



People and Places Are Charlotte's Future

The rebound that Charlotte continues to experience has been guided by intentional decision making in the delivery of core services alongside initiatives designed to advance City Council's Strategic Priorities. Team Charlotte accomplished a lot in Fiscal Year 2022. Moving into Fiscal Year 2023, people and priorities will highlight Team Charlotte's advancement and commitment to being responsible stewards of community resources.

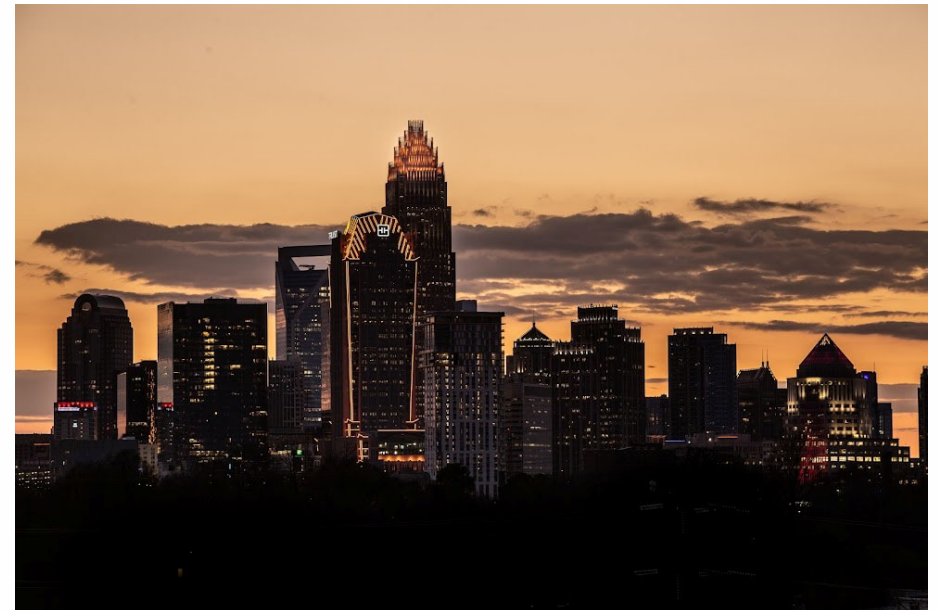
Strategic Priorities

Great Neighborhoods; Safe Communities; Transportation, Planning, and Environment;

Well-Managed Government; Workforce and Business Development

"Charlotte is America's Queen City, opening her arms to a diverse and inclusive community of residents, businesses, and visitors alike; a safe family-oriented city where people work together to help everyone thrive."

Item	Page	Item	Page
Moving Forward, Stronger Together	2	Advancing Equity	12
FY 2023 Budget Highlights	3	Making Sustainable Investments	13
How Services Are Funded	4	Building A Complete City	14
Economic Outlook	5	Building A Safe City	15
Setting The Stage To Emerge Stronger	6	Building A Connected City	16
We Never Stopped Working	7	Investing In Corridors	17
Operationalizing Safe Charlotte	8	Affordable Housing	18
Pathways To Upward Mobility	9	Maintaining City Services	19
Support Our Workforce	10-11	FY 2023 Budget Calendar	20



FY 2023 BUDGET HIGHLIGHTS

Highlights of the Budget Include

- Balances budget without a property tax increase
- Maintains or enhances core services
- Maintains operating reserve levels; no use of one-time revenues such as General Fund balance
- Protects current employees—no layoffs or furloughs
- Continues to invest in employees:
 - ◇ 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
 - ◇ 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 5 percent step increase for all eligible public safety pay plan employees
 - ◇ Provides a one-time retention incentive equivalent to two percent 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)
 - ◇ 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
- Proposes the 2022 Bond, highlights include:
 - ◇ Provides the 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 the Vision Zero strategy

HOW SERVICES ARE FUNDED

Major Funds

Funds are accounting groups that the city uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state statutes. Other funds are established to control and manage resources designated for specific purposes. The city uses three types of funds:

- Governmental Funds,
- Proprietary Funds, and
- Fiduciary Funds.

Major Governmental Funds

- **General Fund** – The city's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Debt Service** - Accounts for the financial resources accumulated and payments made for principal and interest on debt of governmental activities.
- **Capital Projects** - Accounts for financial resources used for the acquisition, construction, and improvement of capital equipment and facilities.

