

The City Council of the City of Charlotte, North Carolina reconvened for the Business Meeting on Monday, May 11, 2016, at 1:20 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Jennifer Roberts presiding. Councilmembers present were Al Austin, John Autry, Ed Driggs, Julie Eiselt, Claire Fallon, Patsy Kinsey, Vi Lyles, LaWana Mayfield, Greg Phipps, and Kenny Smith.

**ABSENT:** Councilmember James Mitchell

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**ITEM NO. I: INTRODUCTION**

**City Manager Ron Carlee** said this is one of two workshops the Council will hold to make your imprint on the FY17 Budget, which have our staff's recommendations and Manager's proposal at this point, and just to reiterate the purpose of today's meeting is to define the menu of adds and deletes that the Council wants to considers to the recommended budget. Staff will then take that menu as you ultimately finalize it today, do any additional research that may be needed, and get that back to you as quickly as we possibly can in preparation for your follow up workshop, which will be two weeks from now, and that is where traditionally Council does the Straw Votes to really nail down the budget at that point. That affectively sets the budget. That is where you make the decision, although you have to ratify them then at the Council meeting in June, but between the Straw Vote meeting and the June meeting, staff is going through and putting together all of the official documents that you have to adopt and balancing out everything, literally to the penny based on the changes that you made from the Straw Votes. So, in order to get everything right, we really need that time from when the Council provides guidance on what you want your budget to be and when staff literally puts the documents in front of you for official action.

What would be important to clarify as we go in today's meeting is whether or not the Council will follow its traditional practice in putting adds and deletes on the menu. Traditionally, the Council has required five members of the Council to be interested in considering the add or delete by saying that you are willing to put it on the menu for the Straw Votes in two weeks does not mean that you would support it or not support it when it comes back to you. What you are saying is there is enough interest here to warrant staff doing additional research and enough interest that it is worth the Council spending its time on it when it comes back for the Straw Votes but not presuming whether you would approve it or not approve it at that point.

**Strategy and Budget Director Kim Eagle** said in your information that came out for today and we have extra copies provided at your seat, you have an excerpt from the budget book that gives you some of those general fund alternatives that you may want to consider as you put items up on the board today. I am going to go ahead and ask Eric Hershberger, our Budget Manager, to pull up a working spreadsheet, so as you walk through your ideas on adds and deletes, we can capture those and keep track of where you are and then we can move to the vote portion to see which ones you want us to do further work on.

Very quickly, you also have in your packet responses from the Tuesday morning forum. There were some questions there and a couple of additional questions that Councilmembers had submitted. So, you have that data as well.

**Mayor Roberts** said also just know that we have a Budget Committee. I just want to give anybody, the Chair of the Budget Committee a chance, if there is anything that you want to start with before we get started with sort of looking at individual items?

**Councilmember Phipps** said I would just want to briefly mention, I guess by some peculiar reason, it was found on page 197 of our budget book, these are the financial budget principles that we more or less adopted last year. I would hope that we would keep these in mind as we go throughout this process this afternoon, in terms of being as close to living up to these particular principals as possible, as we go through these issues that are before us this evening.

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**ITEM NO. II: CONSIDERATION OF BUDGET AMENDMENTS**

**Mayor Roberts** said with that being said, we can have a consideration of budget amendments. I could just go around the room. When we get to Mr. Mitchell's place, I can go ahead say, he is

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interested in a \$40,000 addition for the National League of Cities Youth Council. He said that he submitted that to staff already.

**Strategy and Budget Director Kim Eagle** said we have that data.

Mayor Roberts said that requires five votes.

**City Manager Ron Carlee** said right and you can do that as you go around, or you can wait until everything is up there.

**Councilmember Lyles** said can we go around and do the adds, the deletes and then do any changes in revenues that we would have or how we would do that. That way we would at least be talking about everything in one category to see, instead of I want to delete, someone else wants to add, we might have all of the adds in one place, all of the deletes in one place, all of the financial policy changes or revenue changes in another place. Would that be acceptable?

Mayor Roberts said we are just going to go around the Council and do that.

Ms. Eiselt with just the adds right now.

Mayor Roberts said we have the Youth Council from \$40,000 to \$55,000.

Ms. Eagle said the data that I have is \$55,000. We will go back and confirm that.

Mayor Robert said I think that Councilmember Mitchell told me that he also talked to the county and the school board about sharing, because the total amount is \$100,000, but maybe he hasn't gotten-

Mr. Carlee said that is why we have a separation between this meeting and the next meeting we will run all of that down.

Mayor Roberts said put it in \$55,000; that is fine.

Mr. Carlee said when it comes back to you, it may be \$70,000 or it may be \$40,000. That gives us the opportunity to really run the details down for you.

**Councilmember Autry** said I would like to add \$484,000 for a Street Sweeping Crew addition and a Litter Remediation Crew addition.

Mayor Roberts said this I presume is for the state streets?

Mr. Autry said no, these are new crews. I see that state is another issue in there. I am just asking for two new crews Litter Remediation Crew and a Street Sweeping Crew to work on the City of Charlotte.

Mayor Robert said so this is just for the City of Charlotte adding onto what we are already doing.

**Councilmember Phipps** said I know we are undertaking a review of how we handle our apartment, multifamily, so-called commercial collections. We are still doing that process now, and we have a proposal before the Environmental Committee to look at our ordinances and such, but one of the things that we also wanted to take a look at was, what would it look like if we did implement a franchise model? We wanted to add that on with our considerations as we go through this process. This is something that we might could see results as early as January of 2017, or it could be in our next budget cycle of July of 2018, all depending on how we work through that review process and other deliberations.

