



FISCAL YEAR
2019

RECOMMENDED BUDGET

MECKLENBURG COUNTY NORTH CAROLINA



FY2019 Recommended Budget Overview

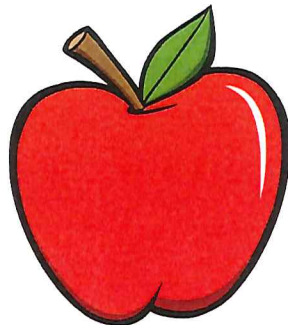


Revenue & Expenditures



NON-PROFIT

Community Service Grants



Education & Literacy



Next Steps



Guiding Principles

- Maintain the fiscal discipline strategy that Mecklenburg County is known for
- Maintain the alignment to the goals in our department strategic business plans
- Bold options to build a stronger, better tomorrow for our County and Community
- Invest in services, programs, and initiatives that will improve people's lives
- Invest in the County's "New Normal" cyber security posture
- Invest in the final preparation for the 2019 property valuation
- Recommendations from the Charlotte Mecklenburg Opportunity Task Force
- Mecklenburg County Early Childhood Education Executive Committee Action Plan
- Invest in literacy, early childhood education and public education
- Invest in the safety and security of our residents, students, and employees





Revenue

Assessed Valuation State Certifications

	FY2018 Adopted	FY2019 Projected	Dollar Change	Percent Change
Real Property	\$102,051,555,007	\$105,003,144,419	\$2,951,589,412	2.89%
Personal Property	9,780,198,691	10,708,868,418	928,669,727	9.50%
Vehicles	9,588,277,342	9,780,042,889	191,765,547	2.00%
State Certifications*	4,977,430,181	4,230,533,780	-746,896,401	-15.01%
Property Tax Base	\$126,397,461,221	\$129,722,589,506	\$3,325,128,285	2.63%
Property Tax Rate	81.57¢	82.32¢	.75¢	.92%
Value of Penny	\$12,513,600	\$12,842,536	\$328,936	2.63%

* State Certification Ratio Adjustment results in a one-time \$6M "County Dollar" reduction



FY2019 Total Revenue

Revenue Source	FY2018 Adopted	FY2019 Recommended	Dollar Change	Percent Change
Property Tax - Current	\$777,319,152	\$807,197,843	\$29,878,691	3.84%
Property Tax - Prior Years	6,910,000	8,300,000	1,390,000	20.12%
Sales Tax – County	184,528,000	191,250,000	6,722,000	3.64%
Other County Revenue	32,140,847	32,547,722	406,875	1.27%
Interest on Investments	5,600,000	9,290,000	3,690,000	65.89%
Fund Balance – State Certifications	-	6,000,000	6,000,000	-
General Fund County Sub-Total	\$1,006,497,999	\$1,054,585,565	\$48,087,566	4.78%
Debt Service County Dollars	\$244,589,200	\$251,179,750	\$6,590,550	2.69%
Federal Revenue	113,212,024	80,422,940	(32,789,084)	-28.96%
Other Non-County Revenue	70,209,464	71,728,534	1,519,070	2.16%
Sales Tax – Debt Service	63,200,000	65,450,000	2,250,000	3.56%
Sales Tax – Transit	51,500,000	56,300,000	4,800,000	9.32%
Code Enforcement Fees	32,560,375	34,030,707	1,470,332	4.52%
State Revenue (excluding sales tax)	41,482,748	31,237,394	(10,245,354)	-24.70%
Solid Waste Fees	21,518,035	25,476,386	3,958,351	18.40%
Enterprise Reserve Fund Balance	21,832,000	22,462,790	630,790	2.89%
One-Time Fund Balance	22,938,000	21,934,951	(1,003,049)	-4.37%
Storm Water Fees	16,189,520	16,366,408	176,888	1.09%
Total Revenue	\$1,705,729,365	\$1,731,175,425	\$25,446,060	1.49%

