



CHARLOTTE

Committee Chair Updates

March 2, 2020

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

Committee Purpose Statement: The committee reviews and recommends policies to ensure the city has a strong and sustainable financial plan and maintains operational efficiency and effectiveness.

Committee Chair Update: The committee last met on February 18, 2020 (Ed Driggs, Julie Eiselt, Malcolm Graham, and Renee Johnson - *Dimple Ajmera was absent*) and the committee discussed the following:

- **General Capital Debt Model Overview and Update**

Chief Financial Officer, Kelly Flannery discussed the General Capital Debt Model Overview and Update. Ms. Flannery explained that cash funding the city's entire capital program is an ineffective use of resources. Bond financing affords the city to spread the debt service payments over the life of the asset and allows for the advancement of the city's strategic initiatives. The city relies on two types of debt issuance: 1) General Obligation Bonds (GO) and 2) Certificates of Participation (COPs). The general capital steady state model is designed to preserve level project funding without asking tax payers for a tax increase. The general capital pro forma assumes ten years of steady state bond issuance and examines both the existing and expected debt service requirements and the maintenance of fund balance in concert with city financial policies. The current affordability model protection is an increase of \$1 million every bond cycle.

- **Water Budget Outlook**

Interim Charlotte Water Director, David Czerr accompanied by Charlotte Water's Chief Financial Officer, Chad Howell discussed the Department's initial FY 2021 budget outlook. Water's total operating budget is \$475 million and \$300 million for capital infrastructure that is expected to be funded by and to be funded by debt and PAYGO. Water's ten-year financial plan projects moderate annual rate increases of around 3.5 percent. This year's rate increase is expected to be in line with what was projected last year.

- **Storm Water Budget Outlook**

Mike Davis, Manager of Storm Water Services presented the Storm Water budget outlook and provided an update of FY2020 initiatives. Storm Water deals with water quantity (infrastructure component) and water quality (environmental component). Storm Water Services operates as a joint utility with the county and is rooted in the Clean Water Act. Storm Water deals with up to 4,000 resident contacts per year. For FY 2020 initiatives, there will be a shift to an asset management approach. A major transformation within the program will be to focus on city-maintained drainage systems for which the city is liable, as opposed to prioritizing private property assistance, which has been done historically. Mr. Davis explained Storm Water has adjusted the financial model based on the new expectations for production attempting to sustain moderate level fee increases over time. The assumed increase projected last year was 3.6 percent.

- **Employer of Choice Compensation and Benefits Update**

Sheila Simpson, Human Resource Director, updated Council on compensation and benefits and initiatives.

Ms. Simpson explained the city offers four medical plans and that more than half of the city's workforce is in



Budget and Effectiveness Committee Update

the employee only tier of coverage. The city budgets for around 8,000 employees for benefits and covers more than 18,000 lives due to dependent coverage. For FY 2019 the city introduced the Healthcare Premium Relief program. The clinics that the city operates (Our Health/ My Clinic) have resulted in over \$6 million in savings for employees and the city, stemming from lower out of pocket costs. There will be a new clinic opening around March, in Matthews, as a shared employer clinic. Historically the city has offered two different 457 plans. The city conducted an RFP process to get quotes for a 457 plan that will be operational in the near future

- **Proposed Budget Workshop Agenda for March 4, 2020**

The committee reviewed and confirmed the proposed topics for the next Council Budget Workshop. The next Budget Workshop will include budget presentations on Compensation and Benefits, Water, Storm Water, Public Safety Compensation, and the Strategic Energy Action Plan.

Next Meeting: Tuesday, March 17 at 1:30 in CMGC room 280

Committee Members: Malcolm Graham (Chair), Braxton Winston (Vice Chair), Tariq Bokhari, Julie Eiselt, and Victoria Watlington

Committee Purpose Statement: The committee reviews and recommends policy related to comprehensive initiatives designed to create affordable housing and provide opportunities that align with creating great neighborhoods.

Committee Chair Update:

The committee met on February 19, 2020 (all committee members were in attendance) and discussed the following:

- **Update on LISC's (Local Initiatives Support Corporation) affordable housing efforts**
Information Only

Ralphine Caldwell, Charlotte LISC Executive Director, provided the committee with an overview of the LISC organization, the Charlotte Housing Opportunity Investment Fund (CHOIF), and LISC's planned comprehensive approach for local community development, including work in Historic West End.

Charlotte Housing Opportunity Investment Fund (CHOIF).