Proprietary Funds – Services the city charges customers a fee are generally reported in proprietary funds. The city uses two types of these funds:

- **Enterprise Funds:**
 - Aviation
 - Charlotte Area Transit System
 - Storm Water
 - Charlotte Water
- **Internal Services Funds:**
 - Risk Management Fund
 - Health and Life Fund

Fiduciary Funds – The city is the trustee, or fiduciary, for the Charlotte Firefighters' Retirement System and the Employee Benefit Trust. The city is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The city cannot use these assets to finance its operations.

ECONOMIC OUTLOOK

National Economy

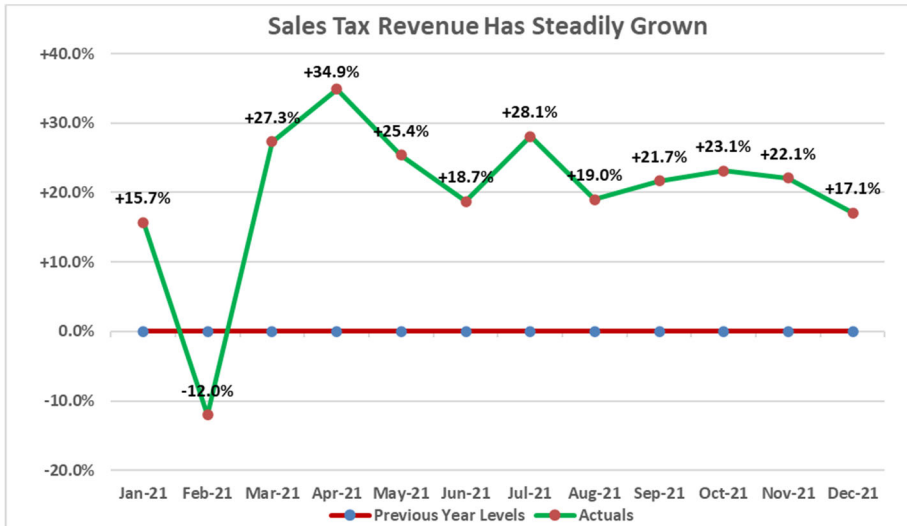
The 2020 recession ended the longest economic expansion in the history of U.S. business cycles. However, the economy rebounded rapidly with historically unprecedented growth rates. Although COVID-19 continues to cause global supply chain issues, real Gross Domestic Product increased by 5.7 percent in 2021, the fastest growth seen since 1984.

Regional Economy

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. As of February 2022, a total of 168,000 jobs have been added back to the regional economy surpassing pre-pandemic employment levels.

Local Economy

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. As the economy opened up and restrictions were lifted, consumers purchased at a higher rate because of pent-up demand and the higher spending power from federal government stimulus payments. The General Fund sales tax year-to-date growth as of December 2021 (first half of FY 2022) was 17.1 percent compared to same time period a year ago.



SETTING THE STAGE TO EMERGE STRONGER

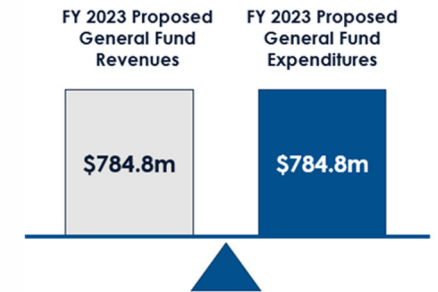
Structurally Balanced Budget

Charlotte is known for strong financial policies and practices. Development of the Adopted FY 2023 Budget included a thorough review of revenue and financial options to ensure that the use of available resources is maximized to serve the community while maintaining a good value to tax and rate payers and consistency with City Council Strategic Priorities.

Building on an Intentional Plan

Over the last six years the city has reinforced sound budget principals to meet service delivery needs of the Charlotte community and improve the work environment for city employees. Building on an intentional plan to continue the success of years past, the FY 2023 budget:

- Maintains financial reserves,
- Advances employees, and
- Protects core services.



Continuing to Stabilize the Community

Planning for new investments, \$70.8 million will soon be available in the city's Phase 2 of American Rescue Plan Act (ARPA), and the majority of this funding (\$50 million) is programmed to once again go back into the community. The vision for this phase of funding will be guided by City Council and Strategic Priorities to shape the future of Charlotte. The remaining funds are intended to be utilized to support employees and operations.

