

# Town of Mint Hill



**Fiscal Year 2023-2024**  
**Budget Document**

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## BUDGET MESSAGE

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**DATE:** 5/10/2023  
**TO:** THE HONORABLE MAYOR SIMMONS,  
MEMBERS OF THE BOARD OF COMMISSIONERS  
**FROM:** BRIAN L. WELCH, TOWN MANAGER/BUDGET OFFICER  
**RE:** FY 2023 - 2024 ANNUAL BUDGET

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Pursuant to Section § 159-11 of the North Carolina General Statutes, I respectfully present the recommended FY 2023-2024 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 2022-2023 budget.

The recommended General Fund budget totals \$22,213,881. This budget is presented with a **proposed tax rate of \$0.225 per \$100** of assessed valuation, representing a reduction of **\$0.03 per \$100** in the current tax rate as adopted for FY 2022-2023.

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 overall health of the national and regional economies.

Our citizens and Board have much to be proud of with a tax rate of 22.5 cents. At 22.5 cents, our tax rate is one of the lowest in the state for a municipality of our size.

### GENERAL FUND/POWELL BILL REVENUE HIGHLIGHTS

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***Ad Valorem Taxes:*** The Town of Mint Hill relies on property taxes for 56% 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 \$5,643,339,104.

Per North Carolina General Statute, Mecklenburg County recently completed an appraisal of all property within its boundaries with an effective date of these new values set for January 1, 2023. As required by subsection (e) of NC General Statute 195-11, a revenue-neutral property tax rate must be published as part of the budget for the

fiscal year following the revaluation of its real property. The new values will be reflected in the 2023 tax bills due September 1, 2023. Based on the estimated 2023 assessed valuation of \$5,643,339,104 for real and personal property in the Town of Mint Hill (those portions within Mecklenburg County), a tax rate of 16.84 cents per \$100 valuation would be necessary to produce a levy of \$8,747,837 comparable to the 2023 tax levy of \$8,747,837. Utilizing guidelines set forth by the “Statement of Revenue-Neutral Tax Rate” article in the UNC School of Government’s *Local Finance Bulletin* No. 39 published in August 2009, 2.74% was determined as the Town of Mint Hill’s average growth rate for all tax years between the revaluation of January 1, 2019 and the tax assessment of January 1, 2023. Accordingly, the tax rate of 16.84 cents per \$100 valuation was adjusted by the percentage of average growth (2.74%) to determine the Town of Mint Hill’s estimated revenue-neutral tax rate of 17.3 cents per \$100 valuation.

The proposed General Fund tax rate will be set at 22.5¢ 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 \$12,500,000.

***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 2023-2024 sales tax projection is \$3,300,000.

***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 \$1,200,000 for FY 2023-2024.

***Powell Bill Tax:*** State estimates report that the Powell Bill distribution will be higher for FY 2023-2024 based on action by the NC General Assembly; however, this forecaster expects the recent increases in fuel prices may negatively affect this expected increase. The calculating formula for this revenue is derived from the 2021 NC Certified population estimate of Mint Hill (75%) and total mileage of road maintained by Mint Hill (25%). The total estimated Powell Bill Tax Revenues for the FY 2023-2024 proposed budget is \$700,000.

### GENERAL FUND / POWELL BILL EXPENDITURE HIGHLIGHTS

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**Personnel:** The FY 2023-2024 budget includes funding for four additional sworn positions in the Police Department if awarded the Governor's Highway Safety Program grant, one additional position in the Administration Department, and three additional positions in the Fire Department. Also, the proposed budget includes an 8% market rate adjustment for Town Employees in addition to a 2.5% merit pool. The market adjustment will become effective with the second payroll after January 1, 2024.

**Administration:** The Administration Department will add one position as part of an effective succession planning program.

**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 2023-2024. Donations are allocated as follows: Kid's Voting-\$2,500; One Yard Away-\$5,000; Sunflower Café-\$2,500; Levine Senior Center-\$7,000; Mint Hill Athletic Association-\$60,000; Mint Hill Chamber of Commerce-\$30,000; Mint Hill Youth Football-\$10,000; I Got Next Sports-\$6,000; Blessed Assurance-\$2,711; Habitat for Humanity-\$25,000.

