
Budget Committee

Meeting Summary for February 29, 2016

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COMMITTEE AGENDA TOPICS

- I. Budget Committee Work Plan Update/Council Priorities
- II. March 16 Council Budget Workshop Agenda
- III. Employee Compensation & Benefits Overview
- IV. General Community Investment Plan
- V. Solid Waste Services – Multi-Family Service Review Update

COMMITTEE INFORMATION

Present: CM Phipps, CM Driggs, CM Kinsey,
Time: 1:30 p.m. – 3:00 p.m.

ATTACHMENTS

- 1. [Budget Committee Work Plan](#)
- 2. [Draft Criteria for Evaluating Mayor and Council Priorities](#)
- 3. [March 16 Budget Workshop Agenda](#)
- 4. [Employee Pay and Benefits Presentation](#)
- 5. [Undesignated Resources & Capital Needs](#)
- 6. [Solid Waste Services Workgroup Agenda and Invitation List](#)

DISCUSSION BRIEFING

I. Budget Committee Work Plan Update/Council Priorities

Kim Eagle, Management & Financial Services

Eric Hershberger, Management & Financial Services

Committee questions included:

- Phipps: Are action steps embodied in the Focus Area Plans?
 - Eagle: A lot of the descriptions in the priorities document came from the Focus Area Plans, so action steps could look like the content that's already in the Focus Area Plans. There has not been an official determination on whether we will map these descriptions against the Focus Area Plans or if these will replace the Focus Area Plans.
- Driggs: At the retreat we were struggling with some of these descriptions. So are you now saying that you'll update what we did at the retreat?
 - Eagle: We're looking to take these descriptions to the next level so that you can use them more effectively in budget conversations. For example on the CMPD item, we can map out outcomes and action steps around putting that in place, including phasing. It will be difficult to do that for all of the descriptions, but we could take those that had a funding request that may come before you for budget decisions and build those out for you.
- Kinsey: I have some concerns that we would ditch the Focus Area Plans that we've

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been working on for a while. I also have concerns that if we do it, will the other committees do it?

- Eagle: That's the challenge. If Council wants to use these priorities as a guide for the budget deliberation and allocation decision process, there's an opportunity to do that, but we just need to be thoughtful about what that looks like. I have a similar concern regarding our Focus Area Plans as they have been in place for a very long time.
- Driggs: If we have places where there's nothing in either box next to the priority description, what conclusion should we draw?
 - Eagle: Staff is evaluating what may go in the box. The baseline information and, to a lesser extent, the funding request are both still in draft form. If you have specific thoughts around any of these, I'd like to capture that.
 - Driggs: You could say about Eastland that Neighborhood and Business Services is committing resources and is looking for a solution.
 - Eagle: We could also say that we're having conversations with the school system relative to their interest, we could talk about plans for the access road, and there are other components that are ongoing that we could fill in there.
- Kinsey: I'm really concerned about the Eastland situation, and I think it does impact the budget. From what I've heard, I'm not convinced that the right catalyst for Eastland is a school, but if that happens we're sort of giving away the property. And I have a huge problem with that, particularly in light of the fact that the County has a huge surplus.
 - Eagle: That is definitely where the Budget Committee comes in, and that's the kind of conversation that would be advantageous to hold at the next Budget Workshop, as we put these strategic questions on the table.
 - Kinsey: If we wait too long, it will be too late. And I don't think it can wait. We stand to lose a significant amount of money
 - Driggs: How does that show up in our budget? If we do a land transaction at Eastland, a portion of the land is transferred to CMS. It would almost be a balance sheet transaction.
 - Bill Parks: It would be a land bank transaction between the City and the County, or it might be a specific land swap.
 - Driggs: I think that's an important issue being raised, and I agree with you, Ms. Kinsey. I just don't think it's a budget topic.
 - Kinsey: The County is already into us for over \$1 million in this land swap, and I'm not willing to do any more of that given the surplus they're sitting on. I'm just not willing to give away our land.
 - Driggs: What committee primarily looks at that?
 - Eagle: I believe it's Economic Development and Global Competitiveness. But I can confirm and follow up.
- Driggs: When you showed us the results of senior staff and then we did our surveys, I mentioned then that the way to interpret that data needs to be clearer. I saw that information and it wasn't clear to me what action I was to take. Particularly as we get into some of these other priorities where there are several items and the outcome of Council is less predictable. Having seen the results of the first one, are you confident that we're getting good, actionable data from those surveys?
 - Eagle: It informs the internal conversations. There are other priorities where there is less consistency. My interest is in how department director input relates to Council input in terms of identifying gaps or questions staff can raise

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that may inform Council's conversation.

- Driggs: How you report the findings and what you tell people you learned from the surveys will be critical.
 - Eagle: We're working on that now.

Committee decisions included:

- Phipps and Driggs: Could we have the actual Focus Area Plans at hand? That way the integrity of the Focus Area Plans would be there. Could you go through the Focus Area Plans and write the corresponding Council Priority? I think we'll find that it aligns pretty well.
 - Eagle: The origin of the Council Priorities is the Focus Area Plans, the Manager's work plan and evaluation. There should be no conflicts with what's in the Council Priorities and the Focus Area Plans. We can do a crosswalk.
- Eagle: Staff can continue to update the descriptions to make them more specific so that they are more useful for the budget deliberation process. There's some action steps we can add.
- Driggs: On public safety, I believe we've agreed that the request for 125 officers could not be fully implemented in just one year. We should be clear about what we want to do and when. It would be good to have a goal listed on this document. Something we can look at a year or two from now and say what we've achieved.
 - Eagle: Along with phasing, we might benefit from some information on outcomes in terms of what we get if Council makes this funding decision.
- Kinsey: Looking at CMPD, there's an initial cost but there's also an ongoing cost. I don't think we always consider that. For example, with the body cameras, I had no idea how much it costs to store that data, and it is huge. We didn't talk about that.
 - Eagle: We could breakout phasing, ongoing costs, personnel, capital, etc. to make it usable for budget development. If it's the pleasure of this committee, we can consider that to be the next step and get it back out prior to the March 16 Budget Workshop. We will focus on those descriptions that have a funding request to be considered in the budget process.
- Kinsey: Will this committee be getting this full document prior to it going to full Council?
 - Eagle: Yes, we can do that. This will be a working document and we can meet in a small group setting if there's not another opportunity for the Committee to meet prior to the next Workshop.
- Eagle: Regarding the survey Council took at the last workshop, we would like to complete that work for items 2 through 6, as we only covered item 1 in the last workshop. Would you like to send that out to full Council electronically with the information that came in from department directors?
 - Phipps: I think it would be good to have them do it electronically. When they come back we'll have the directors in the room for some clarification. If we gave it to them ahead of time and encourage them to do it, that would facilitate an orderly flow.

