



Strategy & Budget MEMORANDUM

May 9, 2017

TO: Mayor and City Council

FROM: Kim S. Eagle, Assistant City Manager

SUBJECT: Council Questions and Answers following May 1st Budget Presentation

The attached packet of materials includes responses to questions posed by the Mayor and Council following the City Manager's presentation of the FY 2018 Proposed Budget on May 1, 2017. Also included are responses to questions posed by members of the community during the Tuesday Morning Breakfast Club on May 2nd.

As a reminder, the May 10th Budget Adjustments meeting provides the opportunity for Council to request information and discuss preliminary decisions regarding potential changes to the Manager's Proposed Budget.

By Council practice, Council members identify items for addition or deletion to the Manager's Proposed Budget. Those items receiving five or more votes from Council members will be analyzed by staff. Additional information on these items will be provided prior to the May 24th Straw Votes meeting.

Each of the items receiving six or more votes at the May 24th Straw Votes meeting will be included in the budget adoption ordinance on June 12th. See attached FY 2018 Budget Adoption Schedule for a summary of the remaining steps in the budget adoption process.

CC: Marcus Jones, City Manager
Executive Team
Department Directors
Strategy & Budget Staff

FY 2018 Budget Adoption Schedule

May 1, 2017 City Manager's Proposed Budget	May 8, 2017 Budget Public Hearing	May 10, 2017 Budget Adjustments	May 24, 2017 Straw Votes	June 12, 2017 Budget Adoption
City Manager presents his proposed FY 2018 Operating Budget and FY 2018 - 2022 Community Investment Plan	Opportunity for members of the public to provide input on the City Manager's Proposed Budget	Opportunity for City Council to request information and discuss preliminary decisions regarding potential changes to the City Manager's Proposed Budget. By Council practice, Council members identify items for addition or deletion -items receiving five or more votes from Council will be brought back for consideration at the Straw Votes meeting	Each of the items receiving six or more votes will be included in the Budget Adoption Ordinance on June 12, 2017	Meeting scheduled for City Council to formally adopt the FY 2018 Operating Budget and FY 2018 - 2022 Community Investment Plan

Questions and Answers

Following May 1st Budget Presentation

Questions from Mayor and City Council

Question 1: *Provide an explanation of the 26.1% increase in Financial Partner allocation to the Charlotte Regional Visitors Authority, and provide a description of the funding source for the \$3.0 million in additional marketing resources included in the FY 2018 Proposed Budget for the Charlotte Regional Visitors Authority.*

The 26.1% increase in Financial Partner allocation to the Charlotte Regional Visitors Authority (CRVA) reflects a combination of increased revenue projections for the Occupancy Tax and Food and Beverage Tax and the additional one-time allocation of \$3.0 million to assist with expanded marketing and outreach. The purpose of the \$3.0 million marketing proposal from CRVA is to put renewed energy and effort into the organization's destination marketing programs to help attract new convention and tourism business in an effort to overcome the impacts from various issues and events in 2016 and 2017. **Attachment 1** contains a copy of the Reputation Recovery Letter submitted by CRVA to the Mayor and City Council providing additional detail on the proposed use of the \$3.0 million.

The funding source for the \$3 million in additional marketing resources included in the FY 2018 Proposed Budget for the Charlotte Regional Visitors Authority is revenue generated by the 2nd three-percent Occupancy Tax and the one-percent Prepared Food and Beverage Tax allocated in the City's Convention Center Tax Fund. **Table 1** provides an overview of the types, sources, limitations, and current uses of the revenues generated by the occupancy tax and prepared food and beverage tax proceeds.

Table 1: Occupancy Tax and Prepared Food and Beverage Tax Proceeds

TYPE	YEAR	SOURCE	STATUTORY LIMITATIONS	CURRENT USES
Convention Center Tax Fund	1991 (Amended 2013)	3% occupancy tax by legislation 1% Prepared food and beverage by legislation	Construction, acquisition, financing, maintenance and repair of the Convention Center, amateur sports facilities and professional sports stadiums with seating capacity of over 60,000.	Construction, capital improvements, additional marketing, business development, acquisition, financing, maintenance and repair of facilities and professional sports stadiums. Uses dedicated for "...activities and programs aiding and encouraging convention and visitor promotions"

Question 2: *Provide details regarding plans to sustain and expand the Charlotte-Mecklenburg Police Department's current diversion program. Please include current diversion program partner agencies and their role in providing diversion services to the community.*

The Charlotte-Mecklenburg Police Department's (CMPD) Youth Diversion Program is a voluntary program, which provides youth an opportunity to participate in diversion as an alternative to an arrest for first time juvenile offenders of minor, non-violent, or status offenses/criminal acts. The voluntary program must be completed in order for the youth to avoid further law enforcement and judicial process.

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1,835 participants have completed the Diversion Program since its inception in FY 2013. In FY 2016, the Juvenile Diversion Program experience a 28.7 percent increase in the completion rate for first time youthful offenders.

CMPD plans to sustain the Youth Diversion Program with its operating budget (\$86,466) and with the Juvenile Crime Prevention Council and Governor's Crime Commission grants. The \$86,466 budget pays for contracts utilized within the Youth Diversion Program and personnel costs for contracted staff to administer the program. Staff include a Diversion Program Manager, four Diversion Specialists (of which two are grant funded), one grant funded Diversion Analyst, and one Diversion Administrative Assistant. Funds are also used for four contracted programs/partner agencies who administer services, specifically: 12 Family First (Life Skills) classes, six Anuvia (Drugs/substance abuse) classes, six Urban Thoughts (Conflict Resolution) classes, and six Future Leaders (Academics) classes.

The Governor's Crime Commission (GCC) pays for an additional Diversion Specialist and a Diversion Analyst to provide services to Huntersville and Matthews Police Departments with Mint Hill slated to begin in the Fall of 2017.

