Questions & Answers From April 17th Council Budget Workshop

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General Fund Update

Question 1: *What is the history of the separate disposal fee and is it calculated to recover the amount charged by the County for landfill usage?*

In 1984, the City and Mecklenburg County entered into a solid waste interlocal agreement where the City became the lead agency charged with solid waste collections and Mecklenburg County took over disposal. This agreement included the transfer of City landfills to County ownership. Also as part of the original agreement, the County did not charge the City for tipping fees and instead charged a residential disposal fee, billed at the same time as the property tax, to cover the cost of the landfills. In 1996, the original terms of the agreement ended. At that time, the County eliminated single-family and multi-family residential disposal fees and the City began to incur tipping fees. The City adopted the same fee used by the County - $38 per year for single family and $23 per year for multi-family. The County retained a $10 per year administrative fee for residential customers. The County fee is currently $15 per year. City code does not prescribe that the residential solid waste disposal fee be directly tied to the actual disposal costs.

Changes to Solid Waste Disposal Fee

Fiscal Year	Single Family	Multi Family
FY1997	$38 per year	$23 per year
FY2001	$44 per year	$27 per year
FY2013	$47 per year	$24 per year*

*decrease due to elimination of multi-family supplemental service

Question 2: *What would be the impact of converting the disposal fee to a property tax for property owners?*

Most single family residential homeowners would see a decrease in annual cost if the $47 per year fee was converted and contract escalation and equipment maintenance costs are added with a 1.35 cent increase on the property tax rate. The following table shows various scenarios by percentile.

$97,600 Home Value (25th Percentile)	FY2015	Convert Solid Waste Fee	Change
Property taxes	457.45	474.63	17.18
Solid Waste fee (Residential)	47.00		(47.00)
Total Annual	**504.45**	**474.63**	**(29.82)**
Total Monthly	**42.04**	**39.22**	**(2.49)**
$141,100 Home Value (50th Percentile)	**FY2015**	**Convert Solid Waste Fee**	**Change**
Property taxes	661.34	680.38	19.05
Solid Waste fee (Residential)	47.00		(47.00)
Total Annual	**708.34**	**680.38**	**(27.95)**
Total Monthly	**59.03**	**56.70**	**(2.33)**

$232,500 Home Value (75th Percentile)	FY2015	Convert Solid Waste Fee	Change
Property taxes	$1,089.73	$1,121.12	$31.39
Solid Waste fee (Residential)	47.00		(47.00)
Total Annual	**1,136.73**	**1,121.12**	**(15.61)**
Total Monthly	**$94.73**	**$94.43**	**$(1.30)**
$385,200 Home Value (90th Percentile)	**FY2015**	**Convert Solid Waste Fee**	**Change**
Property taxes	1,805.43	1,857.43	$47.25
Solid Waste fee (Residential)	47.00		(47.00)
Total Annual	**1,852.43**	**1,857.43**	**5.00**
Total Monthly	**154.37**	**154.79**	**0.42**

User Fees

Question 3: *How will it be determined which user fees should recover 100% of fully allocated cost, and which should be subsidized by the General Fund? What would 100% recovery generate in revenue?*

City Council originally adopted a fully allocated cost recovery rate of 100% for regulatory user fees with FY2006 Budget. Due to the economic decline, user fees remained at the FY2009 rates through FY2012. Effective July 1, 2012, City Council approved a multi-year approach to gradually return to the fully allocated cost recovery model for regulatory fees. Regulatory user fees are computed based on the annual operating budget and are driven by the complexity of the service, number of units, and amount of staff time. During the last three year, fees increased by an average of 6-7% annually. Some fees even decreased based on number of occurrences, actual costs and staff time for the specific fee. Overall, the cost recovery gap did not close by the same 6-7% annually, as shown in the table below.