General Fund

County Dollar Revenue

Revenue Source	FY2018 Adopted	FY2019 Projected	Dollar Change	Percent Change
Property Tax	\$784,229,152	\$805,865,941	\$21,636,789	2.76%
Sales Tax	184,528,000	191,250,000	6,722,000	3.64%
Investment Income	5,600,000	9,290,000	3,690,000	65.89%
License & Permits	424,000	269,789	-154,211	-36.37%
Charges for Services*	17,179,015	17,659,235	480,220	2.80%
Other**	14,537,832	14,618,698	80,866	0.56%
General Fund County Dollar	\$1,006,497,999	\$1,038,953,663	\$32,455,664	3.22%
State Certification – Fund Balance			\$6,000,000	
FY2019 County Dollar Revenue			\$38,455,664	
Property Tax Rate Increase - 0.75¢			\$9,631,902	
FY2019 Available Revenue			\$48,087,566	

*Charges for Services primarily consist of Register of Deeds recording fees & deed stamps

** Other Revenue primarily consist of ABC profits, vehicle rental tax and parking fees



Funding Categories

General Fund

	FY2018 Adopted	FY2019 Recommended	Dollar Change	Percent Change
County Services	\$467,257,485	\$478,501,260	11,243,775	2.41%
Pay –go	31,290,800	32,051,500	760,700	2.43%
Education Services	507,949,714	544,032,805	36,083,091	7.10%
Total	1,006,497,999	1,054,585,565*	48,087,566	4.78%

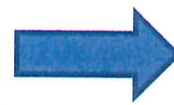
*FY19 total includes the recommended tax rate increase and the \$6M fund balance appropriation to offset the State Certification revenue loss.



What Will The Property Tax Rate Increase Fund?