Question 3: *Describe the functional responsibilities of the Community Engagement Division of Housing and Neighborhood Services including the outreach strategy.*

The Community Engagement Division of the Housing and Neighborhood Services Department works to assist Charlotte residents in creating successful neighborhoods through the following programs and functions:

- **Service Area Liaisons:** Staff serves as direct liaisons to neighborhood organizations to:
 - Assist with problem solving on any matter.
 - Serve as connectors to City resources and departments as well as external organizations.
 - Assist with implementation of work plans developed at the Board Retreats.
 - Train communities on grant applications, project implementation and grant reporting requirements.
 - Work with residents and businesses to leverage the City's investments in the Comprehensive Neighborhood Improvement Program (CNIP), helping manage public input to and awareness of the projects.
- **Youth Programs:** Staff manage a suite of City youth programs including:
 - Charlotte Mecklenburg Youth Council: Managing the contract with GenerationNation for a robust youth Council with representation from all CMS high schools and bi monthly programs connecting youth to local government.
 - Out of School Time (OST): Managing the OST Request for Proposals (RFP) process and the administration of OST contracts.
 - Mayor's Mentoring Alliance (MMA): Serving as the staff resource to the MMA- hosting mentor training bi-monthly and annual MMA awards in January.
 - Youth training: Providing career & job readiness training to over 900 students in 19 CMS schools and community training open to the entire city.
 - Mayor's Youth Employment Program (MYEP): Managing the MYEP internship placement for over 400 internships this year.
 - Job Shadowing: Arranging visits to area employers – approximately 10 per year.

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- Charlotte Career Discovery Day: Hosting approximately 3,000 CMS high school youth at the Park Convention Center to connect youth to career opportunities from over 100 vendors.
- TechCharlotte: Developed a new program to connect youth to tech training and tech job placements. Over 20 students will be placed in tech internships in summer 2017.
- Youth Apprenticeships: Managing partnerships with employers, CPCC, DOE, Charlotte Works, CATS, Starbucks, etc. to connect youth to longer term apprenticeship programs.
- Youth Job Fairs: Hosting job fairs to connect youth to summer and year round work. (Pilot launched in 2017). Three are planned this year.
- **Neighborhood Training:** Staff offers neighborhood leadership training through a number of initiatives (details at <http://charlottenc.gov/neighborhoodtraining>):
 - Charlotte Leadership Academy: Offered twice a year, this 11-week program develops stronger community leadership skills, increases awareness of Charlotte's history, and deepens understanding of how local government works. Participants commit to using their new leadership skills in the broader community to create understanding and empathy across Charlotte's diverse communities. Launched in 2017, this program has been well received by the community, with more than 250 applications received for the inaugural class of 35.
 - Neighborhood Technical Training: Workshops offered throughout each month on topics such as how to run a meeting, increase resident and volunteer engagement, file for nonprofit status, hold a festival, calm traffic, care for urban trees, etc. Launched in 2017, this training has been well received and well attended by the community.
 - Need a Speaker Program: Connects community groups to City/County experts so that any group can access the information they need at a time most convenient for them.
 - Board Retreats: Bi-annual board retreats for 30 neighborhoods to plan their annual work plans.
 - Annual Neighborhood Leadership Exchange and Neighborhood Awards: A day-long event open to Charlotte residents that exposes participants to relevant workshops on topics such as being a welcoming neighborhood, ideation, and neighborhood branding. The event culminates with a keynote speaker and neighborhood leadership awards ceremony.
- **Funding:** Staff works with community partners to access other funds and technical partnerships to assist neighborhoods in implementing their projects:
 - Neighborhood Matching Grants: Funds up to \$25,000 to low and moderate income neighborhood organizations to accomplish their work. Approximately 60 grants are awarded annually.
 - Community Partnerships: Promotes other organizations who want to reach out to neighborhood groups, such as Arts and Science Council for Culture Blocks and public art, Trees Charlotte for tree planting, Kaboom for playgrounds, Charlotte Walks, Knight Cities Challenges, and Queens University digital media training.
- **Communication:** Staff serves as a central resource for connecting to the community:
 - Next Door: Staff serve as the non-police voice authorized to promote opportunities to the community through Next Door, an online community platform for communication to over 100,000 Charlotte residents.
 - Neighborhood Organization Contact List (NOCL): Staff maintains the NOCL subscription list of neighborhood leaders and residents throughout the city who have registered to receive City communication. The NOCL includes an interactive web-

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based mapping application at <http://charlottenc.gov/nocl> to enable Council and staff to readily identify neighborhood leaders and to enable neighborhoods to connect with one another for community problem solving and community building.

- **Keep Charlotte Beautiful (KCB):** Part of the national Keep America Beautiful program, the Council-appointed KCB board awards small annual beautification grants and KCB staff manages the City's Adopt a City Street (over 150 participating organizations) and Adopt a Rail Trail, as well as the annual Great American Cleanup.

Question 4: *Describe the process that the Charlotte-Mecklenburg Police Department uses to determine funding levels for the Police Activities League including the evaluation criteria used.*

The Police Activities League (PAL), as a 501(c)(3) organization, receives grants and donations from Charlotte businesses and other agencies, including City of Charlotte.

PAL provides youth programming for positive alternative activities, educational, programmatic, and structured support for at-risk and lower income youth within underserved communities. Youth accepted into the PAL programs may not have otherwise been able to participate due to financial challenges. The City's portion of support for PAL includes two components:

- CDBG funding for Out of School Time activities
- CMPD Athletic Program

Community Development Block Grant (CDBG) funding of \$156,000 in FY 2018 was subject to the Housing and Neighborhood Services-administered selection process that scores agencies based on a series of Council-established review criteria. Based on the scoring criteria, PAL received 100% of the funding it requested for FY 2018. This funding is used to administer a fall-spring afterschool enrichment program for 195 school-age youth, and a summer program for 195 school-age youth grades K – 6. These programs promote self-sufficiency by providing specialized remedial and enrichment education along with a variety of community awareness, crime prevention, cultural, social, and recreational activities designed to strengthen the basic academic and social skills of participating youth.

The Charlotte-Mecklenburg Police Department (CMPD) operating budget supports the dedication of two police officers to serve as athletic directors, one civilian coordinator position, and the use of a facility. This in-kind support has an estimated value of approximately \$400,000 annually. In addition, direct funding of \$24,600 is provided to PAL for transportation, uniforms, fees, and trophies and to conduct a PAL summer camp.

Question 5: *Describe the construction schedule for the Police division stations in North Charlotte (Independence and University City).*

Funding for land acquisition for Independence Division and University City Division was approved in FY 2017, and remaining funding for construction of those two stations is programmed for FY 2019.

Independence Division

The City identified land owned by the N. C. Department of Transportation (NCDOT) located on Independence Boulevard for the Independence Division. Currently, the land is being used

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by NCDOT for lane work on Independence Boulevard. NCDOT anticipates completion of the lane work on Independence Boulevard and no longer needing to utilize the identified parcel by the fall of 2017. Staff anticipates purchasing the land during the summer of 2018. Construction funding for the Independence Division is anticipated to be received in July, 2018. The normal design period is 12 months, and the normal construction timeline is 12 months. With those timeframes in mind, Charlotte-Mecklenburg Police anticipates completing construction and moving into the new Independence Division station in 2020.

