



FISCAL YEAR
2016

MECKLENBURG COUNTY, NORTH CAROLINA
RECOMMENDED BUDGET

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Purpose of Presentation

- Provide an overview of the FY2016 Recommended Budget
- Revenue Estimates
- Service Districts
 - Law Enforcement Service District
 - Fire Protection Service Districts
- Expenditures
- Community Service Grants
- Education funding
- Next Steps



Guiding Principles

- A sound strategy for sustainability
- Build on the momentum from Fiscal Year 2015
- Maintain the fiscal discipline strategy that Mecklenburg County is now known for





Revenue

Assessed Valuation

	FY2015 Adopted	FY2016 Recommended	Dollar Change	Percent Change
Property Tax Base	\$117.985 Billion	\$119.523 Billion	\$1.538 Billion	1.30%
Property Tax Rate	81.57¢	81.57¢	--	--
Value of Penny	\$11,562,530	\$11,725,206	\$162,676	1.41%



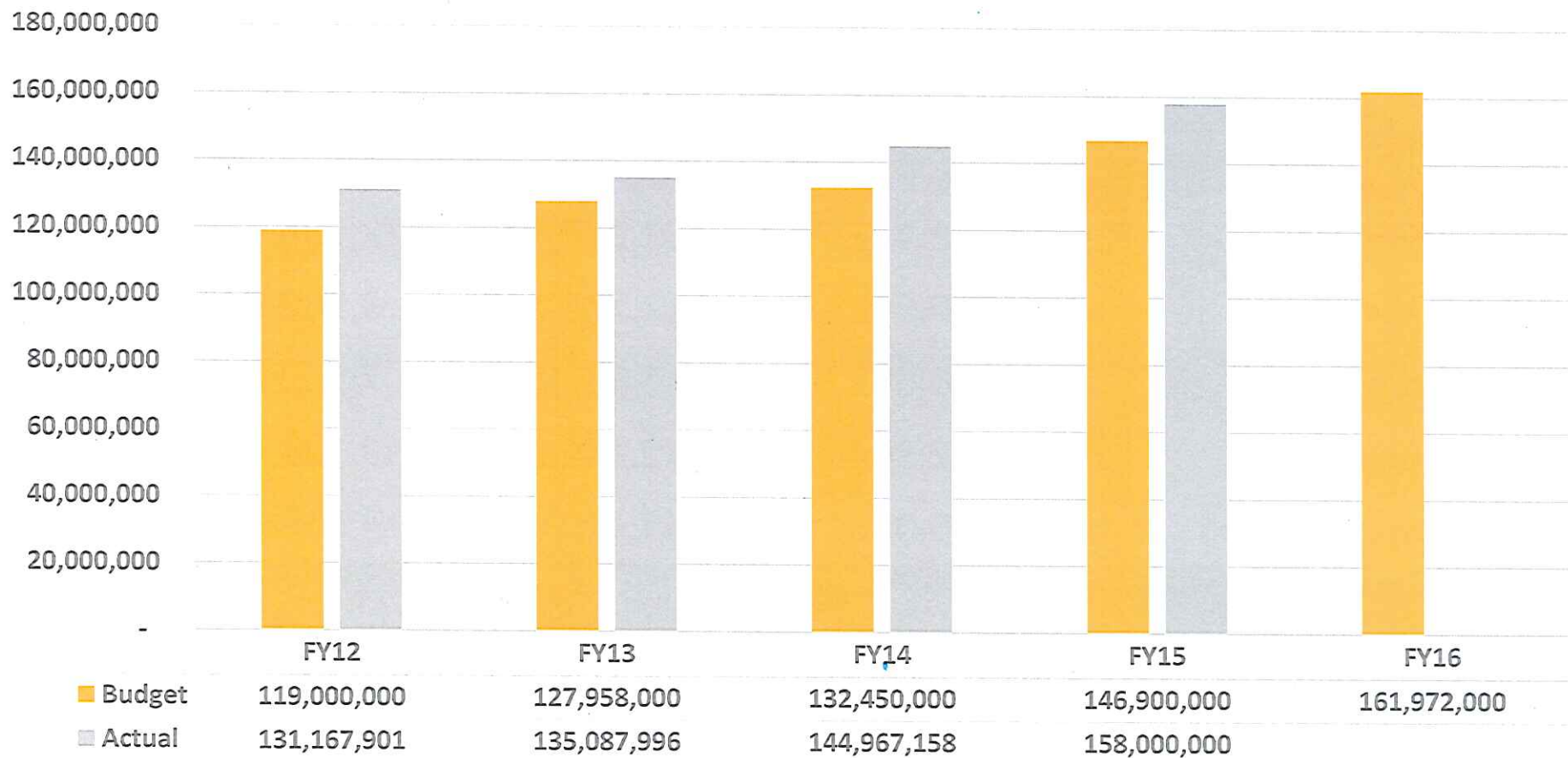
FY2016 Revenue

Revenue Source	FY2015 Adopted	FY2016 Recommended	Dollar Change	Percent Change
Property Tax - Current	\$943,155,572	\$956,425,078	\$13,269,506	1.41%
Property Tax - Prior Years	14,951,000	6,826,000	-8,125,000	-54.34%
Sales Tax – County	146,900,000	161,972,000	15,072,000	10.26%
Other County Revenue	27,161,835	35,319,658	8,157,823	30.03%
Interest on Investments	2,800,000	3,360,000	560,000	20.00%
County Sub-Total	\$1,134,968,407	\$1,163,902,736	\$28,934,329	2.55%
One-Time Fund Balance	15,390,000	23,400,000	8,010,000	52.05%
Enterprise Reserve Fund Balance	20,000,000	16,000,000	-4,000,000	-20.00%
Other Non-County Revenue	359,117,995	367,849,791	8,731,796	2.43%
Total Revenue	\$1,529,476,402	\$1,571,152,527	\$41,676,125	2.72%



Sales Tax Comparison

General Fund Only



FY15 actuals represent estimates as of April 30, 2015.



Major Revenue Categories

Revenue Category	FY2015 Adopted	FY2016 Recommended	Dollar Change	Percent Change
County Revenue	\$1,134,968,407	\$1,163,902,736	\$28,934,329	2.55%