Regulatory User Fee Cost Recovery			
FY2013	**FY2014**	**FY2015**	**FY2016**
75.0%	80.0%	83.3%	93.8%

Seven City departments provide regulatory services and assess fees to recover direct and indirect costs. FY2016 Recommended User Fees recoup $11.8m of $12.5m costs and provides an additional $1.4m in revenues. Cost recovery of 100% would generate an additional $700,000 in general fund revenue, for a total increase of $2.1m. Three of the seven departments recommended fees reach the goal of 100% full cost recovery for FY2016. Based on the Department Directors' review and City Manager's Office concurrence, the remaining fees that recover less than 100% require further analysis, outreach to the development community, and will utilize a two-year phased approach to reach City Council's goal of 100% recovery. All fees will continue to be reviewed and computed annually.

<u>Question 4:</u> *Is it possible to summarize enhancements to user fee services along with the fee rates developed through the budget process? What is the timeline for when the recommendations from the City/County land development permitting study can be implemented?*

FY2016 Recommended Budget includes additional staff in an effort to continue to meet the current high level of regulatory service and is not related to particular recommendations in the Gartner report. FY2016 User Fees include adding one Engineering Project Coordinator in Transportation due to additional workload associated with a 53% increase in Land Development permits issued since FY2012. Also, in an effort to maintain service goals, recommendations include adding a Plans Reviewer in July 2015 and a Zoning Plans Reviewer in January 2016 for Engineering and Property Management's Land Development division. One of Land Development's metrics is to provide quality service by completing all land development reviews on-time and approving plans within an average of less than 2.5 reviews.

Land Development				
	Goal	**FY2013**	**FY2014**	**Current Year**
Reviews completed on Time	100%	94.0%	93.0%	89.0%
# of Reviews/project	<2.5	1.85	1.93	1.90

Gartner submitted their final report in March 2015 which includes several recommendations within seven identified themes:

- Governance
- Customer Service
- Culture
- Processes
- Technology
- Code interpretation and consistency
- Metrics

The Gartner report included a phased three-year schedule for studying recommendations and implementing improvements. In addition, City and County staff have identified several quick-wins which are currently being pursued with completion expected by December 2015. Additional information on the Gartner report can be found at the following site: http://charmeck.org/mecklenburg/county/LUESA/CodeEnforcement/BDC/Pages/BDC%20Quarterly%20Bulletin.aspx

General Fund Expense and Service Level Reductions

<u>Question 5:</u> *For the list of expenditure line item reductions, what is the percentage of total budget for each reduction category?*

The following table lists the amounts for each recommended FY2016 Expense Reduction, showing the percentage change of the reduction from the total budget for that category.

Expense Reductions			
Reduction Category	**Financial Impact**	**FY2016 Budget General Fund Category**	**% of General Fund Category Budget**
Technology/Telecommunications	$843,084	15,415,708	5.5%
Equipment Maintenance/Accident Repairs	801,141	20,303,573	3.9%
Retirement Payout Reserve	500,000	1,500,000	33.3%
Fuel	470,534	10,487,133	4.5%
Travel, Training & Educational Reimbursement	397,104	2,809,274	14.1%
Contracted Services	303,283	38,824,211	0.8%
Frozen Positions	216,568	216,568	100.0%
Vacant Positions (long time vacancy)	165,873	165,873	100.0%
Temporary Positions/Overtime	149,950	7,582,364	2.0%
Utilities	145,340	14,617,705	1.0%
Other	129,203	129,203	100.0%
Uniforms	102,600	3,241,815	3.2%
Council Discretionary	100,000	200,000	50.0%
Printing, Postage, & Advertising	55,105	2,815,128	2.0%
Office/Operating Supplies	48,803	5,610,295	0.9%
Subsistence	45,212	307,186	14.7%
Public Education	41,447	870,508	4.8%
Dues & Subscriptions & Memberships	25, 232	962,433	2.6%
	$4,540,479	**$126,058,977**	**3.6%**

<u>Question 6:</u> *For the FY2016 Recommended Operating Budget, what comprises the total budget for contracted services?*

The FY2016 Recommended Operating Budget includes $38,520,928 in General Fund Miscellaneous Contracted Services (net of expense reductions shown in Question 5 above). In FY2016 there are 145 individual contracted service accounts budgeted in the General Fund across all departments. Eleven of the 145 contracted services accounts total $26,153,574, which is 68% of the total FY2016 contracted services budget. The following table lists the largest contracts that constitute the majority of the FY2016 contracted services budget.

