
2015 Budget Workshops

City of Charlotte

March 19, 2014
3:00 p.m. – 6:00 p.m.
Room 267

	Page	
I. Introduction		Ron Carlee
II. Utility Budget	2	Barry Gullet
III. Airport Budget	34	Brent Cagle
IV. General Community Investment Plan	54	Randy Harrington
V. Overview of Questions & Answers from February 26th Budget Workshop	102	Randy Harrington

Distribution: Mayor and City Council
Ron Carlee, City Manager
City Manager's Executive Team
City Manager's Executive Cabinet
Budget and Evaluation Staff

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Charlotte Mecklenburg Utilities FY2015 Budget Presentation

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CHARLOTTESM

Charlotte-Mecklenburg Utility Department

Council Budget Workshop

March 19, 2014



Overview

- Nationally recognized award winning utility
- Service to Charlotte, towns, and Mecklenburg County
- Over 260,000 metered accounts serving over 1,000,000 people
- Regional partners
- Enterprise fund
- 761.5 employees
- 3 Drinking water plants
- 5 Wastewater Plants
- Treat and deliver 100,000,000 gallons/day of drinking water
- Collect and treat 76,000,000 gallons/day of wastewater
- 4,000 miles of water pipe and 4,000 miles of sewer pipe
- Water sources are Lake Norman & Mountain Island Lake





A Month "By the Numbers"

Quantity	Activity
3 Billion	Gallons of drinking water produced
2.3 Billion	Gallons of wastewater treated
\$1.7 Million	Power + Chemical cost
273,000	Meters read
40,000	Water/sewer calls received by 311
10,350	Water services turned on/off
450	Water leaks repaired (total)
150	Water leaks repaired within 24 hours
23	Sewer spills stopped & remediated
32 Minutes	Average time to respond to sewer spill

3

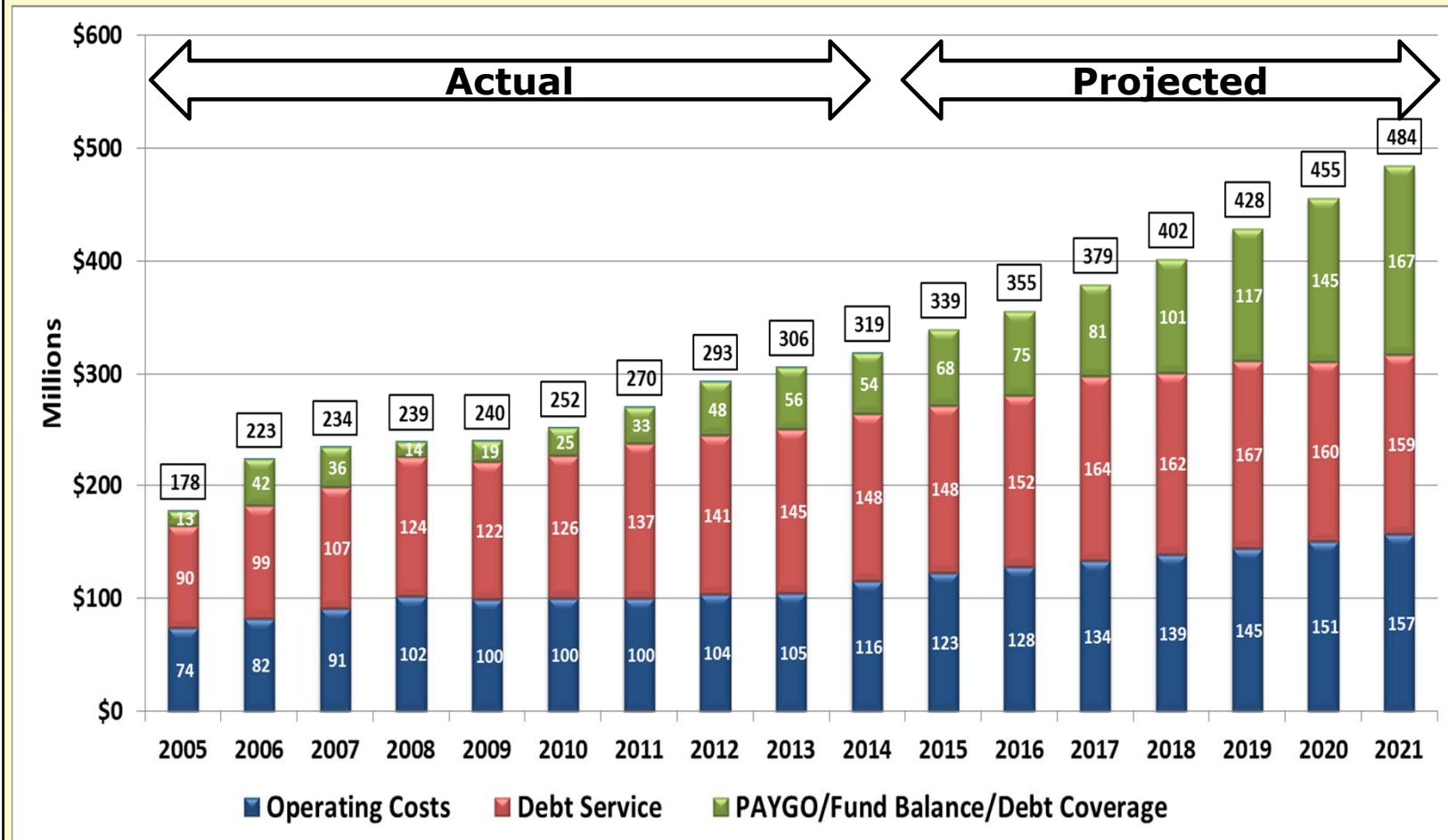


Planning and Evaluation

- Operating and Maintenance
 - Customer responsiveness
 - Regulatory compliance
 - Economic development
- Community Investment
 - Master plans
 - Providing for growth
 - Replacement and rehabilitation
- Financial Plan
 - 10-year “look ahead” model
 - Stabilize finances
 - Support AAA credit rating

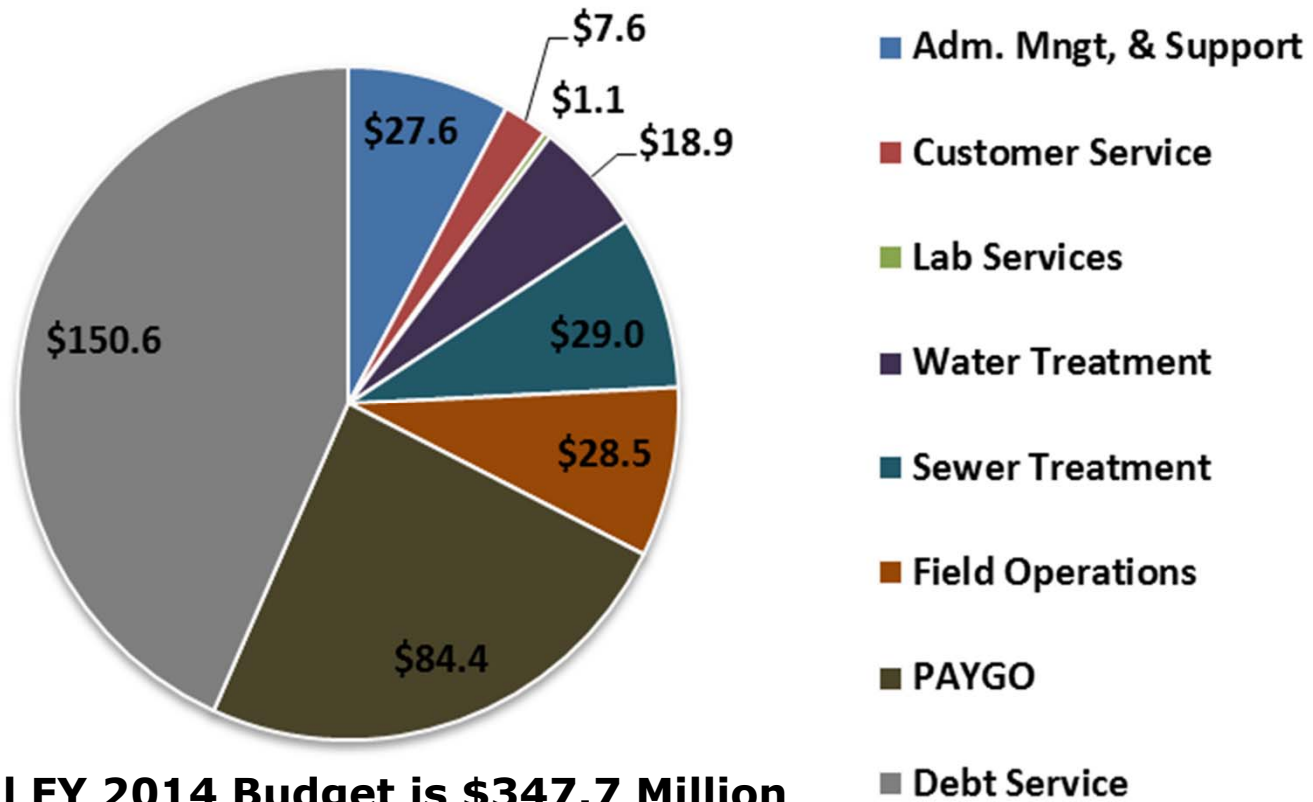


Annual Revenue Requirements





FY 2014 Budget at a Glance





FY 2015 Top Issues & Impacts

- Per capita declining water consumption and increasing costs
- Water leak response times
- Sewer spills
- Responsiveness to improving economy
- Follow financial plan to maintain credit ratings

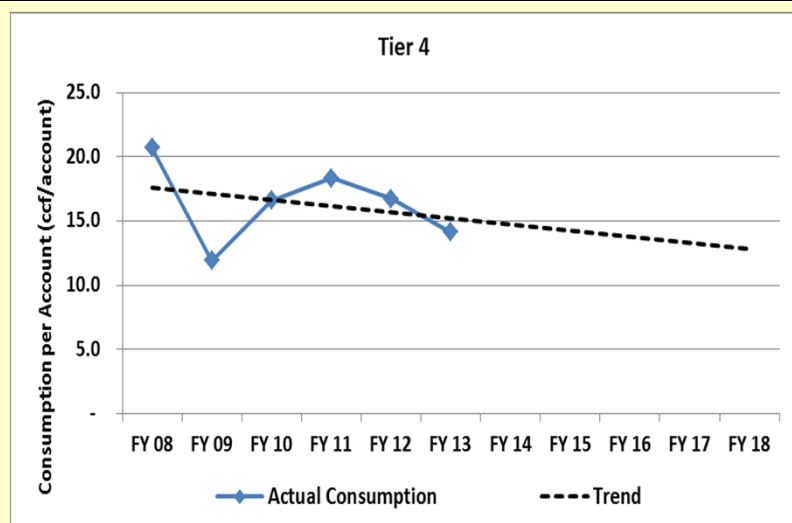
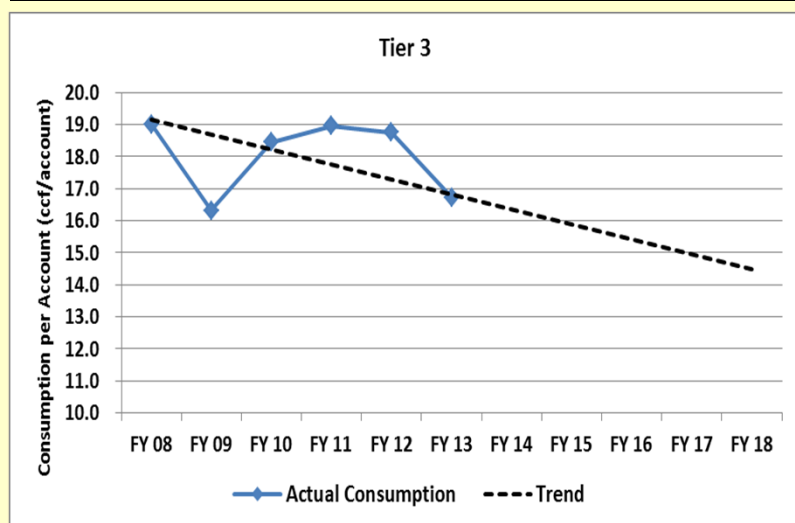
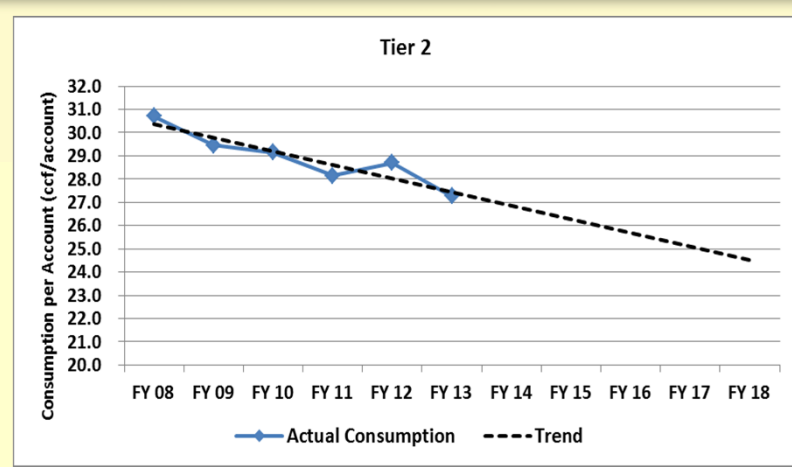
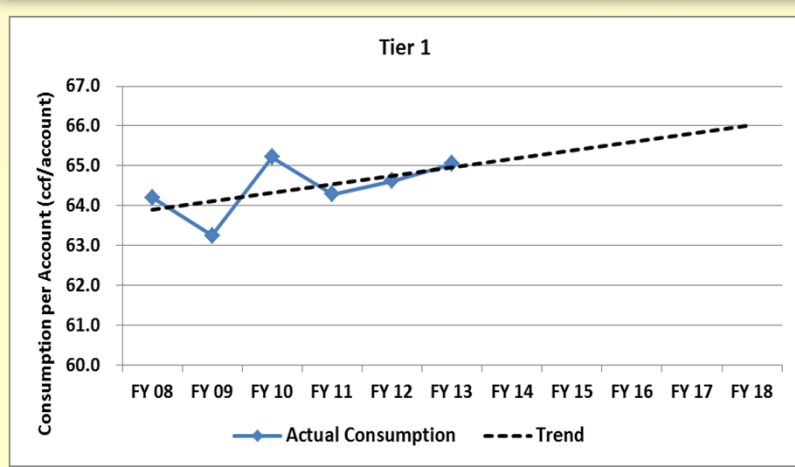


Declining Water Consumption

- Industry-wide trend
- Number of customers is growing
- Per capita usage is decreasing

