

Town of Mint Hill



Fiscal Year 2020-2021
Proposed Budget Document

BUDGET MESSAGE

DATE: 6/1/2020
TO: THE HONORABLE MAYOR SIMMONS,
MEMBERS OF THE BOARD OF COMMISSIONERS
FROM: BRIAN L. WELCH, TOWN MANAGER/BUDGET OFFICER
RE: PROPOSED FY 2020 - 2021 ANNUAL BUDGET

Pursuant to Section § 159-11 of the North Carolina General Statutes, I respectfully present the recommended FY 2020-2021 Budget for your review and consideration. The following message summarizes and highlights the significant elements of the proposed budget, particularly in those areas where there are notable changes from the FY 2019-2020 budget.

The recommended General Fund budget totals \$19,703,397. This budget is presented with a **proposed tax rate of \$0.255 per \$100** of assessed valuation, representing no change in the current tax rate as adopted for FY 2019-2020.

The Town's revenue forecasting philosophy has always been conservative and will continue for this fiscal year due to the ongoing uncertainty of current local, state, and national economic trends. Economic forecasting is not an exact science and at times relies upon the best professional judgment of the forecaster. To reduce the risks of miscalculating revenues or expenditures, the Town identifies as many factors as possible that may contribute to changes in revenue and expenditures, such as population growth, property values, development, and the economy.

Our citizens and Board have much to be proud of with a tax rate of 25.5 cents. At 25.5 cents, our tax rate is one of the lowest in the state for a municipality of our size.

GENERAL FUND/POWELL BILL REVENUE HIGHLIGHTS

Ad Valorem Taxes: The Town of Mint Hill relies on property taxes for 46% of the General Fund Budget Revenues. The assessment of all property located in the Town of Mint Hill is provided to us by Mecklenburg and Union Counties. The assessed property value is projected at \$3,660,531,967.

The proposed General Fund tax rate will be set at 25.5¢ per \$100 valuation of property with an estimated collection rate of 98%. Ad Valorem tax revenues (including prior year taxes to be collected) for the coming Fiscal Year are budgeted at \$9,120,000.

Local Sales and Use Tax: The State of North Carolina grants local governments the authority to levy a local sales tax of up to 2.5%, with the state sales tax. Mecklenburg County levies this tax with Mint Hill receiving sales tax revenues based on an Ad Valorem basis. The FY 2020-2021 sales tax projection is \$1,800,000. Data received from the North Carolina League of Municipalities and Mecklenburg County suggests that this fiscal year's sales tax collections will be reduced over FY20 distributions as a result of the COVID-19 pandemic.

Franchise Tax: The state levies a franchise tax on the total gross receipts of various utilities. Each Town's share of the utility franchise tax is based on the actual receipts from electric and telephone service within their municipal boundaries during the fiscal year. The amount of revenue generated by this tax is highly dependent on weather conditions throughout the year. Also, any annexations of industrial or other facilities that are heavy users of electric or telephone services, effective during the fiscal year could impact this revenue. The Town has not annexed any industrial areas that will significantly impact this revenue. This revenue source is expected to be \$1,100,000 for FY 2020-2021.

Powell Bill Tax: State estimates report that the Powell Bill distribution will be lower for FY 2020-2021. The calculating formula for this revenue is derived from the 2018 NC Certified population estimate of Mint Hill multiplied by \$19.11 (75%) and total mileage of road maintained by Mint Hill multiplied by \$1,580 (25%). The total estimated Powell Bill Tax Revenues for the FY 2020-2021 proposed budget is \$690,000.

GENERAL FUND / POWELL BILL EXPENDITURE HIGHLIGHTS

Personnel: The FY 2020-2021 proposed budget includes funding for one additional sworn position in the Police Department, one additional position in the Fire Department and one additional position in the Administrative Department. Also, the proposed budget includes a 4% market rate adjustment for Town Employees. The market adjustment will become effective with the first payroll after January 1, 2021.

Administration: \$150,000 has been included in the proposed FY 2020-2021 budget for an update to the Town's Land Use Plan.

