

Recommended Budget

20

27



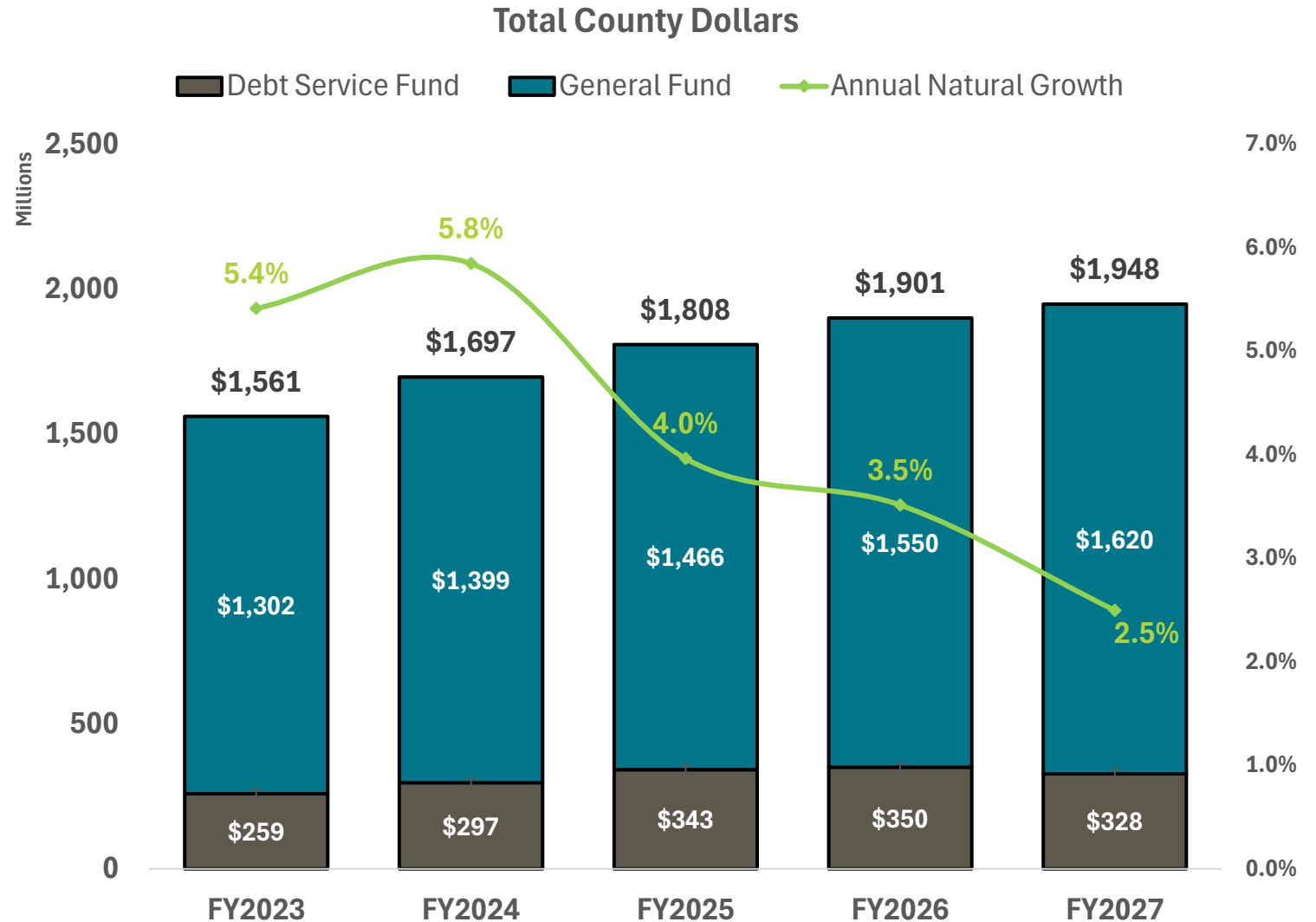
MECKLENBURG COUNTY
North Carolina

FY2027 Budget Outlook

- ▶ County dollar growth is trending lower than in prior years
- ▶ Federal funding changes present a further drain on available funds
- ▶ The need for services required to cultivate & maintain a high quality of life has not changed
- ▶ Staffing & operating costs continue to grow for the County & our partners
- ▶ Fund balance is a viable option for one-time or postponable costs
- ▶ A deep-dive analysis provided expense & revenue adjustments without impacting service