University City Division

The City identified County-owned land located on North Tryon Street for the University City Division. Currently, staff is working through the appraisals and the purchase of the land from the County. Construction funding for the University City Division is anticipated to be received in July, 2018. The normal design period is 12 months, and the normal construction timeline is 12 months. With those timeframes in mind, Charlotte-Mecklenburg Police anticipates completing construction and moving into the University City Division station in 2020.

Question 6: *Describe the plan to divide the current North Police Division into two divisions.*

As a part of the Charlotte-Mecklenburg Police Department's (CMPD) Facilities Strategic Plan, which was adopted in 2010, CMPD plans to rebalance the workload of their Patrol Divisions, specifically the North Police Division by adding a 15th division, resulting from dividing the current North Police Division into two divisions: the Northwest Division Office, which is currently programmed for funding in FY 2021, and the Northeast Division Office, which is currently not programmed for funding. CMPD anticipates requesting funding for the Northeast Division for FY 2022.

Question 7: *Describe the requirements around the 15% maximum Community Development Block Grant allotment for out of school time expenditures.*

Per the Code of Federal Regulations, Community Development Block Grant (CDBG) funds are eligible to fund a variety of public services such as child care, education programs, homeless prevention, homeless shelter support, and employment services that primarily benefit low to moderate income people. The maximum amount that can be allocated to public services is fifteen percent of the CDBG allocation, but localities are not mandated to provide the fifteen percent in public service funding. In FY 2018, the City is projected to receive \$5.3 million in CDBG funding and has allocated fifteen percent, or \$815,007 for out-of-school time partner funding in the FY 2018 Proposed Budget.

Question 8: *Provide a listing of the target demographics for Out of School Time partner agencies and their performance metrics.*

Attachment 2 shows the target demographics for Out of School Time partner agencies, their goals, and their performance metrics.

Question 9: *Provide a description of the intended use of the additional capital and operating funding dedicated to Code Enforcement.*

Additional funding of \$105,000 per year is added to the existing five-year CIP commitment of \$2.8 million, for a total of \$3.3 million to preserve existing housing stock or eliminate deteriorated housing when the owner fails to comply with housing code ordinance. The funds will be used to repair or demolish housing units that are blighted.

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Since 2014, 171 houses have been demolished through In Rem Remedy code enforcement actions approved by City Council. It is the City's goal to preserve and repair deteriorated housing whenever possible rather than to demolish them. Far more houses have been brought into compliance by the owners than have been demolished. Since 2014, a total of 775 housing units have been rehabilitated as a result of the City's housing programs. 637 of those were single family units and 138 were multi-family units.

Question 10: *What is the plan to review Storm Water's rate structure and service delivery methodology.*

The proposed FY 2018 Storm Water Services budget maintains the current storm water customer rate and rate structure. Throughout the coming year, Storm Water Services will work with the City Manager's Office to research and evaluate peer city storm water systems to determine the most effective and efficient service provision and rate structure for the City of Charlotte, including a review of various fee scenarios. The evaluation will be reviewed and discussed by the Environment Committee during the late summer to early fall and the results of the evaluation will be brought to City Council for discussion at the Annual Retreat in January/February 2018 as part of an overall discussion of rates and fees.

Question 11: *Describe the impact that potential changes to the Law Enforcement Service District contract will have on the North Division.*

As discussed in the April 24th Council dinner briefing, staff will spend the next year evaluating the impact of potential changes to the Law Enforcement Service District and determining options. If any Extraterritorial jurisdiction (ETJ) no longer requires the current level of CMPD resources, that particular division will be evaluated and appropriate changes made.

Question 12: *Are there plans to fund an additional boat for Charlotte-Mecklenburg Police Department's Lake Patrol?*

CMPD anticipates requesting \$300,000 in the FY 2019 Community Investment Plan for future replacement of the boathouse and \$205,000 for a replacement boat.

Question 13: *Please describe the feasibility of implementing a "round-up" program for Charlotte Water customers to round their bill payments to the nearest dollar and use the additional funding to support Crisis Assistance Ministries.*

Crisis Assistance Ministry has indicated in discussions with Charlotte Water that they currently have adequate funding to assist all eligible citizens needing assistance with their water bills. Should the demand for water bill assistance exceed the Ministry's available funding capacity, then a voluntary round-up program could be implemented with some minor reprogramming to the billing and account management systems. However the industry standard for this type of program is a donation program, which could be implemented more quickly and has the potential to generate more revenue than a round-up program.

Question 14: *Provide an outline of current City programs that help connect youth with jobs.*

The Community Engagement Division of the Housing and Neighborhood Services Department provides the following programs, activities, and opportunities that support efforts to connect youth with jobs:

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- **Youth Programs:** Staff manage a suite of City youth programs including:
 - Charlotte Mecklenburg Youth Council: Managing the contract with GenerationNation for a robust youth Council with representation from all CMS high schools and bi monthly programs connecting youth to local government.
 - Out of School Time (OST): Managing the OST Request for Proposals (RFP) process and the administration of OST contracts.
 - Mayor's Mentoring Alliance (MMA): Serving as the staff resource to the MMA- hosting mentor training bi monthly and annual MMA awards in January.
 - Youth training: Providing career & job readiness training to over 900 students in 19 CMS schools and community training open to the entire city.
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 - Job Shadowing: Arranging visits to area employers – approximately 10 per year.
 - Charlotte Career Discovery Day: Hosting approximately 3,000 CMS high school youth at the Park Convention Center to connect youth to career opportunities from over 100 vendors.
 - TechCharlotte: Developed a new program to connect youth to tech training and tech job placements. Over 20 students will be placed in tech internships in summer 2017.
 - Youth Apprenticeships: Managing partnerships with employers, CPCC, DOE, Charlotte Works, CATS, Starbucks, etc. to connect youth to longer term apprenticeship programs.
 - Youth Job Fairs: Hosting job fairs to connect youth to summer and year round work. (Pilot launched in 2017). Three are planned this year.

Additionally, the City's Economic Development Department executes contracts and processes payments for CharlotteWorks, including its out of school and in school youth programs. Listed below are outcome results for youth programs between July 1, 2015 and June 30, 2016:

- 634 youth were served by CharlotteWorks between July 1, 2015 and June 30, 2016.
- Of the 198 youth that completed the program between July 1, 2015 and June 30, 2016 and were seeking employment, 142 found employment (not internships) or achieved another positive outcome, such as graduation from a post-secondary educational activity (71%).
- Of the 160 youth that completed the program between July 1, 2015 and June 30, 2016 and were seeking a credential or certificate, 96 obtained a credential or certificate (58%).
- Of the 192 youth that completed the program between July 1, 2015 and June 30, 2016 and were attempting to improve their reading and math skills, 117 met their goals (61%).

