AGENDA

Meeting Type:	SPECIAL
Date:	06/01/1999
	BUDGET RETREAT

City of Charlotte, City Clerk's Office

City of Charlotte

FY00 Budget Half-day Retreat
June 1, 1999
2:00 pm - 6:00 pm
Room 267

AGENDA

2:00 p.m.	**Metropolitan Transit Commission: Proposed FY2000 Interim Budget**	Jim Humphrey
3:00 p.m.	**Preliminary Budget Decisions Continued**	Curt Walton
5:00 p.m.	**Other Information** - Questions and Answers - Follow-up to the May 24 Public Hearing	Curt Walton

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Distribution: **Mayor and City Council**
Leadership Team
Key Business Executives
Budget and Evaluation Staff

MEETING AGENDA
Tuesday, June 1, 1999
TABLE OF CONTENTS

Item No.		Page No.
1.	**FY2000 Interim Budget for the Metropolitan Transit Commission**	document inserted
2.	**Amendments to the Manager's Recommended Budget**	
	All Funds-Reductions	
a.	2¢ Property Tax Reduction	5
	General Fund - Reductions	
b.	Animal Control Enhancements	5
c.	Police Digital Radios	7
d.	Solid Waste Services Bulky Item Pilot Program	7
e.	Carolinas Partnership	8
f.	Economic Development Division	9
g.	Neighborhood Development Educational Attainment Consultant	9
h.	Fire Education	10
	General Fund - Additions	
I.	Police Investigations Unit Expansion	11
j.	Charlotte Convention and Visitors Bureau	13 and Attachment 1
k.	Police Problem Solving Unit	14

Item No.		Page No.
l.	Small Business Recycling Program	14
m.	National Association of Counties Convention	15 and Attachment 2
n.	Festival in the Park Support	15
o.	Solid Waste Services Bulky Item Collection Enhancements	16
Other Funds - Reductions		
p.	Defensive Driving Range - Insurance and Risk Management Fund	18
q.	Transit Land Use Planning - Metropolitan Transit Commission Fund	18
3.	**Questions and Answers from the May 18th Budget Retreat**	20

June 1, 1999 Budget Retreat
2:00 p.m. - 6:00 p.m.
Room 267

Tl is document contains the information for the June 1 budget retreat, including·

1. **The FY2000 Interim Budget for the Metropolitan Transit Commission (MTC)** Discussion of the MTC budget was scheduled for the May 18 budget retreat but there was insufficient time available

2 **The list of amendments to the Manager's Recommended Budget** These amendments received five or more votes at the May 18 budget retreat Information is provided in this material on all of these items with the exception of the 2¢ property tax reduction The City Manager will present this information at the June 1 budget retreat

3 **Additional information requested at the May 18 budget retreat** Several expenditures were questioned at the budget retreat Additional information on those items is included in this material

Not included in this document is information requested at the Budget Public Hearing on May 24. This information pertains primarily to public safety compensation and will be included in the your May 28 Council-Manager memo packet

If you have any questions about this material prior to the budget retreat on June 1, please call Curt Walton at 336-5019

1. FY2000 Interim Budget for the Metropolitan Transit Commission

Document follows this page

METROPOLITAN TRANSIT COMMISSION

FY 2000

INTERIM YEAR PROGRAM

APRIL 21, 1999

METROPOLITAN
TRANSIT
COMMISSION

FY 2000

INTERIM YEAR PROGRAM

Contents

Part One: FY 2000 Program Overview 1

The Interim Year . . . 1
Interim Program Objectives . 2
Financing Principles . 2
Program Totals 3
Operating Program Key Points . . . 4
Capital Program Key Points . 5

Part Two: FY 2000 Program Summary 7

FY 2000 Expenditure and Revenue Summary . . . 7
FY 2000 Program Expenditure Information 8

Part Three: Capital Program 11

FY 2000 Capital Program Summary 11
FY 2000 Capital Program Information . 12

April 21, 1999

Part One

FY 2000 Program Overview

FY 2000: The "Interim Year"

- FY 2000 (beginning July 1, 1999) is referred to as the "interim year" because it is not until FY 2001 that a program will be prepared under the full-year planning cycle established in the Transit Governance Interlocal Agreement

  Under the Interlocal Agreement, the first permanent program is to be presented to the Metropolitan Transit Commission by December 15, 1999, with the MTC adopting a recommended capital and operating program by March 31, 2000 That first permanent program takes effect on July 1, 2000 -- the beginning of FY 2001

- Section IX of the Interlocal Agreement allows the Metropolitan Transit Commission to recommend "interim" transit programs to be funded in FY 2000 The MTC's recommended interim programs must be approved by the Mecklenburg Board of County Commissioners and the Charlotte City Council prior to any action by the City of Charlotte to fund these FY 2000 initiatives

  This section of the Agreement does permit the Charlotte City Council to proceed with funding (through its FY 2000 budget) the FY 2000 capital and operating components of the City's five-year transit program and requested Mecklenburg County Human Services transportation activities

- Section VII of the Interlocal Agreement describes the annual process and schedule for development and recommendation of capital and operating programs It specifies that by December 15, 1999, and each year thereafter, the Chief Transit Official is to submit proposed capital and operating programs to the MTC

  Following MTC review and opportunities for input from parties to the Agreement and the public, the MTC is to recommend these programs to the Board of County Commissioners and Charlotte City Council by March 31, 2000 (and annually thereafter)

Interim Program Objectives

- **Corridors**

  The philosophy of the "interim year" capital program is to proceed aggressively in all five corridors with the planning activities mandated by Federal transit investment and environmental regulations This approach will maximize future opportunities to obtain Federal and State funding of rapid transit projects by identifying a "locally preferred alternative" (i e light rail, bus rapid transit, high occupancy vehicle facilities, etc) for each corridor

- **Expanded Service**

  The approach used in preparing the FY 2000 operating program was conservative The introduction of most new transit services outside Charlotte will await completion in late 1999 of the five-year countywide transit plan The budget does include funds for staff in City departments and the Towns to accelerate rapid transit/land use planning in the corridors

Financing Principles

- The FY 2000 operating program reflects financing principles outlined in Section VIII of the Interlocal Agreement Essentially, these principles provide for the transfer of various revenue from each jurisdiction to a combined fund These revenue sources include

  - transit sales tax revenues
  - fares, fees, rents, and other transit charges
  - state and federal grants and other intergovernmental transfers
  - local maintenance-of-effort for transit services

- "Maintenance of Effort" amounts are included in the FY 2000 budget for Charlotte, Mecklenburg County, and Huntersville These amounts represent all capital and operating expenditures for transit services in FY 1998 other than those funded (a) through federal or State grants, (b) from other intergovernmental transfers, or (c) from fares, fees, rents, or other service charges

Program Totals

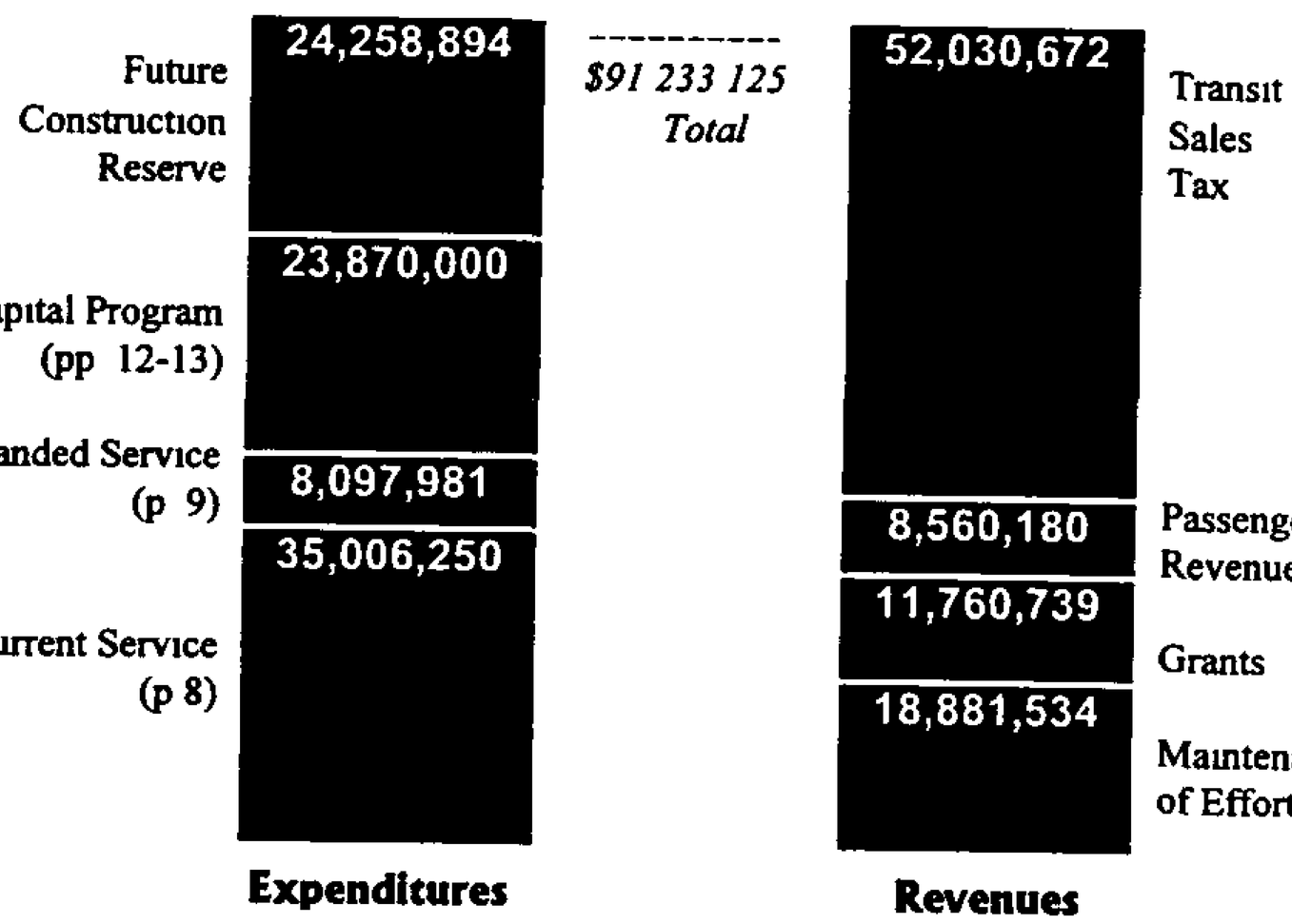
(see pages 7-13 for detail)

Expenditures

Operating	
Current Service	35,006,250
Expanded Service	8,097,981
Sub-Total	*43,104,231*
Capital	
Capital Program	23,870,000
Future Construction Reserve	24,258,894
Sub-Total	*48 128,894*
Total	**$ 91,233,125**

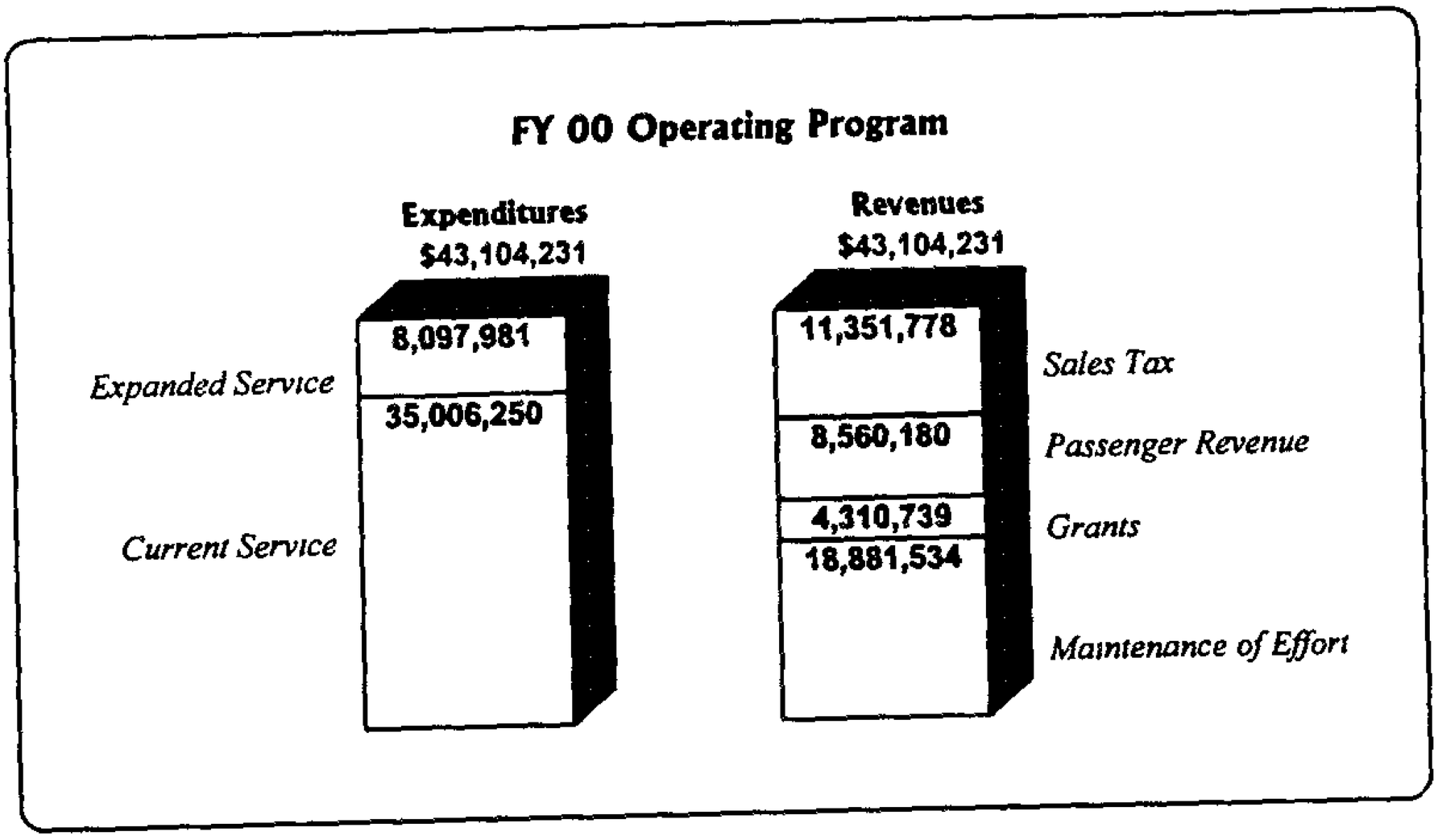
Revenues

Maintenance-of-Effort	18,881,534
Federal and State Grants	11,760,739
Passenger Revenues	8,560,180
Half-Percent Sales Tax	52,030,672
Total	**$ 91,233,125**



Operating Program: Key Points

(see pages 7-9 for detail)

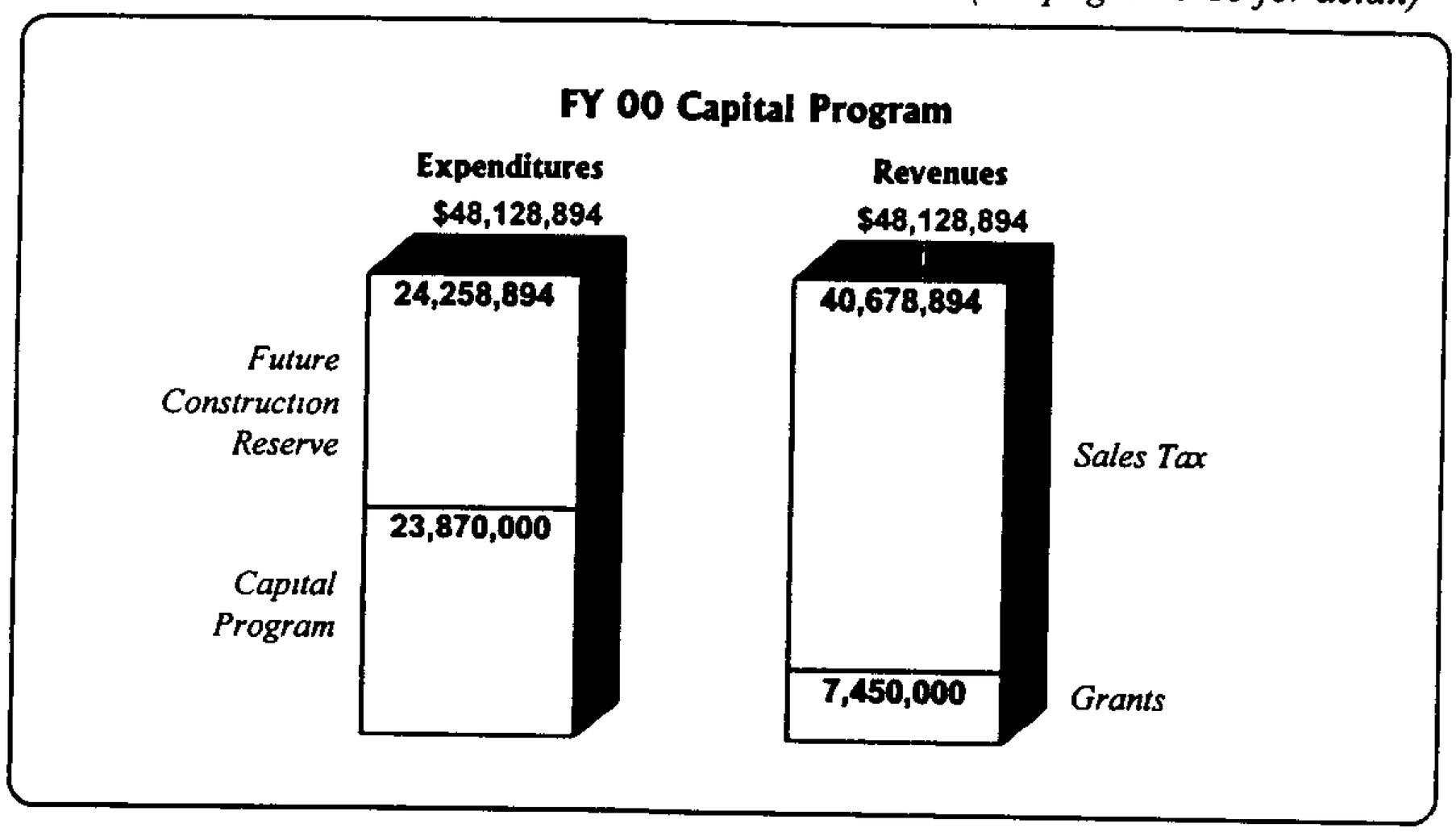


Expanded Service

- Implement transit service improvements programmed for Year 3 of Charlotte's *Five-Year Transportation Plan*
- Expand hours for customers to obtain transit information from customer service representatives, either by telephone or at the Charlotte Transportation Center
- Expand Mecklenburg County's Human Services Transportation programs
- Accelerate transit and land use planning in all five corridors with new staff
- Hire the Chief Transit Official and his/her support staff .5 mil
- Start up new transit services, including cross-county express routes, expanded express services between selected towns and Charlotte, and town circulator services