Federal Revenue	108,770,573	112,723,213	3,952,640	3.63%
State Revenue	116,960,058	124,862,384	7,902,326	6.76%
Other Revenue*	133,387,364	130,264,194	-3,123,170	-2.34%
Fund Balance Revenue	35,390,000	39,400,000	4,010,000	11.33%
Total	\$1,529,476,402	\$1,571,152,527	\$41,676,125	2.72%

*Other Revenue includes revenue from rentals, transient occupancy tax, sale of properties and inmate revenue.



Debt Service Fund

	FY2015 Adopted	FY2016 Recommended	Dollar Change	Percent Change
County Revenue	\$232,021,312	\$234,958,880	\$2,937,568	1.27%
CMS Debt Service	\$100,604,832	\$111,915,413	\$11,310,581	11.24%
CPCC Debt Service	10,799,366	10,364,944	-434,422	-4.02%
General Debt Service	59,411,151	59,344,629	-66,522	-0.11%
Budgeted Fund Balance	61,205,963	53,333,894	-7,872,069	-12.86%
Total County Expense	\$232,021,312	\$234,958,880	\$2,937,568	1.27%



Key Revenue Decision Point: Fund Balance Appropriation

The proposed one time fund balance appropriation:

1. Provides the flexibility to strategically fund expenditures beyond the anticipated revenue growth
2. The proposed adjustment will not threaten the County's AAA rating
3. The one time appropriation will not threaten the County's effort to maintain sufficient fund balance above policy requirements



Fund Balance Appropriation

	FY2015 Adopted	FY2016 Recommended	Dollar Change	Percent Change
Fund Balance Revenue				
Enterprise Reserves	\$20,000,000	\$16,000,000	-\$4,000,000	-20.00%
General Fund 1 Time Drawdown	15,390,000	23,400,000	8,010,000	52.05%
Total Fund Balance Revenue	\$35,390,000	\$39,400,000	4,010,000	11.33%
Fund Balance Expense				
General Fund 1 Time Expenses	\$15,390,000	\$23,400,000	\$8,010,000	52.05%
Capital Maintenance & Repair	10,000,000	8,000,000	-2,000,000	-20.00
Technology Reserve	8,000,000	6,000,000	-2,000,000	-25.00%
Fleet Reserve	2,000,000	2,000,000	--	--
Total Fund Balance Expense	\$35,390,000	\$39,400,000	\$4,010,000	11.33%