- ✓ **Arts and Culture, \$4 million**
- ✓ **Jobs, Workforce Development, and MWSBE Support, \$16 million**
- ✓ **Affordable Housing and Staying in Place, \$30 million**

WE NEVER STOPPED WORKING

Advancing City Council Priorities

Throughout the pandemic and recovery period, employees have never stopped working to advance progress toward Council’s Strategic Priorities. The city’s focus on a strong financial foundation was a key factor in the ability to advance initiatives to support the growing Charlotte community.

Highlights of achievements over the past fiscal year include:

<ul style="list-style-type: none"> Supported a pathway for Arts and Culture 	<ul style="list-style-type: none"> Assessed the Transformational Mobility Network
<ul style="list-style-type: none"> Began community discussion on HIRE Charlotte 	<ul style="list-style-type: none"> Launched SAFE Charlotte initiatives
<ul style="list-style-type: none"> Deployed Housing Trust Funds 	<ul style="list-style-type: none"> Opened the Gold Line Streetcar
<ul style="list-style-type: none"> Approved the Charlotte Future 2040 Plan 	<ul style="list-style-type: none"> Continued to deliver exceptional core services

By maximizing operational efficiencies, the city has identified almost \$13.4 million in General Fund budget savings in the last three years, including almost \$5 million for FY 2023, and maximized the use of one-time Federal Funds. The city’s focus on Well-Managed Government has allowed for resilience through the evolving challenges the community continues to face.



OPERATIONALIZING SAFE CHARLOTTE

Over the previous two years city staff have meticulously worked through the Safe Charlotte recommendations and planned how to introduce reimagined policing concepts that compliment initiatives and work the city was already doing. In FY 2023, the work will continue by moving to further operationalize key initiatives.

Community Assistance: Response Engage, Support (CARES) Team

The city will launch its own community led response unit in fall 2022 by implementing non-sworn response teams to address low-risk mental health, substance abuse, and homelessness 911 calls for service. This program called the Community Assistance: Respond, Engage, Support (CARES) Team will launch as a pilot with limited geography to allow for review and learning opportunities as the program is eventually scaled up to service the whole city.

SAFE Charlotte Grant Program

In FY 2023 the city will dedicate \$1 million to continue the grant program to address violence within the community, this time led by four collaboratives from the Charlotte community. Grants will be targeted toward addressing:

<ul style="list-style-type: none"> Conflict Resolution and Mediation 	<ul style="list-style-type: none"> Crime Fighting and Prevention
<ul style="list-style-type: none"> Addressing Racial Segregation 	<ul style="list-style-type: none"> Family Stability
<ul style="list-style-type: none"> Opportunities for Youth and/or Parents 	

Expanding Alternatives to Violence Initiatives

Alternatives to Violence works to stop violence using a public health model with three primary strategies:

- Detecting and interrupting conflicts
- Identifying and treating individuals at high risk of involvement in violence
- Changing social norms that exacerbate violence in the community

In FY 2023 the city will continue this initiative and add **two additional Alternatives to Violence sites with \$1 million in Federal Funds**. City staff are currently reviewing the latest data and working to determine the appropriate locations for the two new sites.

PATHWAYS FOR UPWARD MOBILITY

CBI Capital Access Program and Bonding Programs

The City of Charlotte will be launching a Capital Access Program that addresses the most frequent barriers experienced in seeking contracting opportunities and capacity building for its certified MWSBEs. The City of Charlotte Capital Access Program will create a revolving loan pool through a banking partner to improve capital access for local MWSBEs. The City of Charlotte will also establish a MWSBE bonding program to elevate Charlotte Business INclusion's reach within the local business community. By creating a Surety Bonding Program, this resource will help remove barriers that impede MWSBEs' ability to grow and bid as prime contractors or take on larger subcontracts.

\$800,000 programmed for Capital Access Program and CBI Bonding Program

AMP UP

Funding for AMP UP in FY 2023 includes **\$250,000** to support small and minority business capacity building. Participants complete a curriculum that includes business development, mentoring, targeted training, and access to large corporations for contract and procurement opportunities.