Capital Program: Key Points

(see pages 11-13 for detail)



Rapid Transit 14.8 mil

- Prepare a new five-year capital and operating program for expanding transit services throughout Mecklenburg County, including development of service standards and performance monitoring 3 mil
- Undertake detailed transit and land use studies in the remaining four corridors, similar to the work already underway in the South Corridor 6 mil
- Complete the Environmental Impact Study for the South Corridor, including selection of the "locally preferred alternative " 1 mil
- Consider the possible purchase of a site along the South Corridor which may have potential for a station location or a maintenance and operations facility ± 2.5 mil of 5 mil total for ROW protection
- Seek Federal and State grants to offset the maximum percentage of rapid transit capital expenditures 2 mil FED .25 mil STATE

Transit *(next page)*

Transit 9 mil

- Continue to replace Charlotte Transit buses and Metro Vanpool vans as they reach the end of their service lives (12 years for buses, 5 years for vans) 3.85 mil
- Purchase 20 additional vans to increase Metro Vanpool to 75 vehicles, a 36 percent expansion 5 mil
- Plan and design new transit centers for Arrowood and Eastland 3 mil
- Purchase new automatic vehicle location equipment and on-board security cameras for Charlotte Transit buses 1.26 mil
- Apply for a Federal formula grant of $5 2 million to offset a portion of these capital expenditures
- Purchase new bus 1.75 mil

ETHER
- Future Contingency Reserve 242 mil

Part Two

FY 2000 Program Summary

Expenditure Summary

	Current FY 99	Proposed FY 00
Current Service		
Planning, Contract Management, Project Support	$ 1,977,966	$ 2,195,045
Transit Contracted Services	2,178,267	2,546,352
Special Transportation Service	3,353,613	3,243,825
Support from City Departments	682,726	728,683
Charlotte Transit Administration, Operations, Maintenance	23,561,062	23,325,688
Transportation Center Operations	709,081	950,000
County Social Services (DSS) Transportation	1,967,170	2,016,657
Sub-Total	*34,429,885*	*35,006,250*
Expanded Service		
City Five-Year Plan Service Improvements	0	2,003,216
County Social Services (DSS) Transportation Expansion	0	1,912,632
Transit/Land Use Start-Up (CDOT)	185,000	556,133
Transit/Land Use Start-Up (Others)	0	900,000
Chief Transit Official and Staff	70,000	500,000
County Transit Services	0	2,226,000
Sub-Total	*255,000*	*8,097,981*
Operating Program Sub-Total	**$ 34,684,885**	**$ 43,104,231**
Capital Expenditures		
Capital Program (pp 11-13)	20,929,000	23,870,000
Future Construction Reserve	0	24,258,894
Capital Program Sub-Total	**$ 20,929,000**	**$ 48,128,894**
Total Expenditures	**$ 55,358,885**	**$ 91,233,125**

Revenue Summary

Maintenance-of-Effort, including		$ 18,881,534
City of Charlotte	18,400,000	
Mecklenburg County	464,034	
Town of Huntersville	17,500	
Federal and State Grants, including		11,760,739
City of Charlotte	10,300,000	
Mecklenburg County	1,460,739	
Passenger Revenues, including		8,560,180
City of Charlotte	8,300,000	
Mecklenburg County	260,180	
Half-Percent Sales Tax		52,030,672
Total Projected Revenue		**$ 91,233,125**

FY 2000 PROGRAM EXPENDITURES

	FY 99	FY 00	Change
Current Service			
Planning, Contract Management, Project Support Provides for project and program management, fiscal control and planning/assessment functions for the county-wide transit effort Includes staff for Vanpool Services, Uptown Transportation Assistance/ Information Center, Transit Planning, Administration, Communications/ Marketing, and Disabled Client Certification	$ 1,977,966	$ 2,195,045	11.0%
Transit Services Contracted with Private Providers • Beatties Ford Hub (EZ Rider Northwest) • University City Hub (Uni-Park Rider) • EZ Rider -- West, North, Cityview • Charlotte-Rock Hill Commuter Service • Charlotte-Concord Commuter Service • Center City Circuit • SouthPark Hub (to be implemented) • Guaranteed Ride Home	2,178,267	2,546,352	16.9%
Special Transportation Service Provides for transportation services to the disabled, as required by the Americans with Disabilities Act	3,353,613	3,243,825	- 3.3%
Support from City Departments Provides for administrative support by departments (Budget, Finance, Legal, etc)	682,726	728,683	6.7%
Charlotte Transit Administration Provides on-site administration, including personnel, safety, financial, payroll, etc	1,523,787	1,877,690	23.2%
Charlotte Transit Operations Operation of routes and schedules, including the cost of drivers' salaries, fuel, and system insurance	16,661,360	16,002,598	-0.3%
Charlotte Transit Maintenance Maintenance of 170 buses	5,375,915	5,445,400	1 3%
Uptown Transportation Center Operations Partnership with Bank of America to provide the City's share of the Transportation Center's operating expenses	709,812	950,000	34.0%

FY 2000 PROGRAM EXPENDITURES

	FY 99	FY 00	Change
County Social Services (DSS) Transportation Provides transportation to sheltered workshops, adult day care centers, congregate nutrition sites, and medical facilities	1,967,170	2,016,657	2.5%
Current Service Sub-Total	**$ 34,429,885**	**$ 35,006,250**	**1.6%**
Expanded Service			
Five-Year Plan Service Improvements • Expanded operating hours and express service for Charlotte Transit • Expanded hours for Transportation Center customer assistance • Improved customer/marketing services • Expanded vanpool operations	0	2,003,216	
Social Services Transportation Improvements • Expanded services to sheltered workshops, adult day care centers, etc • Service to elderly for shopping and recreation • Service to Veterans Hospitals and Clinics	0	1,912,632	
Transit/Land Use Start-Up (CDOT) Provides CDOT staff to carry out County-wide work program	185,000	556,133	
Transit/Land Use Start-Up (Others) Provides funds for staff needed in Mecklenburg Towns, City Finance, Planning, and Corporate Communications for first year plan implementation	0	900,000	
Chief Transit Official and Staff Provides for additional management and administration of county-wide transit effort.	70,000	500,000	
County Transit Services Funds for first year service for Towns Includes circulation services within the towns, plus new routes connecting towns with each other and Charlotte Also includes potential Charlotte Transit local service extensions to Matthews and Pineville	0	2,226,000	
Expanded Service Sub-Total	**$ 255,000**	**$ 8,097,981**	
Operating Program Sub-Total	**$ 34,684,885**	**$ 43,104,231**	

FY 2000 PROGRAM EXPENDITURES

	FY 99	FY 00
Capital Expenditures		
FY 2000 Capital Investment Plan Funding Detail on expenditures and reserves listed on pages 9-11	20,929,000	23,870,000
Future Construction Reserve Balance of sales tax revenue, set aside for long-range rapid transit projects	0	24 ,258,894
Capital Expenditures Sub-Total	**$ 20,929,000**	**$ 48,128,894**
Total Program Expenditures	**$ 55,613,885**	**$91,233,125**

Part Three

Capital Program

	Proposed FY 00
Expenditure Summary	
Rapid Transit	
Countywide Service Plan	$ 300,000
Transitway Right-of-Way Protection	5,000,000
North/South Corridor Transitway	5,000,000
Corridor Studies (Independence, University, Airport)	4,500,000
Sub-Total	*14,800,000*
Transit	
Purchase of New Buses	1,750,000
Replacement of Buses	3,500,000
Purchase of New Vanpool Vehicles	500,000
Replacement of Vanpool Vehicles	350,000
Purchase of New Service Vehicles	70,000
Replacement of Service Vehicles	60,000
New Transit Centers	300,000
Intelligent Transit Systems	1,260,000
Re-Construct Maintenance and Operations Center Parking Lot	800,000
Purchase of Maintenance and Service Equipment	280,000
Purchase of Office Equipment	200,000
Sub-Total	*9,070,000*
Total Capital Expenditures	**$ 23,870,000**
Revenue Summary	
Rapid Transit	
Federal "New Start" Grant	2,000,000
NCDOT "New Start" Grant Match	250,000
Sales Tax Revenue	12,550,000
Sub-Total	*14,800,000*
Transit	
Federal Transit Administration Entitlement Grant	5,200,000
Sales Tax Revenue	3,870,000
Sub-Total	*9,070,000*
Total Projected Revenue	**$ 23,870,000**

Note The Capital Program totals are included in the FY 2000 Program on pages 7 and 10

Project Title	FY 00
Rapid Transit	
Countywide Service Plan • Develop a five-year capital and operating plan for countywide service expansion • Develop service standards and a performance monitoring system for transit services operated throughout the county	$ 300,000
Transitway Right-of-Way Protection • Purchase or lease existing rail rights-of-way as they become available through abandonment or joint use agreements • Acquire available parcels in transitway corridors for maintenance and/or station facilities	5,000,000
North/South Corridor Transitway • Prepare second phase of Environmental Impact Study for South Corridor (Federal 80%, State 10%) • Prepare first phase of Environmental Impact Study for North Corridor (Federal 80%, State 10%)	5,000,000
Corridor Studies • Independence Corridor • University Corridor • Airport Corridor	4,500,000
Rapid Transit Sub-Total	$ 14,800,000
Transit	
Purchase of New Buses • Buy seven (7) full-sized Charlotte Transit buses to add trips on Independence express bus lanes and implement extensions to University City and the airport.	$ 1,750,000
Replacement of Buses • Purchase fourteen (14) full-sized buses to replace 1987 models (Following delivery of these buses, plus 26 more ordered in FY 99, the oldest vehicles in Charlotte Transit's fleet will be ten 1990 models)	3,500,000
Purchase of New Vanpool Vehicles • Buy twenty (20) vans, increasing number of Metro Vanpools to 75 (Five-Year Plan goal was to have 71 vanpools by the end of FY 2000)	$ 500,000

	FY 00
Replacement of Vanpool Vehicles • Replace fourteen (14) vans which are older than five years	350,000
Purchase of New Service Vehicles • Buy supervisory vehicles for Charlotte Transit (compact car) and Special Transportation Service (accessible minivan which can be used to transport clients, if necessary)	70,000
Replacement of Service Vehicles • Purchase two (2) supervisory vehicles for Charlotte Transit and Special Transportation Service	60,000
New Transit Centers • Plan and design transit hubs at Arrowood and Eastland, as recommended in the Five-Year Plan • New transit centers at Beatties Ford, University City, and Airport hubs will be located during corridor studies • (Total cost of each transit center is estimated at $1,500,000, subject to passenger amenities included in the center design)	300,000
Intelligent Transit Systems • Equip Charlotte Transit buses with Automatic Vehicle Location equipment • Install on-board surveillance equipment on Charlotte Transit buses	1,260,000
Re-Construct Transit Maintenance and Operations Parking Lot • Replace concrete parking lot at Charlotte Transit's maintenance facility (Total estimated cost of lot re-construction is $1,600,000, half of the cost has already been funded from the FY 98 Federal grant and the remaining half will be financed from the FY 2000 Federal entitlement grant.)	800,000
Purchase of Maintenance and Service Equipment • Replace 1975 tow truck for Charlotte Transit, this model cannot tow the new NOVA low-floor buses • Purchase various equipment and tools needed for bus repair	280,000
Purchase of Office Equipment • Acquire computer hardware and software • Purchase needed office furniture and equipment.	200,000
Transit Sub-Total	$ 9,070,000
Capital Program Total	$ 23,870,000

Metropolitan Transit Commission

Parks Helms, Chair
Chair, Mecklenburg Board of County Commissioners

Randy Kincaid, Vice-Chair
Mayor, Town of Davidson

Pat McCrory	*Mayor, City of Charlotte*
Pam Syfert	*Charlotte City Manager*
Gerald Fox	*Mecklenburg County Manager*
Wes Southern	*Mayor, Town of Cornelius*
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Robert G Fox, Jr.	*Mayor, Town of Mint Hill*
Todd Lamb	*Mint Hill Town Administrator*
George C Fowler	*Mayor, Town of Pineville*
Mary Ann Creech	*Pineville Town Administrator*

City of Charlotte
City Manager's Office
MEMORANDUM

To: The Mayor and City Council

From: Pamela A. Syfert
City Manager

Date: June 1, 1999

Subject: Request for a 2¢ Property Tax Reduction Proposal

At the May 18 Budget Retreat, one of the items receiving five or more votes was a 2¢ property tax reduction, which equals a reduction of $8 4 million from the recommended budget The Mayor and Council directed me to bring back to you my proposal for how to implement that reduction My proposal follows

Introduction
There are several points that I would like to make before presenting my proposal to you

1 At the retreat in January, the Mayor and Council reaffirmed the focus areas, determined priorities for the upcoming year and set budget goals to guide this two-year budget process A 2¢ tax reduction was not an initiative under Restructuring Government, was not determined to be a priority for 1999, nor included as one of your budget goals for the FY2000-FY2001 budget process Had it been included through any of these, the budget I would have presented to you would have been very different than the one you received on May 3, and most likely would have been different than the proposal you will receive here Had I not felt all recommended items merited funding, they would not have been recommended to you, however, given the timing of this request and the complexity of a $997 million budget and its funding sources, the proposal that follows is my best attempt at this point to assist you with cutting the property tax by $8 4 million

2 At the May 18 budget retreat I showed you some graphs that indicated property taxes represent only 20% of our revenue stream and are primarily dedicated to the General Fund Property taxes dedicated to the General Fund are currently insufficient to fund the Police and Fire budgets and it is these budgets that are increasing at a pace greater than other

expenditures Reducing property taxes means basic City services, including those in Police and Fire, will have to be reviewed now and in the future for reduction or elimination

3 Reducing Property Taxes also reduces Sales Taxes in future years A 2¢ reduction now means a loss of $1 7 million in FY2001 A 2¢ reduction now and a 5¢ increase by Mecklenburg County, for example, would mean a loss of $4 3 million in FY2001 The loss of this revenue is not factored into the FY2001 recommended budget, so cuts in addition to those required by the 2¢ tax cut equal to $4 3 million will have to be made before the FY2001 budget will be brought back to you next Spring

4 With Property Taxes and Sales Taxes diminishing, reliance on the City's third largest General Fund revenue, the Utility Franchise Tax, increases The Utility Franchise Tax is a State-levied tax that is shared with municipalities It is also a tax that has been discussed for elimination for several years

<u>$8.4 Million Reduction Proposal</u>

If the Mayor and Council wish to pursue $8 4 million decrease to the recommended budget, my proposal to do so is as follows

1 **Eliminate funding for the City's financial partners that are not directly related to a Council focus area** In order to preserve traditional City services, elimination of the following is proposed **$(3,673,559)**

Crisis Assistance	$(214,503)
YWCA Scattered Sites	$(106,182)
YMCA Success by Six	$ (46,826)
Arts and Science Council	$(2,674,580)
Carolinas Partnership	$(101,715)
Centralina Council of Governments	$(81,324)
Federal Program Representative	$(75,000)
Financial Partner Reviews	$(250,000)
Sister Cities	$(31,833)
Mayor's International Cabinet	$(31,596)
Stop the Killing	$(40,000)
Youth Involvement Council	$(20,000)
	$(3,673,559)

Funding remains for the following Financial Partners

RETAIN

Charlotte-Mecklenburg Housing Partnership	$1,100,000
UJAMMA Homeownership Counseling	$256,250
Consumer Credit Counseling	$266,202
Convention and Visitors Bureau	$2,696,767
Victim Assistance	$264,127

2 **Eliminate the $30 million in unprogrammed debt capacity from the General Capital Investment Plan.** **$(1,050,000)**

$30 million in unprogrammed capacity was left for Council's consideration in the FY2001-2005 CIP Outstanding issues include the Housing Strategic Plan, unmet road needs, the Carolina Theatre and other cultural facilities and the upcoming Capital Needs process