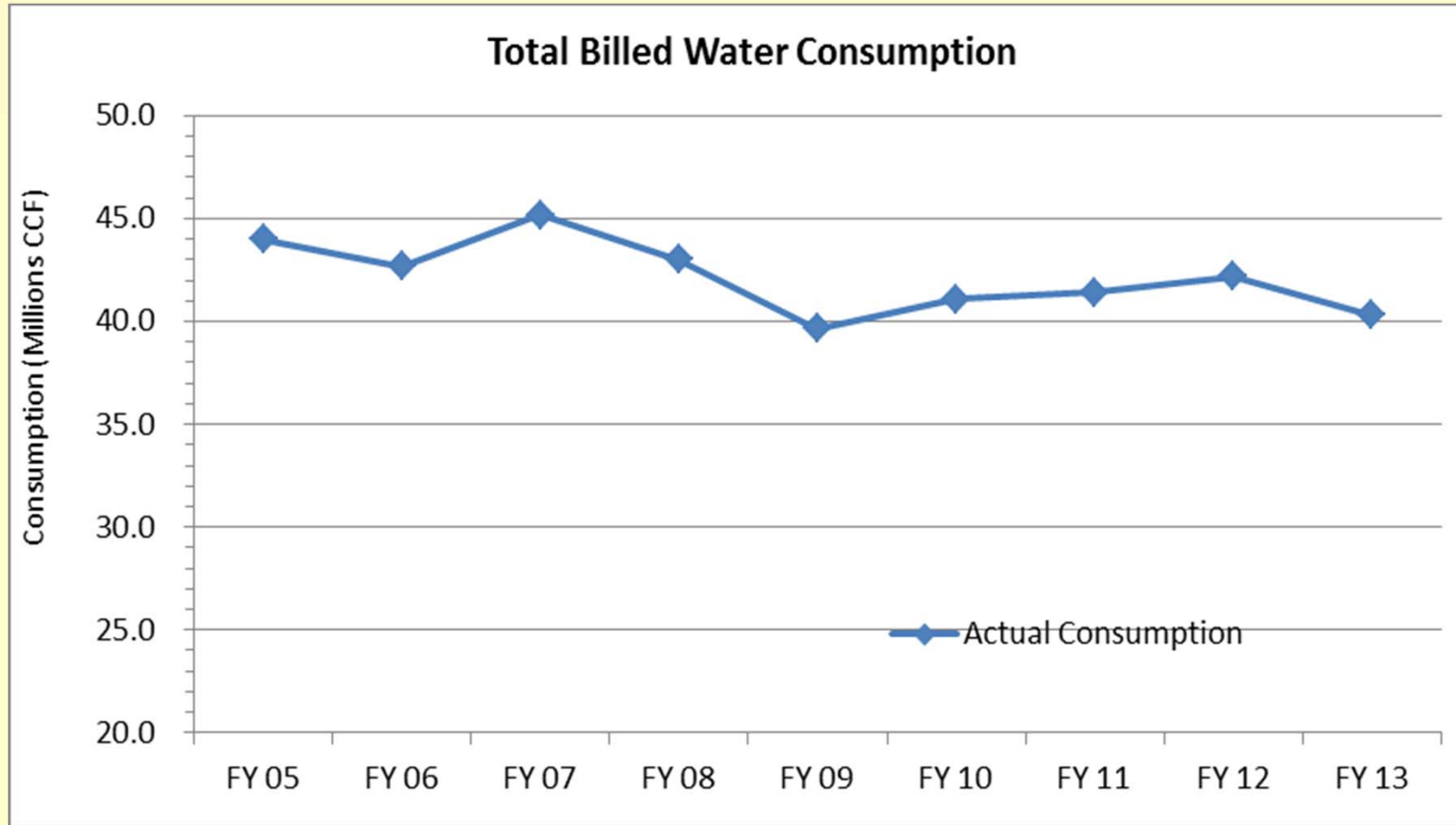


Water Usage Trends By Tier





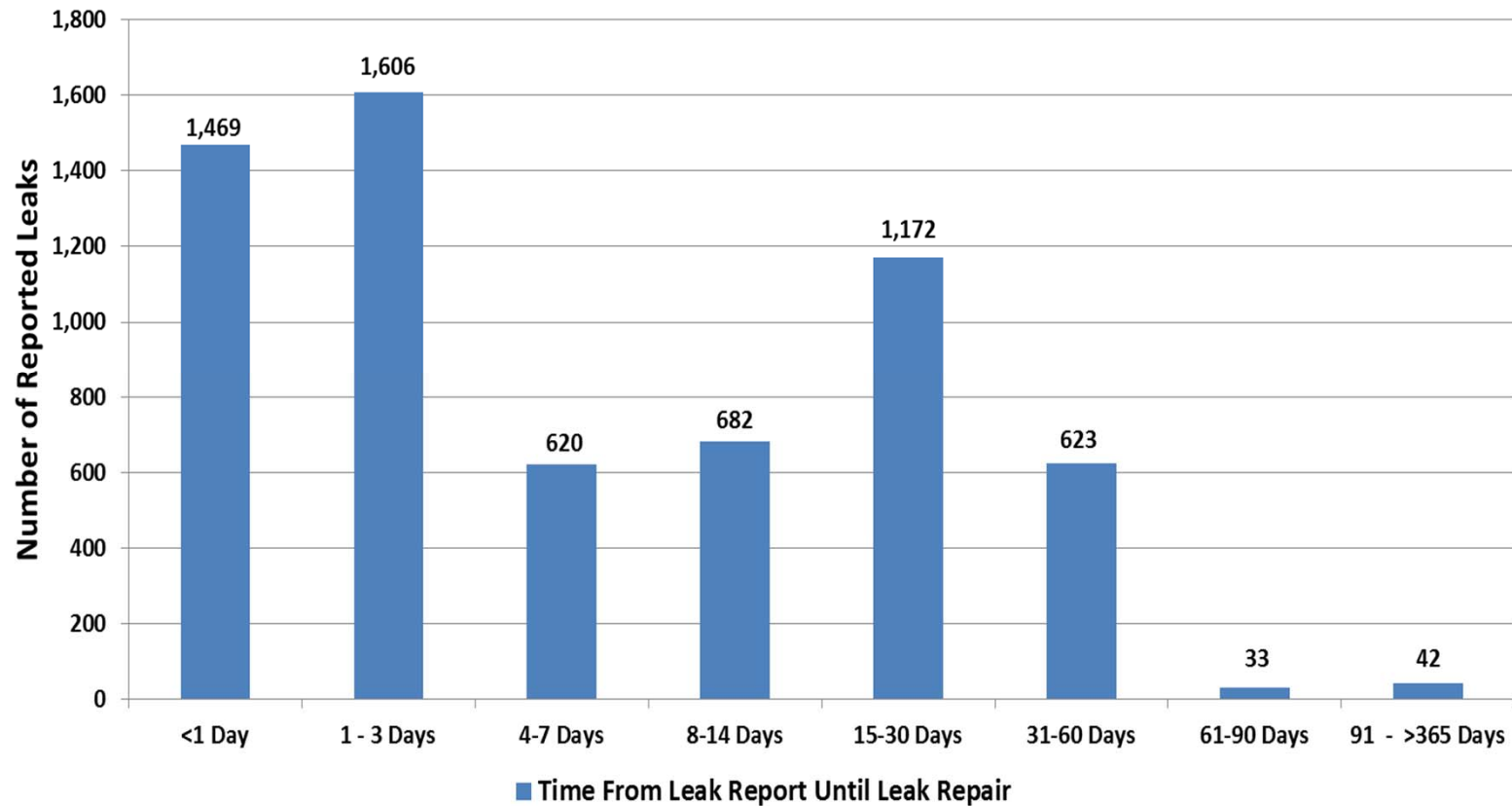
Water Usage Trend Total





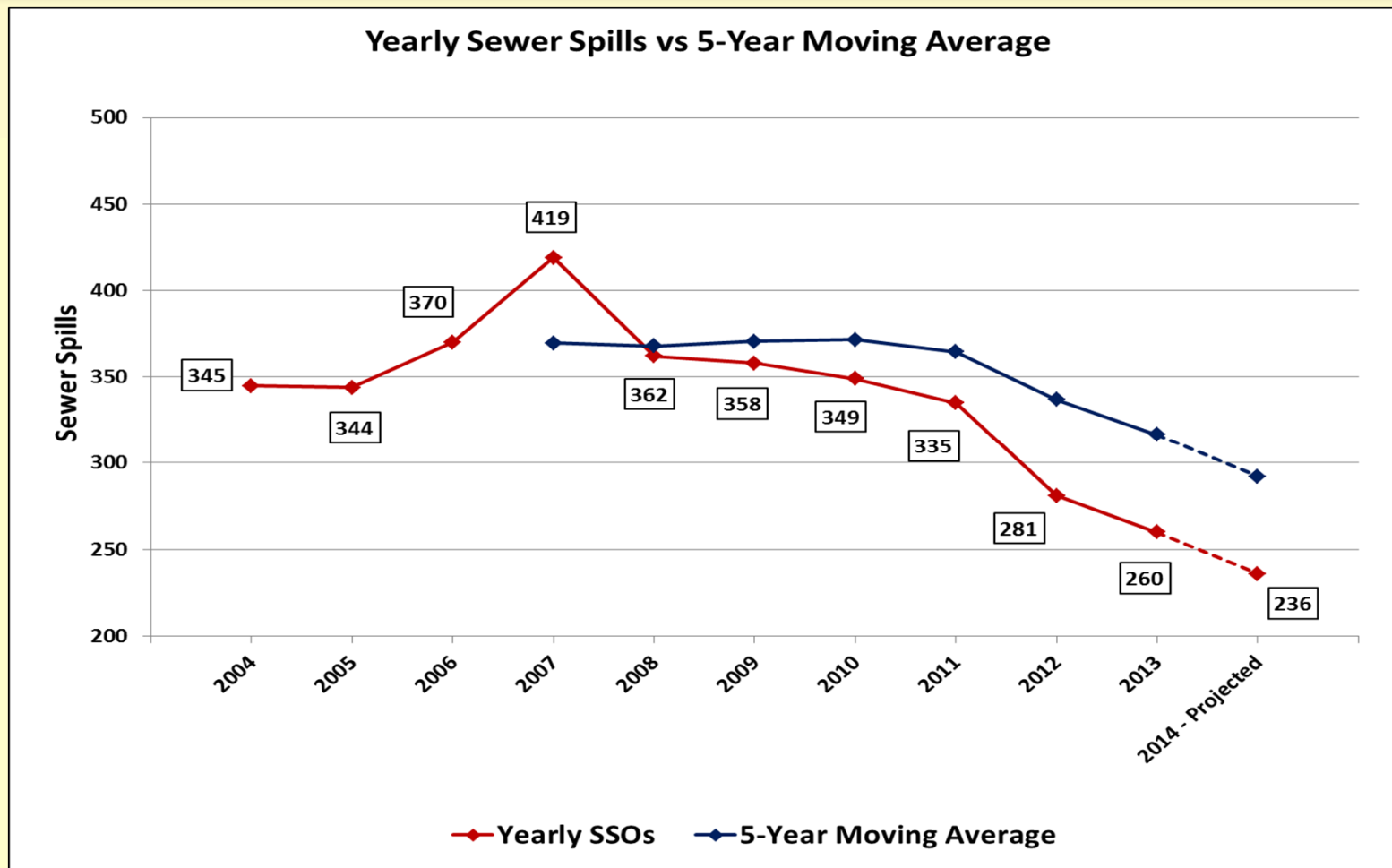
Water Leak Response

Days to Repair Leaks February 2012 - December 2013



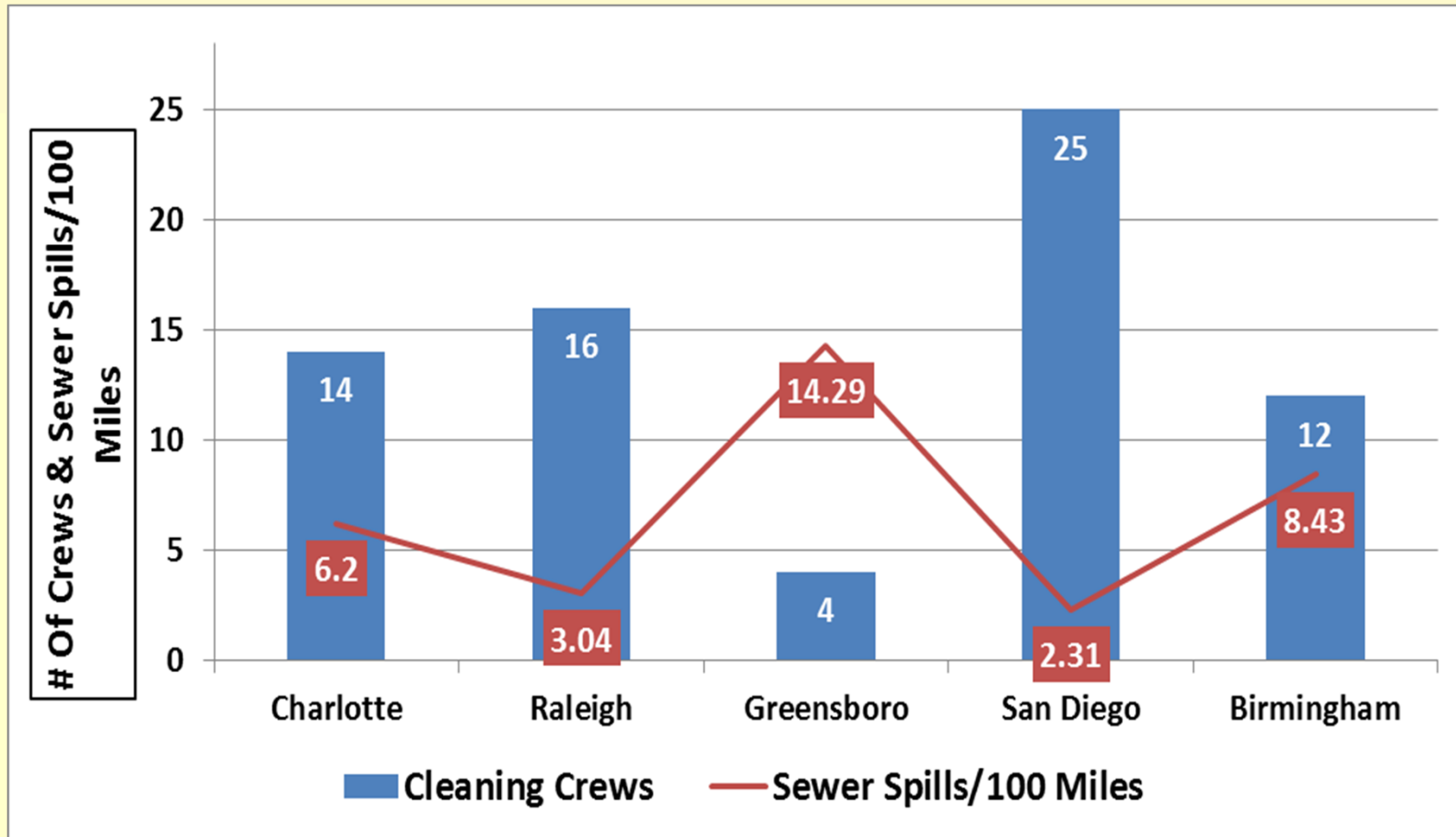


Sewer Spills





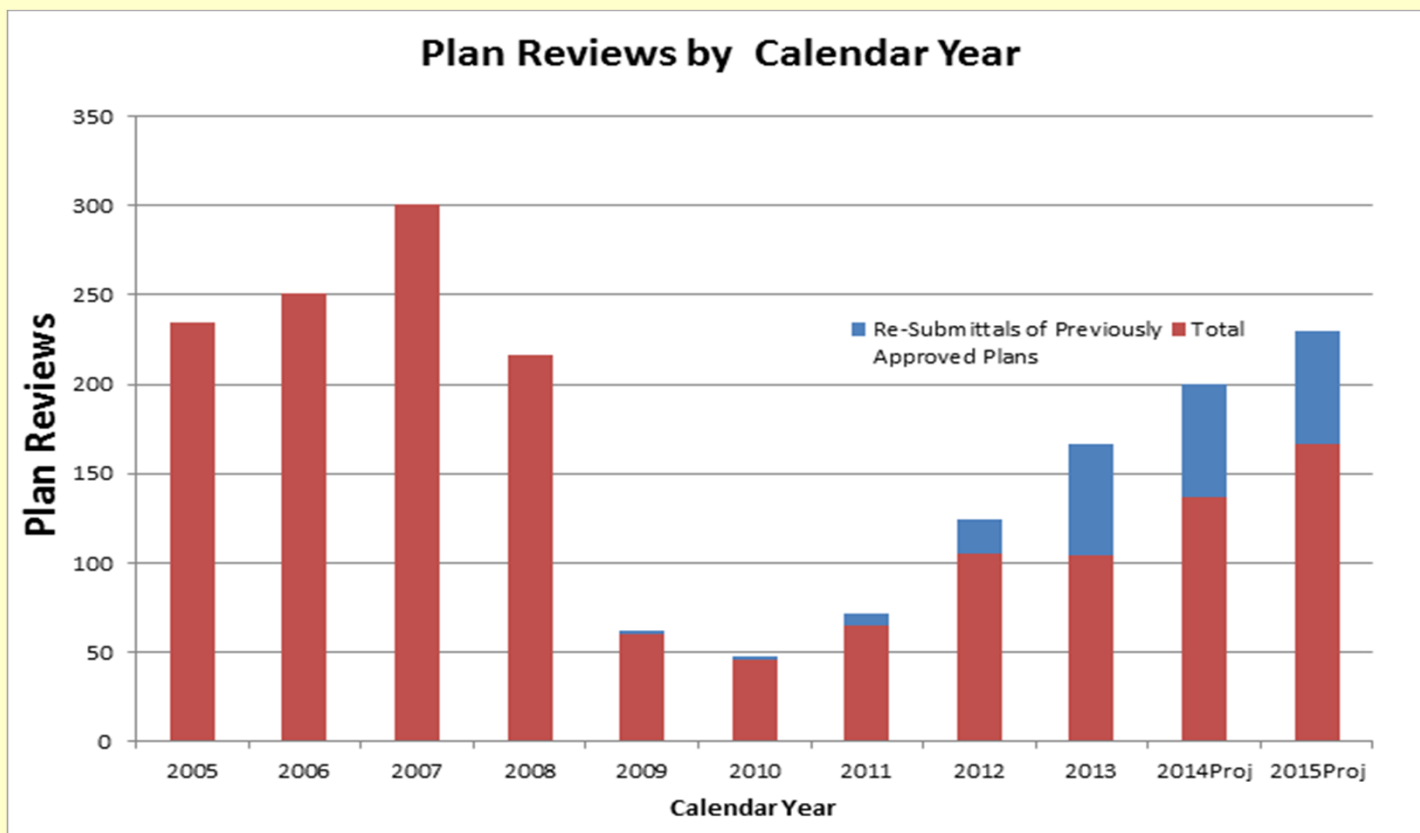
Cleaning Crews vs. Spills





Support Growing Economy

- Part of a larger review process
- Protect pipes from damage by new development
- We do not want to become a “choke-point”





Possible Service Level Enhancements

Area	Description	Positions	Key Impacts Summary
Sewer Overflow	Acoustical Inspectors	2	Allow for more preventative and effective maintenance, thus reducing likelihood of overflows.
Sewer Overflow	Sewer Cleaning Crew	2	Maintain trend of decreasing the total number of SSOs annually.
Sewer Overflow	Work and Asset Management Lead	1	Provides time for focusing on the strategic planning process and moving CMUD and its customers forward with current and new technologies.
Customer Responsiveness	Locate Technicians	4	Will complete 104,534 locate requests which equals to approximately 80% of the 130,891 (FY13) requests received.
Customer Responsiveness	Backflow Plan Reviewer	1	Increase capacity for plan review by 25%.
Customer Responsiveness	Environmental Compliance Specialist	1	Supports economic development by improving responsiveness to industrial customers; partner with industry to protect our collection system and the treatment plants; completion of investigations; provide 2,000 more available hours
Customer Responsiveness	New Development Plan Review Engineer & Senior Engineer	2	Decrease plan reviews from 20 working day to 15 working days
Customer Responsiveness	Construction Inspector	1	Increase capability of inspection by 25%.
Water Leaks	Water Rapid Response Technicians	4	Elimination of large crews' assignment to minor work. More efficient use of crew resources.
Total		18	



Community Investment Program

- Five-Year Program Includes:
 - Maintain Existing System (\$322.0M)
 - Provide Service to Current Residents (\$91.6M)
 - Regulatory Requirements (\$12.5M)
 - Support Public Projects (\$12.4M)
 - Growth and Development (\$161.3M)
- Anticipate issuance of \$112.4 M in new debt in FY15

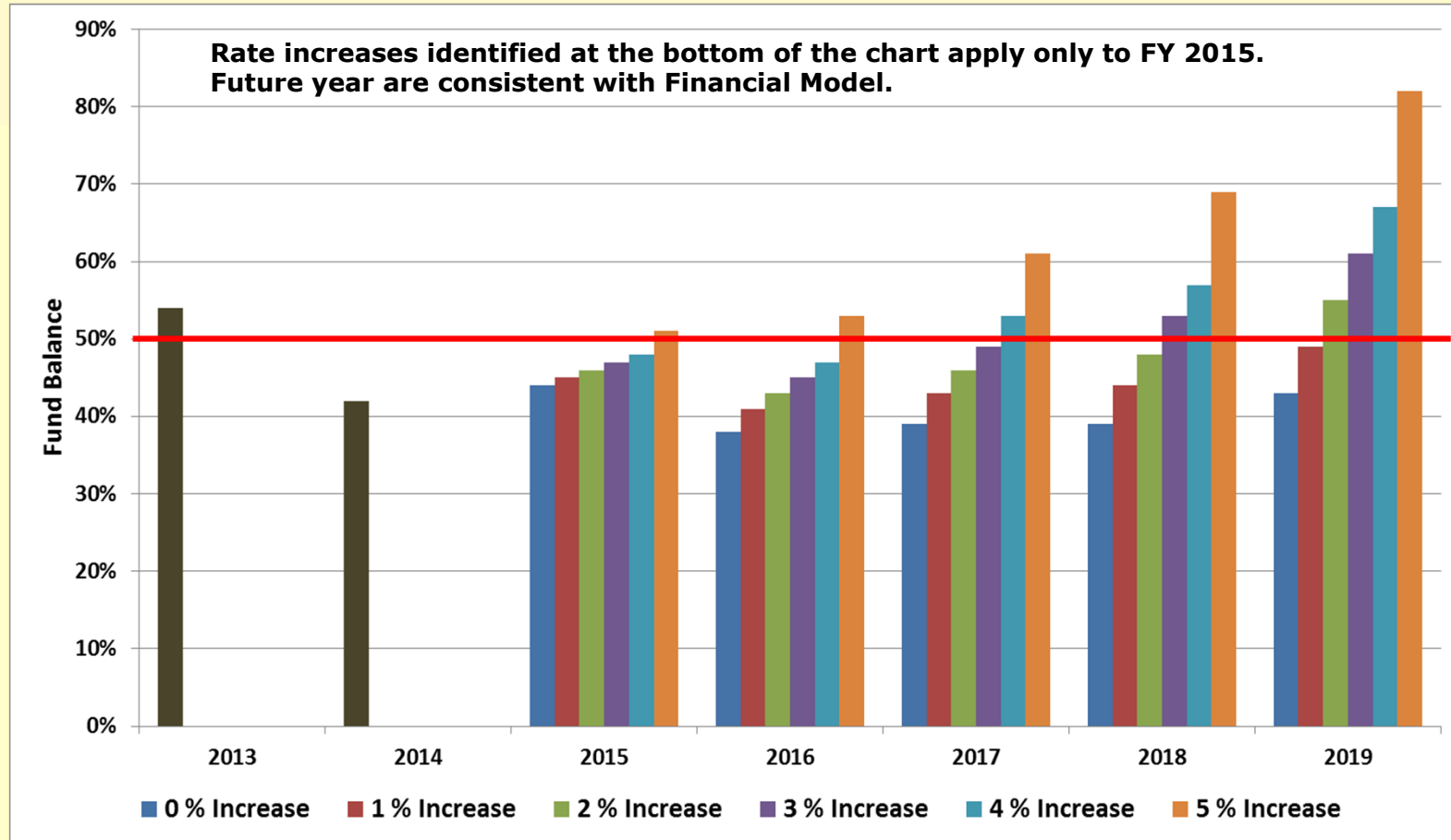


Financial Plan

- Maintains high credit rating to provide flexibility and cost savings
- Increases Utility Fund Balance to 51% of following year's operating budget and debt service payments
- Reduces reliance on debt; increases PAYGO investments
- Requires a consistent, modest rate increase

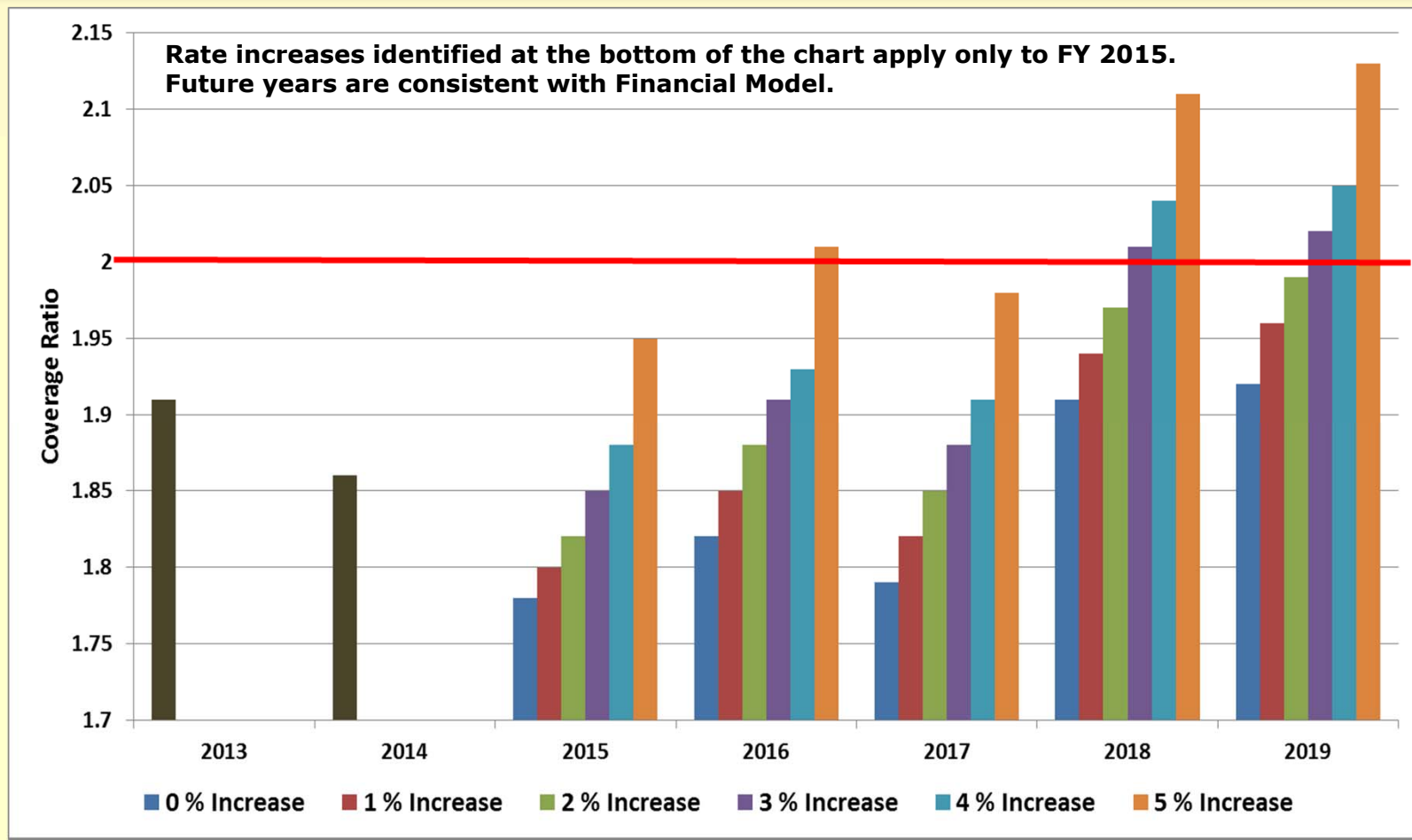


Rate Impacts on Fund Balance





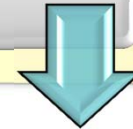
Rate Impacts on Coverage Ratio





Rate Setting Components

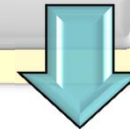
Revenue Requirements &
Service Levels



Water/Sewer Sales Forecast



Policies & Guidelines



Rates & Fees

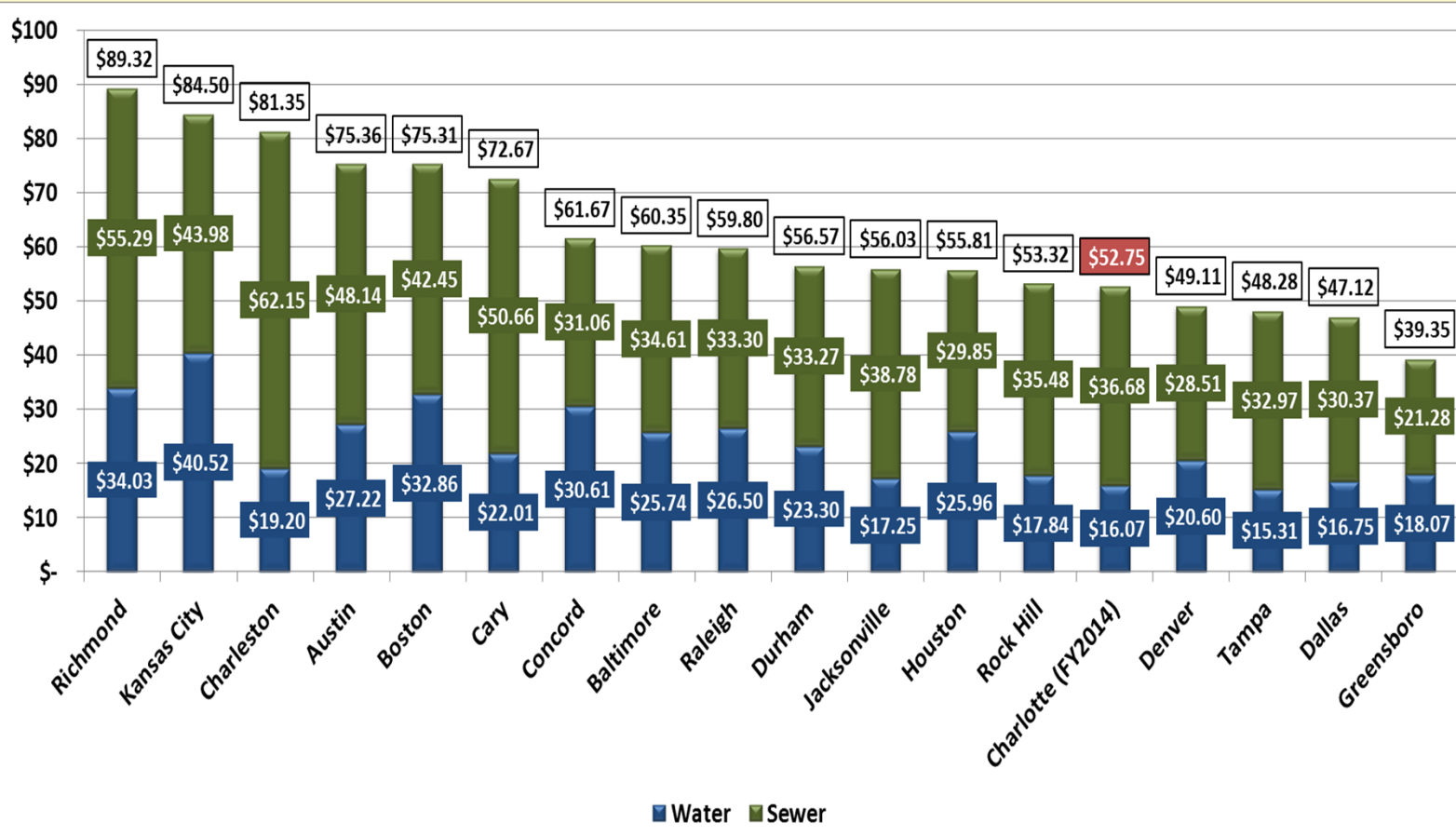


Tier Structure and Rates

- Method approved by Council in 2011
- Full cost of service as basis for budgeting and rate setting
- Tiered residential water rates
 - Tier 1 is “lifeline rate” – rate is lower than cost of service
 - Tiers 2 and 3 based on average cost and marginal cost and recover Tier 1 subsidy
 - Tier 4 is based on marginal cost for highest usage
- Uniform rate for commercial and industrial customers
- Residential sewer bills capped at 16 Ccf of water used
- Availability fee and fixed fee on each bill
- Capacity and connection fees for new services