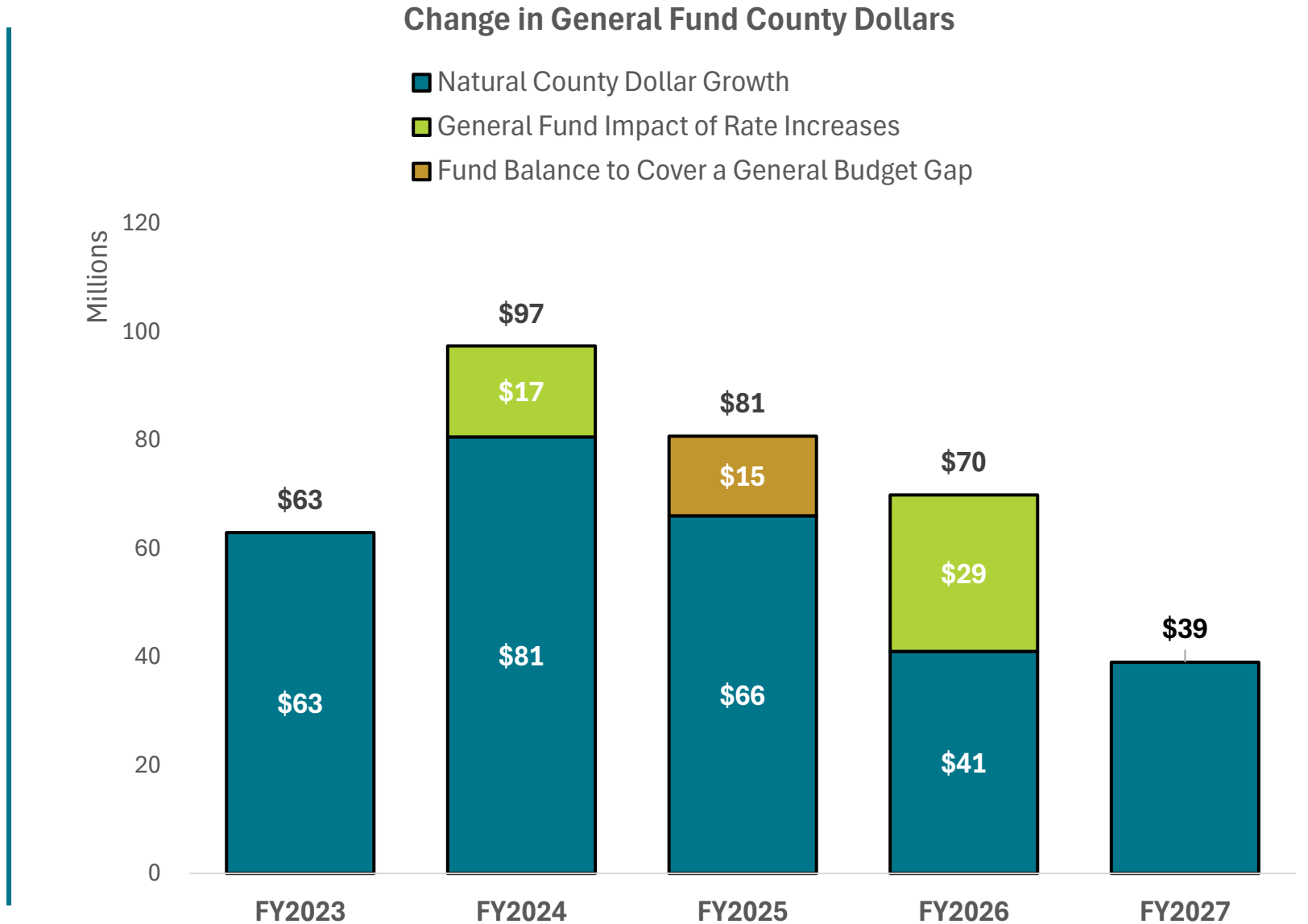
Total County Dollars

- County Dollars are the flexible funds within the General & Debt Service Fund, which include property tax & undesignated sales tax
- Total County Dollars are increasing by **\$47M (2.5%)**
- Although revenues are growing, the rate of natural growth (excluding rate increases or fund balance) is slowing.