3 **Eliminate New Positions and Programs from the Recommended Budget which are not funded by grants or charged to the Capital Program, including** **$(2,606,453)**

Business Support Services	$(416,051)
City Manager	$(388,768)
Engineering and Property Management	$(144,000)
Fire	$(207,916)
Mayor/Council	$(7,198)
Neighborhood Development	$(132,758)
Police	$(371,454)
Solid Waste	$(633,736)
Transportation	$(304,572)
Total	$(2,606,453)

A detailed list of these positions and programs is attached

4 **Reduce Council Contingency to $300,000** **$(200,000)**
Council historically spends between $50,000 and $300,000 annually from Council Contingency The recommended amount was increased in conjunction with the increase in cash reserves to 16%, meaning mid-year appropriations from General Fund Fund

	Balance will be limited as the reserves are being increased	
5	**Reduce the Recommended Compensation Adjustment in both pay plans by 0.75%** That reduces the market adjustment in the Public Safety Pay Plan from 5% to 4 25% and the merit adjustment in the Broadbanding Pay Plan from 4 5% to 3 75%	**$(870,000)**
	Total Reductions	**$(8,400,012)**

Conclusion

I will await direction from the Mayor and Council as to when to notify agencies outside the City organization of these reductions If you need any additional information to complete your decision-making process, please feel free to let me know

Attachment

Reductions to Address 2 Cent Tax Decrease

June 1, 1999

Business Unit	Description	Positions Requested	Total Request	Manager Recommended	Reduction Amount	Comments
Business Support						
	Fleet Maintenance 3 positions per Contract #2 increases to fleet size	3 00	411 606	22 000	22 000	Eliminate
	Radio Technicians workload increase	2 00	94 051	94 051	94 051	Eliminate
	Information Technology Current Level Increase		1 300 000	1 200 000	300 000	Reduce by $300 000
City Manager						
City Mgr	Economic Development Office	1 00	100 000	100 000	100 000	Eliminate
Corp Comm	Web/Print Graphic Designer	1 00	49 801	49 614	49 614	Eliminate
	Engineering services fees for TV studio		36 800	36 800	36 800	Eliminate
	Maintenance & repair of TV equipment		42 600	21 650	21 650	Eliminate
	Training & conferences		5 500	1 575	1 575	Eliminate
	Production costs associated with new TV program		22 740	4 354	4 354	Eliminate
CRC	Printing CRC newsletter		5 000	2 144	2 144	Eliminate
	Police Review Database and Public Information Campaign		60 000	10 000	10 000	Eliminate
Customer Service	Additional positions for workload and five new workstations	3 00	117 795	30 392	30 392	Eliminate
Training	Convert Temporary Position to Permanent employee and add Leadership Train	2 00	91 328	76 792	76 792	Eliminate
	Training specialist for Technology lab	1 00	62 421	55 447	55 447	Eliminate
Engineering	Increased building services to City facilities		110 000	44 000	44 000	Eliminate
	Increased services to cultural facilities		263 950	100 000	100 000	Eliminate
Fire						
	Fire Inspectors for Workload	2 00	135 557	135 557	135 557	Eliminate
	Fire Educator for Prevention Activities	1 00	57 359	57 359	57 359	Eliminate
	Fire Department Accreditation Program		20 000	15 000	15 000	Eliminate
Mayor & Council						
	Increase Dues and subscriptions		7 198	7 198	7 198	Eliminate
Neighborhood Dev						
	Additional neighborhood services specialists	2 00	148 883	82 758	82 758	Eliminate
	Deputy Directory Position	1 00	100 000	100 000	50 000	$50 000 GF Portion
Police						
	Animal Control Bureau expansion positions & equipment	24 00	1 412 941	1 677 965	312 444	Reduced by $312 444
	Nuisance Abatement Coordinator	1 00	48 314	59 010	59 010	Eliminate
Solid Waste						
	Bulky Item Collection from Multi Family Complexes Contract		400 000	200 000	200 000	Eliminate
	Bulky Item Collection from Four Designated Neighborhoods--Pilot Program	7 00	356 211	357 440	357 440	Eliminate
	Convert Rollout Cart Delivery Crew to Permanent	2 00	9 377	9 578	9 578	Eliminate
	Addition of two Customer Service Reps in Customer Service Center	2 00	59 049	59 073	59 073	Eliminate
	Addition of Office Assistant III Position in Administration Div	1 00	7 645	7 645	7 645	Eliminate
Transportation						
	Traffic signal maintenance and timing	2 00	134 117	54 180	54 180	Eliminate
	Air Quality and regional planning	1 00	189 292	177 217	177 217	Eliminate
	Bicycle planning and plan implementation	1 00	73 425	73 175	73 175	Eliminate
	Total General Fund	**60 00**	**$5 932 960**	**$4 921 974**	**$2 606 453**	

2. Amendments to the Manager's Recommended Budget

Consider amendments to the recommended FY2000 & FY2001 Operating Budget and FY2000-2004 Capital Investment Plan The proposed amendments will be considered by Fund and then by expenditure reductions and additions

All Funds - Reductions

2a. 2¢ Property Tax Reduction ($8,400,000)

This item reduces the FY00 budget by $8 4 million

The City Manager has not completed development of an alternative budget which would eliminate $8 4 million of expense from the recommended budget The Manager's recommendations will be presented at the June 1 budget retreat

General Fund - Reductions

A chart summarizing General Fund changes is on page 17

2b. Animal Control Enhancements ($1,671,000)

This item eliminates the proposed funding increase for Animal Control - priority 4 of 20 Police requests The purpose of the additional funding is to address public safety and customer service concerns

While Animal Control staffing has remained at the same level since 1991, the animal population has increased Additionally, services provided to small towns and incorporated areas have increased to include licensing and enforcement of leash laws and dangerous dog laws To accommodate the increase in calls for service that result from growth, services such as door-to-door canvassing for licenses and

rabies inoculations and pick up and delivery of nuisance wildlife traps have been eliminated Response time to calls for service has also been negatively affected by the growth In 1995, 95 5% of calls for service were answered within 30 minutes, 90 0% in 1995 and 77 6% in 1998

This request also includes funding for technological needs Animal Control's existing data collection system is obsolete and serves only to track citations It will not accommodate workload data related to calls for service An improved system will track and analyze calls for service data and provide geographical information for problem solving The system would also interact with veterinary records to identify unlicensed animals which would generate additional revenue In 1998 only 30% of the estimated animal population was licensed Raising the license rate to at least 50% would increase revenue by about $500,000

This request included 24 positions
- 12 Animal Control Officers
- 3 Dangerous Dog Task Force Officers
- 4 Supervisors
- 5 Veterinary Technicians

A 24 hour staffing formula was used to determine that an additional 12 animal control officers were needed In comparison, the International Association of Chiefs of Police Manpower Analysis Method used by the Police Department indicates that 19 additional animal control officers are needed, but only 12 were requested

FY99 Positions and Costs:
59 positions and $2,865,776

Additional FY00 Cost:
24 positions and $900,000 in additional recurring costs and $771,000 one time costs One time costs include vehicles, computer software and hardware, and officer uniforms and equipment

2c. Police Digital Radios ($997,600)

This action eliminates the proposed funding increase for replacement of Police radios - priority 20 of 20 Police requests Police prioritized this request last because it was grant funded and, therefore, did not compete with General Fund dollars

The City and the County are replacing the analog system with a digital system The analog radios currently used are no longer manufactured, and therefore are difficult to maintain We are "cannibalizing" the analogs as they come out of service to maintain those that are still in service

We have two alternatives to replace the 1,400 radios now in use A one-time replacement plan for about $6 million or a five-year replacement plan at about $1 2 million each year

Budgeted funds are from the Police Federal Block Grant and must be used for a non-recurring, Police expense

2d. Solid Waste Services Bulky Item Pilot Program ($357,000)

This action eliminates $357,440 in funding for the proposed Bulky Item Pilot Program from the Manager's Recommended Budget There are two components of the program

1 $154,723 is recommended to fund a pilot program for routine bulky item pick-up service in four targeted neighborhoods (Wilmore, Villa Heights, Hampshire Hills and Old Savannah)

   The Pilot Program will provide information on the volume of bulky items collected on a routine basis, and consequently the frequency of routine pick-up that may be considered citywide at a later date

2 $202,717 would allow Solid Waste Services to provide Clean Sweep and Saturday clean- up

programs citywide in partnership with residents and public/private agencies

2e. Carolinas Partnership ($25,000)

This item reduces $25,000 from the Partnership's budget, which was requested for the Film Division's marketing efforts in the Charlotte area Based upon the recent Financial Partners review, Deloitte and Touche determined that the Carolinas Partnership plays a significant role in bringing films and commercials to the Charlotte area Deloitte and Touche concluded that the economic impact of film and commercial production provides approximately a $518 return for each dollar invested in the Partnership by the City

The City of Charlotte has been an investor in the Partnership's economic development initiatives since it was formed in 1991, as have other cities and counties in the 15-county region Presently, public sector investor contributions are based on a 30¢-per-capita basis The public investor amount for the City in FY2000 is $76,715

In addition to public sector investors, the Partnership has private sector investors. Private sector funding for the Partnership currently provides 60% of the Partnership's budget While some investors, both public and private, may change over time, the Partnership has experienced no withdrawal of public support from its investors in a number of years

A $25,000 increase in City funding for the Film Division will allow the Carolinas Partnership to work with the State Film Division to better market the Charlotte area This division of the Carolinas Partnership works exclusively to market the Charlotte area to film companies and follows-up on film company inquiries or leads presented to the State Film Division

2f. Economic Development Division ($100,000)

This item eliminates funding for the Economic Development Division in the City Manager's Office

$100,000 and one additional position was approved by Council in the FY99 budget to provide additional resources for Council's Economic Development focus area initiatives

The position has not been filled to allow time to determine how the City can best support the *Advantage Carolina* flagship initiatives recommended in the Chamber's strategic plan While that assessment continues, there are a number of special studies for which the funds will be used, including

- Business Retention Survey
- Business Retention Plan implementation
- Tourism Maximization (Deloitte & Touche recommendation)
- South End parking strategies
- Freedom Drive Theatres

Each of these studies is either an action step from the focus area initiatives, or a request from the business community to address specific issues threatening business attraction and/or retention

In addition, the completion of the 2010 Center City Plan at mid-year is expected to yield additional assignments for the City Manager's Office

2g. Neighborhood Development Educational Attainment Consultant ($75,000)

This item eliminates one-time funding to retain a consultant to determine how the City can best contribute to educational attainment in CWAC The consultant and City staff will work with educational partners to develop a plan for promoting academic success for students from CWAC communities, targeting problem areas like drop out rates

2h. Fire Education ($57,359)

This item eliminates the proposed additional Fire Educator from the Manager's recommended budget

The addition of this position supports implementation of the City's Strategic Plan as follows

City Within A City
- Supports Implementation of Neighborhood Action Plans
- Supports the school system in injury prevention curriculum development and instruction for meeting community educational objectives

Community Safety
- Addresses issues of cultural diversity in the community by reaching new residents -- for whom English is a second language -- with basic information on home and workplace safety
- Supports juvenile crime prevention efforts

While Operations staff can be utilized to supplement education efforts, dedicated resources are needed for program development and coordination The need for a coordinated effort was identified in the 1996 Fire Organizational Study

Recommended funding includes salary and benefits costs, supplies, and purchase of a vehicle

Staff for Fire Education has not been increased from the current two positions in over 20 years In the last 10 years alone, the City's population has increased by more than 35% and school enrollment has grown to over 98,500 This growth, coupled with the need to target neighborhoods, school-aged children and our growing diverse population are the reasons additional staff is recommended

2i. Police Investigations Unit Expansion $2,700,000

This item expands the Investigations Unit at a cost of approximately $2 7 million It includes

- **Criminal Intelligence Unit** - Police priority 6 of 20, this request establishes an intelligence unit by combining and expanding the Violent Crimes Task Force and Special Information Unit The new unit's responsibility would be to collect, analyze, and distribute information on criminal networks, militia groups, domestic terrorism, drug enforcement, computer-related crime, and hate groups This information would be used to identify and link interrelated crime data

FY99 Positions and Costs:

→ 15 positions
- 1 Captain
- 1 Sergeant
- 11 Officers
- 1 GIS Analyst
- 1 Investigations Technician

→ Cost $704,421

Requested Additions and Costs:

→ 10 positions
- 1 Captain
- 1 Sergeant
- 6 Officers
- 1 GIS Analyst
- 1 Investigations Technician

→ Cost $586,658 recurring costs and $193,109 one time costs One time costs include computer software and hardware, vehicles and officer uniforms and equipment

- **Vice and Narcotics Bureau** - Police priority 10 of 20 requests, this additional funding creates two new units to address crime increases One unit will focus on mid and upper level drug dealers and the other will focus on gambling, escort services, computer related vice crimes and adult businesses Additional staff would also allow

more collaborative efforts with State and federal agencies in solving these crimes

FY99 Positions and Costs:

→ 45 Positions
- 1 Captain
- 4 Sergeants
- 37 Officers
- 2 Assets Forfeiture Specialists
- 1 Office Assistant IV

→ Cost $2,615,835

Requested Additions and Costs:

→ 18 positions
- 2 Sergeants
- 16 Officers

→ Cost $605,205 in recurring costs and $407,954 in one time costs One time costs include vehicles, and officer uniforms and equipment

- **White Collar Crime Unit, Armed Robbery Task Force, and Word Processing** - Police priority 13 of 20 requests, this funding would create units to address white collar crimes and armed robberies White collar crime is currently handled by the Fraud Unit and armed robberies are handled by a temporary unit which is made up of patrol officers

FY99 Positions and Costs:

→ 31 Positions
- 1 Captain
- 2 Sergeants
- 23 Officers
- 2 Investigations Technicians
- 2 Office Assistant IV's
- 1 Office Assistant III

→ Cost $1,518,275

Requested Additions and Costs:

→ 15 positions
- 2 Sergeants
- 9 Investigators,
- 1 Administrative Officer I
- 3 Office Assistant IV's

→ Cost $699,982 in recurring costs and $246,964 one time costs One time costs include computer software and hardware, vehicles and officer uniforms and equipment

2j. Charlotte Convention and Visitors Bureau $398,720

This item adds $398,720 to the FY00 budget $256,905 from the General Fund and $141,815 from the Convention Center Fund CCVB's budget request for these additional funds is included as tabbed Attachment 1 of this document

The City Manager's recommended budget includes $2,696,767 for CCVB's base budget (supported by the first 3% of the Occupancy Tax and $35,000 from the City's Debt Service Fund) and $3 9 million in Convention Center marketing funds (supported by the second 3% of the Occupancy Tax) Convention Center marketing funds are split between CCVB and the Coliseum Authority, with CCVB receiving 70% of the funds and the Authority receiving 30%

The recommended increase for CCVB's base budget is a 13 6% increase over FY99 CCVB is requesting a 24 4% increase The distribution of the first 3% of the Occupancy Tax is determined by formula, as shown in the attachment Additional funds for CCVB's base budget would require General Fund dollars

Convention Center marketing funds allocated to CCVB increased by 14 7% in the recommended budget CCVB has requested a 20 6% increase The distribution of the second 3% the Occupancy Tax is also determined by formula, as shown in the attachment Additional funds for CCVB would require a change in the distribution formula with the Coliseum Authority, or an appropriation from the Convention Center Fund Balance

The fund balance has been programmed to meet Convention Center expansion needs Additional funds beyond the Occupancy Tax growth were not recommended for the CCVB until the development

of the 5-year leisure tourism strategic plan recommended by Deloitte & Touche, as well as related flagship initiatives in the Chamber's *Advantage Carolina* strategic plan

Attachment 1

2k. Police Problem Solving Unit — $273,992

This item increases funding for Police priority 14 of 20 requests to create a unit for managing problem solving programs The unit will be responsible for developing and maintaining a problem solving database, researching problem solving initiatives across the country and internationally to learn alternative strategies, and coordinating the information with officers

Requested Additions and Costs:

→ 6 positions
- 1 Administrative Officer II
- 1 Administrative Officer I
- 1 Office Assistant IV
- 2 GIS Analysts
- 1 Police Officer

→ Cost $263,034 recurring costs and $10,958 one time costs One time costs include officer uniforms and equipment

2l. Small Business Recycling Program — $234,864

This item adds $234,864 to the FY01 budget

This Program provides cardboard and paper product recycling service to small business customers who do not qualify for the dumpster service The Small Business Recycling Program was requested for FY01 The Program provides Solid Waste Services with the opportunity to educate small business with the benefits of shifting from garbage to recycling

This Program could be supported with the user fees, although the fee structure is not yet determined

2m. National Association of Counties Convention **$100,000**

This item adds $100,000 to the FY00 budget

Mecklenburg County is hosting next year's National Association of Counties conference July 16-20, 2000 The County has requested that the City consider a $100,000 contribution to the cost of the conference Staff's understanding of this request is that the City's contribution would be used to underwrite the cost of transportation needs associated with the conference

Attachment 2

2n. Festival in the Park Support **$12,000**

This item adds $12,000 to the FY2000 budget

The Festival in the Park, Inc requested $12,000 for law enforcement services for its annual festival held in Freedom Park The Festival currently uses private funding for law enforcement services

The goal of the Festival in the Park is to annually hold an arts festival that promotes professional and amateur visual and performing artists

