

## Council Budget Meetings Q&A

The following are the questions received from City Council during the small group budget discussions with city staff.

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**1. What are the available resources unprogrammed in the FY 2024 Proposed Budget?**

The FY 2024 Proposed Budget includes \$101,469 in the General Fund and \$250,000 in PAYGO funds that are currently unprogrammed. In APRA funds, the City Operations category has \$400,000 in remaining ARPA funds available. Additionally, \$17 million would still remain in undesignated ARPA-Housing funds if City Council approves the City Manager’s recommendation to use ARPA funds to partner with the county on the HOMES tax relief program. There is \$3.7 million available in the ARPA-Jobs/Workforce Development categories, for a total of \$20.7 million.

**2. What is the projected impact of the revenue-neutral rate on renters?**

Data with previous (2022) and current (2023) values for all non-tax-exempt residential properties in the county, were reviewed to highlight which properties changed value specifically from revaluation, and which properties changed in value due to natural growth (typically, construction activity since 2019). An analysis was conducted to estimate impacts of revaluation (change in tax amount) for detached, single-family rental units. The subset of units in the analysis includes properties that changed value specifically due to revaluation (excluding natural growth), properties with a Land Use Code of [R100 - R164], and properties estimated to be rental houses based on the physical address of the parcel and the owner’s mailing address.

The analysis includes 77,388 single-family rental units across the City of Charlotte. The tax amount change is modeled with the proposed revenue-neutral city tax rate of 26.04 cents. Although a wide variety of market factors influence rental rates, this analysis assumes that a change in tax amount for a unit would be passed on to the renter.

Overall, the median percent change in assessed value for single-family rental units is 70 percent. The median annual city tax change by unit is \$175. The chart below shows the median percent change in assessed value and median tax change per unit, by housing tenure (owner-occupied and renter-occupied).

	Sum of Units	Median Percent Change in Assessed Value	Median City Tax Change, Annual
Single-Family Owner-Occupied	129,085	60%	\$166
Single-Family Renter-Occupied	77,388	70%	\$175

Housing unit assessed value and estimated tax change vary by geographic location. The concentration of single-family rental units is in line with the areas of greatest tax change across the city, generally falling into the *crescent*. The chart below shows the breakdown of units and median tax change by City Council District and housing tenure (owner-occupied and renter-occupied)

District	Single-Family Owner-Occupied		Single-Family Rental	
	Sum of Units	Median City Tax Change, Annual	Sum of Units	Median City Tax Change per Unit, Annual
1	11,956	\$140	13,856	\$134
2	18,453	\$189	16,964	\$182
3	16,658	\$177	10,920	\$196
4	17,877	\$177	10,067	\$188
5	18,982	\$182	12,552	\$185
6	19,611	\$134	6,375	\$151
7	25,503	\$123	6,594	\$130
<b>City</b>	129,085	\$166	77,388	\$175

*Impact of Revaluation on Multi-Family Apartment Communities*

The same methodology was applied to estimate impacts of revaluation (change in tax amount) for multi-family apartment complexes. The subset of apartments in this analysis includes properties that changed value specifically due to the revaluation (excludes natural growth), properties with a Land Use Code of Multifamily and a property description of a type of Apartment or Duplex/Triplex, properties that existed as of 2019, and properties that could be matched to an apartment complex in the RealData apartment database<sup>1</sup>.

The final analysis includes 363 apartment communities totaling 81,495 units across the City of Charlotte. The tax amount change is modeled with the proposed revenue-neutral city tax rate of 26.04 cents. Although a wide variety of market factors influence rental rates, this analysis assumes that a change in tax amount for an apartment community would be distributed equally to each rental unit.

Overall, the median percent change in assessed value for multi-family apartment communities is 63 percent. The median annual city tax change by unit is \$75. For apartment communities that are considered to have Naturally Occurring Affordable Housing (NOAH)<sup>2</sup>, the median annual city tax change by unit is \$82.

The following chart shows the breakdown of units, median percent change in assessed value by community, and median tax change per unit, by type of apartment (all, NOAH and non-NOAH).

<sup>1</sup> Each apartment complex may span multiple tax parcels. The tax parcels in the County parcel database were matched to apartment complexes in the RealData database using GIS software. When the number of units differed between the parcel data and the RealData, two scenarios applied: 1) When the difference was fewer than 20 units, the lesser of the two numbers was used (to conservatively estimate the per unit cost); and 2) When the difference was 20 units or greater, the complex was excluded from the analysis (N=4).

<sup>2</sup> The properties classified as large-scale NOAH are 15 years or older, have 50 or more units, and have an average rent less than or equal to \$1,203, per the revised rent standard for HOME funds in 2019. A required characteristic to define large-scale NOAH is generally good quality construction, although it may have some deferred maintenance, or the exterior and interior amenity packages may be dated and less than what is offered by high end properties. Included properties have not had significant property improvements made since 2019, per Mecklenburg County building permit records.

	Count of Communities	Sum of Units	Median % Change in Assessed Value by Community	Median City Tax Change Per Unit, Annual
<b>All</b>	363	81,495	63%	\$75
<b>Non-NOAH</b>	194	44,743	56%	\$65
<b>NOAH</b>	169	36,752	71%	\$82

The chart below shows the distribution of estimated city tax change from the 10<sup>th</sup> to the 90<sup>th</sup> percentile. Despite the large percent change in the value of commercial property and multi-family apartments, the estimated city tax impact for 90 percent of units is \$185 or less annually.

Annual City Tax Change per Unit

Percentile	All	NOAH
10th	-\$10	\$19
25th	\$37	\$46
50th	\$75	\$82
75th	\$128	\$135
90th	\$185	\$194

Apartments assessed value and estimated tax change vary by geographic location. The chart below shows the breakdown of units and median tax change by unit, by City Council District, and by type of apartment (NOAH and all apartments).

District	Count	Sum of Units	Median City Tax Change per Unit, Annual	Count	Sum of Units	Median City Tax Change per Unit, Annual
<b>1</b>	57	10,048	\$68	26	4,548	\$65
<b>2</b>	38	8,477	\$71	15	3,500	\$121
<b>3</b>	61	14,754	\$85	24	5,190	\$79
<b>4</b>	54	13,640	\$74	14	3,626	\$88
<b>5</b>	67	12,237	\$63	53	10,256	\$64
<b>6</b>	55	13,177	\$76	29	7,532	\$123
<b>7</b>	31	9,162	\$112	8	2,100	\$133
<b>City</b>	363	81,495	\$75	169	36,752	\$82

**3. What is the value of a one cent property tax increase and the impact on a median resident?**

The revenue generated from a one-cent property tax increase would be \$21.12 million. To calculate the impact, multiply the new assessed property value by .0001. For a median home value of \$349,700, the impact would be \$34.97/annually. This impact would be in addition to the city tax impact from revaluation at a revenue-neutral rate. This number varies based on a property's previous and new value. For the median household, this impact is projected to be \$165 annually.

