

City of Hickory North Carolina



Fiscal Year 2018-2019
Adopted Budget





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Hickory
North Carolina**

For the Fiscal Year Beginning

July 1, 2017

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, 2017.

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, 2018 – June 30, 2019



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	Fred Hollar
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



To present a complete picture of the City's finances and spending plans for FY 2018-19, 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

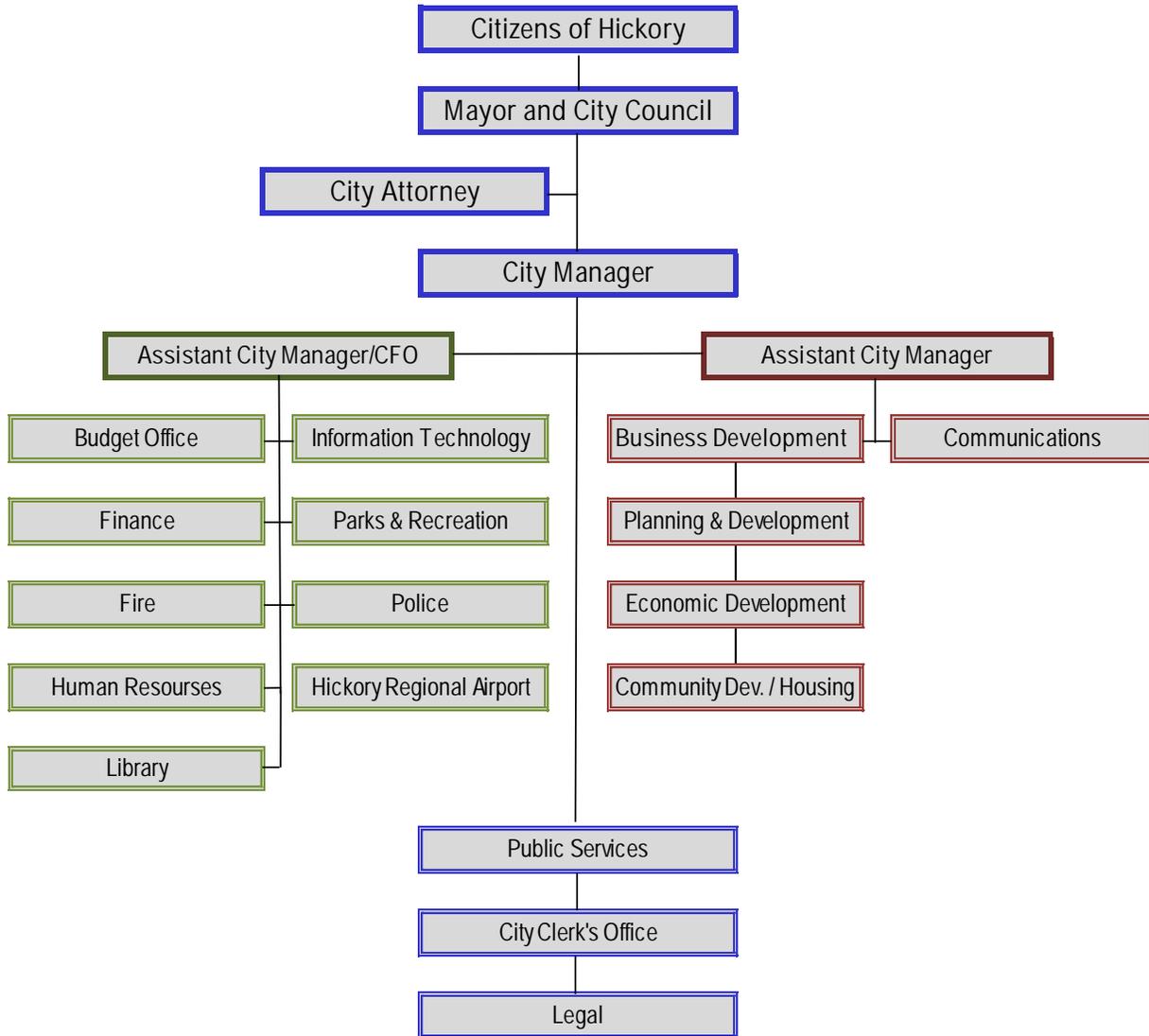


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Life. Well Crafted.

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Office of the City Manager

May 15, 2018

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 FY2018-2019 for your review and consideration. The \$103,801,956 annual spending plan is balanced and prepared in accordance with generally accepted budgeting standards.

General Fund

The General Fund budget is recommended at \$51,114,919, a 3.4% increase over the current year. The property tax rate is recommended to remain at \$56.65 cents per \$100 for the 4th consecutive year.

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 FY2018-2019 Recommended Budget recommends an appropriation of fund balance of \$992,353, which is \$1,403,633 less than the maximum we appropriated in FY2014-2015 of \$2,395,986. We believe 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.

Water and Sewer Fund

The Water and Sewer Fund budget is recommended at \$28,583,570, a 12.8% increase over the current year primarily due to an increase in capital projects. Water and sewer rates are generally increased annually by the previous year's Consumer Price Index. Consistent with that, this year's water and sewer rate increase is recommended to be 2.1%.

There will be more significant water and sewer rate increases in the years ahead for our water and sewer customers due to the State of North Carolina now requiring local governments with water and sewer systems to significantly increase their financial participation in the cost of relocating their water and sewer lines related to NCDOT road construction projects. The Hwy321 widening, Hwy127South widening, and the 29th Ave NE widening project alone are projected to cost our utility system over \$10 million. These new State requirements were only made known to local governments across the

state in 2016. Additionally, the NCDOT has accelerated the schedule for a number of their projects in Hickory, so we have not had ample time to plan for these new expenses. Ultimately, these costs will be passed along to our customers through increased rates.

Solid Waste Fund

With the addition of the new 96-gallon roll-out recycling containers in 2016, recycling efforts have significantly increased the volume and number of recyclable items the City collects. 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, and 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.

Continuing an effort to promote self-sufficiency within the Solid Waste Fund, the monthly Solid Waste Fee charged to our citizens is recommended to increase by \$2 per month in FY2018-2019 from \$20.50 to \$22.50, which remains below many of our peers statewide. This monthly increase is due to Catawba County increasing its landfill tipping fees as well as the need to replace a number of sanitation trucks in the coming year. With this, the Solid Waste Fund will be 100% self-supporting in FY2018-2019.

Bond Program

The City of Hickory's 42-member Bond Commission continues their work on multiple bond projects. Our first gateway project, at the interchange at Highway 321 and Highway 70, will begin construction later this year. The gateway plan consists of an artistic leaf structure, along with landscaping, on the Highway 321 northbound offramp on to Highway 70.

In the summer of 2018 we will begin construction on the City Walk project. This is a 10-foot-wide multipurpose path along Main Avenue, from Lenoir-Rhyne University through Downtown Hickory to 9th Street NW. The project is designed to stimulate continued growth of corporate headquarters and professional jobs in the City's Central Business District, while 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. Together, these projects will create a 5.2-mile multipurpose pathway.

The Riverwalk project is anticipated to be under construction in early 2019. This multipurpose path will begin near the Hwy321 northbound bridge and 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 \$6 to \$7 million event center on Lake Hickory with a conservancy as well. The Riverwalk will provide economic development opportunities and public access to the lake offering an attractive area for shopping, entertainment, and residential development.

In May of 2018, construction began on the entrance and berm of our class A business park called Trivium Corporate Center (formerly known as Park 1764). This is the first bond project to be under construction and this initial phase of work will be completed this summer.

An additional project recently approved in April 2018 with a combination of NCDOT funds (\$5.2M) and bond proceeds (\$1.3M) is the Book Walk. This will be a 10-foot-wide multipurpose path that will

tie into City Walk at South Center Street and Main Avenue and go to the Ridgeview Library. From there it will go down 7th Avenue SW to 4th Street SW and provide pedestrian access to the Walmart Grocery Store on Highway 70. Staff is in the early stages of evaluating utility and right-of-way conditions in order to identify the most feasible route. Once this is done, we will engage the Ridgeview community for public input and comment on this project to finalize the plan.

To date, the City has been able to secure over \$20 million in grant funds to expand the original \$40M bond program. Additionally in 2018, we will be pursuing \$10 million in federal BUILD funds (formerly TIGER) to be applied towards even more bond program enhancements.

Project	Grant Funds - New \$
City Walk	\$ 8,500,000
Riverwalk	\$ 2,000,000
Book Walk Ridgeview Library	\$ 2,000,000
Book Walk South (Walmart / 1st SW Greenway)	\$ 3,200,000
Streetscape 7 on Old Lenoir Road	\$ 3,520,000
3rd Avenue Connection to City Walk	\$ 100,000
Lenoir Rhyne U. Pedestrian Improvements	\$ 72,000
Trivium Corporate Center (formerly Park 1764)	\$ 700,000
Totals	\$ 20,092,000

With our bond projects coming closer to reality, the first bond sale is anticipated to happen in August 2018 with the first debt payment (interest only) being made in the spring of 2019.

State and National Recognition

As a result of national and international economic changes over the past two decades, Hickory has had its share of economic challenges. However, our community has 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 heavily dependent upon 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 started construction on the City Walk, Riverwalk, or gateways & streetscapes. Our present and our future are both bright.

This ongoing transformation has not gone unnoticed on the state and national level. Over the past year alone we have been the recipient of numerous types of recognition including:

- National Geographic Travel: Named one of the Best Small Cities in America (January 2018)
- Kiplinger: Hickory, Top 10 Places to Retire Nationally (August 2017)
- USA Today/Milken Institute: Ranks #3 "Biggest Gainer" in Economic Growth Nationally (Jan. 2018)
- Forbes: Best Places for Business and Careers Nationally (October 2017)
- SmartAsset: Hickory ranked 7th Best Place to Retire in North Carolina (March 2018)
- SmartAsset: Hickory ranked the 9th 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 seeing positive results with much more to come. As our economy continues to grow and diversify and as our bond projects come online, the appeal of Hickory's quality of life will be as strong as it has ever been.

The vision for a rejuvenated Hickory, began with the formal adoption of the Inspiring Spaces Plan exactly four years ago. The sense of optimism in our community over those four years has grown exponentially. In just a few years from now with tens of millions of dollars in bond projects completed and hundreds of millions of dollars in NCDOT road improvements projects completed, the stage will be set for a significant transformation in Hickory. Preparing for an influx of new "Makers and Doers" who want to be a part of our community will also bring a new and welcomed set of exciting challenges.

Sincerely,

A handwritten signature in black ink that reads "Warren Wood". The signature is fluid and cursive, with the first name "Warren" and the last name "Wood" clearly distinguishable.

Warren Wood
City Manager

Budget Overview



FY2018-2019 ADOPTED BUDGET OVERVIEW

<u>Operating Funds</u>	<u>Adopted Budget Amount</u>
General Fund	\$ 51,114,919
Water and Sewer Fund	28,583,570
Sludge Composting Fund	1,761,650
Stormwater Fund	236,908
Transportation Fund	2,728,160
Solid Waste Fund	<u>5,335,356</u>
Total	\$ 89,760,563
<u>*Internal Service Funds</u>	
Capital Reserve Fund	\$ 3,863,378
Fleet Maintenance Fund	2,708,459
Insurance Fund	<u>7,469,556</u>
Total	\$ 14,041,393
All Funds Total	\$ 103,801,956

*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 FY2018-2019 Budget, the General Fund is balanced with a property tax rate of fifty-six and sixty-five ten thousandths (\$0.5665) cents per one hundred dollars (\$100) valuation. This keeps the tax rate the same as FY2017-18. During FY2018-19 this rate is expected to provide \$26,700,000 in property tax revenue. The property tax base is estimated to be \$4,716,231,271. The City's property tax base has increased \$94,405,933 over the FY2017-2018 amount.

The FY2018-2019 General Fund Budget totals \$51,114,919.

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 2.1% increase proposed in water and sewer rates for FY2018-2019. Water and sewer operations have experienced material and energy cost increases over the past year but only nominal growth in its customer base, therefore necessitating this increase.

The FY2018-2019 Water and Sewer Fund Budget totals \$28,583,570.

Budget Overview



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 FY2018-2019 Budget for the Sludge Composting Fund totals \$1,761,650.

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 FY2018-2019 Stormwater Fund Budget totals \$236,908.

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 FY2018-2019 Budget for the Transportation Fund totals \$2,728,160.

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 FY2018-2019 this fee is recommended to increase by \$2.00 from \$20.50 per month to \$22.50 per month. This increase reflects City Council's continuing goal of moving the Solid Waste Fund towards self-supporting status.

The FY2018-2019 Solid Waste Fund Budget totals \$5,335,356.

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

In the FY2018-2019 Budget, the General Fund and Water and Sewer Fund will both make financial contributions to the Capital Reserve Fund. The amounts will be \$923,378 and \$740,000 respectively.

Budget Overview



The total budget for the Capital Reserve Fund for FY2018-2019 is \$3,863,378 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 FY2018-2019 Budget for the Fleet Maintenance Fund totals \$2,708,459.

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 FY2018-2019 Budget for the Insurance Fund totals \$7,469,556.

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 FY2018-2019 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
- Safety Consulting Services
- Technology Upgrades
- GIS Database Maintenance Services (WPCOG)
- Contracted Legal Services (City Attorney)

Budget Overview

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)

- 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

Budget Overview

- 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

- Hickory Metro Convention Center – General Fund
- Revenue Sharing Projects with Catawba County – Water and Sewer Fund
- City of Conover (Northeast Sewer) – Water and Sewer Fund
- Geitner Basin Sewer Project – Water and Sewer Fund
- Annexation Area II Utilities – 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

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.

Budget Overview

- 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 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.

Budget Overview



- 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 2018-2019

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, 2018 and ending June 30, 2019:

Ad Valorem Taxes	\$ 27,250,000
Other Taxes	16,382,000
Unrestricted Intergovernmental Revenues	595,000
Restricted Intergovernmental Revenues	2,333,590
Licenses and Permits	5,100
Sales and Services	1,515,876
Investment Earnings	155,000
Miscellaneous	326,000
Other Financing Sources	<u>2,552,353</u>
	\$51,114,919

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, 2018 and ending June 30, 2019, in accordance with the chart of accounts heretofore established for this City:

General Government	\$ 6,858,222
Public Safety	24,636,426
Transportation	6,328,817
Economic and Community Development	3,549,444
Culture and Recreation	6,613,531
Other Financing Uses	1,241,832
Debt Service	1,186,647
Contingency	<u>700,000</u>
	\$51,114,919

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, 2018 and ending June 30, 2019:

Restricted Intergovernmental Revenues	\$ 1,273,029
Sales and Services	22,245,000
Investment Earnings	60,000
Miscellaneous	340,000
Other Financing Sources	<u>4,665,541</u>
	\$28,583,570

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, 2018 and ending June 30, 2019, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	\$ 24,124,565
Other Financing Uses	877,840
Debt Service	3,431,165
Contingency	<u>150,000</u>
	\$ 28,583,570

SECTION 5: It is estimated that the following revenue will be available in the Sludge Compost Fund for the Fiscal Year beginning July 1, 2018 and ending June 30, 2019:

Restricted Intergovernmental Revenues	\$ <u>1,761,650</u>
	\$ 1,761,650

SECTION 6: The following amounts are appropriated in the Sludge Compost Fund for the Fiscal Year beginning July 1, 2018 and ending June 30, 2019, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	\$ <u>1,761,650</u>
	\$ 1,761,650

SECTION 7: It is estimated that the following revenue will be available in the Stormwater Fund for the Fiscal Year beginning July 1, 2018 and ending June 30, 2019:

Other Financing Sources	\$ <u>236,908</u>
	\$ 236,908

SECTION 8: The following amounts are appropriated in the Stormwater Fund for the Fiscal Year beginning July 1, 2018 and ending June 30, 2019, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	\$ <u>236,908</u>
	\$ 236,908

SECTION 9: It is estimated that the following revenues will be available in the Transportation Fund for the Fiscal Year beginning July 1, 2018 and ending June 30, 2019:

Sales and Services	\$ 2,640,337
Restricted Governmental Revenues	6,365
Investment Earnings	3,500
Other Financing Sources	<u>77,958</u>
	\$ 2,728,160

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, 2018 and ending June 30, 2019, in accordance with the chart of accounts heretofore established for this City:

Transportation	\$ 2,698,160
Contingency	<u>30,000</u>
	\$ 2,728,160

SECTION 11: It is estimated that the following revenues will be available in the Solid Waste Fund for the Fiscal Year beginning July 1, 2018 and ending June 30, 2019:

Other Taxes	\$ 25,000
Sales and Services	4,810,400
Investment Earnings	9,000
Miscellaneous	2,500
Other Financing Sources	<u>488,456</u>
	\$ 5,335,356

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, 2018 and ending June 30, 2019, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	\$ 5,315,356
Contingency	<u>20,000</u>
	\$ 5,335,356

SECTION 13: It is estimated that the following revenue will be available in the Capital Reserve Fund for the Fiscal Year beginning July 1, 2018 and ending June 30, 2019:

Other Financing Sources	\$ <u>3,863,378</u>
	\$ 3,863,378

SECTION 14: The following amounts are hereby appropriated in the Capital Reserve Fund for the Fiscal Year beginning July 1, 2018, and ending June 30, 2019 in accordance with the chart of accounts heretofore established for this City:

General Government	\$ 163,378
Environmental Protection	740,000
Other Financing Uses	<u>2,960,000</u>
	\$ 3,863,378

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

Sales & Services	\$ <u>2,708,459</u>
	\$ 2,708,459

Annual Budget Ordinance



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

General Government	\$ <u>2,708,459</u>
	\$ 2,708,459

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

Sales & Services	\$ 6,880,272
Investment Earnings	25,000
Other Financing Sources	<u>564,284</u>
	\$ 7,469,556

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

General Government	\$ <u>7,469,556</u>
	\$ 7,469,556

SECTION 19: The operating funds encumbered on the financial records of June 30, 2018 are hereby reappropriated into this budget.

SECTION 20: There is hereby levied a property tax at the rate of fifty-six and sixty-five ten thousandths cents (\$0.5665) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2017, 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 \$4,716,231,271 and the Fiscal Year 2017-2018 estimated rate of collection of 97.95%.

SECTION 21: The corresponding "FY 2018-2019 Schedule of Fees" is approved with the adoption of this Annual Budget Ordinance.

SECTION 22: 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.

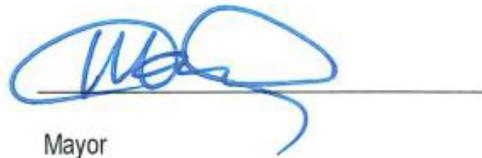
SECTION 23: The City Manager (Budget Officer) is hereby authorized to execute agreements, within funds included in the Budget Ordinance or other actions by the Governing Body, for the following purposes:

Annual Budget Ordinance

- 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. 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
- f. Construction or repair projects
- g. Liability, health, life, disability, casualty, property, or other insurance or performance bonds
- h. Other administrative contracts which include agreements adopted in accordance with the directives of the Governing Body

SECTION 24: 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 19th day of June, 2018



Mayor

Attest:

Debbie D. Miller

Debbie Miller

City Clerk



City Council Priorities and Action Plan



HICKORY CITY COUNCIL'S FY2018-2019 PRIORITIES AND ACTION PLAN

Strategic Priority: Attract and Retain Jobs and People

i. Implement Bond Projects

- A. Continue community involvement through the Bond Commission and other outreach efforts to gain insights and feedback on project phasing and scope.
- B. Continue to use pre-engineering data and Bond Commission input 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

1. Promote Economic Development and Jobs

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

2. 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.
3. 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. Finalize design and begin construction of the Citywalk and Riverwalk Bond Projects as recreational destinations for citizens and visitors.
- B. Continue partnership with Deidra Lackey family to complete design and begin construction of one-of-a-kind entertainment and cultural venue at Geitner Park.
- C. Complete design for phase one of Bruce Meisner Park with Outward Bound donation.
- D. Conduct customer surveys for recreation programs and strive for positive feedback and ratings.
- E. Continue to implement the updated library strategic plan as possible within budget constraints.
- F. 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 in FY2018-2019, 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 and Communication

- A. Ensure that each coworker's performance evaluation reflects a focus on customer service.
- 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.
- 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, 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 2018-2019 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 2018-2019 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.

ii. 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



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

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 FY2018-2019 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 FY2018-2019 budget are:

- Continued growth in property tax base and revenues;
- Moderate growth in sales tax revenues;
- Water and Sewer capital projects have increased significantly in the upcoming year;
- For the second consecutive year, the Solid Waste Fund is self-supporting without a transfer from the General Fund; and
- The Transportation Fund (Airport) continues to be profitable over the past two years.

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 1, 2017 Personnel expenditures projected by Human Resources
- December 1, 2017 Worker's Compensation, Property and Liability Insurance by Risk Management
- December 5, 2017 New position requests and reclassification requests due to Human Resources (per Personnel Ordinance)
- December 7, 2017 Debt projected by Finance (existing debt only)
- December 7, 2017 City Council Financial Policy expenditures (transfers and contingency) projected by Budget Office
- December 7, 2017 External appropriation request letters sent out; also notices re: Board and Commission Workplan deadlines
- December 7, 2017 Publish newspaper ad re: notification of call for External appropriation requests (due date January 22, 2018)
- December 14, 2017 Budget Kick-off Meeting: 9:00 a.m. @ Council Chambers
 - Distribute Initial Allocation Sheets
 - Distribute Budget Manual
- January 4, 2018 Projected revenues entered into H.T.E. by Budget Office
- January 12, 2018 Departments to have [entered FY18-19 operational](#) budget requests into H.T.E. **Requests to balance to your department's initial budget allocation.**
- January 12, 2018 Departments to have [entered FY18-19 capital](#) budget requests into H.T.E.
- January 3-31, 2018 Departments may request to meet with the City Manager to make additional budget requests or to negotiate budgets
- January 22, 2018 External Appropriation requests due
- January 25, 2018 Fleet Management to review and make recommendations on new capital equipment requests
- January 25, 2018 City Engineer to review and make recommendations on capital construction requests
- January 25, 2018 Information Technology to review and make recommendations on technology requests

Budget Development Calendar



- January 31, 2018 Fee Schedule sent to departments for FY18-19 changes
- February 6, 2018 Board & Commission workplans due
- February 6, 2018 5-year CIP to be entered into H.T.E. by departments
- February 20, 2018 City Council Meeting:
 - External appropriation requests presented
- February 23, 2018 Departments to return FY18-19 Fee Schedule changes to Budget Office
- March 6, 2018 City Council Meeting:
 - Board & Commission workplans presented
- March 6, 2018 City Manager's Recommended Budget balanced
- March 9, 2018 Performance Measurement page due to Budget Office from departments
- Weeks of April 30 & May 7, 2018 Individual Management Briefings to City Council members re: FY18-19 budget
- Weeks of May 14 & 21, 2018 Management Presentations to City Coworkers on FY18-19 budget
- May 15, 2018 City Council Meeting:
 - Call for public hearing on Recommended Budget
- May 16, 2018 Publish notice of public hearing and make a copy available to news media in the County
- June 5, 2018 City Council Meeting:
 - Public Hearing on Recommended Budget
 - FY18-19 Budget approved on 1st reading
- June 19, 2018 City Council Meeting:
 - FY18-19 Budget adopted on 2nd reading
- June 20, 2018 Notification of tax rate sent to Tax Administrators in Burke, Caldwell and Catawba Counties
- June 22, 2018 Notify organizations who requested appropriation of City funds of funding status
- July 1, 2018 Fiscal Year 2018-2019 begins

Budget Planning

Phase I (Initial Budget Planning Stage)

Budget planning for the FY2018-2019 Annual Budget began in August 2017. Recommendations were to continue with the budget development cycle and budget development calendar.

Phase II

In November of 2017, 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 of 2017, Budget staff held individual budget meetings with divisions/departments for preliminary discussions on significant budgetary needs for FY2018-2019 and to review the status of performance measures.

Phase IV

In December of 2017, there was a "Budget Kick-off Meeting" held with all departments. At this meeting, departments were given the FY2018-2019 budget manuals, FY2018-2019 budget calendar, FY2018-2019 personnel projections, FY2018-2019 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 FY2018-2019. All new personnel requests were due to the Human Resources Department by December 5, 2017.

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 FY2018-2019 budget was completed at this point and the development of the FY2018-2019 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 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



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 Specifics



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.

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. (53.31%)
- 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. (32.01%)
- Unrestricted Intergovernmental - Beer and wine tax, payments in lieu of taxes, and traffic control revenue received from NCDOT. (1.16%)
- 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. (4.57%)
- 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. (2.97%)
- Investment Earnings - Interest earned on the investment of the fund's idle cash balance. (0.30%)
- Miscellaneous – Includes unanticipated revenues such as donations, discounts earned, the sale of capital assets, and insurance reimbursements. (0.64%)
- 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. (4.99%)

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. (13.42%)

Budget Format: The Specifics



- Public Safety - Expenditures for the Police Department, the Fire Department, the Hickory Rural District, and various special appropriations. (48.20%)
- Transportation - Expenditures for the Traffic and Street Divisions of Public Services. (12.38%)
- Economic and Community Development - Expenditures for the Planning and Development Department; Economic Development Incentives, and several special appropriations. (6.94%)
- Culture and Recreation - Expenditures for the Recreation Department, Parks Maintenance, L.P. Frans Stadium, Hickory Public Library, and various special appropriations. (12.94%)
- Other Financing Uses – Money transferred to other funds to subsidize and/or finance activity required to be accounted for in another fund. (2.43%)
- Debt Service - Expenditures for the required repayment of debt principal and interest incurred for the construction of large capital projects or major capital purchases. (2.32%)
- Contingency - Budgetary reserve set aside for emergencies or unforeseen expenditures. (1.37%)

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. (4.45%)
- Sales and Services - Initial tap fees and user fees charged for the provision of water and sewer service. (77.82%)
- Investment Earnings - Interest earned on the investment of the fund's idle cash balance. (0.21%)
- Miscellaneous - Plant capacity fees charged with water or sewer taps and any unanticipated revenues. (1.19%)
- 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. (16.32%)

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

Budget Format: The Specifics



Wastewater Treatment Plant, the Water Treatment Plant, the Lab Division, and the Distribution Division of the Public Services Department, and special appropriations. (84.40%)

- Other Financing Uses – Money transferred to other funds to subsidize and/or finance activity required to be accounted for in another fund. (3.07%)
- Debt Service - Expenditures for the required repayment of debt principal and interest incurred for the construction of large capital projects or major capital purchases. (12.00%)
- Contingency - Budgetary reserve set aside for emergencies or unforeseen expenditures. (0.52%)

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. (96.78%)
- Investment Earnings - Interest earned on the investment of the fund's idle cash balance. (0.13%)
- Restricted Intergovernmental Revenues – Contributions from Catawba and Burke Counties for tower operations. (0.23%)

Transportation Fund Expenditures

- Transportation - Expenditures for Airport operations. (98.90%)
- Contingency - Budgetary reserve set aside for emergencies or unforeseen expenditures. (1.10%)

Budget Format: The Specifics



Solid Waste Fund Revenues

- Other Taxes - Solid Waste Excise Tax revenue received from the State of North Carolina. (0.47%)
- 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. (90.16%)
- Investment Earnings - Interest earned on the investment of the fund's idle cash balance. (0.17%)
- 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. (9.16%)

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. (99.63%)
- Contingency - Budgetary reserve set aside for emergencies or unforeseen expenditures. (0.37%)

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. (92.11%)

Budget Format: The Specifics



- Investment Earnings - Interest earned on the investment of the fund's idle cash balance. (0.33%)
- Other Financing Sources – Support from Fund Balance allocation. (7.55%)

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 FY2018-19. (100%)

Capital Reserve Fund Expenditures

- General Government – Money received from the General Fund into Capital Reserve, to be used for future general capital expenditures. (4.23%)
- Environmental Protection – Money received from the Water and Sewer Fund into Capital Reserve, to be used for future water and sewer capital expenditures (19.15%).
- Other Financing Uses – Money transferred to other funds for planned capital projects or capital purchases during the current Fiscal Year. (76.62%)

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 FY2018-2019 is what we project to receive by the end of FY2017-2018. 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 FY2018-2019 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 FY2018-2019, Hickory's assessed property value is projected to have increased by 2% (or \$94,405,933) to \$4,716,231,271.

The General Fund's property tax rate will be \$.5665 per one hundred dollars (\$100) valuation of property with an estimated collection rate of 97.95%. The total Ad Valorem Tax category of revenues is budgeted at \$27,250,000 for FY2018-2019. 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 FY2018-2019 are based on anticipated local retail sales and other economic conditions, and reflect a 9.1% increase over the FY2017-2018 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 FY2018-2019 we project an 8% increase from what was budgeted in FY2017-2018.

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 FY2018-2019 we anticipate a 10.5% 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 FY2018-2019 is projected to remain flat compared to the FY2017-2018 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 continue to increase and the Highway Trust Fund continues to grow modestly. 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 FY2018-2019 is projected to be flat compared to the FY2017-2018 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 FY2018-2019 and are expected to increase 2% from FY2017-2018.
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 in both FY2016-2017 and 2017-2018, no revenue is projected for FY2018-2019.
SALES AND SERVICES	(Most fees are increased by 2.1%, which is the 2017 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 2.1% increase with the FY2018-2019 Annual Budget over the FY2017-2018 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. FY2018-2019 tap fee revenue is projected to remain flat compared to the FY2017-2018 budgeted amount.

Consolidated Budget Summary



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%.

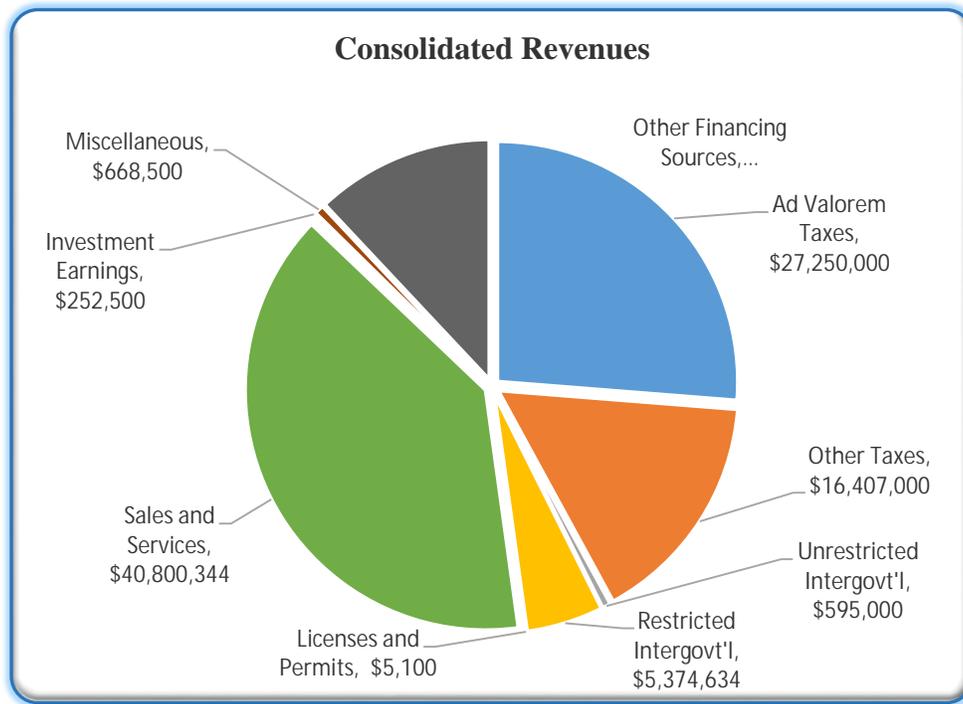
FUND BALANCE/ RETAINED EARNINGS

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

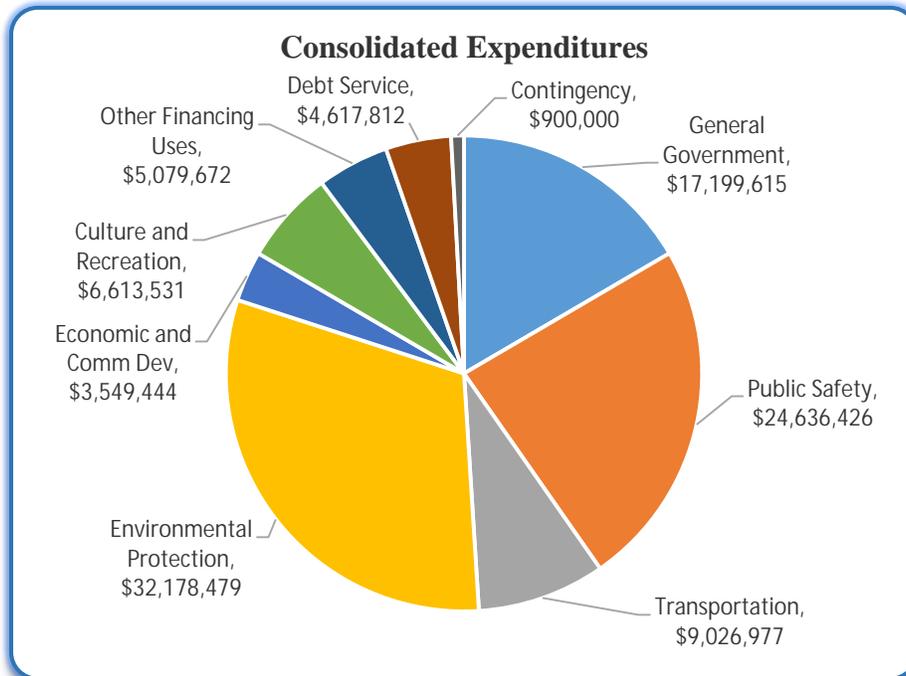
This consolidated revenue graph and table contain all funds, including the internal service funds (Fleet Maintenance and Insurance) and the Capital Reserve Fund. Insurance and fleet costs are budgeted in each of the departments/divisions in order to better capture the actual cost to provide services. 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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Ad Valorem Taxes	26,857,749	26,400,000	27,250,000	3.2%
Other Taxes	16,554,635	15,215,000	16,407,000	7.8%
Unrestricted Intergovernmental	650,281	595,000	595,000	0.0%
Restricted Intergovernmental	12,071,420	4,872,633	5,374,634	10.3%
Licenses and Permits	5,913	5,100	5,100	0.0%
Sales and Services	39,624,328	39,824,573	40,800,344	2.5%
Investment Earnings	227,769	237,500	252,500	6.3%
Miscellaneous	2,630,011	661,500	668,500	1.1%
Other Financing Sources	16,863,845	7,885,658	12,448,878	57.9%
Revenue Total	115,485,951	95,696,964	103,801,956	8.5%
Per Capita	2,863.31	2,358.99	2,558.78	

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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
General Government	13,965,936	16,702,258	17,199,615	3.0%
Public Safety	21,609,455	24,179,973	24,636,426	1.9%
Transportation	7,178,769	8,909,830	9,026,977	1.3%
Environmental Protection	26,880,596	28,163,205	32,178,479	14.3%
Economic and Community Develop.	3,604,910	3,173,774	3,549,444	11.8%
Culture and Recreation	6,060,612	6,459,330	6,613,531	2.4%
Other Financing Uses	8,000,454	2,790,274	5,079,672	82.0%
Debt Service	2,014,045	4,468,320	4,617,812	3.3%
Contingency	-	850,000	900,000	5.9%
Expenditure Total	89,314,777	95,696,964	103,801,956	8.5%

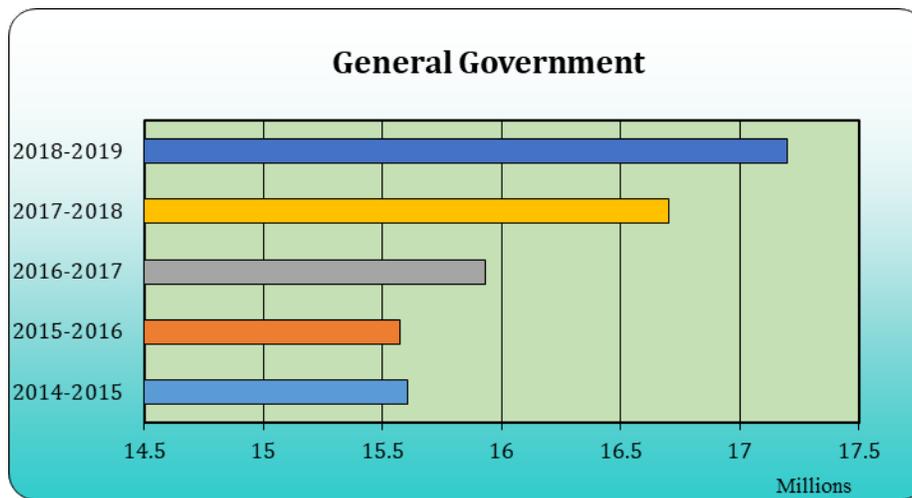
Consolidated Budget Summary



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.