In 1989, Council began a 3-year, funding phase-out of seven financial partners Air National Guard, Army National Guard, Carolinas' Carrousel, Economic Development Marketing (which became Carolina's Partnership), Sister Cities, Youth Involvement Council and Festival in the Park Four have remained out of the City budget Three have been reinstated

The City does not fund any of the festivals that are currently held in Charlotte Festival costs are assumed by the event holder The City did not provide funding for festivals such as Spring Fest or Jazz Charlotte This action would restore partial funding and may encourage requests for other festivals and events

2o. Solid Waste Services
Bulky Item Collection Enhancements **$2,166,394**

This item adds $2,166,394 to the FY00 budget for routine collection of bulky trash This amount does not include the cost for City's South quadrant BFI, the service provider for this area, was not able to reply to our request for information in time for inclusion in this agenda

The cost of implementing a weekly routed white good and other bulky item collection service citywide would benefit resident and the community by

- providing bulky trash and white goods collection on the regular service day,
- eliminating the customer need to call for scheduling pickup,
- reducing the customer complaints and improving service efficiency for other service calls, and
- improving the appearance of our community

Other Funds - Reductions

2p. Defensive Driving Range - Insurance & Risk Management Fund ($2,200,000)

This item eliminates $2,200,000 from the recommended FY2000-2004 Capital Investment Plan This is non-recurring funding from general liability insurance cash reserves

Over the past 8 years the City has experienced an annual average of 900 accidents costing 2 3 million

The Police Department has requested a defensive driving facility for several years The State requires defensive driving training for basic law enforcement training This training is currently occurring in the Charlotte Coliseum parking lot

A defensive driving pad was approved by Council in 1995 for $750,000 Several evaluations have occurred since then focusing on facility requirements, site analysis and private sector operation and participation

The use of a private facility for the City's driving training needs was explored, but no private vendors or facilities exist in this area It is estimated that a private company's cost would be approximately 30% more than the City's cost to construct and operate a driving facility

A staff analysis estimates the pay-back period for the defensive driving range to be 10 years The pay-back period analysis includes reduced contributions to the Loss Fund totaling $500,000 annually

2q. Land Use Planning - Metropolitan Planning Commission Fund

($133,870)

This item eliminates funding for two Principal Planner Positions requested in the FY2000 Planning Budget Request

These two planning positions will

- Develop RFPs and select a consultant for transit/land use planning for the corridors
- Work with consultants to determine the appropriate land use and zoning along the corridors
- Develop detailed architectural and site design plans for each of the recommended transit station locations
- Develop computer programs to access building permits, land use, zoning, census and various other types of information needed to support our transit and area planning initiatives

All costs associated with these positions will be charged to the Metropolitan Planning Commission (MTC) Elimination of these positions will result in savings to the Metropolitan Planning Commission, not to the General Fund

City of Charlotte

FY00 Budget Half-day Retreat
June 1, 1999
2:00 pm - 6:00 pm
Room 267

AGENDA

2:00 p.m.	**Metropolitan Transit Commission: Proposed FY2000 Interim Budget**	Jim Humphrey
3:00 p.m.	**Preliminary Budget Decisions Continued**	Curt Walton
5:00 p.m.	**Other Information** - Questions and Answers - Follow-up to the May 24 Public Hearing	Curt Walton

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Distribution: **Mayor and City Council**
Leadership Team
Key Business Executives
Budget and Evaluation Staff

Questions and Answers

Q18. Why were all of Human Resources' requests unfunded?

Human Resources' new requests were in two categories 1) the new Human Resources Management Information System and 2) new programs to support and recognize City employees

The information system is under development and staff is still evaluating the best methods of moving forward Once system implementation and maintenance needs are determined, funds necessary to support these decisions will be transferred from the City's $7 million technology fund (Page 99 of the budget document)

New employee-related programs are traditionally supported from within the existing budget These programs include the employee incentive program, child and elder care referral and City employees day at Carowinds Employee recognition, service award and pre-retirement planning programs are recommended to be handled in the same manner

Q19. Can the ½ cent transit sales tax be used to fund the Mecklenburg County Parks and Recreation greenway system?

Based on the opinion of Assistant City Attorney Robert Hagemann, the sales tax may not be used for development of the greenway system See Q & A Attachment 1.

Q20. Please provide additional information on the 6 positions requested but not recommended in the budget for the Metropolitan Planning Organization.

Engineering and Property Management submitted the budget request The request was for an additional 6 positions (total cost $381,474) to support the Metropolitan Planning Organization (MPO)

Since December 1998 a staff task force composed of members of the Technical Coordinating Committee (TCC) and others have been reviewing the staff resources necessary to support the MPO The State (through a federal grant) provides approximately $500,000 annually for transportation planning

These grant funds are linked to the Unified Planning Work Program (UPWP) which is approved annually by the MPO The FY2000 work plan totaling $1 1 million has been approved by the MPO While half of the work plan is supported by the State grant, the remaining half is support by in-kind services from member governments - primarily the City of Charlotte

The Engineering and Property Management budget request was based on a preliminary, short-term plan The task force continues to evaluate the changing staff resource needs of the MPO (The MPO will also be involved in approving transit plans proposed by the Metropolitan Transit Commission (MTC))

There is a need to dedicate staff support to the MPO Both the Cabarrus and Gaston MPOs have dedicated staff support Staff will continue to work on this issue and bring a recommendation back to Council when the evaluation has been completed

Q21. What are the job responsibilities of the competition coordinator positions included in the Transportation Department's budget?

Job responsibilities of the competition coordinators are as follows

- liaison to both internal and external PCAC committees and City Contracts Administrator
- identify areas of work for competition, develop CDOT competition plan and prepare plan status and other reports as needed
- develop and interpret competition guidelines
- prepare requests for bids and proposals
- prepare contracts and memoranda of understanding to implement competition
- establish performance monitoring systems
- monitor and report on contract service delivery and achievement of performance standards
- prepare gainsharing and optimization agreements
- supervise contract monitors to provide oversight of contracts with outside providers and performance of CDOT personnel successful in competition
- participate in the preparation of CDOT bids
- establish CDOT costing methodology, review of financial and cost documents to assure appropriate audit and competition form/condition
- serve as CDOT resource/contact with Internal Audit to expedite quarterly and year-end audits for CDOT competition services
- serve as CDOT resource/contact in evaluating competition issues related to risk management support, human resources, and other internal issues
- determine appropriate personnel for competition review and costing teams

Q22. Describe the $100,000 Workload Study requested by Neighborhood Development.

Funding for this request would design an information system to integrate planning, workload, and financial data to improve resource tracking within focus area initiatives

Q23. Provide a list of the Financial Partner increases.

Please see Q & A Attachment 2 that was included as pages 40 and 102 of the FY2000 & FY2001 Preliminary Operating Plan

Q24. What is the status of the SafeLight Fund?

The City has not filed a declaratory judgement that would clarify the question of whether the revenues belong to the City or to the School Board The City attorney expects the suit will be filed within the next six months

As of April 30, 1999 the SafeLight Fund has revenues and receivables of $1,120,803 and expenditures of $531,000

Q25. What are the eligible uses of the City's Occupancy Tax revenues?

The attached memo from Robert Hagemann to the Budget Committee reviews in detail the statutory limitations and other spending requirements of both the "first 3%" and "second 3%" of the City's Occupancy Tax revenues Charts illustrating the distributions using the estimated revenues for the FY2000 Recommended Budget are also included as tabbed Attachment 1 of this document

For FY2000, all of the $4 2 million available to the City from the 1st 3% is applied to debt service for the City's Cultural Facilities and Coliseum. Including payments due during FY2000 of $7 9 million, the remaining debt service on these facilities totals $54 million (detailed below), and extends through FY2012 The future years' revenues also support the City's projected capacity of $60 million for additional cultural facilities

Facilities	FY2000 Debt Service	Total Debt Service
Coliseum	$5,267,698	$30,280,474
Performing Arts Center	1,418,918	14,040,753
Discovery Place	841,487	8,326,843
Mint Museum	357,303	1,348,592
Total	$7,885,406	$53,996,662

Once these funds are no longer required to retire debt, expenditures such as the City's support of arts and cultural facilities and the Carolinas Partnership possibly could be funded However, any use of these funds for other programs would have to be reviewed relative to the language of the legislation

The 2nd 3%, dedicated to the Convention Center, is estimated at $9 5 million for FY2000 This revenue, as well as the 1% Prepared Food and Beverage Tax revenue ($12 8 million), supports the Center's FY2000 debt service payments of $18 million

CITY OF CHARLOTTE
OFFICE OF THE CITY ATTORNEY

Memorandum

TO Council Budget Committee

FROM Robert E Hagemann, Assistant City Attorney - 336-2651

DATE April 2, 1998

RE Occupancy Tax and Prepared Food & Beverage Tax

This is in response to several legal questions asked at the March 17, 1998 Budget Retreat regarding the 6% occupancy tax and the 1% prepared food & beverage tax

1. **What are the statutory limitations on the use of the occupancy tax and prepared food & beverage tax revenues?**

In 1989, the General Assembly rewrote the Mecklenburg County occupancy tax enabling legislation to increase the authorized tax from 3% to 6% and authorized a 1% prepared food and beverage tax The legislation prescribed the method of distribution of the tax proceeds and the uses and priority of uses to which the proceeds could be put as follows

A) The "First 3%" Occupancy Tax

1 As the administrator of the tax, Mecklenburg County deducts up to 3% of the gross proceeds of the occupancy tax to defray the cost of administering and collecting the taxes (*i e* 3% of the 6% occupancy tax, all of which is taken from the "first 3%" tax proceeds)

2 After deduction of administrative costs pursuant to paragraph 1, 50% of the first $1,000,000, 35% of the second $1,000,000, and 25% of revenues in excess of $2,000,000 are distributed to the City of Charlotte for activities and programs aiding and encouraging convention and visitor promotion

The City of Charlotte has contracted with CCVB for activities and programs aiding and encouraging convention and visitor promotion services in exchange for the 50%-35%-25% proceeds component of the "first 3%" occupancy tax This contract is for a two-year term that began on July 1, 1997 with automatic two year term renewals The contract may be terminated by either party upon twelve months notice

3 An amount equal to 120% of the total occupancy tax revenues collected within each of the towns is distributed to the respective towns

The towns may expend these funds for acquiring, constructing, financing, maintaining, operating, marketing, and promoting convention centers, civic centers, performing arts centers, coliseums, auditoriums and museums, for off-street parking for use in conjunction with these facilities, and for tourism and tourism-related programs and activities including art and cultural programs, events, and festivals

4 The remainder of the proceeds are split between Mecklenburg County and the City of Charlotte based on the ratio of expenditures by each on acquiring, constructing, financing, maintaining, operating, marketing, and promoting convention centers, civic centers, performing arts centers, coliseums, auditoriums, and museums, for off-street parking for use in conjunction with these facilities, and for tourism and tourism-related programs and activities including art and cultural programs, events, and festivals, excluding the City's expenditures related to the new or expanded convention center

These funds may be expended only for acquiring, constructing, financing, maintaining, operating, marketing, and promoting convention centers, civic centers, performing arts centers, coliseums, auditoriums, museums, for off-street parking for use in conjunction with these facilities, and for tourism and tourism-related programs and activities including art and cultural programs, events, and festivals

B) The "Second 3%" Occupancy Tax and the 1% Prepared Food & Beverage Tax

The City of Charlotte receives an amount equal to 3% of the gross occupancy receipts and the entire net proceeds (*i e* gross proceeds less 3% administrative cost retained by Mecklenburg County) of the 1% prepared food and beverage tax These proceeds must be applied in each fiscal year in accordance with the following priorities

1 Current obligations with respect to any financing for new convention center facilities or for any expansion of existing convention center facilities, which may include off-street parking for use in conjunction with the facilities

2 Up to $1,500,000 for marketing and promotion of new or expanded convention center facilities

3 Other costs of acquiring, constructing, maintaining, operating, marketing, and promoting new or expanded convention center facilities

The City of Charlotte has contracted with CCVB for marketing and promotion for the new convention center facilities pursuant to the second and third priority categories under

the "second 3%" and prepared foods tax expenditure language (The contract provides that CCVB and the Auditorium-Coliseum-Convention Center Authority receive 15% of net revenues split 70% to the CCVB and 30% to the Authority The contract further establishes an incentive allocation whereby 30% of the second 3% occupancy tax that exceeds the original estimates (1991) are split equally by CCVB and the Authority) This contract is an annual contract with no automatic renewal

2. Can the monies be spent differently than they are currently being spent?

The 50-35-25 component of the "first 3%" must be spent for activities and programs aiding and encouraging convention and visitor promotion The proceeds from the "second 3%" of the occupancy tax and the prepared meals tax must first be used to service the current debt obligations on the new convention center and then to fund up to $1,500,000 for marketing and promotion of the convention center Residual revenues may be spent for any of the purposes listed in the respective authorized purpose categories

What legal or contractual action would have to be taken to spend the monies differently?

Legislation amending the occupancy and prepared foods local act would be necessary in order to spend the 50-35-25 component of the "first 3%" (currently required to be spent on activities and programs aiding and encouraging convention and visitor promotion) and revenues dedicated to the first two priority categories for the "second 3%" and prepared meals tax (*i e* debt service on the new convention center and $1,500,000 for marketing and promotion) for some other purpose

Reallocation of other categories of tax proceeds within the respective authorized purpose categories could be accomplished through the budget process

Finally, the City Council could decide to contract for all or some portion of promotional and marketing services with some entity other than CCVB or could provide such services directly

3. Who controls the Charlotte Convention and Visitor's Bureau's budget?

The CCVB is a private non-profit corporation The corporation is governed by a 28 member board of directors which manages the business and affairs of the corporation Monies provided to the CCVB from the occupancy and prepared food taxes are payments for services rendered pursuant to contracts with the City of Charlotte As such, the CCVB is contractually obligated to provided the services specified in the contracts

Pursuant to the City's contract with CCVB for services in exchange for the 50-35-25 component of the "first 3%" occupancy tax, for each fiscal year CCVB is required to "prepare and submit to the City an operating budget which indicates total Dedicated Revenues which the contractor estimates will be collected during the contract year and designated in reasonable detail the proposed use of all such funds "

Q& A Attachment 1

CITY OF CHARLOTTE
OFFICE OF THE CITY ATTORNEY
Memorandum

TO	Curt Walton, Budget Director
FROM	Robert E Hagemann, Assistant City Attorney REH
DATE	May 21, 1999
RE	Use of Transit Sales Tax for Greenway Purposes

This is in response to your request for an opinion as to whether proceeds from the 1/2 cent transit sales tax may be used to fund the Mecklenburg County Parks and Recreation greenway system It is my opinion that this revenue source **may not** be used for such a purpose

The act that authorized the transit sales tax states a purpose of giving local governments "an opportunity to obtain an additional source of revenue with which to meet their needs for financing local public transportation systems " G S 105-505 The legislation further provides that the net proceeds from the tax may be used "only for financing, constructing, operating and maintaining local public transportation systems " G S 105-510(b)

The definitional section of the legislation provides at G S 105-506(2), the following

> Public transportation system -- Any combination of real and personal property established for purposes of public transportation The systems may include one or more of the following structures, improvements, buildings, equipment vehicle parking or passenger transfer facilities, railroads and railroad rights-of-way, rights-of-way, bus services, shared -ride services, high occupancy vehicle facilities, car-pool and vanpool programs, voucher programs, telecommunications and information systems, integrated fare systems, bus lanes, and busways The term does not include, however, streets, roads, or highways except to the extent they are dedicated to public transportation vehicles or to the extent they are necessary for access to vehicle parking or passenger transfer facilities

In addition, the following definition from a glossary of terms used in various publications of the Institute of Transportation Engineers and the American Association of State Highway and Transportation Officials is instructive

> Public transit (or transportation) Passenger transportation service to the public on a regular basis using vehicles that transport more than one person for compensation, usually but not exclusively over a set route or routes from one fixed point to another Routes or schedules of this service may be predetermined by the operator or may be determined through a cooperative arrangement

From these definitions and the purpose limitation found in the transit legislation, I find it difficult to argue that transit sales tax revenues could be used to fund the County's greenway program

Neighborhood Development Financial Partners

Financial Partner	Funding Source	FY99 Funding	FY2000 Request	FY2000 Budget	FY2001 Request	FY2001 Budget
Charlotte Mecklenburg Housing Partnership Affordable Housing	Innovative Housing CDBG HOME	$2 000 000	$3 500 000	$2 100 000	$4 100 000	$2 184 000
Crisis Assistance Energy Assistance	Innovative Housing	100 289	130 000	105 303	145 000	109 515
Crisis Assistance Emergency Rent	Innovative Housing	104 000	120 000	109 200	135 000	113 568
Bethlehem Center After School Enrichment	CDBG	165 178	198 189	184 178	206 117	191 545
Gethsemane After School Enrichment	CDBG	460 174	605 344	502 011	629 558	522 091
YWCA Scattered Site	Innovative Housing	86 843	121 182	106 182	121 182	110 429
St Paul Baptist After School Enrichment	CDBG	43 463	45 457	47 788	47 230	49 699
Charlotte Mecklenburg Board of Education After School Enrichment	CDBG	156 000	260 000	171 600	260 000	178 464
YMCA Success by Six	Innovative Housing	45 794	46 826	46 826	48 699	$48 699
Child Care Resources	JTPA General Fund	0	*	*	*	*
Employment Security Commission	JTPA	0	*	*	*	*
Senior Center	JTPA General Fund	0	*	*	*	*
UJAAMA Inc	Innovative Housing	200 000	3 year contract	256 250	3 year contract	TBD
Consumer Credit Counseling	Innovative Housing	271 700	3 year contract	266 202	3 year contract	TBD
Total Neighborhood Development Financial Partners		**$3,633,441**	**$5,026,998**	**$3,895,540**	**$5,692,786**	**$3,508,010**