Department / Division	Contracted Services Description	FY16 Budget Amount
Solid Waste Services	Recycling Contract	$ 5,945,186
Solid Waste Services	Multi-Family Contract	3,722,335
Non-Departmental	Mecklenburg Towns Tourism Contribution	3,236,719
Non-Departmental	Arts & Science Council Financial Partner Contribution	2,940,823
Innovation & Technology/ Technology Communication Services	Public Safety Radio Infrastructure Maintenance	2,487,019
Engineering & Property Management/Landscape Management	Citywide Landscaping	2,062,418
Innovation & Technology	Help Desk Services	1,502,229
Solid Waste Services	Roll-Out Cart Contract	1,107,324
Engineering & Property Management	CMGC Janitorial and Security	1,073,190
Management & Financial Services/Finance Revenue	Utility bill generation, electronic bill payment, and utility bill collections	1,067,051
Charlotte Department of Transportation	Park It! services including collection, pay by cell, and on-street parking	1,009,280
Numerous General Fund Departments and Divisions	See table below	12,367,354
	Total	**$ 38,520,928**

The table below breaks out the remaining $12,367,354, which is comprised of 134 individual accounts from across the General Fund, by category.

Contracted Services Description	FY16 Budget Amount
Professional Services (a)	$ 6,959,376
City Facility Maintenance and Security	1,871,091
Financial Partners	1,491,575
Software Licensing/Maintenance	853,477
Community Programs (b)	631,563
Employee Health/Drug Screening Services	560,271
Total	**$12,367,354**

(a) Professional Services consists of numerous small and medium-size contracts for items such as graphic design, technology consulting, legal services, and other specialist services

(b) Community Programs includes expenditures for Mayor's Youth Employment Program, Keep Charlotte Beautiful, and other community engagement programs

<u>Question 7:</u> *Please provide examples of budget reductions made over the past several years.*

The following summarizes the budget reductions over the past 20 years:

- FY93 – Rightsizing eliminated 263 positions
- FY03-06 – Annual budget reductions and service cuts amounting to over $15 million
- FY09 Mid Year - Subsequent to the financial crisis in the fall of 2008, the City realigned expenditures with anticipated revenues, strengthening the position of the City to weather potential, further economic deterioration. Highlights include:
  - $9.0 million in General Fund net expenditure savings were isolated and set aside to offset anticipated General Fund revenues being $4.5 million below budget. All General Fund departments were given new, lower budget requirements.
  - $12.0 million in capital reserves were set aside in the event of future economic deterioration.
  - Contracts considered non-essential to the continuity of service delivery were put on hold.
  - All non-essential travel was eliminated.
  - Continued monitoring of fuel consumption and alternative service delivery methods.
- FY10 – The severe economic downturn dominated budget considerations:
  - $6.5 million in FY09 General Fund cuts carried forward into FY10
- FY11 – Departments produced 48 budget reductions resulting in $7.7 million in savings, including:
  - Service Reductions
    - E.g. reductions to Solid Waste Service's unscheduled bulky item pick-up service and reduction of CharMeck 311 service hours)
  - External Agency Reductions
    - Elimination or reduction of funding to non-City of Charlotte agencies
  - Internal Efficiencies
    - E.g. streamlining of service provisions in areas such as single stream recycling, reorganization of the City's Real Estate Division, and mitigation of Police overtime costs
  - Internal Cost Transfers
    - E.g. shifting of costs from the General Fund to other City funds such as tree removal and trimming to Pay-As-You-Go capital
  - Other
    - Reduction of City's contribution to non-public safety employee 401 (k) program from 3% to 2%
- FY13 – Operating budget reflects slow growth following economic recession, weathered by the City through budget reductions and a continuation of conservative financial strategies. Highlights include:
  - Operating budget line items are predominately held flat
  - Elimination of multi-family supplemental disposal payments with corresponding reduction of annual City fee
  - Implement new Public Safety Pay Plan structure that is more sustainable with slower pay plan growth rates following Mayor's Efficient & Effective Government Task Force findings and recommendations
- FY14 – Budget focuses on addressing the growing community's service and infrastructure needs:
  - Operating budget line items are predominately held flat, with minor adjustments for fuel, maintenance, and training for Police and Fire