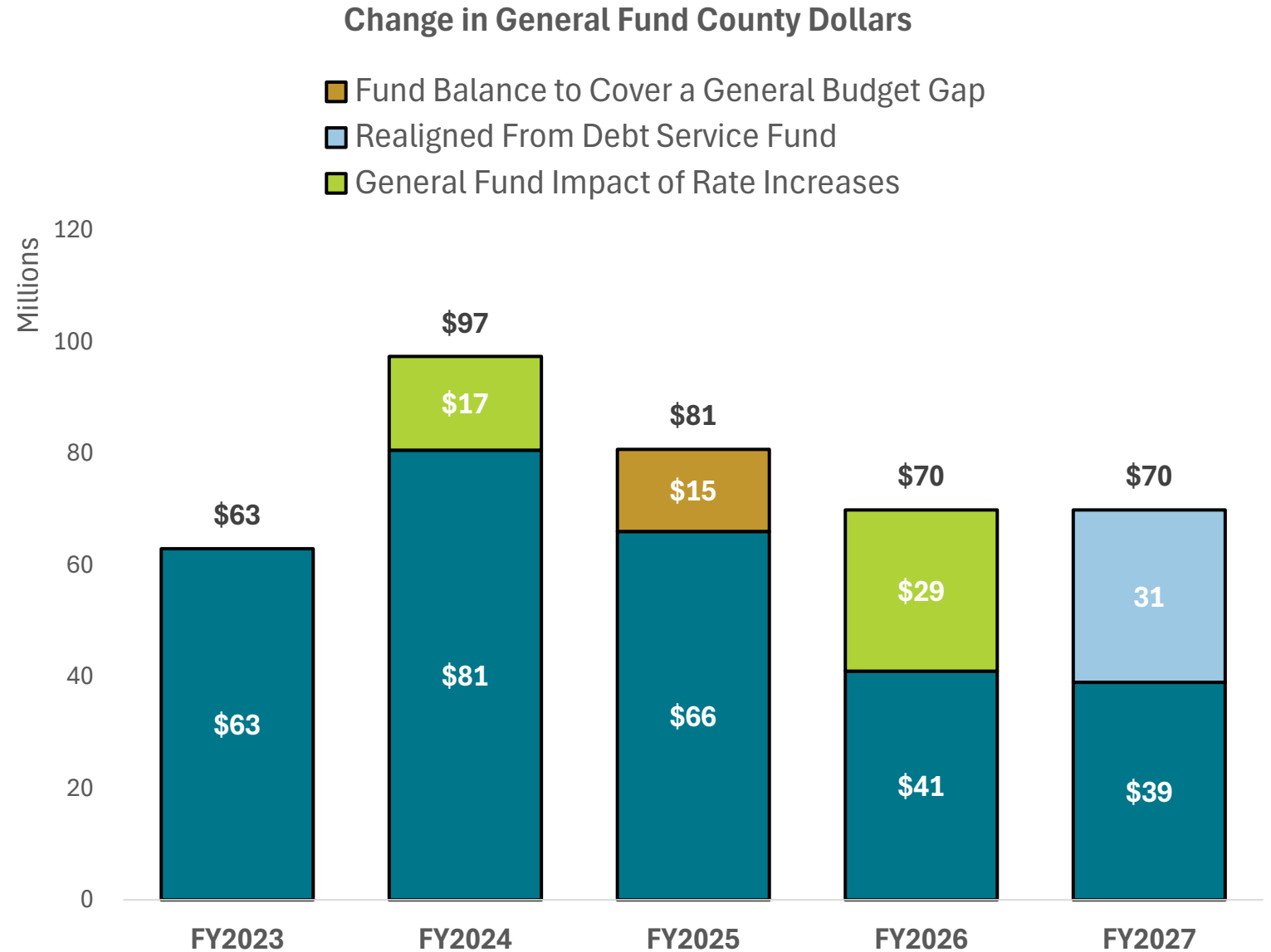
Growth in General Fund County Dollars

- General Fund County Dollar Revenue Growth is **\$39M** (2.5%)
- Annual growth was greater in prior years elevated by General Fund tax increases in FY2024 & FY2026



Growth in General Fund County Dollars

- Shifting 1¢ of property tax from the debt service fund brings the County Dollar growth to **\$70M** or 4.5%, without the need for any tax increases



