Public Library received a \$20,160 grant to develop a new strategic plan for 2015-2018. Grant funds came from the Institute of Museum and Library Services, under the provisions of the federal Library Services and Technology Act, as administered by the State Library of North Carolina, a division of the Department of Cultural Resources

Hickory Public Library received an income distribution of \$43,530  
Library's Endowment Fund administered by the North Carolina Community Foundation 2015

Hickory Police Department received the Safe Kids Certificate of Appreciation 2015

Police Chief Tom Adkins awarded the 2015 Bill Dalton Unsung Hero Award  
Special Olympics

The Zahra Baker All Children's Playground at Kiwanis Park received the Macaroni Kid of Hickory/Western Piedmont's 2015 Gold Daisy Award for Favorite Outdoor Place

# Supplementary Information



Assistant City Manager Andrea Surratt awarded 2015 Assistant Manager of the Year  
North Carolina City County Managers Association (NCCCMA)

Communications and Marketing Manager, Dana Kaminske was elected as the Vice President  
NC3C (North Carolina City County Communicators)

Lisa Drum was awarded the 2015 Authur J. Barnett Planner of the Year  
International Association of Law Enforcement Planners

Friends of the Library board member Lucy Kearns recognized as 2015 Volunteer of the Year  
Friends of North Carolina Public Libraries

Hickory Public Library received an award for Best Program 2016  
North Carolina Public Library Directors Association

City of Hickory was awarded the 2016 Silver WellBusiness Award  
Catawba County Cancer Task Force

Staff Attorney, Arnita Dula, was awarded the 2016 Citizen-Lawyer Award  
North Carolina Bar Association

# Supplementary Information



## Hickory's Tax Base by Type (FY2018-2019) Estimated through June 2019

Type	Catawba	Burke	Caldwell	Total
Real	4,133,363,816	13,586,480	78,966,980	4,225,917,276
Personal	303,763,708	45,969,372	28,564,364	378,297,444
Public Services	116,990,785	1,918,038	28,260,969	147,169,792
TOTAL	4,554,118,309	61,473,890	135,792,313	4,751,384,512

## HICKORY METRO AREA WATER & SEWER RATE COMPARISONS

City/County	Water Rate per 5,000 Gallons	Sewer Rate per 5,000 Gallons	Total
Burke County	\$ 47.10	\$ 51.50	\$ 98.60
City of Conover	\$ 24.07	\$ 31.77	\$ 55.84
City of Newton	\$ 32.44	\$ 42.81	\$ 75.25
Town of Taylorsville	\$ 33.25	\$ 33.25	\$ 66.50
Average	\$ 34.22	\$ 39.83	\$ 74.05
City of Hickory	\$ 23.90	\$ 30.87	\$ 54.77

### Utilities

Sewer Lines (miles)	499
Water Lines (miles)	937
Finished Water (gal/day)	11.14 MGD

### Water/Sewer Service Connections

Residential	39,485
Commercial	15,723
Total	55,208

# Supplementary Information

## TEN LARGEST WATER USERS By Volume July 1, 2017 – June 30, 2018



### I. Water

	CUSTOMERS	CUBIC FEET	GALLONS	REVENUE
1	CONOVER, CITY OF	90,113,447	674,048,584	\$ 525,590.02
2	MAIDEN, TOWN OF	53,465,734	399,923,690	\$ 431,968.47
3	LONGVIEW, TOWN OF	34,564,973	258,545,998	\$ 341,721.00
4	ICARD TOWNSHIP WATER CORP	22,103,689	165,335,594	\$ 212,340.05
5	APPLE	11,472,100	85,811,308	\$ 289,077.87
6	ALEXANDER CORR INST (PRISON)	7,637,095	57,125,471	\$ 188,121.66
7	CATAWBA VALLEY MEDICAL CENTER	4,273,349	31,964,651	\$ 74,865.22
8	FRYE REGIONAL MEDICAL CENTER	3,065,945	22,933,269	\$ 44,416.49
9	TARLTON, JAMES V JR	3,042,900	22,760,892	\$ 40,785.30
10	LENOIR RHYNE UNIVERSITY	2,938,298	21,978,469	\$ 72,776.16
		232,677,530	1,740,427,924	\$ 2,221,662.24

