

MAY 3, 2021

 CITY of CHARLOTTE

PROPOSED FY2022 BUDGET

FY2022-2026 CAPITAL INVESTMENT PLAN

RESILIENCE & RECOVERY

VOL. 2



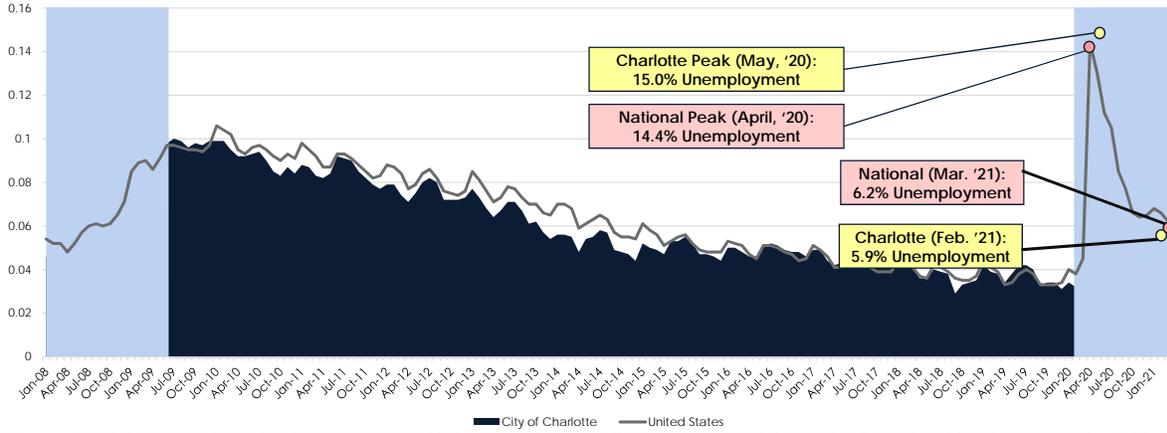
PEOPLE AND PLACES ARE OUR FUTURE

 CITY of CHARLOTTE

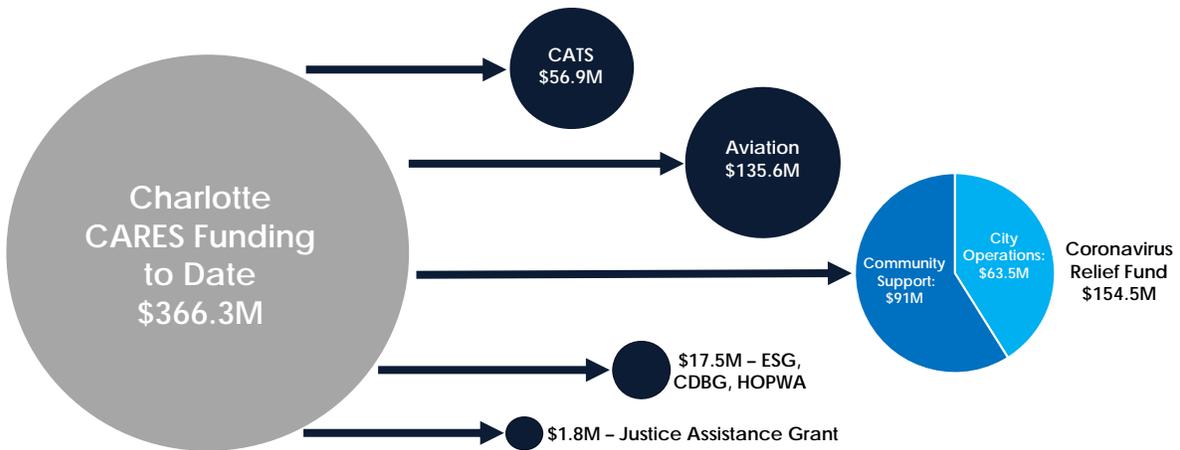
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COVID-19 Brought the Economy to a Halt

Unemployment Rate: City of Charlotte and Nation
(Not Seasonally Adjusted)



Federal CARES Funding to Date



Supporting our Community (Key Highlights)

\$154.5M
CARES Act

\$63.5m City Operations

\$24.0m:
First responder salaries and Premium Pay

\$25.0m:
Facility improvements and Technology

\$91.0m Community Support

\$30.8m:
Provide 2,500 Small Business Grants

\$3.5m:
Workforce Partner Support

\$20.0m:
Homeless and housing stability¹

\$1.5m: Launch Charlotte Connect to serve 1,800 households

\$13.5m: Provide Food and Beverage, and Hotel Grants

\$4.0m:
For Arts and Artists

¹Does not include an additional \$17.1m on ESG and CDBG



Leveraging Resources: \$36m for Arts, Culture, and Artists

City Support:

\$4m FY 2022 General Fund



\$2m American Rescue Plan

\$6m Total City Support



\$6m Private Sector Match

**\$12m per year;
\$36m over three years**

Working Collaboratively: Looking to the Future of Arts and Culture

FY 2022

Establish an Arts and Culture
Commissioner

Continue funding operating
grants

Fund Vision Grants and
Individual Artist Grants

FY 2022 – FY 2024

Develop a Comprehensive Arts
and Culture Plan

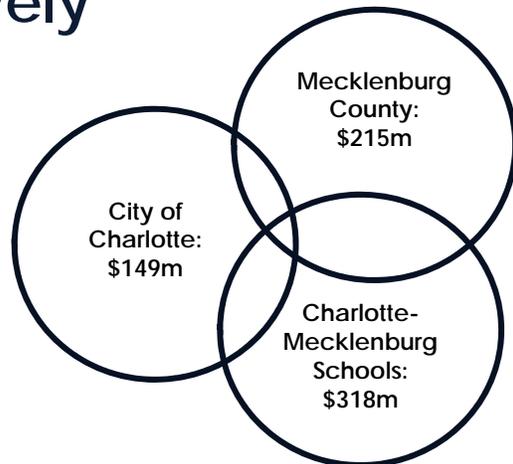
Include *all* in creation of Arts
and Culture Plan

Identify plan for long-term
sustainability in arts funding

Working Collaboratively

Deploying American Rescue Plan Funds

- Opportunity to leverage **\$682m** across city, county, and Charlotte-Mecklenburg Schools
- Forming an Inter-Organization Working Group
- Maximize investments across the community
- Still awaiting guidance from Federal Government

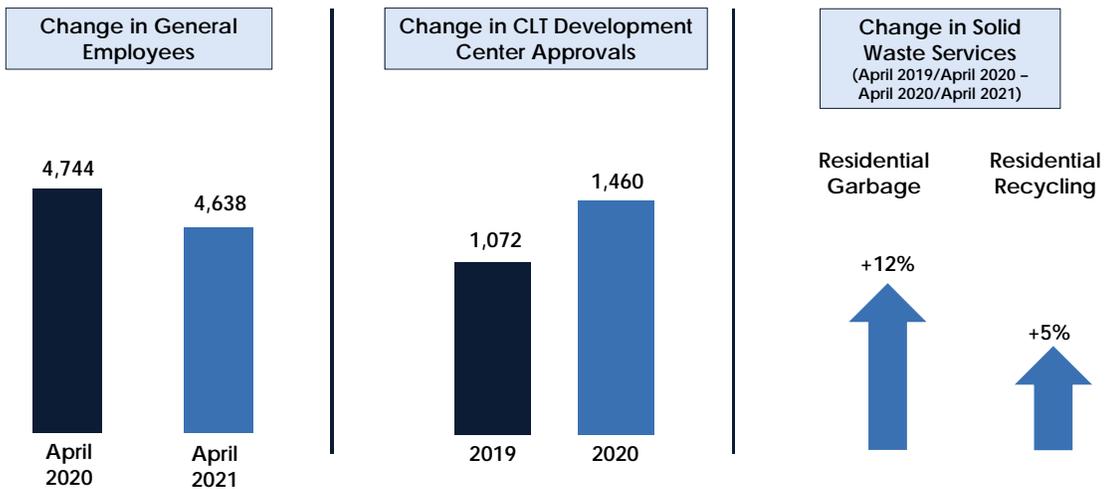


We are Built on Resilience



- ✓ Maintained reserves
- ✓ Provided core services
- ✓ No layoffs

Operating Efficiently





Updating Operations and Planning for Workplace Re-Entry



- ◁ Implement lessons learned during COVID-19
 - Maximize technology for employees and residents
 - Continue practices that improved efficiency in service
- ◁ Preparing for employees to return to the Government Center
 - Align with other large employers
 - Phased approach over several weeks
 - COVID-19 metrics and vaccinations must continue to progress positively

In This Budget...

