

Legislation Details (With Text)

File #:	15-17820	Version:	1	Name:	
Type:	Public Hearing Item	Status:		Agenda Ready	
File created:	4/13/2022	In control:		City Council Business Meeting	
On agenda:	5/9/2022	Final action:		5/9/2022	
Title:	Public Hearing on the Proposed Fiscal Year 2023 Operating Budget and Fiscal Years 2023-2027 Capital Investment Plan				
Attachments:	1. Proposed FY 2023 Budget, 2. Proposed FY 2023 Budget Presentation				

Date	Ver.	Action By	Action	Result
5/9/2022	1	City Council Business Meeting	Close the Public Hearing	Pass

Public Hearing on the Proposed Fiscal Year 2023 Operating Budget and Fiscal Years 2023-2027 Capital Investment Plan

Action:

Conduct a public hearing on the City Manager's Proposed Fiscal Year 2023 Operating Budget and Fiscal Years 2023 - 2027 Capital Investment Plan.

Committee Chair:

Ed Driggs, Budget and Governance Committee

Staff Resource(s):

Marcus Jones, City Manager's Office
Ryan Bergman, Strategy and Budget
Teresa Smith, Finance

Explanation

- On May 2, 2022, the City Manager presented the Proposed Fiscal Year (FY) 2023 Operating Budget and FY 2023-2027 Capital Investment Plan. The proposed budget represents the City's proposed operating and capital budgets for the fiscal year which begins July 1, 2022.
- State law requires the City hold a public hearing following the presentation of the Manager's Proposed Budget and prior to the City Council adoption of the budget, currently scheduled for May 31, 2022.
- Charlotte's Proposed FY 2023 Budget was developed to lead the City of Charlotte toward addressing the most foundational and pressing needs of the city.

Proposed FY 2023 Operating and Capital Budgets' Summary

- The City Manager's Proposed FY 2023 Operating Budget and FY 2023-2027 Capital Investment Plan were developed consistent with the City Council's strategic priorities. These priorities served as the foundational elements against which all FY 2023 budget decisions were measured.
- The proposed budget includes a property tax rate of 34.81¢ per \$100 of assessed valuation, which is the same as the past three adopted budgets.
- The proposed budget for the City consists of three major components supported by general tax revenues:
 - A General Fund budget of \$784.8 million for FY 2023, representing a 4.5 percent increase from FY 2022, to support initiatives that will continue to deliver exceptional government services to the community;

- A \$161.3 million Municipal Debt Service Fund, increasing 3.1 percent from FY 2023; and
- A \$1 billion five-year General Capital Investment Plan that invests in the Strategic Energy Action Plan, city-owned facilities, sidewalks and bikeways, and streets and intersections.

Proposed FY 2023 Budget Highlights

- Includes no proposed tax increase and protects current employees-no layoffs or furloughs.
- Invests \$10 million for the Corridors of Opportunity.
- Operationalizes the SAFE Charlotte Plan:
 - Adds two new Alternatives to Violence sites with \$1 million in federal funds,
 - Launches Civilian Assistance: Respond, Engage Support (CARES), a team for mental health, substance abuse, and homelessness calls for service, and
 - Updates internal operations at the Charlotte-Mecklenburg Police Department by providing \$118,000 for a new Early Intervention System.
- Supports the City's Strategic Energy Action Plan by adding 55 fully electric vehicles to the City's fleet.
- Supports \$30 million from the American Rescue Plan Act Tranche 2 for affordable housing initiatives that support strategic partnerships, reduce displacement risk, and advance staying in place.

Proposed FY 2023 Employee Compensation and Benefits

- Annualizes costs for FY 2022 employee salary actions.
- Provides an eight percent salary increase for all General Hourly Employees (four percent increases in both July and January).
- Raises minimum hourly pay to \$20 for 40-hour per week City employees by January 2023.
- Provides a four percent merit pool for salaried employees.
- Provides a three percent market adjustment (1.5 percent increase in both July and January) plus a 2.5 to five percent step increase for all eligible public safety pay plan employees.
- Creates a 2.5 percent salary incentive for job classifications that require a Commercial Driver's License.
- No increase to employee healthcare premiums.
- Supports a shift differential incentive of 2.5 percent beginning in January 2023, for employees in job assignments with multiple shifts, who are permanently assigned to either second or third shifts.
- Provides a one-time retention incentive equivalent to two percent of salary for all hourly and Public Safety Pay Plan employees; and salaried positions in grade 19 or below (Supported by the American Rescue Plan Act Fund).
- Continues to offer the Charlotte Area Transit System (CATS) All-Access Transit Pass to employees.