Service Districts

Law Enforcement Service District

	FY2015 Adopted	FY2016 Recommended	Dollar Change	Percent Change
Assessed Valuation	\$6,896,577,887	\$7,158,257,036	\$261,679,149	3.79%
Total Net Tax Levy	13,131,498	14,838,995	1,707,497	13.00%
Fund Balance	686,401	150,000	(536,401)	-78.15%
General Fund	680,000	680,000	-	-
Total	\$14,497,899	\$15,668,995	\$1,171,096	8.08%
Tax Rate	19.37¢	21.14¢	1.77¢	9.14%



Fire Protection Service Districts

	Charlotte ETJ	Cornelius ETJ	Davidson ETJ	Huntersville ETJ	Mint Hill ETJ
Assessed Valuation	\$5,460,693,467	\$107,871,632	\$232,377,962	\$1,495,544,672	\$468,470,817
Value of 1¢	524,227	10,356	22,308	143,572	44,973
Tax Rate	6¢	5¢	6¢	5¢	7¢
Projected Revenue*	\$3,145,359	\$51,778	\$133,850	\$717,861	\$314,812

*At 96% collection rate



Combined Recommended Tax Rates Comparison

Municipality	Mecklenburg County Tax Rate	Municipal Tax Rate	Total Tax Rate
Charlotte ¹	.8157	.4863	\$1.3020
Cornelius	.8157	.2400	\$1.0557
Davidson	.8157	.3500	\$1.1657
Huntersville	.8157	.3050	\$1.1207
Matthews ¹	.8157	.3425	\$1.1582
Mint Hill	.8157	.2700	\$1.0857
Pineville ¹	.8157	.3500	\$1.1657
Unincorporated Area ²	.8157	.2714	\$1.0871

¹ Municipalities recommending a tax rate increase for FY2016

² Municipal rate includes Law Enforcement Service District tax rate and an average Fire District tax rate of 6 cents.





Expenditures

Repurposed Funds for Alternative Uses

Item	Amount	Description
Other Post Employment Benefits	\$8,000,000	Funding for retiree health benefits
Pay-Go Funding	5,851,000	Funding for one-half cent of the 3¢ Pay Go allocation
Business Investment Grants	1,836,727	Expiring economic development grants
FY2015 One – Time Funding	1,319,967	Removal of one-time expenses from budget
Vacancies	1,121,476	Reduce vacant position salaries from 100% to 90% market
Capital Project Managers	1,075,000	Shifting salaries to Pay-Go funding
Tax Collectors Office	933,060	Staff reduction due to Tax & Tag Reform
Retirement System Contribution	669,371	Local government retirement system rate reduction
Unemployment Insurance	600,000	Reduction based on employment trends
Life Insurance	409,988	Reduction based on trends
Business Property Auditing	300,000	Elimination of contingency based contract for property auditing
Revaluation Reserve	250,000	Reserve funding for future revaluations
Legal Fees	145,000	Reduction in County Assessor legal fees
Fleet & Fuel Adjustments	120,618	Projected fuel consumption & fleet repair savings
Total	\$22,632,207	



Planned Investments & Sustaining Operations

Item	Amount	Description
Utility Increases	\$1,070,000	Funding for utility rate increases and the opening of new facilities such as the new Medic & LUESA locations
Facility Maintenance	1,000,000	Funding to improve maintenance of County assets
Park & Recreation	879,142	New park facilities, contract increases, and mowing
Information & Technology	422,500	Funding for software, hardware and technology support contracts.
Total	\$3,371,642	