II. March 16 Council Budget Workshop Agenda

Kim Eagle, Management & Financial Services

The Budget Committee received the March 16 Budget Workshop Agenda as information.

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III. Employee Compensation & Benefits Overview

Cheryl Brown, Human Resources

Committee questions/comments included:

- Kinsey: Is the state retirement the City match to what employees contribute?
 - Brown: This is what the City is required to contribute per the General Assembly. The City's contribution has remained at 6% for several years.
- Driggs: The total budget is \$2.1 billion for everything, and compensation represents 60%, correct
 - Eric Hershberger: The General Fund represents 60%
- Kinsey: When you say conversion, are we converting hourly employees to exempt?
 - Brown: We're moving those hourly employees from broadbanding into the new pay plan.
- Kinsey: What percentage of our employees are hourly?
 - Brown: Between 72 and 78.
 - DeLane Huneycutt: That includes public safety which will not be impacted by this new pay plan. This plan will impact about 2,800 employees.
- Kinsey: If you removed the public safety employees, what percentage would be impacted by the new pay plan?
 - Huneycutt: Approximately 40%
- Driggs: The \$0.5 million increase would carry forward, correct? We'd establish funding \$0.5 million higher than prior years?
 - Brown: Yes, it would be an increase to the base.
- Driggs: Does it change the trajectory of compensation? Will the ongoing implementation of this plan result in something other than the \$0.5 million more than we were going to spend in the old system?
 - Brown: I don't think so because although we're pulling this pay plan out, we're funding it in the same manner that we would have under broadbanding. So the market adjustment would be 0.5% and the merit budget would be 0.5% equal to the 3%. We've always tried to level the playing field when we found disparities, and I don't see us changing that.
 - Eagle: I'd add that we're tightening controls in implementation of the pay plan which could save money.
- Phipps: Can you comment on the feedback provided by the group that got together to hear about the plan?
 - Eagle: A group of employees from Engineering, Transportation, and Water get together occasionally, and we brought to them what was shared at the last budget committee in terms of the pay plan. It was good dialogue. They were very encouraged.
 - Huneycutt: They said they felt like they had been heard over the past couple of years. Some of them who had come to speak to Council in prior years regarding compensation didn't feel like that would be necessary now.
- Driggs: Are the top growth numbers for benefits reflective of the total growth? So this isn't just the City's share, correct? There will be a separate conversation about how much the City pays versus how much the employee pays, correct?
 - Brown: That is correct. This is also baked into the base budget number.
- Driggs: In Ms. Mayfield's absence, I would note that she's highlighted the sensitivity

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of the increasing share of benefits for the lowest paid employees. As we transition to the new pay plan we should monitor that cost to the lowest paid employees.

- Brown: We are looking for ways to mitigate that impact of those health insurance increases on the lowest paid employees.
- Driggs: Given how big compensation is in proportion to the rest of the budget, compensation is going to be one of the things that comes under scrutiny. I'd love to see us defend the 3% merit increase. It will be a matter of choices we make.
- Phipps: Are you satisfied with utilization of the clinics after the first month?
 - Brown: We are satisfied at this point. The Wilkinson location will be used for public safety pre-employment physicals. I see the utilization increasing there.
- Driggs: When will you have enough data on the clinics to determine if our financial expectations were met?
 - Brown: Within a year. These return on investment numbers are important. Every person who goes to MyClinic and doesn't go to the doctor's office, fills a prescription, etc. saves the City money. Our initial expectation were that after a year the return on investment would be \$3.2 million and after that it went up to \$5.5 million.

IV. General Community Investment Plan

Bill Parks, Management & Financial Services

Committee questions/comments included:

- Driggs: I assume these available undesignated resources are net of any funding related to the Gold Line, correct?
 - Parks: Yes, that's correct.
- Driggs: The \$14.3 million was funded from the earlier balance of undesignated resources, not CIP money, correct?
 - Parks: Yes, that's correct.
- Driggs: How hard would it be to add a column breaking out future years of projects?
 - Carlee: We don't want to set an expectation that the projects were scheduled before they were actually approved.
 - Driggs: What about breaking the aggregate down by tear? I'm trying to get a sense of when this is going to get really urgent.
 - Carlee: Let's think about that. Part of what's important in the unfunded projects is providing as much flexibility for Council as possible. When we get too confined in terms of a project and a date, people do read that as a decision. I don't want to put Council in a box.
 - Driggs: What if we had a number representing urgent needs in the coming years?
 - Carlee: The way we would do that is in the CIP update. When we bring you the update, we would identify from the revision of this list, and then we would propose those urgent needs as a part of our CIP recommended funding for Fiscal Year 2017. Or if there's a really compelling need, building it in for FY2018 or FY2019. Otherwise we'd like to keep it in an unfunded list that would be revisited based on the most current information.
 - Driggs: I don't want to find ourselves having to make tough decisions based on foreseeable needs. For example is the transportation center funding we would need on this list? When we go down that road, we're committing an

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additional \$118 million and we don't know if we have the wherewithal to see it through. I'd just like a bigger picture sense of what we know is coming along down the road, versus end up reacting. The better we get the benefit of the things we know about today with our priorities and sequencing, the better equipped we'll be with funding.

