

Council Budget Committee
Monday, April 11, 2016, 12:00 – 1:30 p.m.
Charlotte-Mecklenburg Government Center
Room 280

Committee Members: Greg Phipps, Chair
Ed Driggs, Vice Chair
Patsy Kinsey
Vi Lyles
LaWana Mayfield

Staff Resource: Kim Eagle, Management & Financial Services

AGENDA

	<u>Page</u>	<u>Time Frame</u>
I. <u>FY2017 General Fund Budget Discussion</u> <i>Staff: Kim Eagle, Management & Financial Services</i> (Attachment 1 – FY2017 General Fund Budget Discussion Overview) (Attachment 2 – FY2016 Services Inventory) <i>Action requested: Discussion and Feedback</i>	1	60 minutes
II. <u>Regulatory User Fee Policy</u> <i>Staff: Debra Campbell, City Manager's Office</i> <i>Mike Davis, Transportation</i> (Attachment 3 – User Fees Presentation) <i>Action requested: Discussion and Feedback</i>	11	20 minutes
III. <u>April 20 Council Budget Workshop Agenda</u> <i>Staff: Kim Eagle, Management & Financial Services</i> (Attachment 4 – April 20th Budget Workshop Agenda) <i>Action requested: Review and Recommendation</i>	19	10 minutes

NEXT MEETING: No additional Budget Committee Meetings have been scheduled for the FY2017 Budget Development Process.

Distribution: Mayor and City Council	Randy Harrington
Ron Carlee, City Manager	Katie McCoy
Ron Kimble	Robert Hagemann
Debra Campbell	Robin LoFurno
Ann Wall	Sandy D'Elosua
Hyong Yi	Jason Kay

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FY2017 General Fund Budget Discussion Overview

The primary objectives of the April 11th Budget Committee General Fund Discussion include:

1. Establishing the General Fund Framework

- a. Maintain core General Fund Services
 - i. General Fund services are outlined in the Services Inventory document (the Services Inventory is included in the April 11th Budget Committee materials)
 1. The Services Inventory segments each General Fund Department by their primary service areas. The inventory document includes:
 - a. Data on recent budget adjustments,
 - b. Staffing levels,
 - c. FY2016 base budget information, and
 - d. FY2017 resource requests for each General Fund service area
- b. Ensure contractual obligations are met
- c. Ensure decisions made in FY2017 will be sustainable in future fiscal years
- d. Limit service expansions to projects and programs that have external/non-General Fund revenue sources
- e. Address Public Safety priorities

2. Identifying the Preferred Options to Balance the General Fund in FY2017

- a. Review available balancing options and discuss potential impact of implementing those options
- b. Provide feedback on the preferred path forward to balance the City Manager's Recommended Budget

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Attachment 2

FY2016 General Fund Services Inventory									
Dept.	Service Name	Description	Historical Budget Reductions/* Additions		FY2016 Approved	FY2016 Approved Positions	FY2017 Budget Requests		
			Net impact	Positions			Description	Net impact	Positions
Operational Departments									
Police (Part of Functional Consolidation with Mecklenburg County)									
	Community Policing/Crime Prevention Provides police field services to the City and the unincorporated areas of Mecklenburg County. Includes Patrol Divisions, Burglary, Auto Theft, Special Events, and the Charlotte Area Transit Liaison.	*FY2010 and FY2011 added 125 officers (funds matched by federal grant) \$ 888,290	125.00				Increase to sworn and civilian personnel to respond to the growth in the population and the number of special events in the city	\$ 17,633,297	205.00
		*FY2012 added funding for officers who were previously grant funded, response area commanders, and officers at Aviation	28.00		\$ 154,434,877	1,555.50	Uniforms for new officers and replacement of officer equipment	\$ 225,006	0.00
	Patrol Support Services Investigates vice, gathers criminal intelligence information, and investigates gangs. Includes Vice and Narcotics, Gang and Firearm Enforcement Division, Airport Law Enforcement, Animal Care and Control, and Criminal Intelligence.				\$ 18,150,188	245.50			
	Criminal Investigation Investigates major Part One crimes, domestic violence cases, and crimes with a juvenile victim and/or suspect. Includes Homicide/Missing Persons, Robbery/Sexual Assault, Fraud, and Special Victims.				\$ 15,881,414	160.00	Cell site simulator technology to aid the investigation and arrest of violent felony offenders Technology to support incident reporting, investigations, and administrative functions	\$ 197,500 \$ 751,200	0.00 0.00
	Special Operations Provides tactical support for patrol operations. Includes Crime Scene Search, Canine Unit, Aviation/Field Force, Electronic Monitoring Unit, SWAT Team, and Arson/Bomb Squad.				\$ 7,486,952	60.00			
	Police Communication Answers and dispatches 911 calls for service in the City of Charlotte, Davidson, Huntersville, and unincorporated Mecklenburg County.				\$ 13,839,518	193.00	Additional 911 call dispatch stations	\$ 238,000	0.00
	Community Services Provides a variety of services that promote positive police-citizen interaction.	*FY2012 added funding for youth initiatives \$ 200,000 FY2012 reduced school crossing guard program \$ 229,165 FY2015 reduced communication and radio equipment repair costs \$ 144,534 FY2016 reduced 4 non-sworn positions \$ 204,330	0.00 0.00 0.00 4.00		\$ 3,176,283	22.00			
	Crime Lab Administers, directs, and controls all activities of the forensic services for the City and County including forensic analysis, DNA analysis, latent print analysis, and quality assurance.				\$ 9,075,094	89.00			
	Police Officer Training / Recruiting Provides 26 week Basic Law Enforcement Training to Recruit classes of 20 to 50 persons. This training includes Physical Training, Classroom Training, Legal Training, Firearms/Use of Force Training and Driver Training. Provides a variety of services that promote positive police-citizen interaction. Develops and provides training for CMPD employees and other Mecklenburg County Law Enforcement Agencies in advanced law enforcement techniques and concepts. The Training Division is also responsible for the recruitment and processing of all applicants for police officer positions and develops recruitment initiatives that attract a diverse police officer applicant				\$ 4,991,302	43.00			
	Police Total			\$ 578,029	4.00	\$ 227,035,628	2,368.00	\$ 19,045,003	205.00

