

May 2, 2022

Emerging Stronger Together

PROPOSED FY 2023 BUDGET



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FY 2023 Proposed Budget: \$3.24 Billion

| FY 2022 Total Budget \$2.7b | |
|---------------------------------|-----------|
| General Fund* | + \$34.4m |
| General CIP (Excluding Bonds) | +\$19.5m |
| General Bonds | +\$226.0m |
| Enterprise Operating | +\$86.8m |
| Enterprise Capital | +\$146.6m |
| All Other Funds | +\$25.5m |
| FY 2023 Proposed Budget \$3.24b | |

*The General Fund Budget is \$784.8m and grew at 4.5% prior to net of transfers calculation.

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Building on an Intentional Plan



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We Never Stopped Working



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Remaining Focused on Priorities

| | Great Neighborhoods | Safe Communities | Transportation, and Planning | Economic Development | Equity, Engagement, and Environment | Well-Managed Government |
|---|---------------------|------------------|------------------------------|----------------------|-------------------------------------|-------------------------|
| Affordable Housing | P | P | S | S | P | ✓ |
| Corridors of Opportunity (SAFE Charlotte) | P | P | P | P | P | ✓ |
| Mobility | P | S | P | S | P | ✓ |
| Charlotte 2040 and UDO (SEAP) | P | S | P | S | P | ✓ |
| Arts and Culture | S | S | S | P | P | ✓ |
| Hire Charlotte | S | P | S | P | P | ✓ |
| Core Services | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

P = Primary relationship, direct impact on a priority; S = Secondary Relationship, indirect impact/relationship on a priority

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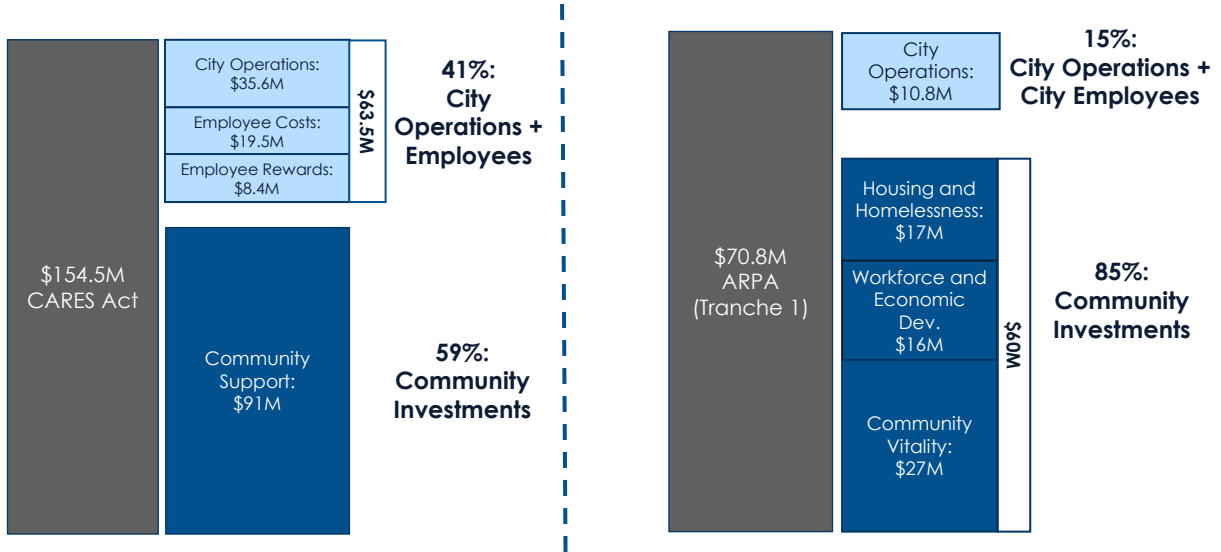
Advancing Priorities through Well-Managed Government...

- ✓ Pathway for Arts and Culture
- ✓ Began community discussion on HIRE Charlotte
- ✓ Deployed Housing Trust Funds
- ✓ Approved the Charlotte Future 2040 Plan
- ✓ Assessed the Transformational Mobility Network
- ✓ Launched SAFE Charlotte Initiatives
- ✗ No use of operation reserves
- ✗ No layoffs
- ✓ Maintained AAA Rating
- ✓ Delivered exceptional Core Services
- ✓ Identified almost **\$13.4m** in General Fund budget savings in the last three years
Including almost **\$5.0m** in FY 2023
- ✓ Maximized the use of one-time Federal Funds