- The CHOIF is funded by \$53 million in community support raised by the private sector through Foundation for the Carolinas. LISC is the fund manager.
- Last year, the city collaborated with LISC to issue the first joint Housing Trust Fund (HTF) / CHOIF Request for Proposals (RFP). The joint RFP allowed affordable housing developers to apply seamlessly for support from both the HTF and CHOIF. All CHOIF funds awarded last year were for projects also supported by the city's HTF.
- There is approximately \$42.3 million remaining in the CHOIF.
- The city and LISC have issued a second joint RFP. The deadline for developers to submit proposals was February 10, 2020. City staff and LISC are currently conducting a dual review of the development proposals. City Council will have an opportunity to review these proposals in the spring.

LISC Community Development Initiatives in Historic West End (HWE)

LISC has identified HWE as a target community for comprehensive community development. There may be an opportunity to expand this to other communities in the future. Examples of LISC activities in HWE include:

- Awarding Historic West End Partners (HWE) \$25,000 for capacity building. LISC is also working with HWE on issues such as board governance, sustainability, succession planning and financial oversight.
- Convening an HWE stakeholder group, comprised of business leaders, residents, and others working in HWE. These stakeholder meetings provide an opportunity for networking, idea exchanges, and information sharing from organizations like CMPD.
- Hosting meetings to help educate residents, businesses and other stakeholders about Opportunity Zones.
- Offering technical assistance to business owners.
- Hosting a business roundtable for commercial displacement and sharing feedback from the roundtable with city staff.
- As a Certified Development Financial Institution (CDFI), LISC will begin offering small business loans to HWE businesses.

Other LISC Initiatives

LISC is also engaged in various other initiatives in Charlotte. These include:

- Installation of football turf fields through a partnership with the NFL Foundation's Grassroots Program. West Charlotte High School has been a recipient.



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- Working with INLIVIAN to expand the family sufficiency program through a financial partnership with Ally Financial.
- Partnering with the city on a Single-Family Acquisition, Rehabilitation and Resell program, to expand homeownership opportunities for low-to-moderate income households.

Next Meeting:

The next meeting is scheduled for March 18, 2020.

Committee Members: Tariq Bokhari (Co-Chair), Braxton Winston (Co-Chair), Larken Egleston, James Mitchell and Matt Newton

Committee Purpose Statement: The committee reviews and recommends intergovernmental relations policies and relationship-building activities in the state and federal legislative and executive branches.

Committee Chair Update: Since the last Strategy Session, the committee met on February 17 (Bokhari, Winston, Egleston, and Newton – *James Mitchell was absent*) and discussed the following:

- **Request to Include Incentives for Affordable Housing in the 2020 State Legislative Agenda**
Staff from the Department of Planning, Design and Development and the Department of Housing and Neighborhood Services presented proposed legislation to incentivize developers to include affordable housing in the projects. The committee voted on a 3 – 1 vote (Winston, Bokhari and Egleston – Yes; Newton – No) to add this request to the Committee-Proposed 2020 State Legislative Agenda.
- **Review of the February 3 Strategy Session**
The committee briefly reviewed feedback received from the City Council at the February 3 Strategy Session. The committee did not make any changes to its Committee-Proposed 2020 Federal and State Legislative Agendas.
- **Congressional and State Delegation Briefings**
Staff informed the committee that the 2020 federal legislative briefings with the City's Congressional Delegation to review the City's 2020 Federal Legislative Agenda are being scheduled for Wednesday, March 11 and will take place in the members' Capitol Hill offices. The night before, the City's federal lobbyists will preview the Congressional Briefings starting at 6:00 pm on Tuesday, March 10.

Staff informed the committee that the 2020 state legislative briefing with the City's Delegation to the General Assembly to review the City's 2020 State Legislative Agenda will take place on Tuesday, April 14, 6:00 pm, at the Mint Museum in Uptown Charlotte.
- **Joint Meeting with Mecklenburg County Intergovernmental Relations Committee**
Staff reviewed the status of the March 24 joint meeting with the Mecklenburg County Intergovernmental Relations Committee. Co-Chair Winston requested that the presentations and other materials be sent to committee members in advance of the joint meeting, which is scheduled for Tuesday, March 24, 1:00 pm. The joint meeting topic will be Greenways as an Alternate Form of Transportation. Presentations will be made by advocates from the Charlotte East group.

Next Meeting: The next committee meeting is scheduled on March 16.

Committee Members: Larken Egleston (Chair), James Mitchell (Vice Chair), Dimple Ajmera, Renee Johnson and Victoria Watlington

Committee Purpose Statement: The committee reviews and recommends policies to make neighborhoods safe, healthy and inclusive; including policing, fire protection, and the environment.