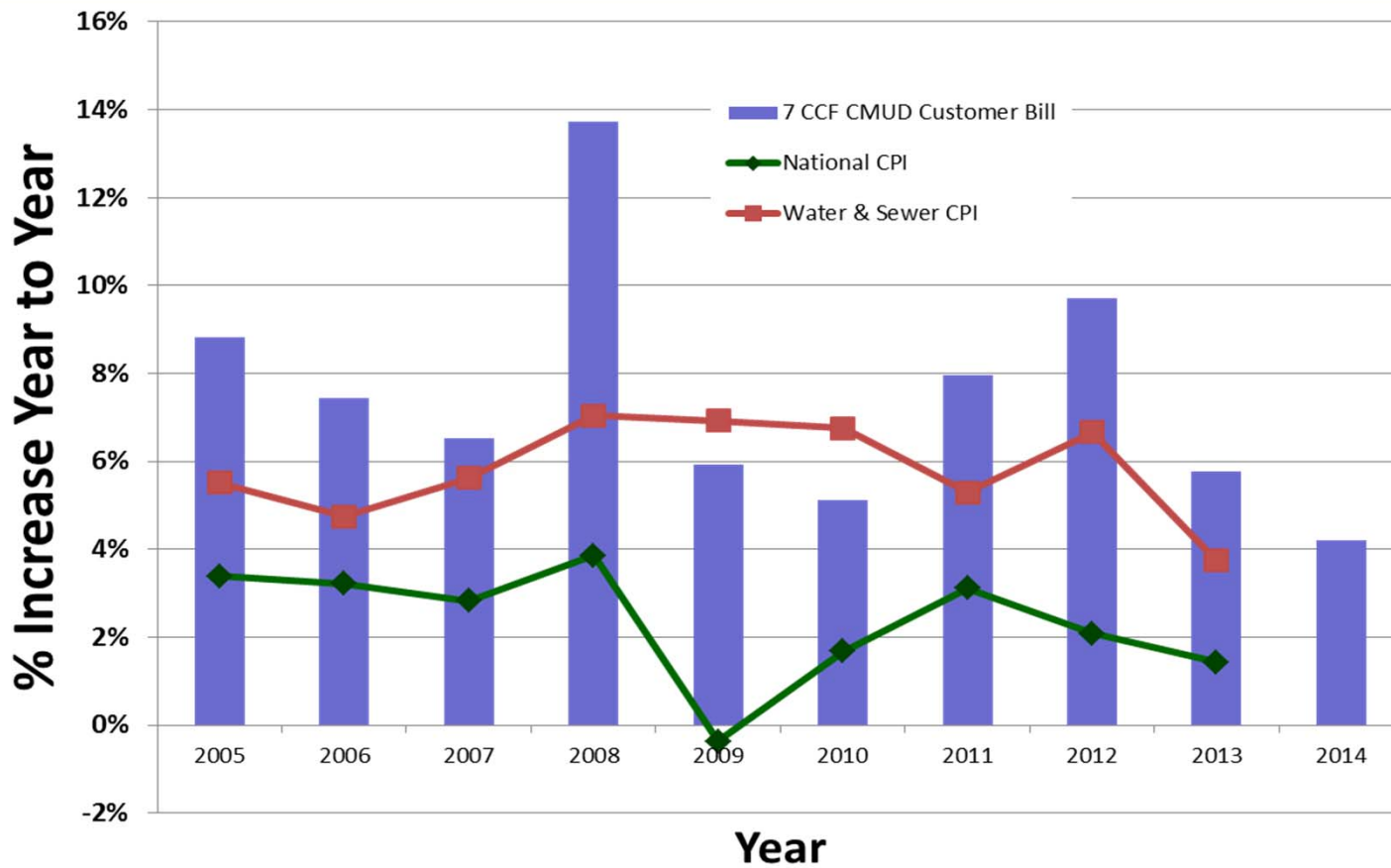


Rate Comparison (7Ccf or 5,236 Gallons)



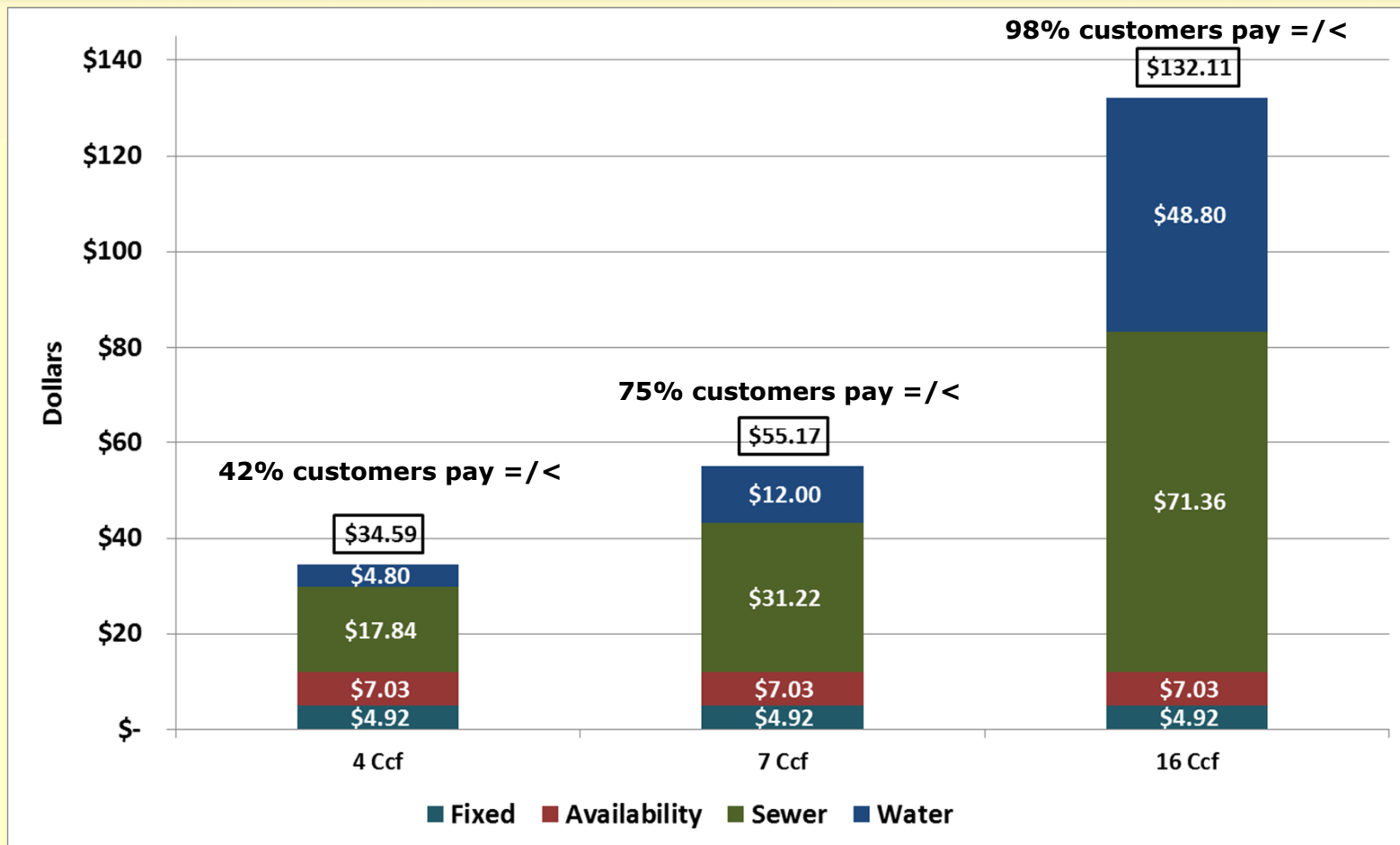


Rate Increases vs. CPI





FY 2014 Cost Per Customer





Comparison of Costs

How much does \$1 buy?

Charlotte-Mecklenburg Water
= **315.5** Gallons



Charlotte-Mecklenburg Sewer =
136.4 Gallons (91 flushes)



Grocery Store = **0.75** Gallon





Next Steps

- Finalize operating costs
- Finalize FY15 consumption forecast
- Calculate FY15 rates
- Review with Utilities Advisory Committee
- Budget and rate recommendation from City Manager on May 5



Questions?

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Airport

FY2015 Budget Presentation

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Charlotte-Douglas[®]
INTERNATIONAL AIRPORT

Airport Budget

Council Budget Workshop

March 19, 2014



Airport Mission & Growth Strategy

Mission:

Charlotte Douglas International Airport will maintain its cost competitiveness while providing value to its passengers and business partners.

Growth Strategy:

Charlotte Douglas International Airport will respond to its business partners and grow facilities based on demand. The Airport will engage in economic development efforts to ensure its continued success and promote new global development opportunities.



Fast Facts

- Served by 6 Signatory Carriers
- Low Cost Per Enplaned Passenger (CPE)
- Passenger Growth Exceeding National Average
- 733 average daily departures
- 552,093 aircraft operations in 2013
- 43.5M Passengers in 2013; 5% increase
- Nationwide Rankings 2012:
 - 6th in Movements/Operations
 - 8th in Passengers

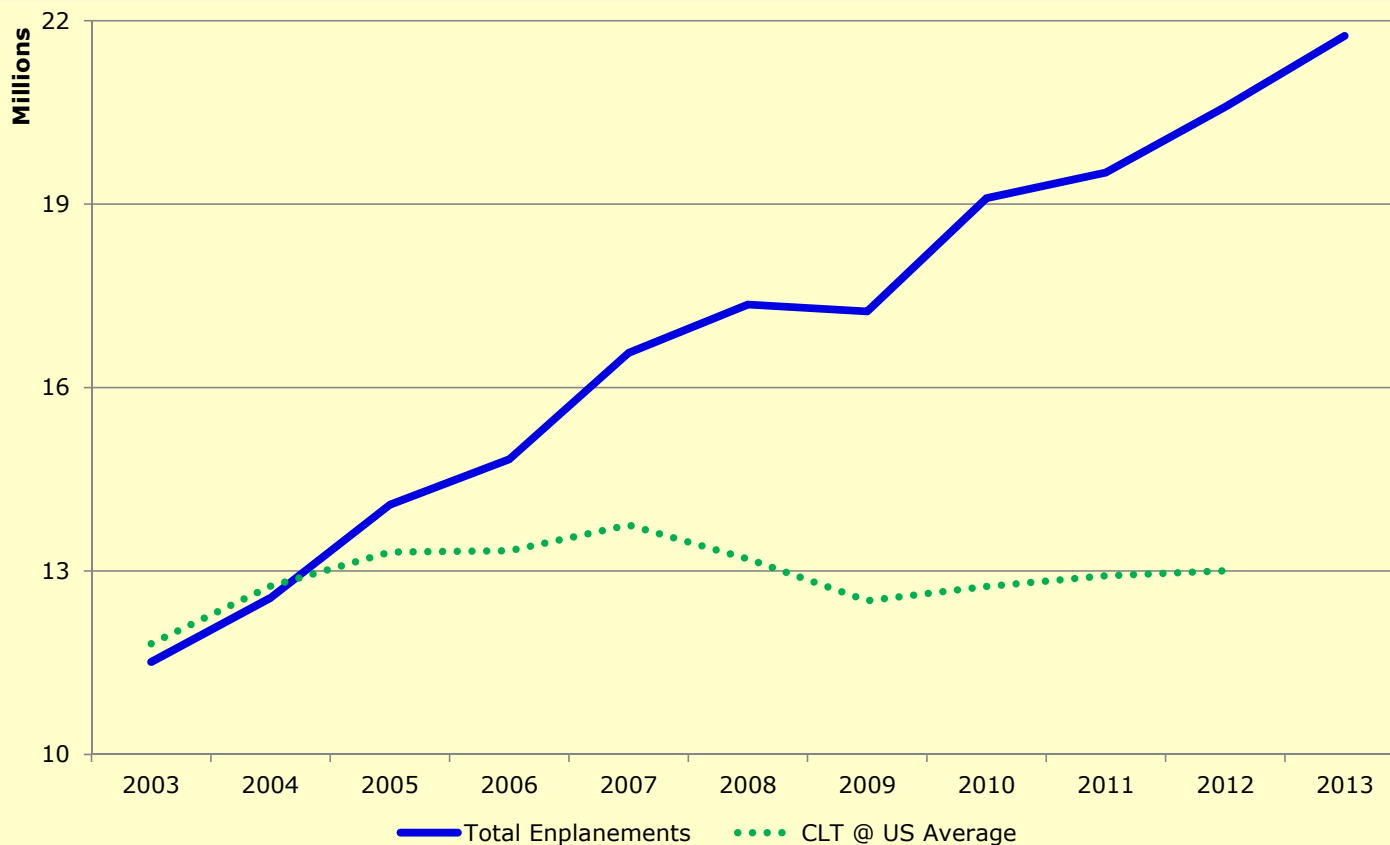


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Growth Continues at Record Pace

Passenger Enplanements
Actuals versus Forecasted Growth based on US Average



4



Federal Rates & Charges Framework

- Airlines pay for what they use. Cost recovery only
- no profit
- Federal guidelines mandate rates and charges methodologies generally be fair and equitable, cost-based, and transparent
- FAA grant assurances require CLT to operate in a financially self-sufficient manner



Bond Order

- Pledged Revenues = Included Revenues; including
 - Airline
 - Concession
 - Parking
- Non-Pledged Revenues = Excluded Revenues; including
 - Cargo
 - Fixed Base Operator (General Aviation)
 - Commercial Leasing
- Obligates the Airport to collect sufficient revenues to pay included operating expenses (O&M) and debt service



Airline Lease (1985-2016)

- Signatory carriers sign a long-term lease with the City and commit to debt service
- Signatory carriers receive a profit share
- The lease establishes required cost centers and defines cost allocations to:
 - Public Airfield Facilities (PAF)
 - Terminal Complex (TC)
 - Airport Services Fees (ASF)
- The lease defines specific rates and charges methodology to recover costs

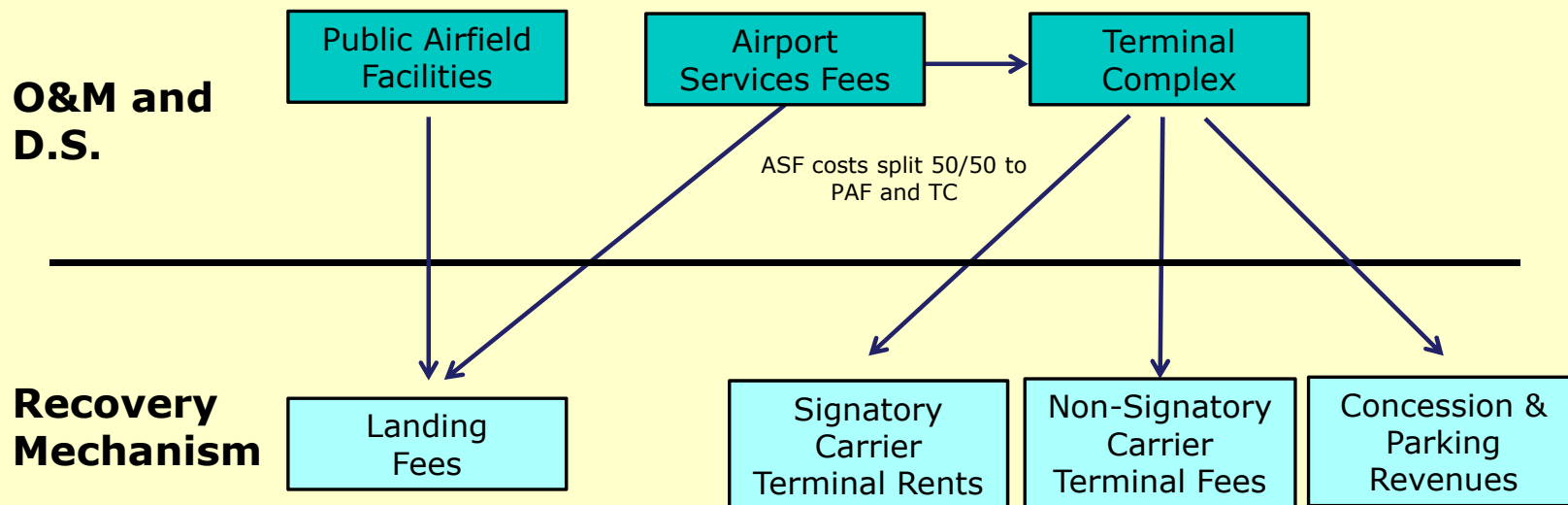


Proposed Rates & Charges Process

- Start with department budget –operating expenses (O&M), and debt service
- Remove excluded expenses
- Allocate included expenses to various cost centers (PAF, TC, ASF)
- Results in total airline billings comprising:
 - Landing fee (signatory and non-signatory)
 - Signatory carrier terminal rent(s) (O&M, ASF, capital)
 - Non-signatory carrier terminal rents (use fee, jetbridge fee, FIS fee)



Cost Allocation





Rates & Charges Reconciliation

- After FY close, budgeted revenues and expenses are reconciled to actuals
- Non-Airline Terminal Revenues (NTR) are netted against costs
- If Net NTR is positive, airlines receive 40% of profit share
- If Net NTR is negative, airlines pay 100% of shortfall



FY15 Areas of Emphasis

- **Focus on Asset Preservation**
 - Staffing for a 24/7 Airport
 - Providing excellent passenger experience and amenities
 - Meeting expectations of “New” American as the 2nd largest hub of the world’s largest airline
- **Maintain Cost Advantage and Focus on Proactive Management**
 - Update of key planning documents
 - Proper staffing and contracts to meet O&M needs, provide administrative oversight of revenue contracts, and establish policies and procedures to insure proper internal controls
 - Maintain low industry costs per enplanement and key financial targets to maintain/improve credit rating
- **Emphasis on Economic Development Opportunities**
 - Expanded Foreign Trade Zone
 - New positions dedicated to economic development and revenue contract management
 - Partner with city and community to identify business opportunities



Operating Budget Priorities

- Personal Services
 - Create new economic development role
 - Implement new org structure for additional oversight
 - Transition long-term temp positions to full-time status
 - Create business affairs division to manage revenue contracts
 - Additional maintenance positions dedicated for 2nd and 3rd shifts and weekends
 - Create public safety manager role



Operating Budget Priorities

- **Contractual Services**
 - Technology contracts to enhance customer service
 - Financial services contracts to ensure continued oversight
 - Additional costs associated with customer-facing contracts, due to increased passengers and customer service efforts
- **Commodities**
 - Additional utility costs associated with terminal enhancements and expansion
 - Additional fuel costs due to expanded bus fleet
- **Operating Capital**
 - Continued investment in parking fleet replacement
 - Acquisition of airfield equipment to ensure safety and improve efficiency of airfield



Future Budget Priorities

- Additional maintenance and operations resources for a 24/7 operation
- Additional oversight and controls in areas of:
 - Finance
 - Procurement
 - Public Affairs
 - Technology
- Continued development of business affairs division



Capital Budget Priorities

- **Airfield Projects**
 - High-Speed Taxiway
 - Cargo Ramp Expansion
 - Runway 18L/36R and Associated Taxiway Rehabilitation
 - Fourth Parallel Runway
- **Terminal Projects**
 - Checked Baggage In-Line System
 - Terminal Building West Expansion
 - East Terminal Expansion II
 - Electrical Infrastructure Upgrade
- **Access/Roadways/Parking**
 - Hourly Parking Deck/Rental Car Facility
 - Terminal Curbfront Roadway
 - Airport Entrance Road
 - Business Valet Deck II
 - Remote Rental Car
- **Other**
 - Masterplan Update

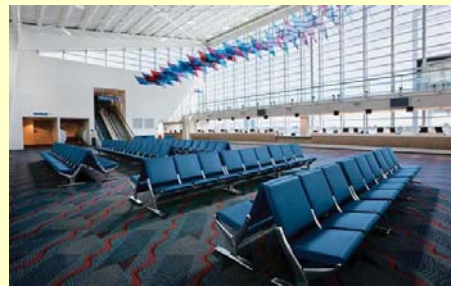


Preserving Assets

Terminal Rehabilitation Project

- Concourse A
 - \$3,315,286
- Concourse B
 - \$7,260,201
- Concourse C
 - \$7,537,985
- Atrium
 - \$4,693,650
- Terminal Systems
 - \$9,304,750

Furniture



Flooring



Wall Panels



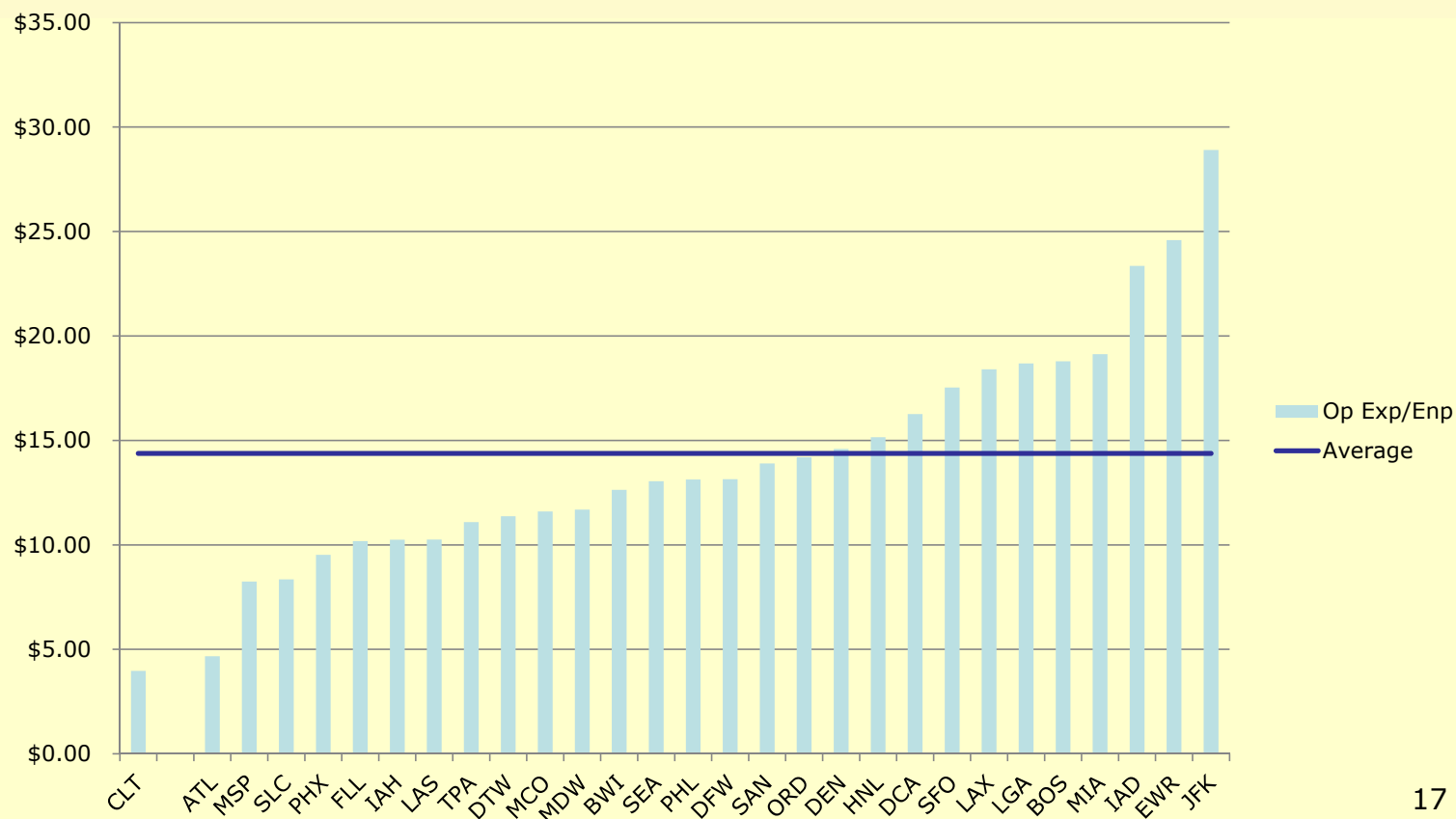
Ceiling





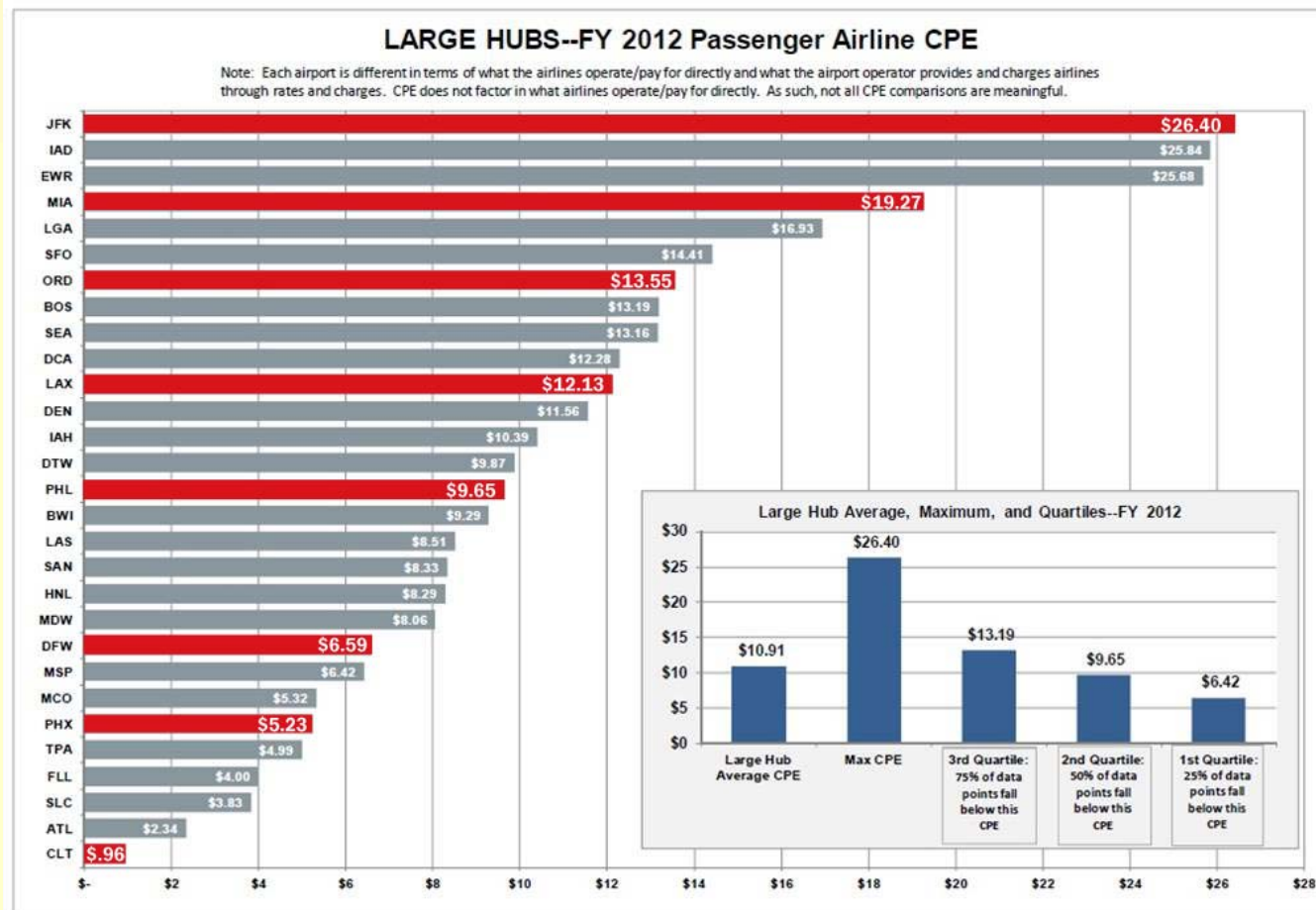
Committed to Maintaining Cost Advantage

Operating Expense Per Enplaned Passenger Comparison FY 2012





CLT Maintains Cost Advantage



Sources: CAFRs/annual reports, rating agency press releases, and/or bond official statements.