Taking Care of Employees who Never Stopped Working

Maintaining Core Services

Investing in Council Priorities

Continuing Strong Financial Management

Triple-AAA Bond City
No Property Tax Increase
No Use of Fund Balance

Striving to be the Best Place to Work

- ✓3 percent merit increase for salaried general employees
- ✓3 percent combined market and merit increase for hourly employees
- ✓Continue All-Access Transit Pass



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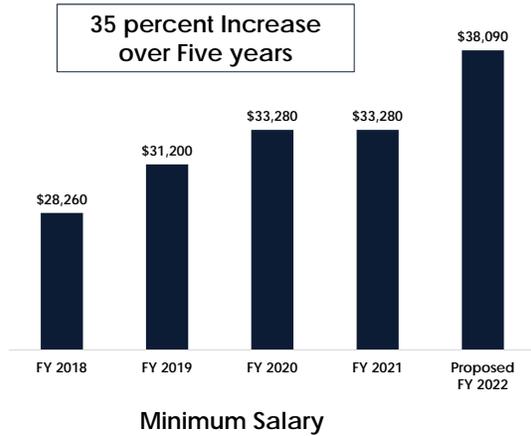
Taking a Comprehensive View of Total Compensation

5% Reduction in all healthcare plan premiums in 2022

Savings of \$52 to \$572 per year depending on employee plan

Reducing deductible by \$250 for all healthcare plans

Aligning Compensation with Cost of Living



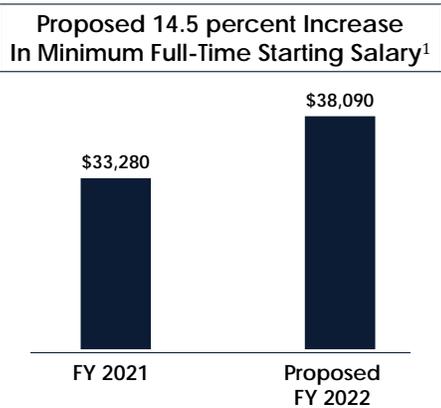
Proposed Minimum Salary for Full-Time Employees:
\$38,090



60 Percent of Charlotte's Median Household Income¹

¹ U.S. Census Bureau, 2019

Positively Impacting our Employees



Positively Impacting
143 Employees

¹ Increase will take effect on the later of employee's market and merit date.

Taking Care of our First Responders

Police

- ◀ Collaborative, targeted, data-driven strategy
- ◀ Completed 2-year plan in FY 2021
 - Reduced number of years to Top Pay
 - Implemented Senior Police Officer Program
- ◀ Increased Top Pay for:
 - Police Officer
 - Sergeant



Following Through on Commitments

Fire

- ◀ Complete Year 3 of 3-year Plan in FY 2022
- ◀ Increased Top Pay for:
 - Fire Fighter II
 - Fire Engineer
 - Fire Captain
- ◀ Increase 410k/457 Retirement Contribution by 1%
 - Now matches Police contribution of 5%
- ◀ Add 2% to employer contribution for Charlotte Firefighter's Retirement System

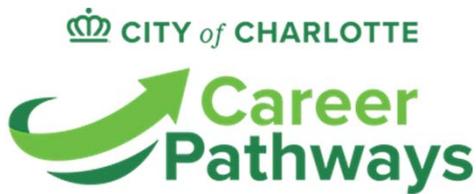
Impact of Enhanced Compensation

Top Step Impact of Enhanced Compensation

	<u>FY 2018</u>	<u>FY 2022</u>	<u>Change¹</u>
Firefighter II	\$69,124	\$79,396	15%
Fire Engineer	\$70,852	\$85,501	21%
Fire Captain	\$83,934	\$101,242	21%
Police Officer	\$72,580	\$87,377	20%
Police Sergeant	\$86,064	\$101,204	18%

¹Includes market adjustments and step increases from FY 2019-FY 2022.
 Note: This table includes 10% increased pay for 4-year degree for Firefighter, Fire Engineer, and Police Officers.