Strategic Investments in County Services

Item	Amount	Description
Social Services	\$973,574	(8) positions Youth & Family Services Division; funding for Mecklenburg Transportation due to the elimination of a grant; and a funding increase for child care administration & crisis intervention contracts
Foster Care	596,225	Funding for foster care placement & contract increases
Child Development – Community Policing	469,968	Funding to expand mental health services for children exposed to trauma to all 13 patrol divisions
Homelessness Services	467,213	Continued support for the Housing Stability and Supportive Services contracts & other services to combat homelessness
GIS Land Records	206,108	(2) Positions to improve timeframe for updating land records
Veterans Services	201,148	(3) Positions to assist with the increased demand for services and expand veteran community outreach
Medical Examiners Office	134,384	(2) Medical Investigators to visit death scenes & (1) Autopsy Asst.
School Health Nurses	122,769	Additional nurses for new schools opening in FY16
Total	\$3,171,389	

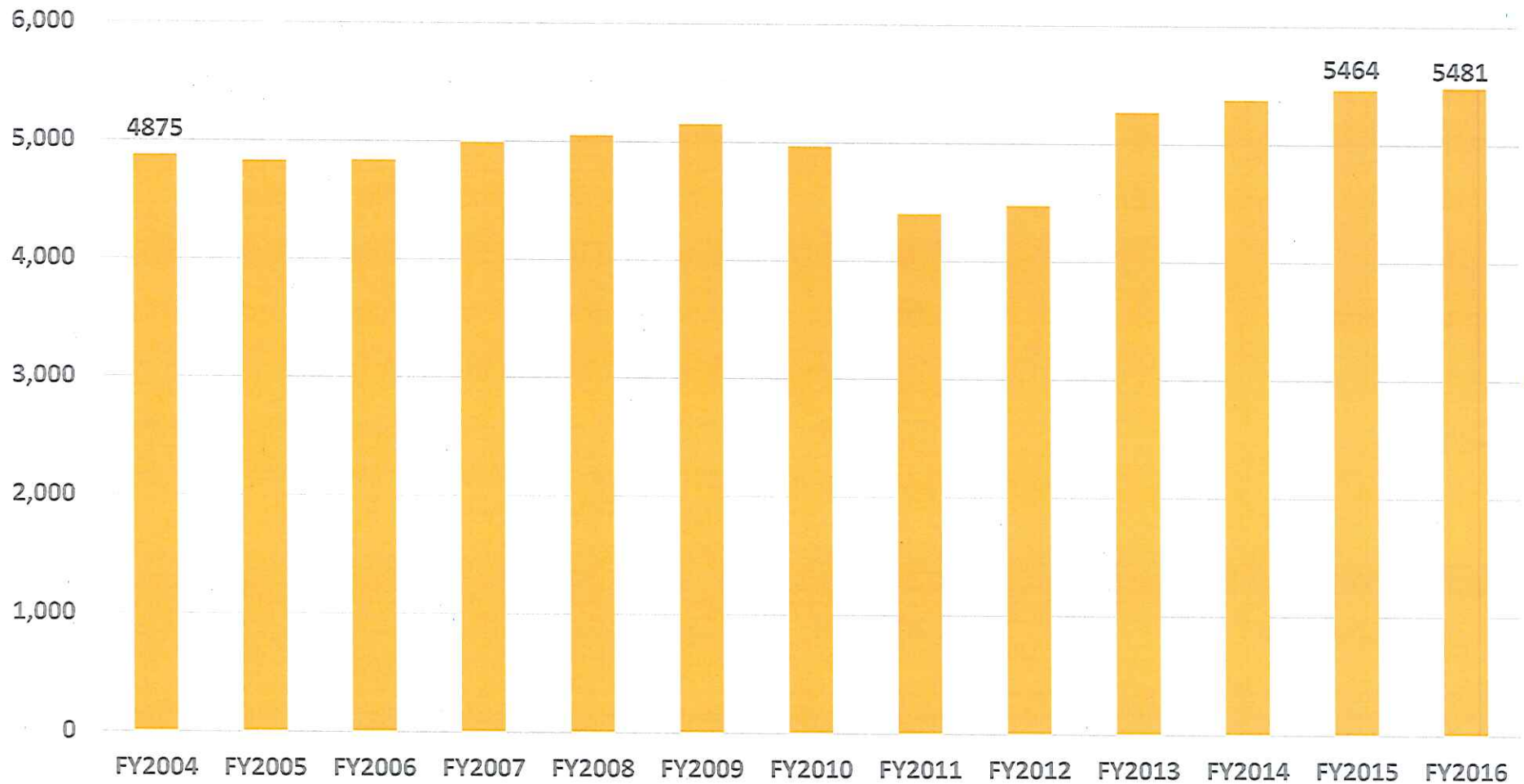


Investing in Employees

Item	Amount
Employee Merit Increase (2% of payroll)	\$5,893,013
Medical & Dental Claims	1,702,371
Market Adjustment	230,000
Total	\$7,825,384