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Dept.	Service Name	Historical Budget Reductions/* Additions			FY2016 Approved	FY2016 Approved Positions	FY2017 Budget Requests		
		Description	Net impact	Positions			Description	Net impact	Positions
Fire (Part of Functional Consolidation with Mecklenburg County)									
	Fire Emergency Response Provides fire suppression, first responder medical service, hazardous materials mitigation, technical rescue, and aircraft crash rescue.								
		FY2015 reduced operating expenses due to move to new fire headquarters	\$ 75,459	0.00					
		FY2016 eliminated Urban search and rescue's Emergency Management Battalion Chief	\$ 127,126	1.00	\$ 102,486,328	1,061.00			
	Emergency Preparedness and Homeland Security Coordinates response to large-scale emergency situations in Charlotte and Mecklenburg County.				\$ 761,945	4.00			
	Fire Communications Provides 24-hour emergency communications responsible for matching the public's requests with the resources of the Fire Department.								
		FY2016 reduced public and media relations position	\$ 83,785	1.00	\$ 3,168,764	39.00			
	Fire Investigations Provides for investigation into origin and cause of fires under special conditions including large loss, injury or death, and arson.				\$ 1,005,861	10.50			
	Fire Code Enforcement Provides enforcement of the fire code for buildings under construction and for existing commercial and business buildings.				\$ 2,909,876	36.00			
	Fire Community Education and Involvement Provides prevention education as a key component of reducing fires and injuries to the citizens of Charlotte through an aggressive and comprehensive fire and life safety educational program.				\$ 431,084	4.50			
	Firefighter Training Provides training to more than 1,000 firefighters who rely on their preparedness to deal with any type of emergency in the community.				\$ 1,862,483	12.00			
	Fire Total		\$ 286,370	2.00	\$ 112,626,341	1,167.00		\$ 11,845,665	82.00
Solid Waste Services									
	Curbside Waste Collection Provides weekly curbside collection of garbage, yard waste, bulky waste, and bi-weekly collection of recycling.								
		FY2009 reduced equipment operator position	\$ -	1.00					
		*FY2010 added refuse and recycling carts	\$ 300,000	0.00					
		FY2016 reduced customer service technician	\$ 56,182	1.00	\$ 39,561,861	216.00			
	Dumpster/Compactor Waste Collection Contracted weekly collection of garbage, recycling, and bulky waste for multi-family complexes and public facilities.								
		FY2010 reduced multi-family contract	\$ 267,000	0.00					
		FY2012 new multi-family contract resulted in lower cost	\$ 587,332	0.00	\$ 6,446,500	5.00			
	Special Collections Collects small business refuse and dead animals, services public receptacles, and supports neighborhood cleanups.				\$ 1,012,212	15.00			
	Special Maintenance Services Cleans city-maintained streets and rights-of-way, supports special events, and manages the infrastructure and the cleanliness of the Central Business District. Provides maintenance for bus stops, the trolley corridor and light rail line.				\$ 5,410,654	66.00			
	Solid Waste Services Total		\$ 910,514	2.00	\$ 52,431,227	302.00		\$ 2,685,787	5.00

