

Town of Mint Hill



Fiscal Year 2015-2016
Budget Document

BUDGET MESSAGE

DATE: 6/1/2015
TO: THE HONORABLE MAYOR BIGGERS,
MEMBERS OF THE BOARD OF COMMISSIONERS
FROM: BRIAN L. WELCH, TOWN MANAGER/BUDGET OFFICER
RE: FY 2015 - 2016 ANNUAL BUDGET

Pursuant to Section § 159-11 of the North Carolina General Statutes, I respectfully present the FY 2015-2016 Budget for your review and consideration. The following message summarizes and highlights the significant elements of the adopted budget, particularly in those areas where there are notable changes from the FY 2014-2015 budget.

The proposed General Fund budget totals \$11,235,238. This budget is presented with a **tax rate of \$0.27 per \$100** of assessed valuation, this rate is the same as the current tax rate as adopted for FY 2014-2015.

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 27 cents. At 27 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 55% 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 \$2,345,175,461.

The adopted General Fund tax rate will be set at 27¢ per one hundred dollars (\$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 \$6,200,000.

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 2015-2016 sales tax projection is \$1,450,000. Data received from the North Carolina League of Municipalities suggests that this fiscal year's sales tax collections will result in an approximate 4% increase over last fiscal year.

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 \$980,000 for FY 2015-2016.

Powell Bill Tax: State estimates report that the Powell Bill distribution will be approximately 1.0% lower than in FY 2014-2015. The calculating formula for this revenue is derived from the 2014 NC Certified population of Mint Hill multiplied by \$20.39 (75%) and total mileage of road maintained by Mint Hill multiplied by \$1,629 (25%). The total estimated Powell Bill Tax Revenues for the FY 2015-2016 budget is \$663,000.

GENERAL FUND / POWELL BILL EXPENDITURE HIGHLIGHTS

Personnel: The FY 2015-2016 budget includes a 2.5% merit pool for Town Employees whose performance evaluation warrants a pay increase. The budget also includes funding for one additional FF/EMT position.

Administration: There are no major changes in the FY 2015-2016 budget in the Administrative Department.

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 2015-2016. The distribution of funds to these organizations is as follows. The Mint Hill Chamber of Commerce was approved for \$8,000. Kid's Voting was approved for \$2,500. The Levine Senior Center was approved for \$5,000. The Mint Hill Youth Football was approved for

\$5,000. Finally, the Mint Hill Athletic Association was approved for \$60,000 to finance ongoing operations.

Planning: There are no major changes in the FY 2015-2016 budget in the Planning Department.

Police Department: The Police Department provides for a patrol force of five officers per shift, investigations, school resource officers and administrative staff. They continue to improve on Community based policing, problem-solving and being pro-active in reducing the overall concerns with crime in Mint Hill. This budget year includes funds for the purchase of three (3) replacement patrol vehicles.

Fire Department: Mint Hill Fire & Rescue is recognized as Mint Hill's primary provider of Fire and Ambulance Service in the Town. Mint Hill residents continue to receive the highest possible service in Mecklenburg County. The Town of Mint Hill provides and assigns the Fire Department twenty-four (24) full-time employees with benefits, employee departmental costs such as uniforms, travel/training, and the purchase of one piece of equipment (currently a 2009 ladder) every five (5) years as per our contract. Additionally, the Town provides through a contract with the Fire Department six (6) paramedics funded by proceeds from the Ambulance Service.

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 \$237,000 for FY 2015-2016 to offset operating and personnel costs and for continued help towards their recent purchase of a fire engine.

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 FY 2015-2016 budget estimates the cost of this service at \$110,000. This estimate is based on a rate of \$140.20 per call.

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 FY 2015-2016 budget has identified \$450,000 for street resurfacing. Additional funds have been budgeted towards the purchase of a covered structure that will provide protection from the elements for the Town's equipment.

Solid Waste / Recycling: The adopted budget provides funding for once weekly curbside collection of one ninety-six (96) gallon can, bi-weekly recycling of one ninety-six (96) gallon can and debris pickup. The cost of this service for FY 2015-2016 is \$1,770,000 or \$16.88 per household per month. This per household monthly amount includes \$1 for the purchase of roll-out recycling containers that have been placed throughout Town. Landfill service and tipping fees will continue to be provided by Mecklenburg County Landfill service at a cost of \$29.00 per ton or \$270,000 annually. Total cost for Solid Waste Service for the budget is \$2,040,000.