The City also manages partnerships with employers, Central Piedmont Community College, Charlotte Works, CATS, Starbucks, etc. to connect youth to longer term apprenticeship programs.

Question 15: *Provide an explanation of the decrease of eight code enforcement zoning FTEs in Housing and Neighborhood Services and the increase of eight FTEs in the Planning Department.*

Plan Reviewers tasked with residential zoning review and approval for the City's zoning ordinance that are currently assigned to Housing and Neighborhood Services' Code Enforcement Division are being transferred to the Planning Department to allow the deployment of code enforcement officers more intentionally into neighborhoods while increasing efficiencies and eliminating redundant procedures in the development review process. This realignment begins the overall review of City processes and internal procedures that will be conducted over the next year.

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Question 16: *Why is the Financial Partner allocation to Charlotte-Mecklenburg Housing Partnership (CMHP) decreasing \$100,000 in FY 2018?*

Charlotte-Mecklenburg Housing Partnership currently receives \$1,960,000 in City funding, comprised of \$1,470,000 in CDBG funds and \$490,000 in Pay-As-You-Go funding through the Innovative Housing Program. The FY 2018 Proposed Budget reduces the Pay-As-You-Go portion of funding to \$390,000 while maintaining CDBG funding at current levels.

Based on federal estimates, there is a shortage of approximately 34,000 affordable housing units in Charlotte. This need, coupled with the City Council's accelerated goal of creating 5,000 additional affordable housing units within three years, was one of the primary drivers for the establishment of the Department of Housing and Neighborhood Services. The recommended reallocation of \$100,000 in City Pay-As-You-GO capital funding from CHMP to the Department of Housing and Neighborhood services will increase the City's capacity to coordinate and oversee the successful implementation of new affordable housing developments. The Proposed FY 2018 Budget maintains CMHP's current federal funding levels (Community Development Block Grant and HOME Investment Partnership) and sustains the CMHP's current Housing Trust Fund allocation, which support the capital costs of affordable housing developments.

Question 17: *Provide a description of the Camp North End Expansion/Relocation proposal from Junior Achievement of Central Carolinas (JACC). Did the City receive a formal request for funding from JACC?*

On April 10, 2017, Junior Achievement of Central Carolinas (JACC) submitted a funding request to the City for \$900,000 over the next three fiscal years to fund workforce development and career pathways programs, including the JA Finance Park® program. The requested City support will provide local Charlotte-Mecklenburg Schools students, especially those enrolled in Title I schools, valuable programming surrounding workforce development and will offer relevant and personalized next generation pathways and career-connected learning those students would not otherwise receive.

The City's Financial Partner funding requests are subject to an application process. FY 2018 applications were due on January 17, 2017. The City received JACC's application on April 10, 2017, which was past the City's application deadline. In order to maintain the objectivity and fairness of the City's Financial Partner application review process, JACC's application was not considered.

See **Attachment 3** for a copy of the Junior Achievement of Central Carolinas FY 2018 funding request application.

Question 18: *What would be the impact of not increasing the Solid Waste Fee in FY 2018?*

The Solid Waste Fee is recommended to increase 50 cents per month in FY 2018 to cover the cost of the increase in disposal fees passed through from Mecklenburg County and the cost of annual contract price escalations. If the Solid Waste Fee is not increased as recommended, the City Manager's Proposed FY 2018 General Fund Budget would have a funding shortfall of nearly \$2.0 million, requiring significant adjustments in order to re-balance the FY 2018 Budget.

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Question 19: *What is the status of the evaluation of Solid Waste Services delivery options and appropriate cost recovery options?*

The Solid Waste Ordinance was referred to the Environment Committee during the FY 2017 budget development process. Over the past year, the Environment Committee has been reviewing the different components of the Ordinance that involve both Solid Waste Services and Code Enforcement. The Committee is scheduled to continue its review of the Ordinance over the next few months, with the proposed revisions expected to be reviewed and discussed during City Council's Annual Retreat in January/February 2018 as part of an overall discussion of rates and fees. This will include a review of the cost methodology.

Question 20: *What is the intended purpose for the three additional positions included in the FY 2018 Proposed Budget for the Economic Development Department?*

The FY2018 budget proposes to create an independent Department of Economic Development. Although the detailed organizational chart, mission, and vision statements are still being refined, the newly formed department will focus on developing good paying jobs as called for both in Council's Community Letter and the Focus Area Plan. The additional staff are needed to:

- Further develop and implement an Equitable Economic Development approach that encourages development and redevelopment in underperforming or targeted areas of the city (e.g. Eastland, Smart District, Beatties Ford Road /Trade, West Boulevard/Freedom Drive etc.)
- Promote business retention, development and recruitment of small businesses (citywide)
- Collaborate with partners to train and develop a pipeline of skilled workers to respond to existing and emerging industry needs (e.g. Project PIECE, Apprenticeship Programs)
- Coordinate with partners on infrastructure investments to leverage and /or incent private sector investments to create vibrant places to live, work and do business (e.g. Community Investment Program, Business Infrastructure Grants, Tax Increment Grants)

Question 21: *How does Charlotte compare to comparable cities in the provision of paid family leave benefits? How have other cities dealt with the resulting overtime costs for law enforcement? What would the budget impact be to provide paid family leave benefits?*

Several local governments in North Carolina recently implemented paid family leave benefits. These include Durham County, Wake County, the City of Greensboro, and the Town of Cary. As these jurisdictions have recently adopted this benefit, sufficient data is not available to analyze the cost impacts.

Using national research and FMLA data, the Departments of Strategy and Budget and Human Resources estimate the potential fiscal impact of a six week paid family leave for the City of Charlotte. The general fund impact is estimated to fall in a range of \$44,000 to \$151,000, with the most likely probability of approximately \$65,000.

Pay and benefits for current City positions are fully funded. The cost impact of paid family leave is for overtime and temporary positions used to back-fill the positions using the paid family leave. Based on current city leave data, it is estimated that 20% of leave taken is covered by overtime and temporary positions.

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Question 22: *Does CharMeck311 need additional staff?*

An in-depth review of staffing levels for CharMeck311 was conducted two years ago when the hours of operation were changed and staffing levels were rightsized at that time to support the new operational structure. Additionally, as part of the FY 2018 Proposed Budget, CharMeck311 will become a division of the newly independent Department of Housing and Neighborhood Services and will be included in a year-long review of service and staffing levels for the department.

