

**Meeting Minutes
May 16, 2024**

**MINUTES OF MECKLENBURG COUNTY, NORTH CAROLINA
BOARD OF COUNTY COMMISSIONERS**

The Board of Commissioners of Mecklenburg County, North Carolina, met in Special Session for the County Manager's Recommended Budget for FY2024-2025, in the Meeting Chamber of the Charlotte-Mecklenburg Government Center located at 600 East Fourth Street, Charlotte, North Carolina at 11:05 a.m. on Thursday, May 16, 2024.

ATTENDANCE

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

Absent: Commissioner Vilma D. Leake
Deputy Clerk to the Board Arlissa Eason

CALL TO ORDER

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

24-0309 FY2025 BUDGET PRESENTATION

The Board received a presentation of the County Manager's Recommended Budget for FY2024-2025.

Dena R. Diorio, County Manager, gave the presentation.

Background: The County Manager is charged with presenting a Recommended Budget for the Board's consideration annually. No action is taken by the Board at this time.

County Manager Diorio's presentation included the following:

- Economic Update
- Recommended Budget
- Board Priorities
- Health Access
- Housing Insecurity
- Workforce Development – Central Piedmont
- Environmental Stewardship
- Early Childhood Development
- Educational Attainment – CMS
- Departmental Highlights
- Asset and Facilities Management
- Child, Family, and Adult Services

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- Community Support Services
- Criminal Justice Services
- Human Resources
- Information Technology
- Park and Recreation
- Fund Balance
- Tax Rate Increase

Adrian Cox, Director of Management and Budget, continued the presentation with an overview of the FY25 Recommended Budget.



Overview

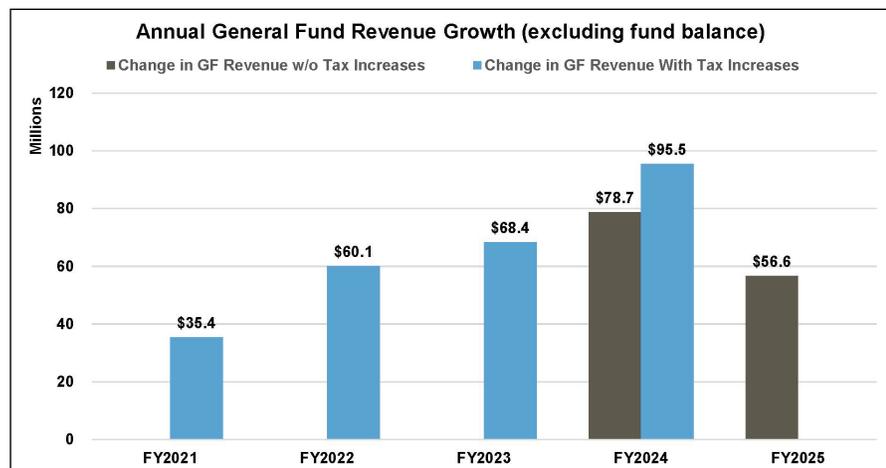
| |
|--------------------------|
| Revenues |
| Education |
| Employees |
| Community Service Grants |
| Board Priorities |
| Sustaining Programs |
| Summary & Next Steps |



General Fund Revenue Growth

General Fund Revenue without any increase in property tax rate, is anticipated to grow by **\$56.6M or 3.6%**, the lowest amount since FY2021

Estimated revenue growth is less than typical due to **(\$20M)** revenue loss with no corresponding expense reduction



