

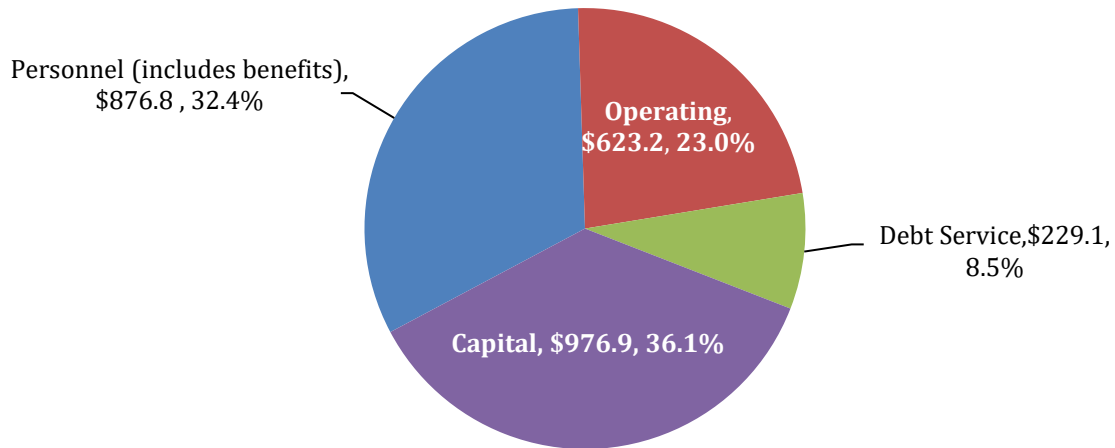


EXECUTIVE SUMMARY

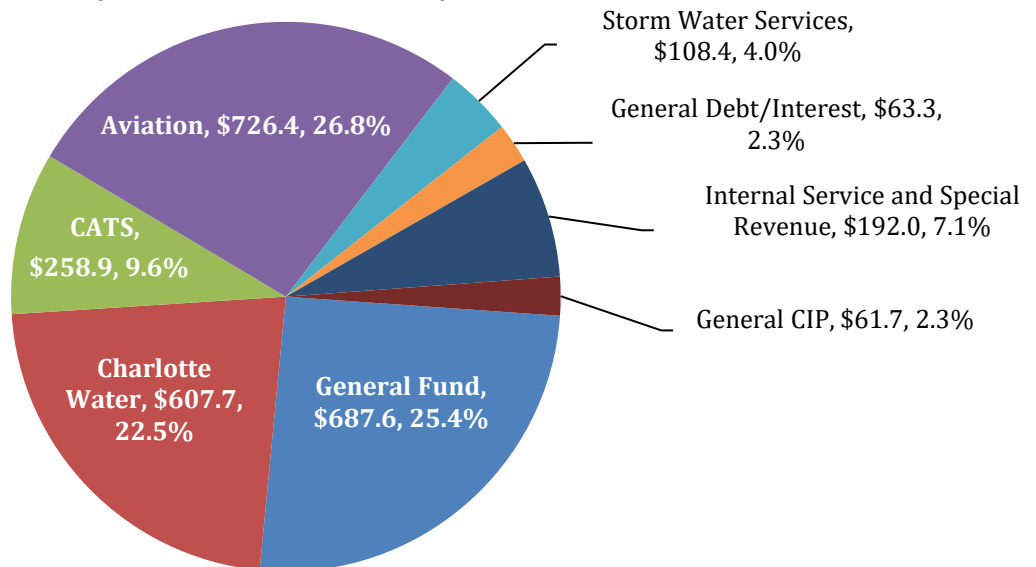
Overview of Total Budget

The total FY 2022 Budget is \$2.7 billion. The total budget is comprised of the annual operating budget and the Capital Investment Plan (CIP). The annual operating budget reflects day-to-day operations, while the CIP represents large capital outlays over a five-year time horizon. In accordance with North Carolina State Statutes and sound fiscal policy, this is a balanced budget.

Total Expenditures by Category (\$2.7 Billion - \$ millions)



FY 2022 Proposed Budget Net of Transfers (\$2.7 Billion - \$ millions)



• Remains a strong value to the community and consistent with Council Policy •

Revenue and Finance

Development of the FY 2022 Budget included a review of revenue and financial approaches that maintain a good value to tax and rate payers, are consistent with Council policy, and uphold the city's strong financial ratings.

The property tax rate for FY 2022 is 34.81¢ per \$100 of assessed valuation, the same rate as in FY 2021. The FY 2022 assessed value is estimated at \$151.2 billion, with an estimated collection rate of 99.0%.

The allocation of the tax rate is provided in the table below:

| Fund | FY 2021 Tax Rate | FY 2022 Tax Rate | Change from FY 2021 to FY 2022 |
|-----------------------|---------------------|---------------------|-----------------------------------|
| General Fund | 27.31¢ | 27.31¢ | 0.00¢ |
| Debt Service | 6.77¢ | 6.77¢ | 0.00¢ |
| Pay-As-You-Go Capital | 0.73¢ | 0.73¢ | 0.00¢ |
| Total Tax Rate | 34.81¢ | 34.81¢ | 0.00¢ |

Charlotte Water

The FY 2022 Water and Sewer Fee is proposed to increase by 3.42 percent for the typical homeowner. The typical homeowner would experience a \$2.33 per month increase. 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.

Storm Water

The FY 2022 Storm Water Services Fee is proposed to increase by 3.36 percent for the typical homeowner. The typical homeowner would experience a \$0.29 per month increase. The Proposed FY 2022 Budget funds 18 new positions to support storm drainage improvement and surface water quality enhancement projects.

Solid Waste

The FY 2022 Solid Waste Fee is proposed to increase by approximately \$0.61 per month (\$7.36 annually). The proposed increase will generate additional revenue to cover FY 2022 increases in Solid Waste operations, including contractual obligations and waste disposal fees. Contract increases include escalations for solid waste collection services performed by private haulers.

The following table reflects the FY 2022 **city tax and fee** impact for homes using the FY 2021 median home value in Charlotte, \$216,500, calculated based on owner-occupied, single family homes:

| City of Charlotte Taxes and Fees | Prior Year FY 2021 | Proposed FY 2022 | \$ Change | % Change |
|-------------------------------------|-----------------------|---------------------|----------------|-------------|
| Property Taxes | \$753.64 | \$753.64 | \$0.00 | 0.0% |
| Solid Waste fee (Residential) | \$67.66 | \$75.02 | \$7.36 | 10.9% |
| Water and Sewer (Average user rate) | \$816.72 | \$844.68 | \$27.96 | 3.4% |
| Storm Water (Average user rate) | \$103.44 | \$106.92 | \$3.48 | 3.4% |
| Total Monthly | \$145.12 | \$148.35 | \$3.23 | 2.2% |
| Total Annual | \$1,741.46 | \$1,780.26 | \$38.80 | 2.2% |