FAA CATS data used if those sources are not available.

American Airlines hubs noted in red





FY2015 Budget Summary

- Focusing on cost competitiveness and reliability
- Preserving assets
- Providing facilities to meet demand
- Enhancing economic development opportunities to promote global competitiveness

The Airport anticipates increased costs to recalibrate to its mature size, while remaining focused on offering a compelling cost advantage over other airports.

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General Community Investment Plan

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General Community Investment Plan

Council Budget Workshop

March 19, 2014



Overview

- Adopted General Community Investment Plan
 - Why emphasize “Community”?
 - General Community Investment Plan Goals
 - Bond Referenda History
 - Adopted General Obligation Bonds and Certificates of Participation Plan
 - Pay-As-You-Go Program

- Potential New Investment Considerations and Adjustments

- Available Capital Funding Sources



Adopted General Community Investment Plan



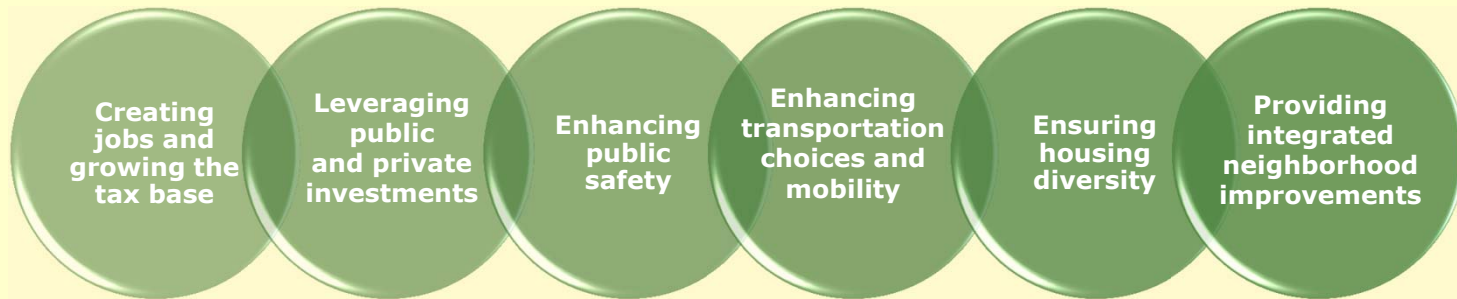
Why Emphasize Community?

- The Plan is a long-range investment program designed to meet the needs of our growing “community.”
- Components include City investments coupled with private investment to generate positive impact to our overall “community.”
- Outcomes include multiple “community” benefits:
 - Improving our quality of life
 - Promoting job growth
 - Keeping neighborhoods safe
 - Increasing mobility and connectivity
- The City encourages “community” engagement with residents to imagine, plan, and create Charlotte’s future.



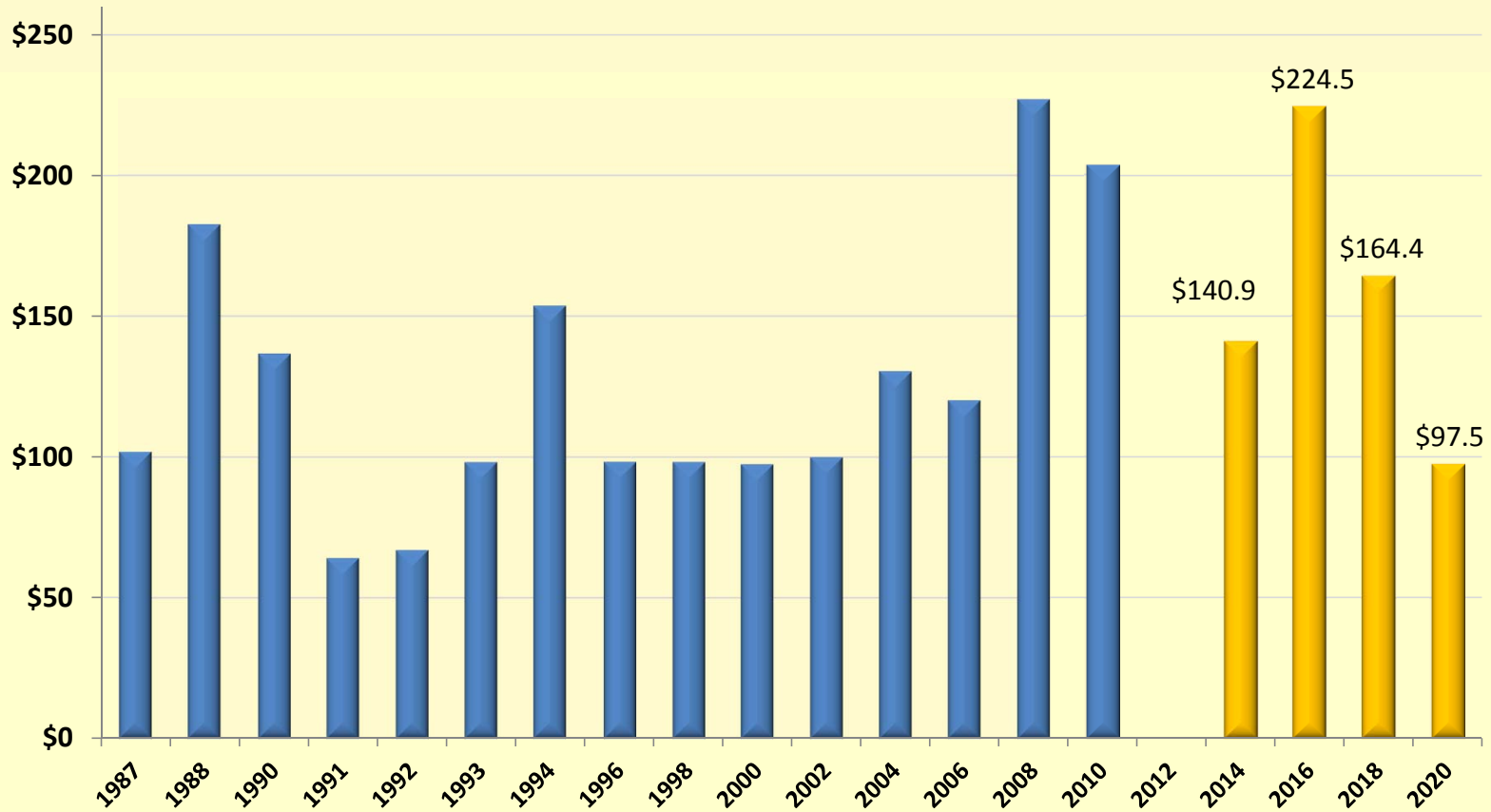
Community Investment Plan Goals

The overall goal of this program is to invest in projects that generate the most benefit and impact to our entire community in the following ways:





General Community Investment Plan: Bond Referenda History





Adopted General Community Investment Plan

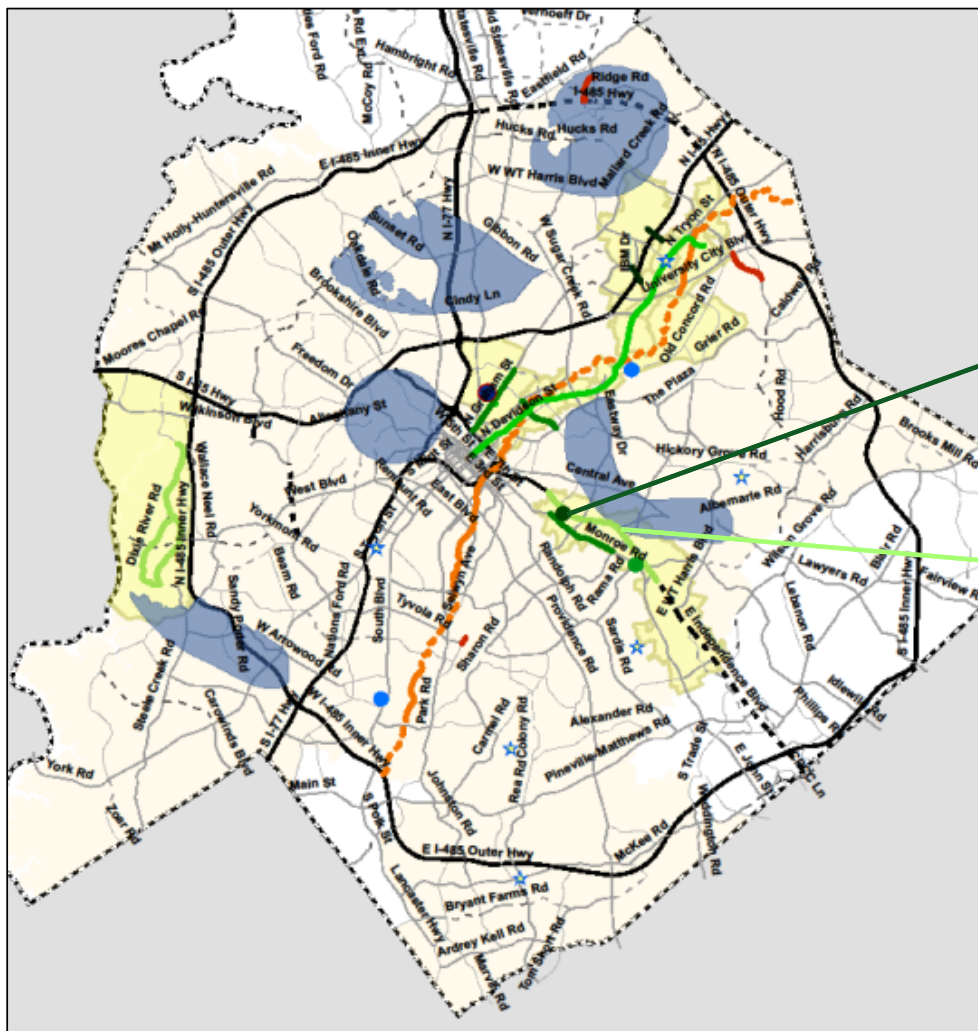
Approved Bonds and Certificates of Participation Allocation For General Community Investment Plan

Investing in Charlotte's Future

	2014 Investment	2016 Investment	2018 Investment	2020 Investment	Total
Airport/West Corridor	\$ -	\$ 31,200,000	\$ 13,520,000	\$ -	\$ 44,720,000
Spine Dixie Berryhill Infrastructure (New Garrison Road)		31,200,000			31,200,000
Southern Dixie Berryhill Infrastructure (Widen Dixie River Road)			13,520,000		13,520,000
East/Southeast Corridor	\$ 37,500,000	\$ 26,580,000	\$ 22,320,000	\$ 6,160,000	\$ 92,560,000
Land Acquisition and Street Connections	12,500,000	12,500,000			25,000,000
Monroe Road Streetscape		2,080,000	8,320,000		10,400,000
Bojangles/Ovens Area Redevelopment	25,000,000				25,000,000
Public/Private Redevelopment Opportunities		10,000,000	10,000,000		20,000,000
Idlewild Road/Monroe Road Intersection				4,160,000	4,160,000
Sidewalk and Bikeway Improvements		2,000,000	4,000,000	2,000,000	8,000,000
Northeast Corridor	\$ 47,200,000	\$ 43,080,000	\$ 48,540,000	\$ 27,300,000	\$ 166,120,000
Research Drive - J.W. Clay Connector over I-85 (North Bridge #1)	3,000,000		12,480,000		15,480,000
University Pointe Connection - IBM Drive to Ikea Blvd (South Bridge #2)	15,080,000				15,080,000
Northeast Corridor Infrastructure (NECI)	16,640,000	35,360,000	27,300,000	27,300,000	106,600,000
Applied Innovation Corridor	12,480,000	7,720,000	8,760,000		28,960,000
Road/Infrastructure Projects	\$ 17,264,000	\$ 8,632,000	\$ -	\$ -	\$ 25,896,000
Prosperity Church Road NW Arc	5,200,000				5,200,000
Eastern Circumferential	12,064,000				12,064,000
Park South Drive Extension		8,632,000			8,632,000
Cross Charlotte Multi-Use Trail		\$ 35,000,000			\$ 35,000,000
Sidewalks and Pedestrian Safety	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 60,000,000
Traffic Control and Bridges	\$ 14,000,000	\$ 10,000,000	\$ 10,000,000	\$ 14,000,000	\$ 48,000,000
Upgrade Traffic Signal System Coordination	3,000,000	3,000,000	3,000,000	6,000,000	15,000,000
Upgrade Traffic Control devices	7,000,000	4,000,000	4,000,000	4,000,000	19,000,000
Repair and Replace Bridges	4,000,000	3,000,000	3,000,000	4,000,000	14,000,000
Public Safety Facilities	\$ 78,500,000	\$ 22,750,000	\$ 21,900,000	\$ 9,750,000	\$ 132,900,000
Joint Communications Center	68,000,000				68,000,000
6 Police Division Stations	10,500,000	18,750,000	21,900,000	9,750,000	60,900,000
Land Purchase for Future Fire Stations		4,000,000			4,000,000
Maintenance Facilities/Customer Service	\$ -	\$ 2,080,000	\$ 9,620,000	\$ 19,500,000	\$ 31,200,000
Sweden Road Maintenance Yard Replacement			3,120,000	19,500,000	22,620,000
Northeast Equipment Maintenance Facility		2,080,000	6,500,000		8,580,000
Housing Diversity	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 60,000,000
Comprehensive Neighborhood Improvement Program (CNIP)	\$ 20,000,000	\$ 40,000,000	\$ 40,000,000	\$ 20,000,000	\$ 120,000,000
Total Estimated Cost	\$ 244,464,000	\$ 249,322,000	\$ 195,900,000	\$ 126,710,000	\$ 816,396,000
General Obligation Bonds	\$ 140,964,000	\$ 224,492,000	\$ 164,380,000	\$ 97,460,000	\$ 627,296,000
Certificates of Participation	\$ 103,500,000	\$ 24,830,000	\$ 31,520,000	\$ 29,250,000	\$ 189,100,000



General Community Investment Plan 2014 Investments



East/Southeast Corridor

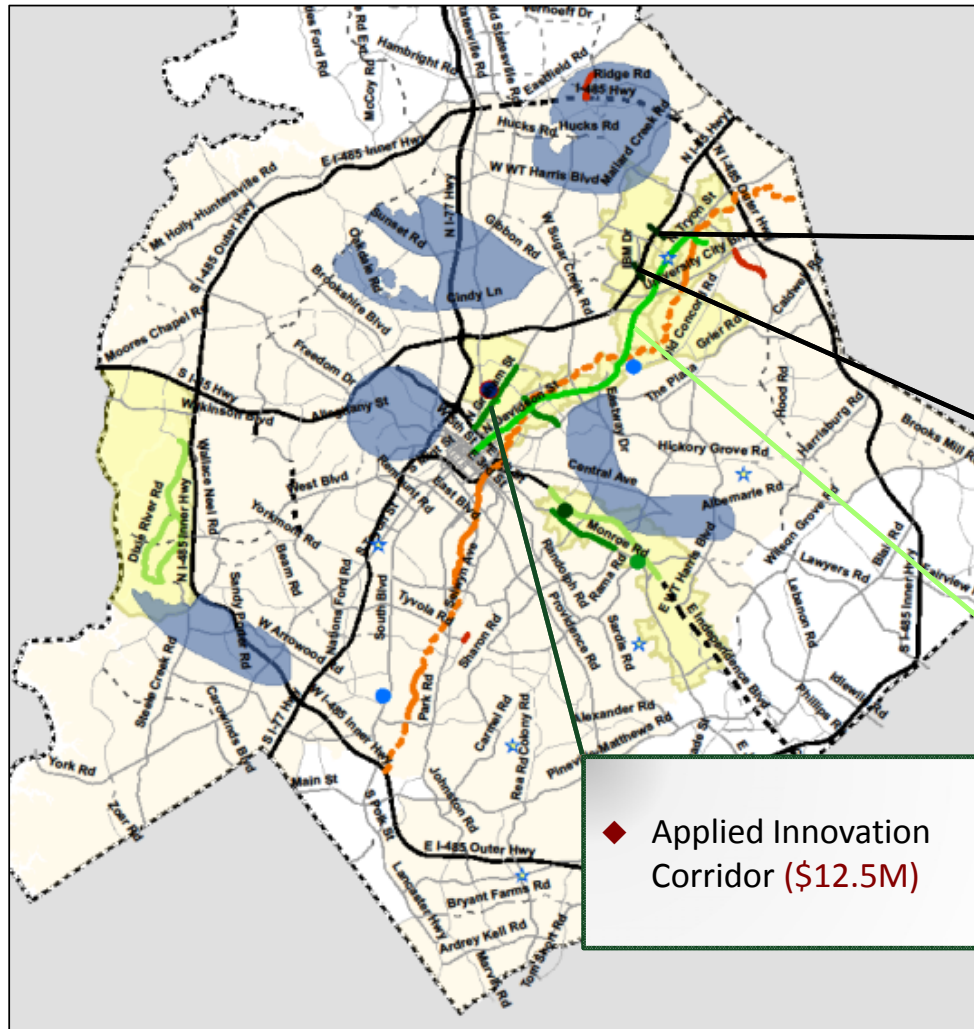
◆ Bojangles/Ovens Area Redevelopment (\$25.5M*)

◆ Land Acquisition & Street Connections (\$12.5M)

*Certificates of Participation debt



General Community Investment Plan 2014 Investments



Northeast Corridor

◆ North Bridge #1: Research Drive - J.W. Clay Connector over I-85 (\$3.0M)

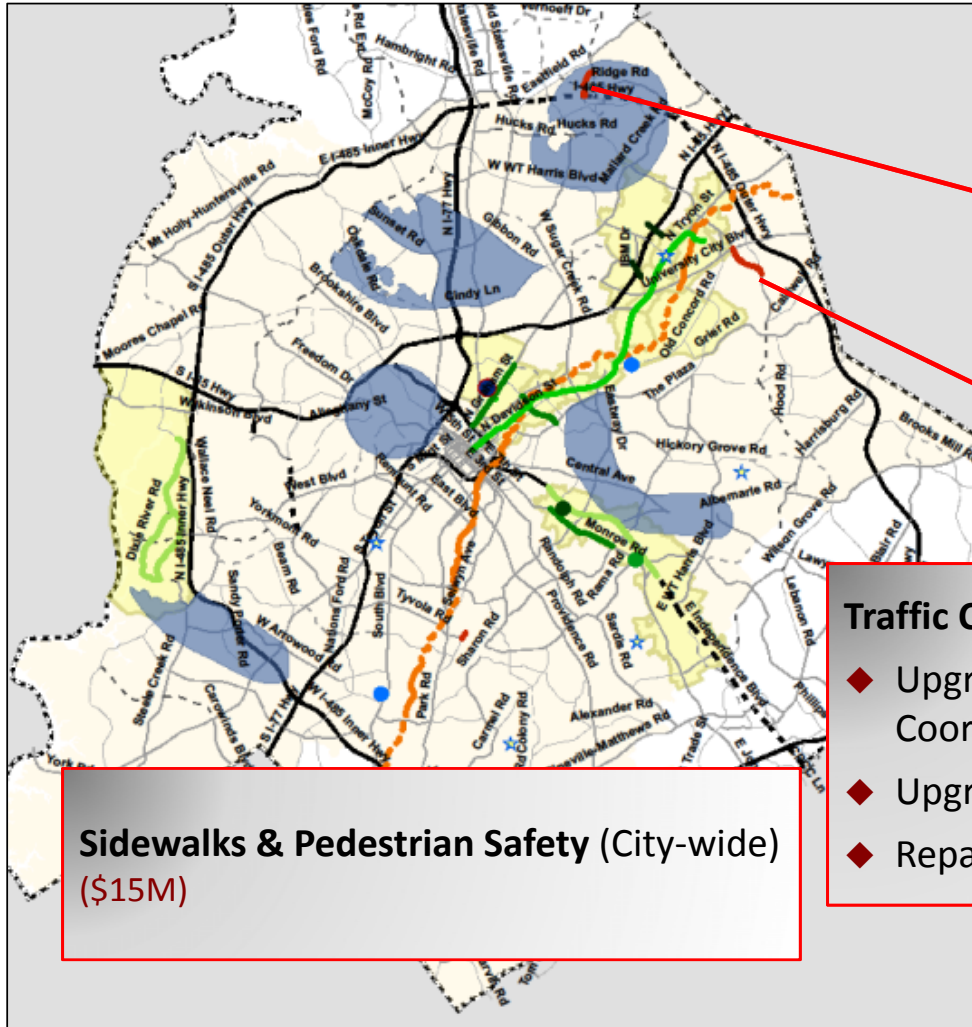
◆ South Bridge #2: University Pointe Connection - IBM Drive to Ikea Blvd (\$15.1M)

◆ Northeast Corridor Infrastructure (\$16.6M)

◆ Applied Innovation Corridor (\$12.5M)



General Community Investment Plan 2014 Investments



Road/Infrastructure Projects

- ◆ Prosperity Church Road NW Arc (\$5.2M)

