



Matthews FY 2019-20 Budget

HAZEN BLODGETT, TOWN MANAGER

MAY 28, 2019



FY 18-19 Budget Recap

- Property tax rate increased to .355
 - Moved Matthews Fire & EMS to 24-hour staffing model. Hired 10 new firefighters.
 - Implementation of pay and classification study to compensate employees fairly in a competitive job market.
 - Four other positions added.
- Fund balance exceeded 34%.
- No fund balance appropriated.

FY19-20 Budget Constraints

- Addition of four new positions for the Police Dept
- Fully fund Fire & EMS 24 hour staffing model
- Increase in State Retirement contributions
- Increase in State Health Insurance costs
- Increase in WC and property/liability insurance
- Increase in Solid Waste fees
 - Increase in tipping fees
 - CPI increase
 - Increase to number of homes serviced

FY19-20 Budget Constraints

- Addition of four new positions for the Police Dept (\$231,000)
- Fully fund Fire & EMS 24 hour staffing model (\$250,000)
- Increase in State Retirement contributions (119,250)
- Increase in State Health Insurance costs (\$100,000)
- Increase in WC and property/liability insurance (\$38,000)
- Increase in Solid Waste fees (\$175,000)
 - Increase in tipping fees
 - CPI increase
 - Increase to number of homes serviced

Total Cost: \$913,250

FY 19-20 Budget Overview

- The Town's strategic framework guides the budget development process.
- This budget invests in our employees and the resources needed to continue providing high quality services to the residents of Matthews.
- We are faced with significant constraints this year.
- Proposed 1.87-cent property tax increase above revenue neutral to fund increased operational costs.

Tax Rate History

2010	.3325
2011	.3325
2012	.3025
2013	.3025
2014	.3175
2015	.3175
2016	.34
2017	.34
2018	.34
2019	.355
2020	.28 (<i>Proposed</i>)

FY 19-20 Budget Overview

2019-20 General Fund Budget

\$25,640,229

2018-19 General Fund Budget (Amended)

\$24,883,472

Town's FY 19-20 Revenue Sources

- Property Taxes – 55%
- Sales Taxes – 14%
- State Shared Revenues – 9%
- Other (Powell Bill, permits, fees, etc.) – 22%

Investment in People/Resources



- 3% employee merit pool increase.
- Four new full-time positions. One new part-time position.
- Fully funding change in staffing model for Matthews Fire & EMS.

Budget Reductions

- At the May 20 budget work session the Town Board asked the manager and staff to reexamine the budget for any additional savings.
- Staff was able to find \$125,000 in budget cuts – creating a potential .25¢ decrease on the tax rate.
- This reduction is not recommended. Instead, recommendation is to transfer the \$125,000 to the CIP for additional paving in FY20.

Additional Questions from May 20 Work Session

What is Matthews' Fund Balance as compared to other similar towns/cities?

- For fiscal year 18, the Town of Matthews' fund balance available (assigned and unassigned) was 47.82%.
- In our group (cities- population 10,000 to 49,999 non-electric) the average was 55.47%.

Additional Questions from May 20 Work Session

What is the total projected revenue for FY19?

FY19 Total Projected Revenues	\$22,893,857
FY19 Budgeted Revenue	\$22,524,683
Difference	\$369,174

Additional Questions from May 20 Work Session

- How much does Longevity pay cost and who else provides it?
- The total cost for longevity pay for FY19-20 is \$73,500.
- What do other cities/towns offer to employees?
 - Of the 14 localities in our competitive market, 7 offer some form of longevity pay. Maximum payout ranges from \$100 to thousands of dollars annually depending on annual pay and length of service.
 - Maximum payouts higher than Matthews = 4
 - Maximum payouts lower than Matthews = 3

Revaluation and Revenue Neutral Tax Calculations

Mecklenburg county performs a revaluation of real property every eight years.

Property Valuation Prior to Revaluation (FY18-19)	\$3,533,738,389
New Property Valuation (FY19-20) (assuming 4% appeal loss)	\$4,887,780,358
Percent Increase in Valuation	38.3%

Property Tax Rate Prior to Revaluation (FY18-19)	0.355
Reduce Tax Rate by 38.3% to Produce Equivalent Levy (FY19-20)	-0.0983
Property Tax Rate to Produce Equivalent Levy (FY19-20)	0.2567

Average Property Tax Growth from 2012-2019	1.83%
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Property Tax Rate to Produce Equivalent Levy (FY19-20)	0.2567
Apply Average Growth Across All Years	x1.0183%
Revenue Neutral Tax Rate with Average Growth Factored	0.2613

Property Revaluation & Tax Bill Impact

The budget for FY20 reflects the impact of the 2019 Property Revaluation. Currently, the tax rate is 35.5¢ per \$100 of assessed value. For FY2020, the Town Manager recommends a tax rate of 28¢, which is 1.87 cents above revenue neutral.