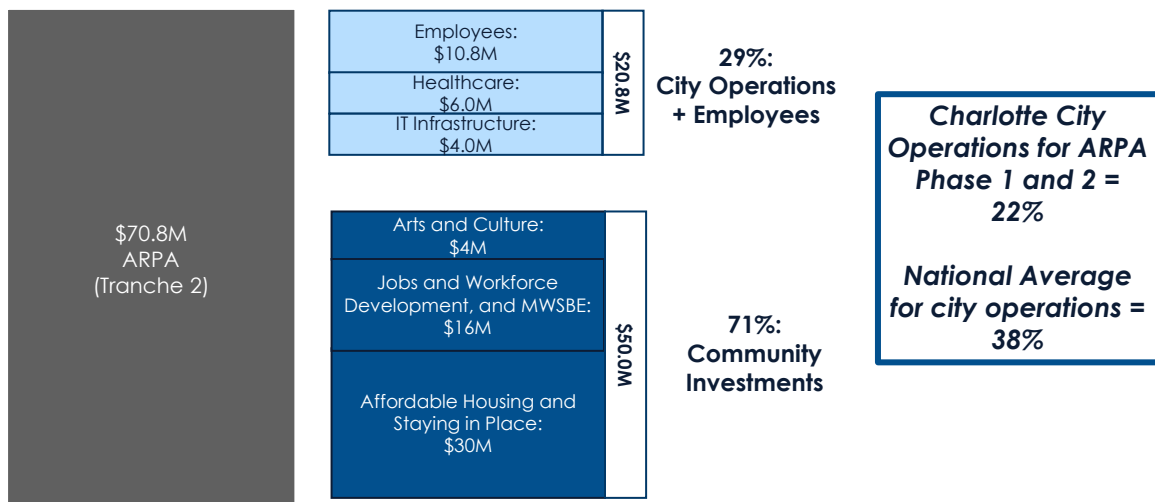
...Without a Tax Increase

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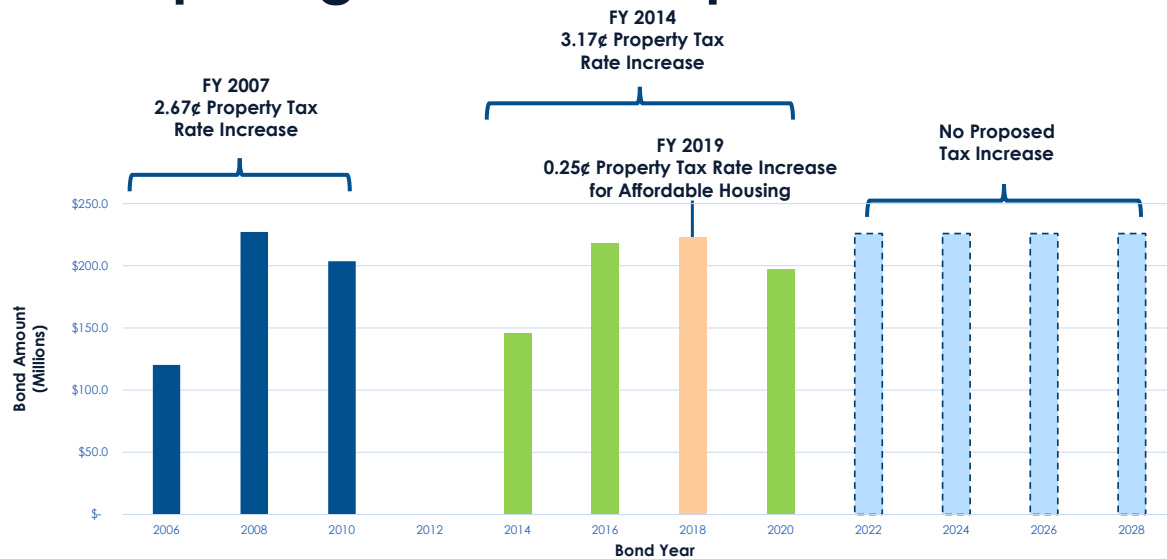
Putting Federal Funds into the Community



Continue to use Phase II ARPA Funds to Support...



Preparing a Stable Capital Plan



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Setting the Foundation for Future Bond Cycles



Developed the Advanced Planning Fund

- Improve estimates of large capital projects

Solved lingering issues like the Cross Charlotte Trail

Established Steady State Affordability

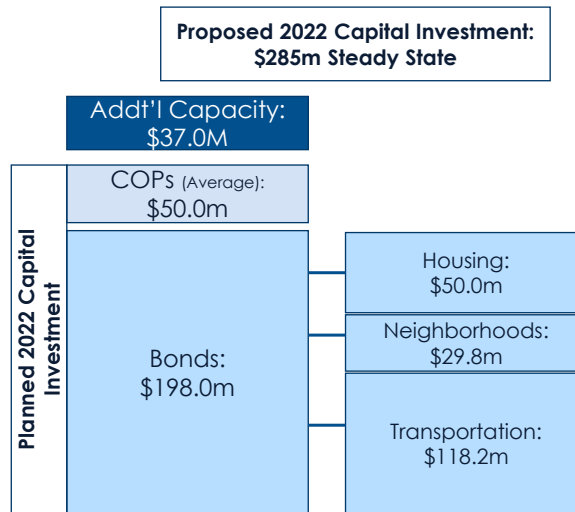
- Match funding priorities with funding
- Maintain capital affordability
- Maintain AAA rating

First new bond package that does not need a tax increase

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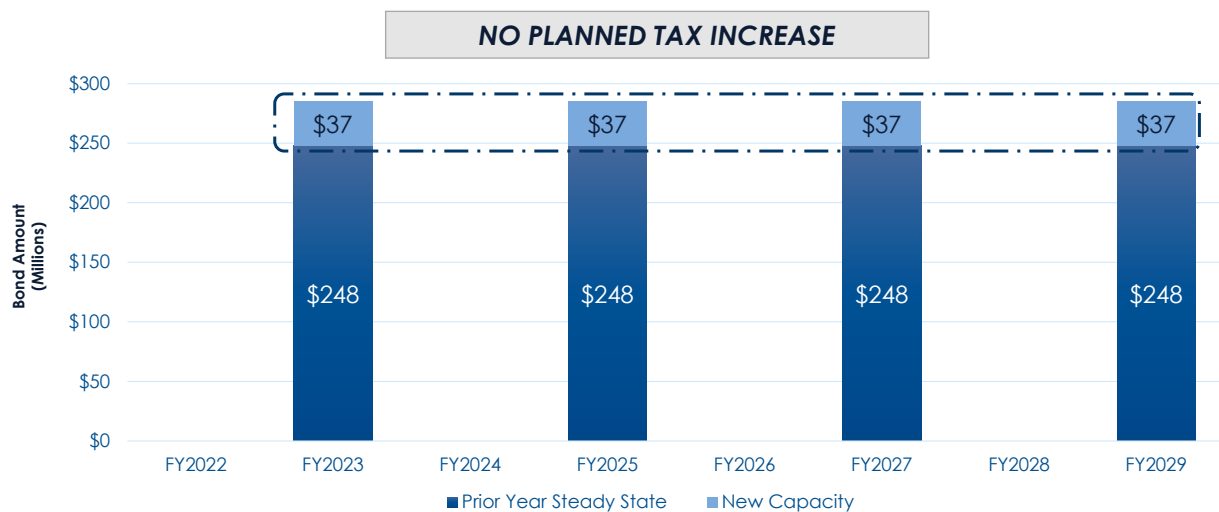
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Proposed 2022 (FY 2023) Capital Plan