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Dept.	Service Name	Description	Historical Budget Reductions/*Additions		FY2016 Approved	FY2016 Approved Positions	FY2017 Budget Requests		
			Net impact	Positions			Description	Net impact	Positions
CDOT (Services and Functions Authorized for Cities Only)									
	Traffic Control & Transportation Safety								
	Provides road maintenance services, including pothole and base failure repairs, patching utility cuts, and drainage system	FY2011 reduced contract for traffic control at Time Warner Cable Arena	\$ 180,000	0.00	\$ 7,665,626	109.75	Implementation of Americans with Disability Act Compliance Study recommendations	\$ 66,000	2.00
	Transportation Safety & Neighborhood Services								
	Provides ParkIt! (parking meter) operations, Pedestrian and Traffic Safety (includes capital improvements for safe movement of pedestrians-signals, marked pavement, and other improvements), and traffic calming measures.				\$ 3,426,551	15.50	Installation and maintenance of traffic control infrastructure	\$ 208,152	4.00
							Replacing pay stations with EMV chip readers	\$ -	0.00
							Support of Open Streets projects	\$ 25,000	0.00
							Complete streets demonstrations	\$ 30,000	0.00
	Street Lighting								
	Provides streetlights to Charlotte residents by request and petition both for individual lights and whole subdivisions.	FY2012 reduced traffic signal electricity with use of LED lights in pedestrian signals	\$ 71,000	0.00	\$ 10,697,617	-			
	Street Maintenance								
	Provides road maintenance services, including pothole and base failure repairs, patching utility cuts, and drainage system	FY2016 eliminated one street maintenance crew	\$ 135,895	3.00	\$ 7,708,688	231.00	Management of activities for utility locate requests	\$ 207,827	2.00
							Building maintenance for employee health and safety	\$ -	0.00
	Transportation Regulation Services								
	Reviews development plans for conformance with City ordinances.	FY2010 froze six positions	\$ 347,969						
		FY2012 froze two positions	\$ 125,562		\$ 2,932,851	20.50			
	Transportation Planning and Capital Project Implementation and Management								
	Provides planning and management for the capital programs, including air quality conformity, regional planning, rapid transit, neighborhoods, and thoroughfares.	FY2016 reduced administrative support position and traffic counter position	\$ 92,315	2.00	\$ 2,173,757	32.00	Study of traffic and access in Charlotte's high growth areas	\$ 30,000	0.00
	CDOT Total		\$ 952,741	5.00	\$ 34,605,090	408.75		\$ 566,979	8.00
Neighborhood & Business Services									
	Targeted Area Economic Development								
	Funds and provides technical assistance for redevelopment projects in distressed areas and transit corridors. Provides grants and matching funds for façade grants and security improvements to eligible business owners.				\$ 1,574,622	14.00	Economic development program management for business revitalization initiatives	\$ 83,015	1.00
							Administrative support of sustainability initiatives	\$ 156,124	2.00
	Business Services								
	Supports public/private partnerships, business attraction and retention, small business growth and opportunity, workforce development, support to international organizations within Charlotte.				\$ 994,388	10.00	CharlotteBusinessResources.com improvements	\$ 77,000	0.00
	Housing Services								
	Provides loans and grants to finance affordable housing, rehabilitation services, and funds housing support agencies (most costs charged to Federal grants).						Administrative support of housing rehabilitation program	\$ -	2.00
							Additional funding and administrative support for HouseCharlotte Workforce Expansion to increase the number of families served	\$ 459,825	1.00
							Additional funding and administrative support for the Safe Home, Emergency Repair, and Home Retrofit Loan housing rehabilitation programs to preserve the existing housing stock and increase the number of families served	\$ 959,933	2.00
	Community Engagement								
	Provides services to neighborhoods and business corridors, including plan implementation, outreach and problem solving, leadership and organization training, infrastructure and financial assistance programs.	FY2016 reduced community and commerce specialist position	\$ 68,820	1.00	\$ 1,980,479	22.00	Additional community technical trainings	\$ 25,000	0.00
							Community Leadership Training Academy	\$ 26,500	0.00
	Neighborhood Code Enforcement & Zoning								
	Conducts housing, property, and zoning inspections to enforce City codes.	*FY2010 added new non-residential code enforcement program	\$ 500,000	0.00					
		FY2016 reduced code enforcement inspector position and code proces specialist position	\$ 122,488	2.00	\$ 7,472,616	71.00	Additional code enforcement positions to respond to housing and nuisance complaints	\$ 474,079	5.00
	Neighborhood & Business Services Total		\$ 191,308	3.00	\$ 12,295,538	137.00		\$ 2,261,476	13.00

