

Meeting Minutes
May 18, 2023

MINUTES OF MECKLENBURG COUNTY, NORTH CAROLINA
BOARD OF COUNTY COMMISSIONERS

The Board of Commissioners of Mecklenburg County, North Carolina, met in Special Meeting Session for the Manager's Recommended FY24 Budget Presentation in the Meeting Chamber of the Charlotte-Mecklenburg Government Center, located at 600 East Fourth Street, Charlotte, North Carolina at 11: 00 a.m. on Thursday, May 18, 2023.

ATTENDANCE

Present: Chair George Dunlap, Vice Chair Elaine Powell,
and Commissioners Leigh Altman, Patricia "Pat" Cotham,
Arthur Griffin, Mark Jerrell, Vilma D. Leake, Laura J Meier,
and Susan Rodriguez- McDowell
County Manager Dena R. Diorio
County Attorney Tyrone C. Wade
Clerk to the Board Kristine M. Smith
Deputy Clerk to the Board Arlissa Eason

Absent: None

CALL TO ORDER

The meeting was called to order by Chair Dunlap, followed by introductions and the Pledge of Allegiance to the Flag.

The purpose of the meeting was to receive the County Manager's Recommended Budget for FY2023-2024.

**23 – 0340 PRESENTATION OF THE COUNTY MANAGER'S RECOMMENDED BUDGET FOR
FY 2023-2024**

County Manager Dena Diorio presented the following:



MECKLENBURG COUNTY

County Manager's Office

Fiscal Year 2023 Recommended Budget Transmittal Letter

Mecklenburg Board of County Commissioners and

Residents of Mecklenburg County:

Good morning, Chairman Dunlap, County Commissioners, County employees and guests. As I have said for the past ten years, I am proud to serve as your County Manager and present my Recommended Budget to you and the community.

My remarks will serve as an overview and highlight the most important investments and initiatives included in my Recommended Budget. Following my remarks, Adrian Cox, Management & Budget Director, will present a more detailed summary.

Mecklenburg County is strong – strong in spirit, strong in resources, and strong in our conviction to serve those who LIVE, LEARN, WORK and RECREATE here.

This year's budget has had more community input than any in recent history. The feedback of residents, advisory boards, multiple stakeholder groups, the non-profit sector, business leaders, faith leaders, and the priorities of the Board of County Commissioners is reflected throughout the Fiscal Year 2023 Recommended Budget.

At the Board's budget retreat in January, you confirmed the following priorities for Fiscal Year 2023:

1. Affordable Housing
2. Reducing Educational Attainment Gaps
3. Environmental Leadership
4. Meck Pre-K
5. Workforce Development

During the retreat, you also reaffirmed your commitment to Reducing Racial Disparities as a cross-cutting factor. This priority focuses on creating programs, strategies and initiatives designed to address racial inequalities in the programs and services we provide.

These priorities are the foundation on which this Recommended Budget was built. The Recommended Budget also supports the Covid-19 Strategic Recovery Plan which aligns with the Board's priorities and includes Behavioral Health & Health Equity, and Childcare & Early Childhood Development.

RECOMMENDED BUDGET

For Fiscal Year 2023, I am recommending a total of \$59.5 million in new funding for the Board's priorities. Earlier this year, the Board appropriated \$59.3 million of our American Rescue Plan Act (ARPA) funding to support these priorities. When combined, this totals to \$119 million in funding targeted to support these key areas.

ECONOMIC UPDATE

My Fiscal Year 2023 Recommended Budget reflects the careful consideration of economic influences and projections.

Over the last two years, we have seen significant economic growth. Next year, economists expect this economic growth to slow. We have the highest rates of inflation in a generation which impacts the cost of living for residents as well as the cost of services that the County provides. Volatility in the labor market has created greater challenges to recruit and retain the best talent. Supply chains continue to be disrupted. And, the War in Ukraine is having economic impacts throughout the world. As such, my Recommended Budget anticipates moderate revenue growth for next year. While I am optimistic about next year, I am more certain than ever that the County must remain committed to maintaining our strategy of fiscal discipline that has served us so well for over 15 years.

For Fiscal Year 2023, assessed valuation is expected to total \$200.8 billion, an increase of \$5.1 billion or 2.6%. Maintaining the current year property tax rate of 61.69 cents per \$100 of assessed valuation, will generate an increase in General Fund property taxes of \$26.8 million. Sales tax is also estimated to grow in Fiscal Year 2023. General Fund sales tax for Fiscal Year 2023 is estimated to increase by \$30.8 million over the Fiscal Year 2022 budget, for a total of \$258 million. However, that reflects an increase of only 1.2% over the projected actual for the current fiscal year.

In Fiscal Year 2021, at the onset of the pandemic, we set aside \$19 million from the County's fund balance to support ongoing operating expenses and prepare for a projected 4% decrease in sales tax revenue. The anticipated revenue shortfalls did not occur. These funds were not required in Fiscal Year 2021 and will not be necessary for the current year. Consistent with our commitment to maintain fiscal discipline, as well as adhere to our Fund Balance Policy, my Recommended Budget does not include the use of fund balance to fund ongoing operating expenses.

So, my Fiscal Year 2023 Recommended Operating Budget totals \$2.1 billion, an increase of \$111 million or 6% over Fiscal Year 2022. The net discretionary County Dollars are estimated to increase by \$53 million or 4.2%. As I stated earlier, the property tax rate of 61.69 cents per \$100 of assessed valuation will remain the same.

RECOMMENDED BUDGET

My Recommended Budget for Fiscal Year 2023 achieves four broad goals:

- Funds programs and services that align with the Board's stated priorities
- Makes prudent decisions to protect the County's financial strength now and for the future
- Strengthens Mecklenburg County through investments that build resiliency in the community
- Leverages the American Rescue Plan Act (ARPA) for long-term investments

PARTICIPATORY BUDGETING

New this year was the introduction of Participatory Budgeting (PB) into the budget process. The Fiscal Year 2023 Recommended Budget includes \$3M dedicated to projects recommended directly by residents. This pilot experience began in Fiscal Year 2022 and allows community members in each of the six County Commission districts to identify, discuss, and prioritize projects to be funded and implemented by the County. The community has identified 61 projects. Voting has begun and the top projects for each district will be advanced in Fiscal Year 2023.

NEW OPENINGS

Fiscal Year 2023 will bring the opening of three new major facilities:

- The new Northern Regional Recreation Center will open this summer
- The new Northeast Community Resource Center (CRC) will open in Spring of 2023
- The new Steele Creek Full-Service Center – will open later in 2023 and will provide residents of southwestern Mecklenburg County a facility from which to purchase compost or mulch, where they can recycle materials and dispose of bulky items and yard waste

BOARD PRIORITIES

I will now highlight key funding recommendations according to each Board priority.

AFFORDABLE HOUSING

Under the priority of Affordable Housing, the County has created a niche for itself by evaluating new housing opportunities that serve our lowest income residents and that add capacity in creative ways. As market conditions increase housing costs, we will continue to see an increase in the number of people needing affordable housing.

For Fiscal Year 2023, I recommend investing a total of \$12.7 million for Affordable Housing which includes:

- \$3.1 million for the Billingsley Road mixed-income development
- \$2.5 million for critical home repair
- \$2.5 million for supportive housing contracts
- \$3 million for rental subsidies
- \$300,000 to expand current housing programs for justice involved persons
- \$500,000 to continue our research and develop strategies to address the impacts of corporate-owned housing in Mecklenburg County
- \$778,000 to the United Way of Central Carolinas to serve as the quarterback agency for the implementation of "A Home For All: Charlotte-Mecklenburg's Strategy To End & Prevent Homelessness". This is a best-practice informed, data-driven framework that has been wrapped in our local context. A Home For All's vision is that homelessness in Charlotte-Mecklenburg is rare, brief, and non-recurring, and every person has access to permanent, affordable housing with the resources to sustain it.

This \$778,000 is for start-up costs including staff, consulting services, and marketing and communication resources necessary to advance the strategies outlined in the plan.

This appropriation includes \$3 million in reoccurring funding that begin in Fiscal Year 2022 and is in addition to the \$8 million in ARPA funds recently appropriated by the Board. Those dollars will fund land acquisition to prevent displacement, affordable housing supports and lead pipe replacement.

REDUCING EDUCATIONAL ATTAINMENT GAPS

Next is the priority area of Reducing Educational Attainment Gaps. New funding for this priority totals \$7.4 million and includes:

- \$4.2 million for new initiatives proposed by CMS including early learners support, early college high school and personalized academic command of English global academy
- \$3 million for the Carolinas Aviation Museum which will build a new state of the art facility that will focus heavily on STEM education
- \$250,000 for Out Teach to provide outdoor learning labs at Title I schools.

This amount is in addition to the \$4.8 million in ARPA funds that will focus on afterschool programming, home visiting programs, tutoring and school-based health programs.

ENVIRONMENTAL LEADERSHIP

The Board priority of Environmental Leadership has been on full display this year as the implementation of the Board's Environmental Leadership Policy and the accompanying Environmental Leadership Action Plan (ELAP) has been moving ahead and will continue to bloom even more so in Fiscal Year 2023. The Environmental Leadership Action Plan is the blueprint that guides us as we protect and expand green space; restore the natural environment; foster healthy environmental conditions for the benefit of residents and being a model of environmental stewardship within the region. The goal of the Environmental Leadership Action Plan is to achieve a net zero carbon footprint by 2035.

The Fiscal Year 2023 total budget includes a total of \$52 million in funding for Environmental Leadership. This includes:

- \$35 million for Land Acquisition
- \$7 million for deep energy retrofits
- \$3.2 million for stream restoration, flood mitigation, and cove protection
- \$2.7 million for on-site solar energy
- \$1.3 million for electric vehicle charging stations
- \$1 million for the acquisition of electric vehicles
- \$743,000 for invasive species control
- \$625,000 to install idle reduction technology on the MEDIC Fleet.
- \$161,000 for an additional Real Estate Coordinator position to assist with land acquisition

In addition to investments directly associated with the Environmental Leadership Action Plan, the Recommended Budget includes additional funding for Park & Recreation including:

- \$493,000 in to support 7 positions and operational support for the new parks and greenways opening during Fiscal Year 2023
- \$914,000 annualized funding to support the opening of Northern Regional Recreation Center which includes salaries, educational programming, and maintenance
- \$165,000 increase for contracted maintenance and mowing services
- \$162,000 for positions to maintain newly acquired property

These recommendations fulfill commitments to increase access to and expand green space and recreational amenities now and in the future, as well as respect and preserve our natural environment.

MECK PRE-K

Under the Board Priority, Meck Pre-K, the County is leading the way in implementing voluntary, universal public pre-k for all 4- year-old children. The Meck Pre-K program did an exceptional job of navigating the pandemic to meet the needs of children and families. As our community continues to normalize, we anticipate filling the classrooms to capacity and providing a nurturing learning experience for our students.