V. Solid Waste Services – Multi-Family Service Review Update

Victoria Johnson, Solid Waste Services

Kim Eagle, Management & Financial Services

Committee questions/comments:

- Driggs: The core question is why are multi-family residents paying property taxes and not being provided with a service. So in simple terms, what is the answer to that question? Are we not just treating them differently than single family home owners who are paying taxes and see a large portion of their trash collection cost covered by that?
 - Johnson: When it came to multi-family, for me the question was, is it a commercial entity that was making a profit, like an apartment complex? So if it was for-profit, then we charge them. The question was, do we want to be in the dumpster business. If we want to continue in the dumpster business, that's fine, but we just need to be clear that we're in the dumpster business. If we want to be in the residential collection business, then we need to understand that. That's why it's been a struggle to determine what do we do with people who are in the middle. It would be an equity issue when you look at residential and you look at condo. Back in 2012 when we got rid of supplemental service for the apartment complex, one of the things everyone said was there was a concern about people massively dumping and littering. Along with that we considered how do we look compared to peer cities which provide a similar kind of service. The consultant report came back with a myriad of suggestions, but some of them we can't legally implement in North Carolina. We've been trying to determine what we can do. We started last year with the small business. We've been taking baby steps. Now we're dealing with the big question: do we want to continue with multi-family service? In that forum, some people said we'll pay the full cost per unit for service. Now we have more than one or two options that we're looking at.
 - Driggs: The business logic is a little faulty. The price they charge rolls up into their property tax and solid waste collection. The property tax they were charging had some of the cost of solid waste collection in it and now it doesn't. Also, the lines aren't that cleanly drawn. It gets muddied, like with people renting single family homes. I have some sympathy for the people I've heard from. I'd like to see us respond to this issue of unequal treatment of residents. Last year we lowered the tipping fee and that actually makes this conversation more difficult because taking away that smaller tipping fee gives less relief if we had a larger portion being allocated to user versus coming out of the General Fund.

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- Phipps: The County classifies certain properties as commercial. Is that a County nomenclature? We had a similar issue with Storm Water where some condominiums were classified as commercial. Is this similar?
 - Eagle: I think the Storm Water situation was a misclassification on the city's part, but we can go back and check on that.
 - Carlee: Tax classifications are often not consistent. Here, townhomes are considered multi-family, and in other places they are considered multi-family attached. One of the challenges that Victoria Johnson has had is moving away from the tax collector paradigm.
 - Driggs: There's a public perception that we're using this rationalization just to raise revenue. People point to the \$3 million number.

Budget Committee Work Plan Update

<i>Meeting Date</i>	<i>Item</i>	<i>Description</i>	<i>Discussion/Decision Points Future Action Requested</i>
Monday, September 28; 2:00 – 3:30 pm – Room 280	Storm Water Ordinance (referred on July 28)	Review of funding approaches - General Fund/property tax base for large projects, etc.	Committee voted to recommend Staff's amendment to the Ordinance (passed unanimously)
	Threshold for Agenda Placement (referred on July 28)	Discuss placement of items on Council Business Agenda (Consent vs. Business)	Committee discussed different alternatives and recommended leaving current process in place
	Pay Plan for Non-exempt Employees	Overview of current process and reasons for modification to City pay plan for non-exempt City employees	Committee discussed need for modifications to hourly pay plan and supported concept for changes
	Follow up from FY2016 Budget Process and Committee Work Plan	Discuss items from FY2016 Budget process & provide a list of future Committee topics	Committee discussed project list and determined the following projects would not be revisited by Committee during current Budget cycle: <ul style="list-style-type: none"> • Take home vehicles • Water meter upgrade (include as part of Charlotte Water CIP) • Asset Sales Leaseback (to be reviewed by PCAC)
Monday, January 11; 1:30 – 3:00 pm – Room CH-14	Budget Committee Work Plan Update	Discuss Budget Committee work plan through Council Budget Workshops	Committee discussed being more involved in substantively guiding what goes to full Council in Budget Workshops and in the budget process in general
	Budget Process Calendar	Review of Budget Process Calendar	Committee discussed their desire to focus more on key issues and decision points during Council Budget Workshops
	FY2016 Budget Outlook Report Content	Review Budget Outlook Report Content for Annual Council Retreat	Committee discussed potential topics at Annual Council Retreat. This was to include a revenue update and budget and financial indicators

Meeting Date	Item	Description	Discussion/Decision Points Future Action Requested
	FY2017-FY2021 Community Investment Plan Overview	Discuss current outlook of General Community Investment Plan	Committee discussed criteria for making any changes to Community Investment Plan. Committee discussed importance of not making vast changes to approved plan
	General Fund-Fund Balance Policy	Update on City Fund Balance Policy and impact of potential modifications	Committee discussed the current policy and asked Staff return with additional information
Monday, February 8; 12:00 – 1:30 pm – Room 280	Budget Committee Work Plan Update	Discuss Budget Committee work plan through Council Budget Workshops	Committee discussed how to align budget priority discussion with document production. Staff offered to provide decision matrix and road map
	Pay Plan for Non-exempt/Hourly Employees	Discuss proposed modifications to City pay plan for non-exempt/hourly City employees	Committee asked specific questions related to implementation of the hourly pay plan. Staff provided answers and notated Committee feedback
	Solid Waste Services Delivery Model (primary referral is to Environment Committee)	Process status update	Committee received synopsis of Environment Committee meeting from February 1 st . Next step were outlined and presented
	Storm Water Budget	Preview of Storm Water Operating Budget & Overview of current Storm Water Capital Program	Committee discussed several issues related to City Storm Water and water quality.
	CATS Budget	Preview of CATS Operating & CIP Budget	Committee received summary document which previewed Budget Workshop topic
	February 24 Council Budget Workshop Agenda	Review and Approve agenda for Council Budget Workshop	Committee did not amend February 24 th Council Budget Workshop agenda as presented by staff

