



Charlotte City Council
Budget and Effectiveness Committee
Meeting Summary
Tuesday, February 16,
2020

**COMMITTEE AGENDA
TOPICS**

- Agenda Overview
- I. Census Data and Redistricting Considerations
 - II. Storm Water and Water Budget Outlook
 - III. March Budget Workshop Agenda

COMMITTEE INFORMATION

Committee Members Present: Ed Driggs (Chair), Julie Eiselt (Vice Chair), Dimple Ajmera, Malcolm Graham, Renee Johnson.

Staff Resources: Ryan Bergman, Budget Director
Kelly Flannery, Chief Financial Officer

Meeting Duration: 1:30 p.m. – 3:00 p.m.

ATTACHMENTS

1. Agenda
2. Redistricting Considerations
3. Storm Water and Water Budget Outlook
4. March Budget Workshop Agenda – DRAFT

DISCUSSION HIGHLIGHTS

Census Data and Redistricting Considerations

Committee Chair, Ed Driggs discussed the delay in delivery of census data and the constitutional requirement referred to as one man one vote. The requirement says that all districts need to be approximately the same size to allow for proportional representation power. In North Carolina the discrepancy in size between districts should not be greater than five percent. After a census, municipalities are required to redraw districts to remain compliant to this requirement. Charlotte has not redistricted since 2010 and exceeds the plus or minus five percent district size requirement. In 2019 the city was able to have elections since there had not been a census or annexation that involved a significant population change.

Though there has been a census in 2020 the data for that will not be available until the end of September. When the data is received, the three month redistricting process may begin. The filing period based on new districts may not commence until three days after the districts are finalized. The options are to defer the election or have the election with the current districts. If deferred, our general election would occur at the same time as the primary for 2022.

City Attorney, Patrick Baker confirmed that the city's primary election would be tied to the County's primary in March 2022. November 8, 2022 will be the general election. Vice Chair, Julie Eiselt asked about what data is used to determine the percent that the districts are off in size. Driggs said the planning staff researched this and concluded that as of 2018, districts had a discrepancy of 20%+/- since the last time districts were drawn.

Eiselt asked if the General Assembly may take issue with postponing elections since every office would be up for election in same cycle Driggs said the one person, one vote rule may take precedent in the General Assembly. Council member, Dimple Ajmera asked if deferring the election would impact the bond referendum so that it would go on the ballot for next year as well. Baker said this depends on if the school board has an election, since you can't have a stand-alone ballot referendum on sales tax. Ajmera inquired how deferring this election would impact future elections. Baker said this would result in one year extension of the current term and then an election in 2023. Ajmera asked if there was any timeline regarding when the General Assembly will make a decision. Baker said no. Driggs stated that the Council must progress as if the responsibility will remain with them. As the events are moving forward with the Mobility plan, Driggs recommended that it may be better to set 2022 as the goal for the referendum.

Council member, Rene Johnson inquired that since elections proceeded in 2019 even though the districts were out of compliance by more than five percent, if the election can proceed now. Baker said ultimately the census data should be received which would require the city to redistrict prior to election. Johnson asked if there would be anything to prohibit at-large Council members from having an election. Deputy City Attorney, Lina James responded that any change would require a change in the charter language and going to the General Assembly. Johnson then asked if there was precedence to this. Baker said the language was created in 1991 to address delays in that census but the delays weren't as significant as they are now. Driggs talked about having an 8th district, the deferral provides an option to have time for considerations. There is also a need to be on odd-year cycles. Winston asked about what the timeline looks like and what are the options. Driggs said we can have elections based on the existing districts referring to 2019 or defer, redistrict and hold the election in accordance with updated census data. This Committee needs to reach a consensus to bring this report to the full Council for their consideration. Council member, Braxton Winston and Baker agreed that moving forward with the elections without redistricting could present legal challenges. James highlighted that the date by which Council would need to adopt a redistricting plan is July 21.

Stormwater and Water Budget Outlook

Charlotte Water Director, Angela Charles shared Water's outlook. Charles described the One Water philosophy which includes integrated planning, leveraging resources and managing all water; water, wastewater and stormwater, for the long term sustainability of the community. Charles noted that Water and Storm Water Services are still two distinct enterprise funds.

Manager Storm Water Services, Mike Davis shared Storm Water's progress of prior year initiatives and where they're heading in the FY 2022 budget. Davis also shared the impacts of COVID on Storm Water Services. There has been a \$700K impact between Storm Water charges and revenue collected. Pertaining to financial efficiency, Davis explained Storm Water has \$86M invested in capital improvement projects while sustaining AAA bond rating. Davis projects fee increases of 3.6 percent or less year over year from 2021 to 2026. The final recommendation for fee increases will come from the City Manager.

Driggs asked if adjusting the priority levels resulted in shorter wait times for service? Davis said yes, there is a full commitment to the highest priority work. Ajmera asked what the current wait time for high priority items is. Davis explained there is no static answer. If an urgent item occurs it can be addressed immediately, though this may increase the wait time of other items. Ajmera then asked how many high priority items are on the list. Davis said he would provide that data. Eiselt asked if rezoning and development may be creating some of the stormwater problems. Davis said the reason we have a Storm Water program is to deal with development. What we do with land development matters a lot to the ongoing success of Storm Water Services. The older regulations are not well suited to smaller scale development which needs to be addressed in the UDO. Another challenge is the matter of State oversight of local regulation. Eiselt said the planning commission would like a text amendment to address environmental issues and recommendations on zoning. Johnson stated that residents in her district have issues with drainage that may be residents' responsibility. She inquired about addressing this proactively through community outreach. Driggs said that the UDO will need to revise Storm Water policies.

Charles began her presentation on Water by saying that Charlotte Water serves 1.2M people and has not had a loss of service during the pandemic. Water maintains its AAA rating and has \$280.7M invested in capital improvement projects. Charles emphasized that capacity for growth must be closely tied to regulations, since both water and waste water are heavily regulated. A \$7 – \$10M impact to revenue is anticipated. In a normal pre-COVID month, we would expect approximately 3,000 disconnects per month. Currently there is an excess of 16,000 accounts eligible monthly for disconnection. With the criticality of supporting public health efforts, Water has chosen to continue the disconnection moratorium. Water has implemented a one year payment plan for those who need it. Disconnects will not resume until October 2021. They have also created a customer care team that has contacted 9,000 delinquent customers to avoid disconnection due to non-payment. Finally, in order to help Charlotte Water customers outside of the city limits who need assistance, Water is working to create a Charlotte Water Foundation using Louisville as its prototype. Water has aligned its FY 2022 rate increase recommendation with the long-term fiscal plan.

Driggs asked if a portion of the \$50M CARES act funds is intended for relief of water bills. Charles said \$3.6M has been allocated for this.

March Budget Workshop Agenda

Strategy and Budget Director, Ryan Bergman shared the proposed agenda for that next Budget Workshops for input from the Committee. The proposed agenda included:

1. Capital Investment Plan Priorities
2. Future of Solid Waste Services
3. Americans with Disabilities Act Consultant Report
4. Arts and Culture Funding
5. Water and Storm Water Budget Outlook

Driggs stated that proposed agenda is accepted to be utilized at the March 3 Workshop.

Meeting adjourned at 3:02 pm.

Next Meeting: The next meeting is scheduled for March 16.