2016 Budget Workshops

City of Charlotte

February 25, 2015
2:00 p.m. – 5:00 p.m.
Room 267

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

2016 Budget Workshops

Future Budget Workshops and Possible Topics

March 17, 2015 Budget Workshop

- General Fund update
  - Revenues
  - Expenditures
- Draft General Community Investment Plan
- Compensation and Benefits

April 8, 2015 Budget Workshop

- Aviation Budget
- CATS Budget
- Financial Partner Recommendations

Charlotte Water
FY2016 & FY2017 Budget Presentation

Materials to be distributed at Meeting

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Storm Water
FY2016 & FY2017 Budget Presentation

Materials to be distributed at Meeting

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Financial Partner and Outside Agency Funding Requests

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MANAGEMENT & FINANCIAL SERVICES

Financial Partners

Council Budget Workshop

February 25, 2015

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Overview

Two primary categories of Financial Partners:

- General Fund – direct discretionary allocations from the General Fund, as well as formula-driven, dedicated revenue sources (e.g. Municipal Service Districts)
- Neighborhood & Business Services – funded by local PAYGO and federal grants for three service types:
  - Housing and Community Development
  - Crisis Assistance
  - Out-of-School Time Partners

*Funding recommendations will be provided as part of April 8th Council Budget Workshop

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Overview

Out-of-School Time Partners – Request for Proposal (RFP) Process

- Fourth year of RFP process
- First year of two-year contract period
- Review Committee is evaluating 8 qualified proposals received
- Process follows the Council Budget Committee and Economic Development & Global Competitiveness Committee recommendations approved by full Council in November 2012, October 2013, and November 2014
- FY16 & FY17 funding recommendations will be provided at April 8th Council Budget Workshop

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FY16 Funding Requests

General Fund Financial Partners

Agency	FY15 Budget	FY16 Request	$ Change
Discretionary Funds			
Arts & Science Council	$2,940,823	$3,980,823	$1,040,000
Charlotte Regional Partnership	141,008	148,780	7,772
Community Building Initiative	50,000	50,000	0
Safe Alliance	333,977	343,996	10,019
Dedicated Revenue Source			
Charlotte Center City Partners	4,555,470	4,783,244	227,774
University City Partners	734,123	752,476	18,353
Charlotte Regional Visitors Authority (CRVA)	12,467,298	13,597,941	1,130,643
CRVA – Film Commission	$150,000	$150,000	$0
TOTAL	$21,372,699	$23,807,260	$2,434,561

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FY16 Funding Requests

Neighborhood & Business Services Financial Partners – Housing & Community Development

Agency	FY15 Budget	FY16 Request	$ Change
Charlotte-Mecklenburg Housing Partnership, Inc. - Affordable Housing	$1,960,000	$1,960,000	$0
Charlotte Mecklenburg Housing Partnership - House Charlotte	231,000	231,000	0
Community Link	450,000	450,205	205
Foundation for the Carolinas Third Grade Reading Initiative	0	100,000	100,000
TOTAL	**$2,641,000**	**$2,741,205**	**$100,205**

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FY16 Funding Requests

Neighborhood & Business Services Financial Partners – Crisis Assistance

Agency	FY15 Budget	FY16 Request	$ Change
Carolinas Care Partnership	$1,060,917	$1,311,713	$250,796
Charlotte Family Housing	330,000	411,000	81,000
Crisis Assistance Ministry	380,000	500,000	120,000
YMCA Community Development	48,699	N/A	N/A
TOTAL	**$1,819,616**	**$2,222,713**	**$451,796**

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FY16 Funding Requests

Neighborhood & Business Services Financial Partners – Out of School Time Partners

Agency*	FY15 Budget	FY16 Request	FY17 Request	$ Change
Current Financial Partner Requests				
Above and Beyond Students	$110,358	$0	$0	($110,358)
Citizen Schools	306,342	200,000	200,000	(106,342)
Greater Enrichment Program	350,000	200,000	200,000	(150,000)
Police Activities League	287,410	200,000	200,000	(87,410)
Youth Development Initiative**	94,710	0	0	(94,710)
YWCA Central Carolinas After School Enrichment	158,826	200,000	200,000	$41,174
New Financial Partner Requests				
Behailu Academy	n/a	66,000	66,000	66,000
Bethlehem Center	n/a	112,959	112,959	112,959
Genesis Project	n/a	192,000	192,000	192,000
MGR Youth Empowerment	n/a	156,000	156,000	156,000
TOTAL	**$1,307,646*** **	**$1,326,959**	**$1,326,959**	**$19,313**

* *Includes only eligible applications*
** *Youth Development Initiatives' FY2015 allocated decreased by $67,615 from adopted budget due to change in contract scope*
*** *Annual funding level typically $1.2 million; in FY2015, Council approved an additional $175,261 from eligible federal CDBG funds to restore funding of Above & Beyond and YWCA at their FY2014 levels*

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Questions?

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FINANCIAL PARTNERS

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INTRODUCTION

Types of Financial Partners

Financial Partners are contracted by the City of Charlotte to provide specific services. The types of financial partnerships are diverse, including: partnerships that support key areas of focus for the City, such as Charlotte-Mecklenburg Housing Partnership and partnerships that contribute to community enrichment such as the Arts & Science Council and partners that complement departmental service needs such as Safe Alliance (formerly United Family Services).

There are two primary categories of Financial Partners – General Fund and Neighborhood & Business Services:

- General Fund – this includes direct discretionary allocations from the General Fund as well as formula-driven, dedicated revenue sources, such as Municipal Service District tax revenue
- Neighborhood & Business Services – funded by the City's Innovated Housing/PAYGO funding as well as federal grants for services such as: 1) Housing and Community Development, 2) Crisis Assistance, and 3) Out of School Time Partners.

Financial Partner Funding Request Summary pages

Below is a description of the information provided on each of the Financial Partner Summary pages, found in this February 26th Council Budget Workshop packet:

- Scope of Services – summarizes the services provided by each agency
- Performance – a few key indicators from the Financial Partner's funding application to evaluate success as it relates to the program goals and the requested funding (this does not include all measures included in the Financial Partner applications)
- Financial Information
    - FY2015 City Funding – amount of funding approved by the City for the current year
    - FY2016 Projected Agency Total Budget – the projected total budget for the upcoming years, of which the City funding is a component, for each agency
    - FY2016 Projected Agency Program Budget for which City funding is requested – the specific agency program for the upcoming year that is to be supported by the requested City funding. This designation is only used when a specific program is identified. When no specific program is identified, the requested City funding is in support of the overall agency.
    - FY2016 City Funding Request – the amount of funding requested from the City
- Summary/Highlights of Agency Requests – provides a narrative of the requested funding level

New Financial Partner Funding Requests

- There are no new General Fund financial partner funding requests.
- Within the Neighborhood & Business Services – Housing and Community Development financial partner category, the one new request is from Foundation for the Carolinas' Third Grade Reading Initiative. Information about this program was presented to the Economic Development & Global Competitiveness Committee on October 17, 2014. This is not an after school program, and therefore does not qualify for Out of School Time Partner federal CDBG grant funding.
- Within the Neighborhood & Business Services – Out of School Time Partner category, there are 11 applications, seven of which are new requests, and four of those new requests meet the eligibility requirements.