Mayor Roberts said is that an added expense?

Ms. Lyles said that would be a change in what we are doing; why don't we put that under another category and come back around to it?

**Councilmember Mayfield** said an add is an actual dollar amount.

Mayor Roberts said we will put that under process.

**Councilmember Eiselt** said I would like to add an additional 13 police officers to get us to a number of 63 police officers, in light of the fact that this is half of what our Police Department has

asked for, 125 police officers, and that number goes back to a request from Chief Monroe, when our jurisdiction was about nine percent smaller. At that time, 125 officers was just to keep up with the current growth. We have fallen behind on that, and I would like to find a way to add a total of 63 officers this year, which is the number that the Police Department thinks that they could absorb in a year through training. I believe that number is \$1.1 million for the additional 13 officers.

**Councilmember Fallon** said I would like to get \$100,000 for the afterschool program.

Mayor Roberts said for one in particular?

Ms. Fallon said yes, the Greater Enrichment Program, it funds another site which we had to cut out.

**Councilmember Driggs** said the staff has very helpfully prepared an alternate budget solution, it does not involve a tax increase, so I think what I would like to do as part of our add/delete process is introduce the elements in that proposal for consideration by Council. For example, increase the solid waste fee by \$3.00 annually to offset disposal fee increases, which is \$667,000 of revenue.

Mayor Roberts said so this is adding revenue; we are talking about expenses.

Mr. Carlee said my understanding of what the Council is doing right now is just doing program adds the program deletes in a round and then revenue changes in a round is what I heard.

Mayor Robert said maybe Councilmember Driggs, since you've got the idea of the budget, after everybody does their adds and deletes you can present?

Mr. Driggs said I think we are good including I would support the additional police officers, but I think we are good.

**Councilmember Austin** said mine were the 13 police officers.

Mr. Driggs said I would like to ask my colleague Mr. Autry, is that number that you put forward there anywhere in the staff proposal?

Mr. Autry said no, it is not anywhere in the staff proposal. It is in the responses to Council Questions that was sent out the week before last.

Mr. Driggs said what was the question?

Mr. Autry said the question was, what would it take to add more litter remediation and street sweeping service, and that number reflects adding one new crew for street sweeping and one new crew for litter remediation.

Mr. Driggs said I am just not sure about my position in that, because I do not remember having been briefed by staff as to how that impacts our service delivery or what need it meets or maybe I just missed that. Was it a committee discussion?

Mr. Autry said I asked for it in the Committee Meeting in January, and I got the response in February and then I asked last week about it again, so it was published in our material that came out to us.

Ms. Lyles said I have heard Councilmember Austin talk about these two changes a while, but I think what I want to really ask the staff is if when you come back, it wouldn't just really be coming back with the number. You would actually talk about what the service would be, how it would change our service, and we would have about two weeks to deliberate for the final Straw Vote. I would assume that under street sweeping, that we get a schedule of what is current and the cost and how they would recommend doing it, so I think we will have some time to talk about it in advance of our decision making.

Ms. Eagle said yes, that is exactly what we would bring back for any of the items receiving five votes of support; we will not really bring back more refined cost information. We will bring back details just like Ms. Lyles described, relative to current workload, what you would gain from making this addition, and that background.

Ms. Lyles said the only other thing that I would like to just add, could you talk about the number of citizen complaints and calls and the assessment? I know we have a cleanliness index, so not just the cost, and the people, and all of that and how often, but what is the performance standard that we

currently meet and what performance standards would this meet, so more of a metric around where we see the litter and our cleanliness index and our performance objectives.

Ms. Eagle said we can include that.

Ms. Eiselt said when we go through these items and we vote and it takes five votes to get it into the process; does mean that we agree with the number of just the item?

Ms. Eagle said you agree with us taking this back and doing more work and bringing you more information.

Mayor Roberts said why don't we now go around and talk about anything that people want to delete from expenses. We are talking about expenses all here, so anything that you think that the city is doing that could be reduced.

Ms. Austin said I have no deletes.

Ms. Mayfield said no deletes.

Mr. Driggs said I one again hold my no tax piece of paper, and would we treat it as a delete if we took the fire capital equipment and financed it for five years and therefore removed from operating the \$899,782, is that a delete?

Ms. Eagle said yes, that is an expense reduction if you treat that differently.

Mr. Driggs said so the proposal there is the capital cost related to our investment in fire, was going to be included in operating all in the current year. It is a piece of equipment that has a long use life, so by using internal funding mechanisms to spread the cost out overtime, we can save \$899,782 in our current operating budget, and that is what I would propose to add here.

Mayor Robert said is there a commensurate debt service or mortgage, however you call for a fire truck, loan? That is already counted for in the capital budget.

Ms. Eagle said there would be no impact in FY17, but there would be a small impact in FY18, because that is when you would make the first payment.

Mayor Roberts said you will bring back the size of that impact?

Ms. Eagle said I will. It is roughly \$179,000 for the first payment for the ladder truck.

Ms. Eiselt said in addition to that piece, I would also like to consider financing the police capital equipment with short term debt as an option as well, which would save \$796,000.

Ms. Eagle said \$795,709.

Mayor Roberts said so that expense in 2018 would be similar?

Ms. Eagle said yes, \$159,000.

Mr. Driggs said I just wanted to ask, what is the use life of the capital equipment that the police would acquire?

Ms. Eagle said I can find out for you on the police equipment. It is about 10 years on the ladder trucks, my understanding, but we can bring that back for you unless we know.

Mr. Driggs said that is the fire, the police capital.

