Council Retreat Follow Up

City Council Budget Workshop

February 22, 2017
Traits of Winning Cities of Tomorrow

1. Positive Buzz
2. Shared Story
3. 15-minute Livable Communities
4. Affordable Spaces
5. Workforce Dynamics
6. Millennial Magnet
7. Beyond Borders
8. Open Minds
9. Open Book
10. Big Tent
Framing the future

THE WINNING CITY

- Positive Buzz
- Community Safety
- Shared Story

- Workforce Dynamics
- Economic Development
- Millennial Magnet

- Open Book
- Environment
- Open Minds

- 15-Minute Livable Communities
- Housing & Neighborhood Development
- Affordable Spaces

- Beyond Borders
- Transportation & Planning
- Big Tent
To that end, this City Council pledges its energy and focus on three key areas for further discussion and action at upcoming City Council meetings beginning on Oct. 10:

- Safety, Trust & Accountability
- Access to safe, quality and affordable housing
- Good paying jobs
10 Traits of Winning Cities

Positive Buzz
Shared Story
15 Minute Livable Communities
Affordable Spaces
Workforce Dynamics
Millennial Magnet
Beyond Borders
Open Minds
Open Book
Big Tent

Focus Areas

Community Safety
Economic Development
Environment
Housing and Neighborhood Development
Transportation & Planning

Letter to the Community

Jobs
Housing
Safety, Trust, and Accountability
Building on the retreat takeaways

• Focus on key areas over the next 12 months
  – Utilize the budget development process

• Focus on strategic areas during the next 60 days
  – Communications
  – Neighborhoods
The FY 2018 Budget will:

• Be structurally balanced

• Align with priorities
  – Traits of Winning Cities
  – Focus Areas
  – Letter to the Community

• Support efforts to become an employer of choice

• Support capital investments for the community
Budget Outlook Summary

• Local economy: stable growth, positive outlook

• Current FY 2017 budget projected to be in balance

• FY 2018 and future operating budget
  – Serving a growing population and changing demographic
  – Uncertainties from potential State legislative actions present challenges in building a budget that addresses the needs of our community

• General Community Investments
  – No Bond Referendum in FY 2018
  – Some additions and adjustments are possible for the FY 2018-FY 2022 General Community Investment Plan
General Fund Projection Summary:

<table>
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<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$642.9</td>
<td>$653.0</td>
<td>$667.5</td>
<td>$682.3</td>
<td>$697.6</td>
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<td><strong>Expenditures</strong></td>
<td>$639.4</td>
<td>$656.5</td>
<td>$674.9</td>
<td>$693.9</td>
<td>$713.8</td>
<td>$734.2</td>
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<tr>
<td><strong>Savings/(Gap)</strong></td>
<td>$3.5</td>
<td>($3.5)</td>
<td>($7.4)</td>
<td>($11.6)</td>
<td>($16.2)</td>
<td>($20.9)</td>
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<tr>
<td><strong>Savings/(Gap) as a % of expenditures</strong></td>
<td>-0.5%</td>
<td>-1.1%</td>
<td>-1.7%</td>
<td>-2.3%</td>
<td>-2.8%</td>
<td></td>
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</tbody>
</table>

- The table above reflects estimates based upon moderate base expense growth and moderate base revenue growth
  - Assumes all services maintained at current levels

- The table only includes base budget adjustments:
  - increases in merit pay, health premiums, retirement contributions
  - 2.0% growth rate in operations to maintain current service levels

- While these projections outline budget gaps for future years, the City Manager will recommend a balanced budget for FY 2018 and future years, as required by State law
## Next Steps

<table>
<thead>
<tr>
<th>Budget Meetings</th>
<th>Date</th>
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<tr>
<td>Budget Workshop #1</td>
<td>February 22</td>
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<td>Budget Workshop #2</td>
<td>March 22</td>
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<td>Budget Workshop #3</td>
<td>April 12</td>
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<td>City Manager’s Recommended Budget Presentation</td>
<td>May 1</td>
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<td>Budget Public Hearing</td>
<td>May 8</td>
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<td>Budget Adjustments</td>
<td>May 10</td>
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<td>Budget Straw Votes</td>
<td>May 24</td>
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<td>Budget Adoption</td>
<td>June 12</td>
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Financial Partners

City Council Budget Workshop

February 22, 2017
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

Preliminary funding recommendations will be discussed as part of April 12th City Council Budget Workshop
## FY 2018 Funding Requests