The tax bill impact under the proposed rate of 28¢ is as follows:

- 20% of residential tax bills would decrease.
- 60% of residential tax bills would increase no more than \$10/month.
- 20% of residential tax bills would increase more than \$10/month.

Here is an example:

If a home's value went from \$250k to \$350k (an increase of 40.41%), the tax increase would equal less than \$8 per month.

Additionally, the new tax rate will be applied to Personal Property, which has not been reassessed. A vehicle worth \$20,000 was assessed \$71 in Matthews personal property taxes last year. Under the proposed new tax rate, that same vehicle will be assessed \$56 this year, a decrease of \$15. **This will decrease revenues by \$230,000.**

Governing Board

EXPENSES	FY 17-18 Budget	FY 18-19 Amended Budget	FY 19-20 Recommended Budget
Personnel	\$56,679	\$56,679	\$56,679
Operating	\$172,500	\$161,395	\$182,500
TOTAL	\$229,179	\$218,074	\$239,179

Highlights:

- Technology Allowance remains at \$3600 per term.
- Citizen Survey planned for Fall 2019.

Manager

EXPENSES	FY 17-18 Budget	FY 18-19 Amended Budget	FY 19-20 Recommended Budget
Personnel	\$404,736	\$454,347	\$493,110
Operating	\$15,250	\$18,550	\$17,000
Capital	\$0	\$0	\$0
TOTAL	\$419,986	\$472,897	\$510,110

Highlights:

- Continued training for staff.

Human Resources

EXPENSES	FY 17-18 Budget	FY 18-19 Amended Budget	FY 19-20 Recommended Budget
Personnel	\$145,459	\$167,978	\$203,555
Operating	\$1,347,508	\$1,452,545	\$1,539,050
Capital	\$0	\$0	0
TOTAL	\$1,492,967	\$1,620,523	\$1,742,605

Highlights:

- Projected 3% increase in health insurance premiums (effective January 1).
- \$23,000 in part-time wages for an existing position previously funded in Finance Dept.
- \$60,000 in total training funds for organizational leadership development, supervisor training, and other training initiatives.

Finance

EXPENSES	FY 17-18 Budget	FY 18-19 Amended Budget	FY 19-20 Recommended Budget
Personnel	\$261,907	\$279,253	\$270,499
Operating	\$192,000	\$189,500	\$183,350
Capital	\$0	\$0	\$0
TOTAL	\$453,907	\$468,753	\$453,749

Highlights:

- GFOA Excellence in Financial Reporting Award – 21 consecutive years.
- FY 19 Audit shows 45.5% Fund Balance, 34.5% unassigned.

Information Technology

EXPENSES	FY 17-18 Budget	FY 18-19 Amended Budget	FY 19-20 Recommended Budget
Personnel	\$139,108	\$173,235	\$181,448
Operating	\$221,050	\$206,850	\$186,750
Capital	\$0	\$70,000	\$0
TOTAL	\$360,158	\$450,085	\$368,198

Highlights:

- Reduced costs due to implementation of new phone and internet systems.
- Operating funds include continued training for staff to prevent malware and cyberattacks.

Safety & Risk Management

EXPENSES	FY 17-18 Budget	FY 18-19 Amended Budget	FY 19-20 Recommended Budget
Personnel	\$73,870	\$76,364	\$84,216
Operating	\$326,900	\$326,900	\$367,850
Capital	\$0	\$0	\$0
TOTAL	\$400,770	\$403,264	\$452,066

Highlights:

- \$38,000 increase in operating costs due to increased premiums.

Police

EXPENSES	FY 17-18 Budget	FY 18-19 Amended Budget	FY 19-20 Recommended Budget
Personnel	\$4,992,855	\$5,472,951	\$5,738,147
Operating	\$805,493	\$1,109,991	\$949,509
Capital	\$318,997	\$353,244	\$314,924
TOTAL	\$6,117,345	\$6,936,186	\$7,002,580

Highlights:

- Four new positions including Senior Administrative Specialist (Victim Witness Coordinator), Crime Analyst, Lieutenant (focused on professional standards, start date 1/1/20), Vice Narcotic Detective. Positions added as a result of the Workload Analysis Study.
- Seven new vehicles as part of routine fleet replacement.
- Continues to include SRO funding for Carmel Christian Schools contract (cost neutral).