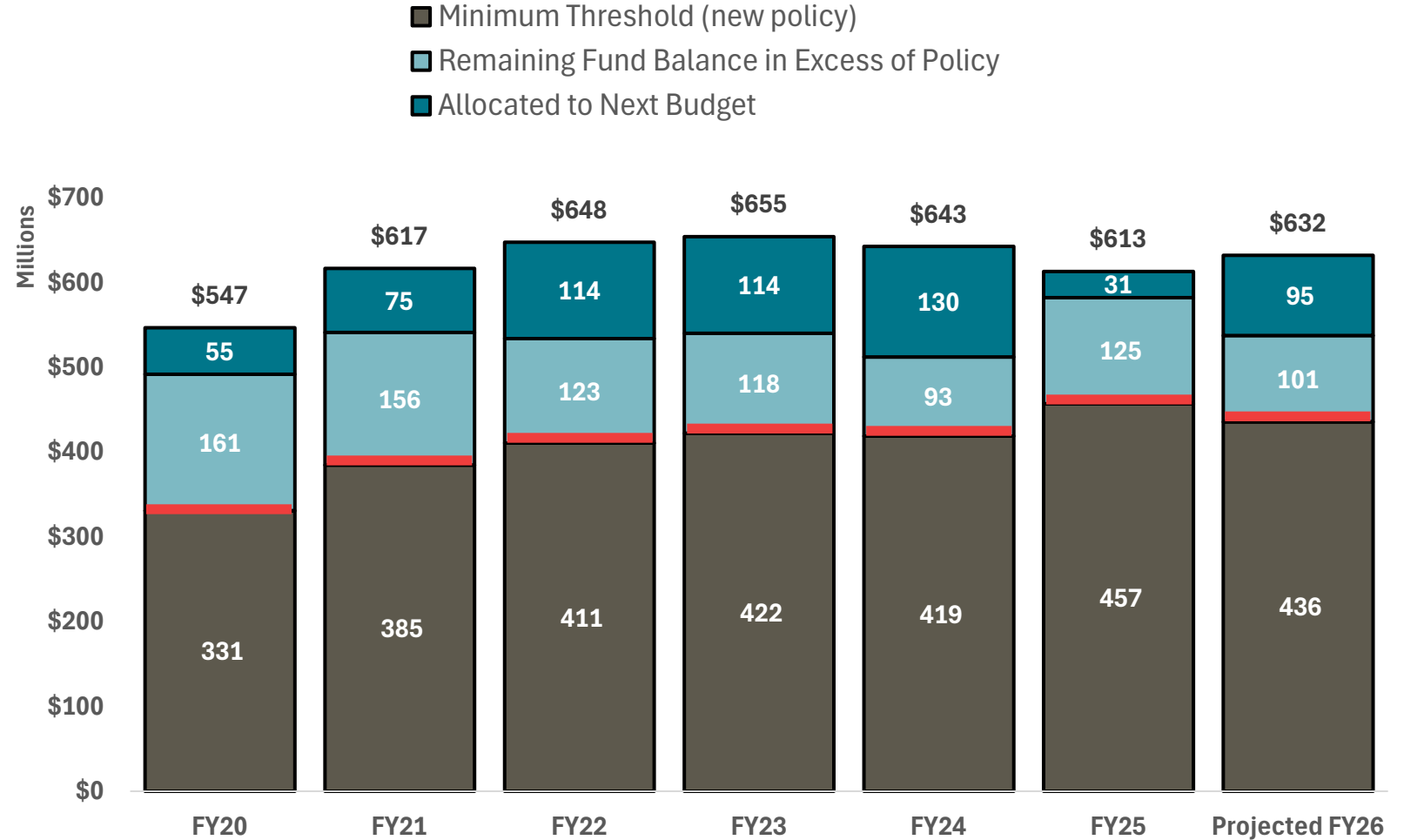
Growth in General Fund County Dollars

| Revenue | Description | FY2026 Adopted | FY2027 Projected | \$ Change | % Change |
|---|--|------------------------|------------------------|----------------------|-------------|
| Property Tax | Property tax | \$1,143,932,638 | \$1,170,241,327 | \$26,308,689 | 2.3% |
| Sales Tax | Unrestricted sales tax | 320,015,853 | 334,056,576 | 14,040,723 | 4.4% |
| Other County Revenues | ABC, Register of Deeds revenue, interest, & other unrestricted revenue | 86,172,244 | 84,837,015 | (1,335,229) | (1.5%) |
| County Dollar Revenue | | \$1,550,120,735 | \$1,589,134,918 | \$39,014,183 | 2.5% |
| <i>Shift 1¢ of property tax from the debt service fund</i> | | | | \$ 30,855,709 | |
| Total Recommended County Dollar Revenue | | | \$1,619,990,627 | \$69,869,892 | 4.5% |

Projected Available Fund Balance

- Unassigned fund balance is estimated to be **\$632M** before making allocations
- The minimum threshold based on the policy shared by the CFO at the budget retreat is **\$436M**
- There is **\$196M** more than the policy minimum
- The Recommended Budget includes **\$95M**, leaving **\$101M** above the policy threshold

Unassigned Fund Balance At Budget Adoption



The chart above reflects the actual year-end fund balance and the minimum thresholds under the revised policy presented to the BOCC at the budget retreat in January. Projections in the 4th quarter, not actuals, informed prior-year budget decisions.

Total FY2027 Recommended Budget

- Total budget growth **\$46M (1.8%)**
- Transit sales tax no longer budgeted
- Excluding Fund Balance & Transit Sales Tax total growth would be **2.9%**
- County Dollar growth **\$47M (2.5%)**

| Revenues | County Dollars | Dedicated / Restricted | Total |
|---------------------------|------------------------|------------------------|------------------------|
| Property Tax ¹ | 1,527,241,880 | 40,406,184 | 1,567,648,064 |
| Sales Tax ² | 334,056,576 | 100,951,098 | 435,007,674 |
| Other ³ | 86,732,900 | 265,043,755 | 351,776,655 |
| Federal | | 104,424,779 | 104,424,779 |
| Fund Balance ⁴ | | 95,524,014 | 95,524,014 |
| State | | 34,356,094 | 34,356,094 |
| Total Revenue | \$1,948,031,356 | \$640,705,924 | \$2,588,737,280 |

| Expenses | County Dollars | Dedicated / Restricted | Total |
|------------------------------|------------------------|------------------------|------------------------|
| General Fund | 1,619,990,627 | 281,977,646 | 1,901,968,273 |
| Debt Service Fund | 328,040,729 | 128,682,628 | 456,723,357 |
| Enterprise & Special Revenue | | 230,045,650 | 230,045,650 |
| | \$1,948,031,356 | \$640,705,924 | \$2,588,737,280 |

| | | | |
|---------------------------|---------------------|----------------------|---------------------|
| Change From FY2026 | \$47,440,533 | (\$1,022,895) | \$46,417,638 |
| Percent Change | 2.5% | (0.2%) | 1.8% |

¹ Property Tax for LESD & FPSD is restricted

² A portion of Sales tax is restricted for School capital

³ Other Revenue includes service charges, permits, fees, etc.

⁴ Fund balance includes planned allocations of FPSD and LESD balance

FY2027 County Dollar Budget Impacts

Expense & Revenue Changes Impacting County Dollars in the General Fund

| County Dollar Impacts | |
|--|---------------------|
| Funding for CMS & Central Piedmont Operating | \$26,328,728 |
| Baseline County Salaries & Benefits Annualized cost & new insurance & retirement | 13,600,367 |
| Increase County Salaries Includes Merit, Across-the-Board, & minimum of \$25.53/hr. for all full-time positions | 31,461,342 |
| Sustaining Operations Increasing cost for contracts and services | 11,707,770 |
| New Facilities Operating costs for new facilities coming online | 6,933,410 |
| Enhanced Services Investments to improve outcomes or address critical needs | 9,806,882 |
| Reduction in Reimbursement for SNAP Administration Decrease from 50% to 25% of costs beginning 10/01/2026 | 7,476,566 |
| Reduction in Medical Examiner Catchment Area Transition from serving Gaston County (partially offset with cost reductions below) | 673,000 |
| Deep-Dive Budget Assessment Cost savings, new revenue, & opportunities to leverage fund balance | (38,118,173) |
| Total | \$69,869,892 |

Deep-Dive Budget Assessment

Program Review - OMB reviewed each program's budget and provided management with scenarios across varying impact ranges.