- *A balanced budget reflecting Council Priorities with revenue limitations* •

General Fund Budget

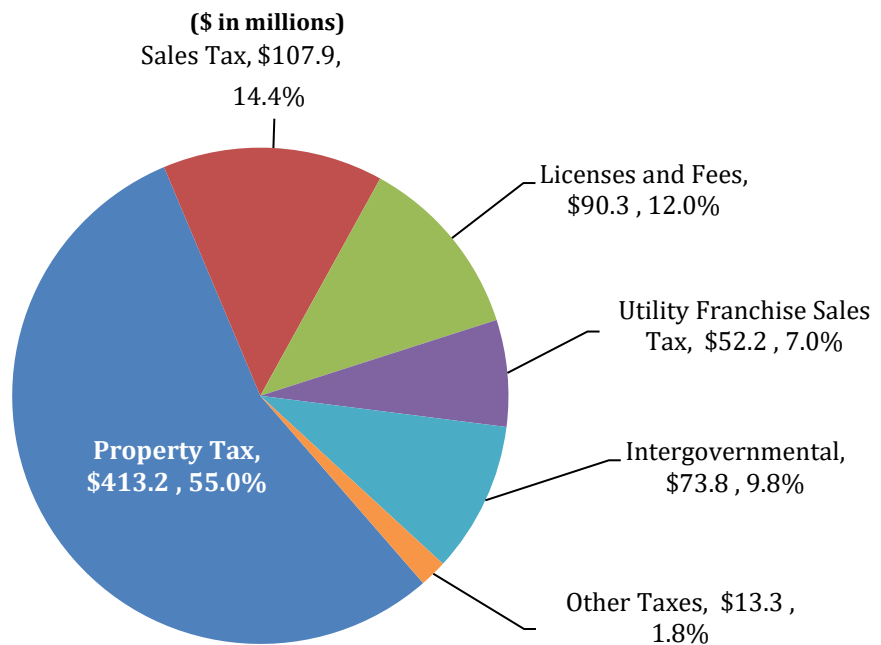
General Fund Definition

A central fund into which most of the city's general tax revenues and discretionary resources are pooled, which is allocated to support many of the operations of city government.

General Fund Revenues

The two largest revenue sources in the General Fund are Property Tax and Sales Tax, which comprise approximately 69.4 percent of total revenue. Total General Fund revenue increased by \$31.9 million to \$750.7 million in FY 2022, an increase of 4.4 percent from FY 2021.

General Fund Revenues Where the Money Comes From \$750.7 million



General Fund Expenditures

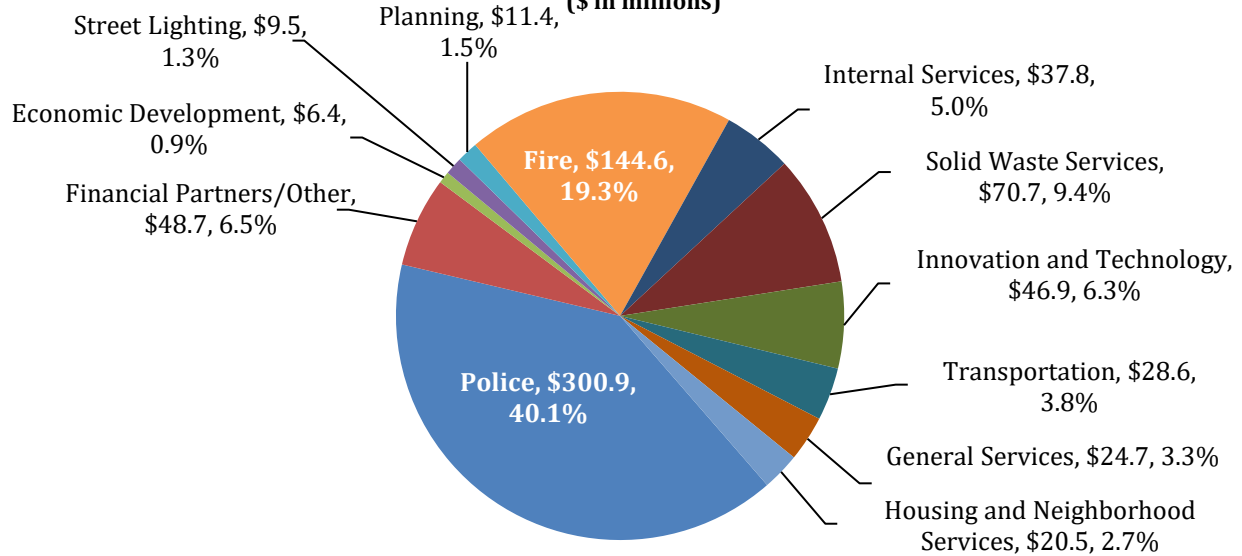
The Proposed FY 2022 General Fund budget is \$750.7 million, a 4.4 percent increase from FY 2021.

FY 2022 General Fund Expenditures

Where the Money Goes

\$750.7 million

(\$ in millions)

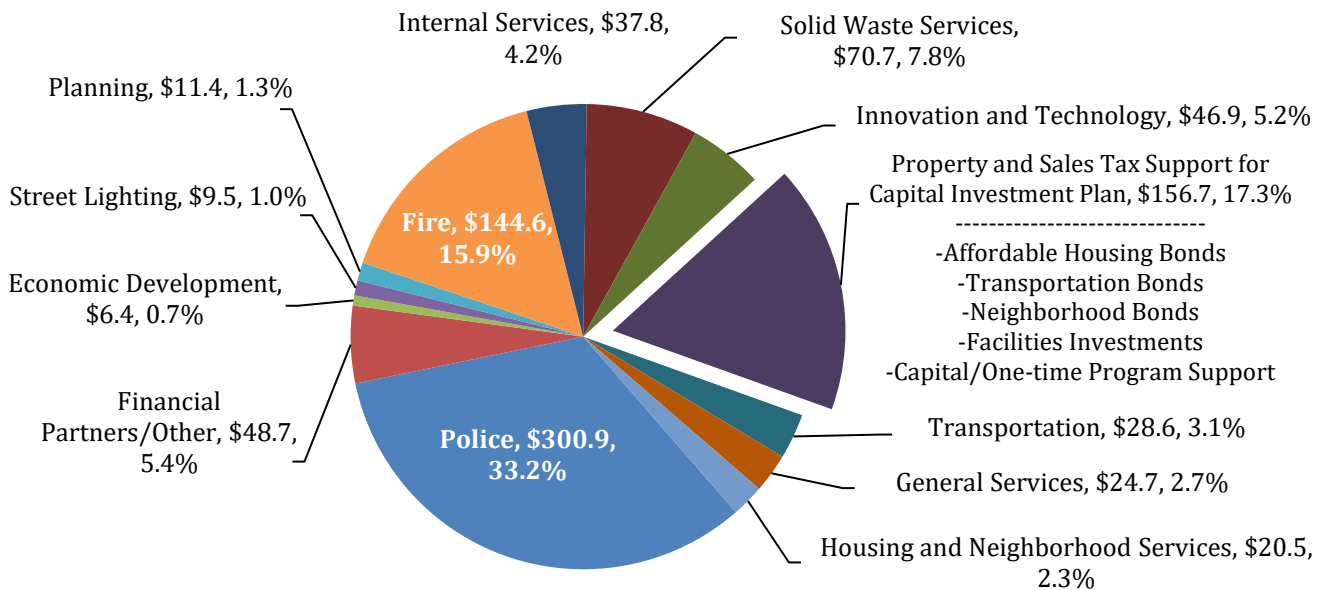


Expenditures Supported by General Property and Sales Tax

The below chart includes local tax support for the city's Capital Investment Plan with General Fund expenditures to best illustrate how expenditures in Governmental Funds supported by property and general sales taxes are allocated in the city.

