

#onewaterstrong



FY 2022 BUDGET OUTLOOK

CITY COUNCIL BUDGET COMMITTEE



PRODUCTIVITY – FY2020

QUICK STATS



FINANCIAL EFFICIENCY

\$86M

invested in capital improvement projects

AAA

by Moody's Investors Service and Standard & Poor's Financial Services



88 CENTS
per dollar collected invested in capital improvement projects

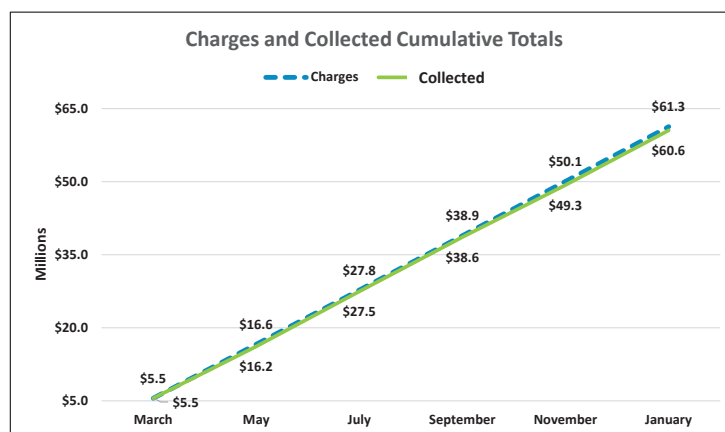
EFFECTS OF COVID

Financial Impact

- ~\$700k impact between stormwater charges and revenue collected
- ~1.2% of total charges

Productivity Impact

- ~2/3 of workforce able to transition to work from home
- ~1/3 field staff continuing to work in field using extra precautions
- Periodic suspension of some volunteer events

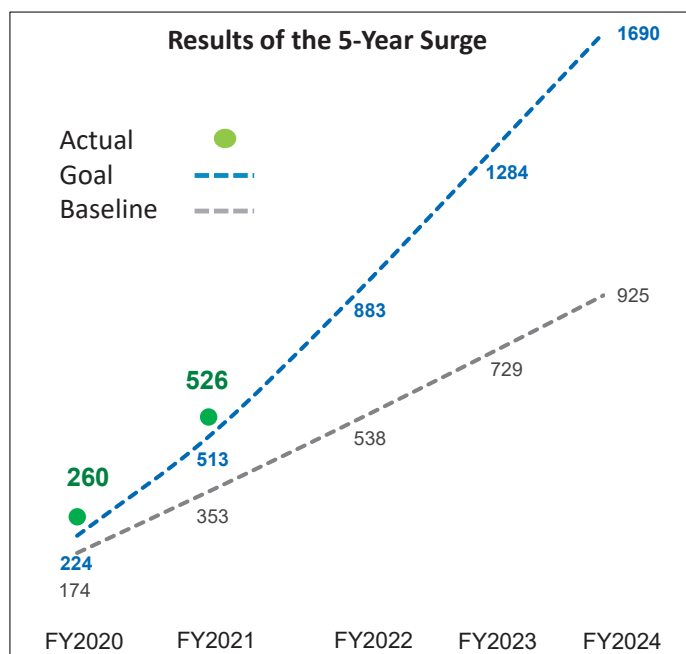


Workforce Impact

- Staying connected as a workforce
- Challenges in training employees
- Professional development