Financial Partner and Outside Agency Summary - General Fund

General Fund	FY15 Budget	FY16 Request	Change from FY15 Budget to FY16 Request	Funding Request Explanation
Arts & Science Council	2,940,823	3,980,823	1,040,000	Unrestricted operating funding for the appreciation, participation, and support for arts and culture; additional funding would be for neighborhood programming and cultural sector innovation
Charlotte Regional Partnership	141,008	148,780	7,772	Markets the Charlotte region throughout the world as a superior business location developing business prospects and assets to provide sustainable economic growth for the 16-county, two-state area. Increase is based on $0.15 per capita
Community Building Initiative	50,000	50,000	0	Works for access, inclusion, and equity in Charlotte-Mecklenburg; increase supports growing program, personnel, and operating expenses
Safe Alliance	333,977	343,996	10,019	Funds 8 positions that work with CMPD to support victims of violent crime and their families by providing court accompaniment, assistance with restraining orders, and victim-focused case management; increase is for growth in current costs
Charlotte Center City Partners	4,555,470	4,783,244	227,774	Implements strategies promoting the economic, social, and cultural development of Charlotte's Center City; funding is based on Municipal Service Districts 1-4 tax revenue
University City Partners	734,123	752,476	18,353	Promotes, encourages, and coordinates University City's long-term economic vitality as a regional center for education, commerce, shopping, and entertainment; funding is based on Municipal Service District 5 tax revenue
Charlotte Regional Visitors Authority (CRVA)	12,467,298	13,597,941	1,130,643	Encourages convention and visitor promotion to the Charlotte region as a travel and tourism destination and for business development activities associated with tourism; City funding derived from portion of proceeds from prepared food & beverage and occupancy taxes
CRVA - Film Commission	150,000	150,000	0	Promotes the Charlotte Region as a location for film and commercial/television productions; through the Charlotte Regional Film Commission, the CRVA provides site location, crew, equipment, stage, and support service information for commercials, independent films, television series, and still photography shoots
TOTAL	**$21,372,699**	**$23,807,260**	**$2,434,561**	

Financial Partner and Outside Agency Summary - Housing & Community Development and Crisis Assistance

Housing and Community Development	FY15 Budget	FY16 Request	Change from FY15 Budget to FY16 Request	Funding Request Explanation
Charlotte-Mecklenburg Housing Partnership, Inc. - Affordable Housing	1,960,000	1,960,000	0	Supports affordable housing program activities including mortgage delinquency prevention counseling and foreclosure counseling. Funding provided by federal Community Development Block Grant and City Innovative Housing (PAYGO) funding
Charlotte Mecklenburg Housing Partnership - House Charlotte	231,000	231,000	0	Supports homeownership counseling; mortgage assistance; and the development, financing, and management of affordable apartments. Additional funding requested will increase number of families benefitting from HouseCharlotte services. Funding provided by federal HOME Investment Partnership Program and City Innovative Housing funding
Community Link	450,000	450,205	205	Provides homeownership training and counseling services that enable individuals to obtain and sustain safe, affordable housing; additional funding will be used to provide housing referrals to ensure appropriate housing placements available for clients. Funding provided by City Innovative Housing funding
Foundation for the Carolinas Third Grade Reading Initiative	0	100,000	100,000	New collaborative program to double the percentage of third grade students reading at grade level, by starting at birth, working together, and investing in programs that work. More than half of all CMS third graders are not reading at grade level
TOTAL	**$2,641,000**	**$2,741,205**	**$100,205**	

Crisis Assistance	FY15 Budget	FY16 Request	Change from FY15 Budget to FY16 Request	Funding Request Explanation
Carolinas Care Partnership	1,060,917	1,311,713	250,796	Provides housing resources for people living with HIV and AIDS. Funding determined and provided by U.S. Department of Housing and Urban Development
Charlotte Family Housing	330,000	411,000	81,000	Provides monthly rental subsidies to participating families in Charlotte Family Housing's permanent housing program. Funding provided by federal HOME Investment Partnership Program
Crisis Assistance Ministry	380,000	500,000	120,000	Funding for the City Energy Assistance Program and the Emergency Rental Assistance Program; additional funding will increase the amount of financial assistance available to help people experiencing a financial crisis pay their bills. Funding provided by City Innovative Housing (PAYGO) funding
YMCA Community Development	48,699	N/A	N/A	YMCA Community Development did not submit a funding request for FY2016
TOTAL	**$1,819,616**	**$2,222,713**	**$451,796**	

Financial Partner and Outside Agency Summary - Out of School Time Partners

Out-of-School Time Partners	FY15 Budget	FY16 & FY17 Request	Change from FY15 Budget to FY16 & FY17 Request	Funding Request Explanation
Above and Beyond Students	110,358	0	-110,358	The RFP evaluation is currently underway. Eligible agencies include NC licensed after school providers, non-profit 501(c)(3) organizations, and Local Education Agency or faith-based organizations located in Charlotte. Agencies must have provided a continuous out-of-school program for a minimum of three years with at least one year in Charlotte, must serve at least 50 students, and administer a school-year or year-round out of school time program. Funded programs must operate five days a week at a minimum of three hours per day on each Charlotte Mecklenburg Schools (CMS) school day with or without a summer component that operates five days per week. The summer program must operate at a minimum of seven hours per day for at least six weeks during the CMS summer break. Programs which previously provided summer-only services are ineligible for out-of-school funding. Eligible agencies must also maintain a maximum ratio of one adult to 20 students; and services must be accessible to all students regardless of their ability to pay
Citizen Schools	306,342	200,000	-106,342	
Greater Enrichment Program	350,000	200,000	-150,000	
Police Activities League	287,410	200,000	-87,410	
Youth Development Initiative	94,710	0	-94,710	
YWCA Central Carolinas After School Enrichment	158,826	200,000	41,174	
Behailu Academy	0	66,000	66,000	
Bethlehem Center	0	112,959	112,959	
Genesis Project	0	192,000	192,000	
MGR Youth Empowerment	0	156,000	156,000	
Indian Land Farm Club	0	ineligible	n/a	
Role Models University	0	ineligible	n/a	
Southeast Asian Coalition	0	ineligible	n/a	
TOTAL	**$1,307,646**	**$1,326,959**	**$19,313**	

Additional Financial Partner Documents

Summary information on each agency is included in this notebook (as described earlier). If needed, City staff can provide additional information for each agency including:

- Funding application for FY2016
- Scope of services that describes the services the partner provides
- Program highlights and current status
- Proposed program objectives and targets
- Mid-year report (FY2015) on objectives and targets
- Financial audits and year-end reports

Out of School Time (OST) Partners Request for Proposal Process

Agencies that deliver after school enrichment activities participate in a Request for Proposal (RFP) process to request financial partner funding. The OST Review Committee is currently in the process of evaluating the eight qualified proposals received. The OST funding recommendations will be provided during the April 8th Council Budget Workshop. The FY2016 & FY2017 total funding level is anticipated to be $1.2 million, the same level as in prior years; however, changes to the City's allocation of Community Development Block Grant funds is currently being researched by staff, and would be included in the City Manager's Financial Partner Recommendations at the April 8th Council Budget Workshop.

This is the fourth year of the RFP process, which includes the Budget Committee and Economic Development & Global Competitiveness Committee recommendations approved by full Council on November 26, 2012, as well as additional modifications recommended by the Economic Development Committee approved by full Council on October 28, 2013 and November 10, 2014. Those approved recommendations are:

- Cap the City's Innovative Housing (local PAYGO) funding at the FY2013 level of $590,000
- Cap the percentage of an OST program budget that can be funded from the City to 33%. For existing OST partners, there was a transition period of no more 66% in FY2014, 50% in FY2015, and 33% for all subsequent fiscal years.
- Allow City-funded OST programs to charge a nominal fee for participants.
- Maintain agency eligibility requirements, with the exception of changing the years of OST experience the agency must have in Charlotte from three to one year.
- Modify the RFP review process to include site visits, including a group of external volunteers to participate in the review process, revising scoring to reflect Council priorities, and publishing the scoring rubric in the RFP.
- Continue to use the Housing Trust Fund model for award allocations; basing funding allocations at the agencies' total requested amount in priority order, until funds are fully expended.
- Reduce the maximum per agency funding allocation from $300,000 to $200,000 in FY2016 in order to ensure that more agencies are able to participate and offer programs throughout the City.
- Implement a $1,200 cost-per-child award allocation, not to exceed the maximum per agency funding amount.
- Fund the maximum amount permitted annually for OST programming by the federal Community Development Block Grant Program (that amount may change from year to year).
- Transition the funding cycle from a one-year to a two-year contract funding cycle starting in FY2016 and FY2017. This transition creates efficiencies to the RFP process, for both the agencies seeking funding as well as the review committee. The two-year funding cycle will also allow agencies more time for strategic planning and staffing decisions, and follows the City's two-year budgeting process.

