



# **CITY MANAGER'S MESSAGE**



May 3, 2021

Honorable Mayor and City Council  
City of Charlotte, North Carolina

While 2020 will be remembered for economic and social hardships, our resilience as a city and as a community has allowed us to persevere. We have worked together throughout the past fiscal year to sustain core services and advance key priorities. I am grateful for your direction and support throughout the budget development process and am pleased to present a balanced budget for Fiscal Year 2022. This budget was developed to lead the City of Charlotte toward addressing the most foundational and pressing needs of our city and is led by the City Council's strategic priorities, leveraged to guide decision making and align resource allocation.

## Strategic Priorities

*Economic Development; Great Neighborhoods; Safe Communities; Transportation, Planning, and Environment; Well-Managed Government.*

Proposed FY 2022 Budget (Net of Transfers)	
General Fund	\$750,720,000
Transfer to Other Funds	-\$63,120,635
<b>Sub-Total General Fund</b>	<b>\$687,599,365</b>
Aviation	\$673,938,784
Charlotte Area Transit System (CATS)	\$247,963,339
Charlotte Water	\$538,717,276
Storm Water	\$99,163,741
<b>Sub-Total Nongeneral Funds</b>	<b>\$1,559,783,140</b>
General Capital Investment Plan	\$61,662,436
General Capital Debt Service	\$63,261,444
Pay-As-You-Go Funds	\$608,989
<b>Sub-Total Capital Investments</b>	<b>\$125,532,869</b>
Debt Service - Nongeneral Funds	\$165,817,642
Special Revenue and Internal Service Funds	\$167,206,347
<b>Total All Funds</b>	<b>\$2,705,939,363</b>

## *Budget Highlights*

- Balances budget without a property tax increase; no property tax increase included
- Maintains services; no reduction in core services
- Maintains capital project timelines; no capital project delays due to financial impacts
- Maintains operating reserve levels; no use of one-time revenues such as operating reserves
- Maintains existing employees; no layoffs or furloughs
- Continues to invest in our employees:
  - Reduces employee healthcare premiums by at least five percent
  - Reduces employee healthcare deductibles in eligible plans by \$250
  - Provides a three percent salary increase for eligible general employees
  - Provides a 1.5 percent market adjustment and step (2.5-five percent) increase for eligible Public Safety Pay Plan employees
  - Raises minimum full-time pay to \$38,090
  - Increases the top pay for Firefighter II and Fire Engineer by 2.5 percent, and Fire Captain by 3.75 percent
  - Increases the city's contribution to the Charlotte Fire Fighters' Retirement System by two percent beyond requirement
  - Continues offering CATS all-access transit pass to employees
- Supports recommendations from the SAFE Charlotte report:
  - Expands the Community Policing Crisis Response Team for service to mental health related calls for service
  - Pilots alternative civilian response models
  - Provides local funds to complement Community Development Block Grant funding for a total \$1 million in funding to Charlotte-based nonprofits addressing violence in the community
- Delivers a \$14 million investment in Corridors of Opportunity to support housing and neighborhood stabilization, and job and economic development initiatives
- Allocates \$4.75 million to city building sustainability, \$1 million on electric vehicles, and adds 22 fully electric vehicles to the city's fleet
- Supports cultural and arts agencies throughout the city with a \$4 million of General Fund allocation; to be paired with \$2 million of stimulus funding and \$6 million of private funding (\$12 million total)
- Funds to complete the Cross Charlotte Trail in the 5-year CIP
- Provides \$40.9 million in the 5-year CIP to address Fire's three highest priority stations
- Plans the 2022 Bond for FY 2023 approval, which includes:
  - Providing the third consecutive \$50,000,000 allocation to create and preserve affordable housing
  - More than tripling the 2020 Bond funding for the Sidewalk and Pedestrian Safety program, from \$15,000,000 to \$50,000,000
  - Doubling the 2020 Bond totals for the Bike Program, from \$4,000,000 to \$8,000,000; and the Transportation Safety (Vision Zero) program, from \$2,000,000 to \$4,000,000
  - Investing \$10,000,000 for infrastructure improvements in the Corridors of Opportunity

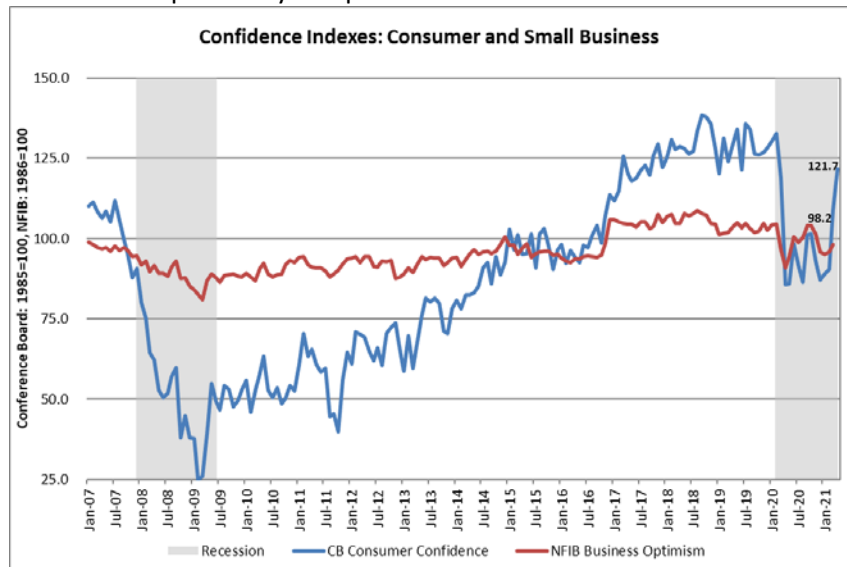
# Economic Outlook

## National Economy

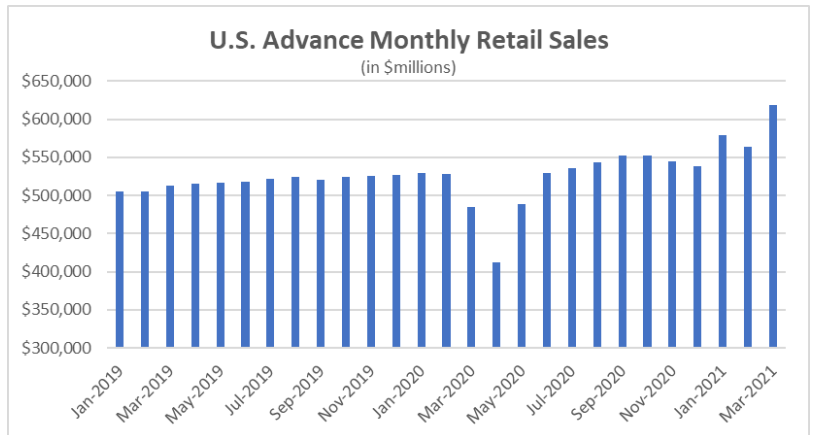
In 2020, the U.S. economy experienced a significant shock due to the COVID-19 pandemic. According to the National Bureau of Economic Research, the economic recession in February 2020 ended the longest economic expansion in the history of U.S. business cycles dating back to 1854. However, the economy rebounded rapidly in the first half of 2020, increasing by 33.4 percent and 4.3 percent in the final two quarters. The most recent estimates for the first quarter of 2021 show an increase at an annual rate of 6.4

percent, reflecting the economy's continuous recovery, reopening of establishments, and impact of government assistance payments to individuals and businesses. This growth was supported by strong consumer spending growth and fixed investment spending.

In response to the significant economic damage caused by the pandemic, U.S. Congress passed the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, a \$2.2 trillion economic stimulus package that was signed into law on March 27, 2020. This Act provided direct payments to individuals and families, assistance to state and local governments, and loans to major industries and small businesses impacted by the pandemic. Two similar actions have followed and were passed by Congress



Source: The Conference Board and National Federation of Independent Business



Source: Advance Monthly Sales for Retail and Food Services. U.S. Census Bureau

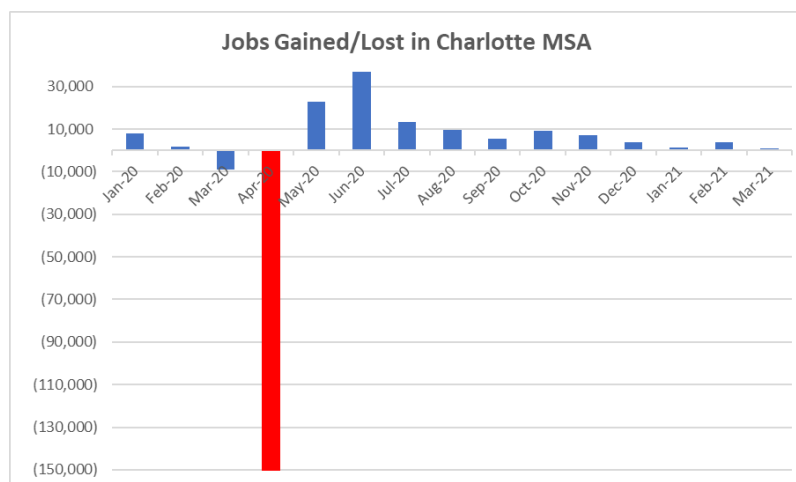
and signed into law (a \$908 billion package in December 2020 and \$1.9 trillion package in March 2021) to provide continuous relief to individuals and small businesses.