**Police Department:** The Police Department budget includes matching grant funding for four (4) additional sworn positions. Further, technological funding is included to purchase new body cameras, computers, data storage solutions, and other technological needs. The purchase of six (6) vehicles has also been included.

**Fire Department:** Funding is appropriated in this budget for the addition of three (3) Fire Fighter positions.

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 \$415,000 for FY 2023-2024 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 FY2023-2024 budget estimates the cost of this service at \$100,000.

***Street Maintenance:*** The Town maintains over 120 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 Supervisor and Town Engineer. The proposed FY2023-2024 budget has identified \$500,000 for street resurfacing.

***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 2023-2024 is \$2,300,000 or \$18.25 per household per month. Landfill service and tipping fees will continue to be provided by Mecklenburg County Landfill service at a cost of \$430,000.

***Parks and Recreation:*** Funds have been added to this year's budget from ARPA proceeds to continue work on a new park located on Brief Road. This park will be smaller in scale than what was originally planned but will contain many features for our residents to enjoy while we continue to work towards a larger scale facility. Additionally, continued work on improvements at both Veterans and Wilgrove Parks to include the rebuilding of four tennis courts, replacement of the toddler playground equipment, new walking path, pickleball court installation, and the installation of turf and lighting on both soccer fields, Wilgrove softball field, and tennis courts at both Veterans and Wilgrove.

### **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 the continued implementation of 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 other regional tourism draws. 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 equates to 75% of that amount collected in each municipality.

Approved funding for the Mint Hill Historical Society in the amount of \$75,000, Mint Hill Arts in the amount of \$16,000, Spotlight Performing Arts in the amount of \$5,000, Honor the Warriors in the amount of \$7,000, Mint Hill Events in the amount of \$20,000, and American Legion in the amount of \$15,000 has been added in FY 2023-2024. 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.

### **ARPA FUND**

As part of the American Rescue Plan Act of 2021, every unit of government in the United States was awarded funding to deal with the effects of the COVID pandemic. The amount of funding was based on population. The Town of Mint Hill was awarded \$8,800,000, to be received in two direct payments from the State of North Carolina. Over the next four years, the Town will continue to utilize these funds on multiple projects aimed at providing services and opportunities that will positively impact the most residents. Projects include but are not limited to: new park construction, additional police officers, fire safety equipment, numerous park facility upgrades, technology upgrades related to reducing points of contact while maintaining high levels of service provision, and an external allocation to our local charitable services partner.

### **CAPITAL PROJECT FUND**

This fund contains costs related to the construction and debt service of the Town's Public Services Facilities on Lebanon Road. The campus will provide for a new satellite fire station, police evidence storage facility, as well as serving as the new home of the Town's Public Works Department. This project will be funded by the proceeds of an installment purchase agreement.

