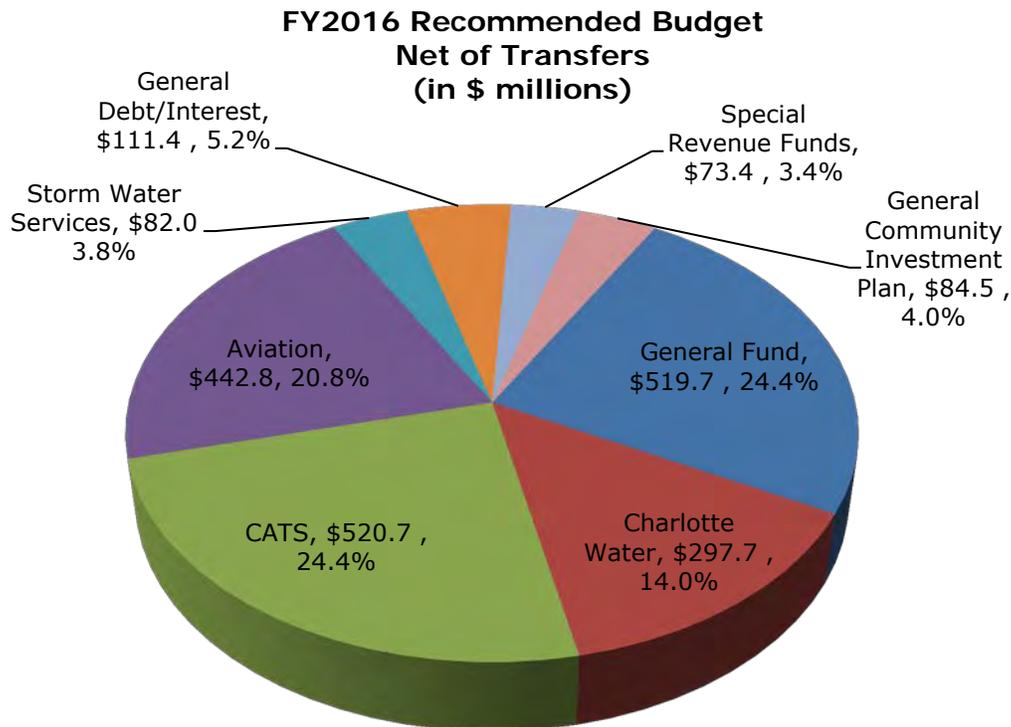




City Manager's FY2016 Recommended Budget Highlights

Total Budget: *Strategic, sustainable, creative; Balanced in all respects*

- The FY2016 total recommended budget for the city of Charlotte is balanced at \$2,132,330,994, an increase of 1.8 percent above FY2015 (includes operating and capital for General and Enterprise Funds).



General Fund Budget: *Everyone shares in meeting the challenges of a balanced budget in response to the \$21.7 million revenue gap resulting from external factors.*

- The FY2016 recommended General Fund budget is \$593,577,834, an increase of 1.3 percent over the prior year – balanced in multiple ways:

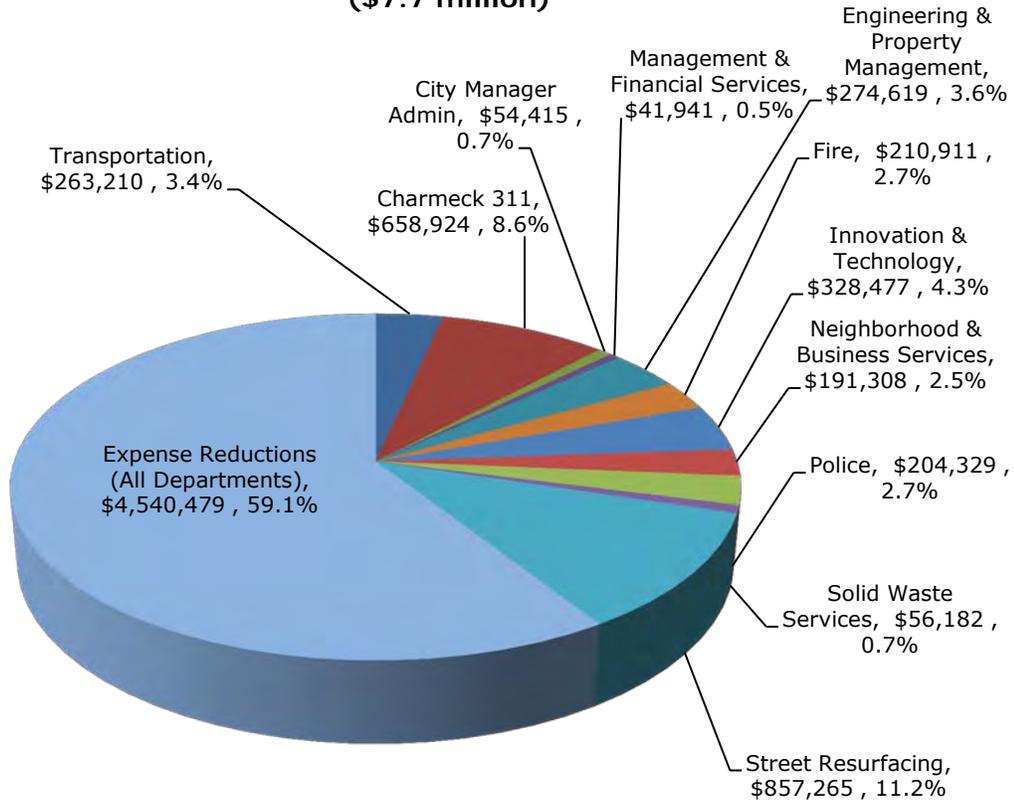
- General Fund service & expense reductions = \$7.7 million**