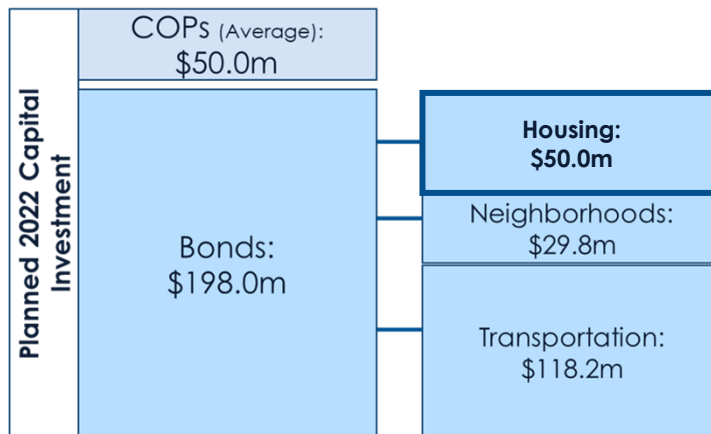
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Maintaining Steady State Affordability



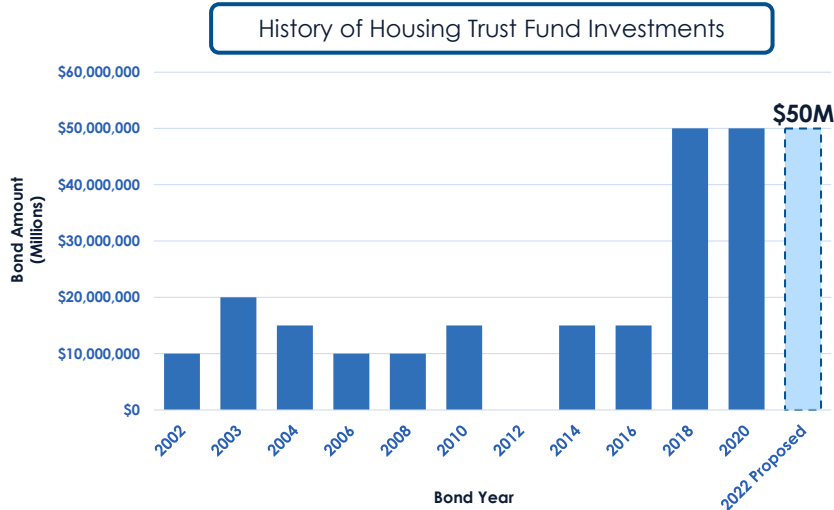
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Affordable Housing



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Affordable Housing: Keeping Momentum



Nearly **50%** of units created and preserved were funded through the last two bond cycles

Over **12,000** units and shelter beds were created and preserved since the Housing Trust Fund began

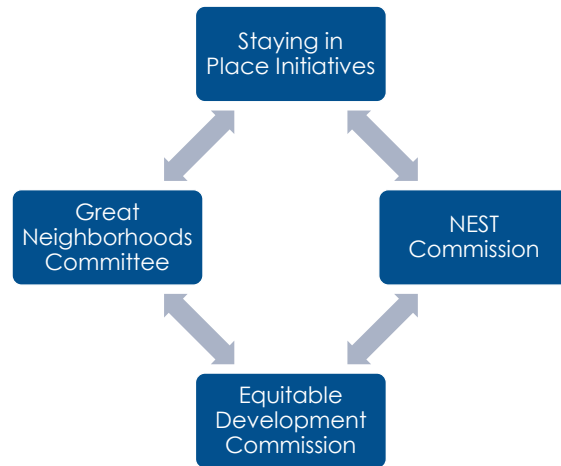
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Affordable Housing: Holistic Approach

Advancing Staying in Place

- ✓ Allocated \$4.5m as initial investment
- ✓ Analyzed and modified existing programs
 - ✓ Down Payment Assistance
 - ✓ Comprehensive Housing Rehab
- ✓ Engaging pilot neighborhoods
- ✓ Launching new programs
 - ✓ Accessory Dwelling Unit Pilot
 - ✓ Rehab Contractor Capacity Building
- ✓ Partnering to better meet resident needs
 - ✓ Collaborating with United Way to provide supportive services

Reducing Displacement Risk



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Affordable Housing: What's Next

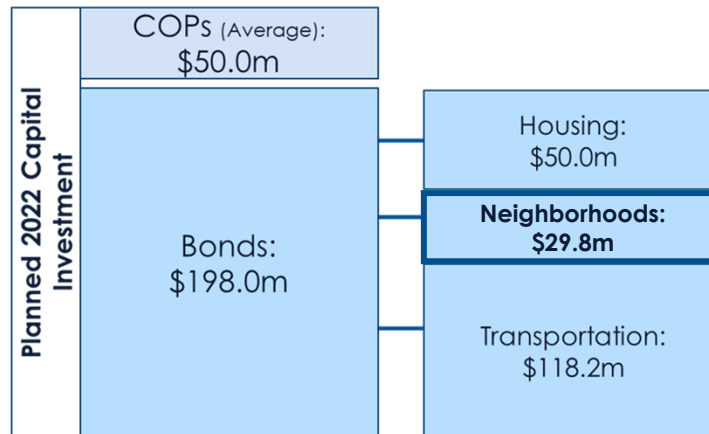
$$\begin{array}{ccccc}
 \$8.5m^* & + & \$17.0m & + & \$30.0m \\
 \text{FY 21 + FY 22} & & \text{ARPA Tranche 1} & & \text{Proposed ARPA} \\
 \text{Corridors Housing} & & & & \text{Tranche 2} \\
 \text{Funding} & & & & \\
 & & = & &
 \end{array}$$

\$55.5m
 available to support:
 Staying in Place Initiatives Strategic Partnerships

*\$4.5m of the \$8.5m has been allocated.