### II. Sewer

	CUSTOMERS	CUBIC FEET	GALLONS	REVENUE
1	LONGVIEW, TOWN OF	26,051,204	194,863,007	\$437,557.06
2	BURKE COUNTY	12,692,171	94,937,440	\$212,669.24
3	CATAWBA VALLEY MEDICAL CENTER	4,259,069	31,857,836	\$116,799.00
4	FRYE REGIONAL MEDICAL CENTER	3,065,945	22,933,269	\$61,942.38
5	TARLTON, JAMES V JR	3,012,660	22,534,697	\$73,084.37
6	MDI	2,917,019	21,819,300	\$71,137.57
7	LENOIR RHYNE UNIVERSITY	2,623,931	19,627,004	\$92,095.59
8	SHURTAPE TECH	1,689,846	12,640,050	\$52,161.29
9	LEGENDS AT HICKORY	1,547,716	11,576,916	\$64,491.28
10	LUTHERAN HOMES / TRINITY RIDGE	1,509,997	11,294,778	\$41,653.08
		59,369,558	444,084,295	\$ 1,223,590.86

## Top Ten Amazing Facts about the City of Hickory



1. Hickory Life. Well Crafted. Brand campaign and message is seven years old.
2. In 2018, the Hickory Police Department organized the first multi-jurisdictional Law Enforcement Assisted Diversion (LEAD) program in the country.
3. During FY2017-18, the Hickory Police Department received and handled a total of 153,218 calls for service; that's an average of 419.8 calls per day.
4. During FY2017-18 the Planning Department issued a total of 788 zoning permits (257 residential and 531 commercial).
5. During FY2017-18 the Library presented 1,139 public programs. There were 295,159 visits to the library facilities. Patrons checked out 359,719 items.
6. In 2016-17, the Solid Waste Department implemented a Single Stream Recycling program that increased the tonnage of recycled material picked up at the curb by 92% over the previous year. The whole recycling program diverted over 17,218 tons of material from the landfill.
7. During the Fiscal Year 2017-18, the Development Assistance Center received 110 Special Event Permits.
8. The City of Hickory is responsible for the maintenance of 550 miles of sewer lines which is equivalent to the drive from Murphy, NC to Manteo, NC.
9. Landscape Services planted 3,200 annuals throughout the City and 1,385 other perennials, shrubs, and trees during FY2017-18.
10. Landscape crews used 25 rolls of weed eater string during FY2017-18, which is roughly 3.25 miles.

# Supplementary Information



## City of Hickory Pay Plan July 1, 2019

GRADE	POSITION	MINIMUM	MIDPOINT	MAXIMUM
8	Maintenance Worker I Parking Enforcement Officer	\$26,465.94	\$33,082.42	\$39,698.90
9	Airport Customer Service Representative Customer Service Representative I Fleet Vehicle Service Technician Library Assistant I Maintenance Worker II Meter Reader Police Records Clerk Transfer Station Operator	\$27,805.78	\$34,757.22	\$41,708.66
10	Administrative Technician Airport Customer Service Representative II Animal Control Officer Construction Worker Customer Service Representative II Electrician Apprentice Equipment Operator Groundskeeper Horticultural Technician Park Supervisor PS Dispatcher	\$29,213.44	\$36,516.81	\$43,820.17
11	Airport Line Technician GPS Field Tech I Heavy Equipment Operator Meter Mechanic Payroll Technician - Public Services Utilities Warehouse Coordinator Utility Locate Technician	\$30,692.36	\$38,365.47	\$46,038.56
12	Accounting Technician Administrative Assistant Central Services Coordinator Central Warehouse Coordinator Community Development Technician Crew Leader Human Resources Generalist Laboratory Technician I Library Maintenance Coordinator Library Technician Maintenance Mechanic	\$32,246.18	\$40,307.71	\$48,369.27

