FY 2018 Budget Workshop

City of Charlotte

April 12, 2017
1:30 p.m. – 4:30 p.m.
Room 267

I. **Budget Committee Report and Workshop Overview (15 minutes)**
   - Council Member Phipps, Budget Committee Chair
   - Marcus Jones

II. **General Fund Update (30 minutes)**
    - 1* Kim Eagle
    - Eric Hershberger

III. **Financial Partner Preliminary Funding Recommendations (30 minutes)**
     - 3* Kim Eagle
     - Rachel Wood

IV. **Compensation and Benefits (30 minutes)**
    - 5* Cheryl Brown

V. **Charlotte Water FY 2018 Budget (30 minutes)**
    - 9* Barry Gullet

VI. **Review of Questions & Answers from March 22nd Budget Workshop**
    - 13 Kim Eagle

* Additional materials to be distributed April 12

Distribution:
- Mayor and City Council
- Marcus Jones, City Manager
- City Manager’s Executive Team
- City Manager’s Executive Cabinet
- Strategy & Budget Staff
Page Intentionally Left Blank
General Fund Update

Materials to be distributed at the April 12th Budget Workshop
Page Intentionally Left Blank
Financial Partners
Preliminary Funding Recommendations

Materials to be distributed at the April 12th Budget Workshop
Compensation and Benefits

Presentation to be distributed at the April 12th Budget Workshop
## Employee Pay & Benefits Considerations

### Pay, Medical & Rx Trends
- 3% national pay increase trend
- Decrease in benefits claims paid (excluding high-cost claimants)
- High-cost claimants increased
- Musculoskeletal conditions, cancer and renal failure are cost drivers
- Preventive care rates are above average
- 1% of utilizing members drive 40% of the prescription drug costs

### 2016 Pay & Benefits Successes
- Implementation of MyClinic
- Implementation of the Non-Exempt (hourly) Pay Plan (NEPP)
- Implementation of Veterans Day holiday
- Flat renewals for Medical, Dental, Life Insurance and Short-Term Disability contracts
- 86% generic drug utilization

### Health Clinic Success
- 17,112 health clinic visits in 2016; many patient success stories
- 73% of employees have accessed clinic services
- 30% of dependents and retirees have accessed clinic services
- 50% of 2016 visits were acute and 50% were preventive care
- 98% rated the overall clinic experience as Excellent or Good

### FY 2018 Pay & Benefits Considerations
- Proposed pay changes:
  - Broadbanding Pay Plan & Non-Exempt Pay Plan funding recommended, consistent with market movement; considering 3-5%
  - Public Safety Pay Plan market adjustment budgeted at half of Broadbanding pay plan increase
- Proposed benefits changes:
  - Projected 9% increase in City funding
  - Multi-plan medical & prescription drug plan option to provide choice & affordable coverage for our multi-generational workforce

### Employer of Choice
- Generating Positive Buzz about the City’s workplace culture & opportunities
- Being a Magnet for Millennials and all people who want to build a career and build a community

### Patient Success Story
*Following a biometric screening that showed elevated A1c levels & high cholesterol, Patient Y was inspired to switch to a plant-based diet. Since his February screening, he’s lost almost 10 pounds and he exercises each morning. Patient Y was getting 4-5 hours of sleep per night and now he regularly sleeps 7-8, for which he credits his new healthy habits. He is also participating in a Couch to 5k program.*
Charlotte Water FY 2018 Budget

Presentation to be distributed at the April 12th Budget Workshop
CHARLOTTE WATER IS A VITAL COMPONENT OF THE COMMUNITY.

WATER
Supply, on average, more than 107 million gallons of drinking water to approximately 1 million people each day.

WASTEWATER
Collect and treat approximately 88 million gallons of wastewater each day and regulate discharges from approximately 60 industrial customers.

ENVIRONMENTAL PROTECTION
Sanitary sewer overflows (SSOs) have been reduced by 33% in the last 5 years but more work is needed to protect the environment by further reductions.