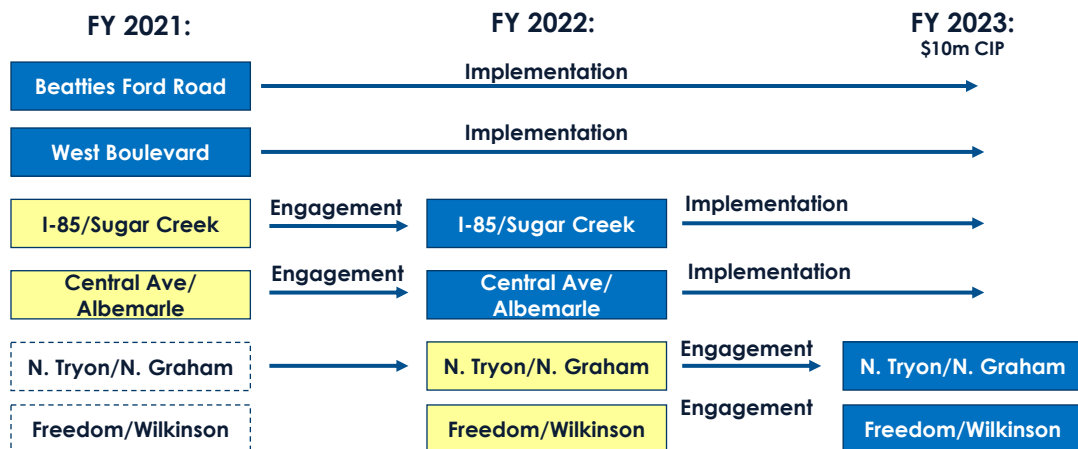
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Neighborhoods



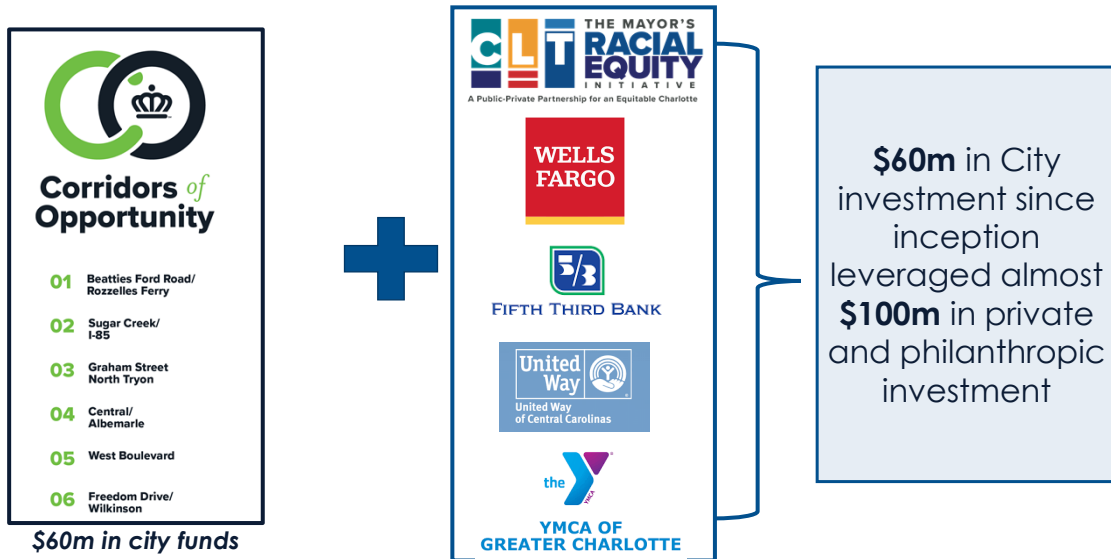
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Continuing Plan in Corridors:



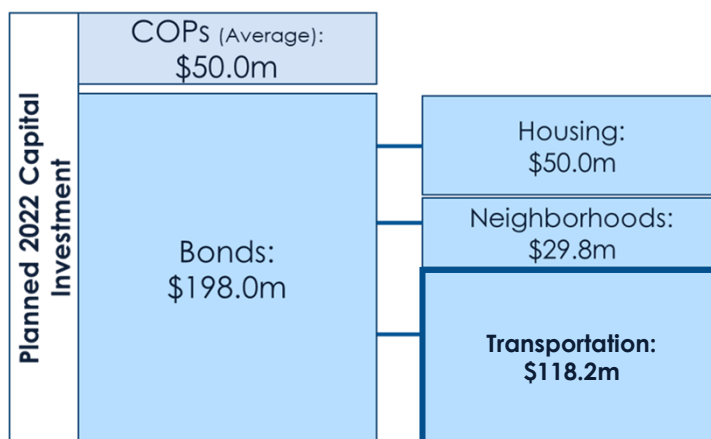
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Leveraging City Funds for Corridor Investments



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Transportation and Infrastructure



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Building a Connected City

Planned 2022 Bond

\$50m for Sidewalks

More than 3x 2020 Bond

\$10m for Congestion Mitigation

\$25m in last two bonds for quick-win projects

\$4m for Vision Zero

2x 2020 Bond

\$8m for Bikes

2x 2020 Bond, fully funds Bike Plan

Planned 2024-2028 Bond

Intersections

Ashley Rd./
Tuckaseegee/
Freedom Dr.