FY 2022 Expenditures Supported by General Property and Sales Taxes

\$907.4 million



Summary of Tax Levies

| | FY 2019 Adopted | FY 2020 Adopted | FY 2021 Adopted | FY 2022 Proposed |
|---|----------------------------|----------------------------|----------------------------|-----------------------------|
| Citywide Assessed Property Valuation | \$98,847,293,588 | \$142,710,564,432 | \$146,506,892,738 | \$151,195,178,125 |
| Citywide Tax Rate Per \$100 Valuation | | | | |
| General | 0.3816 | 0.2731 | 0.2731 | 0.2731 |
| Municipal Debt Service | 0.0951 | 0.0677 | 0.0677 | 0.0677 |
| Pay-As-You-Go | 0.0120 | 0.0073 | 0.0073 | 0.0073 |
| Total City-wide Tax Rate | 0.4887 | 0.3481 | 0.3481 | 0.3481 |
| Collection Rate | | | | |
| All Funds | 0.9900 | 0.9900 | 0.9900 | 0.9900 |
| Citywide Tax Levy¹ | | | | |
| General | \$373,429,260 | \$385,804,493 | \$396,109,221 | \$408,784,891 |
| Municipal Debt Service Fund | \$93,063,738 | \$95,712,072 | \$98,193,315 | \$101,335,544 |
| Pay-As-You-Go Fund | \$11,743,058 | \$10,328,752 | \$10,588,053 | \$10,926,876 |
| Total Citywide Tax Levy | \$478,236,056 | \$491,845,316 | \$504,890,589 | \$521,047,311 |
| Municipal Service Districts Rates Per \$100 in Valuation | | | | |
| District 1 - Center City | 0.0208 | 0.0136 | 0.0136 | 0.0136 |
| District 2 - Center City | 0.0293 | 0.0227 | 0.0227 | 0.0227 |
| District 3 - Center City | 0.0418 | 0.0338 | 0.0338 | 0.0338 |
| District 4 - South End | 0.0668 | 0.0390 | 0.0390 | 0.0390 |
| District 5 - University City | 0.0279 | 0.0279 | 0.0279 | 0.0279 |
| Municipal Service Districts Assessed Valuation | | | | |
| District 1 - Center City | \$8,183,546,653 | \$12,927,318,402 | \$12,707,138,685 | \$13,295,361,255 |
| District 2 - Center City | \$3,483,647,721 | \$5,764,520,666 | \$5,398,841,945 | \$5,681,523,978 |
| District 3 - Center City | \$3,436,932,487 | \$5,156,043,404 | \$5,317,713,558 | \$5,653,596,986 |
| District 4 - South End | \$1,460,907,143 | \$2,715,795,445 | \$2,866,090,828 | \$3,299,918,252 |
| District 5 - University City | \$2,723,105,506 | \$3,873,938,001 | \$3,948,043,156 | \$4,209,090,632 |

¹Levy excludes estimated rebates, interest, penalties and prior year taxes.

Summary of Position Allocations by Fund

| Departments | FY 2019 Budget Total FTEs | FY 2020 Budget Total FTEs | FY 2021 Budget Total FTEs | FY 2022 Proposed Total FTEs | FY 2022 Proposed FTE Change |
|--------------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|
| City Attorney | 30.00 | 30.00 | 39.00 | 42.00 | 3.00 |
| City Clerk | 7.00 | 8.00 | 8.00 | 8.00 | - |
| City Manager's Office | 11.00 | 11.00 | 11.00 | 11.00 | - |
| Communications | 35.00 | 34.00 | 33.00 | 36.00 | 3.00 |
| Community Relations | 10.00 | 12.00 | 12.00 | 12.00 | - |
| Economic Development | 19.00 | 21.00 | 21.00 | 21.00 | - |
| Finance | 119.00 | 88.00 | 85.00 | 84.00 | -1.00 |
| Fire | 1,207.00 | 1,237.00 | 1,232.00 | 1,233.00 | 1.00 |
| General Services | 450.00 | 491.00 | 473.00 | 466.00 | -7.00 |
| Housing and Neighborhood Services | 235.75 | 236.75 | 226.75 | 226.75 | - |
| Human Resources | 46.00 | 47.00 | 51.00 | 51.00 | - |
| Internal Audit | 10.00 | 11.00 | 11.00 | 11.00 | - |
| Innovation and Technology | 145.00 | 148.00 | 219.00 | 220.00 | 1.00 |
| Mayor and City Council | 12.00 | 12.00 | 12.00 | 12.00 | - |
| Planning, Design, and Development | 97.00 | 108.00 | 104.00 | 109.00 | 5.00 |
| Police | 2,504.50 | 2,498.50 | 2,455.50 | 2,455.50 | - |
| Solid Waste Services | 314.00 | 316.00 | 309.00 | 308.00 | -1.00 |
| Strategy and Budget | 18.00 | 17.00 | 16.00 | 16.00 | - |
| Transportation | 423.75 | 424.75 | 412.75 | 411.75 | -1.00 |
| Total General Fund | 5,694.00 | 5,751.00 | 5,731.00 | 5,734.00 | 3.00 |
| Aviation | 659.00 | 708.00 | 708.00 | 714.00 | 6.00 |
| Charlotte Area Transit System | 534.75 | 582.75 | 582.75 | 583.75 | 1.00 |
| Storm Water | 153.00 | 171.00 | 175.00 | 208.00 | 33.00 |
| Charlotte Water | 958.00 | 997.00 | 997.00 | 1,019.00 | 22.00 |
| Total Enterprise Funds | 2,304.75 | 2,458.75 | 2,462.75 | 2,524.75 | 62.00 |
| Risk Management | 23.00 | 23.00 | 23.00 | 23.00 | - |
| Total Internal Services Funds | 23.00 | 23.00 | 23.00 | 23.00 | - |
| Total All Funds | 8,021.75 | 8,232.75 | 8,216.75 | 8,281.75 | 65.00 |

Summary of Revenues

Major General Fund Revenue Sources

A balanced budget requires anticipated revenues equal to appropriated expenditures. Using best practice budgeting principles, anticipated revenue is the key driver of the budget development process. The city's revenue forecasting philosophy is focused on realistic expectations, while considering historic data and trends.

The following outlines the major revenue sources in the General Fund and the assumptions used to forecast them.

The total General Fund budget for FY 2022 is \$750,720,000, a revenue increase of \$31.9 million (or an increase of 4.4 percent) from the FY 2021 Budget. The General Fund property tax rate is 27.31¢ per \$100 valuation. For FY 2022, revenue estimates are compiled using information provided by the North Carolina League of Municipalities, statistical trends, and other local factors.

Property Taxes: The General Fund budget is balanced with a property tax rate of 27.31¢ per \$100 valuation. This will yield \$413.2 million in total current and prior year ad valorem tax revenue based on an average real and personal property tax collection rate of 99.00 percent. This represents a \$13.0 million revenue increase compared to FY 2021. The tax base used represents a total property valuation of \$151.2 billion (including motor vehicles). One cent on the tax rate produces \$15.0 million in revenue, after the estimated collection rate is applied. This tax rate is the lowest of the ten largest cities in the state.

Sales Taxes: The General Fund is projected to collect \$107.9 million in sales tax revenue in FY 2022, a \$15.4 million (or 16.7 percent) increase from the FY 2021 budget. Local sales taxes levied by the city and county comprise 2.5 percent of the total 7.25 percent sales tax paid on retail sales in North Carolina. The local sales tax portion consists of a 1-cent tax that was first levied in 1967, a ½-cent tax levied in 1983, a ½-cent tax levied in 1986, and an additional ½-cent that was levied in 2000 to support the transit system. Effective October 1, 2008, the state acquired control over ¼-cent of the Article 44 local option sales tax. The city is completely reimbursed for the loss of this revenue with hold-harmless payments. The State of North Carolina collects sales taxes and distributes it to localities.