General Services (Non-Departmental): This account is derived from ongoing professional and contractual expenses the Town expends on an annual basis. These services include items that are associated with multiple departments or contributions to outside organizations. These items include but are not limited to the auditing/legal services, insurance and bonds, telephone, and utilities. Various outside organizations will receive funding from the Town of Mint Hill during FY 2020-2021. Donations are

allocated as follows: Kid's Voting-\$2,500; King Cobras Football-\$5,000; Levine Senior Center-\$6,500; Mending Strides Ranch-\$2,000; Mint Hill Athletic Association-\$70,000; Mint Hill Chamber of Commerce-\$25,000; Queen's Grant High School-\$5,000; Servant's Heart-\$20,000; Mint Hill Youth Football-\$5,000.

Police Department: The Police Department budget includes funding for one (1) additional Administrative Captain position. Further, technological funding is included to purchase new body cameras, computers, data storage solutions, and other technological needs. Additionally, funding has been included as part of the Town's share of a Governor's Highway Safety Program grant for which the Town is applying.

Fire Department: Mint Hill Fire & Rescue has long been recognized as Mint Hill's primary provider of Fire and Ambulance Service in the Town. Effective July 1, Mint Hill Fire & Rescue will cease to exist with operations being absorbed by the Town. Residents will continue to receive the highest possible service in Mecklenburg County. Funding is appropriated in this budget for the addition of one (1) Administrative Captain position.

Idlewild Volunteer Fire department provides coverage for a portion of Mint Hill and Matthews. For this reason, both municipalities make financial contributions to the department to support ongoing operations. In an effort to combat rising operating costs while keeping the Idlewild VFD solvent and functioning at a high level, the Town has budgeted \$335,475 for FY 2020-2021 to offset operating and personnel costs and for continued help towards equipment acquisitions. An additional \$65,000 is allocated to the department as their portion of the fire service district tax proceeds collected from the Town's extra-territorial jurisdiction.

Animal Control: Animal Control Services will continue to be provided by Charlotte-Mecklenburg Animal Control through an annual contract. The contract provides for receiving all animal control complaints, dispatching service, complaint investigation and resolution, transportation of animals and housing of the animals. The FY2020-2021 budget estimates the cost of this service at \$125,000.

Street Maintenance: The Town maintains over 100 miles of streets within the corporate limits. These streets are assessed on an annual basis and are assigned priority for repair by the Public Works Director. The proposed FY2020-2021 budget has identified \$500,000 for street resurfacing. The proposed budget also includes \$3,000,000 for new sidewalk construction funded in part by a grant administered through the Charlotte Regional Transportation Planning Organization.

Solid Waste / Recycling: The proposed budget provides funding for once weekly curbside collection of one ninety-six (96) gallon can, bi-weekly recycling and weekly debris pickup. The cost of this service for FY 2020-2021 is \$1,981,440 or \$17.20 per

household per month. Landfill service and tipping fees will continue to be provided by Mecklenburg County Landfill service at a cost of \$380,000.

Parks and Recreation: Funds have been added to this year's budget to continue our commitment of maintaining structures at the parks that include shelters, playing fields, playgrounds and other equipment. Funds have also been identified for the Veterans Park and the Park on Wilgrove to install equipment and make improvements as they are identified by the Public Works and/or Parks Directors.

STORMWATER FUND

Mecklenburg County and all seven municipalities assess a stormwater fee to every tax parcel except undeveloped ones including tax-exempt agencies such as Governments, Schools, and Churches. The assessments are spent only on stormwater related expenditures to repair or maintain the major and minor stormwater system. The Town will continue to contract with Mecklenburg County Stormwater Services for inspection and repair services, supplemented by the Town's Public Works Department, as well as implement the federally mandated Stormwater Phase II Permit Requirements. All priority rankings and subsequent work on stormwater complaints are in accordance with the Mecklenburg County Stormwater Services priority rating system.

TOURISM REVENUE FUND

Mecklenburg County collects hotel and motel tax from properties within the County. Revenues collected within the Town limits are shared with the County, which uses its portion of the tax to fund the Charlotte Convention Center as well as the recently completed NASCAR Hall of Fame. The remaining portion of the tax is remitted to the Town of Mint Hill to be spent on the promotion of local tourism. This fund also accounts for revenues collected from the Prepared Food and Beverage Tax for use for the same purpose. Per an interlocal agreement between all municipalities within Mecklenburg County, the Town's portion of the tax will increase to 75% of that amount collected in each municipality. Approved funding for the Mint Hill Historical Society in the amount of \$70,000, Mint Hill Arts in the amount of \$16,000, the VFW in the amount of \$2,000, Pottery 51 in the amount of \$3,500, Mint Hill Lions Club in the amount of \$1,500, Discover Mint Hill in the amount of \$1,500, Honor the Warriors in the amount of \$4,850, and American Legion in the amount of \$14,000 has been added in FY 2020-2021. Proceeds from this Fund also go towards the continued implementation of the Town's Cultural Action Plan via a contribution to the Arts and Science Council in the amount of \$10,000.

