
Budget Committee

Meeting Summary for April 11, 2016

Page 1

COMMITTEE AGENDA TOPICS

- I. FY2017 General Fund Budget Discussion
- II. Regulatory User Fee Policy
- III. April 20 Council Budget Workshop Agenda

COMMITTEE INFORMATION

Present: CM Phipps, CM Driggs, CM Kinsey, CM Lyles, CM Mayfield
Time: 12:00 p.m. – 1:30 p.m.

ATTACHMENTS

- 1. [FY2017 General Fund Budget Discussion Overview](#)
- 2. [FY2016 Services Inventory](#)
- 3. General Fund Update: Framework for Budget Balance
 - A. [Draft Toolbox for Budget Balancing: Potential Revisions to Public Safety Requests](#)
 - B. [Draft Toolbox for Budget Balancing: Public Safety Request = \\$11.8 million](#)
 - C. [Draft Toolbox for Budget Balancing: Public Safety Request = \\$7.2 million](#)
- 4. [Regulatory User Fees Presentation](#)
- 5. [April 20th Draft Budget Workshop Agenda](#)

DISCUSSION BRIEFING

I. FY2017 General Fund Budget Discussion

Kim Eagle, Management & Financial Services

Committee questions/comments included:

- Kinsey: I think we're funding some things now that don't fall into our core services. We'll have to start looking very closely at those things, if not now then certainly in the future.
 - Manager: The problem on the administrative side is that there is a constituency for those services, including a constituency on Council. It would be helpful for those items to be identified so that staff can do deeper research, knowing that there is some appetite on Council for reevaluating those services.
 - Kinsey: Given that information, we might need to start looking at those for next year's budget. I am concerned about looking forward and the obligations we have, particularly in community safety.
 - Carlee: To the extent that there are those programs that Council members think are outside of our core services, we should evaluate not doing them, shedding them, or having someone else do them. If you can identify either as a part of this budget process or for FY2018, it provides staff the opportunity to evaluate what the consequences would be, evaluate if someone could pick it

Budget Committee

Meeting Summary for April 11, 2016

Page 2

- up, and engage in some dialogue with those stakeholders who would be affected by that loss.
- Lyles: Do you have an idea of process on how we would identify those? Would those come from the Budget Committee or full Council?
 - Carlee: What I'd like you to think about as a process is to allow any Council member put a candidate on the menu for consideration. Then, as with your adds and deletes process, having some core number of Council members say, "yes, we really do want you to look at this." Maybe it's not six, but maybe five as in adds and deletes or four. That would be your discretion, but knowing that there's enough interest on Council to work the dialogue would keep us from wasting time and energy.
 - Driggs: Some of the prioritizations and choices happen at a level beyond our direct involvement. I think we'd be looking for some input from staff's perspective. There are some things as a matter of concept, we don't think belong in there at all, but I don't know where the soft spots are in terms of who has the capacity to help find a solution. I'm hoping we'll get recommendations on how to make that work, and we can decide whether to adopt that or a revenue solution.
 - Lyles: It seems like we've been going through this process of skimming back since 2007, so are there those things that can be routinely done or is everything in our budget something that has some constituency group, some mandate or regulation?
 - Driggs: 2007 was the end of unprecedented growth. If you look at some economic and market indicators, we're back to levels that are similar of where we were before the boom. We have a tendency to ratchet up when things are good and then scale back when they're not.
 - Driggs: We'd need to know if we have comparable data points from other cities, what our historical trend line is for us, our tax burden, whether the cost of government for other cities is comparable to ours.
 - Kinsey: I really am talking about those services and positions that are not core services. For example the DA's office is not a City responsibility. Also, afterschool, except for what we spend of federal Community Development Block Grants (CDBG) funds, should we be funding that?
 - Driggs: CMS Safety Officers also fall in that category.
 - Lyles: Those things you've listed are Council policy. There has to be some indication from Council as to whether these are things we're willing to look at. So do we ask full Council to submit items by a certain deadline to the Budget Committee chair or staff?
 - Lyles: I think we have been getting data comparing our services to those in other North Carolina Cities. We should pull that data back up.
 - Driggs: We have, and it showed that we were among the highest.
 - Driggs: If there is a redistribution of resources and we take something away from another part of the budget, it shouldn't come to us as a sequester. If we wanted to save 4% by reducing other parts of the budget, we should receive recommendations from staff on what is the least painful way to do it.
 - Lyles: There are some things that are top of mind and we can give that list to staff. We can also receive recommendations from staff on what we should look at.
 - Driggs: Is the 3% merit increase built into the FY2017 budget requests?
 - Carlee: These are requests beyond compensation and normal contractual increases.
 - Driggs: There's another number that represents the FY2017 base, and that

Budget Committee

Meeting Summary for April 11, 2016

Page 3

would be the one plus the \$38 million in budget requests that would net the total budget if you granted all of the requests.

