



As our city continues to grow we need to be ready to move forward with a shared vision and common goals. The Adopted FY 2019 Budget is designed to inspire an action-oriented culture while keeping the goal of providing the best service possible at the forefront of all we do. It is also based on City Council’s vision:

“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.”

As the City of Charlotte turns 250 years old in November, our community has a monumental occasion to celebrate! We will commemorate the occasion all year through CLT250. We hope you will get involved and help define what Charlotte means to you and what we could look like in the next 250 years.

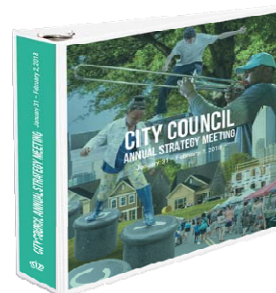
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Community Engagement

The Adopted FY 2019 Budget connects the dots between three strategic foundational elements outlined by City Council:



 **Leading on Opportunity**



Adopted FY 2019 Budget Highlights

The Adopted FY 2019 Budget totals \$2.6 billion for all funds. The General Fund Budget is \$694.4 million. This reflects an increase of \$25.5 million or (3.7 percent) over last year's Adopted Budget. The Adopted General Fund and Capital Budgets address many community needs and support the city's commitment to public safety. Highlights include:

Creating Great Neighborhoods

- Provides funds to enhance affordable housing strategies
 - ◆ Creates a pilot program for seniors at risk of losing their homes due to a rising tax burden
 - ◆ Completes the city's commitment for A Way Home funding
- Expands investment in SouthPark and South Charlotte Neighborhoods
- Enhances funding for bicycle pathways
- Provides additional resources for TreesCharlotte
- Supports initiatives in Historic West End

Community Safety

- Creates a retiree health investment account for sworn police officers and firefighters
- Doubles the funding for streets, sidewalks, and pedestrian safety
- Enhances public safety service with compensation, vehicles, additional support, and implements the Community Policing Crisis Response Team
- Completes funding for six police stations and plans funding for a new fire station

Easier for Businesses to do Business

- Revamps the land development permitting process and implements enhanced reviews

Employer of Choice

- Provides a healthcare premium holiday in August 2018 for employees and retirees
- Provides a three percent merit-based raise for salaried employees
- Provides an overall increase of an average of 3.5 percent for hourly employees

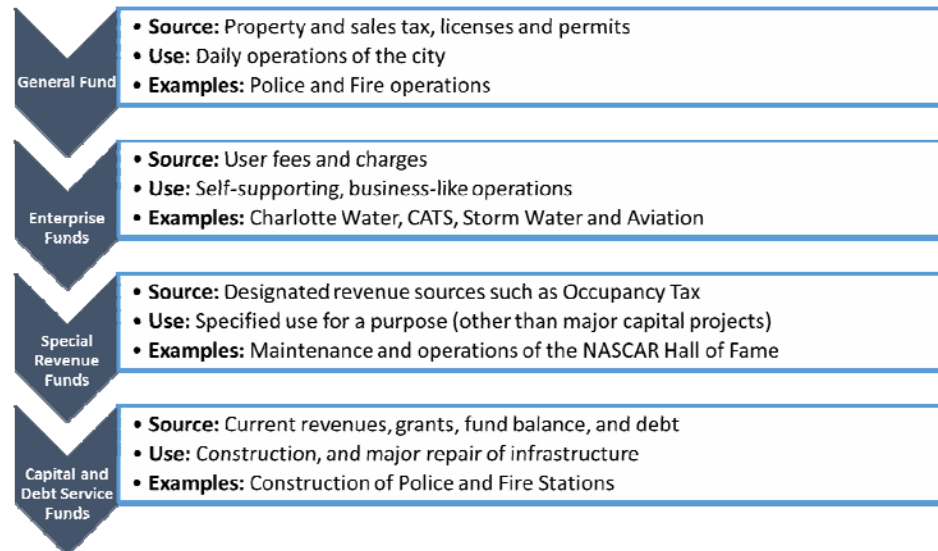
Global Leadership

- Establishes the community Business Cafés and concierge program
- Sets a goal of becoming a national leader in the Circular Economy
- Joins the effort to enhance workforce development in collaboration with Goodwill, Charlotte-Mecklenburg Schools (CMS), and Central Piedmont Community College (CPCC) received

How Are Services Funded?