### General Fund Financial Partners – Discretionary Funds (Page 15)

<table>
<thead>
<tr>
<th>Agency</th>
<th>FY 17 Budget</th>
<th>FY 18 Request</th>
<th>$ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts &amp; Science Council</td>
<td>$2,940,823</td>
<td>$3,440,823</td>
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<tr>
<td>Charlotte Regional Partnership</td>
<td>151,881</td>
<td>155,111</td>
<td>3,230</td>
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<tr>
<td>Charlotte Regional Partnership – Regional Economic Development Strategic Plan (New Request)</td>
<td>0</td>
<td>200,000</td>
<td>200,000</td>
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<td>Community Building Initiative</td>
<td>50,000</td>
<td>80,000</td>
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<tr>
<td>Safe Alliance</td>
<td>333,977</td>
<td>333,977</td>
<td>0</td>
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<tr>
<td>Charlotte Regional Visitors Authority - Film Commission</td>
<td>150,000</td>
<td>150,000</td>
<td>0</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$3,626,681</strong></td>
<td><strong>$4,359,911</strong></td>
<td><strong>$733,230</strong></td>
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</table>
## FY 2018 Funding Requests

**General Fund Financial Partners – Dedicated Revenue Sources (Page 15)**

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<tr>
<th>Agency</th>
<th>FY 17 Budget</th>
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<th>$ Change</th>
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</thead>
<tbody>
<tr>
<td>Charlotte Center City Partners</td>
<td>$4,151,377</td>
<td>$4,358,946</td>
<td>$207,569</td>
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<td>University City Partners</td>
<td>752,252</td>
<td>772,000</td>
<td>19,748</td>
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<td>Charlotte Regional Visitors Authority</td>
<td>14,980,811</td>
<td>15,507,223</td>
<td>526,412</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$19,884,440</strong></td>
<td><strong>$20,638,169</strong></td>
<td><strong>$753,729</strong></td>
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## FY 2018 Funding Requests

### Neighborhood & Business Services Financial Partners - 100% Federal Grant Funds *(Page 16)*

<table>
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<tr>
<th>Agency</th>
<th>FY 17 Budget</th>
<th>FY 18 Request</th>
<th>$ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carolinas CARE Partnership</td>
<td>$2,242,491</td>
<td>$2,242,491</td>
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<tr>
<td>Charlotte Family Housing</td>
<td>330,000</td>
<td>330,000</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$2,572,491</strong></td>
<td><strong>$2,572,491</strong></td>
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## FY 2018 Funding Requests

### Neighborhood & Business Services Financial Partners – 75% Federal/25% PAYGO (Page 16)

<table>
<thead>
<tr>
<th>Agency</th>
<th>FY 17 Budget</th>
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<th>$ Change</th>
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<tbody>
<tr>
<td>Charlotte-Mecklenburg Housing Partnership, Inc. - Affordable Housing</td>
<td>$1,960,000</td>
<td>$1,960,000</td>
<td>$0</td>
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<tr>
<td>Charlotte Mecklenburg Housing Partnership, Inc. - House Charlotte</td>
<td>231,000</td>
<td>281,000</td>
<td>50,000</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$2,191,000</strong></td>
<td><strong>$2,241,000</strong></td>
<td><strong>$50,000</strong></td>
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</table>
# FY 2018 Funding Requests

Neighborhood & Business Services Financial Partners – 100% PAYGO Funds *(Page 16)*

<table>
<thead>
<tr>
<th>Agency</th>
<th>FY 17 Budget</th>
<th>FY 18 Request</th>
<th>$ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Link</td>
<td>$450,000</td>
<td>$450,000</td>
<td>$0</td>
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<tr>
<td>Crisis Assistance Ministry</td>
<td>380,000</td>
<td>418,000</td>
<td>38,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$830,000</strong></td>
<td><strong>$868,000</strong></td>
<td><strong>$38,000</strong></td>
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</table>
Out-of-School Time Overview

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

• Sixth year of RFP process
• Contract period spans two fiscal years for Out-of-School Time Financial Partners
• Process follows the City Council Budget Committee and Economic Development Committee recommendations approved by full City Council in November 2012, October 2013, and November 2014
• FY 2018 – FY 2019 preliminary funding recommendations will be discussed at April 12th City Council Budget Workshop
## FY 2018 – FY 2019 Funding Requests