- Mayfield: I'm still waiting on the update on what turnover has been. I'm concerned that we're asking for an additional five positions in Code Enforcement, when we've had serious turnover in Code Enforcement in the last few years. Bringing on five new people is not addressing the serious issue we have in Code Enforcement. We're just throwing money at it.
- Mayfield: In order for us to come up with a recommendation, there's additional information that we need. I'm concerned about funding one core service to the detriment of one, especially if we don't have the information on what can be done to better support these services aside from hiring more people.
 - Carlee: We can schedule time individually to go through those questions.
- Kinsey: I request consideration of an additional person to help Council members. Similar to what staff does for the Mayor's office, taking all of the emails we get corporately and managing those.
- Driggs: How are we paying for the capital equipment in public safety?
 - Carlee: We're proposing to pay cash, so that does four year funding in FY2017, which would be sustainable into FY2018 and FY2019.
 - Driggs: So we are budgeting the entire capital cost of a fire truck that would last 20 years in one year. That's very conservative and onerous.
- Driggs: CMPD's \$6.6 million in FY2017 grows to the two subsequent numbers for the full year effect. That means there's another \$12 million in their request that would also be coming on stream in FY2018.
 - Carlee: That would be what you would consider in your FY2018 budget.
- Mayfield: We're looking at these numbers but we don't have true property value numbers because of the schedule of property tax assessments. Are we using the last tax rate or the numbers that properties are now selling for?
 - Carlee: You've identified a fundamental flaw in cities' revenue structure. The way cities fund themselves through property tax is by the tax base growing and generating more taxes in order to offset the increase cost of services. By not doing frequent reassessments, we're lagging behind. Currently we're using property tax values based on the 2011 evaluation, and we will likely use those values until 2019, which is problematic especially if you have a growing economy. We capture in our real estate tax new buildings or buildings that have been substantially rehabilitated, but we do not capture any of the increased value in any of the existing properties that are not rehabbed. For example, we're not capturing any of the increased value on the Blue Line. We're doing assessment now. Based on all properties in Mecklenburg County, according to the information from the tax assessor it looks like we're approximately 11% below actual market value. There are also taxes levied by the state, Public Service Corporations, which are also reduced based on the assessment ratio. Therefore, the City is having money reduced based on that gap. Based on some preliminary work that staff has done, I think we could be 20% or 30% below market value on residential properties.
 - Driggs: When you get the reappraisal on the tax base, you also reset the tax base. Based on information that was provided at the retreat, it seems like we're low balling the FY2017 estimates, which translates into more pressure on us to make the revenue and expense equation work.
- Driggs: I've asked the staff to show us their best recommendation of a budget that

Budget Committee

Meeting Summary for April 11, 2016

Page 4

does not include a tax increase.

- Lyles: I think we've all agreed that that's something we'd like to see. The question is what does that do. I think it would be valuable to see what the increase in taxes would be regardless of if we choose to increase taxes or not.
- Carlee: There is a policy question on how long people in a growing community will be held flat, and whether you can build a sustainable budget with increased costs with just the margins on the new development growth. Historically Charlotte's been able to do that through annexation.
- Mayfield: Do we have the breakdown of the total positions that would be impacted by these reductions that are not public safety? Would this include positions that are vacant, such that we're not talking about reducing or doing layoffs?
 - Carlee: We don't know at this point what strategy we would use to get to these reductions. It would be unavoidable to achieve this level of savings without eliminating positions in the other departments. Whether those positions were vacant or filled is something we would have to look at. Roughly in the reduced request, we're adding 93 positions to public safety, so you would likely be looking at reducing 93 positions in the other areas.
- Lyles: If you included police and fire and looked at layers throughout the organization to make reductions, would that be significantly different? If we were to do something like that, I wonder what it would like look if we made reductions functionally.
- Driggs: You show \$192 million, which is the net General Fund reduction. What was the actual FY2016 number that corresponds to that? In other words, we aren't actually talking cuts. We're talking about less than a projected growth line, which is not necessarily less than FY2016 levels.
 - Carlee: Our increases in FY2017 are largely contractual. I do think we're talking about layoffs.
- Mayfield: I would support upper level staff that are already at a certain percentage, seeing no increase. I think this shows commitment to the City and the staff. That 3% won't matter as much to those senior staff as it does to those on the lower end of the pay scale.
 - Carlee: We have, with the hourly pay plan, a way to compensate those employees on the lower end of the pay scale. We're doing some analysis now that indicates that we're a leader in terms of compensating those on the lower end of the pay scale. To not do market rate while adding additional services, sends a message to senior executives in terms of how they're valued. It might make recruiting and retention more difficult for you.
 - Driggs: I would sound a note of caution that the return on investment for what we pay senior people is actually very high. There would be adverse impacts on trying to economize on that compensation. The direct impact of what our senior people do on the financial position of the city and our ability to pay other people is way out of proportion. Since we're in the process of a search for a new Manager, the upside of trying to cut those amounts is not there. As Council, we should take care of senior staff and not compromise our leadership. Staff could offer to cut their own pay, and that would be a great message to send.
 - Mayfield: I don't see it as a cut. It's a matter of not getting an increase. They won't miss what they didn't have.
- Lyles: Do we have a compensation policy? To put those numbers down without the policy it's just numbers to me. I would like a better understanding of our policies. If