FY2016 Outside Agency Funding Request

Arts & Science Council of Charlotte-Mecklenburg, Inc.

Scope of Service

Since 1958, the Arts & Science Council (ASC) has built appreciation, participation, and support for arts and culture by combining private sector resources from its Annual Fund Drive with allocations from local, state, and federal governments. These allocations support cultural organizations, cultural education programs, broaden access to cultural programs in Charlotte's neighborhoods and communities, and support individual artists throughout the region. ASC is committed to securing the long-term financial stability of the cultural sector through its annual campaign, public sector support, and endowment earnings while building the capacity of individual organizations to both earn revenues and raise private sector support independently.

Performance

Measure	FY2014 Year-End Actual	FY2015 Mid-Year Actual	FY2016 Target
Increase awareness and visibility for cultural programming	Achieved 258,725 unique visitors to CharlotteCultureGuide.com	Data available June 2015	300,000 unique viewers visitors to CharlotteCultureGuide.com
Number of projects completed that increase access to African American, Asian, Latino, and Native American focused arts, science, and history offerings for the entire community	30 projects completed (Target: 12 projects complete by June 2014)	21 projects completed (Target: 12 projects complete by June 2015)	At least 40% of Cultural Project Investments are awarded to programs that represent or create access specifically for African American, Asian, Latino, and Native American populations.
Increase public opinion of the quality of local arts, science, and history programs	In the 2014 Cultural Life Survey, 58.9% of respondents ranked Program Quality as "Good/Excellent" (FY2014 new measure)	Data available June 2015 (Target: Increase public opinion of cultural programs by 2% per year)	Increase public opinion of cultural programs by 2% per year

Financial Information

Funding Source(s): General Fund

FY2015 City Funding	FY2016 Agency Total Budget	FY2016 Agency Program Budget (for which City funding is requested)	FY2016 City Funding Request
$2,940,823	$18,961,641	$18,961,641	$3,980,823

Summary/Highlights of Agency Request

The requested $1,040,000 increase in City funding reflects the continued growth of the City, increasing demands for cultural programming, and will help implement the community's wishes outlined in the Cultural Vision Plan and Cultural Life Task Force recommendations. Specifically, $700,000 of the requested increase would be used to enhance neighborhood programming through a new fee-for-service program and targeted grant making; and $240,000 would be used for cultural sector innovation including a sector-wide data project as well as the training and marketing of cultural partners.

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FY2016 Outside Agency Funding Request

Charlotte Regional Partnership

Scope of Service

The Charlotte Regional Partnership markets the Charlotte USA region throughout the world as a superior business location in order to develop short- and long-term business prospects and develop assets required to provide sustained and sustainable economic growth for the 15-county, two-state area. Services include site selection assistance, research for clients, corporate intelligence for business development missions, sponsoring trade shows and industry events in key markets, domestic and international awareness of region via marketing and advertising campaigns.

Performance

Measure	FY2014 Year-End Actual	FY2015 Mid-Year Actual	FY2016 Target
Meet with current and new private-sector investors to solicit funding	$1,872,135	$620,263	$1,738,700
Generate qualified business recruitment projects for the Charlotte USA region	67	52	62
Increase the annual number of total client visits to the Charlotte USA region	42	20	37

Financial Information

Funding Source(s): General Fund

FY2015 City Funding	FY2016 Agency Total Budget	FY2016 Agency Program Budget (for which City funding is requested)	FY2016 City Funding Request
$141,008	$3,000,000	$3,000,000	$148,780

Summary / Highlights of Agency Request

The $148,780 request for business development and marketing is based on $0.15 per person in the City of Charlotte using NC State Data Center certified population data, representing a $7,772 increase in the FY2016 funding request over the FY2015 request due to the increase in population by 51,810 at $0.15 per capita.

Mecklenburg County also contributes funding to the Charlotte Regional Partnership at a rate of $0.15 per person in the County, including City residents (for a total combined City and County contribution of $0.30 per capita). The County's FY2015 contribution was $141,008. The requested amount from Mecklenburg County for FY2016 is also $148,780. Other counties in the Charlotte region contribute $0.30 per person to the Charlotte Regional Partnership to support the organization's operational budget.

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FY2016 Outside Agency Funding Request

Community Building Initiative

Scope of Service

Community Building Initiative is a non-profit organization that advances access, inclusion, and equity in Charlotte-Mecklenburg. Founded in 1997 originally to address the critical issue of race, Charlotte Building Initiative has integrated additional aspects of diversity and difference into its established and successful programs. The organization also focuses on equity and equity issues, including social mobility and economic opportunity that impact the quality of life for all in Charlotte-Mecklenburg. Through its programs and partnerships and by involving diverse groups of people, Community Building Initiative builds the capacity and commitment of individuals, organizations, institutions – and ultimately the broader community – to successfully work towards a more inclusive and equitable community. Community Building Initiative believes that inclusion and equity values it champions make common sense, business sense, and moral sense, and is committed to these ideals for the benefit of this generation and future generations.

Performance

Measure	FY2014 Year-End Actual	FY2015 Mid-Year Actual	FY2016 Target
% of Leadership Development Initiative graduates who rate the program's effectiveness in increasing their ability to influence for inclusion and equity as good or excellent	97%	Results will be reported at year-end	75%
Number of participants in the Leaders Under 40 program	42	46	40
Number of community engagement offerings	22	4	5

Financial Information

Funding Source(s): General Fund

FY2015 City Funding	FY2016 Agency Total Budget	FY2016 Agency Program Budget (for which City funding is requested)	FY2016 City Funding Request
$50,000	$492,500	$492,500	$50,000

Summary / Highlights of Agency Request

The total agency program budget is $492,500. The funding request of $50,000 for FY2016 will continue to support program development necessary to keep the organization responsive and growing in the areas of inclusion and equality. The City funding request includes $28,500 for personnel services and $21,500 for program and operating expenses. The request from other funding sources is $442,500, which reflects annual individual and corporate giving campaigns, project management opportunities, and collaboration with local, regional, and national foundations.

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FY2016 Outside Agency Funding Request

Safe Alliance

Scope of Service

Victim Assistance is a program of Safe Alliance, a non-profit agency that has been serving the Charlotte community since 1909. Since 1978 Victim Assistance has partnered with the City of Charlotte, specifically the Charlotte-Mecklenburg Police Department, to support victims of violent crime and their families by providing court accompaniment, assistance with restraining orders, and victim-focused case management. Victim Assistance also operates the only Rape Crisis service in Charlotte-Mecklenburg, providing 24-hour service to victims of sexual assault via a telephone hotline and hospital emergency rooms. By training and maintaining a dedicated group of volunteers, in addition to the professional staff, Victim Assistance is able to offer crisis intervention services to victims of sexual assault, domestic violence, child abuse, families of homicide victims, and other violent crimes 24-hours a day, 365 days a year. As an active team member in the community effort to end these violent crimes, Victim Assistance trains many professionals in the health and social service fields to be more aware and responsive to the issues. Victim Assistance is the only agency in Mecklenburg County whose primary focus is to provide crisis intervention and counseling to victims of any violent crime.