# Supplementary Information



	Mechanic I			
	Parts Specialist			
	Planning Technician			
	Police Telecommunicator			
	Pretreatment Technician			
	Public Utilities Technician			
	Purchasing Technician			
	Senior Customer Service Representative			
	Wastewater Treatment Plant Operator I			
	Water Quality Technician			
	Water Treatment Plant Operator I			
	Welder			
13	Accounting Technician (Finance)	\$33,878.64	\$42,348.30	\$50,817.94
	CAD Operator / Land Survey Tech			
	Firefighter			
	Recreation Programmer			
	Wastewater Treatment Plant Operator II			
	Water Treatment Plant Operator II			
14	Administrative Services Budget Coordinator	\$35,593.74	\$44,492.18	\$53,390.61
	Assistant Street Supervisor			
	Cemetery Sexton			
	Circulation Supervisor			
	Electrician			
	Fire Education Assistant			
	Fire Mechanic			
	Help Desk Specialist			
	IT Tech I			
	Library Associate			
	Library Outreach Coordinator			
	Maintenance Mechanic Crew Leader			
	Mechanic II			
	Police Officer			
	Police Victim & Community Service Coordinator			
	Wastewater Treatment Plant Operator III			
	Water Treatment Plant Operator III			
	Zoning Enforcement Officer			
15	City Arborist	\$37,395.68	\$46,744.60	\$56,093.52
	Horticulture Specialist			
	Police Budget & Logistics Coordinator			
	Public Utilities Specialist			
	Senior Firefighter			
	Turf Grass Specialist			
16	Accountant	\$39,288.83	\$49,111.04	\$58,933.24
	Chemist			
	Code Enforcement Officer			
	Electrical Supervisor			

# Supplementary Information



	Executive Assistant			
	Fire Apparatus Operator			
	Fire Maintenance Supervisor			
	Paralegal			
	Senior Laboratory Technician			
	Senior Recreation Programmer			
	Senior Wastewater Treatment Plant Operator			
	Senior Water Treatment Plant Operator			
	Traffic Signal / Radio Operator			
17	Airport Operations Supervisor	\$41,277.84	\$51,597.29	\$61,916.74
	Assistant Parks Maintenance Supervisor			
	Fire Education Coordinator			
	Fire Prevention Inspector			
	Landscape Services Supervisor			
	Master Police Officer			
	Meter Operations Supervisor			
	Police Crime Analyst			
	Police Gang Intelligence Crime Analyst			
	Police Gang of One Coordinator			
	Reference Librarian			
	Senior Code Enforcement Officer			
	Solid Waste Supervisor			
	Utilities Supervisor			
18	Fleet Maintenance Supervisor	\$43,367.53	\$54,209.39	\$65,051.28
	Grants and Projects Coordinator			
	Planner			
	Senior Accountant			
	Senior Fire Prevention Inspector			
	Senior Land Surveyor			
	Street Maintenance Supervisor			
	Traffic Signal System Operator			
	Utilities Inspector/Plan Reviewer			
19	Budget Analyst	\$45,562.99	\$56,953.74	\$68,344.51
	Building Services Coordinator			
	Code Enforcement Supervisor			
	Fire Captain			
	Fire System Analyst			
	Human Resources Analyst			
	Library Branch Manager			
	Occupational Health Nurse			
	Police Communication Supervisor			
	Police Sergeant			
	Pretreatment Coordinator			
	Recreation Supervisor			
	Senior Planner			
	Systems Analyst			