Budget Committee

Meeting Summary for April 11, 2016

Page 5

we're going to put this conversation before full Council, the plan would have to reflect some rationale. Across the board cuts is similar. I think we all understand the tax rate. It worries me to go to Council without a recommendation of what we bring forward and why.

- Driggs: There could be another step for us. Looking at these numbers, I'm not sure what we as a committee will say to full Council at this stage.
- Lyles: Is the step for us to ask Council if they want us to go through and look at some of the big things the Manager recommends? Or are we to bring comments to him in advance of his recommended budget? I'm uncomfortable looking at employee compensation with just numbers and looking at across the board reductions. I think Council has been clear that we'd like to not see a tax increase. I do believe we need to have police and fire as those increases are necessary. Those are short term increases. The increases we need are dealing with the root causes. Maybe that's waiting on the economic mobility study or looking at our apprenticeship programs. I think we need to balance our own community thinking. There are many communities that are more highly impacted by crime than others. Are we just going to police that out? I highly doubt it.
- Lyles: The one thing we do well in the City is invest in our infrastructure. I don't want to back up on our referendum this fall. I would look at a mix of service reductions and reduction to market-based employee compensation.
- Kinsey: I've always been in support of compensating staff. I would like to know the impact of not giving raises this year. I'd like to see if it would be helpful for the Manager if we had another meeting. We've done so much work on this, we would need to have some kind of recommendation for Council so that they have time to review it.
- Driggs: We've got a budget workshop scheduled for April 20th. I'm concerned we're going to run into the same issues we've run into here. As I look at the agenda, what can we do between now and then to avoid that?
- Lyles: We could get some more information on April 20th regarding the compensation plan. When the manager presents his budget, that's when it's helpful for us to weigh in.
- Carlee: The question is, are taxes completely off the table. If they are, then I've got to roll up the sleeves and decide where to cut. That may have ripple effects throughout the organization.
- Driggs: We should be thinking about what that will look at.
- Driggs: I would like to convey appreciation to Chief Putney for getting the number down in response to our predicament. In support of the work he did, it would be good if we could make his number work.
 - Phipps: I would agree.
 - Kinsey: The same could be said of the Fire Chief.

Committee decisions included:

- Phipps: Can we send an email to Council saying by a certain date, send your top of mind ideas and recommendations you'd like to see evaluated for consideration in budget development?
 - Carlee: We can do that. I think there are two tracks. Council member Kinsey was talking about FY2018, and that's where I'm talking about these ideas being flagged so that we can tee that up for a discussion on FY2018. On

Budget Committee

Meeting Summary for April 11, 2016

Page 6

FY2017, we have made recommendations on offsets which you'll see later in this presentation. I expect based on conversation and guidance we get here at this meeting and at the Budget Workshop on April 20th, we will use those to influence making recommendations on perhaps reducing some of the existing services.