Mr. Carlee said we will bring it back to you on the police, but we only finance it over its useful life. We do not finance for longer than the useable life.

Mayor Roberts said Councilmember Driggs do you have more items?

Mr. Driggs said no, I am good.

Ms. Fallon said how does that impact the budget? It is \$179,000.

Mr. Carlee said it would actually reduce your expenses in the current year and then you would have new expenses beginning in 2018 in the instance of the ladder, \$180,000 a year over a five year

period and then police equipment, roughly \$159,000. So, by cutting \$1.695 million out of this year's budget, you end up creating a need to generate a little over \$300,000 next year and the next four years.

Ms. Fallon said and that puts a hole in the budget again?

Mr. Carlee said a modest one.

Ms. Fallon said I would like to delete that \$50,000 that goes to the county for that Upwardly Mobility Study.

Ms. Eagle said the Economic Opportunity Taskforce?

Ms. Fallon said I would rather put it in servicing the children that need it right now rather than another study.

**Councilmember Smith** said last year this fell under this, so we will see if it does hold the water and sewer rate flat for a year. So, I do not know if that would come on one of our next items or if this is something that would be right here in the operating budget. Last year we sort of lumped it all together, so if I need to hold that comment for future spot on the spreadsheet, I can.

Mr. Carlee said let's hold that one since it is an enterprise fund. We will make a note.

Mayor Roberts said anything in general fund?

Mr. Smith said no ma'am.

Ms. Eiselt said I would like to consider transferring two-tenths of a cent from the property tax revenue, dedicated to capital, into the general fund.

Mr. Driggs said isn't that the same policy kind of question? I agree with that, but I thought that was one of the things we were saying we will not do now. Is that a deletion?

Ms. Eagle said you could treat it either way, but you could put it in your revenue discussion last. It would be two-tenths of a penny to the general fund, which would generate just under \$2 million, which reduces your debt capacity by \$20 million.

Ms. Mayfield said does that really go into deletes or is that part of the later conversation?

Mr. Carlee said I think it is a third round.

Mayor Roberts said it has an impact on revenue.

Ms. Fallon said doesn't that leave that hole that I was talking to you about, next year then?

Mr. Carlee said that is correct.

Ms. Fallon said and we can't make that up without a raise?

Mr. Carlee said that would depend on a lot of different factors. It would depend on what the financial situation was on the city and depending on revenue growth. With regard to the shift in the capital, it is a modest amount for our general fund total budget is \$636 million, now \$325,000 in round numbers. It is a workable number.

Mayor Roberts said now we should do policy that relates to revenue, anything that has to do with revenue shift or change or policy.

Mr. Autry said pass.

Mr. Phipps said I guess this would get back to what I was talking about earlier. It is just part of our review of how we handle apartment collections on a go forward basis, and that is part of our effort to look at and review our ordinance. We wanted to see from the budget staff, what it would look like if we charged a recovery fee for commercial apartments, beginning sometime in spring of 2017, maybe in April. As a way to help us to guide through the deliberations on how we may want to move forward with it.

Ms. Eagle said so just a point of clarification based on your statement, should we reframe this instead of saying franchise, say cost recovery, am I understanding?

Mr. Carlee said that would be our recommended approach.

Mayor Roberts said that would be for the coming fiscal year.

Mr. Driggs said can I just clarify; the Manager's budget proposal does not contemplate a change in service to multi-family. Is that right?

Mr. Carlee said that is correct.

Mr. Driggs said we would need to make, to work on this, only if we disagree with that?

Mr. Carlee said only if?

Mr. Driggs said if we disagree with the idea of leaving, but if we agree with the idea of leaving the service delivery as it is, then we are fine.

Mayor Roberts said correct, if there are five votes to look at this we will look at this and come back to them.

Mr. Carlee said let me see if I could understand the proposal, and I think what I heard was cost recovery on apartments beginning the second quarter of calendar year 2017, roughly spring of 2017?

Mr. Driggs said right.

Mayor Roberts said any policy or revenue changes?

Ms. Eiselt said do I go back to that now?

Ms. Eagle said the capital of transfer.

Mayor Roberts said anything else besides that?

Ms. Eagle said no, that is it?

Mr. Carlee said that was at two-tenths?

Ms. Eiselt said two-tenths of a cent.

Mr. Carlee said so just \$1.8 million I believe and will reduce your capital investment program by roughly \$20 million, and we will bring you details back on that.

Mayor Roberts said another thing, if there are five votes for that then we see the whole result of that happening, but when we vote later, we could also say one-tenth of a cent instead of two-tenths, right?

Mr. Carlee said you could also say two and a half. So, these become areas for your consideration that you can either discard completely or you can work around the edges once you see how everything comes together to balance it out the way that you think it is best to balance it out.

Mr. Austin said were you talking about direct delivery service recovery costs in your proposal and not having the administrative costs? Aren't you speaking of direct delivery cost recovery?

Ms. Lyles said let's do both; why don't we just put both, just what it would be for full recovery and what it would be for direct recovery?

Mr. Carlee said we can break that down for you and show you what the impact would be on apartments, and you can make a judgment as to which one you thought was better to do, if any of them.

Mr. Driggs said I am still not clear, even voting at this stage, what are we talking about here? I do not get it. Are we talking about discontinuing service to apartments? As we already know, we are going to have a conversation that is in the plans about solid waste services, so in the context of our current budget conversation I am wondering what potential budget impact we are talking about here.

Mr. Phipps said I know we are not talking about discontinuing. I think we are talking about just reviewing what the implications would be.

Mr. Driggs said doing what?