Recommended Positions



Fund Balance Appropriation

One Time Funding	Amount	Description
Other Post Employment Benefit	\$8,000,000	Funding for retiree health benefits
Pay-As-You Go	5,851,000	Funding for one-half cent of the 3¢ Pay-Go allocation
Charlotte-Mecklenburg Schools	4,000,000	Funding for technology and capital maintenance
Central Piedmont Community College	1,555,134	Funding to replace the telephone system
Public Library	1,099,000	Funding for circulation materials & the digital strategy
Park & Recreation	1,000,000	Funding for deferred maintenance & capital repair
Elections	786,524	Funding for (3) scheduled elections
Read Charlotte	500,000	Funding for a community initiative to double the percentage of 3 rd grade students reading at grade level by 2025 (\$100K per year for 5 years)
Park & Recreation	301,041	Funding for new park equipment
Community Support Services	200,000	Funding to evaluate the effectiveness of the Housing First community-wide initiative
Human Resources	107,301	Funding for the employee's revised immunization and TB Skin Test compliance policy
Total	\$23,400,000	





Community Service Grants

Community Service Grants

Target Area: Improve the High School Graduation Rate	FY2015 Adopted	FY2016 Recommended
A Childs Place*	--	\$50,000
Arts & Science Council Studio 345	350,000	350,000
Big Brothers Big Sisters – Mentoring 2.0	25,000	25,000
Big Brothers Big Sisters School-Based Mentoring	40,000	50,000
Citizen Schools*	--	50,000
Communities in Schools	1,063,000	1,063,000
International House	50,000	50,000
YMCA of Greater Charlotte	185,000	185,000
YWCA of the Central Carolinas*	--	50,000
100 Black Men of Greater Charlotte, Inc. – Mentoring	15,500	--
First Baptist Church West	75,000	--
Total: Improve the High School Graduation Rate	\$1,803,500	\$1,873,000

*First Time Funding



Community Service Grants

Target Area: Prevent Health Risks and Diseases	FY2015 Adopted	FY2016 Recommended
Bethesda Health Center	\$165,000	\$165,000
Care Ring – Nurse Family Partnership	62,500	62,500
Care Ring – Physicians Reach Out	250,000	250,000
Charlotte Community Health Clinic – Homeless	270,919	270,919
Charlotte Community Health Clinic – Low Income	250,000	250,000
MedAssist of Mecklenburg	500,000	500,000
Shelter Health Services	69,000	69,000
Teen Health Connection*	-	50,000
Levine Jewish Community Center	50,000	--
Levine Senior Center – Senior Activities Services	70,000	--
Total: Prevent Health Risks and Diseases	\$1,687,419	\$1,617,419

*First Time Funding



Community Service Grants

Target Area: Promote Residents' Financial Self-Sufficiency	FY2015 Adopted	FY2016 Recommended
Ada Jenkins Center	\$25,000	\$20,000
Center for Community Transition	50,000	50,000
Community Culinary School	60,000	60,000
Goodwill Industries*	-	50,000
Hope Haven*	-	41,500
Latin American Coalition	50,000	25,000
Urban League of Central Carolinas	50,000	50,000
Charlotte-Mecklenburg Housing Partnership	50,000	--
Junior Achievement	20,000	--
Total: Promote Residents' Financial Self-Sufficiency	\$305,000	\$296,500

*First Time Funding



Community Service Grants

Target Areas	FY2015 Adopted	FY2016 Recommended
Improve the High School Graduation Rate	\$1,803,500	\$1,873,000
Prevent Health Risks and Diseases	1,687,419	1,617,419
Promote Residents' Financial Self-Sufficiency	--	296,500
Train and Place Unemployed Workers	210,000	--
Promote Financial Self-Sufficiency	95,000	--
Community Service Grant Total	\$3,795,919	\$3,786,919