Funds are assigned to accounting groups used to keep track of specific sources of funding and spending for particular uses. The city has four main types of funds it uses to manage resources to support city operations and address long term infrastructure needs.

Fund Type and Use



Paying for Infrastructure

The construction of buildings, acquisition of property and repairs and improvement of property are costly and often cannot be fully paid upfront. To finance these long-term investments, the city uses methods such as cash, grants, and the issuance of bonds.

General government debt is typically repaid over a 20-year period and enterprise debt is normally repaid over a 30-year period. As a result, the city is paying off the principal and the interest on bonds issued for a specific project long after physical construction is complete. In Charlotte, our AAA credit rating allows us to borrow money at competitive interest rates.

Taking Charlotte to the Next Level

The City of Charlotte has a history of sound fiscal policy and practices, and has consistently held a AAA rating for over 41 years, since 1977. The Adopted FY 2019 Budget adheres to City Council’s Budget and Financial Management Principles. The budget is structurally balanced, ensuring decisions made today allow the city to be financially stable into the future.

	 MOODY'S	 STANDARD & POOR'S	 Fitch Ratings
GENERAL OBLIGATION	Aaa	AAA	AAA
AVIATION	Aa3	AA-	AA-
STORM WATER	Aaa	AAA	N/A
WATER SEWER	Aaa	AAA	AAA

Over the past year the city heard from the community and received feedback from our employees. It is clear that neighborhoods (including affordable housing, streets sidewalks, and pedestrian safety) and public safety have risen to the top of the priority list.

While the General Fund and Capital Investment Program (CIP) includes funds to address these areas, it is not enough. To make substantive inroads to solving our affordable housing needs and provide public safety with the tools they need to work for our city, we need additional revenue. The Adopted Budget includes a one-cent tax increase. Three fourths of the penny will help support enhancements in public safety and one fourth will help support the ongoing debt service for housing and neighborhood improvement projects. This equates to an 83-cent a month increase in the property tax for a home valued at \$100,000.

**One Cent Tax Increase =
\$9.8 million in New Revenue**

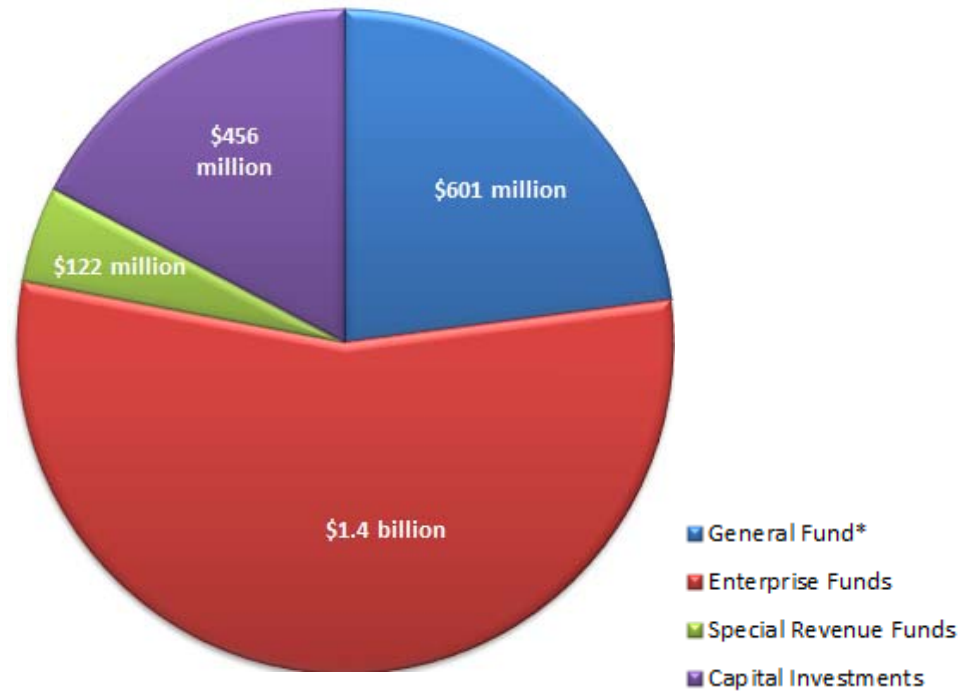
3/4 will support public safety



1/4 will support neighborhood and housing programs

Adopted FY 2019 Budget

FY 2019 Budget Summary



Total of all Funds \$2.6 Billion

*\$93 million General Fund Transfers to Other Funds

The Adopted FY 2019 Budget is \$2.6 billion. The General Fund Budget is \$694.4 million. This reflects an increase of \$25.5 million or (3.7 percent) over last year's Adopted Budget.