NXTCLT



The Adopted FY 2023 Budget also includes \$250,000 for NXTCLT, which builds on AMP UP to provide further capacity building for small and minority businesses. So far, NXT CLT has completed four cohorts with 32 participants and has served 310 businesses from Charlotte's small and minority owned business community. Participants receive expert mentorship and access to capital and leadership development.

The Adopted FY 2023 Budget includes \$1.3 million to build MWSBE capacity in the Charlotte Community

SUPPORTING OUR WORKFORCE

Improving the Employee Experience

The City of Charlotte's success and advancements have been made possible by the dedication of city employees. Their service to the community has been unwavering throughout the challenges of the last few years. In an effort to highlight and recognize the consistent support to the Charlotte community, the Adopted FY 2023 Budget invests in Charlotte workforce in the following ways:

One-time Retention Incentive

No employee medical plan premium increases

The Adopted FY 2023 Budget utilizes ARPA funds for two lump-sum retention payments in July and September, combined to equal to two percent of qualifying employees' salaries. The minimum for each employee will be a total of \$1,000. All permanent hourly employees, public safety pay plan employees, and salaried employees who are in a position grade 19 or below will be eligible for this payment.

Enhancing Housing Opportunities for Team Charlotte

The Adopted FY 2023 Budget also includes **\$2 million** for the creation of a targeted component within the House Charlotte program specifically geared to provide home ownership assistance for city employees. The homeownership assistance may be leveraged through many options including down payment, closing costs, interest rate buydown, and homeownership education.

Retaining Employees in Commercial Driver License Jobs

As a way to stay competitive and keep employees with Team Charlotte, in FY 2023 city employees whose job classifications require a CDL will receive a **2.5%** incentive beginning in July 2022.

Providing Shift Differential Pay

Many of Team Charlotte's employees work the same job as other employees but on a less desired shift, such as working in the evening or overnight. The city will support a shift differential incentive of **2.5%** beginning in January 2023 for employees in job assignments that have multiple shifts, and who are permanently assigned to second or third shifts.

SUPPORTING OUR WORKFORCE

Striving to be the Best Place to Work

Continuing the Public Safety Strategy

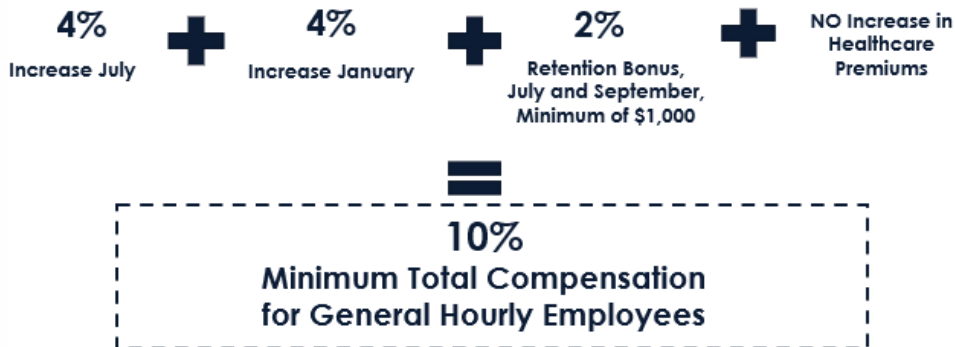
In FY 2023, the city will slightly boost top pay with a 1.5 percent market adjustment for all Police Officers and Firefighters in July, and another 1.5 percent increase in January (**3% total**). The bottom step of both the Fire and Police pay plans will be eliminated this year, and the second step will be increased 2.5 percent and will become the new starting point. This, along with the three percent market adjustment, results in a 9 percent increase for starting pay in both Police and Fire in July, and a 10.5 percent increase by January.

Focusing on Hourly Employees

As the cost of living continues to rise, for FY 2023 the city is focusing on hourly pay. City of Charlotte employees in the hourly pay plan that work 40-hours a week will earn a minimum hourly pay of \$20 an hour in January 2023.

Proposed Minimum Salary for Full-Time Employees:
\$41,600
 ———
\$20/hour*
 For 40-hour employees

Total Compensation for Hourly Employees



Rewarding Salaried Employees

The Adopted FY 2023 Budget includes funding for a **4% merit pool** for salaried employees. This rounds out a competitive package of compensation and benefits alongside continuing hybrid work schedule flexibility, as many positions are suited for alternative work locations while still providing city services.