For Fiscal Year 2023, I am recommending over \$23 million for Meck Pre-K to maintain our current capacity of 105 classrooms, serving 1,890 children. However, additional funds have been added to increase the rates that the Meck Pre-K providers can be reimbursed which will help recruit and retain qualified lead and assistant teachers.

WORKFORCE DEVELOPMENT

The next priority is Workforce Development. The County is focused on identifying strategies that improve skills and training required for current jobs and the jobs of the future.

I have included \$1.5 million for this priority which will fund the following:

- Increasing funding for the partnership between LUESA and Autism After 18, which will add 2 Technician positions. This partnership has been evolving since 2018 and has employed individuals on the Autism spectrum within LUESA's Support Services and Solid Waste divisions
- Realigning \$100,000 to support employment services training for recipients of Food and Nutrition services. This training will increase employment skills and job opportunities for residents receiving SNAP benefits
- \$120,000 for the Office Economic Development's Business LaunchPad Program
- \$235,000 for "Road to Hire," IT career opportunities. This funding will support 3 new full-time positions for graduates of the "Road to Hire" program. For the first time, Mecklenburg County will be a participating employer in the program

I am also excited to share that Mecklenburg County's Unified Workforce Development program was recently awarded \$1 million dollars in Community Project Funding through a request by Congresswoman Alma Adams. Expanded services will include opportunities for paid vocational or on-the-job training, and supportive services such as transportation and housing assistance.

While Unified Workforce Development traditionally provides residents with multiple barriers to employment with individualized support and job retention services, these funds will allow the program to serve two additional populations:

- Graduating high school seniors who are foregoing college to enter the workforce or a vocational trade, and
- Underemployed or unemployed residents with limited access to training resources

In addition to the new funding, the Recommended Budget realigns \$1.1 million of existing funding to support three new programs:

- \$200,000 for The ROC which provides technical construction skills and job-readiness training, mentorships, paid apprenticeships, and permanent job placement for students attending high schools in under-served areas of Mecklenburg County
- \$364,000 for She Built This City to provide programming that sparks interest and builds pathways to lucrative careers in the skilled trades for women

RECOMMENDED BUDGET

- \$560,000 for the Urban League of Central Carolinas - Working Women, Thriving Families, Better Communities (WTB) Initiative. This program addresses disparities related to pay equity and provides opportunities for training and development to support economic mobility of women in Mecklenburg County

REDUCING RACIAL DISPARITIES

Reducing Racial Disparities is a cross-cutting factor that is a consideration across the decision-making framework.

These efforts show up in various sections of the budget. This includes improving access to healthy food, providing small business owners access to capital, and through Community Service Grants to organizations that provide critical social services to children and families.

The Fiscal Year 2023 Recommended Budget includes \$1.1 million to support racial equity.

- \$470,000 will support the expansion of primary care health services in partnership with StarMed and The Blessing Foundation.
- \$389,000 for the expansion of food security initiatives in the Public Health Department
- \$100,000 to fund the Our Smile Dental Collaborative in partnership with the Lake Norman Community Health Clinic
- \$84,000 to the Charlotte-Mecklenburg Library for bi-lingual premium pay to enhance services to non-English speaking customers

These investments are in addition to the \$15.9 million in ARPA funds approved by the Board of County Commissioners in March. Those funds will be invested in food delivery services, park improvements in underserved areas, summer camp scholarships for low-income children, and English as a second language and citizenship preparation.

STRATEGIC RECOVERY PLAN

As I mentioned earlier, in addition to Board priorities, this year's budget also aligns with the Covid-19 Strategic Recovery Plan and accentuates funding for behavioral health & health equity.

In March 2022, the *American Association of Pediatrics* released early data about the social and emotional impacts of the pandemic. Experts are still trying to determine the breadth and depth of these impacts, but we know that social disruption, isolation, increased stress, and reduced access to care have impacted children and families. To address this, funding for behavioral health supports is included in multiple department budgets as well as the ARPA appropriations.

Fiscal Year 2023 allocations in the Department of Social Services include:

- \$60,000 for SPARC Network psychoeducational virtual "drop-in" groups for middle and high school aged children
- \$80,000 for Teen Health Connection for Community Health Workers
- \$277,000 for Thompson Child & Family for wraparound support for teens and families
- \$154,000 for Mental Health America to provide free counseling to uninsured residents
- \$155,000 for ARJ to provide triage and assessment services at the Community Resource Center
- \$365,000 for Project 658 to provide bi-lingual behavioral health services
- \$518,000 for SYDKIMYL to serve 1000 students virtually for social and emotional learning support

That is a total commitment \$1.6 million for our award winning MeckHope program that began

during the pandemic with CARES funding and will now continue permanently.

In addition, I have included \$450,000 in annualized funding for the Behavioral Health Urgent Care Center which will open in 2023. This center will be a designated intervention and treatment location, where patients with urgent behavioral health needs will receive triage and assessment, crisis support and referrals to other services.

The Recommended Budget also includes \$1.5 million for crisis respite cottages. In partnership with Alliance Health, these cottages will provide temporary placements for youth in DSS custody that require an immediate therapeutic residential level of care.

The Recommended Budget for Fiscal Year 2023 also addresses the need to support services for our seniors.

- \$1.9 million increase for adult daycare rates to the national average of \$84 per day
- \$969,000 increase for in-home aide daily rates

In total, my budget includes a \$3.6 million in new funding for behavioral health, and of that, \$2.5 million will support programs that serve school-age children. The ARPA allocation made by the Board in March includes \$27 million in funding to support behavioral health services, and \$3.7 million of that went to programs supporting school-age children. Combined that is a total of \$6.2M going into the community to support the mental health needs of children.

EDUCATION

CENTRAL PIEDMONT COMMUNITY COLLEGE

Central Piedmont is a key community partner responsible for helping students achieve academic success. They are the most important institution we have for workforce development and creating career paths for students of all ages, backgrounds, and income levels. Central Piedmont serves over 50,000 students annually through its diverse array of program offerings. The Recommended Budget includes funding for Central Piedmont totaling \$46.9 million, an increase of \$3.5 million over Fiscal Year 2022. The funding invests primarily in facility maintenance and security.

CHARLOTTE-MECKLENBURG SCHOOLS

Another partner responsible for helping students achieve is Charlotte-Mecklenburg Schools. The district bears the responsibility of creating a stimulating learning environment that fosters academic growth, while helping students develop the skills necessary to graduate high school college and career ready.

Last year, my Recommended Budget reflected the Board's priority of reducing the education attainment gap by placing \$56 million in restricted contingency until CMS produced a strategic plan that demonstrated how it intended to improve student outcomes for all children.

We proceeded with the dispute resolution process that resulted in CMS improving transparency around school improvement plans and the implementation of multi-tiered systems of support, improved operational reporting in several areas, as well as on-going reporting of financial information to County staff.

Since that time, CMS has advanced implementation of student outcomes focused governance, made an important leadership change, and presented to the Board of County Commissioners its goals and guardrails for improving student outcomes.

In addition, I am pleased that our corporate community is providing, and CMS is accepting

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technical assistance and other supports to improve student outcomes and operational performance.

CMS's budget request of \$578.4 million reflects an increase of \$40.4 million or 7.5%. Funding the total increase would consume 76% of the total net growth revenue available for Fiscal Year 2023.

Having said that, my Recommended Budget for Fiscal Year 2023, includes an increase of \$19.9 million or 3.7%.

This recommended appropriation was derived based on funding the following items included in CMS's budget request:

- \$2.5 million to fund the local share of a 2.7% increase for teachers and other certified staff
- 3.9 million to fund a 2.5% increase to match the State's planned increase for principals and non-certified staff
- \$4.5 million for health insurance and retirement rate increases
- \$3.5 million to fund 30 new positions and maintenance at two new schools.
- \$400,000 for a new early college high school initiative
- \$1.1 million for the Personalized Academic Command of English Global Academy, also known as PACE
- \$2.7 million for English learner support
- \$5.5 million for growth in charter school enrollment
- \$2.3 million to fund a 5% increase to the local supplement for teachers. The total cost to fund the 5% increase is \$5.6M. However, CMS has identified \$3.3 million of this cost due to a reduction in State funding for 325 teaching positions because of declining enrollment.

According to the State Department of Public Instruction, the average teacher supplement at CMS is currently the highest in the State. This additional increase will continue keeping CMS teachers the highest paid in the State of North Carolina.

LIBRARY

The Charlotte Mecklenburg Library is one of America's leading urban public libraries, serving Mecklenburg County to create a community of readers and empower individuals with free access to information and ideas. Through physical locations, targeted outreach and digital content, the library delivers exceptional services and programs. This year, I am excited to report that we are opening a new branch library in an underserved area in our County. My Recommended Budget for Fiscal Year 2023 includes \$1.8 million for 18 new positions and operating costs for the new Pineville Library.

This effort has been an extraordinary partnership between the County, the Library, and the Town of Pineville, and we are thrilled to see this project come to fruition.

SHERIFF'S OFFICE

As we know, the Sheriff's Office has grappled with staffing shortages for some time. The State Department of Health and Human Services recently directed the Sheriff to reduce the jail population to maintain appropriate staffing ratios for the safety and security of both staff and residents. This has been accomplished in part by reducing the number of federal prisoners housed at the detention center.

My Recommended Budget assumes that the average daily number of federal prisoners will be

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reduced to 250 resulting in an annual revenue reduction of \$16.7 million.

The revenue reduction has been mitigated through a series of operating budget reductions including closure of the juvenile detention facility effective December 1st, 2022, freezing 90 vacant positions, and reducing other ancillary operating costs. Even with these reductions, the on-going cost to the County will be \$4.5 million annually.

In addition to realigning operations, my Recommended Budget for the Sheriff's Office includes:

- \$67,000 for the taser replacements
- \$211,000 for an increase in contractual facility maintenance
- \$252,000 in funding for software maintenance
- \$667,000 for an increase in shift differential from \$1 to \$2 per hour to improve recruitment and retention
- \$2.7 million to provide retention bonuses for those employees that work in the detention center which were announced earlier this year

I would like to thank Sheriff McFadden and his team for their collaboration and partnership working through this budget.

COURTS

The County is steadfast in its commitment to our court officials including the District Attorney, Public Defender, the Clerk of Court and Trial Court Administrator. While not a county responsibility, we recognize the need to provide justice swiftly and equitably in our County.

The pandemic and sustained closure of the courts had a significant impact on staffing, wait times and a sharp increase in the backlog of cases. To address some of these concerns, my Recommended Budget includes a total increase of \$884,000 to fund the annual contract with the AOC, provide 2 additional court assistants to reduce the backlog of cases, provide salaries for Assistant District Attorney's and Public Defenders that are comparable to State funded positions, and to continue to digitize paper files for the Public Defender's Office.