$\frac{3}{4}$ of 1¢ = \$9.6M



\$250K valued home = \$1.56 month



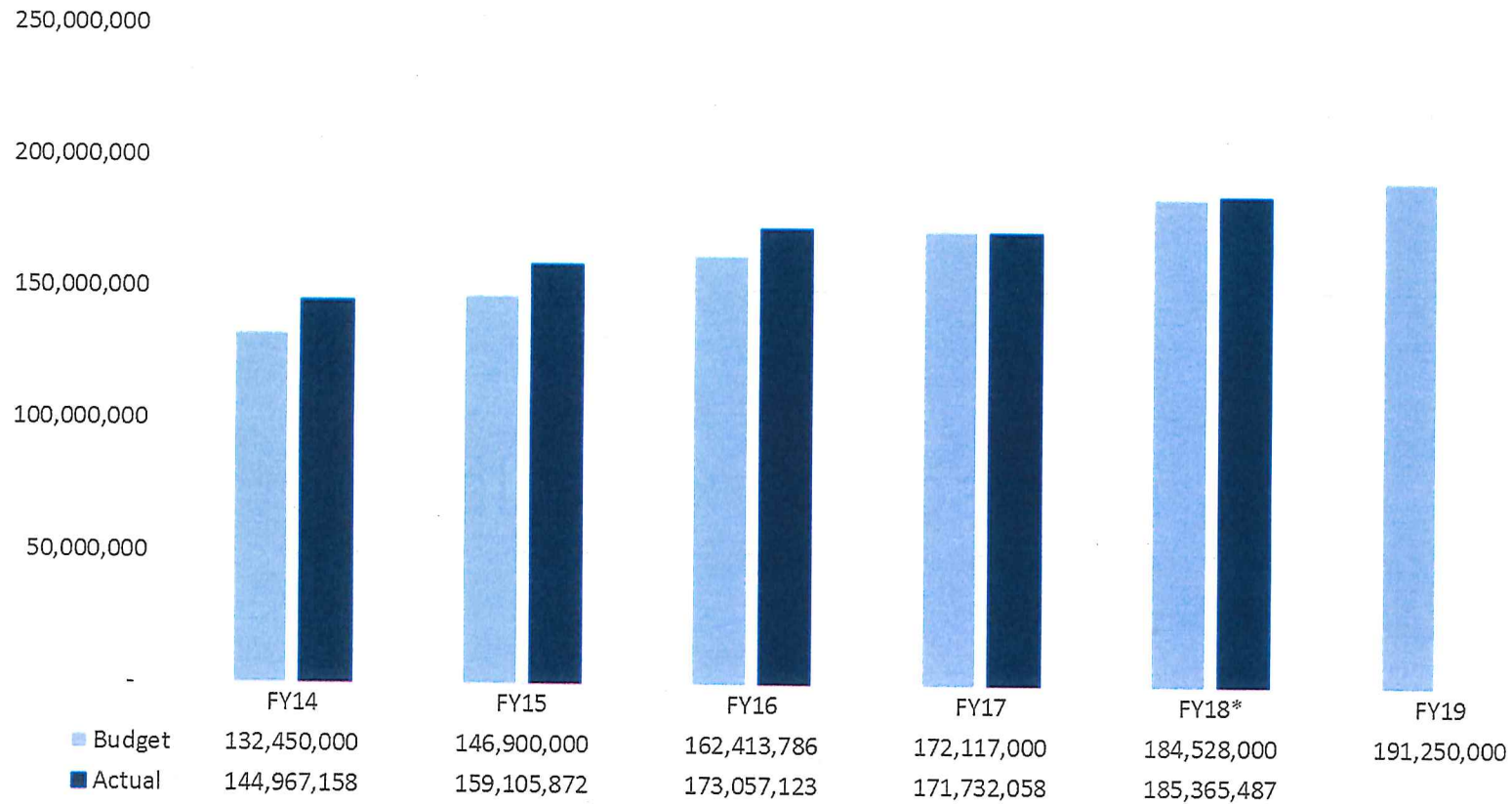
Early Childhood Education

- 33 pre-K classes
- Serve 600 children
- Childcare subsidy for families in workforce development programs
- Partnership w/Renaissance West



Sales Tax Comparison

General Fund Only



*FY2018 actuals represent estimates as of April 2018

Debt Service Fund

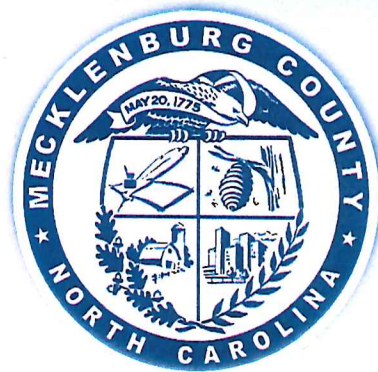
County Funding

	FY2018 Adopted	FY2019 Recommended	Dollar Change	Percent Change
County Revenue	\$244,589,200	\$251,179,750	\$6,590,550	3%
CMS Debt Service	\$112,271,839	\$75,065,800	-\$37,206,039	-33%
CPCC Debt Service	10,224,822	15,051,902	4,827,080	47%
General Debt Service	45,819,229	44,763,755	-1,055,474	-2%
Budgeted Fund Balance	66,273,310	100,298,293	34,024,983	51%
Debt Service Fund Balance to Deferred Maintenance Plan	10,000,000	16,000,000	6,000,000	60%
County Expense	\$244,589,200	\$251,179,750	\$6,590,550	3%



