

Council Budget Committee
Monday, February 8, 2016, 12:00 – 1:30 p.m.
Charlotte-Mecklenburg Government Center
Room 280

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

Staff Resource: Kim Eagle, Management & Financial Services

AGENDA

	<u>Page</u>	<u>Time Frame</u>
I. <u>Budget Committee Work Plan Update/Retreat Follow-up</u>	1	15 minutes
<i>Staff: Kim Eagle, Management & Financial Services</i> <i>(Attachment 1 – Budget Committee Work Plan)</i> <i>Action requested: Discussion and Feedback</i>		
II. <u>Pay Plan for Non Exempt/Hourly Employees</u>	To be distributed February 8	20 minutes
<i>Staff: Kim Eagle, Management & Financial Services</i> <i>DeLane Huneycutt, Human Resources</i> <i>Action requested: Discussion and Feedback</i>		
III. <u>Solid Waste Service Delivery Model</u>	To be distributed February 8	20 minutes
<i>Staff: Victoria Johnson, Solid Waste Services</i> <i>Action requested: Discussion and Feedback</i>		
IV. <u>Storm Water Services FY2017 Budget</u>	To be distributed February 8	20 minutes
<i>Staff: Jennifer Smith, Storm Water Services</i> <i>Action requested: Discussion & Feedback</i>		
V. <u>February 24 Council Budget Workshop Agenda</u>	5	5 minutes
<i>Staff: Kim Eagle, Management & Financial Services</i> <i>(Attachment 2 – February 24th Budget Workshop Agenda)</i> <i>Action requested: Review and Recommendation</i>		
VI. <u>Charlotte Area Transit System FY2017 Budget</u>	7	
<i>Staff: John Lewis, Charlotte Area Transit System</i> <i>(Attachment 3 – CATS Budget Discussion Points)</i> <i>Action requested: Information</i>		

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

VII. Additional Information

Staff: Kim Eagle, Management & Financial Services
(Attachment 4 –Questions & Answers from
January 11th Budget Committee and additional questions
from Council Member Mitchell)

Action Requested: Information

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NEXT MEETING: February 29th, 1:30pm

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	Discussion & Feedback
	Pay Plan for Non-exempt/Hourly Employees	Discuss proposed modifications to City pay plan for non-exempt/hourly City employees	Discussion & Feedback
	Solid Waste Services Delivery Model (primary referral is to Environment Committee)	Process status update	Discussion & Feedback
	Storm Water Budget	Preview of Storm Water Operating Budget & Overview of current Storm Water Capital Program	Discussion & Feedback
	CATS Budget	Preview of CATS Operating & CIP Budget	Discussion & Feedback
	February 24 Council Budget Workshop Agenda	Review and Approve agenda for Council Budget Workshop	Discussion & Recommendation
Monday, February 29; 1:30 – 3:00 pm – Room 280	General Fund Update	Discuss Preliminary General Fund Revenues and Expenditures	Discussion & Feedback

<i>Meeting Date</i>	<i>Item</i>	<i>Description</i>	<i>Discussion/Decision Points Future Action Requested</i>
	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
	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*	2 nd Review of Storm Water Operating & Capital Program	Discussion & Feedback
	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

<i>Meeting Date</i>	<i>Item</i>	<i>Description</i>	<i>Discussion/Decision Points Future Action Requested</i>
	April 6 Council Budget Workshop Agenda	Review and Approve agenda for Council Budget Workshop	Discussion & Recommendation

* If necessary

Draft 2017 Budget Workshops

City of Charlotte

February 24, 2016
1:30 p.m. – 4:30 p.m.
Room 267

	Page
I. Introduction – Budget Overview	Ron Carlee/Kim Eagle
II. Charlotte Area Transit System Budget	John Lewis
III. Storm Water Services Budget	Jennifer Smith
IV. Financial Partner Requests	Kim Eagle
V. Solid Waste Service Delivery Model	Victoria Johnson
VI. Review of Budget Questions & Answers from Mayor & Council Retreat	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.