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, the park house and other equipment. Funds have also been identified for the Parks on Wilgrove and Fairview 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 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 remain at 75% of that amount collected in each municipality. Approved funding for the Mint Hill Historical Society in the amount of \$60,000, Mint Hill Arts in the amount of \$10,000, Pottery 51 in the amount of \$10,000, Mint Hill Madness in the amount of \$15,000, Discover Mint Hill in the amount of \$1,500 and the Order of the Purple Hearts in the amount of \$4,000 have been awarded in FY 2015-2016. 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 along with funds as per the Town's cash in lieu of bonds policy.

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 reasons Mint Hill is one of the best communities in North Carolina.

Respectfully submitted,

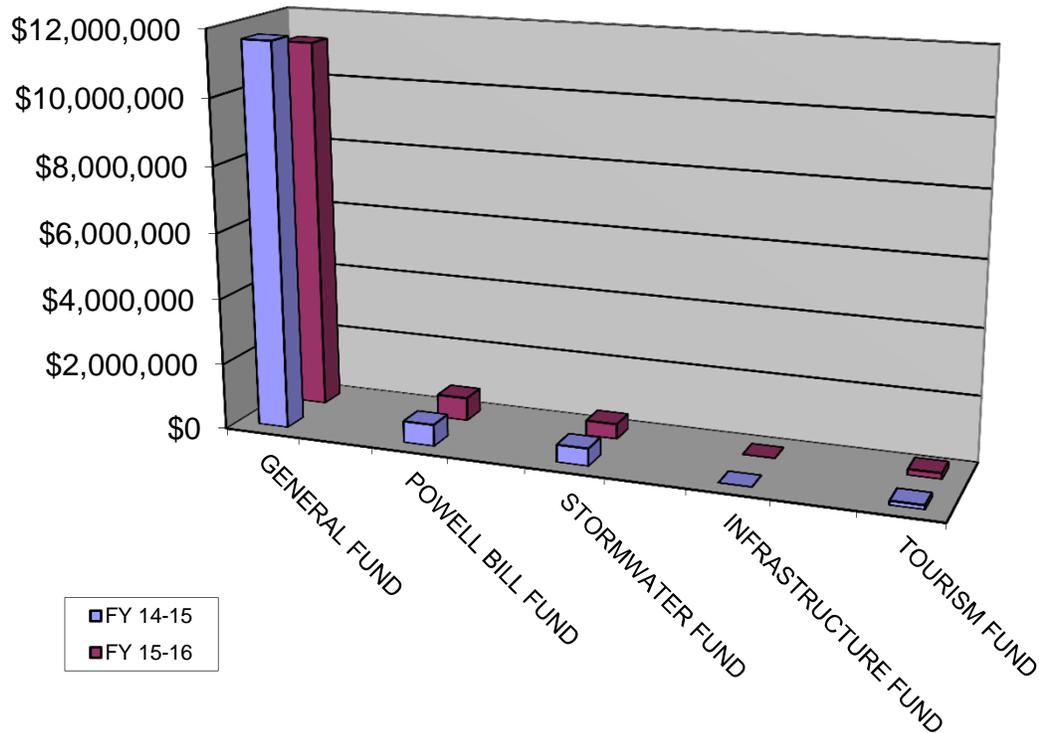


Brian L. Welch
Town Manager/Budget Officer

SUMMARY OF ANNUAL BUDGET BY FUND

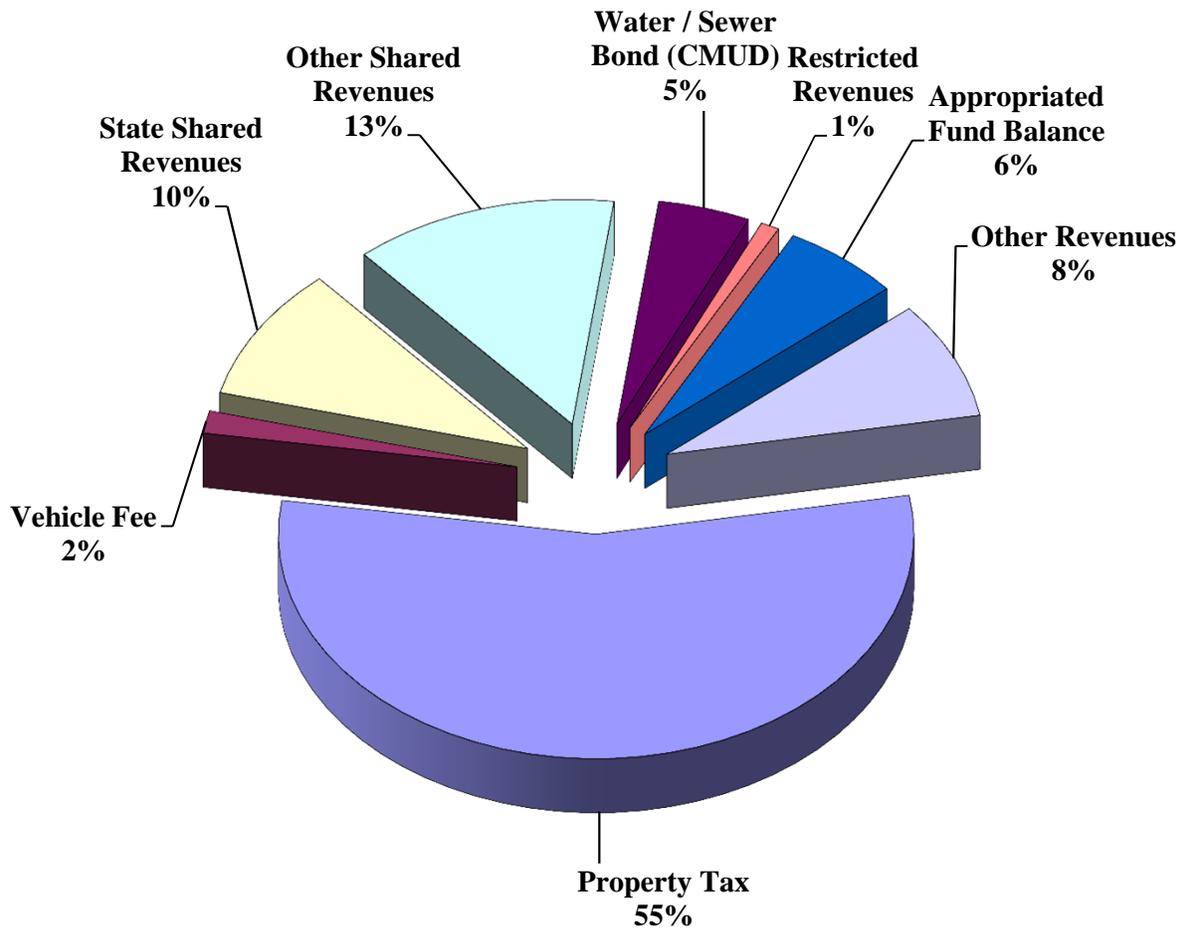
TYPE OF FUND	FY 14-15	FY 15-16
GENERAL FUND	\$11,639,898	\$11,235,238
POWELL BILL FUND	654,500	704,500
STORMWATER FUND	528,488	458,590
INFRASTRUCTURE FUND	50	50
TOURISM FUND	128,500	180,500