Mr. Phipps said charging a recovery fee.

Mr. Eagle said that was my understanding.

Mr. Driggs said charging a recovery fee is not discontinuing service, is that right?

Mr. Phipps said that is right.

Mr. Carlee said this is my understanding of the request, if I am wrong let me know. Staff has sliced this stuff about a million different ways, so your challenge is to come up today with a scenario that we have not thought of.

Ms. Lyles said that may be impossible.

Mr. Carlee said I know that it is not. The idea, as I understand it, is that we would go to full cost recovery for apartments, which in the context that we have talked about previously, would increase the fee from \$25 to \$56 a year. The net increase impact per apartment unit is roughly \$2.58, if I remember the break down accurately, and the proposal that Councilmember Phipps put on the table is that the full recovery would not start until April of 2017. You would not get a full year benefit of that increased fee. The impact for 2017 would be roughly \$824,000, and the impact in 2018 would be close to \$3.2 million in round figures.

Mr. Driggs said we are not talking about any change to the recovery for single-family residential?

Mr. Carlee said that has not been put on the table at this time.

Mr. Driggs said the only reason this is coming up now is because of the possibility that it would be affective for one quarter in the current budget year that is why we are discussing it in this meeting.

Mayor Roberts said that is correct.

Mr. Carlee said if you wanted to increase cost recovery at all for apartments, then it would need to come up in this meeting and then in whatever form you wanted to see it and then at your next meeting you decide whether or not you wanted to do it. If so, how much you wanted to do and when you would want it to be affective.

Mr. Driggs said colleagues, if we would have this conversation when go to our total review of what we are going to do about trash collection. There is a lot of controversy about the issue of multi-family, and I think for us to try and fix a budget situation, without the benefit of the full discussion that we are contemplating having anyway, doesn't make sense. I am opposed to that.

Mayor Roberts said you will not be one of the five voting for it, if there are five.

Mr. Driggs said that is probably a fair statement.

Ms. Fallon said can I have the rational for why we are going to get full recovery from apartments but not residential?

Mr. Carlee said that is the discussion that you have been having over the past several months, and the issue before the Council is whether or not you want to treat, what is essentially investment property, what is a commercial operation, differently than you would want to treat home ownership.

Ms. Fallon said the problem with the fact that it is an investment property is passed down to the people that are living there, and they are not investing; they are paying rent.

Mr. Carlee said that is part of the debate, which the Council has been having, that ultimately you will need to come to some reconciliation on the impact if it were passed on entirely two renters of this change is roughly \$2.58 a month.

Mayor Roberts said Councilmember Fallon, if there are not five votes for this policy question, we stop the discussion for this budget and have the discussion with the committee going forward if it is even something we are interested in changing.

Ms. Eiselt said if we vote to discuss this for apartments, can we also include in that discussion cost recovery for single family houses as well?

Mr. Carlee said somebody needs to put that on the table.

Mayor Roberts if you want it for the coming budget year, you need to put it in the agenda, and also the tipping fee that the \$3.00 pass through tipping fee would be an additional thing as well.

Mr. Carlee said that has not been put on the table either.

Mayor Roberts said I think you are going to do that, right? It is coming. Councilmember Phipps, did we finish with you?

Mr. Phipps said I think so. All of it is going to be, I guess amalgamated because there are so many pieces to it.

Mayor Roberts said we are going to vote on each item once we get everything on the table.

Mr. Smith said water and sewer flat for the year.

Mayor Roberts said water and sewer no increase.

Mr. Smith said so we have got a 4.3% increase, and we had this discussion last time, the year before. I just want to hold up those that we hold flat for a year and make sure I fully understand what the service level increase will be, and we have had ongoing discussion each past years on the sort of trajectory this department is going, and I think it warrants additional discussion, doesn't mean I will not get there next week to the vote.

Ms. Mayfield said he is wondering what were we adding on to get.

Mr. Smith said this is not an add on; we are at policy now, so the policy discussion would be to hold water and sewer flat for the upcoming fiscal year, instead of raising it 4.3%.

Ms. Mayfield said thank you.

Mayor Roberts said staff will come back and let us know what impact that will have on the fund and the rest of the budget.

Ms. Fallon said Ron I want to go back to what I call the slush fund. That is \$2.9 million it throws off, right? You said it leaves a hole in the budget the next year, but we keep that principle and that makes the \$2.9 million again next year. You are talking about it has to be reinvested to get back to the 16, but the 16 is there even when you take the \$2.9 out that we could use not to raise any taxes.

Mr. Carlee said I beg that we not call it a slush fund.

Ms. Fallon said why?

Mr. Carlee said because it is a required reserve fund that is actually essential; it is not a non-working fund. A lot of our tax money comes in at one time, which means about 12 months later, then you have spent all that money, and you are using your reserve fund for cash flow. That keeps the city, among other things; we are having to do short term borrowing.

Ms. Fallon said I never realize we used that as cash flow. I thought it just stays there and draws interest, because it is a reserve fund, because we self-insure.

Mr. Carlee said it is a reserve fund, but that is different. We actually have a second reserve fund for self-insurance, which we replenish, based on claims, but our general reserve fund is 16% of our general fund balance.

Ms. Fallon said which affects our bond rating.

Mr. Carlee said it affects our bond rating and also affects the cost of doing business because it covers in cash flow.

Ms. Fallon said so we are using it as cash flow and just replacing it.

Mr. Carlee said that is right.

Ms. Fallon said I see what you are talking about now. I did not know it was used on a day to day basis.

Mr. Carlee said we maintain a certain minimum there and then we replenish it at the end of the fiscal year, we balance out everything. We look and see what is our general fund budget for the next year.