PUBLIC HEALTH
In FY 2016, Charlotte Water performed more than 200,000 laboratory analyses to ensure consistent, high quality drinking water.

ECONOMIC DEVELOPMENT
All economic development in Charlotte is contingent on a reliable water and sewer system with capacity to accommodate new customers.

FIRE PROTECTION
Every new customer and mile of pipe added increases maintenance, operations and workload including maintaining more than 16,000 hydrants.

CHARLOTTE WATER’S LONG-TERM PLANNING EFFORTS AND STRATEGIC OPERATIONS ARE DESIGNED TO:

KEEP RATES AFFORDABLE
Charlotte Water’s rates and fees are affordable and rank in the mid to lower half of rates charged by comparable cities regionally and nationally.

MEET AND EXCEED REGULATORY REQUIREMENTS
Exceeding regulatory performance and testing requirements protects public health and sustains customer confidence.

PROVIDE CAPACITY FOR ECONOMIC DEVELOPMENT
Charlotte Water’s long-term planning calls for a five year CIP of roughly $944 M to ensure capacity for economic development and replacement of aging infrastructure.

SATISFY CUSTOMER EXPECTATIONS
Charlotte Water staff respond to more than 206,000 requests for service, repairs more than 5,000 water leaks, and clears more than 1,200 miles of wastewater pipes to remove blockages each year.

FY 2018 PROPOSED BUDGET
Operating Budget $147.5 M
Debt Service & PAYGO $251.8 M
Total $399.3 M

FY 2018 - 2022 PROPOSED COMMUNITY INVESTMENT PROGRAM
Capacity for Growth $467.5 M
Commitments to Public Projects & Utility Operations $126.4 M
Regulatory Requirements $80.4 M
Rehabilitation & Replacement $269.8 M
Total $944.1 M
THE PROPOSED FY 2018 BUDGET TACKLES CHALLENGES SUCH AS:

**HIGH PACE COMMUNITY GROWTH AND REDEVELOPMENT**

The utility’s growth rate over the last five years is equal to adding the total population of Davidson and Pineville each year.

**POSITIVE BUZZ LIVABLE COMMUNITY**

Aging pipes and damage from underground construction is resulting in more water leaks and public expectations are driving the need to repair them quicker.

**MAINTAINING DECADES OLD PLANTS AND PIPES**

Negative media publicity across the country about water issues threatens customer confidence in the quality of drinking water and trust in operations.

**MAINTAINING CUSTOMER CONFIDENCE**

Supporting and securing the cyber systems used to control, manage, and optimize daily operations is rapidly becoming more complex and more necessary.

**MILLENNIAL MAGNET OPEN MINDS OPEN BOOK**

There is a need to build and manage employees’ skills and institutional knowledge as a critical asset with the same intensity and focus as investing in hard infrastructure assets while seizing the opportunity to develop a vocational workforce to fill jobs requiring transferable skills.

**MANAGING DATA SETS, RECORDS & COMPLEX CYBER SYSTEMS**

**WORKFORCE DYNAMICS SHARED STORY MILLENNIAL MAGNET BIG TENT**
Review of Questions & Answers from March 22\textsuperscript{nd} Budget Workshop
General Community Investment Plan Update

**Question 1:** Provide additional details on what the $11.0 Million capacity from the Risk Fund can be used to fund.

The $11.0 million of capacity available in the Risk Fund can be used for capital investments that directly support the safe operation of City services as well as the mitigation of risk and future liability costs. The following three proposed capital investments meet the criteria for use of these funds and would utilize $7.4 million of the $11.0 million available. The remaining $3.6 million would be held in reserve as a contingency for potential unforeseen liability payouts.

1. **Charlotte Vehicle Operations Center (CVOC) ($3.6 million)**
   - The CVOC training facility, located at 2725 Beam Road near the Police and Fire Training Academy, is currently operating over capacity. On average there are over 120 training requests annually that cannot be honored due to increasing facility use and scheduling conflicts. This has resulted in the inability to adequately offer annual driver retraining for many departments.