Eastway/
Shamrock

Roads

Bryant Farms Rd.*
Robinson Church
Rd.*

Plans two major
road and
intersection
improvements

*Roads were identified as Advancing Planning projects in the FY 2022 budget

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Updating Capital Affordability

Change in Steady State FY 2022 – FY 2023

| | Steady State: May 2021 | | Steady State: May 2022 |
|----------|---------------------------|---------|---------------------------|
| Capacity | \$248m | + \$37m | \$285m |
| COPs | \$50m | + \$9m | \$59m |
| Bonds | \$198m | + \$28m | \$226m |

Fire Stations
New Electric Fire Station
SEAP Investments
Future Building Needs

Street Resurfacing
Vision Zero
Street Lighting

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Maximizing Additional Capacity

\$28m in additional Bond capacity

\$1.3m additional for Rea Road (\$7.3m total)

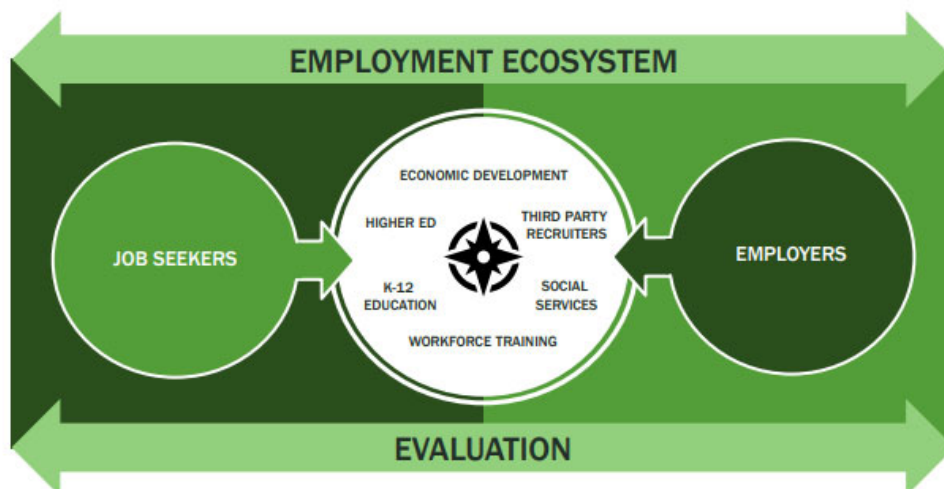
\$13.6m additional for Street Resurfacing (\$21.6m total)

\$13.1m additional for Vision Zero (\$17.1m total)



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Connecting the Workforce Ecosystem

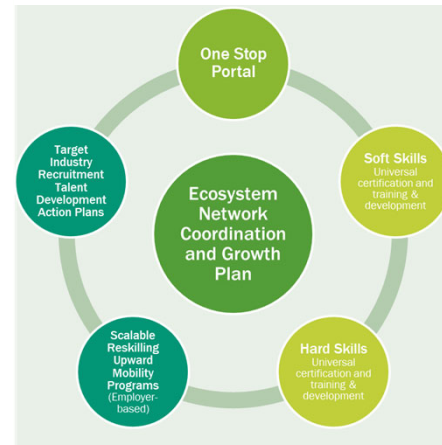


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Implementing HIRE Charlotte



IMPLEMENTATION PROGRAMS



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Providing Pathways for Upward Mobility

Almost \$1.5m Proposed in FY 2023 for Workforce and Business Development



Launch portal to connect residents to jobs



\$250,000
Support small and minority business capacity building



\$250,000
Builds on AmpUp to provide further small and minority business capacity building



\$800,000
Launch CBI Access to Capital and CBI Bonding Programs

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ARPA Investment for Jobs

Affordable
Housing and
Staying in Place:

\$30.0m

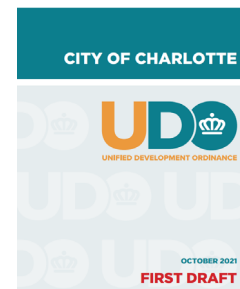
Jobs and
Workforce
Development
and MWSBE:

\$16.0m

Employees and
Technology:

\$20.8m

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Building a Sustainable Future...

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...By Focusing on Equity and Advancing the Strategic Energy Action Plan

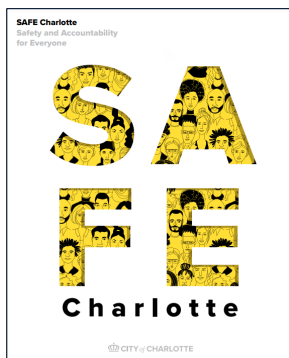
Equity

- ✓ Adding \$100k for American Sign Language and Spanish Translation at Council meetings
- ✓ Approved Language Access Policy
- ✓ Advanced the ADA implementation plan
\$4.25m proposed investment
- ✓ Approved internal equity statement
- ✓ Working with Environment, Engagement, and Equity Committee

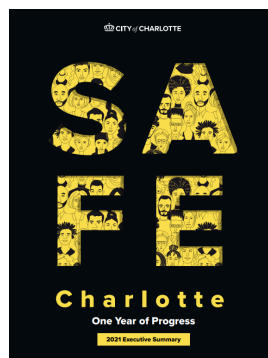
Sustainability

- ✓ Almost **\$16m** in SEAP investments over the last three years
*Includes proposed **\$7.1m** in FY 2023*
- ✓ First electric Fire Station + Fire Truck
- ✓ First electric pursuit vehicle in Police
- ✓ First Ford F-150 Lighting electric trucks
- ✓ Adding 55 electric vehicles
- ✓ Adding solar panels at three Fire Stations