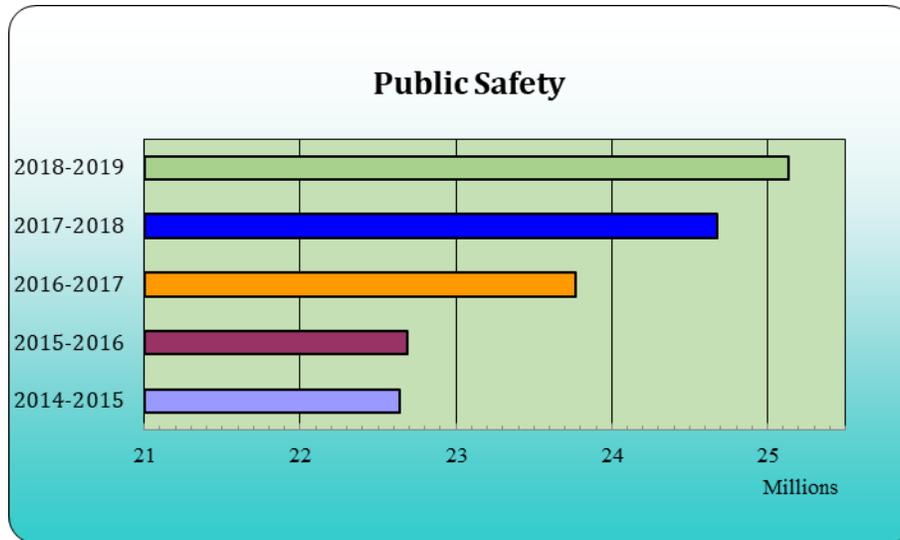
The following is a presentation of the trends for the major functions in the City's budget. By examining the long-term and short-term progressions of each, the overall dynamics of Hickory's budget can be better understood. A five-year graph shows the function as it progresses from the FY2014-2015 budget; 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	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Total Budgeted Amount	15,605,835	15,574,931	15,932,924	16,702,258	17,199,615
Dollar Change	816,113	(30,904)	357,993	769,334	497,357
Percent Change	5.5%	-0.2%	2.3%	4.8%	3.0%

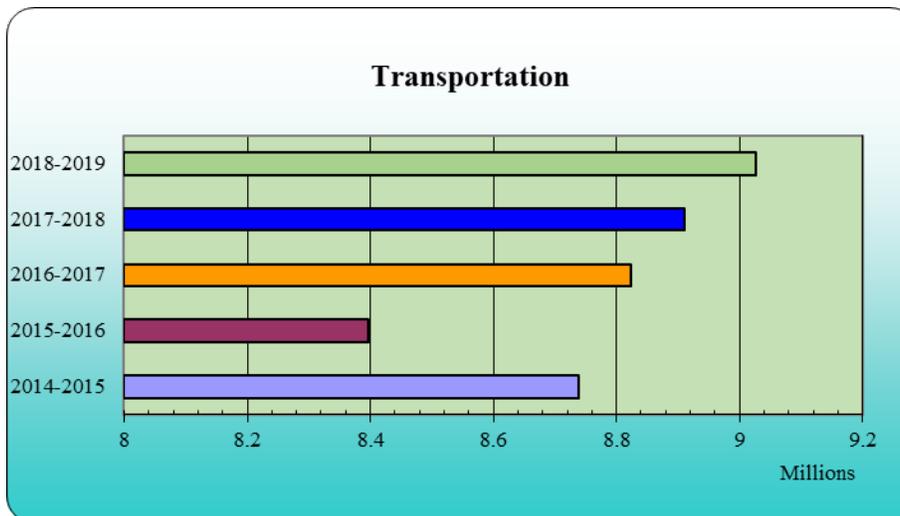
Departments/Divisions: Governing Body, City Manager's Office, Budget Office, Finance, Legal, Risk Management, City Clerk, Information Technology, Human Resources, Communications Office, Building Services, Engineering, Public Buildings/City Hall, District Court, Fleet Maintenance and Landscape Services.

Consolidated Budget Summary



Public Safety	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Total Budgeted Amount	22,139,837	22,185,081	23,271,046	24,179,973	24,636,426
Dollar Change	1,030,999	45,244	1,085,965	908,927	456,453
Percent Change	4.9%	0.2%	4.9%	3.9%	1.9%

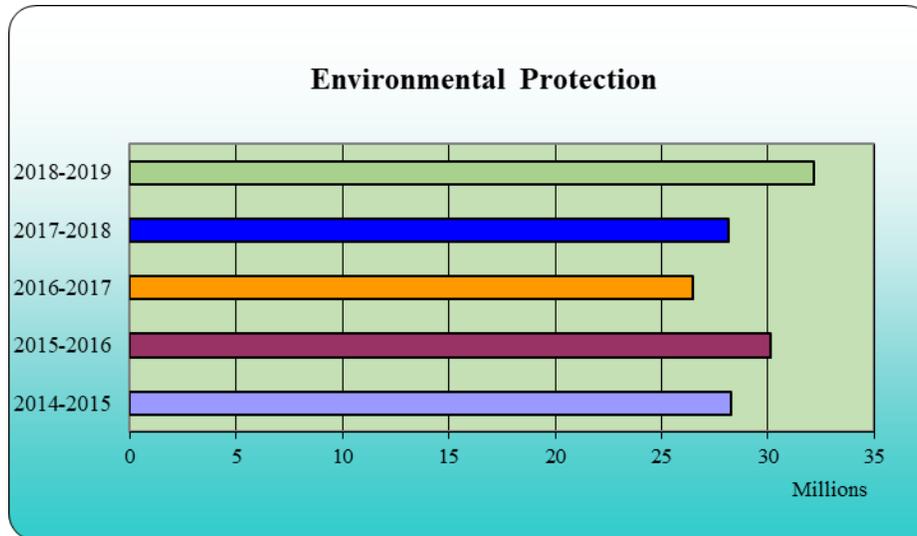
Departments/Divisions: Police, Fire and Volunteer Fire Departments



Transportation	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Total Budgeted Amount	8,738,491	8,396,561	8,823,064	8,909,830	9,026,977
Dollar Change	1,153,573	(341,930)	426,503	86,766	117,147
Percent Change	15.2%	-3.9%	5.1%	1.0%	1.3%

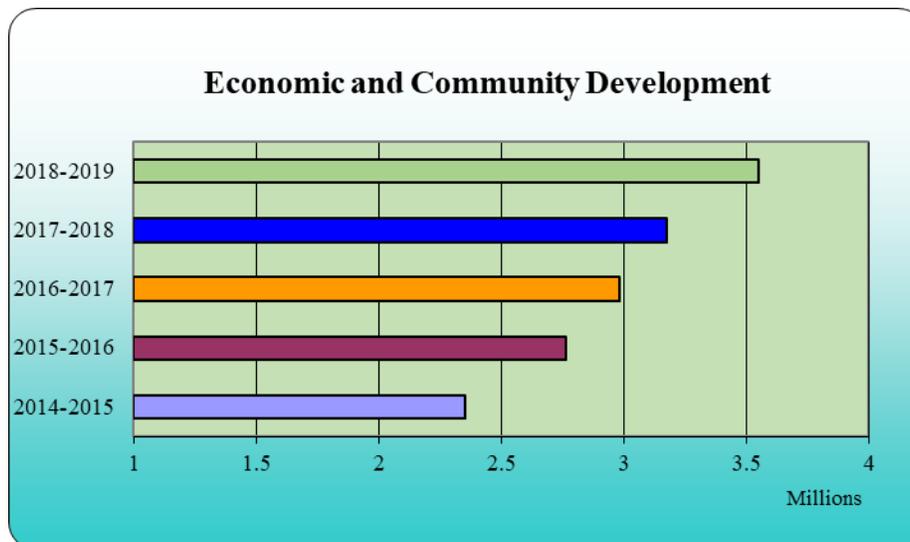
Departments/Divisions: Airport, FBO, Street and Traffic

Consolidated Budget Summary



Environmental Protection	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Total Budgeted Amount	28,246,552	30,120,569	26,481,997	28,163,205	32,178,479
Dollar Change	3,642,882	1,874,017	(3,638,572)	1,681,208	4,015,274
Percent Change	14.8%	6.6%	-12.1%	6.3%	14.3%

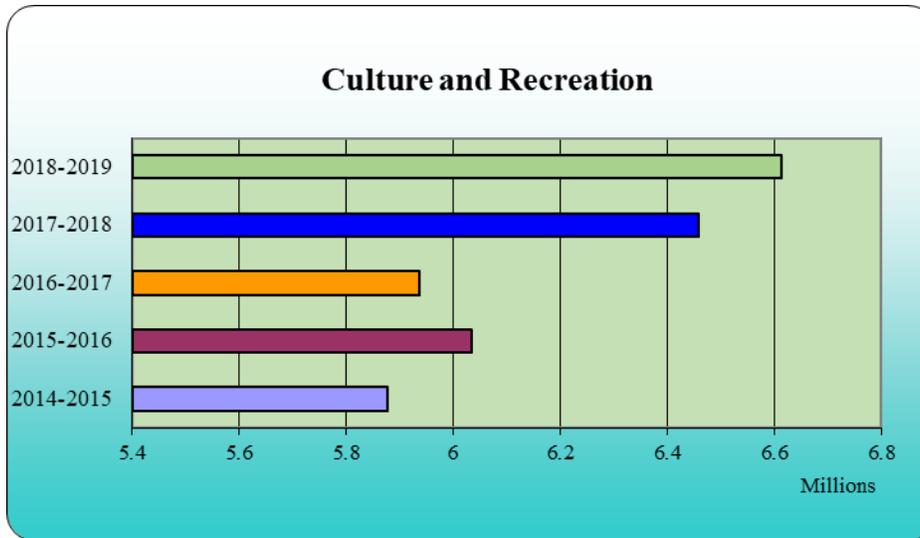
Departments/Divisions: Public Utilities (Water and Sewer), Stormwater, Residential Sanitation, Commercial Bulk Services, Recycling and Sludge Composting Facility



Economic/Community Dev.	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Total Budgeted Amount	2,354,332	2,763,670	2,981,290	3,173,774	3,549,444
Dollar Change	49,470	409,338	217,620	192,484	375,670
Percent Change	2.1%	17.4%	7.9%	6.5%	11.8%

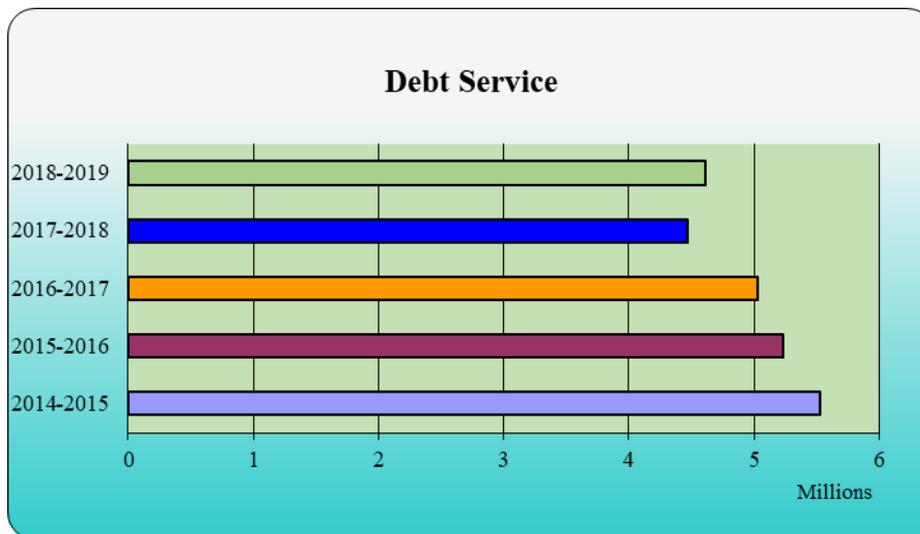
Departments/Divisions: Tourism Development Authority, Special Appropriations (General Fund) and Planning

Consolidated Budget Summary



Culture and Recreation	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Total Budgeted Amount	5,878,288	6,034,469	5,937,195	6,459,330	6,613,531
Dollar Change	(897,547)	156,181	(97,274)	522,135	154,201
Percent Change	-13.2%	2.7%	-1.6%	8.8%	2.4%

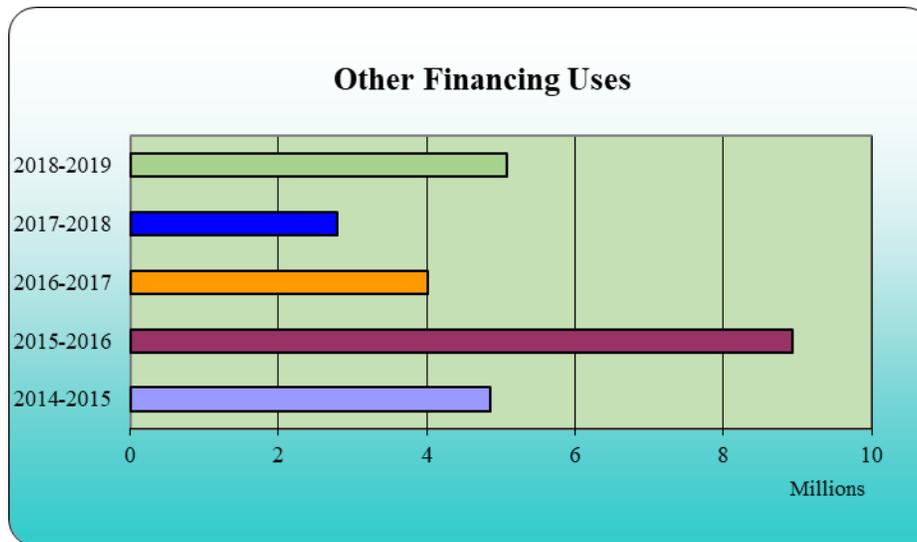
Departments/Divisions: Parks and Recreation, Parks Maintenance, L.P. Frans Stadium and Library



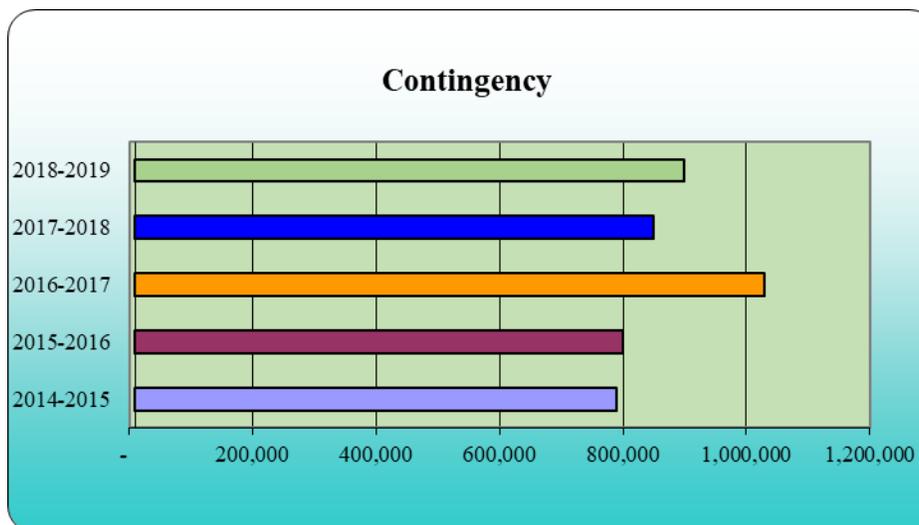
Debt Service	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Total Budgeted Amount	5,532,329	5,229,714	5,035,311	4,468,320	4,617,812
Dollar Change	236,172	(302,615)	(194,403)	(566,991)	149,492
Percent Change	4.5%	-5.5%	-3.7%	-11.3%	3.3%

Funds with Debt: General Fund and Water and Sewer Fund

Consolidated Budget Summary



Other Financing Uses	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Total Budgeted Amount	4,859,657	8,940,142	4,018,008	2,790,274	5,079,672
Dollar Change	(2,184,804)	4,080,485	(4,922,134)	(1,227,734)	2,289,398
Percent Change	-31.0%	84.0%	-55.1%	-30.6%	82.0%



Contingency	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Total Budgeted Amount	790,000	800,000	1,030,000	850,000	900,000
Dollar Change	-	10,000	230,000	(180,000)	50,000
Percent Change	0.0%	1.3%	28.8%	-17.5%	5.9%

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 2016-2017, there was a total of \$57,357,541 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 2018-2019, 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. While the construction costs will be funded through issuance of the bonds themselves, the initial engineering, design, and planning work must be funded through existing city dollars. In FY 2018-19, the City continues to strike a balance between the regular use of Fund Balance for its usual operating and capital needs in addition to fronting the Bond Project planning costs. Even with this additional use of Fund Balance over the past couple of Fiscal Years, the City has successfully continued to meet and exceed its minimum policy of 25% of unassigned General Fund Balance. The estimated Unassigned General Fund Balance as of June 30, 2018 is expected to be approximately 34% of the General Fund budgeted amount as we enter FY 2018-2019.

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

Fund Balance / Unrestricted Net Position	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimated
General Fund-Unassigned FB	14,031,436	14,106,300	15,908,792	18,921,916
Capital Reserve Fund-Committed FB	11,437,451	4,810,507	5,835,895	6,845,457
Water and Sewer-Unrestricted Net Position	24,323,219	33,405,340	31,642,539	29,797,133
Sludge-Unrestricted Net Position	-	(1)	(67,937)	-
Stormwater-Unrestricted Net Position	394,379	427,533	689,103	1,176,877
Solid Waste-Unrestricted Net Position	1,551,585	2,020,084	2,079,383	1,864,047
Fleet Maint.-Unrestricted Net Position	(573,653)	(735,164)	(913,183)	(1,077,741)
Transportation-Unrestricted Net Position	125,238	258,768	410,428	536,748
Insurance-Unrestricted Net Position	3,882,502	2,302,633	1,772,521	2,699,400
Fund Totals	55,172,157	56,596,000	57,357,541	60,763,835

Consolidated Budget Summary



Staffing Analysis FY 2018-19

The City has 658 full-time employees. There are no new positions in the recommended FY 2018-19 budget.

In FY17-18, and moving forward, the City is placing renewed focus on job growth, population growth and tax base growth. To build on the already existing momentum in the local economy, the Office of Business Development was created. The Assistant City Manager has oversight of the department which now houses: Planning, Business Services, Transportation, Place Making and Marketing/Branding. The Community Development Manager was promoted to Business Services Manager utilizing a position from the Engineering Department (CAD Operator). The position of Transportation Planning Manager was created, utilizing the unfilled position of Administrative Services Director. No new positions were added to form this department.

In Engineering, the position of CAD Operator, Grade 12 was converted to CAD Operator/Land Survey Technician to better accommodate the work load.

In Public Services, the position of Building Services Manager was converted to Building Services Coordinator and some of the duties reassigned to another position in the office.

Human Resources added the position of Organizational Development Coordinator utilizing a position previously assigned to the Library. The ODC will be responsible for in-house training and refocusing the workforce on the core values that will bring about job growth, population growth and tax base growth.

The position of Administrative Technician in Central Services was converted to Payroll Technician to better align the position with all of the other payroll technicians in the pay plan doing similar work.

The Hickory Airport converted four part-time Line Technicians in order to add two full-time Line Technicians to better meet business demands on specific shifts with no added cost to the budget.

With the promotion of the Purchasing Manager to Deputy Finance Officer, the position of Purchasing Manager was moved to the City Manager's Office and utilized as Governmental Affairs Analyst. The previous Governmental Affairs Analyst was promoted to Assistant to the City Manager.

With the improvement in the local economy, the City of Hickory is seeing recruitment and retention issues in a few positions. Telecommunicators have experienced a high turnover rate and Hickory salaries were found to be somewhat low in comparison to the market. The Telecommunicator position was reclassified from a Grade 11 to a Grade 12.

The position of Planner was reclassified as Senior Planner due to the performance, experience and tenure of the incumbent in the position.

In the Finance department, the position of Payroll Technician was converted to an Accounting Technician. The position of Accounting Technician was reclassified from a Grade 12 to a Grade 13 to better keep up with the market rate for this position. Recruitment and retention has been an issue for this important Finance position.

Consolidated Budget Summary



Staffing Analysis	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-2018 Actual	2018-2019 Budgeted
Administration - City Manager's Office	5	5	5	5	5	6
Communications	3	3	3	3	3	3
Budget	1	1	1	1	1	1
Bond Project Manager				1	1	1
Human Resources	5	5	5	5	5	6
Risk	1	1	2	2	2	2
City Clerk	1	1	1	1	1	1
Engineering	8	8	8	7	7	6
Finance	21	21	21	20	20	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	11	12	12	12	12
Information Technology	8	8	8	8	8	8
Public Safety						
Fire	135	135	135	135	135	135
Police (116 Sworn and 36 Civilian)	152	152	153	152	152	152
Transportation						
Airport	8	8	8	8	8	10
Public Services						
Streets	43	43	43	43	43	43
Traffic	11	11	11	11	11	11
Environmental Protection						
Public Services						
Sanitation - Commercial	12	12	11	11	11	11
Sanitation - Residential	8	8	12	12	12	12
Stormwater	1	1	1	1	1	1
Public Utilities Administration	10	10	10	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	13	16	16
Distribution System (Construction)	34	34	35	35	33	33
Water Plant	11	11	11	11	12	12
Claremont	2	2	2	2	2	2
Catawba			3	3	3	3
Recycling	16	16	13	13	13	13
Economic and Community Development						
Planning	8	8	8	8	8	10
Culture and Recreation						
Library	18	18	18	18	18	17
Parks and Recreation	18	18	18	18	18	18
Maintenance	24	24	24	24	24	24
Total	648	648	655	654	656	658

About City Services



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.

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)

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 (cmcharge@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)

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 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)

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)

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, 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)

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 (fhollar@hickorync.gov)

Fire Station 1 located at 19 2nd 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)

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) - 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)

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)

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)

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)
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)
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)
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)

The Parks and Recreation Department is located at 1451 8th 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)

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)

The Hickory Police Department is located at 347 2nd 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)

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

- Central Services (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) - This division is responsible for City cemetery maintenance, planting and landscaping of City properties, and maintaining City properties.
- Fleet Maintenance (babernathy@hickorync.gov) - This division maintains and repairs City vehicles and equipment.
- Street (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) - 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) - 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) - 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) - 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

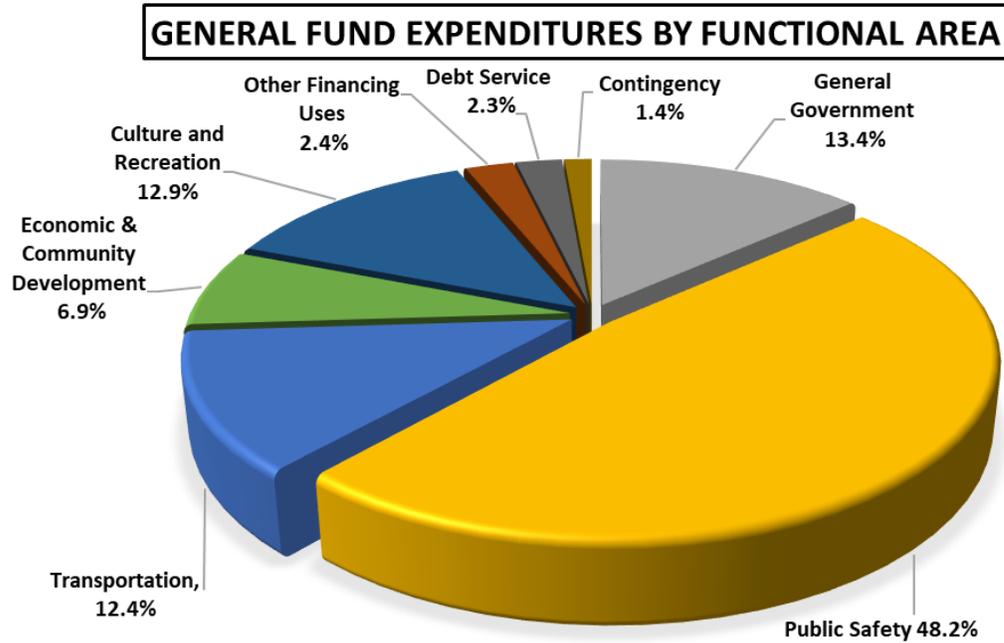
About City Services



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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Ad Valorem Taxes	26,857,749	26,400,000	27,250,000	3.2%
Other Taxes	16,521,078	15,190,000	16,382,000	7.8%
Unrestricted Intergovernmental	650,281	595,000	595,000	0.0%
Restricted Intergovernmental	2,295,458	2,072,713	2,333,590	12.6%
Licenses and Permits	5,913	5,100	5,100	0.0%
Sales and Services	1,766,395	1,686,676	1,515,876	-10.1%
Investment Earnings	51,491	125,000	155,000	24.0%
Miscellaneous	(342,534)	319,000	326,000	2.2%
Other Financing Sources	650,466	3,049,012	2,552,353	-16.3%
Revenue Total	48,456,297	49,442,501	51,114,919	3.4%
Per Capita	1,204.72	1,225.95	1,260.01	

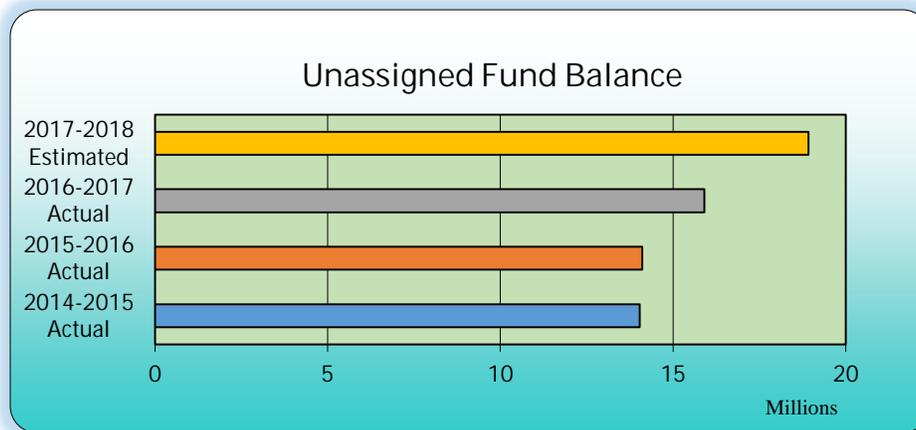
General Fund Expenditure by Category	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	28,220,363	31,624,094	32,384,785	2.4%
Operations	11,883,968	13,179,721	13,766,010	4.4%
Capital	3,126,377	4,158,961	4,084,772	-1.8%
Contingency	-	650,000	700,000	7.7%
Board / Agency Funding	789,657	1,036,682	1,079,422	4.1%
Debt Service	1,294,976	1,001,357	1,186,647	18.5%
Interfund Transfers	4,618,879	1,055,137	1,241,832	17.7%
Pro Rata Reimbursement	(3,199,444)	(3,263,451)	(3,328,549)	2.0%
Expenditure Total	46,734,776	49,442,501	51,114,919	3.4%
Per Capita	1,161.92	1,225.95	1,260.01	

General Fund

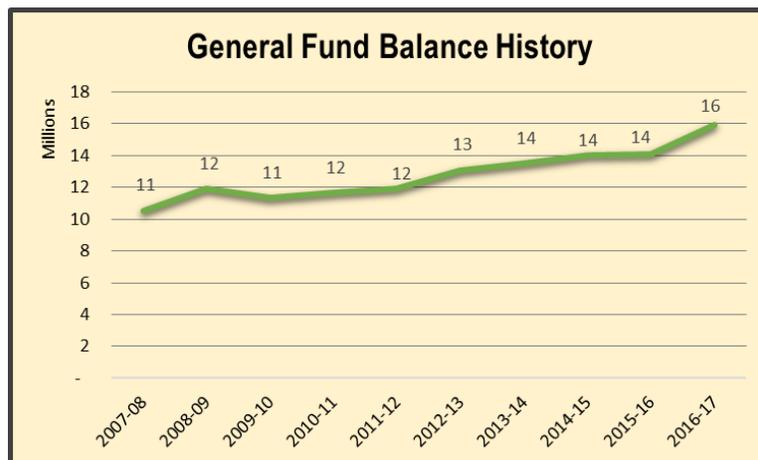
General Fund Balance

The unassigned General Fund Balance is projected to be \$18,921,916 on June 30, 2018. Going into FY 2018-2019, this is approximately 34% of the budgeted General Fund amount.

Unassigned Fund Balance	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimated
General Fund	14,031,436	14,106,300	15,908,792	18,921,916
Dollar Change	516,370	74,864	1,802,492	3,013,124
Percent Change	7.3%	4.4%	13.4%	34.1%



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.

2017/2018 Accomplishments:

- Participated in extended sessions during the Annual Council Staff Work Session during the same fiscal year.
- Adopted City Council's Priorities and Action Plan and a financial policy for the ensuring fiscal year.
- Continue to support the recommendations from Hickory's master plans and initiatives in the areas of 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.

2018/2019 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 for attracting and retaining jobs and people.

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 Actual	2018-2019 Goal
Work Load				
# of Public Hearings	175	222	N/A	190
# of City Council Meetings	29	40	N/A	35
Efficiency				
General Fund Balance as a % total budget	30.00%	33.15%	N/A	25%
Effectiveness				
# of years with no increase in property tax	0	1	N/A	3

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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	425,400	449,228	471,273	4.9%
Operations	117,811	192,675	194,175	0.8%
Pro Rata Reimbursement	(188,492)	(192,262)	(196,108)	2.0%
Expenditure Total	354,719	449,641	469,340	4.4%
Per Capita	\$ 8.80	\$ 11.08	\$ 11.56	4.3%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
General Fund	354,719	449,641	469,340	4.4%
Revenue Total	354,719	449,641	469,340	4.4%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Part Time	7	7	7	0.0%
Total	7	7	7	0.0%

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

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.

2017/2018 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.

2018/2019 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.

Goal: Host the North Carolina League of Municipalities 2018 NCLM CityVision Annual Conference in September 2018

Objective: To host a successful 2018 NCLM CityVision Annual Conference showcasing Hickory.

	2015-2016	2016-2017	2017-2018	2018-2019
Performance Measures	Actual	Actual	Actual	Goal
Work Load				
# of inquiries/concerns to the City Manager's Office per year	New	New	New	20
# of community presentations and speaking engagements by the City Manager's Office per quarter	New	New	New	4
Efficiency				
% of presentations/speaking engagements per quarter	New	New	New	100%
% of inquiries/concerns responded to/actioned within 3 business days per quarter	New	New	New	90%
Effectiveness				
% of inquiries/concerns responded to/actioned within 3 business days	New	New	New	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	594,359	775,619	842,460	8.6%
Operations	76,973	75,881	95,274	25.6%
Capital	7,345	7,000	4,800	-31.4%
Pro Rata Reimbursement	(199,386)	(203,375)	(207,443)	2.0%
Expenditure Total	479,291	655,125	735,091	12.2%
Per Capita	\$ 11.88	\$ 16.15	\$ 18.10	12.1%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
General Fund	479,291	655,125	735,091	12.2%
Revenue Total	479,291	655,125	735,091	12.2%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	5	5	6	20.0%
Part Time	2	-	-	0.0%
Seasonal	2	1	1	0.0%
Total	9	6	7	16.7%

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

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 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 and "Life. Well Crafted." brand activities/events and partnerships.

2017/2018 Accomplishments:

- Kept the 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, as well as increasing traffic to the Crafting Hickory website page.
- Created and distributed new City of Hickory videos with current messages to showcase the community. Received first place in Videography in NC through the NC City & County Communicators organization.

2018/2019 Goals and Objectives:

Goal: Bring awareness to the City of Hickory as a viable option for living, working, and visiting.

- Objective: Increase the reach to more people with the marketing messages, through the City videos on social media and Get to Know Hickory section of website.

Goal: Drive traffic to the Crafting Hickory section of www.HickoryNC.gov to bring additional awareness to the projects in that program.

- Objective: Showcase all project updates and Crafting Hickory Magazine through social media and e-newsletter links to that site.