MEDIC

MEDIC employs nearly 600 employees across several divisions. We are fortunate to have a high-performing EMS system. MEDIC employees have performed above and beyond during the pandemic, and we need to compensate these individuals appropriately. As with other agencies, recruitment and retention of MEDIC employees continues to be a challenge. To address this, I am recommending the following:

- \$3.5 million in salary adjustments to increase the minimum wage of Emergency Medical Technicians to \$20 per hour, increase the minimum salary of Paramedics to \$25 per hour, and ensure that all other employees receive a 5% salary increase

In addition, my Recommended Budget includes:

- \$1 million for scheduled replacement of MEDIC's network technology
- \$637,000 for MEDIC liability and property insurance which includes vehicle operation, malpractice, cybersecurity, and theft coverage
- \$100,000 in additional ARPA funding for EMT recruitment bonuses

ARTS & CULTURE

It is important to enhance community though experiences including art and culture, entertainment, festivals, and events, and increasing access to arts, science, and history

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education. I recommend the following for these enriching cultural experiences:

- \$500,000 ongoing funding to support Charlotte SHOUT! This multi-week festival celebrates our community's creativity and innovation through art, music, food, and ideas
- \$250,000 in one-time funding for the upcoming Mint Museum's Picasso Exhibit

BUSINESS OPERATIONS

The County's internal services departments are the backbone of our organization. The Fiscal Year 2023 Recommended Budget provides increased funding for some internal services and balances effective business operations with a respectful, flexible, and innovative work culture.

HUMAN RESOURCES

For the Human Resources Department, I am recommending funding increases to improve our talent acquisition processes and benefits management, including:

- \$471,000 for 3 Recruiters and 2 Talent Acquisition Specialists to accelerate the rate at which we can recruit new talent to the organization
- \$275,000 to outsource the County's FMLA program to a third-party vendor
- \$324,000 in funding to improve background screenings, file storage, and recruiting strategies via LinkedIn

ASSET AND FACILITY MANAGEMENT

Asset & Facility Management maintains and operates our numerous County facilities. In recent years, the County has made significant investments in physical security at our facilities to ensure the safety of employees and customers. Fiscal Year 2023 is no different and the Recommended Budget includes:

- \$413,000 for contractual increases and annualized costs for security services throughout County facilities
- \$451,000 for security screening at the Valerie C. Woodard Center
- \$237,000 for security software upgrades and maintenance
- \$105,000 for additional mobile security patrols at County facilities
- \$61,000 for weapons screening at CCOB

In addition to security enhancements, my Recommended Budget includes \$147,000 for an additional construction project manager for capital projects and \$687,000 for fuel price adjustments.

INFORMATION TECHNOLOGY

Over the past two years, our Information Technology Services Department (ITS) transformed how County employees perform their daily tasks and are continuously looking at innovative methods to improve service quality, security, and overall efficiency of County services.

The increase to ITS for Fiscal Year 2023 is recommended at \$1.6 million. Highlights of this increase include:

- \$370,000 to support an estimated 12% increase in the annual cost of Microsoft 365 licenses for County employees
- \$350,000 for afterhours support and response for enterprise IT security incidents
- \$122,000 for one Identity & Access Administrator to manage the processes which ensure only approved individuals have access to sensitive IT data and systems

COUNTY EMPLOYEES

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Now, I would like to turn our attention to County employees. All these initiatives, programs, and accomplishments would not be possible without our dedicated team of County employees that serve our residents every single day.

There is well-known quote from President Theodore Roosevelt. He was speaking at a Labor Day event in 1903 when he said, "Far and away the best prize that life offers is the chance to work hard at work worth doing."

Our employees work hard -- very hard -- at "work worth doing." County employees serve the most vulnerable populations in our community, and they do so by respecting each person they serve. Our employees are creative and dedicated people who help families overcome economic barriers; restore and protect our natural resources; prevent the spread of disease; and care for people throughout the entire human experience, prenatal services through aging-in-place.

This year our employees have pivoted, zoomed, rallied, and most importantly powered through, and they did all those things because they care -- at times, sacrificing their own personal time, needs, or concerns -- all to help our community and do this "work worth doing."

Appreciating employees is not enough. The County must be a conscientious employer and take action to recognize and retain high-performing employees, attract new talent, and make business decisions that sustain our respected workforce.

Therefore, my Fiscal Year 2023 Recommended Budget includes the following:

- \$16.6 million for a 5% across the board salary increase for all full time and part-time employees
- \$11.3 million for one-time bonuses for employees that worked consistently throughout the pandemic
- \$3.5 million to increase the County's minimum wage to \$20 per hour
- \$200,000 to re-institute the Length of Service awards program to reward employees with milestone service year anniversaries
- Maintains health insurance premiums at Fiscal Year 2022 levels
- Expands the College Tuition Reimbursement Program from \$3,000 to \$5,250 for core degrees and from \$1,500 to \$2,625 for non-core degrees
- Renews emphasis on the WorkGreen employee environmental sustainability program which allows employees to earn time off awards
- Two Wellness Days for all County employees. The intent of this benefit is to nurture a psychologically healthy workplace, support employees' mental health, attract and retain an experienced and talented workforce, and increase productivity and creativity in the workplace

CLOSING

As I prepare to hand this presentation over to our Budget Director, I want to revisit my opening comments about the strength of our community. Our community is strong, and our county government is strong. My staff and I do not take that for granted and we take our responsibility seriously. Our goal is to never leave a person, or group behind. My Budget weaves that goal into EVERY recommendation.

As I wrap-up, I would like to thank all the many people who have contributed to the Fiscal Year 2023 Recommended Budget. This includes members of the Executive Team; Management and Budget Director Adrian Cox and the Office of Management & Budget; Monica Allen, Director of Strategic Planning and Evaluation and the Office of Strategic Planning & Evaluation; Chief Financial Officer David Boyd and the Department of Financial Services;

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Interim Human Resources Director Keisha Young and the Human Resources Department; Danny Diehl, Director of Public Information and the Public Information Department; and the entire Cabinet.

I continue to be humbled by the incredible group of talented people I have the privilege and honor of working with every day.

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FY2023 Recommended Budget Executive Summary

Mecklenburg County's Fiscal Year 2023 Recommended Budget totals \$2.13 billion, a \$111.3 million (5.5%) increase over the FY2022 Adopted Budget. The FY2023 Recommended Budget supports 5,824 full-time positions. Of the total budget, County dollars represent \$1.56 billion, a \$59.8 million (4.0%) increase over the FY2022 Adopted Budget. The Recommended Budget's tax rate remains at 61.69¢ per \$100 of valuation.

Mecklenburg County Tax Base

The ad valorem property tax is Mecklenburg County's largest source of revenue. The assessed value of property is subject to the property tax rate levied by the Board of County Commissioners (BOCC), per \$100 of value. The estimated assessed valuation for FY2023 is \$200.77 billion, a \$5.05 billion (2.6%) increase over FY2022.

Assessed Valuation			
(In Millions)	FY2021 Budgeted	FY2022 Budgeted	FY2023 Budgeted
Real Property	\$161,672.76	\$166,431.04	\$169,481.63
Personal Property	11,604.61	12,561.75	13,466.92
Vehicles	10,842.17	11,279.86	12,424.44
State Certifications	5,296.89	5,442.61	5,392.32
Total	\$189,416.44	\$195,715.26	\$200,765.31
Percent Change	3.30%	3.30%	2.60%
Net Yield of One Cent	\$18,752,228	\$19,375,811	\$19,925,957
Tax Rate	61.69¢	61.69¢	61.69¢
Collection Rate¹	99.00%	99.00%	99.25%

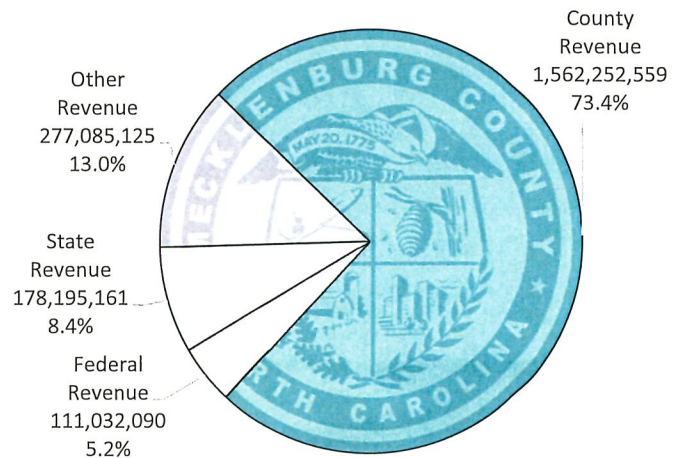
¹Collection rate is limited to prior year actual collection rate per statutory requirement.

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Revenue – Where the Money Comes From

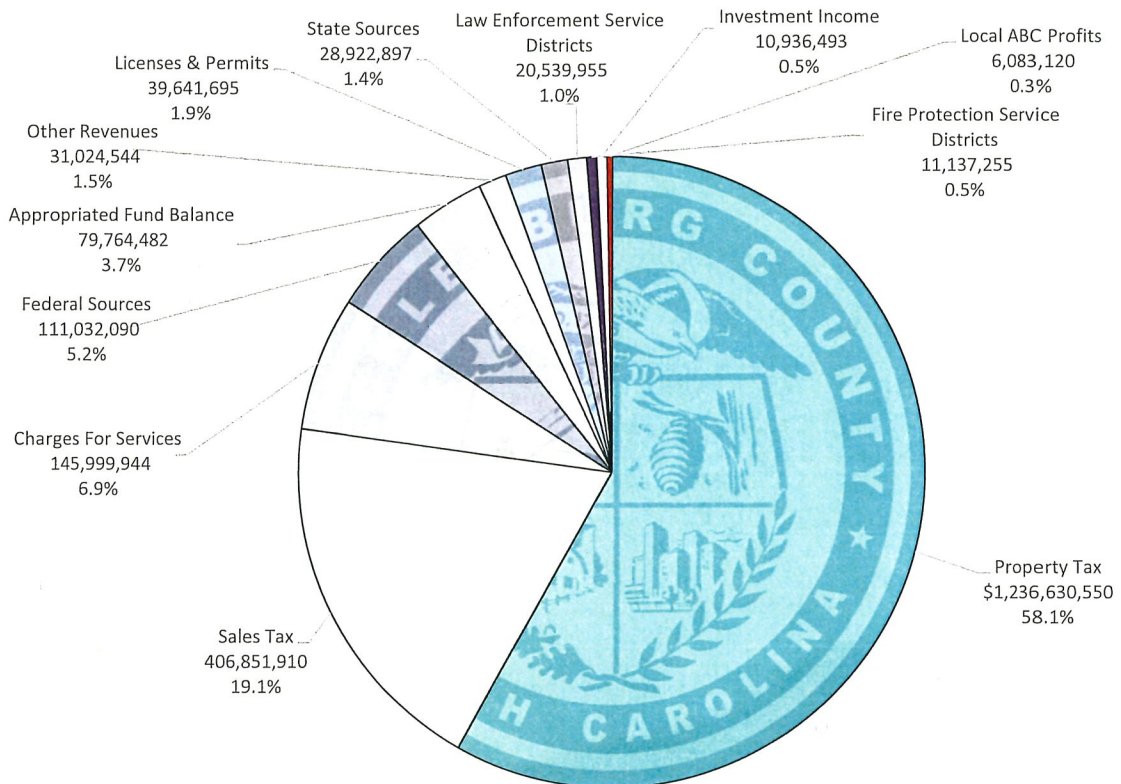
Total Revenue by Source

The budget includes both revenues and expenditures. Mecklenburg County defines total revenue as the sum of County, Federal, State, and Other Revenue. The Board of County Commissioners (BOCC) has discretionary control over County revenue and some sources of other Revenue, such as charges for services and appropriated fund balance. The BOCC does not have control over Federal and State revenues, which can only be used for specific purposes.