Utility Franchise Sales Tax: As of July 1, 1999, the city's share of the Utility Franchise Fee was based on actual receipts from companies providing electricity. The state levied a 3.22 percent franchise tax on the total gross receipts of all businesses within the state that provide electricity. An amount equal to 3.09 percent of the total gross receipts of electricity service derived from the sale within any municipality was distributed to the municipality in which these gross sales are made. These funds were collected by the state and distributed to the city based on the actual receipts from the providers for services provided within the city limits. On July 1, 2014, the state imposed a sales tax on electricity and piped natural gas, which replaced the previous Utilities Franchise Fee. This revenue source is projected to be \$52.2 million in FY 2022, which represents a decrease of \$3.6 million (or 6.5 percent) from FY 2021.

Solid Waste Services Fee: The city collects a single family residential solid waste annual fee and a multi-family annual fee to offset a portion of the cost of providing solid waste services. The annual single family and multi-family residential fees are increased by \$7.36 (or 61.3 cents per month), from FY 2021, for a total of \$75.02. This revenue source is projected to generate \$27.2 million in FY 2022, which represents an increase of \$3.1 million from FY 2021.

Summary of Revenues

General Fund

The following provides a line item detail and year-to-year comparison of all budgeted General Fund revenues.

| | FY 2019 Actual | FY 2020 Actual | FY 2021 Adopted | FY 2022 Proposed | Percent Change FY 2021 FY 2022 |
|---|----------------------|----------------------|----------------------|------------------------|--------------------------------------|
| PROPERTY TAX | | | | | |
| Property Tax - Current Year Base | \$368,376,608 | \$380,566,561 | \$391,354,486 | \$404,745,521 | 3.4 % |
| Property Tax - Synthetic TIG Properties | - | - | \$4,682,746 | \$4,039,370 | -13.7 % |
| Prior Year | \$7,722,567 | \$8,758,579 | \$4,550,000 | \$4,800,000 | 5.5 % |
| Rebates | - | - | -\$2,400,000 | -\$2,400,000 | 0.0 % |
| Penalties | \$513,127 | \$687,711 | \$500,000 | \$500,000 | 0.0 % |
| Interest | \$3,190,908 | \$1,461,702 | \$1,500,000 | \$1,500,000 | 0.0 % |
| Rebates of Listing Penalties | - | - | -\$8,000 | -\$8,000 | 0.0 % |
| Total | \$379,803,210 | \$391,474,553 | \$400,179,232 | \$413,176,891 | 3.2 % |
| SALES TAX¹ | | | | | |
| Sales - Article 39 (1.0%) and half of Article 42 (0.5%) | \$113,335,184 | \$116,721,676 | \$92,470,739 | \$107,879,712 | 16.7 % |
| Total | \$113,335,184 | \$116,721,676 | \$92,470,739 | \$107,879,712 | 16.7 % |
| UTILITIES FRANCHISE TAX | | | | | |
| Utility Franchise | \$54,337,653 | \$51,660,935 | \$55,799,321 | \$52,173,102 | -6.5 % |
| Total | \$54,337,653 | \$51,660,935 | \$55,799,321 | \$52,173,102 | -6.5 % |
| POLICE SERVICES | | | | | |
| Law Enforcement Services - County | \$14,560,000 | \$15,901,116 | \$16,153,157 | \$16,915,766 | 4.7 % |
| Small Town Service Fees | \$123,454 | \$141,824 | \$150,000 | \$140,000 | -6.7 % |
| School Resource Officers - School Board | \$5,075,467 | \$5,410,317 | \$5,808,530 | \$5,833,353 | 0.4 % |
| Total | \$19,758,921 | \$21,453,257 | \$22,111,687 | \$22,889,119 | 3.5 % |
| TAX REIMBURSEMENTS | | | | | |
| Beer & Wine Tax | \$3,652,112 | \$3,668,770 | \$3,881,837 | \$4,075,929 | 5.0 % |
| State Waste Disposal Tax | \$729,568 | \$662,790 | \$585,000 | \$615,000 | 5.1 % |
| Total | \$4,381,680 | \$4,331,560 | \$4,466,837 | \$4,690,929 | 5.0 % |
| SOLID WASTE FEE | | | | | |
| Refuse Disposal Fees | \$15,877,366 | \$20,683,570 | \$24,160,230 | \$27,233,887 | 12.7 % |
| Business Garbage Fees | \$235,569 | \$209,125 | \$225,000 | \$225,000 | 0.0 % |
| Total | \$16,112,935 | \$20,892,695 | \$24,385,230 | \$27,458,887 | 12.6 % |
| BUSINESS PRIVILEGE LICENSES | | | | | |
| Business Privilege Licenses | \$16,431 | \$10,416 | - | - | 0.0 % |
| Total | \$16,431 | \$10,416 | - | - | 0.0 % |
| OTHER REVENUES | | | | | |
| Licenses and Permits | | | | | |
| Motor Vehicle Licenses | \$2,960,733 | \$3,427,119 | \$2,994,053 | \$3,206,372 | 7.1 % |
| Motor Vehicle Licenses - Rebates | -\$80,435 | -\$74,925 | -\$48,000 | -\$65,000 | 35.4 % |
| Animal Licenses - Fertile | \$151,800 | \$154,843 | \$150,000 | \$160,000 | 6.7 % |
| Animal Licenses - Spay/Neuter | \$430,499 | \$408,244 | \$435,000 | \$410,000 | -5.7 % |
| Fire Plan Review Fees | \$2,002,104 | \$1,935,300 | \$1,949,804 | \$2,002,000 | 2.7 % |
| Vehicle Licenses - City Billed | \$17,470 | \$15,095 | \$40,000 | \$20,000 | -50.0 % |
| Fire Permits | \$2,045,047 | \$1,650,844 | \$2,424,495 | \$2,045,047 | -15.7 % |
| Security Dog Licenses | \$30 | - | - | - | 0.0 % |
| Vehicle for Hire Fees and Permits | \$253,066 | \$219,853 | \$250,000 | \$203,000 | -18.8 % |
| Carrier Franchise Fees | \$80,676 | \$82,059 | \$100,000 | \$80,000 | -20.0 % |
| Video Programming (Cable Franchise) Fees | \$7,182,888 | \$6,958,147 | \$7,222,394 | \$6,761,414 | -6.4 % |
| Development Plan Review Fees | \$3,388,894 | \$3,248,886 | \$1,922,550 | \$218,490 ² | -88.6 % |
| Sexually Oriented Businesses Licenses | \$91,985 | \$66,995 | \$92,000 | \$92,000 | 0.0 % |
| Temporary Infrastructure Permits | \$3,930 | \$18,030 | \$10,550 | \$10,550 | 0.0 % |
| E-Scooter Permit Fee | - | \$30,309 | - | \$108,000 | 100.0 % |
| Parking and Parade Permits | \$195,761 | \$179,465 | \$233,695 | \$201,000 | -14.0 % |
| Total | \$18,724,448 | \$18,320,264 | \$17,776,541 | \$15,452,873 | -13.1 % |

¹Previously, the Pay-As-You-Go portion of sales tax was appropriated in the General Fund. Beginning in FY2021, the Pay-As-You-Go portion of sales tax is directly appropriated in the Pay-As-You-Go Fund.