Fund Balance Appropriation

	FY18 Adopted	FY19 Recommended	Dollar (+/-)	Percent (+/-)
Fleet, Technology & Maintenance Reserves	\$21,832,000	\$22,462,790	\$630,790	2.89%
Other Post Employment Benefit	8,000,000	8,000,000	-	-
Deferred Maintenance Plan	6,000,000	-	-6,000,000	-100.00%
Pay-As-You Go	6,250,000	6,410,000	160,000	2.56%
CMS Security	-	4,600,000	4,600,000	-
Public Library Circulation Materials	500,000	-	-500,000	-100.00%
Revaluation	-	1,659,612	1,659,612	-
NBA All-Star Game	-	600,000	600,000	-
Sheriff's Office Equipment	-	510,339	510,339	-
Human Resources Consulting	-	155,000	155,000	-
Park & Recreation – Electronic Gate Installation	500,000	-	-500,000	-100.00%
Technology Strategy	417,000	-	-417,000	-100.00%
Elections Office	413,000	-	-413,000	-100.00%
Cyber Security & Data Loss Prevention	320,000	-	-320,000	-100.00%
Read Charlotte	300,000	-	-300,000	-100.00%
Vehicles for new positions	173,000	-	-173,000	-100.00%
Court Officials - strategic plan	65,000	-	-65,000	-100.00%
Total Fund Balance Expense	\$44,770,000	\$44,397,741	-\$372,259	-0.83%
One-Time State Certification Adjustment	-	\$6,000,000	\$6,000,000	-
Total Fund Balance Expense	\$44,770,000	\$50,397,741	\$5,627,741	12.57%