Question 23: *What would be the cost to add a second new position in Housing and Neighborhood Services to support the Mayor's Youth Employment Program (MYEP)? How many additional youth could be served with the addition of the second new position?*

The City Manager's proposed budget includes two additional positions to support the Mayor's Youth Employment Program (MYEP) and assist with other youth programs in the community. It is currently anticipated the amount of youth served will double from 500 to 1,000.

Question 24: *For the FY 2018 Proposed Budget for Charlotte Water, what would be the impact of increasing fees related to new construction and growth in lieu of increasing the fixed component of the rate?*

Charlotte Water calculates rates and fees annually using the expenses and revenue needs projected for the upcoming fiscal year and rate setting methodologies previously approved by Council. The methodologies used to calculate rates and fees are documented and were approved by Council in 2015. Changes to the methodology require a joint public hearing with the Charlotte Water Advisory Committee in accordance with interlocal agreements between the City and the towns and Mecklenburg County.

Charlotte Water staff and Advisory Committee are currently studying how changes in the type of growth and land use are affecting the equity associated with one-time fees assessed to new development. That work is on-going and is expected be completed during FY18. While it is too early to predict the outcome of this work, it does address the balance of how costs for constructing, operating, maintaining, and replacing are allocated among new and existing customers.

Questions from May 2nd Tuesday Morning Breakfast Club

Question 25: *Provide a description of how the City defines affordable housing and explain the difference between low income and affordable housing.*

Consistent with the national industry definition, the City defines affordable housing as housing for households earning 80% or below the area median income. More broadly, affordable housing is housing that is subsidized using (local, state, and/or federal) funds to enable the household to pay no more than 30% of their annual income for their housing expenses.

The terms low-income housing and affordable housing are often used synonymously. However, low-income housing is generally viewed as a primary responsibility of public housing authorities and serves families earning 30% or below the area median income.

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Question 26: *Provide an overview of the City's current programs to address homelessness including any work that is being done in the 1200 block of North Tryon.*

The Housing & Neighborhood Services Department (HNS) oversees the strategic efforts of the jointly appointed City/County Housing Advisory Board (HAB) of Charlotte-Mecklenburg. The HAB partners with agency providers to decrease homelessness. HNS serves as the lead applicant for the Charlotte-Mecklenburg Continuum of Care which receives approximately \$4 million in annual federal funding to provide resources to programs that provide permanent, emergency and transitional housing, supportive services, homeless management information system (data collection) and homelessness prevention. In addition, HNS oversees the following Homelessness Programs and or Initiatives:

- Emergency Solution Grant – provides approximately \$450,000 to agencies to operate emergency shelters, provide essential services to shelter residents, re-house homeless individuals and families, and prevent families and individuals from becoming homeless.
- Tenant Based Rental Assistance – provides temporary rental assistance to homeless individuals and families and those living with HIV/AIDS
- Housing First Initiative – a partnership with community stakeholders to end chronic homelessness
- Housing our Heroes Initiative – a partnership with Veteran's Administration to end Veteran homelessness
- A Way Home Endowment – The city has committed \$10M to the endowment. When fully funded, this endowment will provide approximately \$1M annually in short-term rental assistance to families earning 50% and below the area median income.

On April 24, 2017, City Council approved \$500,000 to assist with the renovation of the Men's Shelter of Charlotte, located at 1201 North Tryon Street. Additionally, the Men's Shelter of Charlotte received a \$2,000 grant to perform landscaping and beautification work at the Shelter. Since 2011, several neighborhoods in close proximity to the 1200 block of North Tryon have received neighborhood matching grant awards totaling \$90,000. Also, many of these neighborhoods have attended annual Neighborhood Board Retreats designed to empower residents to create successful neighborhoods.

Question 27: *Provide a list of the City's Out of School Time Financial Partners showing FY 2018 proposed City funding and the history of City funding for each.*

Table 2 lists funding recommendations for the City's FY 2018 – FY 2019 Out of School Time Financial Partners, including the City's funding history for each partner agency

Table 2

Out of School Time Financial Partners	FY 2018 Proposed City funding	History of City Funding Since 2005
Behailu Academy	\$ 66,000	2016-2017
Greater Enrichment Program	200,000	2013-2017
Police Activities League	156,000	2005-2017
YWCA	200,000	2005-2017
Above and Beyond Students	157,934	2014-2015
Arts & Science Council Studio 345	200,000	New
Total	\$ 979,934	

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BOJANGLES' COLISEUM / CHARLOTTE CONVENTION CENTER / NASCAR HALL OF FAME
OVENS AUDITORIUM / TIME WARNER CABLE ARENA / VISIT CHARLOTTE

April 27, 2017

Mayor Jennifer Roberts and Charlotte City Council
600 E. 4th Street
Charlotte, NC 28202

Dear Mayor Roberts and Charlotte City Council:

Thank you for the opportunity to present more on the CRVA's operations and budget during last Monday's dinner meeting. As a follow-up, we wanted to provide more context on the additional \$3 million outlined in the FY18 budget request related specifically to destination marketing and business development support.

As you're aware, Charlotte's reputation has suffered greatly over the last year in light of House Bill 2 and following the civil unrest surrounding the death of Keith Lamont Scott last fall. Today, the repeal of House Bill 2 has reopened some doors in bringing back meetings and events to North Carolina. In addition, our community continues to heal after the civil unrest by setting an aggressive agenda to tackle access to opportunity, affordable housing, job creation and trust in community policing.

While the CRVA is in full support of the great strides made, our organization still knows we have a long road ahead of us in repairing the city's reputation that has been damaged nationally and globally. The tens of thousands of negative media mentions and millions of destructive social media posts have created brand damage that will likely take many years for Charlotte and the state as a whole to restore its reputation.

We are partners with the City in advancing this reputational recovery and have already had some productive branding conversations on how our entities can best collaborate. In FY18, we have proposed that an additional \$3 million be earmarked from existing hospitality tax funding streams to help Charlotte with reputation recovery via consumer-facing paid media and business development support to aid in the recruitment of meetings and events. It takes years of work and millions of positive impressions to garner long-term results, so this is the first phase we are proposing at this time.

Below is more detail on the three areas of focus the CRVA would work on specific to reputation recovery efforts.

1. **Enhance Marketing Presence in Target Markets:** As you heard in our presentation last week, our ongoing marketing efforts have been validated repeatedly through extensive research by Longwoods International, a respected leader in destination marketing research. We know that for every dollar of consumer-facing paid media the CRVA spends to promote Charlotte as a destination, that \$115 in new spending is generated by visitors in return. Paid media is one of the most effective and substantive ways we can work on changing the perceptions of our city.