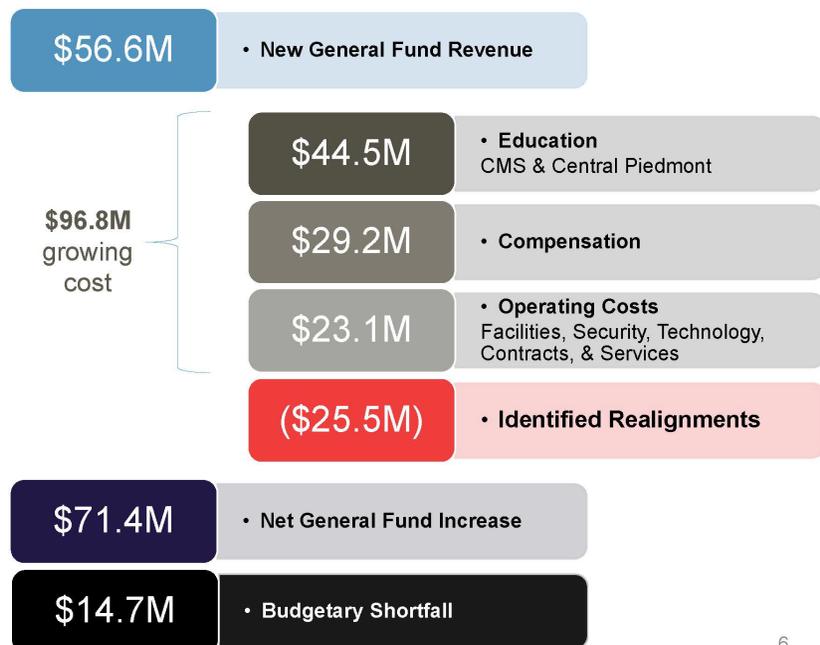
Revenue Loss

| Revenue | FY2025 Reduction |
|---|-----------------------|
| Federal Inmate Housing | (\$12,293,400) |
| Register of Deeds | (5,652,991) |
| Medicaid Administration – Indirect Cost Reimbursement | (2,316,979) |
| Total | (\$20,263,370) |

For FY2025, the County is estimating **(\$20.2M)** in revenue reductions that have no corresponding expense decrease.

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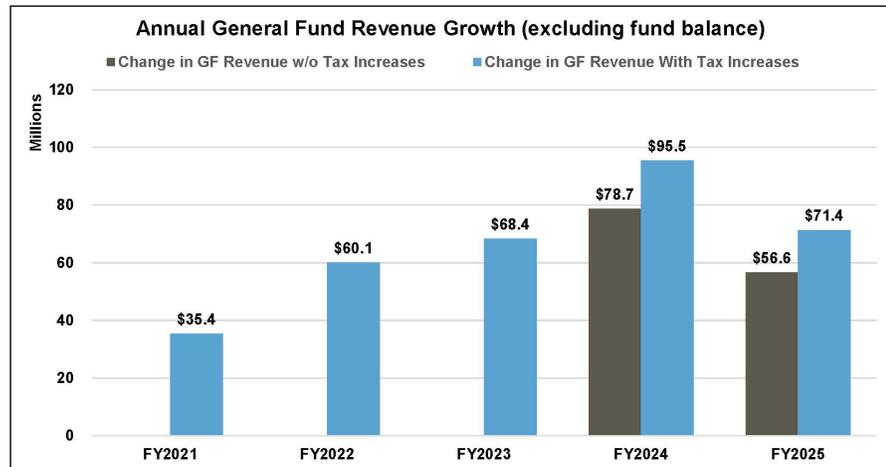
General Fund Budget Gap



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General Fund Revenue Growth

A **0.50¢** increase in property taxes for the General Fund will increase revenue by **\$14.7M** & bring the total growth to **\$71.4M** or **4.5%**



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Impact On The Taxpayer

- **1¢** to fund Debt Service for new Schools and County facilities



\$250,000

| | Rate | Annual | Monthly |
|----------|--------|------------|----------|
| Current | 47.31¢ | \$1,182.75 | \$98.56 |
| New | 48.81¢ | \$1,220.25 | \$101.69 |
| Increase | 1.50¢ | \$37.50 | \$3.13 |

- **0.5¢** for General Fund



\$383,000
(median)

| | Rate | Annual | Monthly |
|----------|--------|------------|----------|
| Current | 47.31¢ | \$1,811.97 | \$151.00 |
| New | 48.81¢ | \$1,869.42 | \$155.79 |
| Increase | 1.50¢ | \$57.45 | \$4.79 |

- The median homeowner will pay **\$57.45/year** more or **\$4.79/month**



\$600,000

| | Rate | Annual | Monthly |
|----------|--------|------------|----------|
| Current | 47.31¢ | \$2,838.60 | \$236.55 |
| New | 48.81¢ | \$2,928.60 | \$244.05 |
| Increase | 1.50¢ | \$90.00 | \$7.50 |