Between March and April 2020, more than 25.4 million jobs were lost. As of March 2021, 17.5 million jobs have been added back to the economy. Although, we have seen retail spending return and even grow beyond pre-pandemic levels, an economic

return to pre-pandemic levels of employment will be required to keep the pace of economic growth in the long-term.

Consumer spending makes up about 70 percent of the U.S. economy. As more and more people become vaccinated and the economy opens up, many economists are forecasting rapid rates of economic growth due to the excess household savings and pent-up demand for long-postponed spending on services. Wells Fargo economists forecast the economy will expand in 2022 at an above-trend rate of 4.8 percent. The U.S. Congressional Budget Office in its February 2021 forecast put the economy growing at a lesser rate of 2.9 percent in 2022 and an average annual growth rate of about 2.3 percent over the next five years. A look at the consumer confidence index which measures the degree of consumer optimism about the overall economy shows that confidence in the economy is approaching pre-pandemic levels. The index rose sharply in April 2021 marking the fourth straight month of gains. Consumers' assessment of current market conditions surged and their assessment about the short-term outlook also increased. However, small business optimism has continued to struggle, although it has gotten better with the easing of restrictions and increased government assistance.

### Regional Economy



Source: Current Employment Statistics, U.S. Bureau of Labor Statistics

Between March and April 2020, 575,000 jobs were lost at the state level as a result of the stay-at-home orders issued to curb the spread of the pandemic. The state recorded its highest employment level in February 2020 where it stood at 4.63 million with an unemployment rate of 3.5 percent. As of March 2021, employment stood at 4.47 million, about 160,000 jobs less than the February 2020 high. The state's economy has continued to add jobs since May 2020, adding an average of

about 30,000 jobs per month. At this pace, North Carolina could return to pre-pandemic employment levels by the end of 2021.

The Charlotte region, which is the largest in the Carolinas, ranks 23rd in the U.S for total output and accounts for about 21 percent of the total output for the Carolinas. A total of 160,400 jobs were lost from the regional economy at the start of the pandemic. Almost 60 percent of these lost jobs belonged in the leisure and hospitality sector – particularly the accommodation and food services, arts, entertainment, and recreation industries. Since May 2020, the regional economy has added an average of 10,000 jobs each month. As of March 2021, a total of 113,600 jobs, or 70 percent of the number lost, have been added back to the regional economy.

### *Local Economic Impact*

Hospitality tax revenues are driven by the leisure and hospitality sector and fell by more than 19 percent in FY 2020. They are expected to decline by almost 30 percent more in FY 2021. At the start of the pandemic, with stay-at-home orders in place, we saw occupancy tax and rental car tax revenues decline by more than 90 percent year-over-year. As restrictions have eased, these hospitality tax revenues have started to pick up but have not returned to the pre-pandemic highs. Hospitality tax revenues are not forecasted to return to pre-pandemic levels until 2024.

Property taxes, which make up the largest portion (over 55 percent) of the city's General Fund revenues, have continued to fare well even in the face of the pandemic. Property tax collection rates have stood the test of time, even surpassing collection rates compared to last year. As the housing supply continues to increase (as seen in

---

*Property taxes which make up the largest portion (over 55 percent) of city's general fund revenues have continued to do well even in the face of the pandemic.*

---

the number of building permits issued for multi-family and single-family units) real estate property tax revenues will fare even better. On the other side, as more and more workers choose to work from home, there is the potential for business personal property taxes to be negatively affected.

Sales tax distributions make up just under 13 percent of the city's General Fund revenues. Taxable sales and purchases in Mecklenburg County fell by 13 percent between March and April 2020. The three economic impact payments that were passed and signed into law since the beginning of the pandemic have helped a great deal in keeping consumer spending afloat. The General Fund sales tax year-to-date growth as of January 2021 was four percent. In the near-term, retail sales are expected to continue to grow given the fact that household savings are up and the economy is continuously opening to more services.

Utility franchise taxes are the third largest revenue source for the city's General Fund, accounting for approximately 7.8 percent of the revenues. The pandemic led to some residents falling behind on their utility payments. The decline in business activity also meant industries were using less utilities in their day-to-day operations. There was a five percent decline in this tax revenue in FY 2020 primarily due to decline in business activity, payment defaults, more energy efficient buildings, and milder seasonal weather. The Energy Information Administration in its best-case scenario forecasts energy demand won't return to pre-pandemic levels until 2028.

Apart from intergovernmental revenues, most of city's other revenues such as other taxes, licenses, and fees are directly tied to social and economic activity and as such are vulnerable to economic shocks. As the economy opens up, these revenues are expected to return to pre-pandemic levels.



## Federal Assistance Related to COVID-19

The framework and financial principles that the City of Charlotte is built upon allowed us to pivot and proactively manage our way through many of the shocks and uncertainty from COVID-19. From a place of caution, we grew to be more innovative, enhanced some of our service models to become more accommodating, and stabilized some of our struggling local businesses. As we did in FY 2021, we will continue to utilize funding received from the CARES Act and the newly allotted funding from the American Rescue Plan.

### *Taking Care of Employees*

Many City of Charlotte employees transitioned to new work settings this past year in response to COVID-19 and have either teleworked or worked alternate hours to adhere to public safety guidelines. However, some of the city's core services cannot be performed remotely. The city's front-line employees have remained in the community, delivering essential services throughout the pandemic. These front-line employees include positions such as:



- First responders in the Fire and Police Departments,
- Solid Waste collections staff,
- Code Enforcement and Field Operations staff,
- Construction Inspectors,
- Labor Crews,
- Special Transportation Service Drivers,
- Rail Operators,
- Service Field Technicians,
- Street Maintenance,
- Shuttle Bus Drivers,
- Airport Terminal Operators,
- Terminal Maintenance Workers, and
- Charlotte Water Field Operations.

The city took every precaution to keep these employees safe by providing personal protective equipment, increasing sanitation measures, and implementing social distancing guidelines. To recognize their exceptional service, the city also invested \$24 million, primarily in CARES Act Funding, to provide front-line employees with a five percent premium pay increase from March 26, 2020 to December 30, 2020.

The city also allocated over \$14 million of CARES Act funds to make facility improvements in response to COVID-19 so that our employees feel safe coming to work and residents will feel safe accessing the services they need when buildings reopen to the public. This includes installing bipolar ionization technology within the HVAC systems of more than 140 city-owned buildings. This technology provides air filtration with cleaner air and fewer pathogens.



Facility improvements also include the CMGC ReWORK Project which will support a work-from-home/work-from-office environment by optimizing the use of space within the CMGC, reducing building density, improving public access, and retrofitting other city buildings to include technology upgrades, building signage, and reduced touchpoints in the building.

### *Adapting City Technology*

Out of the \$154.4 million of CARES Act funding the city received from the federal government, \$10 million was dedicated toward making improvements in the city's technology infrastructure to facilitate better remote work capabilities for staff. Around 2,000 city employees have been working remotely each day. Improvements included replacing and increasing the number of laptops, enhancing remote desktop services, adding video conferencing licenses and support, and boosting network security and firewall maintenance.

### *Supporting Our Community*

The CARES Act funding provided a tremendous amount of support to our community partners as we witnessed and experienced our citizens and businesses dealing with severe economic impacts. Unlike many cities throughout the country, the city was able to use more than 58 percent of CARES Act funds to support direct initiatives outside of city government services. The City of Charlotte received and disbursed \$91 million in federal funding to help our local artists, small businesses, and residents.

A key highlight toward community support efforts was providing opportunities for our residents to receive rent, mortgage, and utility relief. Keeping families in their homes with uninterrupted utility services and assistance to pay these bills offered stability within communities. Since receiving federal assistance, we have been able to use \$13.4 million in funding to provide over 5,800 households mortgage, rental, and utility relief.