- Driggs: My hope is that we can have that conversation before the Manager presents his recommended budget. The message has been that we have a lot of data, and stand by; you'll see the recommendation. I'd like to see an interim step where the rationale for some of the choices we're going to make is easier to follow. If we could plan to meet as a committee and look at the recommendation without that coming out at full Council with the media present, etc. that first time it would help. There are a lot of unanswered questions at this point.
 - Phipps: Would another 90 minute meeting be enough? We could look at this into perpetuity?
 - Lyles: The question is do we advise the manager and be specific in what we talk about. It would not be helpful to do more of what we've done today. We need to say would we change our employee compensation, would we change our administration versus our operation?
 - Phipps: The consensus is for another meeting where we can focus in and cut to the quick.
 - Carlee: We can have another meeting of this group to frame up the conversation on April 20th.
 - Driggs: If that could take into consideration the conversation we've had today, that would be helpful.
 - Lyles: I think at this point we are talking about taking property tax increase and capital off the table. It would be good if staff could frame some things for us. Feedback from the executive team would be really helpful as we're talking about tough choices.
 - Carlee: I'm happy to do that. I just want you to understand the implications of your request. If you want to make a substantial increase in public safety by offsetting other General Fund services, that means I have to put some things on the table. That could cause anxiety within the organization.

II. Regulatory User Fee Policy

Debra Campbell, City Manager's Office

Mike Davis, Transportation

The Budget Committee received the Regulatory User Fees Presentation as information.

III. April 20 Council Budget Workshop Agenda

Kim Eagle, Management & Financial Services

The Budget Committee received the Draft April 20 Council Budget Workshop Agenda as information.



General Fund Update

Framework for Budget Balancing

April 11, 2016



General Fund Framework:

- Meet contractual obligations
 - County Landfill Fees
 - Technology
 - Utilities
- Ensure sustainability for FY2018
- Maintain core services
- Limit service expansions to development services funded by capital projects or user fees
- Address Public Safety Priorities

2



General Fund Services

Category	FY2016 Approved		FY2017 Requested Increase	
	Funding	Positions	Net \$ Impact	Positions
Operational	\$462,873,095	4,763.75	\$36,130,535	323.00
Governance	18,370,147	211.75	837,903	10.00
Support	43,097,409	430.00	1,478,338	25.00
Total	\$524,340,651	5,405.50	\$38,446,776	357.00

- Includes all key FY2017 program additions as requested by Departments
- Includes positions funded by other revenue sources

*Updated to reflect most recent information. Numbers remain under review

3



Operational Services

Department	FY2016 Approved		FY2017 Requested Increase	
	Funding	Positions	Net \$ Impact	Positions
Police	\$227,035,628	2,368.00	\$18,926,474	205.00
Fire	112,626,341	1,167.00	11,845,665	82.00
Public Safety subtotal	\$339,661,969	3,535.00	\$30,772,139	287.00
Solid Waste	52,431,227	302.00	2,685,787	5.00
Transportation	34,605,090	408.75	566,979	8.00
N&BS	12,295,538	137.00	841,808	13.00
E&PM	18,182,541	325.00	1,123,123	7.00
Planning	5,696,730	56.00	140,699	3.00
Total	\$462,873,095	4,763.75	\$36,130,535	323.00

4



Support Services

Department	FY2016 Approved		FY2017 Requested Increase	
	Funding	Positions	Net \$ Impact	Positions
Human Resources	\$4,227,630	36.00	\$196,909	1.00
Innovation & Technology	24,576,112	131.00	657,095	13.00
Management & Financial Services	14,293,667	263.00	624,334	11.00
Total	\$43,097,409	430.00	\$1,478,338	25.00

5



Governance Services

Department	FY2016 Approved		FY2017 Requested Increase	
	Funding	Positions	Net \$ Impact	Positions
City Manager's Office/ Mayor & City Council	\$15,351,549	178.75	\$829,303	10.00
City Attorney	2,458,427	27.00	2,100	0.00
City Clerk	560,171	6.00	6,500	0.00
Total	\$18,370,147	211.75	\$837,903	10.00

6



Public Safety Requests

Phased Option as Submitted	FY2017	FY2018	FY2019
CMPD Request Phase I	\$6,623,336	\$8,246,246	\$8,576,096
CFD Ladder 28	2,806,377	1,982,859	2,062,173
CFD Engine 65	2,414,952	1,905,686	1,981,913
Total FY17	\$11,844,665	\$12,134,790	\$12,620,182
Reduced Option*			
CMPD	\$4,387,338	\$5,793,192	\$6,024,920
CFD Ladder 28	2,806,377	1,982,859	2,062,173
Reduced Option Total FY17	\$7,193,715	\$7,776,051	\$8,087,093

- The table above outlines phase 1 costs only for the CMPD request.
- Phase II request would be considered as part of FY2018 budget.