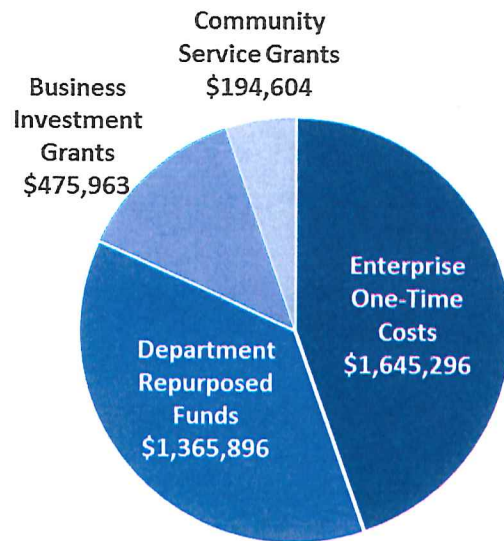


Expenditures

FY2015-FY2019

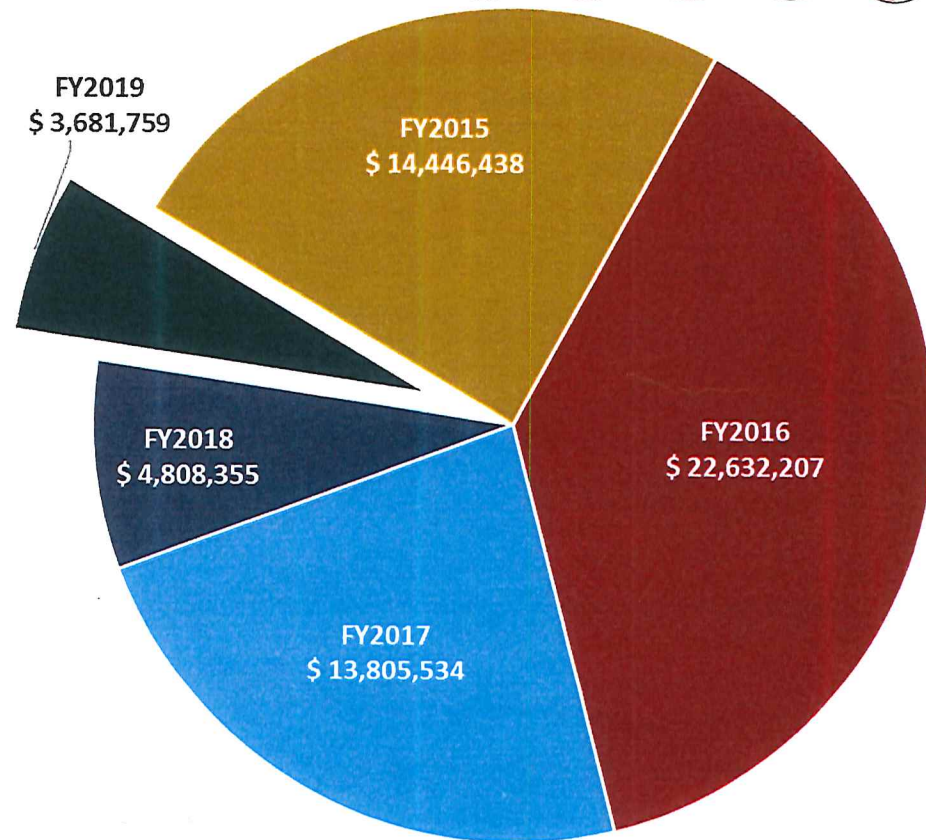
Efficiency Savings and Repurposed Funds

FY2019
\$3.7 Million



FY2015 – 2019

\$59.4 Million =



Major Investments

Item	Amount	Description
Public Library	\$2,582,000	Funding for library collections and operations
Utilities	1,684,249	Utility costs for new & existing facilities; and, data & telephone expenses
Enterprise Security	1,600,000	Funding for enhanced security at parks, libraries, and gov't facilities.
Information Technology	1,380,556	Funding for (11) new IT positions and operations, including cyber security
Public Health	647,609	Funding for (3) School Health Nurses; (3) Environmental Health Specialists; and, (1) Health Preparedness Coordinator
Park & Recreation	594,782	Maintenance and operation funding for new park facilities
Facility Maintenance	334,649	Funding for maintenance contractual increases & new or expanded space
Sheriff's Office	323,978	Funding for medical & maintenance contracts and the inmate high school
Legal Aid of NC	309,123	Funding for representation to low-income tenants to avoid home evictions
Microsoft Agreement	300,277	Funding to support a contractual agreement with Microsoft
Department of Community Resources	279,200	Funding for: (1) Business Manager; (1) Management Analyst; (1)Administrative Support Assistant
Total	\$10,036,423	



Other Investments

Item	Amount	Description
Court Officials – Clerk’s Office	\$170,000	(2) Positions tasked with intake & data entry duties for domestic violence victims, which will generate the e-filing forms that will more efficiently allow victims to go before a judge
Internal Audit	167,000	(1) IT Auditor & (1) Sr. Auditor
Breast & Cervical Cancer Screening	126,000	Funding to offset the state reduction for breast and cervical cancer screening.
Equity & Implicit Bias Strategic Plan	81,000	Additional funding to support an assessment of the County’s equity opportunities and challenges, training for staff, and development of an equity plan.
After School & Summer Camps	80,000	Funding to eliminate a waitlist of (25) kids at Hidden Valley Elementary School and expand the Winget summer camp
Small Business Program	46,700	An educational program that focuses on increasing the number of businesses that make it through the first (5) years of operations.
Board Support	35,000	(1) New administrative support position for the BOCC.
Court System – Magistrates	33,300	The County’s share for 50% of the cost for (1) Magistrate in North Mecklenburg County
Village HeartBeat	25,000	An increase in funding to address health disparities in the community.
Total	\$764,000	

