
FY2009 Budget Retreat

City of Charlotte

May 28, 2008

**Budget Straw Votes
12:00 p.m.
Room 267**

I. Consideration of budget amendments
from the May 14th Budget Retreat

Mayor and Council

Distribution: Mayor and City Council
Curt Walton, City Manager
Leadership Team
Key Business Executives
Budget and Evaluation Staff

Council Budget Retreat – May 28, 2008

**Room 267
12:00 p.m.**

Budget Straw Votes on the FY2009 Budget

May 28th is the date set for Council's budget adjustments and straw votes on the FY2009 Strategic Operating Plan and the FY2009-FY2013 Capital Investment Plan.

In the past, Council's practice has been to vote on items individually at the straw votes meeting. Each of the items receiving six or more votes at the May 28th budget meeting will be incorporated into the budget ordinance in preparation for the June 9th budget adoption agenda item.

By the end of the May 28th budget retreat, any changes to revenues and expenditures must balance in preparation for the currently scheduled June 9th budget adoption. Otherwise, Council will need to add a meeting prior to budget adoption to allow for additional straw votes. By State law, the adopted budget must balance revenues to expenditures.

Staff is available to answer questions or assist with the budget process as directed by Council.

Wednesday, May 28, 2008

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**Council Budget Straw Vote Decisions
Tally Sheet**

Items	Amount	May 28th Decision
<i>General Capital Increases</i>		
a. Affordable Housing	\$20m	
b. Affordable Housing	\$5m	
c. Community Link–Family Financial Literacy Coalition	\$100,000	
d. YWCA Central Carolinas After School Enrichment	\$5,000	
<i>General Capital Decreases</i>		
e. Neighborhood Improvement Program	\$5m	
f. Sidewalks	\$5m	
g. Auten Road Extension	\$5m	
h. Economic Development Reserve	\$5m	
i. Reallocate existing Affordable Housing	\$10m	
j. Sweden Road facility land	\$3.125m	
k. I-277 land sale	\$6.875m	
l. Neighborhood Quality of Life Study	\$75,000	
<i>General Fund Operating Increases</i>		
m. Environmental Manager	\$108,928	
n. Community Building Initiative	\$50,000	
<i>General Fund Operating Decreases</i>		
o. FY08 Council Discretionary	Up to \$85,000	
p. FY09 Council Discretionary	Up to \$250,000	
q. Neighborhood Symposium increase	\$51,000	
r. Manager’s Mentoring and Leadership Program	\$20,000	
s. City memberships	\$21,000	
t. Council memberships	\$14,494	
u. Mayor and Council compensation increase	\$77,219	
<i>Utilities Operating Decrease</i>		
v. Increased legal expenses	\$86,730	

Section 1. - Changes to Capital Investment Plan (CIP)

At the May 14th Budget Adjustments meeting, Council proposed several budget amendments related to increasing the allocation for affordable housing. The proposed amendments fell into two categories – one to increase capital for affordable housing by \$20 million and another by \$5 million.

The first budget amendment to increase Affordable Housing has two options – A and B. Each option contains a different funding configuration to reach a \$20 million increase goal for FY2009. The second budget amendment for Affordable Housing has three options – A, B, and C. The options contained in the second budget amendment have different funding and purposes to reach a \$5 million increase goal for FY2009.

1. Increase capital funding for affordable housing by \$20 million for FY2009 – Option A

Option A – Reallocate from Neighborhood Improvements, Sidewalks, Auten Road, and Economic Development Reserve.

	Add	Delete	Notes
Affordable Housing	\$20.0		To Nov. 2008 bond
Neigh. Improvement Program		\$5.0	From Nov. 2008 bond
Sidewalks		\$5.0	From Nov. 2008 bond
Auten Road		\$5.0	From Nov. 2010 bond
Economic Development Reserve		\$5.0	Currently unprogrammed
Total	\$20.0	\$20.0	

(\$ in millions)

If approved, Option A would result in the following bond referenda changes from the recommended CIP:

Option A Bond Referenda

	Recommend Nov. 2008	Option A Nov. 2008	Recommend. Nov. 2010	Option A Nov. 2010
Streets	\$170.2	\$165.2	\$139.2	\$134.2
Neigh. Improve.	\$47.0	\$42.0	\$25.0	\$25.0
Affordable Housing	\$10.0	\$30.0	\$10.0	\$10.0
Total	\$227.2	\$237.2	\$174.2	\$169.2

(\$ in millions)

Staff comment on each of these items is listed below:

- **Affordable Housing (Increase \$20 million)** - At the April 14th Council dinner briefing, the Housing Trust Fund Board requested \$30 million to address affordable housing issues. The recommended Capital Investment Plan (CIP) included \$10 million in the Nov. 2008 bond referendum and another \$10 million in the Nov. 2010

bond referendum. Assuming the \$30 million request applies to the 2008 bonds, the funding gap is \$20 million. Option A. reallocates \$15 million of existing bonds and adds \$5 million from the unprogrammed Economic Development Reserve in order to bring the Nov. 2008 bond referendum for Affordable Housing to \$30 million.