TOTAL \$12,951,436 \$12,578,878



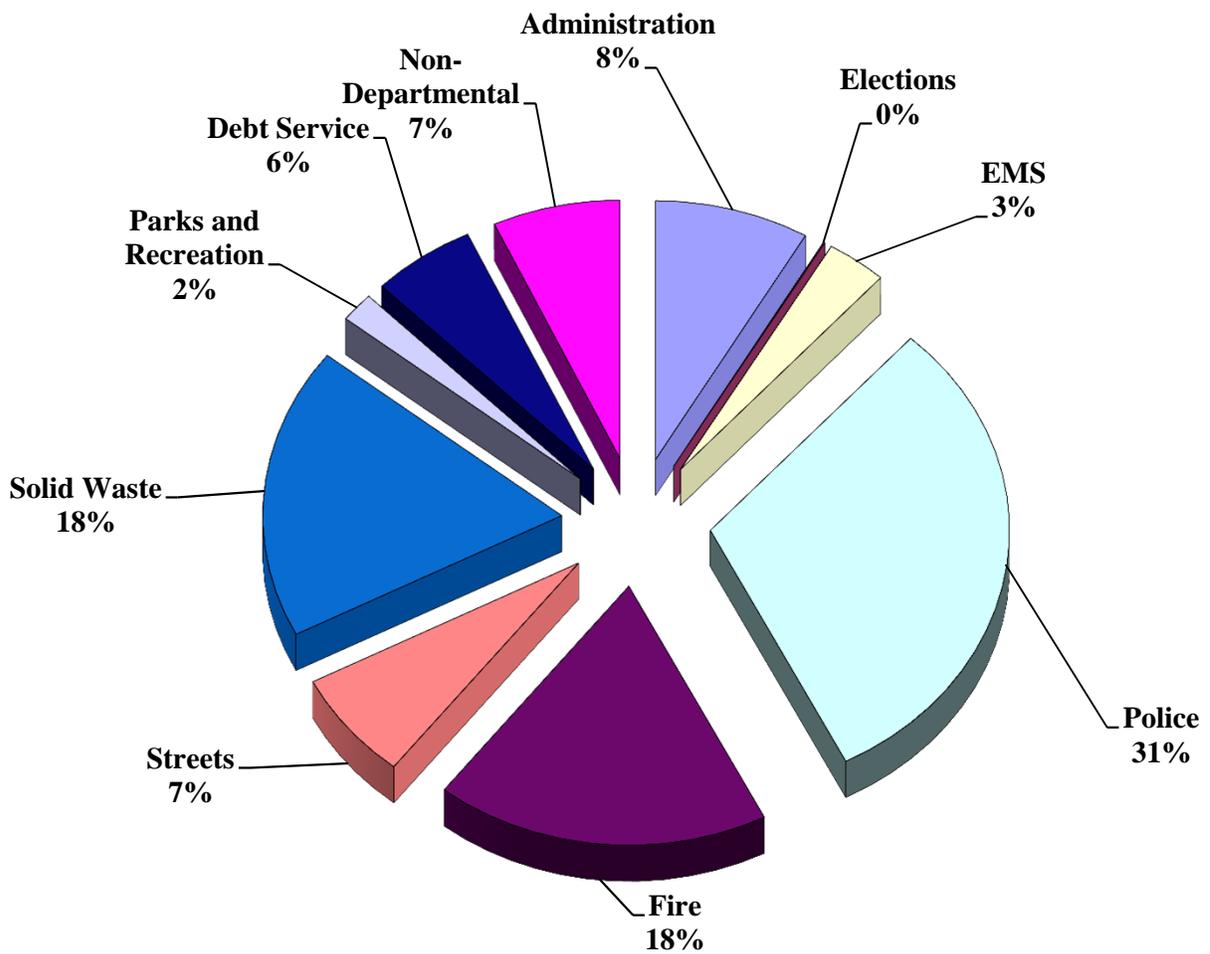
FY 2015-2016 GENERAL FUND REVENUE SUMMARY

REVENUES	
Property Tax	\$6,200,000
Vehicle Fee	180,000
State Shared Revenues	1,080,000
Other Shared Revenues	1,515,000
Water / Sewer Bond (CMUD)	527,375
Restricted Revenues	106,000
Appropriated Fund Balance	680,106
Other Revenues	946,757
<i>Total Revenues</i>	\$11,235,238