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			Net impact	Positions			Description	Net impact	Positions
Engineering									
	Municipal Capital Project Planning, Design and Construction								
	Provides planning, engineering, landscape design, construction inspection for transportation infrastructure and municipal facility capital projects; administration, design, implementation, and oversight of neighborhood development, environment, transportation, sidewalk, streetscapes, economic development programs, and project management services for Charlotte Area Transportation System (CATS). Real Estate section provides land acquisition and disposition, and management of property.	FY2012 eliminated leased office space due to Real Estate Division moving into CMGC	\$ 117,500	0.00					
		FY2015 reduced liability and workers compensation costs	\$ 153,997	0.00			Additional engineering project coordinator	\$ 40,582	1.00
		FY2016 reduced administrative support staff by 50%	\$ 170,052	3.00	\$ 7,202,565	186.00	Additional construction inspection to coordinate utility relocations on Storm Water Services projects	\$ 8,661	1.00
	Land Development								
	Provides administrative review, building permits, storm water detention, driveway permits, grading and erosion control permits, minor plans, conditional re-zoning, subdivision plans, tree ordinance and landscaping permits, and uptown mixed use development/mixed use development district.						Urban Forestry Specialist and Erosion Control Specialist to accommodate increased permitting and development workload	\$ 162,000	2.00
		FY2010 reduced land development positions	\$ 347,969	6.00	\$ 3,442,561	31.00	Implementation of recommendation from Gartner Study	\$ 639,000	0.00
							Additional construction inspection services	\$ 45,130	5.00
							State mandated membership to NC811 notification center for underground utility locate requests	\$ 1,028,750	0.00
	Municipal Facilities Maintenance								
	Provides maintenance for Charlotte-Mecklenburg Government Center, Old City Hall, and other facilities such as Solid Waste Services and Fleet Management locations.	FY2012 & FY2013 transferred maintenance costs to cultural facilities	\$ 816,096	0.00	\$ 1,567,323	51.00			
	Landscape Maintenance								
	Provides landscape planning, management, and grounds maintenance of most public rights-of-way, public buildings, City-owned parks and green spaces, medians, islands, and park and ride lots, which are the City's responsibility. Examples of some public facilities include Tryon Street Mall, CATS facilities and rail line, cultural arts facilities, and Police facilities.	FY2009 eliminated landscape maintenance of Marshall Park	\$ 88,000	0.00					
		FY2010 reduced mowing services on state right-of-way	\$ 100,000	0.00					
		FY2016 reduced mowing services in street right-of-way from bi-weekly to monthly	\$ 104,567	0.00	\$ 5,970,092	57.00			
	Engineering Total		\$ 1,898,181	9.00	\$ 18,182,541	325.00		\$ 1,924,123	9.00
Planning (Part of Functional Consolidation with Mecklenburg County)									
	Long Range Planning Support								
	Coordinates collaborative and comprehensive long-range land use and transportation planning services, which include: Land Use Planning, Charlotte Regional Transportation Planning Organization (CRTPO), Research, Information and Technology, and Communication/Public Outreach; provides support to City and County budget offices in the development of capital budget needs, and committee support for the Charlotte-Mecklenburg Planning Commission Planning Committee and CRTPO.	FY2016 reduced administrative support	\$ 48,145	1.00	\$ 2,791,398	27.00	Administrative support of CRTPO	\$ -	1.00
							Planning/GIS Internship program	\$ 20,000	0.00
	Strategic Planning Services								
	Responsible for Economic Development planning efforts in targeted areas including distressed business corridors and transit corridors, and coordinates the City's annexation process. Responsibilities include: Economic Development, Transit Planning Services, Capital Facilities, Plan Implementation, Annexation, and Developer Response.				\$ 1,082,378	9.50			
	Development Services								
	Provides administrative and planning services for Subdivision Administration, Zoning Services, Zoning Administration, Urban Design, Historic District, and Committee Support for Charlotte-Mecklenburg Planning Commission Zoning Committee, Zoning Board of Adjustment, and Historic District Commission.				\$ 1,822,954	19.50	Associate Planner for rezoning activities	\$ 71,987	1.00
							Associate Planner for subdivision process	\$ 48,712	1.00
	Planning Total		\$ 48,145	1.00	\$ 5,696,730	56.00		\$ 140,699	3.00
Operational Departments Total			\$ 4,865,288	26.00	\$ 462,873,095	4763.75		\$ 38,469,732	325.00