*Funded resources in the reduced option include \$4.4m for CMPD staff and \$2.8m to fund Ladder 28

7



General Fund Budget Balancing Toolbox

- Property tax increase
\$11.8m = 1.32¢ rate increase (2.7%)
- Service reductions in non-public safety departments' base budgets
\$11.8m = 6.16% reduction in each department
- Reduce market-based employee compensation, implementation of hourly pay plan
0% = \$9.2m; 1% = \$1.9m
- Transfer from Capital
\$11.8m = \$118m in debt capacity, or 1.32¢
\$890k annually = \$10m = 0.10¢

8



Next Steps

- April 20th Budget Workshop
- May 2nd Manager's Recommended Budget

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 \$ 3,700,000	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

Attachment 2

FY2016 General Fund Services Inventory									
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				Establishment of Ladder 28 in Northlake mall area	\$ 2,806,377 18.00
		FY2016 eliminated Urban search and rescue's Emergency Management Battalion Chief	\$ 127,126	1.00	\$ 102,486,328	1,061.00		Firefighter physical examinations coordinator	\$ 429,502 1.00
								Airport Division Chief	\$ 135,784 1.00
								Operations Companies 39 and 21	\$ 5,612,754 36.00
								Establishment of Engine 65 in Eastland Mall area	\$ 2,414,952 18.00
	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.							GIS Software developer	\$ 93,348 1.00
		FY2016 reduced public and media relations position	\$ 83,785	1.00	\$ 3,168,764	39.00		IT mobile support package	\$ 352,948 5.00
	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		Additional construction services inspector	\$ - 2.00
	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.							Contract escalation and population growth for recycling and rollout containers	\$ 303,329 0.00
		FY2009 reduced equipment operator position	\$ -	1.00				Tipping fee increases	\$ 1,168,534 0.00
		*FY2010 added refuse and recycling carts	\$ 300,000	0.00				Vehicle maintenance and repair	\$ 476,192 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.							Contract escalation and population growth for multi-family collection	\$ 477,940 0.00
		FY2010 reduced multi-family contract	\$ 267,000	0.00				Multi-family collection contract administration	\$ 62,929 1.00
		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		Additional service to Central Business District related to increased activity in this area	\$ 196,863 4.00
	Solid Waste Services Total		\$ 910,514	2.00	\$ 52,431,227	302.00			\$ 2,685,787 5.00

Attachment 2

FY2016 General Fund Services Inventory									
Dept.	Service Name	Historical Budget Reductions/*Additions			FY2016 Approved	FY2016 Approved Positions	FY2017 Budget Requests		
		Description	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.						Installation and maintenance of traffic control infrastructure	\$ 208,152	4.00
							Replacing pay stations with EMV chip readers	\$ -	0.00
					\$ 3,426,551	15.50	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
					\$ 273,433	20.00	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

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
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

Attachment 2

FY2016 General Fund Services Inventory										
Dept.	Service Name	Description	Historical Budget Reductions/*Additions			FY2016	FY2016 Approved	FY2017 Budget Requests		
			Net impact	Positions	Approved	Positions	Description	Net impact	Positions	
Government 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							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	
	Government Departments Total		\$ 713,339	12.00	\$ 18,370,147	211.75		\$ 837,903	10.00	

Attachment 2

FY2016 General Fund Services Inventory									
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

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
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 FY2012 reduced technology, rent, and contract services due to operational streamlining	\$ 133,191 \$ 66,689	0.00 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 Finance/financial reporting accountants Ensure regulatory compliance for City's bond issues	\$ - \$ 212,182 \$ 10,000	4.00 2.00 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