Meeting Date	Item	Description	Discussion/Decision Points Future Action Requested
Monday, February 29; 1:30 – 3:00 pm – Room 280	Budget Committee Work Plan Update/Council Priorities	Continue to discuss Budget Committee work plan through Council Budget Workshops	Discussion & Feedback
	General Fund Update	Discuss Preliminary General Fund Revenues and Expenditures	Discussion & Feedback
	Community Safety strategic needs including Fire companies, in-fill Fire stations, Police patrol services and Police stations location planning (joint referral to the Community Safety Committee)	Community Safety Committee to discuss and determine relative priority within each area, not funding recommendation. Budget Committee to discuss funding.	Discussion & Feedback
	Solid Waste Services Delivery Model (primary referral is to Environment Committee)	Process status update	Discussion & Feedback
	Compensation & Benefits	Review Draft Compensation & Benefits Information	Discussion & Feedback
	Community Investment Plan	Review Draft Community Investment Plan	Discussion & Feedback
	March 16 Council Budget Workshop Agenda	Review and Approve agenda for Council Budget Workshop	Discussion & Recommendation
Monday, March 21; 1:30 – 3:00 pm – Room 280	Aviation Budget	Preview of Aviation Operating & CIP Budget	Discussion & Feedback
	Storm Water Budget*	2nd Review of Storm Water Operating & Capital Program	Discussion & Feedback

<i>Meeting Date</i>	<i>Item</i>	<i>Description</i>	<i>Discussion/Decision Points Future Action Requested</i>
	Charlotte Water Budget	Preview of Charlotte Water Operating & CIP Budget	Discussion & Feedback
	Charlotte Water Assessment of Capital Funding Model	Overview of capital funding model used by Charlotte Water	Discussion & Feedback
	Financial Partner Recommendations	Preview of Financial Partner Recommendations	Discussion & Feedback
	Community Investment Plan*	2 nd of Review Draft Community Investment Plan	Discussion & Feedback
	April 6 Council Budget Workshop Agenda	Review and Approve agenda for Council Budget Workshop	Discussion & Recommendation

* If necessary

Draft Criteria for Evaluating Mayor and Council Priorities

What are we doing?

Continuing the work and discussion initiated at the Council Retreat on the Mayor and Council's strategic policy priorities for our City. Council's feedback on this updated draft will be used to shape the development of the City Manager's recommended FY2017 Budget.

Why are we doing it?

There are a variety of ways in which numerous policy priorities are organized (Focus Area Plans, City Manager's work plan from Council).

As a complex City there are a large number of projects and activities always in progress.

This discussion attempts to identify what is most important strategically to the Mayor and Council.

This draft is an update based on input from Council members. This version of the priorities now includes budget related information on current baseline funding and requests under staff review for FY2017 budget development. Baseline funding is still being refined, and FY2017 funding requests are still under review and reflect work in progress. Staff is making no funding recommendations on these funding requests at this time. Staff is also continuing to refine the priority descriptions to add action steps and success measures.

In determining the highest level priorities for use in the **budget deliberation process**, the following criteria are suggested:

- Which priorities will have the **most impact in the community**?
- With constrained financial resources and staff capacity, which priorities are the **most urgent** to address?
- Which priorities have **significant budget impact** and require Council policy direction and funding allocation decisions?

Other important overarching criteria to be considered include:

- Which priorities are the most important for achieving the Charlotte that we want?
- Which priorities will have a "ripple effect" – addressing more than one policy area?

What does success look like?

- Mayor and Council consensus on key strategic policies
- Prioritization of these key strategic policies
- **Use of priorities to frame key budget decisions and direct linkage of policy discussion with resource allocation process**
- Articulation of policy priorities that are actionable by staff

Draft Strategic Policy Objectives: What We Want to Achieve

1. **Ensure all residents and visitors are safe**
2. **Build and preserve vibrant and diverse neighborhoods**
3. **Provide economic opportunity to increase upward mobility**
4. **Facilitate and invest in innovation and intentional growth of the city with sustainable infrastructure**
5. **Connect people and places by foot, bike, transit, and car, safely and effectively for people of all ages**
6. **Advance a clean and healthy environment**

1. Ensure all residents and visitors are safe

<u>Description</u>	<u>Baseline</u>	<u>Funding Request Under Review</u>
A. Increase CMPD resources in programs where additional staff can have the greatest impact on crime.	\$227M FY2016 Budget 2,309 Positions	125 Additional Sworn Positions, 80 Civilian Positions - Up to \$17.5M (includes \$1.9M in one-time capital expenses)
B. Ensure that the Charlotte Fire Department can meet response standards by adding companies based on analysis to target resources to have the greatest impact.	\$113M FY2016 Budget 1,167 Positions	Ladder 28 - \$2.8M (\$0.9M Capital) Engine 65 - \$2.4M (\$0.6M Capital)
C. Collaborate with effective youth crime diversion programs especially for first time, non-violent offenders to avoid a criminal record and increase their opportunity for success.	Approximately \$253,000 in grant funding for youth crime diversion programs	Funding request in item A would assist in supporting this Priority
D. Support CMPD efforts in addressing the broader root causes of crime in targeted areas.		Funding request in item A would assist in supporting this Priority