### **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.

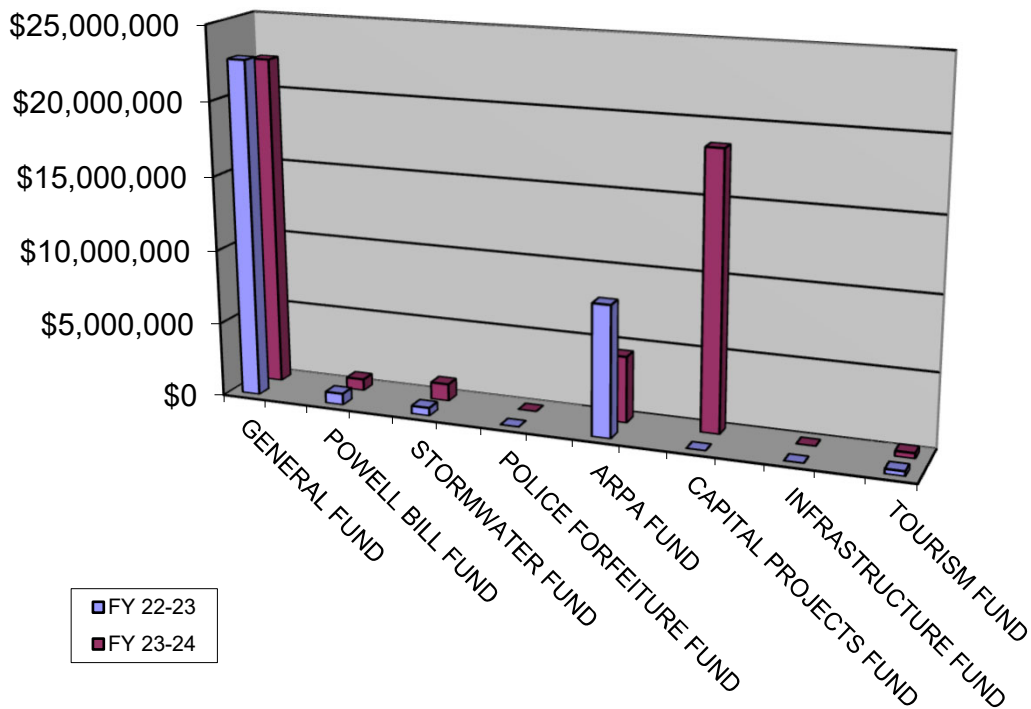
Respectfully submitted,

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 ANNUAL BUDGET BY FUND

TYPE OF FUND	FY 22-23	FY 23-24
<b>GENERAL FUND</b>	<b>\$22,684,788</b>	<b>\$22,213,881</b>
<b>POWELL BILL FUND</b>	<b>769,000</b>	<b>774,000</b>
<b>STORMWATER FUND</b>	<b>540,703</b>	<b>1,153,344</b>
<b>POLICE FORFEITURE FUND</b>	<b>50</b>	<b>50</b>
<b>ARPA FUND</b>	<b>8,800,000</b>	<b>4,460,000</b>
<b>CAPITAL PROJECTS FUND</b>	<b>0</b>	<b>18,550,000</b>
<b>INFRASTRUCTURE FUND</b>	<b>50</b>	<b>50</b>
<b>TOURISM FUND</b>	<b>325,150</b>	<b>360,150</b>
<b>TOTAL</b>	<b>\$33,119,741</b>	<b>\$47,511,475</b>