Goal: Drive traffic to HickoryWellCrafted.com section of www.HickoryNC.gov to increase awareness to the City's overall marketing messages, as well as the Maker and Doers section.

- Objective: Showcase Hickory's marketing message on HickoryWellCrafted.com with highlights of Makers and Doers, Hickory Trending, Hickory videos, and HickoryEventsCalendar.com.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
# of Facebook "Likes" (annually)	4,924	6,172	7,201	9,000
# of HickoryNC.gov unique visitors (annually)	257,914	217,545	213,525	219,931
Efficiency				
% increase of "Facebook Likes" (annually)	35%	25%	17%	25%
Bounce rate % HickoryNC.gov (annually)	46%	51%	47%	45%
Effectiveness				
# of people viewing the Crafting Hickory page (annually)	-	268	280	300

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, 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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	231,906	247,498	249,053	0.6%
Operations	37,917	48,380	48,380	0.0%
Capital	1,275	2,000	4,100	105.0%
Pro Rata Reimbursement	(42,581)	(43,434)	(44,305)	2.0%
Expenditure Total	228,517	254,444	257,228	1.1%
Per Capita	\$ 5.67	\$ 6.27	\$ 6.33	1.0%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
General Fund	228,517	254,444	257,228	1.1%
Revenue Total	228,517	254,444	257,228	1.1%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 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

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.

2017/2018 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 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

2018/2019 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: Tailor training programs to the needs of each division based on current accident and injury trends

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
# of recordable workers comp. claims	30	24	27	25
Efficiency				
# of safety training workshops completed by the Risk Division	28	33	35	40
Effectiveness				
Cost of workers comp. claims	\$426,445	\$452,544	\$639,373	\$500,000
# of worksite inspections and % of worksite inspections in full safety compliance	25/98%	33/98%	29/97%	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	123,082	122,637	125,976	2.7%
Operations	11,493	128,613	126,613	-1.6%
Capital	-	1,500	-	-100.0%
Pro Rata Reimbursement	(46,478)	(47,408)	(48,173)	1.6%
Expenditure Total	88,097	205,342	204,416	-0.5%
Per Capita	\$ 2.18	\$ 5.06	\$ 5.03	-0.6%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Miscellaneous	89,495	100,000	100,000	0.0%
General Fund	(1,398)	105,342	104,416	-0.9%
Revenue Total	88,097	205,342	204,416	-0.5%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 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

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.

2017/2018 Accomplishments:

- Earned the Government Finance Officers Association Distinguished Budget Presentation Award for fiscal year beginning July 1, 2017
- 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)

2018/2019 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.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
# of individual budget amendments/ transfers processed	368	242	245	250
Efficiency				
% 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	95%	100%	100%	100%
Effectiveness				
Average Response Rate - Annual Survey (Scale: 1-5)	n/a	n/a	n/a	4.5

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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	65,320	68,088	71,501	5.0%
Operations	29,878	40,551	40,551	0.0%
Capital	-	1,800	1,500	-16.7%
Pro Rata Reimbursement	(68,869)	(70,249)	(71,656)	2.0%
Expenditure Total	26,329	40,190	41,896	4.2%
Per Capita	\$ 0.65	\$ 0.99	\$ 1.03	4.1%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
General Fund	26,329	40,190	41,896	4.2%
Revenue Total	26,329	40,190	41,896	4.2%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	1	1	1	0.0%
Total	1	1	1	0.0%

Human Resources



Additional Information about the Human Resources Department may be obtained by calling Claudia Main, Human Resources Manager, at 828.323.7447 or 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.

2017/2018 Accomplishments:

- Achieved GOLD Well-Business Designation.
- Researched and offered new voluntary benefits for employees.
- Worked in partnership with Department Heads and City Manager's Office to develop a renewed focus on organizational culture, including city wide training.
- Participated with the Chamber of Commerce and business partners in recruiting military veterans to the Hickory Metro Area (NC4ME).

2018/2019 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.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
Number of Applications Received	4,910	4,074	4,356	4,000
Efficiency				
Percent of wellness program participants with four or more high risk factors who reduced at least one of their high risks.	-	-	-	-
Percent of wellness program participants who improved one of their high risk factors	12.4%	66%	21.3%	25%
Turnover rate (by fiscal year)	9.7%	9.3%	11.9%	Under 11
Effectiveness				
Average Response Rate-Annual Survey (Scale: 1-5)	4.4	n/a	n/a	n/a

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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	345,845	346,696	404,923	16.8%
Operations	89,454	105,056	108,093	2.9%
Capital	2,279	1,300	3,500	169.2%
Pro Rata Reimbursement	(152,968)	(156,029)	(159,151)	2.0%
Expenditure Total	284,610	297,023	357,365	20.3%
Per Capita	\$ 7.06	\$ 7.32	\$ 8.80	20.2%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
General Fund	284,610	297,023	357,365	20.3%
Revenue Total	284,610	297,023	357,365	20.3%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	5	5	6	20.0%
Total	5	5	6	20.0%

Finance Department



Additional Information about the Finance Department may be obtained by calling Melissa Miller at 828.323.7545 or 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.

2017/2018 Accomplishments:

- Hired new Finance staff, promoted internal employees, cross trained essential duties, and provided educational opportunities for professional growth.
- Reviewed reporting parameters to increase efficiency in utility billing submission to outsourcer and customers.
- Received the Government Finance Officers Association (GFOA) Certificate of Achievement Award for Excellence in Financial Reporting for FY 2016-2017 for the 22nd consecutive year.
- Evaluated necessary equipment and software required for Collections imaging project.

2018/2019 Goals and Objectives:

Goal: Redesign a customer friendly technology oriented website to assist customers with Finance related issues.

- Objective: Upgrade online payment center and update online options to provide enhanced customer service.

Goal: Create electronic document storage for easily accessible financial records.

- Objective: Electronically image journal entries, contracts, utility lease agreements, legal documents, and personal identification records for customers and employees.

Goal: Provide accurate financial information to the citizens of Hickory.

Objective: Prepare the 2018 Comprehensive Annual Financial Report and submit to GFOA for Certificate of Achievement Award.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
% of Water/Sewer accounts collected	97.5%	97.9%	96.2%	97.0%
# of days required to process a new vendor application	New	1	1	1
Utility bills processed per Billing employee	8,700	8,911	9,026	9,000
Efficiency				
Financial Reports issued within 5 working days of the end of the month.	83.3%	75.0%	83.3%	83.3%
Effectiveness				
Average Response Rate-Annual Survey (1-5)	4.00	4.01	4.21	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	875,827	1,113,781	944,499	-15.2%
Operations	370,929	389,945	390,752	0.2%
Capital	12,219	4,100	9,800	139.0%
Pro Rata Reimbursement	(1,346,863)	(1,373,802)	(1,401,279)	2.0%
General Fund Contributions	139,379		211,228	100.0%
Expenditure Total	51,491	134,024	155,000	15.7%
Per Capita	\$ 1.28	\$ 3.30	\$ 3.82	15.5%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Investment Earnings	51,491	125,000	155,000	24.0%
General Fund	-	9,024	-	-100.0%
Revenue Total	51,491	134,024	155,000	15.7%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	21	20	18	-10.0%
Total	21	20	18	-10.0%

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

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.

2017/2018 Accomplishments:

- Archived all contracts in the vault through 2015 in accordance with records retention schedule and organized Legal Ad Affidavits creating folders for each year
- Continued high level of services provided to staff, council and citizens
- Completed all documents necessary for five annexation ordinances
- Maintained scanning of all contracts, minutes, ordinances, and resolutions into laserfiche and posting agendas, action agendas, minutes and legal notices on the website
- Attended workshop and continuing education classes for education requirements for Certified Municipal Clerk and North Carolina Certified Paralegal

2018/2019 Goals and Objectives:

- Goal: Continue clerk education and paralegal education
Objective: To maintain Paralegal Certification and North Carolina Certified Municipal Clerk Certification continuing education required
- Goal: Continue disposal of documents in accordance with records retention schedule
Objective: To dispose of documents in a timely manner to free up space in the vault to avoid the need for additional filing cabinets and/or storage space
- Goal: Maintain and scan all documents into laserfiche, minutes, agendas, contracts, ordinances and resolutions
Objective: To make locating documents readily accessible for public records requests and staff
- Goal: Average Annual Response Rate 5
Objective: Continue a high level of service provided by the Clerk's Office

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimated	2018-2019 Goal
Work Load				
Employee hours required to prepare City Council Agenda for regular meetings	3.5	3.79	3.79	5.0
Average # of days following a City Council meeting to obtain official signatures and return documents to the initiating department(s)	4.94	3.0	3.00	3.00
Efficiency				
% of Council minutes that are transcribed within 3 days of meeting without error	96%	100%	100%	100%
Effectiveness				
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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	84,574	84,077	86,642	3.1%
Operations	29,774	31,225	25,375	-18.7%
Capital	1,535	-	-	0.0%
Pro Rata Reimbursement	(59,170)	(60,355)	(61,563)	2.0%
Expenditure Total	56,713	54,947	50,454	-8.2%
Per Capita	\$ 1.41	\$ 1.35	\$ 1.24	-8.3%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
General Fund	56,713	54,947	50,454	-8.2%
Revenue Total	56,713	54,947	50,454	-8.2%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	1	1	1	
Part Time	2	1	1	0.0%
Total	2	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

Functional Area: General Government

Mission Statement:

To provide and support information technology resources to internal and external customers of the City of Hickory.

2017/2018 Accomplishments:

- Cisco Phone Upgrade
- Video Conferencing for the Fire department
- Cognos BI implementation
- Laserfiche expansion

2018/2019 Goals and Objectives:

Goal: Implementation of Cyber Security Protection

- Objective: Prevent data loss and network infiltration by malware

Goal: Implementation of On-Line Forms functionality

- Objective: Provide citizens and co-workers the ability to submit forms through the City's website

Goal: Implementation of Graphical User Interface to the Superion applications

- Objective: Provide Users with a more "up-to-date" and functional interface

Goal: Replace outdated iSeries computer with new Power9 hardware from IBM

- Objective: Provide the City with more advanced hardware technology

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
Workstations supported	587	596	608	
Monthly average service requests	76	82	79	
Efficiency				
% of help desk requests with response from assigned technician within one business day	89%	90%	92%	95%
% of service requests resolved by due date	89%	91%	93%	95%
Effectiveness				
Average Response Rate - Annual Survey (Scale: 1-5)	4.1	4.17	4.32	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	492,571	535,117	592,610	10.7%
Operations	585,629	720,333	765,287	6.2%
Capital	305,509	298,200	341,000	14.4%
Pro Rata Reimbursement	(123,888)	(126,367)	(128,895)	2.0%
Expenditure Total	1,259,821	1,427,283	1,570,002	10.0%
Per Capita	\$ 31.24	\$ 35.18	\$ 38.66	9.9%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Sales and Services	321,162	320,000	210,000	-34.4%
General Fund	938,659	1,107,283	1,360,002	22.8%
Revenue Total	1,259,821	1,427,283	1,570,002	10.0%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	8	8	8	0.0%
Total	8	8	8	0.0%

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

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.

2017/2018 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

2018/2019 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

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
# of municipal forms reviewed/revise	108	152	135	100
Efficiency				
% of title opinions requested and researched w/in 10 days	100%	100%	100%	100%
Effectiveness				
Average Response Rate - Annual Survey (Scale: 1-5)	5.0	4.70	4.84	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	173,241	175,353	180,347	2.8%
Operations	106,333	102,179	102,179	0.0%
Capital	-	-	1,500	100.0%
Pro Rata Reimbursement	(60,192)	(61,397)	(62,626)	2.0%
Expenditure Total	219,382	216,135	221,400	2.4%
Per Capita	\$ 5.44	\$ 5.33	\$ 5.45	2.3%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
General Fund	219,382	216,135	221,400	2.4%
Revenue Total	219,382	216,135	221,400	2.4%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 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

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.

2017/2018 Accomplishments:

- Completed construction of Falling Creek Road bridge replacement.
- Completed construction of City Park building, parking lot, and water line relocation.
- Standard operating procedures for Engineering notebook begun and being updated.

2018/2019 Goals and Objectives:

Goal: Obtain NCDOT approval to construct Sandy Ridge Road intersection improvements and obtain rights of way.

- Objective: Relieve traffic congestion at intersection of Sandy Ridge Road and 21st Ave. NW.

Goal: Rebuild stormwater program.

- Objective: To be in compliance with all Phase II stormwater permits.

Goal: Provide services to develop plans for replacement airport hangars.

- Objective: Replace tornado-destroyed hangars N1 and N2.

Goal: Complete construction of Cliff Teague Park Phase II.

- Objective: Rehabilitate park bridge and sidewalk and reconstruct tennis court.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
# of plans reviewed	150	164	148	160
# of projects completed	10	8	16	10
Annual \$ spent on Stormwater	\$250,000	\$250,000	\$250,000	\$250,000
Efficiency				
% of site plans w/o Stormwater reviewed w/in five days	80%	95%	95%	98%
% of site plans w/ Stormwater reviewed w/in ten days (FY14-15 goal revised to 10 days)	80%	95%	95%	98%
Effectiveness				
% of billable hours to total work hours	80%	75%	66%	70%

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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	318,275	442,282	387,047	-12.5%
Operations	34,265	58,814	58,721	-0.2%
Capital	10,271	-	11,180	100.0%
Pro Rata Reimbursement	(124,123)	(126,607)	(129,140)	2.0%
Expenditure Total	238,688	374,489	327,808	-12.5%
Per Capita	\$ 5.92	\$ 9.23	\$ 8.07	-12.6%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
General Fund	238,688	374,489	327,808	-12.5%
Revenue Total	238,688	374,489	327,808	-12.5%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	7	7	6	-14.3%
Part Time	-	-	-	0.0%
Seasonal	1	1	1	0.0%
Total	8	8	7	-12.5%

Planning and Development Department



Additional Information about the Planning and Development Services Department may be obtained by calling Brian M. Frazier, Director, at 828.323.7422 or bfrazier@hickorync.gov

Functional Area: Planning

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.

2017/2018 Accomplishments:

- Completed annual revision to Hickory By Choice 2030
- Completed annual Land Development Code revisions

2018/2019 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 annual Land Development Code revision.
- Objective: Apply for 2019-2021 EPA Brownfield Assessment Grant

Performance Measures	2015-2016 Actual	2015-2016 Actual	2017-2018 Estimated	2018-2019 Goal
Work Load				
Identify illegal signs and banners	2,082	1,545	1,677	1,500
Efficiency				
Conduct field inspections within 24 hours	85%	99%	99%	90%
Effectiveness				
% of zoning compliance achieved within 30 days of written compliance notices	88.5%	93%	95%	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	531,581	541,768	775,408	43.1%
Operations	51,476	63,275	63,275	0.0%
Capital	29,395	-	30,000	100.0%
Pro Rata Reimbursement	(30,358)	(30,966)	(31,586)	2.0%
Expenditure Total	582,094	574,077	837,097	45.8%
Per Capita	\$ 14.43	\$ 14.15	\$ 20.61	45.7%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Miscellaneous	51,992	60,000	52,000	-13.3%
Sales and Services	37,224	30,000	30,000	0.0%
General Fund	492,878	484,077	755,097	56.0%
Revenue Total	582,094	574,077	837,097	45.8%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	8	8	10	25.0%
Total	8	8	10	25.0%

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

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.

2017/2018 Accomplishments:

- Law Enforcement Assisted Diversion (LEAD) - HPD took the lead on organizing a collaborative partnership with area law enforcement, substance abuse providers, mental health and the DA's office to start a diversion program for addicted individuals as an alternative to the criminal justice system.
- HPD has placed a lot of effort into addressing the issues related to homelessness (panhandling and urban camping) in the past year. We have developed a video in cooperation with the Salvation Army and the United Way to educate the public about the harm in giving money to panhandlers. We have developed a flyer to educate the public on all of the legitimate services for those in need. A new ordinance to address aggressive panhandling, peddling and door to door sales was drafted and presented to City Council which is now in effect. A pilot program to assist commercial property owners with cleanup of urban camp sites has also been put into effect and has made an improvement in the LR Blvd.
- HPD now has six fully functional and operational back up 911 consoles located in the HPD Communications Center. HPD also now has radio interoperability with both handheld and mobile radios on the state's VIPER system. In the event of a 911 outage at the new county 911 center, HPD is be the back-up 911 site for the county. The shared 911 system allows for redundancy either way between HPD and Catawba County.

2018/2019 Goals and Objectives:

Goal: Code Enforcement will focus on addressing quality of life issues and search for innovative ways to address the difficult minimum housing cases where ownership is unclear.

- Objective: Develop innovative ways to enhance the City's Economic Development

Goal: Complete development and implementation of the HPD smart phone application.

- Objective: The new app will not only allow us to get urgent information out quickly to the public, but it will allow the public to quickly access reports, videos, photos, crime mapping, general information and tips relating to HPD operations and services.

Goal: HPD will continue to enhance the philosophy and practice of community policing.

- Objective: To continue to strengthen relationships with minority groups within Hickory to build trust throughout the community.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
<i>Work Load</i>				
# of calls received	90,436	97,598	97,492	96,500
# of calls dispatched	41,731	42,549	44,849	43,000
# dispatched calls per Patrol Officer	509	541	598	535
<i>Efficiency</i>				
# of cases assigned to Criminal Investigations Division	681	570	563	550
<i>Effectiveness</i>				
Average call time from receipt to generated	n/a	01:29	1:28	1:30

Police Department



The Hickory Police Department is located at 347 2nd 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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	8,791,061	9,641,661	9,889,800	2.6%
Operations	2,093,055	2,234,857	2,298,067	2.8%
Capital	1,041,090	1,436,211	940,895	-34.5%
Pro Rata Reimbursement	2,609	2,661	2,715	2.0%
Expenditure Total	11,927,815	13,315,390	13,131,477	-1.4%
Per Capita	\$ 295.76	\$ 328.23	\$ 323.35	-1.5%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Unrestricted Intergovernmental	90,000	90,000	90,000	0.0%
Restricted Intergovernmental	130,662	69,047	171,949	149.0%
Licenses and Permits	5,188	5,100	5,100	0.0%
Miscellaneous	5,696	2,000	3,000	50.0%
Sales and Services	36,026	24,500	25,200	2.9%
Other Financing Sources	-	675,000	100,000	-85.2%
General Fund	11,660,243	12,449,743	12,736,228	2.3%
Revenue Total	11,927,815	13,315,390	13,131,477	-1.4%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	152	152	152	0.0%
Part Time	60	22	22	0.0%
Seasonal	4	4	4	0.0%
Total	216	178	178	0.0%

Fire Department



Additional information about the Fire Department may be obtained by calling
C. Fred Hollar, Fire Chief, at 828.323.7501 or fhollar@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.

2017/2018 Accomplishments:

- Added one new Rosenbauer apparatus to the fire department's emergency response fleet. Engine 1 will replace the current 1999 Quality apparatus at Station 1.
- 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.
- Completed an installation of a video conferencing system throughout the City's seven fire stations. This system will aid in reducing travel times and fuel costs by holding in-station training and meetings.

2018/2019 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: Expand into different disciplines of rescue specialization.

- Objective: Expand 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	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
# of Incident Responses	6,604	6,720	6,815	7,000
Educational Programs/Projects	439	472	441	450
# of Fire Inspector Activities	5,528	6,112	5,205	5,500
Department Training Hours (New)			24,296	25,000
Efficiency				
% of fires with a cause and origin determination (new)			96%	98%
Property Value Saved (New)			\$91,396,770	\$35,000,000
% Mechanical Availability of Apparatus (New)			92%	95%
Effectiveness				
90th Percentile Travel Time for the First Arriving Unit (new)			4:58	4:50
% of Full Response within 8-minutes Travel Time	84%	85%	85%	86%
# Preventable Structure Fires in Inspectable Properties (new)			21	15
% of fires extinguished before fire department arrival (new)			47	50
% of total fires confined to room of origin (new)			60%	60%

Fire Department



Fire Station 1 located at 19 2nd 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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	8,108,047	8,535,856	8,644,251	1.3%
Operations	1,322,542	1,358,940	1,523,284	12.1%
Capital	152,527	915,650	1,202,000	31.3%
Pro Rata Reimbursement	(35,117)	(35,819)	(36,535)	2.0%
Expenditure Total	9,547,999	10,774,627	11,333,000	5.2%
Per Capita	\$ 236.75	\$ 265.60	\$ 279.06	5.1%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Restricted Intergovernmental	391,336	365,949	536,715	46.7%
Sales and Services	169,870	163,400	163,000	-0.2%
Other Financing Sources	600,000	450,000	910,000	102.2%
General Fund	8,386,793	9,795,278	9,723,285	-0.7%
Revenue Total	9,547,999	10,774,627	11,333,000	5.2%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	135	135	135	0.0%
Part Time	3	2	2	0.0%
Total	138	137	137	0.0%

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

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.

2017/2018 Accomplishments: Over the past year Building Services has been involved in several large projects:

- City Hall 2nd floor new office project
- City Hall Computer room Mini Split system project to improve reliability of service
- Hickory Police Department Firing Range Obstacle Wall
- Lower Parking Deck LED lighting project, parking Deck pressure washing and painting project
- Patrick Beaver Memorial Library LED lighting project to improve lighting inside and improve cost saving measures
- Ridgeview Library LED lighting project
- New LED lighting at Hickory City Park Tennis Courts

2018/2019 Goals and Objectives:

Goal: Continue to upgrade to LED lighting at all City Owned facilities.

- Objective: To continue partnering with all City divisions to upgrade each facility with LED lighting, to reduce electrical consumption.

Goal: City Upgraded roofing contracts.

- Objective: To get all City Owned roof systems on a maintenance program were a budget can be attached to the CIP for upgrades/replacements as needed.

Goal: Update the Union Square metal structure/poles

- Objective: To change the color of the Sails on the Square poles from primer gray to black to match the light poles on Union Square

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
# of service requests received, scheduled & serviced by the Building Services division	850	848	900	910
Efficiency				
% of Building Division's service requests completed in 48 hours	85%	92%	95%	95%
Effectiveness				
Average labor cost per service request	\$54.70	\$54.74	\$57.59	\$59.31

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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	245,899	317,100	315,975	-0.4%
Operations	35,337	74,097	74,267	0.2%
Capital	10,383	58,000	36,400	-37.2%
Pro Rata Reimbursement	(306,820)	(312,958)	(319,218)	2.0%
Expenditure Total	(15,201)	136,239	107,424	-21.2%
Per Capita	\$ (0.38)	\$ 3.36	\$ 2.65	-21.2%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Sales and Services	13,066	12,000	12,000	0.0%
General Fund	(28,267)	124,239	95,424	-23.2%
Revenue Total	(15,201)	136,239	107,424	-21.2%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	6	6	6	0.0%
Total	6	6	6	0.0%

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

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.

2017/2018 Accomplishments:

- Processed weekly and bi-weekly Payroll for Public Services.
- Maintain data entry of work orders on a daily basis. Entered 22,354 work orders in FY 17-18
- 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.

2018/2019 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.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
# of work orders entered (annual)	24,015	19,753	22,354	20,000
Efficiency				
Average Response Rate-VC3 Service Request Days	3	3	5	3
Effectiveness				
% of time accounted for on work orders vs. actual time turned in for Public Services	90%	96%	93%	98%

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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	480,489	481,130	493,694	2.6%
Operations	110,114	153,791	153,835	0.0%
Capital	1,408	3,000	8,600	186.7%
Pro Rata Reimbursement	(259,989)	(265,189)	(270,493)	2.0%
Expenditure Total	332,022	372,732	385,636	3.5%
Per Capita	\$ 8.23	\$ 9.19	\$ 9.50	3.3%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
General Fund	332,022	372,732	385,636	3.5%
Revenue Total	332,022	372,732	385,636	3.5%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	7	7	7	0.0%
Total	7	7	7	0.0%

Public Services: Traffic Division



Additional Information about the Public Services Traffic Division may be obtained by calling
 Caroline M. Kone, PE, at 828.323.7500 or 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.

2017/2018 Accomplishments:

- Over 5,000 signs with City limits inventoried to include installation date, sign type, and location
- Installed approximately 43,000 linear feet of white edgeline
- Installed approximately 185,000 linear feet of yellow centerline
- Evaluated/retimed 20 signalized intersections

2018/2019 Goals and Objectives:

- Goal: Reduce travel time delays for drivers
 - Objective: Evaluate and maintain signals to ensure efficient operations
- Goal: Provide effective transportation system
 - Objective: Refresh intersection pavement markings at all intersections on a 3-year schedule
- Goal: Enhance safety of roadways
 - Objective: Ensure minimum retroreflectivity standards are met on signs

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
# of intersection markings refreshed	91	96	124	100
Efficiency				
Reduce travel time delay at signalized intersections (average percent reduction)	11.17%	20.45%	10.60%	10%
Effectiveness				
Average response time (VC3) to citizens	88 hrs 19 min	18 hrs 29 min	7 hrs 27 min	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	577,965	637,761	650,174	1.9%
Operations	1,174,526	1,253,764	1,262,145	0.7%
Capital	202,761	37,000	42,000	13.5%
Pro Rata Reimbursement	(14,431)	(14,720)	(15,015)	2.0%
Expenditure Total	1,940,821	1,913,805	1,939,304	1.3%
Per Capita	\$ 48.12	\$ 47.18	\$ 47.75	1.2%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Unrestricted Intergovernmental	355,767	300,000	300,000	0.0%
Sales and Services	57,649	56,000	56,000	0.0%
General Fund	1,527,405	1,557,805	1,583,304	1.6%
Revenue Total	1,940,821	1,913,805	1,939,304	1.3%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	11	11	11	0.0%
Part Time	1	-	-	0.0%
Seasonal	4	4	4	0.0%
Total	16	15	15	0.0%

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

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.

2017/2018 Accomplishments:

- Resurfaced approximately 9 lane-miles of streets
- Installed approximately 2,300 linear feet of new sidewalk
- Installed approximately 975 linear feet of new curb & gutter

2018/2019 Goals and Objectives:

Goal: Provide safe walkways for pedestrians

- Objective: Construct Lenoir-Rhyne University road diet with pedestrian improvements

Goal: Provide safe streets for the travelling public

- Objective: Resurface approximately 18 lane miles of asphalt roadway and provide necessary maintenance within budget

Goal: Provide safe and reliable storm drain system

- Objective: Make necessary repairs and upgrades to storm drain system

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
Linear feet of new sidewalk construction	4,300	1,681	2,289*	4,000
NCDOT right of way miles maintained	4,600	4,700	4,700	4700
Efficiency				
Tons of asphalt in place per lane mile maintained (annually)	580	580	580	580
Cost per ton of asphalt placed – contractor	\$76.50	\$76.50	\$83.00**	\$80
Effectiveness				
% of potholes repaired within 24 hours	94%	96%	87%***	95%

* numbers lower than normal due to tornado in October and wet winter, however various repairs throughout the City also happened
 ** this was the lowest bid
 *** numbers lower than normal due to tornado in October and wet winter

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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	1,608,897	2,090,076	2,104,388	0.7%
Operations	1,164,211	1,661,385	1,674,881	0.8%
Capital	554,914	482,000	442,800	-8.1%
Pro Rata Reimbursement	(58,020)	(59,180)	(60,364)	2.0%
Expenditure Total	3,270,002	4,174,281	4,161,705	-0.3%
Per Capita	\$ 81.08	\$ 102.90	\$ 102.48	-0.4%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Other Taxes	193,001	170,000	170,000	0.0%
Restricted Intergovernmental	1,344,420	1,325,000	1,315,000	-0.8%
Sales and Services	43,276	10,000	10,000	0.0%
Other Financing Sources	-	200,000	70,000	-65.0%
General Fund	1,689,305	2,469,281	2,596,705	5.2%
Revenue Total	3,270,002	4,174,281	4,161,705	-0.3%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	43	43	43	0.0%
Part Time	9	5	5	0.0%
Seasonal	6	6	6	0.0%
Total	58	54	54	0.0%

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

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.

2017/2018 Accomplishments:

- Completed Design and re-landscaping of Hwy 127 medians at Sally Fox Park and Station #1.
- Completed design for Trade Alley landscape.
- Completed design for Arrowhead Pocket Park and sidewalk for Salt Block/3rd Ave NE.
- Awarded Tree city USA, held Arbor Day and planted a tree.
- Re-Landscaped garden and fountain area at Shuford Gardens due to major storm damage.
- Completed landscape/irrigation design for LRU and 7th Ave NE project.

2018/2019 Goals and Objectives:

- Goal: Complete re-landscaping and tree installation of Ames Garden in the downtown.
- Objective: To add new street trees, sculpture pieces and landscaping to enhance the aesthetics of this area.
- Goal: Continue improvements to Ivey Arboretum and Sally Fox Park
- Objective: Pruning of all trees, installation of new trees, landscaping and signage to enhance the overall aesthetics and educational experience of the park and Arboretum.
- Goal: Concrete stamping and installation of ornamental trees on HWY 70 medians at S. Center St
- Objective: To concrete stamp portions of the medians and add ornamental trees in tree well areas in order to improve the aesthetics as well as being a safer maintenance alternative and saving both time and money.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
# of trees/shrubs planted annually	27 / 1,071	6/2,568	17/1,368	20/1,000
# of trees/shrubs maintained	617 / 7,646	449/4,794	363/6,607	400/3000
Efficiency				
Annual cost to maintain Oakwood Cemetery	\$92,307	88,656	72,983	90,000
Annual cost to maintain Ridgeview Cemetery	\$6,839	9,759	4,540	10,000
Annual cost to maintain Fairview Cemetery	\$14,659	12,757	9,928	18,000
Effectiveness				
% of Cemetery plots/graves repaired due to settling	5%	4%	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	666,226	837,069	841,039	0.5%
Operations	272,357	287,265	293,642	2.2%
Capital	57,085	58,800	93,300	58.7%
Pro Rata Reimbursement	(122,670)	(125,124)	(127,626)	2.0%
Expenditure Total	872,998	1,058,010	1,100,355	4.0%
Per Capita	\$ 21.65	\$ 26.08	\$ 27.09	3.9%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Sales and Services	35,928	30,000	30,000	0.0%
General Fund	837,070	1,028,010	1,070,355	4.1%
Revenue Total	872,998	1,058,010	1,100,355	4.0%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	17	17	17	0.0%
Part Time	3	1	1	0.0%
Seasonal	8	8	8	0.0%
Total	28	26	26	0.0%

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

Functional Area: Culture and Recreation

Mission Statement:

To provide the highest quality in leisure services, parks, and recreational facilities while encouraging and enhancing healthy lifestyles for all citizens of Hickory.

2017/2018 Accomplishments:

- The Charles D. Dixon Memorial Splash Pad at Kiwanis Park was dedicated on May 1, 2018.
- Completed development of a park master site plan for the proposed Sandy Pines Park.
- The Zahra Baker All Children’s Playground/Charles D. Dixon Memorial Splash Pad at Kiwanis Park received Macaroni Kid of Hickory/Western Piedmont’s 2018 Gold Daisy Award for Favorite Outdoor Play Place.
- Highland Recreation Center was approved as a Silver Sneakers site.

2018/2019 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	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
% of residents/non-residents in athletic programs	80% / 20%	80%/20%	81%/19%	80%/20%
Annual # of participants in athletic programs	2,200	2,000	1,886	2,000
# of drop-in users of recreation centers/month (Avg.)	6,500	5,300	5,900	6,000
Efficiency				
\$ profit/loss concessions	\$ 4,500.00	\$4,500	\$4,500	\$4,500
Effectiveness				
% increase in number of adult athletic programs	10.0%	10%	0%	10%
% recreation center programs planned that are actually held	95%	95%	96%	95%

Parks and Recreation Department



The Parks and Recreation Department is located at 1451 8th 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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	1,226,718	1,223,410	1,234,284	0.9%
Operations	295,056	287,625	290,772	1.1%
Capital	342,308	47,300	147,267	211.3%
Pro Rata Reimbursement	43,037	43,898	44,776	2.0%
Expenditure Total	1,907,119	1,602,233	1,717,099	7.2%
Per Capita	\$ 47.29	\$ 39.50	\$ 42.28	7.1%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Sales and Services	190,676	197,500	195,500	-1.0%
Miscellaneous	69,940	11,000	11,000	0.0%
General Fund	1,646,503	1,393,733	1,510,599	8.4%
Revenue Total	1,907,119	1,602,233	1,717,099	7.2%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	18	18	18	0.0%
Part Time	15	15	15	0.0%
Seasonal	12	12	12	0.0%
Total	45	45	45	0.0%

Parks and Recreation Dept: Parks Maintenance



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

Functional Area: Culture and Recreation

Mission Statement:

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

2017/2018 Accomplishments:

- Completed contracted construction of a new restroom facility and group picnic shelter at West Hickory Park.
- Completed contracted construction of a new restroom facility at Fairbrook Optimist Dog Park.
- In conjunction with NWNC Mountain Bike Alliance, the existing mountain bike trails at Hickory City Park and Rotary-Geitner Park were expanded and improved.
- Purchased 21 acres of property adjacent to Henry Fork River Regional Recreation Park to allow for future park expansion.

2018/2019 Goals and Objectives:

- Goal: Provide efficient completion of repairs in parks and recreation centers.
- Objective: Complete prioritized work orders within 48 hours of submission while working within the seasonal scheduling procedures.
- Goal: All playing fields are well maintained and aesthetically pleasing.
- Objective: Volunteer coaches rate turf and playing fields consistently above average or better.
- Goal: Playground equipment and surfacing are in good condition and maintained for safety.
- Objective: Conduct and review weekly playground inspections.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
% of Fescue ball fields mowed and trimmed every five days	100%	100%	100%	100%
Efficiency				
% of playground systems inspected and serviced once every 30 days	90.0%	90%	90%	90%
% of work orders completed within 48 hours	35.0%	35%	35%	35%
Effectiveness				
% of coaches rating playing fields and gyms above or better	100.0%	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	1,004,141	1,121,291	1,098,174	-2.1%
Operations	664,490	682,748	687,477	0.7%
Capital	247,033	356,600	255,880	-28.2%
Expenditure Total	1,915,664	2,160,639	2,041,531	-5.5%
Per Capita	\$ 47.50	\$ 53.26	\$ 50.27	-5.6%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
General Fund	1,915,664	2,160,639	2,041,531	-5.5%
Revenue Total	1,915,664	2,160,639	2,041,531	-5.5%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	24	24	24	0.0%
Part Time	-	-	-	0.0%
Seasonal	7	7	7	0.0%
Total	31	31	31	0.0%

Parks and Recreation Dept: L.P. Frans Stadium



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

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.