² In FY 2022, a portion of these revenues have been transferred to the Stormwater Fund

Summary of Revenues

General Fund

| | FY 2019 Actual | FY 2020 Actual | FY 2021 Budget | FY 2022 Proposed | Percent Change FY 2021 FY 2022 |
|--|---------------------|---------------------|---------------------|---------------------|--------------------------------------|
| Fines, Forfeits and Penalties | | | | | |
| Vehicle for Hire Penalties | \$9,395 | \$2,750 | \$10,000 | \$5,000 | -50.0% |
| Housing Code Violations | \$155,812 | \$235,016 | \$156,000 | \$235,000 | 50.6% |
| Parking Citations | \$878,955 | \$964,054 | \$880,000 | \$760,000 | -13.6% |
| Parking Citation Penalties | \$72,159 | \$86,925 | \$73,000 | \$33,720 | -53.8% |
| Security Alarm Fines | \$841,980 | \$773,446 | \$800,000 | \$825,000 | 3.1% |
| Fire Citation Fines | \$17,950 | \$25,450 | \$20,000 | \$20,000 | 0.0% |
| Zoning Enforcement Fines | \$211,712 | \$172,350 | \$210,000 | \$175,000 | -16.7% |
| Court Assessment Crime Lab | \$54,420 | \$51,403 | \$65,000 | \$40,000 | -38.5% |
| Privilege License Penalties | \$728 | \$400 | - | - | 0.0% |
| Animal License Penalties | \$40,717 | \$38,716 | \$40,000 | \$40,000 | 0.0% |
| Animal Citation Penalties | \$8,949 | \$11,757 | \$17,500 | \$10,000 | -42.9% |
| Court Costs - Superior | \$108,694 | \$91,409 | \$115,000 | \$90,000 | -21.7% |
| Court Awards - Vice & Narcotics | \$5 | - | - | - | 0.0% |
| Animal License Late Fees | \$62,580 | \$52,930 | \$65,000 | \$20,000 | -69.2% |
| Total | \$2,464,056 | \$2,506,606 | \$2,451,500 | \$2,253,720 | -8.1% |
| Interlocal Grants and Agreements | | | | | |
| Wireless Communications | \$3,837,085 | \$4,089,950 | \$3,881,655 | \$3,975,037 | 2.4% |
| Fleet Maintenance | \$1,467,698 | \$2,300,098 | \$2,118,459 | \$2,315,861 | 9.3% |
| First Responder | \$524,875 | \$457,449 | \$567,000 | \$567,000 | 0.0% |
| Procurement Services | \$114,312 | \$104,475 | \$115,328 | \$115,328 | 0.0% |
| Customer Services - CharMeck 311 | \$1,287,932 | \$1,335,207 | \$1,277,684 | \$1,267,903 | -0.8% |
| CMGC Occupancy | \$795,378 | \$780,073 | \$820,570 | \$809,034 | -1.4% |
| Recycling Program Proceeds | \$66,238 | - | \$35,000 | - | -100.0% |
| CMGC Phone Costs - County | \$125,751 | \$75,779 | - | - | 0.0% |
| County Fire Reimbursement | - | \$668,106 | \$668,000 | \$668,106 | 0.0% |
| Total | \$8,219,269 | \$9,811,137 | \$9,483,696 | \$9,718,269 | 2.5% |
| Federal and State Shared Revenues | | | | | |
| ABC Stores Revenue | \$4,734,982 | \$5,292,356 | \$7,056,474 | \$7,409,298 | 5.0% |
| Total | \$4,734,982 | \$5,292,356 | \$7,056,474 | \$7,409,298 | 5.0% |
| General Government | | | | | |
| Enhanced User Fees | \$23,190 | \$69,570 | \$807,383 | \$470,000 | -41.8% |
| Zoning Petition Filing Fees | \$1,722,933 | \$2,020,575 | \$1,656,040 | \$2,105,730 | 27.2% |
| Annexation Fees | \$6,400 | \$4,800 | \$400 | \$5,000 | 1,150.0% |
| Subdivision Services | \$3,974,522 | \$6,125,098 | \$5,136,795 | \$6,378,715 | 24.2% |
| Zoning Admin Fees | \$787,460 | \$81,672 | - | - | 0.0% |
| Historic District Fee | \$36,785 | \$52,485 | \$54,665 | \$60,125 | 10.0% |
| Equipment Mgmt Svcs - Fleet | \$24,739 | \$3,687 | - | - | 0.0% |
| Procurement Professional Services | \$383,639 | \$430,300 | \$400,000 | \$425,000 | 6.3% |
| Procurement CCPA | \$240,718 | \$283,879 | \$300,000 | \$325,000 | 8.3% |
| Tree Planting | \$15,500 | - | - | - | 0.0% |
| Park It! Program Fees | \$5,910 | \$4,014 | \$6,000 | \$3,600 | -40.0% |
| Parking Garage Fees | \$1,097,814 | \$1,024,223 | \$1,131,000 | \$1,113,500 | -1.5% |
| Parking Meter Revenue | \$1,174,648 | \$860,935 | \$1,200,000 | \$900,000 | -25.0% |
| Underbrush and Debris Removal | \$580,929 | \$461,399 | \$565,000 | \$515,000 | -8.8% |
| Demolition - Clearing | \$233,179 | \$161,608 | \$240,000 | \$175,000 | -27.1% |
| Utility Street Cuts | \$2,061,317 | \$2,297,744 | \$2,600,000 | \$2,300,000 | -11.5% |
| Rent Revenue - Misc. | \$761,547 | \$718,594 | \$1,027,000 | \$994,000 | -3.2% |
| Total | \$13,131,230 | \$14,600,583 | \$15,124,283 | \$15,770,670 | 4.3% |