We also provided resources to our business community to help stabilize our local economy from the shock of reduced revenues. We programmed \$30.3 million to create 2,500 small business grants, provided \$7.7 million for 345 food and beverage grants, and dedicated \$5.8 million to create over 100 hotel grants.

The need for digital equity was a concern prior to the pandemic and was boldly apparent as our new normal heavily relied on digital platforms for everyday tasks. With help through the CARES Act, we were able to take steps toward bridging the digital divide by launching Charlotte Connect, providing Wi-Fi to



1,800 households. Additionally, one million dollars in CARES Act funding was also programmed toward internet services needed for tablets purchased by Charlotte-Mecklenburg Schools as we partnered to enhance at-home learning when schools closed.

### *Working Collaboratively*

In March 2021 the American Rescue Plan Act (ARPA) was passed in Congress, announcing additional funds for eligible local governments throughout the country. As we await further guidance from the Federal Government regarding ARPA Funds, we are engaging with our community partners from Mecklenburg County and Charlotte-Mecklenburg Schools to maximize funding and work together to deploy funds. By working collaboratively, we have the potential to leverage \$682 million dollars in federal funding between the entire organization.

## Budget Development

As demonstrated over the last five years and most importantly in FY 2020 and 2021, we have been able to continue to succeed in moving forward based on our resilience. Throughout FY 2021, the city was able to:

- Maintain financial reserves,
- Protect employees, and
- Provide core services.

Our foundational budgeting principles that have allowed us to weather the challenges of FY 2021 will continue to be the solid core for our advancement in FY 2022.

## Reimagining City Services

### *Operating Efficiently*

We have grown and learned what we are capable of as a city through the COVID-19 pandemic. While keeping staff's safety and health top of mind, we quickly learned that some services could not be delivered the same. The pandemic, in many ways, was a catalyst in changing how we do business for both internal processes and the external delivery of city services.

### Solid Waste

The COVID-19 pandemic has presented challenges to Solid Waste operations. With residents spending more time at home during the pandemic, more residential waste is created for the department to collect. Solid Waste collections employees, who typically work in close proximity to one another, have also had to adapt to changing work conditions. Despite these challenges, employees remained



resilient and continued to provide exceptional service. The department is using various strategies to ensure the safety and wellbeing of employees and residents. One strategy is an initiative to provide Sanitation Equipment Operators with accelerated training in the operation of automated side-loading trucks, which can be operated by a single employee. The department also implemented measures to allow employees to socially distance during their daily check-in routine, such as staggered arrival times, additional outdoor check-in stations, and remote time clocks.

As Charlotte continues to recover from COVID-19, Solid Waste Services is working to implement changes to prepare for the future. Beginning in FY 2022, the city will transition from plastic to paper bags for yard waste collections. Plastic yard waste bags are not accepted by the Mecklenburg County Landfill, which means collections employees must empty each bag by hand prior to disposal. This creates safety concerns for employees, who oftentimes must stand in the road, open plastic bags with a knife, and dump the bags' contents into a refuse truck. Paper bags will be both safer for employees to collect and more environmentally friendly to dispose of. The city is also continuing to invest in automated side-loading refuse trucks, which reduce employee risk, increase collection rate, and are more efficient to operate than traditional rear-loading trucks.

The growth of the city has increased demand on solid waste operations over the past several years. To account for growth, the Proposed FY 2022 Budget includes a 61 cents/month, or \$7.36/year, Solid Waste fee increase. This increase covers the cost of growth in the Solid Waste Department, which is primarily due to disposal fees and contractual increases.

### Innovation and Technology

With the support of the city's Innovation and Technology Department, we were able to relaunch our enhanced city mobile application, CLT+, in April. Over 22,000 users are already experiencing new features such as:

- A "New Feature Tour"
- Users' "Favorite Request" items at the top
- A list of users' submitted requests
- A mobile reminder for users' upcoming bulky item pickup

Also, new request items added:

- Park & Rec requests
- Transit Concerns (TellTransit)
- New streetlight request
- Request for help from Digital Charlotte



*New interface for CLT+ mobile app.*

## Charlotte Douglas International Airport

Airport employees have gone above and beyond to ensure safe, reliable operations at the airport. The airport has remained open throughout the pandemic. Receiving \$135.6 million in CARES Act funding allowed the airport to adjust to reduced business demand and help stabilize airport operations. The airport implemented numerous operational measures, including creating COVID-19 public service announcements, adjusting customer and facility services to reflect lower passenger counts, and modifying terminal seating arrangements where possible to better facilitate the physical distancing recommended by health authorities. Highlights of airport achievements over the last year include:

---

*CLT has ranked highly among large hubs in retention of air service during the pandemic*

---

- Creating an Experience Recovery Team (ERT). This team was provided a \$10 million budget (funded by Federal Stimulus funds) to address the health and safety challenges presented by COVID-19,
- Launching CLT's COVID-19 public information campaign to message COVID-19 CDC guidance work and initiatives, and to instill confidence in flying,
- Hosting a significant vaccination event conducted in partnership with Atrium Health,
- Implementing a new online parking reservation platform,
- Reinventing the Aviation Academy in a virtual format, and
- Continuing to work with no disruptions to major capital projects such as the Terminal Lobby Expansion and the Concourse E Expansion.

Moving forward, the airport expects to bring back all operations to 100 percent of pre-pandemic levels; including all concessions which currently operate at 90 percent production rates. The airport is also moving into the final stages of environmental approval for airport capacity projects like the fourth parallel runway and additional aircraft gates. Draft Environmental assessment is expected to reach final approval in FY 2022. Direct stimulus funds will continue to be used for airport operations over the next fiscal year, providing for additional recovery opportunities for Charlotte Douglas International Airport.



## Charlotte Water



Since March 2020, and prior to the Governor's issuance of any Executive Orders, Charlotte Water began its first stage of customer assistance by discontinuing shutoffs for non-payment, immediately reconnecting previously disconnected customers, and waiving late fees on past due balances.

Charlotte Water has established the Customer Care Team, a dedicated group of trained customer service professionals to work with customers, connecting them with community assistance agencies and working through financial hardships one-on-one. Since its establishment the team has contacted over 15,000 customers and helped facilitate the payment of approximately \$239 thousand toward customers' bills. Charlotte Water's Customer Care Team is part of a multi-agency taskforce comprised of city, county, and non-profit members who identify and connect potential financial support for our customers and direct our customers.

Since the expiration of the Executive Order that prohibited utility shut offs for residences in July 2020, Charlotte Water transitioned into the next stage of customer assistance by:

- Continuing the temporary practice of not disconnecting customers for delinquent account balances and not imposing late charges,
- Automatically placing customers with past due balances as of September 30, 2020, on a 12-month, no interest payment arrangement, and
- Actively working with customers to address and resolve their past due balances in the coming months through payment arrangements and financial assistance.

Charlotte Water's proposed budget focuses on maintaining a high-quality drinking water and wastewater system, guaranteeing a high level of customer satisfaction, ensuring operational efficiency and compliance, improving safety and security, and promoting a thriving, economically sustainable community. To continue with the dedicated work by Charlotte Water employees and to meet the growing demands of the community, we are proposing a fee increase. In FY 2022, the Water and Sewer Fee is proposed to increase \$2.33 per month, or by 3.42 percent for the typical homeowner.

In FY 2020, Storm Water Services committed to initiate a forecasted 1,690 projects to resolve outstanding minor repair requests over five years. This plan, referred to as the 5-Year Surge, represents an 83 percent increase in production over the baseline projection prior to the plans implementation. Storm Water Services is on target to meet this goal. By the end of FY 2021, a total of 526 projects are expected to be resolved. The rate of project completion increases each year as additional resources are added to meet the goal. In FY 2022 the Storm Water Services Fee is proposed to increase by \$0.29 per month, or 3.36 percent for the typical homeowner. The Proposed FY 2022 Budget will fund 18 new positions to support storm drainage improvement and surface water quality enhancement projects.

## Charlotte Area Transit System

Going forward CATS will continue to focus on employee safety, providing services based on the current climate and maintaining operations through the use of Federal CARES Act and ARPA funding. Though ridership and fare revenue have been impacted by COVID, CATS continues to provide service to the community based on the current demand. Service has been evaluated and adjusted throughout the year and will continue as businesses open and people return to Center City. Over the last year CATS has promoted equitable access to services for the community by providing fare free service for Election Day and mass vaccination events.