Continuing Internal Pipelines



Build on success of providing 50 career opportunities in FY 2020

Identify up to 50 positions citywide in FY 2022

Remaining Fiscally Responsible

FY 2020 Decisions

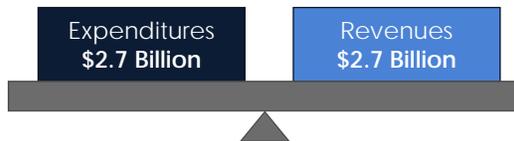
- ◁ Hiring Freeze
- ◁ Reduced non-personnel costs
- ◁ Reduced required 16% Fund Balance on smaller budget
- ◁ CARES Act reimbursement for adjusted service

FY 2020 Surplus

\$14.26 Million

Remaining Structurally Balanced

Proposed FY 2022: All Funds (net of transfers)



Proposed FY 2022: General Fund



- ✓ Structurally Balanced
- ✓ No Layoffs
- ✓ Preserves Core Services
- ✓ No Use of Stimulus Funds in General Fund

**Reaffirming
Council
Priorities...
While Remaining
a Well-Managed
Government**





Affordable Housing

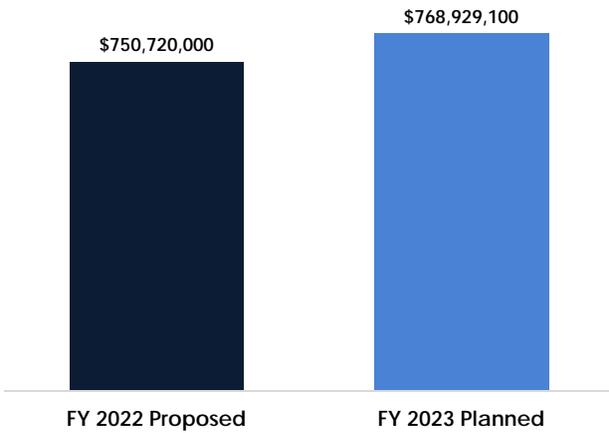


Arts and Culture



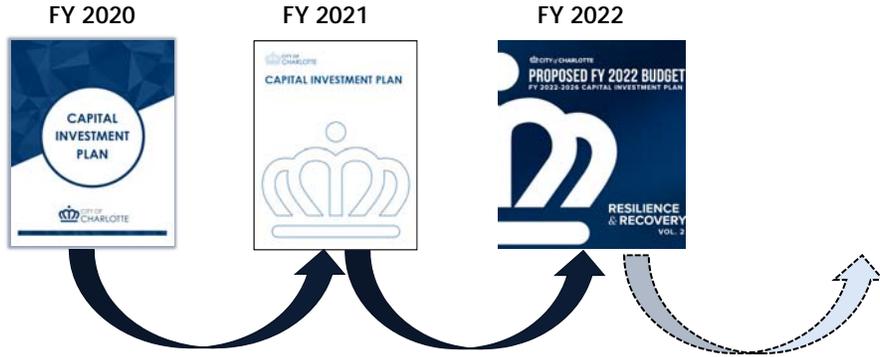
Transformational Mobility Network

Applying Two-Year Lens

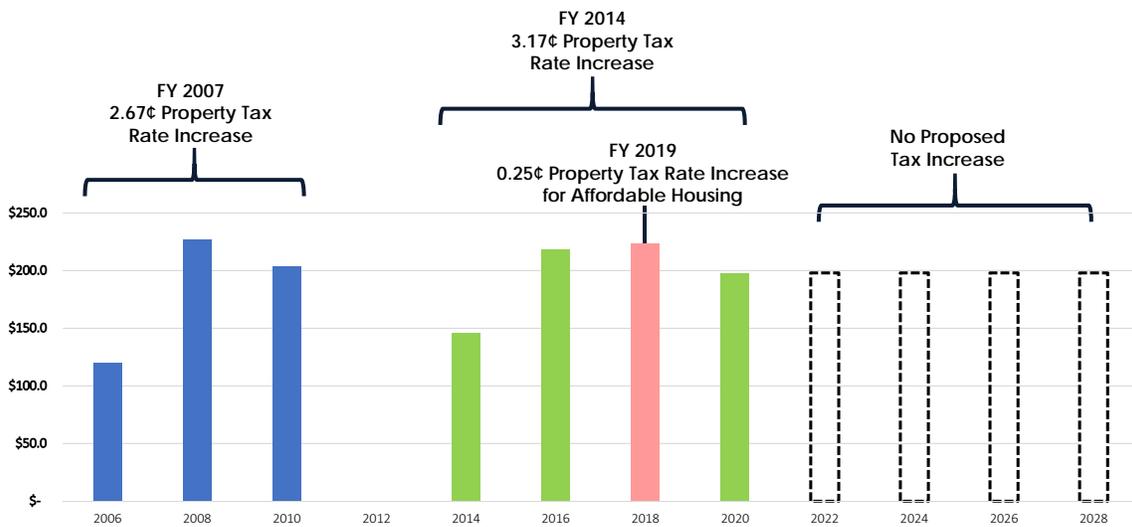


	Proposed FY 2022 General Fund	Planned FY 2023 General Fund
Proposed Growth (over previous budget)	4.4%	2.4%
Structurally Balanced	✓	✓
No Use of Reserves	✓	✓
Maintains Existing Service Levels	✓	✓