   Risk Management is proposing to develop the nine acres owned by the City adjacent to CVOC. The proposal is to extend the perimeter road around the additional acreage, and build a large open concrete pad in the middle and add an additional training classroom facility to support operations and training. This expansion will allow the City to conduct training for two to three departments simultaneously. The increased capacity will also allow for the implementation of annual in-service driver refresher training for all departments. Through implementing annual in-service driver training and keeping safe driving as a consistent focus of City employees, it is estimated that the City would recoup its initial costs of $3.6 million within five years and prevent an estimated 2,000 vehicle claims. Vehicle accidents are one of the frequent causes of Workers’ Comp claims for the City. Reducing vehicle claims will also have a measurable impact and potential reduction in workers’ comp claims, employee return to work, and employee productivity.

2. **Americans with Disabilities Act (ADA) Evaluation and Transition Plan ($3.0 million)**
   - This proposed investment would analyze the City’s current status in regards to ADA compliance, implement a plan to address any deficiencies, and adhere to the federal mandate of the Americans with Disabilities Act. The ADA Evaluation and Transition Plan would accomplish the following:
     - Develop a system-wide inventory to identify barriers to ADA compliance (self-evaluation)
     - Prioritize the necessary improvements and set up a financially feasible schedule for retrofits (transition plan)
     - Implement improvements defined in the transition plan and maintain an ongoing inventory of improvements

   The risks of not implementing this program and not meeting ADA compliance include:
     - Potential audit from Project Civic Access (arm of the Department of Justice). To date, 218 cities have been audited, resulting in settlement agreements which require all work be completed in a much shorter period of time (some examples are 3-5 years).
     - Potential lawsuit from disability groups leading to settlement agreements to make necessary repairs.
Questions and Answers
From March 22nd Budget Workshop

3. Fleet Security Needs ($750,000)
This proposed investment would increase security at the City’s fleet maintenance facilities in response to break-ins and safety incidents. The increased security would assure greater employee safety through the addition of fencing, lighting, camera installation, automated gates, and a badging security system.

Question 2: Are there plans to look at the sidewalk along North Tryon Street from the I-277 bridge to the start of the North Tryon Redevelopment project at Dalton Avenue?

As one of several projects under consideration, the Applied Innovation Corridor Program is investigating options for “gateway” type features for this section of North Tryon Street. These features would include upgrades to the pedestrian environment such as improved sidewalks, trees, and lighting. The City is in the early stages of the planning process and anticipates having a more defined schedule and scope over the next eight months. The specific limits and details for this project will be determined at that time.

The area in question has existing sidewalk that is in good condition according to the City’s inventory of sidewalks, most of it having been replaced or upgraded in the last fifteen years either through redevelopment or the City’s Business Corridor Revitalization efforts. If there are more specific concerns from Council, staff would like to be aware of those so staff can ensure those concerns are addressed through the project.

Question 3: Describe the City’s process for addressing connectivity and gaps in sidewalk projects along corridor redevelopment projects.

The City frequently partners with developers to build out and complete the pedestrian network. As City staff develops project designs through the Community Investment Program, staff seeks opportunities to leverage other projects and ensure connections are made between gaps in the sidewalk network.

Some recent examples of these partnerships are the Sunset Road Sidewalk Project, where the Community Investment Program project coordinated with an active development to extend the limits of the original project to build a complete sidewalk section. Another example is Brown Grier Road Sidewalk Project, where an active Community Investment Program project partnered with a nearby redevelopment to fill a gap that will provide multiple single family neighborhoods pedestrian access to a CMS school campus that includes Steele Creek Elementary, Kennedy Middle, and Olympic High School.

Other recently completed projects include Ridge Road Sidewalk Project, Community House Road Farm-to-Market Project, and Ballantyne Commons/Elm Lane Intersection.

Question 4: What is the City doing to mitigate risk with technology infrastructure?

