

# Town of Mint Hill



Fiscal Year 2019-2020

Budget Document

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## BUDGET MESSAGE

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**DATE:** 6/1/2019  
**TO:** THE HONORABLE MAYOR BIGGERS,  
MEMBERS OF THE BOARD OF COMMISSIONERS  
**FROM:** BRIAN L. WELCH, TOWN MANAGER/BUDGET OFFICER  
**RE:** FY 2019 - 2020 ANNUAL BUDGET

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Pursuant to Section § 159-11 of the North Carolina General Statutes, I respectfully present the recommended FY 2019-2020 Budget for your review and consideration. The following message summarizes and highlights the significant elements of the budget, particularly in those areas where there are notable changes from the FY 2018-2019 budget.

The General Fund budget totals \$15,521,726. This budget is presented with a **tax rate of \$0.255 per \$100** of assessed valuation, representing a reduction of **\$0.015 per \$100** in the current tax rate as adopted for FY 2018-2019.

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

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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 \$3,437,957,211.

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, 2019. 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 2019 tax bills due September 1, 2019. Based on the estimated 2019 assessed valuation of \$3,437,957,211 for real and personal property in the Town of Mint Hill (those portions within Mecklenburg County), a tax rate of 20.85 cents per \$100 valuation would be necessary to produce a levy of \$7,169,811 comparable to the 2019 tax levy of \$7,184,630. 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, 4.51% was determined as the Town of Mint Hill’s average growth rate for all tax years between the revaluation of January 1, 2011 and the tax assessment of January 1, 2019. Accordingly, the tax rate of 20.85 cents per \$100 valuation was adjusted by the percentage of average growth (4.51%) to determine the Town of Mint Hill’s estimated revenue-neutral tax rate of 22.37 cents per \$100 valuation.

The 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 \$8,570,000.

***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 2019-2020 sales tax projection is \$1,850,000. 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 \$1,100,000 for FY 2019-2020.

***Powell Bill Tax:*** State estimates report that the Powell Bill distribution will be relatively flat for FY 2019-2020. The calculating formula for this revenue is derived from the 2017 NC Certified population estimate of Mint Hill multiplied by \$19.33 (75%) and total mileage of road maintained by Mint Hill multiplied by \$1,591 (25%). The total estimated Powell Bill Tax Revenues for the FY 2019-2020 budget is \$700,000.

### GENERAL FUND / POWELL BILL EXPENDITURE HIGHLIGHTS

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**Personnel:** The FY 2019-2020 budget includes funding for five additional sworn positions and one additional civilian position in the Police Department, three additional firefighter positions in the Fire Department and two additional positions in the Public Works Department. Also, the budget includes a 2% cost of living adjustment for Town Employees.

**Administration:** There are no major changes in the FY 2019-2020 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 2019-2020. The distribution of funds to these organizations is as follows. The Mint Hill Chamber of Commerce was approved for \$20,000. Kid's Voting was approved for \$2,500. The Levine Senior Center was approved for \$6,000. Servant's Heart was approved for \$15,000. Mint Hill Youth Football was approved for \$5,000. Finally, the Mint Hill Athletic Association was approved for \$65,000 to finance ongoing operations.

**Police Department:** The Police Department budget includes funding for one (1) additional officer per shift for a total of four (4) new sworn positions. Additionally, funds are appropriated for the creation of one (1) new civilian position. This will be a Crime Analyst position which shall allow the Department to more efficiently target areas in need of attention. Further, technological funding is included to purchase new body cameras, computers, data storage solutions, and other technological needs.

**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. Funding is appropriated in this budget for the addition of one (1) firefighter per shift for a total of three (3) new positions. This brings the staffing level provided by the Town up to eight (8) firefighters per shift.

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 2019-2020 to offset operating and personnel costs and for continued help towards equipment acquisitions. An additional \$65,000 is allocated

for each 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 FY2019-2020 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 FY2019-2020 budget has identified \$460,000 for street resurfacing. Funding has also been included for the addition of two (2) additional maintenance worker employees for the department.