Ms. Fallon said and it goes into Pay As You Go if there is extra?

Mr. Carlee said well, the first thing we do is that we make sure our reserve fund is backed up to the 16%.

Ms. Fallon said the 16 that is required by the bond people?

Mr. Carlee said and by your policy and anything above that then then goes into Pay As You Go.

Ms. Fallon said there is not enough there to offset no raise for the apartments and the pickup?

Mr. Carlee said not at that level. If you were going to do that, you would need to change your policy on the level of your reserve, but you would need to bring it down fairly significantly in order to cover those costs. I would not recommend that.

Mayor Roberts said any policy changes from you?

Ms. Fallon said no, just the \$50,000 that goes to that, whatever you call that, I would like to transfer that into the afterschool programs.

Mayor Roberts said right, we have that up there.

Mr. Driggs said I was going to suggest, in the area of solid waste, while opposing any change in service delivery, recognizing that the cost from the county is going up and therefore, we raise the solid waste fee by \$3.00, which means to \$28.00 for single family, which generates \$667,000 and also for multifamily, which generates \$309,000. I think we can do that as part of our budget process because it doesn't prejudge any policy decision we might make later. It is a simple reflection of a change in the cost of providing that service.

Mayor Roberts said and it goes to everybody who gets garbage collected. Is there anything else Councilmember Driggs, anything else in your whole budget that hasn't been covered that is going to bring out a balance?

Mr. Driggs said we have two capital items. Yes, I am good.

Mayor Roberts said no one has any other policy additions, revenue additions, subtractions, expense additions, or subtractions?

Mr. Driggs said I just want to make the point my goal is to eliminate the proposed tax increase, just so that is out there as a policy point.

Mr. Carlee said and my question was is someone going to put that on the table?

Mr. Driggs said I do.

Mr. Carlee said that was the piece that was left unsaid. So, the additional item owned is to eliminate the tax rate increase.

Mr. Driggs said that is the \$3.9 million.

Ms. Mayfield said mine is the opposite, is to include the tax increase that is recommended by the City Manager. The half cent tax increase for us to include it, because ultimately, we cannot continue to keep pushing it off as the city is growing with the fear of a tax increase oppose to having incremental tax increases then risk the chance when we go into next year's budget having to have an even greater tax increase because we don't know what the financial environment is going to be, especially with everything that is going on around us. We do not know how that is going to impact us. We already have an idea through hotel/motel tax how it is going to impact us, but I am going to ask for us to put the recommended tax increase in.

Mr. Carlee said the way that that would work in this process, when this item comes up for a vote to delete it, you would vote no.

Ms. Mayfield said, well if they both get five votes then we still have a discussion.

Ms. Mayfield said the original recommendations from the City Manager, so mine is just really just to reiterate around the table that yeah I am going to say the opposite of that.

Mr. Driggs said you mean we disagree?

Ms. Mayfield said so quickly, after just immediately agreeing.

Ms. Eiselt said Councilmember Mayfield's is not put on there because it is already in the recommendation. Can we vote for Councilmember Driggs item if, in fact, we still decide?

Mr. Driggs said that item will cause the subject of the tax adjustment to come up, and at that point, I think it is wide open.

Mr. Carlee said you could keep it the way I have recommended; you can do less than I have recommended, or you could do no tax increase at all.

Mr. Driggs said or cut it by a half cent, how about that?

Ms. Lyles said I guess what I am saying is I find eliminate the 4.36 cents, but I think one of the other options is to maintain or modify it. I do not know how you do this. I do not know, because in affect, if you vote on everything else up there and you bring it back, you will have a balancing. So, to me it is almost like the result of all of these changes then decides whether or not you eliminate a tax increase or keep it, and we are not voting. To me, I do not know if you put either ne up there or you put both because to me, everything that we talked about is around the idea of changes and eliminated or modifying is all of those things coming back to us to decide.

Mayor Roberts said however, the difference in eliminate is that we are looking for bundle options that bring that goal, and if you say modify, then it is a discussion of each line item, which is what we will be doing, but if you keep that in there as an objective, what staff will do, working with Councilmember Driggs and anybody else who votes, will be to bring back different bundles that achieve that objective.

Mr. Carlee said I think it is important if five of you are entertaining eliminating the tax rate increase, I think it is important to have it here this way, and we will show you what the implications of that are, then if you choose to do something less than that, as you bundle it and come up with your final package at the end, then that gives you the flexibility. You will want to see it in the context of the other pieces. The same thing applies to Councilmember Smith's item on the water/sewer. I think you will find holding the rates flat to be fairly devastating in terms of your water/sewer capital program, but if five of you want to see the impact of holding it flat, we will provide it to you and if you want to do something within that and what we have recommended, you will know what the implications of that would be.

Ms. Lyles said I do not know the answer to it, but eliminate is the objective to go to a certain amount. I may be willing to do that, but I do not know at what cost and whatever so, I do not know when you say the vote for eliminate. So, if you say eliminate or modify towards the tax increase, bring back modifications for elimination, I would be comfortable, but for just saying eliminate and I am not sure what or how. That is kind of a flat value statement that I am not comfortable with. Let's vote on both or change it to eliminate or modify, it doesn't really matter. I know Councilmember Driggs has said eliminate, he is probably fairly certain that is what his intent is. My intent would be to provide services, and if it is a modification that lowers it, I am going to be fine. If it is something we can eliminate, I would be fine, but right now, I would say I would like to see both votes up there.