As we look ahead to the next fiscal year, some highlights for our Charlotte Area Transit System Include:

- No fee increases for CATS services
- Opening of CityLYNX Gold Line Phase II
- Continuation of Silver Line Design
- Launching Pilot Program introducing Battery Electric Buses into the CATS Fleet

## *Enhancing Community Engagement*

The in-person limitations COVID-19 placed on community engagement opportunities spurred innovative alternatives for the community to provide feedback and comments on city plans and services. We used digital platforms to offer options for our residents and input groups to watch, listen, and provide feedback as priorities and recommendations were developed.

### Budget Listening Sessions

In February and March, the Strategy and Budget Department hosted three virtual engagement sessions to receive real-time input on the city's FY 2022 budget from Charlotte residents. City staff were available to answer questions and provide information on city services and how to stay connected throughout the budget process. During each session, residents were able to engage with staff, learn about the city's budget process, and provide comments on the city's budget priorities. The sessions were held on February 24, March 4, and March 9, 2021.

### Legacy Commission

The Legacy Commission engaged in a comprehensive study of street names and monuments in the City of Charlotte that honor a legacy of Confederate soldiers, slaveowners, and segregationists. Over the course of five sessions and completing the study, the Legacy Commission offered several recommendations for the City of Charlotte to consider, including changing the name of nine city streets.

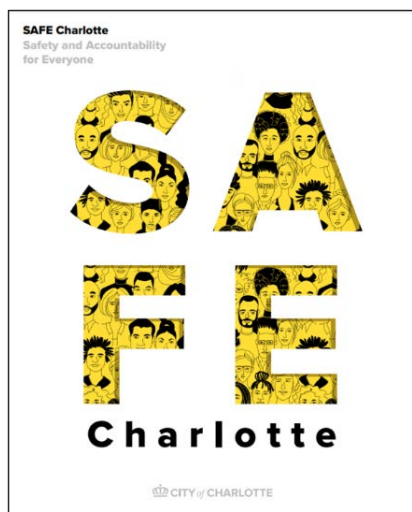


The Commission recommended changing street names and reimagining civic spaces to create a new symbolic landscape that is representative of the dynamic and diverse city that Charlotte has become. \$80,000 in funding is included in the Proposed FY 2022 Budget to support this process. This initiative is an important step in reflecting the fully inclusive vision the city is striving to achieve.

#### Citizen Advisory Committee on Governance

In January 2020, an ad-hoc committee called the Citizen Advisory Committee on Governance (CACG) was created to make recommendations around various Charlotte City Council procedures and governing characteristics. As a result of more than six months of research and review by the CACG and city staff, several committee recommendations were developed. One of the recommendations included aligning Mayor compensation (including expense allowances) to the Mecklenburg County Board Chair and aligning City Council compensation to Mecklenburg County Board members. This change is included in the Proposed FY 2022 Budget and would be effective starting in July 2021.

## Supporting SAFE Charlotte



*SAFE Charlotte Report published in October 2020.*

Within the last year, residents in Charlotte passionately communicated and requested that City Council and staff review city services, with an emphasis on policing. Similar sentiment was seen throughout the country, with communities demanding review and growth from their local governments. In October 2020, through months of extensive work in reviewing issues and obtaining public input, Charlotte City Council adopted the SAFE Charlotte report. In many ways this report complemented the work that the city was already doing with the Council Adopted Framework to Address Violence, support for Corridors of Opportunity, work around reimagining policing, and violence interruption efforts in collaboration with Johns Hopkins and GovEx. The SAFE Charlotte report provides recommendations toward making Charlotte a safer, more prosperous community for everyone.

Over the next two years we will collaborate with community partners, like Atrium Health by providing \$490 thousand in funding. In doing so we will support a Hospital-Based Violence Intervention Program with Atrium Health's Carolinas Medical Center. This program will engage with patients who are seen in the emergency room and/or admitted to the hospital for injuries caused by violence to reduce retaliation and re-injury, and to provide support to improve safer long-term outcomes.

The Office of Equity, Mobility, and Immigrant Integration is working with Youth Advocate Programs, a community organization, to serve as the lead agency in implementing Cure Violence Global's violence interruption model in Corridors of Opportunity near Beatties Ford Road and Lasalle Street. The success of this initiative relies on community organizations and other stakeholders to mobilize community members



against shootings and homicides. Violence Interruption is a data-driven model that leverages a combination of statistical information and street knowledge, which staff then use to identify locations to concentrate efforts, focus resources, and intervene in violence. This model will incorporate four approaches:

1. Detect and Interrupt Potentially Violent Conflicts
2. Identify and Treat Highest Risk Individuals
3. Community Mobilization/Change Behavior Norms
4. Continual Data Collection and Monitoring

As part of an intergovernmental strategy and a more holistic public health commitment, the City of Charlotte and Mecklenburg County will provide \$250,000 dollars each, totaling \$500,000 dollars, toward this initiative. Out of the SAFE Charlotte report came six re-imagining policing recommendations and a focused commitment toward initiatives and city services across the organization and within the community. We partnered with five organizations to advance the recommendations.

#### SAFE Charlotte Recommendation One

The city is working under the guidance of SAFE Charlotte Recommendation 1 to help build local capacity for violence prevention efforts. To move this work further along, the city is partnering with the United Way of Central Carolinas to administer city grants to grantees who will use funds to support community-identified priorities as they relate to promoting safe communities and addressing violence. The SAFE Charlotte Grant Program is led by the City of Charlotte's Housing and Neighborhood Services to provide small programming grants to community-based organizations to help jumpstart efforts around the following themes:

- Conflict Resolution and Mediation
- Crime Fighting and Prevention
- Opportunities for Youth and/or Parents
- Family Stability
- Addressing Racial Segregation

This program began in 2021 with \$1 million in funding to support 20 grantees, with grantees each receiving \$50,000 dollars. In FY 2022, \$120,040 from the General Fund will complement \$879,960 in funding from the Community Development Block Grant for a total of \$1 million in new funding to Charlotte-based nonprofits addressing violence in the community.

---

#### SAFE Charlotte Recommendations

- 1. Provide \$1 million from the city's current budget to help Charlotte-based nonprofits address violence in the community.*
  - 2. Work with an external partner to develop a comprehensive recommendation to convert low-risk sworn duties to nonuniformed units.*
  - 3. Work with an external partner to provide an independent analysis of areas such as police-civilian contact, and police calls and responses.*
  - 4. Expand the Community Policing Crisis Response Team (CPCRT) and develop a nonsworn officer responder model for mental health and homeless calls.*
  - 5. Engage a university or independent organization to evaluate selected youth programs on an annual basis.*
  - 6. Enhance recruitment efforts and develop a program to provide additional residency incentives to officers living in priority areas, including a down payment incentive.*
-

### Recommendations Two, Three, and Four

Over the last few months, the city partnered with RAND Corporation, a nonprofit institution that helps improve policy and decision making through research and analysis, for work on SAFE Charlotte Recommendations 2 and 4. RAND also leveraged the special services of locally based Amplify Charlotte, an organization dedicated toward building trust through community engagement. Research and analysis from these partners will provide the foundation for developing an alternative civilian response model pilot. To support this effort, we have included \$1.15 million in funding. This program will be developed to divert low-risk, lower-priority calls for service, and mental health and homelessness dispatches toward civilian response teams.

The Proposed FY 2022 Budget also includes \$739,000 for the Community Policing Crisis Response Teams (CPCRT) to expand. By the end of the year we plan to double the number of Community Policing Crisis Response Teams. RAND will also be providing an independent analysis of areas such as police-civilian contact, and police calls and responses as part of Recommendation 3.

#### THE CPCRT IS RESPONSIBLE FOR:



Assigning cases for proactive follow-up and referrals involving persons with a history of behavioral health issues resulting in police response.



Providing referral, educational and support services information to family, friends and members of the consumer's support network.



Responding collaboratively to calls for service concerning community members

### Recommendation Five and Six

Partnering with University of North Carolina, Charlotte (UNCC), we have begun work to evaluate selected youth programs. The Charlotte-Mecklenburg Police Department Community Services Division has 34 programs designed to build relationships and trust between young people and law enforcement, and intercept at-risk behaviors and low-level criminal behavior in young people to improve the trajectory of their futures. This analysis will guide future funding and allocation of resources as we learn what our most effective youth programs are within the community.

We are also actively working through SAFE Charlotte Recommendation 6 in two parts. Part one will review issues related to recruitment and residency efforts within Charlotte-Mecklenburg Police Department. Part two will include reviewing the current curriculum and content delivered at the Police Academy as well as review on-going training provided throughout an officer's career with CMPD.