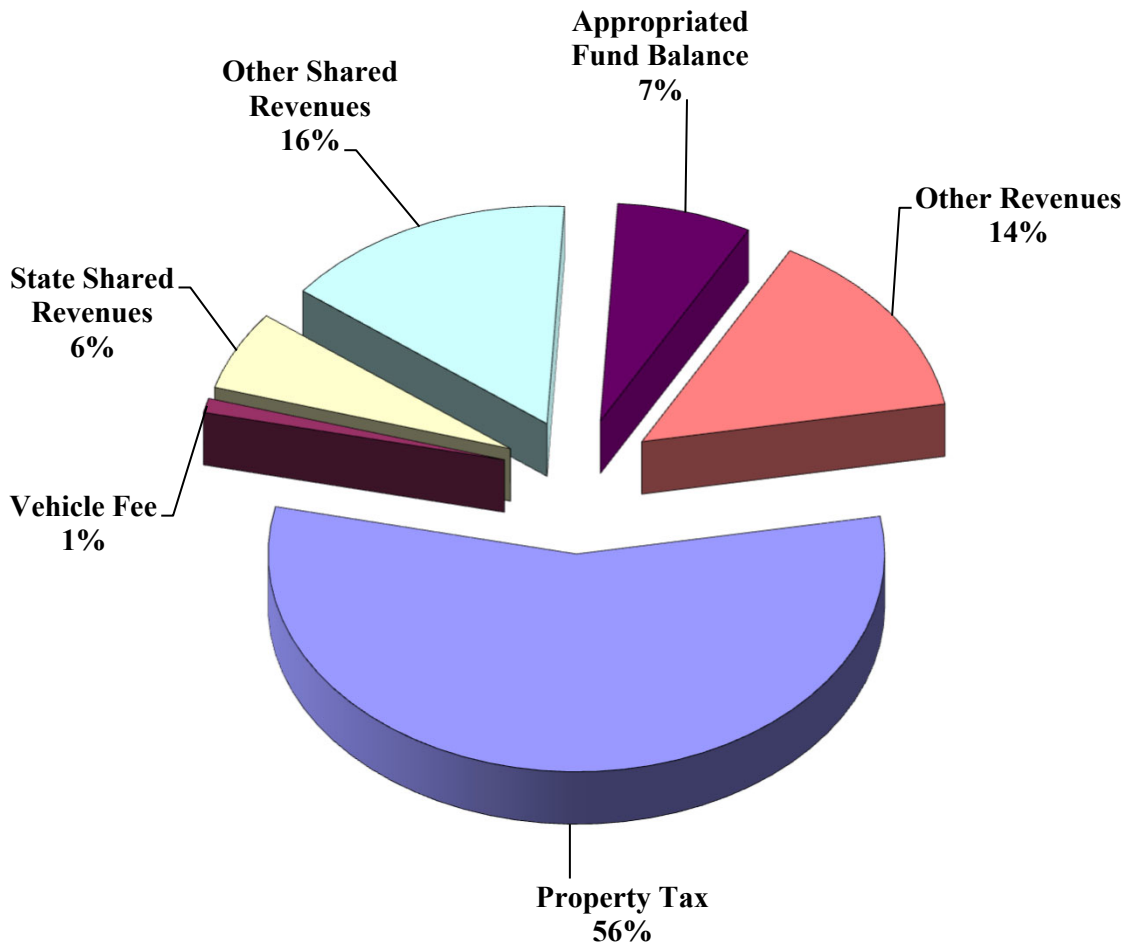




# FY 2023-2024 GENERAL FUND REVENUE SUMMARY

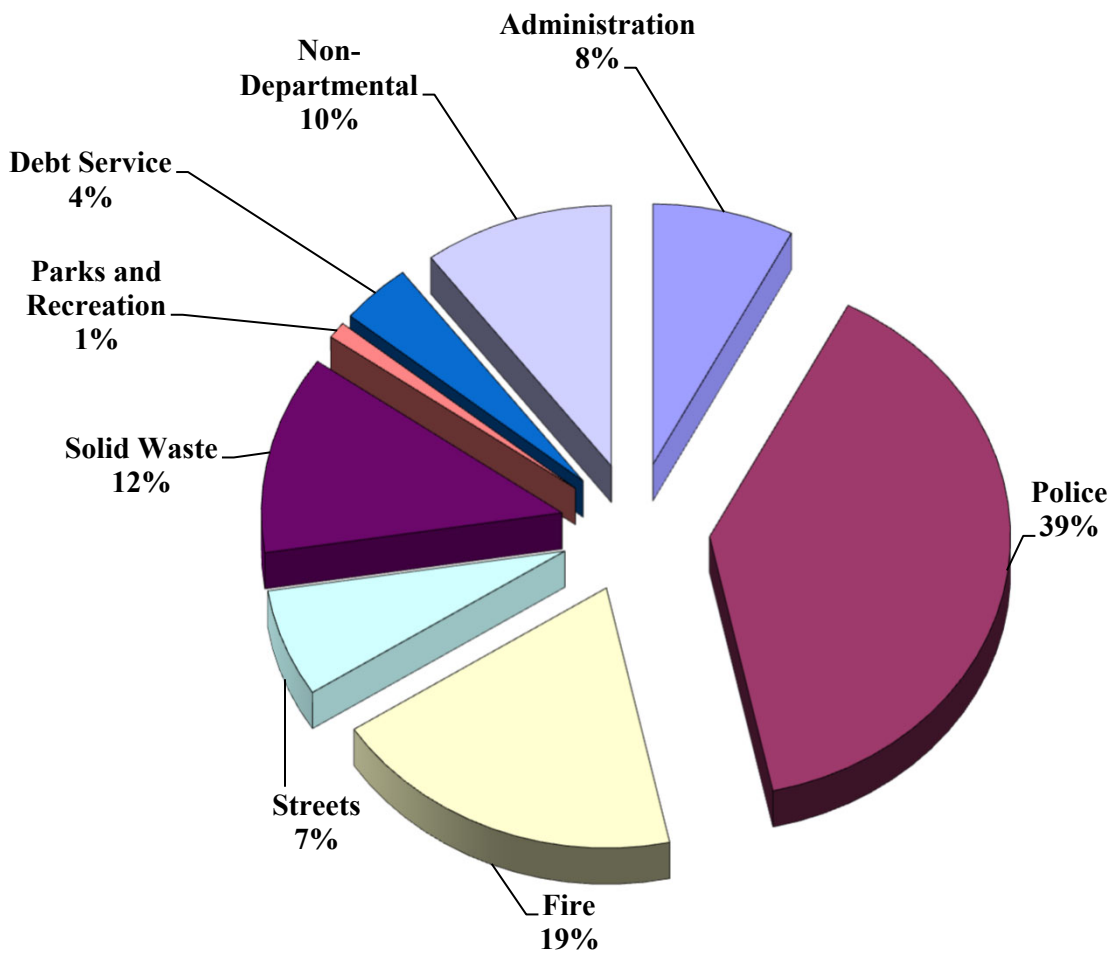
## REVENUES

Property Tax	\$12,500,000
Vehicle Fee	235,000
State Shared Revenues	1,310,000
Other Shared Revenues	3,432,000
Appropriated Fund Balance	1,574,881
Other Revenues	3,162,000
<b>Total Revenues</b>	<b>\$22,213,881</b>



# FY 2023-2024 GENERAL FUND EXPENDITURE SUMMARY

EXPENDITURES	
Governing Body	\$48,795
Administration	1,688,666