Operationalizing SAFE Charlotte



FY 2021



FY 2022

- Launching the Civilian Assistance: Respond, Engage, Support (CARES) Team in Fall 2022
- Received \$330k from State to support civilian response
- Additional \$1m to continue SAFE Charlotte Grant
- Adding two new Alternatives to Violence sites with \$1m in Federal Funds

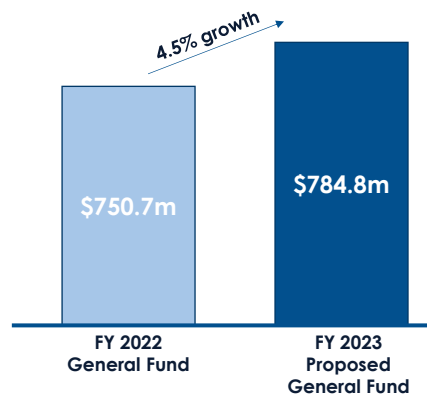
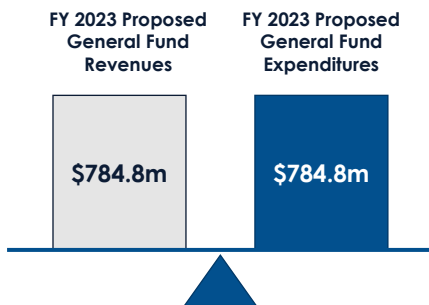
FY 2023



Setting the Stage to Emerge a Stronger, More Resilient Organization

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Structurally Balanced Budget



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Supporting our Region

| Department | Proposed FY 2023 Total Budget | Proposed FY 2023 Fee Changes* |
|-------------|-------------------------------|-------------------------------|
| Aviation | \$807,825,713 | NA |
| CATS | \$257,421,461 | No |
| Water | \$614,795,193 | \$2.49 (avg. user) |
| Storm Water | \$113,242,034 | \$0.34 (avg. user) |
| Solid Waste | \$75,274,838 | \$0.92 |

*Monthly Fee Changes

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Supporting Our Diverse Workforce

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Using ARPA to Invest in Employees



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Three Year Public Safety Strategy: Top Pay

Significant improvements in top pay compared to peer cities

| Total Increase in Top Pay for Police Since Last Survey | | | |
|--|----------|---------|----------|
| Position | Increase | Eastern | National |
| Police Sergeant | \$13,419 | 1 of 10 | 2 of 21 |
| Police Officer | \$11,540 | 1 of 10 | 3 of 21 |

| Total Increase in Top Pay for Fire Since Last Survey | | | |
|--|----------|---------|----------|
| Position | Increase | Eastern | National |
| Fire Captain | \$13,489 | 2 of 10 | 4 of 21 |
| Fire Engineer | \$11,425 | 3 of 9 | 3 of 18 |
| Firefighter | \$7,127 | 5 of 10 | 9 of 21 |

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Supporting First Responders

- ◀ Boost starting pay for officers and firefighters by 9% in July (10.5% by January)
- ◀ 3% market increase, split between July and January
- ◀ Step increase of 2.5-5% (if eligible)
- ◀ Consolidate steps in Fire Pay Plan
- ◀ 2% bonus, split between July and September
 - Minimum of \$1,000
- ◀ Expand education incentive to include military service (January)

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Taking the Next Steps with Public Safety

Work with the Public Safety Pay Plan Committee over the next fiscal year on the long-term structure of pay



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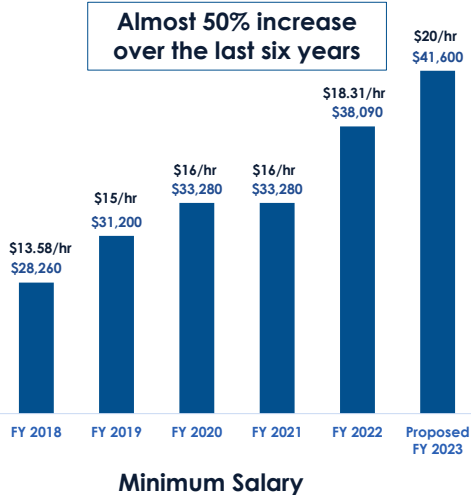
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Focusing on Hourly Employees

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Increasing Hourly pay to \$20/Hr



Proposed Minimum Salary for Full-Time Employees:

\$41,600



\$20/hour*

For 40-hour employees

*By January 2023

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Providing More than Twice the Standard Pay Increase

Typical Hourly Wage Increase

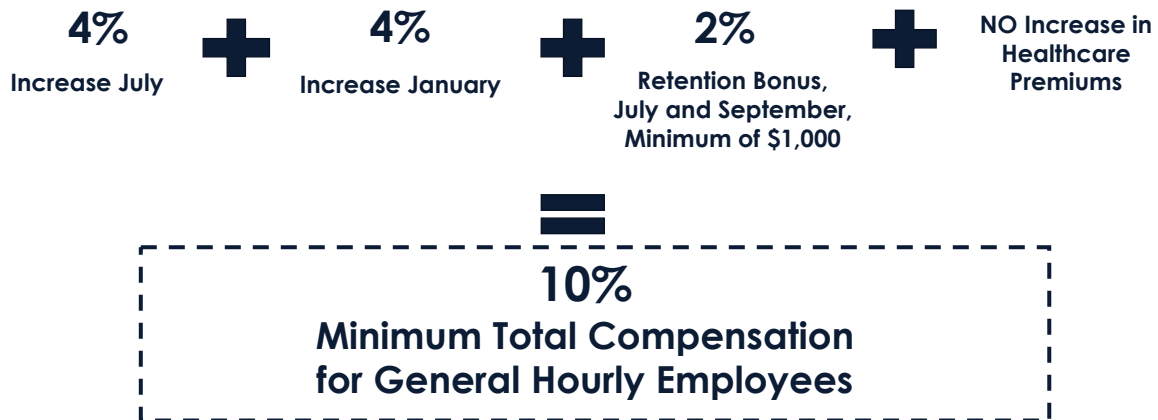
1.5% market increase (Dec.) +
1.5% merit increase (Merit Date)
=
3% increase