- **Neighborhood Improvement Program (Decrease \$5 million)** - The recommended Capital Investment Plan (CIP) includes \$50 million for the standard Neighborhood Improvement Program (NIP) over five years - \$25 million in Nov. 2008 and \$25 million in Nov. 2010. The City's Neighborhood Improvement Program provides funding for reconstructed and new infrastructure in older neighborhoods. Project improvements include sidewalks, curb and gutters, street trees, street lights, storm drainage, and landscape improvements.

Decreasing the FY2009-FY2013 five-year Capital Investment Plan for NIP from \$50 million to \$45 million would delay or eliminate neighborhood projects. Council also may identify neighborhood projects for delay or elimination.

City staff had previously provided Council a list of recommended Neighborhood Improvement Projects (NIP) for the 2006, 2008 and 2010 Bonds (See Attachment 1, page 19). In deciding which projects to recommend delaying, staff assessed the level of staff resources required to undertake the project, proximity to revitalization neighborhoods, and proximity to the city's priority revitalization corridors.

If Council approves this budget amendment, staff recommends delaying the Colonial Village/Sedgefield NIP (\$5.0 million) from Nov. 2008 until the Nov. 2010 bonds. However, staff would propose that the City continue planning for the project in order to begin acquisition and construction upon approval of the 2010 bond. The original project completion date will be delayed approximately two years.

Additionally, if Council approves this budget amendment, staff recommends delay of the Pawtucket NIP (\$2.0 million) and Hope Park NIP (\$4.0 million) from the Nov. 2010 bonds to a future bond referendum. Staff recommends initiating planning on these projects so that they can be undertaken with a possible Nov. 2012 or other future bond referendum. The original completion dates for these two projects will be delayed approximately one year.

- **Sidewalks (Decrease \$5 million)** – The recommended CIP includes an additional \$30 million for the sidewalk construction program on the bond referenda - \$15 million in 2008 and \$15 million in 2010. The City's sidewalk program provides for the construction of new sidewalks as well as modifications to existing sidewalks. Decreasing the FY2009-FY2013 five-year Capital Investment Plan for sidewalks from \$30 million to \$25 million would delay or eliminate sidewalk projects.

Sidewalk projects most likely to be impacted by a \$5 million reduction in funding in the Sidewalk Program would include projects that are in the early stages of planning and design. Staff has identified the list of sidewalk projects that are currently in the early stages of planning and design and have had little to no resources invested to date (see next page). These projects may be delayed to achieve the \$5 million decrease.

The estimated cost to construct or retrofit a typical sidewalk is approximately \$530,000 per mile. The 8.97 miles of sidewalks listed below would cost an estimated \$4.75 million to construct.

Decrease \$5 million in Sidewalk Program:

Tier	Street	Area Covered	Miles	Council District
1	S. Hoskins Road	Rowan Ave to Glenwood Drive	0.20	2
1	N. Hoskins Road	Rozzelles Ferry Rd to Tennessee Avenue	0.25	2
1	Toddville Road	Freedom Drive to Tuckaseegee Road	1.44	3
1	Ford Road East	Matheson to Shamrock Drive	0.30	1
1	Tuckaseegee Road	Heatherbrook to Browns Avenue	0.64	4
2	Crisman St	Alleghany Road to Pacific St	0.10	3
2	Orr Rd	North Tryon Street to MHP Driveway	0.20	4
2	Atando Av	Robinson Cr to N. Tryon Street	0.22	1
2	Bland St	S. Tryon St to South Blvd	0.16	3
2	Galloway Drive	Mallard Creek Road to Dead end at I-85	0.30	4
3	Chiswick Rd	Colwick Rd to Barwick Rd	0.17	1
3	Goneaway Rd	Burnt Mill Rd to Red Barn Lane	0.50	6
3	Murrayhill Rd	Woodlawn Rd to Wedgwood Drive	1.40	6
3	Wedgewood Dr	Seneca Pl to Murrayhill Road	0.28	6
3	Dresden Dr. W.	Norland Dr to Norland Dr.	0.30	5
3	Dresden Dr. E.	Norland Dr to Woodland Dr.	0.54	5
3	Roanoke Ave	Dresden Dr E to Dresden Dr. W.	0.40	5
4	Castlekeep Road	Blue Heron Road to McMullen Creek Greenway	0.32	7
4	Markland Drive	Kenhill Drive to Kenhill Drive	0.60	3
4	Wedgfield Drive	Markland Drive to Kenhill Drive	0.15	3
4	Woodview Circle	Ballantyne Commons Parkway to Dead End	0.50	7
		Total Sidewalk Miles	8.97	