Quarterly Monitoring - An assessment of potential opportunities is integrated into OMB's ongoing quarterly monitoring of the FY2026 operating budget, with Q3 providing the most relevant findings. The monitoring process provides a mechanism for observations to be communicated vertically through the organization.

FY2027 Budget Process - Departments & OMB reviewed all FY2027 budgets at a line-item level. Directors work collaboratively within portfolios managed by DCMs to assess opportunities to rethink how we provide services.

Deep-Dive Budget Assessment

Offsetting Reductions to County Dollars

OPEB Trust - \$8.5M

Using the OPEB Trust balance in alignment with actuarial projections of ongoing post-employment benefit obligations, consistent with the Trust's intended purpose

Departmental Revenue - \$6.9M

Revenue increases to help offset costs and growing service demand

Fund Community Service Grants & United Way Unite Charlotte Grants with Fund Balance- \$6.6M

Shifts the costs for County grants to nonprofits to a one-time funding source

Leverage Unspent Funds for Childcare Subsidies - \$4M

Funds subsidies through the carryforward of unspent funds while assessing opportunities to accelerate distribution

Various Adjustments - \$5.4M

Reductions based on underspending & renegotiated agreements

Child Development Accounts - \$3M

Repurposing of unspent child development accounts

Operational Assessment - \$3.7M

Reduced position count by 53 based on department assessments of utilization service delivery options. Any filled positions have been reassigned, requiring no layoffs.

Building the FY2027 Budget

Despite slower revenue growth & loss of Federal Funds, the budget funds critical services with no tax increase

- 1 Began with an estimated budget gap of **(\$36M-\$21M)**
- 2 Redesigned the budget process to facilitate cross-agency collaboration focused on ways to rethink how we provide services
- 3 Conducted a deep-dive budget review of every County budget line for opportunities to reduce cost & strengthen financial stewardship
- 4 Conducted a Program Review of all programs helping to inform the Balanced Scorecard & performance metrics
- 5 Reset the program structure based on the program review to better track performance going forward
- 6 Working with departments, we identified **\$38M** in adjustments to expenses, revenue, & opportunities to leverage fund balance
- 7 Initiated a pause on the rolling CIP to assess future needs and ongoing operating costs
- 8 Shifted 1¢ from the Debt Service Fund to the General Fund for an additional **\$31M**

Recommended Funding for CMS

| | FY2026 Budget | FY2027 Requested | FY2027 Recommended | Change |
|---|----------------------|----------------------|----------------------|---------------------|
| CMS Operating | \$666,129,849 | \$697,271,083 | \$697,271,083 | \$31,141,234 |
| Offset for Unapproved FY26 State Raises | | (6,034,014) | (6,034,014) | (6,034,014) |
| Net Ongoing Operating | \$666,129,849 | \$691,237,069 | \$691,237,069 | \$25,107,220 |
| One-time for Student Devices | | 6,000,000 | 6,000,000 | 6,000,000 |
| Capital Maintenance ¹ | 32,960,000 | 32,960,000 | 32,960,000 | |
| Capital & Technology | \$32,960,000 | \$38,960,000 | \$38,960,000 | \$6,000,000 |
| Total | \$699,089,849 | \$730,197,069 | \$730,197,069 | \$37,141,234 |

3.8%
Net Ongoing Increase

Note: Funding included in the County Budget does not include fines & forfeitures that are remitted to the schools

¹ includes one-time funding

Recommended Funding for Central Piedmont

| | FY2026 Budget | FY2027 Requested | FY2027 Recommended | Change |
|--|---------------------|---------------------|-----------------------|--------------------|
| Central Piedmont Operating | \$49,042,490 | \$50,513,998 | \$50,513,998 | \$1,471,508 |
| Offset for Unapproved FY26 State Raises | | | (\$250,000) | (250,000) |
| Net Ongoing Operating | \$49,042,490 | \$50,513,998 | \$50,263,998 | \$1,221,508 |
| Capital Maintenance ¹ | 3,575,000 | 6,225,000 | 6,225,000 | 2,650,000 |
| Total | \$52,617,490 | \$56,738,998 | \$56,488,998 | \$3,871,508 |

2.5%
Net
Ongoing
Increase

¹ includes one-time funding

Employee Investments

Total funding all funds

\$53M

Total

\$41M

County

Dollars

\$38.4M compensation increases

- **\$2.5M** to increase minimum wage to \$25.53 for all full-time positions, **providing a livable wage for employees**
- **\$16.9M** for 3% across the board increases
- **\$13.2M** for performance-based pay averaging 2.5% with a maximum of 5% for regular employees
- **\$4.4M** for \$500 one-time salary supplements
- **\$1.4M** for reclassifications & other position adjustments

\$14.9M baseline benefits

- **\$6.8M** for an expected 12% increase in medical premiums
- **\$4.6M** to annualize salary and benefits & account for lower vacancy rates
- **\$3.5M** for 0.75% increase for regular & 1.0% increase for LEO Local Government Employee Retirement System (LGERS) county contribution