***Solid Waste / Recycling:*** The 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 2019-2020 is \$1,950,480 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 \$365,000.

***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 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 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 \$65,000, Mint Hill Arts in the amount of \$12,000, the VFW in the amount of \$7,000, Pottery 51 in the amount of \$3,500, Mint Hill Lions Club in the amount of \$1,500, Mint Hill Events in the amount of \$20,000, Discover Mint Hill in the amount of \$1,500, and Honor the Warriors in the amount of \$4,575 has been added in FY 2019-2020. 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,

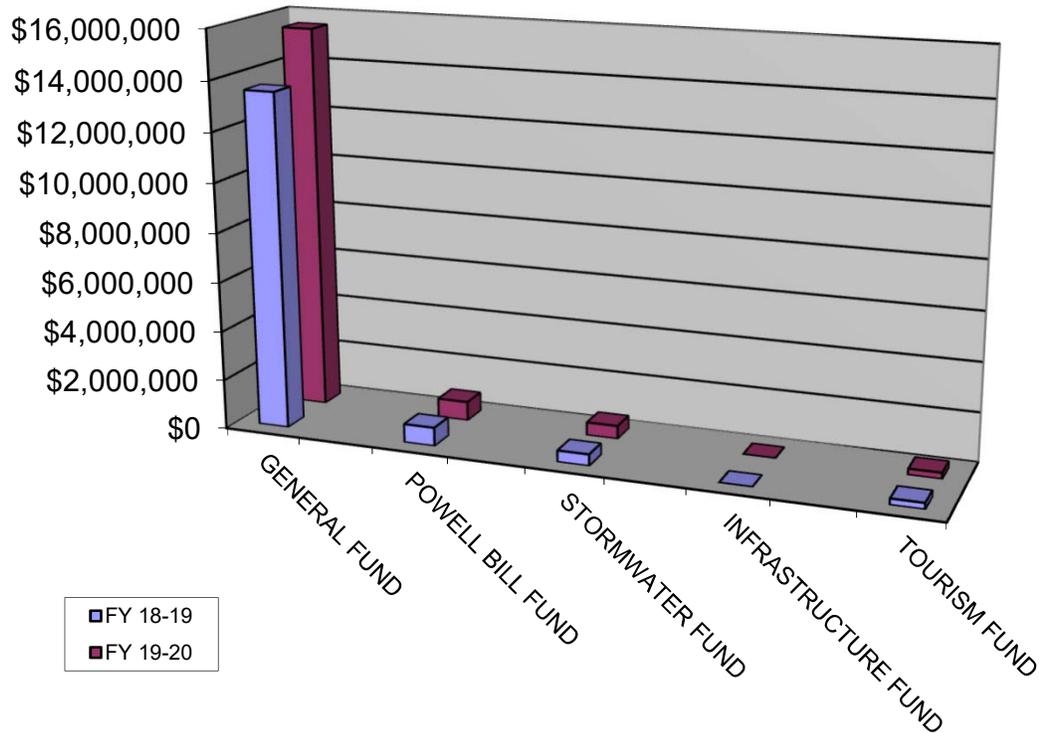


Brian L. Welch  
Town Manager/Budget Officer

## SUMMARY OF ANNUAL BUDGET BY FUND

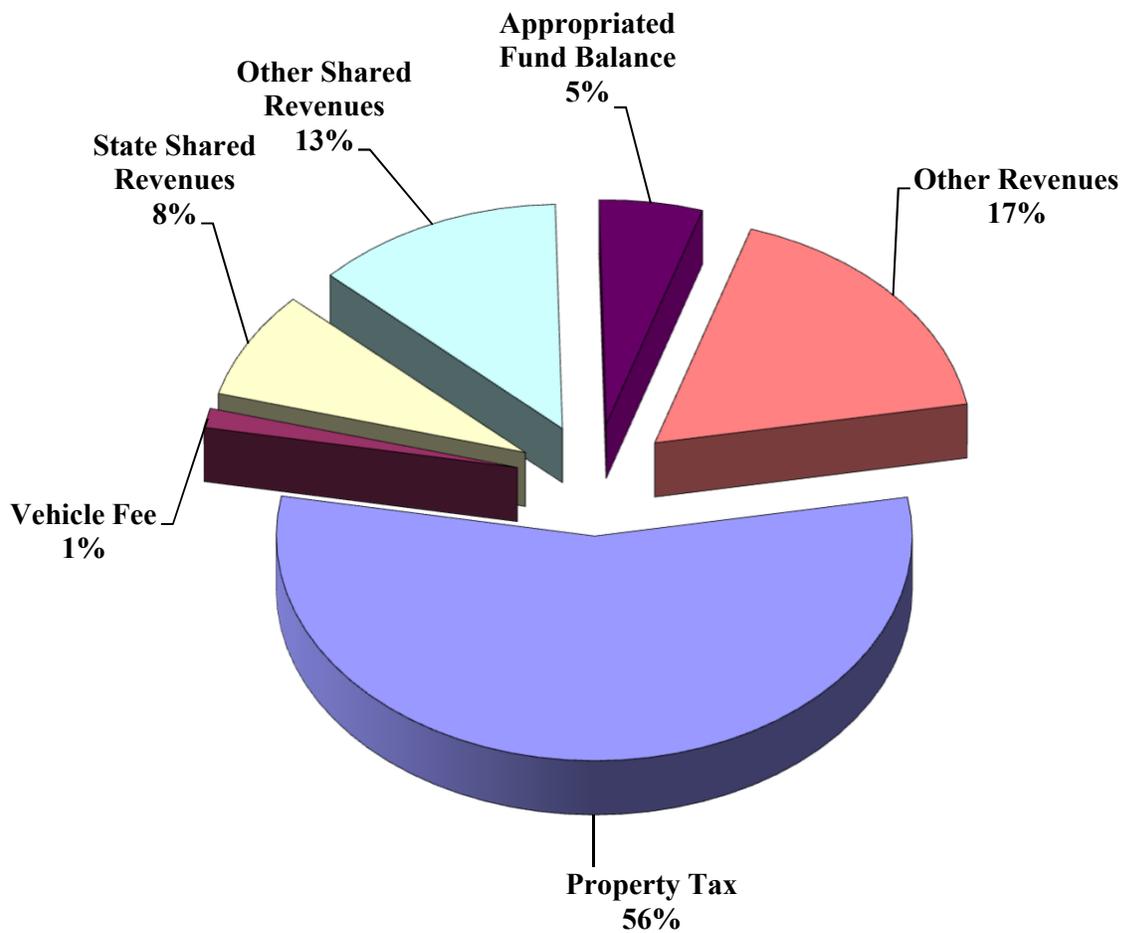
TYPE OF FUND	FY 18-19	FY 19-20
<b>GENERAL FUND</b>	<b>\$13,544,746</b>	<b>\$15,521,726</b>
<b>POWELL BILL FUND</b>	<b>746,000</b>	<b>770,000</b>
<b>STORMWATER FUND</b>	<b>460,514</b>	<b>528,728</b>
<b>INFRASTRUCTURE FUND</b>	<b>50</b>	<b>50</b>
<b>TOURISM FUND</b>	<b>245,150</b>	<b>245,150</b>