The Department of Innovation and Technology has implemented a robust process for developing and updating a Citywide Technology Master Plan. Building on the consolidation of the Innovation and Technology Department, the Technology Master Plan provides a
Questions and Answers
From March 22nd Budget Workshop

disciplined process for working with City departments to aggregate, prioritize and plan technology needs and investments over the next 5 years. To help bring focus to the master planning process, the City is actively pursuing four technology themes: data analytics, security, cloud, and operations. These themes facilitate efforts to modernize our environment, improve efficiencies and mitigate risks.

Demands for technology investment are also prioritized and divided in three risk categories: high, medium, and low. The definition for each is listed below.

The key factors considered in establishing overall risk classifications were likelihood of a threat occurring and the business impact if the potential threat does occur.

**High:** A high risk need means the proposed investment has both a high likelihood of occurring and a high impact to the business. This could be the result of changes in the regulatory environment, shifts in public focus, aged/unreliable infrastructure, vendors requiring upgrade/replacement of technology, etc.

**Medium:** A medium risk means the proposed investment has a moderate likelihood of occurring and moderate impact to the business. Both rankings could be medium, but an overall ranking of medium could mean high likelihood and low impact or vice-versa.

**Low:** A low risk item has both a (relatively) low likelihood of occurring and a (relatively) low impact to the business or risk to continuing operations. Very little identified in this roadmap is truly "low" risk, but for the sake of making informed investment decisions, we have established these divisions to allow relative comparison.

**Question 5:** How do other cities approach cemetery management?

North Carolina state law gives cities the authority to operate cemeteries. In contrast, state law allows counties to operate cemeteries only for burial of "inmates of county homes."

The City of Charlotte has operated cemeteries since 1853 with the incorporation of Elmwood Cemetery. Today, the City operates seven cemeteries: Elmwood, Evergreen, Oaklawn, Ninth Street Pinewood, North Pinewood, West Pinewood, and Old Setter’s. Old Settler’s cemetery is historic only with no burials. Burials still occur in the other six cemeteries. The city charges fees for purchase of burial plots, burials, perpetual care, and related services.

In 2015, students from the UNC-Charlotte Gerald G. Fox Master of Public Administration Program undertook a 3-month business analysis of Charlotte’s cemetery operations. The students examined best practices for how municipalities should operate cemeteries, current trends related to cemetery management, future opportunities for growth, and innovative ideas the city may want to adopt when planning for Charlotte’s future.

The students benchmarked Charlotte’s cemetery operations against the following comparable 16 cities: Asheville, NC; Atlanta, GA; Austin, TX; Durham, NC; Fairfax, VA; Greensboro, NC; Greenville, SC; Huntsville, AL; Jacksonville, FL; Morganton, NC; Norfolk, VA; Orlando, FL; Raleigh, NC; Richmond, VA; Savannah, GA; and Winston-Salem, NC.
Questions and Answers
From March 22nd Budget Workshop

Findings from the report included the following:

- While Charlotte’s burial fee was in line with those charged by benchmark cities, Charlotte’s perpetual care fee was $75 below the average. In FY 2017, staff requested and Council approved an increase to the City’s perpetual care fee from $50 to $150. This fee is paid at the time a burial plot is purchased.

- Nearly half of the benchmark cities described collaboration with a nonprofit organization, friends group, or advisory board that assists with the operation of the city’s cemeteries and, in some cases, raises funds for special projects. Charlotte currently does not partner or collaborate with any organizations in its cemetery operations, but the idea remains under staff review.

- Some municipal cemeteries host a variety of tours and events which may increase revenues. Charlotte has begun to offer limited tours and events and is exploring other partnerships to increase these activities. So far the cemetery has not charged for these events.

- Practices related to contracting out the work of cemetery management vary. Durham, Greensboro, Morganton, Raleigh, and Winston-Salem do not contract out any cemetery work. Asheville contracts out for the opening and closing of graves and Raleigh contracts for headstone repair. Charlotte contracts out landscaping services only; city staff performs all customer service, record-keeping, set-up for graveside service, and opening/closing of graves. Further analysis would be required to determine if a different approach to contracting out the work would be recommended.