Performance

Measure	FY2014 Year-End Actual	FY2015 Mid-Year Actual	FY2016 Target
Development of safety plans	3,328	2,021	90% of 4,500 victims will develop safety plans
Positive response from clients on outreach surveys regarding their personal safety	100%	100%	70% of clients will indicate an increase in their personal safety after receiving services
Percentage of rape victims who can be contacted and report that a Rape Crisis companion was helpful in coping with the trauma	95% (57 of 60)	100% (20 of 20)	96% of victims report that companions were helpful

Financial Information

Funding Source(s): General Fund

FY2015 City Funding	FY2016 Agency Total Budget	FY2016 Agency Program Budget (for which City funding is requested)	FY2016 City Funding Request
$333,977	$ 6,380,060	$ 1,051,019	$343,996

Summary / Highlights of Agency Request

The FY2016 request of $343,996 is for personnel services, which is a 2.9% increase from FY2015 City funding. The FY2016 request will fund seven existing positions. Currently, the City of Charlotte provides approximately 33% of funding to support the Victim Assistance program. Safe Alliance continues to work with the Charlotte-Mecklenburg Police Department to collaboratively manage resources. The request of funding from other sources is $707,022.

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FY2016 Outside Agency Funding Request

Charlotte Center City Partners

Scope of Service

Charlotte Center City Partners' (CCCP) mission is to provide a platform for city-wide community-building arts, education, sustainability, health, and wellness initiatives and implement strategies facilitating and promoting the economic, social, and cultural development of Charlotte's Center City to help create a viable, livable, memorable, and sustainable Center City with modern infrastructure, a tapestry of great urban neighborhoods, and a diversity of thriving businesses.

Performance

Measure	FY2014 Year-End Actual	FY2015 Mid-Year Actual	FY2016 Target
Facilitate recruitment of new/expanded business and retail in Uptown and Historic South End	Approximately 474,603 square feet of new/expanded business and 192,731 square feet of new retail establishments in Uptown and Historic South End including 94 new leases	Approximately 218,630 square feet of new/expanded business and 22,237 square feet of new retail establishments in Uptown and Historic South End including 53 new leases Recruited 15 new businesses in uptown and 11 new retail establishments	≥ 250,000 square feet of new/expanded business and/or 1,000 new employees including ≥5 new employers
Identify more partners to create and produce new and existing "annual" events	Partnered with Speed Street and "Meck Dec" Day successfully	Partnerships on track. Partnering with CIAA, Taste of the Nation, as well as "Meck Dec" Day	Successful production of partner events with increased attendance and fewer reported problems from City/County staff
Produce annual Thanksgiving Day Parade as a Super Regional event with a focus on building audience experience while building sponsor support establishing Charlotte as the Southeastern US holiday destination	New measure	Successful model included: moved parade route south to north; employed convention center as staging area for floats, volunteers, and VIPs; partnered with BMW; and broadcast on WBTV.	Expand parade into ≥ 1 additional TV market and secure 3 additional sponsors

Financial Information

Funding Source(s): City funding provided from tax revenue of Municipal Service Districts 1, 2, 3, and 4.

FY2015 City Funding	FY2016 Agency Total Budget	FY2016 Agency Program Budget (for which City funding is requested)	FY2016 City Funding Request
$4,555,470	$4,990,144	$4,990,144	$4,783,244

Summary/Highlights of Agency Request

CCCP's proposed budget for FY2016 reflects an estimated 5% increase over their FY2016 funding. Final FY2016 funding will depend on revised Municipal Service District property tax revenue projections. Mecklenburg County does not provide funding for this program. Total Agency Budget request for FY2016 also includes $206,900 from various event and meeting sponsors including Novant Health Medical Center, Wells Fargo, Windstream, Duke Energy, YMCA, and others. An updated City revenue projection will be included at a future Council Budget Workshop meeting.

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FY2016 Outside Agency Funding Request

University City Partners

Scope of Service

University City Partners (UCP) works to promote, encourage, and coordinate University City's long-term economic vitality as a regional center for education, commerce, shopping, and entertainment. University City Partners enhances communication to build community visibility for the area and is engaged in ensuring the continuing economic viability of University City by promoting it as an excellent place to live, work, learn, and play; by advocating on behalf of the area's infrastructure needs; by preparing the area for multimodal transportation; by emphasizing University City's role as the heart of the larger two-county area; by encouraging economic development and smart growth through regional planning; and by identifying and facilitating cross-jurisdictional planning to enhance the area.

Performance

Measure	FY2014 Year-End Actual	FY2015 Mid-Year Actual	FY2016 Target
Support and encourage improved transportation choices in University City by monitoring progress and being a voice in meetings	Active voice and attended 100% of the University City station area and corridor meetings	Active voice and attended 100% of the University City station area and corridor meetings	Active voice and attended 100% of the University City station area and corridor meetings
Sustain economic development of University City by tracking economic development trends in University City	New Measure	100% to date	Report quarterly to board all shifts in retail, office, hospitality, and multifamily vacancies and/or ownership changes
Enhance perception of safety for University City by attending quarterly safety meetings and convening on applicable issues	Attended 100% of the University City police district's quarterly public safety meetings	Attended 100% of the University City police district's quarterly public safety meetings	Attend 100% of the University City police district's quarterly public safety meetings

Financial Information

Funding Source(s): City funding provided from tax revenue of Municipal Service District 5.

FY2015 City Funding	FY2016 Agency Total Budget	FY2016 Agency Program Budget (for which City funding is requested)	FY2016 City Funding Request
$734,123	$782,476	$782,476	$752,476

Summary / Highlights of Agency Request

UCP's proposed budget for FY2016 reflects an estimated 3% increase over their FY2015 funding. Final FY2016 funding will depend on revised Municipal Service District property tax revenue projections. Mecklenburg County does not provide funding for this program. The "Total Agency Budget" request for FY2016 also includes $30,000 from various donor contributions. An updated City revenue projection will be included at a future Council Budget Workshop meeting.

CHARLOTTE

FY2016 Outside Agency Funding Request

Charlotte Regional Visitors Authority

Scope of Service

The Charlotte Regional Visitors Authority (CRVA) manages and promotes Charlotte's publicly owned assembly facilities, which include the Charlotte Convention Center, Bojangles' Coliseum, Ovens Auditorium, the NASCAR Hall of Fame and specific contracted services with Time Warner Cable Arena and Charlotte Douglas International Airport. CRVA engages in new or expanded activities and programs aiding and encouraging convention and visitor promotion to the Charlotte region as a travel and tourism destination and in business development activities associated with tourism and organizations that sponsor or hold events, meetings, or conventions in the Charlotte area.

Performance

Measure	FY2014 Year-End Actual	FY2015 Mid-Year Actual	FY2016 Target
Improve Leisure Visitor and Group Business Volume for the Charlotte Region	6.05 million rooms were occupied	2.74 million room nights were occupied	6.5 million occupied rooms
Maintain Partner Organizations Retention Rate above Industry Standard Range	84% partner retention rate	84% partner retention rate	Maintain partner retention rate > 70-85% Industry Standard Range
Conduct Customer Satisfaction Survey to Measure Effectiveness in Satisfying Needs of Meeting Planners, Visitors, and Patrons	4.57 Customer Satisfaction Rating	4.58 Customer Satisfaction Rating as of November 2014	≥ 4.6 Customer Satisfaction Rating

Financial Information

Funding Source(s): City funding derived from a portion of the proceeds of the prepared food and beverage tax and a portion of the countywide occupancy tax.

FY2015 City Funding	FY2016 Agency Total Budget	FY2016 Agency Program Budget (for which City funding is requested)	FY2016 City Funding Request
$12,467,298	$56,484,265	$56,484,265	$13,597,941

Summary / Highlights of Agency Request

The $13,597,941 request includes $2,867,488 for marketing promotions and $2,015,875 for business development activities. Final FY2016 funding will depend on the distribution of the occupancy tax and prepared food and beverage tax proceeds. This provision does not affect either the City's General Fund funding commitment of $300,000 per year for six years for Central Intercollegiate Athletic Association (CIAA) basketball tournaments support or the funding commitment of $150,000 for the film division.

