



Law Enforcement Service District & Fire Protection Service Districts Briefing

Hyong Yi
Management and Budget Director

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Purpose of Presentation

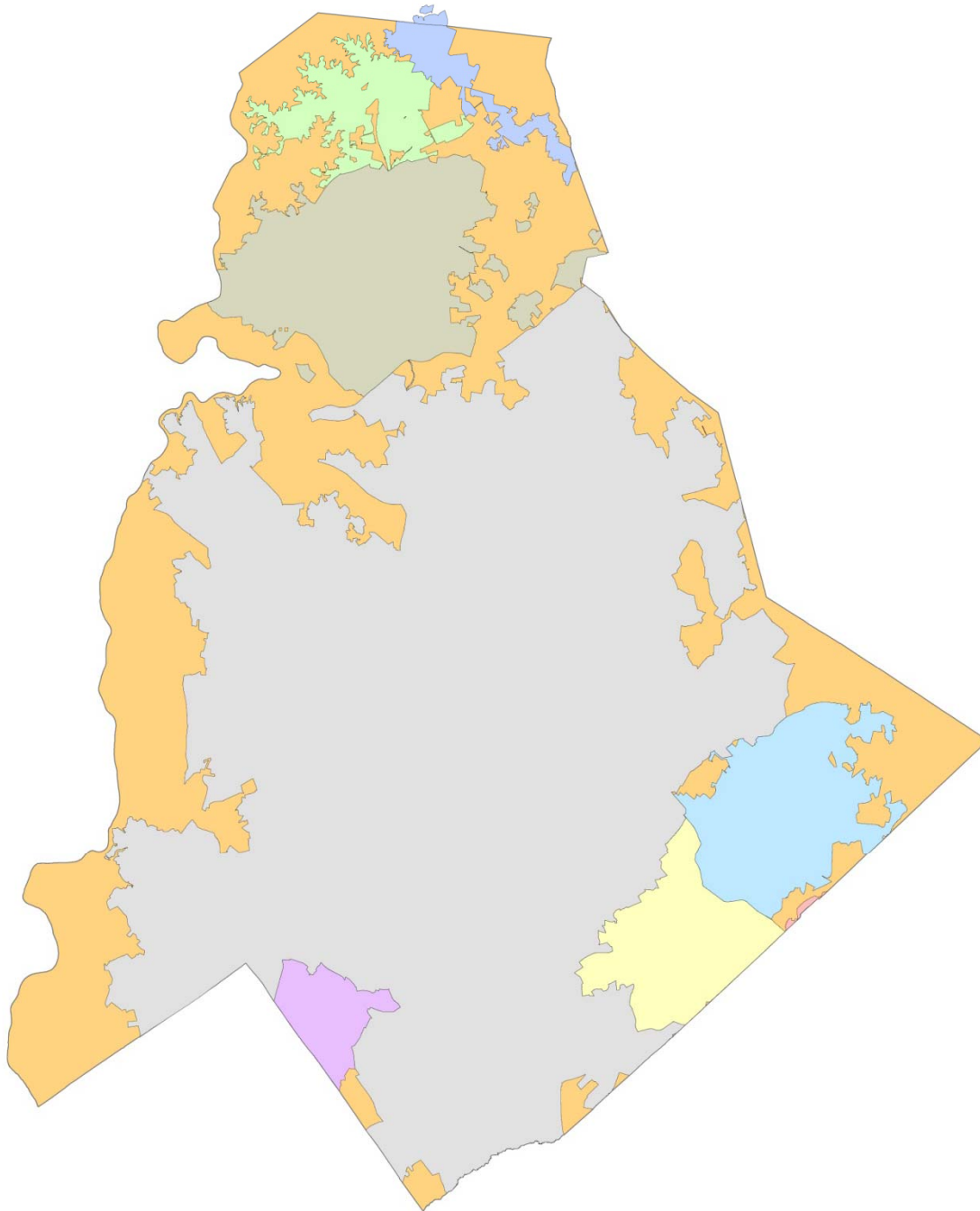
- Provide an overview of the Law Enforcement Service District (LESD) and the Fire Protection Service Districts (FPSD)
- Provide an update on tax rate implications for FY14



Overview

- The Unincorporated Area
- Law Enforcement Service District
- Fire Protection Service Districts
- Summary

2013 - Mecklenburg Unincorporated 134.96 sq mi



- County – 546 Sq. Miles
- Unincorporated Area – 135 Sq. Miles



Law Enforcement Service District



Background

- Pre-1996, the City and County both had police departments creating a tax equity problem
- LESD created in 1996 to fund law enforcement in unincorporated area through CMPD
- Funding originally set in legislation and based on percent of population
- Expected that Mecklenburg County would be fully annexed by 2005 eliminating need for the LESD



Background (cont.)