Note: Tier 4 sidewalk projects (**in bold**) are based on the Sidewalk Petition Process

- **Auten Road Extension (Decrease \$5 million)** – The recommended CIP includes \$5 million for land acquisition and construction of Auten Road Extension proposed for the Nov. 2010 bond referendum. The project would extend Auten Road from Chesapeake Drive to Plumstead Road in order to provide an east-west connection between Brookshire Blvd. and Statesville Road. Adjacent neighborhoods have expressed concerns over the proposed project. While on the Thoroughfare Plan, staff has no opposition to elimination of the road project from the CIP. The proposed amendment shifts \$5 million from Auten Road Extension in Nov. 2010 up to Nov. 2008 for affordable housing.

- **Economic Development Reserve (Decrease \$5 million)** – The recommended CIP includes \$20 million over five years of unprogrammed debt capacity. The project allows Council flexibility to respond to Economic Development opportunities in the upcoming year(s). The total amount of reserve funding is \$20 million. \$5 million of the proposed \$20 million increase for affordable housing would be an overall increase to the Nov. 2008 bond referendum.

1. Increase capital funding for affordable housing by \$20 million for FY2009 – Option B

Option B – Reallocate within Affordable Housing, Reallocate from Sweden Road Land, I-277 land sale, and \$1 million from Auten Road.

	Add	Delete	Notes
Affordable Housing	\$10.0		To Nov. 2008 bond
Affordable Housing		\$10.0	From Nov. 2010 bond
Neigh. Improvement Program		\$10.0	From Nov. 2008 bond
Neigh. Improvement Program	\$10.0		To Nov. 2010 bond
Affordable Housing	\$10.0		From decreases below
Sweden Road Facility (land only)		\$3.125	Funded by PAYG
I-277 Land Sale		\$6.875	
Auten Road		\$5.0	From Nov. 2010 bond
Affordable Housing	\$1.0		To Nov. 2010 (Auten Rd.)
Road project to be determined	\$4.0		From Auten Rd.
Total	\$35.0	\$35.0	

(\$ in millions)

If approved, Option B would result in the following bond referenda changes from the recommended CIP:

Option B Bond Referenda

	Recommend. Nov. 2008	Option B Nov. 2008	Recommend. Nov. 2010	Option B Nov. 2010
Streets	\$170.2	\$170.2	\$139.2	138.2
Neigh. Improve.	\$47.0	\$37.0	\$25.0	\$35.0
Affordable Housing	\$10.0	\$20.0*	\$10.0	\$1.0
Total	\$227.2	\$227.2	\$174.2	\$174.2

(\$ in millions)

* Total allocation for Affordable Housing for FY2009 is \$30.0 million. Remaining \$10.0 million funded from reallocation in Pay-As-You-Go.

Staff comment on each of these items is listed below:

- **Affordable Housing (Reallocate \$10 million and increase by \$11 million) –** See comments above. The key difference between Option A and B is funding source. Option B reallocates \$10 million of Affordable Housing bonds from Nov. 2010 to Nov. 2008. Additionally, another \$10 million for Affordable Housing (Sweden Road and I-277 Land Sale) are funded by various sources in Pay-As-You-Go and do not require bond referendum approval. Finally, \$1 million is shifted from Auten Road Extension to Affordable Housing in Nov. 2010 bond.
- **Neighborhood Improvement Program (Reallocate \$10 million from Nov. 2008 to Nov. 2010) –** See comments above. Option B does not directly impact increased funding for Affordable Housing. The shift does keep the total amount of Nov. 2008 bond referendum constant at \$227.2 million.

After review, staff believes changing the NIP budget appropriation schedule will allow neighborhood projects to avoid delay or elimination if Option B is approved. Staff would adjust the allocation of planning, design and construction funds to keep neighborhood improvements projects on approximately the same schedule. Approval of Option B would result in a higher proportion of construction funds allocated in the \$35 million Nov. 2010 bond referendum. Unlike Option A, Option B does not decrease the total five-year funding amount of \$50 million – it reallocates within the five-year program.