**4. Explain the differences in salary increases based on dates and explain why increases happen throughout the year.**

Salary increases have historically happened at different points of the year for different employee groups in Charlotte. Prior to FY 2020, increases in the hourly pay plan were split between the merit date of the employee, and a market adjustment in February. In FY 2021, the market adjustment date was switched to December. Last year, the increase was switched to an even split between July and January. In the Public Safety Pay Plan, the market adjustment was traditionally in July. Beginning in FY 2022, the market adjustment was increased to 3 percent but split between July and January. The timing of salary increases proposed for FY 2024 is consistent with the timing in FY 2023.

Hourly Employees

- Total: 6.0%
  - 3.0% increase on July 1
  - 3.0% increase on January 6

Salaried Employees

- Total: 4.0% pay pool
  - 4.0% pay pool on employee merit date or department common merit date which is a different time throughout the year for all employees. This amount can be anywhere between 0%-8% based on performance.

Fire Pay Plan Employees

- Total: 5.5%-8.0%
  - 1.5% market adjustment on July 1
  - 1.5% market adjustment on January 6
  - 2.5%-5% step increase in November (Fire's common merit date)

Police Pay Plan Employees

- Total: 8.0%-13.0%
  - 1.5% market adjustment on July 1
  - 1.5% market adjustment on January 6
  - 5% step increase on step date (which can be at any point throughout the year)
  - 2.5% on January 6 for topped-out Police Officers who entered the Senior Police Officer program in FY 2020
  - Due to boosting starting pay and the creation of a double step where the city loses the majority of Police Officers, Police Officers currently in steps 2 and step 5 would receive 13% during FY 2024.

**5. What is the cost of living to live within the City of Charlotte?**

The Universal Living Wage is an initiative of House the Homeless, Inc., a 501(c)3 organization based in Austin, Texas. The calculation is based on HUD's standard that no more than 30 percent

of a person’s gross income be spent on housing. The calculation is derived by using the Fair Market Rent (FMR) in the area in which an individual lives divided by 30 percent (0.3) to determine the living wage (annual salary) for that person.

For the Charlotte MSA, the table below includes the most recent Fair Market Rent for different bedroom sizes and the needed wages for each.

<b>Final FY 2022 FMRs By Unit Bedrooms in Charlotte MSA</b>					
<b>Year</b>	<b><u>Efficiency</u></b>	<b><u>One-Bedroom</u></b>	<b><u>Two-Bedroom</u></b>	<b><u>Three-Bedroom</u></b>	<b><u>Four-Bedroom</u></b>
<b>FY 2022 FMR</b>	<b>\$996</b>	<b>\$1,014</b>	<b>\$1,155</b>	<b>\$1,497</b>	<b>\$1,942</b>
Monthly Salary Needed	\$3,320	\$3,380	\$3,850	\$4,990	\$6,473
Yearly Salary Needed	\$39,840	\$40,560	\$46,200	\$59,880	\$77,680

The average number of persons per household in Charlotte is 2.47, which rounds up to approximately three individuals per household. A two-bedroom apartment should accommodate an average household of three people. Using the two-bedroom estimate, an annual wage of \$46,200 would allow an employee to live in Charlotte. To ensure that all full-time employees earn at least \$46,200 by January the cost to the General Fund would be approximately \$175,000. Enterprise funds would also incur additional costs to ensure their employees earned at least \$46,200 by January.

**6. What would the cost of a 15 percent salary increase be for hourly employees?**

To add 9 percent to the hourly employee base pay increase in July (for a total of 15 percent in FY 2024) would cost the General Fund \$9.2 million, or \$1.02 million for each additional percent. Additionally, an increase would be needed for many salaried employees to prevent problematic operational issues where employees would be earning more than their supervisor(s). The exact amount needed to be added to the salaried employee pay pool would require significant analysis but would likely be more than 4 percent on average, or \$6.1 million.

An additional consideration is the cost of hourly increases in non-general funds. Enterprise Funds like Charlotte Water would likely require additional revenue from rates for significant increases in salary. A 9 percent July increase for hourly employees in Water would cost \$4.76 million, plus additional adjustments to salaried employees. Every \$1 million in operating costs added into Charlotte Water’s operating budget would require an approximately 0.2 percent increase in the water rate according to preliminary analysis. This rate increase could be done in one year or smoothed out over time.

**7. Provide additional information on Police and Fire applications, hires, recruitment, and retention.**

The following table compares the number of applications over the past three calendar years for Sworn Police and Fire Trainees. Police uses a 365-day application period (applications accepted year-round). Fire has used a 14-day application period (received applications for two weeks each year) for each of the past three years.

Number of Trainee Applications in Police and Fire				
Sworn Employees	Application Period	CY 2020	CY 2021	CY 2022
Police	365 Days	3,207	2,245	1,906
Fire	14 Days/Year	1,170	775	724

The below table shows retirements, resignations, and new hires for sworn Police and Fire in calendar year 2022:

2022 Sworn Separations Vs. Hire in Police and Fire				
	Retirements	Resignations	Hires*	Net Impact*
Police	87	72	126	(33)
Fire	44	6	58	+8

\*Includes all Trainee hires. Some Trainees may not have graduated or will not graduate from the academy

**8. What is the dollar increase of Fire’s budget in comparison with the dollar increase for Police?**

Police’s General Fund budget increased by \$17,105,074, or 5.4 percent from FY 2023. Fire’s General Fund budget increased by \$15,366,208, or 9.9 percent from FY 2023. Police is recommended to receive \$5,000,000 of Capital Investment Plan funds in FY 2024. Fire is recommended to receive \$29,250,000 of Capital Investment Plan funds in FY 2024.

**9. Provide an update on the vacancy rates in Police versus Fire.**

At the March 2023 Budget Workshop, City Council was shown updated vacancy rates by employee type using February 2023 HR data. These charts were again shown in the Proposed FY 2024 Budget Presentation. Below are the current approved positions, filled positions, and vacancies by employee type based on May data for Police and Fire sworn positions.