*** Services provided by these agencies are being competitively awarded**

General Fund Financial Partners

Financial Partner	Funding Source	FY99 Funding	FY2000 Request	FY2000 Funding	FY2001 Request	FY2001 Funding
Arts & Science Council	General Fund	$2 174 580	$2 674 580	$2 674 580	$2 808 300	$2 674,580
Carolinas Partnership	General Fund	76 715	101 715	101,715	101,715	101,715
Centralina Council of Governments	General Fund	79 301	81 324	81 324	83 400	83 400
Charlotte Sister Cities	General Fund	28 355	41 584	31 833	41 374	27,463
Charlotte Philharmonic Orchestra	General Fund	35 000	0	0	0	0
Children s Services Network	General Fund	50 000	0	0	0	0
Convention & Visitors Bureau	General Fund	2 163 750	2 918 672	2 696 767	3,210 500	2,904,826
Crimestoppers	General Fund	100 000	0	0	0	0
Mayor s International Cabinet	General Fund	17 714	39 500	31 596	41 870	26 517
Stop the Killing/The Crusade	General Fund	40 000	40 000	40 000	40 000	40,000
United Family Services Victim Assistance	General Fund	244 512	267 197	264,127	277,885	274 492
Youth Involvement Council	General Fund	40 000	40 000	40,000	40,000	40,000
Total General Fund Partners		**$5,049,927**	**$6,204,572**	**$5,961,942**	**$6,645,044**	**$6,172,993**

Charlotte Convention & Visitors Bureau

FY00 Budget Submission

	Base Budget (First 3% Occupancy Tax)	CCC Joint Mkt. Budget (Second 3% Occupancy & PF&B Tax) *
CCVB City Funding Request	2,918,672	2,446,710
Estimated City Funding	1,661,767	2,304,895
Difference	(256,905)	(141,815)
Est. Econ. Impact Potential Loss	**7.6 million**	**4.2 million**

(*) Does not include approximately $250,000 for FY99 CCC incentives
There is approximately $400,000 difference between the CCVB's request and estimated City funding, and the EEI potential loss is $11.8 million

Impact of Unfunded Programs

- **Minimized cultural tourism efforts** as part of our partnership with the Arts & Science Council; they are partially funding this program

- **No new local-area visitor displays that promote** local attractions, restaurants and other visitor amenities Budget includes partnerships with Carowinds and the Merchandise Mart for initial locations. Budget also includes increased visitor display visibility at the airport.

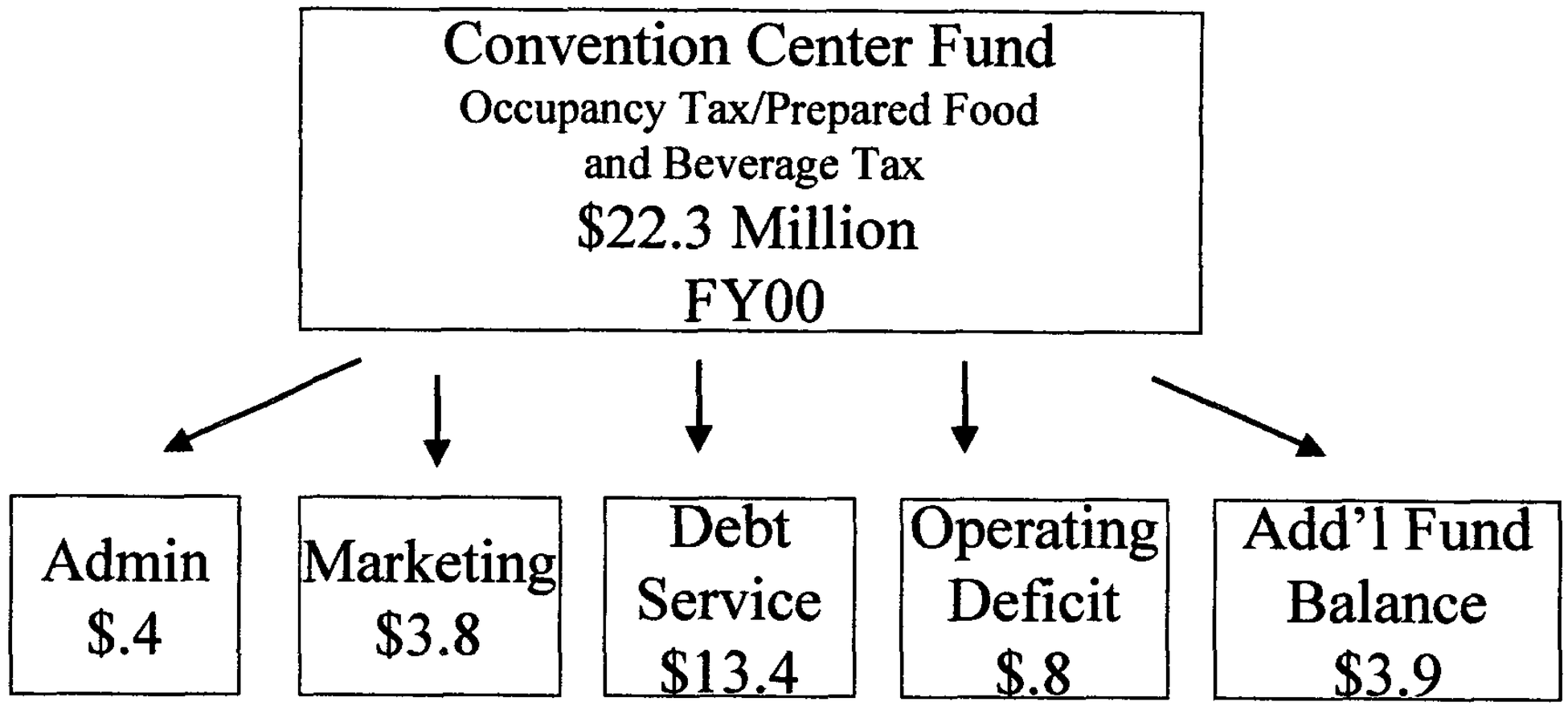
- **Eliminated technical support** jointly shared with the CCC budget, to enhance technology to remain competitive and meet customer demands, e.g., website interfaces.

- **Missed opportunity to convert meeting and conventions to tourism** extended stays. No promotional material to entice people to come early and/or stay late.

- **Delayed regional representation** in key sales markets, e.g., Northeast. We will not be able to respond to potential customers.

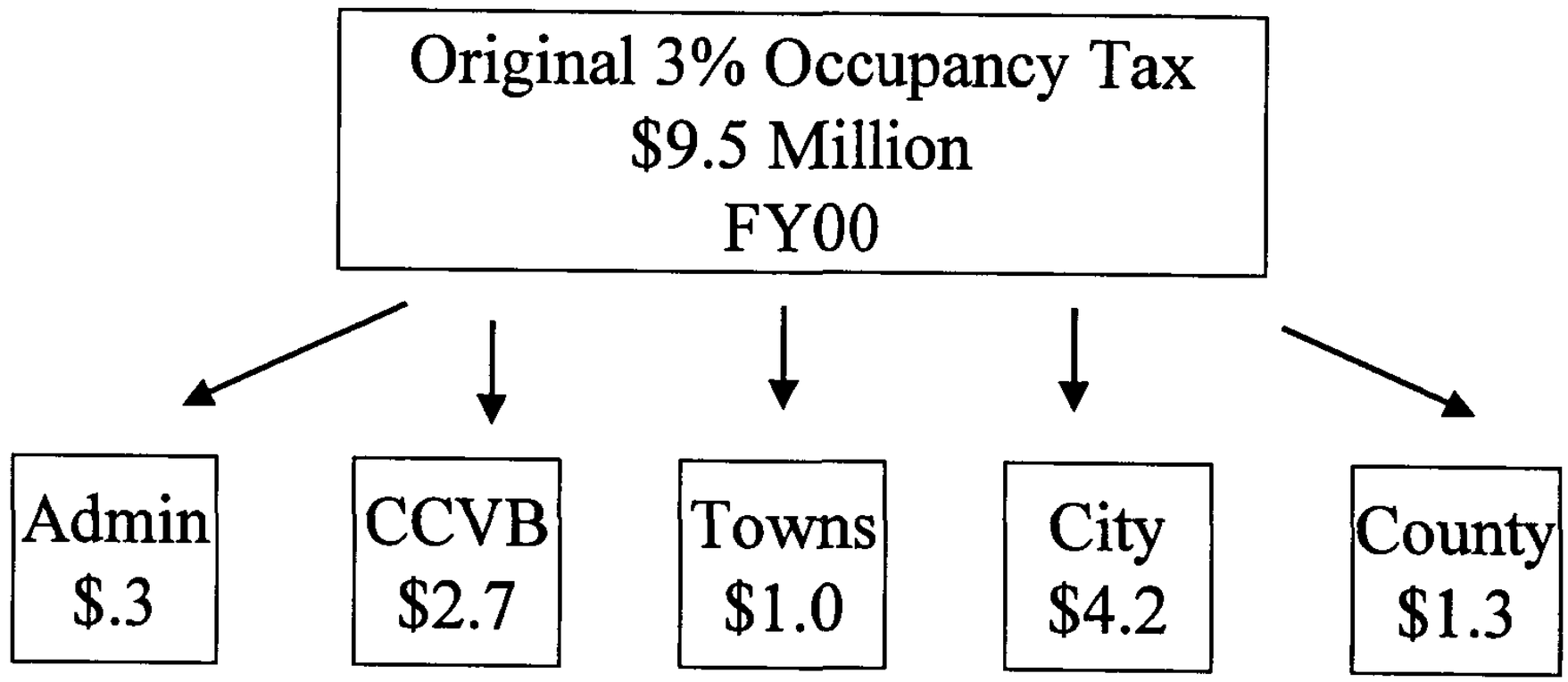
- **Reduced client events in key feeder markets** that minimize our efforts to promote the new convention hotel.

New Programs



NOTES (In Millions) Administration Fee 3% of Prepared Food & Beverage Tax, Marketing Distribution Base-CCVB(70%) and Authority (30%), Incentive shared 50%/50%, Deficit City Share 50%

25 May, 1999



IN MILLIONS Administration Fee 3% of gross revenue, CCVB 50% of first million, 35% of 2nd million, 25% of remaining revenue, Towns receive 120% of actual collections, City 74 78% of remaining funds, County 25 22% of remaining funds (FY99 Distribution)

25 May, 1999

Distribution of "1st 3%" Occupancy Tax (FY2000)	
Administrative Fees to County (3% of Original Occupancy Tax)	$ 0 3
City of Charlotte/CCVB (Contract) Promotions	2 7
Small Towns 120% of Actual Collections (after Convention Center Distribution)	1 0
City of Charlotte (Debt Service) (74 78% of Remaining Distribution)	4 2
Mecklenburg County (25 28% of Remaining Distribution)	1 3
Total	$ 9 5

Convention Center Fund Revenue Distribution 1% Prepared Food and Beverage Tax "2nd 3%" Occupancy Tax FY2000	
Administrative Fees to County (3% of Prepared Food and Beverage Tax)	$ 0 4
City/Convention Center Debt Service	13 4
City/Convention Center Marketing	1 5
City/Remaining Funds	7 0
Total	$ 22 3
Occupancy Tax Prepared Food and Beverage Tax	$ 9 5 $ 12 8

How the City/ Remaining Funds are Spent from the Convention Center Fund (FY2000)	
Marketing Agreement* (Contractual Agreement for 15% of Total Revenue) (Split 70% CCVB/30% Convention Center Authority)	$ 18
Convention Center Deficit (50% of Operating Loss)	08
Incentive Plan (3% Occp Tax Only) (30% of Revenues above Original Estimate) Evenly split between CCVB and Convention Center Authority	05
Additions to Revenue Fund Balance (not including interest income)	39
Total	$ 70

Summary of All City Revenues (How Taxes are Distributed) 1% Prepared Food and Beverage Tax 6% Occupancy Tax (FY2000)	
Debt Service	
Convention Center Debt	$ 134
General Debt Service Fund	42
Marketing	
CCVB	52
Convention Center Authority	13
Convention Center Deficit	08
Convention Center Fund (Fund Balance)	39
Total	$ 288

1999

May 10, 1999

Ms Pam Syfert
City Manager
City Of Charlotte
600 E 4th Street
Charlotte, NC 28202

NACo 2000

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Dear Pam,

I am following up on my brief visit to you late last fall Mecklenburg County is in the active fundraising mode for our NACo 2000 conference in July 2000 and we want to make sure you did not miss the opportunity to participate in this event

There has been a long and rich tradition for Charlotte and Mecklenburg to step up to the plate to assist special events that come our way "once in a life time" The Final Four, the Women's Final Four are two that come to mind, and as I recall both City Council and County Commission each contributed $100,000 This conference is on a par with those I mentioned (I'll admit not quite as much fun) and will have an enormous residual economic benefit to our entire region not only for the duration of the 5 day conference, but long after as these key decision makers return home

Jerry Fox has assured me that Mecklenburg County would look very favorably on supporting Charlotte in the same way when you have the League of Municipalities and/or the Conference of Mayors coming to town Since there seems to be a "surplus" in the city budget this year, the timing seems right for City Council to have a crack at this nut Of course, YOUR recommendation would help immensely

Pam, we would be very grateful for a $100,000 grant for this one time opportunity Thank you for your consideration If there is additional information you need for your council members, please let me know

Warm regards,

Ann Schrader

cc Pat McCrory, Mayor, City of Charlotte
City Council Members

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1 1 1999

The Carolinas
NACo 2000
Charlotte, N C

*Transportation package/Shuttle service

The value is $150,000 for an exclusive 3-day package. This is the most desirable exposure for your investment. All Delegates will move from hotel to conference center; and from hotel to all other activity sites. This is the captive market!

- Logo/name on shuttle banner/all stops
- Logo/name on welcome signs inside vehicle
- Logo on inside/outside vehicle
- Opportunity to offer logo merchandise as conference gifts
- Listing on all donor thank you signs
- Listing in program thank you page
- Full page ad in conference program
- 4 complimentary tickets to the NACo 2000 VIP event
- 4 complimentary tickets to conference

This package can be separated for individual days, same benefits, each day for $50,000.

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Position Your Company at the National Crossroads
Be A NACo 2000 Sponsor

In the summer of 2000, the Carolinas will host the annual conference of the National Association of Counties (NACo), the largest annual gathering of leaders from some 4,000 counties throughout the United States NACo 2000 is a rare and valuable opportunity to position your company positively before these important decision-makers

At the dawn of the new millennium, our nation has much to celebrate Economic success launched by technology, innovative partnerships and creativity is giving birth to an ever-increasing abundance of fresh ideas and exciting accomplishments Here on the edge of Year 2000, we are at the front of a new wave of renewed hope and prosperity for all people

Nowhere is that hope more apparent than in North and South Carolina, with our trademark gleaming cities, warm skies and friendly faces We have our county leaders to thank for much of this abundant quality of life Their vision and wisdom have transformed Southern tradition into compelling dreams of the future

We will celebrate the beauty and power of these dreams – for us and for the nation – when thousands of county government leaders come to Charlotte for the National Association of Counties Annual Conference in July 2000

The conference is a unique opportunity to share in this celebration and position your organization at the forefront while the nation's vision is conceived As a sponsor of NACo 2000, your company will be before decision makers as they meet and collaborate to chart directions for their communities' myriad needs – including education, work force preparedness, transportation, economic development, law enforcement, health care, building development and child protection

Sponsorship of NACo 2000 delivers your important messages right to the heart of America, whether you offer services that keep people working or products that keep the wheels turning An investment in NACo 2000 will portray your company as visionary and repay you with exposure to thousands of county decision-makers, at one place and time

Please review the enclosed sponsorship materials carefully They are your opportunity to showcase your organization for the leaders of tomorrow Your presence at NACo 2000 will benefit you and the Carolinas in ways we can only imagine

###

This is not tax deductible for charitable purposes

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SERVING THE PEOPLE WHO SERVE OUR COMMUNITIES

Counties are on the front lines of protecting public safety, providing health and human services, managing natural resources and performing other functions vital to the well-being of our communities

The National Association of Counties' (NACo) Annual Conference provides an opportunity for counties to exchange information, benefit from the experiences of others and learn how to improve services to the citizens of their communities Hosting NACo 2000 in Charlotte from July 16 20, 2000 will provide the Carolinas' counties with ready access to an unparalleled array of innovations, training and networking opportunities NC & SC's own state-of-the-art accomplishments will be showcased, giving a boost to the Carolinas' reputation as a national leader in reinventing government and developing public/private partnerships

Sponsorship of NACo 2000 will benefit the people who serve our communities and ultimately improve the delivery of all county services

PUBLIC SAFETY
Ambulance service regulation and franchise
Arson investigation
Disaster preparedness programs
Emergency medical services
Fire protection & Code enforcement
Hazardous materials response
Search and rescue

HUMAN & SOCIAL SERVICES
Adult Protective Services
Emergency Financial Assistance
Emergency Food & Shelter
Food Stamps
Handicapped Services
Housing for Homeless
Income Maintenance
Individual Social Services
Job Training
Language Assistance Services
Low Income Energy Assistance
Medical Assistance
Services to the Aging
Veterans Services
Victim s Assistance Counseling & Services
Work Experience Programs