For example:

- Reduction in hours for the CharMeck 311 service (closed weekends and holidays)
- Reduction in street resurfacing (16.5 miles reduced)

- Reduction in code enforcement
- Reduction in mowing of street rights-of-way
- 100.75 frozen and vacant positions eliminated

**FY2016 General Fund Service and Expense Reductions
(\$7.7 million)**



- o **Three tax rate adjustments** (tax rate change from 46.87 cents in FY2015 to 48.63 cents in FY2016);
 - Adjustment of 0.41 cents in the property tax rate to achieve the "revenue neutral rate" that would have been considered if the initial 2011 property assessment revaluation had been accurate
 - Conversion of the \$47 annual single family residential solid waste fee to a property tax rate of 1.35 cents to raise an equivalent amount of funds (0.99 cents) and to cover higher costs for solid waste operations, recycling, and multi-family collection service contracts (0.36 cents)
 - Transfer of 0.25 cents from new, unprogrammed debt capacity to the operating budget, without impacting the current Community Investment Plan
- o **Tax rate adjustment impact on residential properties:**

- **80 percent would pay less than current city property taxes bill** (homes valued at \$267,000 or less)
 - 95% would pay less than \$4 more per month (homes valued at \$538,700 or less)
 - Less than 1.5 percent of residential properties would pay more than \$10 more per month
 - \$1 million property pays \$10.75 more per month
 - **Regulatory user fee rates reduce General Fund subsidy** from 16.7 percent to 6.2 percent = \$1.4 million additional revenue
-

Community Investment Plan: *Protects today and invests in our future*

- Capital budgets continue to support all specifically identified projects and no changes will be made to the Community Investment Plan adopted by Council and partially funded by voter-approved bonds in 2014.
-

Enterprise Funds' Operating Budgets: *Balanced with self-sustaining revenues*

- Aviation = 11.3 percent increase; Additional 49 positions to keep up with service complexity and customer demand
 - CATS = 4.2 percent increase; Additional 5,000 revenue service hours; Opening of the new CityLYNX Gold Line service
 - Storm Water Services = 14.2 percent increase to continue addressing backlog; Revision to 4-tier rate methodology
 - 61 percent of Storm Water residential customers will see no change to monthly bill
 - Charlotte Water = 2.7 percent increase; Rate methodology changes to eliminate the Tier 1 subsidy, and respond to changing economic and regulatory conditions
 - Typical water and sewer bill increases by \$1.55 per month
-

Employee Compensation: *Invests in employees; Pay plan reduced below benchmark average*

- Budget has been cut beyond the \$21.7 million gap to include a reduced Pay Plan to assist in recruitment and retention; Benchmark average for FY2016 is 3.0%, but funded at lower rate:
 - 0.75 percent public safety market adjustment,
 - 2.5 percent or 5.0 percent public safety step adjustment based on rank and current step,
 - 1.5 percent broadband merit budget (for all other general employees)
 - Adjust salaries of 88 employees who are below 60 percent of the area median
-

Total Tax & Fees Impact: *Remains a strong value to the community*

- **A \$3.57 annual reduction** for property owners at 50th percentile home value (\$141,100); Includes property tax adjustments, residential solid waste fee elimination, and changes to water & sewer and storm water rates.

City of Charlotte taxes & fees – 50 th percentile home value	Prior Year FY2015	FY2016 Budget	\$ Change	% Change
Property taxes on \$141,100 home	\$661.34	\$686.17	\$24.83	3.8%
Solid Waste fee (Residential)	\$47.00	\$0.00	(\$47.00)	(100.0%)
Water & Sewer (Average user rate)	\$682.80	\$701.40	\$18.60	2.7%
Storm Water (Average user rate)	\$97.56	\$97.56	\$0.00	0.0%
Total Annual	\$1,488.70	\$1,485.13	(\$3.57)	(0.2%)
Total Monthly	\$124.06	\$123.76	(\$0.30)	(0.2%)

How can I learn more?

Visit www.charlottenc.gov or view the discussions on the Gov Channel, Cable 16 (Digital 97-2) or online at <http://govchannel.charmeck.org>.

The full City Manager’s recommended budget as well as information from Council budget workshops can be found at: <http://charmeck.org/city/charlotte/Budget/development/Pages/default.aspx>.