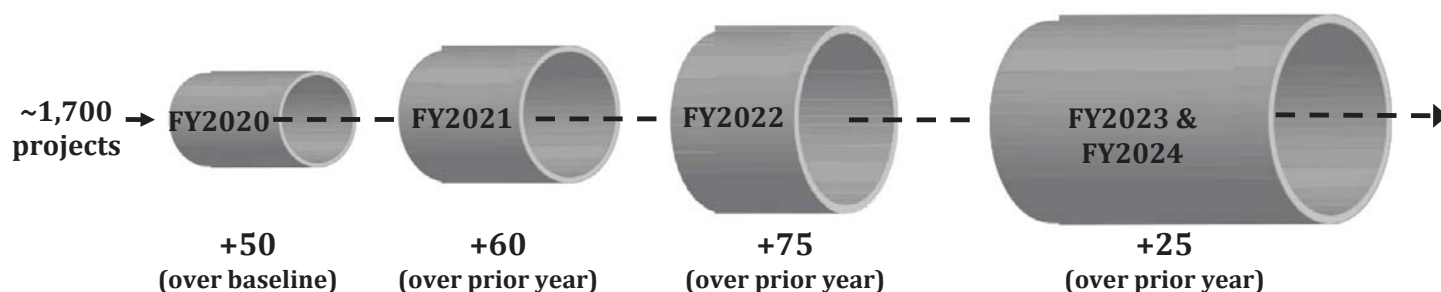
RESOLVING OUTSTANDING REPAIR REQUESTS

- Overhauling qualification and prioritization of work
- Complete ~1,700 projects in 5 years
- 83% increase in output over the 5 years
- Rate of output increases each of the first four years



OPENING THE PROJECT PIPELINE

- Increased production resources (staff, consultants, support services)
- Increase in volume of construction contracts
- Improvements in project delivery
- Increase in spending (CIP: \$69M in FY2019 to over \$100M in FY2021)



FINANCIAL PLANNING

- Revenue primarily from Storm Water Services fee on utilities bill
- Fee is based on amount of impervious area
- Properties pay the same rate per square foot of impervious area
- Storm Water Services maintains a 10-year financial plan to support strategic priorities
- Modeling effort is collaborative with the Finance Department and Department of Strategy & Budget and reviewed by a financial consultant

Fiscal Year	FY2020 Model Projected	Actuals
2020	0%	0%
2021	3.6%	0%
2022	3.6%	TBD*
2023	3.6%	
2024	3.6%	
2025	3.6%	
2026	3.6%	

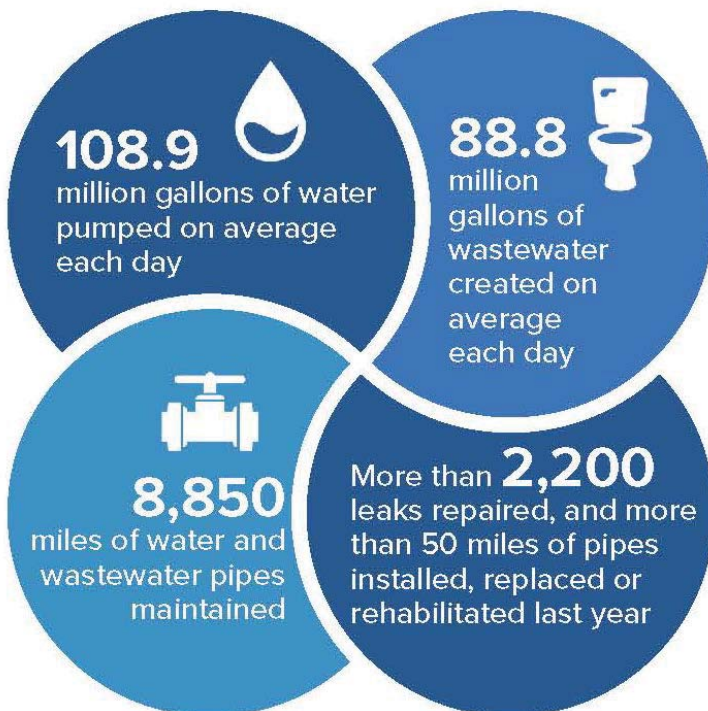
* FY 2022 fee recommendation will be finalized as part of continuing budget process and included in City Manager's recommended budget