## *Advancing Services with Diversity, Equity, and Inclusion*

In the fall of 2018, we began an assessment of our internal processes to ensure our practices foster Diversity, Equity, & Inclusion (DE&I). From the analysis, a report of 13 recommendations contained various solutions to improve our internal operations as they relate to DE&I. In 2019 we established our own Office of Equity, Mobility, and Immigrant Integration within the Housing and Neighborhood Services Department. As we expand services and establish initiatives through this office, our team has been working on exciting developments, including:

- Developing a video series that discusses the origins, beliefs, and consequences of what we call race. These engagement modules based on *Race: The Power of An Illusion* will be open for participation and enrollment in the coming year;
- Leveraging SenseMaker, a narrative based data collection tool, to more deeply engage employees in feedback around DE&I and structural change needed within the City of Charlotte. This initiative will also guide the development of the city's Equity Action Plan beginning this summer; and
- Establishing a DE&I webpage on the city's internal platform for city employees to easily access information about all DE&I updates.

As part of our research we are also working with city departments to review programs and services and identify what resources we dedicate toward advancing diversity, equity, and inclusion. This Equity Services Inventory has provided us with a clear understanding of what services we have today and what gaps we need to address for better delivery of robust city initiatives. Building on this focus, each of our city departments reviewed current performance measures to refine or create new measures with a specific focus on DE&I. These measures will guide and provide transparency in the performance outcomes of various initiatives and services at the department level throughout the city.

## *Retaining and Investing in Our Best Asset*

Throughout the challenges presented this year, city employees have continued to provide core services to the community. It is due to their commitment that we have been able to rise to recovery. More than ever, it is important for the priorities of the budget to reflect our reliance on our employees.

### *Healthcare*

Analysis of the city's Marathon Health (formerly MyClinic) healthcare program has shown that it has saved millions of dollars for employees since it was implemented. The program has allowed the City of Charlotte's medical costs to stay well below the expected medical trend for several years. This has caused the City of Charlotte to keep employee healthcare premiums flat in calendar years 2019, 2020, and 2021. It has also enabled us to improve the value of plan designs. Over the past several years, we have reduced deductibles and out-of-pocket maximum costs in several plans, including the city's most popular plan.

---

*Across the board healthcare  
premium reduction of at least 5%*

---

The trend continued in FY 2020, and costs were also impacted by a reduction in many optional medical procedures during the final three months due to the COVID pandemic. With current fiscal year costs also stable, I am proposing an across the board healthcare premium reduction of at least five percent in our calendar year 2022 benefit plans. This reduction will include both the employee allocation of the premium and the employer share that is annually contributed to the Healthcare Fund. Additionally, we will reduce employee deductibles by \$250 on all plans we are legally able to do so. If approved, these actions will result in four consecutive years without any negative healthcare plan impacts and will allow more of the employee's paycheck to stay in their pocket.

## ***General Employee Compensation***

### **Compensation Growth**

Prioritizing funding for a traditional salary increase is foundational to our strategy of putting employees first. The Proposed FY 2022 Budget includes no layoffs, a three percent merit pool for salaried employees, and a 1.5 percent market increase and 1.5 percent merit pool (three percent total) for hourly employees. Continuing the city's compensation strategy allows for maintaining support of the city's priority of attracting and retaining top talent for public service careers.

### **Raising Minimum Full-time Pay**

According to the most recent estimate (2019) from the U.S. Census Bureau, the City of Charlotte's median household income is \$63,483. The Proposed FY 2022 Budget increases the minimum full-time employee salary to 60 percent of this number, or \$38,090 by the end of the fiscal year. Median household income is a different calculation than the area median income (AMI) calculation commonly used for housing because it is Charlotte specific and because it uses data from all households, rather than only family households as used in the calculation of AMI. This action positively impacts almost 150 city employees working in jobs in departments like Solid Waste Services, Charlotte Water, and Transportation. This proposed action is intended to use economic data to support a minimum annual salary for Charlotte employees and will lead to an annual increase of as much as 14 percent for some of the city's lowest paid employees by the end of the fiscal year.

---

*Increase full-time pay to at  
least \$38,090*

---

## ***Enhanced Compensation – First Responders***

### **Completing our Multi-Year First Responder Compensation Strategy**

Police Officers, Police Sergeants, Fire Fighters, Fire Engineers, and Fire Captains make up more than 35 percent of the city's workforce, and more than 50 percent of the General Fund workforce. They are all included within a compensation plan known as the Public Safety Pay Plan (PSPP). The PSPP allows First Responders a standardized compensation progression as they gain experience in their duties, typically increasing by 2.5 to five percent each year.

While ensuring strong increases early in a First Responder's career, this plan resulted in veteran officers typically only receiving a one to 1.5 percent cost-of-living type increase annually after they had reached

the top step of the PSPP. From FY 2010 through FY 2017, top step Fire Engineers, Fire Captains, Police Officers, and Police Sergeants received zero additional increases to top pay, and Fire Fighters received only one.

While working directly with a group of PSPP representatives, the concern over topped out pay was identified. Initial positive steps to address the issue included a 2.5 percent top pay adjustment to all Fire pay plan steps in FY 2018 and FY 2019 and a 2.5 percent top pay adjustment for Police Officers in FY 2019. These years also yielded a data-driven analysis where we began to compare the top pay of our First Responders to 20 peer cities throughout the country. As our First Responders had been telling us, we had fallen behind. In collaboration with PSPP representatives, we developed a multi-year strategy.

#### Completed a Two-Year Plan for Police



The primary strategy for Police was to increase the top pay of Police Officers through the creation of two “Senior Police Officer” steps at the top of their pay scale. This action also led to corresponding increases for Police Sergeants. These increases occurred during FY 2020 and FY 2021. In FY 2018, the compensation for a Police Officer at the top step with a four-year degree was \$72,580. In the Proposed FY 2022 Budget, the compensation for the same Police Officer is more than \$87,000. This represents a 20 percent increase over the past four years, with the majority of the increase occurring due to the two-year strategy. The increased top salary has been and will continue to

be used as both a recruitment and retention tool by CMPD.

#### Completing a Three-Year Plan for Fire

Funds were primarily focused in CMPD over the first two years because data supported higher levels of employee attrition that needed to be addressed. Because members of Charlotte Fire have their own retirement system, Fire does not have the same employee retention concerns. This led to a slightly longer three-year enhanced compensation strategy for Fire. The first two years included the following top-pay adjustments to the Fire Pay Plan: a 2.5 percent increases for Fire Engineer and Fire Captain in FY 2020, and a 2.5 percent increase for Fire Fighter; and in FY 2021, a 3.75 percent increase for Fire Captain, and a five percent increase for Fire Engineers.



The final year of the three-year strategy is included in the Proposed FY 2022 Budget. It includes a 2.5 percent increase for Fire Fighters and Fire Engineers, and a 3.75 percent increase for Fire Captains. After not receiving any top pay adjustments from FY 2010 to FY 2017, Fire Engineers and Fire Captains would be receiving one for the fifth consecutive year. Fire Fighters at the top compensation step have received an increase once in the past five years. From FY 2018 to FY 2022, the top pay step of the Fire pay plan

positions will have increased from 15 to 20 percent. These actions will be evaluated in FY 2022 to determine the impact of the increases in comparison to First Responder pay in national peer cities.

#### Fire Retirement

The City of Charlotte is statutorily required to contribute 12.65 percent to the Charlotte Firefighters' Retirement System (CFRS). Over the past several years, city staff have worked with the CFRS Board on a long-term funding strategy to ensure the stability of the pension system. In FY 2021, we increased the employer contribution for the first time, from 12.65 percent to 14 percent. In FY 2022, the Proposed Budget takes another step, to include a 16 percent contribution rate. This two percent increase, totaling \$1.65 million, will serve as another building block in protecting our Fire Fighters in retirement.

Finally, the three-year plan for Fire also included a plan to equalize the city's 401/457 retirement contribution for all First Responders. These retirement funds are in addition to the state/CFRS pension system that our First Responders receive as part of their public safety benefits. Police Officers are statutorily required to receive a five percent contribution. Fire Fighters were increased from three to four percent in FY 2020. In January of 2022, an additional one percent will be added, allowing all First Responders to receive five percent.

#### *Continued All-Access Transit Pass*

In FY 2019, we began offering all-access transit passes to employees at the significantly reduced rate of \$33 per year. Since then, over 2,550 employees have elected to participate in the program with an approximate value of over \$1,400 dollars a year. All-access transit passes will continue in FY 2022, with all city transit options available to participants.

#### *Creating Career Pathways*

An important part of investing in our employees and the community is providing career development and career advancement opportunities. The city has been working to ramp up efforts in both building career pathways for existing employees as well as working with community members to provide job skills toward obtaining employment with the city. Focus on these important initiatives will continue into FY 2022.