ADVANCING EQUITY

Access For All

The city's Office of Equity, Mobility, and Immigrant Integration has led recent initiatives to address systemic and community barriers that limit opportunities for Charlotte's vulnerable communities. The importance of this work has expansive reach for both internal city operations and the delivery of community services.

Key highlights of this office's work include:

- ✓ Approved Language Access Policy
- ✓ Advanced the Americans with Disabilities Act (ADA) implementation plan
- ✓ Approved internal equity statement

Additionally, funding will be programmed to expand and increase audience exposure and participation in City Council Meetings. By adding funds for American Sign Language and Spanish Translation at Council meetings, more Charlotteans will have access to learn about city initiatives and provide feedback to conversations important in the Council decision making process.

Over \$100,000 for American Sign Language and Spanish Translation

In the coming year advancements in equity will also continue to be developed and integrated into city services and operations through work within the Environment, Engagement, and Equity Council Committee.



MAKING SUSTAINABLE INVESTMENTS

Investing in the Strategic Energy Action Plan



SEAP
STRATEGIC ENERGY ACTION PLAN
CITY of CHARLOTTE

The city continues to prioritize investments to support the Strategic Energy Action Plan and achievement of the 2030 goals identified in the plan.

40% of all electric vehicle charging stations in Charlotte are city owned

Supporting Our Fleet Through Charging

For FY 2023, the city will be adding 55 electric vehicles to city fleet, bringing the city's total count to 174 electric vehicles. Aviation will continue their transition to electric buses by purchasing five more buses in FY 2023, and CATS will continue their 18-month electric bus pilot by adding 16 buses.

Investing \$1.45 million on EV charging infrastructure

Roof Replacement + Solar \$1.76 million

This project will include roof replacements plus the installation of a solar photovoltaic system on three Fire Department facilities. Roof replacement is a maintenance requirement to sustain the integrity of the building. Integrating a solar photovoltaic system into roof replacement projects at these facilities reduces energy expenditures, reduce carbon emissions, advances SEAP goals, and mitigates exposure to volatile energy prices.



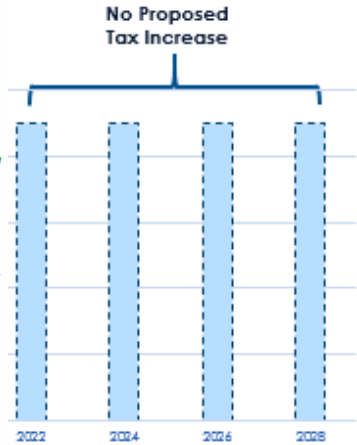
Electric Vehicle Charging Infrastructure to Support CATS \$600,000

Special Transportation Service (STS) provides complementary paratransit service equivalent to the fixed-route bus and rail service. Some non-revenue minivans that support paratransit revenue service have reached the end of their useful life and require replacement. The FY 2023 budget will enable the purchase of Plug-in Electric Hybrid minivans for STS use.

BUILDING A COMPLETE CITY

Preparing a Stable Capital Plan

In FY 2023 the city is not proposing a tax increase to support the Capital Improvement Plan and the many programs and plans that bonds support. *This will be the first four-bond cycle in 16 years to not include a tax increase to fund the bond program.*



The city's current affordability model sets the steady state affordability at \$226 million for the next four bond cycles.

Street Resurfacing

The City of Charlotte currently maintains 5,479 lane miles of streets. Average annual growth of Charlotte's street network is over 30 lane miles each year. In total, resources available for resurfacing in FY 2023 will have increased to approximately \$28 million, which is \$3.4 million more than what was available even prior to the state's Powell Bill funding reduction.

Sidewalks

The Sidewalk Program aims to make Charlotte a more walkable city by creating a pedestrian experience that is safe, useful, and inviting. For FY 2023, \$50 million, or more than three times the amount from the last bond cycle is being planned for this program.

Funding Summary	
2020 Bond	2022 Bond
\$15 M	\$50 M

Congestion Mitigation

Charlotte's growing population has impacted the city's transportation network in the form of traffic congestion. The Congestion Mitigation Program is intended to help mitigate congestion and improve traffic flow in targeted areas through small-scale, quick infrastructure projects. Funding for FY 2023 will continue efforts to improve congestion in the **South Charlotte, Steele Creek, and University City** areas with \$10 million in funding from the 2022 bond.