POLICE PROTECTION & CORRECTIONS
General police protection & law Enforcement
Emergency dispatch services (911)
Adult parole & probation
Juvenile parole & probation
Criminal records
Detective investigation
Jails & detention facilities
Juvenile Court
Public safety education
Work release programs

PUBLIC HEALTH
Alcoholism & Drug programs
Animal, Rodent & Vector Control
Communicable Disease Control
Dental Health
Homes for the Aged & Nutrition Programs
Hospitals & Clinics
Maternal & Child Health
Mental Health Facilities & Services
Outpatient Medical Services
Sanitation Inspection & Health Certification

CHILDREN & FAMILIES
Family Court
Custody Mediation
Parent Training

HOUSING & ECONOMIC DEVELOPMENT
Building Code Enforcement
Public Housing
Housing Code Enforcement
Industrial & Economic Development
Industrial Recruitment
Rural Housing Programs
Small Business Development
Tourism & Visitor Services
Urban Renewal

NATURAL RESOURCES
Flood & Drainage control
Hazardous Waste Collection & Disposal
Noise Control
Recyclable Materials
Scenic/rural Roads Preservation
Soil Conversation
Solid Waste Collection & Disposal
Water Conversation
Water Pollution Control
Watershed Protection & Regulation
Weed Control

LAND USE
Comprehensive Land Use Planning
Farmland Preservation
Geographic Mapping
Growth Management
Land Records
Surveying
Zoning & Subdivision Control
Coastal zoning

PUBLIC UTILITIES
Cable TV regulations & franchises
Wastewater Treatment
Sewage Treatment
Water Supply

LEGAL SERVICES & PROSECUTION
Coroner/Medical Examiner Investigation
Criminal Prosecution
Public Guardianship

TRANSPORTATION
Airports
Bikeways
Highway Traffic Safety Program
Construction & Repair of Roads, Streets & Bridges
Mass Transit
Ports & Harbors
Public Parking Facilities
Transportation Services for Special Populations
Water Transportation

PARKS & RECREATION
Beautification Programs
Convention Centers & Auditoriums
Cultural Affairs
Fairgrounds
Historical Landmarks
Libraries
Marinas
Museums
Neighborhood & Country Parks
Open Space Acquisition, Development & Maintenance
Performing & Non Performing Arts
Recreation Services
Stadiums
Swimming Pools

FINANCE & ADMINISTRATION
Elections
Marriage Licenses
Tax Assessment
Registration of deeds & wills
Vital statistics

OTHER SERVICES
Agriculture/Cooperative Extension Services
Cemeteries
Livestock Inspection
Public Service & Information
Volunteers

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Questions and Answers

Q1. What is the impact of the City Manager's recommendation on Police employee pay? How many employees will receive an increase and what will be the amount of these increases?

See Attachment A Because Police Officers with 5 5 years of service are eligible to enter the Senior Police Officer (SPO) Program and receive additional increases, the total number who will receive each percentage cannot be determined with total accuracy We do know, however, that all 1156 Police Officers (and SPO I, II and III), 143 Sergeants and 31 Captains will receive a minimum of 5% and that 760 Officers and SPOs and 45 Sergeants will be eligible for at least a 10% increase (5% market adjustment + 5% step or SPO increase) Because of the change in educational incentive pay, 188 Police Officers with BA/BS degrees hired since 1994 will be eligible for a minimum increase of 15% (5% market adjustment + 5% step increase + 5% educational incentive)

Q2. What would be the impact of the following options:

1. **10% market adjustment for Police Officers and SPOs, 12.5% for Sergeants and movement to 100% of market for Captains?**
2. **12% market adjustment for Police Officers and SPOs, 16% for Sergeants and movement to 100% of market for Captains (employee organizations' proposal)?**
3. **16% market adjustment for Police Officers, SPOs and Sergeants and movement to 100% of third quartile market for Captains (using third quartile national data)?**
4. **Addition of a step to the maximum of SPO III and Sergeant so all employees would be eligible for a 10% increase this year?**

See Attachment B

1 The additional cost for Option 1 above the City Manager's proposed pay changes would be $3 2 M for Police To apply parallel changes to Fire would cost $1 7 M Total additional for Police and Fire of $4 9 M

2 The additional cost for Option 2 above the City Manager's proposed pay changes would be $4 6 M for Police To apply parallel changes to Fire would cost $2 5 M Total additional for Police and Fire of $7 1 M

3 The additional cost for Option 3 above the City Manager's proposed pay changes would be $6 8 M for Police To apply parallel changes to Fire would cost $3 4 M Total additional for Police and Fire of $10 2 M

4 The additional cost for Option 4 above the City Manager's proposed pay changes would be $1 2 M for Police To apply parallel changes to Fire would cost $0 5 M Total additional for Police and Fire of $1 7 M

Also shown as subparts of Attachment B are charts of the new pay structures under these scenarios As indicated in Question 1, all 1156 Officers and SPOs, 143 Sergeants and 31 Captains would receive the increase under the option under

Options 1-3, 760 Officers and SPO I-IIs and 97 Sergeants would be eligible for a minimum of 5% more than the option (example 12% adjustment + 5% step) and 188 Police Officers would be eligible for 10% more Under Option 4, 396 SPO IIIs and 97 Sergeants who would be at the maximum of their pay range and who are now eligible for only the 5% (or 7 5% for Sergeants) adjustment under the current proposal would be eligible for the adjustment of 5% + 5% additional step

Q3. How does the pay of Charlotte Officers compare to that of Police Officers in the top 10 safest cities in the nation above 250,000 population (taking into consideration cost of living)?

Attachment C shows a comparison of Charlotte pay to that of the safest cities of 250,000-750,000 population Several cities have been contacted but have not yet responded back with pay data It should be noted that those cities for which data is available do not have an educational incentive program, so Charlotte's pay should be viewed with consideration of the higher minimums and maximums due to our educational incentive program Also, some cities require that employees be certified before hire, rather than providing academy training after hire The maximums shown are for the highest level of non-supervisory officer In Denver, for example, the maximum for shown is for their detective, non-detective officers have a maximum of $50,196

Q4. Is Charlotte the fifth highest city in the state in terms of police pay?

Of the cities which the employee organizations have alleged pay higher wages, we have data on most which clearly show that our pay is higher For example, they allege that Durham has a higher minimum In their response to our survey in January, Durham showed that their minimum was $24,074, or approximately $900 less than Charlotte's current minimum Also alleged was that Greenville has a higher minimum for 2 and 4 year degrees In fact, Greenville does not provide additional pay for a degree

How the City of Charlotte relates to other jurisdictions requires consideration of several criteria to make a valid comparison While there may be a few cities or towns in the state which have higher pay range minimums or maximums, a complete evaluation of how the City of Charlotte's current and proposed salaries for police personnel compare with other jurisdictions should also consider factors such as the actual average salaries paid to police officers, the maximum salary available, and if and how additional pay for a two or four year college degree is applied

For example, several cities, e g , Raleigh and Durham do not offer educational incentive pay The City of Charlotte provides for a 5% additional increase for an associates degree and 10% for a bachelors degree Also, it is essential to

determine how long it takes for an officer to move from the minimum salary to the maximum salary, and who is eligible for the maximum salary For example, in Greensboro the maximum for Police Officers II is $43,332 Greensboro also has a Corporal class which is a promotional level with a limited number of allocations which has a maximum of $47,808 The practical maximum for most officers is actually $43,332 In addition, their plan is performance based, so only top officers can reach the maximum In Charlotte, a Police Officer can move from the minimum salary to the maximum salary of Senior Police Officer III in 7 8 years, which is considerably faster than Police Officers in many jurisdictions can reach range maximum As a result, average actual salaries for Charlotte Police Officers are in most if not all cases higher than that of N C cities or towns which may have higher range minimums and maximums

Another critical point to be considered is that the City of Charlotte competes for Police Officers not only in the state of North Carolina, but also regionally, and to a limited extent, on a national basis As a result, a realistic and thorough comparison should include information from the total geographical area in which we compete, not just with a limited part of that area

Q5. Will City of Raleigh Officers receive a 13% increase for next fiscal year?

The entry rate for new hires in Raleigh is projected to go up by about 13%, however, current officers will receive on average a 7 5% increase In addition, these employees will be eligible for a merit increase Merit increases in the first portion of their pay range (the developmental range) receive a 2 5% increase for standard performance, 3 75% for above standard, and 5% for outstanding performance In the proficiency part of the pay range (approximately the top third of the range), employees will receive a 0% increase for standard performance, 1 25% for above standard, and 2 5% for outstanding performance

A top performer in the bottom two-thirds of their range will receive approximately a 12 5% increase, a standard performer in the bottom two-thirds of their range will receive approximately a 10% increase A top performer in the top third of their range will receive approximately a 10% increase, a standard performer in the top third of their range will receive approximately a 7 5% increase

See Attachment D for a comparison of Raleigh's new minimums to those proposed in the FY2000 budget for Charlotte and new range maximums for Raleigh and Charlotte

Q6. Is it true that we are losing our most experienced officers due to pay?

See Attachment E The turnover rate for Charlotte Police Officers continues to be low (voluntary rate excluding retirements and terminations of approximately 4%)

For Police Officers and Senior Police Officers I-III, 68% of the separations since 1996 were for employees with under 6 years experience, 93% were for employees with under 10 years service

Q7. What is the retirement package for Police Officers (including retiree medical coverage)? What is the average age at retirement?

See Attachment F for a chart showing the retirement package including medical coverage and information on retirement age The average age at retirement is 52

Also attached as Attachment G are charts showing the results of the City of Charlotte's Annual Market Survey of Southeastern regional cities of 100,000+ population and national cities of 175,000-1 million Data are shown for Police Officer only Charlotte is shown with the current pay range and the pay range under the City Manager's proposed pay changes Consideration should be given to the rates for 4-year graduates, since a majority of Officers hired in recent years have a 4-year degree

Response to Question Regarding The Impact of FY2000 Pay Recommendations on Sworn Police Employees

- Market adjustments to the Public Safety Pay Plan, which includes a majority of sworn police personnel and firefighters, will be made on an annual, rather than the current bi- annual basis The market adjustments, for FY2000, which result in pay increases for employees, includes the following

  - 5% market adjustment for all Police Officer and Senior Police Officer I-III steps
  - 7 5% market adjustment for all Police Sergeant steps
  - Movement of the Police Captain class into the Broadbanding Pay Plan on July 7, 1999 is recommended These employees will be eligible for a 5% adjustment on July 7, 1999 and a merit increase on their merit date

- Market adjustments (pay increases), will be received at the start of each fiscal year rather than on their merit date For FY2000, employees would receive this adjustment at the start of the fiscal year on July 7, 1999

- All steps in the Public Safety Pay Plan will be funded In addition to the market adjustments (pay increases), Public Safety employees who have not yet reached the top step of their pay range will receive a 5% step increase on their merit date, resulting in a 10% or higher pay increase during FY2000

- Educational incentive pay will be moved to initial hire Employees with an AA/AS degree will be hired at 5% over a high school graduate, those hired with a BA/BS will begin 10% above high school graduates

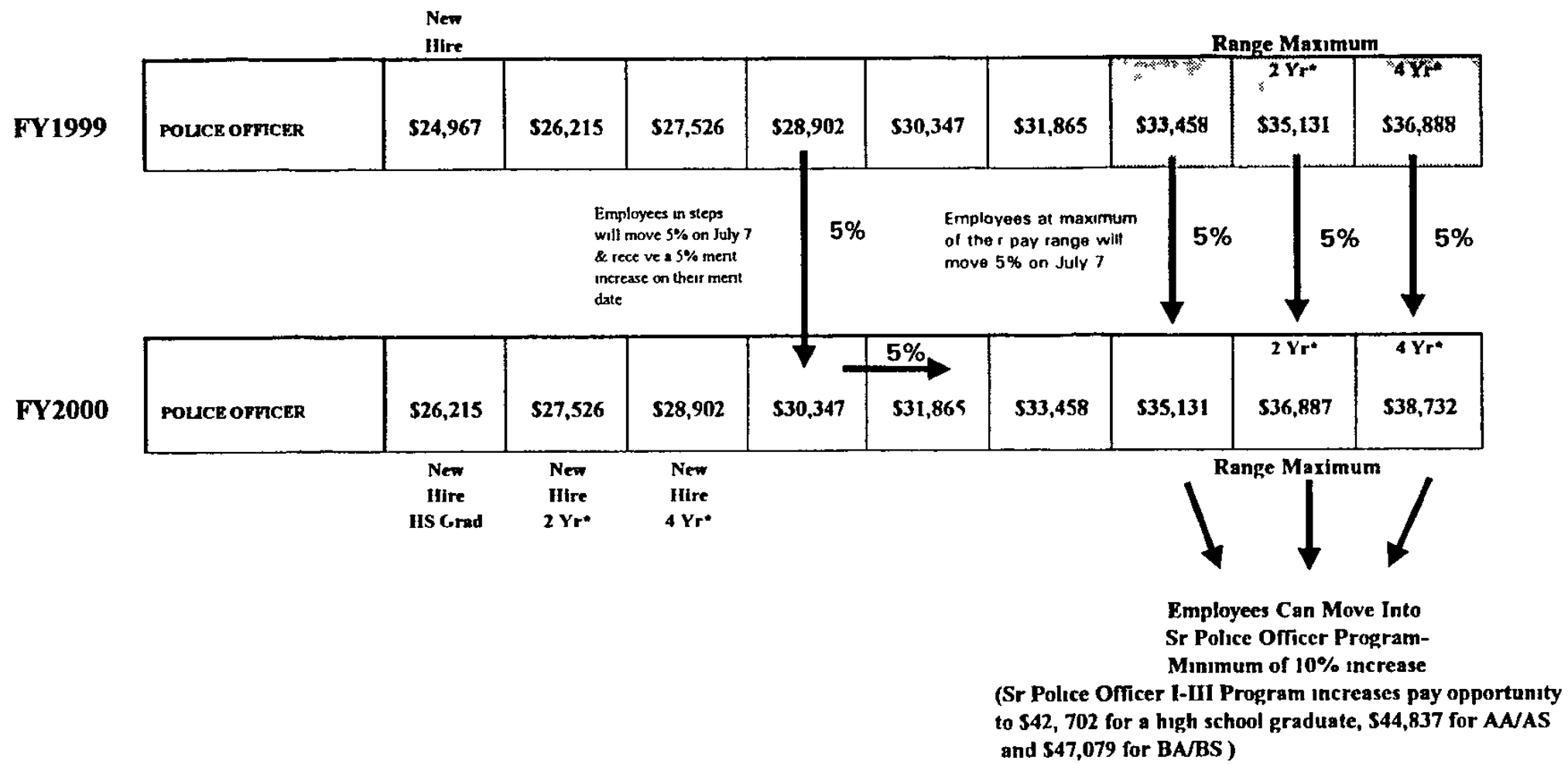
New Hires

Education Level	FY1999	FY2000	% Difference
High School	$24,967	$26,215	5%
2 Yr Degree	$24,967	$27,526	10%
4 Yr Degree	$24,967	$28,902	15%

See attached chart showing the impact of these recommendations and charts showing a comparison of the FY1999 Police plan and the City Manager's recommended FY2000 plan

Employee Pay Movement Between FY1999 & Recommended FY2000 Plan

(Example shows only Police Officer class. Does not include Sr Police Officer I-III ranks)



Increases for Police Officers & Sr Police Officers

* 5% Market adjustment on July 7, 1999 (all are eligible 1156 employees)
* 5% step increase on merit date if not at range maximum (760 eligible)
* 5% educational incentive increase if hired with BA/BS since July 1994 (188 eligible)
* At least a 10% Increase for entry into Sr Police Officer Program if Police Officer with 5 5 years experience

Impact of These Increases

- All 1156 Police Officers and Sr Police Officers will receive at least a 5% increase on July 7 (market adjustment)
- 760 Police Officers and Sr Police Officers will receive at least 10% increase (market adjustment + merit step)
- 188 Police Officers will receive at least a 15% increase (market adjustment + merit step + educational incentive)
- These increase amounts do not include movement into the Senior Police Officer Program

Costs of Additional Proposals on Police (and Fire) Pay

All costs shown are increase amounts above the City Manager s recommended pay changes
Costs are also shown to make parallel changes in Fire pay rates

Proposals	Additional Cost* Police	Fire	Totals
10% market adjustment for Police Officers and Senior Police Officers, 12 5% adjustment for Police Sergeants and movement of Police Captains to 100% of market median	$3,230,867	$1,694,634	$4,925,501
12% market adjustment for Police Officers and Senior Police Officers, 16% adjustment for Police Sergeants and movement of Police Captains to 100% of market median	$4,646,858	$2.472,188	$7,119,046
16% market adjustment for Police Officers Senior Police Officers and Police Sergeants and movement of Police Captains to 100% of market third quartile (to meet third quartile of national cities)	$6,788,088	$3,376,551	$10,164,639
Addition of 5% step to maximum of Senior Police Officer III and Police Sergeant (so all employees will be eligible for 10% increase this year) Police Officers and Senior Police Officers I and II have an opportunity to receive at minimum a 5% increase by progressing into or within the Senior Police Officer Program and are not considered to be at maximum	$1,222,133	$489,700	$1,711,833

* Additional costs include benefits rollup costs

FY99 STEP RATES FOR POLICE RANKS IN THE PUBLIC SAFETY PAY PLAN

Excludes Police Captains who are recommended for movement into Broadbanding in FY2000