Staff has recommended modest increases in fees for purchase of burial plots and burial services for FY 2018.

**Question 6:** Describe the impact of not funding the cemeteries.

The Community Investment Plan request includes $2,750,000 over 5 years for repair of cemetery roads. There are 9.7 miles of road in the City’s cemeteries. The roads are considered private and are not eligible for Powell Bill funding. No repair or resurfacing has been performed on the cemetery roads in 25 years and the roads are failing, with large potholes, damaged asphalt, and cracking. Road conditions are too poor for overlay or resurfacing and now require full-depth reclamation. The roads are essential in providing access for operational vehicles and visitors. Poorly maintained roadways create safety hazards for visitors, are visually unappealing, and do not reflect the City’s pride and care for its assets. If the roads are not repaired, they will continue to deteriorate.

The Community Investment Plan request includes $1,025,000 for storm water infrastructure repair in the city’s cemeteries. Six of the seven City-owned cemeteries have storm drainage infrastructure which includes 1.6 miles of known pipes and 246 catch basins. Very little of the infrastructure qualifies for City storm water funding. Catch basins and pipes are sinking and continue to fail. If the storm water infrastructure is not repaired, grave spaces, vaults, or human remains could potentially be exposed.
The Community Investment Plan request includes $250,000 for cemetery master planning. The master plan will guide development of the remaining 30+ acres of available burial space, incorporating expectations for increasing numbers of cremations, renovation of the 40-year old cemetery management facility at Evergreen cemetery, and possible restoration of the older facility structure at Elmwood cemetery.

**Question 7:** Describe the Comprehensive Neighborhood Improvement Program (CNIP). How does funding for projects within the CNIP areas relate to overall funding for the General Community Investment Plan?

The Comprehensive Neighborhood Improvement Program (CNIP) is an expansion of the traditional Neighborhood Improvement Program (NIP), intended to address significant infrastructure deficiencies within established neighborhoods. CNIP program goals include:

- Creating better multimodal connections between neighborhoods, community assets, and major employment, institutional, and retail centers
- Improving accessibility to transit and the larger regional network of streets
- Enabling successful public/private partnerships that leverage investments and catalyze changes occurring in neighborhoods
- Enhancing engagement with residents in determining which investments meet collective aspirations

Funding is provided to the six CNIP areas at the program level, and allocated to specific projects within each CNIP area based on community and stakeholder input, staff planning, and contracted professional design work. Voter-approved bond funding for CNIP will only be allocated to selected projects within the six CNIP geographies, but CNIP funds were not intended to be the only source of funds for capital projects in CNIP areas; other non-CNIP General Community Investment Plan funding can be used within the CNIP areas in collaborative ways that meet the needs of both the CNIP program goals and other goals of the larger Community Investment Plan. For example, the Sidewalk & Pedestrian Safety Program constructs new sidewalks throughout the City, and many of those projects will be constructed in coordination with pedestrian connections to be constructed through the CNIP projects.

Similarly, the proposed Eastway Drive/Shamrock Drive Intersection Improvement project consists of multi-modal improvements to the intersection of Eastway Drive and Shamrock Drive, which is within the Central/Albemarle/Shamrock CNIP geography, to improve safety and traffic operations at the intersection. The project could be funded with a combination of CNIP funds and other designated Community Investment Plan funding to improve the level-of-service and safety for pedestrians and bicyclists by reducing crossing distances and enhancing or adding pedestrian refuge islands, crosswalks, sidewalks, and bicycle lanes. Complementing CNIP funding with other Community Investment Plan funds would also enhance opportunities to attract other public funding to this project from North Carolina Department of Transportation.
Storm Water Budget

**Question 8:** Provide additional information about Charlotte’s Post Construction Controls Ordinance and the requirements for developers to mitigate the adverse effects of storm water runoff associated with development and redevelopment.

The Post-Construction Stormwater Ordinance has been in effect since July 1, 2008. The ordinance addresses the environmental impacts of stormwater runoff in areas undergoing new development or redevelopment to ensure City compliance with state and federal clean water regulations. Additionally, the ordinance prohibits the creation of downstream flooding problems.