INFRASTRUCTURE FUND

This Fund contains proceeds for future infrastructure work that has been contributed by developers in lieu of immediately installing the infrastructure required as part of their development. Currently the Fund contains monies slated for the installation of sidewalk, curb and guttering and other improvements along Wilgrove-Mint Hill Road.

SUMMARY

Mint Hill will continue all efforts to provide its residents with the highest possible level of service while striving to be good stewards of the Town's tax dollars. We will manage the continued growth of our area to provide a well-balanced community with a high standard of living that is sustainable in all economic conditions. The Town will continue to work with other agencies to resolve issues related to water/sewer, transportation, growth, and recreational opportunities. Identifying what are the best long-term interests for the Town, goal-setting for the future and working towards these goals will continue to be our primary focus.

In closing, I would like to extend my sincerest appreciation to the elected officials and the entire Town Staff for their dedication, hard work and genuine interest in our community. Their selfless efforts and commitment to excellence is a big reason Mint Hill is one of the best communities in North Carolina.

Respectfully submitted,

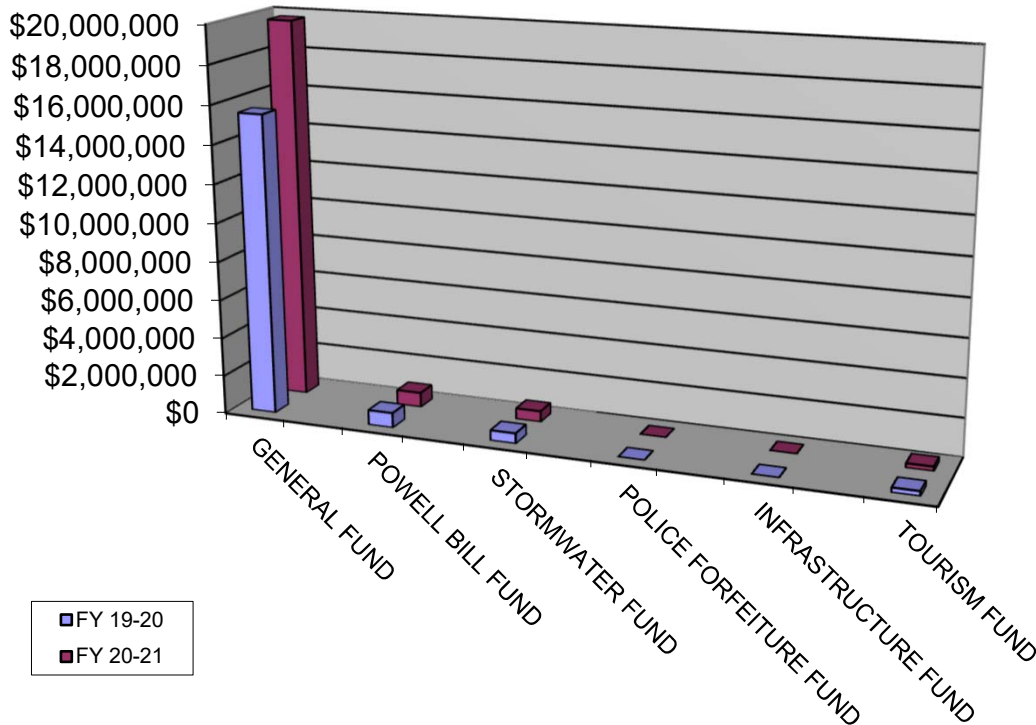
A handwritten signature in black ink, appearing to read "B. L. Welch", with a long horizontal flourish extending to the right.