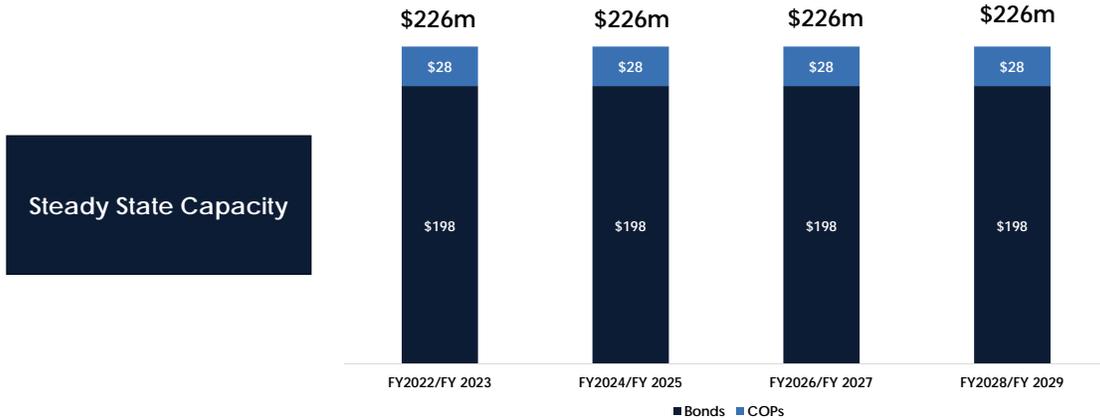
Reinventing our Capital Program



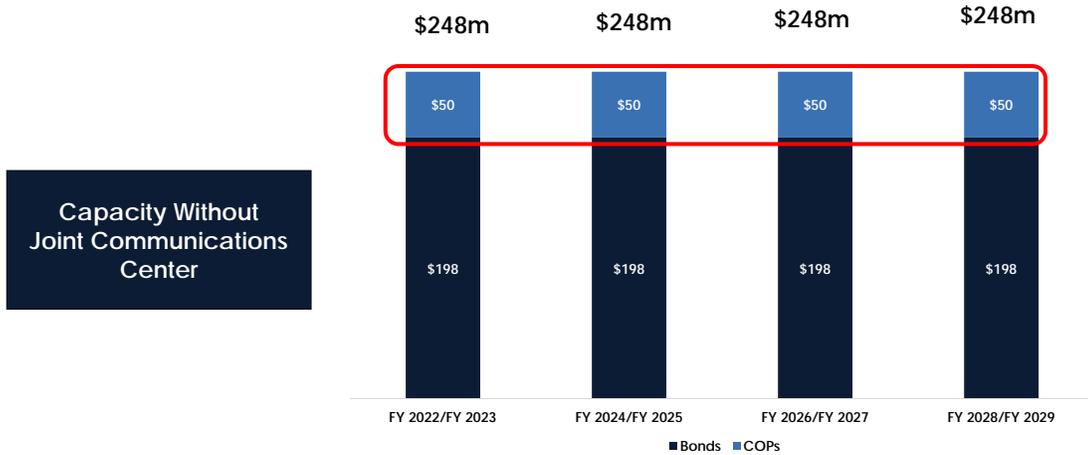
Preparing Stable Capital Plan



Debt Capacity During 2021 Budget Workshops



Freeing up Additional Debt Capacity



Maximizing Additional Capacity

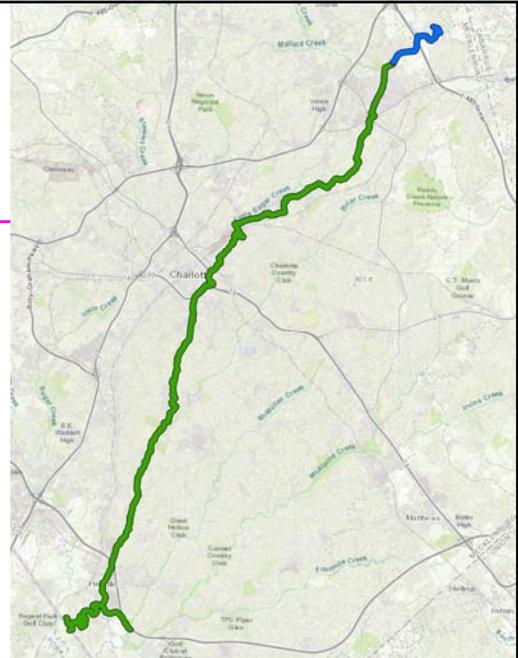
Not moving forward with Joint Communications Center enables \$11m in additional capacity per year to¹:



¹Includes \$40.9m over five years for fire facilities program.