- ◆ Eastern Circumferential (\$12M)

Traffic Control & Bridges (City-wide)

- ◆ Upgrade Traffic Signal System Coordination (\$3M)
- ◆ Upgrade Traffic Control Devices (\$7M)
- ◆ Repair & Replace Bridges (\$4M)

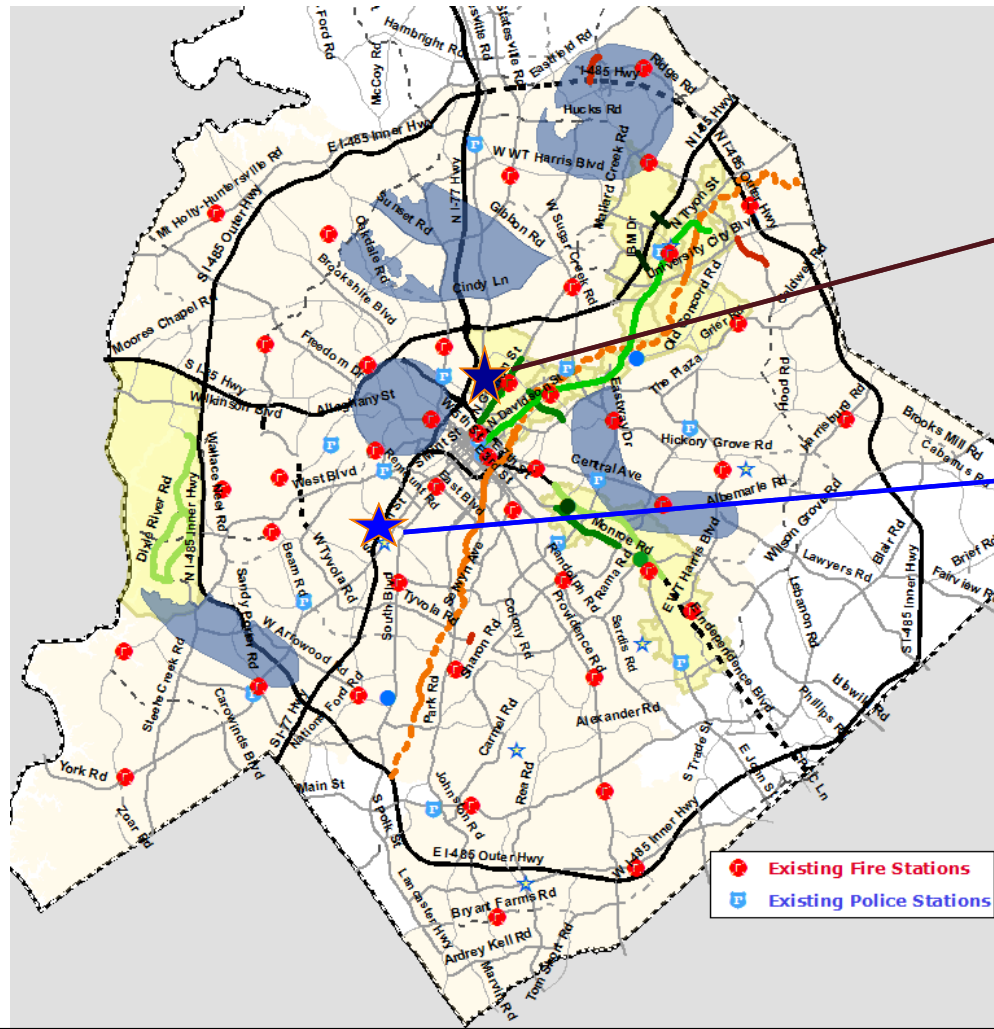
Sidewalks & Pedestrian Safety (City-wide)

(\$15M)



General Community Investment Plan 2014 Investments

Public Safety Facilities



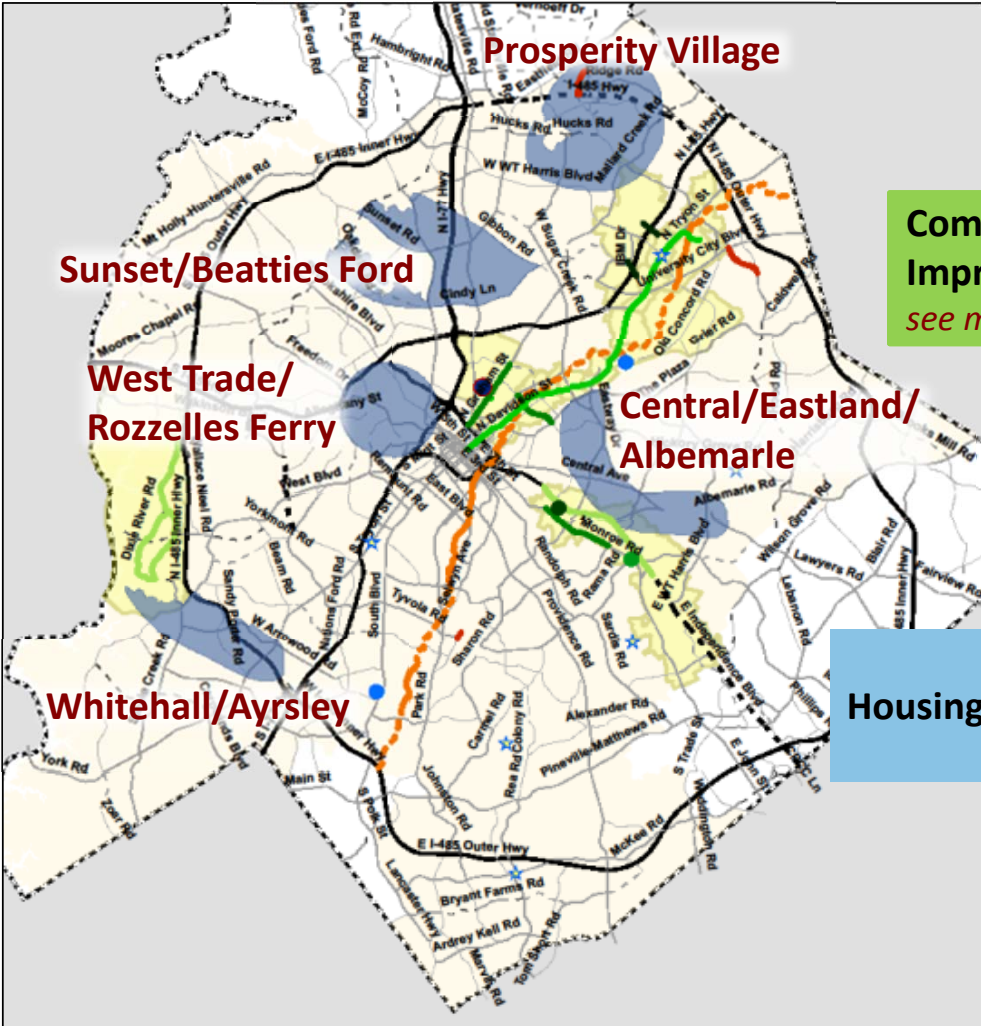
◆ Joint Communications Center (\$68M*)

◆ Westover Division Police Station w/Neighborhood & Business Services (\$10.5M*)

*Certificates of Participation debt



General Community Investment Plan 2014 Investments



Improving Communities

Comprehensive Neighborhood Improvement Program (CNIP) (\$20M)
see map labels

Housing Diversity (City-wide) (\$15M)



General Community Investment Plan: Pay-As-You-Go

- Cash-funded investments
- Primary funding sources:
 - Property tax
 - Sales tax
 - Portion of the City's auto registration fee
 - Capital reserves
- Example expenditure areas:
 - Facility capital maintenance
 - Technology investments
 - City support of Federal CDBG and HOME grant programs (Innovative Housing)
 - Cultural facilities financing model
 - Maintenance of Effort contribution to Transit



General Community Investment Plan: Pay-As-You-Go

Adopted FY2014-FY2018 Pay-As-You-Go Program	
	Amount
5-Year Total Revenue	\$ 262,982,280
<i>One-time revenue</i>	<i>6,662,858</i>
<i>Recurring revenue</i>	<i>256,319,422</i>
5-Year Total Expense	\$ 262,982,280



Potential New Investment Considerations and Adjustments



Potential New Investment Considerations/Adjustments

For the FY2015-FY2019 Community Investment Plan development, City departments have identified the following, additional capital needs:

Summary of Considerations and Adjustments FY2015-FY2019

Category	Amount
1. Neighborhoods & Housing Diversity	\$ 8,000,000
2. Transportation	37,500,000
3. Police Division Station Construction - Revised Priorities	No Change
4. Joint Communications Center–City Data Center	10,000,000 +
5. Cross Charlotte Multi-Use Trail–Advance Partial Funding	No Change
6. Facilities/Equipment/Studies	74,050,567
7. Technology	65,192,330
8. Cultural Facilities	95,435,600
Total Adjustments and New Considerations	\$ 290,178,497 +

16



Potential New Investment Considerations/Adjustments

1. Neighborhoods & Housing Diversity	Amount
"A New Home" Program (formerly titled the "Rental Assistance Endowment") <ul style="list-style-type: none"> • <i>Partnership with Foundation for the Carolinas</i> • <i>24-month rental assistance to families & Veterans</i> 	\$8,000,000
TOTAL	\$8,000,000

2. Transportation	Amount
Neighborhood Transportation Program* <ul style="list-style-type: none"> • <i>Programmatic transportation funds to address unanticipated or unique neighborhood mobility and safety needs</i> 	\$37,500,000
TOTAL	\$37,500,000

* Additional operating budget impacts expected



Potential New Investment Considerations/Adjustments

Adjustments to the Approved FY2014-FY2018 Community Investment Plan

3. Police Division Station Construction – Revised Priorities

- Delay New Park South Division Station to future funding opportunity
- Replace with New Northeast Division Station in 2020
- No funding changes

Approved Police Division Station Order	Requested Police Division Station Order
Westover (funded in FY2014)*	Westover (funded in FY2014)*
South*	Hickory Grove*
Park South (New Division)*	South*
Hickory Grove*	University City*
University City*	Independence*
Independence*	Northwest (New Division)*

* Additional operating budget impacts expected



Potential New Investment Considerations/Adjustments

Adjustments to the Approved FY2014-FY2018 Community Investment Plan

4. Joint Communications Center – Additional Funds for City Data Center*

- Increase Project Budget by \$10.0M+ to address greater power and HVAC cooling capacity needs

5. Cross Charlotte Multi-Use Trail – Advance Partial Funding

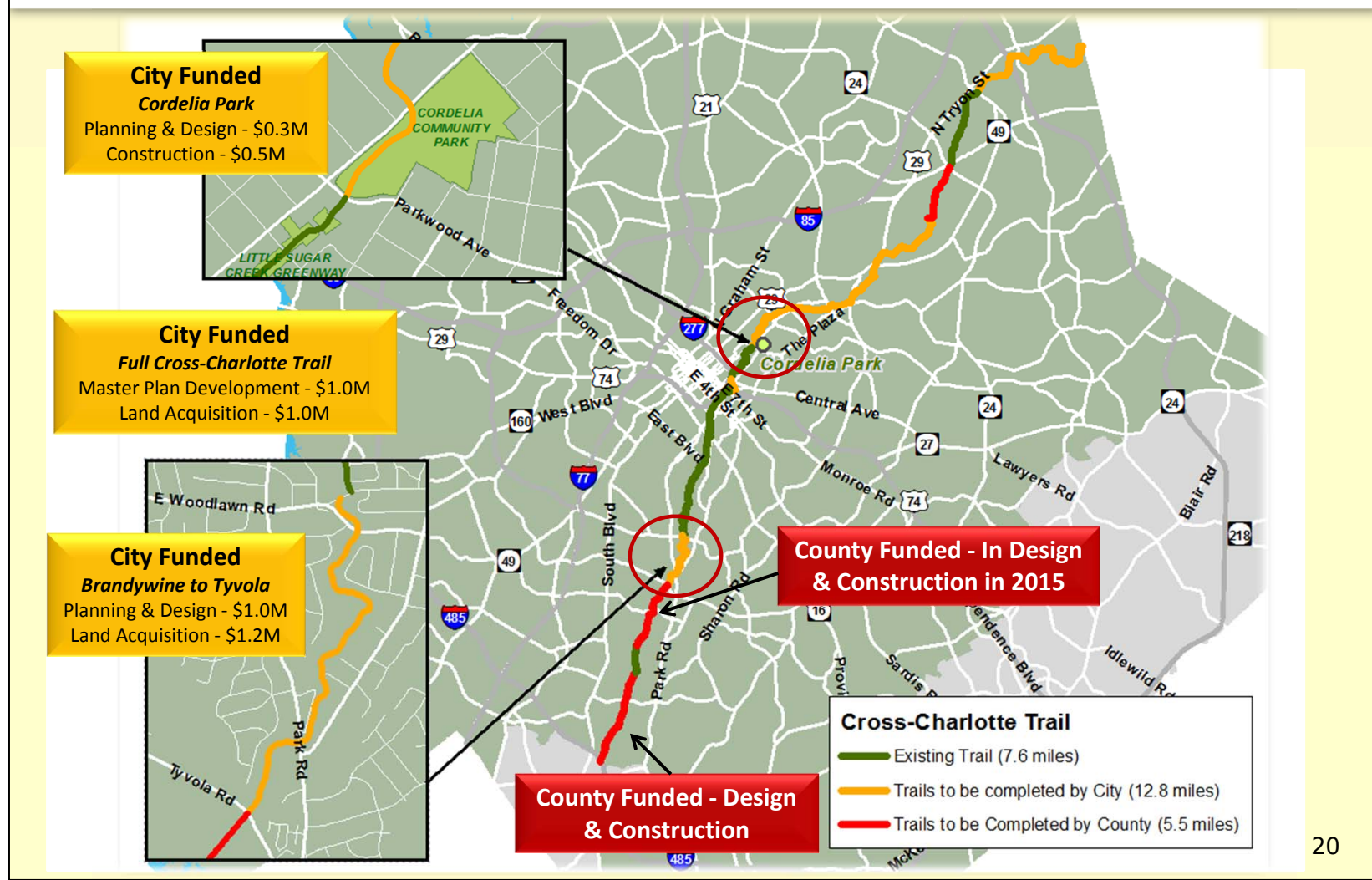
- Move \$5.0M from 2016 Bond to 2014 Bond
- Reduce 2016 Bond from \$35.0M to \$30.0M

* Additional operating budget impacts expected

19



Potential New Investment Considerations/Adjustments





Potential New Investment Considerations/Adjustments

6. Facilities/Equipment/Studies	Amount
Americans with Disabilities Act Investments*	\$ 800,000
Asset Recovery and Disposal Facility - Wilkinson Blvd	3,000,000
CDOT Transportation Operations Facility Replacement*	5,000,000
Charlotte Vehicle Operations Center – Risk Management*	2,100,000
CMPD Central Division Station*	7,500,000
Fire Apparatus (Station 28 ladder and Station 42 engine)*	1,384,027
Fire Station Renovations	500,000
Infill Fire Station-Hidden Valley*	7,700,000
Infill Fire Station-Clanton and I-77*	7,700,000
Police/Fire Academy Land*	230,000
TreesCharlotte	1,000,000
Zoning Ordinance Study and Revisions	1,081,540
TOTAL	\$37,995,567

* Additional operating budget impacts expected

21



Potential New Investment Considerations/Adjustments

6. Facilities/Equipment (Government Center)	Amount
Blinds Replacement	\$ 800,000
Carpet, Relocations, Furniture and Fixtures	1,200,000
Basement Parking Security Renovations	400,000
Elevator Upgrade	1,160,000
Fitness Center Renovation	800,000
HVAC Improvement Program	8,000,000
Parking Deck Office	120,000
Plaza Renovation	1,200,000
Re-Caulking (exterior)	1,100,000
South Plaza Waterproofing	350,000
Space Reconfiguration (all floors)	20,600,000
Upgrade Security and Audio/Video Equipment	325,000
TOTAL	\$ 36,055,000



Potential New Investment Considerations/Adjustments

7. Technology	Amount
E-Agenda*	\$ 250,000
Myers Street Data Center Expansion*	1,637,134
Public Safety Radio Network (Redundancy)*	1,132,044
311/Government Center Network Infrastructure Upgrade*	1,318,953
Resiliency, Redundancy, Security, and Ongoing Equipment*	60,854,199
TOTAL	\$ 65,192,330

8. Cultural Facilities	Amount
Bojangles Coliseum Renovations	\$ 51,000,000
Time Warner Cable Arena Improvements	44,435,600
TOTAL	\$ 95,435,600

Total Adjustments & New Considerations	\$ 290,178,497 +
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* Additional operating budget impacts expected



Available Capital Funding Sources



Available Capital Funding Sources and Uses/Restrictions

Source	Amount	Uses/Restrictions
Debt Capacity (debt)	\$10.0M	<ul style="list-style-type: none"> • General Obligation Bonds or Certificates of Participation investments (roads, neighborhood investments, housing diversity, and facilities)
Project Savings (debt)	\$7.5M	<ul style="list-style-type: none"> • \$7.1M from prior Transportation Bonds; must be used on the transportation projects • \$0.4M from Facilities certificates of participation; can be reallocated to other investments where the asset is the security (facilities or vehicles)



Available Capital Funding Sources and Uses/Restrictions

Source	Amount	Uses/Restrictions
Capital Reserves (cash)	\$7.2M	<ul style="list-style-type: none"> • High flexibility • One-time uses only (special studies, facilities, and major facility maintenance)
Total	\$24.7M	<ul style="list-style-type: none"> • Prudent to leave some unallocated funding for unknown opportunities or unexpected needs • Any unallocated funding is available for future use



Available Capital Funding Sources and Uses/Restrictions

Potential Uses	Amount
Total New Considerations	\$ 280,178,497
Total Adjustments to Approved CIP	10,000,000 +
Total Identified Needs	\$ 290,178,497 +
Total Available Funding	\$ 24,686,885



Summary

- The Community Investment Plan is a long-range investment program designed to meet the needs of our growing community
- Adopted General Community Investment Plan includes funding for four bond cycles, first referendum in November 2014
 - Potential adjustments to the plan are currently under review
- Cost to address other, new investments far outpaces available funding capacity



Budget Process - Next Steps

- April 9, 2014: Budget Workshop
- May 5, 2014: Manager's Recommended Budget Presentation
- May 12, 2014: Budget Public Hearing
- May 14, 2014: Budget Adjustments
- May 28, 2014: Straw Votes
- June 9, 2014: Budget Adoption



General Community Investment Plan

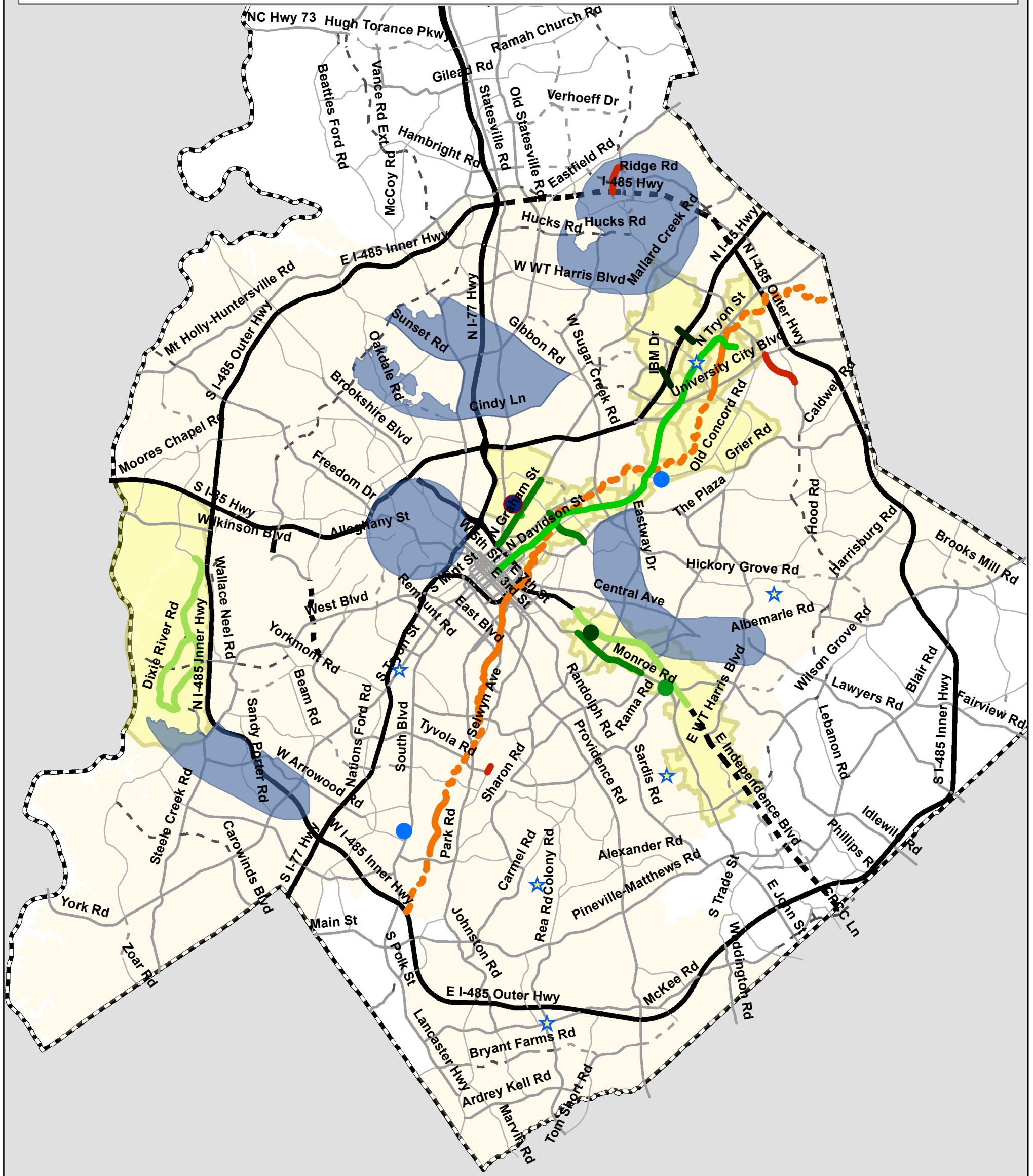
Council Budget Workshop

March 19, 2014

**Approved Bonds and Certificates of Participation Allocation
For General Community Investment Plan**

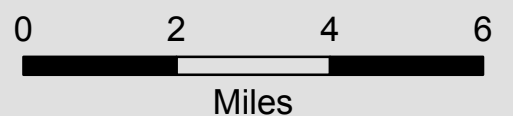
	<u>2014 Investment</u>	<u>2016 Investment</u>	<u>2018 Investment</u>	<u>2020 Investment</u>	<u>Total</u>
Airport/West Corridor	\$ -	\$ 31,200,000	\$ 13,520,000	\$ -	\$ 44,720,000
Spine Dixie Berryhill Infrastructure (New Garrison Road)		31,200,000			31,200,000
Southern Dixie Berryhill Infrastructure (Widen Dixie River Road)			13,520,000		13,520,000
East/Southeast Corridor	\$ 37,500,000	\$ 26,580,000	\$ 22,320,000	\$ 6,160,000	\$ 92,560,000
Land Acquisition and Street Connections	12,500,000	12,500,000			25,000,000
Monroe Road Streetscape		2,080,000	8,320,000		10,400,000
Bojangles/Ovens Area Redevelopment	25,000,000				25,000,000
Public/Private Redevelopment Opportunities		10,000,000	10,000,000		20,000,000
Idlewild Road/Monroe Road Intersection				4,160,000	4,160,000
Sidewalk and Bikeway Improvements		2,000,000	4,000,000	2,000,000	8,000,000
Northeast Corridor	\$ 47,200,000	\$ 43,080,000	\$ 48,540,000	\$ 27,300,000	\$ 166,120,000
Research Drive - J.W. Clay Connector over I-85 (North Bridge #1)	3,000,000		12,480,000		15,480,000
University Pointe Connection - IBM Drive to Ikea Blvd (South Bridge #2)	15,080,000				15,080,000
Northeast Corridor Infrastructure (NECI)	16,640,000	35,360,000	27,300,000	27,300,000	106,600,000
Applied Innovation Corridor	12,480,000	7,720,000	8,760,000		28,960,000
Road/Infrastructure Projects	\$ 17,264,000	\$ 8,632,000	\$ -	\$ -	\$ 25,896,000
Prosperity Church Road NW Arc	5,200,000				5,200,000
Eastern Circumferential	12,064,000				12,064,000
Park South Drive Extension		8,632,000			8,632,000
Cross Charlotte Multi-Use Trail		\$ 35,000,000			\$ 35,000,000
Sidewalks and Pedestrian Safety	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 60,000,000
Traffic Control and Bridges	\$ 14,000,000	\$ 10,000,000	\$ 10,000,000	\$ 14,000,000	\$ 48,000,000
Upgrade Traffic Signal System Coordination	3,000,000	3,000,000	3,000,000	6,000,000	15,000,000
Upgrade Traffic Control devices	7,000,000	4,000,000	4,000,000	4,000,000	19,000,000
Repair and Replace Bridges	4,000,000	3,000,000	3,000,000	4,000,000	14,000,000
Public Safety Facilities	\$ 78,500,000	\$ 22,750,000	\$ 21,900,000	\$ 9,750,000	\$ 132,900,000
Joint Communications Center	68,000,000				68,000,000
6 Police Division Stations	10,500,000	18,750,000	21,900,000	9,750,000	60,900,000
Land Purchase for Future Fire Stations		4,000,000			4,000,000
Maintenance Facilities/Customer Service	\$ -	\$ 2,080,000	\$ 9,620,000	\$ 19,500,000	\$ 31,200,000
Sweden Road Maintenance Yard Replacement			3,120,000	19,500,000	22,620,000
Northeast Equipment Maintenance Facility		2,080,000	6,500,000		8,580,000
Housing Diversity	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 60,000,000
Comprehensive Neighborhood Improvement Program (CNIP)	\$ 20,000,000	\$ 40,000,000	\$ 40,000,000	\$ 20,000,000	\$ 120,000,000
Total Estimated Cost	\$ 244,464,000	\$ 249,322,000	\$ 195,900,000	\$ 126,710,000	\$ 816,396,000
General Obligation Bonds	\$ 140,964,000	\$ 224,492,000	\$ 164,380,000	\$ 97,460,000	\$ 627,296,000
Certificates of Participation	\$ 103,500,000	\$ 24,830,000	\$ 31,520,000	\$ 29,250,000	\$ 189,100,000