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Fund Balance Allocation

There is an estimated \$149.5M projected fund balance over policy minimum available for one-time expenses

| One-time Allocation | Amount | Description |
|-----------------------------|-----------------------|---|
| Land Acquisition | \$ 35,000,000 | Funding for land acquisition to preserve open space |
| Enterprise Reserves | 27,408,134 | Funding for Technology (\$9.3M), Capital (\$13.7M), and Fleet (\$4.4M) Reserves |
| Affordable Housing Projects | 14,725,000 | One-time funding for Affordable Housing |
| CMS Capital Maintenance | 10,000,000 | Additional one-time funding to support CMS capital maintenance |
| CMS Bonuses | 4,000,000 | One-time funding for CMS bonuses |
| CP Capital Maintenance | 3,073,000 | Additional one-time funding to support Central Piedmont capital maintenance |
| Arts+ Studio 345 Facility | 3,000,000 | Capital Campaign contribution for Arts + facility to host Studio 345 |
| Farmland Preservation | 2,000,000 | Funding for County initiatives to preserve farmland |
| Off-site Medical | 1,400,000 | Increased cost for offsite medical services at the jail, pending anticipated savings identified by new medical vendor |
| One-time Staffing Demand | 1,056,000 | One-year demand due to presidential election, staff transition, in-home aide & background checks |
| Revaluation Reserve | 1,000,000 | Reserve fund contribution for the 2027 Revaluation |
| Library Collections | 1,000,000 | Increase for Library books, materials, and other collections |
| Meck Success Pilot Year 2 | 844,315 | Second year pilot of Meck Success |
| Charlotte is Home | 250,000 | One-time capital campaign funding for Charlotte is Home Center to provide legal & healthcare services to refugee & immigrant populations |
| Other | 602,420 | Document Management, employee development curriculum, radio console replacement, & funding to fully capture annual savings from partial year contract |
| Total | \$ 105,358,869 | <i>(does not include \$4.5M Code Enforcement Fund Balance)</i> |



Recommended Funding for CMS

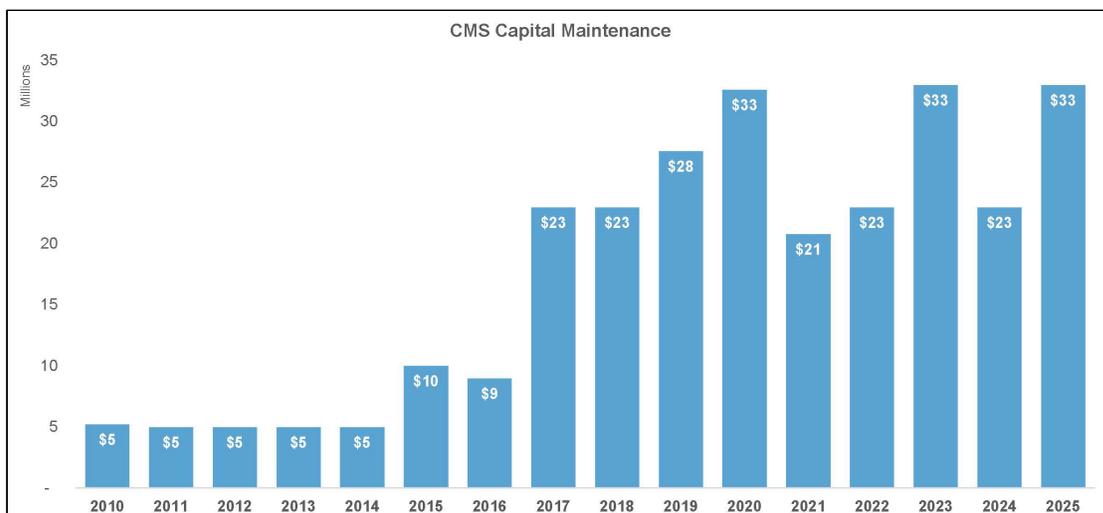
| | FY2024 Budget | FY2025 Requested | FY2025 Recommended | FY2024 to FY2025 Change | Percent Change |
|---------------------|-----------------------|----------------------|----------------------|-------------------------|----------------|
| CMS Operating | \$596,915,849 | \$643,315,849 | \$643,315,849 | \$46,400,000 | 7.8% |
| Capital Maintenance | 22,960,000 | 32,960,000 | 32,960,000 | \$10,000,000 | 43.6% |
| Total | \$ 619,875,849 | \$676,275,849 | \$676,275,849 | \$56,400,000 | 9.1% |

Recommended funding includes \$4M in one-time funding for bonuses in operating & \$10M in one-time funding for capital maintenance

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CMS Capital Maintenance Trends

Capital maintenance funding grew significantly beginning in FY2015.