Completing the Cross Charlotte Trail

- Fully funded Segments 1-9 in FY 2020
- FY 2020, Two northern segments were placed in the Advance Planning and Design Program
- Proposing \$20.5m over the next five years to complete final two segments



Investing in the Strategic Energy Action Plan



Utilizing Capacity to Invest in Fire Facilities Program

- ◁ Addresses three highest station priorities in Fire Facilities Master Plan
- ◁ \$40.9m over five years
- ◁ Includes funding to begin Hidden Valley Infill Station
- ◁ Stations 11 and 30 will be added to the Advanced Planning Program

Investments in Fire Facilities



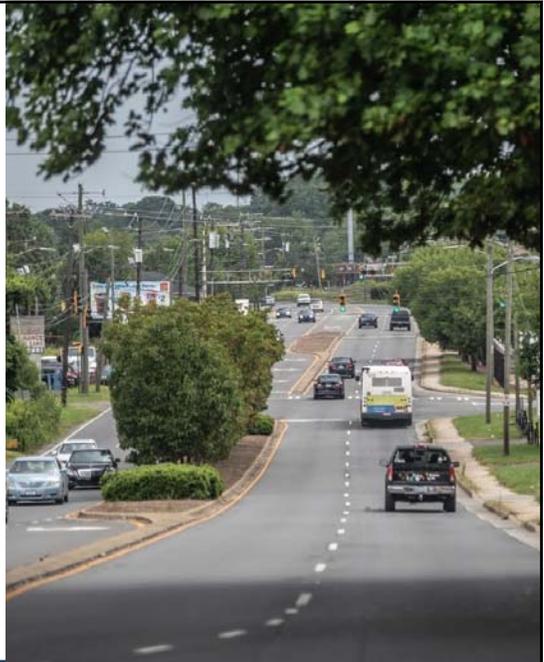
Steady State in CIP

\$792m in Capacity over Four Bond Cycles



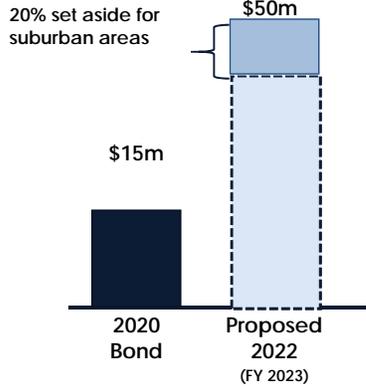
Within the Four Bond Cycles...

- ↳ Construct two roads
Preliminary estimate is \$140m
- ↳ Construct two intersections
Preliminary estimate is \$51m
- ↳ Additional infrastructure investments
Preliminary estimate is \$401m

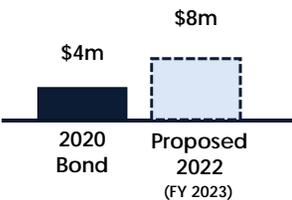


Building a Connected City (CY 2022)

