

NOTICE OF SPECIAL MEETING

A SPECIAL MEETING OF THE CHARLOTTESVILLE CITY COUNCIL WILL BE HELD ON Friday, January 11, 2019, AT 9 a.m. AT THE Water Street Conference Center, 407 E. Water St, Charlottesville, Virginia 22902.

THE PROPOSED AGENDA IS AS FOLLOWS:

FY 2020 budget work session

BY ORDER OF THE CITY COUNCIL

BY Brian Wheeler

WATER STREET CONFERENCE CENTER – January 11, 2019

Council met in special session on this date with the following members present: Ms. Walker; Ms. Hill; Dr. Bellamy; Ms. Galvin; and Mr. Signer.

Ms. Walker called the meeting to order at 9:05 a.m.

Ms. Walker invited Ms. Leslie Beauregard, Assistant City Manager, to start a presentation on the FY 2020 budget. Ms. Beauregard provided Council and overview of the meeting agenda and an update on the City's strategic plan.

Ms. Beauregard summarized the status of key metrics highlighted in the strategic plan update which will also be priorities in the development of the FY 2020 budget. Council and City staff discussed various indicators and trends in the report.

Mr. Signer left the meeting at 10:06 a.m.

Ms. Beauregard sought input from Council on five key strategic plan investment priorities: Economic Development; Workforce Development; Safety, Security and Preparedness; Affordable Housing; and Race and Equity.

Ms. Galvin asked for increased tracking of data related to early childhood development and early education initiatives.

Ms. Walker asked for additional feedback in the future on Safety and Security measurements and corresponding investments. She asked for feedback on investments in law enforcement given an observed decrease in crime rates.

Ryan Davidson, Senior Budget and Management Analyst, made a presentation on forecasted revenues.

Krisy Hammill, Senior Budget and Management Analyst, made a presentation on forecasted expenses.

Council and staff discussed strategies to help balance the upcoming budget. Ms. Walker asked if Departments had been asked to submit expenditure reductions. She also asked that Council receive a detailed list of new staffing positions being requested in the budget.

Ms. Galvin asked if comparable data existed related to staff per-capita ratios. Mr. Mike Murphy, Interim City Manager, said previous efficiency studies have indicated the City was pretty lean in our staffing especially taking into account community expectations and values.

Ms. Walker asked for an update on the Charlottesville Housing Affordability Program at a future work session.

Ms. Galvin said the Charlottesville Affordable Housing Fund needs further discussion to identify sustainable funding sources. Mr. Murphy said the last Planning Commission meeting made clear their interest in additional funding for the FY 2020 budget.

Ms. Walker invited the public to provide input.

Mr. Peter Krebs, representing the Piedmont Environmental Council, encouraged Council to increase local investments in, and to seek new state and federal matching funds to accelerate, multi-modal transportation projects. He emphasized trail projects can help eliminate use of single occupancy vehicles.

Mr. Dave Redding, with EcoVillage Charlottesville and the Cville100 Climate Coalition, asked for Council's support of a neighborhood community outreach specialist at LEAP to do outreach about weatherization benefits available.

Dr. Bellamy said he thought this position should be included in the budget discussion. Ms. Walker asked about LEAP's campaigns in the past and communications outreach. She asked if there was an education gap the City could help fill through marketing from the Communications Department and Commissioner of Revenue.

Ms. Marcia Geyer spoke on behalf of the Cville100 Climate Coalition and provided Council additional information on the LEAP community outreach position.

Ms. Galvin said it wasn't clear in the budget goals that alternative transportation choices were a priority. She said it could be a separate item or given attention within other priorities.

Ms. Emily Poon with Legal Aid Justice Center commended the City for undertaking an internal equity assessment. She encouraged Council to elevate race and equity as a primary goal and to have the other budget initiatives demonstrate how they help support that effort. Ms. Poon said the \$50 million bond requested for affordable housing is not in the budget yet and that additional funding for the Charlottesville Affordable Housing Fund needs to be added.

Ms. Walker adjourned the meeting at 11:32 a.m.



CITY OF CHARLOTTESVILLE
FY 19 Adopted Budget
STRATEGIC PLAN
PRIORITIES REPORT
PRESENTED | JANUARY 2019



City of Charlottesville
Virginia

*To Be One Community
Filled With Opportunity*

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Strategic Plan Priorities

Economic Development

Focus

1.1 What We Know

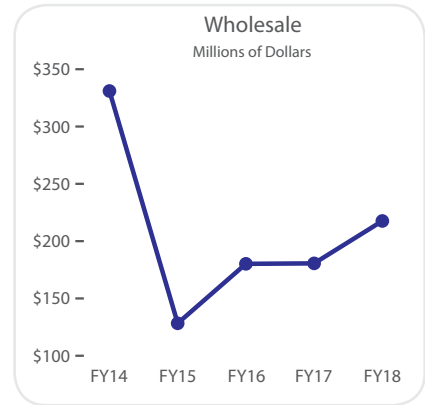
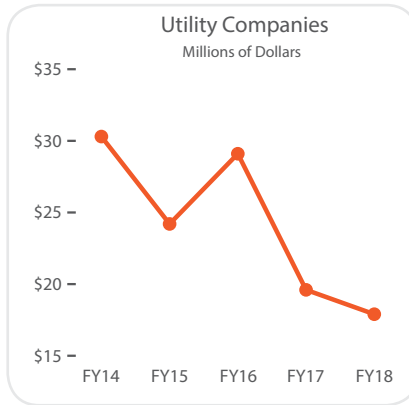
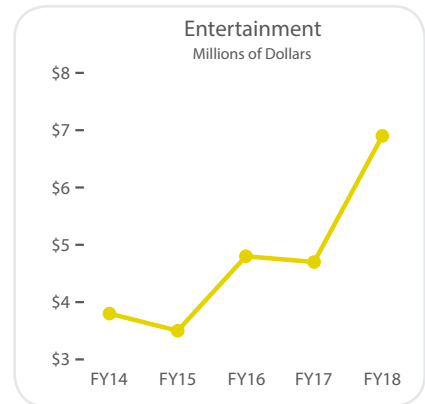
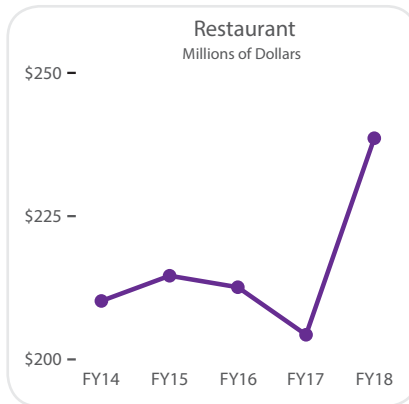
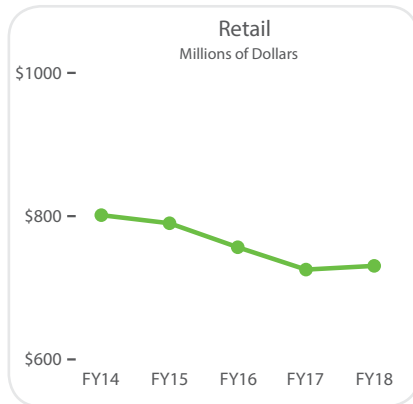
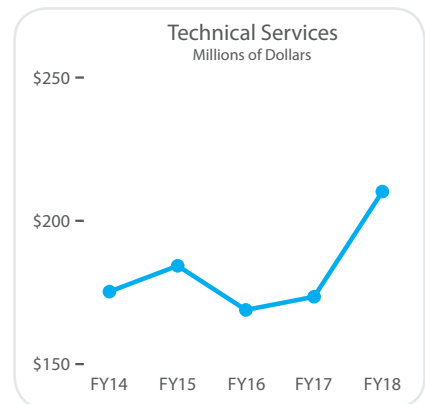
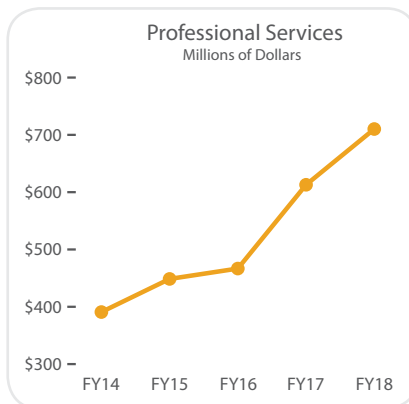
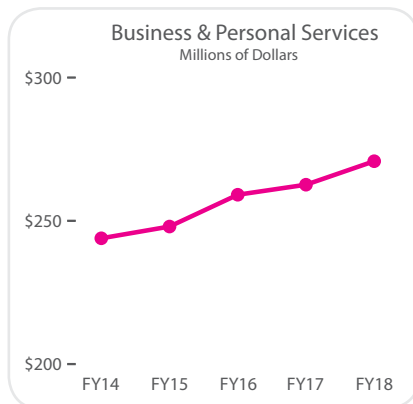
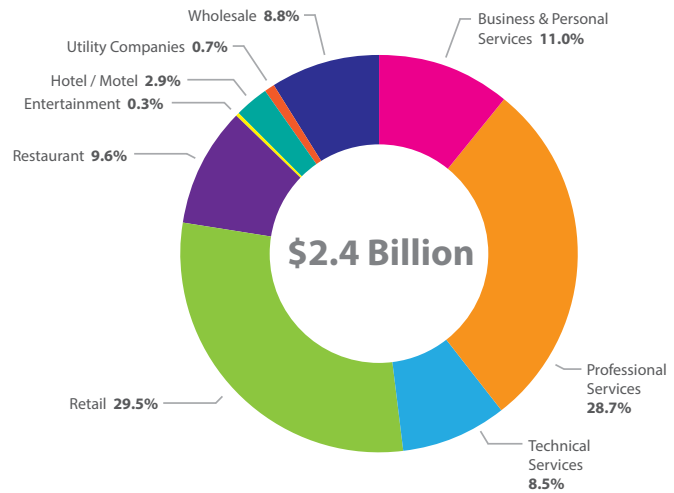
1.2 Community Perceptions

1.3 Initiatives

1.1 What We Know

In FY18 (July 1, 2017 to June 30, 2018), the Charlottesville economy brought in over 2.4 billion dollars. The two biggest contributors were retail businesses and professional services. Gross receipts from professional services nearly doubled in five years. Retail business reversed a downward trend after showing steady declines in FY15, FY16, and FY17. Interestingly enough, restaurants witnessed a huge jump in sales in FY18 and hotels have seen steady increases since FY15.

FY18 Gross Receipts by Business Sector



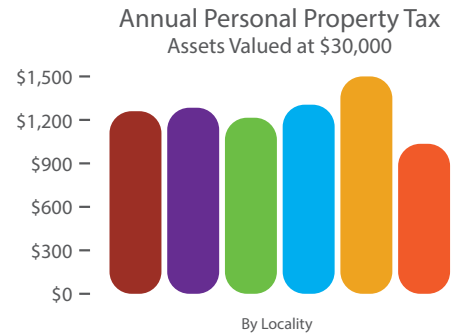
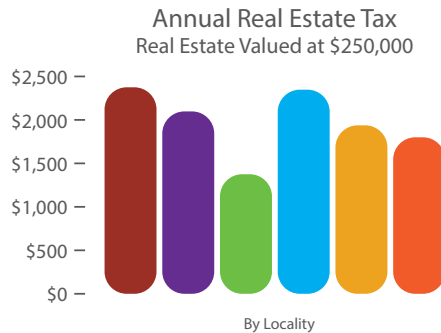
Locality Tax Rates

The chart to the right compares neighboring county tax rates. Charlottesville currently ranks the highest for Real Estate Taxes, but falls behind Albemarle in Personal Property taxes and Machinery and Tool taxes. Businesses looking to relocate may be heavily influenced by a locality's tax rate. The two bar graphs show how much an individual or entity can expect to pay in their annual taxes for both Real Estate and Personal Property.

Tax Rates by Locality

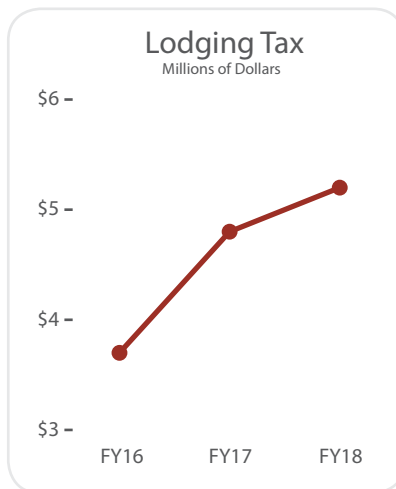
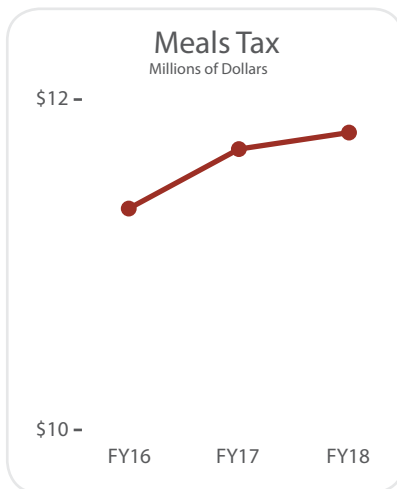
	Charlottesville	Albemarle	Buckingham	Fluvanna	Greene	Nelson
Real Estate Tax	\$0.95 per \$100 of assessed value	\$0.839 per \$100 of assessed value	\$0.55 per \$100 of assessed value	\$0.939 per \$100 of assessed value	\$0.775 per \$100 of assessed value	\$0.72 per \$100 of assessed value
Personal Property Tax	\$4.20 per \$100 of assessed value	\$4.28 per \$100 of assessed value	\$4.05 per \$100 of assessed value	\$4.35 per \$100 of assessed value	\$5.00 per \$100 of assessed value	\$3.45 per \$100 of assessed value
Vehicle License Fee Passenger Vehicle under 4,000 lbs	\$28.50	\$40.75	\$25.00	\$33.00	\$25.00	\$38.75
Business License Tax \$50,000 Gross Receipts	\$35.00	\$50.00	\$0	\$0	Varies	\$30
Business License Tax \$75,000 Gross Receipts	\$50.00	\$50.00	\$0	\$0	Varies	\$30
Machinery & Tool*	\$4.20 per \$100 of assessed value	\$4.28 per \$100 of assessed value	\$2.90 per \$100 of assessed value	\$1.90 per \$100 of assessed value	\$2.50 per \$100 of assessed value	\$1.25 per \$100 of assessed value
Meals Tax	5.0%	4.0%	0.0%	0.0%	4.0%	4.0%
Lodging Tax	7.0%	5.0%	2.0%	0.0%	5.0%	5.0%

*Methods to obtain machinery & tools assessed value varies by county.

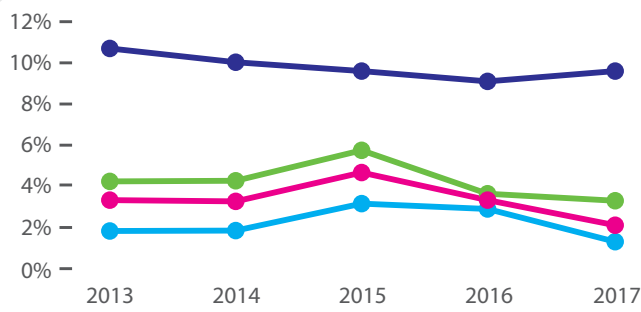


Generating Revenue

There's a delicate balance in generating enough revenue to sustain the city's responsibilities while staying competitive in the region. In FY18, the City of Charlottesville generated 11.8 million dollars from the Meals Tax, 5.2 million dollars from the Lodging Tax, and 11.6 million dollars from the Sales Tax. The largest category for generating income was the Real Estate Tax. In FY18, 65 million dollars came from the Real Estate Tax.