2017/2018 Accomplishments:

- The Texas Rangers became the new owners of the Hickory Crawdads.
- New playing surface, scoreboard, and outfield wall were installed prior to the beginning of the 2018 season.
- Successfully met Hickory Baseball's requirements for preparation of L.P. Frans Stadium for opening day of the 2018 season.

2018/2019 Goals and Objectives:

Goal: To maintain the stadium structure for use by the Hickory Crawdads baseball team.

- Objective: Adhere to terms and conditions of stadium lease agreement.

Goal: Pursue special events and performances suitable for stadium use.

- Objective: Maintain the number of stadium rentals and special events from FY 2017-18.

Goal: Measure the cost of maintaining L.P. Frans Stadium under lease agreement.

- Objective: Maintain FY 2018-19 budgeted funding levels.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
Average attendance at baseball games	2,000	2,000	2128	2050
Efficiency				
% of work order requests from Hickory Baseball completed within 72 hours	35%	35%	35%	35%
Effectiveness				
Cost to maintain stadium structure (Annual)	\$97,323	\$102,423	\$97,402	\$97,402

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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Operations	90,980	97,402	97,402	0.0%
Capital	51	313,500	343,250	9.5%
Expenditure Total	91,031	410,902	440,652	7.2%
Per Capita	\$ 2.26	\$ 10.13	\$ 10.85	7.1%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Sales and Services	(7,581)	11,700	12,200	4.3%
General Fund	98,612	399,202	428,452	7.3%
Revenue Total	91,031	410,902	440,652	7.2%

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

Functional Area: Culture and Recreation

Mission Statement:

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

2017/2018 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.
- Introduced Hickory Shared Access initiative in partnership with Hickory Public Schools to increase access to library resources for local students.
- Improved community awareness of library services through updated library and endowment brochures and a monthly email newsletter.

2018/2019 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: Collaborate with community agencies to provide innovative library programs

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

- Objective: Complete a space needs assessment of the Ridgeview Branch Library

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
Circulation (raw number)	390,583	383,402	359,719	375,000
Efficiency				
% of items checked out using self-check stations	10.97%	6.27%	17.05%	20%
Effectiveness				
Program Attendance	20,358	19,201	20,342	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	1,160,030	1,303,502	1,336,236	2.5%
Operations	711,637	705,165	707,265	0.3%
Capital	133,276	135,000	157,000	16.3%
Pro Rata Reimbursement	1,712	1,746	1,781	2.0%
Expenditure Total	2,006,655	2,145,413	2,202,282	2.7%
Per Capita	\$ 49.76	\$ 52.89	\$ 54.23	2.5%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Restricted Intergovernmental	245,804	246,717	246,717	0.0%
Sales and Services	47,250	43,000	43,000	0.0%
General Fund	1,713,601	1,855,696	1,912,565	3.1%
Revenue Total	2,006,655	2,145,413	2,202,282	2.7%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	18	18	18	0.0%
Part Time	18	18	18	0.0%
Seasonal	2	2	2	0.0%
Total	38	38	38	0.0%

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

Functional Area: General Government

Mission Statement:

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

2017/2018 Accomplishments:

- Completed City Hall computer room Mini Split project
- Participated in planning for the City Hall 2nd floor new office project
- Rebuilt shaft and fan assembly on the cooling tower at City Hall
- Painted the Service League house
- Performed Phase #4 Fire alarm wiring and data drops at the Hickory Community Theater
- Installed new compressor, City hall RTU #2 Air handler # 1

2018/2019 Goals and Objectives:

Goal: City Hall Roof Re-Coating with GE seamless roof system

- Objective: Install 1 inch thick layer of polyurethane foam followed by a silicone coating for a new 10 year manufacturer's warranty on roof system

Goal: New LED Lighting and painting for upper parking deck

- Objective: Building Services to replace old HPS fixtures with new LED light fixtures and paint upper parking deck

Goal: Upgrade Building Access System

- Objective: The Kantech KT 300 Door access controller has begun having communication problems. Building Services will be getting prices to upgrade this system

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
# of service requests received scheduled & serviced for City Hall & Union Square	215	257	254	250
Efficiency				
% of preventive maintenance program completed via internally or under contract	100%	100%	100%	100%
Effectiveness				
# of false security alarms requiring response in maintaining facility security	95%	98%	98%	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	26,346	26,501	27,031	2.0%
Operations	316,874	321,869	322,349	0.1%
Capital	-	-	8,000	100.0%
Pro Rata Reimbursement	(8,237)	(8,402)	(8,570)	2.0%
Expenditure Total	334,983	339,968	348,810	2.6%
Per Capita	\$ 8.31	\$ 8.38	\$ 8.59	2.5%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
General Fund	334,983	339,968	348,810	2.6%
Revenue Total	334,983	339,968	348,810	2.6%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 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	2015-2016 Actual	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
General Government					
Community Appearance Commission	410	174	1,300	1,300	0%
Public Art Commission	15,220	14,076	16,000	16,000	0%
Subtotal	15,630	14,250	17,300	17,300	0%
Public Safety					
Spay and Neuter Program	339	1,062	1,000	1,000	0%
Subtotal	339	1,062	1,000	1,000	0%
Economic and Community Development					
Catawba County EDC	132,113	133,983	136,716	140,587	3%
Downtown Development Association	50,000	41,435	50,000	50,000	0%
Economic Dev. - Miscellaneous	32,014	25,426	7,840	17,140	119%
Economic Dev. Incentives	358,146	4,970	351,817	135,810	-61%
Façade/Landscape Grant	36,470	33,255	40,000	40,000	0%
Hickory Community Relations Council	16,052	15,909	17,000	17,000	0%
Hickory Convention/Visitors Bureau	20,000	20,000	20,000	25,000	25%
Historic Preservation	3,612	8,180	11,100	8,800	-21%
International Council	12,709	12,169	13,000	13,000	0%
Tourism Development Authority	1,888,878	1,927,878	1,800,000	2,000,000	11%
University City Commission	9,065	9,473	12,000	12,000	0%
Vacant Building Revitalization	82,704	15,000	100,000	100,000	0%
Western Piedmont Council of Governments	36,055	35,059	35,624	39,603	11%
Youth Council	4,012	9,892	3,600	3,600	0%
Subtotal	2,681,830	2,292,629	2,598,697	2,602,540	0%
Culture and Recreation					
SALT Block Facility Improvement	100,000	100,000	100,000	100,000	0%
United Arts Council of Catawba County	40,065	40,143	40,143	40,567	1%
Subtotal	140,065	140,143	140,143	140,567	0%
Transportation					
Western Piedmont Regional Transit Authority	155,702	213,062	219,542	227,808	4%
Subtotal	155,702	213,062	219,542	227,808	4%
Total	2,993,566	2,661,146	2,976,682	2,989,215	0%

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	2015-2016 Actual	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Bonded Debt					
Interest	0	0	0	0	0%
Road Bond Projects	0	0	0	0	0%
Subtotal	0	0	0	0	0%
Installment Purchase					
Communications System	104,269	104,269	104,269	104,270	0%
General Government	702,800	702,800	702,800	561,400	-20%
Interest	144,031	102,289	89,481	70,977	-21%
Recreation	385,618	385,618	0	0	0%
Subtotal	1,336,718	1,294,976	896,550	736,647	-18%
Grand Total	1,336,718	1,294,976	896,550	736,647	-18%

*Note: While the overall amount of debt service within the General Fund has steadily decreased in recent years, the FY2018-19 budget also includes a placeholder figure of \$450,000 in prospective new debt service payments anticipated to be issued during the Fiscal Year. Expected projects include a parking deck, the City's participation in the Lackey Project at Geitner Park, Airport Road improvements, and miscellaneous economic development needs.

Transfers/Other Financing Uses



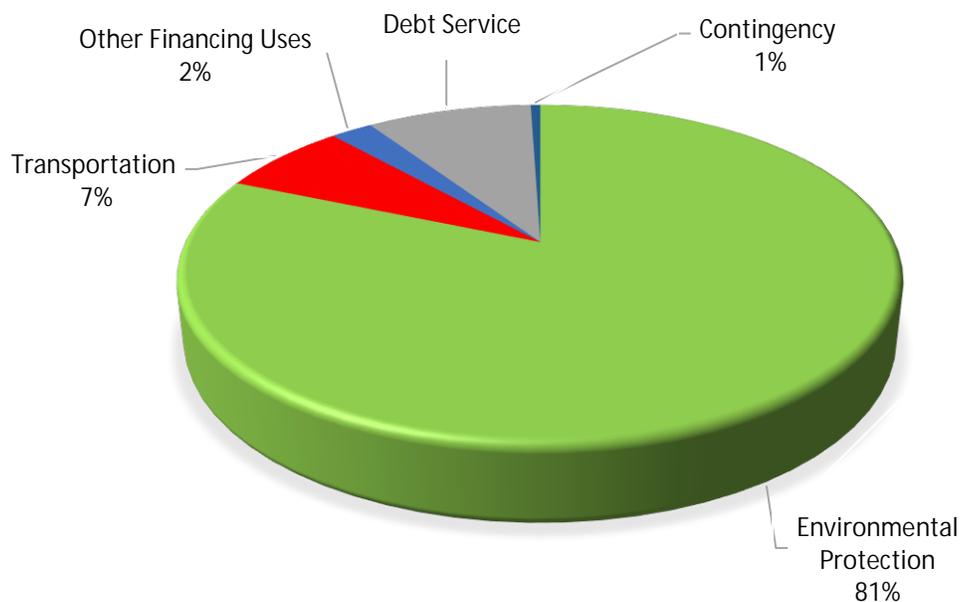
Interfund transfers are transfers between the fund(s) receiving sources and the fund(s) through which the resources are to be expended. The transfer to the Capital Reserve Fund, for example, reserves funds for future capital outlay needs as prescribed in Council's financial policy and Capital Improvement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

Transfers from General Fund	2015-2016 Actual	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Capital Projects	214,016	2,789,312	0	0	0%
Capital Reserve Fund	1,051,560	920,000	920,000	923,378	0%
Internal Service Fund	0	0	0	200,000	100%
Multi-Year Grant Program Fund	32,812	0	0	0	0%
Solid Waste Fund	214,049	146,460	0	0	0%
Stormwater Fund	132,947	763,107	135,137	118,454	-12%
Transportation Capital Projects Fund	0	0	0	0	0%
Transportation Fund	0	0	0	0	0%
Total	1,645,384	4,618,879	1,055,137	1,241,832	18%

Enterprise Fund

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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Other Taxes	33,557	25,000	25,000	0.0%
Restricted Intergovernmental	2,874,244	2,799,920	3,041,044	8.6%
Sales and Services	29,408,216	28,805,937	29,695,737	3.1%
Investment Earnings	83,411	72,500	72,500	0.0%
Miscellaneous	1,167,389	342,500	342,500	0.0%
Other Financing Sources	1,043,418	2,521,650	5,468,863	116.9%
Revenue Total	34,610,235	34,567,507	38,645,644	11.8%
Per Capita	860.48	857.12	952.64	

Enterprise Fund Expenditure by Category	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	7,053,330	8,086,046	8,176,715	1.1%
Operations	11,373,597	13,455,625	14,676,064	9.1%
Capital	61,717	4,305,696	7,017,526	63.0%
Contingency	-	200,000	200,000	0.0%
Special Appropriations	48,105	50,290	56,027	11.4%
Debt Service	719,069	3,466,963	3,431,165	-1.0%
Interfund Transfers	2,725,425	875,137	877,840	0.3%
Pro Rata Reimbursement	3,956,990	4,127,750	4,210,307	2.0%
Expenditure Total	25,938,233	34,567,507	38,645,644	11.8%
Per Capita	644.88	857.12	952.64	

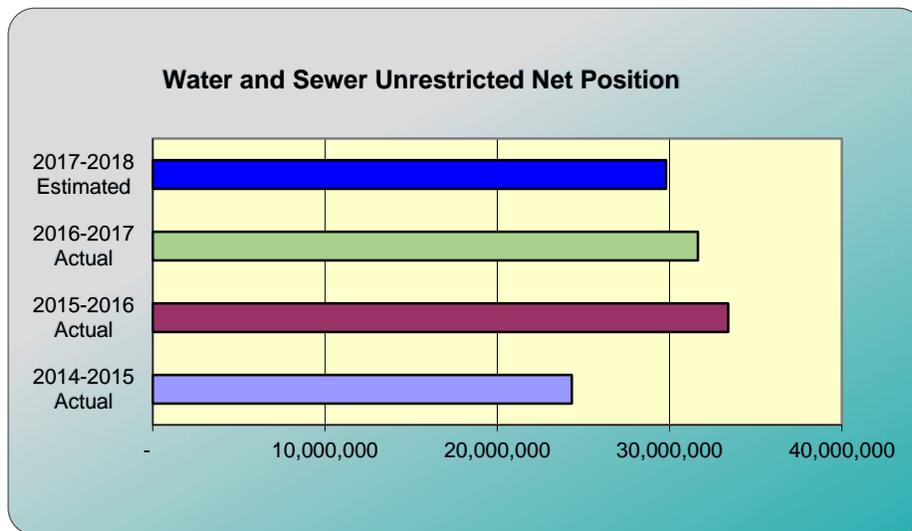
Water and Sewer Fund



Unrestricted Net Position Projection

The unrestricted net position in the Water and Sewer Fund was \$31,642,539 on June 30, 2017. This amount is expected to decrease by \$1,845,406 during FY2017-2018. Going into FY2018-2019, the unrestricted net position of the Water and Sewer Fund is expected to be \$29,797,133.

Unrestricted Net Position	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimated
Water and Sewer Fund	24,323,219	33,405,340	31,642,539	29,797,133
Dollar Change	6,666,712	9,082,121	(1,762,801)	(1,845,406)
Percent Change	37.8%	37.3%	-5.3%	-5.8%



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

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.

2017/2018 Accomplishments:

- Successfully negotiated purchase of Hildebran's Wastewater Collection System.
- Completed 7 Local Water Supply Plans.
- Completed systemwide Water Model to more efficiently operate Distribution System.

2018/2019 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	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
# of publications produced per year	17	18	15	15
Efficiency				
% of meters read per month	99.9%	99.8%	99.8%	95%
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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	519,579	789,253	773,142	-2.0%
Operations	2,837,336	2,387,328	3,446,369	44.4%
Capital	3,204	141,028	129,800	-8.0%
Contingency	-	150,000	150,000	0.0%
Special Appropriations	48,105	50,290	56,027	11.4%
Pro Rata Reimbursement	3,322,329	3,480,394	3,550,003	2.0%
Expenditure Total	6,730,553	6,998,293	8,105,341	15.8%
Per Capita	\$ 166.89	\$ 172.51	\$ 199.58	15.7%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Sales and Services	5,615,022	6,598,293	7,705,341	16.8%
Investment Earnings	74,635	60,000	60,000	0.0%
Miscellaneous	1,040,896	340,000	340,000	0.0%
Revenue Total	6,730,553	6,998,293	8,105,341	15.8%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	11	11	11	0.0%
Seasonal	1	1	1	0.0%
Total	12	12	12	0.0%

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

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.

2016/2017 Accomplishments:

- Replaced Lakeshore pump station with a new up-to-date pump station and expanded for future growth and reliability.
- Rebuilt Moose Club Pump station for extended service life and reliability.
- Cleared 65,412 feet of Right of Way for the year.

2017/2018 Goals and Objectives:

- Goal: To meet the state requirement for sanitary sewer line cleaning.
- Objective: To clean a minimum of 10% of the sanitary sewer system.
- Goal: To meet the goal for sanitary sewer line right-of-way maintenance.
- Objective: To maintain 20% of sanitary main right-of-way per year.
- 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	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
Work Load				
Total linear feet of sewer line cleaned	109,770	134,810	236,600	260,000
Total # of sewer service requests	199	183	257	250
Efficiency				
Average cost per request for sewer maintenance	\$220	\$200	\$214	\$225
Effectiveness				
% of Right-of-Way maintained	20%	20%	27%	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	723,842	888,192	897,808	1.1%
Operations	634,522	716,135	716,785	0.1%
Capital	608,293	474,300	722,000	52.2%
Expenditure Total	1,966,657	2,078,627	2,336,593	12.4%
Per Capita	\$ 48.76	\$ 51.24	\$ 57.54	12.3%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Water and Sewer Fund	1,966,657	2,078,627	2,336,593	12.4%
Revenue Total	1,966,657	2,078,627	2,336,593	12.4%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	13	16	16	0.0%
Seasonal	1	1	1	0.0%
Total	14	17	17	0.0%

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.

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.

2017/2018 Accomplishments:

- Met all Daily, Weekly and Monthly NPDES permit limits for the report period.
- Integrated the Facilities Master Plan report into the Capital Improvement Plan for the FY18-19 budget process.

2018/2019 Goals and Objectives:

Goal: Maintain safe and effective workplace.

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

Goal: Further implement the recommendations of the Facilities Master Plan.

- Objective: To ensure plant equipment and facility is maintained adequately and NPDES requirements are met.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
Tons of solids hauled to Compost Facility	1,107	1,225	1,177.2	1,500
Efficiency				
Chemical cost per thousand gallons wastewater treated	\$0.053	\$.05	\$0.06	\$0.07
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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	469,900	485,582	533,805	9.9%
Operations	420,323	575,076	572,576	-0.4%
Capital	1,140	155,000	456,000	194.2%
Expenditure Total	891,363	1,215,658	1,562,381	28.5%
Per Capita	\$ 22.10	\$ 29.97	\$ 38.47	28.4%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Restricted Intergovernmental	68,656	50,000	50,000	0.0%
Water and Sewer Fund	822,707	1,165,658	1,512,381	29.7%
Revenue Total	891,363	1,215,658	1,562,381	28.5%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 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.

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.

2017/2018 Accomplishments:

- The Facilities Master Plan was completed and implemented into 20-year CIP.
- New process control sheets were developed and are being used.
- The grit baffle system was installed to improve efficiency of the grit removal process.

2018/2019 Goals and Objectives:

Goal: Maintain effluent, reliable solids removal.

- Objective: Purchase and install a new Boerger rotary lobe pump.

Goal: Maintain full NPDES Permit compliance.

- Objective: Meet 100% of all the sampling and discharge requirements.

Goal: Further implement the recommendations of the Facilities Master Plan.

- Objective: To ensure plant equipment and facility is maintained adequately and NPDES requirements are met.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
Tons of solids hauled to Compost Facility	744	738	722	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%	98%	85%

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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	515,276	556,702	566,225	1.7%
Operations	406,778	471,197	472,197	0.2%
Capital	1,140	88,868	57,500	-35.3%
Expenditure Total	923,194	1,116,767	1,095,922	-1.9%
Per Capita	\$ 22.89	\$ 27.53	\$ 26.99	-2.0%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Water and Sewer Fund	923,194	1,116,767	1,095,922	-1.9%
Revenue Total	923,194	1,116,767	1,095,922	-1.9%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 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 Andrew Foy, SW-A, Water Treatment Facility Superintendent, at 828.323.7427 or afoy@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.

2017/2018 Accomplishments:

- Earned the Area Wide Optimization Program award for exceeding turbidity removal standards for the 6th consecutive year, marking the 10th time Hickory has received this recognition.
- Continued the Water Plant efforts to engage and educate the community through hosting tour groups, community groups, schools, and universities.
- Updated the Water Treatment Facility's on-site sodium hypochlorite generator in order to ensure continued facility performance.
- Partnered with engineers and contractors to develop plans to update chemical storage areas as part of the ongoing commitment to the Facility Master Plan.

2018/2019 Goals and Objectives:

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

- Objective: Study alternatives to primary coagulant and assess filter performance as a possible means to increase efficiency and reduce treatment costs.

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.

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.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
Average million gallons treated per day	11.1	12.4	12.1	12.0
Million Gallons of Billed Water per all staff FTE	57.13	61.31	58.83	61.54
Efficiency				
Peak capacity daily demand as a percent of treatment	52.8%	50.1%	52.5%	50.0%
Billed water as % of finished water	85%	85%	85%	85%
Effectiveness				
Customer complaints about water quality per 1,000 meters	0.44	4.92	0.06	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	517,965	637,060	647,546	1.6%
Operations	1,506,442	1,840,734	1,919,234	4.3%
Capital	13,181	1,866,000	187,000	-90.0%
Expenditure Total	2,037,588	4,343,794	2,753,780	-36.6%
Per Capita	\$ 50.52	\$ 107.08	\$ 67.81	-36.7%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Water and Sewer Fund	2,037,588	4,343,794	2,753,780	-36.6%
Revenue Total	2,037,588	4,343,794	2,753,780	-36.6%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	11	12	12	0.0%
Part Time	2	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

Functional Area: Environmental Protection

Mission Statement:

To provide quality laboratory/pretreatment services in order to promote and protect public health, the environment, and the City of Hickory's existing infrastructure.

2017/2018 Accomplishments:

- Completed Pretreatment Annual Report.
- Completed substantial update to Enforcement Response Plan.
- Completed Henry Fork WWTF's Headworks Analysis in house.
- Provided laboratory tours to help educate the public.

2018/2019 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 the pretreatment program.

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

- Objective: Monitor the City of Hickory's approximately 225 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 Town of Claremont. Pass proficiency testing for each parameter on the City of Hickory's laboratory certified parameter list.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
# of industrial contacts for assistance of permits annually	778	574	854	525
Efficiency				
% of oil and grease contributors re-inspected	4.3%	16.3%	8.1%	≤10%
Effectiveness				
% of industrial permit non-compliant	3.3%	3.1%	2.0%	≤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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	376,187	390,450	381,665	-2.2%
Operations	150,632	194,088	196,788	1.4%
Capital	14,853	52,900	38,900	-26.5%
Expenditure Total	541,672	637,438	617,353	-3.2%
Per Capita	\$ 13.43	\$ 15.71	\$ 15.20	-3.3%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Water and Sewer Fund	541,672	637,438	617,353	-3.2%
Revenue Total	541,672	637,438	617,353	-3.2%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 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

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.

2017/2018 Accomplishments:

- Completed Teague Town Rd, Auton Rd, Liberty Ln, and Confederate Ln waterline extensions.
- Completed Central Business District Rehabilitation Project - water, sewer, stormdrain and fiber optic conduit.
- Completed City Park 20" watermain relocation project.
- Completed Falling Creek Bridge water and sewerline relocation project.

2018/2019 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 Maps.
- Goal: To improve Utilities Distribution Operations and Maintenance Technology.
- Objective: Update Equipment, Materials and Computer Technology to improve the overall efficiency of the Utilities Distribution Division.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
Thousands of gallons of billed water per meter	143.1	143	141.2	160
Millions of gallons of billed water per water services FTE's	65.5	64.7	64.6	61
Miles of main line pipe per square mile of service area	2.8	2.9	2.9	2.8
Breaks and leaks per mile of main pipe line	0.17	0.2	0.3	0.23
Efficiency				
Percent of existing pipeline replaced or rehabbed	0.02%	0.2%	0.10%	0.10%
Effectiveness				
Percent of water bills not collected	2.29%	3.45%	3.81%	3%

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	2015-2016 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	1,443,663	1,733,108	1,771,637	2.2%
Operations	870,738	776,247	776,247	0.0%
Capital	834,956	808,000	4,179,000	417.2%
Expenditure Total	3,149,357	3,317,355	6,726,884	102.8%
Per Capita	\$ 78.09	\$ 81.77	\$ 165.64	102.6%

Revenues by Type	2015-2016 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Water and Sewer Fund	3,149,357	3,317,355	6,726,884	102.8%
Revenue Total	3,149,357	3,317,355	6,726,884	102.8%

Authorized Personnel	2015-2016 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	35	33	33	0.0%
Part Time	2	-	-	0.0%
Seasonal	4	4	4	0.0%
Total	41	37	37	0.0%



Sludge Composting Fund

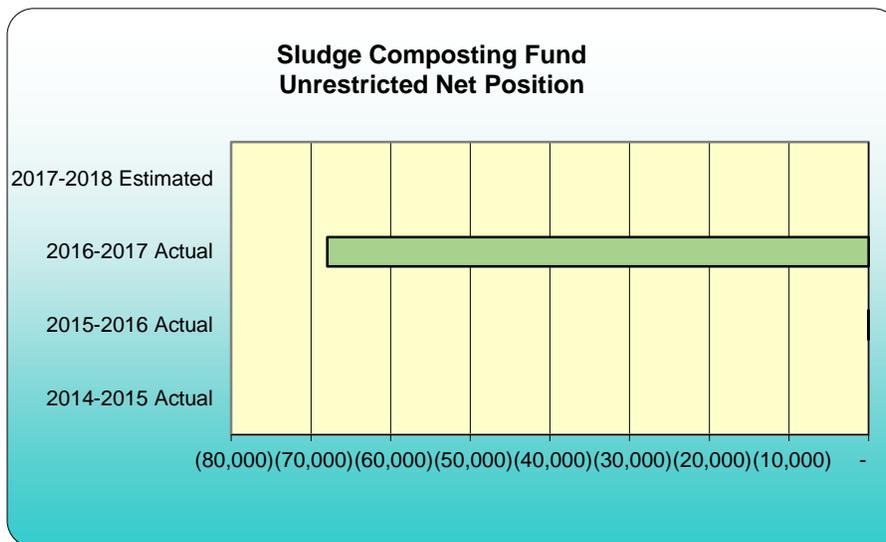


The Sludge Composting Fund consists of only one department, the Sludge Compost Facility of the Public Services Department. The fund exists because of the shared ownership of the facility; Catawba County and the cities of Hickory and Conover own the facility as part of the Sludge Consortium. Hickory serves 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	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimated
Sludge Composting Fund	-	(1)	(67,937)	-
Dollar Change	(3)	(1)	(67,936)	67,937
Percent Change	-100.0%	0.0%	0.0%	-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

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.

2017/2018 Accomplishments:

- Facility was operated in compliance with 503 permit without violations.
- Produced Annual Report for EPA and NCDEQ.

2018/2019 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.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
Average million gallons of sludge treated (annually)	15,544,100	14,729,800	15,411,700	16,000,000
Average dry tons treated (daily)	9.16	9.5	8.95	10
Cubic Yards of compost sold	9,006	8,393	8,759	13,000
Efficiency				
Avg. cost per dry ton produced	\$576.20	\$614.16	\$541.55	\$650.00
Effectiveness				
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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Operations	1,484,703	1,552,660	1,585,499	2.1%
Capital	-	50,000	50,000	0.0%
Pro Rata Reimbursement	121,252	123,678	126,151	2.0%
Expenditure Total	1,605,955	1,726,338	1,761,650	2.0%
Per Capita	\$ 39.82	\$ 42.56	\$ 43.38	1.9%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Restricted Intergovernmental	1,497,432	1,726,338	1,761,650	2.0%
Miscellaneous	72,556	-	-	0.0%
Revenue Total	1,569,988	1,726,338	1,761,650	2.0%

Stormwater Fund

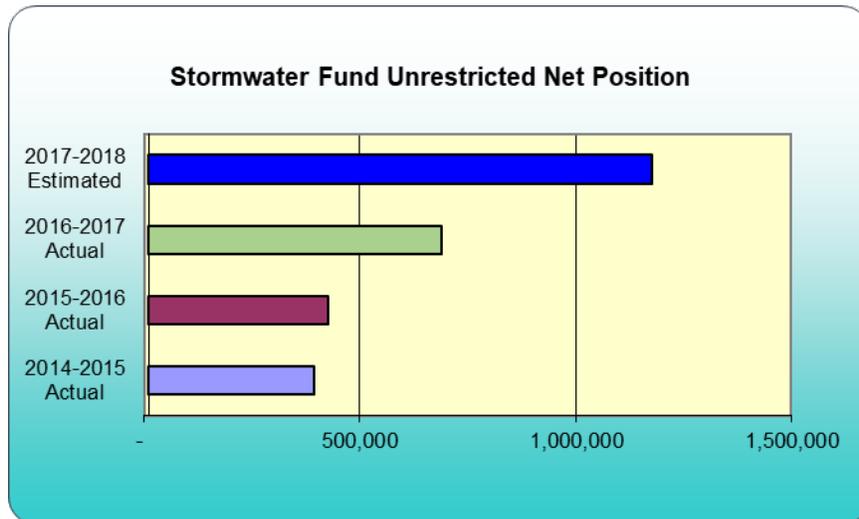


The Stormwater Fund consists of only one department.

Unrestricted Net Position Projection

The Stormwater Fund's unrestricted net position was \$689,103 on June 30, 2017. This amount is expected to increase by \$487,774 during FY2017-2018. The unrestricted net position of the Stormwater Fund is expected to be \$1,176,877 going into FY2018-2019.

Unrestricted Net Position	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimated
Stormwater Fund	394,379	427,533	689,103	1,176,877
Dollar Change	110,397	33,154	261,570	487,774
Percent Change	38.9%	8.4%	61.2%	70.8%



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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	112,842	111,129	104,731	-5.8%
Operations	108,797	159,145	132,177	-16.9%
Capital	661,641	-	-	0.0%
Stormwater Contribution	263,161	-	-	0.0%
Expenditure Total	1,146,441	270,274	236,908	-12.3%
Per Capita	\$ 28.43	\$ 6.66	\$ 5.83	-12.4%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Miscellaneous	-	-	-	0.0%
Restricted Intergovernmental Revenues	250,000	-	-	0.0%
Investment Earnings	(517)	-	-	0.0%
Other Financing Sources	896,958	270,274	236,908	-12.3%
Revenue Total	1,146,441	270,274	236,908	-12.3%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	1	1	1	0.0%
Part Time	2	1	1	0.0%
Total	3	2	2	0.0%



Transportation Fund

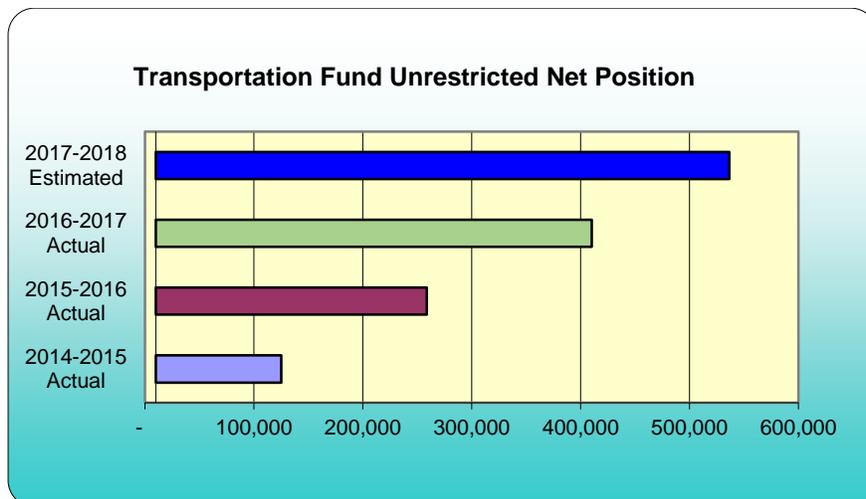


With the growth of Hickory Metro Area, no issue is more prominent than the very conduit that feeds that growth, the transportation system. The Transportation Fund includes the Hickory Regional Airport (including tower operations) and the FBO (Fixed Based Operations). The Transportation Fund was established 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 \$410,428 on June 30, 2017. During FY2017-2018 this amount is expected to increase by \$126,320. Going into FY2018-2019 the unrestricted net position of the Transportation Fund is expected to be \$536,748. Trend information for the Transportation Fund is presented below:

Unrestricted Net Position	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimated
Transportation Fund	125,238	258,768	410,428	536,748
Dollar Change	(557,682)	133,530	151,660	126,320
Percent Change	-81.7%	106.6%	58.6%	30.8%



Airport Division



Additional Information about the Airport may be obtained by calling Terry Clark at 828.323.7408 or 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.

2017/2018 Accomplishments:

- Entered into a new 5-year Master Contract with Talbert, Bright & Ellington, Engineering & Services Consultant
- Successful Part 139 Certification Inspection by FAA
- Vegetation Control along Airport Perimeter Fencing
- Expedited Debris Cleanup Promptly Following Tornado of October 2017
- Preliminary Engineering Underway on NCDOT Obstruction Removal Project along Runway 6/24

2018/2019 Goals and Objectives:

- Goal: To continue to work on updating Master Plan
 - Objective: To have a plan for the airport's future growth and development
- Goal: Continue to apply for grant funding
 - Objective: To maintain and improve airport infrastructure and operations
- Goal: Continue with plans to extend Runway 6/24
 - Objective: To make airport more desirable for larger aircraft and to increase fuel sales
- Goal: Continue to hold 139 Certificate
 - Objective: To be primed for future commercial air service

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
# of airfield Inspections	732	730	730	730
Efficiency				
# of operations per year	21,409	23,062	24,827	25,000
Effectiveness				
# of airfield incursions	0	0	0	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	221,742	210,668	234,973	11.5%
Operations	179,373	166,239	166,239	0.0%
Capital	-	42,600	82,499	93.7%
Contingency	-	30,000	30,000	0.0%
Pro Rata Reimbursement	119,461	121,851	124,289	2.0%
Expenditure Total	520,576	571,358	638,000	11.7%
Per Capita	\$ 12.91	\$ 14.08	\$ 15.71	11.5%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Restricted Intergovernmental Revenue	13,460	6,365	6,365	0.0%
Sales and Services	(3,213)	41,368	43,368	4.8%
Investment Earnings	1,402	1,250	1,750	40.0%
Transportation Fund	508,928	522,375	586,517	12.3%
Revenue Total	520,576	571,358	638,000	11.7%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	3	3	3	0.0%
Part Time	1	-	1	100.0%
Seasonal	1	-	-	0.0%
Total	5	3	4	33.3%

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

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.