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Recommended Funding for Central Piedmont

| | FY2024 Budget | FY2025 Requested | FY2025 Recommended | FY2024 to FY2025 Change | Percent Change |
|---------------------|---------------------|---------------------|---------------------|-------------------------|----------------|
| CP Operating | \$45,245,941 | \$47,320,867 | \$47,320,867 | \$2,074,926 | 4.6% |
| Capital Maintenance | 3,752,000 | 9,225,000 | 6,825,000 | \$3,073,000 | 81.9% |
| Total | \$48,997,941 | \$56,545,867 | \$54,145,867 | \$5,147,926 | 10.5% |

Recommended funding includes \$3.1M in one-time funding for capital maintenance

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Employee & HR Investments

\$33.6M
Total

- **\$14.3M** for 3% Across-the-Board pay increase for all regular staff
- **\$12.1M** for 2.5% (0-5%) average performance-based pay increase for all regular staff
- **\$3.4M** for 0.75% increase for regular and 1% increase for LEO Local Government Employee Retirement System (LGERS) county contribution
- **\$1.9M** to support overtime for staff within Youth & Family Services and Public Assistance Eligibility Services
- **\$1.1M** to annualize new positions added in FY2024 budget
- **\$276K** increase for Law Enforcement Special Separation pay
- **\$251K** to support enterprise HR expenses to support employee engagement, recruitment, and training
- **\$244K** Three (3) new full-time staff within Human Resources

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New Positions

58 Full-time

Major Additions Include

- **15** positions for operations and maintenance of new & existing park facilities
- **11** school health positions to provide support for existing schools and for two new schools opening in FY2025
- **8** Security positions to bring management of the County's Security Operations Center in-house
- **4** new County-funded positions in Criminal Justice Services to continue previously grant funded pre-trial services

NOTE: 4 Part-time positions were repurposed to create some of the new positions noted above

| New Positions | |
|-----------------------------------|-----------|
| Agency | Full-time |
| Asset and Facility Management | 8 |
| Child, Family, and Adult Services | 1 |
| County Assessor's Office | 1 |
| County Manager's Office | 1 |
| Criminal Justice Services | 6 |
| Human Resources | 3 |
| Information Services & Technology | 2 |
| Park & Recreation | 15 |
| Public Health | 17 |
| Public Information | 4 |
| Total | 58 |

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Community Service Grants

Competitive non-profit grants from the County to serve Mecklenburg Residents

- 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
- Programs with 3 successful years as a grantee are sunset, but may be considered for a vendor partnership

**89 total
Applications
Received for FY2025**



178 People Attend the CSG Information Session in October

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Community Service Grants

17 CSGs
11 Returning
6 New

1 Vendor Partner

New Vendor Partner

\$472,000 | Youth Advocate Program-Mecklenburg (YAP)
Will collaborate with Criminal Justice Services (CJS) to provide wraparound services for justice & child welfare-involved youth

A full list is available on page 12 of the Recommended Budget

6 New CSGs

- **\$150,000 | Achieving Success On Purpose, Inc. | The B.R.I.C.K. Program**
Provides evidence-based life skills & counseling to help at-risk youth manage & prevent unhealthy coping mechanisms
- **\$145,000 | Charlotte Speech & Hearing Center | Better Hearing & Speech**
Offers free speech-language screenings to children 2-5 years, navigation support, & follow-up services, as well as 200 hearing devices to low-income adults & seniors
- **\$91,100 | Heart Math Tutoring, Inc. | School Support**
Provides free math tutoring to low-income K-3rd grade CMS students
- **\$50,000 | Monarch | Youth Crisis Center**
Offers short-term stabilization for youth 6-17 who are experiencing an acute psychiatric episode, mental health crisis, or substance abuse crisis as an alternative to hospital stays
- **\$35,000 | HopeWay Veterans**
Provides evidence-based, holistic adult mental health care to veterans suffering from post-traumatic stress disorder, anxiety, depression, & other mental health issues
- **\$34,736 | Jewish Family Services | Senior Wellness**
Provides therapeutic intervention for individuals 60+ to reduce negative effects of isolation

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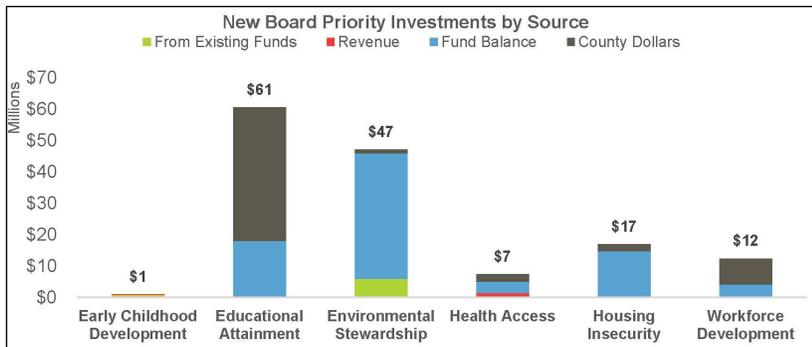
Funding For Board Priorities