Total Revenue by Type

Property Tax makes up the largest portion (58.1%) of total revenue, which is projected at \$1.24 billion. Sales Tax revenue, which includes taxes on retail sales and leases of personal property, represents the second largest source of revenue, comprising 19.1% of all revenues.



RECOMMENDED BUDGET

Law Enforcement Service Districts

Mecklenburg County uses Law Enforcement Service Districts (LESD) to finance and provide law enforcement services to unincorporated areas of the County. On May 1, 2018, the BOCC approved a resolution converting what was formerly a single LESD district into six separate districts to provide law enforcement services within the Extra-Territorial Jurisdictions (ETJ) of Charlotte, Cornelius, Davidson, Huntersville, Mint Hill, and Pineville. The FY2023 recommended tax rates for the six LESD districts are shown in the table below:

LESD	Adopted FY2022 Tax Rate	FY2023 Recommended Tax Rate
Charlotte	17.81¢	17.81¢
Cornelius	22.90¢	22.90¢
Davidson	14.32¢	14.32¢
Huntersville	15.84¢	15.84¢
Mint Hill	15.58¢	15.58¢
Pineville	16.37¢	16.37¢

Fire Protection Service Districts

In FY2013, the County, under the authority of NCGS 153A-301, levied a Fire Protection Service District (FPSD) tax to pay for fire services in its unincorporated areas. The unincorporated areas are organized into five ETJs. The ETJs include geography outside the towns of Cornelius, Davidson, Huntersville, and Mint Hill, and the City of Charlotte. The FY2023 recommended tax rates range from 6.12 cents for the Cornelius ETJ to 10.15 cents for the Charlotte ETJ, as shown in the table below:

FPSD	Adopted FY2022 Tax Rate	FY2023 Recommended Tax Rate
Charlotte	8.00¢	10.15¢
Cornelius	6.12¢	6.12¢
Davidson	8.90¢	8.90¢
Huntersville	5.80¢	6.63¢
Mint Hill	7.50¢	7.50¢

RECOMMENDED BUDGET

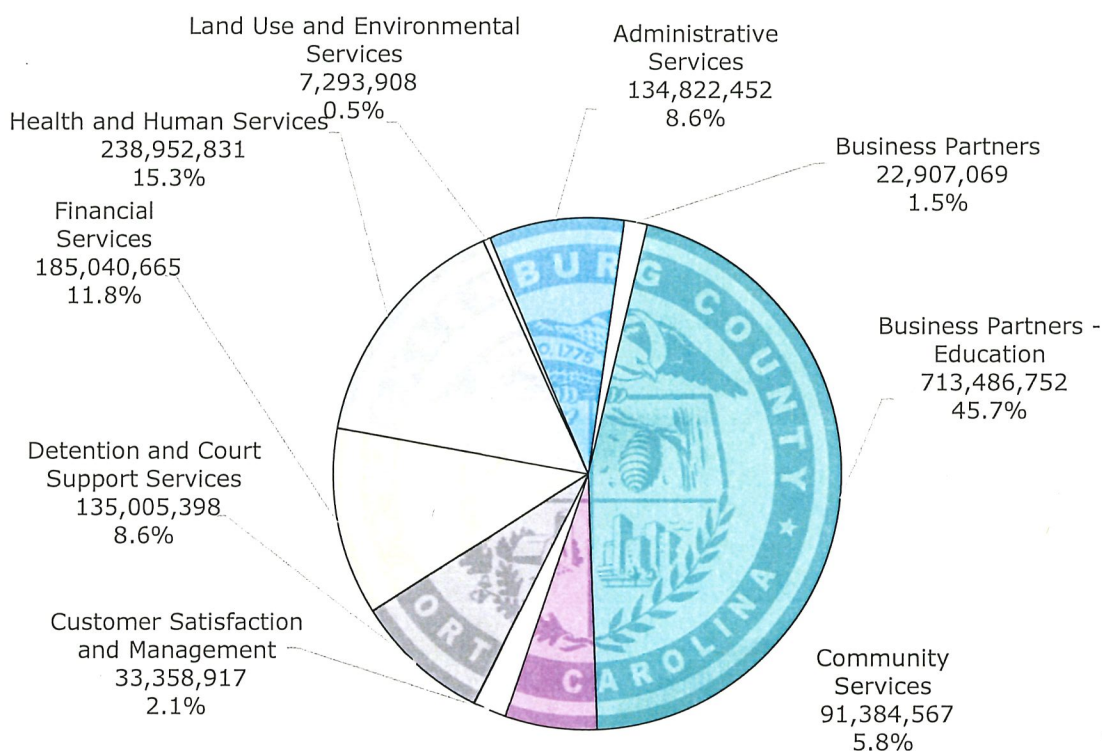
Expenditures – Where the Money Goes

Mecklenburg County categorizes expenditures as County Services, Education Services, and Debt Services. Total expenditures amount to \$2.13 billion in the FY2023 Recommended Budget, of which \$1.56 billion is County funded.

County Funding	FY2022 Adopted	FY2023 Recommended	Dollar Change	Percent Change
County Services	\$668,888,853	\$698,930,761	\$30,041,908	4.5%
Debt Service/PAYGO	251,488,732	258,694,678	10,611,729	4.2%
Education Services	582,090,218	604,627,120	19,131,119	3.3%
Total	\$1,502,467,803	\$1,562,252,559	\$59,784,756	4.0%

Mecklenburg County Expenses by Financial Category

Expenditures can be divided into nine financial categories. The following chart shows the County dollar expenditure allocations according to the nine financial categories. As shown, the largest funding recipients are the County's education business partners: Central Piedmont Community College (CPCC) & Charlotte-Mecklenburg Schools (CMS), who are recommended to receive 45.7% of County funding, or \$713.5 million.



*Business Partner Education includes debt service for CMS and CPCC

RECOMMENDED BUDGET

Debt Service Fund

Debt service is the annual budget appropriation for repayment of the County's outstanding debt for capital projects, such as government buildings, schools, parks, and libraries. In FY2012, the Board of County Commissioners (BOCC) supported a strategy to provide for capital projects using the Debt Service Fund. The model ensures debt service does not compete with other funding needs in the General Fund and provides a mechanism to determine debt capacity and generate fund balance.

The Debt Service Fund is used to provide a dedicated funding source for the County's principal and interest payments on debt, including debt service for Charlotte-Mecklenburg Schools (CMS) and Central Piedmont Community College (CPCC). The Debt Service Fund ensures compliance with recommended debt policies and ensures debt service is intentional and less likely to be a potential strain on the annual operating budget. A standard, structured method based on available funding capacity is used to manage debt issuance for capital projects. The Debt Service Fund is supported partially by sales taxes dedicated for school construction, State lottery proceeds, ABC profits, interest earnings, and other small miscellaneous sources. The largest source of revenue is property taxes. For FY2023, property taxes equivalent to 12.92 cents on the tax rate will provide most of the Debt Service Fund's revenue.

The recommended general debt service within the Debt Service Fund for FY2023 is \$27.7 million, a decrease of \$1.8 million (-6.1%). Debt service for CMS is projected to be \$158.2 million, a decrease of \$15.3 million (-8.8%). CPCC debt service is projected to be \$17.8 million, a decrease of \$1.4 million (-7.4%). Consistent with the funding model, the Debt Service Fund includes funding for Pay-as-you-Go projects in the amount of \$121.7 million, which represents an increase of \$17.6 million (16.9%). There is \$25.8 million for Preventative Maintenance, including \$3.8 million for Central Piedmont Community College, \$18 million for Charlotte-Mecklenburg Schools, and \$4.0 million for Park & Rec facilities. The recommended budget also includes \$41.4 million of appropriated Debt Service Fund Balance, including \$29.4 million for the Environment Leadership Action Plan, \$9.0 million to support the Capital Reserve, and \$3.0 million for the Carolinas Aviation Museum capital campaign.

Debt Service Fund			
	Debt Service Revenue	County Funding	Total Funding
CMS Debt Service	\$88,057,228	\$70,181,648	\$158,238,876
CPCC Debt Service	909,516	16,925,984	17,835,500
General Debt Service	3,609,583	24,100,522	27,710,105
Pay-as-you-Go Projects	0	121,734,524	121,734,524
Appropriated Fund Balance	41,400,000	0	41,400,000
Preventative Maintenance ¹	0	25,752,000	25,752,000
Total Debt Service Fund	\$133,976,327	\$258,694,678	\$392,671,005

¹ Formerly known as Deferred Maintenance

RECOMMENDED BUDGET

American Rescue Plan Act (ARPA)

The 2021 American Rescue Plan Act (ARPA) provided \$215.6 million to Mecklenburg County to help manage the public health challenges and negative economic impacts from COVID-19. Following prior decisions by the Board of County Commissioners (BOCC) to invest \$32.1 million of ARPA funds to meet community needs, the BOCC approved an additional \$59.4 million of these funds on March 15, 2022, to support investments aligned to the following critical services:

- Affordable Housing and Homelessness
- Behavioral Health and Health Equity
- Childcare and Early Childhood Development
- Workforce and Economic Development
- Parks, the Environment, and Infrastructure

The FY2023 recommended budget includes an additional \$13.2 million, including: \$11.4 million to support employee bonuses, \$1.5 million to support community based behavioral health cottages and the Community Transitions Recovery Program, \$301,000 to expand reentry housing options, and \$100,000 for EMT recruitment bonuses.

Preventative Maintenance

In FY2017, the BOCC approved a long-term strategy to support capital maintenance which was deferred during the Great Recession. From FY2017 to FY2022, this was known as Deferred Maintenance. All maintenance which was deferred during the Great Recession has now been completed. The County Manager is recommending to continue funding Preventative Maintenance.

The FY2023 Recommended Budget allocates funding as follows:

Preventative Maintenance	Annual Funding
Central Piedmont Community College	\$3,752,000
Charlotte Mecklenburg Schools ¹	22,960,000
Park and Recreation	4,000,000
Total	\$30,712,000

¹ Includes \$18 million Debt Service Fund and \$4.96 million General Fund.