Proposed FY 2023 Hourly Wage Increase

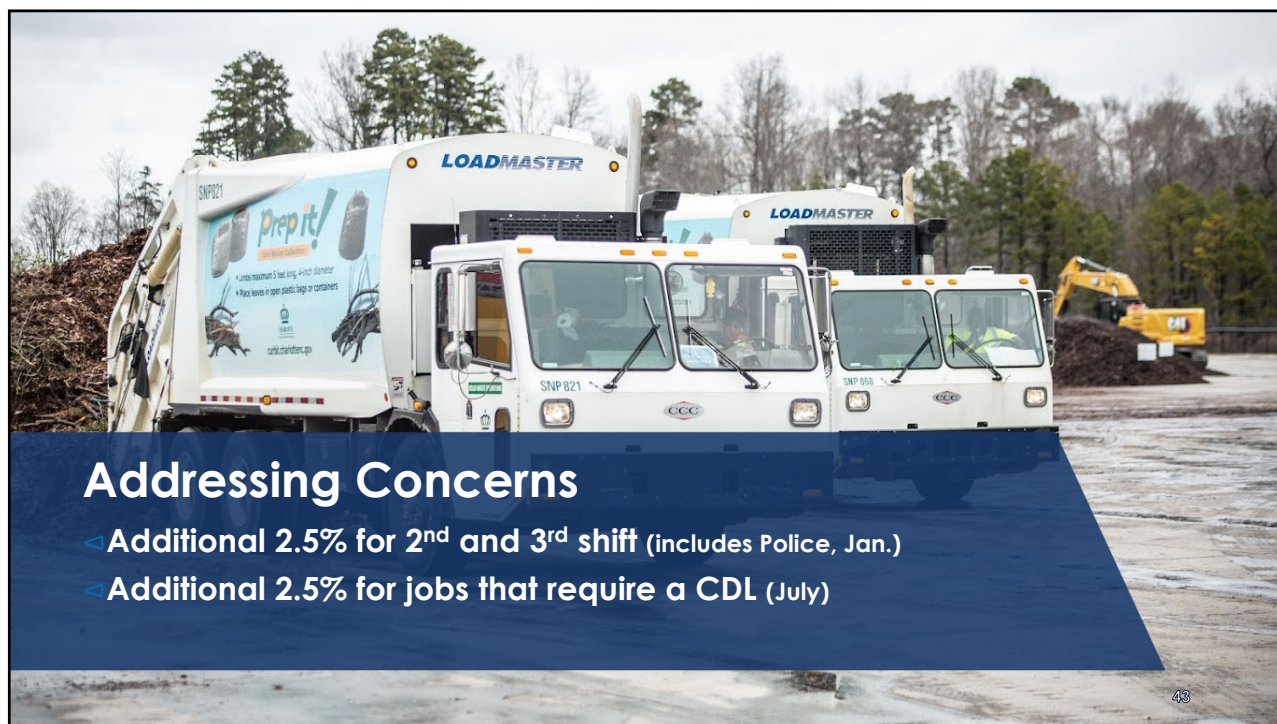
4% increase (July) +
4% increase (Jan.)
=
8% increase

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Total Compensation for Hourly Employees



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Addressing Concerns

- ◀ Additional 2.5% for 2nd and 3rd shift (includes Police, Jan.)
- ◀ Additional 2.5% for jobs that require a CDL (July)

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Taking a Long-Term View for Hourly Employees

FY 2022

- Collaborative work with employee groups to understand concerns and pain points

FY 2023

- ✓ Significant Increases
- ✓ Added shift differential
- ✓ Added CDL

Continue to work collaboratively throughout the year to determine next steps

FY 2024

?

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Rewarding Salaried Employees

- ◀ 4 percent merit pool for salaried general employees
- ◀ No healthcare premium increase
- ◀ 2% bonus in July and September*
 - 1% in July, 1% in September
 - Minimum of \$1,000
- ◀ Continue flexible work options

*Excludes Grade 20 and above



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Improving the Employee Experience

- ◀ Free Associate's degree through CPCC for all employees
- ◀ Enhance connection with CPCC for up- and re-skilling opportunities
- ◀ Launch internal portal to better connect employees to career advancement opportunities
- ◀ Re-instate the internal employee career fair



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Enhancing Housing Opportunities for Team Charlotte