County Dollars for Sustaining Operations

Non-salary increases required to support current operations

\$12M
County
Dollars

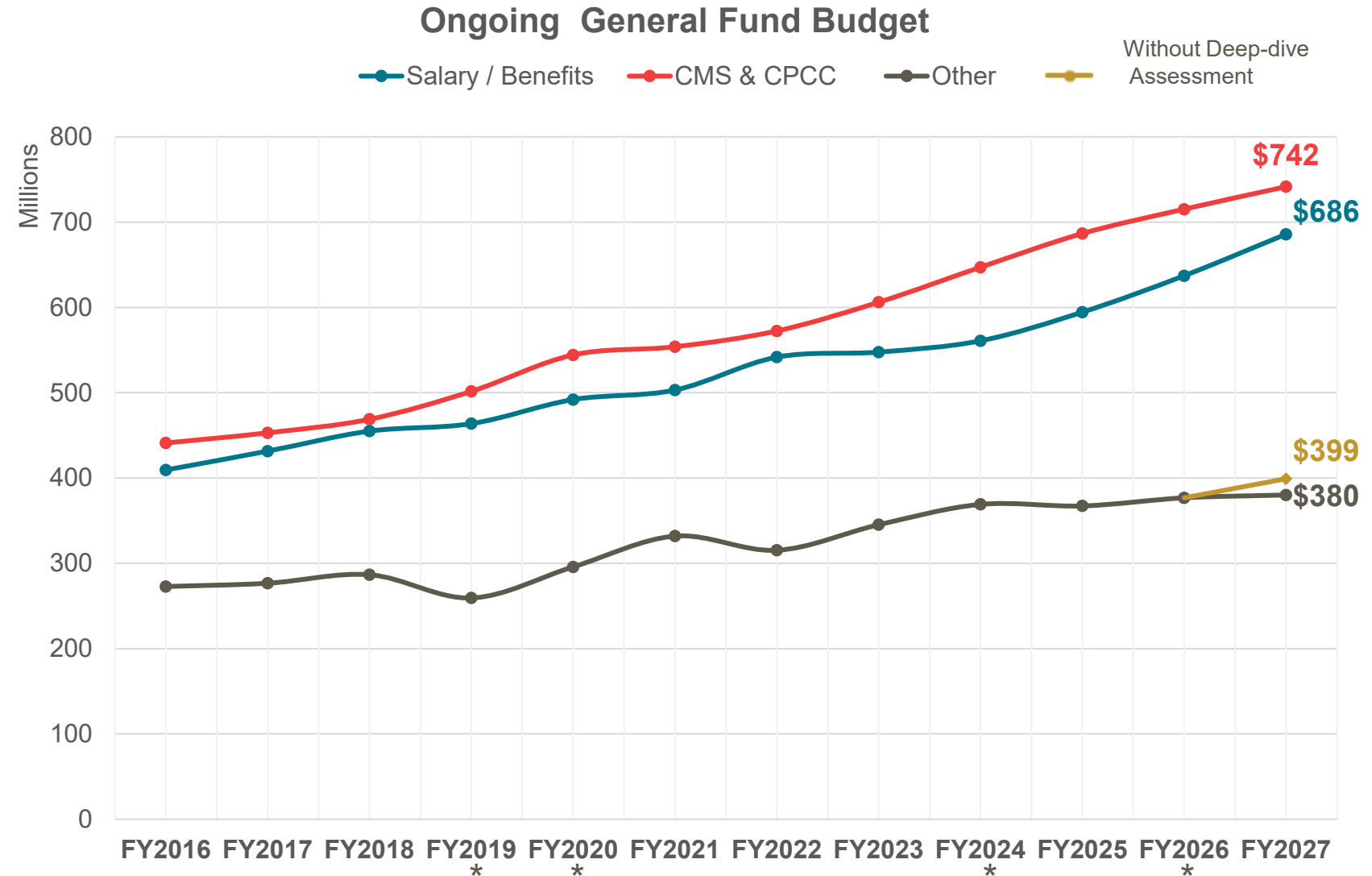
- **\$5.3M** Jail operations, including facility cost, medical, & offsite juvenile housing
- **\$1.8M** Maintenance, utilities, security & fuel for County facilities and equipment
- **\$2.9M** Software & data management for existing systems
- **\$573K** Part time, overtime, and shift differential required to support current operations
- **\$451K** Contractual increases for Naturally Occurring Affordable Housing rental subsidies and administration
- **\$672K** Other contractual increases

Ongoing General Fund Trends

Total General Fund expenses excluding one-time allocations

Excluding one-time funding:

- Operating for CMS & CPCC increased by **4%**
- Salaries & benefits increased by **8%**
- All other expenses by **1%**
 - Without the deep-dive budget analysis, other ongoing expenses would have grown by **6%**



* General Fund Tax Rate Increases

Enhancements & New Facilities



The Manager's Budget invests in enhancements & new facilities that strengthen the ecosystem of services supporting County residents



Housing

\$9.7M Total | \$1.5M County



\$4.3M

(\$4.2M one-time)

Continue the Critical Home Repair program, expanded to include emergency repair & an additional critical home repair manager

\$3.5M

(one-time)

One-time funding to support HOMES grants for FY2027

\$1.2M

Street outreach and a senior housing initiative

\$624K

(one-time)

Continue reentry transitional housing

\$170K

Two positions to support the Housing & Community Development Department

Healthy & Thriving Community

\$7.4M Total | \$5.1M County



\$4.4M

(\$2M one-time)



Start-up & operations for a new Behavioral Health Facility-Based Crisis Center capable of serving 16 clients long-term & 12 short-term