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Dept.	Service Name	Description	Historical Budget Reductions/*Additions			FY2016	FY2016 Approved	FY2017 Budget Requests		
			Net impact	Positions	Approved	Positions	Description	Net impact	Positions	
Governance Departments										
City Manager's Office/ Mayor & City Council										
	Mayor & City Council									
	Provides leadership to the community through active involvement with community and national organizations, responding to community needs and providing overall direction for policies that affect the community's quality of life. Enacts local legislation, adopts budgets and determines the policies by which the City is governed and administered. Staff of nine provides support for constituent service requests, policy research, media relations, administrative support, and communication with Council and the community.					\$ 1,488,752	21.00			
	CharMeck 311									
	As the customer contact center, serves as the first contact point for general information, initiating service requests, and directing calls to other departments and agencies for problem resolution.	FY2011 reduced service hours								
		FY2016 eliminated weekend and holiday service hours	\$ 658,924	11.00	\$ 8,448,744	113.75				
	Policy Development and Organizational Leadership									
	Provides policy recommendations to the Mayor and Council and recommends strategies and actions to implement City Council policies and programs.	FY2016 eliminated records management position	\$ 54,415	1.00	\$ 2,330,765	12.00	Records management program administration	\$ 141,051	1.00	
	Corporate Communications & Marketing									
	Provides strategic and integrated communications and marketing solutions. Partners with departments to develop and implement strategic planning to market specific campaigns, services, and initiatives for City departments and the citizens of Charlotte.					\$ 2,172,340	19.00	Support of web services	\$ 285,825	3.00
								Management of marketing and creative services	\$ 70,000	1.00
								Support of CIP community engagement	\$ 240,000	3.00
								Administrative support	\$ 42,427	1.00
	Community Relations Committee									
	Promotes community harmony by: addressing personal and community conflicts, fairness in housing and preventing discrimination, training and education as well as police community relations.					\$ 910,948	13.00	Belmont Center infrastructure and front desk assistance	\$ 50,000	1.00
	City Manager's Office Total		\$ 713,339	12.00	\$ 15,351,549	178.75		\$ 829,303	10.00	
City Attorney										
	Legal Advice and Representation									
	The City Attorney's Office drafts or reviews all ordinances and resolutions considered by the City Council. The City Attorney's Office also drafts or reviews all contracts, leases, deeds, franchises, and other legal documents to which the City is a party.					\$ 2,458,427	27.00	Increase to printing, publishing, and shredding	\$ 2,100	0.00
	City Attorney Total		\$ -	0.00	\$ 2,458,427	27.00		\$ 2,100	0.00	
City Clerk										
	Recording and Maintenance of Municipal Records									
	Serves as Clerk to the City Council, recording, transcribing, distributing, and archiving minutes for all budget workshops and retreats, business meetings, dinner briefings, citizens' forums, closed sessions, special sessions, workshops and zoning meetings; assists citizens to address Council by coordinating and disseminating the speakers' list; certifies and posts all official acts by Council; and provides public access to the records as broadly and quickly as possible.									
	Custodian of the corporate seal of the City of Charlotte and all permanent records pertaining to the City and City Seal; maintains the City Charter and City Code; provides information and research of records to citizens, staff, and City Council; publishes Notices of Public Hearings and other legal advertisements; provides attestations, certifications, and/or notarizations for contracts, deeds, and agreements; administers oaths of office; receives and certifies City-initiated annexations and protest petitions. Administers processes, maintains records, coordinates nominations and appointments for City Council's 38 Advisory Boards and Commissions, and serves as staff support and Clerk to the Citizens' Review Board and Civil Service					\$ 560,171	6.00	Preservation and restoration of records	\$ 4,000	0.00
								Advertising public meetings	\$ -	0.00
								Increase in training, meetings and office supplies	\$ 2,500	0.00
	City Clerk Total		\$ -	0.00	\$ 560,171	6.00		\$ 6,500	0.00	
Governance Departments Total			\$ 713,339	12.00	\$ 18,370,147	211.75		\$ 837,903	10.00	