| Board Priority | Total Budget | New Investments | Fund Balance | Revenue | Existing Funds | County Dollars |
|-----------------------------|------------------------|----------------------|---------------------|--------------------|--------------------|---------------------|
| Early Childhood Development | \$78,291,704 | \$986,080 | \$0 | \$97,000 | \$889,080 | \$0 |
| Educational Attainment | 895,324,661 | 60,654,392 | 18,000,000 | 0 | 0 | 42,654,392 |
| Environmental Stewardship | 156,917,709 | 47,192,624 | 40,029,804 | 0 | 5,986,401 | 1,176,419 |
| Health Access | 216,671,051 | 7,497,641 | 3,536,000 | 1,117,500 | 348,000 | 2,496,141 |
| Housing Insecurity | 35,412,978 | 16,951,207 | 14,725,000 | 0 | 0 | 2,226,207 |
| Workforce Development | 96,148,206 | 12,443,299 | 3,917,315 | 0 | 218,000 | 8,307,984 |
| | \$1,478,766,309 | \$145,725,243 | \$80,208,119 | \$1,214,500 | \$7,441,481 | \$56,861,143 |

\$146M in new Board Priority Investments. Mostly funded with fund balance, new revenue, or existing funds.

FY2025 Budget includes a total of **\$1.5B** (59%) for services and initiatives to support the Board's Budget Priorities

Racial Disparities is a cross-cutting goal factored throughout the priorities



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Sustaining Programs

The Recommended Budget includes **\$2.6M** to sustain programs funded with ARPA & MacArthur grants.

\$2.3M Sustaining ARPA programs in the operating budget

- **\$1M** Operating cost for Forest Pointe Place
- **\$683K** Continue education & employment trips initiated with ARPA funds
- **\$366K** Continue the Mobile Dental & Save-A-Smile ARPA programs
- **\$280K** Continue re-entry housing agreements initiated with ARPA funding

\$346K for MacArthur Foundation Grants Ending in FY2025

- **\$236K** (3) Three pretrial Case Manager positions to provide adequate supervision to the individuals referred by the court
- **\$110K** (1) One Licensed Clinician the provides clinical screenings, assessments and consultations as part of Pretrial Services

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Responding to our Budget Engagement

| Top 5 Priority Investment Areas | FY2025 Budget |
|--|---------------------|
| Improving access to affordable housing | \$16,951,207 |
| Behavioral health resources | 1,455,410 |
| Healthy food programs/services | 704,280 |
| Services for senior adults* | 1,805,874 |
| Workforce development services* | 11,760,241 |
| Total | \$32,677,012 |



* Some investments aligned to the Board's Workforce Development Priority are included in services for seniors rather than the workforce development services.

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Summary

- The Recommended Tax Rate is **48.81¢** per **\$100** of valuation, an increase of **1.5¢** (1¢ to capital and 0.5¢ to general operating)
- The increase is necessary to fund the Capital Improvement Plan & due to **(\$20M)** of revenue reductions for Sheriff’s Office, Register of Deeds & Medicaid Administration
- Utilizes **\$105M** of fund balance to help support the Board Priorities
- Fully funds CMS budget request with **\$46.4M** in new operating funding, & **\$33M** in total for capital maintenance (a total of **\$676M** overall)
- Sustains **\$2.6M** in programs that began with ARPA & MacArthur Grants
- Provides a three percent (**3%**) salary increase for County employees & performance-based pay averaging two and a half percent (**2.5%**)

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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 23 | 6:00PM Chamber | Budget Public Hearing |
| May 30 | 9:00AM – 5:00PM Valerie C. Woodard Center | Budget Straw Votes |
| June 4 | 6:00PM Chamber | FY2025 Budget Adoption |

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Additional Information

- On County Website: www.mecknc.gov
- Follow us on Facebook & X
- 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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There was no discussion, nor any action taken by the Board.

Chair Dunlap gave closing remarks.

ADJOURNMENT

Motion was made by Commissioner Altman, seconded by Vice Chair Jerrell, and unanimously carried, that there being no further business to come before the Board, Chair Dunlap declared the meeting adjourned at 11:55 a.m.

Kristine M. Smith, Clerk to The Board

George Dunlap, Chair