Filled and Vacant Sworn Positions: May 2023 Human Resources Data				
Description	Approved Sworn Positions in FY 2023 Budget Book	Currently Filled Positions (including Trainees)	Vacancies	Vacancies as a Percentage
Police	1,942	1,696	246	12.7%
Fire	1,104	1,093	11	1.0%

The above includes Trainees as filled positions for both Police and Fire. If Trainees were not included, there would be 296 vacancies in Police (15.2 percent) and 34 vacancies in Fire (3.0 percent)

**10. What would it cost the city to bring the minimum pay for Fire to \$20/hour?**

When the \$20 minimum pay was created, it was done for all 40-hour week employees. The reason for this is because the Federal Labor Standards Act allows for Firefighters to work more than 40 hours/week without overtime. Fire operations employees work in 24-hours shifts, 2-3 days per week on average. Without working any overtime, the lowest paid sworn Fire employee (a Fire Trainee with no education or military incentive) would earn \$49,102. The lowest paid general employee at \$20/hour would earn \$41,600.

At 52 hours/week, a Firefighter would need to earn \$54,080 annually to earn \$20/hour. The Proposed FY 2024 Budget increases the Fire Trainee starting pay (without incentives) to \$53,179 by January. To bring the Fire Trainee salary to \$54,080, either of the following two actions could be used:

- Eliminate Step 1 of the Firefighter 1 Pay Plan. This would make the starting salary \$53,793 by November and \$54,508 by January and would cost \$135,000 in FY 2024, or
- Leave the Fire pay plan unchanged but add a \$1,040 minimum weekly payment for all operations Firefighters, including incentives. Implementing this effective July would cost approximately \$57,000.

**11. Why is the Police Department the biggest expense in the General Fund?**

Police is a large 24-hour, 7-day per week operation. To maintain one officer assignment working at all times, five different officers are needed. Nearly 90 percent of the Police budget is personnel and insurance. The majority of the Police budget is the cost for Police Officers patrolling and responding to calls. To ensure that the city has an appropriate amount of Police Officers, metrics are used such as response time. The number of Police Officer positions has not increased in several years due to recruiting limitations, despite growth in the city. The Proposed FY 2024 Budget recommended several pay actions to improve both attraction and retention.

**12. Explain the historic differences in pay between Police and Fire employees and the projected cost of maintaining this parity.**

The Public Safety Pay Plans have traditionally had a link of 5 percent, with Police being 5 percent higher than Fire. Below is a table showing the differences in three areas from FY 2019 to FY 2024.

Parity Differences In Police and Fire Pay Plan Over Last Six Years						
Description	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Difference between Starting Police Officer and Firefighter	5.0%	5.1%	5.1%	5.1%	4.8%	7.5%
Difference between Top Police Officer and Fire Engineer	1.7%	4.9%	4.7%	2.2%	2.2%	7.3%
Difference Between Top Sergeant Pay and Top Captain Pay	0.0%	2.5%	3.7%	0.0%	0.0%	2.4%

Below are different scenarios and the associated costs:

- Scenario 1: To maintain a maximum of 5 percent parity at the bottom and top of the Police and Fire Pay Plans, only the starting pay of Firefighter I would need to be adjusted. To eliminate step 1 of the Fire Pay Plan and keep starting pay within 5 percent. This would cost \$135,000 in FY 2024.
- Scenario 2: To maintain starting pay parity of 5 percent (above) and keep top Fire Engineer within 5 percent of top Police Officer, 2.5 percent would need to be added to the top of Fire Engineer, and Fire Captains steps 1 and 2 would need to be increased by 2.5 percent. Including the \$135,000 above, this would cost \$330,000 and would ensure that all three data points in the preceding table are within 5 percent.
- Scenario 3: implement scenarios 1 and 2, plus keep Fire Captain and Police Sergeant aligned rather than the 2.5 percent difference in the proposed budget. This would bring the cost to a projected \$852,000 in FY 2024.

### **13. How does the budget invest in the new key initiatives?**

The Proposed FY 2024 Budget provides resources for key initiatives such as Charlotte Business Inclusion, workforce development, and Digital Divide.

#### Charlotte Business Inclusion

The city remains committed to supporting the advancement of small and minority businesses. In FY 2024, the city will realign and elevate the Charlotte Business Inclusion Office (CBI). The city plans to invest \$1 Million in CBI for Capital Access, Bonding Program, and outreach to the local business community plus add three additional positions. The three positions will allow for expansion of reporting and analysis capacity in support of contract diversity and inclusion participation; provide support for the CBI bonding program; and support marketing CBI programs and services through outreach, training, and education to various organization and small business.

#### Workforce Development and Minority Business Development

There are two funding components programmed toward workforce development in the FY 2024 budget; funds focused on the community and funds targeted for city employees. The Proposed FY 2024 Budget continues two programs that support small-, and minority-owned businesses: AMP UP Charlotte and NXT CLT. Both programs enhance the small and minority business ecosystem by providing the necessary education, training, and connections to resources to help participants' businesses thrive. For FY 2024, the city is continuing to promote the advancement of small and minority businesses by providing \$250,000 for the AMP UP program to support small and minority capacity building. In addition, \$250,000 will also be provided for the NXT CLT program to help build on AMP Up. Through these initiatives a total of \$500,000 will be provided to support small and minority owned businesses. This funding is in support of Council's key initiative of enhancing the Small and Minority Business Ecosystem.

In alignment with Council's key initiative of workforce development, for FY 2024 the city will strengthen a concentrated service focus to engage with the community, other service providers, and business partners on developing a comprehensive and targeted approach to advancing workforce development. This dedicated focus will work to leverage the city's resources and external partnerships in addressing the workforce development needs specific to our community.

In addition to evaluating this role, the FY 2024 Budget includes funding for a Special Assistant to the City Manager to work on workforce development initiatives.

In addition to the community focus on workforce development, the city is planning to expand the internal apprenticeship programs that have been successful for Aviation and Charlotte Water by developing these programs in other departments. Building on the momentum, in FY 2024 the city's apprenticeship program plans to add 29 apprenticeships: 10 in Solid Waste Services Department, four in CDOT, and 15 in CATS. This expansion will provide for nearly 20 certified apprenticeship programs citywide.