**TOTAL      \$14,996,460      \$17,065,654**



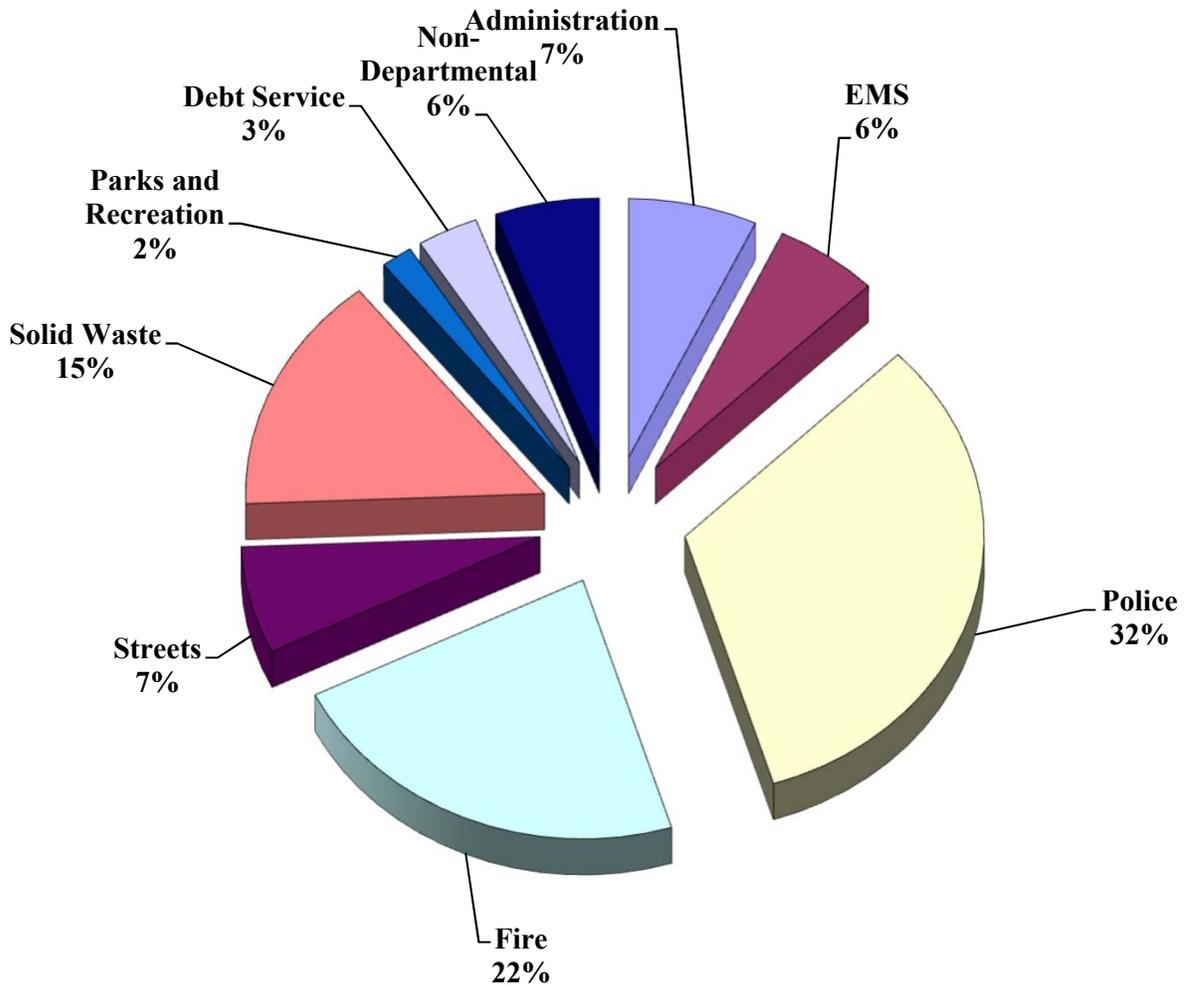
# FY 2019-2020 GENERAL FUND REVENUE SUMMARY

<b>REVENUES</b>	
Property Tax	\$8,635,000
Vehicle Fee	215,000
State Shared Revenues	1,200,000
Other Shared Revenues	1,967,000
Appropriated Fund Balance	815,566
Other Revenues	2,689,160
<i>Total Revenues</i>	<hr/> <b>\$15,521,726</b>