Fire & EMS

EXPENSES	FY 17-18 Budget	FY 18-19 Amended Budget	FY 19-20 Recommended Budget
Personnel *	\$1,024,011	\$1,554,074	\$1,805,591
Operating	\$1,074,124	\$1,057,837	\$1,061,741
Capital	\$30,000	\$25,000	\$80,000
TOTAL	\$2,128,135	\$2,636,911	\$2,947,332

*Personnel includes Idlewild VFD and Matthews VFD costs. Does not include grants for firefighters and volunteers.

Highlights:

- Fully funds 24 firefighter positions as part of the 24-hour staffing model.
- Incentive pay program to fund four volunteer Firefighters per shift.
- Idlewild VFD support includes 5% funding increase and continues to provide funding for four firefighters 24/7.
- Includes \$11,500 for CharMeck Alerts and emergency planning software.
- Reduced volunteer incentives that are no longer covered by grant funding (meal replacements and gas cards).
- \$80,000 in new vehicles in Capital Outlay.

Public Works

EXPENSES	FY 17-18 Budget	FY 18-19 Amended Budget	FY 19-20 Recommended Budget
Personnel	\$1,511,534	\$1,724,082	\$1,853,116
Operating	\$3,249,937	\$3,473,187	\$2,999,310
Capital	\$55,000	\$185,500	\$28,200
TOTAL	\$4,816,471	\$5,382,769	\$4,872,626

Highlights:

- Addition of part time maintenance worker to assist with right of way maintenance.
- Capital outlay includes \$14,000 in landscaping for the purchase of a motorized spreader and sprayer for fertilizers and weed control, etc.

Public Works - Stormwater

EXPENSES	FY 17-18 Budget	FY 18-19 Amended Budget	FY 19-20 Recommended Budget
Personnel	\$391,809	\$422,929	\$422,826
Operating	\$268,550	\$278,550	\$444,462
Capital	\$103,000	\$186,494	\$0
TOTAL	\$763,359	\$887,973	\$867,288

Highlights:

- \$147,000 transfer to Stormwater Fund Balance to help with future needs.

Public Works - Sanitation

EXPENSES	FY 17-18 Budget	FY 18-19 Amended Budget	FY 19-20 Recommended Budget
Operating	\$1,636,526	\$1,675,500	\$1,848,879

Highlights:

- Increase in Solid Waste fees including tipping fees, 3.5% CPI increase, and an updated count of number of homes serviced.

Planning & Development

EXPENSES	FY 17-18 Budget	FY 18-19 Amended Budget	FY 19-20 Recommended Budget
Personnel	\$435,594	\$492,788	\$498,875
Operating	\$34,800	\$81,900	\$34,050
Capital	\$0	\$0	\$0
TOTAL	\$470,394	\$574,688	\$532,925

Highlights:

- MPO Assessments have increased over the years and are now \$11,000 for FY19-20.

Economic Development

EXPENSES	FY 17-18 Budget	FY 18-19 Amended Budget	FY 19-20 Recommended Budget
Personnel	\$0	\$0	\$0
Operating	\$35,000	\$35,000	\$34,000
TOTAL	\$35,000	\$35,000	\$34,000

Highlights:

- Continue funding for Red Brick Partnership - \$20,000.
- Increased funding for façade grant program.
- Miscellaneous Economic Development for events and projects - \$6,500.

Parks, Recreation & Cultural Resource

EXPENSES	FY 17-18 Budget	FY 18-19 Amended Budget	FY 19-20 Recommended Budget
Personnel	\$676,392	\$733,092	\$734,278
Operating	\$662,300	\$795,950	\$791,859
Capital	\$0	\$57,000	\$153,000
TOTAL	\$1,338,692	\$1,586,042	\$1,679,137

Highlights:

- Expanding community garden at Purser- Hulseley Park, or funds for a third community garden.
- Replacing bleachers at Crews Recreation Center, using fees in lieu of dollars.
- Includes \$14,000 for new program development as well as \$10,000 for public art.
- Improvements to Fullwood Theater.