Vacancy Rates

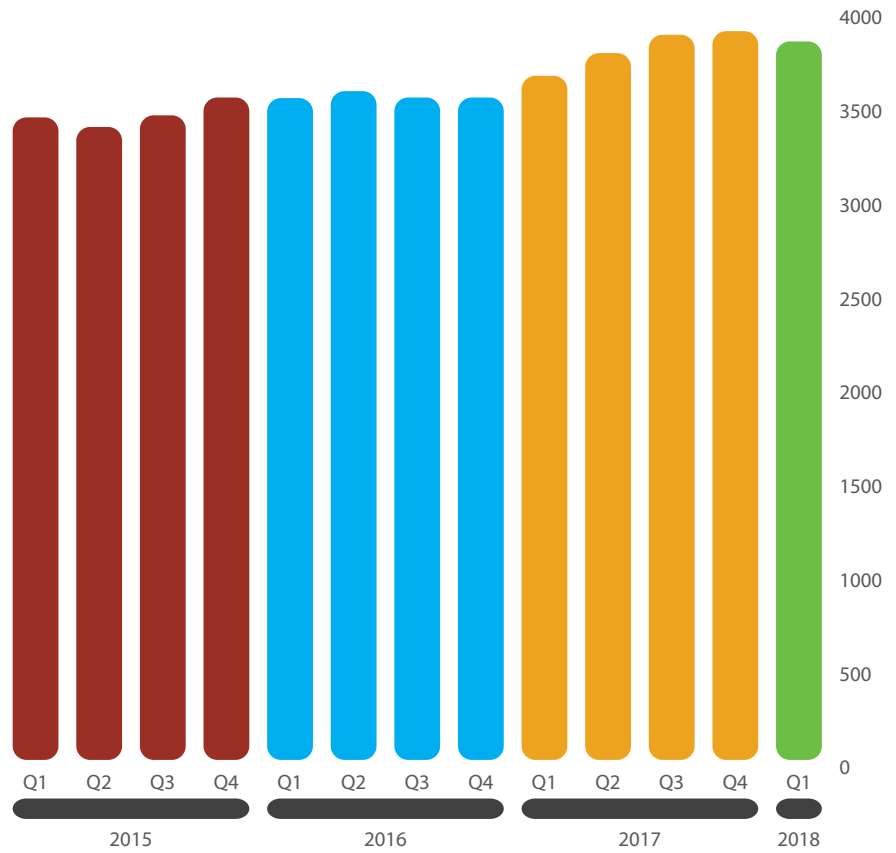


Retail Vacancy Rates

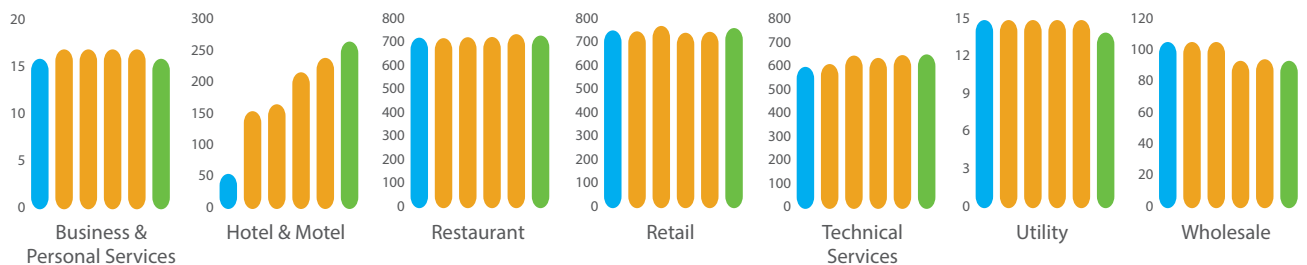
Commercial vacancy rates are an important economic indicator. The rates help determine if there is proper balance between supply and demand for the various types of space. Low rates typically indicate a healthy economy as there is strong demand for the product type while higher rates signal a depressed economic environment. The annual rate represents an average for the January and July reports.

Registered Businesses in Charlottesville

Over the last three years, Charlottesville has seen an increase in the number of registered businesses. Substantial growth was experienced in the first three quarters of 2017 with 219 new businesses being added. The hotel industry has shown the greatest growth. This is expected to continue as more homeowners license their home-stay businesses for services such as AirBnB.



Registered Businesses in Charlottesville

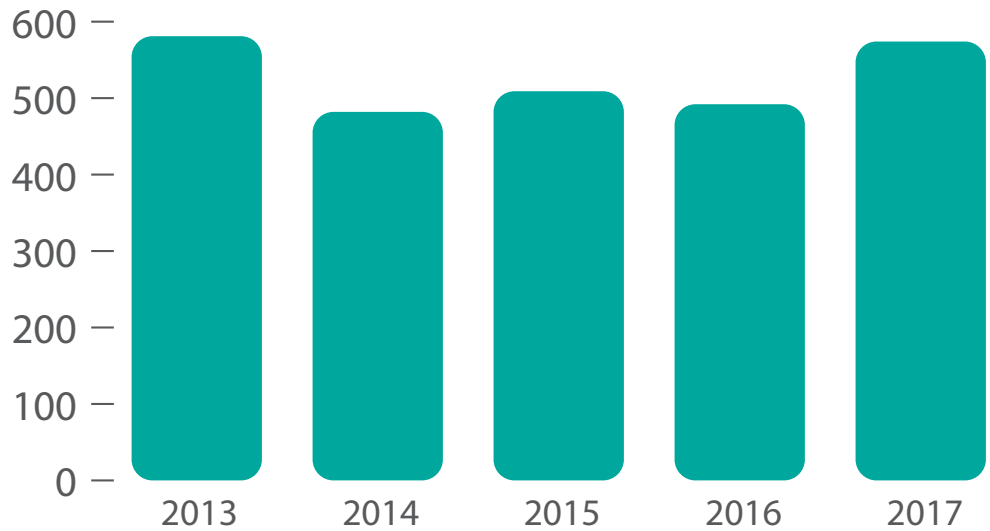


Source: Revenue Billing System & Commissioner of the Revenue's Business Tax System

Commercial Permits

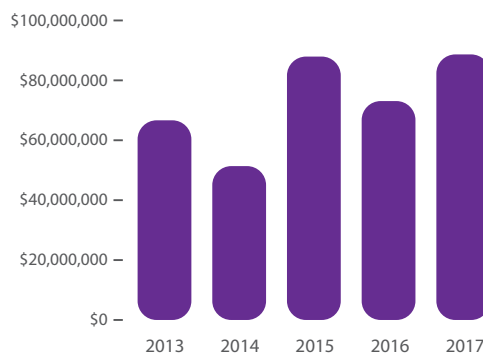
The number and dollar value of commercial permits is an indicator of the overall health of a local economy. A vibrant and desirable community will have a continued level of private sector investment that will be evident in commercial permit requests.

Commercial Permits Issued

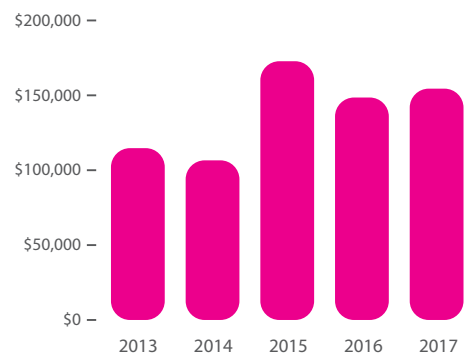


In 2017, the value of commercial permits issued in the city continued to be significant at over \$80 million dollars. This continues an encouraging trend that began in 2011. This multi-year trend is a very positive sign for the city as it shows a continued demand

Cumulative Value of Permits



Average Value of Each Permit

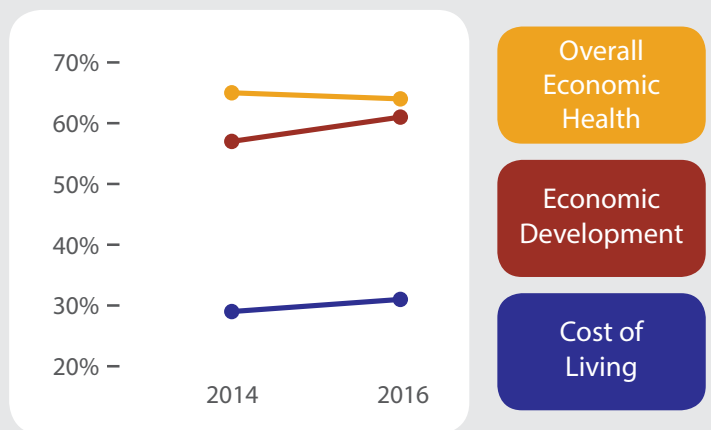


for new or renovated commercial space. Private sector investment is critical to maintaining and enhancing the city tax base and spurring job creation.

1.2 Community Perceptions

The City of Charlottesville was one of many jurisdictions in the U.S. to participate in the National Citizen Survey in 2016. Between the months of July and September 2016, questionnaires were mailed to a random sample of 1,800 Charlottesville households, asking for feedback on the quality and usefulness of city services. There were 368 completed surveys returned.

Favorable Economic Perceptions



1.3 Initiatives

Minority Business Program

The City's Minority Business Program, is a joint program of the City's Office of Economic Development (OED) and the Division of Procurement & Risk Management. In FY 2019, the OED was allocated funding for a Minority Business Development Coordinator (MBDC) by City Council to supplement a newly approved Minority Business Procurement Coordinator (MBPC) position in Procurement. Once hired, the MBDC will focus on the development and coordination of the City's Minority Business Program, which will include outreach and technical assistance to internal and external stakeholders, as well as facilitation of cooperative resource networks for stakeholders in minority business development. This individual will work closely with the newly hired MBPC to establish a robust program that strategically integrates business development with procurement in order to seamlessly serve woman- and minority-owned businesses in Charlottesville.

2018 Minority Business Program Accomplishments

- Minority Business Development Coordinator proposal submitted and approved by City Council
- Minority Business Development Task Force development and holding regular meetings
- Minority Business Program formally launched
 - Website - <http://www.charlottesville.org/minoritybusinessprogram>
 - Email account - mpb@charlottesville.org
- Minority Business Program Efforts
 - Black Business Expo (9/2018)
 - Charlottesville Women & Minority Business Expo (11/2018)
 - Minority Business Appreciation Breakfast (12/2018)

Strategic Plan Priorities

Workforce Development

Focus

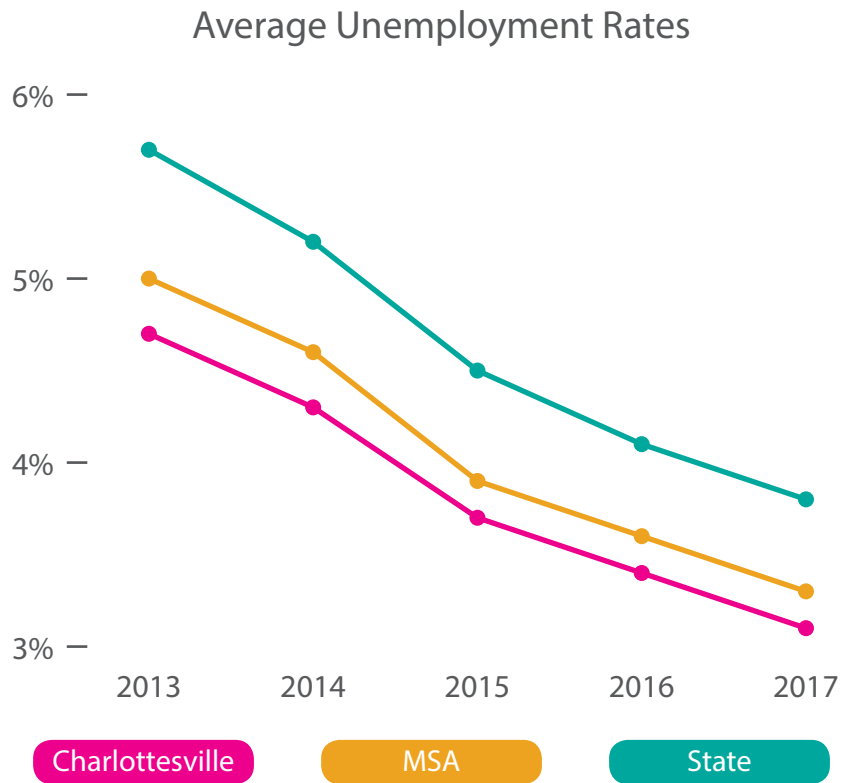
2.1 What We Know

2.2 Community Perceptions

2.3 Initiatives

2.1 What We Know

The Average Unemployment indicator represents the average number of people included in the overall labor force but do not have employment. All three of the study areas experienced significant reductions in the unemployment rate, showing signs of a strong local, regional, and state workforce economy. As an economy adds jobs, increases in wages while seeing a decrease in the unemployment rate, show the characteristics of a healthy and vibrant economy.



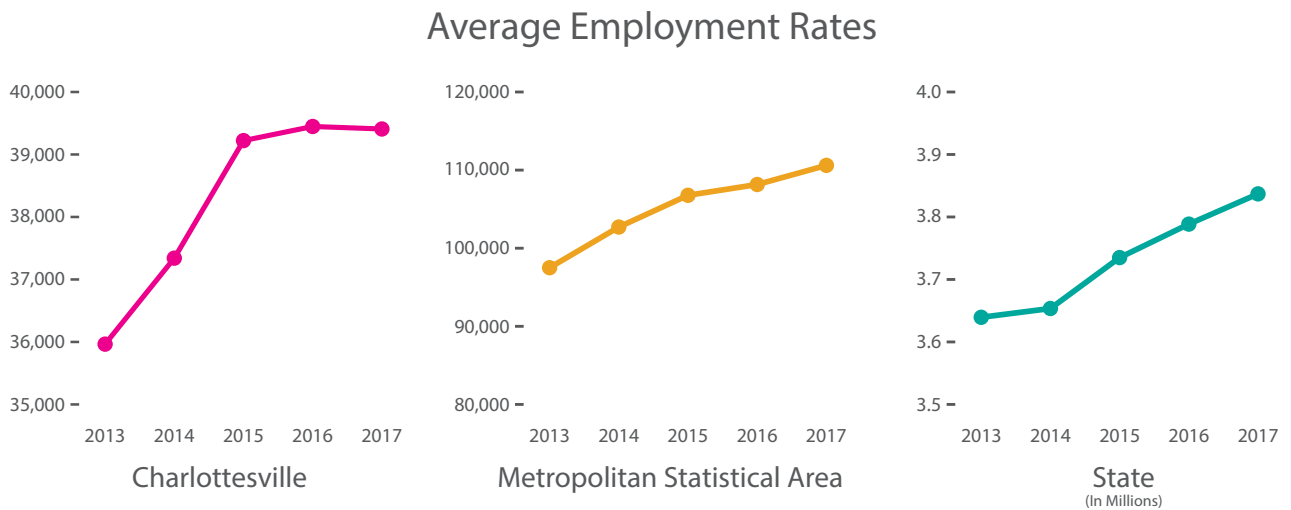
Average Employment

The Average Employment indicator represents the average quarterly number of employees reported across all types of industries for a specific area. Charlottesville experienced a gain of 10% in average employment from 2013 to 2017, reaching the highest employment numbers on record. Additionally, the Charlottesville Metropolitan Statistical Area (MSA) experienced a 13% increase over the same period of time, showing the regional growth that outpaced the state's increase by over 150%.

39,408

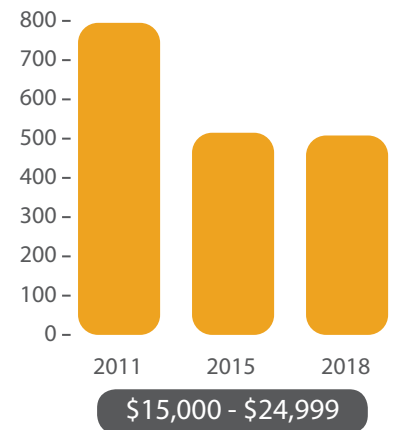
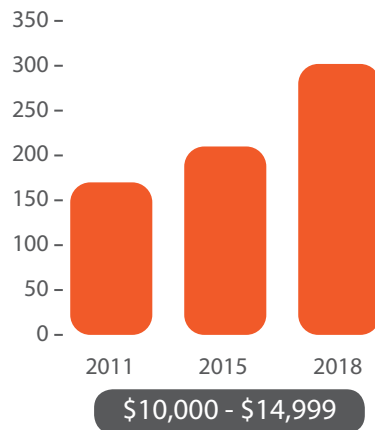
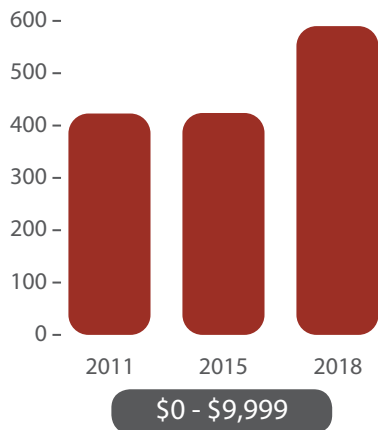
Number of Employees in Charlottesville

Source: Virginia Employment Commission



Number of Struggling Families

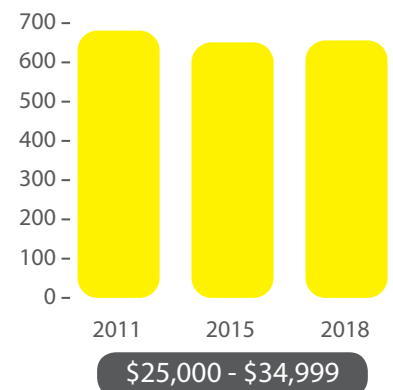
Source: Orange Dot Reports 1.0 - 3.0



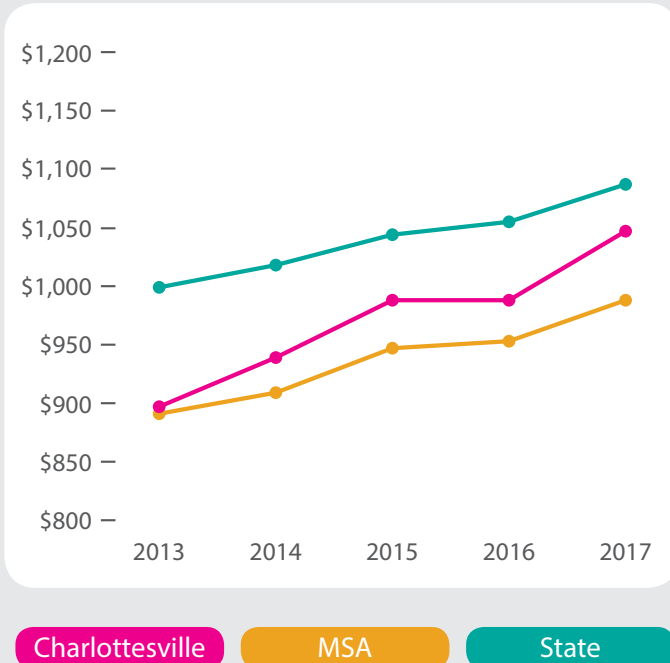
Struggling Families

While the unemployment rate in Charlottesville has been steadily decreasing, the number of struggling families within the lowest income brackets has been on the rise.

7.0%
Increase from 2015



Average Weekly Wages



Weekly Wages

The Average Weekly Wages indicator represents the average quarterly wages reported across all types of industries for a specific area. Over the last five calendar years, the City of Charlottesville has experienced the largest growth of the three study areas. Charlottesville's weekly wages rose 17% from 2013 to 2017, compared with 13% for the Charlottesville Metropolitan Statistical Area (MSA) and 9% statewide. This indicates the entire state is experiencing positive wage growth but Charlottesville has seen a larger increase of jobs paying a higher wage. Usually this indicates jobs requiring advanced education and/or skills.

2.2 Community Perceptions

The Citizens Survey shows that the number of residents who have a favorable view of employment opportunities in Charlottesville, and progress on stable employment that meets their needs, has remained fairly stable, while the number of residents who favorably view Charlottesville as a place to work, has steadily decreased over the last three Citizen Surveys.

Residents with a Favorable View of Employment Topics



Source: Citizens Survey

2.3 Initiatives

Downtown Job Center & GO Programs

The Downtown Job Center (DJC) opened in August of 2014 in an effort to make employment services more accessible to City residents. The DJC, which is located in the lower level of the Jefferson Madison Regional Library (201 E. Market Street), has two full-time and one part-time staff. Over the past four and half years, the DJC has served almost 7,000 visitors, offering services such as job search assistance, help with applications, resume creation/review, mock interviewing, etc. Additionally, 20 Growing Opportunities (GO) programs have been administered through the Job Center during this time. The GO programs offer pre-employment skills training to individuals in high-demand industries that pay a self-sufficient wage. These programs include: GO Driver (10), GO Electric (2), GO Cook (2), GO Office, GO Clean, GO Utilities, GO Skilled Trades Academy, GO CNA, and GO Driver Class A.

One hundred and forty five City of Charlottesville (139) and County of Albemarle (6) residents have graduated from the various GO programs over four years. Of these 140 graduates, 131 (94%) were offered better employment from employer partners as a result of successfully graduating from one of the programs, with an average starting wage of approximately \$15.00.

Below is a list of GO training programs and various workforce development events that took place during calendar year 2018.

2018 GO Training Programs

- GO GED Pathways (12/2018)
- GO Skilled Trades Academy (3/2018)
- GO Driver 9 (3/2018) - partnership with Albemarle County
- GO Cook 1 (6/2018)
- GO Driver 10 (11/2018)
- Go Cook 2 (12/2018) - partnership with Albemarle County

2018 Workforce Training Programs

- Construction Contractors Meet-Up (1/2018)
- Charlottesville Community Job Fair (5/2018)
- GO Connect - Networking Reimagined (5/2018)
- Women's Employment Summit (6/2018)
- GO Connect - Unlocking Personal Brand: Know, Feel, Do (8/2018)
- Charlottesville Women & Minority Business Expo (11/2018)
- Reentry Reverse Job Fair (11/2018)
- Downtown Job Center Open House (11/2018)
- GO Connect - Listening with ____ in Mind! (11/2018)
- National Optronics Rapid Response Efforts (12/2018)
 - Two Information Sessions
 - Pre-Job Fair Prep Workshop
 - Reverse Job Fair

Strategic Plan Priorities

Public Safety & Security

Focus

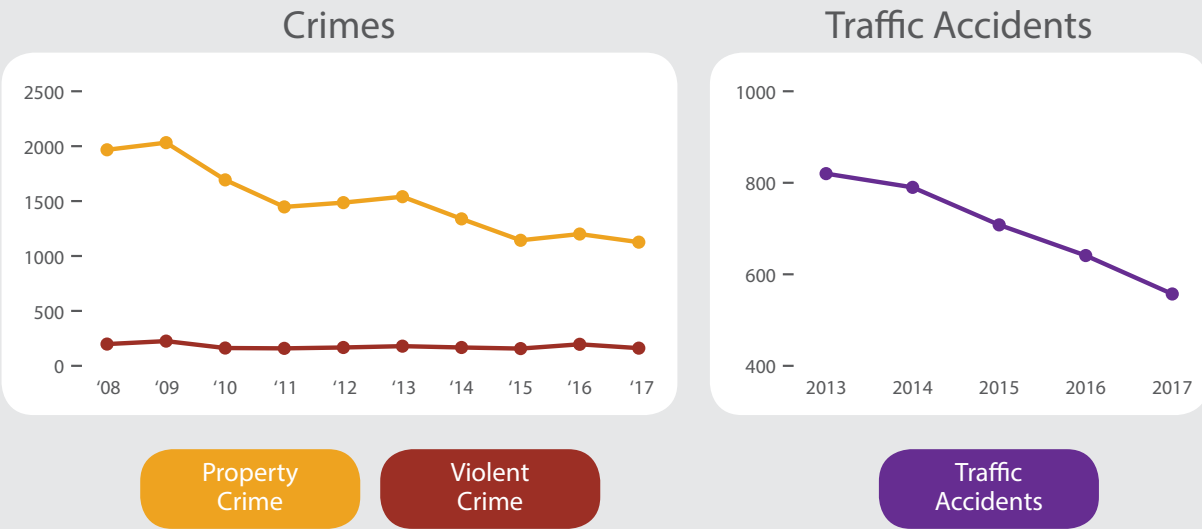
3.1 What We Know

3.2 Community Perceptions

3.3 Initiatives

3.1 What We Know

Crime, Traffic Violations, and Accidents in the Community

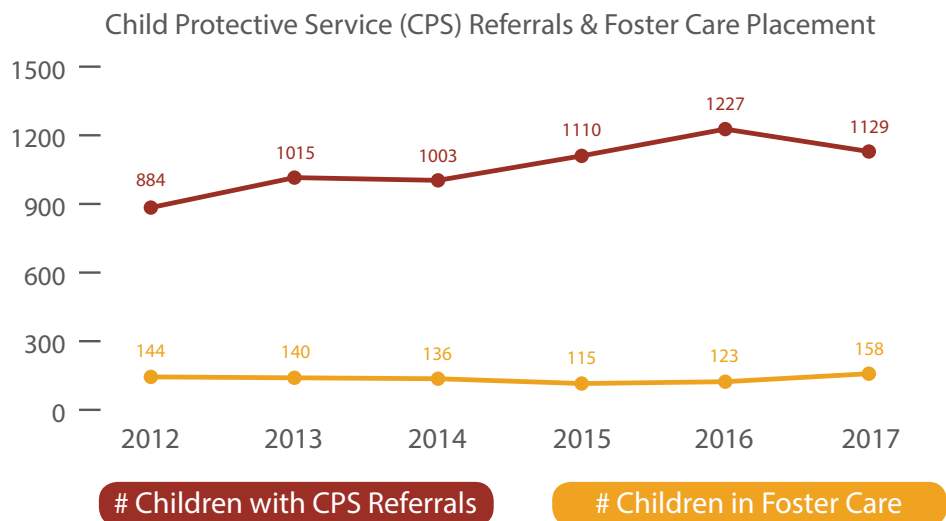


Part 1 (P1) property crimes have decreased 43% from 2008, 1,927 crimes, to 2017, 1,126 crimes. P1 violent crimes have also decreased by a lower percentage, 18% from 2008, 198 crimes, to 2017, 161 crimes.

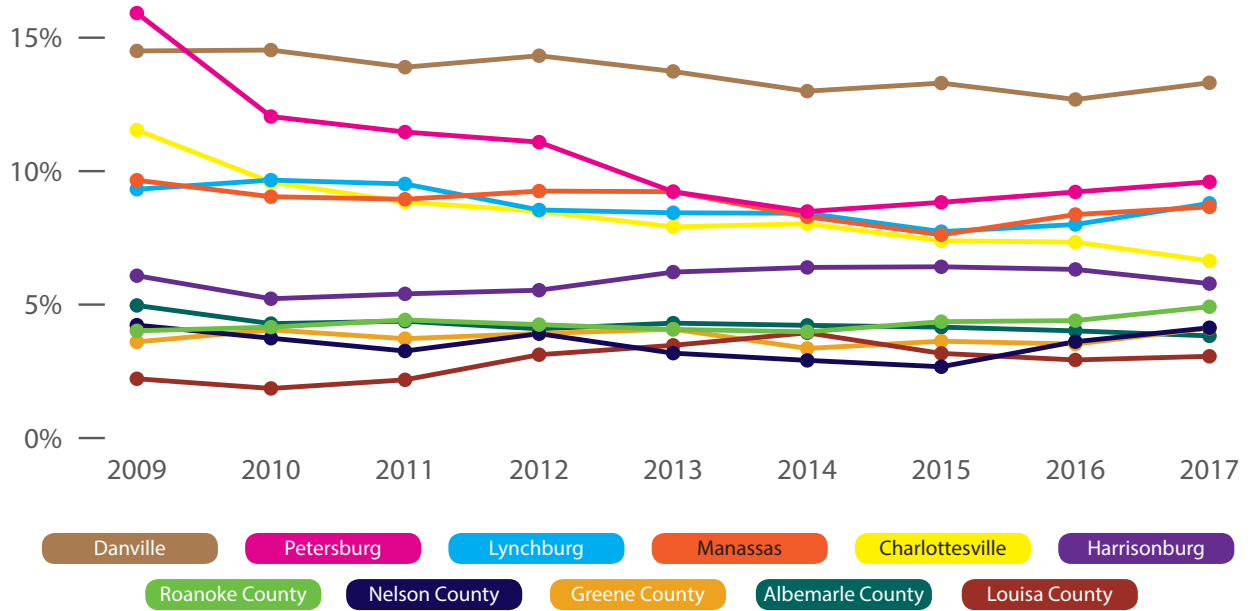
Part 1 Offenses Include:

- Criminal Homicide
- Forcible Rape/Legacy Rape
- Revised Rape
- Robbery
- Aggravated Assault
- Burglary (Breaking or Entering)
- Larceny-Theft (Except Motor Vehicle Theft)
- Motor Vehicle Theft
- Arson

The number of children in foster care has remained stable from 2012 to 2017 however, the number of children with referrals has increased 27% in the same time period.



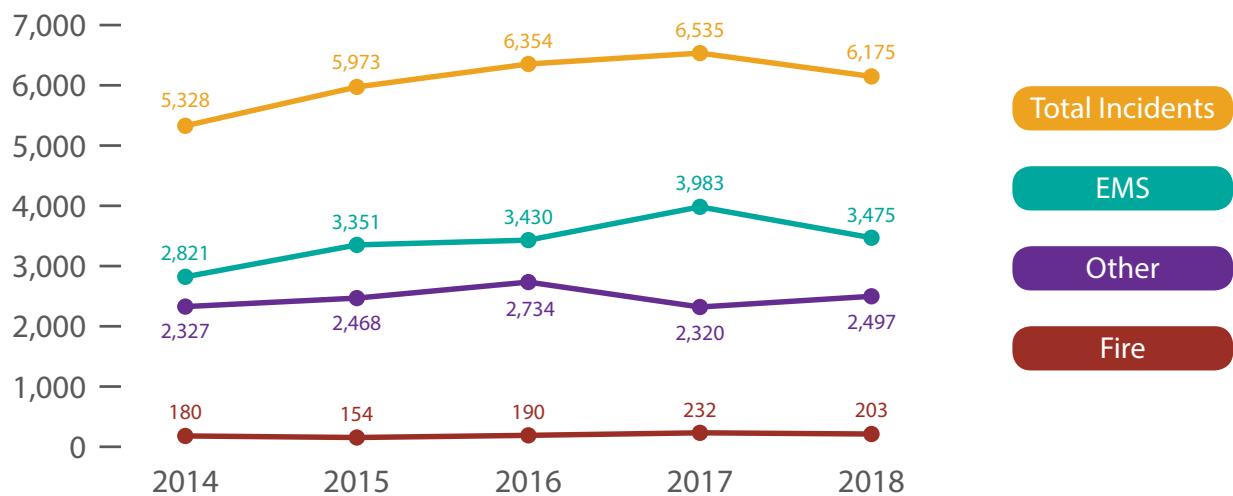
Group A Crimes Per Capita



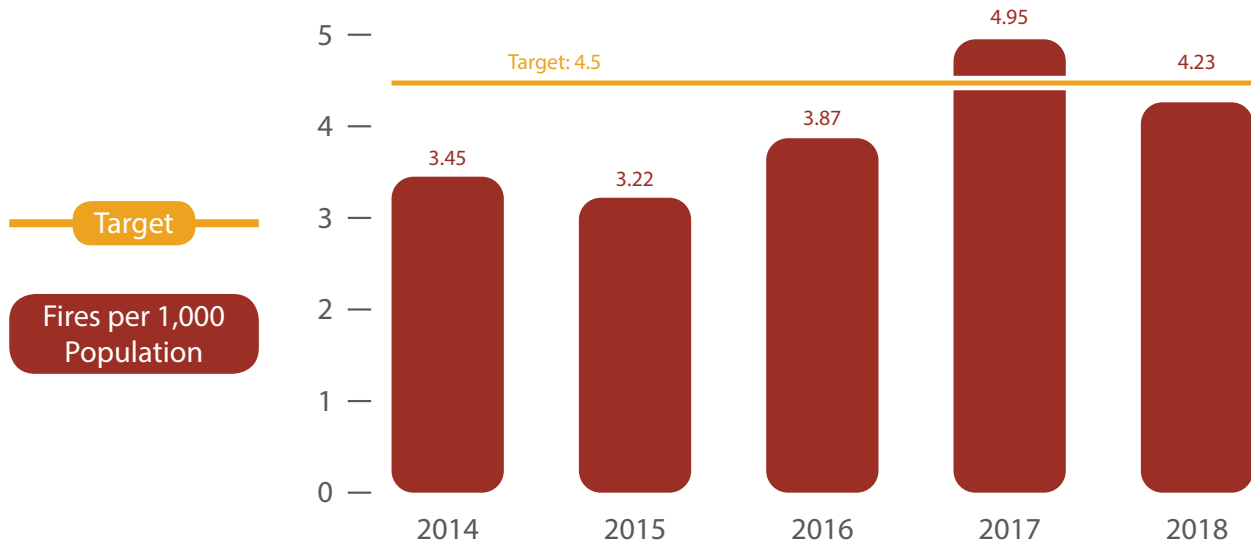
Group A Offenses:

Offense Category	Crime Against	Offense Category	Crime Against
Arson	Property	Homicide Offenses	Person
Assault Offenses	Person	Kidnapping / Abduction	Person
Bribery	Property	Larceny / Theft Offenses	Property
Burglary / Breaking & Entering	Property	Motor Vehicle Theft	Property
Counterfeiting / Forgery	Property	Pornography / Obscene Material	Society
Destruction / Damage / Vandalism of Property	Property	Prostitution Offenses	Society
Drug / Narcotic Offenses	Society	Robbery	Property
Embezzlement	Property	Sex Offenses, Forcible	Person
Extortion / Blackmail	Property	Sex Offenses, Nonforcible	Person
Fraud Offenses	Property	Stolen Property	Property
Gambling Offenses	Society	Weapon Law Violations	Society

Charlottesville Fire Department Incidents by Type



Charlottesville Fires per 1,000 Population



Civilian Injury & Death Rates from Fire Incidents

	2015	2016	2017	2018*
Civilian Fire Fatality Rate per 1,000 Citizens	0	0	0	0
National Fire Fatality Rate per 1,000 Citizens	0.01	0.01	0.01	n/a
Civilian Fire Injury Rate per 1,000 Citizens	0.06	0.13	0.02	0.15
National Fire Injury Rate per 1,000 Citizens	0.05	0.05	0.05	n/a

*2018 data on national fire injuries and deaths will not be available until 2019.

No civilian deaths from fire have occurred in the city since 2009.

Firefighter Injury & Death Rates from Fire Incidents

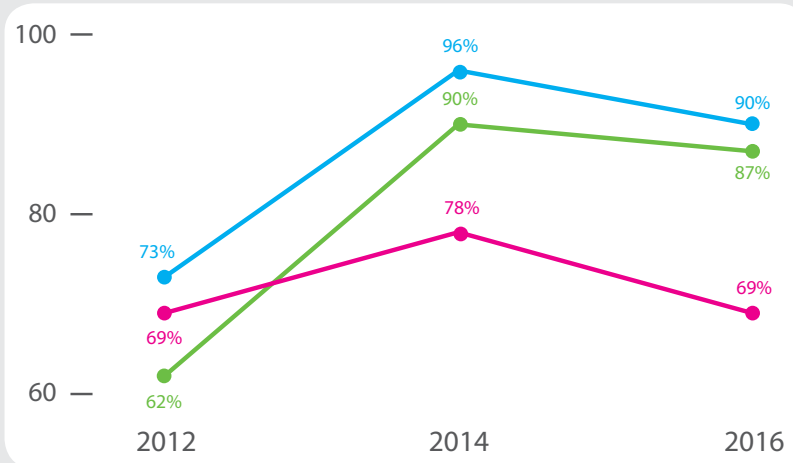
	2015	2016	2017	2018*
Firefighter Injury Rate per Incident	0.00	0.01	0.00	0.00
National Firefighter Injury Rate per Incident	0.05	0.05	0.05	n/a
Firefighter Death Rate per Incident	0	0	0	0
National Firefighter Death Rate per Incident	0	0	0	0

*2018 data on national fire injuries and deaths will not be available until 2019.

In 2018, there were two firefighter injuries and one line of duty death in the Charlottesville Fire Department. When aggregated per incident, the rates are both extremely small.

3.2 Community Perceptions

Perceived Resident Safety



The National Citizen Survey showed a significant increase in resident perceptions of safety from 2012 to 2014 but then a decrease from 2014 to 2016.

Overall Feeling of Safety

Safe in Neighborhood

Safe Downtown

3.3 Initiatives

The Committee on Safety and Emergency Preparedness (CSEP) was formed in February, 2018. CSEP is charged with creating the framework for the City's Emergency Management programs and initiatives. CSEP's mission is to reduce community, citizen, and employee vulnerability to hazards and to improve community resilience in the face of man-made and natural disasters. In its first year, CSEP has successfully completed a series of initiatives including:

- Developed and deployed Emergency Building Evacuation placards for City buildings
- Developed and deployed an Emergency Procedures placards for City work spaces
- Led the effort to achieve compliance with NIMS-ICS training requirements
- Oversaw the completion of a Department of Homeland Security assessment of City Hall
- Directed the completion of a cybersecurity assessment of the City's IT infrastructure at no cost
- Directed the completion of a safety and security assessment of the Downtown Mall
- Coordinated City employee participation in numerous Emergency Management training classes
- Worked with Human Resources to develop a Security Manager job description for the City



Strategic Plan Priorities

Affordable Housing

Focus

4.1 What We Know

4.2 Community Perceptions

4.3 Initiatives

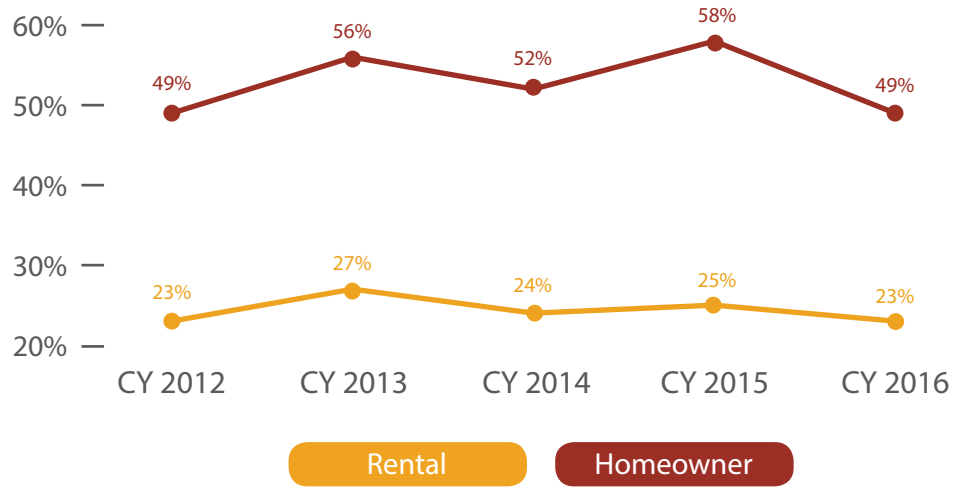
4.1 What We Know

A household is considered to be cost-burdened if the occupants pay more than 30% of their income on housing. Census estimates for 2017 have not been released as of November 2018.

The percentages of local residents who pay more than 30% of their income for owner-occupied

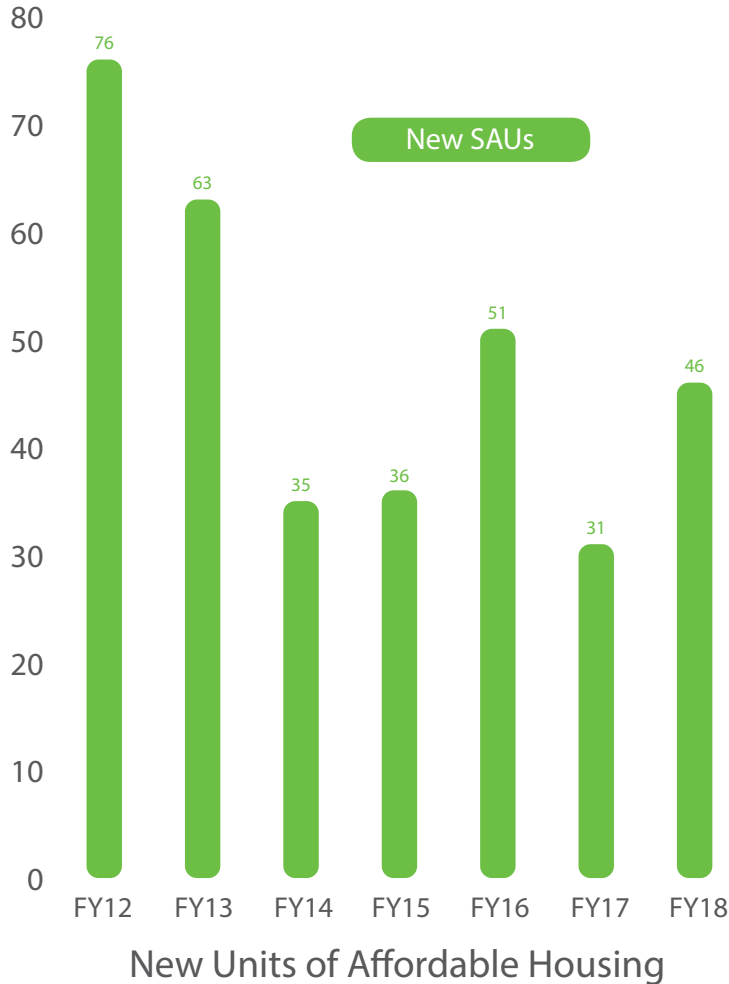
housing has remained relatively steady for the past five years. There was a 10% decrease in the percentage of renters paying more than 30% of their income for housing between 2015 and 2016. However, a one year change cannot be identified as a trend. It should be noted that the cost-burdened renters data includes University of Virginia students who live in the City.

Residents Whose Housing is Cost-Burdened



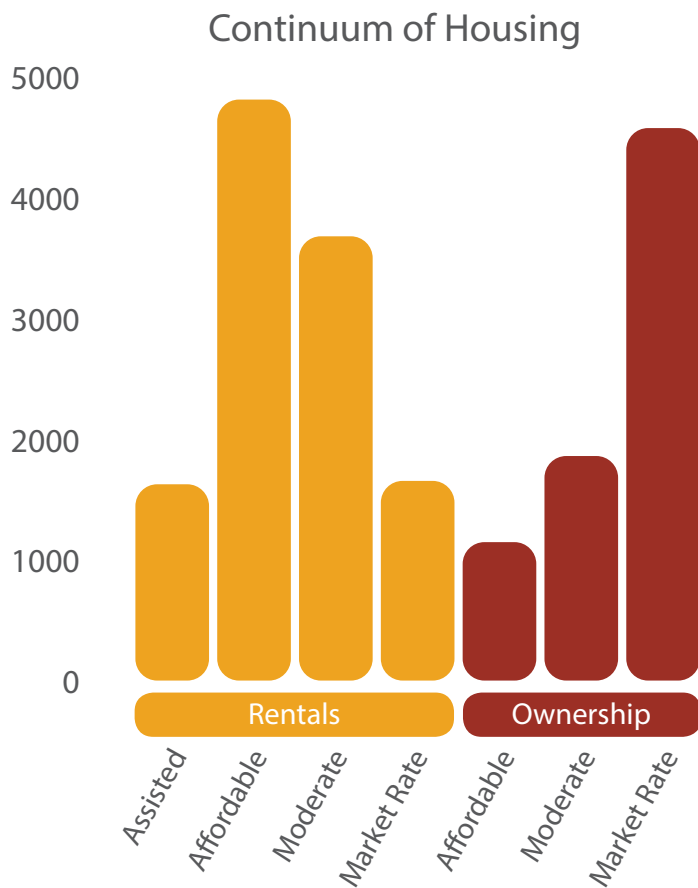
Source: US Census

Source: Neighborhood Development Services



1,969
Supported Affordable Units

In February 2010, City Council adopted a goal to grow the City's supported affordable housing stock to 15% of the total housing stock. These units include newly built units, preserved units that have received financial assistance and therefore converted to supported affordable, and current affordable units whose affordability can be sustained into the future. A total of 46 Supported Affordable Units (SAUs) were added to the City's housing stock in FY2018. This brings the total number of SAUs in the City to 1,969 units, representing 10% of the City's housing stock.



Percent Area Median Income	Income Limit	Affordable Monthly Rent*
30% Extremely Low Income	\$25,600	\$640
50% Very Low Income	\$42,650	\$1,066
80% Low Income	\$68,250	\$1,706
100%	\$89,600	\$2,240

*Affordable monthly rent is defined as 30% of annual household income

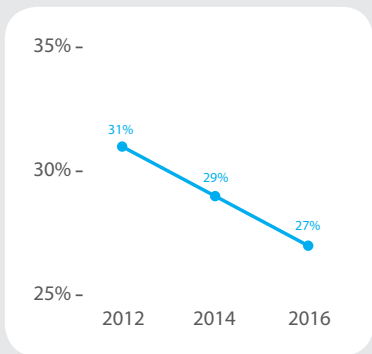
The number of housing units affordable to different income groups -- ranging from extremely low-income households (those earning no more than 30% Average Median Income or AMI) to households earning 100% or more of AMI -- were tabulated. Data was included for both rental and homeownership housing units. Affordability for each income group was calculated by determining 30% of annual household income (for a 4 person household) for extremely-low, very-low, and low-income households. Moderate income housing units are

Source: American Community Survey, US Census

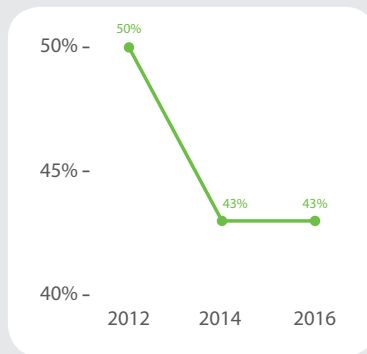
those units affordable to households earning 80% to 100% of AMI. The rent levels and corresponding income levels related to the chart table are found to the right of the chart.

4.2 Community Perceptions

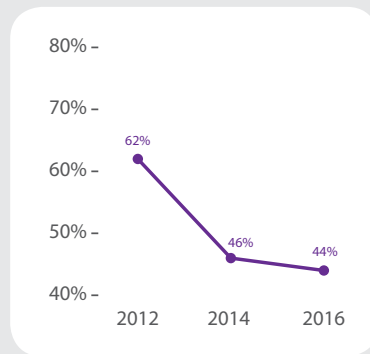
The graphs below shows the percentage of local residents who have a **favorable** view of the housing related topics. The answers refer to the City as a geographic place, not an employer.



Affordable Quality Housing



Housing Options



Progress on Residents Having Safe & Affordable Housing

Source: National Citizen Survey

4.3 Initiatives

In an effort to improve the quality of life for residents, businesses and not-for-profits, the City Manager's Office continues to explore and implement redevelopment activities that support the creation of affordable housing as well as improvements to initiatives such as infrastructure, employment opportunities, public spaces and business development.

The Charlottesville Comprehensive Housing Analysis and Policy Recommendations report completed by RCLCO, provided the City with an overview of the local housing market, as well as an examination of the barriers and issues affecting the provision of affordable housing throughout the City. The research resulted in a number of short- and long-term policy recommendations related to affordable housing development and preservation. Upon review of the report, the Housing Advisory Committee (HAC) identified several more policy options not proposed by the RCLCO.

The City recently completed Housing Needs Assessment that would inform the development of Affordable Housing Strategy.

Strategic Plan Priorities

Race & Equity

Focus

5.1 What We Know

5.2 Community Perceptions

5.3 Initiatives

5.1 What We Know

What we know—what the data says

Household income and unemployment rates vary widely by race in Charlottesville. American Community Survey (ACS) 5-year estimates provide the most statistically significant data on census tract-level socioeconomic data, including many measures of racial inequality. They provide an average across a five year period, giving a sense of how economic indicators trend over time at the household level. 2011's 5 year estimate spans 2007-2011 and 2016's 5 year estimate spans 2012-2016. Household income and unemployment rates were compared between these two periods to provide a sense of the direction each is heading in Charlottesville.

Household Income

According to ACS datasets, household median incomes rose by more than 25% for White, Asian, and Hispanic/Latino Origin Charlottesvilleans between the two five year comparison periods. In the same period, the median income of Black or African-American Charlottesvilleans fell almost 20%. These trends are reflected nationwide in the Opportunity Atlas, a project based at Harvard University designed to “create a platform for local stakeholders to make more informed decisions.”¹ The atlas tracks children's outcomes in adulthood by census tract using longitudinal data covering almost the entire U.S.² It combines myriad data sources beyond the decennial census and American Community Survey, including individual tax returns and incarceration records. Localities like Seattle use insights provided by the Opportunity Atlas to craft local policies like supported housing vouchers to attract families to neighborhoods that provide the best opportunities for upward mobility and positive outcomes for children.³

This summation of the findings of the Opportunity Insights team is particularly relevant to declining median household incomes of Black and African-American families while other groups show gains in median income:

“We study the sources of racial and ethnic disparities in income using de-identified longitudinal data covering nearly the entire U.S. population from 1989-2015. We document three sets of results.

First, the intergenerational persistence of disparities varies substantially across racial groups. For example, Hispanic Americans are moving up significantly in the income distribution across generations because they have relatively high rates of intergenerational income mobility. In contrast, black Americans have substantially lower rates of upward mobility and higher rates of downward mobility than whites, leading to large income disparities that persist across generations. Conditional on parent income, the black-white income gap is driven entirely by large differences in wages and employment rates between black and white men; there are no such differences between black and white women.

Second, differences in family characteristics such as parental marital status, education, and wealth explain very little of the black-white income gap conditional on parent income. Differences in ability also do not explain the patterns of intergenerational mobility we document.

Third, the black-white gap persists even among boys who grow up in the same neighborhood. **Controlling for parental income, black boys have lower incomes in adulthood than white boys in 99% of Census tracts.** Both black and white boys have better outcomes in low-poverty areas, but black-white gaps are larger on

¹ <https://opportunityinsights.org/race/>

² <https://opportunityinsights.org/paper/the-opportunity-atlas/>

³ <http://creatingmoves.org/>

average for boys who grow up in such neighborhoods. The few areas in which black-white gaps are relatively small tend to be low-poverty neighborhoods with low levels of racial bias among whites and high rates of father presence among blacks. Black males who move to such neighborhoods earlier in childhood earn more and are less likely to be incarcerated. However, fewer than 5% of black children grow up in such environments.

These findings suggest that reducing the black-white income gap will require efforts whose impacts cross neighborhood and class lines and increase upward mobility specifically for black men.”

Unemployment Rate

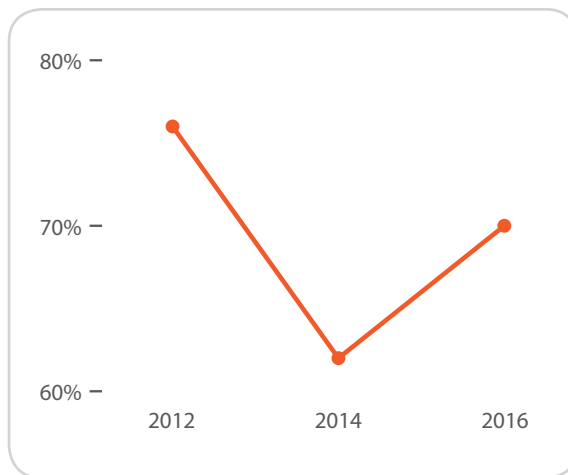
Racial disparities are also evident in unemployment rates in Charlottesville. Between the two ACS periods compared previously (2007-2011 vs. 2012-2016), the reported unemployment rates for white and black Charlottesvilleans decreased by 2% and 4% respectively. Still, the unemployment rate of black or African-American Charlottesvilleans (6%) was double that of white residents (3%) in 2012-2016. Unemployment rates increased from 1% for both Asian and Hispanic Charlottesvilleans in 2007-2011 to 6% and 3% respectively in the 2012-2016 period.

5.2 Community Perceptions

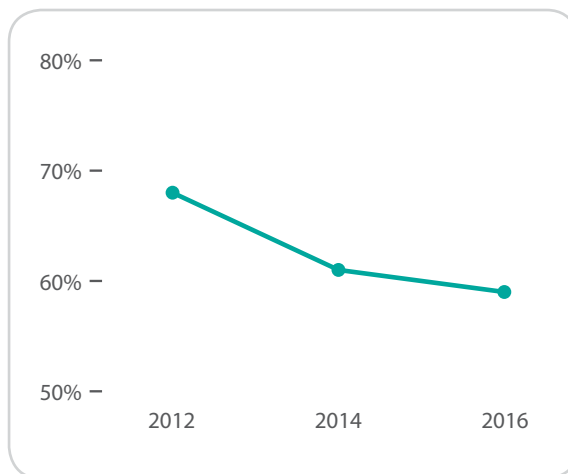
Comparing results from the 2012, 2014, and 2016 National Citizen Surveys, we can get a sense of how perceptions of community issues like racial inequality are trending. A priority statement rated by citizens and a rating of the general openness and tolerance of the environment/citizens in the city are relevant to perceptions of racial inequality in the city, the importance citizens place on city government addressing it, and how well they thought city government was addressing it at the time. Instructions preceding the priority statement read, “For each of the following, please

indicate how much of a priority, if at all, each area should be to the City and to what extent, if at all, you believe the City is making progress towards meeting each area.”

- Residents are treated fairly and equally regardless of race or any other factor.



- The aspect of community characteristics assigned a rating by respondents was labeled “Openness and acceptance”.



5.3 Initiatives

Racial Diversity Among City Employees

- Using the population demographics for the City of Charlottesville as a benchmark against the demographics of employees, the proportions are in some

areas of diversity goals, but not all.

- The total population reported in the City of Charlottesville for 2017-18 was 43,475 (according to U.S. Census Bureau Quickfacts) with 69% Caucasian, 19% African American, 6% Asian, 5% Hispanic and less than 1% Native American. Comparing this data to the demographics of the City's CY2017 workforce, we see a higher proportion of African American employees (25.2%), an equal proportion of Native American (.4%) and Caucasian (69.1%) employees, and a lower proportion of Hispanic (2%) and Asian (3.3%) employees.
- The proportion of each demographic group in benefits-eligible positions in the city in 2017 also differed from their overall representation in the city's workforce. 72% of Caucasian employees were eligible for benefits (3% more than proportional Caucasian representation in the total city workforce). 23% of Black/African-American employees were eligible for benefits (2% less than proportional Black/African-American representation in the total city workforce). The differences between benefits-eligible employees and overall representation in the city's workforce for both Asian and Hispanic employees was less than 1%.

Other Initiatives

Efforts to understand the extent of racial disproportionality and the presence of disparity in this community's systems of care have been initiated. A final report on disproportionate minority contact in the juvenile justice system has been issued and a formal committee monitors local data on a regular basis. A preliminary report on the extent of racial disproportionality in the local child welfare system was released in late summer 2018 and the

Department of Social Services has established a plan for addressing these early results. A formal analysis of disproportionate minority contact in the adult criminal justice system is underway with results expected in spring 2019. In addition, the acting city manager has established an ad hoc advisory committee to undertake an internal organizational equity assessment and provide recommendations for program, process, policy and investment changes. Finally, the city has recently made significant investments in affordable housing which has been widely understood as the most pressing equity issue in this community. These activities are necessarily process-oriented and long-term and do not lend themselves to quantitative outcome reports but are nonetheless critical to addressing local diversity, equity and inclusion concerns.



January 11, 2019






CITY COUNCIL BUDGET WORKSESSION

Agenda

1. **Strategic Plan Priorities for FY 2020 Budget**
2. **FY 2020 Budget Development and Planning**
3. **Preparation for January 31st Worksession – Questions and Discussion**

Strategic Plan Priorities for FY 2020 Budget

FY 18-20 Strategic Plan

 <p>GOAL 1: An Inclusive Community of Self-sufficient Residents</p> <ul style="list-style-type: none"> 1.1 Prepare students for academic and vocational success 1.2 Prepare residents for the workforce 1.3 Increase affordable housing options 1.4 Enhance financial health of residents 1.5 Intentionally address issues of race and equity 	 <p>GOAL 2: A Healthy and Safe City</p> <ul style="list-style-type: none"> 2.1 Reduce adverse impact from sudden injury and illness and the effects of chronic disease 2.2 Meet the safety needs of victims and reduce the risk of re-occurrence/re-victimization 2.3 Improve community health and safety outcomes by connecting residents with effective resources 2.4 Reduce the occurrence of crime, traffic violations and accidents in the community 	 <p>GOAL 3: A Beautiful and Sustainable Natural and Built Environment</p> <ul style="list-style-type: none"> 3.1 Engage in robust and context sensitive urban planning and implementation 3.2 Provide reliable and high quality infrastructure 3.3 Provide a variety of transportation and mobility options 3.4 Be responsible stewards of natural resources 3.5 Protect historic and cultural resources 	 <p>GOAL 4: A Strong, Creative and Diversified Economy</p> <ul style="list-style-type: none"> 4.1 Develop a quality workforce 4.2 Attract and cultivate a variety of businesses 4.3 Grow and retain viable businesses 4.4 Promote tourism through effective marketing 	 <p>GOAL 5: A Well-managed and Responsive Organization</p> <ul style="list-style-type: none"> 5.1 Integrate effective business practices and strong fiscal policies 5.2 Recruit and cultivate a high quality and diverse workforce 5.3 Provide responsive customer service 5.4 Foster effective community engagement
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Economic Development

Workforce Development

Safety and Security

Affordable Housing

Race and Equity

FY 19 Budget Priorities and what is the status of these?



FY 18-20 Strategic Plan

Implementation Progress

P3 Core Team – new focus/new charter - *ongoing*

Leadteam /organizational engagement - *ongoing*

Scorecard buildout - *completed*

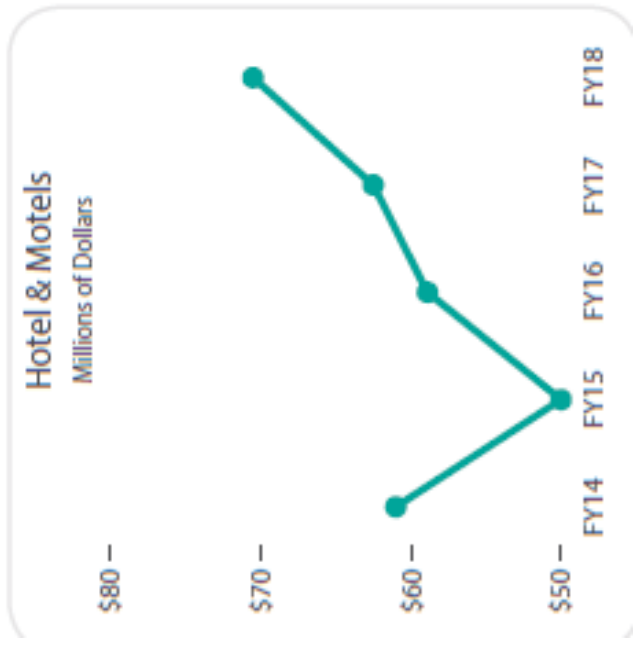
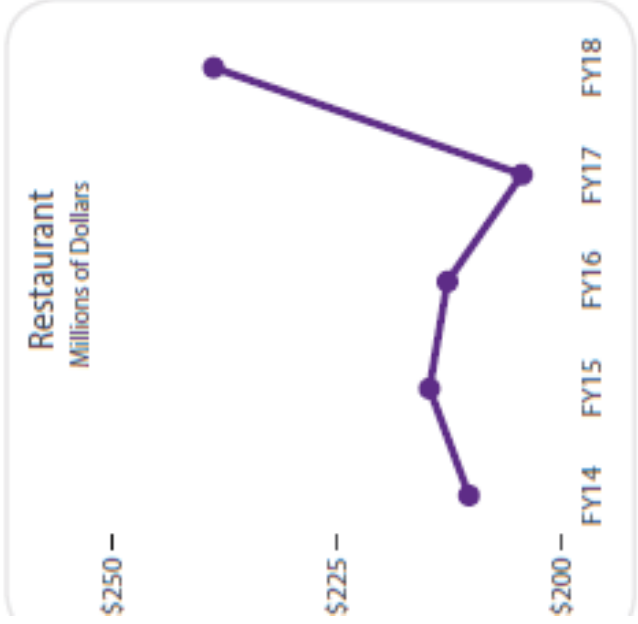
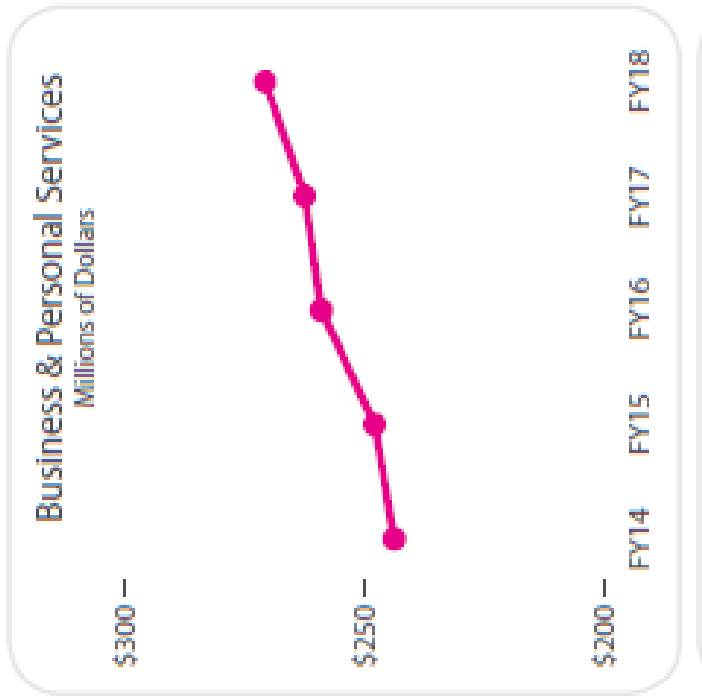
Department Workplans – *ongoing*

Dashboards/ report on priority areas – *completed*

www.charlottesville.org/data



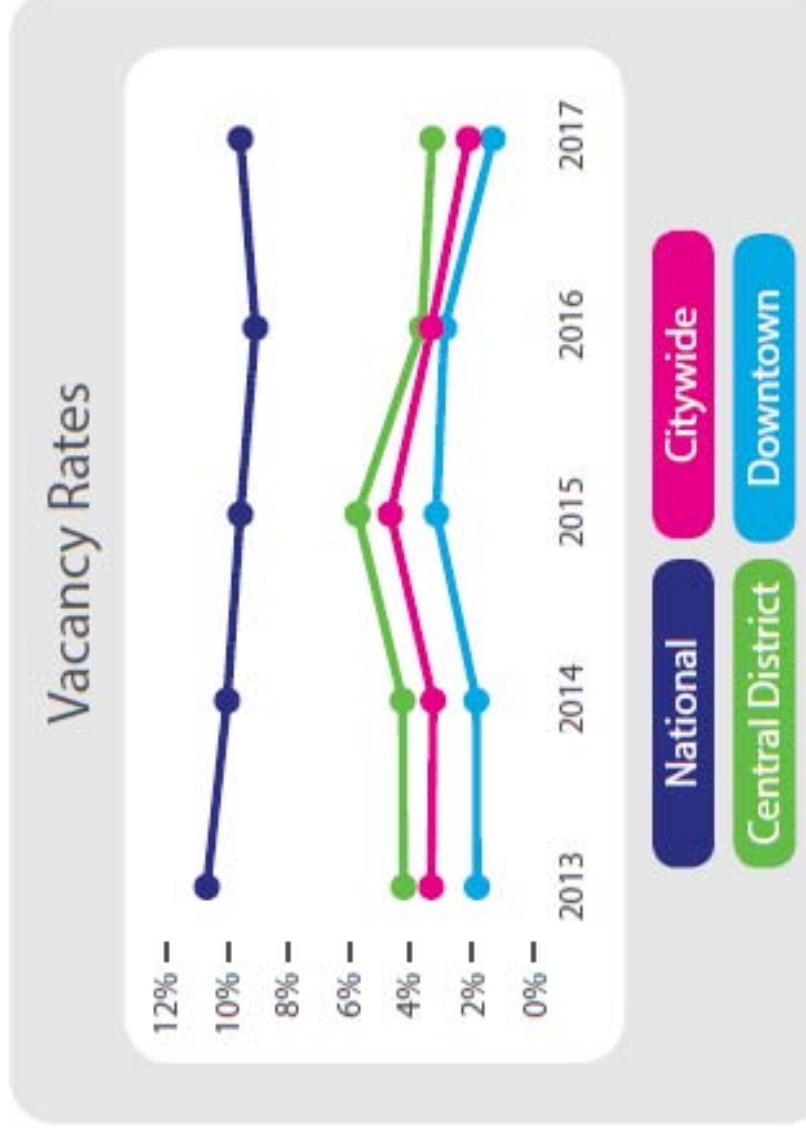
Economic Development



** Represents Gross Receipts



Economic Development

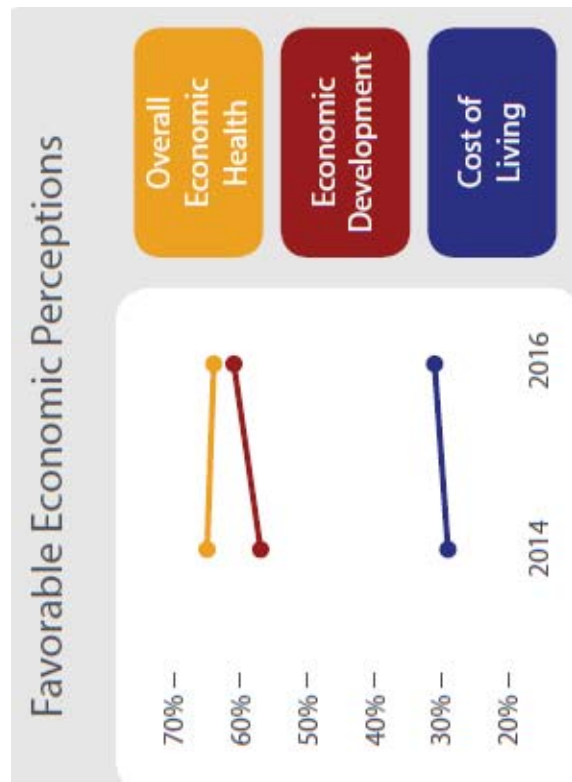


Retail Vacancy Rates

Commercial vacancy rates are an important economic indicator. The rates help determine if there is proper balance between supply and demand for the various types of space. Low rates typically indicate a healthy economy as there is strong demand for the product type while higher rates signal a depressed economic environment. The annual rate represents an average for the January and July reports.



Economic Development



Economic Development

Major Initiative

Minority Business Program

- Joint program with OED and Procurement
- New position added in FY 19 for a Minority Business Development Coordinator in OED (to compliment the Minority Business Procurement Coordinator)
- MBDC will: provide outreach and technical assistance to stakeholders, facilitate resource networks, help establish a robust program to better serve women and minority owned business in Charlottesville

Accomplishments

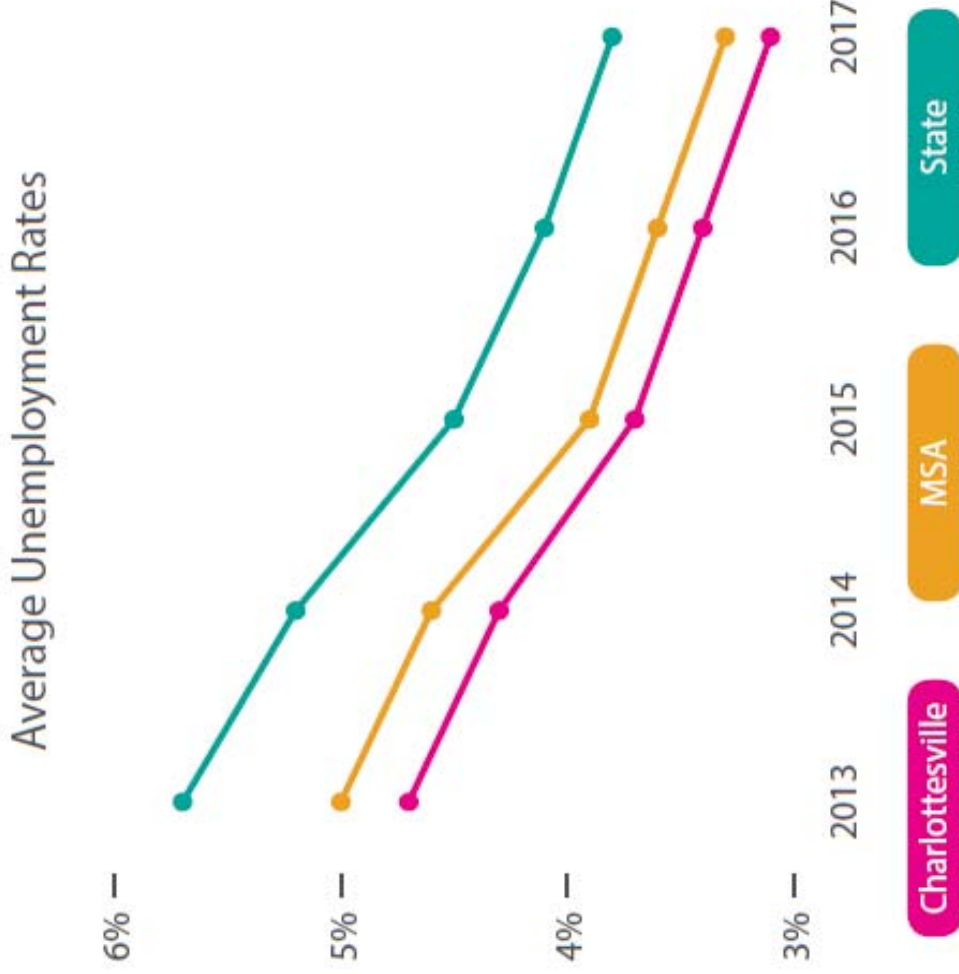
- Task force holding regular meetings
- Minority Business Program formally launched
- Efforts include Black Business Expo and Charlottesville Women & Minority Business Expo



Workforce Development

2.1 What We Know

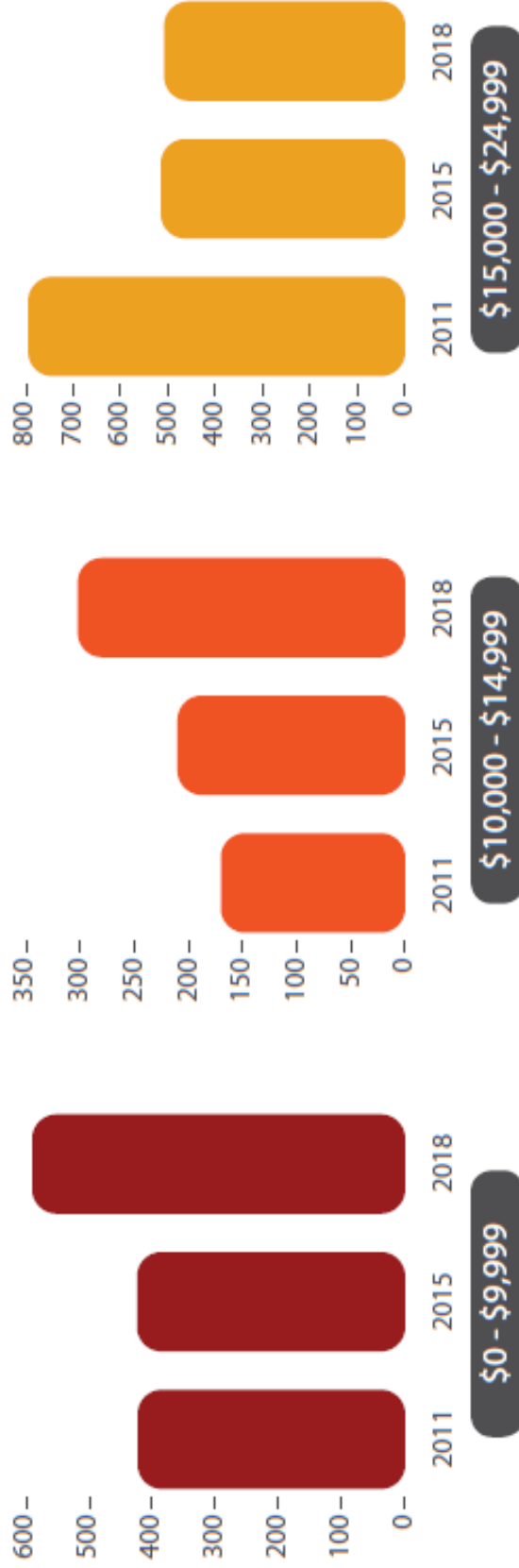
The Average Unemployment indicator represents the average number of people included in the overall labor force but do not have employment. All three of the study areas experienced significant reductions in the unemployment rate, showing signs of a strong local, regional, and state workforce economy. As an economy adds jobs, increases in wages while seeing a decrease in the unemployment rate, show the characteristics of a healthy and vibrant economy.



Workforce Development

Number of Struggling Families

Source: Orange Dot Reports 1.0 - 3.0



Struggling Families

While the unemployment rate in Charlottesville has been steadily decreasing, the number of struggling families within the lowest income brackets has been on the rise.

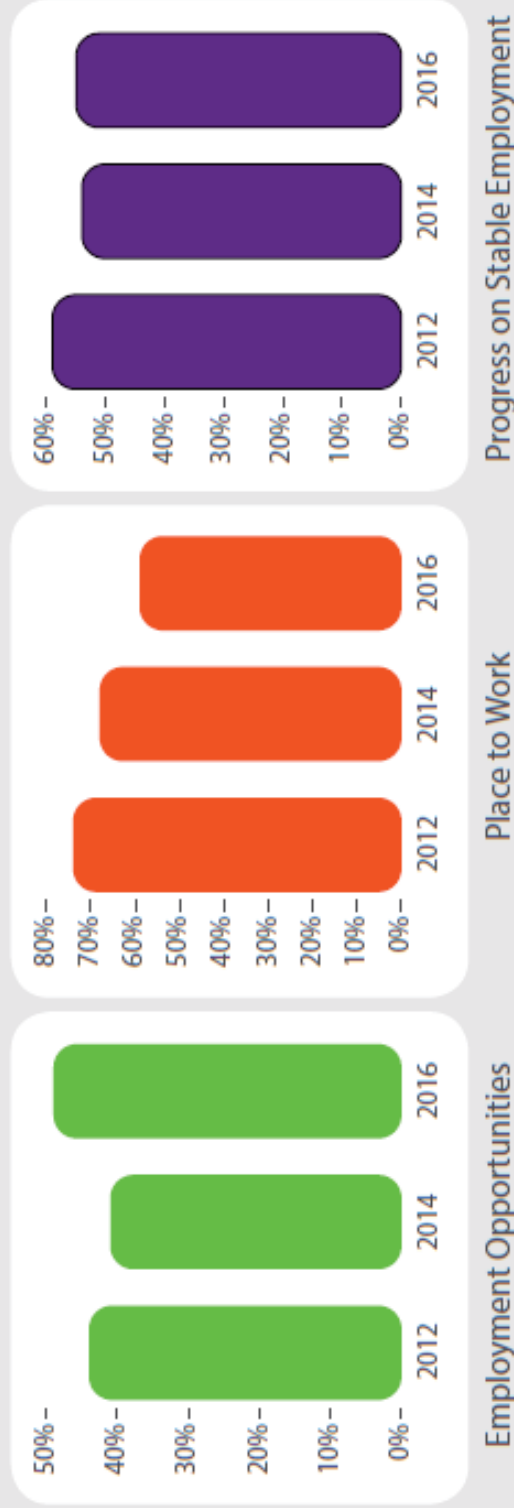
7.0%
Increase from 2015

Workforce Development

2.2 Community Perceptions

The Citizens Survey shows that the number of residents who have a favorable view of employment opportunities in Charlotteville, and progress on stable employment that meets their needs, has remained fairly stable, while the number of residents who favorably view Charlotteville as a place to work, has steadily decreased over the last three Citizen Surveys.

Residents with a Favorable View of Employment Topics



Source: Citizens Survey



Workforce Development

Major Initiative

Downtown Job Center & GO Programs

- 2 ½ staff in lower level of central Library
- Since inception served almost 7,000 visitors offering job search assistance, help with applications, resume assistance, and mock interviewing
- GO Programs – pre-employment skills training to individuals in high demand industries that pay a self-sufficient wage
 - 139 City residents graduated and of that 131 were offered better jobs from employer partners as a result of their graduation with starting salaries averaging \$15/hour

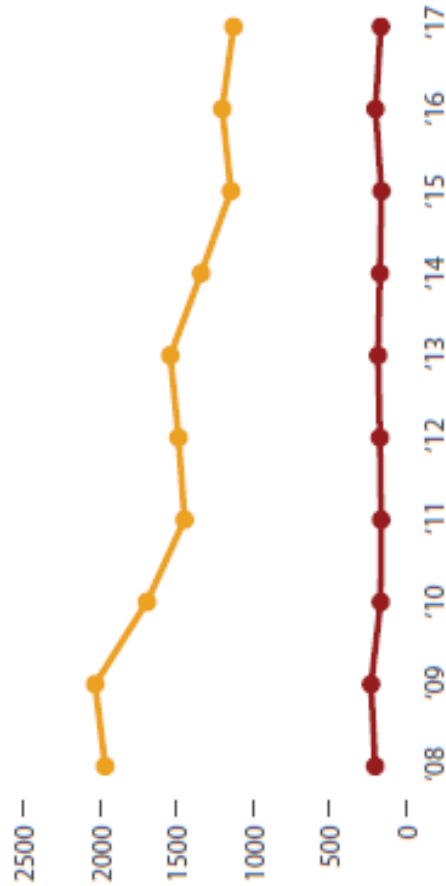


Safety and Security

3.1 What We Know

Crime, Traffic Violations, and Accidents in the Community

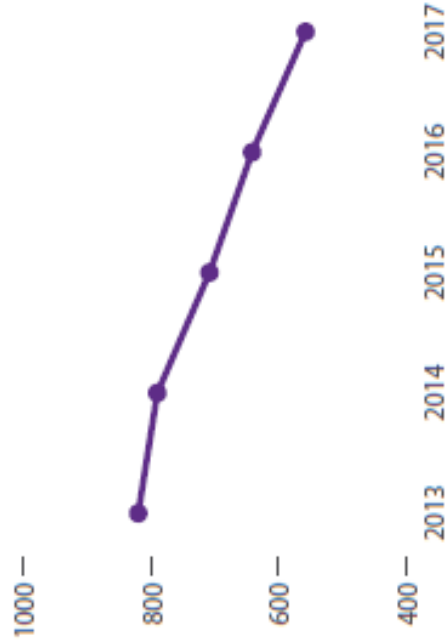
Crimes



Property Crime

Violent Crime

Traffic Accidents

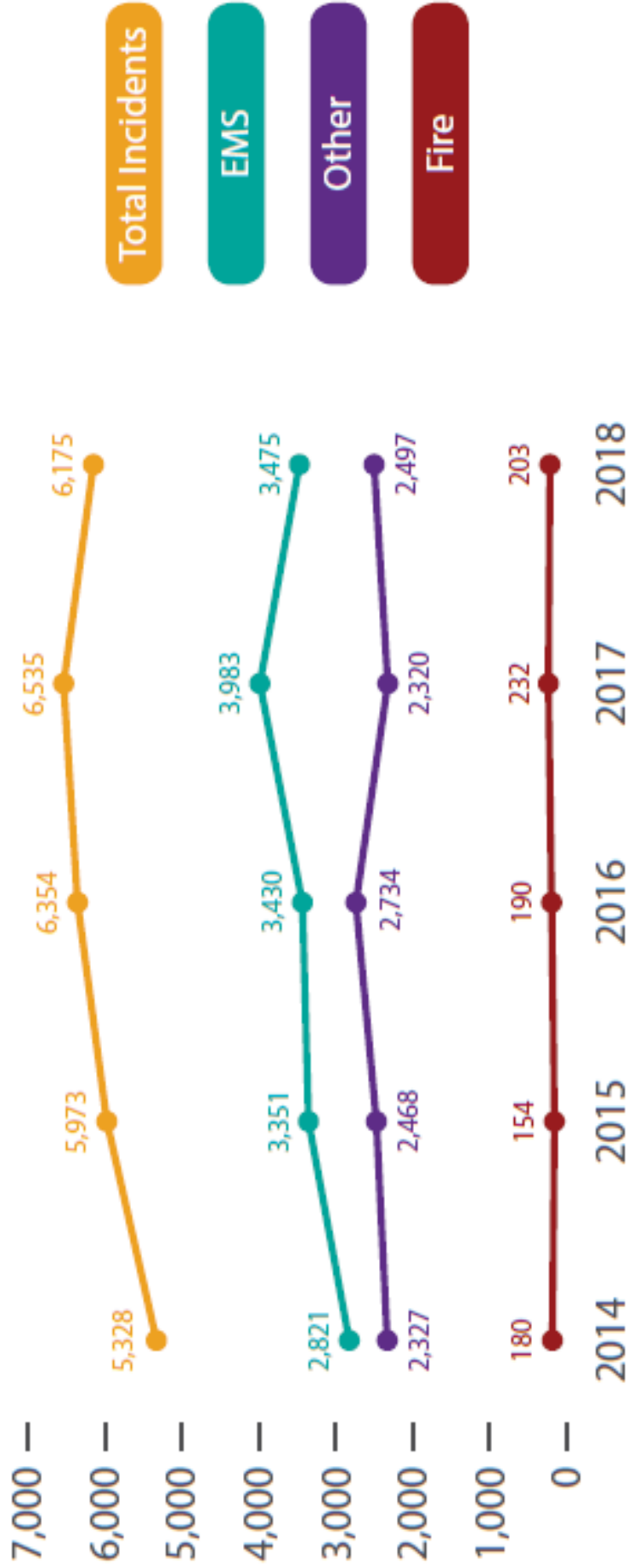


Traffic Accidents



Safety and Security

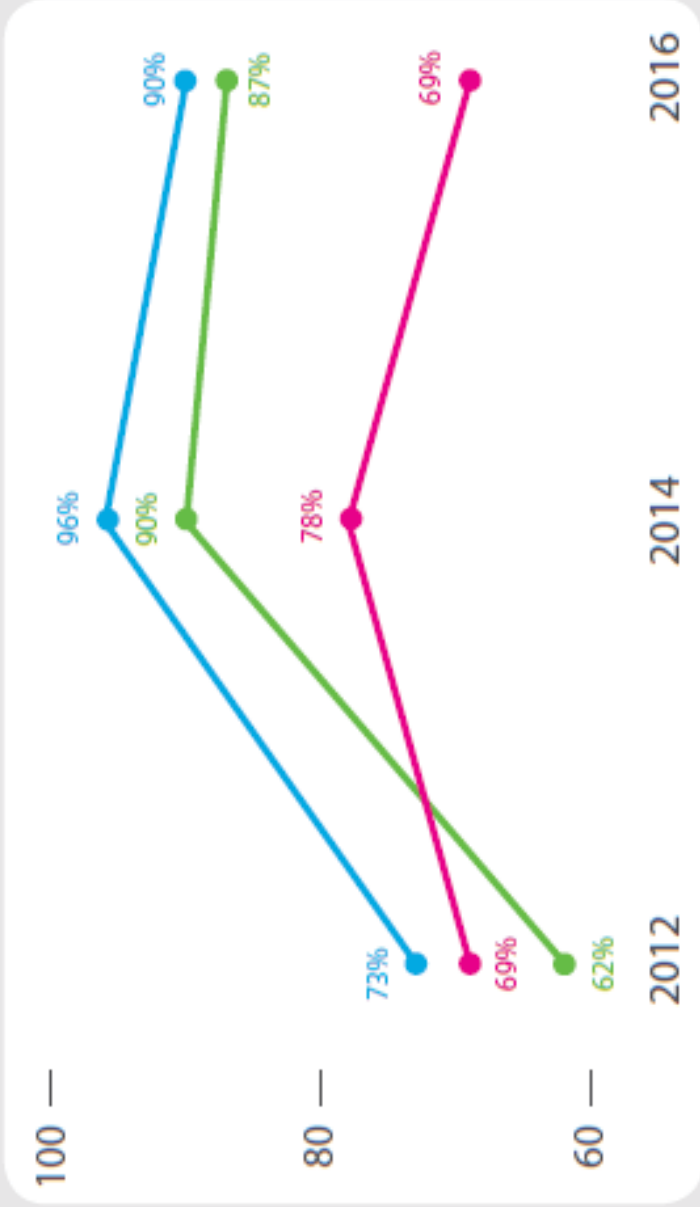
Charlotteville Fire Department Incidents by Type



Safety and Security

3.2 Community Perceptions

Perceived Resident Safety



The National Citizen Survey showed a significant increase in resident perceptions of safety from 2012 to 2014 but then a decrease from 2014 to 2016.

Overall Feeling of Safety

Safe in Neighborhood

Safe Downtown



Safety and Security



Major Initiative

Committee on Safety and Emergency Preparedness

- Founded in February 2018 and charged with creating a framework for the City's Emergency Management programs and initiatives
- Mission is to reduce community, citizen and employee vulnerability to hazards, improve community resilience from natural and manmade disasters
- Successes to date include: deployed Emergency Building Evacuation placards in City buildings; directed completing of cybersecurity assessment of IT infrastructure; directed completion of safety and security assessment of Downtown Mall; coordinating training classes for employees.



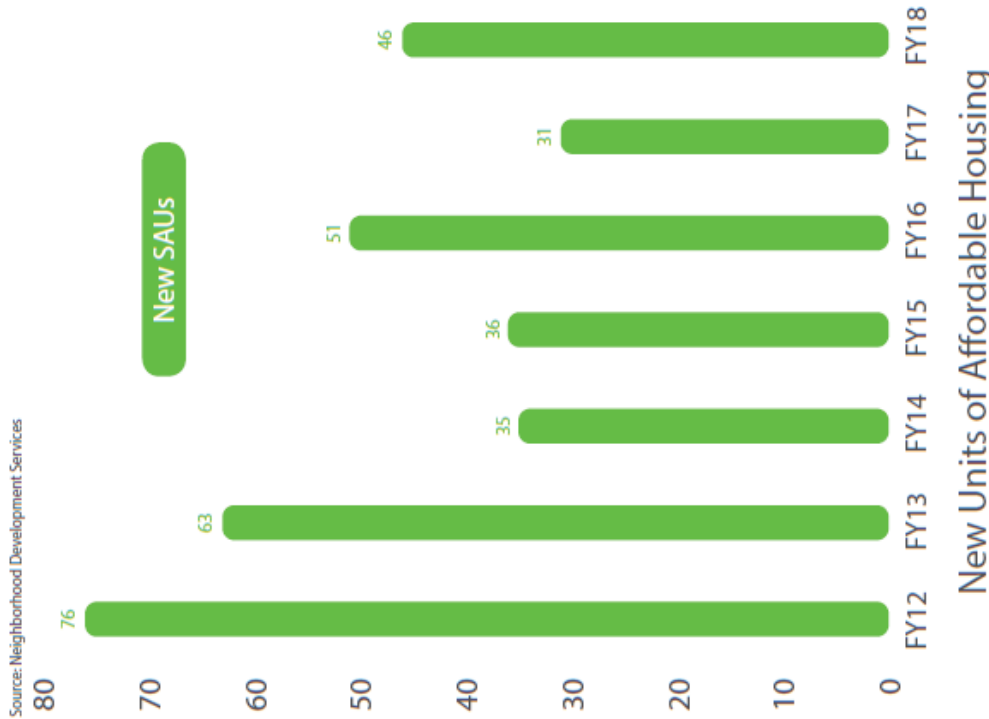
Affordable Housing



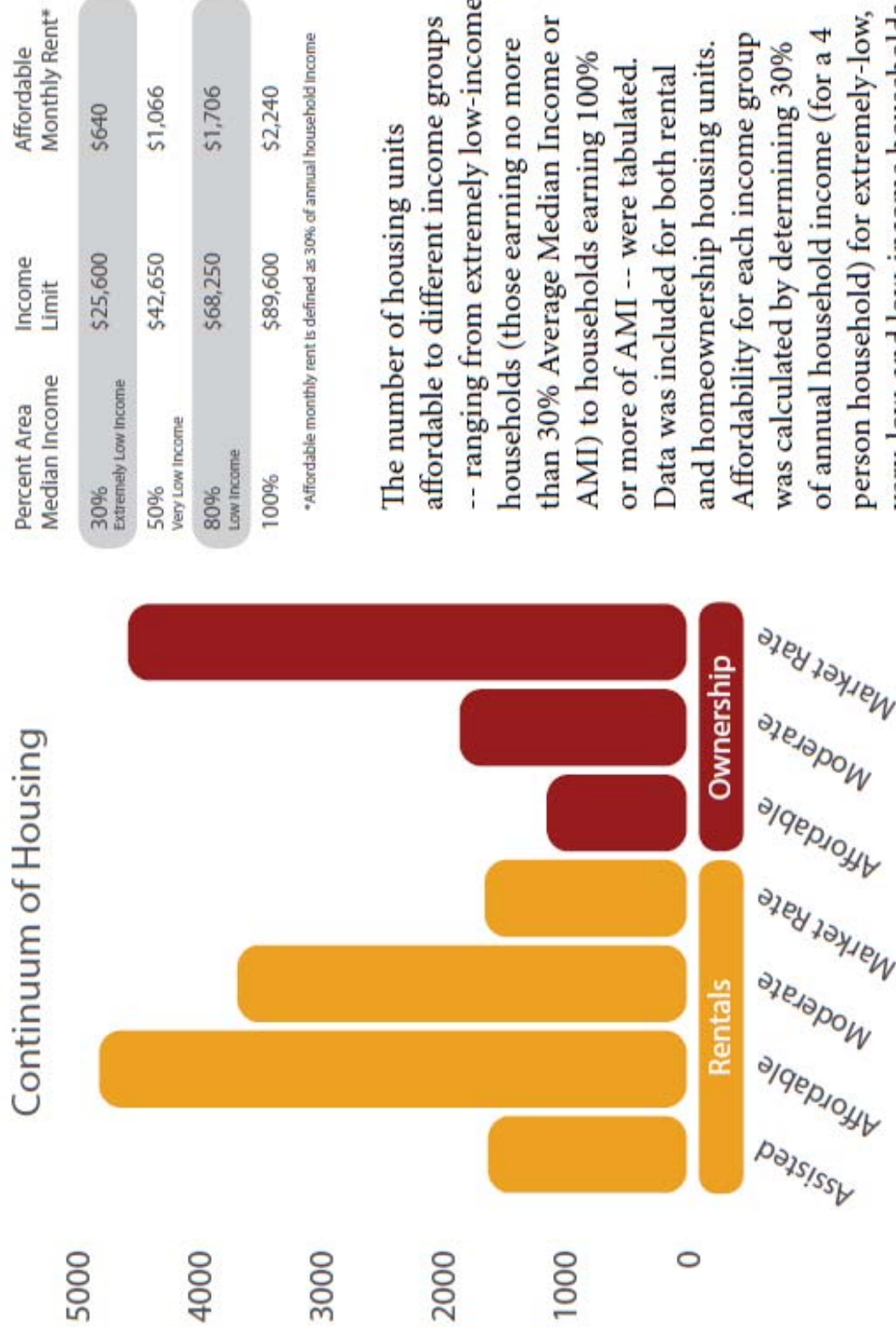
Affordable Housing

1,969
Supported Affordable Units

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Affordable Housing



The number of housing units affordable to different income groups -- ranging from extremely low-income households (those earning no more than 30% Average Median Income or AMI) to households earning 100% or more of AMI -- were tabulated. Data was included for both rental and homeownership housing units. Affordability for each income group was calculated by determining 30% of annual household income (for a 4 person household) for extremely-low, very-low, and low-income households. Moderate income housing units are

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Source: American Community Survey, US Census

Affordable Housing

4.2 Community Perceptions

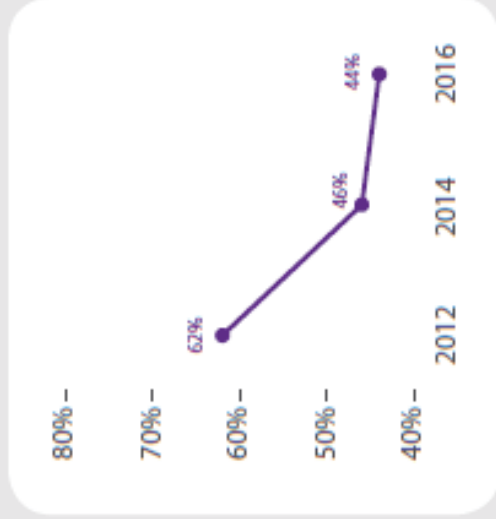
The graphs below shows the percentage of local residents who have a favorable view of the housing related topics. The answers refer to the City as a geographic place, not an employer.



Affordable Quality Housing



Housing Options



Progress on Residents Having Safe & Affordable Housing

Source: National Citizen Survey



Affordable Housing

Major Initiatives

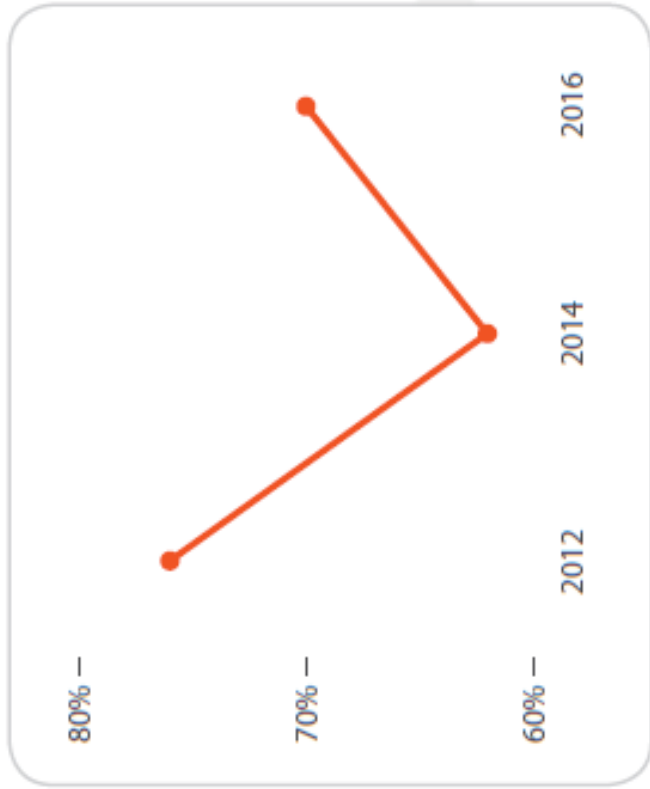
- FY 2020 – 2024 Proposed Capital Improvement Program is heavily invested in affordable housing
 - Charlottesville Redevelopment and Housing Authority and Friendship Court
- Charlottesville Comprehensive Housing Analysis and Policy Recommendation Report
- Housing Needs Assessment completed fall of 2018
- Regular meetings with Housing Advisory Committee



Race and Equity

Community perceptions of how the City is making progress in these areas.
 (Source: National Citizen Survey)

- Residents are treated fairly and equally regardless of race or any other factor.
- The aspect of community characteristics assigned a rating by respondents was labeled “Openness and acceptance”.



Race and Equity

- Household income for Black and African American families do not show the same gains as other groups, but have actually declined (5 year period):
 - 25% increase for white, Asian, Hispanic/Latino
 - 20% decline for Black/African American
- Changes in social status in same family within different generations also display disparities, black Americans having lower rates of upward mobility compared to other groups
- Neighborhood/geographical factors – gap exists for those who grow up in same neighborhood between black and white boys
- Unemployment rates differ as well, with rates for African Americans in Charlottesville being double that of white residents

Source: *Opportunity Insights*



Race and Equity

Major Initiatives

- Department of Social Services to address racial disproportionality in local child welfare system
- Formal analysis of disproportionate minority contact in the adult criminal justice system
- Ad hoc advisory committee formed to undertake an internal organizational equity assessment and provide recommendations
- Affordable housing investments



Strategic Plan Priorities

FY 20 Budget

**Why is prioritization important?
And why just a few?**

*When everything is
important
then nothing is important*

Allows us to do
these things really
well and with
focus

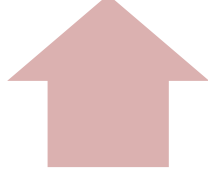
Does not mean
other things
won't get done

Tells staff and the
community what
you want to do
really, really well
and what is most
important

Allows progress
to be made in a
way you might
like to see

Strategic Plan Spending Priorities for the FY 20 Budget

Economic Development
Workforce Development
**Safety, Security and
Preparedness**
Affordable Housing
Race and Equity



Once priorities are identified.....

Will look at Strategic Plan and identify initiatives and measures that are in the plan now or can be added to the plan

Refine dashboards

Show alignment with budget

Discuss further during budget deliberations starting in March

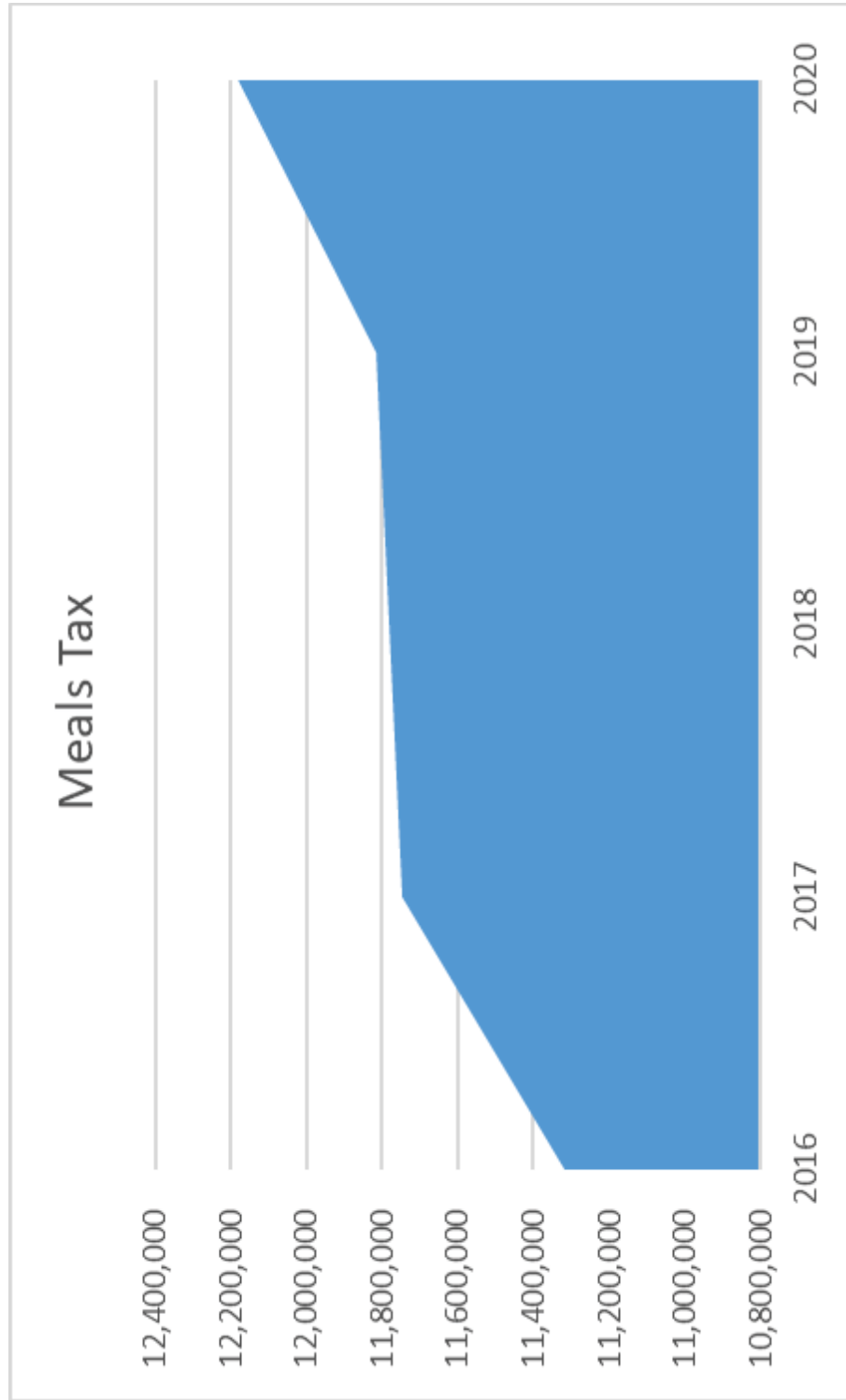
Provide progress reports during the year and to help shape the next Strategic Plan process