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Dept.	Service Name	Historical Budget Reductions/*Additions			FY2016 Approved	FY2016 Approved Positions	FY2017 Budget Requests		
		Description	Net impact	Positions			Description	Net impact	Positions
Support Departments									
Human Resources									
	Compensation, Benefits, Compliance, Recruitment & Retention								
	Provides oversight and consultation services to City departments in the areas of employee talent and performance management, compensation administration, and benefit design/management.				\$ 2,311,824	20.00		Recruitment program enhancement, including branding materials and job fair attendance fees	\$ 4,445 0.00
								Benefits orientation program for new employees	\$ 3,200 0.00
	Organization Development & Learning (ODL)								
	Provides coaching, facilitation, and training services to improve organizational and individual performance. Delivers employee leadership development and diversity/inclusion initiatives, business skills development classes, and technology training.				\$ 940,031	9.00		Reinstatement of shared leadership learning program	\$ 5,000 0.00
								Reinstatement of Charlotte 2020 Leadership Conference	\$ 50,000 0.00
	Human Resources Management Services								
	Manages the human resource management system, which produces the City's payroll and maintains employment records for pay, taxes, benefits, and performance.				\$ 975,775	7.00		Enterprise Personnel Records Management program	\$ 134,264 1.00
	Human Resources Total		\$ -	0.00	\$ 4,227,630	36.00			\$ 196,909 1.00
Innovation & Technology									
	Chief Information Officer Services								
	Provides leadership for the City's Technology Governance Policy and coordinates IT initiatives across the organization to support, enhance, and advance citizen service delivery.	FY2010 eliminated Cable Office due to function being taken over by the state	\$ 194,423	2.00					
		FY2016 eliminated Chief Operating Officer position	\$ 125,000	1.00	\$ 4,618,979	16.00			
	Technology Management								
	Manages the City's technology infrastructure to enable the effective delivery of City services.	provided by department	\$ 514,381	8.00				Critical security upgrades	\$ 240,106 2.00
		FY2016 reduced support of the Enterprise Resource Planning system	\$ 203,477	3.00	\$ 13,439,698	97.00		models	\$ 300,076 4.00
								Public safety radio personnel for Stanley and Town of Mooresville	\$ - 4.00
	Technology Management Communications Services								
	Supports the City's financial management, budgetary, and procurement platforms necessary for the City to conduct daily business.				\$ 6,517,435	18.00		ERP upgrade project management	\$ 116,913 3.00
	Innovation & Technology Total		\$ 842,858	14.00	\$ 24,576,112	131.00			\$ 657,095 13.00

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Management & Financial Services									
	Financial Management Provides strategic financial planning, general accounting services, financial reporting including the Comprehensive Annual Financial Report; Manages billing, collection, and deposit of all City monies for citywide services. Provides procurement services to City and County departments for the acquisition of goods and services, facilitates cost savings through cooperative procurement opportunities, and supports asset recovery and disposal.								
		FY2014 reduced postage cost due to participation in Citizen web portal and electronic billing	\$ 133,191	0.00					
		FY2012 reduced technology, rent, and contract services due to operational streamlining	\$ 66,689	0.00	\$ 2,773,914	20.00	Vendor file administration	\$ 180,002	2.00
	Procurement Management Provides for the procurement and contracting of commodities, goods, materials, apparatus, supplies, trade and professional services, and technology goods, services, and systems.								
		FY2010 reduced procurement card services and vendor bill printing, mailing, and collection	\$ 208,212		\$ 2,548,115	23.00	Cooperative Purchasing Alliance business and compliance analyst	\$ 92,703	1.00
	General Accounting & Financial Services Provides general accounting services, which includes the production of the Comprehensive Annual Financial Report, in conformance with the GASB-34 reporting model. This division maintains all City accounting records; including net assets, provides authorization and documentation for payment of the City's liabilities. This division distributes accounts payable checks and prepares related reports.								
					\$ 2,731,620	34.00	Accountants to support Aviation	\$ -	4.00
							Finance/financial reporting accountants	\$ 212,182	2.00
							Ensure regulatory compliance for City's bond issues	\$ 10,000	0.00
	Revenue Management Responsible for collection and deposit of all City monies. These citywide services include billing and collection of various accounts such as animal licenses, transit passes, Neighborhood Development loans and parking violations. Provides Water/Sewer and Storm Water billing and collection services for all Charlotte Water and Storm Water Services customers.								
		FY2008 eliminated Utility Management System and Cashiering System upgrade	\$ 389,912	0.00	\$ 4,468,271	21.00			
	Administrative Management Provides centralized administrative support, communications/marketing, business resource analysis, human resources, and budget/financial management services for the six offices of the Department of Management and Financial Services.								
					\$ 2,102,127	14.00	Records management program administration	\$ 83,853	1.00
	Strategy & Budget Recommends strategy and resource allocation for achievement of the City's vision and mission through the Performance Management and Strategic Planning, Budgeting, Community Investment Plan, and Council Business Agenda processes.								
					\$ 1,523,642	12.00			
	Fleet Management Provides full spectrum fleet management services including equipment specification, predictable preventative maintenance, and commission/decommission services focused on achieving the peak operating efficiency at the lowest cost. Provides these services for all City Departments with the exception of Aviation and heavy transit vehicles.								
		FY2010 reduced service technician positions	\$ 74,364	2.00	\$ 1,355,156	119.00			
	CLT Business Inclusion Administers the program, which includes registration and certification services to small businesses, local minority and/or women-owned businesses; Provides monitoring and reporting services to ensure compliance with the program.								
		*FY2014 began Charlotte Business INclusion program	\$ 153,287	1.00	\$ 906,706	11.00	Conduct Disparity Study	\$ 350,000	0.00
	Internal Audit Conducts reviews of the City's system of internal controls and reports findings, recommendations, and corrective actions to the City Manager and department managers.								
		FY2016 reduced capacity of internal audits by 10%	\$ 98,000	1.00	\$ 1,206,145	9.00	Additional senior auditor	\$ 45,594	1.00
	Management & Financial Services Total		\$ 970,368	3.00	\$ 14,293,667	263.00		\$ 974,334	11.00
	Support Departments Total		\$ 1,813,226	17.00	\$ 43,097,409	430.00		\$ 1,828,338	25.00