Human Resources, in partnership with all city departments, is building a reinvigorated approach to remove barriers to upward mobility for our employees. HR is assessing job skills needed for advancement across job codes and duties. A core component of this effort is proactively sharing available services and providing customized support for employees based on their personal goals and needs. Current progress includes:

- 160+ employees have used the partnership with CCPC for prepayment of associate degree courses
- 130+ employees have worked with a city Career Coach
- An ACE hub of centralized resources and support was launched
- Career Blitz job fairs were held

For FY 2024, funding is proposed to continue and expand these initiatives. Some of the resources include increasing one-on-one career coaching, continuing the CPCC associate degree prepayment program, internal career exploration fairs, launching an apprenticeship program in Solid Waste, and the Advance Connect Explore (ACE) Hub resource site. To support these important initiatives, one new position is being added within the Human Resources department to be dedicated to workforce development

### Digital Divide

The Proposed FY 2024 budget includes \$205,241 in recurring funding for two positions funded by the General Fund to build on the past and current work that has been supported by non-recurring federal CARES Act and ARPA grant funds.

Phase 1 of the city's Access Charlotte Digital Inclusion initiative was accomplished by using existing city staff and by collaborating with outside partners. Phase 1 was primarily funded with \$3.25 million from the CARES Act and included providing in-home and public space broadband services, activating learning labs, establishing 311 and digital navigator services to support adoption, and assisting in purchasing connected devices for school aged children. During this phase, the city established the foundation for a repeatable process and an eco-system of partners that carried over into Phase 2.

Phase 2, which the city is currently executing, is funded with \$7.5 million from the American Rescue Plan Act (ARPA) and is a continuation of the foundational work done in Phase 1. This includes funding for a contract with Spectrum to continue and expand access to direct home internet for 7,900 households, in addition to 15 community sites, and one city-owned learning lab. The funding also supports Digital Navigation services from Queens University to help residents

with basic digital skills and to sign up 10,000 households for the federal Affordable Connectivity Program (ACP), which offers \$30 towards home internet (separate funding from Access Charlotte). Lastly, the \$7.5 million allocation also provides continued funding for the personnel costs of two existing employees who are solely dedicated to this program.

Phase 3 (future), which has an allocation of \$2.5 million in ARPA funds, will aim to build on Phases 1 and 2 and go beyond access and toward promoting upward mobility in technology, improving the city’s self-service tools, and providing a pathway for innovative technology. This phase is planned to include workforce preparedness such as creating a Learn to Earn program that will enable residents to develop technical job skills, while earning technology items like a tablet, laptop, or other item that can serve as access for home internet. In addition, it includes the creation of a universal platform for single, easy-to-use access for residents to connect with city services. The \$2.5 million allocation will also support the path for innovative technologies by working with 5G providers on the expansion of high-speed, wireless internet.

As City Council has designated the digital divide as one of its key initiatives, the time of some existing staff resources will also be partially allocated to support this initiative and to ensure its success. For example, the city’s existing 311 agents receive and triage residents’ calls concerning technology support for city-sponsored internet.

Expenditure Line-Item	ARPA Budget
Extend internet services for Phase 1 participants/locations (Phase 2)	\$1.53M
Expand internet services to additional participants/locations (Phase 2)	\$4.48M
Digital Navigation/Literacy (Phase 2)	\$0.89M
City Personnel Costs (Phase 2)	\$0.60M
Phase 3 (Upward Mobility/Self-Service/Innov. Tech.)	\$2.50M
<b>TOTAL</b>	<b>\$10.00M</b>

**14. Provide additional information on the Rapid Response Code Enforcement model developed with the FY 2024 budget.**

The proposed Rapid Response Code Enforcement Team is a cross-functional team within Code Enforcement with the responsibility to lead enforcement and collaborative problem-solving related to current and emergent quality of life concerns. Current challenges include tractor trailer parking, parking in bike lanes, litter, and illegal signage, and the team will also monitor and respond to emerging concerns in the future.

The team will be based within Code Enforcement and be trained and sworn in with enforcement authority and will also be charged with proactive mitigation – identifying hot spots, coordinating signage and physical barriers as warranted, working with businesses to identify alternative parking options, recruiting partners for litter clean-ups, and partnering to provide education and outreach to stakeholders about new regulations and quality-of-life concerns.

Each member of the cross-functional team would also be assigned as a liaison to a partner department involved in mitigation and problem-solving related to quality-of-life concerns. Initially, the primary partner departments are expected to include Transportation, Solid Waste Services, and Police. The liaisons would attend team meetings with partner departments as part

of the liaison assignment and coordinate related response and mitigation activities. The team would also partner with and leverage the resources of Keep Charlotte Beautiful staff, volunteer resources, and the Council-appointed KCB Board to better align efforts around the breadth and variety of quality-of-life concerns.

Four new positions are being allocated in order to cover the entirety of the city and to create a supervisor role that will enable Code Enforcement to expand their traditional work hours (Mon-Fri, 8-5). For example, Friday evenings and Saturdays are currently the most reported times for tractor trailer parking. This would also enable more evening hours for special enforcement or partnership and engagement activities.

Over the last several years, the workload for Code Enforcement inspectors has increasingly been directed in response to these quality-of-life concerns. The new team will be able to better address and respond to this workload and will also free up capacity for other code inspectors to focus their time on the core work around housing, nuisance and zoning enforcement. This increased capacity will be focused on increasing education, enforcement, and partnership activities within the Corridors of Opportunity. In addition, the new inspectors will be available to absorb nuisance abatement activities and workload when code inspectors are out of the office or during times of staff transition to maintain service levels and response times.

**15. Can departments reshuffle and reallocate funding after the budget is approved?**

Each year, as part of adopting the city's annual budget ordinance City Council traditionally delegates to the City Manager the authority to transfer appropriations within the same fund, within and across departments and projects, in both operating funds and in capital funds.

For example, within an operating budget, a department may generate vacancy savings in its personnel budget as a result of natural employee turnover. The department may decide to transfer the budget savings from its personnel budget to the department's non-personnel budget to cover a one-time non-personnel expense. Another example may be that two departments decide to collaborate on an initiative and decide to move budget from one department to the other to jointly incur an expense for that initiative.

Similarly, within the capital improvement plan departments may reallocate funds across projects, typically within the same program. For example, if one sidewalk project needs additional budget, budgetary savings from another sidewalk project may be used to cover the additional costs. However, reallocating budget from the sidewalk program to another named project or program typically involves a year-end budget amendment for which staff seek City Council approval; a transfer such as this across CIP programs is fairly infrequent.

**16. What is the 2019 Council adopted leave policy for Fire?**

In March 2019 Council adopted a policy for Charlotte Firefighters that clarified vacation, sick, and holiday leave that are considered accrued types of leave. The policy clarified how many hours are included in a vacation day for operational Firefighters, and how rate of pay is calculated when paying leave. The policy was specific to Charlotte Firefighters because of the typical work hours

and days for these employees and how leave time is accrued which is different than a general City of Charlotte employee.