FY 2015-2016 GENERAL FUND EXPENDITURE SUMMARY

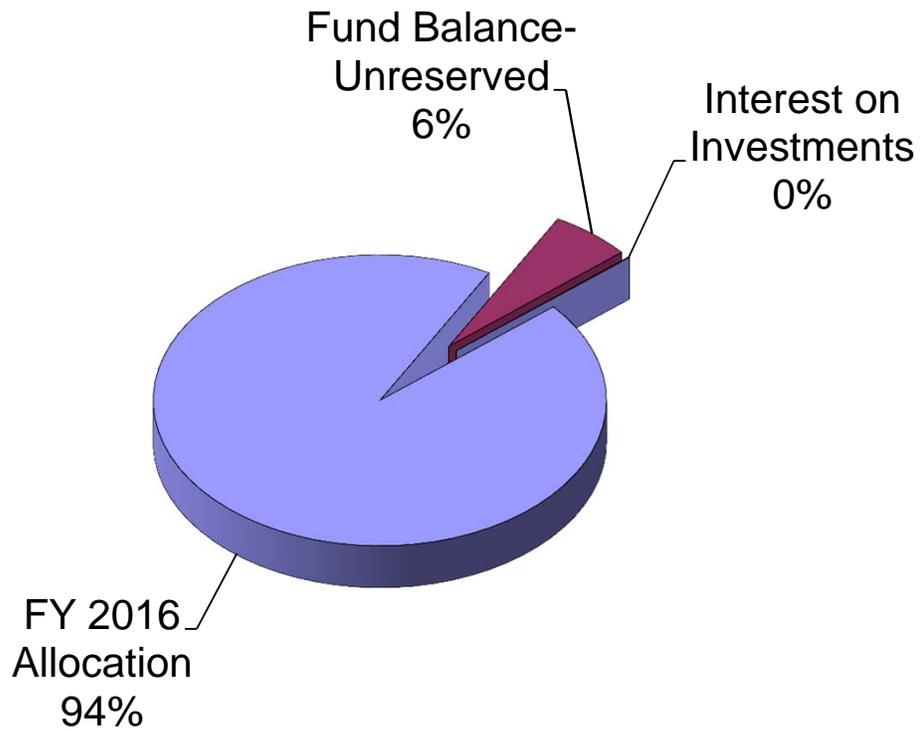
EXPENDITURES	
Governing Body	\$38,295
Administration	934,988
Elections	7,500
EMS	365,724
Police	3,453,090
Fire	2,023,911
Streets	763,585
Solid Waste	2,040,000
Parks and Recreation	206,484
Debt Service	627,661
Non-Departmental	774,000
<i>Total Expenditures</i>	\$11,235,238



FY 2015-2016 POWELL BILL REVENUE SUMMARY

REVENUES

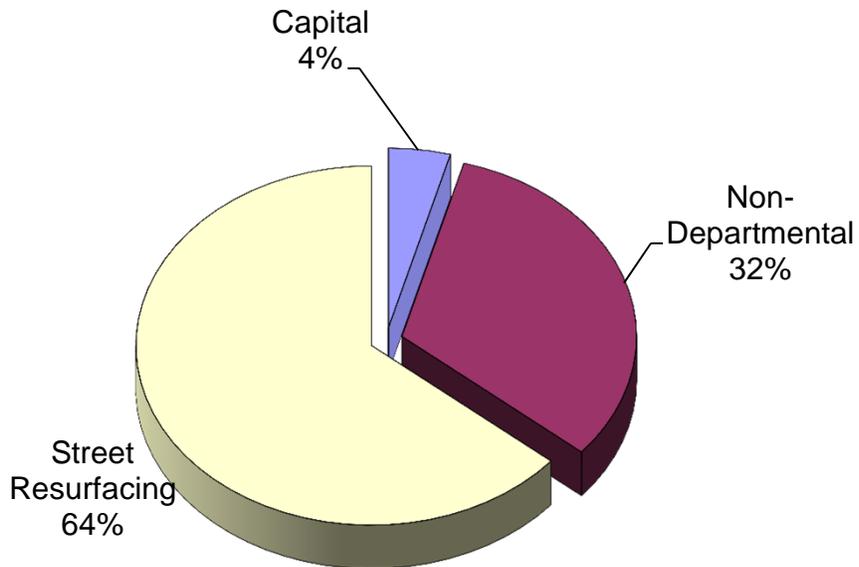
FY 2016 Allocation	\$663,000
Fund Balance-Unreserved	\$41,000
Interest on Investments	500
<hr/>	
Total Revenues	\$704,500