Other

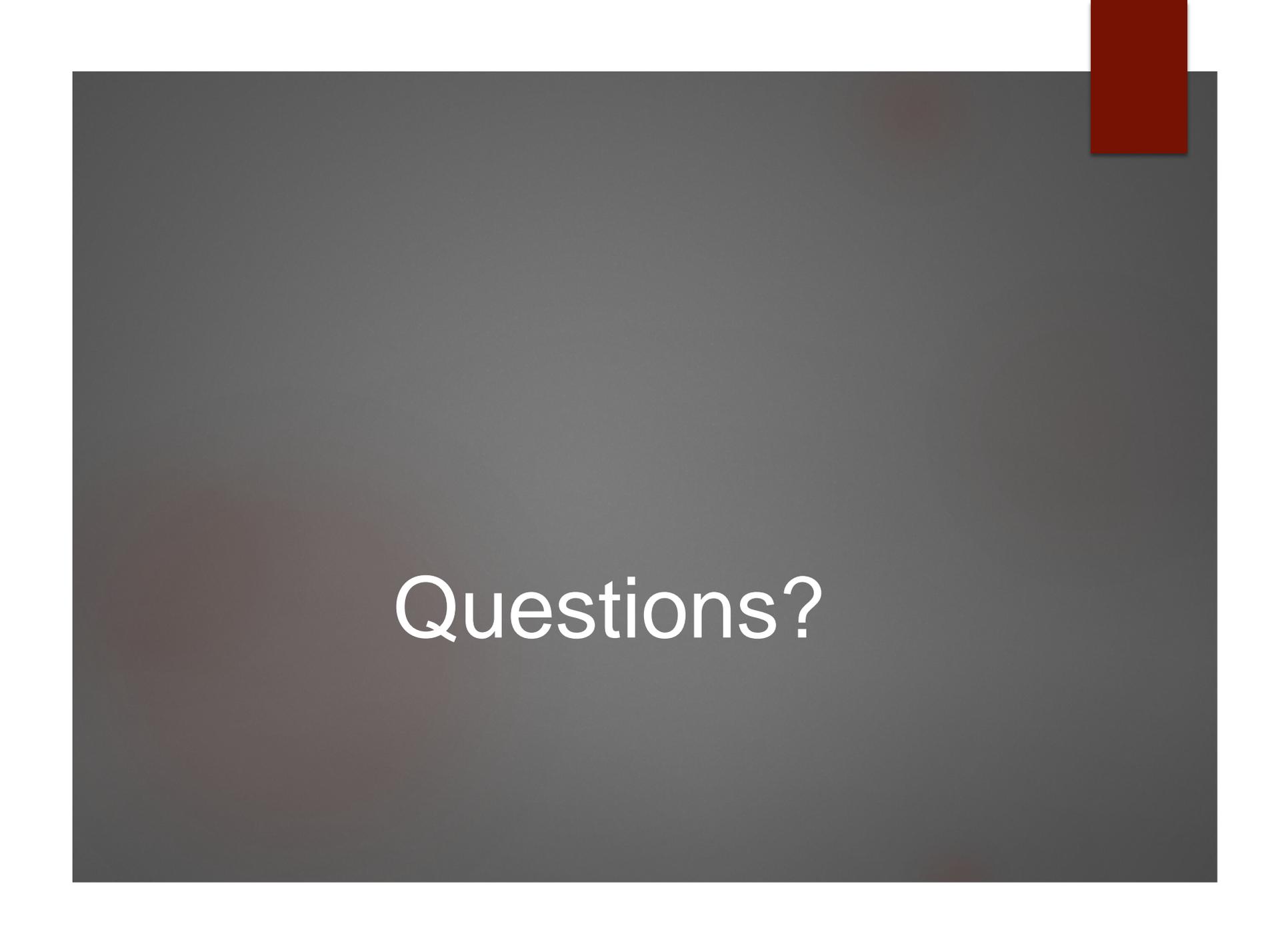
➤ Levine Senior Center	\$5,000	(General Fund)
➤ Tourism Grants	\$83,000	(Tourism Fund)
➤ Matthews Alive	\$60,000	(Tourism Fund)
➤ Sportsplex	\$382,534	(Tourism Fund) *last payment
➤ Arts/Science Council	\$25,000	(Tourism Fund)
➤ Matthews Historical Foundation	\$40,000	(Tourism Fund)
➤ Tourism agreement w/Chamber	\$15,000	(Tourism Fund)

Capital Improvement Plan: General Fund

- \$40,000 for new fire truck for IVFD (last payment)
- \$15,000 for AED's at Police Dept
- \$108,000 for upfit of entrance, gravel parking lot, and addition of a dog park at Purser-Hulsey Park
- \$80,000 for Sam Newell Multi-use Path
- \$22,000 for Pleasant Plains Multi-use Path
- \$482,000 for E. Charles Street parking lot
- \$80,000 for public safety enhancements for town facilities

Capital Improvement Plan: Tourism Fund

- Continued debt payments for Sportsplex, Outen Pottery, Community Center roof repairs
- \$265,000 for construction of the Crestdale Heritage Trail
- \$200,000 for the Matthews Downtown Loop – Matthews-Mint Hill Road Segment



Questions?