General Community Investment Plan Update

<u>Question 8</u>*: How are revenues from Vehicle Rental Tax and Motor Vehicle Licenses used in the FY2015 Council-approved Pay-As-You-Go Fund?*

In the FY2015 Council-approved Pay-As-You-Go Fund, 100% of revenues from Vehicle Rental Tax and 80% of revenues from Motor Vehicle Licenses were used to fund the City's contribution to the CATS Maintenance of Effort (MOE) and the Mecklenburg County and Towns share of transit funding. The following table shows the FY2015 budgeted amounts for each of these revenue sources, and the distribution of those revenues.

Revenue & Expenditure	**FY2015 Revenue**	**Used for Transit**	
Vehicle Rental Tax	$ 10,343,148	$ 10,343,148	100%
Motor Vehicle Licenses	12,220,161	9,775,541	80%
Total Transit Revenue	**$ 22,563,309**	**$ 20,118,689**	
CATS MOE		19,520,560	
County/Towns Transit Share		598,129	
Total Expense		**$ 20,118,689**	
Remaining Motor Vehicle License Revenue		**$ 2,444,620**	**20%**

$2.4 million in remaining Motor Vehicle License revenue not used for transit-related activities is used to support the General Pay-As-You-Go program, including business corridor revitalization and transportation infrastructure.

<u>Question 9:</u> What is the expected *economic impact associated with the CityLYNX Gold Line corridor?*

Below are economic impact data associated with the CityLYNX Gold Line Phase 2 project that have been derived from two studies conducted separately for the City by BAE Urban Economics in May 2013 and Noell Consulting in April 2014.

<u>BAE Urban Economics</u>

In May 2013, an Economic Development Update Study of the Charlotte CityLYNX Gold Line Project was conducted by BAE Urban Economics. The Study concluded that Gold Line Phase 2 would generate a total of 731 additional residential units; 21,800 square feet of additional retail space; 276,700 square feet of additional office space; and 101 additional hotel rooms by 2035. This represents an increase of approximately 1.1 million or more square feet in new development over the next 20 years, in addition to the development activity that would otherwise occur without the Gold Line. According to the BAE Study, *"The increase in development would occur because Phase 2 of the CityLYNX Gold Line would increase homebuyer, renter, and commercial tenant demand for locations along the Gold Line corridor, and motivate developers to invest in additional development."*

<u>Noell Consulting</u>

Nationally, streetcar projects have proven to be a catalyst for economic development, revitalizing neighborhoods and creating a high return on investments. The following table provided by Noell Consulting summarizes the actual and projected development investment along the streetcar routes in various cities.

Economic Impact of Streetcar Projects					
City	**Year Completed**	**Streetcar Infrastructure Cost**	**Development Investment along Route**	**Return on Investment**	**Length (miles)**
Kenosha, WI	2000	$5.2 million	$150 million(A)	29:1	2.0
Portland, OR	2001-2005 (original) 2012 (eastside)	$103 million (original) $121 million (eastside)	$3.5 billion(A)	33:1	4.0
Tampa, FL	2002	$48.3 million	$1.0 billion(A/P)	21:1	2.3
Memphis, TN	2004	$104.3 million	$2.0 billion(A/P)	19:1	2.2
Seattle, WA	2007	$50 million	$4.0 billion(A/P)	80:1	1.3
Tucson, AZ	2014	$196 million	$900 million(A)	5:1	3.9
Atlanta, GA	2014	$99 million	$1.2 billion(A/P)	12:1	2.7
Kansas City, MO	2016	$102 million	$308 million(A/P)	3:1	2.0
Providence, RI	2018	$126 million	$1.1 billion(P)	9:1	2.5
Charlotte, NC					
Phase 1	2015	$37 million	$ 1.6 billion(P)	43:1	1.5
Phase 2	2019	$150 million	$ 3.0 billion(P)	20:1	2.5
A = Actual; P = Planned/Projected					
Source: Charlotte – Noell Consulting / Reconnecting America / HDR Engineering / Community Streetcar Coalition / URS-AECOM Engineering					

The CityLYNX Gold Line Phase 1 and 2 estimates of development potential through Year 2035 shown in the above table were provided by Noell Consulting in an April 2014 analysis conducted for the Charlotte Planning Department as part of the City's submittal of its Small Starts Grant application. The area of analysis included ½ mile around the future stations within the Gold Line Phase 2 corridor and development potential is estimated to a horizon year of 2035. Analysis of a ½ mile ring around a future station is consistent with FTA's required methodology for land use analyses under the Small Starts and New Starts grant programs. Noell Consulting has performed similar analyses for the LYNX Blue Line, LYNX Blue Line Extension, and LYNX Red Line.