Brian L. Welch
Town Manager/Budget Officer

SUMMARY OF PROPOSED ANNUAL BUDGET BY FUND

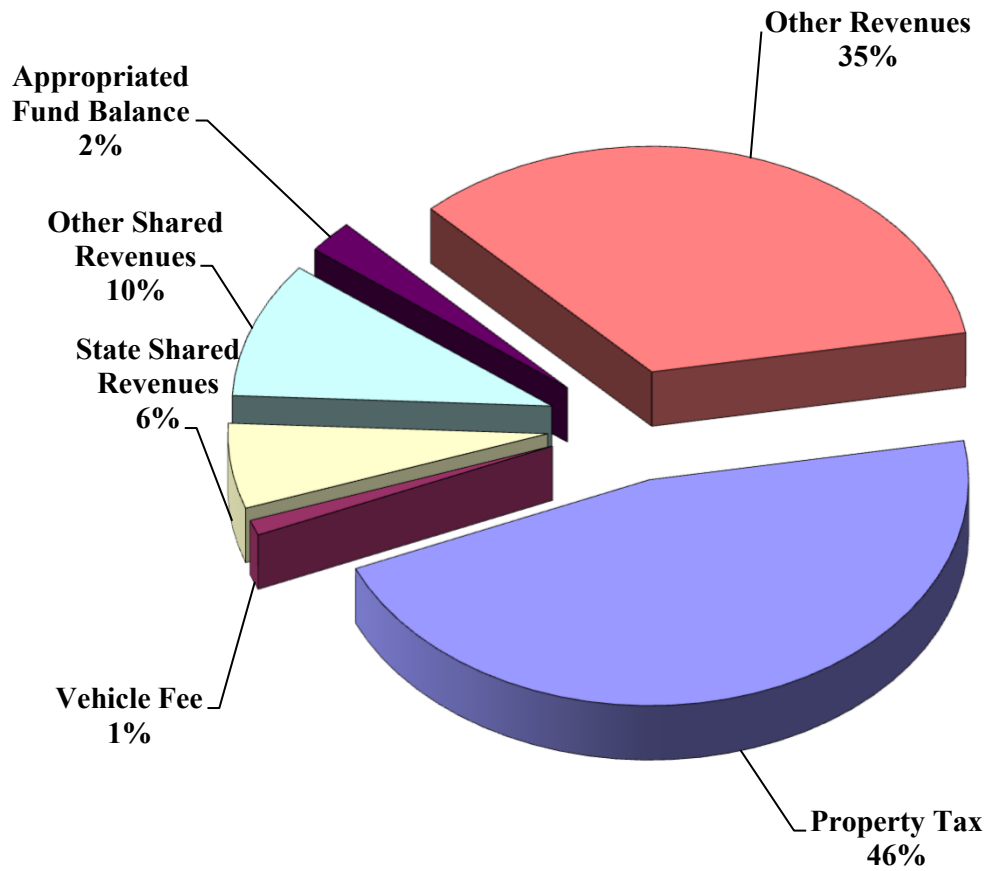
TYPE OF FUND	FY 19-20	FY 20-21
GENERAL FUND	\$15,521,726	\$19,703,397
POWELL BILL FUND	770,000	760,000
STORMWATER FUND	528,728	562,757
POLICE FORFEITURE FUND	0	50
INFRASTRUCTURE FUND	50	50
TOURISM FUND	245,150	225,150