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Regulatory User Fee Policy

Budget Committee

April 11, 2016



Outline

Outline:

- 1) Regulatory User Fees Policy Background and Information
- 2) Research and Findings
- 3) Staff Recommendation
- 5) Next Steps

1



User Fee Definition & Policy

- **Definition:** Fees for direct and indirect costs associated with regulatory services
- **Review Cycle:** Fees are reviewed and established annually as part of the budget process.
- **Council Policy:** Since FY2006, 100% recovery of fully allocated costs for regulatory user fees.

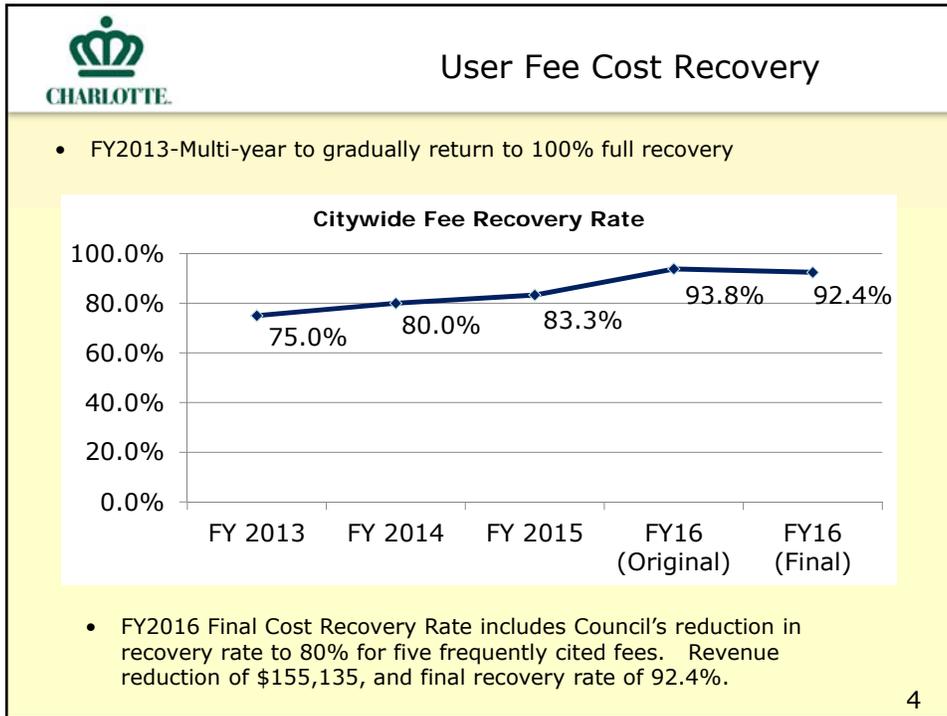
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Background on User Fee Policy

- Regulatory User Fees:
 - FY2006- Fully-allocated Cost Recovery rate of 100%
 - Fees remained flat (FY2009-FY2012)
 - FY2013-Multi-year to gradually return to 100% full recovery
- June 8, 2015 – Council adopted FY2016 Budget including User Fees with the adjustment to 80% for five fees.
 - *Referred User Fee Policy to Economic Development & Global Competitiveness Committee to review & provide recommendations for changes, if needed to policy for FY17*

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Types of User Fees

- Annual budget includes regulatory user fees from eight different departments.
- Regulatory User Fee Examples include
 - Land Development: Rezoning, Subdivision, Commercial Plan Reviews, etc.
 - Special Events: Festivals & Parades
 - Passenger Vehicle For Hire
- Costs to users should be considered in groupings in some cases (Subdivision = Planning + CDOT + Engineering & Property Management)

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 **Current User Fee Formula**

Definition: Fees for direct and indirect costs associated with regulatory services