The ordinance helps lower the long-term costs of the stormwater program, prevents additional flooding and surface water impacts, and corrects existing problems by requiring mitigation measures on redevelopment sites. The ordinance applies to new development and redevelopment of a certain size and density, but does not typically apply to construction of an individual home.

There are quality issues with stormwater mitigation at some new developments, adversely affecting the stormwater program. Currently, Engineering and Property Management staff is conducting a stakeholder process with the Development Standards Technical Advisory Committee (DSTAC) that should significantly reduce the quality-related problems.

The City does not currently have the right from the State to charge development impact fees for the stormwater system.

**Question 9:** Provide additional information about the provision of storm water services in other cities.

**Table 1** illustrates comparative stormwater data for peer cities prepared by an independent consultant (Raftelis Financial Consultants) previously presented to City Council in spring of 2015.

- Compared with its peers, Charlotte has a relatively low population density which translates to more miles of infrastructure that are maintained by the City, and a proportionately smaller rate base.
- Charlotte stands out in that fee credits are offered at a much higher credit (fee reduction) than is available in peer programs.
- Peer utilities have less extensive maintenance and repair programs in part because of the less extensive infrastructure, and in part because of policies that effectively limit work on private property.
# Questions and Answers
## From March 22nd Budget Workshop

## Table 1

<table>
<thead>
<tr>
<th>City</th>
<th>Average Monthly Fee</th>
<th>Annual Revenue</th>
<th>Fee Credit</th>
<th>Closed System Miles</th>
<th>Open &amp; Closed System Miles</th>
<th>Revenue per Open &amp; Closed System Mile</th>
<th>Backlog</th>
<th>Work on Private Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charlotte</td>
<td>$10.18</td>
<td>$55M</td>
<td>100%</td>
<td>3,287</td>
<td>6,287</td>
<td>$8,748</td>
<td>Backlog is 6 to 8 years.</td>
<td>Yes, if runoff from publicly maintained streets causes or contributes to a storm drainage qualifying problem</td>
</tr>
<tr>
<td>Baltimore, MD</td>
<td>$5.00</td>
<td>$19M</td>
<td>85%</td>
<td>1,146</td>
<td>1,190</td>
<td>$15,966</td>
<td>Not provided</td>
<td>Not provided</td>
</tr>
<tr>
<td>Dallas, TX</td>
<td>$3.65</td>
<td>$50M</td>
<td>Not provided</td>
<td>1,800</td>
<td>2,200</td>
<td>$22,727</td>
<td>Estimated at $1.5 billion. Backlog is 5 to 10 years.</td>
<td>Only addresses issues related to the Clean Water Act and some older properties built next to creeks or channels that face severe erosion issues.</td>
</tr>
<tr>
<td>Fort Worth, TX</td>
<td>$5.40</td>
<td>$35M</td>
<td>40%</td>
<td>1,163</td>
<td>1,375</td>
<td>$25,455</td>
<td>Maintenance backlog is 6-12 months. Private property backlog is 6 months.</td>
<td>Works on private property. Capital projects prioritized based on health and safety.</td>
</tr>
<tr>
<td>Greensboro, NC</td>
<td>$2.70</td>
<td>$10M</td>
<td>55%</td>
<td>1,139</td>
<td>1,830</td>
<td>$5,464</td>
<td>None.</td>
<td>Addresses issues if the City holds an easement and the issues are caused by public runoff.</td>
</tr>
<tr>
<td>Jacksonville, FL</td>
<td>$5.00</td>
<td>$30M</td>
<td>75%</td>
<td>1,000</td>
<td>2,200</td>
<td>$13,636</td>
<td>Overwhelming backlog.</td>
<td>Does not address issues on private property.</td>
</tr>
</tbody>
</table>

Council Budget Workshop
April 12, 2017
Page 21
## Questions and Answers
### From March 22nd Budget Workshop