FY 2015-2016 POWELL BILL
EXPENDITURE SUMMARY

EXPENDITURES

Capital	\$30,000
Non-Departmental	224,500
Street Resurfacing	450,000
<hr/>	
Total Expenditures	\$704,500



2015-2016 BUDGET ORDINANCE

BE IT ORDAINED by the Board of Commissioners of the Town of Mint Hill, NC meeting in regular session on June 11, 2015, that the following Fund Revenues and Department Expenditures together with certain restrictions and authorizations are adopted:

SUMMARY

General Fund	\$11,235,238
Powell Bill Fund	704,500
Stormwater Fund	458,590
Infrastructure Fund	50
Tourism Revenue Fund	180,500
	<hr/>

TOTAL FUND SUMMARY **\$12,578,878**

Section I GENERAL FUND

Revenues Anticipated

<u>SOURCE</u>	<u>AMOUNT</u>
Ad Valorem Taxes - Levy	\$5,600,000
Ad Valorem Taxes-Prior Years	40,000
Auto Fee	180,000
Ad Valorem Taxes-Interest	25,000
Motor Vehicle Tax	535,000
Vehicle Rental Tax	4,000
Other Taxes - ABC	65,000
Solid Waste Disposal	14,500
Beer & Wine Tax	100,000
Utility Franchise Tax	980,000
Sales and Use Tax Refund	1,450,000
Earnings on Investments	5,000
Other Miscellaneous Revenues	725,724
Other Financing Sources	150,000
Zoning Application Fees	15,000
Fund Balance-Unreserved	680,106
Char-Meck Schools (SRO)	105,000

Sewer Bonds (CMUD)	376,919
Water Bonds (CMUD)	150,456
Transfer from Other Funds	32,533
Federal Forfeiture Revenue	1,000
	<hr/>

Total General Fund Revenue **\$11,235,238**

Expenditures Authorized

<u>Department</u>	<u>Amount</u>
Governing Body	\$38,295
Administration	934,988
Elections	7,500
EMS	365,724
Police	3,453,090
Fire	2,023,911
Streets	763,585
Solid Waste	2,040,000
Parks and Recreation	206,484
Debt Service	627,661
Non-Departmental	774,000
	<hr/>

Total General Fund Expenditures **\$11,235,238**

Section II
POWELL BILL FUND

Revenues Anticipated

<u>Source</u>	<u>Amount</u>
Powell Bill Revenue	\$663,000
Fund Balance-Unreserved	\$41,000
Interest on Investments	500
	<hr/>
Total Powell Bill Revenues	\$704,500

Expenditures Authorized

<u>Department</u>	<u>Amount</u>
Planning	\$450,000
Non Departmental	224,500
Capital	30,000
	<hr/>
Total Powell Bill Expenditures	\$704,500

Section III
STORMWATER FUND

Revenues Anticipated

<u>Source</u>	<u>Amount</u>
Stormwater Fees	\$300,000
Interest on Investments	1,500
Other Financing Sources	0
Fund Balance-Unreserved	157,090

Total Stormwater Revenues **\$458,590**

Expenditures Authorized

<u>Source</u>	<u>Amount</u>
Administration	\$293,590
Non-Departmental	165,000
Capital	0

Total Stormwater Expenditures **\$458,590**

Section IV
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 V
TOURISM FUND

Revenues Anticipated

<u>Source</u>	<u>Amount</u>
Prepared Food/Occupancy Tax	\$175,350
Grants	5,000
Interest on Investments	150
	<hr/>
Total Tourism Revenues	\$180,500

Expenditures Authorized

<u>Source</u>	<u>Amount</u>
Non-Departmental	\$175,500
Contingency	5,000
	<hr/>
Total Tourism Expenditures	\$180,500

**SECTION VI
TAX RATE ESTABLISHED**

An Ad Valorem Tax Rate of \$0.27 per \$100 at full valuation is hereby established as the official tax rate for the Town of Mint Hill for the fiscal year 2015-2016. This rate is based on a total true valuation of \$2,345,175,461 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 VII
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 VIII
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 fund.

**Section IX
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 2015-2016 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.

ADOPTED THIS THE 11TH DAY OF JUNE, 2015