CHARLOTTE

FY2016 Outside Agency Funding Request

Charlotte Regional Visitors Authority

Charlotte Regional Film Commission

Scope of Service

The Charlotte Regional Visitors Authority (CRVA) manages and promotes Charlotte's publicly owned assembly facilities. CRVA engages in new or expanded activities and programs aiding and encouraging convention and visitor promotion to the Charlotte region as a travel and tourism destination and in business development activities associated with tourism and organizations that sponsor or hold events, meetings, or conventions in the Charlotte area. CRVA also promotes the Charlotte Region as a location for film and commercial/television productions. Through the Charlotte Regional Film Commission, the CRVA provides site location, crew, equipment, stage, and support service information for commercials, independent films, television series, and still photography shoots.

Performance

Measure	FY2014 Year-End Actual	FY2015 Mid-Year Actual	FY2016 Target
Number of qualified film/TV prospects/leads generated	New measure	64	125
Increase the number of feature film/TV prospects/leads generated for the Charlotte Region	New measure	10	8
Total budget for films/TV projects produced	New Measure	$38 million*	$9 million
Number of film crew positions filled locally	New Measure	680*	400

*Estimates as final numbers unavailable until released by the North Carolina Department of Revenue

Financial Information

Funding Source(s): General Fund

FY2015 City Funding	FY2016 Agency Total Budget	FY2016 Agency Program Budget (for which City funding is requested)	FY2016 City Funding Request
$150,000	$472,500	$472,500	$150,000

Summary / Highlights of Agency Request

CRVA will spend the requested $150,000 to promote the Charlotte Region as a location for film and commercial/television productions. The County's FY2015 contribution was $150,000. The requested amount from Mecklenburg County for FY2016 is also $150,000.

CHARLOTTE

FY2016 Outside Agency Funding Request

Charlotte-Mecklenburg Housing Partnership

(Affordable Housing Contract)

Scope of Service

Charlotte-Mecklenburg Housing Partnership, Inc. (CMHP) is a nonprofit that develops and maintains neighborhoods composed of for sale and rental homes with public and private partners. CMHP provides affordable housing by administering comprehensive services that include: pre and post homeownership counseling, mortgage delinquency prevention and default counseling, sale of houses, affordable mortgages, and the construction and renovation of for sale and rental housing. In addition, CMHP owns or is the general partner of 1,382 affordable rental units. CMHP assists other affordable housing providers through collaboration of resources and affordable financing. CMHP primarily serves families earning up to 80% of annual median income (AMI). The average income of CMHP homeowners is 60% or less of AMI. CMHP's typical homebuyer is a single, working female with two children earning 60% or less of AMI.

In revitalized areas, CMHP can assist customers who earn more than 80% of AMI in order to promote mixed income neighborhoods. Rental units are leased to families earning 60% or less of AMI and some units are restricted to families earning 30% or less of AMI.

Performance

Measure	FY2014 Year-End Actual	FY2015 Mid-Year Actual	FY2016 Target
Number of families assisted with home purchases	254	82	100

Financial Information

Funding Source(s): Community Development Block Grant (Federal) and Local Innovative Housing PAYGO Funds

FY2015 City Funding	FY2016 Agency Total Budget	FY2016 Agency Program Budget (for which City funding is requested)	FY2016 City Funding Request
$1,960,000	$5,808,617	$5,569,887	$1,960,000

Summary / Highlights of Agency Request

Since its inception in 1988, CMHP has developed and/or financed over 2,300 affordable rental units. CHMP has provided homebuyer counseling and training and mortgage delinquency prevention and/or foreclosure counseling to more than 19,000 people, creating over 2,500 new homeowners.

CHARLOTTE

FY2016 Outside Agency Funding Request

Charlotte-Mecklenburg Housing Partnership

(HouseCharlotte)

Scope of Service

Charlotte-Mecklenburg Housing Partnership, Inc. (CMHP) is a nonprofit that develops and maintains neighborhoods composed of for sale and rental homes with public and private partners. CMHP has administered the City's HouseCharlotte Program since January 2011. The HouseCharlotte program provides 10-year deferred, forgivable loans to qualified applicants. Loan recipients can use the funding to cover down payments, closing costs, and interest rate buy-downs.

The average income of CMHP homeowners is 60% or less of AMI. CMHP's typical homebuyer is a single, working female with two children earning 60% or less of AMI. In revitalized areas, CMHP primarily serves families who earn more than 80% of AMI in order to promote mixed income neighborhoods.

Performance

Measure	FY2014 Year-End Actual	FY2015 Mid-Year Actual	FY2016 Target
Increase number of families receiving HouseCharlotte assistance	300	175	300

Note: The FY2016 target is based on historical data and the number of applicants received to-date in FY2015.

Financial Information

Funding Source(s): HOME (Federal) Grant Funds and Local Innovative Housing PAYGO Funds

FY2015 City Funding	FY2016 Agency Total Budget	FY2016 Agency Program Budget (for which City funding is requested)	FY2016 City Funding Request
$231,000	$5,808,617	$238,730	$231,000

Summary / Highlights of Agency Request

HouseCharlotte offers down payment assistance in an amount up to $10,000 for qualified buyers in the Belmont, Lincoln Heights, Lakewood, Reid Park, Seversville, Grier Heights, Optimist Park, Genesis Park, Villa Heights, Druid Hills, Thomasboro/Hoskins, and Washington Heights Neighborhood Statistical Areas (NSAs). Down payment assistance in an amount up to $7,500 is available for qualified buyers in all other NSAs throughout the City. The maximum eligible home purchase price is $155,000.

CHARLOTTE

FY2016 Outside Agency Funding Request

Community Link

(Post-Homeownership / Pre-Homeownership Counseling)

Scope of Service

Community Link's purpose is to enable individuals to obtain and sustain safe, decent, and affordable housing. The benefit of the services is that individuals and families are equipped with the tools to sustain their home over time and avoid foreclosure. Community Link is a Department of Housing and Urban Development (HUD) approved housing counseling agency. All of the homeownership counselors are certified by HUD and NeighborWorks America. Housing counseling is provided on budgeting, reducing debt, increasing savings and improving credit scores. Community Link works closely with all major lending institutions in the area to make sure low income, first-time homebuyers are able to purchase a house with a mortgage they can sustain for the long term on their household budget.

Performance

Measure	FY2014 Year-End Actual	FY2015 Mid-Year Actual	FY2016 Target
Homebuyers receiving pre-homeownership counseling	100	66	75
Homeowners receiving post-homeownership counseling services	830	313	900
Prospective homeowners receiving homeownership literacy training	570	236	570

Financial Information

Funding Source(s): Local Innovative Housing PAYGO Funds

FY2015 City Funding	FY2016 Agency Total Budget	FY2016 Agency Program Budget (for which City funding is requested)	FY2016 City Funding Request
$450,000	$5,327,690	$1,356,878	$450,205 *Pre-homeownership = $247,800* *Post-homeownership = $202,405*

Summary / Highlights of Agency Request

In FY2014, Community Link provided pre-homeownership counseling to create 100 new homeowners within the City of Charlotte. Additionally, Community Link provided post-homeownership counseling to 830 clients within the City of Charlotte. As a result of post-homeownership counseling, 85% of total households served will remain in their current homes.

CHARLOTTE

FY2016 Outside Agency Funding Request

Foundation for the Carolinas
Third Grade Reading Initiative

Scope of Service

The Third Grade Reading Initiative (official name forthcoming) is a new collaborative movement to double the percentage of third grade students reading at grade level, by starting at birth, working together and investing only in programs that work. More than half of all Charlotte-Mecklenburg Schools' third graders are not reading at grade level. If a child is not reading at or above grade level by the end of the third grade, he or she is four times more likely to drop out of school than a child who is reading proficiently.