THANK YOU FOR YOUR TIME

FY 2022 Budget

CITY COUNCIL BUDGET COMMITTEE

QUICK STATS FY2020



FINANCIAL EFFICIENCY

\$280.7M
invested in capital
improvement
projects

AAA

by Moody's
Investors
Service, Fitch and
Standard & Poor's
Financial Services

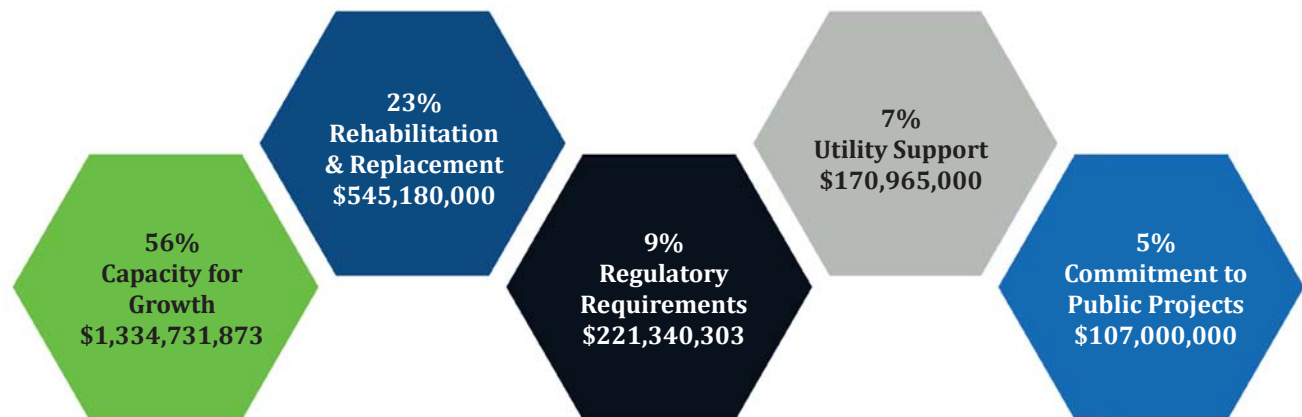


**3
CENTS**

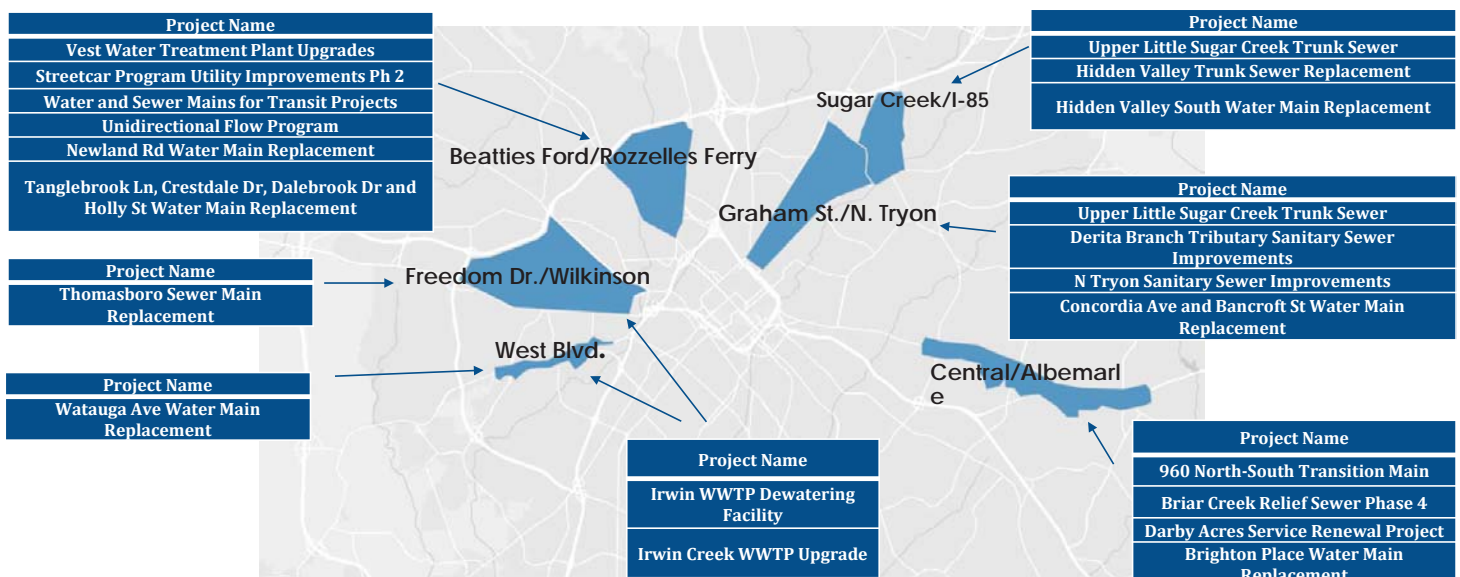
is all it takes to
purchase a gallon of
Charlotte Water