As shown on **Attachments 1 through 3** (Exhibits 28, 31, and 37 from the Noell Report), $3.0 billion in potential development investment is estimated to occur by 2035 along the 2.5 mile CityLYNX Gold Line Phase 2 Corridor as follows:

Gold Line Phase 2 Corridor	**Value of Development (Less Land)**
Western Portion (Wesley Heights Way to French Street)	$0.14 billion (Exhibit 28)
Central Portion (Tryon Street to Irwin Avenue)	$2.24 billion (Exhibit 31)
Eastern Portion (Hawthorne & 8th Street to Sunnyside)	$0.62 billion (Exhibit 37)
Total Potential Development Investment	**$3.00 billion**

<u>Question 10:</u> What is the actual and expected incremental growth in property tax revenues generated by LYNX Blue Line and CityLYNX Gold Line?

<u>LYNX Blue Line</u>

An evaluation of incremental growth in property valuations and property tax revenues generated along the LYNX Blue Line corridor has been delayed pending the completion of the County's review of assessed property values from the 2011 revaluation. The valuation portion of the County's review has been completed and a final report was presented to the County Commission on March 3rd. The County is now proceeding with the appeals process. City-wide, there are currently 8,633 outstanding appeals representing an aggregate assed value in excess of $9.5 billion. Until the appeals process is complete, it will be difficult to accurately determine the current assessed property values along the Blue Line corridor to compare against the assessed values prior to the completion of the Blue Line. As the appeals and discovery process proceeds, City staff will begin working with the County Tax Assessor to identify the final assessed values of property within a one-half mile radius of each of the Blue Line stations. Staff will then compare the current values in these identified areas with the values in the same geographies prior to the completion of the Blue Line to determine incremental growth in property tax generated by the Blue Line.

Additionally, as part of a separate work effort from the Metropolitan Transit Commission (MTC) Transit Funding Working Group, CATS has retained Ernst & Young to conduct a "value capture" analysis that will look at the historical change in assessed values along the Blue Line and then, using those historical trends, develop a model to project a range of assessed values through 2030 for both the Blue Line Extension and proposed LYNX Red Line.

<u>CityLYNX Gold Line</u>

The May 2013 BAE Urban Economics Study of the CityLYNX Gold Line Phase 2 Project indicated that if the City were to establish a Tax Increment Financing (TIF) district covering properties within a ¼-mile radius on either side along the four-mile Gold Line Phase 1 and 2 route, the potential private investment within that corridor could generate between $4.7 million and $7.0 million per year in incremental property tax revenues by 2035. The BAE Study analyzed the potential growth in incremental assessed value and annual property tax revenue by 2035 using three scenarios: Conservative, Expected, and Best Case. The following table summarizes the findings of the BAE Study.

Scenario	Incremental Change in Assessed Value	Incremental Annual Property Tax Revenue(a) (b)
Conservative	$2,114,793,760	$4,660,445
Expected	$2,354,133,419	$5,497,176
Best Case	$2,793,298,363	$7,032,497

Notes:

(a) The estimated incremental property tax revenue assumes the existing property tax rate of 43.7 cents at the time the report was conducted in 2013.

(b) Annual TIF Revenue represents only 80% of available tax increment attributable to real property, les tax increment allocations to the Elizabeth Ave project from 2020 to 2030 and to the Gateway Station project from 2020 and on.

Sources: Mecklenburg County, 2012; City of Charlotte, 2013; BAE, 2013

Question 11: *What are the estimated advertising revenues expected from the CityLYNX Gold Line when Gold Line Phase 2 begins operations?*

In September 2014, CATS staff provided initial estimates for other potential sources of revenue to support the annual operating costs of the Gold Line after Phase 2 begins operations, including approximately $200,000 annually from naming rights and $93,000 annually from advertising.