Using our research, we evaluate the most effective markets that can create strong return on investment. Currently, these markets are Charleston, Savannah, Atlanta, Greenville/Spartanburg/Anderson/Asheville, Greensboro/Winston-Salem/High Point, Knoxville, Columbia, Tri-Cities, Florence/Myrtle Beach and Pittsburgh. Paid media is strongly complemented by earned media in these targeted markets as well as ongoing relationship-building and placement securement with national and international media.

With these additional funds, we would enhance the presence of paid media in the current markets we advertise in and expand to other markets that mirror current visitation trends. These dollars would greatly boost our visibility, both



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complementing the years of concentrated paid media efforts that have influenced millions of trips to date and yielding even more visitation that creates lasting economic impact.

2. **Leverage Destination Marketing to Impact Additional Sectors:** The CRVA recognizes the halo effect that destination marketing efforts create, which generates positive perceptions related not only to tourism, but economic development as well. Our advertising research has shown that our work in paid and earned media impacts perceptions related to Charlotte being an ideal place to live, retire, start a business and start a career.

We also know from research and other destination case studies that destination branding for tourism is enhanced through a citywide "place branding" approach where tourism, economic development and City organizations share common target audiences in elevating the image and reputation of our community (tourism customers can also be economic development customers and vice versa). While reputation recovery funding would be earmarked for destination marketing purposes, it has cross-functional benefits.

The CRVA has also spearheaded and funded an evolution for the City's brand in partnership with City of Charlotte staff. We know through this process and based on our advertising research that collaboration with other Charlotte economic development organizations can heighten the effectiveness of our ability to influence awareness and positive perception of Charlotte.

Therefore, with the \$3 million in reputation recovery funding, we would establish an incentive program for our economic development partners to further their marketing footprint. Similar to other state tourism models, we would financially match the efforts of economic development partners provided they utilize the cohesive branding that the City and the CRVA have worked to create. Approximately \$300,000 to \$500,000 would be earmarked for the program.

3. **Boost Meeting and Convention Bookings:** The city's reputation also has a direct effect on the booking of meetings, conventions and strategic events. When HB2 was in place, the CRVA experienced cancellations, hesitation and concern from clients and potential clients removing Charlotte off of their site selection lists altogether. It will take time for the destination to regain its footing in bringing back the level of meetings, conventions and events we had prior to this past year.

To help in this process and make Charlotte more competitive in an already hyper-competitive environment, dollars from this reputation recovery funding would be allocated for business development needs. Currently, depending on the group, the CRVA provides business development funds on a case by case basis to assist with a range of needs associated with the hosting and production of meetings, conventions and events. An example of a beneficiary of such funding is the CIAA. They receive approximately \$1.4 million from the CRVA annually, which is dispersed among the 12 conference schools and used for student scholarships.

Large meetings, conventions and events that create sizeable economic impact book years in advance, oftentimes at least three to five years. Presently, the CRVA sales team has no way to pinpoint how many clients have removed the destination from its consideration set, but we do know that our booking pace has slowed. It will take additional time to evaluate just how much, but we want to act swiftly in working to restore the city's reputation with our clients and to make us more competitive in proactively recruiting events.

We have to aggressively take action to repair our image and we thank you for your partnership and consideration in these efforts. As we do every year, we will report the outcomes of our marketing, sales and venue management efforts in the CRVA Annual Report, which is distributed to you each October. These specific efforts related to reputation recovery will be included.





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Hospitality taxes were originally legislated to create tourism infrastructure and opportunities that allow for significant economic impact to occur, which can then be reinvested to enhance the quality of life for our city and our residents. Strategic paid marketing efforts and business development to aid in recruitment of meetings and conventions will change perceptions and yield more visitors to do just that.

If I can answer any additional questions, I can be reached at tom.murray@crva.com or 704-414-4010.

Sincerely,

Tom Murray
Chief Executive Officer



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Attachment 2

Out of School Time Partners - Target Demographics and Performance Metrics

Provider	Demographics	Goal	Performance Metrics
Behailu	Behailu Academy targets 7th-12th grade students in Northeast Charlotte, specifically Cochrane, Garinger, and Eastway Middle.	Support students' learning (both formal/academic and informal/real world)	- 71% of high school students and 77% of middle school students increased their grade percentage in at least 1 core class (reading, math, science, history)
		Engage youth in a variety of arts and culture based experiences	- 80% of youth reported increase interest/ engagement in the arts
		Support the positive physical, social, and emotional development of youth	- 100% of parents/guardians reported that their child/children feel safe at Behailu - 90% of parents/guardians reported increases in their child's confidence levels
Greater Enrichment Program	GEP targets students grades K-5th through a partnership with CMS at two CMS high-poverty schools (Ashley Park School and Merry Oaks International Academy).	Improve literacy and math skills	- 92% of students maintained or improved their grades - 89% of students maintained or improved their grades in math - 64% of 3rd grade students passed the Math End of Grade test compared to 47% of the overall schools 3rd grade - 27% of students passed the Reading End of Grade Test compared to 17% of the overall schools 3rd grade.
		Provide enrichment activities that provide opportunities for participants to explore their interest, engage in experiential learning and enhance life skills	- GEP developed and hosted a Family Fitness Event that promoted nutrition and exercise. GEP students engaged in healthy cooking, diabetes prevention and yoga workshops. Students also engaged in 30 minutes of outdoor fitness each day with activities including tennis and lacrosse. The 2015-2016 school year resulted in more than 100 hours of physical fitness
		Increase parent and family engagement	- 100% parent engagement
YWCA	The YWCA targets students K-5th grade from at-risk families. Specifically, students are served at Albemarle Road, Billingsville, Leafcrest (CHA community), Park Road, Southside, Sugaw Creek, Sunridge and Tuckaseegee.	Increase the number of students who are on grade level in both reading and math	- 85% of students were passed - 53% of students are at or above grade level
		Increase family engagement in schools programs.	- 76% were regularly engaged in family engagement activities