### Neighborhood & Business Services Financial Partners - Out-of-School Time Partners (Page 16)

<table>
<thead>
<tr>
<th>Agency</th>
<th>FY 17 Budget</th>
<th>FY 18 – FY 19 Request</th>
<th>$ Change</th>
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<tr>
<td>Behailu Academy</td>
<td>$66,000</td>
<td>$66,000</td>
<td>$0</td>
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<td>Bethlehem Center</td>
<td>113,934</td>
<td>113,934</td>
<td>0</td>
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<td>Greater Enrichment Program</td>
<td>200,000</td>
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<tr>
<td>Police Activities League</td>
<td>200,000</td>
<td>156,000</td>
<td>-44,000</td>
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<td>YWCA Central Carolinas After School Enrichment</td>
<td>200,000</td>
<td>200,000</td>
<td>0</td>
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<tr>
<td>A Better World</td>
<td>0</td>
<td>78,000</td>
<td>78,000</td>
</tr>
<tr>
<td>Above and Beyond Students</td>
<td>0</td>
<td>200,000</td>
<td>200,000</td>
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<td>Arts &amp; Science Council Studio 345</td>
<td>0</td>
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<td>Creating Exposure through the Arts</td>
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<td>200,000</td>
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<tr>
<td>New Creation</td>
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<td>120,000</td>
<td>120,000</td>
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<tr>
<td>New Outreach</td>
<td>0</td>
<td>199,200</td>
<td>199,200</td>
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<tr>
<td>Prodigal Son</td>
<td>0</td>
<td>84,000</td>
<td>84,000</td>
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<tr>
<td>Youth Development Initiatives</td>
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<td>120,000</td>
<td>120,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$779,934</strong></td>
<td><strong>$1,937,134</strong></td>
<td><strong>$1,157,200</strong></td>
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General Community Investment Plan

City Council Budget Workshop
February 22, 2017
Capital Needs Funded FY 2015 through FY 2017

• $238.7 Million in Potential New Considerations for FY 2015 – FY 2019 General Community Investment Plan were presented to City Council in March 2014

• $107.7 Million approved by Council over past three years
  – $61.7 Million approved by Council in FY 2015
  – $15.2 Million approved by Council in FY 2016
  – $30.8 Million approved by Council in FY 2017

• 45.1% of identified needs funded over past three years
Undesignated Resources: $86.6-$116.6 Million

• New General Debt Capacity (Debt) - $60.0-$90.0 Million
  - Sales Tax Revenue Exceeded Projections
  - Growth in Property Tax Base
  - General Obligation Bond Refunding

• General Capital Reserves (Cash) - $15.0 Million
  - Fund Balance in General Fund above 16%
  - Total approximately $21 million, with about $6 million being held to potentially cover:
    - public safety overtime costs in FY 2017 associated with the City’s response to the State of Emergency and
    - other potential one-time costs in FY 2017

• General Capital Project Balances & Reserves - $11.6 Million
  - Savings from Prior Bond-Funded Transportation Projects
  - Savings from Prior Pay-As-You-Go Cash-Funded Capital Projects
FY 2018 – FY 2022 General Capital Needs

- Submitted by City Departments January 23, 2017
- Currently being reviewed by Strategy & Budget and the City Manager’s Office
- Capital needs being reviewed for opportunities to support the Strategic Foundation Alignment
  - 10 Traits of Winning Cities
  - Focus Areas
  - Letter to the Community
- List of FY 2018 general capital needs will be presented to:
  - City Council Budget Committee Meeting – March 9th
  - City Council Budget Workshop – March 22nd
City Council Budget Workshop