Police	8,645,368
Fire	4,262,455
Streets	1,484,356
Solid Waste	2,730,000
Parks and Recreation	228,603
Debt Service	854,427
Non-Departmental	2,271,211
<i>Total Expenditures</i>	\$22,213,881

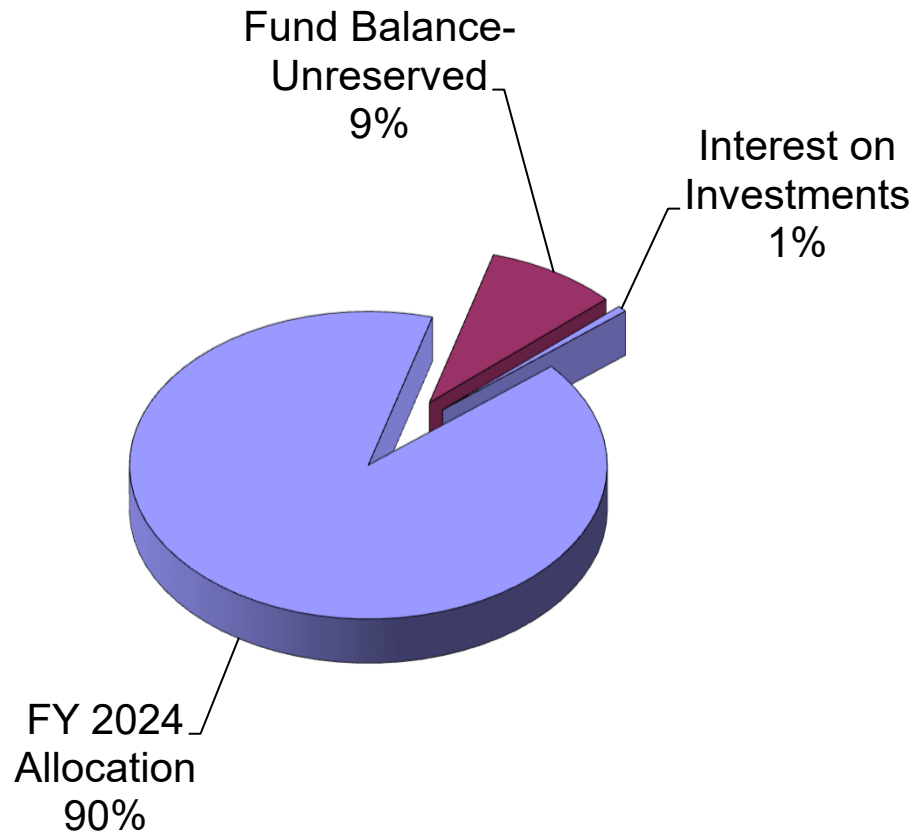


# FY 2023-2024 POWELL BILL

## REVENUE SUMMARY

### REVENUES

FY 2024 Allocation	\$700,000
Fund Balance-Unreserved	69,000
Interest on Investments	5,000
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<b>Total Revenues</b>	<b>\$774,000</b>

