



Council Budget and Effectiveness Committee

August 18, 2020

2:30 – 4:00 p.m.

Charlotte-Mecklenburg Government Center

Virtual - Room 280

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

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

AGENDA

Agenda Overview

Staff Resource: Ryan Bergman, Budget Director

I. Overview of Current Code of Ethics Policy

Staff Resource: Patrick Baker, City Attorney Director

- Topic Introduction and defining expectations

Action Requested: Informational and Input

II. Police Budget Review by Services Area

Staff Resource: Ryan Bergman, Budget Director

- Topic Introduction and defining expectations

Action Requested: Informational and Input

III. Violence Prevention Data Matrix and Public Scorecard

Staff Resource: Rebecca Hefner, I&T Data Analytics Manager

- Overview of demonstrating the effectiveness of violence prevention measures with data (current measures and available data)

Action Requested: Informational

IV. Prioritizing Projects Funded by Hospitality Revenues

Staff Resource: Kelly Flannery, Chief Financial Officer

- Review of Options and Considerations on use of Hospitality Revenues

Action Requested: Informational

Next Meeting: TBD

Distribution:	Mayor/City Council	Marcus Jones, City Manager	Executive Team
	City Attorney	City Clerk	



Introduction to a Committee Review of the CMPD Budget

BUDGET AND EFFECTIVENESS COMMITTEE
AUGUST 18, 2020

Purpose of Presentation

Provide context around CMPD's share of services in Charlotte and Mecklenburg County

Provide a closer look at the Charlotte-Mecklenburg Police Department (CMPD) budget

Provide the Committee with a starting point on how they may want to focus a budget review

CMPD accounts for 14 percent of the combined city/county General Fund budgets



Charlotte Resident's Property Tax Bill

County Portion
64%
 Education
 Social Services
 Public Health
 County Detention

City Portion
36%
 Police
 Fire
 Transportation
 Housing
 Solid Waste

Five Key Services Primarily Supported by Property Taxes

Description	Agency	Amount
CMS Local Support	County	\$527.1 M
CMPD	City	\$290.2 M
Health and Human Services	County	\$287.0 M
County Detention and Court Support	County	\$152.6 M
Charlotte Fire	City	\$137.7 M

County information from "Recommended Budget by Financial Category" on page 20 of FY 2021 Recommended Budget. Note: 20 percent of Mecklenburg County residents live outside of Charlotte.

Recommended Approach to Better Understand CMPD's Operating Budget

STARTING OPERATING BUDGET

\$290,203,220

REMOVE REIMBURSED AND UNIQUE SERVICES

(\$8,507,082)

CLT Airport Officers (reimbursed)

(\$5,654,747)

CMS School Resource Officers (reimbursed)

(\$6,695,701)

Animal Care and Control (unique service)

(\$11,808,061)

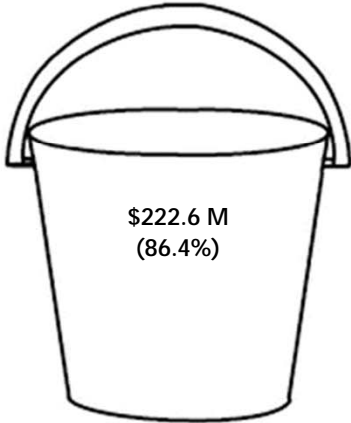
911 (unique service)

REMAINING OPERATING BUDGET

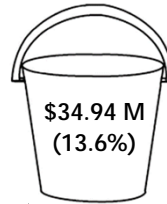
\$257,537,629

Breaking Down the \$257,537,629 into spending categories

Salaries, Benefits, Insurance



Non-Personnel



Non-Personnel (Limited Discretion)

- Service Charges for Fleet
 - Rent and Utilities
 - Charges for IT/Building Maintenance
- \$10.97 M (4.3%)