- Agreement amended to a negotiated amount with a cap in 2005
- Agreement amended again in 2008 to a negotiated amount for four years with a cap
- Legislation passed in 2011 that allows multiple districts with multiple municipalities providing service



2011 Legislation

- The county can have an interlocal agreement or agreements with a municipality or municipalities for the provision of law enforcement services in the unincorporated area of the County
- Allows for multiple LESDs and multiple interlocal agreements
- Discussed at the FY12 Strategic Planning Conference



FY2013

- Board directed the Manager to continue with the existing arrangement with the City of Charlotte and to fund Lake Patrol from the General Fund
- Funding based on percent of population and proportional share of CMPD operating costs



FY13 Cost Calculations

Item	FY12	FY13	% Change
Unincorporated Area (UA) Population	45,385	49,658	9.4%
Charlotte and UA Population	772,671	793,055	2.6%
UA as a % of Charlotte/UA Population	5.87%	6.26%	6.6%
CMPD Total Cost for Police Services	\$198,393,936	\$209,546,778	5.6%
LESD Share of CMPD Cost	5.87%	6.26%	6.6%
LESD Costs	\$11,467,170	\$13,147,196	14.7%



FY13 Adopted Budget

	FY12 Adopted	FY13 Adopted	\$ Change	% Change
Assessed Valuation	6,396,162,008	6,568,942,548	199,902,992	3.1%
Total Net Tax Levy	11,467,170	12,467,196	1,321,159	11.5%
General Fund	--	680,000	680,000	100.0%
Total	11,467,170	13,147,196	2,001,159	17.5%
Tax Rate	18.66¢	19.37¢	0.71¢	3.8%



FY14 Projected Costs

	FY13 Adopted	FY14 Projected	\$ Change	% Change
Assessed Valuation	6,568,942,548	6,491,859,499	(77,083,049)	-1.2%
Total Net Tax Levy	12,467,196	13,119,422	632,804	5.1%
General Fund	680,000	680,000	--	0.0%
Total	13,147,196	13,799,422	632,804	4.8%
Tax Rate	19.37¢	21.05¢	1.68¢	8.7%



Summary

- Tax Base Value is declining due to appeals loss
- Policing costs are increasing
- Current tax rate may not be sufficient to pay for projected costs



Fire Protection Service Districts



Background

- In FY2013, the Board of County Commissioners established five (5) Fire Protection Service Districts with separate tax rates to generate revenue to pay for fire protection services in the unincorporated area
- Done with considerable discussion and collaboration with the six Towns and the City of Charlotte
- Eliminated \$2.4 million subsidy for VFDs in the General Fund
- Accounts for 0.2¢ of the 2.44¢ Tax Rate Reduction in FY13



FY13 Adopted Budget

	FY12 Adopted Budget	FY13 Adopted Budget	
General Fund	2,515,929*		
		Tax Rate	Revenue
Charlotte ETJ		5¢	2,398,995
Cornelius ETJ		5¢	35,675
Davidson ETJ		5¢	83,745
Huntersville ETJ		5¢	277,155
Mint Hill ETJ		7¢	500,528

*NOTE: For FY13, \$122,268 remains in the Fire Marshall service to pay for a fire educator, Forestry contract with the State, and education materials. \$2,393,661 associated with the Volunteer Fire Department subsidy has been eliminated from the general fund.



FY14 Projected Costs

- FY13 was based on several assumptions since it was the first year of implementation
- FY14 will be based on actual performance
- Data is still being analyzed to formulate a tax rate for the fire districts



Combined FY13 Tax Rates

Municipality	County Tax Rate	Municipal Rate	Total Rate
Charlotte	0.7922	0.4730	\$1.2292
Davidson	0.7922	0.3500	\$1.1422
Pineville	0.7922	0.3200	\$1.1122
Matthews	0.7922	0.3025	\$1.0947
Huntersville	0.7922	0.2825	\$1.0747
Mint Hill	0.7922	0.2700	\$1.0622
Cornelius	0.7922	0.2400	\$1.0322
Unincorporated ¹	0.7922	0.2437	\$1.0359

¹ Includes .05¢ for the Fire Protection Service District Tax and .1937¢ for the Law Enforcement Service District Tax. Fire Protection Service District Tax rate is 5¢ in all towns except Mint Hill where it is 7¢.



FY14 Summary

- Costs are a function of population and/or cost of service
- Generating the revenue to pay for it is a function of the value of the tax base
- With a shrinking tax base, the current tax rate may not be sufficient to generate the revenue necessary to pay for projected expenses