# Supplementary Information



20	Billing and Collections Manager Civil Engineer I Communications Specialist Parks Maintenance Supervisor Wastewater Treatment Plant Superintendent Water Treatment Plant Superintendent	\$47,869.62	\$59,837.03	\$71,804.43
21	City Clerk Civil Engineer II Collections Manager Community Development Manager Deputy Finance Officer Fire Battalion Chief Fleet Manager GIS Manager Governmental Affairs Analyst Landscape Services Manager Library Head of Reference and Tech Services Library Head of Youth Services Network Architect Planning Manager Police Lieutenant Risk Manager Senior Police Digital Forensic Evidence Tech Senior Systems Analyst Solid Waste Manager Street Maintenance Manager	\$52,839.11	\$66,048.89	\$79,258.66
22	Business Services Manager Environmental Manager Infrastructure Manager Police Captain Senior Civil Engineer Transportation Manager	\$58,324.48	\$72,905.60	\$87,486.74
23	Airport Manager Bond Project Manager Communications & Marketing Manager Deputy Fire Chief Finance Officer Information Technology Manager	\$64,379.33	\$80,474.16	\$115,882.79
24	Assistant Public Services Director Assistant to the City Manager Deputy Chief of Police Transportation Planning Manager	\$71,062.74	\$99,487.84	\$127,912.93
25	Deputy Attorney Human Resources Director	\$74,615.88	\$104,462.23	\$134,308.58

# Supplementary Information



	Library Director Director of Recreation and Sports Tourism Planning Director			
26	Fire Chief Police Chief Public Services Director	\$78,346.67	\$109,685.00	\$141,024.01
27	Assistant City Manager	\$95,571.47	\$119,464.33	\$172,028.65

# Budget Glossary

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Accrual - The accounting method under which revenues are recognized on the income statement when they are earned rather than when the cash is received.

Activity - Departmental efforts which contribute to the achievement of a specific set of program outcomes; the smallest unit of the program budget.

Allocate – To set apart portions of budgeted expenditures and/or revenues which are specifically designated to organizations for special activities or purposes.

ADA - This is the commonly used acronym for the Americans with Disabilities Act.

Ad Valorem Taxes - Revenue accounts showing taxes paid on real property and personal property, to include property of public service companies allocated by the Ad Valorem Tax Division of the State Department of Revenue. Generally, Ad Valorem Taxes are those levied in proportion to the value of a property.

Annual Budget – A spending plan covering a single fiscal year.

Appropriation - A funding authorization granted by the City Council to make budgeted expenditures and to incur obligations for purposes specified in the budget ordinance.

Assessed Valuation - The value of real estate or personal property as determined by tax assessors and used as a basis for levying taxes.

Assessment – The process for determining values of real and personal property for taxation purposes.

Authorized Bond – Bonds which have been legally approved but may or may not have been sold.

Balanced Budget – An annual spending plan characterized by an equal (i.e. “balanced”) amount of anticipated revenues and expenditures. In North Carolina, the statutes require that the adopted budget be in balance.

Basis of Accounting - A term used to refer to when revenues, expenditures, expenses, and transfers--and the related assets and liabilities--are recognized in the accounts and reported in the financial statements. The City of Hickory uses the modified accrual basis of accounting for budget preparation, as required by the North Carolina Local Government Budget and Fiscal Control Act.

Bond - A written promise to pay a specific amount of money with interest within a specific time period, usually long-term. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets, and bridges.

Bond Anticipation Notes (BANs) - Short-term interest-bearing notes issued by the City in anticipation of bonds which are issued at a later date. The notes are retired from proceeds of the bond issue to which they are related.

Bond Issued – Bonds that are sold.

Bond Rating – A grade indicating a governmental unit’s investment qualities. Generally speaking, the higher the bond rating, the more favorable the interest rate and the lower the cost of financing capital projects funded by bonds. A high rating is indicative of a Governmental unit’s strong financial position. Ratings range from AAA (highest) to D (lowest).

# Budget Glossary

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Budget - A statement in dollar terms of the City's program of service delivery for the ensuing fiscal year.

Budget Amendment - A legal procedure utilized by the City staff and the City Council to revise a budget appropriation.

Budget Calendar - The schedule of key dates that the City's departments follow in the preparation, adoption and administration of the budget.

Budget Document - A formal document presented to the City Council containing the City's detailed financial plan for a fiscal year.

Budget Message - The opening section of the budget that provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the City Manager.