Investing in Corridors, Increasing Connections & Improving Communities (2014-2020)



Legend

- Corridor Investments
- Improving Communities**
- Joint Communications Center
- Police Stations
- Maintenance Facilities
- Comprehensive Neighborhood Improvement Program
- Investing in Corridors**
- Ovens/Bojangles Area Redevelopment
- Intersection Improvement
- Bridges over I-85
- Streetscape
- Connections for Pedestrians, Bicyclists, Motorists
- Road/Infrastructure Projects
- Increasing Connections**
- Road Projects
- Existing Multi-Use Trail
- Proposed Multi-Use Trail



General Community Investment Plan
Estimated Operating Impact for Approved Capital Projects (2014 - 2020 Investment Years)

	<u>Total Capital Cost</u>	<u>Maintenance & Operations</u>	<u>Operating Cost Impact</u>	<u>Additional Annual Operating Cost</u>	<u>First Year Needed</u>
Airport/West Corridor					
Spine Dixie Berryhill Infrastructure (New Garrison Road)	31,200,000	Periodic repaving and maintenance of street signs and traffic signals	Increase in street resurfacing costs will be offset by increase in Powell Bill revenue. Signs and signals maintenance will be covered within existing capital maintenance budgets. Some increases in these budget may be needed over time.	\$10,000	FY2020
Southern Dixie Berryhill Infrastructure (Widen Dixie River Road)	13,520,000	Periodic repaving and maintenance of street signs and traffic signals	Increase in street resurfacing costs will be offset by increase in Powell Bill revenue. Signs and signals maintenance will be covered within existing capital maintenance budgets. Some increases in these budget may be needed over time.	\$10,000	FY2022
East/Southeast Corridor					
Land Acquisition and Street Connections	25,000,000	Periodic repaving and maintenance of street signs and traffic signals	Increase in street resurfacing costs will be offset by increase in Powell Bill revenue. Signs and signals maintenance will be covered within existing capital budgets. Some increases in these budget may be needed over time.	\$2,000	FY2018
Monroe Road Streetscape	10,400,000	Periodic maintenance of additional sidewalks, curb and gutter, and landscaping	Costs will be covered within existing sidewalk and landscape maintenance budgets. Some increases in these budget may be needed over time.	\$5,000	FY2022
Bojangles/Ovens Area Redevelopment	25,000,000	To Be Determined based on final determination of project scope.	N/A	N/A	N/A
Public/Private Redevelopment Opportunities	20,000,000	None	None	N/A	N/A
Idlewild Road/Monroe Road Intersection	4,160,000	Periodic maintenance of traffic signals and pedestrian crossings	Costs will be covered within existing capital maintenance budgets.	\$2,500	FY2024
Sidewalk and Bikeway Improvements	8,000,000	Periodic maintenance of additional sidewalks, curb and gutter, and bike lanes	Costs will be covered within existing Sidewalk and Curb Repair Capital Program budget.	\$3,000	FY2020
Northeast Corridor					
Research Drive - J.W. Clay Connector over I-85 (North Bridge #1)	15,480,000	Periodic bridge maintenance and repair	Maintenance costs will be covered within existing Bridge Repair Capital Program budget.	\$5,000	FY2022
University Pointe Connection - IBM Drive to Ikea Blvd (South Bridge #2)	15,080,000	Periodic bridge maintenance and repair	Maintenance costs will be covered within existing Bridge Repair Capital Program budget.	\$5,000	FY2018
Northeast Corridor Infrastructure (NECI)	106,600,000	Periodic maintenance of additional sidewalks, curb and gutter, and pedestrian crossings	Costs will be covered within existing capital maintenance budgets. Some increases in these budget may be needed over time.	\$78,000	FY2018
Applied Innovation Corridor	28,960,000	Much of the Applied Innovation Corridor project includes new street connections, which would require periodic repaving and maintenance of street signs and traffic signals	Increase in street resurfacing costs will be offset by increase in Powell Bill revenue. Signs and signals maintenance will be covered within existing budgets. Standard cost inflation increases may be needed over time.	\$5,000	FY2018

General Community Investment Plan
Estimated Operating Impact for Approved Capital Projects (2014 - 2020 Investment Years)

	<u>Total Capital Cost</u>	<u>Maintenance & Operations</u>	<u>Operating Cost Impact</u>	<u>Additional Annual Operating Cost</u>	<u>First Year Needed</u>
Prosperity Church Road NW Arc	5,200,000	Periodic repaving and maintenance of street signs and traffic signals	Increase in street resurfacing costs will be offset by increase in Powell Bill revenue. Signs and signals maintenance will be covered within existing budgets. Some cost inflation increases in these budget may be needed over time.	\$10,000	FY2018
Eastern Circumferential Road	12,064,000	Periodic repaving and maintenance of street signs and traffic signals	Increase in street resurfacing costs will be offset by increase in Powell Bill revenue. Signs and signals maintenance will be covered within existing budgets. Some cost inflation increases in these budget may be needed over time.	\$10,000	FY2018
Park South Drive Extension	8,632,000	Periodic repaving and maintenance of street signs and traffic signals	Minimal increase in street resurfacing costs offset by increase in Powell Bill revenue. Signs and signals will be covered within existing maintenance budgets.	\$1,000	FY2020
Cross Charlotte Multi-Use Trail	\$ 35,000,000	Maintenance of Trail segments within Mecklenburg County's Greenway system will be provided by the County Parks and Recreation Department. The City may provide some maintenance support for Trail segments located along urban infrastructure such as City streets, sidewalks, and bridges. Staff anticipates CMPD will continue its current levels of patrolling in the parks and along the Greenways into the newly-constructed Trail segments without requiring additional Police Officers or equipment. CMPD may also consider locating security cameras along the Trail, similar to those currently in place along the Metropolitan section of the Little Sugar Creek Greenway.	Specific operating costs for City-maintained segments of the Trail cannot be determined until the design phase of the project is completed. Any City costs to maintain the Trail will likely be covered within the existing Sidewalk and Curb Repair and Bridge Repair Capital Program budgets. Some cost inflation increases in these budget may be needed over time. Some operating costs will be incurred to maintain CMPD security cameras.	50000	FY2020
Sidewalks and Pedestrian Safety	\$ 60,000,000	Continuation of existing ongoing sidewalk construction program.	Costs will be covered within existing Sidewalk and Curb Repair Capital Program budget. Some cost inflation increases in this budget may be needed over time.	\$50,000	FY2018
Upgrade Traffic Signal System Coordination	15,000,000	Continuation of existing capital program	Costs will be covered within existing traffic system maintenance budget. Some cost inflation increases in this budget may be needed over time.	\$2,500	FY2018
Upgrade Traffic Control devices	19,000,000	Continuation of existing capital program	Costs will be covered within existing traffic system maintenance budget. Some cost inflation increases in this budget may be needed over time.	\$2,500	FY2018
Repair and Replace Bridges	14,000,000	Continuation of existing capital program	Costs will be covered within existing Bridge Repair Capital Program budget. Some cost inflation increases in this budget may be needed over time.	\$10,000	FY2018

General Community Investment Plan
Estimated Operating Impact for Approved Capital Projects (2014 - 2020 Investment Years)

Budget Workshop

	<u>Total Capital Cost</u>	<u>Maintenance & Operations</u>	<u>Operating Cost Impact</u>	<u>Additional Annual Operating Cost</u>	<u>First Year Needed</u>
Joint Communications Center	68,000,000	Annual, ongoing facility maintenance and operations of a 73,400 square foot building. All occupants of the Joint Communications Center (Police 911, Fire 911, County Sheriff Communications, City Data Center, CDOT Traffic Cameras, CharMeck 311, and the City's Emergency Operations Center) are currently housed in various existing City and County facilities. Current operating and maintenance budgets for each of the operations moving into the Joint Communications Center will be consolidated to support the operations of the new facility.	Moderate cost increases are expected and are currently being calculated. Offsetting savings of approximately \$750,000 per year will occur from elimination of annual lease payments for the City Data Center and Charneck 311. It is feasible to expect that any additional operation and maintenance costs above those currently budgeted in the various operations will be less than the (\$750,000) cost reduction from eliminating lease payments. A net overall reduction in costs is possible.	\$0	FY2018
6 Police Division Stations	60,900,000	Each Station will require annual, ongoing facility maintenance and operations for buildings ranging between 10,000 - 12,000 square feet	Operating and maintenance costs for each new Station will range between \$150,000 - \$250,000 per year. Where new City-owned Stations will replace existing leased facilities, current operating and maintenance budgets for the leased facilities will continue for the new Stations, with a moderate level of additional expenses. One of the six funded new stations will be for a newly-created Police Division that will require approximately 100 new positions.	\$8,716,000	FY2017
Land Purchase for Future Fire Stations	4,000,000	Periodic landscape and grounds maintenance	Minimal, non-recurring costs to provide landscaping for maintain vacant parcels.	\$500	FY2018
Sweden Road Maintenance Yard Replacement	22,620,000	Annual, ongoing facility maintenance and operations for a vehicle maintenance building replacing an existing facility	Moderate additional costs above expenses currently budgeted for existing building being replaced	\$113,000	FY2024
Northeast Equipment Maintenance Facility	8,580,000	Annual, ongoing facility maintenance and operations for a new vehicle maintenance building	Full operating and maintenance budget will be required for this new facility, including Salary & Benefits for four additional positions. Operating costs for current Equipment Maintenance facilities range from approximately \$300,000 - \$500,000 per year.	\$580,967	FY2022
Housing Diversity	\$ 60,000,000	Continuation of existing capital program	No additional costs	\$0	N/A
Comprehensive Neighborhood Improvement Program	\$ 120,000,000	Periodic maintenance of additional sidewalks, curb and gutter, landscaping, and pedestrian crossings	Initial maintenance costs will be covered within existing capital maintenance budgets. At full completion of all five CNIP Community areas, the capital maintenance budgets will require additional funding to fully support the new infrastructure.	\$100,000	FY2024
Total Capital Cost	\$ 816,396,000	Total Estimated Additional Annual Operating Costs		\$9,771,967	
		Total Annual Operating Costs (Excluding New Police Division Staffing)		\$1,271,967	

**Estimated Operating Impact
For FY2015 - FY2019 Potential New Considerations**

<u>Project</u>	<u>Capital Cost</u>	<u>Project Description</u>	<u>Performance Impact</u>	<u>Operating Cost Impact</u>	<u>Additional Annual Operating Expense</u>
FY2015 - FY2019 CIP - Potential New Considerations					
Neighborhoods & Housing Diversity					
A New Home (Rental Assistance Endowment)	8,000,000	The Rental Assistance endowment is a public/private partnership between the City and Foundation for the Carolinas designed to provide short-term rental assistance for up to 24 months to families and veterans earning up to 50% (\$32,100) of the Area Median Income.	The City is working with the Foundation for the Carolinas on determining overall performance measurements and expectations for the program.	There have been no direct operating impacts identified at this time related to this project.	\$0
Total Neighborhoods & Housing Diversity	8,000,000			Total Additional Annual Operating Costs	\$0
Transportation					
Neighborhood Transportation Program	37,500,000	The Approved FY2014-FY2018 CIP omits several previously funded programs that provided opportunities to leverage outside agency projects and address smaller, unique neighborhood transportation mobility and safety needs. The following six programs provided options to respond to City Council and the community quickly as changing and unforeseen conditions would arise: • Traffic Calming – neighborhood speed humps, all-way stop signs, and roundabouts • Traffic Safety – respond to traffic safety concerns based on crash data and concerns from the community • State Highway Participation – enhancing State projects to build complete streets for the community • Minor Roadway – small roadway and intersection projects • Public/Private Participation – leveraging private development to minimize future construction costs • Bicycle Program – provides bikeways, overland connectors to the County’s greenway system, and supports Bike Charlotte.	Between 2002 and 2010, these six programs received a total of \$65.5 million in Street Bond funding through five bond referenda. This request would provide \$37.5 million over the next five years.	Periodic street resurfacing and maintenance of additional speed humps, sidewalks, curb and gutter, landscaping, street signs, traffic signals, and bike lanes. Increase in street resurfacing costs will be offset by increase in Powell Bill revenue. Periodic maintenance will be covered within existing operating and capital budgets already established for these programs. Standard cost inflation increases in these budget may be needed over time. Actual operating cost increase amounts will be determined as projects are designed.	\$50,000
Total Transportation	37,500,000			Total Additional Annual Operating Costs	\$50,000
Facilities/Infrastructure/Equipment					
Americans with Disabilities Act (ADA) Investments	800,000	In early 2012, the City hired a consultant to evaluate the City’s most publicly used facilities and programs to determine its level of compliance with ADA laws. Over the course of 2012, the consultant evaluated over 50 facilities. Based on the consultant’s report, these improvements can be categorized as: Approach and Entrance, Access to Goods and Services, Restrooms, Miscellaneous Features (i.e. drinking fountains, etc.).	Based on the consultants findings, the City’s facilities are in relatively good shape, however, there is room for improvement. Since being out of compliance with ADA laws exposes the City of Charlotte to the risk of litigation, the City should carefully consider each of the consultant’s recommendations, prioritize the list of buildings to be improved, and design/construct the appropriate solution.	Staff recommends hiring an architect to review the report, assist the City in prioritizing improvements, and designing the corrective measures. The City can then award construction contracts based on a strategic phasing plan. At this time, no cost estimates for this work exists, but, estimates and schedules can be developed during the first year of funding.	TBD

**Estimated Operating Impact
For FY2015 - FY2019 Potential New Considerations**

<u>Project</u>	<u>Capital Cost</u>	<u>Project Description</u>	<u>Performance Impact</u>	<u>Operating Cost Impact</u>	<u>Additional Annual Operating Expense</u>
CMPD Central Division Station	7,500,000	CMPD was notified in September 2013 by the building's management company, Lincoln Harris, that the lease for the Central Division Facility would not be renewed after March 31, 2014. Bank of America currently owns the facility and they are looking to sell the property due to regulatory requirements. The current station occupies the property that is bounded by North Tryon Street, East 7th Street, North College Street and Charlotte Housing Authority's Hall House. The CMPD Central Division has occupied this space since August 2001. The City is exploring an option to purchase the building from Bank of America to avoid relocating the Central Division Station. The current location meets CMPD's station location priorities of high visibility, major thoroughfare location, and easy access for the citizens of Charlotte. Approximately 100 officers operate out of the Central Division office.	The City's Real Estate Division is also exploring potential new locations for Central Division. They have reviewed available facilities for lease as well as different options to purchase land for the construction of a new division office. Buying land and constructing a new division office within the same Uptown footprint is estimated to cost between \$12.0 - \$15.5 million. Land requirements for an Uptown station would require roughly 1.5 acres and land costs would range between \$65-125 per square foot (\$4.5-\$8.0 million). Design and construction of the station and parking deck would increase costs by an additional \$7.5 million. Currently, CMPD pays \$1 a year in rent for the Central Division and Bank of America covers all maintenance costs for the 9,060 square feet of space occupied by the Central Division station within the existing Lease agreement.	Upon purchasing the building, the City will become responsible for maintaining the 1.2 acres of land and the entire 20,558 square foot building. Off setting revenues could be expected through leasing of approximately 10,000 square feet of surplus space in the building. Leasing a comparable size facility within the Central Division boundaries is expected to cost approximately \$180,000 - \$200,000 annually and a one-time cost of approximately \$2.4 million to upfit a leased facility for use as a police station.	\$180,000
Asset Recovery and Disposal (ARD) and Commissioning/Decommissioning (CDC) Facility - Wilkinson Blvd.	3,000,000	In July 2011 City Council approved a five-year lease with The Matlock Family Trust for the property located at 5550 Wilkinson Boulevard in the amount of \$216,000 per year with 2% annual rate increases to combine two Shared Services' operations - Asset Recovery and Disposal (ARD) and Commissioning/Decommissioning (CDC). Shared Services Fleet Management Division receives and commissions new vehicles (installs decals, lighting, radio and other special equipment) and decommissions (removal of same) all vehicles prior to disposal. Decommissioned vehicles are transferred to the Asset Recovery & Disposal (ARD) Operation for disposition, with the majority sold by public auction. The current leased facility is a single-tenant industrial building with the acreage needed to combine CDC and ARD operations. This request will fund the purchase of the Wilkinson Blvd Facility.	Co-locating the ARD and CDC operations decreases logistical problems and operational expenses. Ownership of the facility will eliminate any future lease requirements as well as mitigate risks associated with lease stability for this critical facility.	The current Lease agreement does not provide for any operating and maintenance support from the building owner. All operating and maintenance costs are currently budgeted within Shared Services' annual operating budget. The current \$216,000 annual lease payment could potentially be reallocated to support debt payments for the \$3.0M purchase, which would result in a cost recovery period of approximately 14 years. In addition, purchasing now versus sometime in the future is advantageous to the City in that the property's purchase price will only increase as property values continue to recover.	\$0

**Estimated Operating Impact
For FY2015 - FY2019 Potential New Considerations**

<u>Project</u>	<u>Capital Cost</u>	<u>Project Description</u>	<u>Performance Impact</u>	<u>Operating Cost Impact</u>	<u>Additional Annual Operating Expense</u>
CDOT Transportation Operations Facility Replacement	5,000,000	The existing facility located on Craig Avenue houses signs, traffic signals and pavement marking services. The building was constructed in 1977 and no longer is adequate to support these services currently provided by a staff of 60.	Deficiencies with current facility: • Sign Fabrication/ Storage/Delivery and Traffic Signal Assembly areas were not designed for process/materials flow and result in conflicts within functional areas as well as with other activities. • No training/assembly room • No conference rooms for meetings or performance appraisals • Crew chiefs/supervisors are located in mobile units/parking lot • No showers • Off-site 7,000 sf ² warehouse-inadequate/inefficient.	All operating and maintenance costs for the current facility are budgeted within CDOT's annual operating budget. A new, larger and more functional facility will require additional operating and maintenance costs.	\$50,000
Charlotte Vehicle Operations Center (CVOC) Facility -- Risk Management	2,100,000	The Charlotte Vehicle Operations Center (CVOC) opened in 2003 in response to the identified need for vehicle operations and driver training along with the increasing number of vehicle claims. The CVOC facility has also proven to be a valuable asset for non-vehicle training such as Civil Emergency Training and Mobile Field Hospitals for the Democratic National Convention. The CVOC facility is currently running over capacity. The City's Risk Management Division, with the support of Charlotte Mecklenburg Police, Charlotte Fire Department, Charlotte Area Transit, Charlotte Department of Transportation, and solid Waste Services, is proposing to develop the nine acres owned by the City adjacent to CVOC. The proposal is to extend the perimeter road around the additional acreage and build a large flat concrete pad in the middle.	Since 2003 the facility has saved the City an estimated \$5.6 million and prevented an estimated 2,400 vehicle claims. Since opening, the number of employees driving city vehicles has increased to over 5,450, and the number of vehicles in the fleet has increased to over 3,800. Miles driven per year by City employees has increased to over 52 million. On average there are over 120 training requests annually that can not be honored due to increasing facility use and scheduling conflicts. This has resulted in the inability to adequately offer annual driver retraining for most departments. The extension of the perimeter road gives greater flexibility to law enforcement pursuit training and simulations of longer rural and highway scenarios. The concrete pad area will allow multiple uses with different course options and the ability to conduct more heavy and large vehicle training.	Current annual operating costs for the Charlotte Vehicle Operations Center is \$108,890. It is anticipated that minimal additional costs will be incurred to maintain the extended perimeter road and additional concrete pad.	\$10,000
CMGC Elevator Upgrade	1,160,000	The design of operational control and leveling components and motors of elevator equipment has changed significantly since the installation of our equipment 24 years ago. Equipment today is far more reliable and energy efficient. Otis has worked diligently to improve performance of these elevators however we experience more entrapments and service interruptions in these elevators than all others. Our elevators are heavily used by staff and the public.	Improved efficiency of elevators	Operating and maintenance costs to maintain the elevators is currently budgeted. The upgrade will likely reduce those costs	\$0

**Estimated Operating Impact
For FY2015 - FY2019 Potential New Considerations**

<u>Project</u>	<u>Capital Cost</u>	<u>Project Description</u>	<u>Performance Impact</u>	<u>Operating Cost Impact</u>	<u>Additional Annual Operating Expense</u>
CMGC Space Reconfiguration (all floors)	20,600,000	This project will provide the planning fees for new space utilization standards for each floor of the CMGC occupied by the City of Charlotte (not floors occupied by the County or School Board). The request also includes construction estimates for the reconfiguration of up to two floors of the CMGC. For this request, construction and furniture replacement is estimated to cost \$1.6M per floor. This estimate assumes that each floor will be performed in multiple phases since the occupants cannot vacate an entire floor at one time. Future requests will be submitted to reconfigure the remaining floors. Fiscal Years 13-16 represent the conversion of up to two floors per year.	Reconfiguration will likely result in greater densities per floor, which should delay or eliminate the need for some rental space outside the CMGC.	Operation and maintenance costs to reconfigure the Government Center have been already budgeted in Engineering's annual operating budget. These renovations will not require additional operating costs. In some cases, the upgrades and facility improvements will reduce operating costs.	\$0
CMGC South Plaza Waterproofing	350,000	Project provides funding for waterproofing of the CMGC plaza planter area adjacent to 3rd Street above the mechanical room where the CMGC chillers are located. The waterproofing is original to the building and has reached the end of its useful life and has already begun leaking into the mechanical room.	The consequence of not funding the project is the continued deterioration of the waterproofing material, which will increase the severity of leaks into the mechanical equipment room and parking areas under the plaza.	Operating and maintenance costs to maintain the Plaza area is currently budgeted. Waterproofing will eliminate the current cost to repair water damage.	\$0
CMGC HVAC Improvement Program	8,000,000	This program plan supports capital improvement expenses related to HVAC and air distribution systems at the Charlotte-Mecklenburg Government Center. Modifications to the 25-year old ductwork and fan systems technologies have been made over the years with satisfactory results. These future planned improvements will evaluate overall system performances and design new equipment and operating systems to meet more current energy conservation measures and that are based on future increased occupancy levels and floorplan changes throughout the building.	Failure to support funding for these projects could result in an outdated facility with significantly higher operational and maintenance needs that cannot sustain occupancy demands nor achieve energy savings.	Operating and maintenance costs to maintain the HVAC System is currently budgeted. Upgrading and improving the HVAC will result in more efficient use of utilities and lower operating costs.	\$0
CMGC Plaza Renovation	1,200,000	This project provides for the removal of the fountains and associated infrastructure. The fountains will be replaced with a redesign of pavers and landscaping features. The artwork within the fountains will be removed and reset elsewhere in the plaza. Repairs to the existing drainage infrastructure will be made.	The new features to be incorporated into the plaza will decrease maintenance costs and allow for more efficient usage of this public space.	Operating and maintenance costs to maintain the fountains are currently budgeted. The replacement pavers and landscaping will be less costly to maintain, and costs to operate the fountains will be eliminated.	\$0
CMGC - Upgrade Security and A/V Equipment	325,000	Upgrade to CMGC security throughout the building and A/V equipment in shared conference rooms. We will also move much of the equipment to the 3rd floor server center which will reduce energy costs.	Project replaces servers, cameras, DVR's, etc. that are 3 years past their projected service life.	Some minimal additional operating costs are expected to maintain the additional security and A/V equipment, which is expected to be offset by saving in energy costs.	\$2,500