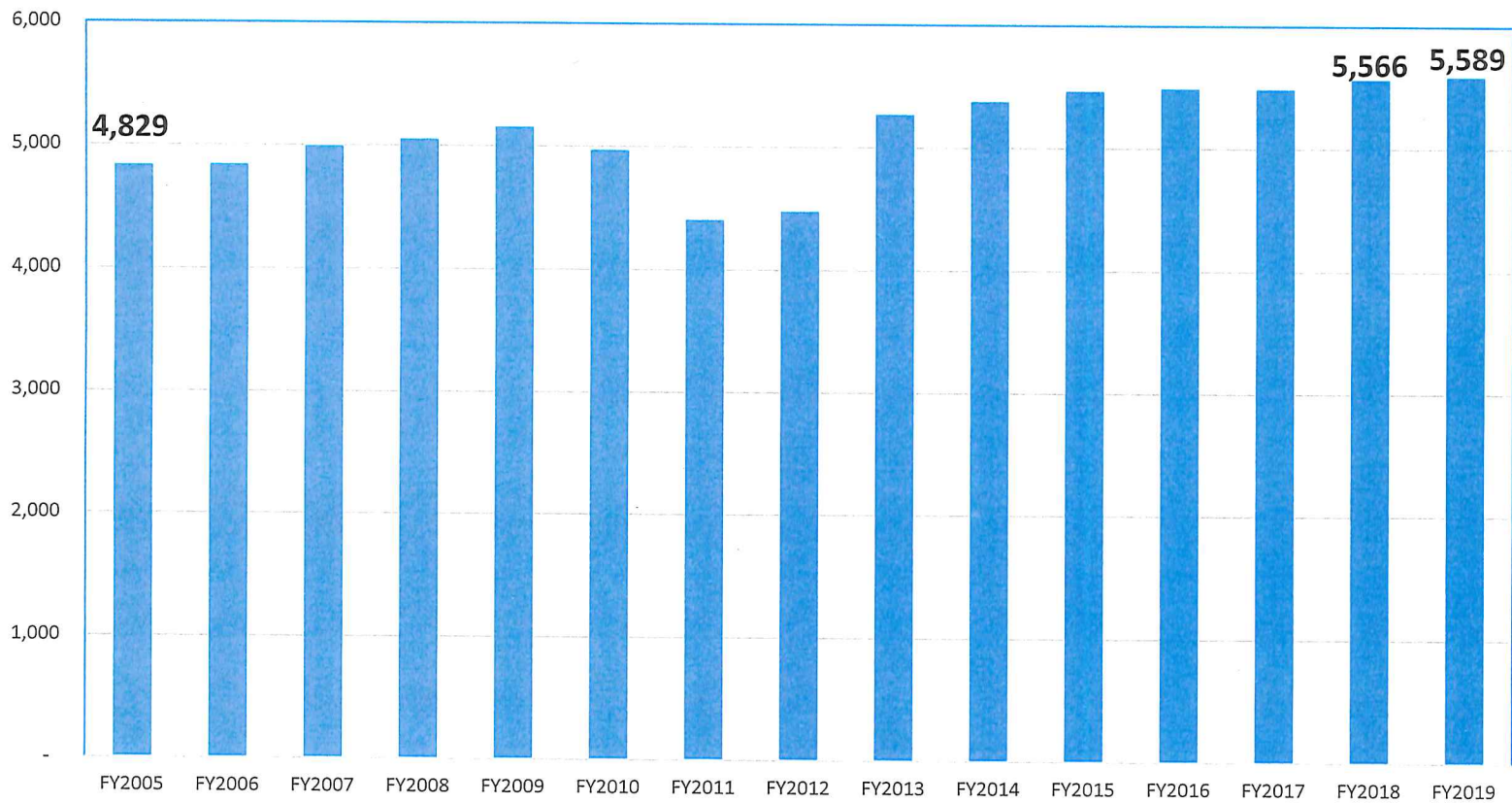
Investing in Employees

Item	Amount
Medical & Dental Insurance – Claims Reductions	-\$5,941,621
Employee Pay-for-Performance Merit Increase	5,881,528
Annualized Merit Increases	1,850,000
Our Health – Year 1 Cost	1,804,500
Annualized funding for new positions approved in FY2018	1,514,356
Local Government Employee Retirement System – LGERS	1,204,031
Sheriff's Office pay plan revisions for recruitment and high turnover positions	-
Total	\$6,312,794

- Effective January 1, 2019: The County will partner with OurHealth to include access to the MyClinics to provide convenient and less costly healthcare.
- Sheriff's Office pay plan revisions will be funded through realignments of existing resources and additional non-County revenue identified by the Sheriff



Recommended Positions





Community Service Grants

Community Service Grants Process

- Sunset provision was applied if agency received funding for (3) consecutive years
- A community service grant's process orientation was held on October 27, 2017
- The funding methodology focuses on buying results and funding new providers
- Grant applications were reviewed by County department representatives
- Nonprofit services must fill a gap in the department's strategic business plans