Summary of Revenues

General Fund

| | FY 2019 Actual | FY 2020 Actual | FY 2021 Adopted | FY 2022 Proposed | Percent Change FY 2021 FY 2022 |
|---|---------------------|---------------------|---------------------|---------------------|--------------------------------------|
| Public Safety | | | | | |
| State Reimb for Services Provided - Transportation/Fire | \$833,299 | \$787,718 | \$1,529,281 | \$1,193,792 | -21.9% |
| Federal Reimb for Services Provided - Fire | \$182,427 | \$273,584 | \$400,000 | \$400,000 | 0.0% |
| Police - Fingerprint Reports | \$14,668 | \$13,917 | \$27,500 | \$15,000 | -45.5% |
| Sale of Animals | \$32,538 | \$18,682 | \$35,000 | \$45,000 | 28.6% |
| Spay/Neuter Fees | \$67,577 | \$34,395 | \$70,000 | \$75,000 | 7.1% |
| Vehicle Towing and Storage | \$116,714 | \$89,820 | \$115,000 | \$100,000 | -13.0% |
| Animal Reclaim Fees | \$77,554 | \$56,991 | \$85,000 | \$75,000 | -11.8% |
| Total | \$1,324,777 | \$1,275,107 | \$2,261,781 | \$1,903,792 | -15.8% |
| Cemeteries | | | | | |
| Sale of Cemetery Lots | \$237,496 | \$208,540 | \$275,000 | \$276,500 | 0.5% |
| Grave Digging | \$322,115 | \$343,918 | \$395,000 | \$455,025 | 15.2% |
| Monument Foundation | \$93,285 | \$71,373 | \$115,000 | \$93,680 | -18.5% |
| Perpetual Care | \$43,720 | \$41,220 | \$44,000 | \$37,050 | -15.8% |
| Total | \$696,616 | \$665,051 | \$829,000 | \$862,255 | 4.0% |
| Use of Money and Property | | | | | |
| Interest on Investments | \$4,302,374 | \$4,158,968 | \$1,673,278 | \$1,280,471 | -23.5% |
| Interest on Liens | \$226,361 | \$157,682 | \$250,000 | \$160,000 | -36.0% |
| Damage to City-Owned Equipment | \$622,939 | \$526,019 | \$590,000 | \$590,000 | 0.0% |
| Reimbursement for City Car Use | \$116,405 | \$115,116 | \$116,000 | \$116,000 | 0.0% |
| Total | \$5,268,079 | \$4,957,785 | \$2,629,278 | \$2,146,471 | -18.4% |
| Sale of Salvage and Land | | | | | |
| Sale of Land | \$353,153 | - | - | - | 0.0% |
| Sale of Salvage | \$245,301 | \$168,220 | \$130,000 | \$135,000 | 3.8% |
| Sale of Used Autos | \$927,506 | \$801,735 | \$790,000 | \$800,000 | 1.3% |
| Total | \$1,525,960 | \$969,955 | \$920,000 | \$935,000 | 1.6% |
| Other | | | | | |
| Miscellaneous Grants and Contributions | \$68,991 | \$81,090 | - | - | 0.0% |
| Newspaper Rack Revenue | \$4,600 | \$2,950 | \$6,000 | \$3,000 | -50.0% |
| Reimb City Svcs - SWS Spec Svcs | \$84,331 | \$40,296 | \$85,000 | \$40,000 | -52.9% |
| Telecom Review/Modifications | \$11,500 | \$14,500 | - | - | 0.0% |
| Google Fiber Hut-Lease Agrmnt | \$27,974 | \$28,813 | \$30,000 | \$30,000 | 0.0% |
| Other Revenue | \$916,872 | \$687,058 | \$672,476 | \$626,235 | -6.9% |
| Total | \$1,114,268 | \$854,707 | \$793,476 | \$699,235 | -11.9% |
| Total Other Revenues | \$57,203,685 | \$59,253,551 | \$59,326,029 | \$57,151,583 | -3.7% |
| TRANSFERS AND FUND BALANCE | | | | | |
| Transferred Revenues | | | | | |
| Occupancy Taxes - CRVA | \$6,225,251 | \$4,746,023 | \$5,035,596 | \$4,152,692 | -17.5% |
| Heavy Equipment Tax | \$821,397 | \$735,101 | \$900,000 | \$825,000 | -8.3% |
| Tree Mitigation Fees | \$1,121,736 | - | - | - | 0.0% |
| Municipal Debt Service | \$122,859 | \$122,859 | \$122,859 | \$122,859 | 0.0% |
| Convention Center Tax - Towns' Tourism Subsidy | \$4,183,129 | \$4,299,843 | \$3,430,417 | \$3,319,906 | -3.2% |
| Convention Center Tax - Stadium Traffic Control | - | \$250,000 | \$500,000 | \$250,000 | -50.0% |
| Total | \$12,474,372 | \$10,153,826 | \$9,988,872 | \$8,670,457 | -13.2% |

Summary of Revenues

General Fund

| | FY 2019 Actual | FY 2020 Actual | FY 2021 Adopted | FY 2022 Proposed | Percent Change FY 2021 FY 2022 |
|---|----------------------|----------------------|----------------------|----------------------|--------------------------------------|
| Intragovernmental Revenues | | | | | |
| Cost Allocation - Storm Water | \$1,239,224 | \$1,014,071 | \$1,368,144 | \$1,958,383 | 43.1 % |
| Cost Allocation - Charlotte Water | \$9,775,863 | \$10,977,046 | \$11,267,148 | \$13,479,056 | 19.6 % |
| Cost Allocation - Aviation | \$4,092,739 | \$4,713,409 | \$5,878,072 | \$5,429,219 | -7.6 % |
| Fire Control Services - Aviation | \$6,372,062 | \$6,652,287 | \$7,147,022 | \$7,629,584 | 6.8 % |
| Account Services - Storm Water | \$2,193,785 | \$1,638,825 | \$1,835,274 | \$2,035,333 | 10.9 % |
| Account Services - Charlotte Water | \$5,573,897 | \$5,911,131 | \$6,269,726 | \$6,071,293 | -3.2 % |
| Cost Allocation - CATS | \$4,880,357 | \$4,987,508 | \$5,883,543 | \$8,387,206 | 42.6 % |
| Cost Allocation - Risk Management | \$632,731 | \$384,480 | \$337,177 | \$784,315 | 132.6 % |
| Police Services - Airport & CATS | \$9,306,018 | \$9,546,901 | \$10,076,572 | \$10,814,931 | 7.3 % |
| Total | \$44,066,676 | \$45,825,658 | \$50,062,678 | \$56,589,320 | 13.0 % |
| Transfers from Other Funds | | | | | |
| Cemetery Trust | \$55,507 | \$52,000 | \$18,600 | \$40,000 | 115.1 % |
| Total | \$55,507 | \$52,000 | \$18,600 | \$40,000 | 115.1 % |
| Total Transfers and Intragovernmental Revenues | \$56,596,555 | \$56,031,484 | \$60,070,150 | \$65,299,777 | 8.7 % |
| Total General Fund Revenues | \$701,546,254 | \$721,830,127 | \$718,809,225 | \$750,720,000 | 4.4 % |

Summary of Expenditures

By Fund and Activity Net of Transfers

| Fund / Activity | FY 2022 Operating | Percent Change | FY 2022 Capital | Percent Change | FY 2022 Total | Percent Change |
|---|------------------------|-------------------|----------------------|-------------------|------------------------|-------------------|
| General Fund | \$687,599,365 | 3.9% | | | \$687,599,365 | 3.9% |
| General Capital Investment Plan | | | \$61,662,436 | -76.2% | \$61,662,436 | -76.2% |
| Pay-As-You-Go | \$608,989 | -5.2% | | | \$608,989 | -5.2% |
| Debt Service (All Funds) | \$229,079,086 | -1.9% | | | \$229,079,086 | -1.9% |
| Aviation | \$258,388,592 | 21.9% | \$415,550,192 | 62.4% | \$673,938,784 | 44.0% |
| Charlotte Area Transit System | \$185,836,947 | 26.3% | \$62,126,392 | 35.7% | \$247,963,339 | 28.5% |
| Water and Sewer | \$178,127,339 | 3.5% | \$360,589,937 | 8.5% | \$538,717,276 | 6.8% |
| Storm Water Utility | \$22,163,741 | 44.9% | \$77,000,000 | 36.3% | \$99,163,741 | 38.1% |
| Employee Health and Life Fund | \$53,726,837 | 5.7% | | | \$53,726,837 | 5.7% |
| Risk Management | \$5,711,766 | 2.2% | | | \$5,711,766 | 2.2% |
| Convention Center | \$28,054,837 | 7.1% | | | \$28,054,837 | 7.1% |
| Tourism Operating | \$9,019,943 | 0.9% | | | \$9,019,943 | 0.9% |
| NASCAR Hall of Fame | \$4,725,000 | -4.4% | | | \$4,725,000 | -4.4% |
| Public Safety and Other Grants | \$16,496,021 | 36.4% | | | \$16,496,021 | 36.4% |
| Housing and Neighborhood Services Grants | \$24,352,561 | 6.4% | | | \$24,352,561 | 6.4% |
| Public Safety 911 Services | \$2,550,000 | -10.7% | | | \$2,550,000 | -10.7% |
| Powell Bill | \$15,173,988 | -10.1% | | | \$15,173,988 | -10.1% |
| Municipal Service Districts | \$7,395,394 | 7.2% | | | \$7,395,394 | 7.2% |
| Total Budget | \$1,729,010,406 | 8.0% | \$976,928,957 | 2.9% | \$2,705,939,363 | 6.1% |

Adjusting the city's funds to "net of transfers" eliminates the presentation of duplicate expenditures and does not represent the full appropriation.