2017/2018 Accomplishments:

- Entered into a new Contract with Eastern Aviation Fuels as our fuel & fuel truck provider
- Installation of Security Video Surveillance Monitoring System
- Continued making hangar improvements
- Remained competitive with fuel prices and FBO services
- Upgraded fuel trucks with wireless capabilities

2018/2019 Goals and Objectives:

Goal: To rebuild hangars lost in tornado

- Objective: To build revenue and satisfy the customer's needs

Goal: Continue to offer competitive fuel prices

- Objective: To increase revenues and to provide the customer the best prices possible

Goal: Continued procurement of necessary aviation operations equipment

- Objective: To provide excellent services to our customers

Goal: Continue to recruit new base and transient customers

- Objective: To increase revenues

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
Gallons of aviation fuel sold at Airport	491,796	566,636	522,000	550,000
# of based aircraft	90	88	86	88
Efficiency				
# of aircraft fueled	3,760	4,075	4,798	4,900
Effectiveness				
Value of based aircraft (annual)	24,131,000	20,338,369	37,626,581	38,000,000

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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	312,737	303,779	313,251	3.1%
Operations	290,698	1,697,065	1,697,909	0.0%
Capital	3,550	60,000	79,000	31.7%
Expenditure Total	606,985	2,060,844	2,090,160	1.4%
Per Capita	\$ 15.05	\$ 50.80	\$ 51.47	1.3%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Sales and Services	1,299,532	2,581,969	2,596,969	0.6%
Investment Earnings	1,402	1,250	1,750	40.0%
Transportation Fund	(693,949)	(522,375)	(508,559)	-2.6%
Revenue Total	606,985	2,060,844	2,090,160	1.4%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	5	7	7	0.0%
Part Time	10	-	-	0.0%
Total	15	7	7	0.0%



Solid Waste Fund

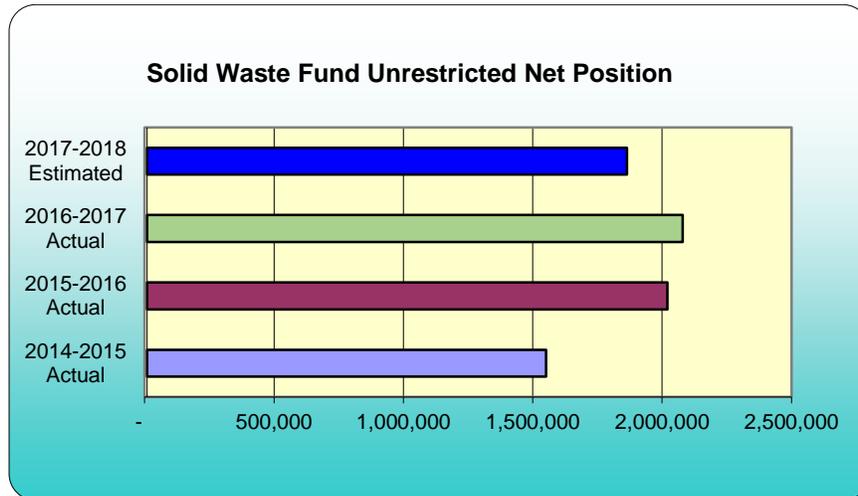


The Solid Waste Fund accounts for the City's recycling operations, as well as commercial and residential sanitation services. This fund is considered an Enterprise Fund because it generates revenues through sales and services to support operations.

Unrestricted Net Position Projection

The unrestricted net position of the Solid Waste Fund was \$2,079,383 on June 30, 2017. That amount is expected to decrease by \$215,336 during FY2017-2018. Going into FY2018-2019, the unrestricted net position of the Solid Waste Fund is expected to be \$1,864,047. 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 has 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. Of note for FY 2018-19, this will be the second 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:

	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimated
Unrestricted Net Position				
Solid Waste Fund	1,551,585	2,020,084	2,079,383	1,864,047
Dollar Change	(303,724)	468,499	59,299	(215,336)
Percent Change	-16.4%	30.2%	2.9%	-10.4%



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

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.

2017/2018 Accomplishments:

- 292,800 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 single stream recycling tonnage in our Residential Service of 2% and increased in our Business Recycling Service of 6%.
- Our Rear Packer Yard Waste Trucks picked up over 6.5 million pounds of yard waste by hand.
- Our Grapple Truck picked up over 10,100 cubic yards of yard waste or nearly 350 truckloads.

2018/2019 Goals and Objectives:

Goal: Continue to educate residents and business about recycling opportunities available to them

Objective: Use media, Snippets, Door hangers and other informational opportunities.

Goal: Improve recycling through enabling the City of Hickory and its residence to recycle and reuse items banned from the landfill. For example, pallets, paint and electronics.

Objective: Use media, Snippets, Door hangers and other informational opportunities.

Goal: Continue to revitalize recycling programs throughout the Hickory School System and private schools within the city.

Objective: Continue to contact and find people onsite at the schools to help drive the recycling efforts and education

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
Tons of curbside recyclables collected	2,988	3,054	3,181.63	3,250
# of curbside collection points	12,200	12,200	12,200	12,200
Efficiency				
Direct cost per ton of curbside recyclables collected (annual)	\$97.00	\$96.00	\$94.20	\$100.00
Direct cost per curbside collection point (annual contract amount)	\$23.64	\$23.81	\$24.56	\$27.50
Effectiveness				
% of residential solid waste diverted by curbside program	32%	31.15%	25.95%	29%
% of eligible curbside pick-up points participating	67%	64.93%	63%	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	610,649	644,120	601,898	-6.6%
Operations	1,425,299	1,528,838	1,597,098	4.5%
Capital	-	235,000	160,000	-31.9%
Pro Rata Reimbursement	478,159	487,723	497,477	2.0%
Expenditure Total	2,514,107	2,895,681	2,856,473	-1.4%
Per Capita	\$ 62.34	\$ 71.38	\$ 70.34	-1.5%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Other Taxes	18,915	14,477	13,385	-7.5%
Sales and Services	2,487,998	2,539,001	2,575,419	1.4%
Investment Earnings	3,658	5,791	4,818	-16.8%
Miscellaneous	30,402	1,448	1,338	-7.6%
Other Financing Sources	82,553	334,964	261,512	-21.9%
Revenue Total	2,623,525	2,895,681	2,856,472	-1.4%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	13	13	13	0.0%
Part Time	2	1	1	0.0%
Total	15	14	14	0.0%

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

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.

2017/2018 Accomplishments:

- The Automated Trucks in our Residential Division picked up and emptied over 634,400 rollouts resulting in over 14 million pounds of garbage being collected.
- The Rear Packer Trucks loaded over 5 million pounds of garbage by hand.

2018/2019 Goals and Objectives:

Goal: Continued participation in the Performance Measurement Project

- Objective: Continue to use this tool as a way to measure departmental performance.

Goal: Operational Efficiency of the Sanitation Division

- Objective: To continue to investigate our operation to maximize efficiency and minimize cost through the use of technology.

Goal: Continue to educate the public regarding proper disposal methods for solid waste.

- Objective: Continue to utilize media, Snippets, Door hangers and other informational opportunities.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
Tons collected per 1,000 population	233.41	245.94	306.55	290
Tons per 1,000 collection points	765	806	1005.09	833
Efficiency				
Direct cost per ton collected (annual)	\$35.63	\$33.20	\$26.73	\$35.00
Direct cost per collection point (annual)	\$6.82	\$6.64	\$6.72	\$8.00
Effectiveness				
Repeated collection points per 1,000 population	0.01%	0.01%	1%	1%

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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	507,446	551,556	544,352	-1.3%
Operations	399,712	395,047	391,927	-0.8%
Capital	-	275,000	290,700	5.7%
Expenditure Total	907,158	1,221,603	1,226,979	0.4%
Per Capita	\$ 22.49	\$ 30.11	\$ 30.21	0.3%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Other Taxes	7,934	6,107	5,749	-5.9%
Sales and Services	1,043,631	1,071,130	1,106,254	3.3%
Investment Earnings	1,534	2,443	2,070	-15.3%
Miscellaneous	12,753	611	575	-5.9%
Other Financing Sources	34,628	141,312	112,331	-20.5%
Revenue Total	1,100,480	1,221,603	1,226,979	0.4%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	12	12	12	0.0%
Total	12	12	12	0.0%

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

Functional Area: Environmental Protection

Mission Statement:

To provide customers with a commercial bulk service, which meets their requirements and is done in a cost efficient manner for the city.

2017/2018 Accomplishments:

- We have approximately 1,210 dumpster boxes in use by our customers.
- We emptied over 59,250 dumpsters not including any extra pickups that were called in above customer's normal service levels.
- Each driver averages over 119 dumpsters on their route each day.
- Gained 20 new customers overall in the past year.

2018/2019 Goals and Objectives:

Goal: Increase customer base

- Objective: Increase our customer base through advertising and promoting the services available through the City.

Goal: Operational efficiency of the Commercial Bulk Division

- Objective: Continue to investigate operations to maximize efficiency and minimize cost through the use of technology.

Goal: Continue to educate the public regarding proper disposal methods for solid waste.

- Objective: Continue to utilize media, Snippets, Door hangers and other informational opportunities.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
# of boxes serviced per route	120	119	119	120
Efficiency				
Direct cost per ton collected	\$23.73	\$29.87	\$24.49	\$27.50
Effectiveness				
# of new permanent accounts	17	27	20	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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	470,594	506,426	523,260	3.3%
Operations	383,687	417,737	420,930	0.8%
Capital	13,870	25,000	375,327	1401.3%
Pro Rata Reimbursement	(84,211)	(85,896)	(87,613)	2.0%
Expenditure Total	783,940	863,267	1,231,904	42.7%
Per Capita	\$ 19.44	\$ 21.28	\$ 30.33	42.5%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Other Taxes	6,708	4,316	5,772	33.7%
Sales and Services	882,421	756,933	1,110,695	46.7%
Investment Earnings	1,297	1,726	2,078	20.4%
Miscellaneous	10,783	432	577	33.6%
Other Financing Sources	29,279	99,860	112,782	12.9%
Revenue Total	930,488	863,267	1,231,904	42.7%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 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	2015-2016 Actual	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Environmental Protection					
Catawba County EDC	37,371	37,994	38,754	40,196	4%
Habitat for Humanity	5,145	4,192	5,440	9,735	79%
Western Piedmont Council of Governments	5,908	5,919	6,096	6,096	0%
Total	48,424	48,105	50,290	56,027	11%

Enterprise Fund Debt Service



	2015-2016 Actual	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change	
Enterprise Fund Debt						
Water and Sewer Fund						
NC Revolving Loan						
Cripple Creek	40,057	40,057	40,058	40,058	0%	
Henry Fork Plant	710,000	0	0	0	0%	
Interest	404,236	365,362	368,900	432,874	17%	
Geitner Basin	0	0	110,000	163,617	49%	
Central Business District Sewer	0	0	60,000	68,205	14%	
Northeast Plant	875,000	875,000	875,000	875,000	0%	
Subtotal	2,029,293	1,280,419	1,453,958	1,579,754	9%	
Bonded Debt						
1994/2004 Water/Sewer Series	0	0	0	0	0%	
1997 Water Bond Refunding	0	0	0	0	0%	
Interest	0	0	0	0	0%	
Subtotal	0	0	0	0	0%	
Intergovernmental Agreements						
Catawba County Contracts	8,394	8,394	8,395	0	-100%	
Interest	0	0	0	0	0%	
Subtotal	8,394	8,394	8,395	0	-100%	
Installment Purchases						
Area II Annexation- Sewer	199,475	199,475	199,475	99,738	-50%	
Henry Fork Sewer	475,000	475,000	475,000	475,000	0%	
Hickory-Catawba Wastewater Treatment Plant	586,767	600,163	600,163	627,878	5%	
Interest	394,494	353,707	360,927	279,750	-22%	
Maiden Waterline	369,045	369,045	369,045	369,045	0%	
Subtotal	2,024,781	1,997,390	2,004,610	1,851,411	-8%	
Water and Sewer Fund Total	4,062,468	3,286,203	3,466,963	3,431,165	-1%	
Special Appropriations by		2014- 2015	2015- 2016	2016- 2017	2017- 2018	Perce nt Chang e
Functional Area		Actual	Actual	Budgete d	Budgete d	
Transportation						
Western Piedmont Regional Transit Authority		155,702	155,702	213,062	219,542	3%
Total		155,702	155,702	213,062	219,542	3%

Transfers/Other Financing Uses



	2015-2016 Actual	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Transfers from Enterprise Funds					
Water and Sewer Fund					
Capital Reserve Fund	740,000	740,000	740,000	740,000	0%
General Capital Project	180,950	0	0	0	0%
General Fund	0	0	0	0	0%
Stormwater Fund	132,946	133,851	135,137	137,840	2%
Water and Sewer Capital Projects Fund	313,712	1,851,574	0	0	0%
Total	1,367,608	2,725,425	875,137	877,840	0.31%

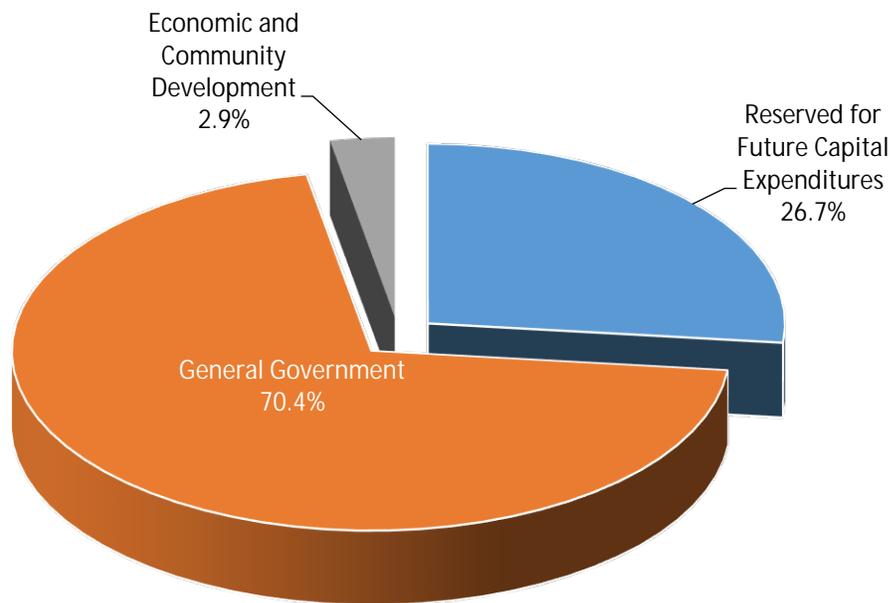
	2015-2016 Actual	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Transfer from Transportation Fund					
Enterprise Capital Project	33,000	0	0	0	0%
Total	33,000	0	0	0	0%

	2015-2016 Actual	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Transfers from Solid Waste Fund					
General Capital Project	0	0	0	0	0%
Stormwater Fund	0	0	0	0	0%
Total	0	0	0	0	0%

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.

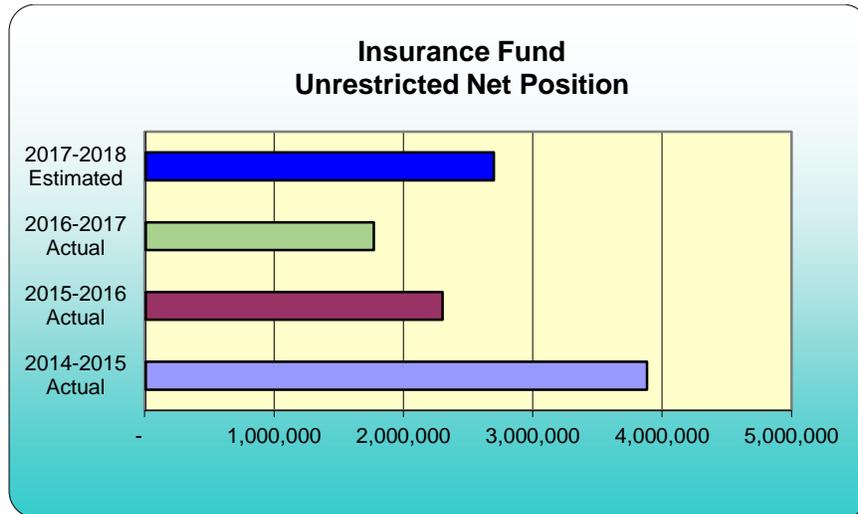
Other Fund Expenditures By Functional Area



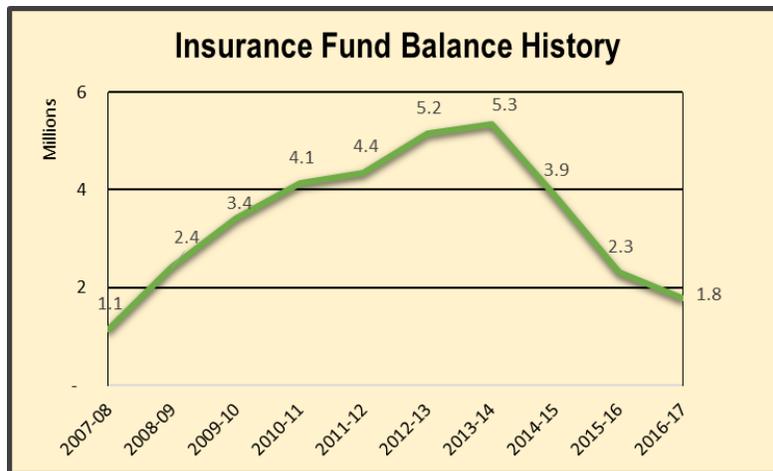
Insurance Fund Unrestricted Net Position Projection

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, 2017, the unrestricted net position of this fund was \$1,772,521. This amount is expected to increase by \$926,879 in FY2017-2018. Going into FY2018-2019, the unrestricted net position of this fund is estimated to be \$2,699,400. 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	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimated
Insurance Fund	3,882,502	2,302,633	1,772,521	2,699,400
Dollar Change	(1,270,572)	(1,579,869)	(530,112)	926,879
Percent Change	-24.7%	-40.7%	-23.0%	52.3%



10-Year History:

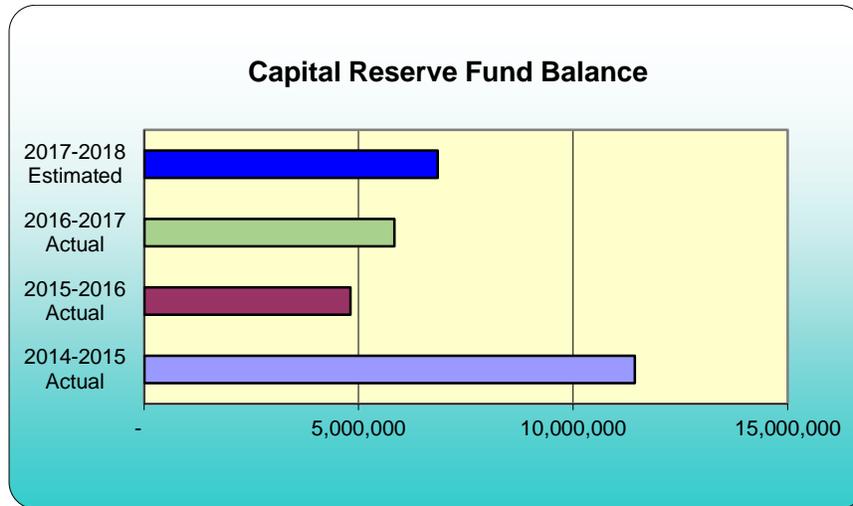


Other Funds

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, 2017. It is expected to increase by \$1,009,562 through FY2017-2018. Going into FY2018-2019, the Capital Reserve Fund Balance is expected to be \$6,845,457.

Capital Reserve Fund Balance	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimated
Capital Reserve	11,437,451	4,810,507	5,835,895	6,845,457
Dollar Change	(1,885,274)	(6,626,944)	1,025,388	1,009,562
Percent Change	-14.2%	-57.9%	21.3%	17.3%



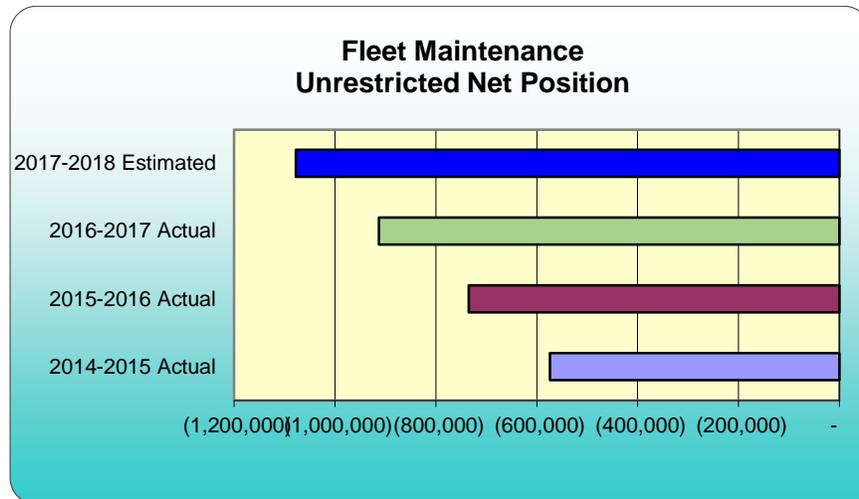
Other Funds



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, 2017 the unrestricted net position of the Fleet Maintenance Fund was (\$913,183). It is expected to decrease during FY2017-2018 by \$164,558. Entering FY2018-2019, the unrestricted net position of the Fleet Maintenance Fund is projected to be (\$1,077,741).

Unrestricted Net Position	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimated
Fleet Maintenance Fund	(573,653)	(735,164)	(913,183)	(1,077,741)
Dollar Change	(41,851)	(161,511)	(178,019)	(164,558)
Percent Change	7.9%	28.2%	24.2%	18.0%



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

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.

2017/2018 Accomplishments:

- Mechanic Training on New Way Sidewinder Automated Garbage Trucks
- Installed and Labeled new fastener cabinets to improve organization and productivity of mechanics
- Installed New Transmission fluid (Mercon LV, Dexron VI) bulk tanks; Factory standards recommended these two fluids for the smaller vehicles
- An Autel MaxiSys CV Diagnostic Equipment for Large Trucks, replacing our out dated Diagnostic Equipment
- Hired and trained a Vehicle Technician while maintaining operations

2018/2019 Goals and Objectives:

Goal: Purchase mobile column lifts

- Objective: To have the ability to lift equipment and trucks inside and outside the shop to work on

Goal: Continue Education or Training

- Objective: To improve knowledge, skills, and efficiency to obtain individual development

Goal: Purchase Mobile ALLDATA Repair S3000 Diagnostic Software for small vehicles

- Objective: The Software will be put on tablets so the mechanics can be mobile with this product by using it at the vehicle, thus saving time and money.

Performance Measures	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Goal
Work Load				
Total job orders completed	4,986	4,959	4,902	4,850
Efficiency				
Job orders per mechanic	832	195	817	800
Effectiveness				
Unscheduled repairs per mechanic FTE	551	142	570	520
% of repairs that are unscheduled	74%	73%	70%	68%

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	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Personnel	576,498	642,387	620,162	-3.5%
Operations	1,588,842	1,765,263	1,752,263	-0.7%
Capital	1,649	25,500	66,500	160.8%
Pro Rata Reimbursement	259,069	264,250	269,534	2.0%
Expenditure Total	2,426,058	2,697,400	2,708,459	0.4%
Per Capita	\$ 60.16	\$ 66.49	\$ 66.69	0.3%

Revenues by Type	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Sales and Services	2,280,491	2,697,400	2,708,459	0.4%
Miscellaneous Revenues	447	-	-	0.0%
Fleet Maintenance Fund	145,120	-	-	0.0%
Revenue Total	2,426,058	2,697,400	2,708,459	0.4%

Authorized Personnel	2016-2017 Actual	2017-2018 Budgeted	2018-2019 Budgeted	Percent Change
Full Time	12	12	12	0.0%
Total	12	12	12	0.0%

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



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
2018 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 2018 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	\$ 307,542
Miscellaneous	\$ 110,000
	\$ 417,542

SECTION 4. The following amounts are appropriated for the project:

Economic and Community Development	\$ 417,542
	\$ 417,542

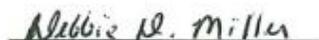
SECTION 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to provide the accounting to the grantor agency required by the grant agreement(s) and Federal and State regulations.

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 19th day of June, 2018


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	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
GENERAL FUND EQUIPMENT						
Administration						
Computer Replacements/Software	\$ 4,800	\$ 7,200	\$ 4,200	\$ 6,200		
Communications						
Computer Replacements/Software	\$ 4,100					
Human Resources						
Computer Replacements/Software	\$ 3,500	\$ 2,200	\$ 2,600	\$ 1,300		
Budget						
Computer Replacements/Software	\$ 1,500					
Risk Management						
Computer Replacements		\$ 1,300		\$ 1,500		
Finance						
Computer Replacements/Software	\$ 7,800	\$ 6,700	\$ 7,800	\$ 7,000	\$ 7,800	\$ 6,700
Office Furniture Replacements	\$ 2,000					
Information Technology						
Audio / Video Update Council Chambers		\$ 100,000				
Cisco Phones	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Offsite Data Center Refresh					\$ 200,000	
Computer / Laptop Replacements	\$ 6,000			\$ 19,200	\$ 6,000	
Data Domains			\$ 50,000			
Data Center for Public Services				\$ 100,000		
Discretionary Funds	\$ 10,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
DMZ Server	\$ 10,000					
Fiber Assessment	\$ 5,000					
Firewall Upgrade			\$ 75,000			
iSeries Replacement / Update	\$ 80,000					\$ 80,000
LaserFiche Additional License	\$ 10,000					
Network - LAN / WAN infrastructure						\$ 200,000
PDF Software iSeries	\$ 3,000					
Security Risk Assessment	\$ 20,000					
SAN Upgrade		\$ 250,000				
Switch Replacement / Upgrades	\$ 25,000		\$ 40,000	\$ 140,000		
Time Clocks	\$ 10,000					
Upgrade Office Suite / G3	\$ 100,000					
UPS Upgrade @ data center			\$ 100,000			
UPS Upgrade @ Library	\$ 20,000					
VDI Clients (40 x 500)	\$ 20,000					
Voice Gateway Upgrade-Phones			\$ 15,000			
Wireless AP Hardware Refresh	\$ 12,000					
City Clerk						
Computer Replacements			1,400	2,000		1,500
Legal						
Computer Replacements	\$ 1,500		1,500	2,000	1,500	
Engineering						
Computer Replacements	\$ 5,000	\$ 5,000	\$ 5,000	\$ 2,000	\$ 5,000	\$ 5,000
Drone - Survey crew			\$ 163,909			
Robotic, Data Collector and GPS	\$ 6,180		\$ 32,235			\$ 45,105
Truck-mounted Scanner					\$ 139,112	
Vehicle			\$ 21,854		\$ 34,778	
Planning and Development						
Computer Replacements	\$ 5,000	\$ 6,000	\$ 6,000		\$ 5,000	
Vehicle Replacement	\$ 25,000					

Capital Improvements/Grant Projects



5 Year CIP Items	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Police Department						
Police Vehicles	\$ 560,000	\$ 560,000	\$ 560,000	\$ 560,000	\$ 560,000	\$ 560,000
Radios-Vehicle	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000
Police Boat						
Radars	\$ 9,975					
Replacement Vehicle - Code Enforcement			\$ 36,000		\$ 36,000	\$ 36,000
Tasers	\$ 91,320	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Weapons	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Batteries for UPS System	\$ 15,000					
Camera Replacement for Rescue Squad & Code Enforcement	\$ 6,000					
Computer / Laptop Replacements	\$ 18,600	\$ 91,000	\$ 75,000	\$ 65,000	\$ 65,000	\$ 65,000
Server Replacements			\$ 150,000			
Software Maintenance			\$ 8,000			
Furniture	\$ 10,000	\$ 5,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000
Offsite Backup Server	\$ 60,000					
LiveScan	\$ 22,000					
Fire Department						
Apparatus Replacement Engine 2					\$ 675,000	
Equipment for Engine 2					\$ 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 Rescue 1 (includes equipment)	\$ 800,000					
Apparatus Replacement Tanker 6						\$ 450,000
Equipment for Tanker 6						\$ 125,000
Appliances	\$ 12,000	\$ 10,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 15,000
Base Radio Upgrades					\$ 30,000	
Computer Replacements - Staff and Fire Stations	\$ 25,000	\$ 20,000	\$ 20,000	\$ 25,000	\$ 25,000	\$ 35,000
Computer Replacements - Emergency Apparatus	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 60,000
Furniture Upgrades	\$ 10,000	\$ 8,000	\$ 10,000		\$ 10,000	\$ 12,000
Gas Detectors for Apparatus (6)	\$ 15,000					
Ice Machines @ Various Stations	\$ 7,000					\$ 10,000
Mobile Responder Software			\$ 38,000			
Personal Protective Turn-out Gear			\$ 400,000		\$ 400,000	
SCBA Breathing Equipment / Replacements	\$ 40,000		\$ 250,000			
Software: Staff tracking, scheduling, timekeeping				\$ 24,000		
Specialized Rescue Equipment				\$ 75,000		
Station Alerting System		\$ 415,000				
Video Conferencing Equipment						
Vehicle Replacements - Operations & Administration	\$ 70,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 90,000
Wireless Accountability System		\$ 30,000				
MAKO Air System Station 1						
Fitness Equipment @ Station 1	\$ 11,500					
Fitness Equipment @ Station 2		\$ 12,000				
Fitness Equipment @ Station 3			\$ 12,000			
Fitness Equipment @ Station 4						\$ 12,000
Fitness Equipment @ Station 5				\$ 15,000		
Fitness Equipment @ Station 6					\$ 15,000	
Fire Education Robot	\$ 7,500					
Mobile Portable Radio Upgrades		\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	
Rural Fire Department						
SCBA Breathing Equipment/Upgrade	\$ 20,000					
Building Services						
Ditch Witch					\$ 35,000	
Pole/Auger Truck				\$ 60,000		
Pole/Post Puller for Auger/Pole Truck		\$ 5,000				
Service Truck	\$ 35,000	\$ 35,000	\$ 35,000			
Computer Replacements	\$ 1,400		\$ 1,400	\$ 1,400		
Central Services						
Computer / Laptop/Printer Replacements	\$ 8,600	\$ 2,000	\$ 3,000	\$ 8,000	\$ 7,200	\$ 3,000
Digital Recorder for Security		\$ 2,500				\$ 2,500

Capital Improvements/Grant Projects



5 Year CIP Items	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Ice Maker replacement		\$ 4,500				
Ipad for Dude Solutions program		\$ 1,200				
Security Cameras		\$ 2,400				
Shredder		\$ 2,000				
Truck Replacement						\$ 40,000
Traffic						
Auto-CAD update		\$ 5,000	\$ 5,000			
Computer Replacement / Software / Monitors	\$ 10,000	\$ 4,500	\$ 2,500	\$ 17,000	\$ 5,000	\$ 4,500
Emergency Vehicle Pre-emption replacement					\$ 135,000	
Paint Striper				\$ 25,000		
Office Furniture		\$ 3,000				
Traffic Signal Equipment / Software	\$ 4,000				\$ 3,000	
Traffic Signal Parts / Counters	\$ 24,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 28,000	\$ 30,000
Traffic Signal Video Equipment				\$ 5,000		
Traffic Signal Video Imaging Detection / Cameras		\$ 21,000	\$ 21,000	\$ 23,000		
Arrow Board replacement	\$ 4,000					
Trailer			\$ 5,000			
Truck Replacement		\$ 50,000	\$ 50,000		\$ 40,000	\$ 45,000
Street						
Air Compressor					\$ 35,000	
4x4 SUV / Pickup						\$ 35,000
Backhoe Replacement		\$ 85,000	\$ 85,000			
Cargo Emergency Trailer				\$ 20,000		
Cement Mixer				\$ 2,000		
Concrete Saw						\$ 20,000
Crew Cab 4x4 Replacements	\$ 39,500	\$ 80,000	\$ 35,000	\$ 35,000		
Dump Truck - Small		\$ 85,000		\$ 85,000		
GPS Units for Fleet tracking / cost reduction	\$ 5,000					\$ 5,500
Hudson trailer replacement				\$ 17,000		
Lowboy Trailer					\$ 50,000	
Mini-Excavator w/Trailer	\$ 70,000					
Pro Patch/Flat Bed Truck Replacement		185,000				
Rubber Tire Loader	\$ 155,000		\$ 140,000			
Skid Steer w/Trailer		\$ 30,000				
Tandem Axle Dump Truck		\$ 155,000	\$ 130,000	\$ 150,000		
Track Hoe						\$ 300,000
Salt spreader					\$ 20,000	
Straw Blower			\$ 15,000			
Computer Replacement	\$ 1,500			\$ 12,000		
Small Pad Tamp				\$ 1,900		
Small Wacker Tamp	\$ 1,800	\$ 1,800				\$ 2,000
Street Flusher					\$ 150,000	
Street Sweeper					\$ 245,000	\$ 300,000
Tractor - Midsize (Misc.) w/Box Blade		\$ 50,000				
Walk-behind Wacker Tamp				\$ 20,000		
Zmower (2)			\$ 28,000			
Landscape						
Mowers / Snowplows	\$ 30,000	\$ 20,000	\$ 22,000	\$ 11,500	\$ 36,000	\$ 12,500
1 Ton Dump Truck	\$ 55,000	\$ 48,000	\$ 48,000	\$ 48,000		
F-250 Cab Truck						\$ 28,000
Crew Cab Trucks		30,000	\$ 31,000	\$ 30,500		\$ 31,000
Bobcat Skid Steer				\$ 50,000	\$ 75,000	
Computer Replacements	3,000	3,000				
Sidewalk Sweeper Replacement		85,000				
Skid Steer Attachment replacements					\$ 10,500	
Solar Detour Light			\$ 1,500			
Tractors					\$ 60,000	
Pickup Truck w/ext cab		\$ 31,000				
Trailer 6x16/Box & Rack			\$ 3,000			
Trailer with Trimmer Rail (2 qty)	\$ 5,300					