DRAFT Toolbox for Budget Balancing

Potential Revisions to Public Safety Requests

a. Police

CMPD's FY2017 Requests:	FY2016 Base	FY2017 Base	FY2017 Increase	Total FY2017 Budget/ Section	FY2017 Base FTEs	FY2017 FTE Increase
Officers (includes all other CMPD)	\$ 194,668,159	\$ 202,348,051	\$ 3,291,965	\$ 205,640,016	1,840.00	63.00
Civilians						
911 Communicators	\$ 8,533,979	\$ 9,066,126	\$ 1,011,094	\$ 10,077,220	127.50	20.00
Crime Scene	\$ 1,830,521	\$ 1,953,388	\$ 151,004	\$ 2,104,392	27.00	4.00
Crime Lab	\$ 2,350,165	\$ 2,433,631	\$ 72,318	\$ 2,505,949	23.00	1.00
Human Resources	\$ 4,322,033	\$ 4,732,784	\$ 154,388	\$ 4,887,172	12.00	3.00
Computer Technology Services	\$ 4,614,249	\$ 4,789,442	\$ 235,863	\$ 5,025,305	22.00	4.00
Crime Analysis	\$ 1,819,440	\$ 1,943,159	\$ 166,854	\$ 2,110,013	20.00	2.00
Community Services	\$ 623,823	\$ 754,572	\$ 68,619	\$ 823,191	2.00	1.00
Special Operations	\$ 681,661	\$ 648,380	\$ 49,832	\$ 698,212	15.00	1.00
Crime Reporting Unit	\$ 1,954,727	\$ 2,176,682	\$ 165,607	\$ 2,342,289	22.00	3.00
Police Attorney	\$ 990,901	\$ 1,027,165	\$ 129,233	\$ 1,156,398	7.00	2.00
Training	\$ 1,900,061	\$ 2,071,855	\$ 127,743	\$ 2,199,598	2.00	2.00
Fiscal Affairs	\$ 7,549,973	\$ 7,970,706		\$ 7,970,706	8.00	-
Total Personnel Services & OpEx	\$ 231,839,692	\$ 241,915,941	\$ 5,624,522	\$ 247,540,463	2,127.50	106.00
Capital Expenses (One Time)						
Marked Units			\$ 928,480	\$ 928,480		
Crime Scene Van			\$ 70,334	\$ 70,334		
Total Capital			\$ 998,814	\$ 998,814		
TOTAL	\$ 231,839,692	\$ 241,915,941	\$ 6,623,336	\$ 248,539,277	2,127.50	106.00
Reduced Option			\$ 4,387,338	\$ 246,303,279		75.00

b. Fire

Fire's FY2017 Requests:	FY2016 Base	FY2017 Base	FY2017 Increase	Total FY2017 Budget	FY2017 Base FTEs	FY2017 FTE Increase
Base Fire Budget	\$ 112,707,486	\$ 117,499,201	\$ 4,791,715	\$ 122,290,916	1,166.00	
Ladder 28			\$ 1,906,595	\$ 1,906,595		18.00
Engine 65			\$ 1,832,390	\$ 1,832,390		18.00
Total Personnel Services & OpEx	\$ 112,707,486	\$ 117,499,201	\$ 3,738,985	\$ 126,029,901	1,166.00	36.00
Capital Expenses (One Time)						
Ladder 28			\$ 899,782	\$ 899,782		
Engine 65			\$ 582,562	\$ 582,562		
Total Capital			\$ 1,482,344	\$ 1,482,344		
TOTAL	\$ 112,707,486	\$ 117,499,201	\$ 5,221,329	\$ 127,512,245	1,166.00	36.00
Reduced Option			\$ 2,806,377	\$ 125,097,293		18.00

c. Potential Revised

Police Total			\$ 6,623,336			106.00
Fire Total			\$ 5,221,329			36.00
Public Safety Request			\$ 11,844,665			142.00
Reduced Option			\$ 7,193,715			93.00

DRAFT Toolbox for Budget Balancing

The following is a list of data to be used as part of the decision making process. It does not represent a recommendation

Public Safety Request = \$11.8 million

1) Property Taxes

- a. 1% increase = \$4.3m
- b. \$11.8 million = 1.32¢ rate increase (2.7%)
- c. Impact to median value home:

Annual Impact	1% Impact	2% Impact	2.5% Impact	2.73%
Median Value	\$6.75	\$13.51	\$16.89	\$18.63
25th Percentile Value	\$4.67	\$9.34	\$11.68	\$12.89
75th Percentile Value	\$11.01	\$22.01	\$27.51	\$30.36
85th Percentile Value	\$14.62	\$29.24	\$36.55	\$40.33
95th Percentile Value	\$25.79	\$51.58	\$64.47	\$71.14