\$1.7M



Support growing volume & complexity in child welfare cases (18 new positions)

\$528K

(\$264K one-time)



Continued funding for the 4 Community Support Services coordinated entry positions, & 2 intimate partner violence prevention clinicians

\$413K



Age-Friendly Mecklenburg initiatives and operating needs for services for adults

\$393K



Support growing demand in Youth and Family Services (2 new positions)



Jobs & Economy

\$4.1M Total | \$1.8M County



\$1.7M

(\$120K one-time)

Project BOAST (\$300K to support small businesses & 4 new Economic Development staff), & One-time funding to conduct a community scan for opportunities to support economic growth in underserved communities

\$200K

LaSalle Street site partner

\$1.7M (one-time)

Road-to-Hire expansion from 300 students in Title 1 schools to 1,400 by year-3

\$200K (one-time)

Year-Up United partnership to support Career Lab training and career advancement program

\$274K

(\$200K one-time)

JCSU Social Worker Pathways Program & Expansion of Gardhouse Internship Program

\$90K (one-time)

Impact Camp at JCSU providing 8–13-year-olds with hands-on exposure to skilled trade professions

Parks, Libraries, & Cultural

\$10.5M Total | \$4M County



\$6.3M

(\$6.2M one-time)



Additional \$6.2M in one-time funding for Park Capital Reinvestment, for a total of \$10.2M, & an additional project management position

\$2.4M



\$2.2M & 24 positions to operate the new Main Library, & \$170K for other library operating & a Security Manager

\$1.6M



Operating & 11 positions for new parks, amenities & open space, including Eastland Park, Latta Place, and others

\$115K

(\$100K one-time)



\$100K to support cultural enrichment events in the University City area, & increase for the ACC Football Championship

Safe & Prepared Community

\$9.6M Total | \$3.3M County



\$8.9M

(\$6.2M one-time)



Additional operating funding from the County to increase supplements for first responders based on study findings, \$2.3M to replace 9 ambulances and 2 supervisor vehicles (funding will be repurposed for EMS needs in the future), & \$6.2M for 5 new ambulances, technology, & other capital

\$422K

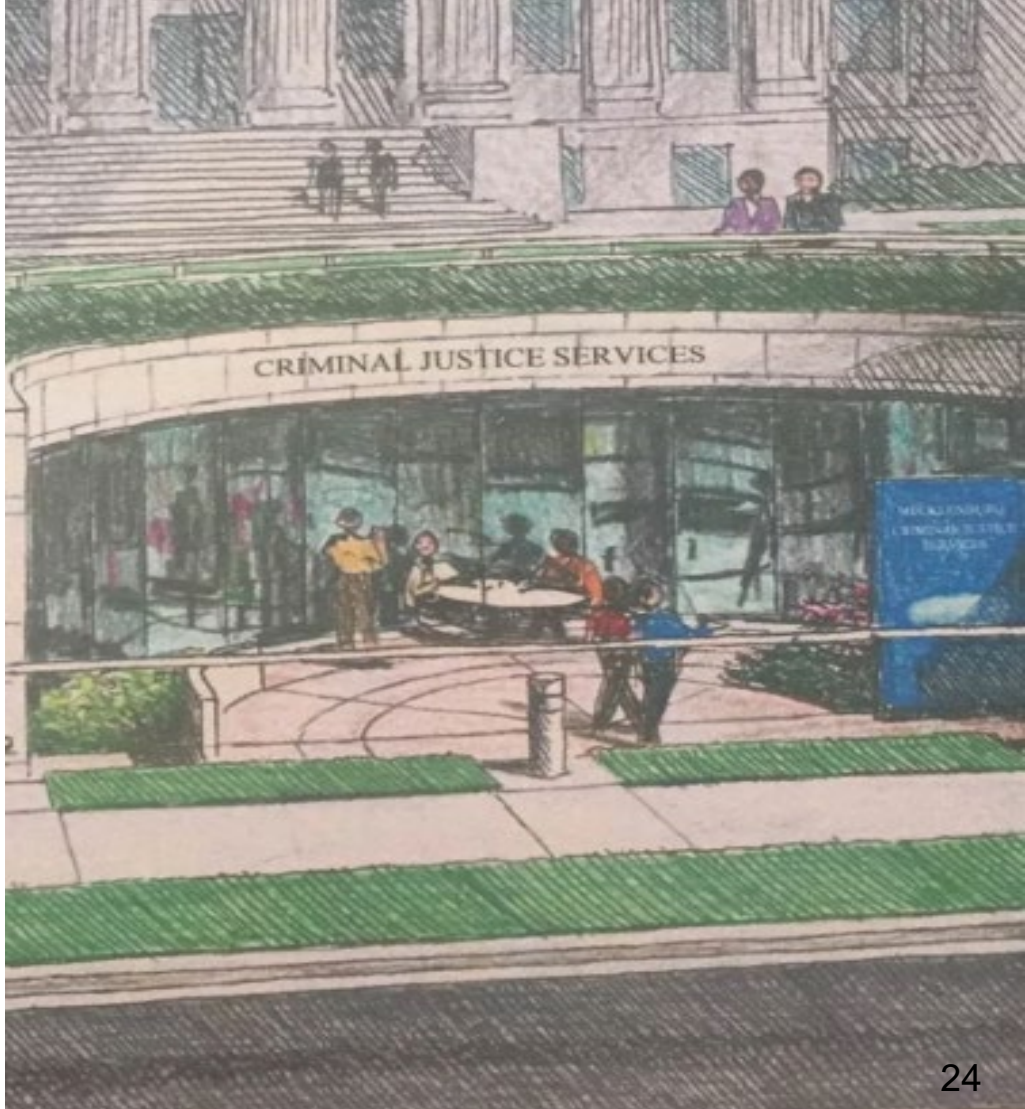


4 Pretrial Release & 2 Reentry Positions to better meet the needs of clients and Court Officials

\$333K



4 positions and operating costs to continue providing safe and reliable elections