Discretionary Non-Personnel

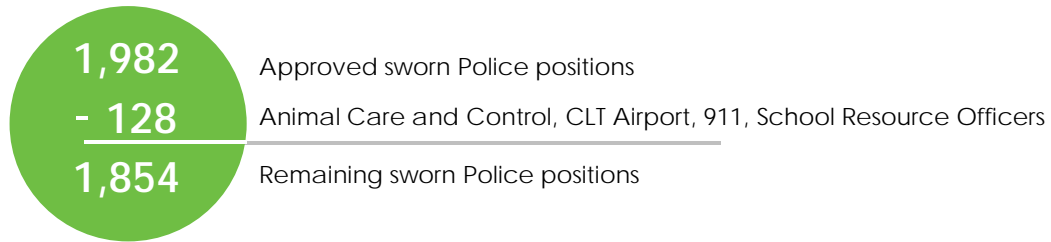
(Detail on next slide)

\$23.97 M (9.3%)

What makes up CMPD's Discretionary Non-Personnel Budget

Department Supplies/Equipment \$5,958,840	Uniforms/Protective Equipment \$2,295,773
Technology/Software \$4,469,053	Training/Travel/Meals/Dues \$1,593,210
Contractual Services and Support \$4,794,331	Office Supplies \$662,003
Gasoline/Oil \$3,603,500	Maintenance/Miscellaneous \$595,607

How CMPD's 1,982 Sworn Officers are organized



Patrol Divisions



Investigative Services



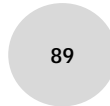
Violent Crimes, VICE, Special Victims, ABC, Cold Case

Administrative Support/Leadership



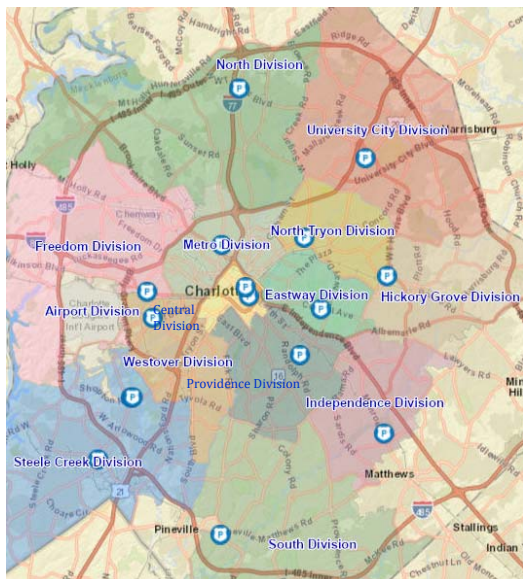
Command, Internal Affairs, Public Affairs, Recruitment, Training,

Special Services



Intelligence, Special Events, Transportation, Canine, Helicopter

CMPD's Patrol Division Officers



CMPD Division	Current Positions
Central	106
Eastway	103
Freedom	109
Hickory Grove	100
Independence	97
Metro	110
North	121
North Tryon	113
Providence	100
South	112
Steel Creek	115
University City	121
Westover	103

How Vacancies of Sworn Officers Impacts the Budget

The majority of savings from vacancies is offset by overtime and temporary Officers (to fill the vacancies).

- Strategy and Budget captures some savings during budget planning

Description	Budget Value
Budget Value of Vacant Sworn Positions	\$10.5 million
FY 2021 Personnel Attrition Rate in the Budget	(\$3.0 million)
Example: Vacancy savings used on replacement overtime in FY 2019	(\$5.1 million)
Example: Vacancy savings used on temporary employees in FY 2019	(\$1.6 million)
Remaining Value (for incentive increases and overtime per-hour-cost increases)	\$0.8 million