- **Sweden Road Maintenance Facility land (Decrease \$3.125 million)** - The Sweden Road Maintenance facility needs replacement in the future and the current facility is located in a high growth transit corridor. The purpose of this project is to identify a future site and acquire land. Funded from Pay-As-You-Go (PAYG) capital. The total project cost is approximately \$27.2 million. Reallocation to Affordable Housing will not require an increase to the Nov. 2008 bond referendum.
- **I-277 Land Sale (Decrease \$6.875 million)** – The recommended CIP contains net funding proceeds to be programmed in an estimated amount of \$12 million. The funding is available once multiple land sales are complete along I-277. Timing for the land sales is uncertain at this point, but \$6.875 million may be reserved as the last funding increment for Affordable Housing in the Option B amendment.

The May 14th budget amendment listed \$5.0 million from I-277 land sale with \$1.875 million to be determined. Staff recommends increasing the I-277 land sale allocation in Option B to \$6.875 million as long as the funding for Affordable Housing is timed with the land sale (i.e. “last increment”).

- **Auten Road Extension (Decrease \$5 million)** – See comment above. Option B allocates \$1 million to Affordable Housing in Nov. 2010 and \$4 million to a road project to be determined from the deletion of Auten Road Extension. Council may reallocate the \$4 million for a road project in one of the next two Capital Investment Plans prior to the Nov. 2010 bond referendum.

2. Increase capital funding for Affordable Housing by \$5 million

Option A – Reallocate \$5 million to Affordable Housing for rehabilitation only from Neighborhood Improvement Projects.

See comments above. Option A assumes the reallocation is within the Nov. 2008 bonds. Decreasing the FY2009-FY2013 five-year Capital Investment Plan for NIP from \$50 million to \$45 million would delay or eliminate neighborhood projects. As outlined earlier on page 5, three neighborhood improvement projects (Colonial Village/Sedgefield, Pawtuckett, and Hope Park) would be delayed if this option is approved. Council also may identify other neighborhood projects for delay or elimination.

Option B – Reallocate \$5 million to Affordable Housing for rehabilitation of small apartment complexes only from Neighborhood Improvement Projects.

See comments above. Option B assumes the reallocation is within the Nov. 2008 bonds. Decreasing the FY2009-FY2013 five-year Capital Investment Plan for NIP from \$50 million to \$45 million would delay or eliminate neighborhood projects. As outlined earlier on page 6, three neighborhood improvement projects (Colonial Village/Sedgefield, Pawtuckett, and Hope Park) would be delayed if this option is approved. Council also may identify other neighborhood projects for delay or elimination.

Option C – Reallocate \$5 million to Affordable Housing from Auten Road Extension.

See comments above. Option C assumes reallocation of \$5 million shifts funding from Nov. 2010 Street bonds to Nov. 2008 Affordable Housing bonds.

3. Add \$100,000 in new Financial Partner funding for Community Link-Family Financial Literacy Coalition.

Funding for the current Community Link Financial Partner is from Innovative Housing in the Pay-As-You-Go capital program. For FY2009, the recommended budget includes \$252,000 for home ownership counseling and education with the existing Community Link Financial Partner. However, the \$100,000 requested increase is for other services described below.

Community Link-Family Financial Literacy Coalition promotes resources to help the working poor move toward financial self-sufficiency by providing services intended to increase wealth such as free tax preparation and e-filing, financial education and outreach, asset building, and financial literacy.

Community Link-Family Financial Literacy Coalition's program budget for FY2009 totals \$170,880. The \$100,000 additional request for FY2009 funding includes partial funding for one Community Outreach Coordinator, six part-time seasonal Site Coordinators, and six part-time seasonal Asset Building Counselors. Please see Question 3 (page 18), which explains the differences of services provided by Community Link with those provided by United Family Services.

4. Increase the YWCA Central Carolinas After-School Enrichment Financial Partner program by \$5,000.

YWCA Central Carolinas After School Program is funded from Innovative Housing in the Pay-As-You-Go capital program.

The YWCA's Neighborhood Centers operate seven comprehensive after-school and summer programs for 165 at-risk youth that reside in Charlotte Housing Authority public housing communities. The agency requested a total of \$133,432 in funding for FY2009, which provides partial operating assistance for eight Site Coordinators. \$129,546 was recommended in the FY2009 budget, a difference of \$3,886 from YWCA's request.

In FY2008, Council funded an additional request of \$15,000 from Council Discretionary to expand the program. Staff recommended continuation of the \$15,000 in the FY2009 budget. The difference of \$3,886 represents growth from FY2008 to FY2009. The Manager's recommended budget held Financial Partners to the FY2009 budget plan unless stipulated by contract inflation or restricted revenue.