Aviation

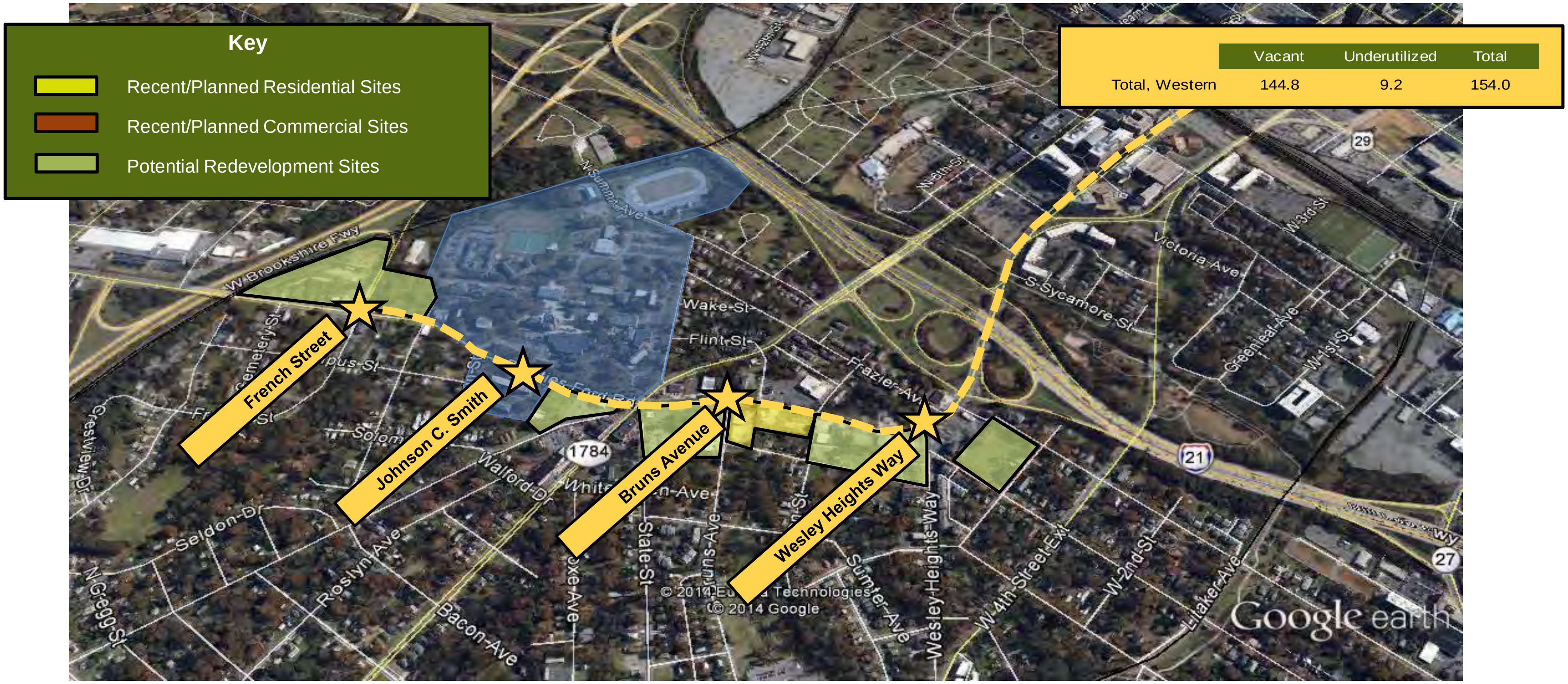
Question 12: What is the five-year projection for the Operation & Maintenance Expenses per Enplaned Passenger and the Cost per Enplanement?

While there is a relationship between Operation & Maintenance (O&M) Expenses per Enplaned Passenger and airline Cost per Enplanement (CPE), the relationship is not directly proportional. The key drivers for both the O&M and CPE projections include anticipated growth in the airport's capital program. However, CPE also considers the operating revenue levels, which contribute to airline profit sharing. Moreover, CPE projections assume agreement of terms and conditions contained in the proposed Airport Use Agreement currently being negotiated with airlines serving the airport.