March 16, 2016 Budget Workshop

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

April 6, 2016 Budget Workshop

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

April 20, 2016 Budget Workshop (Optional)

- Topics to be Determined

SUMMARY OF CATS BUDGET
CITY COUNCIL BUDGET COMMITTEE MEETING
DISCUSSION POINTS: February 8, 2016

SUMMARY

CATS will explore options to develop and enhance an interconnected network of mobility services for the region

- CATS prepares to implement revenue service on the Blue Line Light Rail Extension in the summer of 2017
- Recovery of sales tax revenue.
- Fare structure options
- State-of-the-art fare collection system, equipment and smart cards to enhance customer convenience and leverage interconnected mobility options
- Alternative types of revenue vehicles and energy to lower emissions and costs
- Complete construction and implement CityLYNX Goldline-II service; relocate Amtrak to the Charlotte Gateway Station
- Asset Management, Safety and State-Of-Good Repair

FY2017 Transit Operating Program

- Sales Tax is projected to grow at 3.0% vs. FY2016 year-end projection
- Add 103 new positions, 93 of which are directly related to operation of the Blue Line Extension light rail service and 10 address operations and regulatory need
- Metropolitan Transit Commission offered a menu of options for changes in fares and/or fare structure to increase fare revenue with minimal impact on riders
- 25.3 million riders are projected to ride CATS in FY2017

FY2017 Debt Service Program

- CATS Debt Service program receives revenue from Federal grants, TIFIA loan, debt proceeds and the local ½% sales tax
- The Revenue Reserve Fund is projected to reach the \$30 million goal by FY2017

FY2017-21 Community Investment Program

- Implementation of the BLE Light Rail and Blue Line Capacity Expansion (Phase 2) projects
- State-of-the-art fare collection technology and introduction of smart card technology
- Replacement of 284 revenue vehicles and expansion of 15 STS buses
- Functioning Automatic Train Protection equipment
- Asset Maintenance of Bridges, alignments rail cars, etc.

CONCLUSION

- New mobility paradigm –expanded, interconnected mobility options
- Convenient transportation options, partnerships and sustainability

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Questions and Answers ***January 11th Budget Committee***

FY2017-FY2021 Community Investment Plan Overview

Question 1: *How are Council Members informed about upcoming Community Investment Plan public meetings that will take place in their district?*

City staff uses several different formats and resources to notify the Mayor and City Council of upcoming public meetings associated with Community Investment Plan (CIP) projects. The primary means of communication include postcard, email, and the CIP newsletter. Typically, staff will use a combination of these communication tools to ensure greater success in reaching the elected officials. The CIP newsletter is typically distributed on a monthly basis via the Council-Manager Memo; distribution is dependent on the number of planned community engagement activities. Copies of all previous CIP newsletters are available on the charlottefuture.com website, which is accessible from charmeck.org. Upcoming public meetings are also typically announced on the charlottefuture.com homepage.

Whenever possible, capital project managers will schedule time with Council Members to discuss specific projects in greater detail and notify them of upcoming events within their respective Council Districts. Additionally, capital project managers will often ask a Council Member or Council support staff to add an event to an elected official's individual calendar. Finally, if a capital project team is hosting or participating in a public meeting of significant value to the City Council, these events will be referenced directly in the Council-Manager Memo.

Question 2: *When will Council receive an updated list of potential capital considerations for FY2017-FY2019?*

Staff is currently reviewing the adopted Community Investment Plan with the City Manager to identify any potential updates and adjustments to be considered during the development of the FY2017-FY2021 General Community Investment Plan. Staff anticipates sharing a list of potential capital considerations with City Council as part of the General Community Investment Plan presentation at the March 16th Budget Workshop.

Additional Questions from Council Member Mitchell

Question 3: *Is there a template for evaluating rezoning cases that shows the benefit or impact to the City based on anticipated development?*

The City does not currently have a standard template that is used to specifically quantify the economic benefits of individual rezoning cases. Each rezoning case is unique, and each site is located in a different context and environment. These nuances limit the potential usefulness of a template. Additionally, most rezoning cases are conditional in nature, making it difficult to standardize the information related to each rezoning so that a template could function between cases and across time.

The Planning Department prepares a staff analysis for all rezoning cases. Staff analyses for upcoming zoning hearings are compiled in a Rezoning Notebook which is sent out to Council prior to monthly Rezoning Meetings. Staff analyses provide an overview and evaluation of each case.

Rezoning staff analyses include the following:

- An overview of the rezoning request and specific details of the rezoning case;
- Information about is the proposed development's consistency with the Council adopted area plan;
- Feedback from City departments and other governmental agencies, including Charlotte Department of Transportation, Charlotte Water, Charlotte Fire, and Charlotte-Mecklenburg Schools, about potential impacts of the rezoning; and
- Staff recommendations for each case (approval or denial), and the justification for each recommendation.

Question 4: *Please provide an update on the permit process work from the Gartner Study.*

Assistant City Manager Ann Wall sent an update about the City and County's permitting process on Wednesday, January 20, 2016, through the Council-Manager Memo. The write-up and attachment below summarizes the efforts that have been made by the City, County, and Gartner Consulting to update the permit process.

Gartner Consulting Land Development Study Update

Last year, the City and Mecklenburg County contracted with Gartner Consulting to assess current development planning, permitting, and inspection operations and help with improved customer satisfaction and higher-quality, more cost effective delivery of those services.