<table>
<thead>
<tr>
<th>City</th>
<th>Average Monthly Fee</th>
<th>Annual Revenue</th>
<th>Fee Credit</th>
<th>Closed System Miles</th>
<th>Open &amp; Closed System Miles</th>
<th>Revenue per Open &amp; Closed System Mile</th>
<th>Backlog</th>
<th>Work on Private Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raleigh, NC</td>
<td>$4.00</td>
<td>$16M</td>
<td>85%</td>
<td>1,321</td>
<td>2,321</td>
<td>$6,894</td>
<td>CIP backlog estimated at 5 years.</td>
<td>Completes limited work through the Drainage Petition Assistance program through temporary construction easements. The City also offers a cost-share program if they hold an easement and water is draining off a public right of way.</td>
</tr>
<tr>
<td>Philadelphia, PA</td>
<td>$13.45</td>
<td>$130M</td>
<td>80%</td>
<td>3,100</td>
<td>3,200</td>
<td>$40,625</td>
<td>Flood relief project backlog at 20 years.</td>
<td>Does not address issues on private property</td>
</tr>
<tr>
<td>Portland, OR</td>
<td>$24.88</td>
<td>$101M</td>
<td>35%</td>
<td>2,500</td>
<td>2,500</td>
<td>$40,400</td>
<td>Not provided</td>
<td>Not provided</td>
</tr>
<tr>
<td>Wilmington, NC</td>
<td>$6.83</td>
<td>$8M</td>
<td>40%</td>
<td>600</td>
<td>600</td>
<td>$13,333</td>
<td>Has a backlog of 200-300 locations</td>
<td>Addresses issues only in accepted easements where water is actively flowing.</td>
</tr>
<tr>
<td>Washington DC</td>
<td>$19.51</td>
<td>$1M</td>
<td>Not provided</td>
<td>250</td>
<td>456</td>
<td>$2,193</td>
<td>Not provided</td>
<td>Not provided</td>
</tr>
</tbody>
</table>
**Questions and Answers**  
*From March 22\textsuperscript{nd} Budget Workshop*

**Question 10:** Clarify the outcomes that will be achieved with the proposed storm water rate increase.

The proposed per square foot fee increase will generate approximately $2.5 Million in new revenue. The additional revenues, along with increased debt capacity and customer growth, will resolve 40 additional point repair (AI, A, B) projects annually and add new positions. The 19 new staff positions proposed in FY 2018 will design projects, oversee construction by external contractors, conduct pipe video assessments, inspect stormwater control measures, and develop communication strategies.

**Question 11:** How do residents learn about private water line insurance programs such as the National League of Cities Service Line Warranty Program?

The National League of Cities Service Line Warranty Program is one of several companies across the U.S. offering private service line warranty products for drinking water service lines. These products have been actively marketed by the private sector in the Charlotte area for several years. Customers interested in a private warranty program would engage directly with one of the providers and pay a monthly fee to receive the service. For more information related to the example discussed at the March 22nd workshop, please visit the National League of Cities' website at: [http://www.nlc.org/nlc-service-line-warranty-program](http://www.nlc.org/nlc-service-line-warranty-program).

**Aviation Budget**

**Question 12:** Provide a schedule of the services provided to the Airport by other City departments through the Cost Allocation Plan.

Through the City’s Cost Allocation Plan, Aviation receives services from City departments in the areas of human resources, legal, technology, finance, and procurement. For FY 2017, the cost to the Airport for these services totaled $3,085,320. Aviation also pays for police and fire services that directly affect Airport operations. For FY 2017, police services totaled $6,297,765 and fire services totaled $5,569,310.

**Financial Partners**

**Question 13:** Provide an explanation for the increase in Arts & Science Council artist contracts from Fiscal Year 2016 to Fiscal Year 2018.