Fund Balance

The Recommended Budget utilizes \$79.8 million of available Fund balance for one-time expenses, with \$41.4 million allocated from the Debt Service Fund and \$38.4 million from the General Fund. Debt Service Fund Balance is allocated as follows: \$28.4 million to the Environmental Leadership Action Plan (ELAP) in support of land acquisition, \$9.0 million to capital reserve, \$3.0 million for the Carolinas Aviation Museum's capital campaign, and \$1.0 million to ELAP to fund electric vehicles. Appropriated General Fund Balance includes \$8.1 million the Rental Subsidy Program Fund (RSPF), \$8.0 million for Other Post-Employment Benefit (OPEB) liability funding, \$7.0 million for technology reserve, \$3.0 million for participatory budgeting, \$2.7 million for retention bonuses within the Sheriff's Office, \$2.6 million for fleet reserve, \$2.4 million for the Jail-North transition, \$1.0 million for MEDIC capital purchases, and \$3.5 million in other expenses.

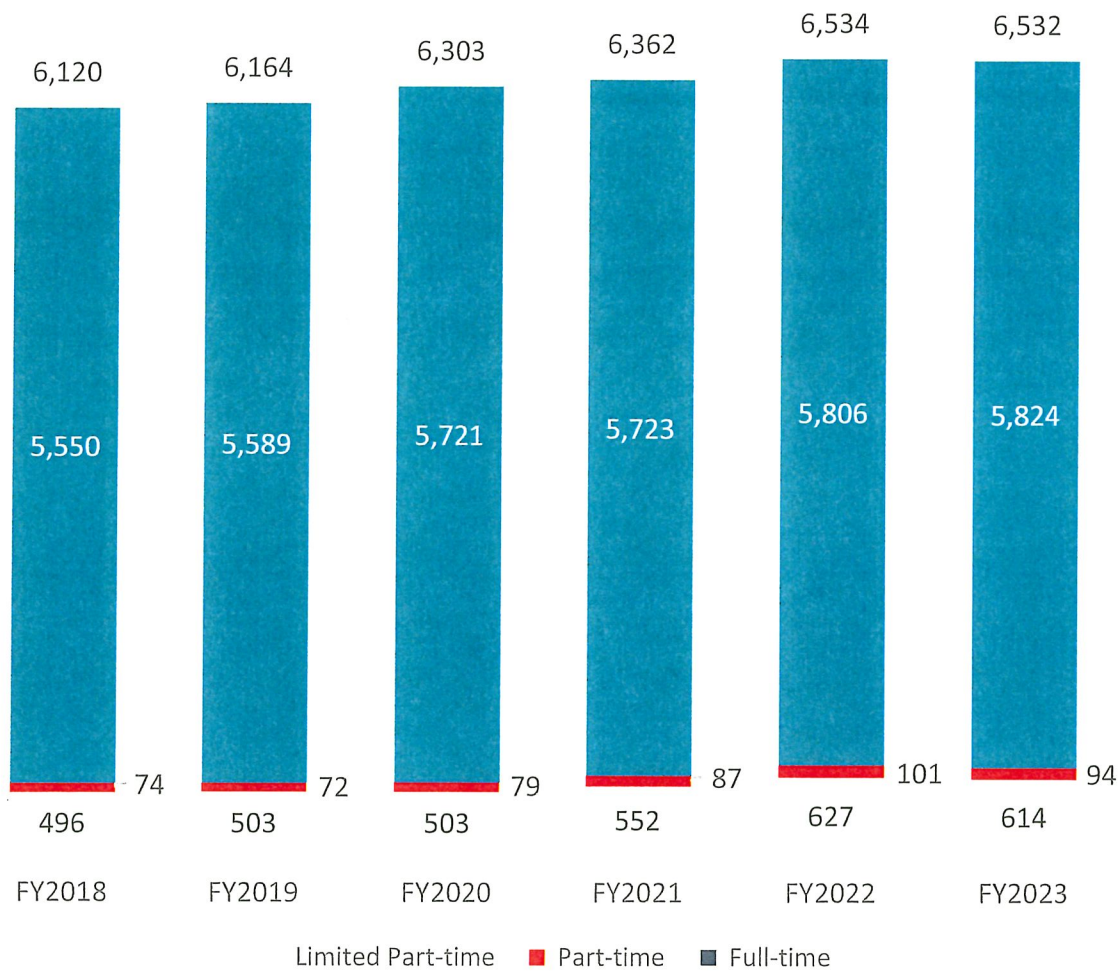
Refer to the *Expenditure Overview* section of this document for a detailed list of Fund balance allocations.

RECOMMENDED BUDGET

Organizational Changes

Budgeted Position

The FY2023 Recommended Budget includes a total of 6,532 total positions, including 614 Limited Part-Time (LPT) positions, 94 Regular Part-Time (PT) positions, and 5,824 Full-Time (FT) positions. Limited Part-time staff work less than 38 hours per two-week pay period, while Regular Part-time staff work between 38 and 60 hours per two-week pay period.



RECOMMENDED BUDGET

Education Services

The County provides funding to Charlotte-Mecklenburg Schools (CMS) and Central Piedmont Community College (CPCC) for both their operating needs and debt service costs associated with capital projects.

Charlotte-Mecklenburg Schools

The FY2023 Recommended Budget provides Charlotte-Mecklenburg Schools with \$558.0 million in operating funds, which is an increase of \$19.9 million (3.7%), and \$181.2 million in capital and debt funding, which is a decrease of \$15.2 million (-7.8%). This fiscal year's per-pupil allocation for operational costs is \$3,328, compared to \$3,183 in FY2022 based on CMS' estimate provided with FY2022 budget request.

The FY2023 total recommended budget for CMS is \$739.2 million.

OPERATING	FY2022 Adopted Budget	FY2023 Recommended Budget	Change	Percent Change
Current Expense	\$536,565,366	\$556,506,214	\$19,940,848	3.7%
Fines & Forfeitures	1,450,000	1,450,000	-	-
OPERATING TOTAL	\$538,015,366	\$557,956,214	\$19,940,848	3.7%
CMS Projected Enrollment	143,856	140,967	-2,889	-2.0%
Projected Charter Enrollment	25,146	26,709	1,563	6.2%
Combined Enrollment ¹	169,002	167,676	-1,326	-0.8%
Operating Cost Per-Pupil	\$3,183	\$3,328	\$145	4.6%

CAPITAL	FY2022 Adopted Budget	FY2023 Recommended Budget	Change	Percent Change
Preventative Maintenance	22,960,000	22,960,000	-	-
Debt Service	173,493,914	158,238,876	-15,255,038	-8.8%
CAPITAL TOTAL	\$196,453,914	\$181,198,876	(\$15,255,038)	-7.8%
CMS Total	\$734,469,280	\$739,155,090	\$4,685,810	0.6%

¹ Original enrollment estimates projected in CMS budget request. Charter enrollment reflects students who reside in Mecklenburg County.

RECOMMENDED BUDGET

Central Piedmont Community College

The FY2023 Recommended Budget provides CPCC with \$43.2 million in operating funds, which is an increase of \$2.6 million (6.4%). In addition to the debt service allocation of \$17.8 million, CPCC will receive \$3.8 million for Preventative Maintenance.

The total FY2023 total recommended budget for CPCC is \$64.7 million.

OPERATING (Total Funding)	FY2022 Adopted Budget	FY2023 Recommended Budget	Change	Percent Change
Current Expense	\$40,564,852	\$43,160,906	\$2,596,054	6.40%
OPERATING TOTAL	\$40,564,852	\$43,160,906	\$2,596,054	6.40%

CAPITAL	FY2022 Adopted Budget	FY2023 Recommended Budget	Change	Percent Change
Preventative Maintenance	\$2,800,000	\$3,752,000	\$952,000	34.00%
Debt Service	19,266,416	17,835,500	-1,430,916	-7.40%
CAPITAL TOTAL	\$22,066,416	\$21,587,500	(\$487,916)	-2.20%
CPCC Total	\$62,631,268	\$64,748,406	\$2,117,138	3.40%

RECOMMENDED BUDGET

Community Service Grants

The FY2023 Recommended Budget includes an appropriation of \$1.8 million for the Community Service Grants (CSG) program, which awards funding to non-profit organizations through a competitive application process. Programs that receive CSG funding for three consecutive fiscal years are 'sunset' and not eligible for funding. There are four programs sunset in FY2023, noted below.

The following table shows the adopted amounts for FY2022 and recommended amounts for FY2023.

Comparison of FY2022 – FY2023 CSG Funding

Community Service Grants	FY2022 Adopted	FY2023 Recommended
Ada Jenkins Center	\$30,000	\$30,000
ASPIRE Community Capital	90,000	0
Best Buddies International**	60,000	0
Camino Community Development	178,000	178,000
Care Ring**	75,000	0
Charlotte Rescue Mission	75,000	75,000
Common Wealth Charlotte**	50,000	0
Hope Haven	50,000	50,000
Jewish Family Services of Greater Charlotte	40,635	57,180
Lake Norman Community Health Clinic*	0	100,000
Mental Health America of Central Carolinas	180,113	180,000
Mind Body Baby*	0	55,000
My Brother's Keeper	50,000	0
Out Teach*	0	250,000
Prospera North Carolina	75,000	75,000
Rain, Inc.***	72,555	0
Special Olympics NC**	40,000	0
Time Out Youth Center	30,000	30,000
Young Black Leadership Alliance	150,000	150,000
Youth Advocate Programs, Inc.	600,000	600,000
Total	\$1,846,303	\$1,830,180

* New CSG recipients.

** Sunset programs in FY2023 Recommended Budget.

*** Sunset program in FY2023 and shifted to Public Health as a vendor in FY2023 Recommended Budget.

RECOMMENDED BUDGET

Sunset Provision

The sunset provision in the CSG program limits funding CSG recipients to three consecutive fiscal years. Once sunset, organizations can apply as a vendor with the County. Programs that are sunset without receiving vendor agreements are not eligible for funding as a grantee for a period of three fiscal years.

Vendor Contractual Agreements

As shown in the table below, the FY2023 Recommended Budget provided \$4.3 million for 21 non-profit organizations that previously received CSG funding to continue their contractual relationship as a vendor with the County.

Vendor Contractual Agreements

Comparison of FY2022 – FY2023 Funding

Sunset Vendor Contractual Agreement	FY2022 Adopted	FY2023 Recommended
100 Black Men of Charlotte	\$20,000	\$20,000
Ada Jenkins Families	25,000	25,000
Big Brothers Big Sisters (Mentoring 2.0)	25,000	25,000
Big Brothers Big Sisters (School Based Mentoring)	50,000	50,000
Camino Community Development Corp.	165,000	165,000
Care Ring (Nurse Family Partnership)	250,000	250,000
Care Ring (Physicians Reach Out)	250,000	250,000
Center for Community Transitions	175,000	175,000
Charlotte Community Health Clinic	270,919	270,919
Communities in Schools	900,000	900,000
Community Culinary School	80,000	80,000
CW Williams Community Health Clinic	390,000	390,000
Lake Norman Community Health Clinic	164,892	164,892
Latin American Coalition	50,000	50,000
NC MedAssist	550,000	550,000
RAIN, Inc (HIV Early Intervention)	0	72,555
Senior Activities & Services	95,000	95,000
Shelter Health Services	69,000	69,000
Studio 345	430,000	430,000
Urban League of Central Carolinas	50,000	50,000
Veterans Bridge Home	200,000	200,000
Total	\$4,129,811	\$4,282,366

RECOMMENDED BUDGET

Environmental Leadership Action Plan

The FY2023 Recommended Budget includes funding for the third year of the County's 2035 Environmental Leadership Action Plan. This plan, adopted by the Board of County Commissioners in FY2021, assists with the goal of moving the County towards a net-zero carbon footprint by 2035, and with protecting the County's natural resources for current and future residents.