	Projected FY2016	Projected FY2017	Projected FY2018	Projected FY2019	Projected FY2020
O&M per Enplanement	$6.43	$6.80	$7.20	$7.41	$7.63
Cost per Enplanement	$1.56	$1.92	$1.92	$2.13	$2.18

Exhibit 28

Development Opportunities Along the Western Portion of the Gold Line Corridor



New Development Summary (4 Stations Combined)

	Total New Units/ SF	Total Population	Total Employment	Total Acres	Value of Dev (less land)	Incremental Value
Residential	573	1,002		22.5	$111,302,341	*Includes values of new development and appreciation of existing land and development.*
Office	63,828		319	5.9	$11,472,986	
Retail	527,266		1,055	7.0	$13,026,722	
Flex	0		0	0.0	$0	
Summary		**1,002**	**1,374**	**35.3**	**$135,802,049**	**$218,866,711**

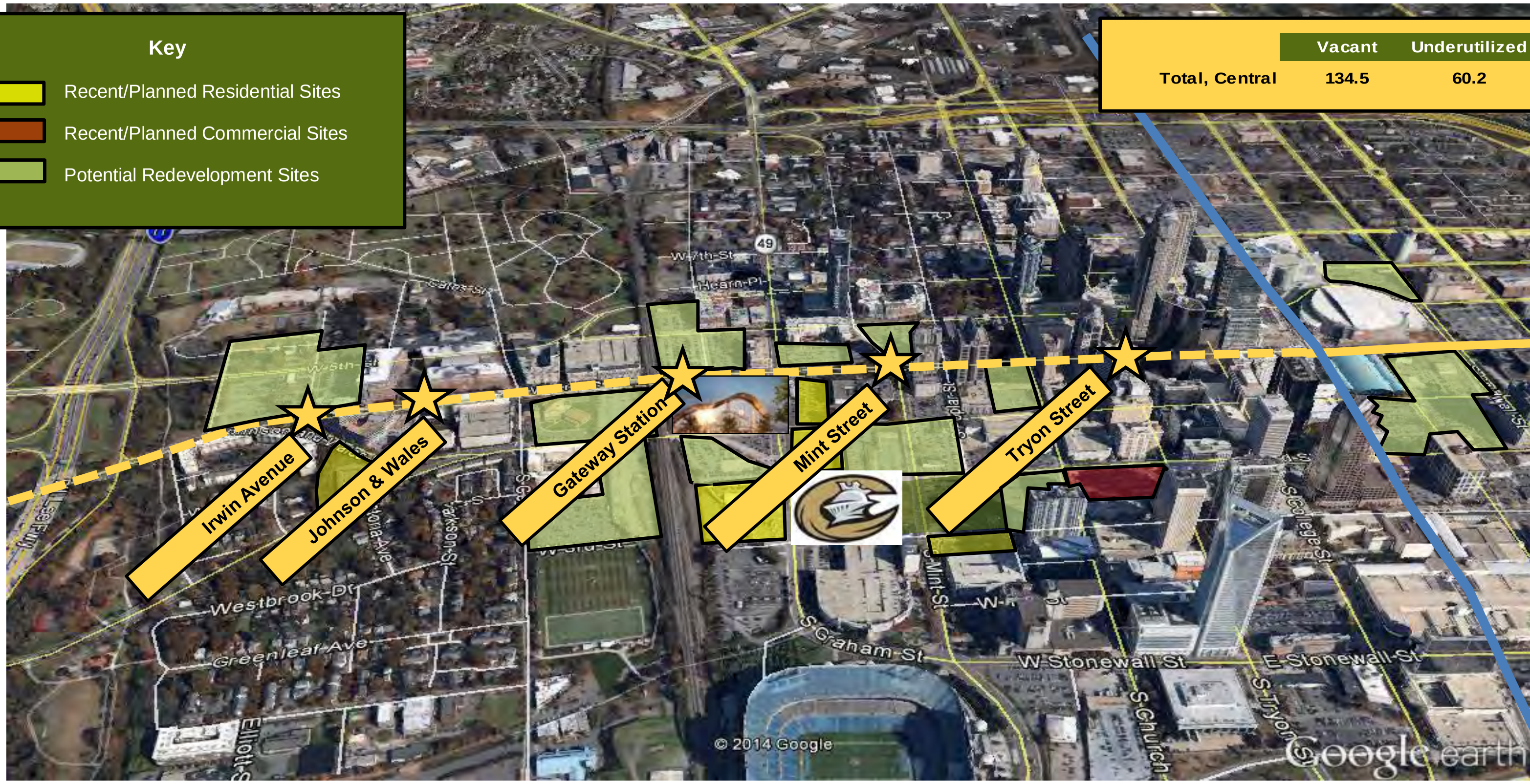
The western portion of the Gold Line Small Starts corridor has seen the least amount of development pressure thus far and will likely continue to see moderate development potential going forward. More than 154 acres are available for development or redevelopment, with the majority of these acres likely being developed as rental apartments or perhaps for-sale townhouses. Smaller opportunities exist for local-serving office uses (perhaps some type of JCSU-related office) as well as neighborhood-serving retail.