TOTAL \$17,065,654 \$21,251,404



FY 2020-2021 GENERAL FUND PROPOSED REVENUE SUMMARY

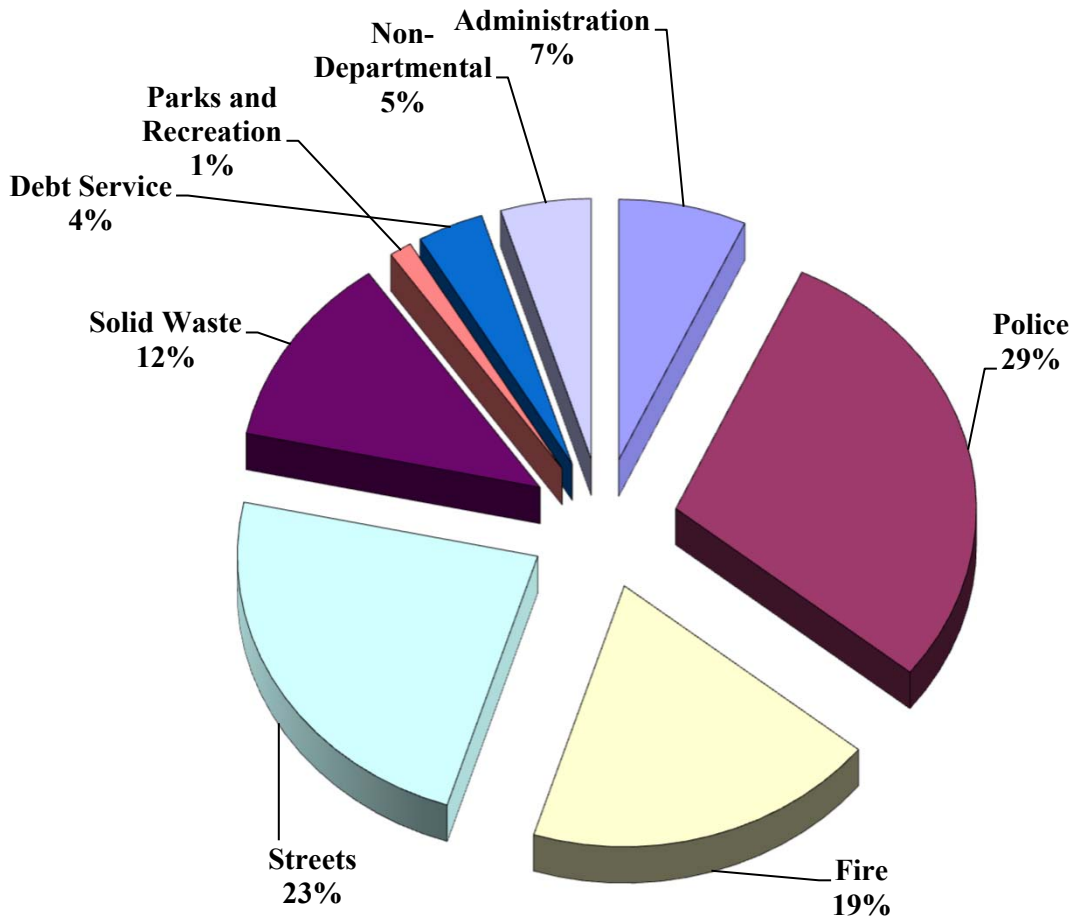
REVENUES	
Property Tax	\$9,130,000
Vehicle Fee	215,000
State Shared Revenues	1,200,000
Other Shared Revenues	1,921,000
Appropriated Fund Balance	466,045
Other Revenues	6,771,352
<i>Total Revenues</i>	\$19,703,397



FY 2020-2021 GENERAL FUND PROPOSED EXPENDITURE SUMMARY

EXPENDITURES

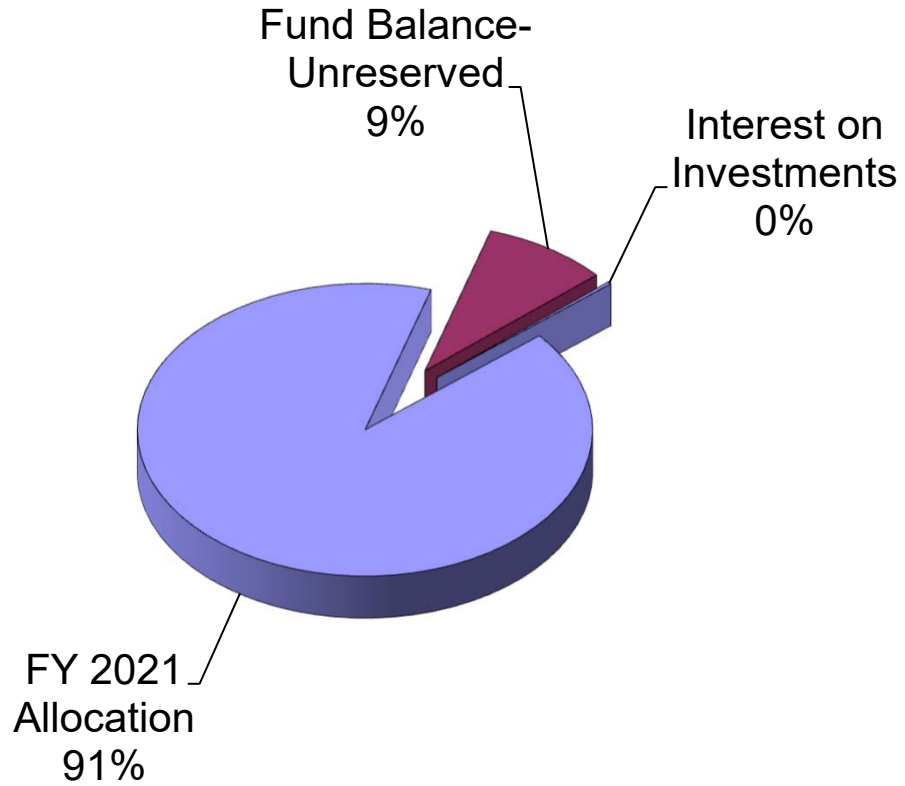
Governing Body	\$44,295
Administration	1,355,189
Police	5,681,567
Fire	3,751,492
Streets	4,609,636
Solid Waste	2,361,440
Parks and Recreation	239,608
Debt Service	702,670
Non-Departmental	957,500
Total Expenditures	\$19,703,397