Mayor Roberts said we are asking any item that we want more information on and want to know exactly what it looks like. It doesn't mean that we are committing to supporting that in the way it comes back. We are asking for more information to make a better informed decision.

Ms. Fallon said we are talking about eliminating even a percentage. How does that affect the 13 extra police man?

Mr. Carlee said it would depend on the other decisions that you have made. I believe, based on what you have on the menu for consideration that you can add the 13 police officers potentially without a tax rate increase, but that depends on your being willing to do the other revenue things that you need to do.

Ms. Fallon said you mean the apartment?

Mr. Carlee said yes ma'am; that is the largest one that is in there; although, Councilmember Eiselt's proposal to shift money from capital into operating is significant; that is a \$2 million item.

Ms. Fallon said meaning less?

Mr. Carlee said no, that adds to the operating budget.

Ms. Fallon said right.

Mr. Carlee said that can also be used to either offset part of the tax rate increase or to add police officers.

Ms. Fallon said what I mean by less is that it takes away from what we want to do.

Mr. Driggs said I just want to clarify. I am looking at one possible solution that includes the \$3.00 increase in the fee, includes moving two-tenths of a cent to the operating from capital and that funds the capital equipment over a more appropriate term, and that pays for the extra 13 officers and eliminates the need to change the tax rate. That is the scenario. We will get into the line items. I agree there is nothing that says that by virtue of moving this forward that we are buying that. I just like the look of this thing because it is relatively painless to all of the parties, and it achieves everything that we want, including the extra 13 officers.

Mr. Smith said I think it is worth noting too that Councilmember Driggs' plan would include the Manager proposed pay increase as well?

Mr. Driggs said yes, the full 3% is all paid for.

Mr. Smith said as you look at where he has gone through, we are going to achieve the funding requirements that we are looking for without a tax increase by shifting a couple of things around they are all interrelated.

Ms. Kinsey said we do not have this, so we are just listening to people talk.

Mr. Driggs said I asked for this because I wanted to see what it looked like, so I am working from that.

Ms. Mayfield said it would be helpful if we had some staff giving everybody a copy so we could follow along.

Mayor Robert said I think Councilmember Driggs in connecting all of those items is advocating that we get five votes for each of those items so that we can have that option fully together after that can come back to us in the more detailed form so that we can look at that.

Mr. Driggs said everybody will have the, it is four items essentially, but everybody will have that before we need to make a decision about anything.

Ms. Kinsey said I am not going to vote for anything if it is not in front of me to read.

Ms. Fallon said can somebody get us some copies?

Mr. Carlee said I do not think that what is in front of Council right now is a package. I think what is in front of the Council right now are individual components for you to then evaluate into various packages that ultimately fit a consensus of the Council in terms of how you want to put them together. Mr. Driggs happens to have one that he likes, but I believe that everything that he is looking at is now individually before you to come back in any combination, we will put it together in any combination that you want us to put it for you together on so you can see how it can balance out.

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### **VOTING ON ADDS/ DELETES**

Mayor Roberts said all the pieces are in what we have talked about. Each individual piece of that has been advocated by someone, and as we go around and vote, anybody who feels very strongly about that individual piece, will be able to advocate for that. We can ask more questions on each one. All of the components are in there. Why don't we start at the top, and again this does not mean you have to vote in the final budget. It does not mean you are advocating for all of it or part of it, it

means that you want staff to bring back more information on what it actually looks like and what it actually does for the budget.

### **Youth Council Additional Funding for Trips**

Mayor Roberts said the first one is the Youth Council for the National League of Cities National Conference here in 2017, and Councilmember Mitchell asked for this to be on. Does anyone want it to advocate? I think it's a great idea.

Mr. Carlee said if I may just say a word, again this is in your ballpark, not mine. I did get some clarification about why this was important to him this year, and I feel compelled to share that for him. In 2017, we host National League of Cities here in Charlotte, and as part of the National League of Cities program, there is a youth program, and some cities do bring youth delegations to National League of Cities. So, Councilmember Mitchell's thought was that in preparation for our hosting and having young people here from other cities next November, that he would like for us to be able to send some youth to this fall's conference in Pittsburg and the delectation to the spring conference in Washington and to have our youth then engaged with the youth from the other cities when they come to Charlotte in November 2017.

Mayor Robert said I just noticed, sitting on my side right here, are memos from Councilmember Mitchell that he wanted everybody to have that shows a little bit more about that with Generation Nation here, and it shows the expenses that are involved with that. So, everyone has this.

Mr. Carlee said again, I think we still need to run down the expenses a little bit more and the partnerships that Councilmember Mitchell had referenced. We have not had an opportunity to do that yet.

Ms. Mayfield said at this point, can we just go through each line item and just do the all in favor, and if we have five it stays and if not, keep moving.

Mayor Roberts said absolutely. I just wanted to make sure everybody had the information because Councilmember Mitchell wanted to make sure that we had it, so that we could read it per Councilmember Kinsey, which is great.

The vote was taken on the proposal to add \$40,000 to the Youth Council to provide additional funding for trips and recorded as follows:

YEAS: Councilmembers Austin, Autry, Eiselt, Lyles, Mayfield, and Phipps.

This budget adjustment will be considered at the Straw Votes meeting on May 25, 2016.

### **Street Sweeping Crew and Litter Control Crew**

Mayor Roberts said this is an added service level.

Mr. Autry said I just think that you walk around and drive around the streets and see the litter collecting on our streets. We are not keeping up with that as the city continues to grow with forty-four new residents a day. The debris from trees and litter collecting in our storm water drains, that is not good for the storm water system. We need to up the ante a little bit with our litter remediation and the street sweeping to make sure we have an efficient system that is well maintained. I would hope that we get five votes to move this forward.