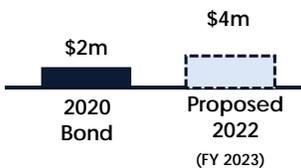
More than 3x Funding for Sidewalks



Fully Fund Bike Program

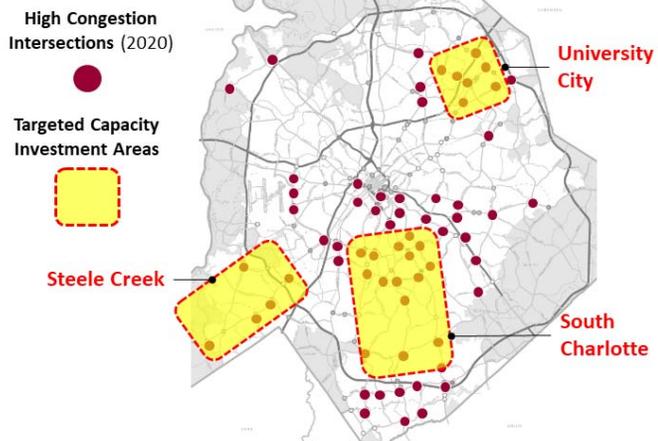


Double Funding for Vision Zero



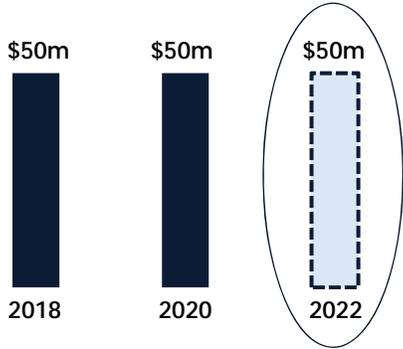
Targeting High Congestion Areas (CY 2022)

\$10m in CIP in 2022 for Congestion Mitigation



Providing Access to Diverse Housing (CY 2022)

\$50M Planned for Housing Trust Fund in 2022 Bond



Continuing Corridor Infrastructure

\$10m in CY 2022 Bond to continue infrastructure and mobility improvements in Corridors



Adding \$14m to Capitalize on the Momentum in our Corridors in FY 2022

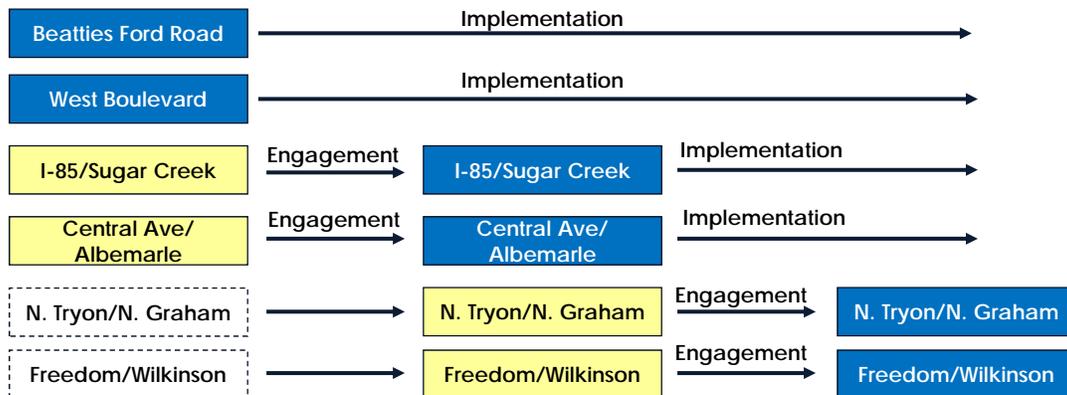


Advancing all six Corridors

FY 2021 (available):
\$10M+\$14.5M CIP

FY 2022:
\$14M PAYGO

FY 2023:
\$10M CIP

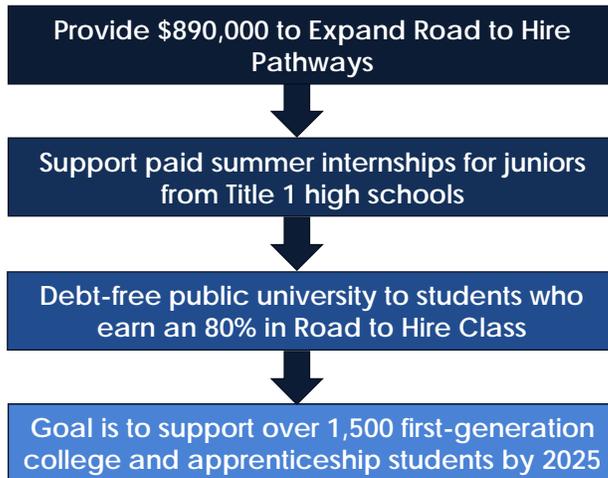


Creating Opportunity for All

- Build upon findings of Corridors of Opportunity employment study
- Determine Charlotte's ability to create and fill good jobs, and identify any significant opportunity gaps that must be addressed
- Ensure Charlotte is proactive in aligning future business recruitment, retention and expansion efforts with long-range talent development pipeline



Providing Access to Opportunity



Expanding the Small Business Continuum



- Provide \$250,000 in FY 2022 to continue public-private collaboration to support minority entrepreneurs:
 - Connections to Charlotte business leaders
 - Access to financial support
 - Customized curriculum driven by cohort
 - Emphasis on management, market development, and accessing capital
- Program has secured additional private funding including \$250,000 from Atrium