**FY 2020-2021 POWELL BILL
PROPOSED REVENUE SUMMARY**

REVENUES

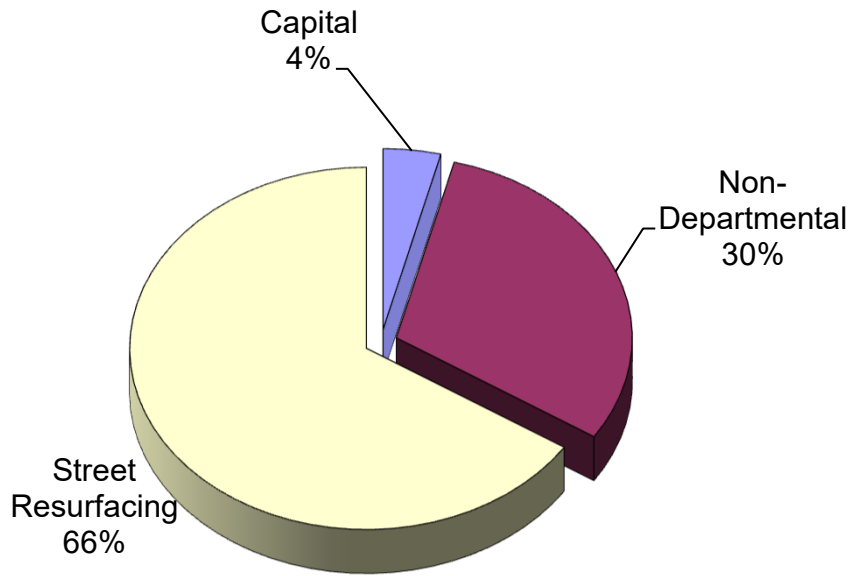
FY 2021 Allocation	\$690,000
Fund Balance-Unreserved	\$68,000
Interest on Investments	2,000
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Total Revenues	\$760,000



FY 2020-2021 POWELL BILL
PROPOSED EXPENDITURE SUMMARY

EXPENDITURES

Capital	\$30,000
Non-Departmental	230,000
Street Resurfacing	500,000
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Total Expenditures	\$760,000



2020-2021 PROPOSED BUDGET ORDINANCE

BE IT ORDAINED by the Board of Commissioners of the Town of Mint Hill, NC meeting in regular session on June 11, 2020, that the following Fund Revenues and Department Expenditures together with certain restrictions and authorizations are adopted:

SUMMARY

General Fund	\$19,703,397
Powell Bill Fund	760,000
Stormwater Fund	562,757
Police Forfeiture Fund	50
Infrastructure Fund	50
Tourism Revenue Fund	225,150

TOTAL FUND SUMMARY **\$21,251,404**

Section I

GENERAL FUND

Revenues Anticipated

<u>SOURCE</u>	<u>AMOUNT</u>
Ad Valorem Taxes - Levy	\$8,400,000
Ad Valorem Taxes-Prior Years	20,000
Auto Fee	215,000
Ad Valorem Taxes-Interest	10,000
Motor Vehicle Tax	700,000
Vehicle Rental Tax	4,000
Other Taxes - ABC	100,000
Solid Waste Disposal	17,000
Beer & Wine Tax	100,000
Utility Franchise Tax	1,100,000
Sales and Use Tax Refund	1,800,000
Other Financing Sources	4,277,000
Earnings on Investments	50,000
Other Miscellaneous Revenues	2,414,352
Zoning Application Fees	30,000
Fund Balance-Unreserved	466,045