Capital Improvements/Grant Projects



5 Year CIP Items	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Parks and Recreation						
ADA Evaluation and Transition Plan				\$ 54,000		
Baseball Scoreboard Replacements				\$ 18,000	\$ 4,725	
Basketball Scoreboard Replacements	\$ 9,000	\$ 4,500	\$ 9,000			
Ceramic Kiln Replacement					\$ 3,200	
Computer Replacements	\$ 5,200	\$ 3,900	\$ 7,800	\$ 5,200	\$ 5,200	\$ 3,900
Fitness Center Equipment Replacements	\$ 9,917	\$ 24,408	\$ 54,582	\$ 36,333	\$ 32,586	\$ 26,621
Furniture Replacements @ Rec. Centers (tables/chairs)	\$ 18,900					
Gym Floor Covering @ Ridgeview Rec. Center			\$ 9,200			
Gymnasium Divider Curtain - Highland Rec. Center				\$ 16,800		
Misc. as Needed	\$ 51,250					
Playground Equipment Replacment-Jaycee Park					\$ 38,630	
Playground Equipment Replacement - Hilton Park			\$ 54,581			
Playground Equipment Replacement - Kiwanis Park				\$ 59,550		
Playground Equipment Replacement - Winkler Park		\$ 94,600				
Roof Replacements - Ridgeview Rec. Center	\$ 53,000					
Parks and Recreation Maint.						
Athletic Field Prep Machine Replacement			\$ 25,750			
Backhoe Attachment Replacement						\$ 8,600
Computer Replacement				\$ 2,600		
Field Sprayer			\$ 3,950			
Flail Mower Replacement						\$ 5,200
Leaf Vacuums		\$ 7,000				
Mower Replacements		\$ 18,750				
Reel Mower Replacement						\$ 53,270
Pesticide Sprayer replacement				\$ 11,850		
Rotary cutter replacement					\$ 2,750	
Tiller					\$ 1,250	
Truck Replacements		\$ 36,000	\$ 36,000	\$ 72,000	\$ 36,000	\$ 72,000
Van Replacement	\$ 36,000	\$ 36,000				
Library						
Computer Replacements	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000		
Furniture	\$ 12,000					
GF Equipment Total	\$ 2,999,642	\$ 3,068,458	\$ 4,058,761	\$ 3,049,833	\$ 3,681,231	\$ 2,964,896
GENERAL FUND CONSTRUCTION						
Police Department						
Exterior Repairs Code Enforcement (Siding, Soffit, etc)		\$ 10,000				
Flooring		\$ 50,000	\$ 50,000			
HVAC Replacement			\$ 6,000			
Painting Int/Ext Buildings	\$ 40,000	\$ 40,000	\$ 41,000	\$ 6,000		
Renovation of Police Annex Facility	\$ 100,000					
Resurface Parking Lot @ Firing Range		\$ 75,000				
Fire Department						
FS #1 Roof insulation repair	\$ 20,000					
FS #2 Property Relocation - Springs Rd						
FS #2 New Construction			\$ 2,500,000			
FS #3 Interior Renovations	\$ 28,500					
FS #3 Relocation Property Purchase		\$ 250,000				
FS #3 New Construction						\$ 2,500,000
FS #5 Interior Renovations	\$ 55,500					
FS #5 Property Relocation				\$ 500,000		
FS #6 Improvements/ renovations		\$ 30,000				
FS #7 Interior Improvements			\$ 30,000			
FS #8 Renovation (Old Rescue Bldg)		\$ 500,000				
Maintenance and Upkeep Fire Stations	\$ 30,000					
Central Services						
HVAC-Rooftop		\$ 4,500				
Paint and maintenance of traffic shed			\$ 5,000			
#3 HVAC			\$ 5,000			

Capital Improvements/Grant Projects



5 Year CIP Items	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Security House roof repairs				\$ 10,000		
#4 HVAC replacement				\$ 5,000		
Solid Waste shed maintenance/repair				\$ 5,000		
Parking lot resurfacing				\$ 25,000	\$ 25,000	
Roof Repair - Public Services Bldg						\$ 50,000
Roof Repair - Public Services Rental House						\$ 10,000
Street Shed - maintenance & repair						\$ 5,000
Water/Sewer shed maintenance & repair					\$ 5,000	
Gate Replacements					\$ 10,000	
Street						
Sidewalk Construction (matched w/Vehicle Tag Rev.)	\$ 170,000	\$ 170,000	\$ 170,000	\$ 170,000	\$ 170,000	\$ 170,000
City Hall & Public Areas						
Painting Sails on the Square	\$ 8,000					
Parks and Recreation						
Bruce Meisner Park		\$ 2,169,822			\$ 1,541,200	
Parks and Recreation Comprehensive Master Plan update		67,100				
Parks and Recreation Maint.						
Ballfield Fence Repl.-Civitan Park	\$ 36,780					
Ballfield Fence Repl. - West Hickory			\$ 52,800			
Ballfield Fence Repl. - Kiwanis Park		\$ 45,964				
Ballfields #3, #4 Replacement - Kiwanis Park				\$ 70,100		
Ballfield Fence Replacement Taft Broome Park					\$ 34,000	
Basketball Court Replacement @ Civitan Park		\$ 44,000				
Boardwalk Replacement Phase I - Hilton Park			\$ 588,525			
Boardwalk Replacement Phase II - Hilton Park				\$ 588,525		
Boy Scout Cabin Restrooms					\$ 74,200	
Demolition of - Westmont Recreation Center				\$ 39,200		
Field #1 Lighting Sys Repl. - Kiwanis Park		\$ 181,000				
HVAC System Repl. - Neill Clark	\$ 20,600					
HVAC System Repl. - Recreation Maintenance				\$ 6,200		
HVAC System Repl.- Westmont			\$ 5,200			
HVAC System Repl. - Winkler Mus/Winkler Act Ctr		\$ 21,630				
Lighting of Soccer Fields - Henry Fork Phase II & III					\$ 385,000	\$ 192,500
Lightning Prediction and Warning System - Kiwanis Pk						\$ 8,075
Parking Lot Repaving - Henry Fork River Reg. Park		\$ 70,298				
Parking Lot Repaving - Kiwanis Park	\$ 66,950					
Parking Lot Repaving - Stanford Park			\$ 68,250			
Pedestrian Bridge Replacement - Hilton Park		\$ 103,950				
Picnic Shelter #1 Replacement - Hilton Park				\$ 87,550		
Restroom Facility Replacement - Kiwanis Park			\$ 81,610			
Resurface Tennis Courts - Taft Broome Park						\$ 16,000
Roof Replacement - Neill Clark Main	\$ 83,850					
Roof Replacement - Ridgeview Rec. Center			\$ 52,500			
Security Alarm System - Neill Clark Main	\$ 11,700					
Tennis Court Lighting					\$ 175,000	
Tennis Court Reconstruction - Cliff Teague Park				\$ 19,600		
LP Frans Stadium						
Improvements per Agreement w/Hickory Baseball	\$ 343,250	\$ 343,250				
Parking Lot Repaving - Winkler Park				\$ 93,700		
Playground Equipment Replacement			\$ 27,000			
Library						
Architectural Design - Ridgeview	\$ 40,000					
Carpet Replacements @ Patrick Beaver Library 2nd floor		\$ 66,000				
Carpet Replacements @ Patrick Beaver Library 1st floor			\$ 74,000			
HVAC System Update	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000		
Ridgeview Renovations / Expansion / Roof		\$ 500,000				
Update Public Restrooms - Ridgeview	\$ 60,000					
GF Construction Total	\$ 1,135,130	\$ 4,762,514	\$ 3,776,885	\$ 1,645,875	\$ 2,419,400	\$ 2,951,575
GENERAL FUND TOTAL	\$ 4,134,772	\$ 7,830,972	\$ 7,835,646	\$ 4,695,708	\$ 6,100,631	\$ 5,916,471

Capital Improvements/Grant Projects



5 Year CIP Items	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
FLEET FUND EQUIPMENT						
Fleet Maintenance						
Computer Replacement	\$ 3,000	\$ 3,000	\$ 3,000	\$ 1,500	\$ 1,500	
Fluids Management System		\$ 30,000				
Furnace - Heating System	\$ 12,000			\$ 17,000		
4-ton HVAC unit				\$ 9,000		
Handwash fountains replacement				\$ 8,500		
Heavy Truck Lift / Other Equipment		\$ 17,000				
Roof Maintenance			\$ 7,500			
Pressure-Test Fuel Tanks			\$ 20,000			
Garage Bay Expansion (4 new bays)				\$ 382,000		
Office Expansion				\$ 225,000		
Rotary Lifts					\$ 14,200	\$ 10,200
Service Truck		\$ 30,000	\$ 40,000			\$ 35,000
Tire-changing Machine			\$ 8,000			
Tire Balancer						\$ 5,500
Truck WAS mix pumps					\$ 7,500	
Truck WAS chemical					\$ 8,600	
Mobile Shop Lifts	\$ 51,500				\$ 18,000	\$ 36,000
FLEET FUND TOTAL	\$ 66,500	\$ 80,000	\$ 78,500	\$ 643,000	\$ 49,800	\$ 86,700
WATER AND SEWER FUND EQUIPMENT						
Administration						
Base Unit Radio Mount in Vehicle	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200		
Computer Replacements	\$ 4,000	\$ 2,000	\$ 4,000	\$ 6,000		
Radio Read Meters	\$ 102,600	\$ 102,600	\$ 102,600	\$ 102,600		
Truck	\$ 20,000	\$ 18,000	\$ 20,000	\$ 20,000		
Collection System						
Computers	\$ 2,000					
Control Panel @ Lakeland Pump Station	\$ 9,000					
Dump Truck			\$ 100,000			
Jett Trailer		\$ 75,000				
Portable Welder			\$ 5,000			
Pumps for Pump Station	\$ 50,000					
Service Trucks	\$ 110,000					
Skid Steer w/ Grinder				\$ 50,000		
Unanticipated Sewer Line Installation			\$ 7,000			
Vac-All Jett Vac Truck		\$ 400,000				
Henry Fork Plant						
Aeration Basin Mixer	\$ 30,000			\$ 36,000		
Aqua Guard Barscreen	\$ 225,000	\$ 200,000				
Blower			\$ 80,000			
Decant Pump replacement		\$ 55,000				
EQ Basin Aerator Motors	\$ 15,000					
Mixed Liquor Return Pump	\$ 90,000	\$ 72,834				
Mower				\$ 10,000		
Portable Pump - Diesel (3 inch)	\$ 30,000					
Primary Sludge Pump	\$ 36,000					
Replacement Pumps (Various)			\$ 40,000			
Truck Replacement	\$ 30,000	\$ 25,000		\$ 25,000		
Northeast Plant						
Computer Replacement		\$ 2,000				
Chlorine Alarm				\$ 6,000		
Chlorine induction pump			\$ 7,000	\$ 8,000		
DO Meter	\$ 5,000					
Effluent Sampler				\$ 8,000		
Influent Flow Meter		\$ 4,000				
Influent Refrig. Sampler	\$ 7,000			\$ 8,000		
Microscope Replacement	\$ 2,500					

Capital Improvements/Grant Projects



5 Year CIP Items	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Mower / Lawn Tractor				\$ 10,000		
Oxidation Ditch Mixer			\$ 20,000			
PH Meter replacement			\$ 3,000			
Pickup Truck 4x4			\$ 20,000			
Replacement Pumps (Various)		\$ 36,000				
Sludge Odor Control Ozone Unit				\$ 5,000		
Sludge Road Tractor		\$ 100,000				
Splitter 2 Ph Meter	\$ 3,000					
Thickened sludge pump				\$ 18,000		
WAS Pump replacement (Boerger)	\$ 40,000					
Water Treatment Plant						
Crack Repair - Sedimentation Basin	\$ 30,000					
Filter Actuators			\$ 40,000			
Finish Turbimeters			\$ 35,000			
Finish Water Pump		\$ 50,000				
Flash Mixer		\$ 20,000	\$ 20,000			
Flocculators	\$ 20,000	\$ 20,000	\$ 20,000			
Lab Incubator			\$ 15,000			
Lab PH Meter			\$ 5,000			
Lab Sealer	\$ 5,000					
Mower Replacement	\$ 7,000					
Phosphate Pumps			\$ 9,000			
Replacement Pumps (Various)	\$ 60,000	\$ 22,000	\$ 50,000	\$ 50,000		
Settled Water Turbidimeter				\$ 10,000		
Sodium Hypochlorite Generator				\$ 100,000		
Specialized Equipment		\$ 40,000				
Tube Settlers	\$ 40,000	\$ 36,000	\$ 36,000	\$ 38,000		
Vehicle Replacement	\$ 25,000					
Pretreatment & Lab						
Analyst 300 replacement			\$ 60,000			
Computer Replacement			\$ 4,000			
Cargo Van	\$ 30,000					
Meters/Samplers/Storage Tank	\$ 8,900					
Non Asset Inventory		\$ 5,550	\$ 3,650	\$ 17,300		
Specialized Equipment		\$ 10,000				
Hickory Catawba Wastewater Treatment Plant						
Replacement Pumps (Various)		\$ 10,000	\$ 18,000			
Chemical Measuring / Feed Equipment			\$ 10,000			
Service Truck 4WD	\$ 25,000					
Sludge Pump Loading Rebuild				\$ 10,000		
Specialized Equipment	\$ 8,800			\$ 10,000		
Distribution (Water)						
Air Compressor		\$ 20,000				
Backhoe		\$ 73,000	\$ 73,000	\$ 80,000		
Computer Replacement	\$ 2,000			\$ 4,000		
Dump Truck Replacement		\$ 110,000				
Flusher Truck		\$ 55,000				
Mini Excavator w/ Trailer	\$ 60,000					
Pickup Truck 4x4	\$ 87,000			\$ 77,000		
Piercing Tools, Tamps, Miscellaneous	\$ 12,000	\$ 18,000	\$ 18,000			
Pipe Saw, Metal Detectors, Misc.	\$ 11,000	\$ 10,000	\$ 10,000	\$ 8,000		
Service Truck Replacements / Vehicle SUV 4x4		\$ 96,000	\$ 98,000			
Unanticipated Water Line Repairs	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000		
W & S Equipment Total	\$ 1,253,000	\$ 1,698,184	\$ 943,450	\$ 727,100	\$ -	\$ -
WATER AND SEWER CONSTRUCTION						
12th St Dr NW to Main Ave NW Waterline Rehab		\$ 525,000				
Brookford Replacement (Septage Receiving Station)		\$ 250,000				
CVCC Water/Sewer Relocation (Sweetwater)	\$ 550,000					
Elevated Water Storage Tank (NE area)	\$ 2,200,000					
Henry Fork Outfall Repl Engineering SSO Program			\$ 1,250,000			

Capital Improvements/Grant Projects



5 Year CIP Items	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Hwy 127 into Alexander County - waterline rehab	\$ 500,000					
LRU / Highland Area water system rehab (Phase 2)	\$ 250,000					
Main Ave. NW from 1100 block to 300 block	\$ 500,000					
Main Ave. NW to 1200 Block - Sewer replacement		\$ 500,000				
Main Ave. Sewerline Rehab (Citywalk)	\$ 500,000					
Old Lenoir Rd Area Repl/Rehab Waterline			\$ 812,500			
Spring Haven Subdivision - Water Main				\$ 262,500		
Swr System Eval (Repl/Rehab) Downtown to Southgate	\$ 220,000					
Ward Hosiery - SSO Program			\$ 300,000			
Sewer Lines	\$ 7,000					
W & S Construction Total	\$ 4,727,000	\$ 1,275,000	\$ 2,362,500	\$ 262,500	\$ -	\$ -
WATER AND SEWER FUND TOTAL	\$ 5,980,000	\$ 2,973,184	\$ 3,305,950	\$ 989,600	\$ -	\$ -
SLUDGE FUND EQUIPMENT						
Housing and Chains for Conveyors	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000		
SLUDGE FUND TOTAL	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -
TRANSPORTATION FUND EQUIPMENT						
Airport						
Computer Replacements	\$ 2,500			\$ 5,000	\$ 2,500	
Furniture	\$ 4,999					
Replace Tractor-Loader		\$ 70,000				
Vehicle Replacement			\$ 35,000			
FBO						
Replace Lobby Couches (6 qty)	\$ 12,000					
Belt Loader				\$ 35,000		
Computer Replacements	\$ 2,500		\$ 2,500		\$ 2,500	
Transportation Equipment Total	\$ 21,999	\$ 70,000	\$ 37,500	\$ 40,000	\$ 5,000	\$ -
TRANSPORTATION CONSTRUCTION						
Airport						
HVAC Replacement - Main Terminal						\$ 45,000
Paint Interior Main Terminal		30,000				
Rehab Pavement - ARFF Station	\$ 25,000					
Rehab Parking Lots	\$ 50,000					
Replace Carpet - Main Terminal			50,000			
Roof Replacement - Main Terminal						\$ 90,000
Renovate Main Terminal Café					\$ 100,000	
Replace Voice Logging Recorder (Control Tower)		\$ 4,999				
Restrooms Lobby Main Terminal				150,000		
FBO						
FBO Roof replacement			\$ 50,000			
Replace FBO counter			\$ 15,000			
Hangar Repairs	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Install Main Entry Door w/Awning (automatic electric		\$ 43,000				
Paint Interior FBO Building	\$ 14,500					
Transportation Construction Total	\$ 139,500	\$ 127,999	\$ 165,000	\$ 200,000	\$ 150,000	\$ 185,000
TRANSPORTATION FUND TOTAL	\$ 161,499	\$ 197,999	\$ 202,500	\$ 240,000	\$ 155,000	\$ 185,000
SOLID WASTE EQUIPMENT						
Recycling						
Boom Truck	\$ 160,000		\$ 160,000			
Computer Replacements						\$ 1,500
Hook Lift Truck				\$ 140,716		\$ 146,401
Leaf Truck		208,080				
Leaf Vacuum		43,697	44,570		46,371	
Pickup Truck/SUV		29,131				29,280

Capital Improvements/Grant Projects



5 Year CIP Items	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Rear Packer			\$ 520,000		\$ 270,499	
Rubber-tire Loader					\$ 154,571	
Track-hoe for Stacking Yard Waste					\$ 250,000	
Yard Waste Facility upgrade					\$ 250,000	
Yard Waste Grinder					\$ 750,000	
Wood Chipper					\$ 44,163	
Residential Sanitation						
Automated Truck	\$ 290,700		\$ 275,000	\$ 308,493	\$ 314,663	\$ 320,956
Computer Replacements						\$ 3,000
Rear Packer		\$ 296,514			\$ 270,499	
Pickup Truck			\$ 27,050			\$ 29,280
Commercial Bulk Services						
Box Truck		\$ 98,838				
Compactor Trailer	\$ 71,400	\$ 72,828	\$ 148,568	\$ 75,770	\$ 77,285	\$ 78,831
Computer Replacements		\$ 1,300				\$ 1,500
Dumpster Boxes / Kits	\$ 44,927	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Front Loader	\$ 259,000	\$ 263,221	\$ 268,485	\$ 273,855		
Hook Lift Truck					\$ 143,530	
Road Tractor		\$ 135,252	\$ 137,957	\$ 140,716	\$ 143,530	\$ 146,401
Steam Pressure Washer						\$ 4,504
Used-Oil Tank		\$ 10,000				
Vehicle Replacement			\$ 27,591			
Transfer Station Fuel Tank			\$ 25,000			
Transfer Station Renovation (per Citywalk)					\$ 60,000	
Solid Waste Equipment Total	\$ 826,027	\$ 1,218,861	\$ 1,694,221	\$ 999,550	\$ 2,835,111	\$ 821,653
SOLID WASTE FUND TOTAL	\$ 826,027	\$ 1,218,861	\$ 1,694,221	\$ 999,550	\$ 2,835,111	\$ 821,653
TOTAL FUNDS	\$ 11,218,798	\$ 12,351,016	\$ 13,166,817	\$ 7,617,858	\$ 9,140,542	\$ 7,009,824

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	\$ -	\$ 3,519,475.00
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)
Total	\$ 3,867,715	\$ 348,628.59	\$ 3,519,086.41

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 532,700	\$ 222,200.00	\$ 310,500.00
Construction	\$ 2,949,625	\$ 2,754,640.04	\$ 194,984.96
Land	\$ 20,000	\$ -	\$ 20,000.00
Contingency	\$ 230,000	\$ -	\$ 230,000.00
Miscellaneous	\$ 135,390	\$ 71,805.48	\$ 63,584.52
Total	\$ 3,867,715	\$ 3,048,646	\$ 819,069

Description:

The Geitner Basin project is intended to renovate the sanitary sewer infrastructure in the area bounded by Hwy 70, US 321, 4th St Dr SW and 2nd 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 4th 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	\$ 2,346,973.74	\$ 599,069.26
Total	\$ 2,946,043	\$ 2,346,973.74	\$ 599,069.26

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 248,627	\$ 237,530.05	\$ 11,096.95
Construction	\$ 2,485,194	\$ 2,132,749.18	\$ 352,444.82
Land	\$ 7,850	\$ 7,752.38	\$ 97.62
Contingency	\$ 84,372	\$ -	\$ 84,372.00
Miscellaneous	\$ 120,000	\$ 45,261.22	\$ 74,738.78
Total	\$ 2,946,043	\$ 2,423,293	\$ 522,750

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
 Project Manager: Kevin Greer, PE



Revenue	Budgeted	Project to Date	Remaining
State Revenue	\$ 78,980.00	\$ 1,232,398.00	\$ (1,153,418.00)
Loan Proceeds	\$ 1,364,100	\$ -	\$ 1,364,100.00
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)
Total	\$ 5,361,176	\$ 5,172,774.37	\$ 188,401.63

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 285,000	\$ 277,996.97	\$ 7,003.03
Construction	\$ 4,753,254	\$ 4,399,688.98	\$ 353,565.02
Contingency	\$ 266,348	\$ -	\$ 266,348.00
Miscellaneous	\$ 56,574	\$ 27,823.72	\$ 28,750.28
Total	\$ 5,361,176	\$ 4,705,509.67	\$ 655,666.33

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)
Total	\$ 402,500	\$ 81,542.32	\$ 322,000.00

Expenditure	Budgeted	Project to Date	Remaining
Construction	\$ 402,500	\$ -	\$ 402,500.00
Total	\$ 402,500	\$ -	\$ 402,500.00

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

Downtown Lighting Upgrade Project
 Project # 545005
 Total Project Cost: \$ 94,357
 Project Start Date: 2017
 Project End Date: 2018
 Project Manager: Kevin Greer, PE



Revenue	Budgeted	Project to Date	Remaining
General Fund	\$ 94,357	\$ 94,357.00	\$ -
Interest Earned	\$ -	\$ -	\$ -
Total	\$ 94,357	\$ 94,357.00	\$ -

Expenditure	Budgeted	Project to Date	Remaining
Construction	\$ 94,357	\$ 94,356.42	\$ 0.58
Total	\$ 94,357	\$ 94,356.42	\$ 0.58

Description:

The NC Main Street program approved a grant of \$94,340 to the City of Hickory for Downtown Revitalization initiatives to upgrade streetlight facilities. Funds will be used to paint and/or replace street light poles, as well as upgrade all lighting in the downtown area to LED fixtures. Going into FY2017-2018, there were at least 49 poles identified for replacement by Duke Energy due to structural deficiencies.

Impact on future operating budgets:

Upfront cost of this conversion is being paid through the Downtown Revitalization Grant. Monthly cost of operation will be handled in the Traffic Division budget under the Street Lights line item. The total cost of operation annually will increase by approximately \$534.00 monthly for a total of 134 poles and fixtures. This increase is due to changing to LED light fixtures and the cost differential for specialty light housings.

Capital Improvements/Grant Projects

Falling Creek Road Bridge Replacement Project

Project # 490001

Total Project Cost: \$ 2,075,362

Project Start Date: April 2017

Project End Date: December 2018

Project Manager: Rick Patton, PE



Revenue	Budgeted	Project to Date	Remaining
State Reimbursements	\$ 37,440	\$ -	\$ 37,440.00
Federal / Miscellaneous	\$ 1,539,199	\$ 1,012,922.19	\$ 526,276.81
General Fund	\$ 332,723	\$ 332,723.00	\$ -
Capital Reserve Fund	\$ 166,000	\$ 166,000.00	\$ -
Interest Earned	\$ -	\$ 2,536.47	\$ (2,536.47)
Total	\$ 2,075,362	\$ 1,514,181.66	\$ 561,180.34

Expenditure	Budgeted	Project to Date	Remaining
Engineering	\$ 318,077	\$ 294,147.75	\$ 23,929.25
Construction	\$ 1,305,744	\$ 1,315,197.73	\$ (9,453.73)
Right-of-Way Acquisition	\$ 39,150	\$ 39,150.00	\$ -
Land	\$ 25,245	\$ 25,244.29	\$ 0.71
Construction Administration	\$ 218,225	\$ 136,113.85	\$ 82,111.15
Utility Construction	\$ 168,921	\$ 162,055.16	\$ 6,865.84
Total	\$ 2,075,362	\$ 1,971,908.78	\$ 103,453.22

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% (\$415,072) local contribution, with NCDOT covering the remaining 80% (\$1,660,290). 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

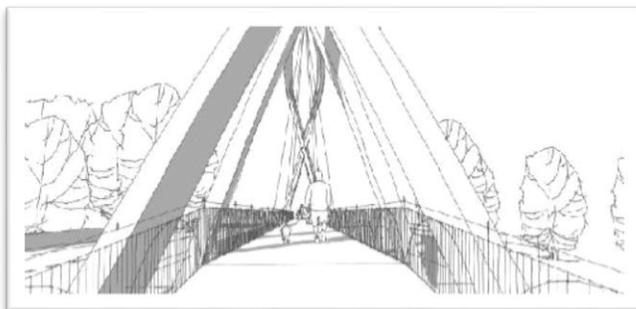


Revenue	Budgeted	Project to Date	Remaining
Federal / Citywalk	\$ 11,280,000	\$ -	\$ 11,280,000.00
Interest Earned	\$ -	\$ 6,731.00	\$ (6,731.00)
Bond Proceeds	\$ 2,820,000	\$ -	\$ 2,820,000.00
General Fund	\$ 1,347,151	\$ 1,347,151.00	\$ -
Total	\$ 15,447,151	\$ 1,353,882.00	\$ 14,093,269.00

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 1,346,451	\$ 1,154,339.84	\$ 192,111.16
Construction	\$ 14,089,774	\$ -	\$ 14,089,774.00
Miscellaneous	\$ 10,926	\$ 7,076.00	\$ 3,850.00
Total	\$ 15,447,151	\$ 1,161,415.84	\$ 14,285,735.16

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)
General Fund	\$ 804,814	\$ 804,814.00	\$ -
Total	\$ 804,814	\$ 813,395.03	\$ (8,581.03)

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 798,564	\$ 354,746.60	\$ 443,817.40
Construction	\$ -	\$ -	\$ -
Miscellaneous	\$ 6,250	\$ 6,250.00	\$ -
Total	\$ 804,814	\$ 360,996.60	\$ 443,817.40

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: \$ 4,822,475

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	\$ -	\$ 671,920.00
Catawba County Revenues	\$ 2,029,785	\$ 1,187,275.88	\$ 842,509.12
Interest Earned	\$ -	\$ 6,089.11	\$ (6,089.11)
General Fund	\$ 1,573,385	\$ 1,573,385.00	\$ -
Water and Sewer Fund	\$ 180,950	\$ 180,950.00	\$ -
Capital Reserve Fund	\$ 366,435	\$ 366,435.00	\$ -
Total	\$ 4,822,475	\$ 3,314,134.99	\$ 1,508,340.01

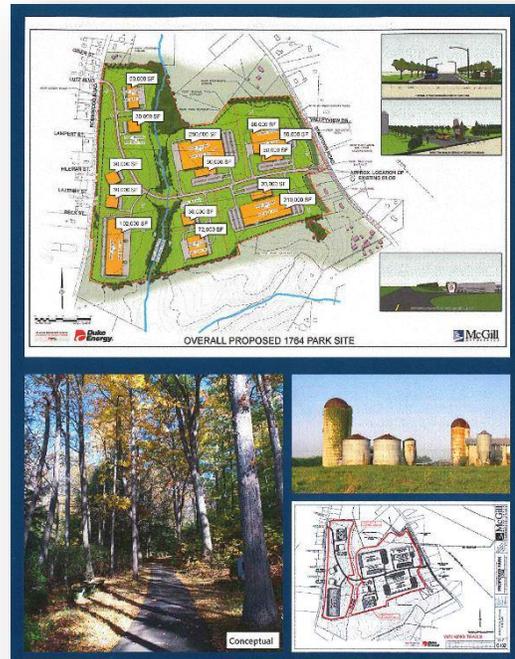
Expenditure	Budgeted	Project to Date	Remaining
Construction	\$ 1,501,683	\$ 95,259.33	\$ 1,406,423.67
Engineering	\$ 189,945	\$ 161,775.16	\$ 28,169.84
Land	\$ 2,795,875	\$ 2,795,875.00	\$ -
Miscellaneous	\$ 334,972	\$ 322,566.99	\$ 12,405.01
Total	\$ 4,822,475	\$ 3,375,476.48	\$ 1,446,998.52

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	\$ 37,956	\$ 37,956.00	\$ -
Total	\$ 37,956	\$ 38,046.41	\$ (90.41)

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 37,956	\$ 27,140.74	\$ 10,815.26
Total	\$ 37,956	\$ 27,140.74	\$ 10,815.26

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 Aa3 from Moody's. These ratings were upgraded during FY2008-2009, 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.

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 39% 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 61% of all debt service requirements for the City of Hickory in FY2018-2019. Funds borrowed through this means of financing were for the Hickory Metro Convention Center, utilities for Annexation Area II and the Henry River Basin area, upgrades to the radio system, Maiden waterlines, and upgrades to the Hickory-Catawba Wastewater Treatment Plant.

Debt Service

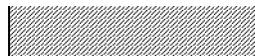


Debt Service		FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23
State Revolving Loan						
Purpose	S-SRF-T-0900181 Northeast Plant					
Interest Rate	2.48%					
Issued	1/20/2013					
Due	Annually to 2033					
Outstanding	\$13,125,000					
Principal		875,000	875,000	875,000	875,000	875,000
Interest		325,500	303,800	282,100	260,400	238,700
Purpose	Central Business District					
Interest Rate	1.66%					
Issued	11/4/17					
Due	semi-annual through 2038					
Outstanding	\$1,364,100					
Principal		68,205	68,205	68,205	68,205	68,205
Interest		33,780	21,512	20,380	19,247	18,115
Purpose	Geitner Basin Sewer					
Interest Rate	1.66%					
Issued	43,093					
Due	semi-annual through 2038					
Outstanding	3,272,322					
Principal		163,616	163,616	163,616	163,616	163,616
Interest		73,594	51,605	48,889	46,172	43,456
Purpose	Cripple Creek ARRA Loan					
Interest Rate	0%					
Issued						
Due	Annually to 2031					
Outstanding	\$480,688					
Principal		40,057	40,057	40,057	40,057	40,057
Interest		-	-	-	-	-
Subtotal		1,579,752	1,523,795	1,498,247	1,472,697	1,447,149
Installment Purchase Agreements						
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	\$330,000					
Principal		220,000	110,000			
Interest		5,748	1,150			
Purpose	Hky Metro Conv. Center					
Interest Rate	4.9% -9.89% Interest					
Issued	1998					
Due	Semi-annually to 2018					
	3.79% Reduced Interest Rate 07/15/03					
	1.79% Reduced Interest Rate 04/2012					
Outstanding	\$41,400					
Principal		141,400				
Interest		1,266				
Purpose	Hky Metro Conv. Center Parking Deck					
Interest Rate	2.94%					
Issued	10/22/2014					
Due	Semi-annually to 2030					
Outstanding	\$2,158,388					
Principal		200,000	200,000	200,000	200,000	200,000
Interest		61,987	56,107	50,227	44,347	38,467
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	\$3,325,000					
Principal		475,000	475,000	475,000	475,000	475,000
Interest		102,279	87,127	71,975	56,822	41,670

Debt Service



Debt Service		FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Purpose	Area II Annexation-Water/Sewer					
Interest Rate	4.9%-9.89% Interest					
Issued	12/29/1998					
Due	Semi-annually to 2019					
	3.79% Reduced Interest Rate 07/15/03					
	1.79% Reduced Interest Rate 03/21/12					
Outstanding	\$99,738					
Principal		99,738				
Interest		893				
Purpose	Radio System Upgrade					
Interest Rate	3.79%					
Issued	12/10/2008					
Due	Semi-annually to 2019					
Outstanding	\$52,134					
Principal		52,134	53,000	53,000	53,000	53,000
Interest		988	1,000	1,000	1,000	1,000
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	\$1,107,135					
Principal		369,045	369,045	369,046		
Interest		22,023	14,014	6,007		
Purpose	Hickory-Catawba WWTP Upgrade					
Interest Rate	2.27%					
Issued	02/01/13					
Due	Semi-annually to 2028					
Outstanding	\$6,964,668					
Principal		627,877	642,211	656,872	671,868	687,205
Interest		86,555	140,221	125,561	110,565	95,227
Subtotal		2,466,933	2,148,875	2,008,688	1,612,601	1,591,569
Grand Total		4,046,685	3,672,670	3,506,935	3,085,298	3,038,718

 *Debt retired

Computation of Legal Debt Margin

Net Assessed Value – June 30, 2017	\$4,654,100,715
	<u>x .08</u>
Debt Limit – Eight Percent (8%) of Assessed Value	\$ 372,328,057
Gross Debt:	
Total Bonded Debt	\$ 0
Notes Payable and Installment Purchase Agreements	<u>31,172,054</u>
Total Amount of Debt Applicable to Debt Limit (Net Debt)	\$ 31,172,054
Legal Debt Margin	<u>\$341,156,003</u>

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 0.67% compared to the legal debt limit of 8%.



Five Year Financial Forecast

FIVE YEAR FINANCIAL FORECAST 2018-2019 THROUGH 2023-2024

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 FY2023-2024. Sales Taxes and Utility Franchise Taxes are the largest sources of revenue in this category.

Five Year Financial Forecast

- **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 FY2023-2024. 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

- **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

- **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

- **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

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

- **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

- 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



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.