**Estimated Operating Impact
For FY2015 - FY2019 Potential New Considerations**

<u>Project</u>	<u>Capital Cost</u>	<u>Project Description</u>	<u>Performance Impact</u>	<u>Operating Cost Impact</u>	<u>Additional Annual Operating Expense</u>
CMGC Parking Deck Office	120,000	Project funds the construction of a new parking deck manager's office by building a block wall structure on top of 2-3 existing parking spaces. The need for this project is due in part to the addition of electrical equipment serving electric vehicle charging stations and solar panels in the parking deck electrical room, which is where the existing office is located.	The consequence of not funding the project is the continued use of unsatisfactory office space for the parking deck management staff. Additional electrical work implemented in the future will only increase the amount of equipment in the office area.	The parking deck net revenue for less than one year is sufficient to cover the cost of this project.	\$0
Carpet, Relocations, Furniture & Fixtures	1,200,000	This project replaces common area furniture in City Hall and the CMGC including benches, tables and chairs, Chamber Seating, repainting of CMGC, relocations/churn and other needs throughout the facility that are more than 25 years old and need replacing.	This project would update furniture and other fixtures throughout the Government Center that are original to the building. Maintenance and repair costs will be reduced as the useful life on the fixtures has run its course.	Operation and maintenance costs for these improvements are currently budgeted in Engineering's annual operating budget. These renovations will not require additional operating costs. In some cases, the upgrades and facility improvements will reduce operating costs.	\$0
CMGC Blinds Replacement	800,000	The blinds in the building are 25 years old. Breakage will begin to occur without a replacement program.	Replacing all of the 25 year old blinds will decrease the cost of repair and maintenance of the current blinds	Operation and maintenance costs for replacement of the blinds are currently budgeted in Engineering's annual operating budget. These renovations will not require additional operating costs. Installation of new blinds will reduce operating costs.	\$0
CMGC Basement Parking Security Renovations	400,000	The CMGC loading dock gate is the scissor gate that secures the building after hours. It separates the area near the old county courthouse, underground parking area and the entrance to the loading area from the City loading dock and back door. The gate is 52 feet wide and 15 feet high with an additional 10 foot high solid barrier to prevent trespassers from climbing the gate or squeezing through the bars. The gate is operated with a control panel in the control room and operates on a series of motors and chain drives to open and close the gate. The gate was manufactured overseas 25 years ago and original repair parts are no longer available.	If the gate should break while open, the back entrance to the CMGC basement would be less secure especially after hours when fewer security staff are on duty. If it breaks while closed a forklift must be used to push the door open possibly causing additional damage. If needed, repair parts must be custom fabricated which can take 4 to 6 weeks to complete. This leaves the facility vulnerable and requiring additional security staff to monitor the area.	Minimal costs associated with the ongoing maintenance of the new security gate	\$0
CMGC Re-Caulking (exterior)	1,100,000	This is a systematic replacement of the original window sealant/caulk for the exterior of the building. In a November 28, 2012 report by REI Engineers, a waterproofing consultant, REI recommends replacing the sealant within the next two years. That report also provided a cost estimate for the replacement of the sealant. This funding request is based on that cost estimate. It is anticipated that it will take 5-6 months to remove and replace the sealant on the building.	The current sealant/caulk has exceeded it's original 20 years life expectancy and is now 26 years old.	Operation and maintenance costs for re-caulking CMGC is currently budgeted in Engineering's annual operating budget. This building improvement will not require additional operating costs. In some cases, the upgrades and facility improvements will reduce operating costs.	\$0

**Estimated Operating Impact
For FY2015 - FY2019 Potential New Considerations**

<u>Project</u>	<u>Capital Cost</u>	<u>Project Description</u>	<u>Performance Impact</u>	<u>Operating Cost Impact</u>	<u>Additional Annual Operating Expense</u>
CMGC Fitness Center Renovation	800,000	Wellness programs help slow healthcare cost increases before chronic health conditions become extremely costly. The fitness center in the CMGC is a part of the City's wellness program. The facility experiences heavy use and needs updating and expansion.	Staff is working to develop indicators to measure the performance impact of the proposed project.	Building maintenance for all of CMGC, including the Fitness Center is currently budgeted. An expanded facility will continue to be maintained within the existing budget. Operating costs for any additional fitness equipment will be covered through user fees.	\$0
TreesCharlotte	1,000,000	This program complements the tree trimming & removal program by providing an additional \$200,000 annually to replant and replace removed trees. This program also supports the Neighborhood Tree Co-op Program and is an integral part of meeting the City's 50% canopy by 2050.	Staff is working to develop indicators to measure the performance impact of the proposed project.	The existing Tree Management program funding can support the additional tree plantings.	\$0
Fire Station Renovations	500,000	This request will provide \$100,000 in additional annual funding for station renovations needed to upfit and renovate existing facilities. The Pay-As-You-Go Capital Program currently funds \$400,000 annually for Fire Station Renovations, which allows for the upfit of one fire station per year. This request will bring the total annual funding to \$500,000. Renovations include appropriate facilities for women, proper decontamination areas and working physical fitness rooms.	Many current Fire facilities are older and continue to need modernization. The additional funding will enable better utilization of Fire Station space and allow more stations to be updated.	Operation and maintenance costs for each Fire Station are already budgeted in the Fire Department annual operating budget. These renovations will not require additional operating costs. In some cases, the upgrades and facility improvements will reduce operating costs.	\$0
Infill Fire Station - Hidden Valley	7,700,000	This project provides for land acquisition, design and construction of a fire station for fire protection in the Hidden Valley area	To address fire service response deficiencies and bring this area into alignment with the performance target of 1st due company on scene arriving in 6 minutes or less 80% of the time. The area to be covered by this Infill station currently has a response time of 1st due on scene in 6 minutes or less only 57% of the time.	One additional Fire Company will be required to operate the infill station, including 18 Firefighting positions, and operating and maintenance expenses to support the facility and personnel. One new Fire Engine will also be required, at a one-time cost of approximately \$536,000.	\$1,669,947
Infill Fire Station - Clanton and I-77	7,700,000	This project provides for land acquisition, design and construction of a fire station to provide fire protection in the area around Clanton and I-77.	To address fire service response deficiencies and bring this area into alignment with the performance target of 1st due company on scene arriving in 6 minutes or less 80% of the time. The area to be covered by this Infill station currently has a response time of 1st due on scene in 6 minutes or less only 52.5% of the time.	One additional Fire Company will be required to operate the infill station, including 18 Firefighting positions, and operating and maintenance expenses to support the facility and personnel. One new Fire Engine will also be required, at a one-time cost of approximately \$536,000.	\$1,669,947

**Estimated Operating Impact
For FY2015 - FY2019 Potential New Considerations**

<u>Project</u>	<u>Capital Cost</u>	<u>Project Description</u>	<u>Performance Impact</u>	<u>Operating Cost Impact</u>	<u>Additional Annual Operating Expense</u>
Zoning Ordinance Study and Revisions	1,081,540	The last comprehensive update of Charlotte's Zoning Ordinance was more than two decades ago. That update to the ordinance focused on better regulation of greenfield development, which was the predominant development type at the time. Our community has changed tremendously since then, and most of our current development is urban infill and redevelopment, creating a mismatch between the greenfield emphasis of the ordinance and the type of urban development we are now trying to facilitate. This has resulted in frequent, piecemeal ordinance changes in an attempt to address changing conditions and policy direction.	A comprehensive update of the Charlotte Zoning Ordinance will result in a customer-friendly ordinance that will make it easy to implement Council adopted development policy and that results in quality, sustainable development. The project will be undertaken in two phases and the duration will be four years.	Capital costs to support the zoning ordinance update will include \$750,000 for consultant services (\$400,000 in FY15 and \$350,000 in FY17), and \$331,540 for one Planning Coordinator position for a four year term to manage the ordinance update (\$82,885 per year for 4 years).	\$0
Police/Fire Academy Land	230,000	Purchase a seven acre plot of land adjacent to the Police and Fire Training Academy on Beam Road. The land is immediately adjacent to the CMPD K-9 Unit training grounds and behind the CMPD Firing Range. Acquisition of this property at this extremely reasonable price will provide the City with multiple options for future use, including as a potential site for Animal Care and Control and/or the CMPD Impound Lot should those operations need to vacate their current locations at the Airport associated with any future, new runway construction.	Staff is working to develop indicators to measure the performance impact of the proposed project.	Minimal, non-recurring costs to provide landscaping for maintain vacant parcels.	\$1,000
Fire Apparatus - Station 28 ladder and Station 42 engine	1,384,027	Purchase one new Engine and one new Ladder truck as part of the Fire Department's request to add an Engine Company to the Eastland Fire Station to support the Eastland Mall area, and a Ladder Company at Station 28 to support Northlake Mall.	The addition of the engine and ladder trucks will help address excessive call load, help improve the ability to attain both critical departmental response time goals and to ensure reliable coverage for the Eastland and North Lake mall areas.	Additional vehicle maintenance and fuel costs will be incurred to operate the two additional Fire trucks.	\$100,500
Total Facilities/Infrastructure/Equipment	74,050,567			Total Additional Annual Operating Costs	\$3,683,894
Technology					
Myers Street Data Center Expansion	1,637,134	To convert office space at Myers St into Data Center space. Cost includes: construction of data center floors and walls; 30 racks; HVAC, 2 generators; 2 100kW UPS and Fire Suppression.	Current Myers Street Data Center is 95% full. With current growth the existing space will be unable to add additional equipment through FY2015.	Additional costs expected to operate new HVAC, generator, and Uninterruptible Power Supplies (UPS) equipment.	\$23,000
311/Government Center Network Infrastructure Upgrade	1,318,953	The City business is increasingly dependent on technology use, the network infrastructure in use in CMGC and 311 is past end-of-life and needs to be replaced to support network connectivity of client devices. Without this investment staff will continue to get complaints about connectivity issues that we are unable to remediate.	Switches in the Charlotte-Mecklenburg Government Center (CMGC) are over 10 years old. Cisco no longer provides support for these Switches. Switches also need to be upgraded to support Voice over Internet Protocol (VoIP).	Additional cost for Smartnet	\$200,000

**Estimated Operating Impact
For FY2015 - FY2019 Potential New Considerations**

<u>Project</u>	<u>Capital Cost</u>	<u>Project Description</u>	<u>Performance Impact</u>	<u>Operating Cost Impact</u>	<u>Additional Annual Operating Expense</u>
Public Safety Radio Network (Redundancy)	1,132,044	Public Safety Agencies in Mecklenburg County including CMPD, CFD, Medic, SWS, CMUD and others depend on the reliable use of a radio system for the dispatch and response to citizen issues. Failure of the Primary Site used by these agencies would put citizen lives at risk. This request seeks to mitigate the risk to citizens by providing a failover capability for the Public Safety Communications System (Radio).	This will be for disaster recovery, so there will be no impact unless a disaster occurs at the Master site. This will improve the Disaster Recovery time from greater than 2 weeks to less than 2 hours.	Ongoing maintenance will be \$20,000 per year after the first year.	\$20,000
E-Agenda	250,000	Provides the capability to provide future City Council Business, Zoning, and Workshop Agendas in an electronic format. Project also includes overhauling the "back of house" business processes associated with developing Council Business, Zoning, and Workshop documents.	Avoid the printing costs and manual labor associated with the production of 500,000 pages that are printed annually through the current agenda process. It is a highly manual, labor-intensive, cross-departmental effort to create and publish the current agenda. The electronic process would reduce amount of paper, make it document retention more convenient, easier document management, and it is consistent with national best practices, including use of specific apps to simplify accessibility of information on mobile devices.	Ongoing software hosting and licenses	\$25,000
Resiliency, Redundancy, Security, & Ongoing Equipment	60,854,199	Innovation & Technology system-wide capital needs, including: network devices, services, computers, firewall equipment, security infrastructure and hardware, network redundancy equipment, Broadband Technology Opportunities Program (BTOP) equipment, and radio network equipment and redundancy.	These system-wide upgrades and replacements are critical to providing adequate technology infrastructure and facility expansion or improvement to support the City's core services, meet required customer service levels, maintain business continuity and resiliency, and comply with legal obligations.	Additional operating and maintenance costs, including additional staff, will be required to maintain all upgraded and expanded equipment and infrastructure	\$8,500,000
Total Technology	\$ 65,192,330			Total Additional Annual Operating Costs	\$8,768,000

**Estimated Operating Impact
For FY2015 - FY2019 Potential New Considerations**

<u>Project</u>	<u>Capital Cost</u>	<u>Project Description</u>	<u>Performance Impact</u>	<u>Operating Cost Impact</u>	<u>Additional Annual Operating Expense</u>
Cultural Facilities					
Time Warner Cable Arena Improvements	44,435,600	This program plan supports capital repairs and capital work expenses at the Time Warner Cable Arena facility for the next 5 years. Collectively, capital work expenses include repairs, improvements and any work (including design, consulting, labor, supplies, materials, equipment and costs of permits and approvals of Governmental Authorities) reasonably necessary to perform Capital Repairs or Capital Improvements, as described in the 2003 Arena Use and Operating Agreement(s) between the City of Charlotte, Charlotte Regional Visitors Authority, and RLJ Arena Operations, LLC. This capital plan includes facility furniture/fixtures/equipment, interior renovations and finishes upgrades, commissary, mechanical and electrical technologies associated with general facility operations improvements, and with improvements associated with functionality and aesthetics of the prevailing quality of NBA arenas, NBA and collegiate standards, and all-star game hosting events.	Not funding these projects could result in loss of economic appeal for arena attractions and events, an outdated facility with typical operational and maintenance needs, and/or breach of contract per the 2003 Arena Use and Operating Agreement (Section 8.2).	Operation and maintenance costs for Arena improvements are already budgeted in the Arena's annual operating budget. These renovations will not require additional operating costs. In some cases, the upgrades and facility improvements will reduce operating costs.	\$0
Bojangles Coliseum Renovations	51,000,000	Bojangles Coliseum was completed in 1955 at a cost of \$4M. Since that time it has hosted numerous sporting events, concerts, and graduation ceremonies. Even after several renovations, most recently in 2001, the original electrical systems, HVAC systems, and roof remain in place. In addition, the building needs upgrades to fire alarm systems, Americans with Disabilities Act requirements, asbestos removal, and updates to concession stands. Also, in order to keep the facility viable, new technology such as a center hung scoreboard, sound system, and exterior marquee must be included. (Note: these investments are not included in the currently approved \$25 million for infrastructure investments associated with repurposing the Bojangles area into an amateur sports destination.	Investments in these systems will keep this building competitive in the market place.	Operation and maintenance costs for Bojangles Coliseum are already budgeted in Bojangles annual operating budget. These renovations will not require additional operating costs. In some cases, the upgrades and facility improvements will reduce operating costs.	\$0
Total Cultural Facilities	95,435,600			Total Additional Annual Operating Costs	\$0
Total Potential New Considerations	\$ 280,178,497			Total All Potential New Considerations Operating Cost	\$12,501,894

**Estimated Operating Impact
For FY2015 - FY2019 Potential New Considerations**

<u>Project</u>	<u>Capital Cost</u>	<u>Project Description</u>	<u>Performance Impact</u>	<u>Operating Cost Impact</u>	<u>Additional Annual Operating Expense</u>
FY2015 - FY2019 CIP - Adjustments to Approved Community Investment Plan					
Cross Charlotte Multi-Use Trail	-	This request will advance \$5.0 million of the \$35.0 million total project budget from the 2016 Bond Referendum to the 2014 Bond Referendum	The \$5.0 million advance will allow the City to start work sooner on the Southern section of the Cross Charlotte Trail. Work will include planning, design, and real estate acquisition along the southern portions of the Trail near Park Road Shopping Center from Brandywine to Tyvola Road. Some Trail construction could also be accomplished on the northern section of the Trail in Cordelia Park.	Maintenance of Trail segments within Mecklenburg County's Greenway system will be provided by the County Park & Rec Department. The City may provide maintenance support for Trail segments located along urban infrastructure such as City streets, sidewalks, and bridges. All work planned within this \$5.0 million capital funding will be within the County Greenways and will be maintained by the County.	\$0
Replace Park South Division CMPD Northwest Division (New) (FY21) (No Change in Funding)	-	To construct a second police division office for the North patrol division that meets the current and future needs of the CMPD. The new facility will accommodate the current and future needs of the CMPD by meeting the following criteria as established in CMPD's strategic plan for facilities: 1. Properly sized for current and future staffing needs; 2. Prominently located in a neighborhood as an anchor to the community that encourages revitalization; 3. Easily accessible to the public by locating on a main thoroughfare that is pedestrian friendly and served by public transportation; and 4. Creation of a "brand" for CMPD that is easily recognizable by the public while retaining an appearance that is adapted well to the surrounding community.	The North Division is currently too large to meet current standards to provide effective neighborhood policing. Accordingly, CMPD needs to split the current North Division into two smaller patrol divisions.	This new Police Division, once constructed, will require approximately 100 new Police Officers and associated vehicles and equipment to serve the Division	\$8,500,000
Joint Communications Data Center	10,000,000 +	The currently developed Joint Communications Center (JCC) program would require additional space, power, and HVAC cooling capacity to fully meet the requirements of a new primary Data Center, which is part of the co-located facility. This request allows for a build out of a primary Data Center that will serve the City for an estimated 10 years. In addition, this data center can later be repurposed as a Disaster Recovery data center should the City outgrow this space.	Moving the City's primary Data Center to the JCC will provide a larger space than the current leased facility. It will also enable the City to consolidate the Myers Street, CMPD, Fire, CDOT, and CMUD Data centers into one location for increased efficiency and economies of scale.	Additional operating costs will be determined when design work is completed.	TBD
Total Adjustments to Approved CIP	10,000,000 +			Total Additional Annual Operating Costs	\$8,500,000
Total All Capital Cost	\$ 290,178,497 +			Total All Operating Cost	\$21,001,894

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**Review of Budget Questions & Answers
from Mayor & Council Retreat**

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Questions and Answers

February 26th Budget Workshop

Property Taxes

Question 1: *How much has the City set aside to refund property taxes to those homeowners affected by the County's revaluation? How much has been refunded to date?*

In fiscal year 2012, an amount of \$17.1 million was set aside from fund balance for potential refunds based on preliminary estimates. This reduced the fund balance and established a reserve from which payments for tax refunds could be made as needed. During fiscal year 2013, \$6.6 million was refunded to taxpayers. The remaining balance as of June 30, 2013 was \$10.5 million. For fiscal year 2014, \$0.4 million has been paid through December 31, 2013 leaving an available balance of \$10.1 million. Staff anticipates the continuation of refunds over the next two to three fiscal years as a result of the revaluation.

Solid Waste Services

Question 2: *How many solid waste garbage and recycling carts are replaced in a typical year due to damage?*

Each year, the City replaces approximately 2,800 garbage carts and 390 recycling carts due to damage. This represents 1.2% of the garbage and .2% of the recycling cart population. The City does not differentiate between damage and normal wear and tear when tracking cart replacement. Carts are also replaced when residents report them missing. The City has 438,464 recycling and garbage carts in service.

Parking Meters

Question 3: *What is the purpose of "bagging" on-street parking meters? Who determines if meters should be bagged, and what is the process and criteria used for making bagging decisions?*

"Bagging" refers to when a "No Parking" bag is placed over the on-street parking meter head. By bagging the parking meter, it is taken off-line from operating revenue generation, and automobiles parked in front of a bagged meter are fined or towed. Bagging is typically used for street maintenance or special events (e.g. City-approved parades).

On-street parking meter "bagging"

The goal of the City's bagging practice in the Uptown area is to balance public safety with keeping vehicles off the street for special events.

The following are events/activities during which a portion of parking meters may be bagged:

- Construction activities – short and long term
- Maintenance of facilities – buildings, landscapes, etc.
- Parades, special events, and filming events
- Stadium, arena events, Blumenthal and Convention Center events
- Press conferences, media events, funerals and high level business meetings
- Street maintenance and utility work

Determination of parking meter “bagging”

The Charlotte Department of Transportation collaborates with other city departments, such as the Charlotte-Mecklenburg Police Department, to determine which meters are bagged and when they should be bagged prior to an event. These decisions include using current information and past experience as guidance.

The Charlotte Department of Transportation focuses on the following when considering which meters are bagged:

- Pedestrian and motor vehicle safety and Americans with Disabilities Act accommodations
- Preserving availability of on-street parking
- The unique needs for each activity
- Access and egress for visitors and attendees
- Maintaining street capacity and traffic flow
- Planned or existing street or lane closures and associated detour routes
- Emergency response
- Agreements with other entities, for example the National Football League

Street Maintenance

Question 4: *How are pothole repairs funded by the City? What impact will Winter Storm Pax have on the City's pot-hole repair needs?*

Pothole repairs are funded through gas tax revenues provided to the City by the Powell Bill legislation.

Typically, the occurrence of potholes surges after significant winter weather events. Within the next 3-4 weeks, the Charlotte Department of Transportation anticipates a higher number of pothole work orders due to the higher occurrence of winter weather events this year compared to last year. The City has the appropriate equipment and trained personnel to address increased calls for service.

As potholes are identified, they are classified as emergency or non-emergency. Emergency potholes are those that have either caused damage or have the potential to cause damage. These are repaired within 24 hours. All other potholes are scheduled and repaired within 10 days, typically in the order in which they are received.

Question 5: *How does the City manage utility cuts to City streets, and what policies or regulatory efforts are undertaken to mitigate negative impacts to street quality resulting from utility cuts?*

Charlotte Department of Transportation (CDOT) manages utility cuts on City streets. Street cut permits are issued to utility contractors that need to access underneath the street to perform their work. Utility cuts are either repaired by the utility company or CDOT. All repairs performed by CDOT are billed to the applicable utility company. CDOT certifies contractors to do street repair work on a city street, through its utility cut training course. CDOT inspects the job site for proper restoration after the contractor completes their work.

In October of 2007, City Council approved an ordinance to set up the regulatory and policy framework for utility cuts in the rights-of-way. The purpose of this ordinance is to provide for the proper management of the public rights-of-way. Specifically, it regulates the activities performed by the owners of public and private utility facilities located in the public rights-of-way.

A pavement degradation fee is charged to recover the costs associated with pavement damage and repair, and loss of pavement useful life resulting from cutting street pavements. The money collected from the fee goes directly back into the city's resurfacing program. The Charlotte Department of Transportation has collected, on average, \$830,000 per year during the past 3 fiscal years.

Question 6: *What is the City's relationship with the State for the maintenance of State roads that are within the City limits? How are determinations made as to who maintains which roadways?*

The Charlotte Department of Transportation (CDOT) and the North Carolina Department of Transportation (NCDOT) maintain frequent and ongoing communication about the condition of state and city streets and highways. Resurfacing plans are exchanged between CDOT and NCDOT each year.