2. Build and preserve vibrant and diverse neighborhoods

Description	Baseline	Funding Request Under Review
A. Preserve or replace existing affordable workforce housing, using tools such as an inventory of City owned land and revisited locational policy.	\$60M budgeted in four Community Investment Plan bond cycles for Housing Diversity, which produces approximately 4,776 units	
B. At the Eastland Mall site create a new community through private and appropriate public investment that integrates into and enhances the surrounding areas		
C. In Applied Innovation Corridor ensure that elders and long-term residents can stay in their homes especially as neighborhoods gentrify. Inventory available and potential tools such as purchase assistance, home repair, and tax and fee impacts. Develop age in place program for seniors	<p>\$60M budgeted in four Community Investment Plan bond cycles for Housing Diversity. Program not targeted to a specific area.</p> <p>1,207 homes rehabilitated over 5 years supported by 5 positions</p>	<p>Potentially use a portion of \$60M budgeted in four Community Investment Plan bond cycles for Housing Diversity</p> <p>Two additional positions requested to reduce 18 month backlog of residents waiting for emergency repairs and home rehabilitation</p>
D. Continue strong investments in neighborhood infrastructure	\$120M budgeted in four Community Investment Plan bond cycles for Comprehensive Neighborhood Improvement Program	
E. Develop a strategy to address needs to infill and redevelopment		

3. Provide economic opportunity to increase upward mobility		
<u>Description</u>	<u>Baseline</u>	<u>Funding Request Under Review</u>
A. Create more opportunity for people with employment challenges by leveraging City workforce contracts and Business Investment Grants.		
B. Facilitate with our partners the availability of internships and apprenticeships, as well as the awareness of employment opportunities, job fairs, job training, and job assistance. Establish City guidelines for providing apprenticeships.	Current staff resources in multiple departments	
C. Support and grow small, entrepreneurial businesses, especially businesses owned by women and minorities through City contracts, Business Investment Grants, and access to information and resources.	\$27,000 operating funds for <i>CharlotteBusinessResources.com</i> , in addition to staff time for CBI initiatives and outreach	\$77,000 to assist with website development
D. Ensure that young people have work opportunities through the Mayor's Youth Employment Program as one part of a public-private system of youth employment and mentoring. Expand City participation in youth work opportunities with other partners.	\$188,000 Mayor's Youth Employment Program in addition to staff resources. In FY2015, the Program placed 320 interns, and 4,239 students participated in work experiences through Charlotte Career Discovery Day, Career Readiness Training Certification, and job shadowing opportunities	
E. Ensure that children get the right start in life by working with public and private sector partners to make quality after-school time programs available. Continue existing process with community programs with partners	Currently \$1.0M to Out of School Time Partners from non-General Fund sources.	

4. Facilitate and invest in innovation and intentional growth of the city and sustainable infrastructure

<u>Description</u>	<u>Baseline</u>	<u>Funding Request Under Review</u>
A. Establish policy guidelines for evaluating rezoning requests.		
B. Rewrite the City's zoning code to reflect the diverse neighborhoods consistent with City vision and plans.	\$1.1M currently allocated for Zoning Ordinance Study	
C. Work with the private sector, nonprofits, and colleges and universities to develop the "Innovation Corridor" using creative "smart city" technologies.	\$29M budgeted in four bond cycle Community Investment Plan for Applied Innovation Corridor	Current Community Investment Plan
D. Implement the Gartner Study recommendations to improve customer service to businesses by improving Building Inspections and Permitting in collaboration with the County and stakeholders (including governance structure) working to reduce red tape	Current staff resources in multiple departments	
E. Prepare recommendations for the FY 2017 update of the CIP, including recommendations for the CY 2016 Bond Referendum; assess changes related to the timing and priority of projects and the financial capacity of the City.	\$816M budgeted in four Community Investment Plan bond cycles	Additional funds have been requested in multiple categories
F. Support growth of tourism and amateur sports	\$25M in four CIP bond cycles for Bojangles'/Ovens Area Redevelopment Plan	
G. Revitalize business corridors in priority areas (Applied Innovation Corridor, Eastland Mall, NW Corridor, West Boulevard, Freedom Drive)	\$149M in four Community Investment Plan bond cycles for the Comprehensive Neighborhood Improvement Program and Applied Innovation Corridor	One additional position to focus on business corridor revitalization and an additional \$700,000 in capital funding for façade and security grants
H. Identify opportunities to partner with private investment in high growth areas	\$20M in four bond cycle Community Investment Plan for Public/Private Redevelopment Opportunities	
I. Identify areas of high growth, and prioritize adequate resources to support Strategic Area Plans prioritizing high growth areas	Multiple projects in the \$816M four Community Investment Plan bond cycles provide funding in support of Strategic Area Plans	

5. Connect people and places by foot, bike, transit, and car, safely and effectively for people of all ages

<u>Description</u>	<u>Baseline</u>	<u>Funding Request Under Review</u>
A. Through operational changes, capital funding, and redevelopment, build safe streets, sidewalks, trails, rails, and bikeway connections.	\$464M budgeted in four Community Investment Plan bond cycles and Pay-As-You-Go Community Investment Plan for Transportation related projects	\$10M in additional Community Investment Plan funding requested for additional trail, pedestrian, and bicycle connectors
B. More efficiently connect employment centers with residential areas that have low employment opportunities through better transit options.		
C. Working through regional partners, update the MTC 2030 Transit Plan and CRTPO Transportation Investment Plan to provide mobility options.	Current staff resources	
D. Update the Transportation Action Plan including new Pedestrian and Biking Elements	\$60M budgeted in four Community Investment Plan bond cycles for sidewalks & pedestrian safety	
E. Connect CLT to the world - Or - Improve connections to and from the Airport	\$45M budgeted in four Community Investment Plan bond cycles for Airport/West Corridor Roads	
F. Support Freight Mobility	\$45M budgeted in four Community Investment Plan bond cycles for Airport/West Corridor Roads	