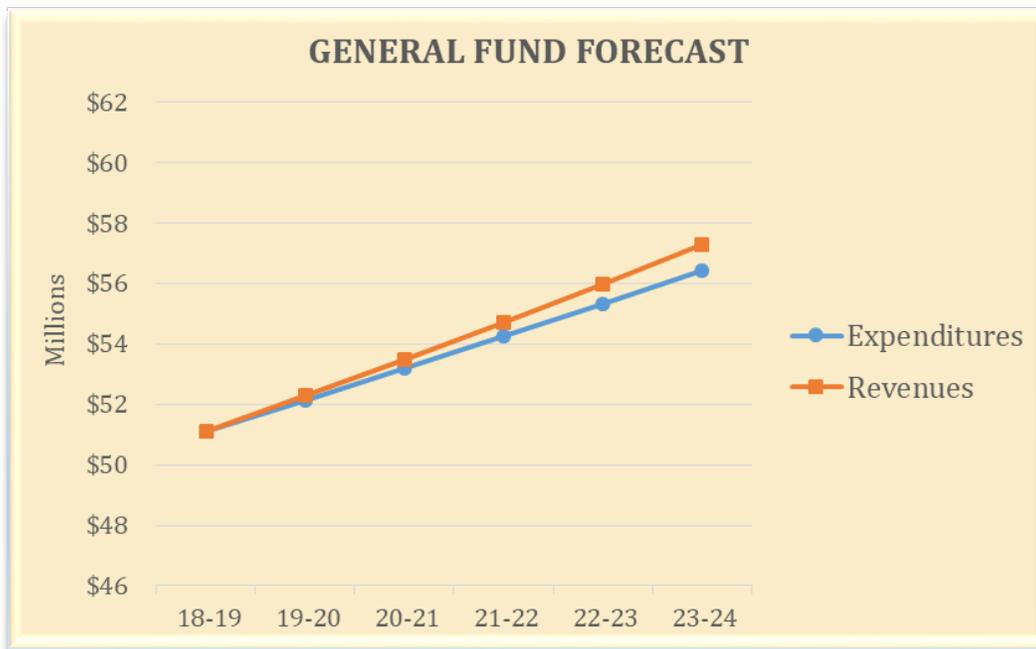
Five Year Financial Forecast



General Fund Forecast

Revenues	18-19	19-20	20-21	21-22	22-23	23-24
Ad Valorem Taxes	\$ 27,250,000	\$ 27,795,000	\$ 28,350,900	\$ 28,917,918	\$ 29,496,276	\$ 30,086,202
Other Taxes	\$ 16,382,000	\$ 16,873,460	\$ 17,379,664	\$ 17,901,054	\$ 18,438,085	\$ 18,991,228
Unrestricted Intergovernmental	\$ 595,000	\$ 595,000	\$ 595,000	\$ 595,000	\$ 595,000	\$ 595,000
Restricted Intergovernmental	\$ 2,333,590	\$ 2,380,262	\$ 2,427,867	\$ 2,476,424	\$ 2,525,953	\$ 2,576,472
Licenses and Permits	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100
Sales and Services	\$ 1,515,876	\$ 1,546,194	\$ 1,577,117	\$ 1,608,660	\$ 1,640,833	\$ 1,673,650
Investment Earnings	\$ 155,000	\$ 158,100	\$ 161,262	\$ 164,487	\$ 167,777	\$ 171,133
Miscellaneous	\$ 326,000	\$ 332,520	\$ 339,170	\$ 345,954	\$ 352,873	\$ 359,930
Other Financing Sources	\$ 2,552,353	\$ 2,603,400	\$ 2,655,468	\$ 2,708,577	\$ 2,762,749	\$ 2,818,004
Total	\$ 51,114,919	\$ 52,289,035	\$ 53,491,549	\$ 54,723,174	\$ 55,984,646	\$ 57,276,718

Expenditures	18-19	19-20	20-21	21-22	22-23	23-24
Personnel	\$ 32,384,785	\$ 33,032,481	\$ 33,693,130	\$ 34,366,993	\$ 35,054,333	\$ 35,755,419
Operational	\$ 12,749,297	\$ 13,004,283	\$ 13,264,369	\$ 13,529,656	\$ 13,800,249	\$ 14,076,254
Capital	\$ 5,123,662	\$ 5,226,135	\$ 5,330,658	\$ 5,437,271	\$ 5,546,017	\$ 5,656,937
Contingency	\$ 700,000	\$ 714,000	\$ 728,280	\$ 742,846	\$ 757,703	\$ 772,857
Special Appropriations Funding	\$ 1,057,416	\$ 1,078,564	\$ 1,100,135	\$ 1,122,138	\$ 1,144,581	\$ 1,167,472
Debt Service	\$ 1,186,647	\$ 1,210,380	\$ 1,234,588	\$ 1,259,279	\$ 1,284,465	\$ 1,310,154
Interfund Transfers	\$ 1,241,832	\$ 1,266,669	\$ 1,292,002	\$ 1,317,842	\$ 1,344,199	\$ 1,371,083
Pro-Rata Reimbursements	\$ (3,328,720)	\$ (3,395,294)	\$ (3,463,200)	\$ (3,532,464)	\$ (3,603,114)	\$ (3,675,176)
Total	\$ 51,114,919	\$ 52,137,217	\$ 53,179,961	\$ 54,243,561	\$ 55,328,432	\$ 56,435,000

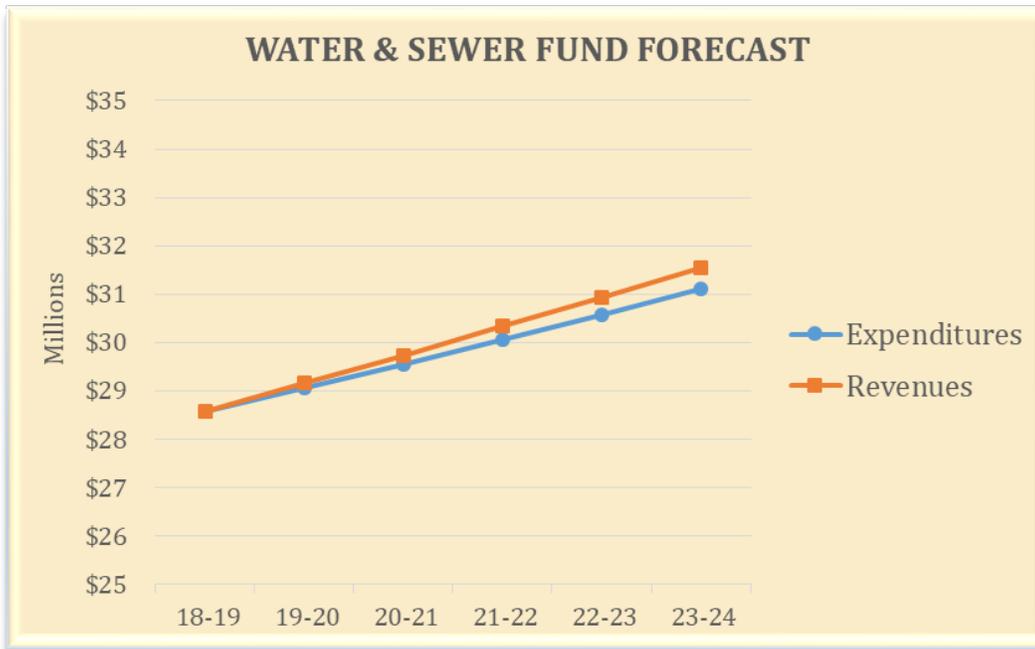


Five Year Financial Forecast



Water and Sewer Fund Forecast

Revenues	18-19	19-20	20-21	21-22	22-23	23-24
Restricted Intergovernmental	\$ 1,273,029	\$ 1,298,490	\$ 1,324,459	\$ 1,350,949	\$ 1,377,968	\$ 1,405,527
Sales and Services	\$ 22,245,000	\$ 22,689,900	\$ 23,143,698	\$ 23,606,572	\$ 24,078,703	\$ 24,560,277
Investment Earnings	\$ 60,000	\$ 61,200	\$ 62,424	\$ 63,672	\$ 64,946	\$ 66,245
Miscellaneous	\$ 340,000	\$ 346,800	\$ 353,736	\$ 360,811	\$ 368,027	\$ 375,387
Other Financing Sources	\$ 4,665,541	\$ 4,758,852	\$ 4,854,029	\$ 4,951,109	\$ 5,050,132	\$ 5,151,134
Total	\$ 28,583,570	\$ 29,155,241	\$ 29,738,346	\$ 30,333,113	\$ 30,939,775	\$ 31,558,571
Expenditures						
Personnel	\$ 5,883,760	\$ 6,001,435	\$ 6,121,464	\$ 6,243,893	\$ 6,368,771	\$ 6,496,146
Operational	\$ 8,645,255	\$ 8,731,708	\$ 8,819,025	\$ 8,907,215	\$ 8,996,287	\$ 9,086,250
Capital	\$ 5,980,000	\$ 6,099,600	\$ 6,221,592	\$ 6,346,024	\$ 6,472,944	\$ 6,602,403
Contingency	\$ 150,000	\$ 153,000	\$ 156,060	\$ 159,181	\$ 162,365	\$ 165,612
Special Appropriations Funding	\$ 65,547	\$ 66,858	\$ 68,195	\$ 69,559	\$ 70,950	\$ 72,369
Debt Service	\$ 3,431,165	\$ 3,499,788	\$ 3,569,784	\$ 3,641,180	\$ 3,714,003	\$ 3,788,283
Interfund Transfers	\$ 877,840	\$ 895,397	\$ 913,305	\$ 931,571	\$ 950,202	\$ 969,206
Pro-Rata Reimbursements	\$ 3,550,003	\$ 3,621,003	\$ 3,693,423	\$ 3,767,292	\$ 3,842,637	\$ 3,919,490
Total	\$ 28,583,570	\$ 29,068,789	\$ 29,562,848	\$ 30,065,915	\$ 30,578,161	\$ 31,099,761

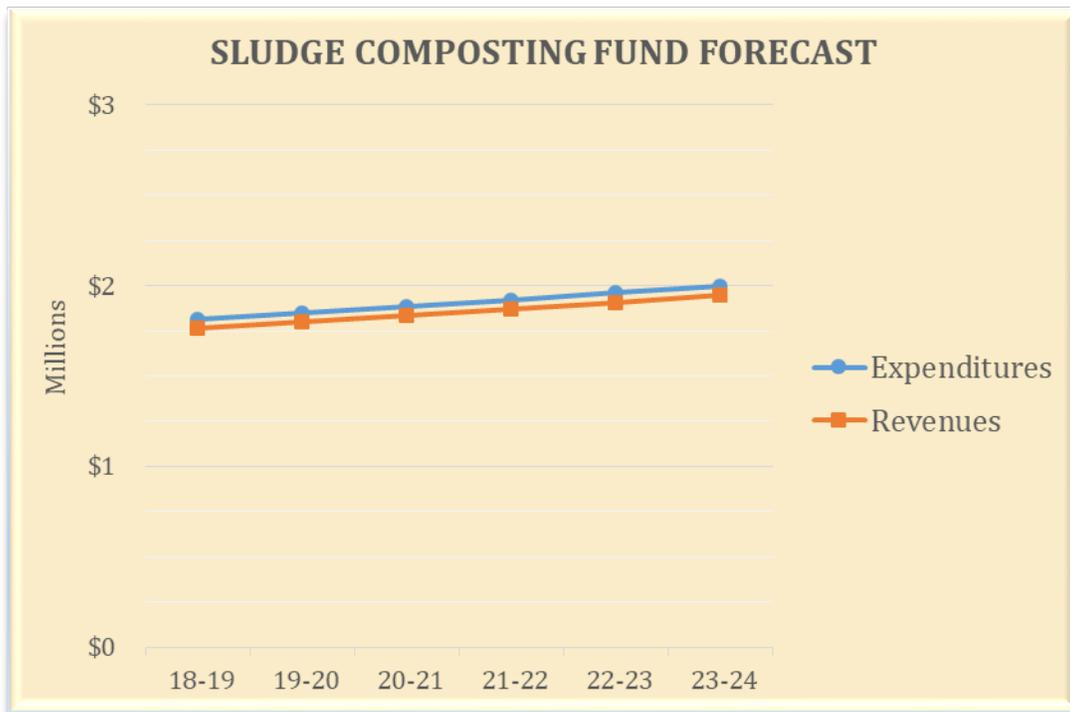


Five Year Financial Forecast



Sludge Composting Fund Forecast

Revenues	18-19	19-20	20-21	21-22	22-23	23-24
Restricted Intergovernmental	\$ 1,761,650	\$ 1,796,883	\$ 1,832,821	\$ 1,869,477	\$ 1,906,867	\$ 1,945,004
Total	\$ 1,761,650	\$ 1,796,883	\$ 1,832,821	\$ 1,869,477	\$ 1,906,867	\$ 1,945,004
Expenditures						
Operational	\$ 1,635,499	\$ 1,668,209	\$ 1,701,573	\$ 1,735,605	\$ 1,770,317	\$ 1,805,723
Capital	\$ 50,000	\$ 51,000	\$ 52,020	\$ 53,060	\$ 54,122	\$ 55,204
Pro-Rata Reimbursements	\$ 126,151	\$ 128,674	\$ 131,247	\$ 133,872	\$ 136,549	\$ 139,280
Total	\$ 1,811,650	\$ 1,847,883	\$ 1,884,840	\$ 1,922,537	\$ 1,960,988	\$ 2,000,208



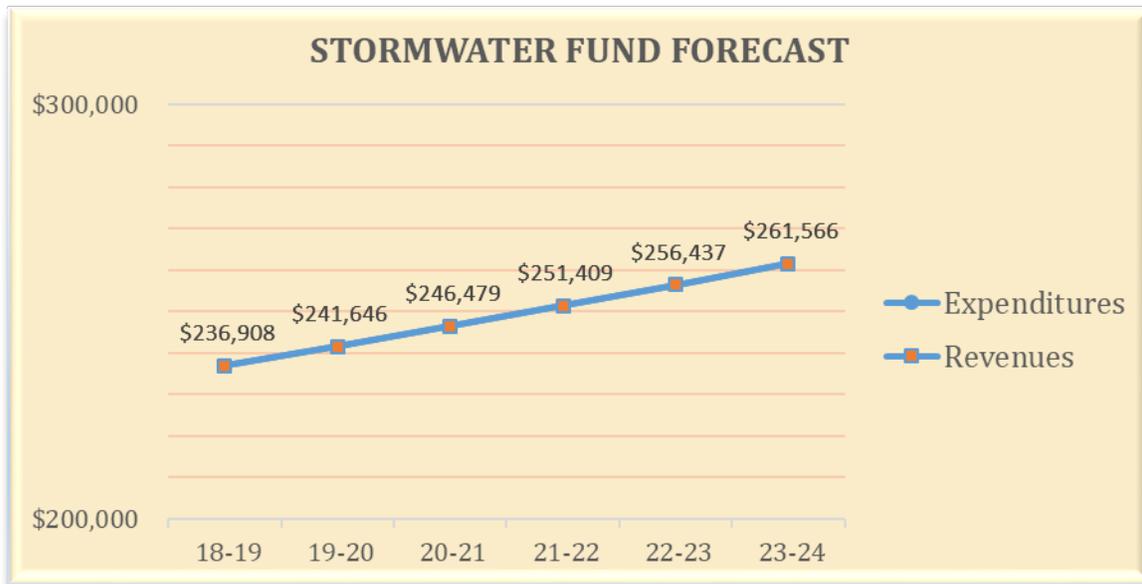
Five Year Financial Forecast



Stormwater Fund Forecast

Revenues	18-19	19-20	20-21	21-22	22-23	23-24
Other Financing Sources	\$ 236,908	\$ 241,646	\$ 246,479	\$ 251,409	\$ 256,437	\$ 261,566
Total	\$ 236,908	\$ 241,646	\$ 246,479	\$ 251,409	\$ 256,437	\$ 261,566

Expenditures	18-19	19-20	20-21	21-22	22-23	23-24
Personnel	\$ 106,753	\$ 108,888	\$ 111,066	\$ 113,287	\$ 115,553	\$ 117,864
Operational	\$ 130,155	\$ 132,758	\$ 135,413	\$ 138,122	\$ 140,884	\$ 143,702
Total	\$ 236,908	\$ 241,646	\$ 246,479	\$ 251,409	\$ 256,437	\$ 261,566



Five Year Financial Forecast



Solid Waste Fund Forecast

Revenues	18-19	19-20	20-21	21-22	22-23	23-24
Other Taxes	\$ 25,000	\$ 25,500	\$ 26,010	\$ 26,530	\$ 27,061	\$ 27,602
Sales and Services	\$ 4,810,400	\$ 4,906,608	\$ 5,004,740	\$ 5,104,835	\$ 5,206,932	\$ 5,311,070
Investment Earnings	\$ 9,000	\$ 9,180	\$ 9,364	\$ 9,551	\$ 9,742	\$ 9,937
Miscellaneous	\$ 2,500	\$ 2,550	\$ 2,601	\$ 2,653	\$ 2,706	\$ 2,760
Other Financing Sources	\$ 488,456	\$ 498,225	\$ 508,190	\$ 518,353	\$ 528,720	\$ 539,295
Total	\$ 5,335,356	\$ 5,442,063	\$ 5,550,904	\$ 5,661,922	\$ 5,775,161	\$ 5,890,664
Expenditures						
Personnel	\$ 1,675,452	\$ 1,708,961	\$ 1,743,140	\$ 1,778,003	\$ 1,813,563	\$ 1,849,834
Operational	\$ 2,230,504	\$ 2,275,114	\$ 2,320,616	\$ 2,367,029	\$ 2,414,369	\$ 2,462,657
Capital	\$ 826,027	\$ 842,548	\$ 859,398	\$ 876,586	\$ 894,118	\$ 912,001
Contingency	\$ 20,000	\$ 20,400	\$ 20,808	\$ 21,224	\$ 21,649	\$ 22,082
Pro-Rata Reimbursements	\$ 583,373	\$ 595,040	\$ 606,941	\$ 619,080	\$ 631,462	\$ 644,091
Total	\$ 5,335,356	\$ 5,442,063	\$ 5,550,904	\$ 5,661,922	\$ 5,775,161	\$ 5,890,664



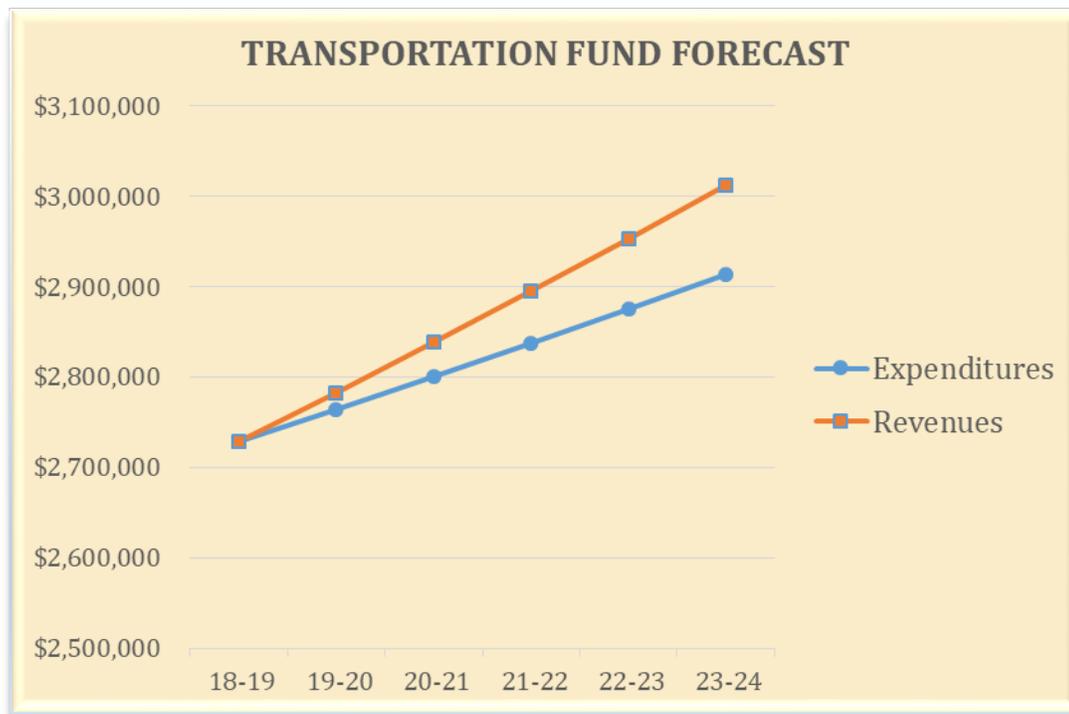
Five Year Financial Forecast



Transportation Fund Forecast

Revenues	18-19	19-20	20-21	21-22	22-23	23-24
Sales and Services	\$ 2,640,337	\$ 2,693,144	\$ 2,747,007	\$ 2,801,947	\$ 2,857,986	\$ 2,915,145
Restricted Governmental	\$ 6,365	\$ 6,492	\$ 6,622	\$ 6,755	\$ 6,890	\$ 7,027
Investment Earnings	\$ 3,500	\$ 3,570	\$ 3,641	\$ 3,714	\$ 3,789	\$ 3,864
Other Financing Sources	\$ 77,958	\$ 79,517	\$ 81,108	\$ 82,730	\$ 84,384	\$ 86,072
Total	\$ 2,728,160	\$ 2,782,723	\$ 2,838,378	\$ 2,895,145	\$ 2,953,048	\$ 3,012,109

Expenditures	18-19	19-20	20-21	21-22	22-23	23-24
Personnel	\$ 554,444	\$ 565,533	\$ 576,844	\$ 588,380	\$ 600,148	\$ 612,151
Operational	\$ 1,857,928	\$ 1,876,507	\$ 1,895,272	\$ 1,914,225	\$ 1,933,367	\$ 1,952,701
Capital	\$ 161,499	\$ 164,729	\$ 168,024	\$ 171,384	\$ 174,812	\$ 178,308
Contingency	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473	\$ 33,122
Pro-Rata Reimbursements	\$ 124,289	\$ 126,775	\$ 129,310	\$ 131,896	\$ 134,534	\$ 137,225
Total	\$ 2,728,160	\$ 2,764,144	\$ 2,800,662	\$ 2,837,722	\$ 2,875,334	\$ 2,913,507

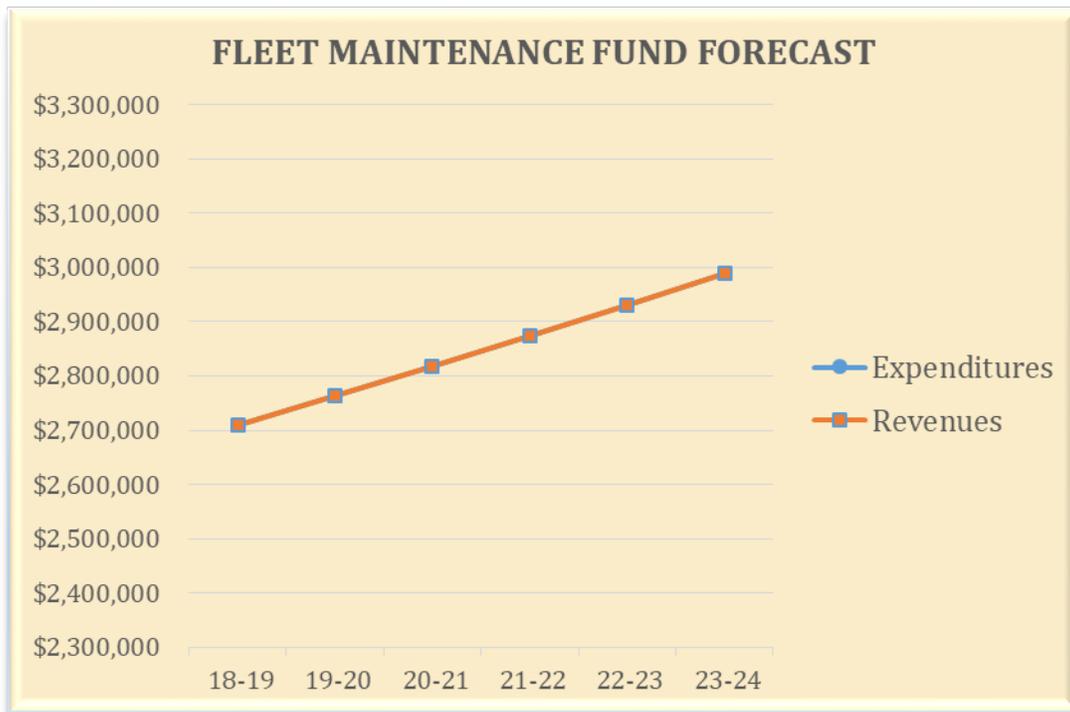


Five Year Financial Forecast



Fleet Maintenance Fund Forecast

Revenues	18-19	19-20	20-21	21-22	22-23	23-24
Sales and Services	\$ 2,708,459	\$ 2,762,628	\$ 2,817,881	\$ 2,874,238	\$ 2,931,723	\$ 2,990,358
Total	\$ 2,708,459	\$ 2,762,628	\$ 2,817,881	\$ 2,874,238	\$ 2,931,723	\$ 2,990,358
Expenditures						
Personnel	\$ 626,426	\$ 638,955	\$ 651,734	\$ 664,768	\$ 678,064	\$ 691,625
Operational	\$ 1,745,999	\$ 1,780,919	\$ 1,816,537	\$ 1,852,868	\$ 1,889,925	\$ 1,927,724
Capital	\$ 66,500	\$ 67,830	\$ 69,187	\$ 70,570	\$ 71,982	\$ 73,421
Pro-Rata Reimbursements	\$ 269,534	\$ 274,925	\$ 280,423	\$ 286,032	\$ 291,752	\$ 297,587
Total	\$ 2,708,459	\$ 2,762,628	\$ 2,817,881	\$ 2,874,238	\$ 2,931,723	\$ 2,990,358



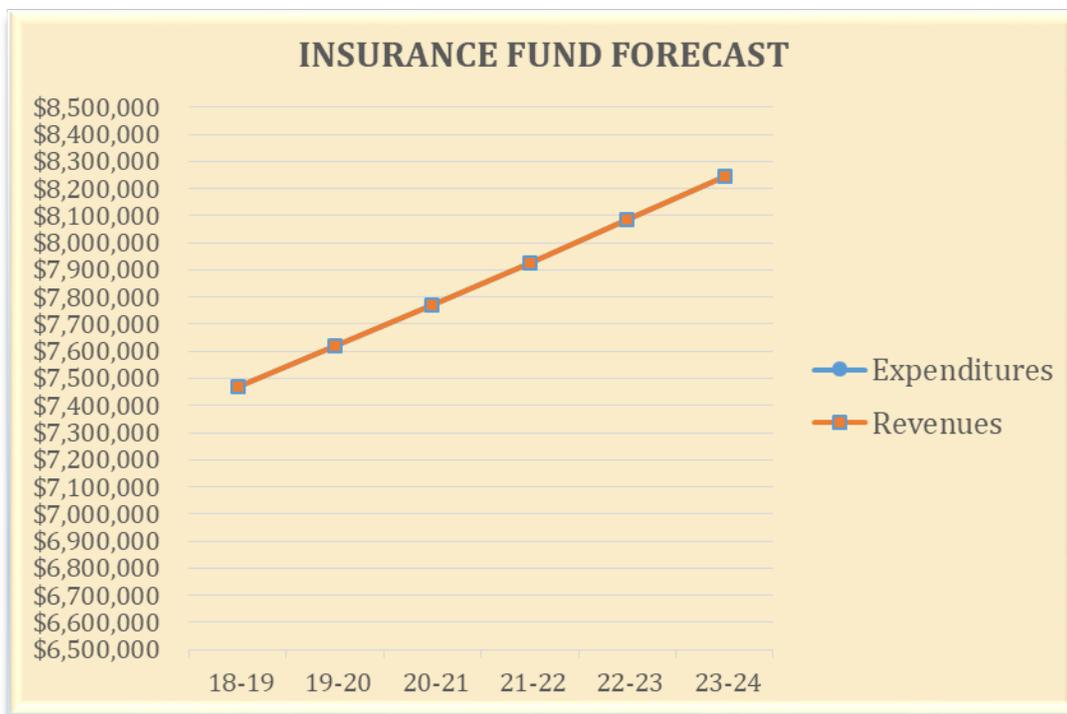
Five Year Financial Forecast



Insurance Fund Forecast

Revenues	18-19	19-20	20-21	21-22	22-23	23-24
Sales and Services	\$ 6,880,272	\$ 7,017,877	\$ 7,158,235	\$ 7,301,400	\$ 7,447,428	\$ 7,596,376
Investment Earnings	\$ 25,000	\$ 25,500	\$ 26,010	\$ 26,530	\$ 27,061	\$ 27,602
Other Financing Sources	\$ 564,284	\$ 575,570	\$ 587,081	\$ 598,823	\$ 610,799	\$ 623,015
Total	\$ 7,469,556	\$ 7,618,947	\$ 7,771,326	\$ 7,926,753	\$ 8,085,288	\$ 8,246,993

Expenditures	18-19	19-20	20-21	21-22	22-23	23-24
Operational	\$ 7,469,556	\$ 7,618,947	\$ 7,771,326	\$ 7,926,753	\$ 8,085,288	\$ 8,246,993
Total	\$ 7,469,556	\$ 7,618,947	\$ 7,771,326	\$ 7,926,753	\$ 8,085,288	\$ 8,246,993





Performance Measurement



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.

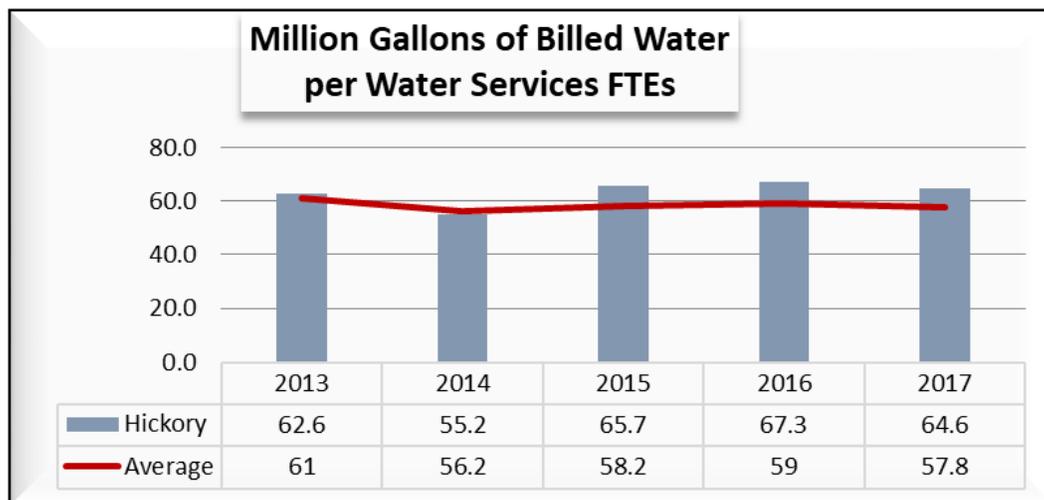
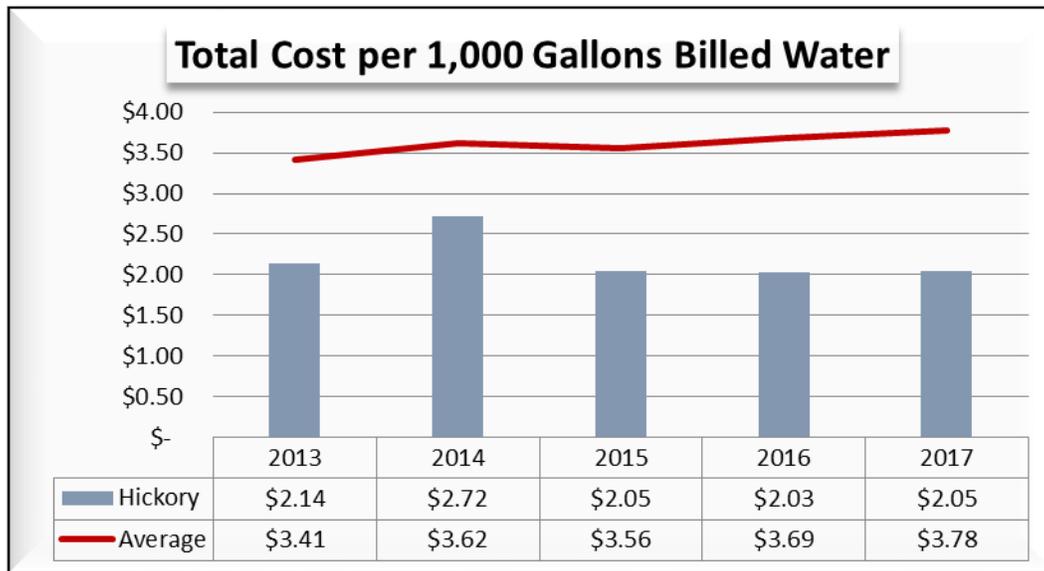
Since FY1998-1999 the City has participated in the North Carolina Local Government Performance Measurement Project (NCPMP). The primary purpose of the project is to develop a model that North Carolina cities can duplicate and use to support ongoing efforts in performance measurement and benchmarking. 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:

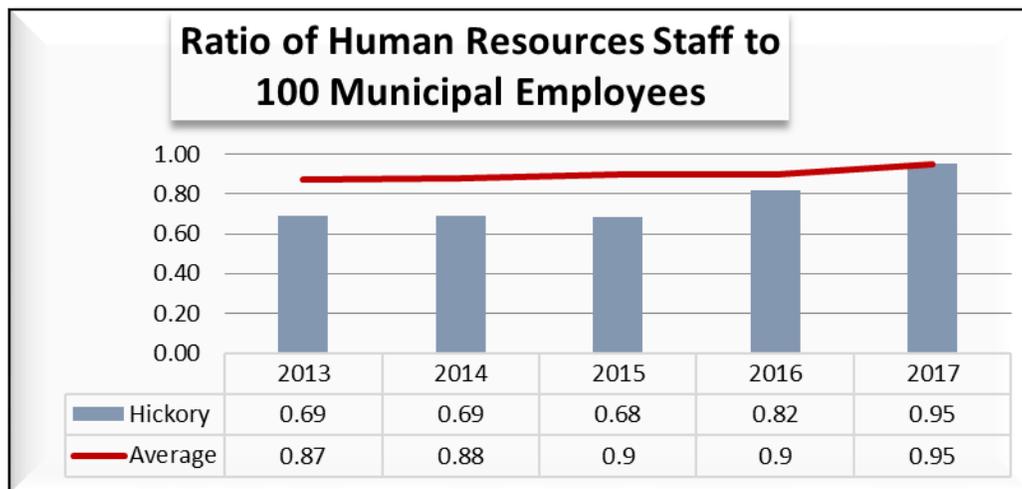
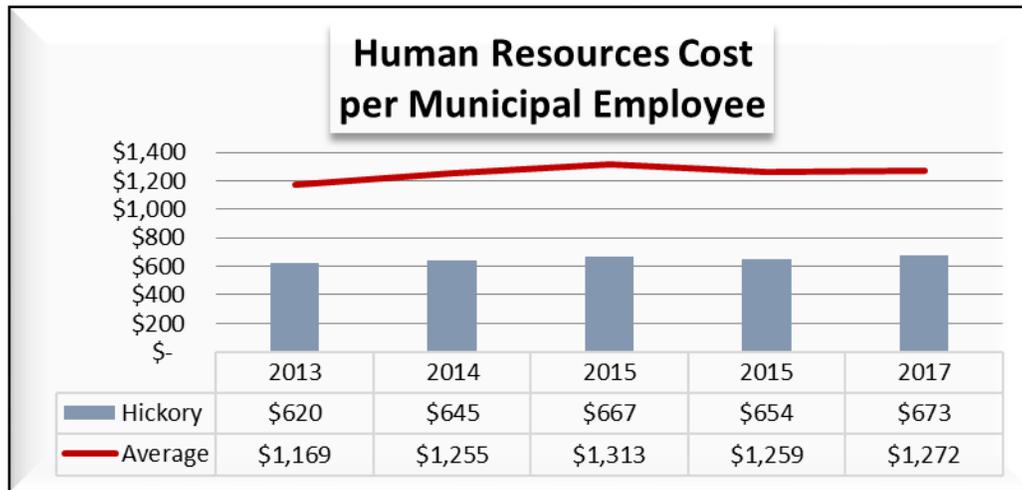
- Residential Refuse Collection
- Household Recycling
- Yard Waste & Leaf Collection
- Police Services
- Emergency Communications
- Asphalt Maintenance and Repair
- Fire Services
- Fleet Maintenance
- Central Human Resources
- Water Services
- Wastewater Services
- Core Parks and Recreation

Current participants in the NCPMP include the cities of: Apex, Asheville, Chapel Hill, Charlotte, Concord, Goldsboro, Greensboro, Greenville, Hickory, High Point, Raleigh, Salisbury, Wilson and Winston-Salem. The following are the FY2016-2017 services measured and a sampling of the results.