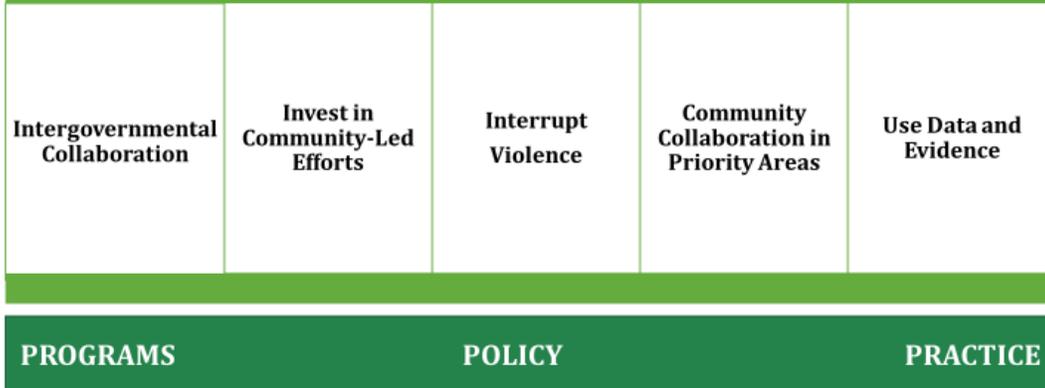
SAFE Charlotte
Safety and Accountability
for Everyone



Charlotte

Framework to Address Violence

Purpose: City, County, Partners, and Community work together to reduce violence, increase economic opportunity, and build healthier, more resilient communities.



Implementing the Framework to Address Violence

FY 2021 Strategic Investments in Violence Reduction:
\$3.1m

<p>Advancing Re-Imagining Policing Recommendations</p> <p>Partner with five organizations to advance and evaluate the six recommendations around re-imagining policing</p> <p>\$1.3m</p>	<p>SAFE Charlotte \$1m Grant</p> <p>Provide 17 Charlotte-based non-profits \$50,000 to address violence in our community</p> <p>\$1.0m</p>	<p>Violence Interruption: Hospital-Based</p> <p>Partner with Atrium Health to launch hospital-based violence interruption program for victims of violence</p> <p>\$490k</p>	<p>Violence Interruption: Place-Based</p> <p>Partnership with Mecklenburg County and Youth Advocate Programs to implement violence interrupter model along Beatties Ford Road</p> <p>\$250k</p>
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Continuing the Work to Re-Imagine Policing

Rec. 1:
Support
Non-Profits

Rec. 2:
Civilian
Response for
low-risk calls

Rec. 3:
External
evaluation

Rec. 4:
Civilian
response for
certain
mental
health calls

Rec. 5:
Evaluate
youth
programs

Rec. 6:
Analyze
recruitment
and
residency
incentives

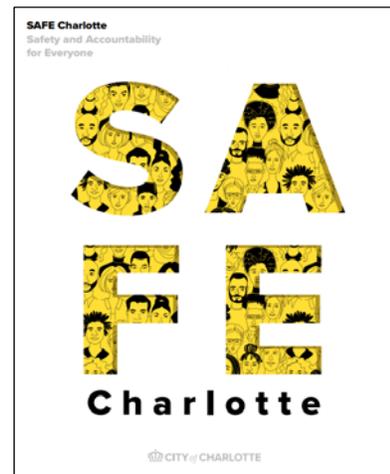
\$3.2m to Begin Implementing SAFE Charlotte in FY 2022

**\$1.2m to launch mental health
civilian response**

**\$1.0m to Continue
SAFE Charlotte Grant**

**\$739,000 to Double the number of
Community Policing Crisis
Response Teams**

**\$250,000 to support Social Justice
Data Initiative with UNC Charlotte**



FY 2022 Proposed Budget Highlights

- No Property Tax Increase
- Structurally Balanced
- Employee salary increases
- Reduces employee premium cost
- Minimum full-time salary at 60% of Charlotte's Household Median Income
- Completes the Cross Charlotte Trail
- Supports the Strategic Energy Action Plan
- Invests in Career Pathways
- Continues investments in SAFE Charlotte
- Collaboration with Mecklenburg County and Charlotte-Mecklenburg Schools



City Council Priorities



Connecting our city and the Region



PEOPLE AND PLACES ARE OUR FUTURE