Education Funding

Education Funding

County Funds Only

	FY2015 Adopted	FY2016 Recommended	Dollar Change	Percent Change
Charlotte-Mecklenburg Schools (CMS)				
CMS Operating*	\$385,936,594	\$399,902,352	\$13,965,758	3.62%
CMS Capital Replacement	4,960,000	4,960,000	--	--
CMS Operating Total	\$390,896,594	\$404,862,352	\$13,965,758	3.57%
Central Piedmont Community College (CPCC)				
CPCC Operating Total	\$32,284,482	\$33,873,949	\$1,589,467	4.92%
Education Operating Total	\$423,181,076	\$438,736,301	\$15,555,225	3.68%

Funding excludes fund balance appropriation

* In FY15, \$ \$7.3 million of CMS Operating was designated by the Board for CMS employee salary increases. This amount was increased by 4.9 million to 12.2 million due to State funding decisions that occurred post adoption.



CMS Recommendation

Funding Categories	Requested Amount	Recommended Amount*	Dollar Variance	Partial Description
Student Growth & Additional Space	\$5,777,340	\$5,777,340	-	2,406 new students; (2) new elementary schools; (1) replacement school; and, (2) reopened schools
Salaries & Benefits	5,309,840	5,309,840	-	<ul style="list-style-type: none"> Local share of teacher pay increases from \$33K to \$35K & health care increase Local share of cost of modifying certified salary schedules into 5 year pay bands.
Sustaining Operations	1,720,210	1,720,210	-	Utility increases & transportation fuel costs
Program Expansion	2,836,849	1,400,000	-1,436,849	Partial funding for (34) school counselors, (3) psychologists, and (3) social workers
Salaries & Benefits	10,868,755	--	10,868,755	2% salary increase for all CMS employees & retirement rate increase
Sustaining Operations	7,017,025	--	7,017,025	<ul style="list-style-type: none"> State reduction for teacher assistants State reduction for drivers education Talent mgmt. platform & security systems staffing support
Literacy Support	1,819,274	--	1,819,274	Literacy support & summer reading
Redirections	-3,441,632	-3,441,632	--	Redirection of funds to alternative use
Subtotal	\$31,907,661	\$10,765,758	-21,141,903	
Charter Schools Pass Through Funding	7,985,537	3,200,000	-4,785,537	Partial funding for 2,040 new charter school students and prior year adjustment
Total	\$39,893,198	\$13,965,758	-\$25,927,440	

*Excludes 1 Time Funding

CPCC Recommendation

Funding Categories	Requested Amount	Recommended Amount*	Variance	Partial Description
Salary Supplements & Benefits	\$471,129	--	\$471,129	2% increase for all CPCC employees
Maintenance	3,073,436	1,671,844	-1,401,592	Facility maintenance & repair
Utilities	78,537	78,537	--	Rate increase
Security	250,000	--	250,000	Increase coverage
Other Operating	1,906,061	--	-1,906,061	Insurance coverage & rental increases
Redirections	-160,914	-160,914	--	Reduction in supplies
Total	\$5,618,249	\$1,589,467	-\$4,028,782	

*Excludes 1 Time Funding



Education & Literacy Investment

County Funds & Fund Balance

Category	FY2015 Adopted	FY2016 Recommended	Dollar Change	Percent Change
CMS County Funding - Operating	\$390,896,594	\$404,862,352	\$13,965,758	3.57%
CMS County Funding – Debt Service	100,604,832	111,915,413	11,310,581	11.24%
CMS One-Time Funding	5,040,000	4,000,000	-1,040,000	-20.63
CMS Total	\$496,541,426	\$520,777,765	\$24,236,339	4.88%
CPCC County Funding - Operating	\$32,284,482	\$33,873,949	\$1,589,467	4.92%
CPCC County Funding – Debt Service	10,799,366	10,364,944	-434,422	-4.02%
CPCC One-Time Funding	800,000	1,555,134	755,134	94.39
CPCC Enterprise Reserve Funding	335,000	1,800,000	1,465,000	437.31%
CPCC Total	\$44,218,848	\$47,594,027	\$3,375,179	7.63%
Public Library County Funding	\$29,258,277	\$30,320,942	\$1,062,665	3.63%
Public Library One-Time Funding	1,350,000	1,099,000	-251,000	-18.59%
Public Library Enterprise Reserve Funding	1,600,000	2,485,567	885,567	55.35%
Public Library Total	\$32,208,277	\$33,905,509	\$1,697,232	5.27%
Education Support Services – Nonprofits	\$1,803,500	\$1,873,000	\$69,500	20.49%
ASC – Library & Parks Orchestra Programs	--	300,000	300,000	100%
Read Charlotte	--	100,000	100,000	100%
Education & Literacy Investment Total	\$574,772,051	\$604,550,301	\$29,778,250	5.18%