CMPD Budget Allocations Outside of General Fund

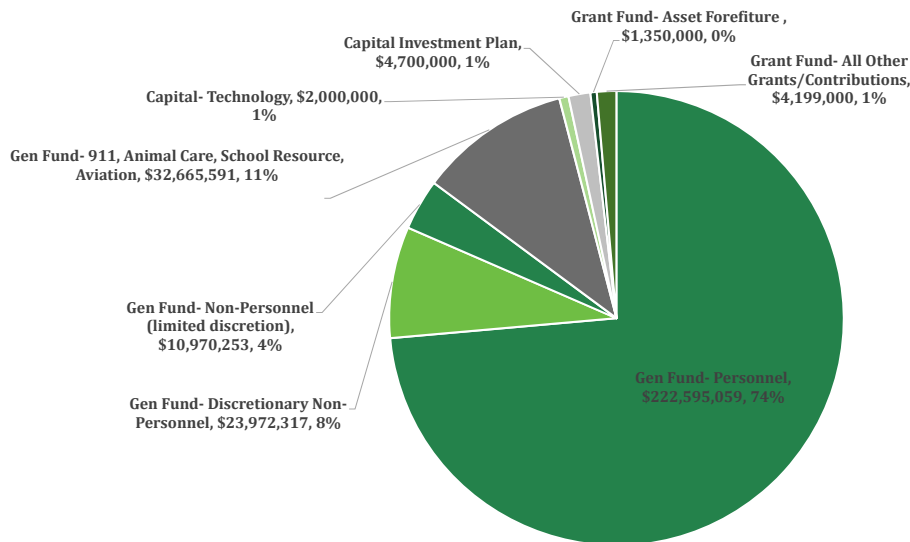
Pay-As-You-Go Fund- \$2M for Technology (radios, cameras, etc.)

Capital Investment Plan- \$4.7 M to replace existing helicopter

General Grants Fund- Supported by federal and state grants, asset forfeiture funds, and police foundation contributions.

Program	FY 21 Funds	Program	FY 21 Funds
Diversion Projects	\$99,000	Federal Task Force	\$135,000
DUI/Salaries	\$200,000	Federal Initiatives/Forensics	\$144,000
Asset Forfeiture Funds	\$1,350,000	Justice Assistance Grants	\$550,000
Grant Salaries and Benefits	\$2,105,000	Youth/Community Initiatives	\$966,000

All FY 2021 CMPD Resources: \$302.45 M



Budget Review by Service Area Considerations

Department costs are primarily personnel with majority of sworn staff assigned to patrol divisions.

- Officers perform many services within these divisions, however these services would not typically be organized by dollars.
- Transferring response outside of CMPD for select calls results in budget savings only if fewer Officers overall are assigned to all calls.

Any review of non-personnel recommended to be focused on areas where the department has discretion.

Strategy and Budget Ongoing Review

As part of a normal review of city services, Strategy and Budget is:

- Reviewing Police call for service data
- Benchmarking nationally on innovative programs that provide low-risk response services without sworn employees
- Analyzing current community programming

Next Steps

Committee feedback on how to approach the Council referral

Referral Topic	Policy Question
Police budget review by services area	How are resources being used within Police to promote safe communities and decrease violence in the city?



Violence Prevention Initiative Data & Evaluation

BUDGET & EFFECTIVENESS COMMITTEE
AUGUST 18, 2020

Purpose of Today's Presentation

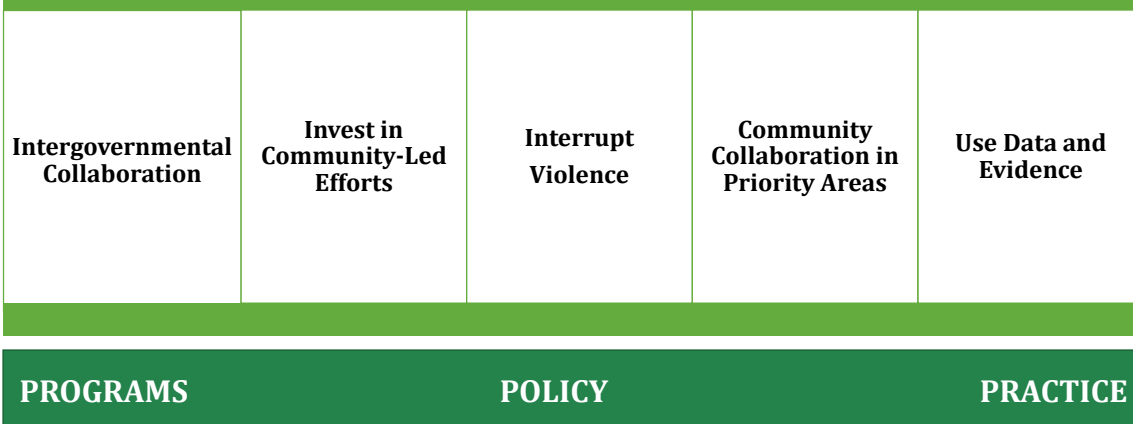
- ◁ Provide overview of City capabilities related to analytics, reporting, research and evaluation
- ◁ Share current data collection and evaluation efforts related to violence prevention work
- ◁ Gather feedback from Committee