Total General Fund Revenue **\$19,703,397**

Expenditures Authorized

<u>Department</u>	<u>Amount</u>
Governing Body	\$44,295
Administration	1,355,189
Police	5,681,567
Fire	3,751,492
Streets	4,609,636
Solid Waste	2,361,440
Parks and Recreation	239,608
Debt Service	702,670
Non-Departmental	957,500
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Total General Fund Expenditures	\$19,703,397

Section II
POWELL BILL FUND

Revenues Anticipated

<u>Source</u>	<u>Amount</u>
Powell Bill Revenue	\$690,000
Fund Balance-Unreserved	\$68,000
Interest on Investments	2,000
	<hr/>
Total Powell Bill Revenues	\$760,000

Expenditures Authorized

<u>Department</u>	<u>Amount</u>
Street Resurfacing	\$500,000
Non Departmental	230,000
Capital	30,000
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Total Powell Bill Expenditures	\$760,000

**Section III
STORMWATER FUND**

Revenues Anticipated

<u>Source</u>	<u>Amount</u>
Stormwater Fees	\$330,000
Interest on Investments	5,000
Fund Balance-Unreserved	227,757
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Total Stormwater Revenues	\$562,757

Expenditures Authorized

<u>Source</u>	<u>Amount</u>
Administration	\$387,757
Non-Departmental	175,000
Capital	0
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Total Stormwater Expenditures	\$562,757

Section IV
POLICE FORFEITURE FUND

Revenues Anticipated

<u>Source</u>	<u>Amount</u>
Interest on Investments	<u>\$50</u>
Total Forfeiture Revenues	\$50

Expenditures Authorized

<u>Source</u>	<u>Amount</u>
Contingency	<u>\$50</u>
Total Forfeiture Expenditures	\$50

Section V
INFRASTRUCTURE FUND

Revenues Anticipated

<u>Source</u>	<u>Amount</u>
Interest on Investments	<hr/> \$50
Total Infrastructure Revenues	\$50

Expenditures Authorized

<u>Source</u>	<u>Amount</u>
Contingency	<hr/> \$50
Total Infrastructure Expenditures	\$50

Section VI
TOURISM FUND

Revenues Anticipated

<u>Source</u>	<u>Amount</u>
Prepared Food/Occupancy Tax	\$220,000
Grants	5,000
Fund Balance-Unreserved	0
Interest on Investments	150

Total Tourism Revenues **\$225,150**

Expenditures Authorized

<u>Source</u>	<u>Amount</u>
Non-Departmental	\$225,150

Total Tourism Expenditures **\$225,150**

**SECTION VII
TAX RATE ESTABLISHED**

An Ad Valorem Tax Rate of \$0.255 per \$100 at full valuation is hereby established as the official tax rate for the Town of Mint Hill for the fiscal year 2020-2021. This rate is based on a total true valuation of \$3,660,531,967 and an estimated rate of collection of approximately 98%. A vehicle fee of \$10 is also hereby established and is levied on all vehicles registered within the corporate limits.

**Section VIII
SPECIAL AUTHORIZATION, BUDGET OFFICER**

- A The Budget Officer shall be authorized to reallocate departmental appropriations among the various objects of expenditures as he believes necessary.

**Section IX
RESTRICTIONS, BUDGET OFFICER**

- A Utilization of appropriations established in any Capital Reserve Account may be accomplished only with the express approval of the Board.
- B Upon authorization by the Board at some future time, the Budget Officer may activate the Capital Projects Fund and thereafter treat it as any other operating

**Section X
UTILIZATION OF BUDGET AND BUDGET ORDINANCE**

This Ordinance and the Budget Document shall be the basis of the financial plan for the Mint Hill Municipal Government during the 2020-2021 Fiscal Year. The Budget Officer shall administer the Budget and he shall insure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the Budget. The accounting section shall establish records that are in consonance with the Budget and this Ordinance and the appropriate statutes of the State of North Carolina.

PROPOSED THIS THE 11TH DAY OF JUNE, 2020