5. Delete \$75,000 for the Neighborhood Quality of Life Study Update.

The recommended budget includes \$75,000 to update the Neighborhood Quality of Life Study. The costs were charged to the Neighborhood Improvement Program capital budget. Thus, there are no savings to the General Fund if the item is deleted.

The Neighborhood Quality of Life Study was created in 1993 to measure change in the city's neighborhood social, crime, physical, and economic conditions. The study, which is done every two years, measures the city's neighborhoods in relation to each other, the city as a whole and to themselves over time. The study is used to identify neighborhoods for intervention and measure efforts to improve neighborhoods.

The last major update of the study's methodology and boundaries occurred in 1997 when the study expanded from just inner-city neighborhoods to the entire city and the city's Sphere of Influence boundary. The current study design is now over 10 years old.

Over the years, citizens, users of the study and elected officials have raised a number of issues concerning the study. Those issues include:

- Neighborhood Boundaries (Can we create more compact neighborhood boundaries?)
- Review of Methodology (Should we have a relative or an absolute measurement system?)
- Review of Analysis Variables (Are the current social, crime, physical, and economic variables appropriate?)
- Inclusion of more indicators of neighborhood health (Should we include environmental, health, and other variables?)

The \$75,000 will be used to undertake a comprehensive review of the current study. A consultant will be engaged to work with staff to review national and international neighborhood indicator/assessment programs, recommend possible changes to the study (boundaries, methodology, variables, etc.), engage in a citizen review process, and develop methods for delivering the study results to the public.

Section 2. - Changes to General Fund Operating Budget

6. Add Environmental Manager position and related supplies and equipment (\$108,928) from Council Discretionary.

	Add	Delete	Notes
Environmental Manager	\$108,928		
Council Discretionary		\$85,000	From FY2008
Council Discretionary		\$23,928	From FY2009
Total	\$108,928	\$108,928	

- Environmental Manager (Increase \$108,928)** – The Environmental Manager would reside within the City Manager’s Office and provide a greater level of corporate organization and coordination of Environment Focus Area initiatives and policies. Immediate efforts by the position would include development of the City’s Greenhouse Gas Reduction Action Plan and coordination of Key Business Unit efforts to achieve Environment Focus Area target measures by their specified deadlines. The Environment Focus Area is the only focus area of the City without dedicated staff support. The expenditure includes \$98,028 for salaries plus benefits and \$10,900 for supplies and equipment.
- Council Discretionary (Reallocate \$85,000 from FY2008)** – The FY2008 budget included \$100,000 in Council Discretionary for use on unanticipated projects that may occur during the year that Council wishes to fund. Of the \$100,000 budgeted in FY2008, Council allocated \$15,000 as part of last year’s budget process to fund an additional request from the YWCA for After School Enrichment. \$85,000 currently remains in the account.
- Council Discretionary (Reallocate \$23,928 from FY2009)** – The recommended FY2009 budget includes \$250,000 for Council Discretionary use. Reallocating \$23,928 for the Environmental Manager position would leave \$226,072 remaining in the account.

7. Add Community Building Initiative as a new Financial Partner (\$50,000) from FY2009 Council Discretionary.

- Community Building Initiative (Increase \$50,000)** – Community Building Initiative serves as a community resource providing strategic assistance to individuals, organizations, groups, and the community at large in addressing race and ethnicity. The organization’s goal is to increase awareness and capacity and provide tools for building trust and inclusion in the community. Community Building Initiative’s total FY2009 program budget totals \$570,300. The request for FY2009 funding includes \$24,000 for personal services and \$26,000 for operating expenses.
- Council Discretionary (Reallocate \$50,000)** – The FY2009 budget includes \$250,000 in Council Discretionary for use on unanticipated projects that may occur during a year that Council wishes to fund. If Community Building Initiative is added as a Financial Partner and \$23,928 is used for the Environmental Manager position noted above, \$176,072 would remain in the account.

8. Delete additional funding for Neighborhood Symposium services (\$51,000).

The Neighborhood Symposium features workshops, speakers, exhibits and other activities that provide participants opportunities to learn about neighborhood services and resources, as well as share ideas for improving and maintaining their neighborhoods.

Attendance at the annual Neighborhood Symposium continues to grow. In FY2005, 354 people attended the event, 440 in FY2006, 650 in FY2007 and 845 FY2008. Since FY2005, the cost to hold the Neighborhood Symposium has increased from \$34,000 to approximately \$85,000 in FY2008. To meet demand for the program, the recommended budget includes an additional \$51,000 to cover the increased cost of the facility rental and food at the Charlotte Convention Center, audio visual rental and printed materials.