February 22, 2017
CIP Back up Slides Below

Not part of Presentation
Transportation Programs
Sidewalk & Pedestrian Safety

Active Projects

★ Current Pedestrian Projects
General Community Investment Plan: Debt Model

Current General Debt Capacity: $60-$90 million
<table>
<thead>
<tr>
<th>PROJECTS FUNDED WITH GENERAL OBLIGATION BONDS (Requires Bond Referendum Vote)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Total</th>
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<tbody>
<tr>
<td>Airport/West Corridor</td>
<td>Dick Bertilf Area Roads</td>
<td>15,000,000</td>
<td>5,000,000</td>
<td>2,000,000</td>
<td>28,200,000</td>
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<td>East/Southeast Corridor</td>
<td>Land Acquisition and Street Connections</td>
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<td>2,000,000</td>
<td>5,000,000</td>
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<td></td>
<td>Monroe Road Streetscape</td>
<td>4,000,000</td>
<td>2,000,000</td>
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<td>Public/Private Redevelopment Opportunities</td>
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<tr>
<td></td>
<td>(Independence Corridor/Central/Eastland Corridor)</td>
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<td></td>
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<td></td>
<td>Ikered Road/Alamance Road Intersection</td>
<td>1,000,000</td>
<td>5,000,000</td>
<td>2,000,000</td>
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<td></td>
<td>Sidewalk and Bikeway Improvements</td>
<td>2,000,000</td>
<td>4,000,000</td>
<td>2,000,000</td>
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<td>Northeast Corridor</td>
<td>Research Drive - J.W. Clay Connector over I-85 (North Bridge)</td>
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<td>2,000,000</td>
<td>2,000,000</td>
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<tr>
<td></td>
<td>University Pointe Connection - I-85 Br. To I-44 Ext (South Bridge)</td>
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<td>5,000,000</td>
<td>5,000,000</td>
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<td></td>
<td>Northeast Corridor Infrastructure (NICO)</td>
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<td>23,000,000</td>
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<td>Appliance Innovation Corridor</td>
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<td>Road/Infrastructure Projects</td>
<td>Neighborhood Transportation Programs</td>
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<td>5,000,000</td>
<td>5,000,000</td>
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<td></td>
<td>Eastern Corridors</td>
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<td>Port South Drive Extension</td>
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<td></td>
<td>Southeast Pedestrian/Bicycle Connector</td>
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<td></td>
<td>Cross Charlotte Multi-Use Trail</td>
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<td></td>
<td>Cross Charlotte Trail - South Charlotte Connector</td>
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<td>3,000,000</td>
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<tr>
<td></td>
<td>Sidewalks and Pedestrian Safety</td>
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<td>15,000,000</td>
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<td>Traffic Control and Bridges</td>
<td>Upgrade Traffic Signal System Coordination</td>
<td>3,000,000</td>
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<td></td>
<td>Upgrade Traffic Control Devices</td>
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<td></td>
<td>Repair and Replace Bridges</td>
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<td>Housing</td>
<td>Housing Diversity</td>
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<tr>
<td></td>
<td>Neighborhood Improvements</td>
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<td></td>
<td>Comprehensive Neighborhood Improvement Program (CNIP)</td>
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<td>Total General Obligation Bonds</td>
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<td>$218,460,000</td>
<td>$191,532,000</td>
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<td>$649,216,000</td>
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<table>
<thead>
<tr>
<th>PROJECTS FUNDED WITH Certificates of Participation (Does Not Require Voter Approval)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Total</th>
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<tbody>
<tr>
<td>East/Southeast Corridor</td>
<td>Bealings/Ovans Area Redevelopment</td>
<td>25,000,000</td>
<td>25,000,000</td>
<td>25,000,000</td>
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<td>Public Safety Facilities</td>
<td>Joint Communications Center</td>
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<td>68,000,000</td>
<td>68,000,000</td>
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<td></td>
<td>5 Police Division Stations</td>
<td>30,500,000</td>
<td>18,500,000</td>
<td>18,500,000</td>
<td>27,000,000</td>
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<tr>
<td></td>
<td>Land Purchase for Future Fire Stations</td>
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<td>4,000,000</td>
<td>4,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Maintenance Facilities/ Customer Service</td>
<td>Sweden Road Maintenance Yard Replacement</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
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<tr>
<td></td>
<td>Northeast Equipment Maintenance Facility</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>2,000,000</td>
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<td></td>
<td>Hold for Charlotte Gateway Station and Other Contingencies</td>
<td>46,165,000</td>
<td>46,165,000</td>
<td>46,165,000</td>
<td>46,165,000</td>
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<td>Total Certificates of Participation</td>
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<td>$76,995,000</td>
<td>$28,220,000</td>
<td>$26,550,000</td>
<td>$235,265,000</td>
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REVISED Total All Projects | $249,464,000 | $295,455,000 | $219,752,000 | $119,850,000 | $894,501,000
## General Community Investment Plan
### Undesignated Resources

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Amount</th>
<th>Uses/Restrictions</th>
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</thead>
</table>
| General Capital Debt Capacity (debt)                | $60-$90M   | • General Obligation Bonds or Certificates of Participation investments (e.g., transportation, neighborhood investments, housing diversity, and facilities)  
  • Full use of an additional $75.0M debt capacity would increase total obligated debt capacity for the four bond referenda (2014-2020) by 8.5%, from $884.5M to $959.5M |
| General Capital Reserves (Cash)                     | $15.0M     | • 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 (FY2016)           | $7.5M      | • $6.0M from prior transportation bonds; must be used on transportation projects  
  • $1.5M from Pay-As-You-Go cash; can be used for any one-time capital needs |
| Other Capital Reserves (Prior Year Savings, Sale of Land) | $4.1M      | • $2.1M in proceeds from sale of land; can be used for any one-time capital needs  
  • $1.4M in transportation bonds; must be used on transportation projects  
  • $0.6M from Pay-As-You-Go cash; can be used for any one-time capital needs |
| **Total**                                           | **$86.6-$116.6M** |