Additional detail can be found in the Attached Council Agenda Item, *Resolution to Correct Payout for Recent Firefighter Retirees and Adopt Vacation, Sick, Garcia, and T-13 Leave Policy* as well as the agenda item attachments (resolutions and leave policy).

**17. Is there a dashboard that shows the SEAP investments?**

Based on feedback received during the FY 2023 budget process, the city developed a section in the FY 2024 Budget that focused on the Strategic Energy Action Plan (SEAP) and related investments (See pages 305-310).

The SEAP specifies that there should be a report to City Council annually on progress and actions. This year, the annual report presentation to City Council was April 24th and included the SEAP Annual Report 2022. Contained within the report are specifics on fleet decarbonization progress, including citywide fleet demographics, and buildings decarbonization progress towards Council's 2030 goals. The SEAP Annual Report 2022 is located at the following website address: <https://www.charlottenc.gov/files/sharedassets/city/city-government/initiatives-and-involvement/documents/seap/2022-seap-report.pdf> (See specifically pages: 5, 6, and 13).

In April 2023, the city launched a data dashboard that includes our benchmarking portfolio of buildings, their respective greenhouse gas emissions, and will include additional municipal and communitywide buildings as part of our new Power Down the Crown program year over year. The dashboard is located at: <https://community.charlottenc.gov/pages/power-down-the-crown>

Further components of the dashboard are under development. Phase I, set to go live by July 1, will include information such as solar and electric vehicle charging. The goal is to continue to look for more ways to expand and add to this dashboard over time, based on data and resource availability. The Office of Sustainability and Resilience is actively seeking feedback as inputs for the buildout of this dashboard.

**18. Explain the change in FTEs for Innovation and Technology from FY 2023 to the proposed FY 2024 personnel level.**

FY 2024 includes the realignment of 22.0 Full-Time Equivalent (FTEs) from Innovation & Technology's operating budget in the General Fund to the newly created Public Safety Communications Fund. The division within which these employees work is financially supported by contributions from city departments as well as contributions from regional partners who participate in the public safety radio network operated by the city.

Rather than financially account for the operations of the public safety radio network in the General Fund (which is typically reserved for city revenues which have no restriction on their use) the FY 2024 budget proposes creating a new special revenue fund to account for these revenues and the operations and employees funded by the revenues. There is no operational impact from this accounting change and these employees remain a part of the Innovation & Technology department.

After adjusting for this accounting change, Innovation & Technology’s number of positions grew by 9 FTEs compared to FY 2023. Additional details may be found on pages 159-167 and 296-298 of the Proposed Budget.

**19. Explain the increase in the development and licensing fees on the Summary of Revenues in the Proposed FY 2024 Budget book. How are the development fees calculated?**

The increase in Development Plan Review Fees on page 38 of the Proposed Budget reflects three updates: (1) technical accounting changes, (2) annual fee updates, and (3) anticipated revenue from three new fees. It is important to note that this revenue line-item is only one of several revenue line-items used in the General Fund to budget for and track land development fee revenue; the below table and explanation only applies to the year-over-year change in this particular line-item.

Development Plan Review Fees (FY23 Adopted Budget)	\$343,650
Development Plan Review Fees (FY24 Proposed Budget)	\$1,555,235
Year-over-Year Change	\$1,211,585
<i>Technical Accounting Changes</i>	<i>\$378,230</i>
<i>Annual Fee Updates</i>	<i>\$32,955</i>
<i>New Fees</i>	<i>\$800,400</i>
<i>i. Existing Costs</i>	<i>\$507,228</i>
<i>ii. New Positions/Costs</i>	<i>\$293,172</i>

Technical Accounting Changes

As part of the annual budget process each year departments periodically request the ability to change how revenue the department collects are classified, budgeted for, and/or tracked. Any of these changes would be a technical accounting change that does not affect the amount of revenue collected, but rather how the revenue is tracked and classified in the budget and in the city’s accounting system. In the FY 2024 Proposed Budget, the Department of Transportation (CDOT) reclassified 13 existing fees so that the fees are now tracked as “Development Plan Review Fees”, a classification that was different than the FY 2023 classification. These changes account for \$378,230 of the \$1,211,585 year-over-year difference on page 38.

Annual Fee Update

As part of the annual budget process, Strategy & Budget works with departments to update their regulatory and non-regulatory fees to ensure appropriate cost recovery that aligns with state law and City Council policy. Updates to existing fees account for \$32,955 of the \$1,211,585 year-over-year difference on page 38.

New Fees

As part of the annual budget process, departments propose deleting, restructuring, and/or creating fees that best reflect any changes in operations since the last adopted budget, some of which are tied to budget requests. After adopting the FY 2023 budget, City Council adopted the Unified Development Ordinance (UDO). The UDO expanded and updated the transportation

review process for land development projects in support of the goals of the 2040 Comprehensive Plan.

As a result, CDOT requested four new positions as part of the FY 2024 budget process to support the expanded transportation review process. CDOT also plans to realign existing staff to perform this work. As part of its budget proposal, CDOT proposed three new fees (CTR - Multi-Modal Assessment; CTR - Transportation Demand Management Assessment; CTR - Traffic Impact Study) to cover the costs of both the new positions, as well as the costs of existing/reallocated staff time, for a total revenue projection of \$800,400. The three new fees, therefore, account for \$800,400 of the \$1,211,585 year-over-year difference on page 38. Of the total \$800,400 in estimated revenue for these fees, \$293,172 of the revenue is based on fees that are set at levels to recover new costs related to the new positions. However, the remaining \$507,228 in estimated revenue covers costs related to the reallocation of existing staff time and existing indirect costs away from existing user fees (lowering those fees) to these three new fees.

#### Development Fee Methodology

The city charges both *regulatory* and *non-regulatory* permitting fees. Regulatory user fees recoup costs associated with providing specific services that are required by law. These fees are associated with regulatory programs such as land use permits, subdivision reviews, dance hall licenses, and hazardous chemical permits. Non-regulatory user fees recoup costs associated with all other city services or facilities that are unrelated to regulations; in the context of land development, the non-regulatory fees are often for expedited reviews and approvals.