Since 1995, the Arts & Science Council has administered the public art programs for the City of Charlotte and Mecklenburg County. In 2003, the Charlotte City Council and Mecklenburg County Board of Commissioners adopted ordinances that appropriate one percent of eligible capital improvement project construction budgets for public art. Pursuant to both the City of Charlotte’s Public Art Ordinance and Mecklenburg County’s Public Art Ordinance, 85 percent of these public art funds are allocated to artists for commissioning, fabrication, placement,
installation, exhibition, or display of artwork. The remaining fifteen percent of public art funds are allocated to the Arts & Science Council, as the contracted agency responsible for administration of the public art program, for services rendered in connection with the design, acquisition, and installation of artwork. These services include full-time staff members and staff support for the Public Art Commission, an appointed board of volunteers who are responsible for the artist selection and design review process for each public artwork.

Public art funds are allocated at the time a project is included in the City of Charlotte’s Community Investment Program, but as capital dollars, are not necessarily expended in the Fiscal Year that they are appropriated. Arts & Science Council expenditures for artist contracts follow the construction schedule of City and County capital projects. Over the past year there has been significant momentum in the number of City and County capital projects entering the construction phase. As a result, the Fiscal Year 2017 and Fiscal Year 2018 budgeted expenses for artist contracts have increased significantly over prior years. It is anticipated that artist contract totals will remain at levels similar to those for Fiscal Year 2017 and Fiscal Year 2018 for the next few years due to the volume of City and County capital projects entering construction.

Table 2: Arts & Science Council Artist Contracts

<table>
<thead>
<tr>
<th>ASC Artist Contracts</th>
<th>Operating Expense</th>
<th>FY 2014 Actual</th>
<th>FY 2015 Actual</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Budget</th>
<th>FY 2018 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artist Contracts</td>
<td></td>
<td>$160,885</td>
<td>$375,182</td>
<td>$273,697</td>
<td>3,921,123</td>
<td>3,921,123</td>
</tr>
</tbody>
</table>

**Question 14:** What is the total budget for the Arts & Science Council, including all funding sources?

The Arts & Science Council (ASC) is one of several contracted Financial Partners of the City of Charlotte. The City partners with ASC to provide community-wide cultural planning, grant making, public art, program delivery, advocacy, government relations, information collection, research and dissemination, and comprehensive oversight of the cultural system.

The Arts & Science Council’s total Fiscal Year 2017 operating budget is $17,425,119. In Fiscal Year 2017, the City allocated General Fund Discretionary funds in the amount of $2,940,823 for ASC operating expenses. The percentage of City General Fund contributions to ASC’s total budget is approximately 17%. The Fiscal Year 2017 City public art allocation to ASC is $3,889,762 and includes both General CIP and Aviation CIP project allocations.
Table 3: Arts and Science Council Funding Sources

<table>
<thead>
<tr>
<th>Funding Sources</th>
<th>FY 2017</th>
<th>FY 2018 Request</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City of Charlotte:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund Operating Contribution</td>
<td>$2,940,823</td>
<td>$3,440,823</td>
</tr>
<tr>
<td>Public Art Allocation – General CIP and Aviation CIP</td>
<td>$3,889,762</td>
<td>$3,889,762</td>
</tr>
<tr>
<td><strong>Other Contributions:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mecklenburg County Program Contribution</td>
<td>$1,600,000</td>
<td>$2,100,000</td>
</tr>
<tr>
<td>Mecklenburg County Public Art Allocation</td>
<td>$609,500</td>
<td>$609,500</td>
</tr>
<tr>
<td>Government Grants and Funding</td>
<td>$521,447</td>
<td>$521,447</td>
</tr>
<tr>
<td>Annual Fund and General Contributions</td>
<td>$6,192,620</td>
<td>$6,245,073</td>
</tr>
<tr>
<td>Investment Income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allowable Endowment</td>
<td>$1,573,367</td>
<td>$1,573,367</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>$97,600</td>
<td>$97,600</td>
</tr>
<tr>
<td><strong>Total Funding Supporting ASC</strong></td>
<td>$17,425,119</td>
<td>$18,477,572</td>
</tr>
<tr>
<td><strong>ASC Total Budget</strong></td>
<td>$17,425,119</td>
<td>$18,477,572</td>
</tr>
</tbody>
</table>