2) Department Reductions

General Fund	FY 17	FY18	FY19
Projected FY 2017 Base Budget	\$ 629,320,680	\$ 654,493,507	\$ 680,673,247
Less Police	\$ 387,404,739	\$ 402,900,929	\$ 419,016,966
Less Fire	\$ 269,905,538	\$ 280,701,760	\$ 291,929,830
Less Other Fixed	\$ 192,297,243	\$ 199,989,133	\$ 207,988,698
Net GF for Reduction	\$ 192,297,243	\$ 199,989,133	\$ 207,988,698
	FY17	FY18	FY19
CMPD Request Phase I	\$ 6,623,336	\$ 8,246,246	\$ 8,576,096
CFD Ladder 28	\$ 2,806,377	\$ 1,982,859	\$ 2,062,173
CFD Engine 65	\$ 2,414,952	\$ 1,905,686	\$ 1,981,913
Total FY17	\$ 11,844,665	\$ 12,134,790	\$ 12,620,182
	FY 17 Reduction	FY 18 Reduction	FY 19 Reduction
Non Public Safety	6.16%	(\$290,125)	(\$485,392)
Solid Waste	(\$3,391,172)	(\$83,064)	(\$138,969)
Transportation	(\$1,567,587)	(\$38,397)	(\$64,239)
E&PM	(\$1,158,045)	(\$28,365)	(\$47,456)
N&BS	(\$940,379)	(\$23,034)	(\$38,537)
Planning	(\$356,848)	(\$8,741)	(\$14,624)
Mayor & Council	(\$97,848)	(\$2,397)	(\$4,010)
Attorney	(\$158,042)	(\$3,871)	(\$6,477)
Clerk	(\$36,155)	(\$886)	(\$1,482)
City Manager	(\$873,114)	(\$21,386)	(\$35,780)
I&T	(\$1,674,109)	(\$41,006)	(\$68,605)
DMFS	(\$1,314,657)	(\$32,201)	(\$53,874)
HR	(\$276,710)	(\$6,778)	(\$11,340)

3) Employee Compensation

Projected FY2017 with Benefits	1% merit, 0.5% market, steps	2% merit, 1.0% market, steps	3% merit, 1.5% market, steps
Broadband Merit	\$ 680,388	\$ 1,360,775	\$ 2,041,163
Non-Exempt/Hourly	\$ 1,361,856	\$ 1,503,886	\$ 1,645,916
Public Safety Pay Plan			
Market	\$ 1,029,760	\$ 2,059,520	\$ 3,089,279
Steps	\$ 2,493,392	\$ 2,493,392	\$ 2,493,392
Total	\$ 3,523,151	\$ 4,552,911	\$ 5,582,671
Grand Total	\$ 5,565,395	\$ 7,417,572	\$ 9,269,750
Difference	\$ (3,704,355)	\$ (1,852,177)	

4) Transfer from Capital

- a. \$11.8m = \$118m in debt capacity, or 1.32¢
- b. \$890k annually = \$10m of debt capacity = 0.10¢
- c. Capital program would need to be reevaluated based upon level of reduction

DRAFT Toolbox for Budget Balancing

The following is a list of data to be used as part of the decision making process. It does not represent a recommendation

Public Safety Request = \$7.2 million

1) Property Taxes

- a. 1% increase = \$4.3m
- b. \$890k annually = 0.10¢
- c. \$7.2 million = 0.79¢ rate increase (1.7%)
- d. Impact to median value home:

Annual Impact	1% Impact	1.7%
Median Value	\$6.75	\$11.32
25th Percentile Value	\$4.67	\$7.83
75th Percentile Value	\$11.01	\$18.44
85th Percentile Value	\$14.62	\$24.49
95th Percentile Value	\$25.79	\$43.21

2) Department Reductions

General Fund	FY 17	FY18	FY19
Projected FY 2017 Base Budget	\$ 629,320,680	\$ 654,493,507	\$ 680,673,247
Less Police	\$ 387,404,739	\$ 402,900,929	\$ 419,016,966
Less Fire	\$ 269,905,538	\$ 280,701,760	\$ 291,929,830
Less Other Fixed	\$ 192,297,243	\$ 199,989,133	\$ 207,988,698
Net GF for Reduction	\$ 192,297,243	\$ 199,989,133	\$ 207,988,698
	FY17	FY18	FY19
CMPD Request Phase I	\$ 4,387,338	\$ 5,793,192	\$ 6,024,920
CFD Ladder 28	\$ 2,806,377	\$ 1,982,859	\$ 2,062,173
CFD Engine 65			
Total FY17	\$ 7,193,715	\$ 7,776,051	\$ 8,087,093
	FY 17 Reduction	FY 18 Reduction	FY 19 Reduction
Non Public Safety	3.74%	(\$582,336)	(\$311,042)
Solid Waste	(\$2,059,587)	(\$166,725)	(\$89,052)
Transportation	(\$952,055)	(\$77,069)	(\$41,165)
E&PM	(\$703,325)	(\$56,935)	(\$30,410)
N&BS	(\$571,128)	(\$46,233)	(\$24,694)
Planning	(\$216,727)	(\$17,544)	(\$9,371)
Mayor & Council	(\$59,427)	(\$4,811)	(\$2,569)
Attorney	(\$95,985)	(\$7,770)	(\$4,150)
Clerk	(\$21,958)	(\$1,778)	(\$949)
City Manager	(\$530,275)	(\$42,926)	(\$22,928)
I&T	(\$1,016,750)	(\$82,307)	(\$43,962)
DMFS	(\$798,441)	(\$64,634)	(\$34,523)
HR	(\$168,057)	(\$13,604)	(\$7,266)