If the Council approves this budget amendment, then the Neighborhood Symposium would look for a smaller event location and restrict attendance.

9. Delete City Manager’s Mentoring and Leadership Development Programs (\$20,000).

The Manager’s recommended budget includes a \$20,000 increase to fund organizational development initiatives. Examples of organizational development include mentoring for current employees to encourage growth into management positions, retaining a diverse workforce that is representative of the community, and leadership programs for the organization’s high performers within Key Business Units.

The City’s training and development budget was reduced by \$300,000 in FY2006. The increased funding was intended to impact the most critical programs lost through the prior year budget cut. This account provides organizational development for City employees on corporate-wide initiatives. The \$185,413 recommended in the FY2009 budget is \$28 per year per employee.

10. Decrease City memberships & subscriptions (\$21,000).

The City Memberships and Subscriptions Non-Departmental account funds the City's participation in organizations that have a City-wide perspective. The three organizations included in the account are Centralina Council of Government (COG), Institute of Government (IOG), and a special program sponsored by the N.C. City and County Management Association (NCCCMA). The recommended budget includes adjustments in anticipation of membership and other subscription costs for FY2009. Membership dues are linked to a per capita formula:

Centralina Council of Government (COG)	\$ 9,226
Civic Education Project (NCCCMA)	\$ 9,014
Institute of Government (IOG)	<u>\$ 2,760</u>
Total	\$21,000

Council raised a question regarding the "Nickel Offense" reference at the May 14th Budget Adjustments meeting. NCCCMA requested a three-year contribution to their Civic Education Project "Nickel Offense" campaign. Also based on population (5¢ per capita), the purpose of the project is to support Civic Education initiatives for public schools including publishing textbooks, developing local government seminars for teachers, and guides for bringing local government elected officials into classrooms. The request to the City of Charlotte is \$9,014 per year for three years for a total contribution of \$27,042.

If the Council approved this budget amendment, Charlotte will not participate in the Civic Education project or increase its COG and IOG dues.

11. Decrease Council memberships (\$14,494).

The Mayor and Council budget contains a variety of memberships, primarily the N.C. League of Municipalities (\$65,000 in FY2009), U.S. Conference of Mayors (\$25,000), National League of Cities (\$20,000) and the N.C. Metropolitan Coalition (\$14,575). The membership dues range from approximately \$15,000 to \$66,000 each. The recommended budget includes adjustments in anticipation of membership and other subscription costs for FY2009. The precise cost for each membership is not known until the City receives an invoice during the fiscal year.

If the Council approves this budget amendment, then one membership will have to be dropped.

12. Delete Mayor and Council compensation increase (\$77,219).

The Manager's recommended budget includes an overall compensation adjustment for Mayor and Council beyond the standard pay adjustment of half the merit adjustment (FY2009 is 1.75%). As indicated in the Manager's memo to the Council on May 9th, the market comparison indicates the Mayor and Council compensation is below average for comparable cities of our size and form of government. The Mayor and Council are also below the Mecklenburg County Board of County Commissioners.

The May 14th budget adjustment identified \$110,000 as the delete. The Mayor and Council budget includes seven full-time City employees in addition to the compensation of Mayor and Council. Additionally, those employees are budgeted to receive a 3.5% average merit increase based on different merit dates scattered throughout the year. If the Council retains the current policy of half the merit pay adjustment (FY2009 is 1.75%), then the savings from deleting the additional compensation adjustment for Mayor and Council is \$77,219.

As a reminder, the next page illustrates the Mayor and Council compensation comparison with other cities distributed in the May 9th memorandum to Council.

Mayor and Council Compensation Comparison

	City	Pop	Form of Gov't	No. of Members	Salary	Expense Allow.	Tech. Allow.	Auto Allow.	Total Comp.
	City Council								
1	Austin	709,893	CM	6	\$57,736	\$5,400	\$900		\$64,036
2	Fort Worth *	653,320	CM	8	25,000				25,000
3	Charlotte *	630,478	CM	11	14,563	5,800	3,100		23,463
4	Oklahoma City	537,734	CM	8	12,000				12,000
5	Tucson	529,770	CM	6	24,000				24,000
6	Long Beach	490,905	CM	9	25,248	5,400			30,648
7	Kansas City	447,306	CM	12	54,735	10,000			64,735
8	Virginia Beach	440,908	CM	10	28,000				28,000
9	Mecklenburg Co.	826,893	COM	9	21,427	6,600	2,900		30,927
	Average Total Compensation								33,645
	Charlotte Recommended	630,478	CM	11	17,000	5,800	3,100	4,000	29,900