State law requires that the regulatory fees the city charges be reasonably related to the expenses involved in providing services for which the fees are charged such that the city does not intentionally collect revenue that is greater than the fully allocated costs of providing the regulatory services. Thus, each year Strategy & Budget works with departments to ensure their regulatory user fees are aligned with budgeted direct and indirect costs and that the projected number of transactions are up to date. This annual update causes annual fluctuations in fees, but ensures the fees reflect the most current cost and transaction data the city has such that the city does not set fees that recover an amount of revenue greater than the costs incurred to provide the regulatory services each year. The fees associated with non-regulatory services are calculated using different methods than regulatory fees because state law and City Council's policy do not require non-regulatory fees to recover a specific percentage of the costs incurred by the city in the provision of the service.

More information about the city's user fees, including a simplified example of how regulatory user fees are calculated can be found on pages 443 and 466 of the Proposed Budget.

#### **20. How much would it cost to align the current staffing model for the Office of Constituent Services to allow for one assigned Council member for each employee?**

Currently, there are six full-time City Council Support Specialist positions in the Office of Constituent Services for City Council administrative support. To add an additional five City Council Support Specialist positions, the cost would be \$460,200 annually.

**21. Is there an opportunity to better partner and collaborate with UNCC?**

The City of Charlotte routinely partners with various local colleges and universities. Specific to UNCC, departments collaborate on many initiatives. In the past the city has partnered with UNCC for a fleet fuel study that helped to update the preventive maintenance plan for vehicles. Recently the city partnered with UNCC on many projects to include assessing CMPD's youth program services, integrating data to assess complex community issues and quality of life indicators, providing small business community support, developing an evaluation plan for the Alternatives to Violence program, and assessing effectiveness of the Job & Career Readiness Training Program. In addition, several city employees have served as invited lectures to give presentations and lead discussions with UNCC classes. The city also participates with the Fellowship program at UNCC to offer students work experience and exposure to the services of city government.

**22. How is a revenue-neutral rate perceived in relation to maintaining the city's AAA bond rating?**

The revenue-neutral rate does not directly impact the city's AAA bond rating. For rating agencies, a specific tax rate, revenue-neutral or otherwise, is less of a credit consideration compared to ensuring that the city maintains its longstanding practice of strong operational and financial management as demonstrated by adopting a structurally sound budget and long-term planning. The city's financial performance displays the city's ability to meet existing financial obligations and City Council and management's flexibility to adjust to new obligations or unexpected contingencies, such as cost increases. Rating agencies also consider governance including the city's revenue-raising and spending flexibility, multiyear fiscal planning, debt management, ability to develop and adhere to budgets that provide for capital investment while managing debt levels, and strong governance that leads to outcomes that foster economic growth. The city's Steady State methodology for multiyear fiscal planning ensures that the city's capital investments are affordable based on available revenues.

**23. Provide additional context about infrastructure funds from the Federal Government?**

Around \$550 billion of the \$1.2 trillion Bipartisan Infrastructure Law (BIL) is new spending, which will be spread out over five years (FY 2022 – FY 2026). The remaining \$650 billion in the bill was allocated for existing infrastructure programs under previously authorized funding. The new funding will go toward a wide range of projects, including surface transportation, aviation, broadband, sustainability and resilience, water, wastewater, and stormwater, and energy. The funding authorized by the bill will be allocated to federal agencies for distribution to states, local governments, and other eligible entities. The funding distributed to states is based predominately on formulas that the federal government has had in place for a number of years. These formulas attempt to consider the individual needs and conditions in a given area in a standardized way.

As of April 2023, \$2.8 billion in highway formula funding has been announced for North Carolina and \$197.4 million in dedicated formula funding for bridges in 2022 and 2023. Outside of NCDOT, the state has received \$5 million through the Broadband Equity, Access, and Deployment Program (BEAD) to help provide access to high-speed internet across the state. Furthermore, the State is distributing BIL funding in the form of loans for water, wastewater, and stormwater programs.

In terms of formula funding for the city and region, \$69,007,288 has been allocated to the Charlotte, NC and SC region for transit programs (Urbanized Area Formula Grants Formula, State of Good Repair Grants Formula, Bus and Bus Facilities Formula, etc.) for FY 2022 and FY 2023. The region will be receiving additional transit formula funds from FY 2024 through FY 2026. The city's SEAP team has completed the pre-award paperwork for the Energy Efficiency and Conservation Block Grant Formula Program and is anticipating \$777,930 to further community initiatives in FY2023. The Airport has received infrastructure grants of \$43 million in FY 2022 and \$43 million in FY 2023, which will continue from FY 2024 through FY 2026.

In terms of competitive grants, the City of Charlotte has been awarded competitive grants for: 2023 Airport Terminal Program (Concourse E Renovations, \$32.321 million awarded), Reconnecting Communities Pilot Program (Planning Study of I-77 interchanges at West 5th and West Trade Streets, \$1 million awarded), Safe Streets and Roads for All (Vision Zero Implementation around Schools, \$4.46 million awarded), and Thriving Communities Program (Corridors of Opportunity Capacity Building, technical assistance). The city is currently waiting to hear back on five additional competitive grant applications: Advanced Transportation Technology and Innovation (ATTAIN), Building Resilient Infrastructure and Communities (BRIC), No or Low Emission Grants for Buses and Bus Facilities, Railroad Crossing Elimination Program, and Rebuilding American Infrastructure with Sustainability and Equity (RAISE).

**24. Where can FY 2024 Financial Partner information be found in the budget book?**

A summary list of financial partners and the types of funding these organizations are proposed to receive from the city in FY 2024 can be found in the Summary of Financial Partners section in the Proposed FY 2024 Budget Book page 45-46.

**25. What is the status of existing capital projects that were listed as over budget?**

The FY 2024 Proposed Budget includes \$27.4 million Inflationary Project Adjustments funding to address inflationary cost increases for the current over budget capital projects. Inflationary cost increases in construction, including material price increases and rising labor wages have resulted in increased projected costs for existing capital projects. At the February 2023 Budget Workshop, seven projects were identified as currently over budget. Unprogrammed capacity in the steady state allows for the utilization of Municipal Debt Service Fund cash to address these project shortfalls without impacting planned projects in the five-year CIP. Project savings will address two of the seven projects (Monroe Road Streetscape and Northeast Corridor Infrastructure Program). The remaining five projects will receive Inflationary Project Adjustment funding and are summarized in the table below.