6. Advance a clean and healthy environment

<u>Description</u>	<u>Baseline</u>	<u>Funding Request Under Review</u>
A. Develop Storm Water policies that improve water quality, including revisions to post-construction controls.	FY2016 Budget includes revised Storm Water policies	
B. Adopt a multi-year plan to reduce energy and fuel use by the City government.	Motor Pool launched in FY2016 Sustainability office staff (two positions)	Staff evaluating alternative fuel vehicles in Solid Waste Services & Transit Two additional positions requested for sustainability staff
C. Work with the business community through Envision Charlotte to adopt energy reduction goals in the city as a whole.	Sustainability office staff (two positions)	
D. Continue to design the appropriate service delivery system and funding structure for solid waste collection and disposal to support recycling and waste reduction policies.	\$52M FY2016 Budget 302 Positions	Evaluating elimination of multi-family collection services. Potential savings of approximately \$3.2 to \$3.8 million
E. Implement urban forestry master plan	\$10.5M in FY2016-2020 PAYGO Program	Additional \$3.1M requested in FY2017-2021 PAYGO Program

Draft 2017 Budget Workshops

City of Charlotte

March 16, 2016
1:30 p.m. – 4:30 p.m.
Room 267

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VI. Solid Waste Services – Multi-Family Service Review Update	Victoria Johnson
VII. Review of Budget Questions & Answers from February 24th Budget Workshop	Kim Eagle

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

Draft 2017 Budget Workshops

Future Budget Workshops and Possible Topics

Workshop formats will be adjusted as necessary to include time for strategic policy discussions, as discussed at the Council retreat on January 28, 2016.

April 6, 2016 Budget Workshop

- Aviation Budget
- Charlotte Water Budget
- Financial Partner Recommendations
- Draft Community Investment Plan II

April 20, 2016 Budget Workshop (Optional)

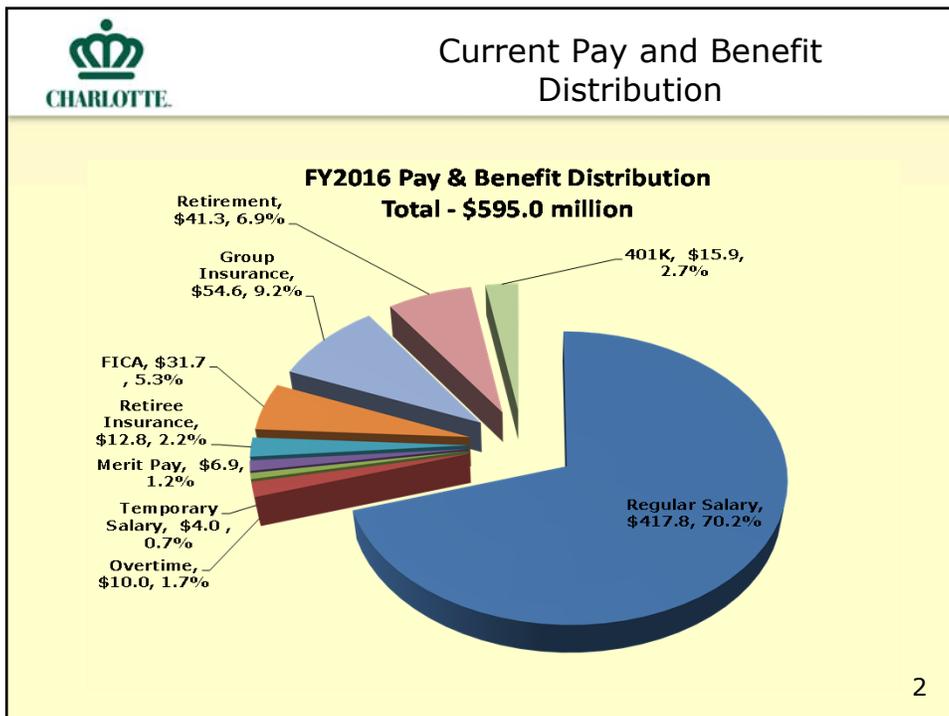
- Topics to be Determined



Employee Pay and Benefits

Cheryl Brown, Director of Human Resources

February 29, 2016





Preparing for March 16 - Pay

- Pay
 - Growth in total comp for employees (pay, benefits, etc.) cannot exceed revenue growth
 - Preliminary results of average market movement:

Market Movement Summary (Average Percent Change)						
Source	2013 Actual Market Movement	2014 Actual Market Movement	2015 Actual Market Movement	2016 Actual Market Movement	2017 Projected Market Movement (to date)	5 Year Average Market Movement
National Statistics Provided by World at Work, Hewitt, Mercer	3.0	2.9	3.0	3.0	3.0	3.0
National Municipalities	1.7	2.4	2.7	2.5	2.1 *	2.3
Charlotte Area Municipalities	2.8	2.6	2.6	2.8	2.4 *	2.6
Large Charlotte Employers (private sector)	2.5	2.5	2.7	2.9	TBD	2.7
The Employers Association	2.6	3.1	3.1	3.0	3.1	3.0
City of Charlotte	2.0	2.0	3.0	1.5	3.0 (Proposed)	2.3

* Limited data

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General Fund Compensation Scenarios

Projected FY2017 General Fund Compensation Scenarios				
Projected FY2017	1% merit, .05% market, steps	2% merit, 1.0% market, steps	3% merit, 1.5% market, steps	4% merit, 2.0% market, steps
Broadband Merit	\$577,089	\$1,154,177	\$1,731,266	\$2,308,354
Non-Exempt/Hourly	\$1,361,856	\$1,503,886	\$1,645,916	\$1,787,946
Public Safety Pay Plan				
Market	\$853,510	\$1,707,020	\$2,560,530	\$3,414,040
Steps	\$2,066,632	\$2,066,632	\$2,066,632	\$2,066,632
Total	\$2,920,142	\$3,773,652	\$4,627,162	\$5,480,672
Grand Total	\$4,859,087	\$6,431,715	\$8,004,344	\$9,576,972