Attachment 2

Out of School Time Partners - Target Demographics and Performance Metrics

Provider	Demographics	Goal	Performance Metrics
Police Activities League	PAL targets low-income families in grades 2-11 at the Bette Rae Thomas Recreation Center and Greenville Neighborhood Center.	Increase the percentage of PAL participants that perform at or above grade level in school	- 95% of program participants achieved this goal
		Increase the percentage of parents involved in activities and events associated with PAL	- 95% of the parents achieved goal
		Increase the percentage of program participants that engage in community based and service learning projects	- 95% of all program participants achieved this goal
Above and Beyond Students	ABS provides its OST programs to at-risk and low performing students grades K-8 attending Bruns Academy, Westerly Hills Academy, Tuckaseegee Elementary and Ashley Park.	Provide tutoring in core subjects of ELA/Reading and Math to improve academic proficiency.	- ELA/ Reading – 83% of students improved their Pre-Post Test Assessments by 5% 'points or more to demonstrate improved knowledge. '- Math - 79% of students improved their Pre-Post Test Assessments by 5% points or more demonstrate improved knowledge.
		Provide program participants with daily homework assistance with emphasis on completion comprehension and neatness	- 91% of students daily completed homework as evidenced by the homework logs and Parent surveys
		Provide Parent workshops to increase parental engagement	- 86% of Parents attended workshops provided by afterschool program as evidenced by Parent Meeting Sign in Sheets
Studio 345	Studio 345 is open to all CMS students in grades 9-12. Priority is given to students identified by CMS as at-risk for non-completion of high school. In addition, 20 program slots are allocated each trimester to West Charlotte High School students through a partnership with Project L.I.F.T., and 15 slots for court-referred students from the 26th District Juvenile Court.	Increase high school graduation rate in Charlotte-Mecklenburg Schools	- 100% of students (a total of 52) graduated from high school
		Studio 345 youth are prepared to pursue goals beyond high school	- 100% of those students had a plan in place to pursue post-secondary goals: 21 enrolled in a university, 26 enrolled in community college, one joined the Job Corps, and four chose to work and pursue music

FY 2018 Funding Request

Junior Achievement of Central Carolinas

CAMP North End Expansion/Relocation Strategic Plan

Scope of Service:

Junior Achievement of Central Carolinas is North and South Carolina's premier educational organization serving K—12 students with financial literacy, entrepreneurship and workforce readiness programming. JACC's proven programs and volunteer delivery model provide students with the positive realizations and reinforcement of career aspirations, an understanding of money management, and exposure to the benefits of business ownership that help overcome negative, competing environmental factors. Its hands-on experiential learning model effectively bridges the gap between the classroom and the real world, fostering the self-belief and sense of purpose necessary for young people to overcome challenging circumstances. The organization currently serves approximately 42,000 students annually, and projects annual impact of at least 60,000 in its new CAMP North End facility. Services include in-classroom curriculum programs, on-site experiential simulation activities, job shadows and student symposium events. The organization serves as a strategic partner alongside Charlotte Mecklenburg Schools and effectively engages over 3,600 volunteers annually in the implementation of its programs. The organization is committed to partnership and collaboration across the communities in which it serves and seeks to ensure every student will participate as a member of tomorrow's global economy.

Performance:

Measure	FY 2016 Year-End Actual	FY 2017 Mid-Year Actual	FY 2018 Target	FY 2019 Target
Total Student Impact	41,964	13,460	45,000	60,000
Program Student Impact	798	383	5,000	15,000
Total Student Contact Hours	374,651	99,089	402,000	535,750
Total Participating Volunteers	3,683	1,128	4,000	5,000

Financial Information:

Funding Source(s): Capital Campaign Support

FY2017 City Funding	FY 2017 Agency Annual Budget	FY 2018 Agency Campaign Budget	FY 2018—2020 City Request
\$0	\$1,799,108	\$6,000,000	\$900,000

Summary/Highlights of Agency Request:

JACC requests \$900,000 over the next three fiscal years to fund workforce development and career pathways programs, including the well-known JA Finance Park[®] program. In June 2018, JACC will move into its new headquarters facility in the North End of Charlotte. Its new location will include the popular JA BizTown[®] facility, create an all-new dedicated JA Finance Park[®] facility, and move its headquarters offices, enabling students across the City to unite with the local business community, gain inspiration and information, and find a bridge toward a prosperous, self-sufficient future. Requested City support will provide local Charlotte-Mecklenburg Schools students, especially those enrolled in Title I schools, valuable programming surrounding workforce development and will offer relevant and personalized next generation pathways and career-connected learning they would not otherwise receive. Funding will equip JACC to reach 45,000 local students over three years, and supports JACC's strategic vision to impact a total of 600,000 students between 2018 and 2028, directly influencing their socioeconomic mobility and providing empowerment and hope through connection to the community.

**FY 2018 Funding Request
Junior Achievement of Central Carolinas
Addendum: Return on Investment**

Return on Investment:

Junior Achievement of Central Carolinas is committed to creating collaborative partnerships to strengthen its mission and impact in the Charlotte community. Charlotte's Community Letter outlines four priorities for the city's growth and development with regard to the Economic Opportunity Taskforce and its recommendations. As City employees seek effective and measurable ways to remove barriers for economic opportunity together with residents, JACC proposes a strategic partnership and a call to action in its new CAMP North End location. To fulfill its goal of serving 60,000 students annually, JACC will need over 5,000 local volunteers from the business community, and proposes a volunteer partnership for all City employees. JACC's unique and varied program delivery vehicles offer opportunity for every employee to engage in a way that fits his/her schedule and personal strengths, and each opportunity offers a measurable, tangible way for City employees to step forward and act in impacting the City's future economic development—from job preparedness to business ownership to financial literacy. The Economic Opportunity Taskforce recommendations are a call to action for all of us, and require focused personal commitment on behalf of every Charlotte resident who dreams of more for our City. Junior Achievement's unique position offers a perfect vehicle for significant impact, and is dedicated to building a human bridge to the future for the students that live—and will eventually work—within our communities.