# FY 2019-2020 GENERAL FUND EXPENDITURE SUMMARY

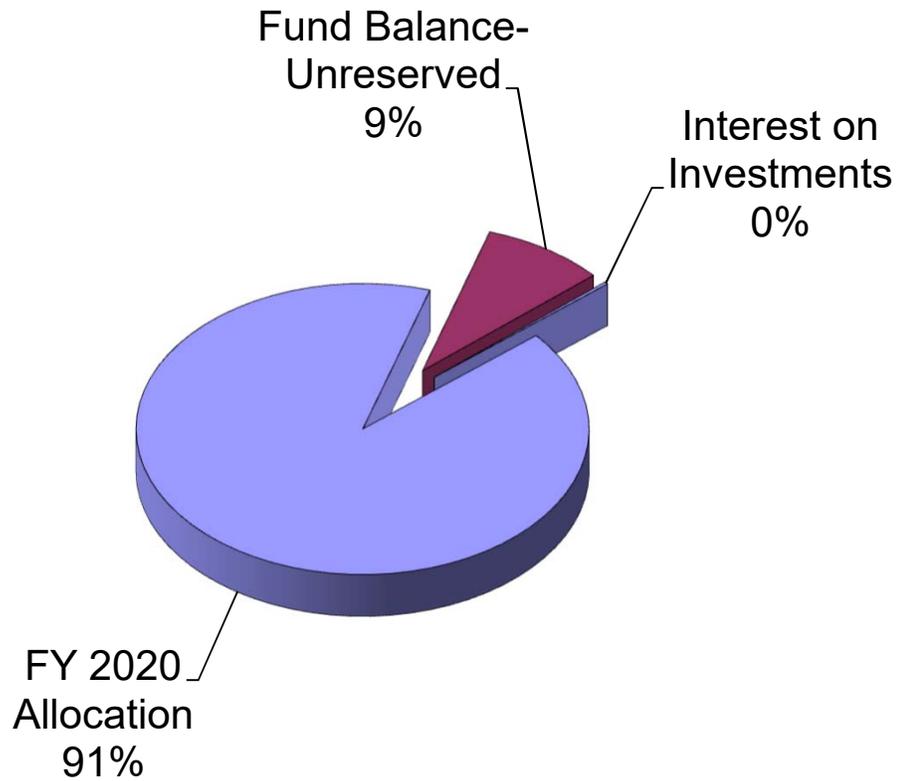
<b>EXPENDITURES</b>	
Governing Body	\$41,295
Administration	1,079,783
EMS	872,160
Police	5,047,285
Fire	3,478,520
Streets	1,037,592
Solid Waste	2,315,480
Parks and Recreation	264,608
Debt Service	513,503
Non-Departmental	871,500
<i>Total Expenditures</i>	<b>\$15,521,726</b>



# FY 2019-2020 POWELL BILL REVENUE SUMMARY

## REVENUES

FY 2020 Allocation	\$700,000
Fund Balance-Unreserved	\$68,000
Interest on Investments	2,000
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<b>Total Revenues</b>	<b>\$770,000</b>

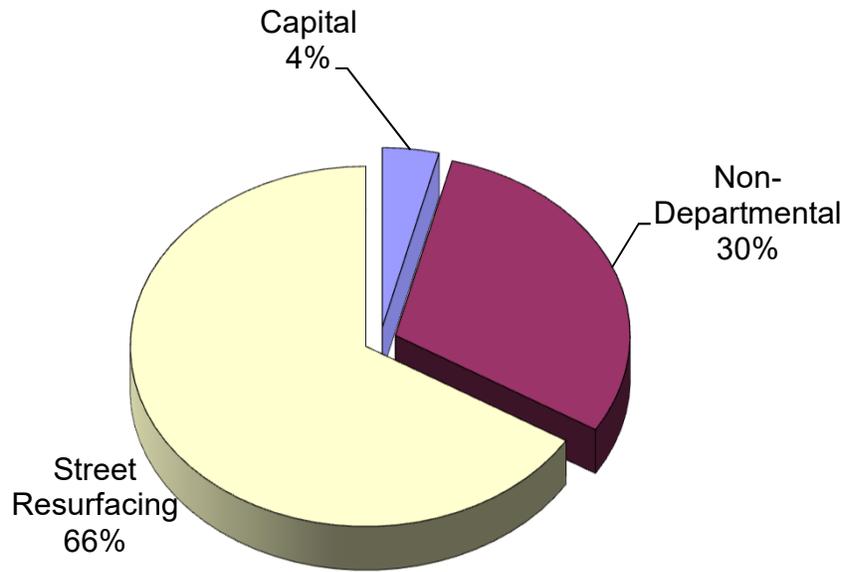


# FY 2019-2020 POWELL BILL

## EXPENDITURE SUMMARY

### EXPENDITURES

Capital	\$30,000
Non-Departmental	230,000
Street Resurfacing	510,000
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<b>Total Expenditures</b>	<b>\$770,000</b>