First new bond package that does not need a tax increase

BUILDING A SAFE CITY

Charlotte Bikes Plan



The City of Charlotte's Bicycle Program works to make bicycling in Charlotte safe, comfortable, and convenient for people of all ages, abilities, and neighborhoods. The Adopted FY 2023 Budget funds the Bike Program at \$8 million, which is twice the funding that was allocated in the previous bond.



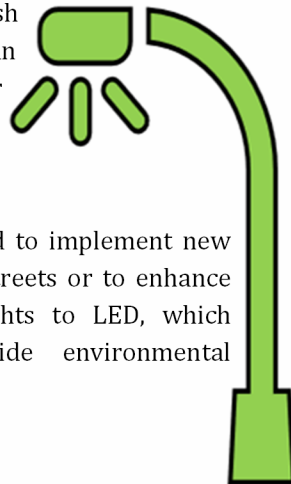
Vision Zero (\$17.1 million)

Enhance Transportation Safety, \$12.6 million

The purpose of the Transportation Safety Program is to make the city's transportation system as safe as possible for all users. Projects within this program could include neighborhood traffic calming efforts such as the reduction of speed limits or the addition of speed calming devices, spot safety treatments, small infrastructure projects such as pedestrian crossings, or signal technology solutions such as Accessible Pedestrian Signal push buttons, flashing beacons, and Leading Pedestrian Intervals, especially along transit routes and near schools.

Transportation Safety – Street Lighting, \$4.5 million

The 2022 Bond funding of \$4.5 million will be used to implement new street lighting projects along high-injury network streets or to enhance existing street lighting by converting existing lights to LED, which increase visibility, improve safety, and provide environmental sustainability benefits.



BUILDING A CONNECTED CITY

Investing in Road and Intersection Projects

The Advanced Planning Program was established in FY 2020 to evaluate high-priority locations for potential projects. This program helps to define project scopes, which result in more precise cost estimates and more informed project selections. There are currently **four road and intersection projects planned for funding** from this program and an additional project funded through NCDOT Bonus Allocation funds.

Road Projects

The extension of Bryant Farms to Ardrey Kell Road expands upon the completed (2018 and 2020 Bonds) Phase 1 segment from Elm Lane to Rea Road and will provide additional connectivity and alternative east-west route choices for this area.

The Robinson Church Road project creates a complete street from WT Harris Boulevard to Hood Road (about 2.65 miles) plus creates a roundabout at the road's intersection with Plott Road. The project will allow for construction of landscaped medians, curb and gutter, a multi-use path, planting strips, and, where needed, pedestrian refuge islands.

The Rea Road Widening project will extend a third southbound through lane from the I-485 off-ramp to Williams Pond Lane, the northbound lane from just south of Ballantyne Commons Parkway to I-485, as well as add left and right turn lanes at key intersections. This project is a partnership with the state.

Intersection Projects

Eastway Drive/Shamrock Drive - This intersection is part of the high injury network and a redesign of the intersection is important to reduce the number of crashes and protect drivers, pedestrians, and bicyclists. New "connector streets" will be constructed to remove left turn lanes from the intersection, making it more efficient. The project will also add a multi-use path along Eastway Drive, buffered bike lanes, sidewalks, and a planting strip on Shamrock Drive that will tie into the Shamrock Drive Streetscape project.

Ashley Road/Tuckaseegee Road/Freedom Drive - This project modifies the intersection of Ashley Road, Tuckaseegee Road, and Freedom Drive to extend turn lanes and add pedestrian refuge islands, wider sidewalks, and bicycle lanes.