Expenditure Changes

County Funds Only

	FY2015 Adopted*	FY2016 Recommended	Dollar Change	Percent Change
County Operating	\$447,094,644	\$458,347,695	11,253,051	2.52%
CMS Operating*	390,896,594	404,862,352	13,965,758	3.57%
CPCC Operating	32,284,482	33,873,949	1,589,467	4.92%
Total Operating	\$870,275,720	\$897,083,996	\$26,808,276	3.08%
Debt Service	\$234,909,586	237,558,880	2,649,294	1.13%
Capital Pay-As-You Go **	34,687,590	29,259,860	-5,427,730	-15.65%
Total Debt	\$269,597,176	\$266,818,740	-\$2,778,436	-1.03%
Total	\$1,139,872,896	\$1,163,902,736	\$24,029,840	2.11%

Funding excludes fund balance appropriation

*In FY15, \$ \$7.3 million of CMS Operating was designated by the Board for CMS employee salary increases. This amount was increased by 4.9 million to 12.2 million due to State funding decisions that occurred post adoption.

** The equivalent of 3 cents of the tax rate is budgeted in FY16. Of the 3 cents, half a cent is funded from fund balance.



Recap: FY2016 Recommended Budget

Major Funding Adjustments

- ☐ Maintains the current general property tax rate = 81.57¢
- ☐ A 1.77¢ tax rate increase in the Law Enforcement Service District = 21.14¢
- ☐ A One-time fund balance appropriation = \$23.4 million
- ☐ \$22.6 million in redirection of existing funds to other purposes
- ☐ 52% of the County budget funds education and literacy
- ☐ 61% of the projected new growth revenue funds CMS operating and debt service
- ☐ Funding for colon cancer screening
- ☐ Ongoing funding commitment to provide a full time school health nurse in each public school
- ☐ Funding for employee merit increases
- ☐ Investment in the maintenance of County facilities including parks
- ☐ Additional funding for foster care contracts and placement
- ☐ Investment to combat homelessness and support the growing needs of veterans
- ☐ Remaining funding to expand mental health services for children exposed to trauma to all 13 divisions
- ☐ Additional funding for Medical Examiners Office to respond to service demand



Next Steps

Date	Time	Activity
June 9	3:00-5:00 PM	Budget Workshop – Detailed Overview of Manager’s Recommended Budget
June 10	6:00 PM	Budget Public Hearing
June 11 - 12	3:00 PM	Budget Straw Vote Workshop
June 16	6:00 PM	Board Meeting/Budget Adoption

County staff will continue to monitor budget activity at the State level and assess potential impacts on Mecklenburg County.



Informal Meetings

- Board staff support will contact each commissioner to see if you want to meet to discuss the budget
- Topics Discussed
 - Preparation for June 9 budget workshop
 - Details of Manager's Recommended Budget
 - Overview of the straw-vote spreadsheet and process



For Additional Information

- On County Website: www.mecklenburgcountync.gov
- Follow on Facebook and Twitter
- Register to speak at budget public hearing:
 - Dial: 980-314-2870
 - or
 - <http://charmeck.org/mecklenburg/county/news/Pages/Budget-Public-Hearing-Set-for-June-10th.aspx>



Thank You

- Agency's Finance & Budget Staff
- Board Staff Support
- Clerks Office
- Financial Services Department
- Manager's Cabinet
- Public Information Department
- County Manager and the Budget Executive Team
- Office of Management & Budget