Proposed FY 2023 Nongeneral Departments' Revenue

- Charlotte Water: The FY 2023 Water and Sewer Fee for the typical homeowner is proposed to increase by 3.54 percent. The typical homeowner would experience a \$2.49 per month increase.
- Storm Water Services: The FY 2023 Storm Water Fee for the typical homeowner is proposed to increase by 3.8 percent. The typical homeowner would experience a \$0.34 per month increase.
- Aviation: Select non-regulatory fees were adjusted to increase or decrease based on Aviation's cost-recovery model.
- CATS: In FY 2023, CATS' fares will remain the same as in FY 2022. FY 2023 user fees include the creation of a new fee for License Agreements.

Proposed FY 2023 Financial Partners and Outside Agency Funding

- No new General Fund supported financial partners are being proposed for FY 2023.
- General Fund supported financial partners which were funded in FY 2022 are being recommended for the same funding levels in FY 2023, with the exception of UNC Charlotte Urban Institute/Institute for Social Capital, who previously requested one-time support, and the Charlotte Regional business Alliance which will receive a slight increase due to funding based on local population served.

- The FY 2023 recommended budgets for Charlotte Center City Partners, University City Partners, and SouthPark Community Partners Municipal Service Districts #1-6 support economic, cultural, and social development within designated districts. Their allocations are based on the valuation of properties in their respective districts.
- DreamKey Partners, formally Charlotte Mecklenburg Housing Partnership, which receives both PAYGO and federal grant funds, is proposed to receive level funding of \$1,690,000 for affordable housing and a \$2 million increase for the House Charlotte program. This increase for the House Charlotte program will be reserved for home ownership assistance for City of Charlotte employees.
- Agencies that receive only Pay-As-You-Go (PAYGO) funding are proposed to maintain their FY 2022 funding levels, except for Local Initiatives Support Corp (LISC) which will receive funding equal to FY 2021 actual funding levels.

Proposed FY 2023-2027 Capital Investment Plan (CIP)

- The five-year total Proposed FY 2023-2027 CIP is \$6.2 billion (this includes the total General CIP, as well as the five-year capital plan totals for nongeneral departments: Aviation, CATS, Charlotte Water, and Storm Water).
- The General CIP totals \$1.0 billion (this includes general obligation bonds, other sources, reappropriation of prior authorization, and PAYGO funds).
- The nongeneral departments' five-year capital plans total \$5.2 billion and are summarized below:
 - Aviation totals \$1.9 billion, a 67.3 percent increase,
 - CATS totals \$144.1 million, a 1.2 percent decrease,
 - Charlotte Water totals \$2.6 billion, a 11.3 percent increase, and
 - Storm Water totals \$538.0 million, a 0.6 percent increase.
- The Proposed FY 2023-2027 General CIP includes:
 - Allocates \$48.8 million to construct three fire stations, one of which will be the City's first all-electric fire station,
 - Supports for the Strategic Energy Action Plan with \$4.0 million for the installation of sustainable infrastructure in City-owned facilities, including \$1.45 million for electric vehicle supply equipment locations,
 - Provides \$157.3 million towards new capital roads and intersection infrastructure projects over the next four bonds. FY 2023 includes:
 - \$12.7 million to improve Eastway Drive/Shamrock Drive Intersection, and
 - \$7.3 million to improve Rea Road.
 - Proposes the 2022 Bond, highlights include:
 - Provides third consecutive \$50 million allocation to create and preserve affordable housing,
 - More than triples the 2020 Bond funding for the Sidewalk Program, from \$15 million to \$50 million,
 - Doubles the 2020 Bond totals for the Bike Program, from \$4 million to \$8 million,
 - Provides \$17.1 million of funding for Vision Zero strategy:
 - \$12.6 million to enhance Transportation Safety, more than six times the previous bond funding of \$2 million in the 2018 and 2020 bonds,
 - \$4.5 million for street lighting to implement new street lighting projects along high-injury network streets or to enhance existing street lighting by converting existing lights to LED,
 - Invests \$10 million for the Corridors of Opportunity, and
 - Provides \$10 million for congestion mitigation improvements in the South Charlotte, Steele Creek, and University City areas.

Budget Process

- The following is the Council-adopted remaining budget meeting schedule:
 - May 11 - Budget adjustments,
 - May 25 - Budget straw votes, and
 - May 31 - Budget adoption.
- State law requires local governments to adopt a budget by July 1 of each year.

- A complete copy of the proposed budget is available online at:
<https://charlottenc.gov/budget/Pages/default.aspx>

Attachment(s)

Proposed FY 2023 Budget Book - City Manager's Letter

Proposed FY 2023 Budget Book - Executive Summary