In March 2015, Gartner Consulting submitted its final report including seven recommendations regarding development planning, permitting, and inspection services. The seven Gartner recommendations and the initiatives that staff have developed in response are attached below.

The City and the Council subsequently hired Gartner for additional services including:

- i. Define and validate current state;
- ii. Define streamlining and efficiency measures; and
- iii. Derive and submit final service delivery model recommendations

The City Council will continue to receive updates on the progress. Staff expects Gartner's Phase II recommendation in the second quarter of calendar year 2016.



Gartner update
January 2016 for City

Question 5: *What is the current base salary for first year Police Officers and what would be the impact of raising that salary to \$45,000?*

The current base salary for a first year Police Officer is \$43,637. The table below outlines the current total personnel costs associated with adding a new Police Officer.

FY2017 Total Personnel Costs for First Year Police Officer	
Description	Amount
Salary & Wage	\$ 43,637
FICA	3,338
Health Insurance	7,218
Retirement Expense	3,260
401K Retirement	2,182
Total Personnel Costs (annual)	\$ 59,635

Changing the starting base salary for Police Officers would impact the overall Public Safety Pay Plan. Staff will provide an analysis of this impact as needed.

Question 6: *What is the fund balance for the Business Corridor Revitalization Program, and how does staff plan to use any remaining funds?*

Annual funding in the General Pay-As-You-Go Community Investment Plan for the Business Corridor Revitalization Program was eliminated in FY2016. The program currently has approximately \$705,000 in remaining funds. Neighborhood & Business Services has programmed the remaining funds for the following projects:

Project	Funding Amount
Bojangles'/Ovens Area Redevelopment	\$180,000
Feasibility Studies	75,000
Security and Façade	300,000
Amateur Sports Feasibility	150,000
Total	\$705,000

Business corridor revitalization will continue to be conducted in other corridors through the bond-funded Comprehensive Neighborhood Improvement Program (CNIP) and other bond-funded infrastructure projects.

Attachment 4

Question 7: *Please provide a listing of the Business Investment Grants that the City has funded.*

The City's Business Investment Grant (BIG) Program was created in 1998, in partnership with the County, to encourage the attraction of new businesses, retention of existing businesses, and/or expansion of existing businesses and jobs. The BIG Program provides grants to companies based upon the amount of new property tax revenue generated by the private business investment made. BIG requires companies to meet thresholds for capital investment, jobs added, and employee wages. BIGs are often used as a required match to State incentives. The BIG program is aligned with local Smart Growth, Transit, and Business Corridor Revitalization Strategic Plans; supporting the development of a diverse economic environment.

Grant recipients are encouraged to hire residents of Mecklenburg County and to use local small, minority, and women-owned businesses when such goods or services can be obtained at competitive prices.

The table below lists the active, Council-approved Business Investment Grant companies:

Active Business Investment Grant Companies	
Beardow Adam	Otto Environmental
Cedar Fair	Rack Room
Electrolux 1	Siemens 1
Electrolux 2	Siemens 2 (Cardinal)
Genpak	SPX
GEO Plastics	Stanley B&D
Husqvarna	Time Warner 1B
Marbach	Time Warner 2
Metropolitan Life	Time Warner 3
Octapharma	UTC

Question 8: *If the City were to incentivize/encourage the hiring of hard-to-employ Charlotte residents to work on City capital infrastructure projects, please provide a list of current projects in the General Community Investment Plan that would be appropriate candidates for such a program.*

The following general capital infrastructure projects have been approved by City Council and are currently in the planning and design phase of the implementation process. These projects all have infrastructure or facility construction components and would be appropriate candidates for hiring hard-to-employ residents during the projects' construction phase. All but one of the projects on this list were approved in the November 2014 Bond Referendum. Additional candidate projects are also planned for the 2016, 2018, and 2020 bond referenda and could be added to this list pending voter approvals.

General Community Investment Plan Candidate Projects for Hiring Hard-to-Employ Residents
Southeast Corridor Land Acquisition and Street Connections
University Pointe Connection (South Bridge over I-85)
Northeast Corridor Infrastructure (transportation connections to Blue Line Extension)
Applied Innovation Corridor (roadway, streetscapes, and street connections)
Neighborhood Transportation Programs (minor roadways, bikeways, traffic calming)
Eastern Circumferential (road, bike and sidewalk connections)
Sidewalk and Pedestrian Safety Program (sidewalk construction projects)
Comprehensive Neighborhood Improvement Program (transportation infrastructure)
Joint Communications Center (facility construction)*

*Not included in the voter-approved November 2014 Bond Referendum