#### Internal Talent Mobility

The purpose of the Internal Talent Mobility Program is to provide employees with an opportunity to increase their skill sets, helping them move into higher-paying career fields. In addition, this program will spotlight jobs within the organization that are in high demand or hard to fill, actively promoting these careers to the workforce. Interested employees will have the opportunity to speak to a subject matter expert providing details on the career and its entry requirements.

#### Career Training Academy

The Career and Training Academy (CTA) program is an economic mobility initiative designed to provide employment opportunities for people who would otherwise not have an opportunity to become qualified



for jobs at the city. Participants who had previously faced barriers to employment are provided with training on both technical and soft skills. Through CTA, the city provided opportunities for 51 trainees in FY 2020 to learn across eight departments (Aviation, CATS, CDOT, CMPD, Human Resources, Charlotte Water, Storm Water, and Solid Waste Services). Participants were trained for six months on entry-level jobs, with the intent to hire them upon successful completion. Thirty-seven program graduates are currently employed with us and we are planning to improve and continue this program in FY 2022.

### Apprenticeship Offerings

The City of Charlotte offers apprenticeships across multiple city departments. The current occupations for apprenticeships with the city include Utilities Technician, Surveying Technician, Construction Inspector, Diesel Vehicle Maintenance Technician, HVAC Technician, Electrician, and Fire Fighter. Using apprenticeship opportunities as a tool in promoting workforce development will continue to be a focus for FY 2022.

## New Investments in Key Initiatives

The Proposed FY 2022 Budget includes new investments in key city initiatives like the Strategic Energy Action Plan, Corridors of Opportunity, and Arts and Culture.

### *Creating Opportunity for All*

FY 2022 we propose \$250,000 in funding to continue public-private collaboration to support minority entrepreneurs. Additional funding from the private sector has been secured totaling \$250,000 from Atrium, for a total investment of \$500,000 dollars. The first cohort of eight businesses completed the NXTCLT program in December of 2020; four of which were former graduates of AmpUp. NXTCLT provides an opportunity for minority business owners to develop their business and leadership skills through:

- Support connections to Charlotte business leaders,
- Provide access to financial support,
- Deliver a customized curriculum driven by cohort,
- Create targeted emphasis on management, market development, and accessing capital.



### *Making Sustainable Investments*

This year was year two for implementing the Strategic Energy Action Plan (SEAP), and Charlotte has shone as a leader in sustainability and resilience. This was also year two of our two-year American Cities Climate Challenge partnership, which has accelerated work towards our goals of striving to source 100 percent of our organization's building and fleet energy from zero carbon sources by 2050. While 2020 brought incredible challenges and insights to our community, these only highlighted and reinforced the importance and intersectionality of this work and reinforced the goal to take equitable actions to move towards a healthier, low carbon city for all of our residents.

This year we continued to convene our internal SEAP Operations Team with representatives from across the city's departments. In the community, we continued to facilitate meetings for our SEAP External Content Groups, holding focused gatherings with stakeholder groups in the areas of transportation, equitable workforce development, buildings, and energy generation. In addition, we worked closely with the Charlotte Future 2040 Comprehensive Plan and Unified Development Ordinance (UDO) teams to ensure SEAP integration across these critical draft documents and plans.

Cross-departmental collaboration also helped to inform our updated Sustainable Facilities Policy, which City Council adopted in January 2021, and is a critical step to reaching our SEAP 2030 and 2050 goals. This revision of the policy increases the emphasis on energy efficiency in existing municipal buildings and renewable energy in building design, construction, and renovation. To support our fleet and the market transformation to electric vehicles, the policy also requires new construction to include capacity to install electric vehicle charging stations. In FY 2021, we invested \$1 million in electric vehicle infrastructure for city-owned facilities, which, as of April 2021, has resulted in the installation of 28 chargers this fiscal year, bringing us close to 85 city-owned electric vehicle charging stations. These include the first city-owned direct current fast charger (DCFC), which can fully charge an electric vehicle in 30 minutes. To capitalize on the FY 2021 infrastructure investments, FY 2022 includes the addition of 22 electric vehicles to our fleet.



*City of Charlotte electric Vehicles charging at electronic charging stations*

We also focused on adding renewable energy to our municipal-owned rooftops in FY 2021. As of April 2021, the city has completed the design of more than 1-megawatt of solar photovoltaic systems on city rooftops and Council approved a contract with a local company to begin construction on 10 facilities in summer 2021. Once constructed, these solar panel installations will annually generate over one million kilowatt-hours of zero-carbon electricity. The solar panel installations have a projected energy cost savings of approximately \$3 million over the 25-year life of the systems. In addition, on-site solar is a great visual tool for our workforce and public to see renewable energy right here in our community.

#### Green Source Solar Advantage Program

Duke Energy's Green Source Advantage program was approved in FY 2020 and is a renewable energy program that enables large customers located in North Carolina to support the development of utility-scale renewable energy while meeting their sustainability goals and lowering carbon emissions. Participating in this program will help the city toward attainment of the city's 2030 Zero-Carbon Buildings Strategic Energy Action Plan goal and also places the City of Charlotte as the leader in North Carolina for municipal utility-scale renewable energy procurement. This solar energy project will help offset about 25 percent of carbon emissions from city-owned buildings over the next 20 years. In addition, it is expected to create 428 jobs in the region, produce electricity that equates to powering 10,000 homes annually, and reduce carbon emissions equivalent to removing 12,000 passenger vehicles from the road.

### Renewable Energy and Efficiency Workforce Training Program

The General Services and Economic Development Departments continue with external partners to implement our Renewable Energy and Efficiency Workforce Training Program, providing paid training in the areas of HVAC, Electrical Trades, and Sustainable Technologies for Charlotte residents displaced from employment by COVID-19. In FY 2021, the city invested over \$500,000 supported from CARES Act funding in this program.

### Continuing to Advance Sustainability

The Proposed FY 2022 – FY 2026 CIP includes a total of \$13.75 million to improve sustainability in city-owned facilities, including \$4.75 million in FY 2022. This upcoming fiscal year, we will turn our attention to a strategic investment of sustainable infrastructure for onsite solar at the Charlotte-Mecklenburg Government Center (CMGC), sustainable technology to make CMGC more energy efficient, and electric vehicle infrastructure at CMGC and other locations across the city to continue to support our investment in a low carbon future for Charlotte.

As part of sustainability efforts for Aviation, we began an electric bus campaign in FY 2019. The plan aims to bring on 25 electric buses using \$24,950,000 in funding, including the chargers and associated infrastructure. Five buses are planned to be delivered November 2021. Aviation will continue to order an additional five buses each fiscal year through FY 2024.

CATS will also launch an electric bus pilot program to test 18 battery electric buses from three different manufacturers. The City, along with eTransEnergy, submitted a grant application to the Federal Transit Administration (FTA) and was awarded over \$3.7 million in grant funding which will fund six of the 18 buses. The other 12 buses will be funded through CATS' Capital Investment Program and eTransEnergy will install and maintain the charging equipment and infrastructure.

### *Investing in Arts and Culture*

Over the course of the last year, there have been several discussions on the future of arts and culture funding. In January, Mayor Lyles appointed an ad-hoc Council Committee to develop a recommended future funding plan for arts and culture in Charlotte. The ad-hoc committee was charged with developing a policy for arts and culture as an economic development strategy for Charlotte and as a strategy for addressing social justice, education, workforce development, and equitable access to opportunity. On February 24, the Committee approved several short- and long-term recommendations, which can be broadly categorized into the following principles:

1. Establish a third-party Arts and Culture Commissioner;
2. Commit to \$4 million for the arts and culture sector, contingent upon private sector funding that matches or exceeds this amount;
3. In the coming fiscal year, FY 2022, recipients of last year's ASC grant are to receive funding at FY 2020 or FY 2021 levels, whichever is greater for that institution; and
4. Embark upon a cultural study to develop a Comprehensive Arts and Culture Plan.

In an environment where private giving has decreased, I commend the steps the ASC has taken to reduce administrative overhead in its operations and increase focus on supporting arts, culture, and artists in our community. Despite this, in the current year, the 37 Arts organizations that receive operating grant support from the Arts and Science Council received a cumulative 25 percent reduction from the previous year.

### *Proposed Pathway Forward*

The plan below reflects a number of considerations including:

- The priorities of the Council ad-hoc Committee,
- The need to restore funding to ASC grant recipients to the higher of their FY 2020 or FY 2021 allocation,
- Maximizing efficiency of grant allocations,
- Maintaining a role for the ASC, and
- Conducting a Cultural Study.