3) Employee Compensation

Projected FY2017 with Benefits	1% merit, 0.5% market, steps	2% merit, 1.0% market, steps	3% merit, 1.5% market, steps
Broadband Merit	\$ 680,388	\$ 1,360,775	\$ 2,041,163
Non-Exempt/Hourly	\$ 1,361,856	\$ 1,503,886	\$ 1,645,916
Public Safety Pay Plan			
Market	\$ 1,029,760	\$ 2,059,520	\$ 3,089,279
Steps	\$ 2,493,392	\$ 2,493,392	\$ 2,493,392
Total	\$ 3,523,151	\$ 4,552,911	\$ 5,582,671
Grand Total	\$ 5,565,395	\$ 7,417,572	\$ 9,269,750
Difference	\$ (3,704,355)	\$ (1,852,177)	

4) Transfer from Capital

- a. \$7.2m = \$72m in debt capacity, or 0.79¢
- b. \$890k annually = \$10m of debt capacity = 0.10¢
- c. Capital program would need to be reevaluated based upon level of reduction



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.

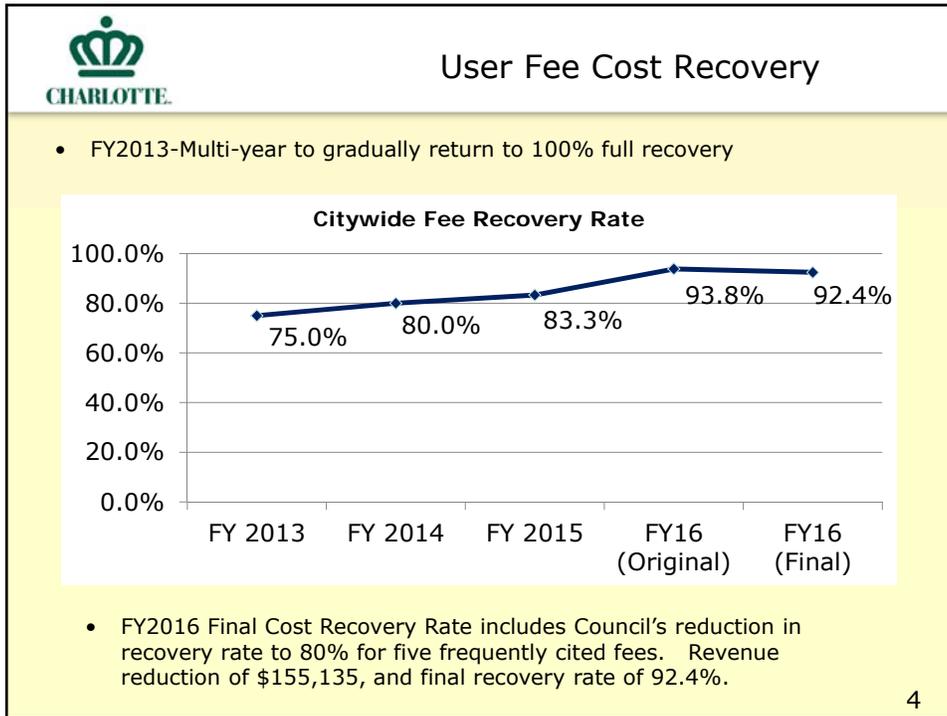
2



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*

3



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)

5

 **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%

6

 **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

7

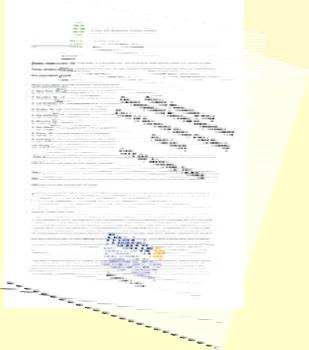
 **Research & Findings**

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.

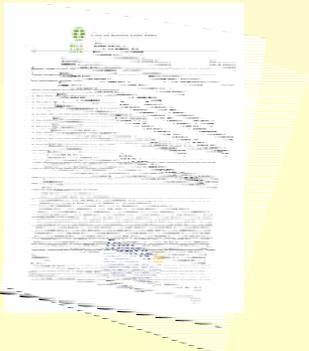


8

 **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.



9



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.

10



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

11



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)

12



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	

13

Draft 2017 Budget Workshops

City of Charlotte

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

-
- | | | |
|-------------|--|---|
| 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