Summary of Expenditures

General Fund Gross Expenditures

| Department | FY 2019 ¹ Actual | FY 2020 ¹ Actual | FY 2021 Adopted | FY 2022 Proposed | Percent Change |
|--|--------------------------------|--------------------------------|----------------------|----------------------|-------------------|
| City Attorney | \$2,777,777 | \$3,710,849 | \$3,958,948 | \$4,197,872 | 6.0 % |
| City Clerk | \$771,799 | \$867,199 | \$972,432 | \$1,027,235 | 5.6 % |
| City Manager | \$2,752,895 | \$2,756,368 | \$2,674,377 | \$2,806,080 | 4.9 % |
| Communications | \$3,849,160 | \$4,036,041 | \$4,193,558 | \$4,426,148 | 5.5 % |
| Community Relations Committee | \$1,351,025 | \$1,537,046 | \$1,527,344 | \$1,600,358 | 4.8 % |
| Economic Development | \$6,219,245 | \$5,126,598 | \$6,266,160 | \$6,400,980 | 2.2 % |
| Finance | \$16,117,006 | \$12,049,736 | \$12,139,239 | \$12,646,177 | 4.2 % |
| Fire | \$132,826,906 | \$127,309,810 | \$137,741,974 | \$144,575,666 | 5.0 % |
| General Services | \$18,309,776 | \$24,488,046 | \$24,034,016 | \$24,672,603 | 2.7 % |
| Housing and Neighborhood Services | \$18,821,767 | \$19,325,668 | \$19,942,095 | \$20,526,357 | 2.9 % |
| Human Resources | \$6,134,994 | \$5,809,451 | \$6,110,886 | \$6,327,952 | 3.6 % |
| Innovation and Technology | \$28,877,596 | \$41,914,380 | \$44,235,603 | \$46,938,336 | 6.1 % |
| Internal Audit | \$1,348,105 | \$1,348,883 | \$1,477,072 | \$1,575,074 | 6.6 % |
| Mayor and City Council | \$792,704 | \$682,823 | \$759,531 | \$958,418 | 26.2 % |
| Planning Design and Development | \$10,163,415 | \$10,088,774 | \$10,610,149 | \$11,446,201 | 7.9 % |
| Police | \$274,271,690 | \$280,327,132 | \$290,203,220 | \$300,877,459 | 3.7 % |
| Solid Waste Services | \$62,012,056 | \$63,585,872 | \$67,674,456 | \$70,748,114 | 4.5 % |
| Strategy and Budget | \$2,292,017 | \$2,075,063 | \$2,194,716 | \$2,212,556 | 0.8 % |
| Transportation | \$24,760,290 | \$25,609,795 | \$27,530,975 | \$28,568,610 | 3.8 % |
| Non-Departmental | \$83,647,608 | \$93,973,485 | \$54,562,474 | \$58,187,804 | 6.6 % |
| Total General Fund Expenditures | \$698,097,831 | \$726,623,019 | \$718,809,225 | \$750,720,000 | 4.4 % |

¹ FY 2019 and FY 2020 actual expenditures are presented using Generally Accepted Accounting Principles

Summary of Fund Balance

The City of Charlotte has two major governmental funds - General Fund and Municipal Debt Service Fund. The General Fund is the city's main operating fund. At the end of FY 2019 the total fund balance for the General Fund reached \$198.8 million. On June 30, 2020 the General Fund total fund balance totaled \$194.0 million, a decrease of approximately 2.4 percent. The Municipal Debt Service Fund had a total fund balance of \$266.2 million for FY 2019 and \$209.2 million on June 30, 2020. This reflects a decrease of approximately 21.4 percent. Fund balance figures include all classifications of fund balance including non-spendable, restricted, committed, assigned, and unassigned.

| | Actual as of 6/30/2017 | Actual as of 6/30/2018 | Actual as of 6/30/2019 | Actual as of 6/30/2020 | Change in FY 2020 | Percent Change FY 2019 FY 2020 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|----------------------|---|
| General Fund | \$180,414,000 | \$195,311,000 | \$198,760,000 | \$193,967,000 | -\$4,793,000 | -2.4% |
| Municipal Debt Service Fund | \$274,532,000 | \$265,541,000 | \$266,214,000 | \$209,180,000 | -\$57,034,000 | -21.4% |
| Total Governmental Fund Balance | \$454,946,000 | \$460,852,000 | \$464,974,000 | \$403,147,000 | -\$61,827,000 | -13.3% |

The City of Charlotte has four enterprise funds - Aviation, Charlotte Area Transit System, Charlotte Water, and Storm Water. At the end of FY 2019 the net position for Aviation reached \$1.8 billion. On June 30, 2020 the Aviation net position totaled \$1.9 billion, an increase of approximately 2.5 percent. At the end of FY 2019 the net position for the Charlotte Area Transit System reached \$1.3 billion. On June 30, 2020 the Charlotte Area Transit System net position totaled \$1.3 billion, a decrease of approximately 1.1 percent. At the end of FY 2019 the net position for Charlotte Water reached \$2.4 billion. On June 30, 2020 the Charlotte Water net position totaled \$2.5 billion, an increase of approximately 6.1 percent. At the end of FY 2019 the net position for Storm Water reached \$659.3 million. On June 30, 2020 the Storm Water net position totaled \$707.4 million, an increase of approximately 7.3 percent. Net position is not representative of available cash on hand.

Enterprise Fund Total Net Position

| | | | | | | |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|---------------|-------|
| Aviation | \$1,657,837,000 | \$1,711,625,000 | \$1,843,755,000 | \$1,890,664,000 | \$46,909,000 | 2.5% |
| Charlotte Area Transit System | \$1,343,881,000 | \$1,374,434,000 | \$1,347,714,000 | \$1,332,753,000 | -\$14,961,000 | -1.1% |
| Charlotte Water | \$2,084,282,000 | \$2,197,785,000 | \$2,359,927,000 | \$2,504,465,000 | \$144,538,000 | 6.1% |
| Storm Water | \$566,327,000 | \$610,523,000 | \$659,312,000 | \$707,397,000 | \$48,085,000 | 7.3% |

Summary of Financial Partners

Financial Partners are contracted by the City of Charlotte to provide specific services. The types of financial partnerships are diverse and include partnerships that: support key areas of focus for the city and contribute to community enrichment.