Note: Values provided above utilized NCG per SF estimates from 2013 and have not been updated, other than factoring in inflation. Similarly, incremental value includes an assumption relative to base value at YE 2010. No effort has been made to update those numbers.

SOURCE: Noell Consulting Group

Exhibit 31

Development Opportunities Along the Central Portion of the Gold Line Corridor



	Vacant	Underutilized	Total
Total, Central	134.5	60.2	194.7

New Development Summary (5 Stations Combined)

	Total New Units/ SF	Total Population	Total Employment	Total Acres	Value of Dev (less land)	Incremental Value
Residential	4,944	8,652		32.4	$1,104,720,849	*Includes values of new development and appreciation of existing land and development.*
Office	4,298,087		21,490	19.7	$1,088,385,925	
Retail	208,539		417	4.8	$43,901,527	
Flex	0		0	0.0	$0	
Summary		**8,652**	**21,908**	**57.0**	**$2,237,008,301**	**$3,857,712,166**

More than 90 acres of undeveloped or vacant acres exists within one-quarter mile of the five Central Corridor stations. We believe this land will develop with a strong mix of residential (particularly around the BB&T stadium and Romare Bearden Park) and around the Johnson & Wales station area, as well as high-rise office around Gateway Station and the Tryon and Arena/Transportation Stations. All retail development in this area is assumed to be developed as first floor retail uses, given high land costs and smaller parcels in the area.

Note: Values provided above utilized NCG per SF estimates from 2014 and have not been updated, other than factoring in inflation. Similarly, incremental value includes an assumption relative to base value at YE 2010. No effort has been made to update those numbers.

SOURCE: Noell Consulting Group

Exhibit 37

Development Opportunities Along the Eastern Portion of the Gold Line Small Starts Corridor

	Vacant	Underutilized	Total
Total, Eastern	52.1	33	85.1

New Development Summary (2 Stations Combined)

	Total New Units/ SF	Total Population	Total Employment	Total Acres	Value of Dev (less land)	Incremental Value
Residential	2,040	3,569		37.7	$558,596,798	*Includes values of new development and appreciation of existing land and development.*
Office	111,025		555	1.0	$28,438,044	
Retail	131,816		264	6.1	$35,286,483	
Flex	0		0	0.0	$0	
Summary		**3,569**	**819**	**44.7**	**$622,321,325**	**$739,520,681**

More than 85 acres of vacant or undeveloped land is available for development in the eastern segment of the Small Starts portion of the Gold Line. Included in this are significant acreage in Plaza/Midwood likely to develop as residential and neighborhood-serving retail uses. The Hawthorne & 8th station area includes opportunities for higher intensity residential around the park, with opportunities existing for medical office, retail, and residential uses as well.

Note: Values provided above utilized NCG per SF estimates from 2014 and have not been updated, other than factoring in inflation. Similarly, incremental value includes an assumption relative to base value at YE 2010. No effort has been made to update those numbers.

SOURCE: Noell Consulting Group