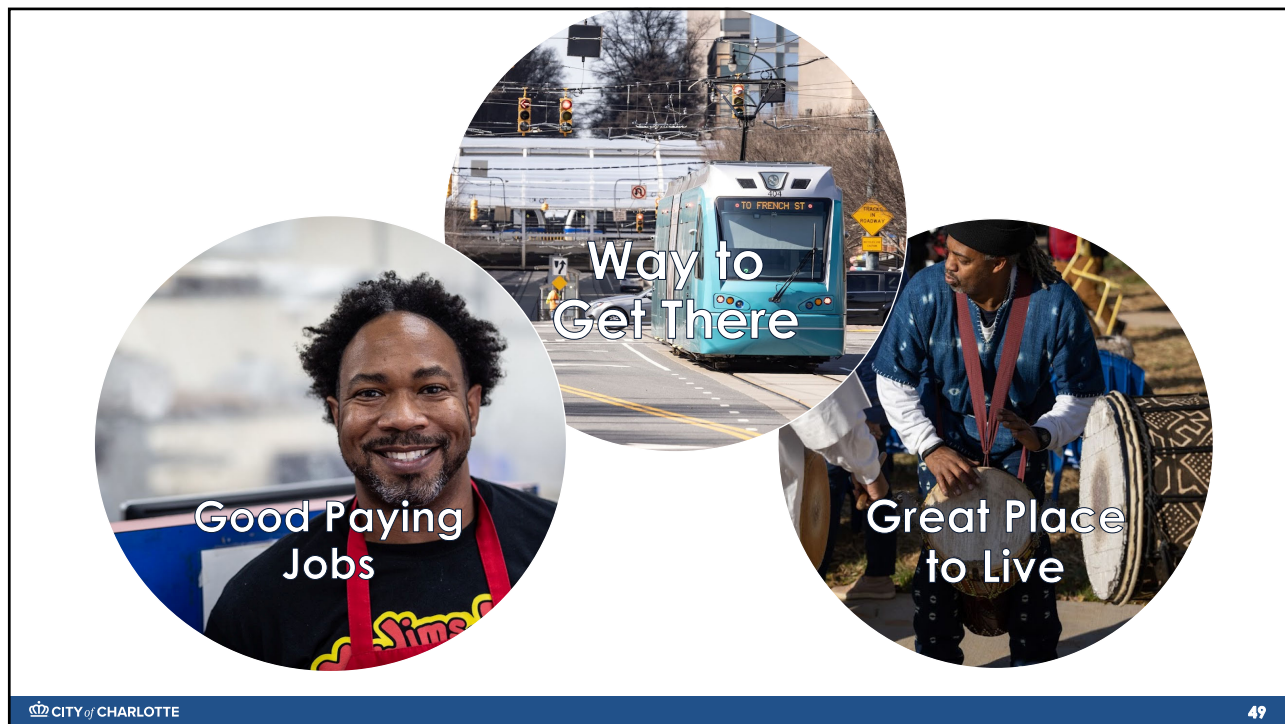
- ◀ Provide \$2.0 m to increase homeownership opportunities for city employees
- ◀ Explore opportunities to increase access to rental housing



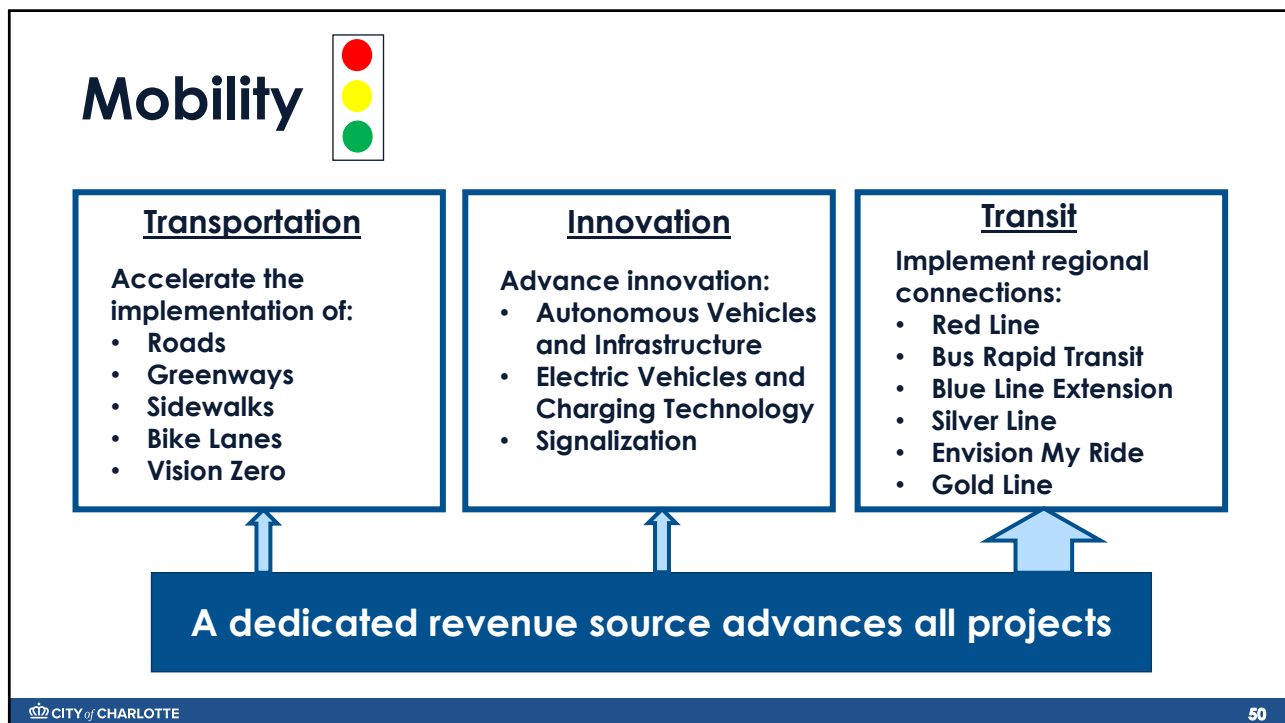
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Next Steps

- ◁ May 9 – Budget Public Hearing (@ Business Meeting)
- ◁ May 11 – Budget Adjustments (@ 1 p.m.)
- ◁ May 25 – Straw Votes (@ 1 p.m.)
- ◁ May 31 – Budget Adoption (@ Business Meeting)

Comments on the FY 2023 Proposed Budget?

strategyandbudget@charlottenc.gov

Feedback to be shared with Council

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