The FY2023 Recommended Budget includes \$48.6M of investments in land acquisition for openspace protection, green energy updates for County facilities, and beginning to transition to electric vehicles and related infrastructure. The funding will also support three full-time positions supporting the plan.

Below is a detailed expense overview for FY2023 in the Environmental Leadership Action Plan. \$42 million will be funded through the operating budget, and \$6.6 million will be funded through the Capital Improvement Program.

Item	FY2023 Recommended
(1) ELAP Project Manager	56,811
Deep Energy Retrofit Projects	6,400,000
On-Site Solar	2,500,000
Pre-planning & Design Services - Deep Energy Retrofit	640,000
Facility Upgrades	\$9,796,811
Charging Stations for Electric Vehicles	1,290,000
Medic Idle Reduction technology	625,000
Purchase of Electric Vehicles	1,000,000
Fleet Transitions	\$2,915,000
Invasive Species Control	743,000
Land Acquisition - Capital Improvement Plan	6,600,000
Land Acquisition - Operating Budget	28,400,000
(2) Real Estate Coordinators for Land Acquisition	160,500
Openspace Protection	\$35,903,500
Total FY2023 Recommended Budget	\$48,615,311

¹ An additional \$3.2M will be added for stream restoration and pond cleanup as part of the total funding Storm Water Fund.

FY2023

Budget Roadmap



July

1 - Fiscal year begins

November

1 - Community Service Grants (CSG) Information Session and CSG Applications Open
15 - Resident Budget Priority Survey Begins

December

1 - Capital Reserve Submissions Begin
5 - CSG Application Deadline

January

9 - Resident Budget Priority Survey Ends
19 - First Budget Public Hearing
14 - Capital Reserve Submission Deadline
27-28 - Annual Board Retreat

February

4 - Budget Kick-Off
7-18 - Department Budget & Performance Meetings

March

7 - Agency Budget Request Deadline
17 - Manager's Cabinet Budget Retreat

May

10 - CMS Budget Request
19 - Manager's Recommended Budget Presentation
25 - Second Budget Public Hearing

June

15-16 - Board Straw Vote Sessions
22 - Adoption of the FY2023 Operating Budget
30 - Fiscal year ends

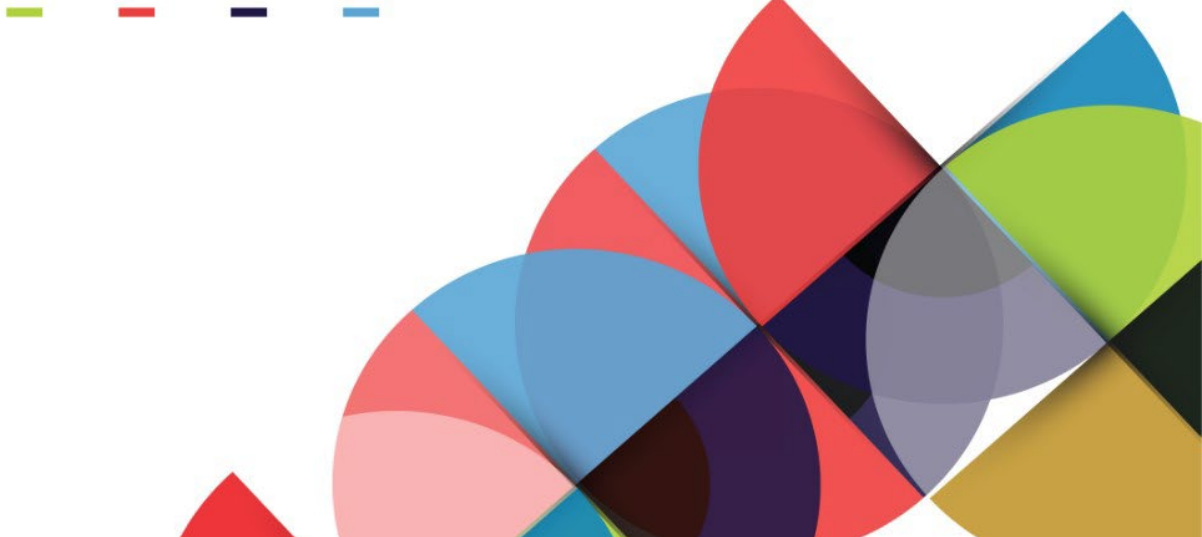


Meeting Minutes
May 18, 2023

County Manager Diorio thanked her Executive Team and staff for their contribution to the 2024 Recommended Budget.

Budget Director Adrian Cox gave a detailed overview of the County Manager's Recommended Budget

Fiscal Year 2024
RECOMMENDED BUDGET



Overview

- County Dollars & Investments
- Investments in Board Priorities
- Fund Balance Allocations
- Community Service Grants
- Education
- Tax Rate
- Takeaways & Next Steps

County Dollars & Investments

RECOMMENDED BUDGET



Assessed Value

Assessed Value (millions)	FY2023 Adopted	FY2024 Projected	Change	% Change
Real Property	\$169,482	248,273	\$78,791	46%
Personal Property	13,467	14,225	758	6%
Vehicles	12,424	13,119	695	6%
State Certifications	5,392	5,593	201	4%
Property Tax Base	\$200,765	\$281,210	\$80,445	40%
Value of 1¢	\$19,925,957	\$27,938,283	\$8,012,326	40%

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General Fund County Dollars

General Fund	FY2023 Adopted	FY2024 Projected	\$ Change	% Change
Property Tax	\$979,187,186	\$1,018,083,872	\$38,896,686	4%
Sales Tax	257,579,646	299,654,465	42,074,819	16%
Charges for Services ¹	35,820,352	26,168,387	(9,651,965)	(27%)
Other ²	18,940,593	20,403,911	1,463,318	8%
Interest on Investments ³	7,198,298	13,500,000	6,301,702	88%
ABC Profits	4,831,806	6,760,722	1,928,916	40%
County Dollar Revenue (Revenue Neutral)	\$1,303,557,881	\$1,384,571,357	\$81,013,476	6%
Tax Rate Increase 0.60¢ For General Fund			\$16,762,970	
Total Recommended County Dollar Revenue		\$1,401,334,327	\$97,776,446	8%

1: Charges for Service include revenues collected by the Register of Deeds for deed stamps and recording fees

2: Other revenue includes transient, vehicle, rental & heavy equipment tax, sell of marriage licenses, & license to sell beer

3: Interest on investments fluctuates based on portfolio management and interest rates







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Debt Service Fund - County Dollars

Debt Service Fund	FY2023 Adopted	FY2024 Projected	\$ Change	% Change
Property Tax	\$257,443,364	\$267,416,137	\$9,927,773	4%
ABC Profits	1,251,314	1,906,870	655,556	52%
County Dollar Revenue (Revenue Neutral)	\$258,694,678	\$269,323,007	\$10,628,329	4%
Tax Rate Increase 1.00¢ For Debt Service Fund			\$27,938,283	
Total Recommended County Dollar Revenue		\$297,261,290	\$38,566,612	15%

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Investing in People

Investment		County Dollar
	Salary increases for Teachers, Principals, and other CMS employees	\$29,132,573
	Health insurance increase for locally funded CMS employees	1,458,988
	Three percent (3%) salary increase for County employees & performance based pay averaging two and a half percent (2.5%)	20,855,025
	County employee compression and salary annualization	7,790,184
	Local Government Retirement System Rate increase of .75%	2,830,000
	Medic employee compression and salary annualization	2,105,231
	Performance pay adjustments for Medic employees averaging five percent (5%)	1,539,497
	Salary Adjustments for Public Health Nurses	1,000,000
	Salary increases and annualization for County funded Central Piedmont employees	862,304
	Funding to provide recruitment flexibility for Public Defenders, District Attorneys, and other Court positions	500,000
	Employee Recruitment and Retention- recognitions, advertising, recruitment, and internships	485,123
	Law Enforcement Separation	139,000
Total County Dollar Investment		\$68,697,925

 CMS  CPCC  MEDIC  COURTS

7


Investing in Facilities & Security

	Investment	County Dollar
	Increased funding for Debt Service and Pay-as-you-go capital parks, schools, and government facilities. Includes \$28M of additional funding from one cent tax increase.	\$38,566,612
	Rent, utility, maintenance, and security rate increases at County facilities	3,960,136
	Maintenance and operations and staff for new schools	1,553,610
	Additional Security at Libraries, Parks, and Public Health Sites	1,210,800
	Facility maintenance cost and security increase for Central Piedmont	1,222,731
	Additional space for expanded Health & Human Services staff	810,000
	Weapon Screening at the Scarborough Community Resource Center	625,000
	Operation and maintenance of new parks and land	623,961
	Park maintenance contract Increases	400,000
	Latta Place reopening	128,076
Total County Dollar Investments		\$49,100,926

 CMS  CPCC  MEDIC  COURTS

8

Increasing Cost for Contracted Services & Systems

	Investment	County Dollar
	Increase in local funding for Charter School Enrollment	\$6,814,464
	Enterprise Technology Systems & Contractual Increases	1,944,143
	Health and Human Services Contracts	808,527
	Out of County Juvenile Housing Cost Increase	773,750
	Increasing Costs for Senior Nutrition, Congregate Meals, and Mobile Market operations	716,062
	Increase in legal fees and advertising	281,592
Total County Dollar Investments		\$11,338,538

 CMS  CPCC  MEDIC  COURTS

9

Board Priorities

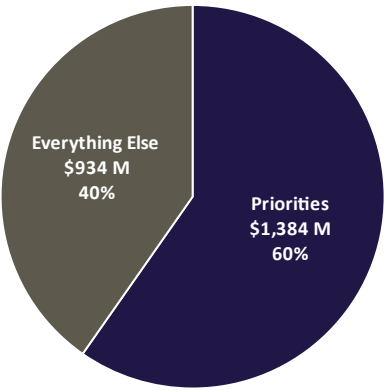
RECOMMENDED BUDGET



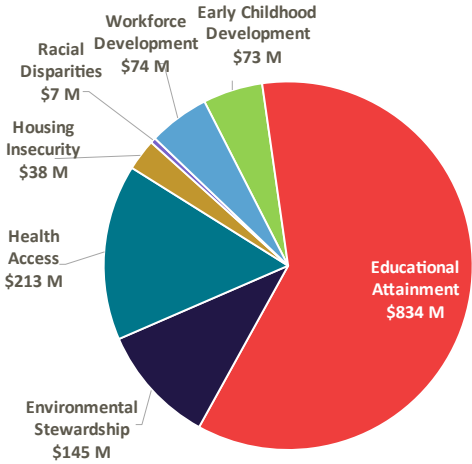
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Total Funding for Board Priorities

Total Funding



Funding Board Priorities



2024 Funding

Early Childhood Development	\$956 K
Educational Attainment	\$41.3 M
Environmental Stewardship	\$40 M
Health Access	\$28.8 M
Housing Insecurity	\$24.7 M
Racial Disparities	\$3.9 M
Workforce Development	\$4.1 M
Total	\$144 M

Reducing racial disparities is a cross-cutting priority factored in the other Board Priorities

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Early Childhood Development: Expand services that promote healthy early childhood development and education from ages birth to five.