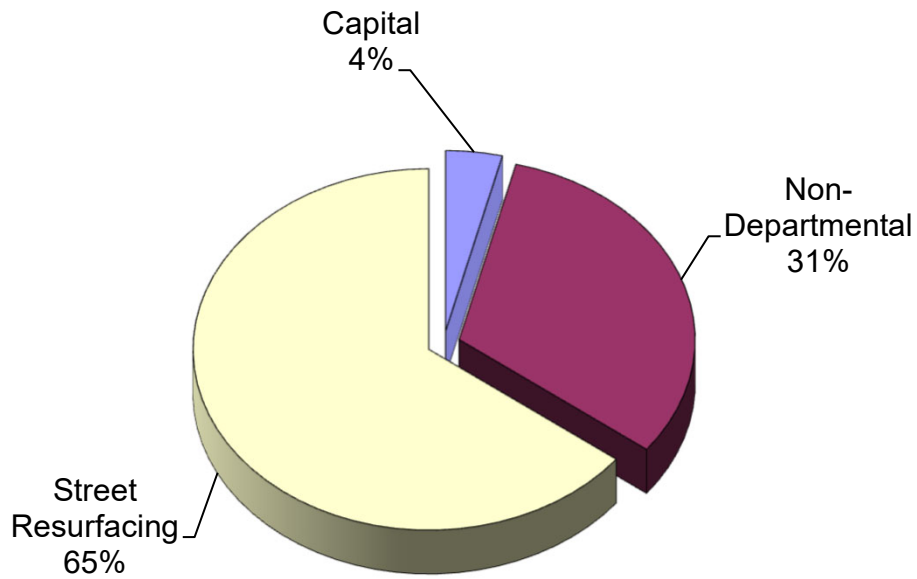


# FY 2023-2024 POWELL BILL

## *EXPENDITURE SUMMARY*

### EXPENDITURES

Capital	\$30,000
Non-Departmental	244,000
Street Resurfacing	500,000
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<b>Total Expenditures</b>	<b>\$774,000</b>



## 2023-2024 BUDGET ORDINANCE

**BE IT ORDAINED** by the Board of Commissioners of the Town of Mint Hill, NC meeting in regular session on June 8, 2023, that the following Fund Revenues and Department Expenditures together with certain restrictions and authorizations are adopted:

### SUMMARY

General Fund	\$22,213,881
Powell Bill Fund	774,000
Stormwater Fund	1,153,344
Police Forfeiture Fund	50
Infrastructure Fund	50
Capital Projects Fund	18,550,000
ARPA Fund	4,460,000
Tourism Revenue Fund	360,150
	360,150

<b>TOTAL FUND SUMMARY</b>	<b>\$47,511,475</b>
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**Section I**  
**GENERAL FUND**

### Revenues Anticipated

<u>SOURCE</u>	<u>AMOUNT</u>
Ad Valorem Taxes - Levy	\$11,700,000
Ad Valorem Taxes-Prior Years	20,000
Auto Fee	235,000
Ad Valorem Taxes-Interest	10,000
Motor Vehicle Tax	770,000
Vehicle Rental Tax	5,000
Other Taxes - ABC	110,000
Solid Waste Disposal	17,000
Beer & Wine Tax	110,000
Utility Franchise Tax	1,200,000
Sales and Use Tax Refund	3,300,000
Other Financing Sources	562,000
Earnings on Investments	120,000
Other Miscellaneous Revenues	2,450,000
Zoning Application Fees	30,000

Fund Balance-Unreserved	1,574,881
<b>Total General Fund Revenue</b>	<b>\$22,213,881</b>