Budget Ordinance - The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

Budgetary Control - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

CAFR - The acronym used for Comprehensive Annual Financial Report.

Capital Assets - Land, buildings, permanent improvements, machinery, large tools, rolling and stationary equipment with a value of \$5,000 or more.

Capital Improvement Plan - A long term plan of proposed improvement projects which includes estimated project costs and funding sources that the City expects to undertake within a five year period to acquire or construct capital assets. The plan is updated annually to reassess capital needs.

Capital Outlays - An expenditure expected to have a useful life greater than three years or an estimated total cost of \$5,000 or more. This involves the construction, purchase, or major renovation of a building or the purchase of land, as well as the acquisition of vehicles and equipment.

Capital Reserve - An account used to indicate that a portion of a fund's balance is legally restricted for a specific capital purpose and is, therefore, not available for general appropriation.

Cash Management - The management of cash necessary to pay for governmental services, while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing, and maintaining banking relationships.

Category - A consolidation of expenditures to measure personnel, operations, capital, contingency, special appropriations, debt service, transfers, and pro rata administrative services activities.

CDB - The acronym used for the Central Business District

CDBG - The acronym used for Community Block Grant Fund

# Budget Glossary

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City Council – Five-member Governing Board elected by the voters of the City for four year terms.

CIP - The acronym used for Capital Improvement Plan

Classification - Assignment of a position title and an associated pay range based on the job skills required for a particular position.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

CPI - The acronym used for Consumer Price Index

CVB - The acronym used for Convention Visitors Bureau

Debt Service - The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Delinquent Taxes – Taxes that remain unpaid after the due date on which a penalty for nonpayment is incurred.

Department - A major administrative division of the City that has overall management responsibility for an operation within a functional area.

Depreciation - The process of estimating and recording the lost usefulness, expired useful life, or diminution of service from a fixed asset that cannot or will not be restored by repair and must be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to the reserve to replace the item at the end of its useful life.

Disbursement - Payment for goods and services in cash or by check.

Earmark - To designate funds for a specific use.

EDC - The acronym used for Economic Development Corporation

Encumbrance - The commitment of appropriated funds to purchase an item or service. To encumber funds is to set aside, or commit funds for future expenditures. A financial commitment for services, contracts, or goods that have not as yet been delivered or performed.

Enterprise Fund - A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for the services are established to ensure that revenues are adequate to meet all necessary expenditures. Enterprise funds in Hickory are established for services such as water and sewer, sludge composting, and solid waste and recycling services.

EPA - The acronym used for Environmental Protection Agency

Estimated Revenue - The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by the City Council in the annual budget.

ETJ - The acronym used for Extra Territorial Jurisdiction.

# Budget Glossary

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Expenditure - The outflow of funds for assets that are incurred, or goods and services obtained, regardless of when the expense is actually paid. This term applies to all funds.

Expenses - Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest and other charges.

Fiscal Policy - The financial plan embracing the general goals and acceptable procedures of a governmental unit.

Fiscal Year ("FY") - The time period designating the beginning and ending period for recording financial transactions. The City of Hickory's fiscal year begins July 1st and ends on the following June 30th. Budgeting is carried out on a fiscal year schedule.

Fixed Assets - Assets of long-term character which are intended to continue to be held or used by the City, including land, buildings, machinery, furniture and other equipment.

FTE - The acronym used for "full-time equivalent" when considering both the number and cost of Human Resource personnel as applicable to city services.

Function - A group of related programs crossing organizational (departmental) boundaries and aimed at accomplishing a broad goal, or a major service.

Fund - An accounting entity that possesses a set of self-balancing accounts and records all financial transactions for specific activities or government functions.

Fund Balance - Fund balance is the amount of assets in excess of the liabilities appropriated for expenditure, and is therefore also known as surplus funds. North Carolina statutes dictate that a portion of fund balance should be retained and not made available for appropriation in the following fiscal year.