Generally the State's responsibility is to maintain the continuity of the regional road network. As a result, the NCDOT maintains all interstates, State highways, numbered routes, and thoroughfares that cross county boundaries and serve as regional connectors. Any changes in maintenance responsibility must be approved by the NCDOT as defined by North Carolina State Statute.

The City accepts state maintained streets through the standard annexation process and on a case by case basis. Generally the City negotiates with the State about assuming maintenance responsibility when the City desires a different level of maintenance or street cross section. The City assumes street maintenance responsibility when local streets are built by private developers within city limits.

Temporary Employees

Question 7: *What opportunities are available for temporary employees to receive skills training that could help them move into permanent, full time positions with the City and what benefits do they receive?*

Temporary employees are able to receive job-related training in the department, along with permanent, full-time employees. The City also provides temporary employees the opportunity to participate in the open enrollment training courses offered through the City (e.g. communications, software systems, leadership) which focus on employees' professional and technical development. As applicable

vacancies occur, departments generally transfer a temporary employee into a regular position, if job performance was acceptable.

Solid Waste Services is a primary user of temporary employees as part of a “work to hire” strategy. The department employs these temporary employees in the capacity of supplemental staff coverage and to provide additional resources during seasonal periods (e.g. leaf collection). Solid Waste Services provides temporary employees with safety training, equipment-specific training, and City customer service training. It is the goal of Solid Waste Services to extend recruit opportunities to temporary employees as vacancies occur within the department. Historically, Solid Waste Services will employ a temporary employee for six months to a year before moving the employee into a vacant, regular, full-time position.

Of the total number of City temporary employees, 20% are Police and Fire recruits who have not yet completed the training program, and would become permanent, full-time positions upon successful completion of the program

24% of the City’s temporary positions are employed by the Airport, primarily Shuttle Bus drivers. City and departmental management have been evaluating a strategy to shift a percentage of the employees into regular, full-time City positions where the nature of the work warrants permanent position status.

Temporary employees who regularly work a minimum of 20 hours per week annually become members of the state retirement system, per regulations by the North Carolina Local Government Retirement System. Additionally, temporary employees who work full-time hours receive benefits such as medical benefits, life insurance, paid holidays, paid vacation days, and 401k plan contributions.

Question 8: *What are some example areas where consultants are used by the City?*

Examples of City of Charlotte Consultants are included in the following table (examples, not all inclusive):

Operating		
Type of Consultant	Purpose	Duration
Market Research Firm	Prepare customized survey for citizens of Charlotte	4 months
Public University	2013-2014 Quality of Life Study	1 year
Financial Firm	Annual Audit	2 months
Planning & Land Use	Zoning ordinance assessment and update	6 months
Legal Counselors	Provide supplemental legal services on behalf of the City	Duration of project
Geographic Information Systems	Aerial mapping	One year
Human Resources	Benefits consulting	As needed
Information Technology	Technology project management and implementation	3-6 months
Public Safety Communications	Computer Aided Dispatch System	One year

Community Investment Plan		
Type of Consultant	Purpose	Duration
Engineering Firm	Construction Management Service - Blue Line Extension	3-5 Years
Architecture Firm	Design of buildings	As needed
Utility Firm	Design/relocation of water and sewer lines	As needed
Airport Planning	Aviation Planning	As needed
Real Estate Acquisition	Acquire Real Estate for capital projects	Duration of project

Question 9: *Has any modeling been done to determine the potential revenue impact if the "½-cent for transit" portion of sales tax also included the four surrounding counties (Gaston, Iredell, Union, Cabarrus)?*

An analysis of the sales tax revenues from Cabarrus, Gaston, Iredell, and Union counties indicates the following estimates of revenues generated by applying the Article 43 (half-cent sales tax for transit) in those counties. The estimates are based on actual revenue for sales taxes calculated with the point of collection method in each county for FY2013. The revenue is adjusted for the exclusion of grocery store foods in proportion to Article 43 in Mecklenburg County. The estimates reflect what collections would have been in FY2013, and does not include any assumptions on how the funds would be allocated.

County	Estimate of Article 43 Sales Tax Collection (in millions)
Cabarrus	\$11.7
Gaston	\$8.5
Iredell	\$8.9
Union	\$7.1
Total	\$36.2

Storm Water

Question 10: *How does the City's Storm Water backlog compare to that of other cities?*

The following table provides Storm Water backlog and service level data compared to the City of Charlotte.

City	Backlog	Service Level
Charlotte	<p>800 projects - High and Medium priority.</p> <p>High priority - 3.5 Year wait</p> <p>Medium priority - 4.5 Year wait</p>	<p>Under certain circumstances the City will work on private property. The property must receive runoff from a public street and there must be a qualifying problem. The city will cover 100% of the cost of a repair or improvement as long as the two criteria are met.</p>
Raleigh	<p>50 projects in 100% funded program - 2-3 year wait</p> <p>70 projects in the Cost Share program - 2-3 year wait</p>	<p>Under certain circumstances the City will work on private property. The property must receive runoff from a public street. The city has two programs; one that the city pays 100% and the other is a cost share program</p>
High Point	<p>50 projects - 2-4 Year wait</p> <p>Citizens choose to contribute funding and move forward with only 1 project for every 4 project estimates completed by the City</p>	<p>Under certain circumstances the city will work on private property. The property must receive runoff from a City property or public street. The property owner must be willing to pay for the cost of the materials. The City will pay for the labor.</p>
Gwinnett County, Georgia	<p>Unknown number of projects in backlog</p> <p>1.5 Year wait</p>	<p>The county will work within the right-of-way and within county drainage easements on single-family residential private property. The system on the single family residential property must attach directly to a pipe system in the right-of-way and either shown on a final subdivision plat or accepted under their pipe program. The county covers costs at 100%.</p> <p>Commercial property (not single-family residential) have the responsibility to maintain the drainage system on their property.</p>
Winston Salem	<p>The number of Backlog projects is small due to City requirement that citizens pay 30% of the cost and that total cost of a project cannot exceed \$50,000.</p> <p>Citizens choose to contribute funding and move forward with only 1 project for every 10-12 project estimates completed by the City</p> <p>6 months – 1 year wait</p>	<p>Under certain circumstances the city will address storm drainage problems on private property:</p> <ul style="list-style-type: none"> • All requests for storm drainage improvements on private property must be approved by the City Council, and owners must pay 30 percent of the cost. • The property must be zoned residential and owned by the occupants • The problem must be caused by street water; • For newly constructed houses, the owner must have received a certificate of occupancy at least two years before requesting assistance; • The total cost of the improvements must not exceed \$50,000

Transportation

Question 11: *What is the status of any planned transportation improvements along the North Tryon Street corridor?*

State Plans

Based on current information, the North Carolina Department of Transportation (NCDOT) plans to resurface North Tryon adjacent to the bridge replacement over Mallard Creek. This project is located northeast of I-485. The State has no immediate plans to resurface any other segments of North Tryon as a part of their regular maintenance program. The Charlotte Department of Transportation (CDOT) maintains ongoing communication with NCDOT about maintenance and repairs identified on state streets in the City.

City Plans

The City has scheduled resurfacing as a part of the Blue Line Extension project (from Old Concord to UNCC) estimated to be completed by September 2016. The City has also scheduled resurfacing as a part of the North Tryon Business Corridor Redevelopment project (from Dalton Ave. to 30th Ave.) and the resurfacing is estimated to be completed by December 2017.

In addition to the planned street resurfacing, the North Tryon Business Corridor Redevelopment Community Investment Plan project is currently underway to support and enhance growth and redevelopment along this business corridor along North Tryon Street from Dalton Avenue to 30th Street. Improvements along this nine-tenths of one mile segment of North Tryon Street will include upgraded crosswalks and sidewalks, planting strips, planted medians, landscaping, decorative lighting, bike lanes, storm drainage improvements, utility relocation, new waterline installations, public art, and a reduction of the number and/or size of driveway openings.

The North Tryon Business Corridor Redevelopment project is currently in the Design phase. Construction is expected to begin in late 2015, with project completion anticipated by the 4th Quarter 2017.

The following two pages are maps illustrating:

1. The location, alignment, and planned improvements associated with the North Tryon Redevelopment project
2. Location of all projects mentioned in this Question & Answer

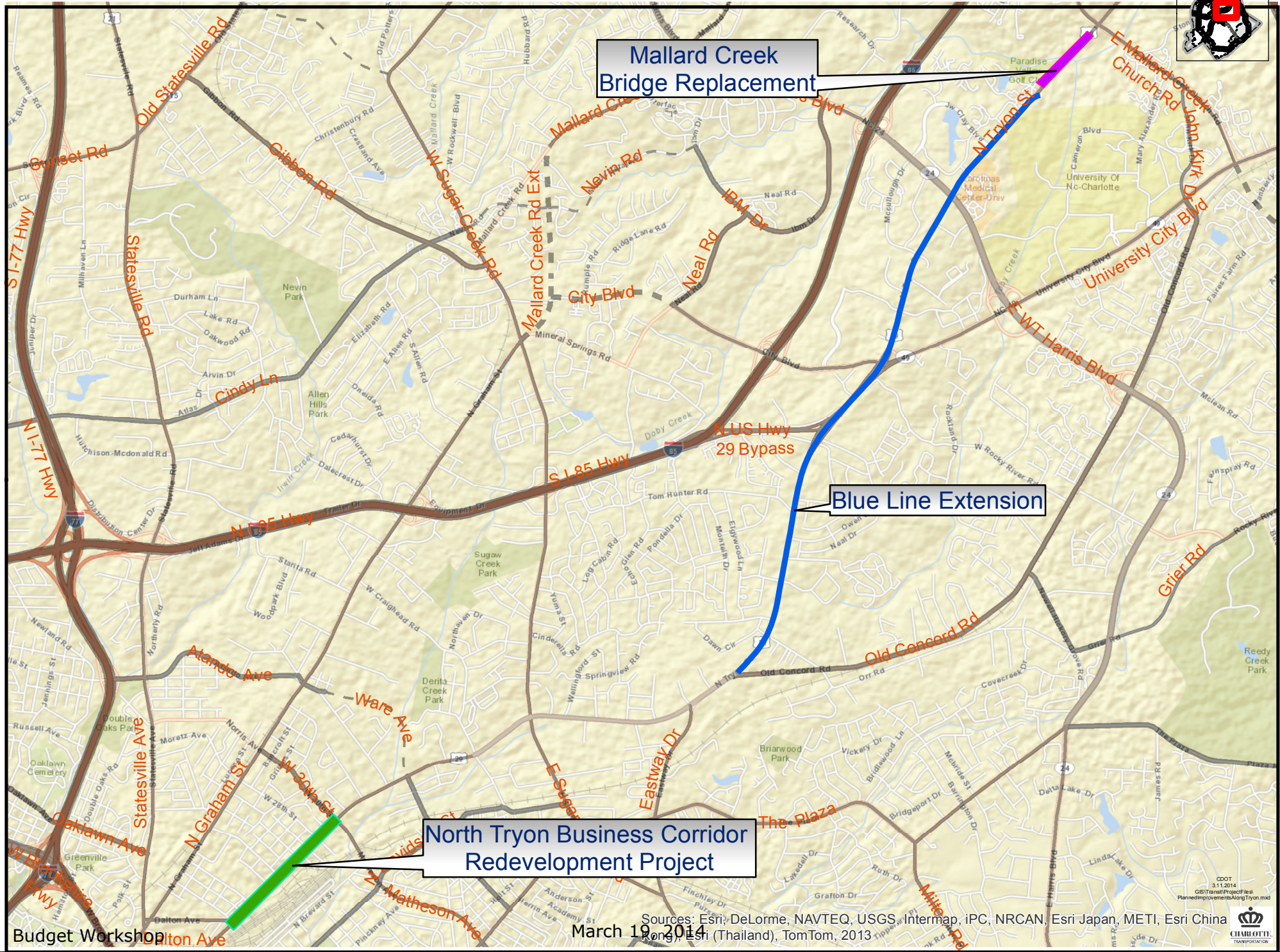
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North Tryon Redevelopment Project



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North Tryon Corridor Project Resurfacing Limits



Mallard Creek Bridge Replacement

Blue Line Extension

North Tryon Business Corridor Redevelopment Project



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Reference Sheet of Prior Q&As

Community Investment Plan	1
1. Please provide additional background on the Charlotte Mecklenburg Police Department's (CMPD) Central Division Station and the status of the current lease. (January 30 th Council Retreat)	1
Economic, Tax Rate, and Financial Analyses	2
2. What are some comparison data of the City's productivity since the Great Recession compared to that of the private sector? (January 30 th Council Retreat)	2
3. What is the current City and County tax and fee impact upon an average-valued residential property as a result of the FY2014 budget adoption? (February 17 th Budget Committee Meeting)	2
Personnel	3
4. What is the purpose of temporary and contract employees and how many are currently employed by the City? (January 30 th Council Retreat).....	3
Solid Waste	5
5. What is the current contract and performance status of the Inland recycling contract? (January 30 th Council Retreat)	5
Transportation	5
6. What is the business relationship between the City and the ParkIt! vendor Central Parking Corporation? (January 30 th Council Retreat)	5

Community Investment Plan

Please provide additional background on the Charlotte Mecklenburg Police Department's (CMPD) Central Division Station and the status of the current lease. (January 30th Council Retreat)

CMPD was notified in September 2013 by the building's management company, Lincoln Harris, that the lease would not be renewed after March 31, 2014. Bank of America currently owns the facility and they are looking to sell the property due to regulatory requirements. The current station occupies the property that is bounded by North Tryon Street, East 7th Street, North College Street and Charlotte Housing Authority's Hall House. The CMPD Central Division has occupied this space since August 2001.

Bank of America has begun the appraisal and disposition process. They have indicated that they would extend CMPD's lease an additional 6-12 months as the Bank proceeds with their internal disposition process and marketing the property. Currently, the City's Engineering & Property Management Real Estate Division is negotiating to extend the current lease with CMPD and reviewing the City's options for the station.

Currently, CMPD pays \$1 a year in rent for the Central Division. There is no cost for patrol car parking at the site as the Division is able to use a portion of the Charlotte Housing Authority's Hall House parking lot. Central Division occupies approximately 9,060 square feet of a 20,558 square foot, two-story building. The standard size of a CMPD division office is 12,500 square feet. The facility was last renovated in 2010 at a cost to the City of \$380,000.

The Central Division geography includes areas inside of I-277 and portions of South End and the Elizabeth community (4.2 square miles). This area is also comprised of the Uptown areas' major financial institutions, sports and entertainment venues, Central Piedmont Community College, Johnson & Wales, and the University of North Carolina at Charlotte. Approximately 100 officers operate out of the Central Division office.

One option the City is pursuing is to purchase the building from Bank of America to avoid relocating the Central Division Station. The current location meets CMPD's station location priorities of high visibility, major thoroughfare location, and easy access for the citizens of Charlotte.

The City's Real Estate Division is also exploring potential new locations for Central Division. They have reviewed available facilities for lease as well as different options to purchase land for the construction of a new division office.

Buying land and constructing a new division office within the same Uptown footprint is estimated to cost between \$12-15.5 million. Land requirements for an Uptown station would require roughly 1.5 acres and land costs would range between \$65-125 per square foot (\$4.5-8 million). Design and construction of the station and parking deck would increase costs by an additional \$7.5 million. Real Estate identified eight properties for sale within the Central Division footprint with three being City or County owned properties.

Economic, Tax Rate, and Financial Analyses

What are some comparison data of the City's productivity since the Great Recession compared to that of the private sector? (January 30th Council Retreat)

In consultation with NC State University Economist Dr. Michael Walden, City staff compiled U.S. Department of Commerce's Bureau of Economic Analysis Gross Domestic Product data as well as federal Bureau of Labor Statistics Employment data for the Charlotte Metropolitan Statistical Area (MSA) in an attempt to develop a comparison. Due to differences in sector and geographic data used in the sources' reporting, an economic output-to-input productivity ratio was not able to be derived.

However, benchmarking with state and national peers is conducted across the organization regularly to measure performance of City services.

Examples

One such benchmarking initiative is the North Carolina Local Government Benchmarking Project, which since 1995, compares workload, efficiency, and effectiveness measures for 11 services (e.g. Solid Waste, Asphalt Maintenance & Repair, Fire Services, Fleet Maintenance, Water and Wastewater Services) among 17 cities. Examples of metrics from the most recent NC Local Government Benchmarking project report (February 2012) are listed below.

- *Residential Refuse:* Charlotte's "Residential Refuse Collection Cost per Ton Collected" is \$81, in comparison to the average of \$111. The "Refuse tons Collected per Collection FTE" in Charlotte is 2,165, compared to the average of 1,372. From an economic productivity calculation, Charlotte's input (cost) is lower than the average, while the City's output (tons collected) is higher than the average – resulting in a higher productivity ratio.
- *Fire Services:* Charlotte's "Cost per Fire Department Response" is \$1,139, which is lower than the benchmark of \$1,737.
- *Fleet Maintenance:* the City's "Fleet Maintenance per Cost per Work Order" is \$529, slightly higher than the average of \$514.

What is the current City and County tax and fee impact upon an average-valued residential property as a result of the FY2014 budget adoption? (February 17th Budget Committee Meeting)

The table below reflects the total City and County tax and fee impact for a \$174,100 home (the 2011 median home value):

City of Charlotte	Prior Year FY2013	Adopted FY2014	\$ Change	% Change
Property taxes on \$174,100 home	\$760.82	\$816.01	\$55.19	7.3%
Solid Waste fee (Residential)	\$47.00	\$47.00	\$0.00	0.0%
Water & Sewer (Average user rate)	\$636.36	\$662.04	\$25.68	4.0%
Storm Water (Average user rate)	\$89.76	\$94.68	\$4.92	5.5%
Total Annual	\$1,533.94	\$1,619.73	\$85.79	5.7%
Total Monthly	\$127.83	\$134.98	\$7.15	5.7%

Mecklenburg County	Prior Year FY2013	Adopted FY2014	\$ Change	% Change
Property taxes on \$174,100 home	\$1,379.22	\$1,420.13	\$40.91	3.0%
Solid Waste fee	\$15.00	\$15.00	\$0.00	0.0%
Storm Water (Average user rate) ¹	\$24.60	\$24.60	\$0.00	0.0%
Total Annual	\$1,418.82	\$1,459.73	\$40.91	2.89%
Total Monthly	\$118.24	\$121.64	\$3.41	2.89%

¹ Includes \$0.85 monthly administrative charge for the collections of both City and County Storm Water fees.

Any future tax and fee change impacts will be communicated to the Mayor and City Council as part of the budget process.

Personnel

What is the purpose of temporary and contract employees and how many are currently employed by the City? (January 30th Council Retreat)

Temporary and contract employees can provide a flexible staffing alternative for special projects or unique service demands where extra personnel is needed on a short-term basis. Temporary and contract employees are positions that have not been classified as "regular" positions through the budget approval process because of the temporary nature of the work or because a permanent status is otherwise deemed unnecessary. However, over the years some "temporary" positions have become long-term, creating potentially disparate treatment.

Historically, temporary positions or their equivalents have not been shown in the budget. In order to provide a more accurate reporting of the workforce and greater transparency, temporary positions will be identified in the FY2015 recommended budget. Staff is currently analyzing temporary and contract employees across the City to determine which positions are truly temporary or seasonal, and which have become a regular and necessary part of the workforce.

The City's Human Resources Standards and Guidelines provide the following definitions for position classifications:

Position Classification	Definition
Regular Full-Time	Positions designated as regular full-time and approved through the budget process
Regular Part-Time	Positions designated as regular part-time and approved through the budget process. Regular part-time positions are designated as either three-quarter (30 hours) or half-time positions (20 hours). Benefits are adjusted based on the part-time designation.

Temporary	Positions not designated as “regular” through the budget approval process because of the temporary basis of the work or because there has not been a sufficient basis for recommending that the position become an allocated position in the department’s budget. Temporary positions may be full-time or part-time. Classifications include: grant-funded, interns, project/program dedicated, rehire retirees, short-term positions, and public safety recruits.
Contract Employees	Vendors of the City; these employees are not part of the City’s Pay and Benefits classifications and guidelines.

In addition to the types of positions defined under the “Temporary” category in the above table, more specific example uses include:

- Police and Fire Recruits
- Various technology project needs
- Projects such as the Blue Line Extension with specific durations and staffing needs
- Shuttle bus drivers at the Airport

As of February 4, 2014, the City of Charlotte has a total of 445 temporary/contract employees. The number of temporary/contract employees by department is provided in the following table:

Summary of Temporary/Contract Employees by Department	
Departments	Quantity
Attorney	2
Aviation	165
Charlotte Area Transit System	17
Clerk	2
City Manager's Office	8
Engineering & Property Management	18
Finance	2
Fire	47
Fire Retirement	5
Human Resources	5
Neighborhood & Business Services	3
Planning	1
Police	129
Shared Services	9
Solid Waste Services	17
Transportation	3
Utility	12
TOTAL	445

Solid Waste

What is the current contract and performance status of the Inland recycling contract? (January 30th Council Retreat)

Contract Status

As of the FY2011 budget, the Solid Waste Services Department began contracting with Inland Waste Solutions (formerly Inland Service Corporation) to provide single-stream residential recycling service. Inland was selected following a formal Request for Proposals process. After a thorough review from the Request for Proposal Evaluation Team (comprised of staff from Solid Waste Services and Procurement), Inland was selected from a pool of four qualified vendors. Inland's projected total seven-year price was \$28,020,000, compared to the second lowest bid of \$72,258,302

The City's contract with Inland commenced on July 1, 2010, and will expire on June 30, 2015, with two, one-year renewal options. Ending the contract would require the issuance of a Request for Proposal to solicit bids with adequate time to award a new contract to begin July 2015. Solid Waste Services will continue weekly monitoring of Inland performance. Staff evaluation to determine whether to exercise a one-year renewal option is anticipated by April 2014.

Performance Status

Solid Waste Services has found the level of service provided by Inland to be acceptable based on the compliance standards established in the City's contract with Inland. In comparison with FY2013 performance measures reported annually through the UNC School of Government's North Carolina Local Government Benchmarking Project, Inland's customer recycling complaints (11 complaints per 1,000 households served) is lower than the statewide average (16 complaints per 1,000 households served). Liquidated damages assessed monthly through January 2014 amount to \$37,400, equivalent to an amount less than 1/2% of the total contract amount paid to-date.

SWS met with Inland on January 17, 2014 to review a number of performance indicators that included missed collections. Missed collections have been attributed to employee turnover. Inland reported a restructuring of personnel in September 2013 that they anticipate will reduce complaints. Solid Waste Services evaluated Inland's changes; the number of missed recycling reports declined from November 2013 through January 2014 from 376 total calls in November to 243 calls in January.

Transportation

What is the business relationship between the City and the ParkIt! vendor Central Parking Corporation? (January 30th Council Retreat)

The City contracts with Central Parking (merged with Standard Parking in 2012) to operate the parking program through the Park It! office. It is a turn key operation, with the contractor providing all services associated with running an on-street parking program. In return for these services, Central Parking receives a management fee of 10% of collected revenue from meters and permits, as well as a 3% of citation revenue. The total contract payment to Central Parking is approximately \$90,000 per year. The City owns and maintains all equipment and leases the current office space.

The current on-street parking contract with Central Parking expires on September 30, 2014, and City staff is in the process of preparing a bid package.

In 2006, a portion of the property tax rate increase provided a \$4.3 million annual supplement to achieve a street resurfacing cycle of 12-14 years. The current resurfacing cycle is projected at 30+ years. What are the factors leading to the increase in the resurfacing cycle?

In FY2007, City Council approved an annual \$4.3 million contribution from the General Fund to support the Powell Bill street resurfacing program. This additional funding initially reduced the resurfacing cycle to approximately 14 years and increased the City's pavement condition rating. However, the resurfacing cycle began to climb and the pavement condition rating began to drop based on the following factors:

- During the past eight years, the City has added 191 centerline miles.
- Asphalt prices have been growing at a faster rate than the annual funding increases from the Powell Bill Gas Tax. Between 2004 and 2013, the cost of asphalt increased 61%, while Powell Bill funding increased 22% during the same time period.

The following chart illustrates the change in asphalt costs and linear trend-line for the past 10 years:

