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Charlotte freezes hiring as precaution

Uncertain economy prompts city officials to also cut some travel and hold nonessential contracts through January.

By Julia Oliver
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The city of Charlotte has put a freeze on hiring and taken other steps to save money in preparation for a souring economy.

The cutbacks will remain in place at least through January, when the city can better evaluate property taxes and other revenues, City Manager Curt Walton told the City Council in an e-mail last week.

The belt-tightening could affect city services such as the 311 call center, pothole patching and code enforcement, Walton said in the e-mail, obtained Tuesday by the Observer as part of an ongoing records request.

"As time goes on, there will be negative impacts on service delivery," Walton wrote. "We will update you monthly on the impacts of holding positions vacant."

City spokeswoman Kim Walton said department heads have been telling their employees about the hiring freeze since Thursday. She said Walton only sent the e-mail to council because the staff is still working through the details of what positions will be affected.

"As we find out more, we'll be able to talk about specifics," she said.

In addition to the hiring freeze, the city also plans to curtail unnecessary travel, such as staff and council trips to conferences and training. It also will stop executing contracts not essential to city services. Those contracts could include engineering, planning and design work for road projects or the purchasing of supplies and equipment, said Budget Director Ruffin Hall.

"These steps are precautionary," Hall said. "We're just like folks at home trying to make sure we'll be OK for the rest of the year."

He said the staff is still working to find out how much money has been saved in the first quarter of the 2009 fiscal year. Those savings will be put in a restricted account, according to Walton's memo, as will savings from the second quarter.

The city's precautions reflect a growing unease among cities nationwide. A study released last month by the National League of Cities found that four in five city finance officers forecast that

their cities will be less able to meet needs in 2009 than 2008. Some of the factors that may impact cities' fiscal conditions include increasing fuel prices, a crippled real estate market that will be slow to rebound and a decline in consumer spending, according to the study.

City Council members applauded Walton's decisions to buffer the city against an economic downturn.

"It showed me that Curt might be looking down the road at what was coming, and is prepared to deal with it," said councilman Michael Barnes, a Democrat.

Councilman Andy Dulin, a Republican who chairs the budget committee, agreed.

"Curt's a budget guy, which is good for the city," he said. He has asked to start budget discussions in early November, slightly ahead of schedule.





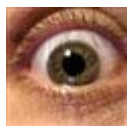
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Hmmm, belt tightening? How does the spending at CMPD look under Chief Monroe? The question is how much over budget is the department. Now that would be a story!

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