\$956K

- **\$492K** Five (5) full-time and one (1) parttime positions for Women, Infants, & Children (WIC) program
- **\$200K** Prenatal to three study and implementation consulting
- **\$154K** One (1) Project Manager to implement prenatal to three programs
- **\$60K** Reclassification to create one (1) child development services Audiologist
- **\$50K** Library early childhood literacy programming

12

Educational Attainment: Align allocations to strategies and targets with proven results to improve college and career readiness outcomes for all students.

\$41M

- **\$39M** Funding to support Charlotte Mecklenburg County Schools
- **\$1.7M** One-time funding for library collections
- **\$213K** Library rental increase
- **\$146K** One (1) Library Business Analyst, and one (1) Human Resource Coordinator
- **\$109K** General Library programming
- **\$175K** Three (3) new Community Service Grants: Carolina Youth Coalition Torch Fellows Program (\$100K), MeckED Career Pathways (\$50K), & The Echo Foundation (\$25K)

13

Environmental Stewardship: Preserve and protect the County's environmental resources.

\$40M

- **\$30M** One-time funding for land acquisition
- **\$5M** Fee funded Solid Waste operating & capital investments
- **\$3.6M** Fee funded Storm Water capital investments & four (4) positions & equipment
- **\$454K** Air Quality operating costs
- **\$498K** Three (3) positions & Park maintenance & operations
- **\$275K** Two (2) Land Development staff & equipment
- **\$104K** One (1) Energy Controls Specialist
- **\$86K** One (1) Farmland Preservation Coordinator

14

Health Access: Improve access to physical and behavioral healthcare for County residents of all ages and promote healthy behaviors.

\$29M

- **\$5.9M** Seventy-five (75) Federally funded staff to support Medicaid Expansion
- **\$4.4M** One hundred eleven (111) Economic Services positions
- **\$4.5M** One-time funding for an autoloader stretcher system
- **\$3.6M** Increase funding to Medic for salary and benefits
- **\$3M** Capital donation to the West Blvd. Co-Op Food Market
- **\$1.6M** Contracted call center expansion for benefit eligibility determination
- **\$1M** Salary adjustments for Public Health Nurses
- **\$1M** Cabarrus Rowan Community Health Center (CRCHC) clinic in North Mecklenburg
- **\$851K** six (6) new Community Service Grants focused on Health Access
- **\$812K** Senior Nutrition, Congregate Meals, and Mobile Market meal cost & expansion
- **\$526K** LabCorp contract increases
- **\$387K** Behavioral health service contracts
- **\$350K** CRCHC mobile clinic to serve the Salvation Army Center of Hope
- **\$350K** Behavioral Health Strategic Plan development and implementation
- **\$242K** Veterans Service Division service demand expansion

15

Housing Insecurity: Reduce the number of residents experiencing homelessness and advance stable affordable housing options for all County residents.

\$25M

- **\$14M** HOMES program expansion, includes \$8.5M in onetime County funding for grants & \$4.2M from the City of Charlotte
- **\$10.3M** Funding to Affordable Housing fund, includes:
 - \$2.9M additional ongoing funding for rental subsidy programs
 - \$3.6M one-time funding for critical home repair
 - \$2.1M one-time cost associated with A Home For All housing initiatives
 - \$1.7M one-time funding for Billingsley Project year 2
- **\$222K** A Home For All Contract increase
- **\$200K** Funding to Legal Aid to serve 100 more clients
- **\$88K** One (1) Administration Management Analyst to manage housing contracts
- **\$74K** One (1) Contract Compliance Specialist to support the Critical Home Repair program

16

Workforce Development: Support initiatives that connect job seekers with employment opportunities.

\$4M

- **\$2.1M** Ongoing support for Central Piedmont Community College
- **\$1.3M** Expansion of MeckSuccess, includes \$1M in onetime funding for programs & stipends
- **\$240K** Continue Business Launch Pad with County funding
- **\$120K** Continue Get Up and Grow with County funding
- **\$83K** One (1) Economic Development Specialist to collect and organize data on new small businesses and new vendors registering with the State
- **\$65K** Charlotte Works Career Advisor in the new Community Resource Center
- **\$60K** Expand Community Culinary School workforce development program
- **\$40K** Workforce development programing through the Library
- **\$40K** Patch based drugtesting to support working probation & parolees
- **\$35K** County internship program for minority students through Gardhouse

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Racial Disparities (not noted in other priorities)

\$3.9M

- **\$3M** To begin providing PreK Child Development Accounts
- **\$500K** Expansion of the Arts and Science Cultural Blocks grant program
- **\$132K** For the Library to hire a Chief Equity & Inclusion Officer
- **\$128K** Operating funding to reopen Latta Place
- **\$67K** One (1) Park and Recreation Program Coordinator to provide more support for activities in underserved areas of the County
- **\$38K** Collaborative engagement sponsorship and staff certification

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New Positions

260 Full-time and **54** Part-time

Major Additions Include

- **111** Eligibility positions to support increased service demand based on public health emergency waiver ending
- **75** Positions to support Medicaid expansion
- **12** Full-time and **53** limited-part-time positions in for Parks & Recreation
- **12** Full-time & **1** part-time supporting WIC, Health Inspections, Child Development Services, School Nurses
- **12** Full-time staff to administer HOMES and MeckSuccess

NOTE: 8 Part-time positions were repurposed to create some of the new positions noted above

New Positions		
Agency	Full-time	Part-time
Asset and Facility Management	2	
Attorney's Office	1	
Child, Family, and Adult Services	2	
Community Resources	198	
Community Support Services	6	
Elections Office	3	
Historic Land Commission	1	
Human Resources	2	
Information Technology	4	
LUESA	7	
Manager's Office	2	
Medical Examiner	2	
Office of Economic Development	1	
Parks and Recreation	12	53
Public Health	12	1
Public Information	1	
Public Library	3	
Tax Collector	1	
TOTAL	260	54

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Fund Balance Allocations

One-time Allocations	Amount	Description
Enterprise Reserves	\$30,227,000	Funding for Technology (\$14.7M), Capital (\$12M), and Fleet (\$3.6M) Reserves
Land in support of ELAP	30,000,000	Funding for land acquisition to preserve open space
HOMES Program Grants	8,500,000	County's portion of HOMES grants to eligible homeowners
Affordable Housing	7,346,000	\$3.6M for Critical Home Repair, \$2M for Home for All investments, and \$1.7M for Billingsley Mixed Income Development
Public Safety equipment	4,724,455	\$4.6M for MEDIC Auto-Load Stretcher System, \$160K for various Sheriff's Office replacement equipment
West Blvd Food Co-Op	3,000,000	Capital contribution for the West Blvd Food CoOp
Library	1,700,000	Increase for Library books, materials, and other collections
Elections	1,575,000	Funding to support four planned elections in FY2024
Meck Success	1,000,000	Funding to expand the existing program to serve 25 more families for a total of 50
Reval Reserve Fund	1,000,000	Contribution to the Reval Fund in preparation for the 2027 Revaluation
Human Services Initiatives	987,500	\$437,500 to support a new Community Health Center in North Meck, \$550K to support consultant to implement a Prenatal3 project and a behavioral health strategic plan
Software & Systems	921,452	County voice and technology to serve additional Medicaid customer volume
Sheriff's Office sign -on bonus	556,875	Increase in signon bonus for Detention Officers and Deputy Sheriff's to \$7,500
Document Management	234,886	\$155K for CJS Document Management, \$70K for Sheriff HR document scanning, and \$10K for Clerk's Office transcription services
Mobile Market Expansion Van	185,000	Mobile Market van to expand services to four (4) Inlivi Housing Locations
Other	158,080	\$84K for employee background screenings, \$46K for LESD & FPSD expenses, \$16K for Veteran's Services technology, \$12K for Medical Examiner expenses
Total	\$92,116,248	Decrease of \$21.6M from FY2023

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Community Service Grants

Oct.	• Outreach & Promotion
Nov. 1	• Information Session For interested Applicants
Nov. 1 - Dec. 5	• Application Submission Period
Dec. - Apr.	• Application Review
May 18	• Recommended Budget
Jun. 6	• Adopted Budget
Jul.	• Orientation For New Grantees



78 individuals attended the FY2024 Information Session held on November 1, 2022.

76 total
Applications
Received for FY2024

- An Information Session was held prior to the application period that provides guidance for applicants & allows for Q&A
- Applications are reviewed by panel of experts
- Program focuses on buying results
- Services must align to the County's strategic business plans

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Recommended Vendors

- Programs that are awarded funding for (3) three consecutive fiscal years are considered sunset from the CSG program unless selected as a vendor.
- The following organizations are recommended to receive FY2024 vendor funding:

Organization - Program	Amount	Description
Mental Health America of the Central Carolinas - Emotional Toolbox for Building Resilient Communities	\$180,000	Provides mental health support for underserved & high-risk communities.
Prospera - Hispanic Business Support	75,000	Provides Hispanic owned small businesses training, & access to the capital
Time Out Youth - Youth Safety Net Housing	30,000	Supports LGBTQ homeless youth with mental health & emergency services.
YBLA - YLeader	150,000	A multigenerational, economic mobility system that focuses on helping students achieve long-term success & college & career readiness.
Total	\$420,000	

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Recommended Community Service Grants