FY 2022 – FY 2026 Capital Investment Program

- Five-year CIP = \$2.38 billion

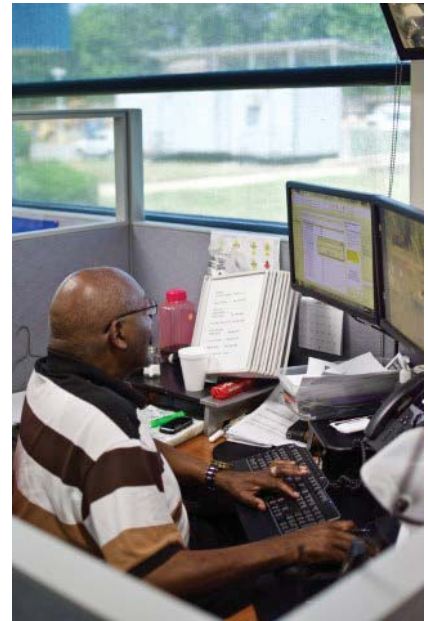


Investments in Corridors of Opportunity



Account Impacts during COVID

- In a normal pre-COVID month, we would expect approximately 3,000 disconnects per month
- In this economic environment, we are currently carrying in excess of 16,000 accounts eligible monthly for disconnection
- With the criticality of supporting public health efforts, we have chosen to continue our disconnection moratorium
- Our community's health depends on us



Rate Increases by Fiscal Year

- Align FY 2022 Rate recommendation with long-term Financial Plan
- Supports \$501 million FY 2022 Budget
- Supports five-year \$2.38 billion CIP

Fiscal Year	FY2020 Model Projected	FY2022 Model Actual
2020	3.42%	3.42%
2021	3.38%	1.86%
2022	3.43%	TBD
2023	3.57%	
2024	3.61%	
2025	3.48%	
2026	3.52%	

Thank You & Questions



#OneWaterStrong



Appendix

Additional Slides Presented at Budget &
Effectiveness Committee Meeting on 02/16/2021



PURPOSE & OUTLINE

■ Purpose

- Review the Storm Water Services Program for the FY 2022 budget

■ Outline

- Overview of Storm Water Services
- Progress of Prior-Year Initiatives
- Look ahead to FY 2022

OVERVIEW OF STORM WATER SERVICES

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WHAT WE DO

Mission:

To serve the City by improving surface waters and conveying rainwater safely through well-maintained storm drainage systems

■ Water Quantity

- Ensure runoff from rain drains safely to streams
- Protect the traveling public by reducing the risk of flooding and improving storm drainage systems throughout the city

■ Surface Water Quality

- Ensure runoff is as clean as possible
- Improve and protect surface waters through compliance with Federal Clean Water Act



STORM WATER SERVICES OVERVIEW



JOINT UTILITY
City of Charlotte &
Mecklenburg County



CLEAN WATER ACT
compliance to protect waterways



ENGAGEMENT
outreach, education
& volunteers



RESIDENT RESPONSE
drainage & pollution
investigations



ENGINEERING
design & collaborative
City projects



CONSTRUCTION
contractor management
& project inspections



LAND DEVELOPMENT
mitigate stormwater impacts of
new development



ASSET MANAGEMENT
stormwater asset
inspection & inventory



PROGRESS OF PRIOR-YEAR INITIATIVES

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ASSET MANAGEMENT

- Continue development of program to ensure system is maintained in most cost-effective manner
 - Allows for better-informed capital investments
 - Early interventions with preventative maintenance can lower overall repair costs
- 82% of City's drainage system has been inventoried, up from 55% by end of FY 2019
- Storm Water Services will need to grow its capacity to conduct inspections, analysis, cleaning, and repair



FY 2022 BUDGET LOOK AHEAD

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Charlotte Water

Mission

- Charlotte Water provides reliable, high-quality services to our community through valued employees, financial stability, and environmental stewardship