To demonstrate and continue the city's commitment to arts and culture, I am recommending the city to provide \$4 million dollars in FY 2022 supported by the General Fund. This will complement \$2 million in funding from the American Rescue Plan for a total of \$6 million in city support. These funds would be matched by \$6 million in funding from the private sector. This will result in Arts and Culture investments of \$12 million per year for three years, totaling \$36 million.

This funding and administrative structure is recommended for the next three years to provide stability while the cultural study is being completed to develop a longer-term, broader strategy to support arts, culture, and artists in an equitable, inclusive manner. The Arts Commissioner will work with an advisory board to lead the cultural study. The advisory board will be reflective of the community and be comprised of appointments from public and private sector funders. This proposal provides pathways to support our cornerstone arts and cultural organizations and artists in the short term, while simultaneously working collaboratively towards a long-term strategy.

## Corridors of Opportunity

After comprehensive corridor analysis, intentional engagement, and strategic investment, \$24.5 million in funding was made available to our six Corridors of Opportunity in FY 2021. This investment is seen in activation of important economic development opportunities, new affordable housing units, and improvements to enhance community safety. While these are strong strides towards building and maintaining great and safe communities, there is more work to be done.

### FY 2021 Highlights:

- Secured multiple public/private partnerships,
- Prioritized projects for pedestrian safety,

- Spearheaded healthy corridor sweeps,
- Incorporated community in public art and placemaking efforts, and
- Provided financial support for West Side Land Trust.



The Proposed FY 2022 Budget includes \$14 million in new Pay-As-You-Go (PAYGO) funding to continue the progress. Of this \$14 million, \$7 million is planned to support housing and neighborhood stabilization in the Corridors and an additional \$7 million is planned to support economic development and jobs. Support for economic development efforts will include:

- Public-private partnerships,
- Business support and redevelopment, and
- Investments in jobs and implementing recommendations from the strategic employment plan.

Work on the strategic employment plan will continue in FY 2022. This work will complement other work done within the Corridors of Opportunity initiative that addresses barriers to employment. The program will also serve as a centralized point for our workforce development partners, private industry, educational institutions, and residents to join forces and network. Providing workforce development opportunities including skills training, will improve our ability to match resident skills with the growing industries in our region.

We will continue to focus on people-centric strategies. This includes opportunities for employment and addressing barriers, neighborhood stabilization and anti-displacement, and technology needs to address the digital divide. Aside from continuing programs that have already been successful, the \$7 million allocation for housing and neighborhood stabilization will include:

- A staying in place program, and
- A new approach focusing on pilot geographies to support neighborhood stabilization.

Much like the work in corridors, this pilot geographies program to support neighborhood stabilization will be about strategically leveraging and layering many of our existing housing programs, while adding and testing new concepts where appropriate.

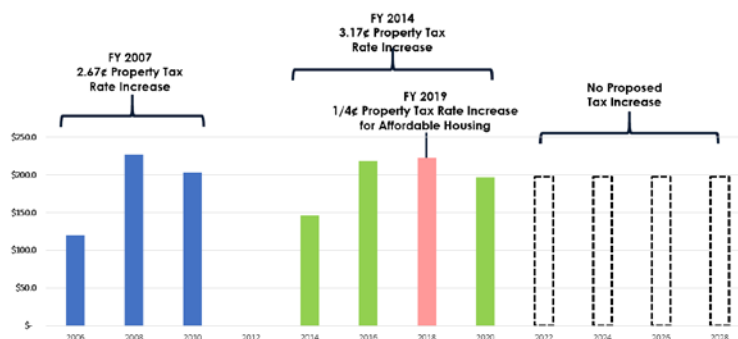
Our momentum will continue in our Corridors as we advance all six Corridors of Opportunity in FY 2022. Prior to FY 2021, there was extensive engagement along Beatties Ford Road and West Boulevard and those areas were ready for investment. We are now moving towards I-85/Sugar Creek and Central Avenue/Albemarle Road, both of which will officially kick off the engagement process in 2021. We will continue strategic investments that lead to the community's desired impacts and grow the team to include the private sector, nonprofits, and philanthropic community partners.

## Capital Investment Plan

Investing in the needed infrastructure to build and sustain city services and meet the needs of the public remains foundational to our progress. The Capital Investment Plan (CIP) provides a balanced framework for key investment of our resources towards meeting the prioritized needs.

The upcoming fiscal year, FY 2022, is not a bond year, but the FY 2022 – FY 2026 CIP contains two planned bonds: one in FY 2023, which will occur in November 2022, and one in FY 2025, which will occur in November 2024. The FY 2022 CIP also includes plans for the 2026 and 2028 Bonds. The 2020 Bond represented the end of The Big Ideas bond series, so the projects and programs planned in each of the 2022

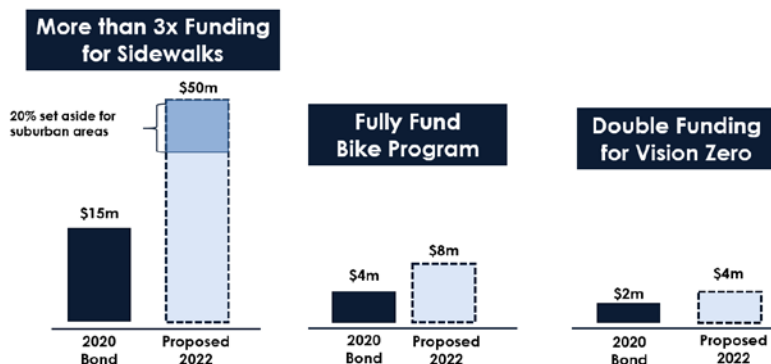
### \$792m in Capacity over Four Bond Cycles



through 2028 Bonds are proposed for the first time in FY 2022. The four planned bonds, 2022, 2024, 2026, and 2028, each total \$198 million and do not require a tax increase to residents. This is different than 2006 through 2010 and 2014 through 2020 bond series which required property tax increases of 2.67¢ and 3.17¢ respectively and is a result of improvements in capital planning over the past several years.

### 2022 and 2024 Bonds

The 2022 and 2024 Bonds both include \$50 million, for a total of \$100 million, to create and preserve affordable housing. The planned 2022 Bond represents the third consecutive bond that includes \$50 million to increase affordable housing in the Charlotte community. The planned 2022 Bond also more than triples the 2020 Bond funding for the Sidewalk and Pedestrian Safety Program



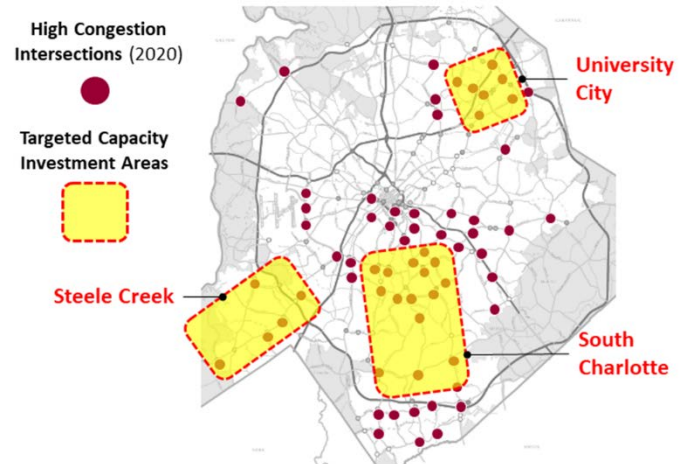
from \$15 million in 2020 to \$50 million in 2022. Twenty percent of the 2022 Bond funding will be reserved to construct sidewalks in suburban areas. The 2022 Bond also plans to double funding for the Bicycle Program, from \$4 million in the 2020 Bond to \$8 million in the 2022 and 2024 Bonds. The Bicycle Program expands the bicycle network by connecting existing bicycle infrastructure together and by repurposing existing infrastructure to create space for cyclists. Funding for the Transportation Safety (Vision Zero) Program is also planned to double from \$2 million in the 2020 Bond to \$4 million in the 2022 and 2024 Bonds. This Transportation Safety Program aims to make the city's transportation systems as safe as possible for all users. The additional funding will be utilized to install new or enhanced streetlighting on high-injury network streets, or to connect neighborhoods to transit, schools, parks, greenways, and other important destinations.



### Congestion Mitigation

The Congestion Mitigation program, which was created in the 2020 Bond to improve traffic flow in targeted areas through small-scale, quick infrastructure projects, is planned to continue in the 2022 and 2024 Bonds with \$10 million per bond for a total of \$20 million. 2020 Bond funding was dedicated to improving congestion in the Steele Creek, South Charlotte, and University City areas. The Congestion Mitigation funding planned in the 2022 Bond will continue to make improvements in those areas.