Project	District	Additional Funding
Research Drive- J.W. Clay Connector over I-85 Bridge	4	\$7,896,207
Idlewild Road/Monroe Road Intersection	5	\$2,353,567
South End Rail Trail I-277 Pedestrian Bridge	1	\$3,830,000
Applied Innovation Corridor- Matheson Avenue Bridge	1	\$8,700,000
CMPD Carbon Zero Northwest Station	2	\$4,620,226
	<b>TOTAL</b>	<b>\$27,400,000</b>

**26. What help is there for people above 80 percent AMI from revaluation impacts?**

Most available programs (city, county, and community) determine eligibility (or prioritize limited funds) according to federal funding guidelines, which define low-income households as 80% AMI and below. Moderate-income homeowners (above 80% AMI) are more likely to be able to access equity in their homes through traditional financial products like a line of credit. City staff are currently working with several nonprofit partners to identify ways for low- and moderate-income homeowners to safely access home equity through mechanisms like no-interest loans, even if they are not able to utilize traditional financial products. Through the city's partnership with Commonwealth Charlotte, residents in need of assistance with financial hardships can contact a Financial Navigator. Navigators help residents prioritize financial concerns, identify immediate action steps, and make referrals to programs and services. Financial Navigators can be reached by calling 311 or entering a request on the CLT+ app.

**27. Provide a table showing what City of Charlotte hourly employees earn and the number of employees in each range.**

The following table shows data for regular full-time employees in the city's hourly pay plan as of May 1, 2023. Note that \$41,600 is the minimum pay and equates to \$20/hr.

	General Fund	Non-General Fund	Total
\$41,600-\$50,000	407	470	877
\$50,001-\$60,000	518	389	907
\$60,001-\$70,000	264	315	579
\$70,001-\$80,000	126	172	298
\$80,001-\$90,000	30	77	107
\$90,001-\$100,000	17	35	52
>\$100,000	-	1	1
<b>Total</b>	<b>1,362</b>	<b>1,459</b>	<b>2,821</b>

Question #16 - Attachment

Council Agenda Item, Resolution to Correct Payout for Recent Firefighter Retirees and Adopt Vacation, Sick, Garcia, and T-13 Leave Policy. March 25, 2019.

## 19. Resolutions to Correct Payout for Recent Firefighter Retirees and Adopt Vacation, Sick, Garcia, and T-13 Leave Policy

### Action:

- A. Adopt a resolution approving leave payout adjustments for firefighter retirees who retired between October 15, 2013, and March 25, 2019, and
- B. Adopt a resolution approving a vacation, sick, Garcia, and T-13 leave policy.

### **Staff Resource(s):**

Sheila Simpson, Human Resources

### **Explanation**

- A recent lawsuit was settled with a group of retired Charlotte Firefighters which resulted in parties in the lawsuit receiving a 7.692 percent retroactive increase in their leave payout upon termination with the City.
- Action A allows for retired firefighters who were not party to the lawsuit (but determined to have been eligible) to receive an equivalent 7.692 percent retroactive increase to their leave payout upon termination with the City. This action will include all Firefighters who retired between October 15, 2013, and March 25, 2019, with the exception of plaintiffs in the previously referenced lawsuit.
- Action B adopts a vacation, sick, and holiday sick leave policy which clarifies items such as what types of leave are considered accrued vacation, how many hours are included in a vacation day for operational Firefighters, and how rate of pay is calculated when paying leave.
- This action will confirm the appropriate number of accrued hours to be reported to the Charlotte Firefighter's Retirement System for leave payouts, but allows for the days to be paid at a higher rate of pay, resulting in a positive impact to future firefighter retirees.

### **Attachment(s)**

Resolutions

Policy

[Resolution CFD Retiree Group \(4\)](#)

[Resolution adopting leave policy](#)

[Leave Policy Draft as of 03212019-2](#)

**RESOLUTION OF THE CHARLOTTE CITY COUNCIL CORRECTING PAYOUT CALCULATION FOR FIREFIGHTER RETIREES BETWEEN OCTOBER 25, 2013 AND MARCH 25, 2019**

WHEREAS, the lawsuit of *Kurzel, et al. v. City of Charlotte*, 16 CVS 19521 (“*Kurzel*”), was commenced in the Superior Court of Mecklenburg County, NC on October 25, 2016, and

WHEREAS, the Plaintiffs in *Kurzel* claimed an alleged failure to pay the entire amount required for accrued leave upon his retirement, and

WHEREAS the City of Charlotte denied, defended and disputed all allegations and claims in the lawsuit, and

WHEREAS the City Council of the City of Charlotte, NC, authorized settlement of *Kurzel*, and

WHEREAS the settlement agreement was finalized on August 29, 2018, and

WHEREAS, City Council wishes to treat all City of Charlotte firefighters who (1) could have joined the *Kurzel* lawsuit; or (2) retired from the City of Charlotte under the Charlotte Firefighters Retirement System since the settlement of *Kurzel* and before March 25, 2019, equitably and in the same manner as the *Kurzel* Plaintiffs;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Charlotte that for each City of Charlotte uniformed firefighter who retired in the Charlotte Firefighters Retirement System (“CFRS”) between and including the effective retirement dates of October 25, 2013 and March 24, 2019<sup>1</sup>, the City of Charlotte shall take the following actions:

1. The City shall pay each firefighter or the firefighter’s estate an amount equal to 7.692% of the vacation and sick leave payout made by the City upon the firefighter’s retirement (the “Additional Payout”);
2. The City shall withhold 12.65% of the Additional Payout, and will deposit that amount to the CFRS;
3. The City shall contribute to the CFRS a matching 12.65% of the Additional Payout;
4. The City shall report to the CFRS the corrected final vacation and sick leave payout for each firefighter, which will include the amount of leave payout originally paid to each firefighter plus the Additional Payout; and
5. The City shall inform the CFRS that it is the City’s position this increase in payout constitutes an error in the original payout and that the Additional Payout should trigger the re-calculation of monthly retirement benefit amounts for each firefighter under Section 54 of the Retirement Act.

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<sup>1</sup> Excluding the Plaintiffs in the *Kurzel* lawsuit.

## **RESOLUTION OF THE CHARLOTTE CITY COUNCIL PAID LEAVE POLICY**

WHEREAS, the City Council of the City of Charlotte, NC, has reviewed its policies, practices, and process for payment of unused vacation and sick leave to city employees upon their retirement, and

WHEREAS, per ordinance amended by resolution in 1992, the City Council retained authority to make decisions regarding payment for sick and vacation leave, approved personnel rules granting vacation to all employees in daily equivalents, and delegated administrative decisions to the City Manager,

WHEREAS, City Council has not revised rules regarding leaves of absence in a single document since 1992, and it would benefit city staff and employees to have paid leave updated in a single document;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Charlotte that it hereby adopts the attached Vacation, Sick, and Garcia Leave Policy.