Costs ÷ **Projected Occurrences** = **User Fee**

Current Policy
Existing Council Policy is to recover user fee costs at a rate of 100%

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 **Policy Tradeoffs**

User Fee Revenue **General Fund Budget**

↓ ↘

Service Delivery to Customer

Options

- 1) Recover 100% of costs through user fees
- 2) Subsidize costs with general fund revenue
- 3) Change Service Levels

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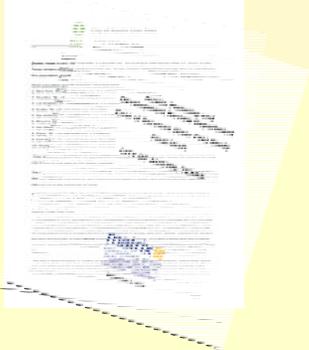
 **Research & Findings**

Research

Surrounding Towns
Staff reviewed user fees in the surrounding towns in Mecklenburg County.

- Recovery rate is close to 100%
- Fee amounts are comparable for similar services.

Other Cities
Staff reviewed consultant reports for Austin, TX and Palo Alto, California.

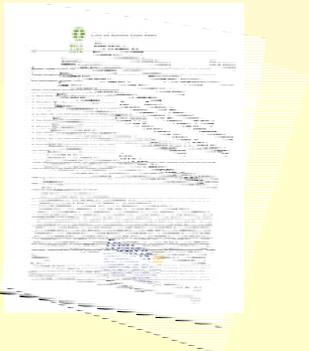


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 **Research & Findings**

Findings

- 1) Important to have a clear community-wide policy on user fee recovery.
- 2) Charlotte's methodology (formula) is consistent with other Cities.
- 3) Matrix report (Austin) recommends 100% fully allocated recovery rate.
- 4) Consultants conducting reviews identify specific reasons why some types of fees might be appropriate for a subsidy.
- 5) Difficult to make "apples-to-apples" comparisons.
- 6) Many cities do not review fees annually, unlike Charlotte.



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Staff Recommendation to ED&GC

City staff recommends continuing Council's adopted 100% regulatory user fee recovery rate.

The policy should include the ability for the City Manager to recommend exceptions to the 100% user fee recovery for specific services as part of the annual budget process.

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Criteria

Staff recommends that the policy include the following categories for exceptions to the 100% recovery rate in the Manager's recommended budget:

Exception Criteria

- 1) Avoid significant jump in price from year to year
- 2) Ensure regulatory compliance
- 3) Recognize a greater benefit to the general public

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Requested Committee Action by EDGC

- City staff to receive input on recommended policy from key stakeholders.
 - Two policy questions on the rate and exception criteria

- Stakeholder Group Meetings
 - NAIOP (3/9)
 - Development Services Technical Advisory Committee (3/9)
 - Homebuilder’s Association (3/11)
 - Greater Charlotte Apartment Association (3/16)
 - Charlotte Water Developer Board (3/17)
 - Charlotte Water Advisory Board (3/17)
 - Charlotte Chamber Land Use Committee (3/23)

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Next Steps-Process Moving Forward

Time Frame	Action	Community Outreach
January-February 2016	Staff prepares User Fee policy recommendations	
February 17, 2016	ED&GC Committee review staff’s draft recommendations	
March 2016	Stakeholders Meetings Seeking feedback on recommendations and impacts	1. NAIOP 2. DSTAC 3. Homebuilders Association 4. Greater Charlotte Apartment 5. Charlotte Water Developer 6. Charlotte Water Advisory 7. Charlotte Chamber Land Use
April 14, 2016 (ED&GC Committee)	ED&GC receives feedback from stakeholder meetings and takes action on Regulatory User Fees Policy	
April 20 2016 (Council Budget Workshop)	ED&GC Committee recommends changes to Reg. User Fee Policy to Council for approval	
May 2, 2016	City Manager presents FY2017 Recommended Budget, including User Fees	
June 13, 2016	City Council Budget Adoption	

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Draft 2017 Budget Workshops

City of Charlotte

April 20, 2016
1:30 p.m. – 4:30 p.m.
Room 267

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- | | | |
|-------------|--|---|
| I. | Introduction/Budget Committee Report | Council member Phipps
Budget Committee Chair |
| II. | FY2017 General Fund Budget Discussion | Ron Carlee
Kim Eagle
Eric Hershberger |
| III. | Regulatory User Fee Policy | Debra Campbell
Mike Davis |
| IV. | General Discussion | Kim Eagle |

Note: Budget Questions & Answers from April 6th Budget Workshop included in materials

Distribution: Mayor and City Council
Ron Carlee, City Manager
City Manager's Executive Team
City Manager's Executive Cabinet
Strategy & Budget Staff