There are four primary funding categories of Financial Partners – General Fund Discretionary, Dedicated Revenue Sources, Federal Grant Funds, and Pay-As-You-Go (PAYGO):

- General Fund Discretionary – this includes direct discretionary allocations from the General Fund
- Dedicated Revenue Sources – these partners receive allocations from sources such as prepared food and beverage tax and municipal service district tax
- Federal Grant Funds – funded by federal programs such as the Community Development Block Grant (CDBG) and Housing Opportunities for Persons with AIDS (HOPWA)
- PAYGO – local funds appropriated in the PAYGO fund for services such as housing, community development, and crisis assistance

Changes to Financial Partners Funding

General Fund Discretionary

- One new financial partner is proposed for funding in FY 2022.
- Two Out of School Time Partners and TreesCharlotte are being funded through the General Fund for FY 2022.
- Based on recommendations from the ad-hoc Arts and Culture City Council Committee, the city is proposing a \$4 million Arts and Culture contribution, to be matched by \$2 million in stimulus funds, and \$6 million in private funds for a total \$12 million arts and culture allocation in FY 2022. This will replace funding that previously was allocated to ASC. ASC is anticipated to receive \$800,000 indirectly from this allocation.

Dedicated Revenue Sources

- The FY 2022 recommended budgets for Charlotte Center City Partners and University City Partners Municipal Service Districts #1-5 support economic, cultural, and social development within designated districts. Their allocations are based on the valuation of properties in their respective districts.
- The Charlotte Regional Visitors Authority budget reflects a 3 percent increase over FY 2021.

Federal Grant Funds

- The city funds one financial partner exclusively with federal grant funds (HOPWA Grant). The Proposed FY 2022 funding level is based on the city's federal grant award minus eligible administrative costs.

PAYGO Funds

- Agencies that only received PAYGO funding in FY 2021 are proposed to maintain their same funding levels.

Federal & PAYGO Funds

- The DreamKey Partners (formally Charlotte Mecklenburg Housing Partnership), which receives both PAYGO and federal grant funds will be funded at a reduced level compared to FY 2021.

Out of School Time Partners

- Funding is recommended for two existing organizations that were both recommended by the Out of School Time Partners RFP committee, and received city funding in FY 2021. They will be funded in FY 2022 in the General Fund.

The individual Financial Partner funding levels are found on the following page.

Summary of Financial Partners

| General Fund Discretionary | FY 2019 Actual | FY 2020 Actual | FY 2021 Adopted | FY 2022 Proposed | Percent Change |
|---|--------------------|--------------------|--------------------|--------------------|----------------|
| Alliance Center for Education (formally Bethlehem Center) ¹ | - | \$51,368 | \$126,000 | \$90,000 | -28.6 % |
| Arts & Science Council | \$3,190,823 | \$3,190,826 | \$3,190,823 | - | -100.0 % |
| Charlotte Regional Business Alliance | \$158,250 | \$161,526 | \$164,085 | \$166,553 | 1.5 % |
| Community Building Initiative | \$50,000 | \$50,000 | \$50,000 | \$50,000 | 0.0 % |
| Greater Enrichment Program ¹ | \$200,000 | \$154,945 | \$200,000 | \$200,000 | 0.0 % |
| Safe Alliance | \$286,914 | \$492,676 | \$397,038 | \$397,038 | 0.0 % |
| UNC Charlotte Urban Institute/Institute for Social Capital ² | - | - | - | \$250,000 | 100.0 % |
| Women's Business Center of Charlotte | - | \$50,000 | \$50,000 | \$50,000 | 0.0 % |
| My Brother's Keeper Charlotte-Mecklenburg | \$50,000 | \$25,000 | \$50,000 | \$50,000 | 0.0 % |
| TreesCharlotte ³ | \$100,000 | \$100,000 | \$100,000 | \$100,000 | 0.0 % |
| TOTAL | \$4,035,987 | \$4,276,341 | \$4,327,946 | \$1,353,591 | -68.7 % |

| Dedicated Revenue Sources | FY 2019 Actual | FY 2020 Actual | FY 2021 Adopted | FY 2022 Proposed | Percent Change |
|---|---------------------|---------------------|---------------------|---------------------|----------------|
| Charlotte Center City Partners | \$5,195,899 | \$5,791,356 | \$5,810,182 | \$6,232,801 | 7.3 % |
| University City Partners | \$792,329 | \$1,088,543 | \$1,090,489 | \$1,162,593 | 6.6 % |
| Charlotte Regional Visitors Authority | \$16,218,480 | \$17,546,420 | \$17,546,420 | \$18,072,813 | 3.0 % |
| Charlotte Regional Visitors Authority - Film Commission | \$150,000 | \$150,000 | \$150,000 | \$150,000 | 0.0 % |
| TOTAL | \$22,356,708 | \$24,576,319 | \$24,597,091 | \$25,618,207 | 4.2 % |

| 100% Federal Grant Funds | FY 2019 Actual | FY 2020 Actual | FY 2021 Adopted | FY 2022 Proposed | Percent Change |
|----------------------------|--------------------|--------------------|--------------------|--------------------|----------------|
| Carolinas Care Partnership | \$2,234,184 | \$2,145,346 | \$2,860,489 | \$2,961,512 | 3.5 % |
| Charlotte Family Housing | \$330,000 | \$213,957 | - | - | 0.0 % |
| TOTAL | \$2,564,184 | \$2,359,303 | \$2,860,489 | \$2,961,512 | 3.5 % |

| 100% PAYGO Funds | FY 2019 Actual | FY 2020 Actual | FY 2021 Adopted | FY 2022 Proposed | Percent Change |
|----------------------------|------------------|------------------|------------------|------------------|----------------|
| Crisis Assistance Ministry | \$380,000 | \$280,812 | \$425,000 | \$425,000 | 0.0 % |
| TOTAL | \$380,000 | \$280,812 | \$425,000 | \$425,000 | 0.0 % |

| Federal & PAYGO Funds | FY 2019 Actual | FY 2020 Actual | FY 2021 Adopted | FY 2022 Proposed | Percent Change |
|---|--------------------|--------------------|--------------------|--------------------|----------------|
| DreamKey Partners (Formerly Charlotte-Mecklenburg Housing Partnership, Inc.) - Affordable Housing | \$1,860,000 | \$1,464,437 | \$1,860,000 | \$1,690,000 | -9.1 % |
| DreamKey Partners (Formerly Charlotte-Mecklenburg Housing Partnership, Inc.) - House Charlotte | \$231,000 | \$173,250 | \$231,000 | \$231,000 | 0.0 % |
| TOTAL | \$2,091,000 | \$1,637,687 | \$2,091,000 | \$1,921,000 | -8.1 % |

| Out of School Time Partners ¹ | FY 2019 Actual | FY 2020 Actual | FY 2021 Adopted | FY 2022 Proposed | Percent Change |
|--|------------------|------------------|------------------|------------------|-----------------|
| Above and Beyond Students | \$45,808 | - | - | - | 0.0 % |
| Arts & Science Council Studio 345 | \$59,998 | \$63,909 | - | - | 0.0 % |
| Charlotte Community Services Association | - | \$52,152 | \$126,000 | - | -100.0 % |
| Police Activities League | \$71,097 | \$66,055 | - | - | 0.0 % |
| YWCA Central Carolinas | \$143,333 | \$159,025 | \$200,000 | - | -100.0 % |
| WINGS for Kids | - | \$27,000 | \$200,000 | - | -100.0 % |
| Behailu Academy | \$5,160 | - | - | - | 0.0 % |
| TOTAL | \$325,396 | \$368,141 | \$526,000 | \$0 | -100.0 % |

¹ Two existing Out of School Time Partners programs in FY 2022 that were recommended by the Out of School Time Partners RFP Committee are recommended under General Fund Discretionary funding.

² New FY 2022 Financial Partner

³ In FY 2022 TreesCharlotte is being recommended the General Fund Discretionary funding.