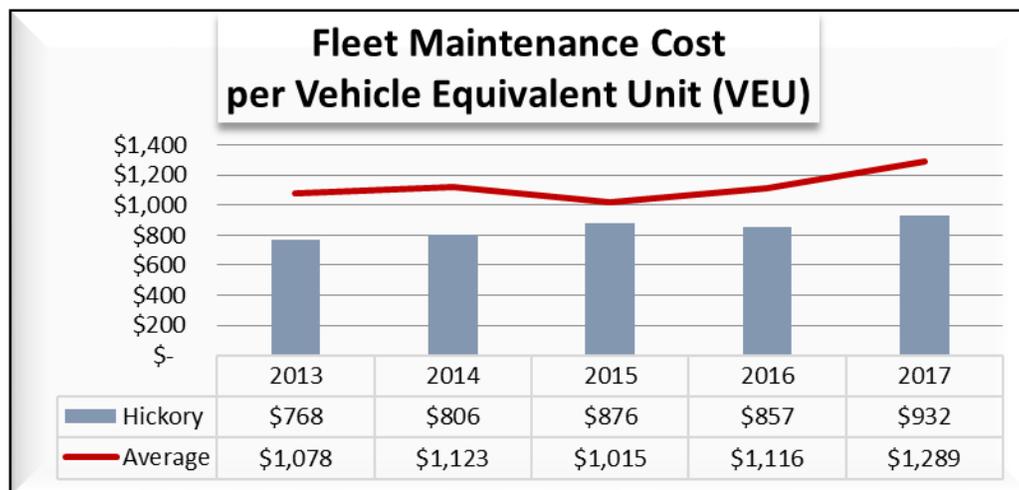
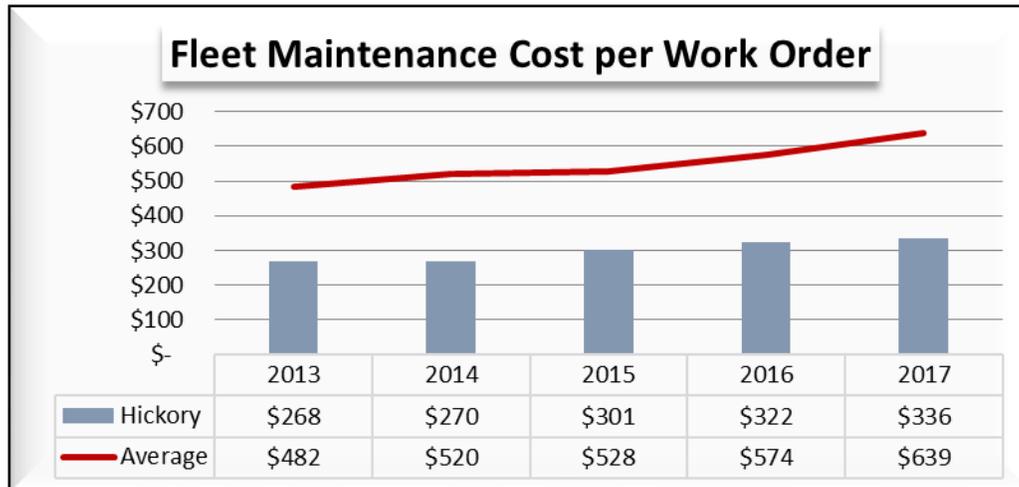
Water Services



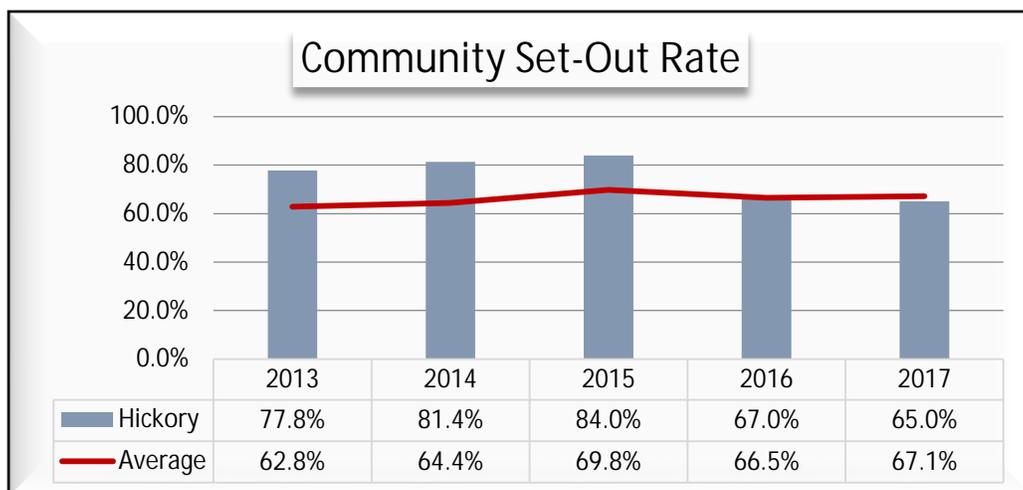
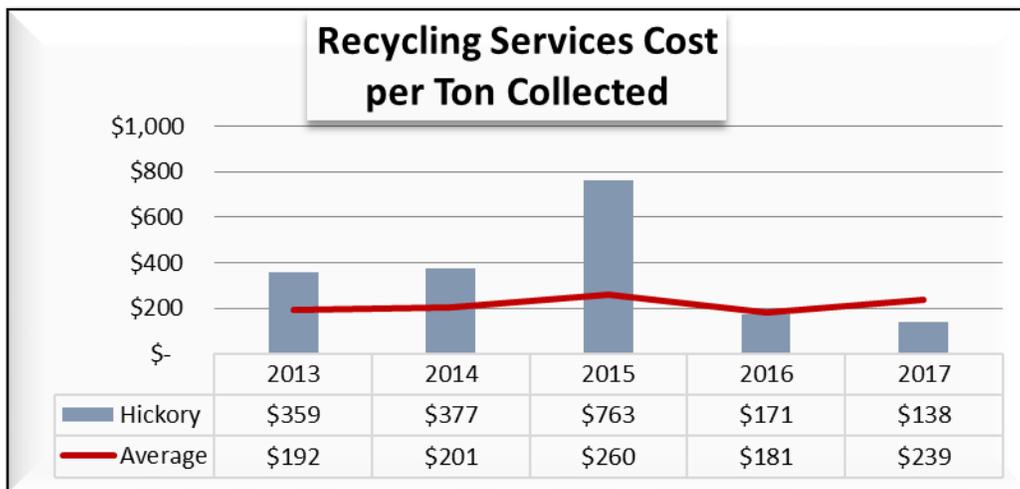
Human Resources



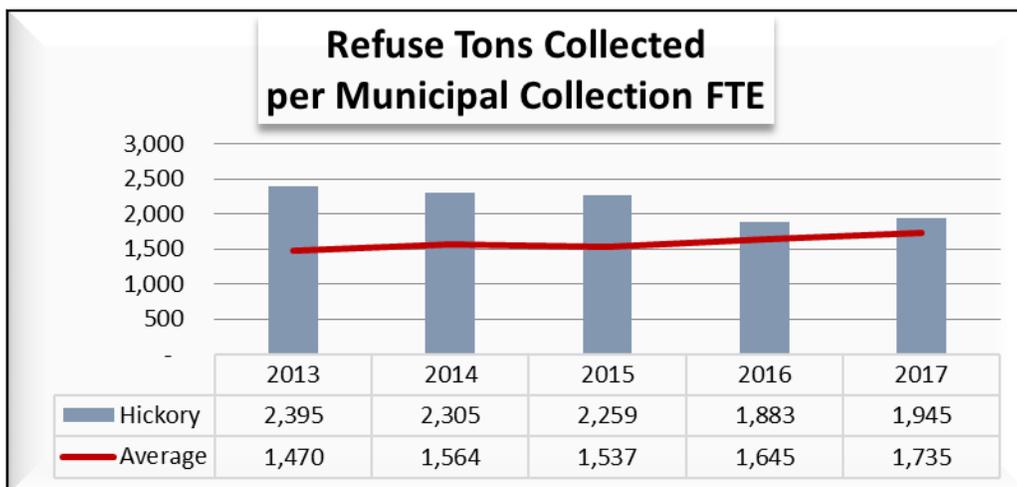
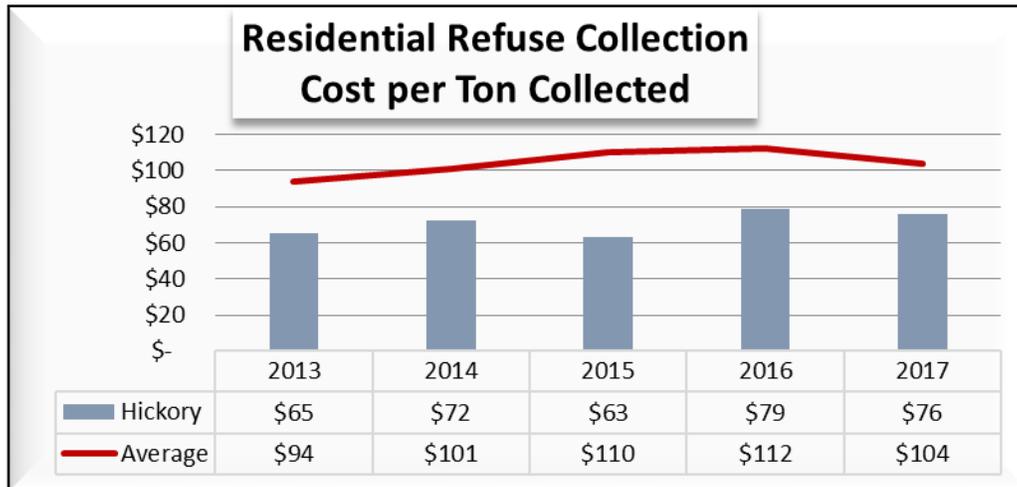
Fleet Maintenance



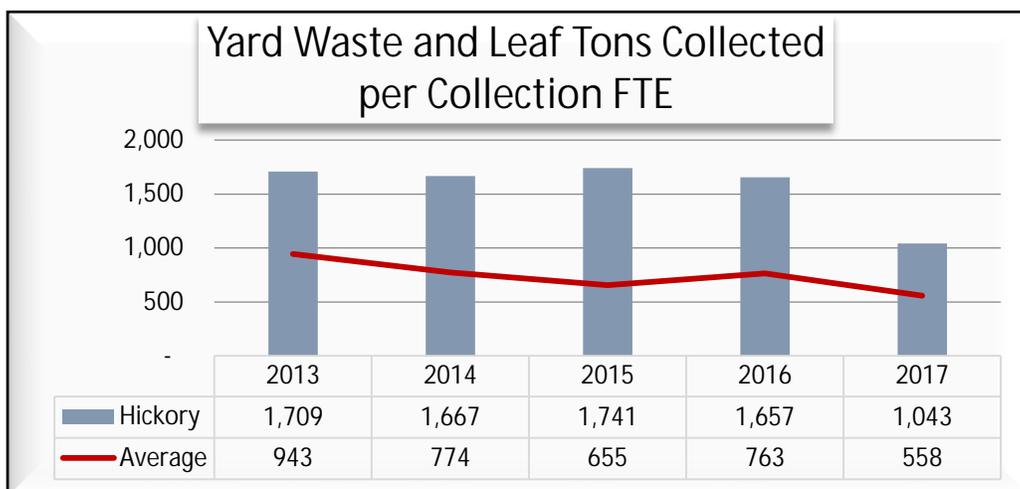
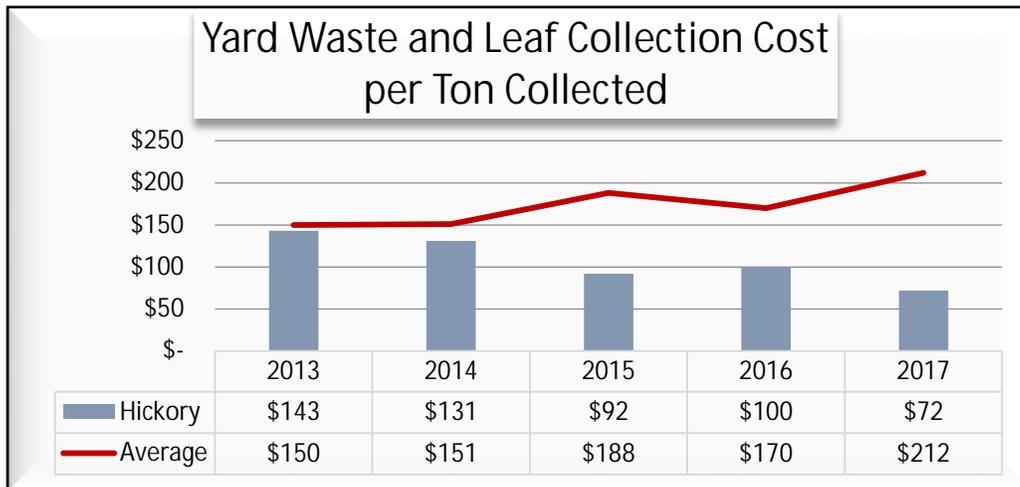
Household Recycling



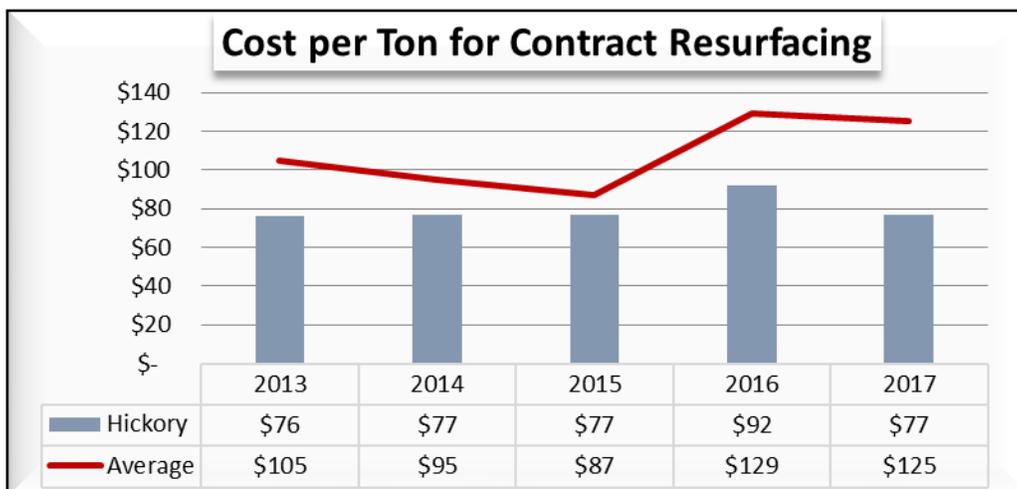
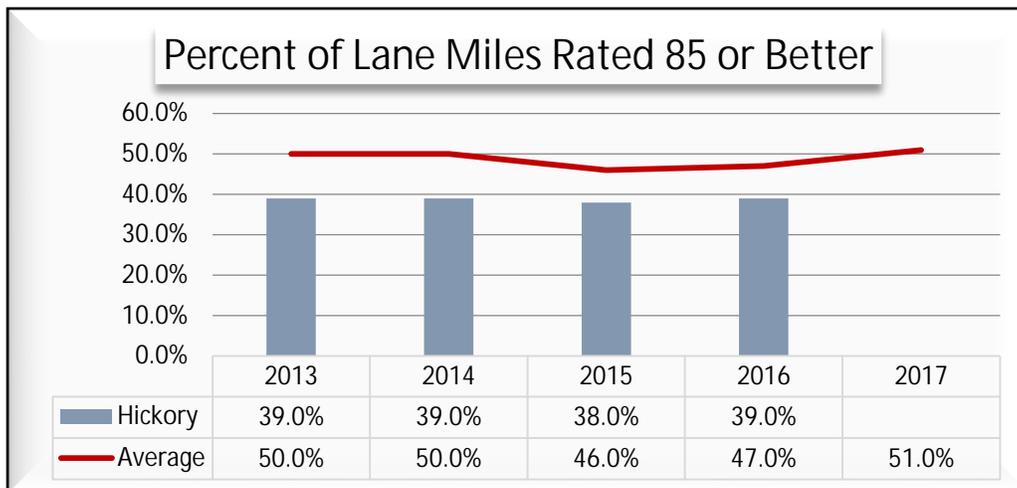
Residential Refuse Collection



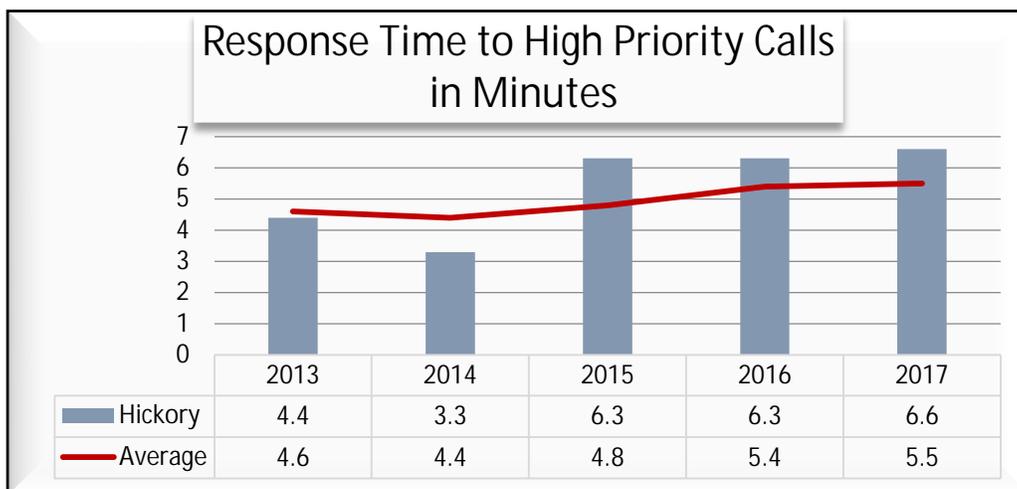
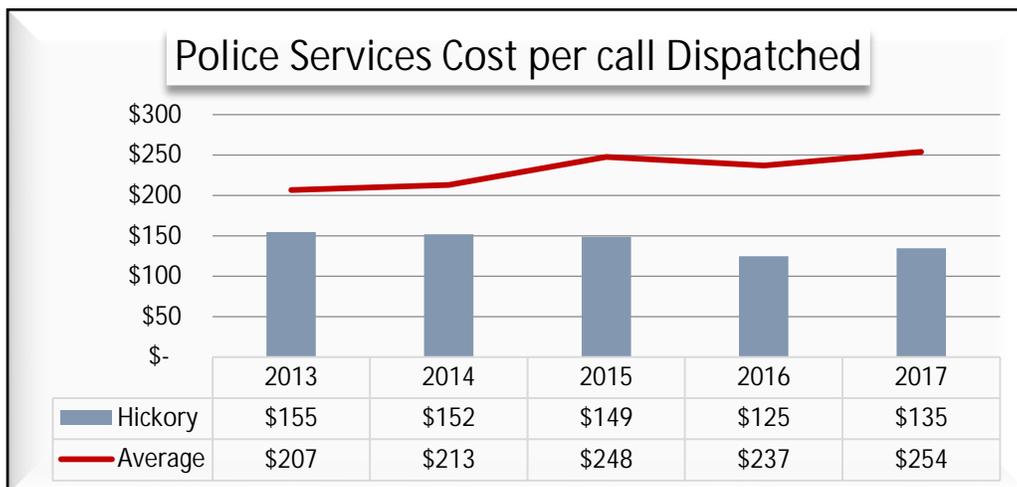
Yard Waste and Leaf Collection



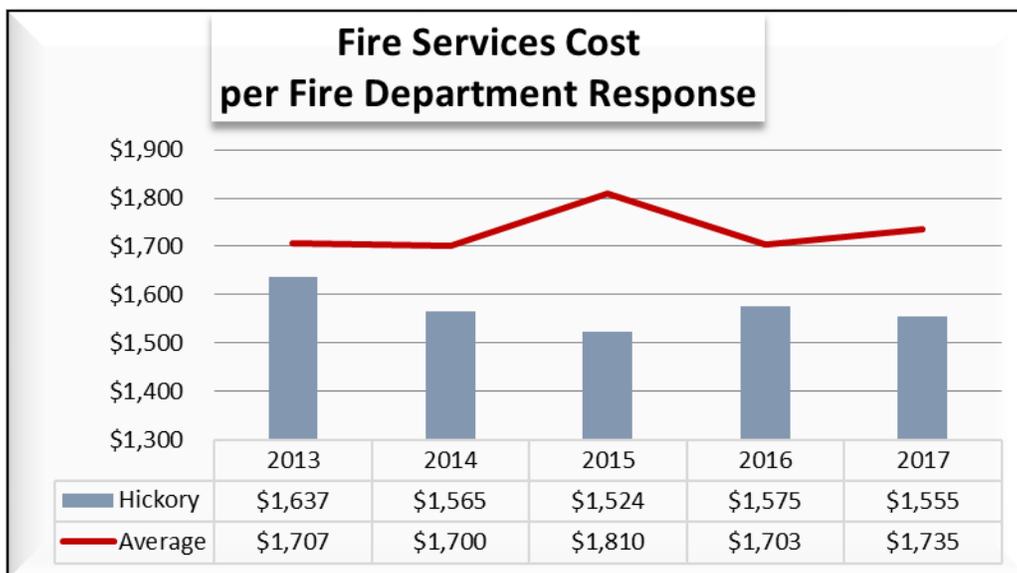
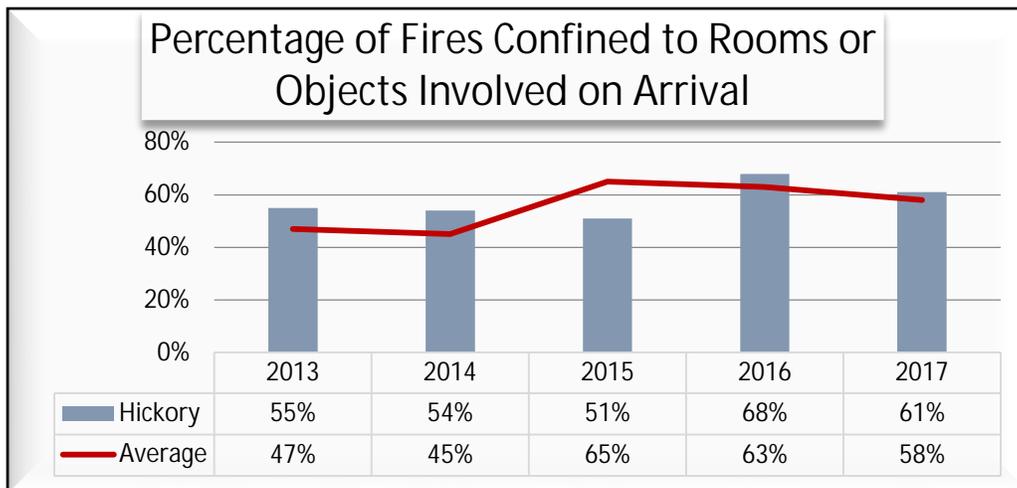
Asphalt Maintenance



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.

Supplementary Information

Demographic Information

With a population of 40,611 the City serves as a trade, distribution, communications and service center to approximately 364,870 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.

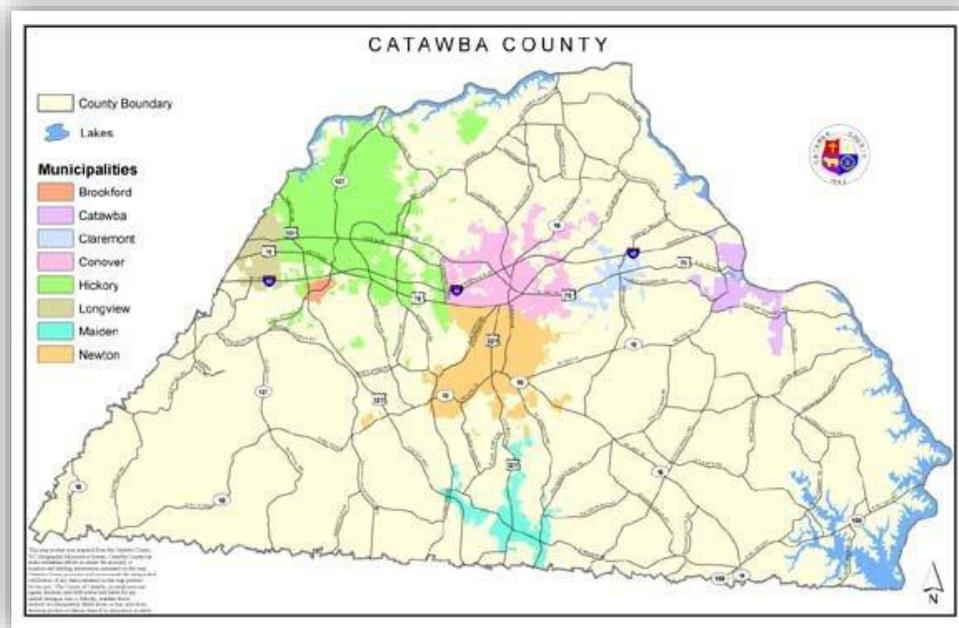
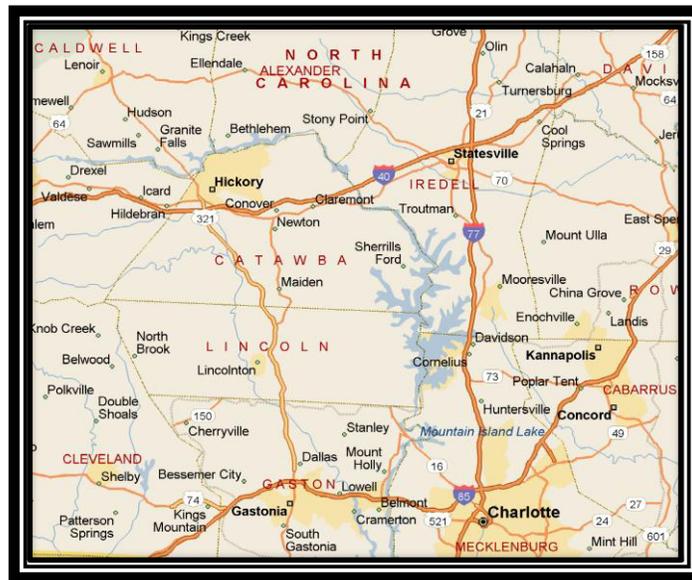


The citizens of Hickory and surrounding areas enjoy minor league baseball at L.P. Frans Stadium, home of the Hickory Crawdads.

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.

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 2017)	SIZE (SQUARE MILES)
City of Hickory	40,611	29.8
Catawba County	157,974	398.7

(Sources: Western Piedmont Council of Governments and US Census Estimates as of July 1, 2017; 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 16th 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

"5th Best Small Town in the Country for Manufacturing"
Outlook Americas Magazine

"7th in the United States as an Entrepreneurial Hotspot"
Nations Business Magazine

"7th Best Small Metro Area to Start a Business"
Cogentics Research

"8th Best World-Class Community"
Industry Week

"Hickory is Booming"
Wall Street Journal

"8th 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
1st Place Printed Publications - Annual Report
1st Place Special Events - International Springfest
1st 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 (FY2017-2018) Estimated through June 2018

Type	Catawba	Burke	Caldwell	Total
Real	4,100,846,178	39,120,083	76,286,300	4,216,252,561
Personal	309,270,237	28,063,349	25,910,849	363,244,435
Pub Services	110,787,936	637,154	25,309,185	136,734,275
TOTAL	4,520,904,351	67,820,586	127,506,334	4,716,231,271

HICKORY METRO AREA WATER & SEWER RATE COMPARISONS

City/County	Water Rate per 5,000 Gallons	Sewer Rate per 5,000 Gallons	Total
Burke County	\$ 45.05	\$ 49.25	\$ 94.30
City of Conover	\$ 21.43	\$ 27.91	\$ 49.34
City of Newton	\$ 31.81	\$ 41.96	\$ 73.77
Town of Taylorsville	\$ 33.25	\$ 33.25	\$ 66.50
Average	\$ 32.89	\$ 38.09	\$ 70.98
City of Hickory	\$ 23.44	\$ 30.22	\$ 53.66 Current

Utilities

Sewer Lines (miles)	499
Water Lines (miles)	937
Finished Water (gal/day)	11.14 MGD

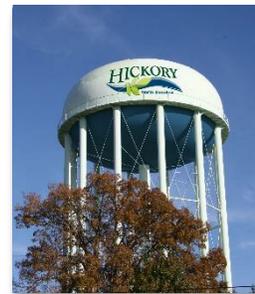
Water/Sewer Service Connections

Residential	34,825
Commercial	4,909
Total	39,734

Supplementary Information



TEN LARGEST WATER USERS By Volume July 1, 2016 – June 30, 2017



I. Water

	CUSTOMERS	CUBIC FEET	GALLONS	REVENUE
1	CONOVER, CITY OF	92,842,837	694,464,421	\$ 605,174.50
2	LONGVIEW, TOWN OF	38,164,262	285,468,680	\$ 335,648.90
3	MAIDEN, TOWN OF	36,278,000	271,359,440	\$ 288,521.38
4	ICARD TOWNSHIP WATER CORP	20,092,261	150,290,112	\$ 135,040.68
5	APPLE	11,048,050	82,639,414	\$ 274,127.06
6	ALEXANDER CORR INST (PRISON)	7,259,345	54,299,901	\$ 200,008.12
7	CATAWBA VALLEY MEDICAL CENTER	4,387,416	32,817,872	\$ 73,632.52
8	MDI	3,668,830	27,442,850	\$ 56,916.91
9	FRYE REGIONAL MEDICAL CENTER	3,394,340	25,389,663	\$ 47,568.84
10	CATAWBA CO BOARD OF EDUCATION	2,903,963	21,721,643	\$ 116,850.76
		220,039,304	1,645,893,996	\$ 2,133,489.67

II. Sewer

	CUSTOMERS	CUBIC FEET	GALLONS	REVENUE
1	LONGVIEW, TOWN OF	22,561,692	168,761,454	\$379,333.05
2	BURKE COUNTY	11,619,251	86,912,000	\$226,606.09
3	CATAWBA VALLEY MEDICAL CENTER	4,365,546	32,654,284	\$116,985.97
4	MDI	3,661,544	27,388,350	\$86,332.72
5	FRYE REGIONAL MEDICAL CENTER	3,394,270	25,389,140	\$65,339.24
6	LENOIR RHYNE UNIVERSITY	2,429,419	18,172,054	\$84,944.85
7	TARLTON, JAMES V JR	2,374,870	17,764,028	\$55,498.23
8	PUBLIC HOUSING AUTHORITY	2,227,764	16,663,675	\$81,320.44
9	LUTHERAN HOMES / TRINITY RIDGE	1,914,982	14,324,065	\$49,648.22
10	LEGENDS AT HICKORY	1,794,032	13,419,359	\$69,535.20
		56,343,370	421,448,409	\$ 1,215,544.01

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, 2018

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	Administrative Assistant CAD Operator Central Services Coordinator Central Warehouse Coordinator Community Development Technician Crew Leader Human Resources Generalist Laboratory Technician I Library Maintenance Coordinator Library Technician	\$32,246.18	\$40,307.71	\$48,369.27

Supplementary Information



	Maintenance Mechanic Mechanic I Parts Specialist Planning Technician Pretreatment Technician Police Telecommunicator Public Utilities Technician Purchasing Technician Senior Customer Service Representative Wastewater Treatment Plant Operator I Water Quality Technician Water Treatment Plant Operator I			
13	Accounting Technician CAD Operator / Land Survey Tech Firefighter Recreation Programmer Senior Groundskeeper Wastewater Treatment Plant Operator II Water Treatment Plant Operator II	\$33,878.64	\$42,348.30	\$50,817.94
14	Administrative Services Budget Coordinator Cemetery Sexton Circulation Supervisor Electrician 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	\$35,593.74	\$44,492.18	\$53,390.61
15	City Arborist Horticulture Specialist Police Budget & Logistics Coordinator Public Utilities Specialist Senior Firefighter	\$37,395.68	\$46,744.60	\$56,093.52
16	Accountant Chemist Code Enforcement Officer Electrical Supervisor Executive Assistant	\$39,288.83	\$49,111.04	\$58,933.24

Supplementary Information



	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Airport Operations Supervisor 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 	\$41,277.84	\$51,597.29	\$61,916.74
18	<ul style="list-style-type: none"> Fleet Maintenance Supervisor 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 	\$43,367.53	\$54,209.39	\$65,051.28
19	<ul style="list-style-type: none"> Budget Analyst 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 	\$45,562.99	\$56,953.74	\$68,344.51

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 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	Assistant Parks & Recreation Director Building 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 Transportation Planning Manager	\$64,379.33	\$80,474.16	\$115,882.79
24	Assistant Public Services Director Assistant to the City Manager Deputy Chief of Police	\$71,062.74	\$88,828.41	\$127,912.93
25	Deputy Attorney Fire Chief	\$71,697.96	\$100,351.55	\$129,874.54

Supplementary Information



Human Resources Director
Library Director
Parks and Recreation Director
Planning Director
Police Chief
Public Services Director

27	Assistant City Manager	\$95,571.47	\$119,464.33	\$143,357.20
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Budget Glossary

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.

Budget Glossary

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 - 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

Budget Glossary

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

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

Budget Glossary

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.

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.

Budget Glossary

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.

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.

Budget Glossary

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

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.

Budget Glossary

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.

Budget Glossary

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.

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.

Budget Glossary

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.

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

Budget Glossary

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.