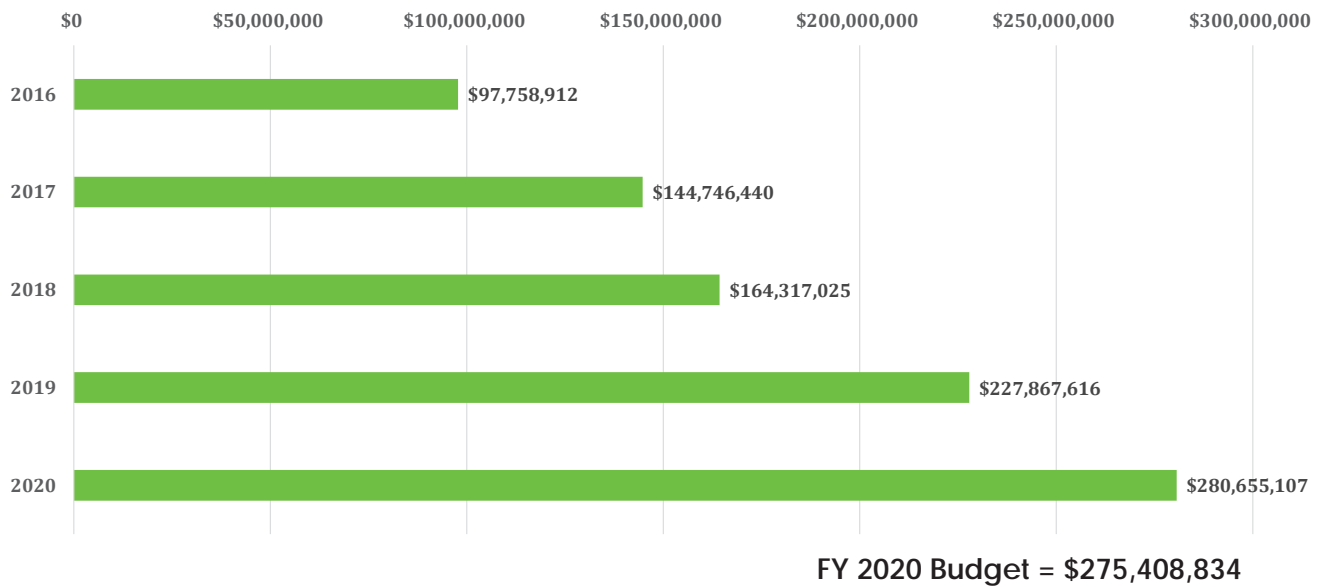
Vision

- To be a leading water utility, recognized for excellence and dedicated to our people, community, region, and environment

Throughout 2020, Charlotte Water suffered no loss of service despite a global pandemic changing our way of business and threatening the health of our front-line employees.



Capital Spending by Fiscal Year



Supporting our Community

Apprenticeship Program

- Created to develop a workforce skilled in much-needed water and wastewater expertise

	Number of participants hired	Number acquiring full time employment	Percent employed
FY19 Apprenticeship	5	3	60%
FY19 Pipeline Academy	10	8	80%
FY20 Pipeline Academy	15	14	93%
FY21 Apprenticeship	9		



Pandemic Response

- **Focusing on employee safety and maintaining operations**
 - Implemented Incident Command structure to manage resources and equipment.
 - Mobilized 1,000 person workforce to maintain constant, full-service operations.
- **Monthly**
 - Identifying potential operating savings
 - Assessing trends in delinquent accounts
 - Assessing trends in economic indicators (growth, consumption, permits)
- **Anticipate \$7 - \$10 million revenue impact at year-end FY 2021**



Customer Assistance Programs

Customer Care Team

- Helps customers avoid disconnection for non-payment and connect them with non-profit financial assistance
- Approximately 200 Ambassadors
- More than 9,000 customers contacted
- Goal is to contact ~17,000 customers

Multi-departmental effort partnering with local agencies

- Charlotte-Mecklenburg Housing Partnership
- Crisis Assistance Ministry
- Common Wealth Charlotte
- Ada Jenkins Center
- And 12 other community organizations

Charlotte Water Foundation in development