The vote was taken on the proposal to add \$484,000 for Street Sweeping Crew and Litter Control Crew and recorded as follows:

YEAS: Councilmembers Austin, Autry, Eiselt, Lyles, Mayfield, and Phipps.

This budget adjustment will be considered at the Straw Votes meeting on May 25, 2016.

### **Additional 13 Police Officers (Accelerate Phase in)**

Mayor Roberts said the next one I think this one is one that we have all heard about and heard some great advocacy; the 13 police officers that would bring us from 50 to 63.

The vote was taken on the proposal to add \$1,137,050 for an additional 13 Police Officers (Accelerate Phase in) and recorded as follows:

YEAS: Councilmembers Austin, Autry, Driggs, Eiselt, Fallon, Lyles, Mayfield, Phipps, and Smith.

This budget adjustment will be considered at the Straw Votes meeting on May 25, 2016.

**Greater Enrichment Program (Out of School Time Financial Partner)**

Mayor Roberts said the Greater Enrichment Program \$100,000 to add to their \$200,000 that they currently receive from the city. They could add an extra site, is that right Councilmember Fallon?

Ms. Fallon said yes.

Mayor Roberts said they are a five star rated afterschool program, which has great impact especially on low income students.

The vote was taken on the proposal to add \$100,000 to the Greater Enrichment Program (Out of School Time Financial Partner) and recorded as follows:

YEAS: Councilmembers Fallon and Smith

This budget adjustment failed to receive the minimum five votes required to be considered at the Straw Votes meeting on May 25, 2016.

**Finance Fire Capital Equipment Over 5 Years**

Mayor Roberts said finance the fire capital equipment over five years; this would reduce the need in 2017 to zero via added amount in 2018, which would be \$189,000.

The vote was taken on the proposal to delete \$899,782 to finance Fire Capital Equipment over 5 Years and recorded as follows:

YEAS: Councilmembers Austin, Autry, Driggs, Eiselt, Fallon, Lyles, Mayfield, Phipps, and Smith.

This budget adjustment will be considered at the Straw Votes meeting on May 25, 2016.

**Finance Police Capital Equipment**

Mayor Roberts said same thing with the police capital equipment; is that vehicles? I guess any capital equipment.

Ms. Mayfield said can we get a clarification from Councilmember Eiselt?

Ms. Eiselt said for capital equipment it says.

Mayor Roberts said cars and computers and other expensive items.

Ms. Eiselt said my understanding is it is what can be financed over a different period of time. It doesn't affect the delivery of the equipment, is that correct?

Ms. Eagle said all vehicles.

The vote was taken on the proposal to delete \$795,709 to Finance Police Capital Equipment and recorded as follows:

YEAS: Councilmembers Austin, Autry, Driggs, Eiselt, Fallon, Lyles, Mayfield, Phipps, and Smith.

This budget adjustment will be considered at the Straw Votes meeting on May 25, 2016.

**Phased in Direct or Full Cost Recovery for Solid Waste Service Multi-Family Collection for Apartments (maybe spring)**

Mayor Roberts said next, we go to full recovery for Solid Waste Services, again, this is not committing us to doing this; this is just for us to consider it having any impact on the 2017 budget and looking at what those impacts and costs would be. This is for multi-family apartments.

The vote was taken on the proposal to Phase in Direct or Full Cost Recovery for Solid Waste Service Multi-Family Collection for Apartments in April 2017 and recorded as follows:

YEAS: Councilmembers Austin, Autry, Eiselt, Lyles, Mayfield, and Phipps.

This budget adjustment will be considered at the Straw Votes meeting on May 25, 2016.

**Transfer Property Tax Revenue Dedicated to Capital into the General Fund**

Mayor Robert said the next one is transfer property tax revenue dedicated to capital into the general fund two-tenths of a cent which would bring you \$1.84 million.

The vote was taken on the proposal to add \$1,840,000 to transfer property tax revenue dedicated to capital into the general fund and recorded as follows:

YEAS: Councilmembers Austin, Autry, Driggs, Eiselt, Fallon, Lyles, Phipps, and Smith.

This budget adjustment will be considered at the Straw Votes meeting on May 25, 2016.

**Charlotte Water (No Rate Increase for One Year)**

Mayor Roberts said Charlotte Water, no rate increase one year, we are not really sure what impact that has, but that is what we are just asking staff to bring back what the impact of that would be, it is not a commitment to do it.

Mr. Smith said you may recall, in the previous two years, we have done this, and they brought back sort of a list of service just because we have been raising in this area and at least we can show the citizens where the money is going. Again, I will probably ultimately go along with the increase, I just think it is a nice exercise to make sure that we have some transparency in that department for the citizens.

Mayor Roberts said Councilmember Smith is advocating for transparency.

Ms. Lyles said I believe in that, but I am not so sure putting it on and through the budget office process, if that is what we want, let's just ask for that list, but I looked at this, and am I willing after we have had three presentations by Charlotte Water, am I willing to say to them after we have checked off that we are not going to do a rate increase? That is the question that I think this asks. If you say to me, tell me what the rate increase buys the city then I like that, but I don't know that after three times that they have been before us with presentations and commitments that I am willing to say that I am going to put a no rate increase if that makes sense. If you said, the question is, please provide a list of what the rate increase provides to the utility system and even why, but something that people can read and understand, that would be better for me.

Mr. Carlee said if I may, we have considerable detail on that in your Q and A in your April 6, 2016 Workshop, we've detailed of how the rate breaks out in the different components around capital operating and the additional crews, and we have considerable detail in one section in the front on capital projects as well.