Community Service Grants

Community Service Grants	FY2019 Recommended
Bethesda Health Center: You Are Not Alone	\$150,000
CW Williams	390,000
Lake Norman Community Health Clinic	140,000
Veterans Bridge Home	200,000
Wings for Kids, Inc.	100,000
YMCA Greater Charlotte – Parents as Teachers	117,500
Total: Community Service Grants	\$1,097,500



Vendor Agreements

Vendor Agreements	FY2019 Recommended
100 Black Men of Charlotte – Movement of Youth	\$20,000
Ada Jenkins Families: AJC Human Services	25,000
Arts & Science Council: - Studio 345	350,000
Bethesda Health Center: Access to Care	165,000
Big Brothers Big Sisters: Mentoring 2.0	25,000
Big Brothers Big Sisters: School Based Mentoring	50,000
Care Ring, Inc: Nurse Family Partnership	250,000
Care Ring, Inc: Physicians Reach Out	250,000



Vendor Agreements cont'd

Vendor Agreements	FY2019 Recommended
Center for Community Transitions: LifeWorks	\$100,000
Charlotte Community Health Clinic: Homeless	270,919
Communities In Schools: Building Student Success	900,000
Community Culinary School: Workforce Culinary Arts	80,000
Latin American Coalition: Economic Mobility Center	50,000
NC MedAssist: Free Pharmacy Program	550,000
Senior Activities & Services: Self Management for Seniors	95,000
Shelter Health Services: Healthcare for Homeless	69,000
Urban League: Continuum of Opportunity	50,000
Total: Vendor Agreements	\$3,299,919



Community Service Grants Recommended for Sunset

Agency	FY2018 Adopted	FY2019 Recommended
A Child's Place – Homeless Children & Families in Charlotte-Mecklenburg	\$50,000	--
Hope Haven – Therapeutic Community	41,500	--
Teen Health Connection – Clinical Health Educator	50,000	--
YWCA Central Carolina – Youth Programs	50,000	--
Total: Community Service Grant Sunset Recommendation	\$191,500	--





Education & Literacy Funding

Charlotte-Mecklenburg Schools

Funding Categories	FY2018 Adopted	FY2019 Recommended	Dollar Change	Percent Change
CMS Operating	\$426,444,699	\$450,680,121	\$24,235,422	5.68%
Deferred Maintenance Plan	18,000,000	18,000,000	-	-
CMS Capital Replacement	4,960,000	4,960,000	-	-
Public Schools Security	-	4,600,000	4,600,000	-
CMS Total	\$449,404,699	\$478,240,121	\$28,835,422	6.42%



Charlotte-Mecklenburg Schools

Funding Categories	Requested Amount	Recommended Amount	Dollar Variance	Description
Salaries & Benefits	\$11,020,317	\$11,020,317	-	Local impact of an average 3% for school admin and non-certified staff and an average 7% increase for certified staff and Board members
Student Support Services	4,656,787	4,656,787	-	Funds 33 guidance counselors; 10 psychologists; & 17 social workers
Student Growth	3,393,269	3,393,269	-	Charter School Enrollment Growth – 1,872 students
Retirement	2,779,603	2,779,603	-	Local Impact of rate increase from 17.33% to 18.44%
Sustaining Operations	784,543	784,543	-	House Bill 90 - funding to reduce class size
Health Insurance	678,156	678,156	-	Local Impact of rate increase from \$5,869 to \$6,104
Maintenance	605,433	605,433	-	Maintenance and operations for additional space
Add'l Facility Space	317,314	317,314	-	Additional staffing allotments for new schools
Program Expansion	8,668,107	--	8,668,107	Expansion in the following areas: English Learners (EL) teachers; custodial staff; cultural proficiency training; instructional online applications; & Advancement Via Individual Determination (AVID)
Salaries & Benefits – Local Supplement	6,884,491	--	6,884,491	7% increase on supplement amount for teachers & certified staff
Total	\$39,788,020	\$24,235,422	-\$15,552,598	