From the effective date forward, the City Manager is authorized to put into effect rules in support of the proper administration of the Vacation, Sick, and Garcia Leave Policy, including for purposes of illustration but not limitation: the use of sick leave; specific dates assigned as holidays for each forthcoming year; the method for requesting leave, notice of resignation / retirement; and other leave eligibility requirements.

All prior resolutions and rules previously adopted by City Council regarding sick, vacation, and holiday leave, and payment for those days, are hereby repealed.

Effective date: March 25, 2019.

# VACATION, SICK, and GARCIA LEAVE POLICY

## I. Vacation Leave

Individuals designated as regular employees shall be entitled to accrue annual vacation leave with pay, as set forth below:

### Section 1.1 Vacation leave accrual

A. Full-time employees shall accrue vacation leave dependent upon years of service, as follows:

- (1) Employees with fewer than five years continuous service accrue 10 days annually.
- (2) Employees with five but fewer than nine years continuous service accrue 15 days annually.
- (3) Employees with nine but fewer than fourteen years continuous service accrue 18 days annually.
- (4) Employees with fourteen or more years of continuous service accrue 20 days annually.

B. A “day” of vacation is defined as follows:

- For employees working a 40-hour workweek, a “day” is 8 hours; and
- For uniformed firefighters working a designated 52-hour workweek schedule, a “day” is 12 hours.

C. Part-time employees designated as half-time (20 < 30 hours per week) shall accrue vacation at one-half the rate earned by full-time employees as set forth in Section A, regardless of the number of hours actually worked in a pay week.

D. Part-time employees designated as three quarter-time (30 < 40 hours per week) shall accrue leave at three-fourths the rate earned by full-time employees as set forth in Section A, regardless of the number of hours actually worked in a pay week.

E. Employees in jobs designated as “Vacation in lieu of Holiday” (“VHOL”) shall accrue vacation leave at the annual rate set forth above in Section A plus one day of vacation for each paid holiday approved by City Council. VHOL is a part of vacation and is included in vacation leave carry-forward limits.

VHOL (Vacation-in-lieu of Holiday) may be applied to departments that work in 24 hours per day, seven days per week shift operations and to the jobs with duties that are required to regularly work on city holidays.

- F. Employees who do not use sick or leave without pay for 13 consecutive weeks and who work a full work schedule during that time shall receive one-half additional day of vacation. This “T-13” leave is awarded, not accrued, and does not increase vacation leave carry-forward limits.

Vacation leave accumulated in excess of two times the annual accrual rate (including VHOL days) becomes accrued sick leave in the payroll cycle following the week that includes December 31<sup>st</sup> of each year.

#### Section 1.2 Payment for accrued vacation leave

Employees who are separating from the city’s service shall be compensated for vacation leave accumulated to the day of separation as follows:

- A. The employee’s hourly rate will be used to calculate the value of the vacation leave hours.
- B. Employees involuntarily separated from the city’s service shall be compensated for vacation leave accumulated to the day of separation.
- C. Employees who resign from the city’s service shall be compensated for vacation leave accumulated to the day of separation, provided that proper verbal or written notice has been provided, as defined by the City Manager
- D. For purposes of reporting to the Charlotte Firefighter Retirement System, the maximum amount of vacation days that can be accrued in a two-year period is two times the annual accrued vacation days plus two times the annual accrued VHOL days (if applicable). Section 1.B definitions for a day of vacation will apply. Annual accrued vacation hours do not include Garcia Leave or T-13 Leave.

#### Section 1.3 Garcia Leave

Uniformed firefighters on a 52-hour operational schedule will accrue one half hour (i.e. ½ hour) of “Garcia” leave per week in a separate bank. “Garcia” leave will be compensatory time available for use during the year it is awarded and, if it is not used, will be paid out each calendar year at the firefighter’s hourly rate.

## **II. Sick Leave with Pay**

Individuals designated as regular employees shall be entitled to accrue sick leave with pay, as set forth below:

### **Section 2.1 Sick leave accrual**

- A. Full-time employees shall accrue sick leave at the rate of eight hours per month.
- B. Part-time employees designated as half-time (20 < 30 hours per week) shall accrue sick leave at a rate of 6 days (48 hours) per year, regardless of the number of hours actually worked in a pay week.
- C. Part-time employees designated as three quarter-time (30 < 40 hours per week) shall accrue sick leave at a rate of 9 days (72 hours) per year, regardless of the number of hours actually worked in a pay week.
- D. Uniformed firefighters working a 52-hour schedule shall accumulate sick leave at a rate of twelve hours per month.

### **Section 2.2 Payment for sick leave**

Employees who are separating from the city's service shall be compensated for sick leave at their regular hourly rate, accumulated to the day of separation, as follows:

- A. In the case of retirement or death of an employee, payment will be made to the employee or the employee's estate for one-fifth of the unused portion of accumulated sick leave, not to exceed a maximum of 43.5 days, as "day" is defined above in section 1.1.B.
- B. In the case of voluntary or involuntary separation from city service other than retirement or death, no payment will be made for accumulated sick leave.

## **III. Holiday Leave**

Employees working on a regular basis shall be entitled to holiday leave with pay. The following holidays are approved by City Council: New Year's Day; Dr. Martin Luther King, Jr. Day; Good Friday; Memorial Day; Independence Day; Labor Day; Veterans Day; Thanksgiving Day; Friday following Thanksgiving Day; Christmas Day; and an additional day at Christmas. The City Manager shall designate yearly the specific date on which each holiday will be observed as the official city holiday.

In order to be paid for an official city holiday, an employee must work their assigned workday schedule before and after the holiday, or be on an approved paid leave the scheduled workdays before and after the holiday. There is no accrual for unused holiday leave.

Employees in jobs designated as non-exempt under FLSA who are required to work on an official city holiday or who are required to work his/her full workweek during a holiday week,

shall receive additional straight time pay in lieu of holiday not taken or shall receive equivalent time off.

Employees in jobs designated Vacation in Lieu of Holiday (VHOL) receive no holidays and accrue additional vacation as set forth above in Section 1.1.E.

**IV. Long-Term Temporary employees with limited benefits and retirement:**

Employees hired to complete a long-term assignment of more than 12 months at a minimum of 20 hours per week, but less than 30 hours per week, are eligible for Limited Benefits. Limited benefits are paid holidays and accrual of five (5) personal days annually, that do not carry over into the new calendar year. Benefits are prorated at 50% or 75% based on the work schedule. The employee shall be a member of the retirement system and the city's 401(k) plan. There is a six-month waiting period for the City contribution into the 401(k) plan.

Changes to this policy may be recommended and approved through the pay and benefits ordinance during the annual budget process.