Enhancements & New Facilities

\$41.3M
Total

\$15.7M
County
Dollars

Housing
\$9.7M

Healthy & Thriving Community
\$7.4M

Safe & Prepared Community
\$9.6M

Jobs & Economy
\$4.1M



Parks, Libraries, & Cultural
\$10.5M

Board Priorities

- **\$1.6B (63%)** in total funding is aligned to the Board's Budget Priorities
- **\$64.9M** in new funding, with \$27.7M from fund balance or non-county revenue sources
- **\$37.2M** in County Dollars mostly for CMS, CPCC, & health equity & wellness

| Board Priority | FY2027 Recommended Total Funding | New Funding | New County Dollars |
|---------------------------|----------------------------------|---------------------|---------------------|
| Education | \$1,021,019,329 | \$33,819,081 | \$27,519,081 |
| Health Equity & Wellness | 286,791,106 | 13,939,583 | 5,387,154 |
| Environmental Stewardship | 173,069,155 | 6,667,742 | 238,109 |
| Workforce Development | 97,329,082 | 5,317,120 | 3,250,453 |
| Services for Seniors | 40,945,567 | 4,946,738 | 782,238 |
| Economic Development | 10,535,279 | 235,400 | 15,000 |
| Total | \$1,629,689,518 | \$64,925,664 | \$37,192,035 |

Fund Balance Allocations

Recommended Use of One-time Fund Balance \$95M

Land Acquisition - \$30M

Capital Repair - \$16.8M

Includes \$7.8M for CMS & CPCC (\$39M total), \$6.2M for Park & Recreation (\$10M total), & \$244K for capital reserve (\$15M in projects total with existing funds).

Grants & Partnerships- \$16.5M

Includes \$4.7M for Community Service Grants, \$4.2M for Critical Home Repair, \$3.5M for HOMES grants, \$1.8M to continue Unite Charlotte, \$1.7M to expand Road to Hire, \$300K for Vision to Learn, \$200K for Year-up United, & \$90K for the Impact Camp.

Technology- \$12.3M

Includes \$6M for CMS to provide student devices, \$4.7M for technology reserve and one-time costs, & \$1.5M for Medic software and technology.

One-time Strategies, Pilots & Start-ups- \$10.8M

Includes \$4.4M for one-time salary supplements, \$2M Facility Based Crisis Center Startup, \$2M to explore options in HIV outreach, \$1M revaluation reserve, \$700K for Commissioner contingency, & \$541K for other one-time strategies.

Fleet & Equipment \$4.4M

Includes \$2.5M for 5 new ambulances & \$1.9M for County vehicle replacements, & other equipment.

One-year extension - \$3.7M

Includes \$2.2M for Paramedics Pathways recruiting program, \$651K to support the Roof Above Giles Center for one year, \$624K to the continue reentry housing program & \$264K for CSS intimate partner violence clinical service team.

FY2027 Recommended Budget Key Takeaways

Total Funding:
\$2,588,737,280

County Dollars:
\$1,948,031,356

Allocated General
Fund Balance:
\$94,501,784

Property Tax Rate:
49.27¢
/ \$100 of Value

- **No change in the tax rate** despite growing costs and loss of federal revenue
- Provides a minimum livable wage of **\$25.53/hr.** for full-time County employees
- Fully funds CMS with **\$25M** in County funding for operating, a total of **\$691M**
- Includes **\$2.7M** ongoing funding to support Medic based on preliminary study findings
- Adds **24** positions & operating funding for the new Main Library
- Allocates a total of **\$10.2M** for Park Capital Reinvestments
- Includes **(\$38M)** in offsetting adjustments based on a deep-dive budget assessment without layoffs or impacts on services
- Begins to address growing expenditures
- Aligns investments to the County's new Balanced Scorecard
- Makes critical investments in housing, health, job growth, parks, libraries, cultural events, and safety

Next Steps

| Date | Time & Location | Meeting |
|--------|--|---|
| May 20 | 2:30PM – 5:00PM Valerie C. Woodard Center | Budget Workshop – Detailed Overview of the Manager’s Recommended Budget |
| May 21 | 6:00PM Chamber | Budget Public Hearing |
| May 28 | 9:00AM – 5:00PM Valerie C. Woodard Center | Budget Straw Votes |
| June 2 | 6:00PM Chamber | FY2027 Budget Adoption |

Additional Information

- Budget Documents & Information [Budget.MeckNC.gov](https://budget.mecknc.gov)
- Follow us on Facebook & X
- Register to speak at the budget public hearing
 - Online <https://mecknc.seamlessdocs.com/f/zh9ht5d16i8x>
 - Call 980-314-2912
 - Email at Clerk@mecknc.gov

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