Ms. Eagle said we do.

Mr. Carlee said there are actually two pieces that we refer you to on that.

Mayor Roberts said that is the April 6, 2016 meeting?

Mr. Carlee said April 6, 2016 and there is one other that Kim will uncover as well.

Ms. Eagle said I will find it for you.

Ms. Mayfield said in the April 6, 2016 response, do we address no increase?

Mr. Carlee said we show you what the increase goes to.

Ms. Mayfield said do we address no increase?

Mr. Carlee said well, the no increase basically has the opposite effect of reducing your capital program. It eliminated additional crew that would be added at a 3%; what is proposed is a 4.3% increase. If we took it down to 3%, which will be \$1.75, that would require \$37 million cut out of the capital program.

Ms. Mayfield said before we go into all of that, are you saying the answer to this question, no rate increase for one year, are you saying that question has already been answered in our packet? If that question of no rate increase for one year is not answered, then I think we need to go ahead and do,

either we get five or we don't, but if it is in here and if you direct us, then we know that the question has been answered. Mr. Smith, did you see a response? If it is not answering this question of no rate increase of one year, if what we are saying right now is that five people want to get the answer, then that is the answer, not the selling of why we should do it but the answer of what will the impact be if we don't.

Mr. Carlee said we would be happy to bring you back a specific list of projects.

Ms. Mayfield said that is not the question that is answered in here.

Ms. Eagle said in your April 20, 2016 information, we responded to the question from April 6, 2016, and there is a detailed breakdown of what the rate increase purchases. There is also a detailed list of projects that we can reframe for you to more explicitly answer the question you are asking.

Mr. Driggs said I would just like to suggest that we keep this on here, look at it again in the context of the other actions, because we should always be mindful of the bottom line effect of what we do, so without prejudice, I would like to see us take it forward.

The vote was taken on the proposal for no rate increase to Charlotte Water for one year and recorded as follows:

YEAS: Councilmembers Austin, Autry, Driggs, Eiselt, Mayfield, and Smith.

This budget adjustment will be considered at the Straw Votes meeting on May 25, 2016.

Mayor Roberts said that one we will look at framed in that particular way.

Mr. Phipps said I think, if I can recall, the discussion when we talked about this last year, when we talk about deferring a rate increase, the answer that we got is, when we do get around to actually doing one, that the incremental cost will be much greater than if we delay and defer. I think if that is what we are going to get this time, I think the public will probably be well served to see that. Just putting it off a year thinking you are going to get a reprieve, then the next hike that comes forth will have to be incrementally higher than what it was before.

Mr. Smith said the straw vote highlights and adds greater levity for discussion points, and so on the 11th, when we have everyone here, while it may have been in presentation, it may be in a packet. I think the forum of the 25th's straw vote, when it gets in there it ought to add heightened awareness to it, so we can point out to the public what it is going to do.

Mr. Phipps said I do say that in recent forums, that was the most cantankerous item that was discussed, the water fee increase.

Ms. Mayfield said and it will be again.

Mr. Phipps said even superseding any recommended tax increase. There is a great sensitivity to the water drinking part.

Mayor Roberts said absolutely and it even has more focus because what happened in Flint, Michigan. I think it is a huge part of what the city does, and I think it is always good to discuss and to be appreciated.

### **\$3 Increase to Solid Waste Fee for Residential and Multi-Family Collection**

Mayor Roberts said the next one is the \$3.00 increase in the Solid Waste fee. This is a pass through of the increased tipping fees that the county is charging the city, and this would apply both to single family and multi-family correct?

Mr. Driggs said if everybody is prepared to vote on that combined bases, yes.

Mayor Roberts said this is to examine the impact.

The vote was taken on the proposal to add \$976,000 by adding a \$3 increase to Solid Waste fees for residential and multi-family collection and recorded as follows:

YEAS: Councilmembers Austin, Autry, Driggs, Eiselt, Fallon, Lyles, Mayfield, Phipps, and Smith.

This budget adjustment will be considered at the Straw Votes meeting on May 25, 2016.

**Eliminate or modify \$0.43 Property Tax Increase**

Mayor Roberts said the goal of having no property tax increase and this is not necessarily saying you support, but you want to see a bundle that produces that, and maybe even a couple of different bundles that would produce no property tax increase. I know that Councilmember Driggs has one bundle; there may be others that staff would like to recommend that may not quite look the same but end up with the same objective. This is saying that you support looking at that option.

The vote was taken on the proposal to eliminate or modify \$0.43 property tax increase and recorded as follows:

YEAS: Councilmembers Autry, Driggs, Eiselt, Fallon, Lyles, Phipps, and Smith.

Mayor Roberts said we will get some options for how we have no property tax increase.

This budget adjustment will be considered at the Straw Votes meeting on May 25, 2016.

**Eliminate the Economic Opportunity Task Force**

The vote was taken on the proposal to delete \$50,000 to fund the Economic Opportunity Task Force and recorded as follows:

YEAS: Councilmember Fallon

This budget adjustment failed to receive the minimum five votes required to be considered at the Straw Votes meeting on May 25, 2016.

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**ITEM NO. III: NEXT STEPS**

**Mayor Roberts** said next steps, May 25, 2016 Straw Votes at noon, budget adoption June 13, 2016.

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**ADJOURNMENT**

The meeting was adjourned at 2:28 p.m.



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Emily A. Kunze, Deputy City Clerk

Length of Meeting: 1 Hour and 8 minutes  
Minutes Completed: June 8, 2016