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Preparing for March 16 - Pay

- Non-Exempt/Hourly Pay Plan Proposal
 - Net transition plus market cost in General Fund: \$0.5 million
 - Net transition plus market cost all Funds: \$1.2 million
- Transition to proposed Non-Exempt/Hourly Pay Plan in February 2017
 - Based on job class years of service, not hire date
 - Minimum pay increase to \$28,260 (60% Average Median Income)

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Non Exempt/Hourly Pay Plan

- City Council concerns related to living wage for lower paid employees
- Proposed pay plan for hourly workers
- Feedback from employees and Department Directors
- Defined pay scales and promotion pay increases will ensure employees paid consistently
- Annual scale adjustment increases = 1/2 Broadband merit – February
- Merit matrix = 1/2 Broadband merit

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Preparing for March 16 - Benefits

- **Benefits**

- Projected annual national trends:
 - Medical 8%
 - Prescription drug 11%
 - Specialty drug 19%
- Health insurance* cost increase projection for FY17:
 - 7% (down from 9%)

*includes medical, prescription, OurHealth, dental, short-term disability, basic life, accidental death & dismemberment, stop-loss, and administrative fees

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Preparing for March 16 - Benefits

- **We are currently evaluating medical plan design options for FY17:**

- Add Health Reimbursement Account Plan option (high-deductible plan)
- Premium Increases / Cost sharing ratios / Wellness incentive
- Current Plan design changes
 - Deductibles, copays, pharmacy tiers & copays, and out-of-pocket maximums

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January Clinic Utilization

Insured Status	Number Eligible	Individuals with at least one visit	Percent of Total Eligible
Employee/Pre-65 Retiree	6,370	682	10.70%
Spouse	2,820	183	6.50%
Dependent	4,486	35	0.80%
Total	13,676	900	6.60%

- Utilization above expectations for first month
- Expect increased utilization due to:
 - Clinic Presentations at all CMPD roll calls
 - Newly opened clinic - Tower Place
 - Health Screenings due by April 30
 - Targeted promotions to Pre-65 retirees

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MyClinic Update

- Four clinics are open with the fifth opening on March 9
- Clinic visits by location as of January 31, 2016:
 - Northlake (39%)
 - 4th & McDowell (38%)
 - Wilkinson (23%)
 - Tower Place - opened early February



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Next Steps

- Present at City Council Workshop: March 16
 - Pay & Benefits Presentation
- City Manager's Recommended Budget: May 2
 - Pay & Benefits Recommendation

Attachment

FY2017 – FY2021 General Community Investment Plan Available, Undesignated Resources

Funding Source	Amount	Uses/Restrictions
General Capital Debt Capacity (debt)	\$40-\$60M	<ul style="list-style-type: none"> • General Obligation Bonds or Certificates of Participation investments (e.g., transportation, neighborhood investments, housing diversity, and facilities) • Full use of an additional \$60.0M debt capacity would increase total obligated debt capacity for the four bond referenda (2014-2020) by 7.3%, from \$816.4M to \$876.4M
General Capital Reserves (Cash)	\$10.0M	<ul style="list-style-type: none"> • General Fund-Fund Balance in excess of 16% Reserves • High flexibility • One-time uses only (e.g., facilities, major facility maintenance, capital equipment, and special studies)
General Capital Project Balances (Current Year)	\$4.0M	<ul style="list-style-type: none"> • \$2.8M from prior transportation bonds; must be used on transportation projects • \$0.9M from Facilities Certificates of Participation; can be reallocated to other investments where the asset is the security (facilities or vehicles) • \$0.3M from Pay-As-You-Go cash; can be used for any one-time capital needs
Other Capital Reserves (Prior Year Savings, Sale of Land)	\$8.7M	<ul style="list-style-type: none"> • \$2.4M in transportation bonds; must be used on transportation projects • \$6.3M from Pay-As-You-Go cash; can be used for any one-time capital needs
Total	\$62.7-\$82.7M	

Original List of Potential Capital Considerations Presented to Council in Spring 2014