The initiative was designed using the framework of Collective Impact, where major community integration and funding decisions will be executed through a collective process, entirely informed by data and evidence. Collective Impact is a methodology designed by the FSG Consulting Firm to create lasting solutions to social problems on a large scale; coordinating efforts between government, civil society, and the business sector around a clearly defined goal. Community funding of the effort will be used to fund three core components:

- The first is the "backbone," a lean, central staff that will implement six primary goals: guide vision and strategy; support aligned activities; establish shared measurement practices; build public will; advance policy & mobilize funding.
- The second component is a pooled "Transformation Fund," which promotes innovation, capacity building, collaboration, and seeds new programs meeting unmet needs in the community.
- The final component is the Targeted Co-funding Group, a collection of private, corporate and public funders who fund the birth-3rd grade space. Participants in this group will have access to and agree to use campaign data, strategy, and best practices to inform their grant making process and investments. In turn, funders such as the City of Charlotte will be better positioned to fund programs that actually make a difference in our community and in the lives of our children.

Information about this program was presented to the Economic Development & Global Competitiveness Committee on October 17, 2014.

Performance

Measure	FY2014 Year-End Actual	FY2015 Mid-Year Actual	FY2016 Target
Establish leading indicators to track annual progress to the goal of doubling proficiency to 80% by 2023 and publish baseline data.	n/a	n/a	100%

Financial Information

Funding Source(s): Local Innovative Housing PAYGO Funds

FY2015 City Funding	2015 Agency Total Budget	2016 Agency Program Budget (for which City funding is requested)	FY2016 City Funding Request
$0	$9,620,348*	$1,100,000	$100,000

Summary / Highlights of Agency Request

This is a new Financial Partner funding request. The community fundraising goal for this initiative is $1.1 million in 2015. The $100,000 City funding request represents approximately 9% of the overall $1.1 million budget.

*The Third Grade Reading Initiative will be fiscally housed with Foundation for the Carolinas (FFTC). The total agency budget shown in the above table is that of FFTC and does not include the separate and distinct Third Grade program budget. No City funds are being requested for FFTC's overall budget.

CHARLOTTE

FY2016 Outside Agency Funding Request

Carolinas CARE Partnership

Scope of Service

Carolinas CARE Partnership is dedicated to coordinating, developing and funding care, service, training, and prevention programs that address the complex issues of HIV and AIDS, and those persons directly affected by the epidemic, in the Charlotte Metropolitan Statistical Area (MSA). Carolinas CARE Partnership has been the regional administrative agent for Housing Opportunities for Persons with AIDS (HOPWA) programs for the MSA since 1998. The intended use of these funds is to provide supportive services to people living with HIV and AIDS who are at risk of becoming homeless in the ten-county MSA.

Carolinas CARE Partnership provides a wide array of housing resources in the ten-county MSA that includes: Anson, Cabarrus, Gaston, Iredell, Mecklenburg and Rowan (North Carolina); Chester, Lancaster, Union, and York (South Carolina). The following housing and supportive services are provided: short-term emergency assistance, housing information services, tenant-based rental vouchers, residential substance abuse treatment, transitional housing, and hospice care for people living with HIV and AIDS. These resources result in people living with HIV and AIDS having the ability to secure different housing resources that improves their health status.

Performance

Measure	FY2014 Year-End Actual	FY2015 Mid-Year Actual	FY2016 Target
Increase the number of households in the MSA assisted with HOPWA funding	543	394	530
Increase the percentage of clients served that maintain housing stability	92%	Data available June 2015	>92%

Note: In FY2016 there is a planned reallocation of HOPWA service dollars to permanent supportive housing construction. Due to the higher costs of permanent construction, it is projected that a lower number of households will be served

Financial Information

Funding Source(s): HOPWA (Federal) Grant Funds

FY2015 City Funding	FY2016 Agency Total Budget	FY2016 Agency Program Budget (for which City funding is requested)	FY2016 City Funding Request
$1,060,917	$2,135,175	$1,311,713	$1,311,713

Summary / Highlights of Agency Request

This program is fully funded by the U.S. Department of Housing and Urban Development through the HOPWA grant.

CHARLOTTE

FY2016 Outside Agency Funding Request

Charlotte Family Housing

Scope of Service

Charlotte Family Housing (CFH) is an innovative solution for family homelessness in the greater-Charlotte community. CFH's mission is to empower homeless families to achieve long term self-sufficiency. CFH works through three program areas to help solve family homelessness: housing, building partnerships, and empowering change. CFH provides services at three temporary/transitional shelters: Elizabeth House, Hawthorne Place, and Plaza Place. CFH's housing team works efficiently to re-house homeless families into rental units throughout the City and provides Good Neighbor Training to each family served. CFH continues to partner with individuals, faith groups, businesses and agencies committed to solving Charlotte's homeless crisis.

Performance

Measure	FY2014 Year-End Actual	FY2015 Mid-Year Actual	FY2016 Target
Number of families receiving monthly subsidies	109	87	75

Financial Information

Funding Source(s): HOME (Federal) Grant Funds

FY2015 City Funding	FY2016 Agency Total Budget	FY2016 Agency Program Budget (for which City funding is requested)	FY2016 City Funding Request
$330,000	$3,345,400	$3,345,400	$411,000

Summary / Highlights of Agency Request

This request is to continue to provide monthly rental subsidies to participating families in the Charlotte Family Housing program. Eligible households served must be 60% or less of the Area Medium Income (AMI), with priority given to households 30% of AMI currently living in area homeless shelters and/or substandard, overcrowded, or unaffordable housing.

This program is fully funded by the U.S. Department of Housing and Urban Development HOME Investment Partnerships Program grant fund.

CHARLOTTE

FY2016 Outside Agency Funding Request

Crisis Assistance Ministry

Scope of Service

This request provides funding to two Crisis Assistance Ministry programs: 1) the City Energy Assistance (CEA) program, and 2) the Emergency Rental Assistance (ERA) program. The CEA and ERA programs help prevent homelessness. Crisis Assistance Ministry receives approximately 53,000 hours of volunteer service per year.

1. The CEA program provides direct payments to utility companies on behalf of low-income households residing in Charlotte who are unable to pay their utility bills during times of financial crisis. For FY2015, it is estimated that 1,000 families will receive utility assistance. The average CEA amount is $163 per household served.

2. The ERA program provides emergency rental assistance for low-income households who are unable to pay their rent during times of financial crisis. For FY2015, it is estimated that 590 households will receive rental assistance. The average ERA amount is $320 per household.

Performance

Measure	FY2014 Year-End Actual	FY2015 Mid-Year Actual	FY2016 Target
Number of households receiving energy assistance	1,098	1,001	1,319
Number of households receiving rental assistance	612	516	779

Note: The number served varies from year to year, depending upon client's rental needs and energy demands. Targets for FY2016 are based on receiving 100% of the City funding request

Financial Information

Funding Source(s): Local Innovative Housing PAYGO Funds

FY2015 City Funding	FY2016 Agency Total Budget	FY2016 Agency Program Budget (for which City funding is requested)	FY2016 City Funding Request
$380,000	$14,968,297	$10,713,691	$500,000 *Energy Assistance = $236,000* *Rental Assistance = $264,000*

Summary / Highlights of Agency Request

Staff and volunteers conducted 25,795 service assessments in FY2014 and distributed $9.1 million in aid to landlords and utility vendors on behalf of families facing housing and financial crisis. The additional funding is being requested to assist more individuals and families to avoid eviction and loss of crucial utilities. The requested funding will also be used connect people experiencing a financial crisis with services that can provide those individuals with the tools and skills necessary to improve their financial situation and ultimately climb out of poverty.

CHARLOTTE

FY2016 Outside Agency Funding Request

Out of School Time Partners

Through the Request for Proposal two-year contract process, the following agencies applied for FY2016 and FY2017 Out of School Time Partner funding. The applications are currently being reviewed according to the approved evaluation criteria. Funding recommendations will be included as part of the April 8th Council Budget Workshop meeting.