Organizational Capacity

- ◀ Center for Data & Analytics
- ◀ CMPD Crime Analysis Division
- ◀ Budget Office

Framework to Address Violence

Purpose: City, County, Partners, and Community work together to reduce violence, increase economic opportunity, and build healthier, more resilient communities.



Use Data and Evidence

◁ **Purpose:** Share data and information among departments, agencies, and community partners to inform policy and program development and support comprehensive program evaluation.

◁ **Current Actions:**

- **Establish inter-agency data sharing team, *the Violence Prevention Data Collaborative*** to do analysis, reporting and evaluation in support of community violence reduction, prevention, and intervention
- **Publish Violence Data Dashboard** to publicly share violence-related information in a visual and easy to understand way
- **Build capacity for grassroots organizations** to measure results of their work

Community Violence Data Dashboard

◁ **Dashboard Context**

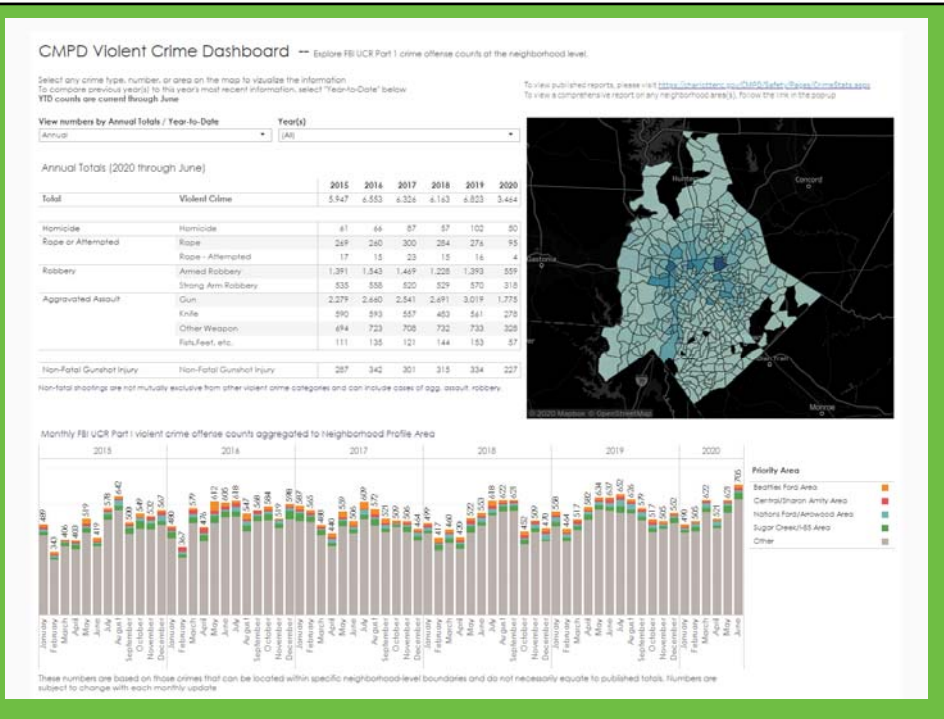
- Dashboard is part of the City's Violence Reduction Framework and the broader Community Plan
 - *Violence is recognized as a public health issue*
 - *Better understanding of the data, and the context, highlights the importance of a comprehensive, cross-sectoral approach to violence reduction*
 - *Currently includes violent crime counts and demographic information*

◁ **In progress**

- Working with partners, add data (e.g., public health, criminal justice, hospitals)
 - *Social determinants of health*
 - *Childhood exposure to violence and youth violence*
 - *Emergency department visits*

◁ **This is a big deal!**

Dashboard Example: Violent Crime Counts



Committee Feedback:

What are Council's expectations to demonstrate the effectiveness of violence prevention measures with data?