	New Hire							2 Yr*	4 Yr*						
POLICE OFFICER	$24 967	$26,215	$27 526	$28 902	$30 347	$31 865	$33 458	$35 131	$36 888						
SR POLICE OFF I									$36 888	2 Yr* $38 732	4 Yr* $40 669				
SR POLICE OFF II										$38 732	2 Yr* $40 669	4 Yr* $42 702			
SR POLICE OFF III											$40 669	2 Yr* $42 702	4 Yr* $44 837		
POLICE SERGEANT														$47 079	$49 433	$51 904

RECOMMENDED FY2000 STEP RATES FOR POLICE RANKS IN THE PUBLIC SAFETY PAY PLAN

Initial increase at the end of recruit school and completion of field training (app 8 mos), then annually

Years	New Hire HS Grad	New Hire 2 Yr*	New Hire 4 Yr*					2 Yr*	4 Yr*						
POLICE OFFICER	$26,215	$27 526	$28 902	$30 347	$31,865	$33 458	$35 131	$36 887	$38 732						
SR POLICE OFF I									$38 732	2 Yr* $40,668	4 Yr* $42 702				
SR POLICE OFF II										$40 668	2 Yr* $42 702	4 Yr* $44 837			
SR POLICE OFF III											$42 702	2 Yr* $44 837	4 Yr* $47 079		
POLICE SERGEANT														$50 610	$53 140	$55 797

* 5% or 10% educational incentive pay for Police Officers with a 2 or 4 year degree

CITY MANAGER'S RECOMMENDED FY2000 STEP RATES FOR POLICE RANKS IN THE PUBLIC SAFETY PAY PLAN

Initial increase at the end of recruit school and completion of field training (app 8 mos), then annually

Years	New Hire HS Grad	New Hire 2 Yr*	New Hire 4 Yr*					2 Yr*	4 Yr*						
POLICE OFFICER	$26 215	$27 526	$28 902	$30 347	$31 865	$33 458	$35 131	$36 887	$38 732						
SR POLICE OFF I									$38 732	2 Yr* $40,668	4 Yr* $42 702				
SR POLICE OFF II										$40 668	2 Yr* $42 702	4 Yr* $44 837			
SR POLICE OFF III											$42 702	2 Yr* $44 837	4 Yr* $47 079		
POLICE SERGEANT														$50 610	$53 140	$55 797

* 5% or 10% educational incentive pay for Police Officers with a 2 or 4 year degree

FY2000 STEP RATES FOR POLICE RANKS IN THE PUBLIC SAFETY PAY PLAN (10% for Officers/12.5% for Sergeants)

Initial increase at the end of recruit school and completion of field training (app 8 mos), then annually

Years	New Hire HS Grad	New Hire 2 Yr*	New Hire 4 Yr*					2 Yr*	4 Yr*						
POLICE OFFICER	$27,464	$28,837	$30 279	$31 793	$33 382	$35 051	$36 804	$38 644	$40 576						
SR POLICE OFF I									$40 576	2 Yr* $42 605	4 Yr* $44 735				
SR POLICE OFF II										$42 605	2 Yr* $42 702	4 Yr* $44 837			
SR POLICE OFF III											$44 735	2 Yr* $46 972	4 Yr* $49 321		
POLICE SERGEANT														$52 964	$55 612	$58 393

* 5% or 10% educational incentive pay for Police Officers with a 2 or 4 year degree

FY2000 STEP RATES FOR POLICE RANKS IN THE PUBLIC SAFETY PAY PLAN (12% for Officers/16% for Sergeants)

Initial increase at the end of recruit school and completion of field training (app 8 mos), then annually.

Years	New Hire HS Grad	New Hire 2 Yr*	New Hire 4 Yr*					2 Yr*	4 Yr*						
POLICE OFFICER	$27,963	$29 361	$30 829	$32 371	$33 989	$35 689	$37 473	$39 347	$41 314						
SR POLICE OFF I									$41 314	2 Yr* $43 380	4 Yr* $45 549				
SR POLICE OFF II										$43 380	2 Yr* $45 549	4 Yr* $47 826			
SR POLICE OFF III											$45 549	2 Yr* $47 826	4 Yr* $50 217		
POLICE SERGEANT														$54 612	$57 342	$60 209

* 5% or 10% educational incentive pay for Police Officers with a 2 or 4 year degree

FY2000 STEP RATES FOR POLICE RANKS IN THE PUBLIC SAFETY PAY PLAN (Third Quartile: 16% for Officers & Sergeants)

Initial increase at the end of recruit school and completion of field training (app 8 mos), then annually

Years	New Hire HS Grad	New Hire 2 Yr*	New Hire 4 Yr*					2 Yr*	4 Yr*						
POLICE OFFICER	$28 962	$30,410	$31,930	$33 527	$35 203	$36 963	$38 811	$40,752	$42 790						
SR POLICE OFF I									$42 790	2 Yr* $44 929	4 Yr* $47 175				
SR POLICE OFF II										$44 929	2 Yr* $47 175	4 Yr* $49 534			
SR POLICE OFF III											$47 175	2 Yr* $49 534	4 Yr* $52 011		
POLICE SERGEANT														$54 612	$57 342	$60 209

* 5% or 10% educational incentive pay for Police Officers with a 2 or 4 year degree

PAY FOR POLICE OFFICERS IN TOP 10 SAFEST CITIES

(250,000-750,000 Population)

RANK	COST OF LIVING ACCRA	COST OF LIVING homefair com	CITY NAME	MINIMUM	MIDPOINT	MAXIMUM	AVGACT	INCUMB
1	NA	129 3	Anaheim CA					
2	NA	120 2	Santa Ana CA					
3	97 7	103 7	Virginia Beach VA	$26 821	$32 856	$49 784	$35 427	602
4	116 8	130 9	Long Beach CA					
5	108 1	117 2	City and County of Denver CO	$32 640		$55 272	$49 054	884
6	NA	114 9	Aurora, CA					
7	94 6	94 9	El Paso TX	$26 722		$43 586	$35 713	737
8	NA	102 2	Pittsburgh PA					
9	131 9	181 2	Boston MA					
10	NA	103 4	Arlington TX	$32 820		$43 992	$42,396	381
			CHARLOTTE (5% Increase)	**$26,215***		**$42,702****	**$39,349**	**1127**
	99 1	100 0	**CHARLOTTE (Current)**	**$24,967**		**$40,669**	**$36,367**	**1127**

* Charlotte's minimum for 2 year graduates will be $27,526 and for 4 year graduates will be $28,902

** Charlotte's maximum for 2 year graduates at SPO III will be $44,837 and for 4 year graduates will be $47,079

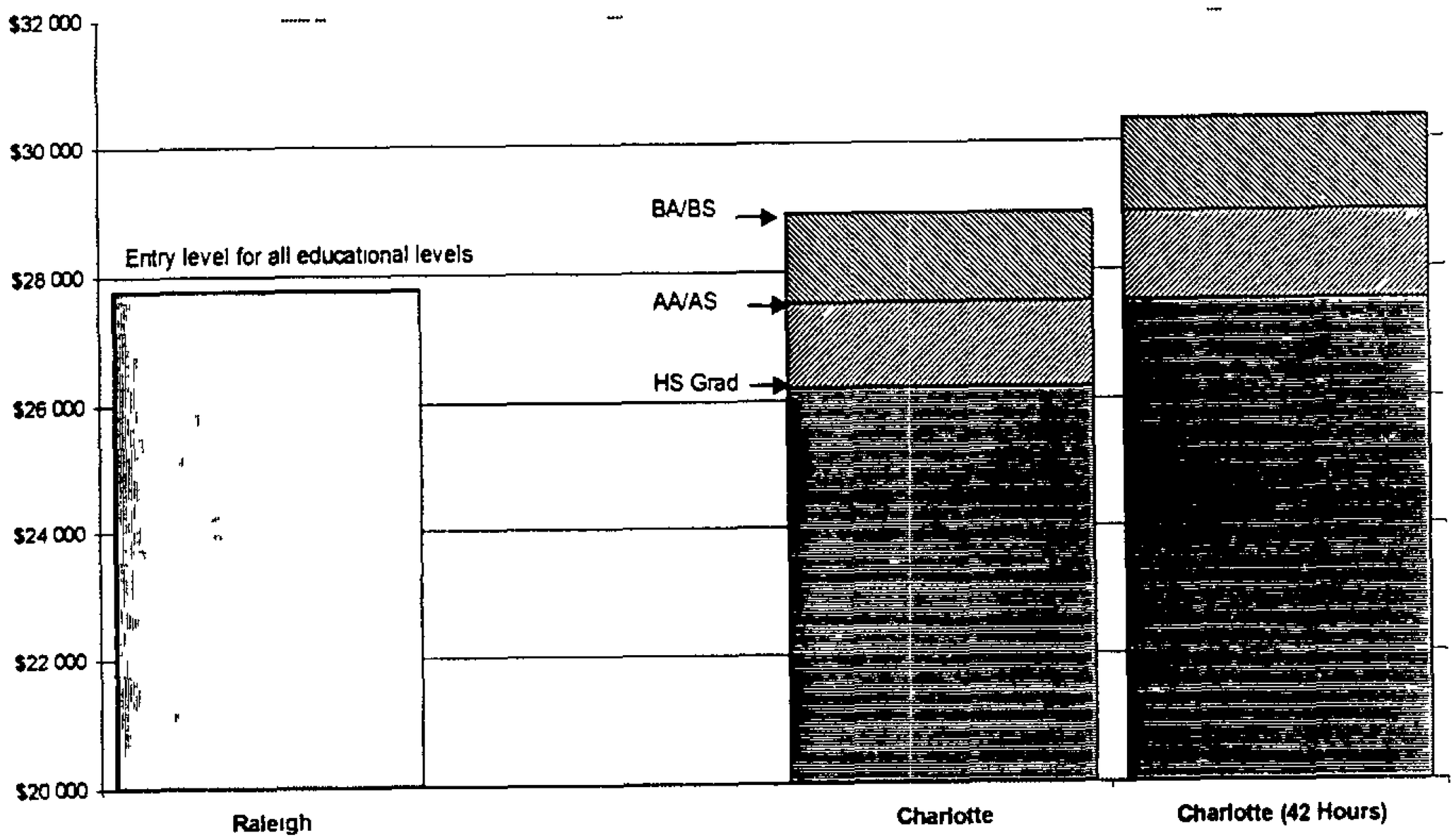
Arlington Denver and El Paso do not provide educational incentive pay Virginia Beach stopped their program in 1994 but existing officers are grandfathered

- ACCRA is the American Chamber of Commerce Researchers Association comparison cost of living for mid-management employees
- homefair com is an on-line salary calulator comparison of costs in one city to another city Data represent Charlotte as base of 100

Cities shown without salary data have been contacted but have not yet responded with pay data.

ATTACHMENT D

Proposed FY2000 Entry Pay for Police Officers (Raleigh & Charlotte)



Raleigh s annual pay rates are based on a 42 hour week for Police Officers Charlotte s rates are for 40 hours but employees generally get paid for at least 41 25 hours per week due to roll call

Proposed FY2000 Police Officer Maximums - Raleigh & Charlotte

			Number of Employees	Number of Years To Qualify
Raleigh Police Officer Ranks				
Police Officer	$43 981		168	
First Class Police Officer	$46 180		113	3 years
Master Police Officer	$48 418		95	6 years
Senior Police Officer	$49 557		33	9 years
Police Investigator I	$50 690		79	promotional
Police Investigator II	$51 881		9	promotional
Charlotte Police Officer Ranks		(42 Hours*)		
Police Officer				
HS Grad	$35 131	$36 888	549	
AA/AS	$36 887	$38 731		
BA/BS	$38 732	$40 669		
Senior Police Officer I				
HS Grad	$38 732	$40 669	114	5 years 8 months
AA/AS	$40 668	$42 701		
BA/BS	$42 702	$44 837		
Senior Police Officer II				
HS Grad	$40 668	$42 701	97	6 years 8 months
AA/AS	$42 702	$44 837		
BA/BS	$44 837	$47 079		
Senior Police Officer III				
HS Grad	$42 702	$44 837	396	7 years 8 months
AA/AS	$44 837	$47 079		
BA/BS	$47 079	$49 433		

Raleigh s annual pay rates are based on a 42 hour week for Police Officers
Charlotte s rates are for 40 hours but employees generally get paid for at least
41 25 hours per week due to roll call

Police Turnover

	1997				1998			
	All	Retirements	Voluntary	Involuntary	All	Retirements	Voluntary	Involuntary
Police Officer	39	1	32	6	44	1	40	3
Sr Police Officer I	7	3	4		7	3	4	
Sr Police Officer II	2	1	1		5		5	
Sr Police Officer III	18	14	4		10	6	3	1
Police Sergeant	5	4		1	6	6		
Police Captain	2	2			3	3		
Totals	73	25	41	7	75	19	52	4
Turnover Rate	**5.8%**	2 0%	**3.3%**	0 6%	**5.9%**	1 5%	**4.1%**	0 3%

	1999 (YTD· March 30, 1999)				1999 (Annualized)			
	All	Retirements	Voluntary	Involuntary	All	Retirements	Voluntary	Involuntary
Police Officer	5		5		5		5	
Sr Police Officer I	2		2		2		2	
Sr Police Officer II	3	1	2		3	1	2	
Sr Police Officer III	2		2		2		2	
Police Sergeant	1	1			1	1		
Police Captain	1	1			1	1		
Totals	14	3	11	0	14	3	11	0
Turnover Rate	1 0%	0 2%	0 8%	0 0%	**4.2%**	0 9%	**3.3%**	0 0%

Police Officer and Senior Police Officer Turnover by Tenure at Separation
(1996-March 30, 1999)

Service Time at Separation	All Turnover	Cumulative Totals	Voluntary Turnover	Involuntary Turnover
Under 8 months*	24	24	23	1
8 mos-1 year	15	39	11	4
1-2 years	9	48	8	1
2-3 years	16	64	15	1
3-4 years	16	80	14	2
4-5 years	15	95	14	1
5-6 years	6	101	6	0
6-7 years	13	114	12	1
7-8 years	6	120	6	0
8-9 years	11	131	10	0
9-10 years	5	136	4	1
10-11 years	2	138	2	0
11-12 years	4	142	4	0
12-13 years	2	144	1	1
13-14 years	1	145	1	0
14-15 years	1	146	1	0
15-16 years	2	148	1	0
16-17 years	0	148	0	0
17-18 years	0	148	0	0
18-19 years	0	148	0	0
19-20 years	1	149	1	0

* 8 months covers the initial period of recruit school and field training 18 left during recruit school)
Disability retirements (1) and service retirements (1) are shown only under All Turnover
All terminations after 20 years were retirements

ATTACHMENT F

RETIREMENT BENEFITS COMPARISON

Effective July 1 1999

	N C Local Governmental Employees' Retirement System (General Employees)	N C Local Governmental Employees' Retirement System (Law Fnforcement Officers)	Charlotte Firefighters' Retirement System
Eligibility Criteria for "Full Retirement"	30 years of service or 25 years (age 60) or 5 years (age 65)	30 years of service or - 15 years (age 50) or 5 years (age 55)	- 30 years of service or - 25 years (age 50), or - 5 years (age 60)
Eligibility Criteria for "Early Retirement"	20 years (age 50) or 5 years (age 60)	5 years (age 55 even if no longer employed)	- 25 years (before age 50)
Benefits Formula for Basic Retirement System	1 77% of 'average final compen sation (highest 48 consecutive months) TIMES years and months of service	1 77% of average final compen sation (highest 48 consecutive months) TIMES years and months of service	2 6% of final average salary ' (highest 24 consecutive months) TIMES years and months of service
Average Benefit Amount for "Full Retirement" (Assuming 30 Years of Service)	Approximately 55% of final gross income with 30 years of service	Approximately 90% of final gross in come (including 401k and Special Separation Allowances mandated by State) with 30 years of service	Approximately 78% of final gross income
Contribution Rate (As a Percentage of Pay) to Basic Retirement System	City - 4 8% (+7 65% for Social Security) Employee - 6% (+7 65% for Social Security)	City - 4 63% (+7 65% for Social Security) Employee 6% (+7 65% for Social Security)	City 12 65% Employee 12 65% Note Firefighters are not in Social Security System
Contribution Rate (As a Percentage of Pay) to 401(k) Plan	City - None Employee - Voluntary	City - 5% (mandated by State) Employee Voluntary	City - None Employee Voluntary
Other City-Funded Sources of Retirement Income	None	Special Separation Allowance at time of retirement until age 62 (mandated by State)	None
Benefits Adjustments to Retirees	Possible adjustment to monthly allowance based on actuarial gains from investments	Possible adjustment to monthly allowance based on actuarial gains from investments	Possible adjustment (lump sum once per year) based on actuarial gains from investments

Note City employees who retire with 20 years of service may continue health insurance coverage by paying premiums for individual and family coverage at the same rates as active employees

POLICE RETIREMENTS ON OR AFTER 1-1-87*
WITH FULL SERVICE/BENEFITS

- Number of full Service Retirements 185
- Average Years of Service 29 7 years
- Average age at Service Retirement 52

* 1-1-87 – Effective date of Special Separation Allowance which is mandated by the State and payable at the time of retirement until age 62

** Examples –

- Age 55 and older – approximately 50 employees
- Age 50-51 – approximately 53 employees
- Age 49 – approximately 16 employees
- Age 48 – approximately 11 employees
- Age 47 – approximately 10 employees