Committee Chair Update: The Committee met on February 4, 2020 (*all members were present*) to receive a framework for reducing violence in the Charlotte community. The Committee was given 60 days to provide a framework to the Mayor and full Council.

Gibbie Harris, Mecklenburg County's Public Health Director, shared the County's public health approach for the issue of violence. She noted the County anticipates working with the City and other community partners to move the plan forward. She stated that the first step in the approach is to look at the data, understand what the issues are and use that as a framework to help make decisions about how to move forward. The data is also used to help staff understand the root causes of the issue. The next step requires engaging and involving the community around those solutions. The third step in the approach is to look at sustainability strategies. Ms. Harris stated understanding and addressing community violence requires a multi-disciplinary approach and a multi-sectoral response. She also stated that the violence prevention plan must address the root causes of violence and must be comprehensive, collaborative, and sustainable.

Sarah Hazel, Assistant to the City Manager, and Rebecca Hefner, I & T Division Manager, introduced the City's proposed framework to address community violence using a public health approach. Key highlights included the purpose, and short and long-term goals for 5 Key Building Blocks:

1. Intergovernmental Collaboration - Ensure that there is collaboration between staff and elected official for resources and information.
2. Community Collaboration in Priority Areas - Layer programs in geographically specific locations and to provide maximum impact and requiring partners to do the same.
3. Interrupt Violence - Explore a pilot that addresses the gap and identifies our role and how to sustain the efforts.
4. Invest in Community-Led Efforts - Ensure support for persons who have been doing community work in the past.
5. Use Data and Evidence - Increase efforts to share data within departments, across agencies and with partners. Additionally, identify the programs that need to be assessed and make improvements where necessary, as well as establish criteria for evaluation, and determine who should receive the data. Lastly, convene an interagency group to consider the key research questions and who needs to be added to conduct the evaluation long term.

The Committee voted unanimously to recommend to full Council the adoption of the Framework to Address Violence Using A Public Health Approach with inclusion of the updates proposed by committee members at the meeting. The framework is to be used to guide staff on action steps and budget requests.

Next Meeting: The next committee meeting is March 4, 2020 at noon in CMGC Rm. 280.

Committee Members: James Mitchell (Chair), Tariq Bokhari (Vice Chair), Dimple Ajmera, Malcolm Graham and Renee Johnson

Committee Purpose Statement: The committee reviews and recommends policies to create a thriving economic climate where businesses are connected to highly skilled talent and technologies.

Committee Chair Update: Since the last Strategy Session the committee met on February 10, 2020 (Tariq Bokhari, Malcolm Graham and Renee Johnson – *James Mitchell & Dimple Ajmera were absent*) and discussed the following:

- **Business Recruitment and Expansion Programs**

Tracy Dodson provided background information on the City's business recruitment efforts and our model to address Council's priorities, which includes partnerships with several economic development agencies across the country, region, and state. Fran West gave an overview of the business recruitment and expansion role for the City and the process on how we recruit prospective new businesses to create jobs as well as our retention efforts to keep existing companies in Charlotte. Target sectors include:

- Tech & Fintech
- Logistics, distribution, and manufacturing
- Corporate headquarters and back office support
- Financial services
- International

The committee also received information to date on companies recruited to Charlotte, new jobs and how local companies have impacted the community through their philanthropy efforts. Guest speaker, Mark Wilson, President & CEO for Chime Solutions spoke to the committee in support of the City's proposed pilot for an Opportunity Hiring Grant. He shared his company's vision to address Charlotte's issues around economic mobility and his plans to partner with HBCU's, like Johnson C. Smith University to create a pipeline.

- **Opportunity Hiring Grant Pilot**

Emily Cantrell provided an overview of the Opportunity Hiring Grant Pilot Proposal. In addition to the City's Business Investment Grant Program, staff is looking at innovative solutions to fill the gap and provide companies with other alternatives that do not require property taxes. This pilot grant, up to \$2500, will increase equity and opportunity by providing incentives to companies who partner with training providers to fill jobs, consider alternative pathways to employment within their organizations to increase local hiring, and promote employees through their careers. The City has also been in conversations with the County to support this effort by matching the grant.

VOTE: The committee voted 3:0 (Bokhari, Graham (motion) and Johnson (second); Mitchell and Ajmera were absent for the vote) for staff to move forward with the Pilot Program.

- **AMP UP**

Jerriane Jackson, with the city's Economic Development Department, provided an update on the AMP UP program. The program provides minority business owners with an opportunity to learn from local experts to develop a strategic growth plan and scale up their businesses for contracting opportunities. This will be the City's 3rd cohort. Application deadline is February 28th and the first session starts on March 24th.

Next Meeting: The committee will meet again on March 23, 2020.