## 2019-2020 BUDGET ORDINANCE

**BE IT ORDAINED** by the Board of Commissioners of the Town of Mint Hill, NC meeting in regular session on June 13, 2019, that the following Fund Revenues and Department Expenditures together with certain restrictions and authorizations are adopted:

### SUMMARY

General Fund	\$15,521,726
Powell Bill Fund	770,000
Stormwater Fund	528,728
Infrastructure Fund	50
Tourism Revenue Fund	245,150

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**TOTAL FUND SUMMARY** **\$17,065,654**

### Section I GENERAL FUND

#### Revenues Anticipated

<u>SOURCE</u>	<u>AMOUNT</u>
Ad Valorem Taxes - Levy	\$7,900,000
Ad Valorem Taxes-Prior Years	40,000
Auto Fee	215,000
Ad Valorem Taxes-Interest	25,000
Motor Vehicle Tax	670,000
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	1,850,000
Other Financing Sources	1,308,000
Earnings on Investments	50,000
Other Miscellaneous Revenues	1,297,160
Zoning Application Fees	30,000
Fund Balance-Unreserved	815,566
<b>Total General Fund Revenue</b>	<b>\$15,521,726</b>

## Expenditures Authorized

<u>Department</u>	<u>Amount</u>
Governing Body	\$41,295
Administration	1,079,783
EMS	872,160
Police	5,047,285
Fire	3,478,520
Streets	1,037,592
Solid Waste	2,315,480
Parks and Recreation	264,608
Debt Service	513,503
Non-Departmental	871,500
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<b>Total General Fund Expenditures</b>	<b>\$15,521,726</b>

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

**Revenues Anticipated**

<u>Source</u>	<u>Amount</u>
Powell Bill Revenue	\$700,000
Fund Balance-Unreserved	\$68,000
Interest on Investments	2,000
	<hr/>
<b>Total Powell Bill Revenues</b>	<b>\$770,000</b>

**Expenditures Authorized**

<u>Department</u>	<u>Amount</u>
Street Resurfacing	\$510,000
Non Departmental	230,000
Capital	30,000
	<hr/>
<b>Total Powell Bill Expenditures</b>	<b>\$770,000</b>

**Section III  
STORMWATER FUND**

**Revenues Anticipated**

<u>Source</u>	<u>Amount</u>
Stormwater Fees	\$330,000
Interest on Investments	5,000
Fund Balance-Unreserved	193,728
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<b>Total Stormwater Revenues</b>	<b>\$528,728</b>

**Expenditures Authorized**

<u>Source</u>	<u>Amount</u>
Administration	\$353,728
Non-Departmental	175,000
Capital	0
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<b>Total Stormwater Expenditures</b>	<b>\$528,728</b>

**Section IV  
INFRASTRUCTURE FUND**

**Revenues Anticipated**

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

**Expenditures Authorized**

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

**Section V**  
**TOURISM FUND**

**Revenues Anticipated**

<u>Source</u>	<u>Amount</u>
Prepared Food/Occupancy Tax	\$240,000
Grants	5,000
Fund Balance-Unreserved	0
Interest on Investments	150

**Total Tourism Revenues** **\$245,150**

**Expenditures Authorized**

<u>Source</u>	<u>Amount</u>
Non-Departmental	\$245,150

**Total Tourism Expenditures** **\$245,150**

**SECTION VI  
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 2019-2020. This rate is based on a total true valuation of \$3,437,957,211 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 2019-2020 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 13TH DAY OF JUNE, 2019**