INVESTING IN CORRIDORS

Leveraging Funds

Since inception, \$60 million in current and planned city investment has leveraged almost \$100 million in private and philanthropic investment for our Corridors of Opportunity, and investments into our corridors will continue as partnerships are strengthened and funding is leveraged to maximize the impact on the city's six corridors of opportunity

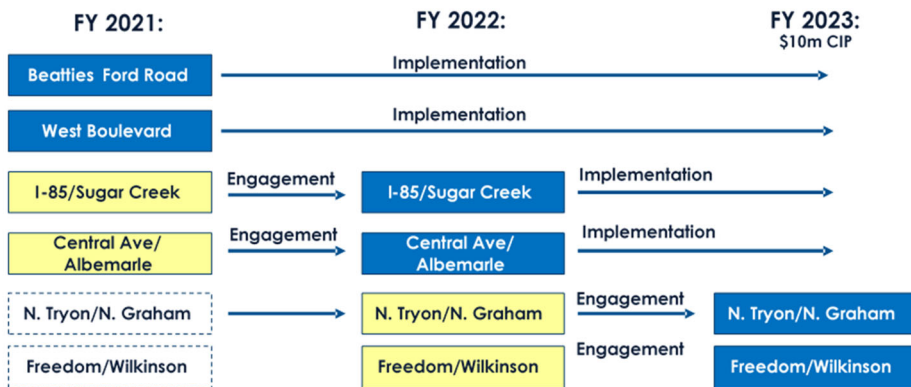


In FY 2022, the city was able to complete comprehensive engagement which informed Playbooks for the I-85/West Sugar Creek and Albemarle/Central corridors. As the city shifts into FY 2023, city staff will work to identify implementable projects within these two corridors that reflect the vision and goals articulated in their respective Playbooks.

Building on Success

In addition, FY 2023 will see the start of comprehensive engagement within the remaining two corridors, North Tryon/Graham and Freedom/Wilkinson.

Continuing Plan in Corridors:



AFFORDABLE HOUSING

Keeping the Momentum



Over 12,000 units and shelter beds were created and preserved since the Housing Trust Fund began. To maintain this momentum the Adopted FY 2023 Budget adds another \$50 million from the Affordable Housing Bond to support the Housing Trust Fund. An important driver of the city's success will be collaborating

across sectors and leveraging partnerships. The FY 2023 Affordable housing Bond is complemented by a combined \$55.5 million in ARPA funding and prior-year appropriations in Corridors Housing, making a total of **\$105.5 million available** to support Affordable Housing moving forward

Affordable Housing: What's Next



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

MAINTAINING CITY SERVICES

Solid Waste Services

Solid Waste Services currently provides collection services to almost 74,000 residences per day and collects approximately 35,000 tons of residential solid waste a month. This is up approximately 900 residences a day and 1,100 tons per month from April 2021. To account for growth, the Adopted FY 2023 Budget includes a fee increase for solid waste services that equates to approximately \$0.92 per month, or \$11.04 per year.



Storm Water

Since FY 2019, Storm Water has made great strides in reducing the backlog of repair projects by refining project categorization and prioritization and developing a plan to increase production by 83 percent over five years. The FY 2023 Storm Water Services Fee is supported to increase by 3.8 percent, which equates to a \$0.34 per month increase for the typical homeowner.

Charlotte Water



The FY 2023 Water and Sewer Fee is supported to increase by 3.54 percent, which equates to a \$2.49 per month increase for the typical homeowner. This increase will support additional capacity and rehab needs in the capital plan, and account for increases in regulatory requirements and increases in fuel, power, and chemical costs. Charlotte Water remains focused on maintaining high-quality drinking water and wastewater systems, while ensuring operational efficiency and compliance.



Mayor Vi Lyles

Mayor Pro Tem Julie Eiselt

Council Member Braxton Winston, At Large

Council Member Dimple Ajmera, At Large

Council Member Greg Phipps, At Large

Council Member Larken Egleston, District 1

Council Member Malcolm Graham, District 2

Council Member Victoria Watlington, District 3

Council Member Renee Johnson, District 4

Council Member Matt Newton, District 5

Council Member Tariq Bokhari, District 6

Council Member Edmund H. Driggs, District 7

FY 2023 Budget Calendar

City Manager's Proposed Budget	May 2, 2022, 5:00 p.m.
Council Budget Public Hearing	May 9, 2022, 6:30 p.m.
Council Budget Adjustments	May 11, 2022, 1:00 p.m.
Council Straw Votes	May 25, 2022, 1:00 p.m.
Council Budget Adoption	May 31, 2022, 6:30 p.m.

This Budget in Brief includes the highlights of the Adopted FY 2023 Budget.

For additional details, please visit the city's website www.charlottenc.gov to view information about the budget or to read the adopted budget document.