	Mayor								
1	Austin	709,893	CM	6	\$70,360	\$5,400	\$900		\$76,660
2	Fort Worth	653,320	CM	8	28,000				28,000
3	Charlotte **	630,478	CM	11	20,388	5,200	3,100	4,800	33,488
4	Oklahoma City	537,734	CM	8	24,000				24,000
5	Tucson	529,770	CM	6	42,000				42,000
6	Long Beach ***	490,905	CM	9	120,168	5,400			125,568
7	Kansas City ***	447,306	CM	12	109,485	10,000			119,485
8	Virginia Beach	440,908	CM	10	30,000				30,000
9	Mecklenburg Co.	826,893	COM	9	26,784	7,200	2,900		36,884
	Average Total Compensation				52,354	3,689	767		57,343
	Average Total Compensation ***				34,505	2,543	986		38,719
	Charlotte Recommended	630,478	CM	11	22,000	10,000	3,100	4,800	39,900

* Does not reflect any adjustments for FY09 for other jurisdictions

** Includes regularly scheduled adjustment of 1.75%

***Mayors of Long Beach and Kansas City are considered full time positions.

Note: Future salary adjustments will be equal to the average merit adjustment for the Broadbanding Pay Plan

Section 3. - Changes to Utilities Operating Budget

13. Delete additional legal expenses (\$86,730).

The legal services listed in the City Attorney's budget are funded by Charlotte Mecklenburg Utilities (CMU). Thus, there are no savings to the General Fund if this item is deleted.

The services are to be performed for CMU by retired Senior Asst. City Attorney Mike Boyd under the supervision of the City Attorney. Routine legal services for CMU are included, but one ongoing topic that will be addressed through the additional funding is the Catawba River water rights litigation between North and South Carolina.

Rehiring the retired employee enables CMU to avoid the loss of many years of experience and the cost of competitive market rate legal services.

Questions and Answers

May 14th Budget Adjustments

Question 1: *What road projects are unfunded in the proposed FY2009-FY2013 Capital Investment Plan (CIP)?*

The list below shows all requested Transportation projects that are unfunded or partially funded in the proposed FY2009-FY2013 CIP. The amounts shown reflect the full five-year cost of each project.

<u>Motorist Capacity and Safety Improvements</u>	<u>5-Year Total</u>
Traffic Flow Enhancement Program (coordinated signals) - partially funded	6,500,000
Bridge Program - partially funded	6,000,000
Traffic Control Devices Upgrade Program - partially funded	6,000,000
Street Lighting Program	5,000,000
Minor Roadway Improvement Program - partially funded	8,000,000
Brookshire Blvd./Hovis Road Intersection Improvements	4,000,000
Street Connectivity Program - partially funded	8,000,000
State Highway Participation Program - partially funded	4,000,000
Public-Private Participation Program - partially funded	3,000,000
IBM Drive/N. Tryon Street Connector (IBM Dr. to N. Tryon St) - partially funded	17,500,000
Back Creek Church Road FTM - partially funded	14,300,000
McKee Road FTM Road Upgrade (Providence to Weddington)	18,500,000
DeWitt Lane Extension (Cama St. to Old Providence Rd)	6,100,000
Euclid Avenue Extension (Morehead to Stonewall)	8,100,000
Fred D. Alexander Boulevard (NC 16 to Sunset) Planning & Design	3,000,000
Second Street Extension (Graham to Cedar)	14,200,000
Center City Transportation Implementation Program - partially funded	1,000,000
Sidewalk & Curb and Gutter Maintenance Program - partially funded	5,250,000
Non-System Residential Street Improvements	7,500,000
Idlewild Road/Monroe Road Intersection Improvements	4,000,000
Hartford Avenue Realignment to Clanton Road	1,000,000
Tuckaseegee Road FTM Road Upgrade Phase 1 (Ashley to Little Rock)	16,000,000
Tyvola Road FTM Road Upgrade Phase 2 (Old Steele Creek to Yorkmont)	11,400,000
Arequipa Drive Extension (Margaret Wallace Road to Sam Newell Road)	30,500,000
Billy Graham Pkwy/S. Tryon Street Intersection Improvements	4,000,000
Fred D. Alexander Boulevard (Sunset to Harris)	29,300,000
Fifth Street Extension (McDowell to Kings)	7,000,000
Brevard Caldwell Streets (Trade to 12th)	3,000,000
Denmark Road Extension (Sweden to Arrowood)	6,000,000
Krefeld Drive Extension (McAlpine Creek to Sardis Road North)	17,500,000
Tuckaseegee Road FTM Road Upgrade Phase 2 (Little Rock to Wilkinson)	16,000,000
Sardis Road North FTM Road Upgrade (Sardis to Monroe)	10,100,000
Tyvola Road FTM Road Upgrade Phase 3 (Tryon to I-77)	3,200,000
Sugar Creek Road Widening (Graham St. to NC 115-Sugar Creek Conn.)	11,900,000