Updated March 2015: Projects from Original List Funded in FY2015

Updated January 2016: Projects from Original List Funded in FY2016

Project	FY2015 Estimate Capital Cost	FY2015 Funded Capital Cost	FY2016 Funded Capital Cost
FY2015 - FY2019 CIP - Potential New Considerations			
Neighborhoods & Housing Diversity			
A New Home (Rental Assistance Endowment)	8,000,000	2,000,000	
Total Neighborhoods & Housing Diversity	8,000,000	2,000,000	
Transportation			
Neighborhood Transportation Program	37,500,000	5,200,000	
Total Transportation	37,500,000	5,200,000	
Facilities/Infrastructure/Equipment			
Americans with Disabilities Act (ADA) Investments	800,000	800,000	
CMPD Central Division Station	7,500,000		13,500,000
Asset Recovery and Disposal (ARD) Facility - Wilkinson Blvd.*	3,000,000	-	
CDOT Transportation Operations Facility Replacement	5,000,000	-	
Charlotte Vehicle Operations Center (CVOC) Facility -- Risk Management*	2,100,000	-	
CMGC Elevator Upgrade	1,160,000	400,000	800,000
CMGC Space Reconfiguration (all floors)	20,600,000	-	
CMGC South Plaza Waterproofing	350,000	350,000	
CMGC HVAC Improvement Program	8,000,000	-	
CMGC Plaza Renovation	1,200,000	-	
CMGC - Upgrade Security and A/V Equipment	325,000	-	
CMGC Parking Deck Office	120,000	-	
Carpet, Relocations, Furniture & Fixtures	1,200,000	-	
CMGC Blinds Replacement	800,000	-	
CMGC Basement Parking Security Renovations*	400,000	-	
CMGC Re-Caulking (exterior)	1,100,000	1,100,000	
CMGC Fitness Center Renovation*	800,000	-	
TreesCharlotte	1,000,000	100,000	
Fire Station Renovations	500,000	-	
Infill Fire Station - Hidden Valley	7,700,000	-	
Infill Fire Station - Clanton and I-77	7,700,000	-	
Zoning Ordinance Study and Revisions	1,081,540	1,081,540	
Police/Fire Academy Land	230,000	230,000	
Fire Apparatus - Station 28 ladder and Station 42 engine	1,384,027	-	
Total Facilities/Infrastructure/Equipment	74,050,567	4,061,540	14,300,000
Technology			
Myers Street Data Center Expansion	1,637,134	-	-
311/Government Center Network Infrastructure Upgrade	1,318,953	1,223,200	
Public Safety Radio Network (Redundancy)	1,132,044	1,028,281	
E-Agenda	250,000	225,000	
Resiliency, Redundancy, Security, & Ongoing Equipment	60,854,199	-	-
Total Technology	\$ 65,192,330	\$ 2,476,481	\$ -
Other Facilities			
Time Warner Cable Arena Improvements	41,915,310	30,500,000	
Bojangles Coliseum Renovations	12,000,000	15,453,375	
Total Other Facilities	53,915,310	45,953,375	-
Total Potential New Considerations	\$ 233,158,207	\$ 59,691,396	\$ 14,300,000
Percent of Potential New Considerations Funded in FY2015		25.6%	
Percent of Potential New Considerations Funded in FY2016		6.1%	
Percent of All Capital Cost Funded in FY2015 and FY2016 Combined		31.7%	

* The need and/or scope for these FY2015 project requests are currently being reevaluated by staff and have not been requested for FY2017



Multi-Family Collection Service Discussion Forum

February 26, 2016
10 a.m. – 12 p.m.
Charlotte-Mecklenburg Government Center, Room 267

AGENDA

1. Introductions and Objectives

2. Overview of Solid Waste Services and Collection Policy

3. Facilitated Discussion

4. Questions

5. Next Steps: Discussion Forum 2

- Discussion Forum 2 will be held on March 11, 2016 from 10 a.m. – 12 p.m. at the Charlotte-Mecklenburg Government Center, Room 267

Solid Waste Services Discussion Forum 1 on 2/26/2016

Attendance List

Name	Organization	E-mail Address
1 Anttonio Briceno	PCAC	antonio.briceno@daimler.com
2 Lorie Massenburg	Waterford Homeowners Association	lmassenburg@gmail.com
3 Jacky Lee	none	jacky_lee@triad.rr.com
4 Gaurav Gupte	Friends of Fourth Ward	ggupte@hotmail.com
5 John H. Clark	Hawthorne Lane Condo HOA	johnhclark@earthlink.net
6 Mike Restaino	10th Street Townhomes HOA	mrestaino@gmail.com
7 Megan Gude	Charlotte Center City Partners	mgude@charlottecentercity.org
8 Sandy DuPrey	Rosewood Condos	scoleyo3@earthlink.net
9 Bill Brittan	Rosewood Condos	britrale@gmail.com
10 Richard Jones	Waterford Condo	RJRJ@carolina.rr.com
11 David R.	Graham Court HOA	drousm@yahoo.com
12 Jon McPherson	Graham Court HOA	jonmcd74@gmail.com
13 Richard Bargoil	none	rgbargoil@gmail.com
14 Richard Woodcock	Raintree Greens	rwoodcock76@gmail.com
15 Rusty Gibbs	CAMS Management	rgibbs@camsmt.com
16 Ben Rhodes	CAMS Management	brhodes@camsmt.com
17 Melissa Deas	Village of Prosperity HOA	msdeas@att.net
18 Tamra Goodman	Henderson Properties	tamra.goodman@hendersonproperties.com
19 Jeff Davis	Waste Pro	jdavis@wasteprousa.com
20 Jennifer Herring	Waste Pro	jherring@wasteprousa.com
21 Charlie Henley	Northwood Ravin	chenley@northwoodravin.com
22 Marianne McQuade	Condo Owner 4th Ward	scorpio921@yahoo.com
23 Jason Jordan	Private Property Manager	jason@urbanhomescharlotte.com
24 Derrick Harris	Mecklenburg County Solide Waste	derrick.harris@mecklenburgcountnc.gov
25 Mary Ellen Page	Hamlin Park Homes	maryellen.page@gmail.com
26 Carole Lewis	Keswick Carriage Homes	landscaping.keswick@aol.com
27 Robin Turner	O'Leary Group	rturner@olearywaste.com
28 Tippi Moose	Henderson Properties	tippi_moose@hendersonproperties.com
29 Michael A.	Renaissance on Carmel II	Mat005cnc@yahoo.com
30 Kitty Sullivan	Renaissance on Carmel II	freeto.spend@yahoo.com
31 Joni Brown	Bumina on S. Church Street	oohoofox@aol.com
32 Julian Wright	PCAC	jwright@robinsonbradshaw.com
33 Clarence Gibson	Red Rock HBO	c.gibson8@bellsouth.net
34 JoAnne Means	Hobbs Ridge HOA	dgmq@aol.com
35 Dom Means	Hobbs Ridge HOA	dgmq@aol.com
36 Linda Ashendorf	Linda Ashendor Public Affairs	lashendorf@aol.com
37 Derek Greene	Communiyt Association Management	dgreene@communityassociationmanagement.com
38 Mark Lerner	Lerner Residential	mlerner@lernerapartments.com
39 Elizabeth Kurtz	Charlotte Family Housing	ekurtz@charlottefamilyhousing.org
40 Bryan Holladay	Greater Charlotte Apartment Association	bryan@greatercaa.org