Fund Balance Appropriated - A budgetary amount representing the fund's equity to be used to offset expenditures. Fund balance appropriated cannot exceed the sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year preceding the budget year.

FY - The acronym used for fiscal year

General Accepted Accounting Principles (GAAP) - Uniform minimum standards of, and guidelines for, financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices.

GASB 34 - The acronym used for Governmental Accounting Standards Board Statement #34: "Basic Financial Statements- Management's Discussion and Analysis - For State and Local Governments".

GA - The acronym used for the North Carolina General Assembly.

General Fund - The largest fund within the City, the General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, finance, information technology, public works, general administration, planning and development, engineering, and recreation and cultural activities.

# Budget Glossary

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General Ledger - A file that contains a listing of the various accounts necessary to reflect the financial position of the government.

General Obligation Bonds - Bonds that finance a variety of public projects such as streets, buildings, and improvements. Repayment of these bonds is usually made from the General Fund, and the bonds are backed by the full faith and credit of the issuing government.

Geographic Information System (GIS) - A project which will link the City to a county-wide database, including hardware, software, and added personnel. This system is to be utilized as a planning tool by City departments.

GFOA - The acronym used for Government Finance Officers Association of the United States and Canada.

Goal - A statement of broad direction, purpose, or intent based on the needs of the community. A goal is general and timeless. It is not concerned with a specific achievement in a given time period.

Governmental Funds - There are three groups of funds for which financial statements are prepared- governmental, proprietary, and fiduciary. Proprietary funds are employed to report on activities financed primarily by revenues generated by the activities themselves, such as a utility. Fiduciary funds contain resources held by a government but belonging to individuals or entities other than the government. Governmental funds account for everything else. The City of Hickory has three types of governmental funds:

- General Fund and like funds
- Special Revenue Funds
- Capital Project Funds

Grant - A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block, depending upon the amount of discretion allowed by the grantee.

HPD - The acronym used for Hickory Police Department

Indirect Cost - The component of the total cost for a service that is provided by and budgeted within another department or division. Indirect costs are budgeted to more accurately reflect the true total cost for such services such as those provided by the Administrative Departments.

Interfund Transfers - Amounts transferred from one fund to another.

Intergovernmental Revenue - Revenues from other governments (local, State, Federal) which can be in the form of grants, shared revenues, or entitlement.

Internal Service Fund - A fund which permits the accounting transactions of the activity involved to be isolated and the activity's full costs to be passed on to the departments and agencies that use the service.

Inventory - A detailed listing of property currently held by the government.

Investment Earnings - Revenue earned on investments with a third party. The City uses a pooled cash system, investing the total amount of cash regardless of fund boundaries. The interest earned is then allocated back to individual funds by average cash balance in that fund.

ITRE - The acronym used for Institute for Transportation Research and Education

# Budget Glossary

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Lease-Purchase Agreement - An agreement that conveys the right to property or equipment for a stated period of time. It allows the City to spread the cost of the acquisition over several budget years.

Levy - To impose taxes, special assessments, or service charges for the support of City activities.

Line Item Budget - A budget that lists each expenditure category (salaries, material, telephone, travel, etc.) separately, along with the dollar amount budgeted for each specified category.

Local Government Budget and Fiscal Control Act - This act governs all financial activities of local Governments within the State of North Carolina.

Long Term Debt - Debt with a maturity of more than one year after the date of issuance.

MALSR - The acronym used for Medium-Intensity Approach Lighting System with Runway Alignment Indicator Lights.

Maturities - The dates on which the principal or stated values of investments or debt obligations become due and/or may be reclaimed.

Merit Program - An established system to recognize and financially reward employee performance that exceeds the City's standards for a classification.

Modified Accrual Accounting - The accounting approach under which: 1) revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period; 2) expenditures are recognized in the accounting period in which a fund liability is incurred, and; 3) unmatured principal and interest on general long term debt is recognized when due.

MPO - The acronym used for Metropolitan Planning Organization

NCDOT - The acronym used for North Carolina Department of Transportation.