Contact Information:

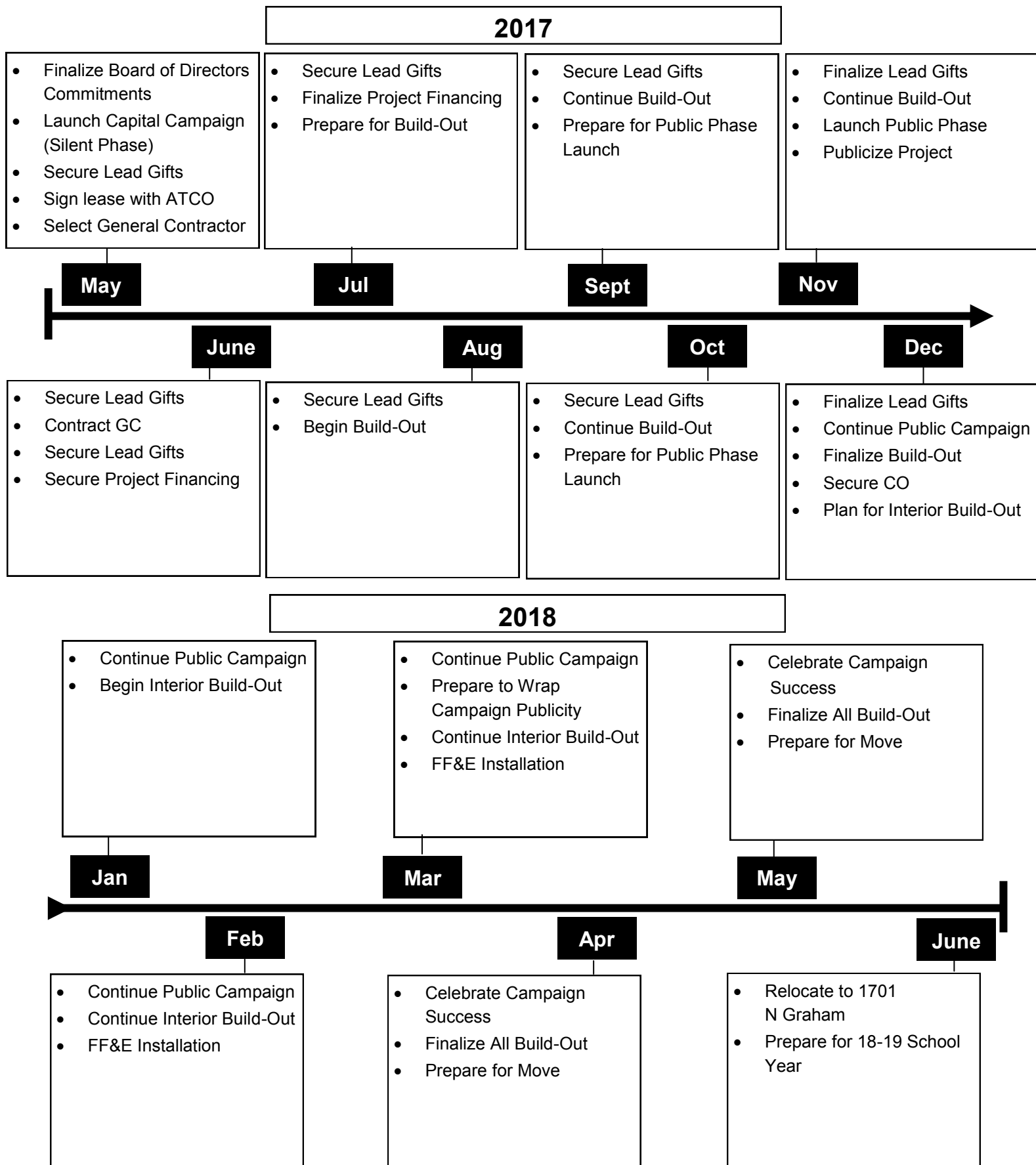
Sarah Cherne, President and CEO
201 South Tryon Street, #LL100
704—563—4854

Junior Achievement of Central Carolinas
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FY 2018 Funding Request

Junior Achievement of Central Carolinas

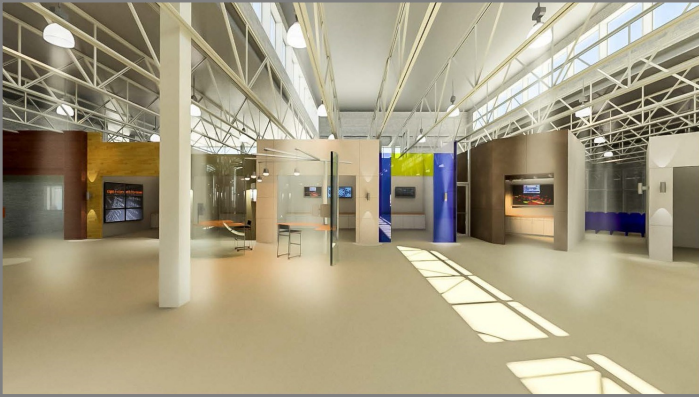
Addendum: Capital Campaign/Building Project Timeline



Attachment 3
FY 2018 Funding Request
Junior Achievement of Central Carolinas
Addendum: Future Headquarters Interior Renderings

Building Location: 1701 North Graham Street, Charlotte, NC

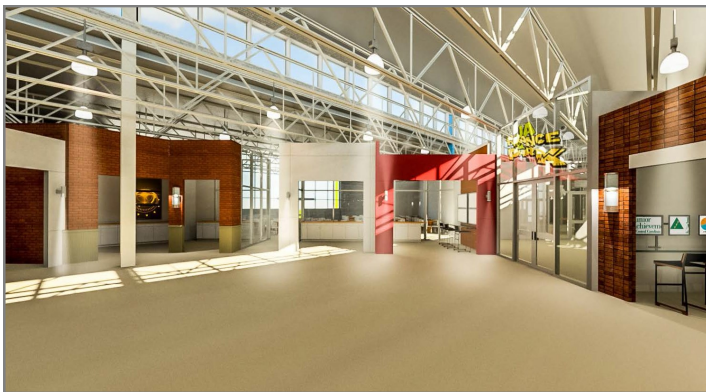
Images created by: KSQ Design, 2115 Rexford Road, Suite 100, Charlotte, NC



JA BizTown Storefronts



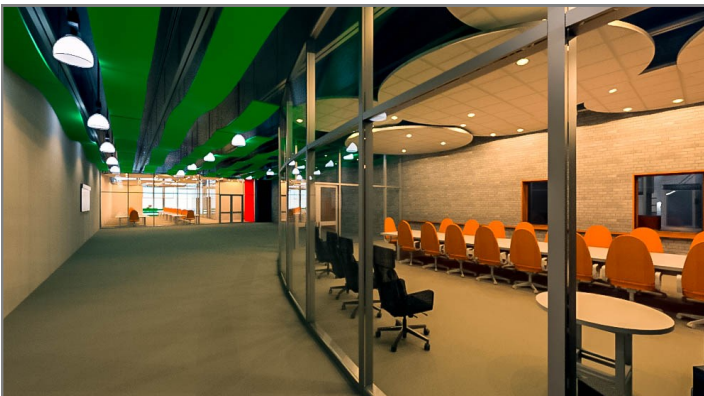
JA Finance Park Storefronts



JA Finance Park Entrance



Volunteer Lounge



Student Symposium & Board Room



Staff Office Space