Organization - Program	Amount	Description
NEW Carolina Youth Coalition - Torch Fellows	\$100,000	An out-of-school program aimed at eliminating the academic, financial, and social barriers to college entry and completion for first-generation and low-income collegegoers
Charlotte Rescue Mission - Addiction Recovery	75,000	120-day program that builds a foundation for sobriety
GenOne - College Access and Persistence Services	55,000	Provides academic and college advising to first-generation college students in East Charlotte
Hope Haven Inc - Hope Haven Families in Recovery	68,000	Provides evidence-based Trauma-Informed Care through a long-term residential recovery program to families impacted by substance use disorder including on-site services for children
Jewish Family Services Senior Engagement Services	57,180	Ensures the basic needs of seniors are being addressed by connecting them to community resources
Lake Norman Community Health OurSmile Dental	100,000	Operates a dental bus serving low-income patients at multiple sites around the County
NEW MeckEd - Career Pathways	50,000	Work one-on-one with low-income youth who face obstacles to college and career opportunities
NEW Memory & Movement Charlotte - Service Expansion to Address Growing Need	100,000	Care for patients and families living with Alzheimer's, Parkinson's, and related conditions by combining clinical treatment with education and emotional support
NEW Metrolina Association for the Blind - Vision Rehabilitation Services	340,000	Helps individuals with vision loss or blindness become or remain self-sufficient through visual rehab therapy, orientation and mobility, low vision training, door-to-door transportation, and case management
NEW Mind Body Baby NC - Doula Grants Program	34,150	Connects pregnant women to trained doulas to navigate their needs before & after pregnancy
Out Teach - REAL School Gardens	300,000	Builds outdoor learning spaces (Learning Labs) in Title I Mecklenburg County schools
NEW Present Age Ministries - For the One	35,000	Combats the sexual abuse, exploitation and trafficking of teen girls and equips communities to identify at-risk teen girls through prevention, awareness and education
NEW RAO Community Health - Doula Impact	241,924	Provides doula training in certification requirements and extended educational sessions
NEW Teen Health Connection - Community Based Prevention	100,000	Teen-led education for teens about substance abuse while providing mental health programming
NEW The Echo Foundation - Education is the Answer	25,000	Enables students in Title 1 schools in Mecklenburg County to develop student-led curriculum to engage with global issues by providing training, materials and support to teachers and students
Youth Advocate Programs - Mecklenburg YAP	472,000	Provides wrap-around services for justice & child welfare involved youth.
Total	\$2,153,254	

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Education

RECOMMENDED BUDGET



Central Piedmont Community College

	FY2023	FY2024 Requested	FY2024 Recommended	FY2023 to FY2024 Change	% Change
CPCC Operating	\$43,160,906	\$46,078,941	\$45,245,941	\$2,085,035	4.8%
Preventative Maintenance	3,752,000	3,923,000	3,752,000		
Total	\$46,912,906	\$50,001,941	\$48,997,941	\$2,085,035	4.3%

Charlotte - Mecklenburg Schools

	FY2023	FY2024 Requested	FY2024 Recommended	FY2023 to FY2024 Change	% Change
CMS Operating	\$557,956,214	\$596,915,849	\$596,915,849	\$38,959,635	7%
Preventative Maintenance	32,960,000	27,960,000	22,960,000	(10,000,000)	(36%)
Total	\$590,916,214	\$624,875,849	\$619,875,849	\$28,959,635	5%

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Charlotte - Mecklenburg Schools

\$39M funds:

- **6.3%** average increase for Teachers
- **5.5%** average increase for Assistant Principals
- **4.25%** average increase for Principals
- **4.25%** average increase for noncertified staff
- **\$12M** for market adjustments for Principals & other non-certified staff
- Increase local supplement by **5%**
- Health insurance rate increases
- Maintenance & operating staff for 2 new schools
- Increase in charter enrollment

\$39M in new
funding

\$29M for salary
increases

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Education & Literacy Total

Education & Literacy Programs	Total
CMS Operating	596,915,849
CMS Preventative Maintenance	22,960,000
CMS Debt	181,822,835
CPCC Operating	45,245,941
CPCC Preventative Maintenance	3,752,000
CPCC Debt	17,967,654
Charlotte Mecklenburg Library	47,145,138
Meck Pre-K	25,343,283
Child Care Services	17,936,360
Arts & Science Council	3,535,000
Pre K Child Development Accounts	3,000,000
Communities in Schools	900,000
Road to Hire	884,036
Studio 345	430,000
Out Teach	300,000
Young Black Leadership Alliance (Mentoring)	150,000
Carolina Youth Coalition - Torch Fellows	100,000
Read Charlotte	100,000
Other Education Related CSGs	175,000
Total	\$968,663,096

\$969M
for Education
and Literacy

42% of
the County's
total budget

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Tax Rate

RECOMMENDED BUDGET



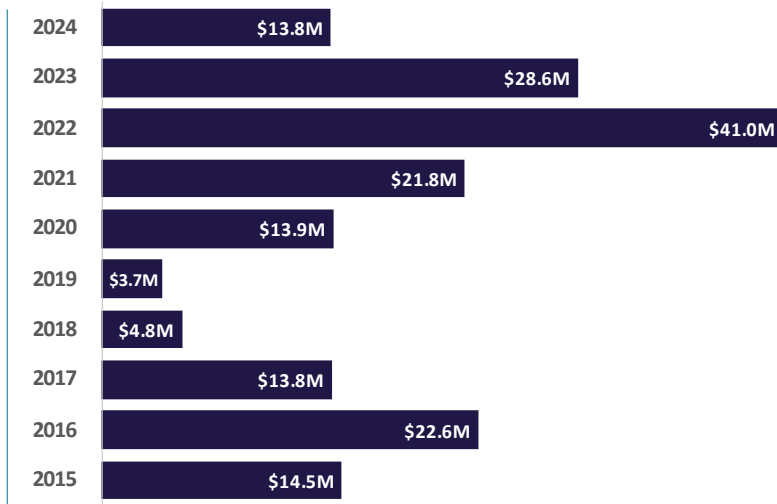
29

Repurposed Funds

\$13.8M in Repurposed
Funds for FY2024

\$178M Since FY2015

Saving **6.4¢**
in Tax Rate



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Revenue Neutral

FY2023 Tax Base	\$202,539,860,684
FY2023 Tax Rate	61.69¢
FY2023 Tax Revenue	\$1,249,468,401
FY2024 Tax Base	\$281,210,700,419
Rate Generating Same Revenue	44.43¢
Average annual growth	2.88%
Revenue Neutral	45.71¢

NC GS 159-11(e)

...To calculate the revenue-neutral tax rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal....

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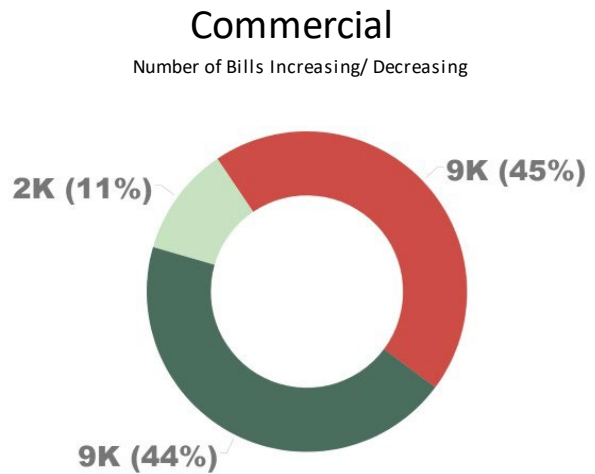
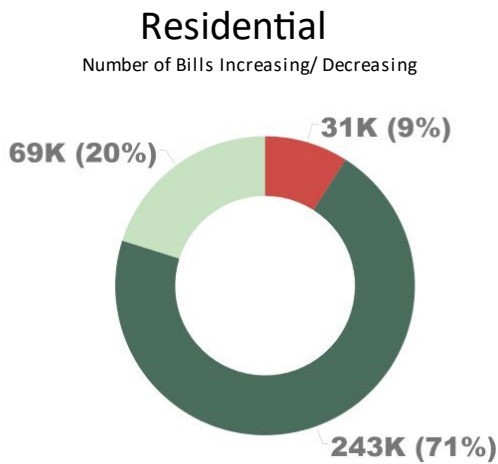
Residential Impact

Old Value	Old Tax Bill at 61.69¢	Average Change Per Range	Potential Outcome	Revenue Neutral 45.71¢	Recommended Increase 1.6¢	Recommended Rate 47.31¢
\$139,600	\$1,040	Lowest 1/3 rd 84%	\$256,864	Annual Tax \$1,306 Annual Increase \$266 Monthly Tax \$109 Monthly Increase \$22.17	Annual \$46 Monthly \$3.83	Annual Tax \$1,352 Annual Increase \$312 Monthly Tax \$113 Monthly Increase \$26.00
\$232,500	\$1,613	Middle 1/3 rd 59%	\$369,675	Annual Tax \$1,822 Annual Increase \$209 Monthly Tax \$152 Monthly Increase \$17.42	Annual \$64 Monthly \$5.33	Annual Tax \$1,886 Annual Increase \$273 Monthly Tax \$157 Monthly Increase \$22.75
\$420,000	\$2,769	Highest 1/3 rd 47%	\$617,400	Annual Tax \$2,954 Annual Increase \$185 Monthly Tax \$246 Monthly Increase \$15.42	Annual \$104 Monthly \$8.67	Annual Tax \$3,058 Annual Increase \$289 Monthly Tax \$255 Monthly Increase \$24.08

Assumes personal property averaging \$28,932 for vehicles

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Change in Tax Bills – Tax Rate of 47.31¢



- Decrease or flat
- Increase \$15/ month or less
- Increase more than \$15/month

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Takeaways & Next Steps

RECOMMENDED BUDGET



FY2024 Manager's Recommended Budget Key Takeaways

- Revenue Neutral is **45.71¢** per \$100 of valuation
- The Recommended Rate is **47.31¢**, an increase of **1.6¢** (1¢ to capital and 0.6¢ to general operating)
- Additional funding is needed to make investments in people, facilities & security **growing cost of contracts.**
- Realigns **\$13.8M** in funding to reduce the need for taxes
- Utilizes **\$92M** of available fund balance
- Funds **\$144M** in Board Priorities
- Fully funds CMS budget request with **\$9M** in new funding to CMS, including pay increases for teachers, principals, and other staff
- Provides a three percent (3%) salary increase for County employees & performance based pay averaging two and a half percent (2.5%)
- Expands the HOMES program to a total of **\$14M**, including \$8.5M in onetime County funding & \$4M from the City of Charlotte for grants that help low-income home owners pay their tax bill and stay in their home
- Total funding to Education and Literacy is **\$969M**

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Next Steps

Date	Time & Location	Meeting
May 22	2:30PM– 5:00PM Valerie C. Woodard Center	Budget Workshop– Detailed Overview of the Manager’s Recommended Budget
May 25	6:00PM Chamber	Budget Public Hearing
June 1	9:00AM– 5:00PM Valerie C. Woodard Center	Budget Straw Votes
June 6	6:00PM Chamber	FY2024 Budget Adoption

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Additional Information

- On County Website: www.mecknc.gov
- Follow us on Facebook & Twitter
- Register to speak at the budget public hearing
 - Online <https://mecknc.seamlessdocs.com/f/clerk>
 - Call 980-314-2914
 - Email at Clerk@mecknc.gov

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Meeting Minutes
May 18, 2023

Director Cox made closing remarks.

County Manager Diorio explained the process of the budget workshop taking place May 22.

ADJOURNMENT

Motion was made by Commissioner Altman, seconded by Commissioner Griffin, and unanimously carried (9-0) to adjourn.

With no further business to come before the Board, the meeting adjourned at 12:05 p.m.

Kristine M. Smith, Clerk to the Board

George Dunlap, Chair