	FY2015		FY2016 & FY2017		
Out of School Time Applicants	**Funded**	**# Participants served**	**Funding Request**	**# Participants to be served**	**Difference between FY2015 Approved Funding and FY2016 & FY2017 Funding Request**
FY2015 Funded Agencies					
Above and Beyond Students	$110,358	140	N/A	N/A	N/A
Citizen Schools	306,342	258	$200,000	166	$(106,342)
Greater Enrichment Program (GEP)	350,000	200	200,000	170	(150,000)
Police Activities League	287,410	243	200,000	195	(87,410)
Youth Development Initiatives*	94,710	120	N/A	N/A	N/A
YWCA Central Carolinas After School Enrichment	158,826	210	200,000	225	41,174
FY2016 & FY2017 New Applicants					
Behailu Academy	0	N/A	66,000	55	66,000
Bethlehem Center	0	N/A	112,959	90	112,959
Genesis Project	0	N/A	192,000	160	192,000
MGR Youth Empowerment	0	N/A	156,000	130	156,000
Indian Land Farm Club	0	N/A	Ineligible	N/A	N/A
Role Models University	0	N/A	Ineligible	N/A	N/A
Southeast Asian Coalition	0	N/A	Ineligible	N/A	N/A
TOTAL	**$1,307,646**	**1,171**	**$1,326,959**	**1,191**	**$224,381**

*Youth Development Initiatives' FY2015 allocation was decreased by $67,615 from the original adopted budget amount due to changes in the contract scope.

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Review of Budget Questions & Answers
from Mayor & Council Retreat

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Questions and Answers
January 30th Council Retreat

Question 1: What would be the impact on future debt service capacity for the General Community Investment Plan if the State Legislature changed the sales tax distribution methodology to a per-capita only distribution?

- The potential change in distribution methodology would impact the local option sales tax (Articles 39 and 42) currently distributed based on point of collection, and the City Hold Harmless sales tax, currently distributed using a mix between point of collection and per-capita.
- The City allocates Articles 39, 42, and Hold Harmless local option sales tax revenues to the General Fund, with a portion then transferred to the General Capital Pay-As-You-Go Fund. The potential change in distribution methodology would result in an estimated loss to the City of $29.1 million in sales tax revenues, all of which would impact the General Fund, with no impact to the Debt Service Fund.
- Article 40 Sales tax revenues dedicated to the General Debt Service Fund to support future debt service capacity are already collected on a per-capita only basis. As a result, there would be no impact on future debt service capacity for the General Community Investment Plan if the State Legislature changed the sales tax distribution methodology to a per-capita only distribution.

Table 1 below shows the allocation of the sales tax revenue by type, the current distribution methodology for each, and the impact of the potential loss of $29.1 million.

Table 1

State Statute	Current Distribution Method	Estimated Potential Loss ($ millions)
General Fund		
Article 39	Point of collection	($16.8)
Article 42 [(a)]	Point of collection	($8.0)
City Hold Harmless [(b)]	Point of collection/Per-Capita	($4.3)
Total General Fund		**($29.1)**
Municipal Debt Service Fund		
Article 40 (Debt Service)	Per capita Only	$0.0
Total All Funds		**($29.1)**

(a) A portion of the Article 42 sales tax in the General Fund is transferred to the Pay-As-You-Go Fund for capital support, in an amount equal to the Article 40 (per capita) collection. As a result, the estimated potential loss of sales tax revenue if the State Legislature changed the sales tax distribution methodology to a per-capita only distribution should have no impact on the Pay-As-You-Go Fund.

(b) Counties are required to hold municipalities harmless due to the repeal of Article 44 Sales Tax

Question 2: How does the City budget for fuel costs, and how is fuel purchased for service vehicles?

The City budgets for fuel costs each fiscal year based on actual expenditures in the current and preceding fiscal years, current market conditions, and fuel price projections provided by fuel contractors.

The City currently uses various contractors for the provision of fuel supplies including gasoline, diesel, auxiliary fuels and motor oils. The largest and most commonly used contractor is FuelMan. This City-wide contract is solicited through the Charlotte Cooperative Purchasing Alliance on behalf of the City, County, and other local and national participating agencies. The FuelMan contract allows City workers to use a Fuel Card to purchase fuel at contract prices from retail gas stations throughout the City. FuelMan also provides delivery of bulk fuel supplies for storage at onsite City-owned fuel tanks and generators at various City facilities. The majority of savings in fuel costs in the current fiscal year has occurred through FuelMan contract pricing, which reflects current market conditions.

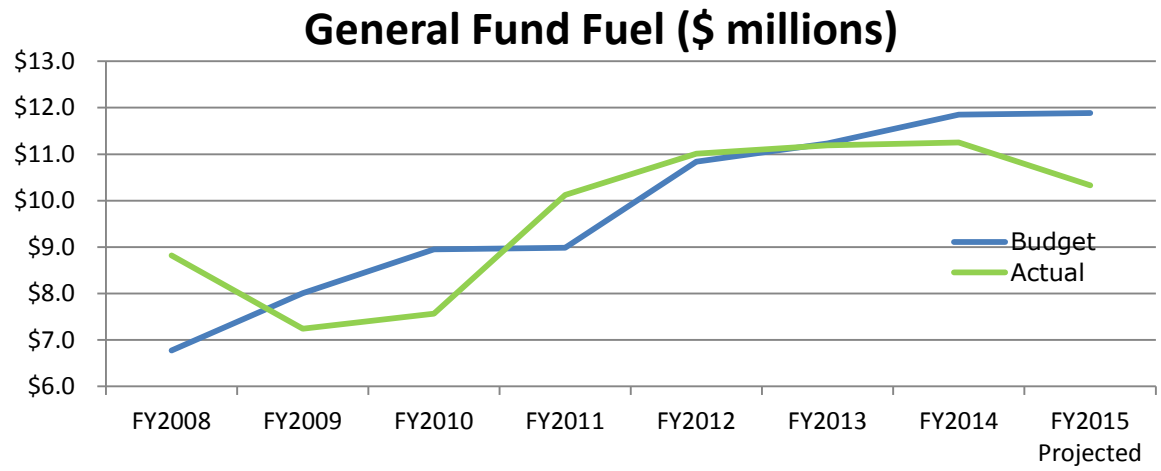
Below is a summary of the various means for purchasing fuel used by City departments with the largest fleets:

- **Charlotte Mecklenburg Police Department** - uses FuelMan for all vehicles.
- **Charlotte Water** - uses FuelMan for all crew vehicles. FuelMan subcontracts with Mansfield to provide bulk fuel purchases for generators at the various plants, lift and booster stations.
- **Charlotte Department of Transportation** - uses FuelMan for all vehicles.
- **Solid Waste Services -** FuelMan subcontracts with Quick Fuel to provide mobile after-hours fueling for (SWS) vehicles.
- **Charlotte Fire Department** - a separate fuel contract was approved by the Charlotte City Council on November 10, 2014 and is used for all of the Fire Department's emergency and transportation vehicles. The contract provides priority purchasing in high demand situations.
- **Charlotte Area Transit System (CATS) -** fixed price forward purchase contracts are used by CATS to procure Diesel fuel. The program began with a fuel bid designed to purchase both fixed-price and index-price fuel in spring 2009. The first fixed-price fuel agreement was approved April 15, 2009. Over the course of the program's history CATS has had 19 overlapping agreements for fixed-price fuel.

Question 3: How have lower gas prices impacted the City's current year operating budget?

Overall, the City is experiencing operational savings in FY2015 due to falling oil prices. **Chart 1** below illustrates actual fuel expenditures incurred by City service departments compared to budgeted amounts over the past several years. FY2015 fuel expenditures for General Fund service departments are projected to be approximately $1.6 million under budget. The majority of the fuel savings will occur in the Police Department ($1.3 million), and Fire Department ($0.1 million), with the remaining savings occurring in various other City departments.