Freedom Drive/ Ashley Road Intersection Improvements	4,000,000
Beatties Ford Road (Sunset to Lakeview)	3,000,000
Freedom Drive Widening (Toddville to Little Rock Road)	15,000,000
Total	\$338,850,000

Pedestrian Pathways

Pedestrian Connectivity Program	5,000,000
Safe Routes to Schools Program	9,000,000
Total	\$14,000,000

Bicycle Pathways

Bicycle Program - partially funded	\$5,500,000
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Centers, Corridors and Livable Neighborhoods

Air Quality and Congestion Mitigation Program	7,000,000
Centers and Corridors Implementation: Access Improvements - partially funded	136,400,000
Total	\$143,400,000

Total Transportation	\$501,750,000
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Question 2: *What transportation projects could be potential replacement options if the Auten Road project (\$5 million) is removed from the FY2009-FY2013 CIP?*

Staff identified six road or intersection improvement projects that could be funded with the \$5 million from the Auten Road project by reviewing the unfunded transportation CIP projects listed above. The options (in no particular priority) are:

1. Back Creek Church Road Improvements (Farm-to-Market Road Program) – increase funding from \$4.7 million to \$9.7 million
2. Idlewild Road/Monroe Road intersection improvements (\$4.0 million)
3. Hartford Avenue realignment to Clanton Road (\$1.0 million)
4. Billy Graham Parkway/S. Tryon Street intersection improvements (\$4.0 million)
5. Freedom Drive/Ashley Road intersection improvements (\$4.0 million)
6. Beatties Ford Road (Sunset to Lakeview) (\$3.0 million)

Question 3: *Do any services provided by Community Link overlap with those provided by United Family Services?*

No. Community Link – Family Financial Literacy Coalition provides services to increase wealth for working poor families and individuals. United Family Services – Victim Assistance assists victims of violent crime and their families in dealing with the devastating effects of crime and its aftereffects.

Additionally, Community Link’s Neighborhood Development related efforts focus on assisting people with the purchase of a home while United Family Services – Consumer Credit Counseling and Housing Services focuses on helping people keep their existing homes.

Attachment 1

2006, 2008 and 2010 Neighborhood Improvement Program Budget

Project		2006	2008	2010	Total	Council District
1	Belmont	\$2.0			\$2.0	4
2	Belmont Land Acquisition (Retail and Mixed Use @ Parkwood & Peagram)	\$1.1			\$1.1	4
3	Thomasboro/Hoskins Phases 3 & 4	\$5.0			\$5.0	2
4	Howie Acres Phase 2	\$1.5			\$1.5	1
5	Ashley Park Phase 2	\$3.0			\$3.0	3
6	Sugaw Creek Ritch Avenue	\$3.0			\$3.0	4
7	Revolution Park	\$2.0			\$2.0	3
8	York/Cama	\$3.0			\$3.0	3
9	Future Planning Dollars	\$4.4			\$4.4	
10	Colonial Village/Sedgefield		\$5.0		\$5.0	1
11	Eastway/Sheffield		\$2.0		\$2.0	5
12	Enderly Park		\$3.0		\$3.0	3
13	East Forest		\$2.0		\$2.0	5
14	Lincoln Heights/Wilson Heights		\$5.0		\$5.0	2
15	McCoy Heights		\$2.0		\$2.0	2
16	Ponderosa		\$2.0		\$2.0	3
17	Hidden Valley		\$0.6		\$0.6	4
18	Plaza Shamrock		\$0.4		\$0.4	1
19	Future Planning Dollars		\$3.0		\$3.0	
20	Delta Lake			\$2.0	\$2.0	5
21	Farm Pond			\$1.0	\$1.0	5
22	Linda Lake			\$3.0	\$3.0	5
23	Nevin			\$2.0	\$2.0	2
24	Newell South-Autumnwood			\$2.0	\$2.0	4
25	Tryon Hills			\$4.0	\$4.0	4
26	Shamrock Gardens			\$2.0	\$2.0	5
27	Shannon Park			\$1.0	\$1.0	1
28	Pawtucket			\$2.0	\$2.0	3
29	Eastwood			\$2.0	\$2.0	5
30	Hope Park			\$4.0	\$4.0	5
Grand Totals		\$25.0	\$25.0	\$25.0	\$75.0	
Delayed Projects						