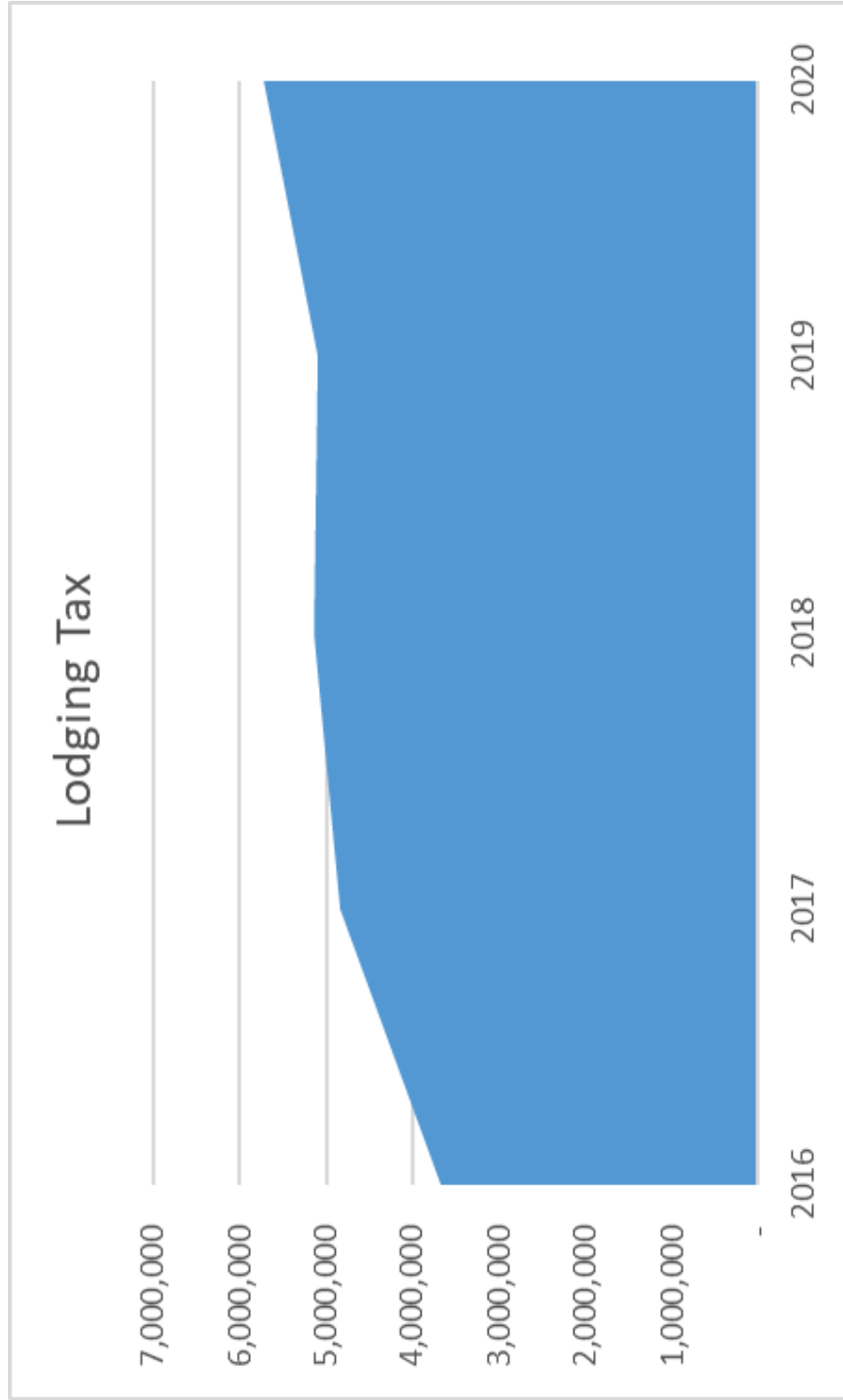
FY 2020 Budget Development and Planning



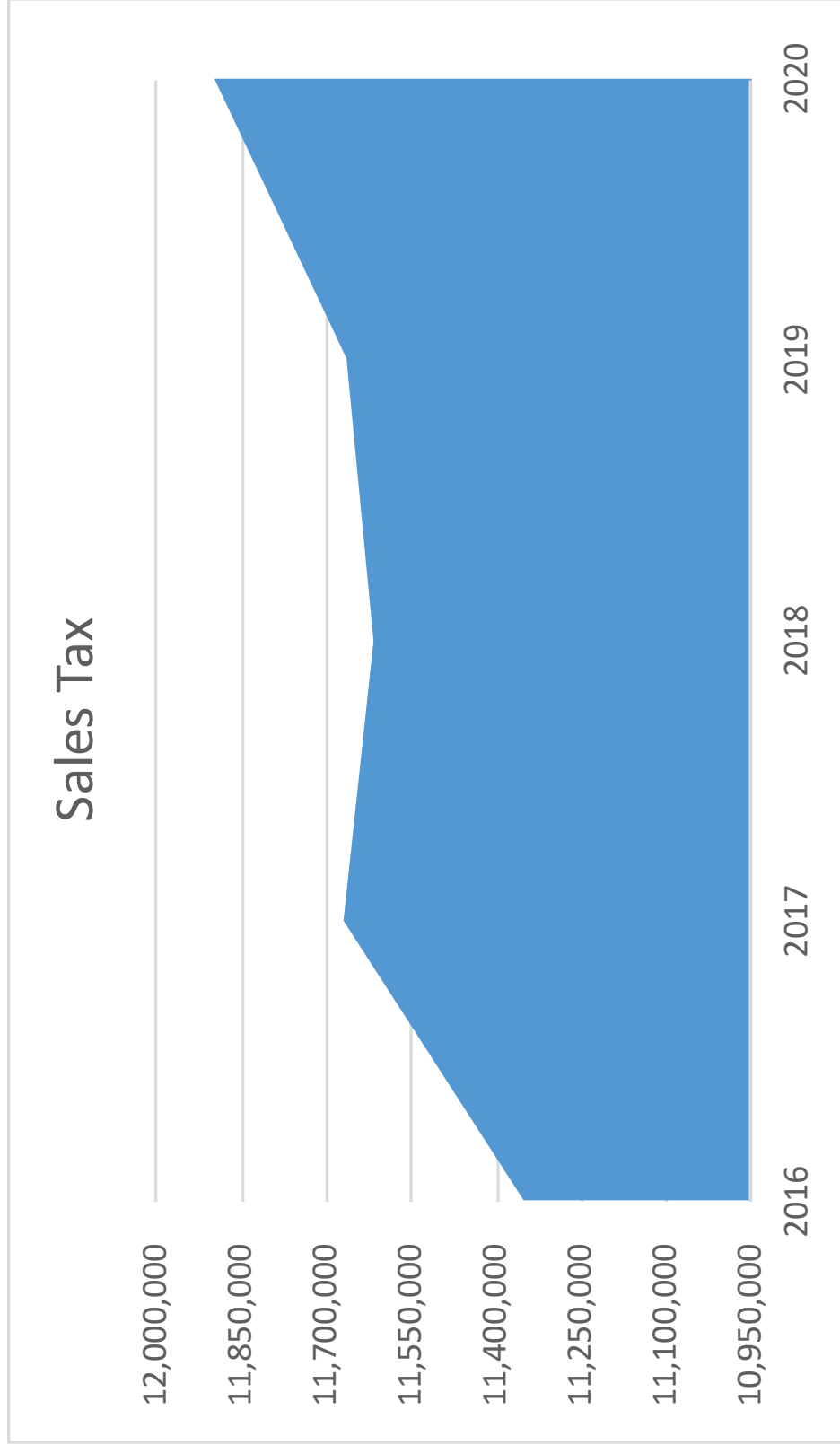
Major Revenues – Meals Tax



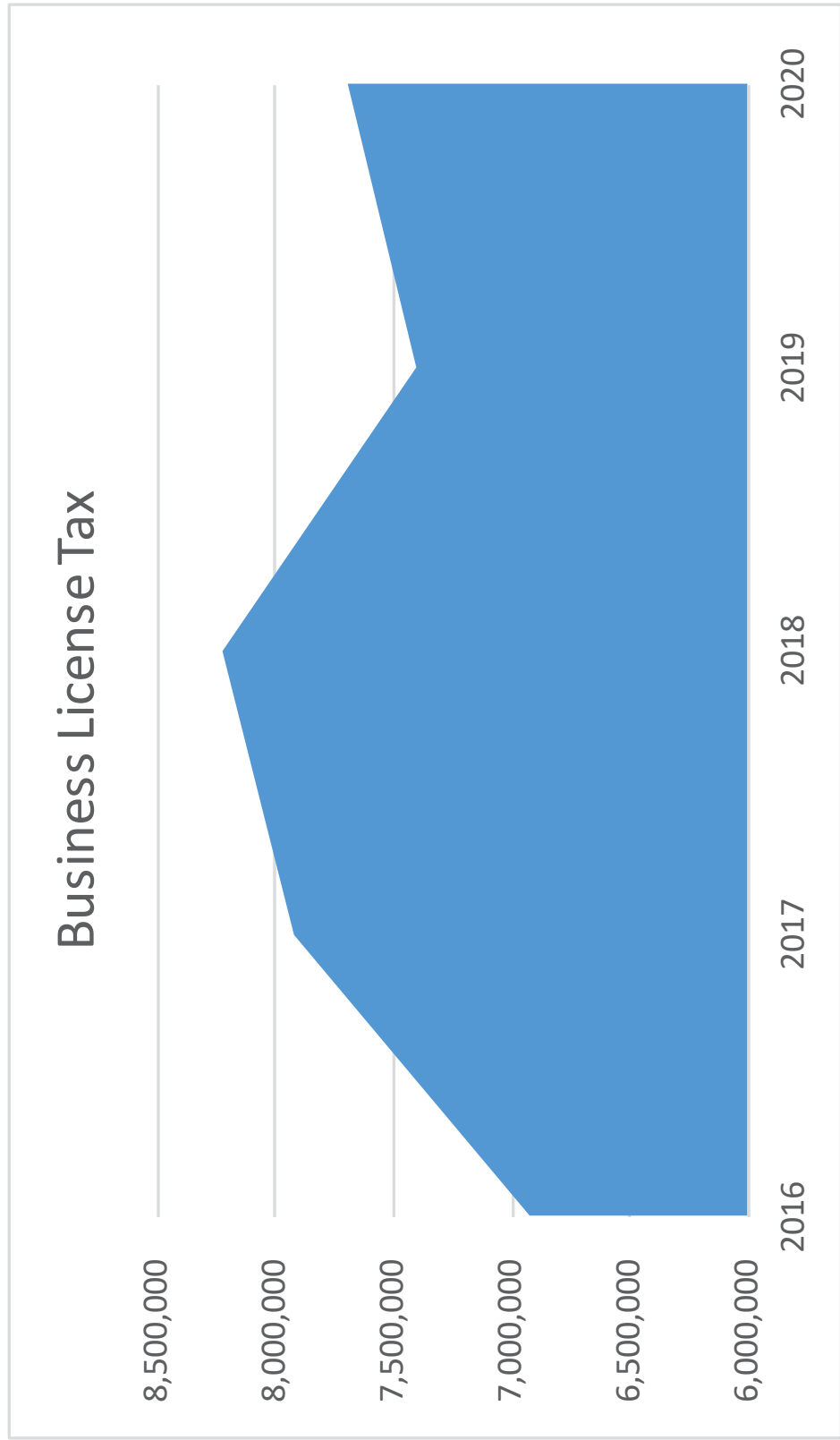
Major Revenues – Lodging Tax



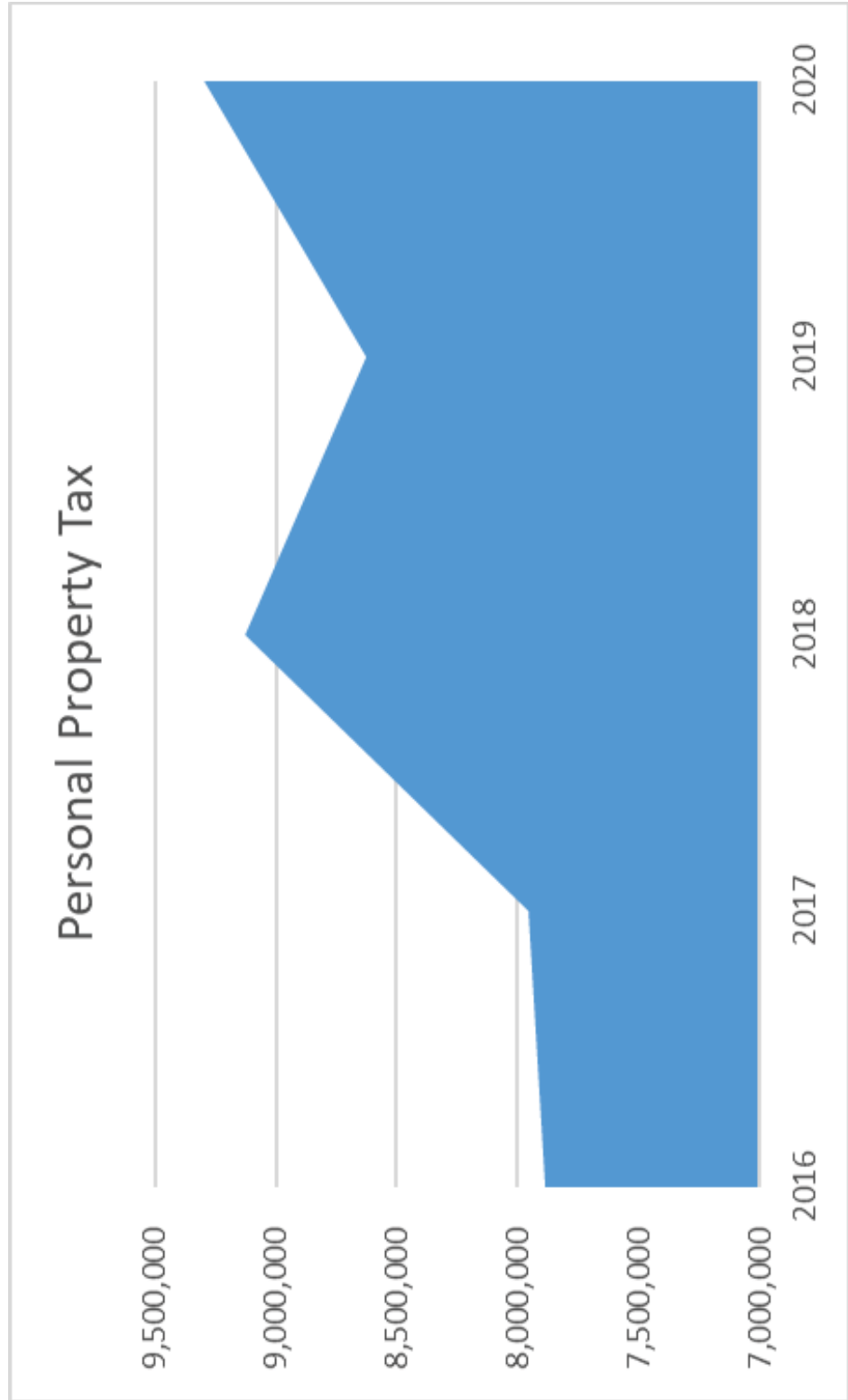
Major Revenues – Sales Tax



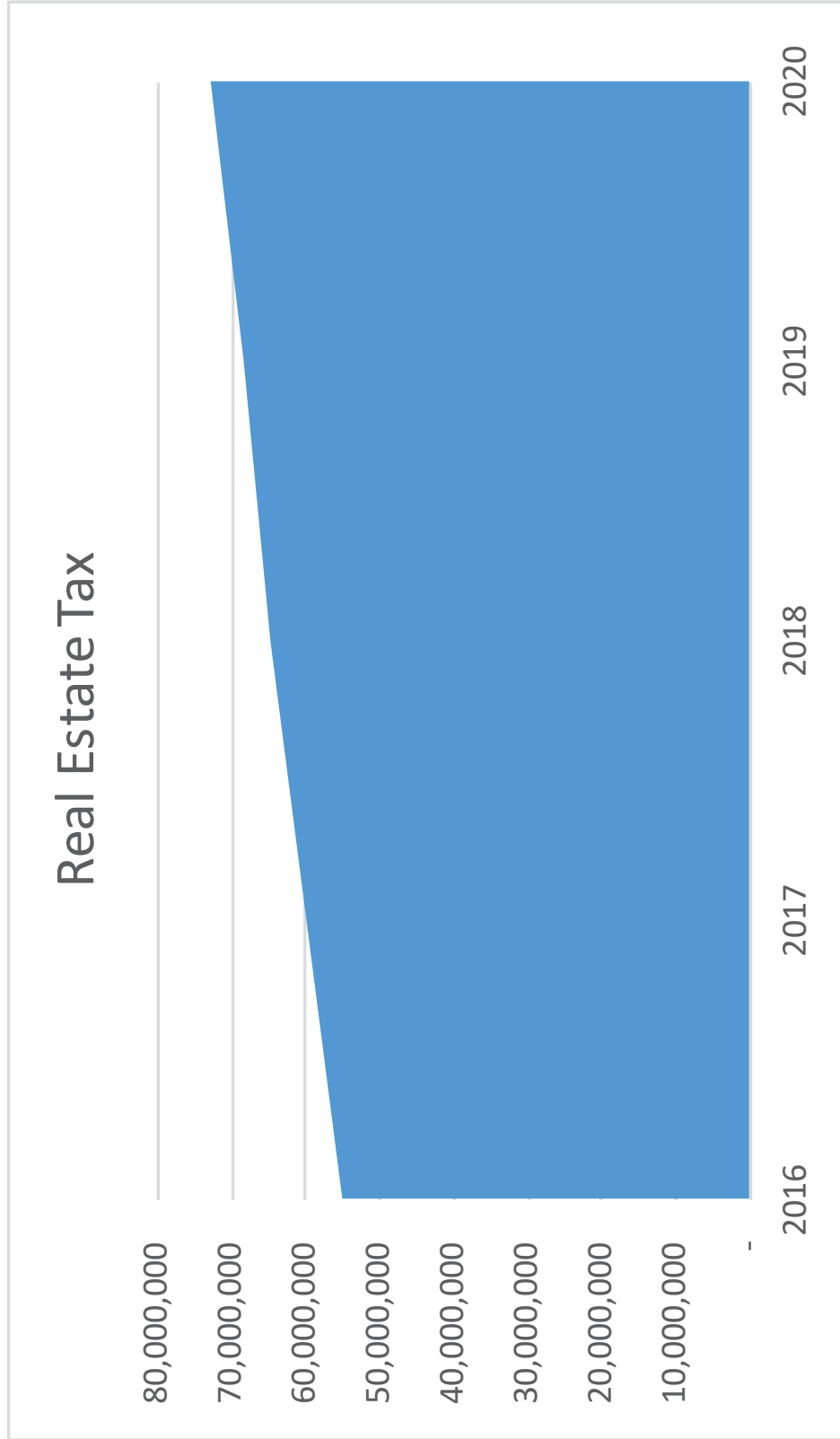
Major Revenues – BPOL



Major Revenues – Personal Property Tax



Major Revenues – Real Estate (Preliminary)



Major FY 20 Revenue Drivers

Revenue Category	\$ Change
Local Taxes	7,000,987
Licenses and Permits	295,000
Intergovernmental Revenue	(251,687)
Charges for Services	147,703
One Time Revenue/Transfers from Other Funds/Carryover Funds	(1,906,659)
City/County Revenue Sharing - Operating Budget Portion	(1,386,471)
Miscellaneous Revenue	201,000
Designated Revenues	1,927,986
Preliminary Estimate - FY 2020 Revenue Change	6,027,859



FY 2020 Revenue Strategies

- Ensure imposed fees are appropriate and cover to the extent possible service being provided
- Use of one time revenue and fund balances ONLY for one time expenses
- Look at areas where user fees can be better aligned

What Does \$0.01 Generate Based on FY20 Estimated Revenue			
<u>Tax Rate</u>	<u>Revenue Type</u>	<u>Amount</u>	<u>Revenue/ \$0.01 Increase</u>
\$ 0.95 / 100	Real Estate Tax	\$0.01	\$771,579
\$0.05	Meals Tax	\$0.01	\$2,436,245
\$ 4.20 / 100	Property Tax	\$0.01	\$22,143
\$0.07	Lodging Tax	\$0.01	\$816,969
\$0.55	Cigarette Tax	\$0.01	\$11,182

Major FY 20 Expenditure Considerations

1. Employee Compensation and Benefits - **\$5.3M**
 - Living Wage - going from \$14.40 to \$15.00 per hour
 - Temporary Employees - \$95k
 - General Employees – addressed with 4.17% increase
 - General Employee – 4.17% - \$2.3M
 - Police – 9% - \$980K
 - Increased Retirement Contribution - \$1.9M
2. Increased CIP Transfer - **\$1.8M**
3. Increased Debt Service Transfer - **\$850k**
4. Schools Operating Budget (per the Budget Guidelines) - **\$2.2M**



FY 2020 Departmental New Requests

\$5M in total new requests from City Departments

- **New Positions - \$4.3M**
- **34 General Fund Positions**
- **29 Non-General Fund Positions**
- **New Programs/Equipment - \$365k**
- **Emergency Preparedness/August 12th - \$339k**

FY 2020 Expenditure Strategies

- Continue to look for and implement areas of efficiencies that result in cost savings
- Look at areas of savings that occur year to year for permanent savings
- Look at services that can be eliminated, reduced and/or altered based on performance data and outcomes



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To prepare for 1/31

FY 2020 Budget Development

worksession.....

Questions and Discussion



Important Dates

- **Feb 11- Budget is Balanced!**
 - Real Estate Tax Rate (and rollback rate) advertisement will be sent to paper for publication per State requirement that must occur 30 days before the real estate tax rate public hearing (publish on Feb 15)
 - FY 2020 Proposed Budget must also be completed (ad includes % change to the budget from current year)
 - Other changes to local taxes require a 7 day advertisement and separate public hearing
- **March 4** - Proposed City Operating and Capital Budget and Adopted School Budget Formally Presented to Council
- **March 18** - First Budget and Tax Rate Public Hearings
- **April 1** - Second Budget Public Hearing/Budget and Tax Levy First Reading
- **April 9** - Budget and Tax Levy Second Reading and Final Approval



Budget Worksessions

- Jan 23** Joint City Council/School Board Meeting
- Jan 31** Budget Worksession (Budget Development)
- Mar 7** Budget Worksession #1
- Mar 14** Budget Worksession #2
- Mar 27** Community Budget Forum
- Mar 28** Budget Worksession #3
- Apr 4** Budget Worksession #4

[Link to detailed calendar](#)