POLICE OFFICER
Regional Cities

CITY NAME	MINIMUM	MIDPOINT	MAXIMUM	AVGACT	INCUMB
City of Ft Lauderdale FL	$34,050	$43,264	$50 752	$47,990	407
City of Hollywood FL	$30 075		$46 542	$46,630	267
City of Jacksonville FL	$30 072		$49 224	$40,709	1238
City of Orlando FL	$29 000	$37 300	$46,100	$39,814	481
CITY OF CHARLOTTE (5% Increase)	**$26,215***		**$42,702****	**$39,385**	
City of St Petersburg FL	$23 234		$42 619	$38 817	446
CITY OF CHARLOTTE (Current)	**$24,967**		**$40,669**	**$36,367**	**1127**
City of Greensboro NC	$26 196		$47 808	$36,329	361
City of Virginia Beach VA	$26 821	$32 856	$49 784	$35,427	602
City of Memphis TN	$25 909		$37,777	$35 362	1233
City of Raleigh, NC	$24 382		$48 324	$34 977	497
Metro Govt of Nashville/Davidson Co TN	$23 663		$41 728	$34 665	991
City of Richmond VA	$28 912		$48 568	$34,301	569
City of Tallahassee FL	$28 224		$41 985	$33,519	263
City of Norfolk VA	$25 548		$47,013	$33 303	607
City of Durham NC	$24 072		$42 332	$32 563	232
City of Roanoke VA	$25 214		$40 124	$31 179	202
City of Winston Salem NC	$25 542		$46 051	$30 731	386
City of Birmingham AL	$22 922		$37 253	$29 911	736
City of Chattanooga TN	$25 925	$31 107	$36,289	$29 639	256
City of Columbus GA	$22 857	$32,979	$43,100	$29 475	299
Montgomery City-County Personnel AL	$25 208		$36,866	$29,439	296
City of Hampton VA	$24 740		$40 263	$29 395	190
Lexington-Fayette Urban County Govt KY	$21 965	$28 912	$34 590	$29 070	372
City of Newport News VA	$23 500		$39,055	$28 881	247
City of Knoxville TN	$23 055		$39 693	$28 002	280
City of Portsmouth VA	$23 184		$35 022	$26 802	209
City of Mobile AL	$21 888		$37,440	$24,666	407
City of Miami FL	$26 492		$40 640		812

Data collected by City of Charlotte Human Resources Department January 1999
Data are shown for Southeastern regional cities of over 100 000 population
Cities are asked to provide their minimum for recruits maximum for the highest level of non-supervisory officer (including detectives corporals, master police officer etc) and the average of all officers

* Charlotte s minimum for 2 year graduates will be **$27,526** and for 4 year graduates will be **$28,902**

** Charlotte s maximum for 2 year graduates at SPO III will be **$44,837** and for 4 year graduates will be **$47,079**

POLICE OFFICER
National Cities

CITY NAME	MINIMUM	MIDPOINT	MAXIMUM	AVGACT	INCUMB
City of Fresno CA	$41 148	$51 852	$55 920	$52 839	559
City of Tacoma WA	$36 379		$55,224	$50 515	311
City and County of Denver CO	$32 640		$55 272	$49 054	884
City of Portland OR	$31 304	$43 035	$51 376	$48 583	688
City of Seattle WA	$37 644	$43 632	$51 492	$47,388	1143
City of Rochester NY	$26,000	$40,863	$51,486	$46 000	479
City of Toledo OH	$34 380		$42 977	$42 744	553
City of Arlington, TX	$32 820		$43 992	$42,396	381
City of Omaha NE	$29,451		$44 508	$42,275	563
City of Phoenix AZ	$27 144		$47 616	$42 261	2183
City of Corpus Christi TX	$28,128		$43 968	$41,177	364
City of Oklahoma City OK	$27,373		$47,000	$41,132	836
City of Fort Worth TX	$24 612		$52 057	$40,994	1038
City of Jacksonville FL	$30 072		$49,224	$40 709	1238
City of San Antonio TX	$21 744		$45 116	$39 912	1620
CITY OF CHARLOTTE (5% Increase)	**$26,215***		**$42,702****	**$39,385**	
City of St Louis MO	$27 084		$43 318	$39,216	1364
City of Akron OH	$33 987		$39 645	$39 187	371
City of St Petersburg FL	$23,234		$42 619	$38 817	446
City of Albuquerque NM	$25 126	$35 651	$40 102	$37 086	825
City of Lubbock TX	$27 955	$34 183	$40 411	$36 928	228
City of Kansas City MO	$21 816		$49 452	$36 616	957
City of Cleveland OH	$17 680		$39 260	$36 567	1706
CITY OF CHARLOTTE (Current)	**$24 967**		**$40 669**	**$36 367**	**1127**
City of Greensboro NC	$26 196		$47 808	$36 329	361
City of El Paso TX	$26 722		$43 586	$35 713	737
City of Virginia Beach VA	$26 821	$32 856	$49 784	$35 427	602
City of Memphis TN	$25 909		$37 777	$35 362	1233
City of Lincoln NE	$21 600		$39 277	$35,143	234
City of Raleigh NC	$24 382		$48,324	$34 977	497
Metro Govt of Nashville/Davidson Co TN	$23 663		$41 728	$34 665	991
City of Richmond VA	$28 912		$48 568	$34 301	569
City of Wichita KS	$26 498		$43,762	$33 575	495
City of Little Rock AR	$24 994	$33 429	$36,227	$33 429	455
City of Norfolk VA	$25 548		$47 013	$33,303	607
City of Birmingham AL	$22 922		$37,253	$29 911	736
City of Columbus GA	$22 857	$32 979	$43,100	$29 475	299
Montgomery City-County Personnel AL	$25 208		$36 866	$29 439	296
Lexington Favette Urban County Govt KY	$21 965	$28 912	$34,590	$29 070	372
City of Newport News VA	$23 500		$39,055	$28 881	247
City of Baton Rouge LA	$21 641	$24,896	$29 493	$27,153	447
City of Mobile AL	$21 888		$37,440	$24,666	407
City of Austin TX	$25 308		$55,272		897
City of Las Vegas NV	$35 568		$52,668		1255
City of Milwaukee, WI	$31,705		$47 967		1748
City of Columbus OH	$30 763		$47,091		
City of Cincinnati OH	$25 797		$46 194		814
City of Colorado Springs CO	$27,528		$46,044		450
City of Dayton, OH	$35,838		$43,534		400
City of Tucson AZ	$26 136		$43,272		
City of Miami FL	$26,492		$40 640		812
City of New Orleans, LA	$22,500				1104

Data collected by City of Charlotte Human Resources Department January 1999

Data are shown for national cities of over 100,000 population

Cities are asked to provide their minimum for recruits, maximum for the highest level of non supervisory officer (including detectives, corporals master police officer etc) and the average of all officers

* Charlotte s minimum for 2 year graduates will be **$27,526** and for 4 year graduates will be **$28,902**

** Charlotte s maximum for 2 year graduates at SPO III will be **$44,837** and for 4 year graduates will be **$47,079**

City of Charlotte
City Manager's Office
CONFIDENTIAL MEMORANDUM

To: Leadership and Executive Teams

From: Pam Syfert, City Manager

Date: May 27, 1999

Subject: FY2000 Budget

At the May 18 budget retreat, the Mayor and City Council identified changes they would like to consider to my recommended budget They will use the June 1 budget retreat to continue deliberating these amendments You received the agenda materials for the June 1 meeting earlier today, with the exception of one item the proposed 2¢ reduction in the property tax rate I made the decision not to send that information out ahead of time I plan to present that information to the Mayor and Council at the meeting on Tuesday

It is extremely important for you to know that I do not recommend reducing the tax rate by 2¢ As I say in the attached, had the Mayor and Council made that a goal early in the budget process, I would have approached budget development very differently But since the 2¢ reduction received sufficient votes to be considered further, I am obligated to develop a proposal that would eliminate $8 4 million out of my recommended budget

Attached is the information that I will present My proposal to eliminate $8 4 million from the budget impacts 5 areas

1. It eliminates funding for most of the City's outside agencies, such as the Arts and Science Council and Crisis Assistance
2. It eliminates $30 million in debt capacity in the capital program
3. It eliminates most new programs and positions that are not funded by the capital budget or some funding source other than the property tax
4. It reduces Council's contingency fund
5. It reduces the recommended compensation package by 0 75%

Each of these areas is more fully explained in the attached memo

It is my hope and expectation that the Mayor and City Council will consider these reductions as a package and vote the package up or down, rather than picking and choosing items off of the list, however, I cannot ensure that this will be the case If Council follows its procedures, June 1 will just be further discussion June 7 is when actual straw votes are anticipated If they take a vote on any of the agenda items on June 1, I will let you know on Wednesday the outcome of their decisions

As I mentioned, the Mayor and Council will not receive this information until Tuesday, June 1, at 2 00 p m Therefore, please keep this information confidential until that time If you have any questions or comments about this information , or suggestions about how we might approach this differently, please feel free to let me know

Attachment

City of Charlotte
City Manager's Office
MEMORANDUM

To: The Mayor and City Council

From: Pamela A. Syfert
City Manager

Date: June 1, 1999

Subject: Request for a 2¢ Property Tax Reduction Proposal

At the May 18 Budget Retreat, one of the items receiving five or more votes was a 2¢ property tax reduction, which equals a reduction of $8 4 million from the recommended budget The Mayor and Council directed me to bring back to you my proposal for how to implement that reduction My proposal follows

Introduction

There are several points that I would like to make before presenting my proposal to you

1 At the retreat in January, the Mayor and Council reaffirmed the focus areas, determined priorities for the upcoming year and set budget goals to guide this two-year budget process A 2¢ tax reduction was not an initiative under Restructuring Government, was not determined to be a priority for 1999, nor included as one of your budget goals for the FY2000-FY2001 budget process Had it been included through any of these, the budget I would have presented to you would have been very different than the one you received on May 3, and most likely would have been different than the proposal you will receive here Had I not felt all recommended items merited funding, they would not have been recommended to you, however, given the timing of this request and the complexity of a $997 million budget and its funding sources, the proposal that follows is my best attempt at this point to assist you with cutting the property tax by $8 4 million

2 At the May 18 budget retreat I showed you some graphs that indicated property taxes represent only 20% of our revenue stream and are primarily dedicated to the General Fund Property taxes dedicated to the General Fund are currently insufficient to fund the Police and Fire budgets and it is these budgets that are increasing at a pace greater than other

expenditures Reducing property taxes means basic City services, including those in Police and Fire, will have to be reviewed now and in the future for reduction or elimination

3 Reducing Property Taxes also reduces Sales Taxes in future years A 2¢ reduction now means a loss of $1 7 million in FY2001 A 2¢ reduction now and a 5¢ increase by Mecklenburg County, for example, would mean a loss of $4 3 million in FY2001 The loss of this revenue is not factored into the FY2001 recommended budget, so cuts in addition to those required by the 2¢ tax cut equal to $4 3 million will have to be made before the FY2001 budget will be brought back to you next Spring

4 With Property Taxes and Sales Taxes diminishing, reliance on the City's third largest General Fund revenue, the Utility Franchise Tax, increases The Utility Franchise Tax is a State-levied tax that is shared with municipalities It is also a tax that has been discussed for elimination for several years

<u>$8.4 Million Reduction Proposal</u>

If the Mayor and Council wish to pursue $8 4 million decrease to the recommended budget, my proposal to do so is as follows

1 **Eliminate funding for the City's financial partners that are not directly related to a Council focus area** In order to preserve traditional City services, elimination of the following is proposed **$(3,673,559)**

Crisis Assistance	$(214,503)
YWCA Scattered Sites	$(106,182)
YMCA Success by Six	$ (46,826)
Arts and Science Council	$(2,674,580)
Carolinas Partnership	$(101,715)
Centralina Council of Governments	$(81,324)
Federal Program Representative	$(75,000)
Financial Partner Reviews	$(250,000)
Sister Cities	$(31,833)
Mayor's International Cabinet	$(31,596)
Stop the Killing	$(40,000)
Youth Involvement Council	$(20,000)
	$(3,673,559)

Funding remains for the following Financial Partners

Charlotte-Mecklenburg Housing Partnership	$1,100,000
UJAMMA Homeownership Counseling	$256,250
Consumer Credit Counseling	$266,202
Convention and Visitors Bureau	$2,696,767
Victim Assistance	$264,127

2 **Eliminate the $30 million in unprogrammed debt capacity from the General Capital Investment Plan.** **$(1,050,000)**

$30 million in unprogrammed capacity was left for Council's consideration in the FY2001-2005 CIP Outstanding issues include the Housing Strategic Plan, unmet road needs, the Carolina Theatre and other cultural facilities and the upcoming Capital Needs process

3 **Eliminate New Positions and Programs from the Recommended Budget which are not funded by grants or charged to the Capital Program, including** **$(2,606,453)**

Business Support Services	$(416,051)
City Manager	$(388,768)
Engineering and Property Management	$(144,000)
Fire	$(207,916)
Mayor/Council	$(7,198)
Neighborhood Development	$(132,758)
Police	$(371,454)
Solid Waste	$(633,736)
Transportation	$(304,572)
Total	$(2,606,453)

A detailed list of these positions and programs is attached

4 **Reduce Council Contingency to $300,000** **$(200,000)**
Council historically spends between $50,000 and $300,000 annually from Council Contingency The recommended amount was increased in conjunction with the increase in cash reserves to 16%, meaning mid-year appropriations from General Fund Fund

	Balance will be limited as the reserves are being increased	
5	**Reduce the Recommended Compensation Adjustment in both pay plans by 0.75%** That reduces the market adjustment in the Public Safety Pay Plan from 5% to 4 25% and the merit adjustment in the Broadbanding Pay Plan from 4 5% to 3 75%	**$(870,000)**
	Total Reductions	**$(8,400,012)**

Conclusion

I will await direction from the Mayor and Council as to when to notify agencies outside the City organization of these reductions If you need any additional information to complete your decision-making process, please feel free to let me know

Attachment

Reductions to Address 2 Cent Tax Decrease

June 1, 1999

Business Unit	Description	Positions Requested	Total Request	Manager Recommended	Reduction Amount	Comments
Business Support						
	Fleet Maintenance 3 positions per Contract #2 increases to fleet size	3 00	411 606	22 000	22 000	Eliminate
	Radio Technicians workload increase	2 00	94 051	94 051	94 051	Eliminate
	Information Technology Current Level Increase		1 300 000	1 200 000	300 000	Reduce by $300 000
City Manager						
City Mgr	Economic Development Office	1 00	100 000	100 000	100 000	Eliminate
Corp Comm	Web/Print Graphic Designer	1 00	49 801	49 614	49 614	Eliminate
	Engineering services fees for TV studio		36 800	36 800	36 800	Eliminate
	Maintenance & repair of TV equipment		42 600	21 650	21 650	Eliminate
	Training & conferences		5 500	1 575	1 575	Eliminate
	Production costs associated with new TV program		22 740	4 354	4 354	Eliminate
CRC	Printing CRC newsletter		5 000	2 144	2 144	Eliminate
	Police Review Database and Public Information Campaign		60 000	10 000	10 000	Eliminate
Customer Service	Additional positions for workload and five new workstations	3 00	117 795	30 392	30 392	Eliminate
Training	Convert Temporary Position to Permanent employee and add Leadership Train	2 00	91 328	76 792	76 792	Eliminate
	Training specialist for Technology lab	1 00	62 421	55 447	55 447	Eliminate
Engineering	Increased building services to City facilities		110 000	44 000	44 000	Eliminate
	Increased services to cultural facilities		263 950	100 000	100 000	Eliminate
Fire						
	Fire Inspectors for Workload	2 00	135 557	135 557	135 557	Eliminate
	Fire Educator for Prevention Activities	1 00	57 359	57 359	57 359	Eliminate
	Fire Department Accreditation Program		20 000	15 000	15 000	Eliminate
Mayor & Council						
	Increase Dues and subscriptions		7 198	7 198	7 198	Eliminate
Neighborhood Dev						
	Additional neighborhood services specialists	2 00	148 883	82 758	82 758	Eliminate
	Deputy Directory Position	1 00	100 000	100 000	50 000	$50 000 GF Portion
Police						
	Animal Control Bureau expansion positions & equipment	24 00	1 412 941	1 677 965	312 444	Reduced by $312 444
	Nuisance Abatement Coordinator	1 00	48 314	59 010	59 010	Eliminate
Solid Waste						
	Bulky Item Collection from Multi Family Complexes Contract		400 000	200 000	200 000	Eliminate
	Bulky Item Collection from Four Designated Neighborhoods–Pilot Program	7 00	356 211	357 440	357 440	Eliminate
	Convert Rollout Cart Delivery Crew to Permanent	2 00	9 377	9 578	9 578	Eliminate
	Addition of two Customer Service Reps in Customer Service Center	2 00	59 049	59 073	59 073	Eliminate
	Addition of Office Assistant III Position in Administration Div	1 00	7 645	7 645	7 645	Eliminate
Transportation						
	Traffic signal maintenance and timing	2 00	134 117	54 180	54 180	Eliminate
	Air Quality and regional planning	1 00	189 292	177 217	177 217	Eliminate
	Bicycle planning and plan implementation	1 00	73 425	73 175	73 175	Eliminate
	Total General Fund	**60 00**	**$5 932 960**	**$4 921 974**	**$2 606 453**	