### **\$10m in CIP in 2022 for Congestion Mitigation**



### Advanced Planning and Design

The 2022 Bond also provides initial funding for the first project to reach 30 percent design in the Advanced Planning and Design Program. In FY 2020, the Advanced Planning and Design Program was created to allow for potential projects to be studied so that better cost estimates could be developed prior to funding being proposed. In the first year of the Advanced Planning and Design Program, the following two road and two intersection projects were added for assessment: Bryant Farms Road extension in Council District 7, Robinson Church Road in Council District 5, Ashley Road/Tuckaseegee Road/Freedom Drive intersection in Council District 3, and Eastway Drive/Shamrock Drive intersection in Council District 1. Design for the Eastway Drive/Shamrock Drive intersection has reached 30 percent and is proposed for funding in the 2022 and 2024 Bonds. Work on the remaining projects is ongoing, and each are expected to reach 30 design during FY 2022. Placeholder funding has been included in the 2024, 2026, and 2028 Bonds for the remaining three projects.

### Freeing Up Additional Debt Capacity

The Joint Communications Center project was initially envisioned to relocate emergency services agencies from the city and county, including Police and Fire 911, MEDIC 911, and the Emergency Operations Center, into a new consolidated facility adjacent to Fire Headquarters. As the project evolved over the last 10 years and partner agencies' plans shifted, the project was eventually placed on hold. It was recently determined that the short-term needs of 911 services could be met within the agencies' existing facilities, and the \$71.8 million of available project appropriations were no longer necessary. Not moving forward with the Joint Communications Center enables an additional \$11 million of Certificates of Participation capacity per year. In the FY 2022 – FY 2026 CIP, this extra capacity allows for construction of two additional Fire facilities, ADA improvements in facilities, support for the Strategic Energy Action Plan, and completion of the Cross Charlotte Trail.

### Advancing the Fire Facilities Master Plan

The Proposed FY 2022 Budget includes a new program using Certificates of Participation debt to construct new Fire facilities and replace existing Fire facilities that no longer function properly for Charlotte Fire. The recently completed Fire Facilities Master Plan prioritized all Fire facility construction requests by assessing need and function, determining outstanding maintenance requirements, and analyzing call load and response times. This funding is intended to complete Fire's highest-priority needs.



*Rendering of a potential layout of the Hidden Valley Fire Station*

This multi-year program is intended to construct at least three fire stations. Based on Fire's current priorities, the three fire stations are: a new infill fire station in the Hidden Valley neighborhood in Council District 4; a replacement of Fire Station 11, currently located at 620 West 28th Street in Council District 1; and a replacement of Fire Station 30, currently located at 4707 Belle-Oaks Drive in Council District 3. Land for the Hidden Valley Fire Station was recently purchased at 5800 North Tryon Street and planning has begun in the Advanced Planning and Design

Program. Station 11 and Station 30 will be added to the Advanced Planning and Design Program in FY 2022 so that land needs can be assessed and planning can begin. Costs for construction of each facility are anticipated to be finalized once the appropriate planning and design have occurred. Based on the final cost estimates of the three stations, program funding may remain available to also construct training infrastructure for the Fire Department.

### Completing the Northwest Police Station

In 2010, the Police Department completed a Strategic Facilities Plan, which outlined facility goals through 2025. In FY 2014, a six police station construction program was initially approved to complete some of the recommendations identified in the Strategic Facilities Plan. The program funding totals \$81,350,000 to construct the following six Police Stations: Hickory Grove, Independence, Northwest, South, University City, and Westover. All stations are complete and in operation except for Northwest.

In May 2020, City Council approved the acquisition of two parcels of land off of Mt. Holly-Huntersville Road in Council District 2 for construction of the Northwest Police Station. Following initial planning and design work, it was determined that an additional \$2,570,000 of funding is necessary to make road improvements required by the North Carolina Department of Transportation. The additional funding is proposed in FY 2022 but is composed of savings from previously completed projects and a reallocation of existing funding.

### Americans with Disabilities Act

The Americans with Disabilities Act (ADA) is a civil rights law enacted on July 26, 1990, that broadly prohibits discrimination on the basis of disability. The law ensures equal opportunity for all people in the areas of employment, state and local government services, public accommodations, and

telecommunications. To ensure the prohibition of discrimination by public entities, the Department of Justice (DOJ) developed regulations requiring government agencies (with 50 or more employees) to conduct a self-assessment of facilities; programs, services, and activities; and policies and procedures.

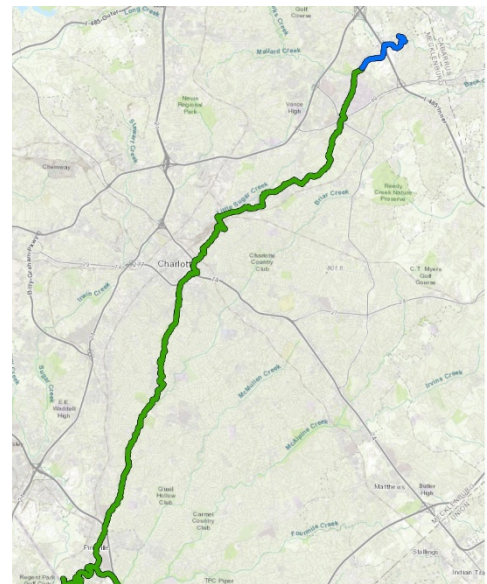
The city contracted with Altura Solutions, LLC to complete the required self-assessment and draft the city's ADA Transition Plan. Altura began the assessment process in January 2019 by interviewing every city department, analyzing over 1,500 city programs, providing training to staff, and inspecting 175 city-owned or city-leased facilities that are accessible to the public. Additionally, more than 40,000 pedestrian facilities in public rights-of-way (including sidewalks, curb ramps, and bus stops) were assessed by a second consultant, Cole & Associates, Inc. Public input has been conducted throughout the assessment and prioritization processes in the form of online surveys and open houses. The ADA Transition Plan is anticipated to be completed in summer 2021 and presented to City Council for adoption.

In the FY 2022 – FY 2026 CIP, funding for ADA improvements in facilities totals \$12 million; however, no new funding is proposed in FY 2022 due the fact that \$3.7 million of previously-appropriated funding remains available to begin the highest priority improvements. In the 2022 Bond (occurring next fiscal year in FY 2023), the Sidewalk and Pedestrian Safety Program is proposed to more than triple funding from the 2020 Bond to \$50 million. This increase in funding is partially intended to begin addressing some of the barriers to ADA compliance in public rights-of-way. The city will utilize existing resources to achieve ADA recommendations identified for non-capital needs, including improvements to the city's website, additional staff training, and program accessibility.

#### Completing the Cross Charlotte Trail

The Cross Charlotte Trail, in partnership with Mecklenburg County, creates over 30 miles of trail and greenway facilities from Ballantyne, through the Town of Pineville, Uptown, UNC Charlotte, to near the Cabarrus County line. Once complete, this multi-use path will offer residents transportation choices to travel seamlessly from one end of Charlotte to the other. Approximately 140,000 residents and 130,000 jobs will be within walking distance of the trail and connecting greenway.

The Cross Charlotte Trail is divided into 11 segments: segments two and three are currently under construction; segments five, six, seven, eight, and nine are in design; and segments one and four are complete. The FY 2022 – FY 2026 CIP includes \$20.5 million of cash funding from the Municipal Debt Service Fund to complete segments 10 and 11, which have been studied in the Advanced Planning Program since FY 2020.



*Rendering of Cross Charlotte Trail with segments 10 and 11 in blue.*

## Together in the Year Ahead

As we look to the fiscal year ahead, we are optimistic and hopeful. FY 2021 brought extremely unique challenges however looking back we have come a long way in working together to overcome the hardships and make strides towards creating access and equity for all. As we advance into the next fiscal year, we will be stronger carrying forward our perspectives shared, and lessons learned. I am confident in the City of Charlotte's ability to build on our progress. We will work diligently to further the implementation of initiatives aligned with the goals set by your Strategic Priorities with a focus on investing our resources to fully recover from the financial setbacks of 2020, innovatively continuing the provision of core services, and advancing the connection of both people and places throughout and across our great city.

Respectfully,

A handwritten signature in black ink, appearing to read "Marcus D. Jones". The signature is fluid and cursive, with the first name "Marcus" being more prominent.

Marcus D. Jones,  
City Manager