Hospitality Revenues Capital Investment Policy

August 18, 2020

HOSPITALITY REVENUES CAPITAL INVESTMENT POLICY

OBJECTIVE: TO DEVELOP A POLICY FOR CITY COUNCIL CONSIDERATION TO EVALUATE CAPITAL INVESTMENTS FUNDED BY HOSPITALITY REVENUES TO ENSURE TRANSPARENCY AND FUNDING RESOURCES ARE MAXIMIZED.

OBJECTIVES

- GUIDING PRINCIPLES
- PRIORITIZATION CRITERIA
- FINANCIAL POLICIES
- REPORTING AND EVALUATION
- NEXT STEPS

HOSPITALITY REVENUES CAPITAL INVESTMENTS PRINCIPLES

To ensure the most impactful use of hospitality revenue resources, each capital investment should be evaluated on the following principles:

- Provision of economic growth and financial stability
- Coordination of partnerships to leverage funds when applicable
- Demonstration of long-term investment in the city
- Maintenance in competitive condition of hospitality assets owned by the city
- Adherence to City Council policies

HOSPITALITY REVENUES CAPITAL INVESTMENTS – PRIORITIZATION CRITERIA

Defined prioritization criteria will ensure investments align with Council strategies and quantify investments that will add value.

Major Category	Criteria	Description
Economic Development Impact	Job creation	The expected number of permanent and temporary positions including average salaries.
	Investment	The net new property taxes generated by the investment and return on investment.
Financing	Funding plan	The components of the financing, including the hospitality revenue contribution and expected financing vehicle.
	Financial policy compliance	Evidence that proposed funding adheres to existing financial policies.
	Affordability analysis	An examination of all investments together, extending over enough years to reveal the life-cycle cost and implications of the longest investment and will cover all fiscal demands.
Socio-political	Community partnership	How the project will benefit the city with intentional commitments and partnerships.
	Maximize inclusion	The expected participation of MWSBE contracting to promote economic growth.
	City initiative alignment	How the project align with city goals around affordable housing and mobility.

HOSPITALITY REVENUES CAPITAL INVESTMENTS – FINANCIAL POLICIES

Existing financial policies will be expanded and codified to ensure long-term stability for future investments.

Financial Policy	Status
Restrict next year's debt service from available fund balance.	Existing
50% or more of debt principal should be repaid within 15 years.	New
Strive for operating expenditures to be 50% or less of total fund expenditures.	New
Recession mitigation – i.e., fund balance after debt service reserve should be equal to or greater than XX% of the fund.	New
Maintenance reserve funds – i.e., earmark \$XX annually for large or unexpected city asset repairs.	New

HOSPITALITY REVENUES CAPITAL INVESTMENTS – REPORTING & EVALUATION

Reporting and evaluation will improve financial accountability, enhance operational effectiveness and promote increased transparency.

Investment Status	Reporting Process	Frequency	Responsible Party
Approved Investments	<ul style="list-style-type: none"> - Affordability analysis dashboard that will include a long-range forecast of existing commitments and a comparison of policy goals to actuals. - Investment status overview that will provide updates on approved investments and 'horizon' investments that do not have a financing plan and/or sufficiently refined scope, cost or business case. 	Annual City Council Retreat	Economic Development/ Finance
In-Progress Investments	<p>Milestone update to confirm the project is within scope and budget that should include:</p> <ul style="list-style-type: none"> - Review of expenditures in relation to current budget and life of project; - Review of encumbrances and estimates of planned expenditure activity; - Confirmation of adequate cash flow; - Provide comparison of actual to planned; - Highlight significant changes to project scope, schedule and/or funding. 	Quarterly to B&E Committee through construction completion	Recipient entity (i.e., CRVA)

HOSPITALITY REVENUES CAPITAL INVESTMENTS – NEXT STEPS