NCLGPMP - The acronym used for North Carolina Local Government Performance Measurement Project.

Net Position - An accounting term used to describe assets minus liabilities in business type activities. Enterprise funds are used to report those functions presented as business type activities in the financial statements. Net Position may serve, over time, as a useful indicator of a government's financial position. Net Position includes: capital assets, net of related debt; restricted; and unrestricted assets.

NEWWTP - The acronym used for North East Waste Water Treatment Plant

Objectives - A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. An objective should imply a specific standard of performance for a given program.

Operating Expenses - The portion of the budget pertaining to the daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as supplies, utilities, materials, and travel.

Operating Transfers - Routine and/or recurring transfers of assets between funds.

Part 1 Offenses - A law enforcement classification for major crimes, including murder, robbery, aggravated assault, etc.



# Budget Glossary

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Performance Measures - Descriptions of a program's effectiveness, or efficiency (i.e., response time to public requests, frequency of document updates).

Personnel - General category that includes salaries and wages, pensions, health insurance and other fringe benefits.

Powell Bill Street Allocation - Funding from state-shared gasoline tax which is restricted for use on maintenance of local streets and roads.

Pro Rata Administrative Reimbursement - A calculated share per department to expend/reimburse for services provided by one fund to another.

Productivity - A measure of the increase of service output of City programs compared to the per unit resource input invested.

Program - An organized set of related work activities that are directed toward accomplishing a common goal. Each City department is usually responsible for a number of related service programs.

Property Tax - Property taxes are levied on both real and personal property according to the property's valuation and tax rate.

Proprietary - A government's continuing business type activities.

P2C - The acronym used for Police to Citizen

Reclassification - Change in a position title and/or the associated pay range based on changes in the job skills required for a given position.

Reserve - A portion of fund balance earmarked to indicate what is not available for expenditure, or is legally segregated for a specific future use.

Restricted Intergovernmental Revenues - Grants, entitlements, and shared revenues which are recorded in the appropriate fund and classified both by source and function for which the revenues are to be spent.

Resources - Assets that can be used to fund expenditures. These can be such things as property taxes, user fees, beginning fund balance, or working capital.

Restricted Net Position - The portion of Net Position that includes cash and liquid assets that are subject to external restrictions on their use.

Retained Earnings - This is the total of all operating surplus since a fund was established. Only the Enterprise and Internal Service Funds report this figure.

Revaluation - Assignment of value to properties, buildings, vehicles, and equipment used for business and residential purposes by the Catawba County Tax Assessor's Office. Under State law, all property must be revalued no less frequently than once every eight years.

Revenue - Funds which the government receives as income, including tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues, and interest income.

# Budget Glossary

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Revenue Bonds - Bonds which principal and interest are payable exclusively from earnings of an Enterprise Fund. Such bonds sometimes also contain a mortgage on the fund's property.

Right-of-Way Acquisition - Purchase of property needed by the City to perform road improvement projects and/or protection of right-of-way for future highway projects.

Service Level - Service(s) or product(s) which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

Source of Revenue - Revenues that are classified according to their source or point of origin.

Special Assessment - A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service, which are deemed to primarily benefit those properties.

Special Revenue Fund - A fund used to account for the revenues from specific sources that are to be used for legally specified expenditures.

Tax Base - The assessed valuation of all taxable real and personal property within the City's corporate limits.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for expenditures.

Unifour Area - The commonly used term which refers to the four-county area in which Hickory is located. The counties are Alexander, Burke, Caldwell, and Catawba.

Unrestricted Net Position - The portion of Net Position that includes cash and liquid assets not subject to external restrictions on their use.

USEPA - The acronym used for United States Environmental Protection Agency

VC3 - The acronym used for the company Visionary Corporate Computing Concepts.

WWTP - The acronym used for Waste Water Treatment Plant

Western Piedmont Council of Governments (WPCOG) - A voluntary association of 27 local governments in the Unifour area of western North Carolina which provides long-range planning and technical assistance, project administration, and grants research on a broad range of issues affecting local government.