**Expenditures Authorized**

<u>Department</u>	<u>Amount</u>
Governing Body	\$48,795
Administration	1,688,666
Police	8,645,368
Fire	4,262,455
Streets	1,484,356
Solid Waste	2,730,000
Parks and Recreation	228,603
Debt Service	854,427
Non-Departmental	2,271,211
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<b>Total General Fund Expenditures</b>	<b>\$22,213,881</b>

**Section II**  
**POWELL BILL FUND**

**Revenues Anticipated**

<u>Source</u>	<u>Amount</u>
Powell Bill Revenue	\$700,000
Fund Balance-Unreserved	69,000
Interest on Investments	5,000
	<hr/>
<b>Total Powell Bill Revenues</b>	<b>\$774,000</b>

**Expenditures Authorized**

<u>Department</u>	<u>Amount</u>
Street Resurfacing	\$500,000
Non Departmental	244,000
Capital	30,000
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<b>Total Powell Bill Expenditures</b>	<b>\$774,000</b>

**Section III  
STORMWATER FUND**

**Revenues Anticipated**

<u>Source</u>	<u>Amount</u>
Stormwater Fees	\$550,000
Other Financing Sources	\$380,000
Grants	\$50,000
Interest on Investments	5,000
Fund Balance-Unreserved	168,344
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<b>Total Stormwater Revenues</b>	<b>\$1,153,344</b>

**Expenditures Authorized**

<u>Source</u>	<u>Amount</u>
Administration	\$478,344
Non-Departmental	245,000
Capital	430,000
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<b>Total Stormwater Expenditures</b>	<b>\$1,153,344</b>



**Section IV**  
**POLICE FORFEITURE FUND**

**Revenues Anticipated**

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

**Expenditures Authorized**

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

**Section V**  
**ARPA FUND**

**Revenues Anticipated**

<u>Source</u>	<u>Amount</u>
Revenue--Grant	\$0
Fund Balance Unreserved	4,460,000
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<b>Total ARPA Revenues</b>	<b>\$4,460,000</b>

**Expenditures Authorized**

<u>Source</u>	<u>Amount</u>
Police	\$1,550,000
Fire	585,000
Parks	1,275,000
Administration/Contingency	800,000
External Allocation	250,000
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<b>Total ARPA Expenditures</b>	<b>\$4,460,000</b>

**Section VI**  
**CAPITAL PROJECTS FUND**

**Revenues Anticipated**

<u>Source</u>	<u>Amount</u>
Debt Proceeds	\$17,000,000
Fund Balance-Unreserved	250,000
Transfer from General Fund	1,300,000
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<b>Total Capital Projects Revenues</b>	<b>\$18,550,000</b>

**Expenditures Authorized**

<u>Source</u>	<u>Amount</u>
Construction	16,400,000
Contingency	400,000
Special Inspections	50,000
Furnishings	200,000
Design	200,000
Debt Retirement	\$1,300,000
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<b>Total Capital Projects Expenditures</b>	<b>\$18,550,000</b>

**Section VII  
INFRASTRUCTURE FUND**

**Revenues Anticipated**

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

**Expenditures Authorized**

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

**Section VIII  
TOURISM FUND**

**Revenues Anticipated**

<u>Source</u>	<u>Amount</u>
Prepared Food/Occupancy Tax	\$360,000
Fund Balance-Unreserved	0
Interest on Investments	150
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<b>Total Tourism Revenues</b>	<b>\$360,150</b>

**Expenditures Authorized**

<u>Source</u>	<u>Amount</u>
Non-Departmental	\$360,150
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<b>Total Tourism Expenditures</b>	<b>\$360,150</b>

**SECTION IX  
TAX RATE ESTABLISHED**

An Ad Valorem Tax Rate of \$0.225 per \$100 at full valuation is hereby established as the official tax rate for the Town of Mint Hill for the fiscal year 2023-2024. This rate is based on a total true valuation of \$5,643,339,104 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 X  
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 XI  
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 XII  
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 2023-2024 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 8TH DAY OF JUNE, 2023**