Central Piedmont Community College

Funding Categories	FY2018 Adopted	FY2019 Recommended	Dollar Change	Percent Change
CPCC Operating	\$35,149,940	\$36,765,175	\$1,615,235	4.60%
Deferred Maintenance Plan	4,000,000	4,000,000	-	-
Capital Reserve (FY18 One Time Funding)	700,000	--	-700,000	-100.00%
CPCC Total	\$39,849,940	\$40,765,175	\$915,235	2.30%

The Manager's recommendation funds 100% of the County's community college obligation and CPCC's request minus a salary supplement (\$637K)



Education & Literacy Investment

Funding Categories	FY2018 Adopted	FY2019 Recommended	Dollar Change	Percent Change
CMS County Funding – Operating & Maintenance	\$431,404,699	\$455,640,121	\$24,235,422	5.62%
CMS Deferred Maintenance	18,000,000	22,600,000	4,600,000	25.56%
CMS Total	\$449,404,699	\$478,240,121	\$28,835,422	6.42%
CPCC County Funding - Operating	\$35,149,940	\$36,765,175	\$1,615,235	4.60%
CPCC Capital Reserve Funding – One Time funding	700,000	-	-700,000	-100.00%
CPCC Deferred Maintenance	4,000,000	4,000,000	-	-
CPCC Total	\$39,849,940	\$40,765,175	\$915,235	2.30%
Public Library County Funding	\$33,653,433	\$36,105,228	\$2,451,795	7.29%
Public Library One-Time Funding	500,000	-	-500,000	-100.00%
Public Library Enterprise Reserve Funding	1,700,186	1,150,000	-550,186	-32.36%
Public Library Total	\$35,853,619	\$37,255,228	\$1,401,609	3.91%
Public School's Health Nurses	\$15,802,856	\$16,521,868	\$719,012	4.55%
Pre-Kindergarten Classes	-	9,631,902	9,631,902	-
Child Care Subsidy Program Expansion	6,000,000	6,000,000	-	-
Education Support Services – Nonprofits	1,520,000	1,370,000	-150,000	-9.87%
ASC – Culture Block Grants	675,000	800,000	125,000	18.52%
Sheriff's Inmate High School	393,531	556,109	162,578	41.31%
Read Charlotte – Data Collaborative	100,000	100,000	-	-
Read Charlotte	100,000	100,000	-	-
Education & Literacy Investment Total	\$549,699,645	\$591,340,403	\$41,640,758	7.58%

The Headlines!

FY2019 Recommended Budget

- ☐ An investment in Universal Pre-K consistent with the Economic Opportunity Task Force Report
- ☐ A 0.75 cent property tax rate increase which will add \$1.56 a month to a home valued at \$250K
- ☐ A one-time \$6M fund balance appropriation to offset the State Certification revenue loss
- ☐ No property tax rate increases for the Fire Protection and Law Enforcement Service Districts
- ☐ \$3.7M in efficiency savings and repurposed funds to support major investments
- ☐ Funding for year 3 of the 3 year department strategic business plans
- ☐ 54% of the County budget funds education and literacy
- ☐ Funding for employee merit increases
- ☐ Adjustments to the Sheriff's Office pay plan for recruitment and high turnover positions
- ☐ OurHealth – A New County benefit that will take effect on January 1, 2019



Next Steps

Date	Time	Activity
June 4	6:00 PM	Budget Public Hearing
June 7	3:00 PM	Budget Workshop – Detailed Overview of Manager’s Recommended Budget
June 12-13	9:00 AM	Budget Straw Vote Workshop
June 19	6:00 PM	FY2019 Budget Adoption



Follow-Up Meetings

- Board staff support will contact each Commissioner to see if you would like to meet to discuss the Recommended Budget
- Topics Discussed
 - Preparation for the June 7 budget workshop
 - Details of the Manager's Recommended Budget
 - Overview of the straw-vote spreadsheet and process



For Additional Information

- On County Website: www.mecknc.gov
- Follow on Facebook and Twitter
- Register to speak at budget public hearing:
 - <http://boccspeakerbph.mecklenburgcountync.gov>
 - or
 - Dial: 980-314-2870



Thank You

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