CHART 1



Question 4: What is the current budget gap associated with Police Separation Allowance Payments? Is staff developing options to close the budget gap and cover projected future year costs associated with those payments?

Charlotte Mecklenburg Police Department (CMPD) sworn officers are entitled to a "separation allowance" benefit, as defined in General Statutes 143-166.41-50. The special separation allowance is available to local and state law enforcement officers if they retire on a service retirement allowance (thirty years of service, or age 55 with 5 years of service). The separation benefit is a predetermined monthly allowance (based on years of service and last annual salary) that is payable from the time the officer retires until the officer reaches age 62 (the point at which the officer reaches social security eligibility).

For FY2015, CMPD has a budget of $2,250,000 for all Sworn Officer Separation Allowance Payments, whereas actual expenditures are estimated to be approximately $4,000,000. Prior to FY2014, CMPD had been able to absorb the under budgeted costs for separation allowance through various personal services savings. In prior years, the Police budget produced enough salary savings to cover specific line-item overages in sworn officer Separation Allowance Payments.

CMPD's current staffing model calls for the department to be at full staffing levels at all times. This has been a challenge, partly due to the budget pressures associated with the Sworn Officer Separation Allowance Payments. The budget adjustments required to cover the Separation Allowance Payments have made it difficult for CMPD to complete the necessary number of recruit classes to constitute full staffing levels. CMPD currently schedules three recruit classes per year, but would like to hold four classes per year to keep up with the current retirement and turnover rate.

In accordance with retirement payouts, the City Manager has asked a full review be conducted to determine the City's future expenses related to these items. During the FY2016 budget planning process, the Department of Management & Financial Services/Office of Strategy & Budget and CMPD will work together to identify options for closing the separation allowance funding gap.

An actuarial study, commissioned by the City, shows that the cost of separation allowance will continue to grow in future CMPD budgets as the payments climb approximately $500,000 annually from FY2016-FY2020. **Table 2** below shows the projected annual Separation Allowance Payments through 2063.

Table 2

Actuarial Study				
	Number of Participants			Projected Benefit Payments
December 31,	Actives	Retirees	Total	
2013	1,829	207	2,036	$ 3,749,198
2014	1,849	207	2,056	$ 3,831,546
2015	1,869	214	2,083	$ 3,967,493
2016	1,890	240	2,130	$ 4,476,779
2017	1,911	266	2,177	$ 4,916,410
2018	1,932	282	2,214	$ 5,335,206
2019	1,953	311	2,264	$ 5,870,246
2020	1,975	330	2,305	$ 6,334,278
2021	1,996	339	2,335	$ 6,658,340
2022	2,018	348	2,366	$ 7,019,600
2023	2,040	363	2,403	$ 7,521,326
2024	2,063	379	2,442	$ 8,126,225
2025	2,086	372	2,458	$ 8,286,959
2026	2,109	363	2,472	$ 8,472,843
2027	2,132	353	2,485	$ 8,640,801
2028	2,155	340	2,495	$ 8,663,509
2029	2,179	325	2,504	$ 8,556,220
2030	2,203	301	2,504	$ 8,133,009
2031	2,227	268	2,495	$ 7,471,025
2032	2,252	241	2,493	$ 6,859,044
2033	2,276	208	2,484	$ 6,123,979
2034	2,301	195	2,496	$ 5,900,965
2035	2,327	182	2,509	$ 5,659,528
2036	2,352	178	2,530	$ 5,662,350
2037	2,378	181	2,559	$ 5,886,199
2038	2,404	186	2,590	$ 6,242,677
2039	2,431	191	2,622	$ 6,628,908
2040	2,458	198	2,656	$ 7,137,479
2041	2,485	206	2,691	$ 7,639,193
2042	2,512	208	2,720	$ 7,974,032
2043	2,540	215	2,755	$ 8,482,714
2044	2,567	215	2,782	$ 8,637,304
2045	2,596	218	2,814	$ 8,951,728
2046	2,624	218	2,842	$ 9,186,734
2047	2,653	221	2,874	$ 9,513,427
2048	2,682	234	2,916	$ 10,290,345
2049	2,712	247	2,959	$ 11,116,952
2050	2,742	252	2,994	$ 11,669,381
2051	2,772	258	3,030	$ 12,305,531
2052	2,802	266	3,068	$ 13,108,407
2053	2,833	270	3,103	$ 13,740,387
2054	2,864	273	3,137	$ 14,367,262
2055	2,896	275	3,171	$ 14,944,171
2056	2,928	277	3,205	$ 15,554,905
2057	2,960	279	3,239	$ 16,179,107
2058	2,992	280	3,272	$ 16,780,499
2059	3,025	280	3,305	$ 17,377,966
2060	3,059	281	3,340	$ 17,994,976
2061	3,092	281	3,373	$ 18,637,815
2062	3,126	282	3,408	$ 19,342,346
2063	3,161	282	3,443	$ 20,083,623

Question 5: What types of emergency calls comprise the 4,390 calls experienced by Fire Station 42 in 2014?

The Eastland Mall area has some of the highest emergency call volumes in the City. The majority of the calls in this area are answered by Station 42, which currently houses a single engine company. The Charlotte Fire Department has requested an additional engine company at Station 42 in their FY2016-2017 annual operating budget, this request was discussed as part of the Budget Outlook Report presentation at the January 30 Council Retreat. During the Retreat discussion, the City Council requested a list of the number and types of calls received at Station 42 in FY2014. **Table 3** below shows the distribution of calls by type.

Table 3

Call Type (Engine 42)	Type Count	% of Total Calls
Fire	179	4.08%
False Alarm	228	5.19%
Motor Vehicle Accidents	277	6.30%
Rescue	747	17.02%
Other (Chemical Leaks, Fuel Spills, Weather Events)	852	19.41%
Emergency Medical Services	2,107	48.00%
TOTAL	**4,390**	**100.00%**

Question 6: What are Two-Thirds Bonds, and does the City use this financing approach for General Obligation debt?

Generally, when a local government issues general obligation (G.O.) debt—pledging its taxing power as security for the borrowing—it must first obtain voter approval. Two-thirds Bonds are an exception to the requirement to obtain voter approval for issuance of G.O. debt. Through Two-thirds Bonds, local governments may issue G.O. debt without voter approval in an amount up to two-thirds of the amount by which it reduced its outstanding G.O. debt in the preceding year.

The amount of two-thirds capacity that could be issued is calculated by determining the net reduction in principal payments on outstanding G.O. debt in the previous fiscal year. Principal payments on new G.O. debt issued during that same fiscal year must be subtracted from principal payments retired on existing outstanding debt before calculating the two-thirds capacity.

Additional requirements and restrictions

- Two-thirds bonds must be issued in the year immediately following the year in which the debt was reduced. Two-thirds capacity may not be accumulated from year to year
- Two-thirds bonds can be used for any of the same authorized purposes as voter-approved G.O. bonds, with a few exceptions:

  The following purposes for which G.O. debt may be used are always subject to voter approval, and therefore cannot be funded with non-voted two-thirds bonds:

- Auditoriums, coliseums, arenas, stadiums, civic centers, convention centers, and facilities for exhibitions
- Athletic and cultural events, shows, and public gatherings
- Art galleries, museums, art centers, and historic properties
- Urban redevelopment
- Public transportation (Transit)
- Cable television systems

In FY2014, the City of Charlotte retired $111,643 in principal on outstanding G.O. debt, but added $239,543 in principal for new G.O. debt issued in FY2014. As a result, the City has no two-thirds bond capacity for FY2015. With the approval of the $816.4 million Community Investment Plan covering four G.O. Bond Referenda between 2014 and 2020, it is unlikely the City will have any Two-thirds Bond capacity at least until after 2020. Additionally, any two-thirds capacity that may be created after 2020 will be a relatively small amount and would most likely be insufficient to fund any significant capital infrastructure needs.