The Adopted General Fund and Capital Budgets address many community needs and support our commitment to public safety.

Enterprise Funds

Regional support provided through Enterprise Funds

Aviation

- 6th busiest in movement operations
- 10th nationwide in passenger traffic
- \$16.2 billion regional economic impact



Charlotte Area Transit System (CATS)

- 9.3 mile extension of Blue Line is fully operational, connecting Charlotte Center City with UNC-Charlotte



Charlotte Water

- Maintaining and expanding to accommodate growth through \$1.5 billion Community Investment Plan projects



Storm Water

- Repairing storm drainage infrastructure, reducing flood risks, and improving surface water quality for our community



Financial Discipline

Taking Charlotte to the Next Level

The city is a national leader in attracting a diverse and growing population. While that growth is welcome and celebrated, it requires that we adapt and innovate to remain a national leader. It also means that we must adjust how we meet the changing needs of our community. While continuous improvement remains at our core, meeting our priorities takes a multi-prong strategy of operational efficiencies, leveraging resources, and maximizing our revenue opportunity.

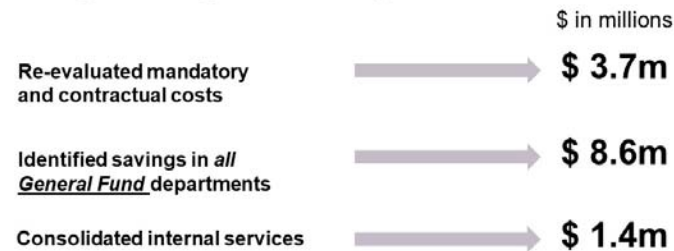


In the past year, the city committed to reviewing and improving internal services by :

- Streamlining operations
- Increasing efficiency of service delivery
- Providing the greatest value to residents

Our hard work resulted in \$13.7 million in savings.

Savings through Efficiency & Effectiveness



FY 2019 Total Savings → **\$13.7m**

Customer-Driven Focus



The Charlotte development community met with the city throughout the past year about improving development services. As a result, the city will implement several new policies and programmatic initiatives in FY 2019 to improve customer service and enhance collaboration, consistency, and clarity in plan reviews.

Enhancing Customer Service by Creating a One-Stop Shop

A One-Stop Shop will be created in the lobby of the government center, where customers can access and meet with all relevant staff at a single location. The space will also be renovated to foster a more collaborative environment. Customers will be able to get timely, accurate answers that quickly move projects forward at one stop.

Opening an Inter-Department One-Stop Shop in the Government Center Lobby

Web-Portal with resources for small businesses

Enhanced Review Option

New Staff for Permit Reviews

Re-Engineering Planning

In FY 2019, we will restructure the Department of Planning and the permitting process for a more **customer-focused**, responsive, and efficient approach. We will refine service areas, zoning, community engagement, and planning reviews of land use petitions.

Building Safe Communities

Of the \$51.4 million of new funding committed to public safety facilities, \$46.1 million will supplement existing funding to complete six police stations. The Adopted FY 2019 Budget includes funding for the Northwest Division, a new police division that will split the existing North Division into two.



Hickory Grove Division rendering.



I-77 and Clanton Road rendering.

Six million is allocated in FY 2021 to construct one new fire station, and \$1.3 million will be added to the I-77 and Clanton Road infill station that was approved last year. These additions take the total FY 2019 – 2023 General CIP for Fire facilities to \$7.3 million.

Encouraging a Co-Response

To bolster the crisis intervention training our police officers receive, the city is adopting a Community Policing Crisis Management Team. This co-responder model includes six mental health professionals who will join our police officers when responding to 911 calls involving suspected mental health issues. Co-responder models allow professionals to interact with individuals experiencing a mental health crisis in ways that lead to more positive outcomes than an arrest.

Building Affordable Communities

Neighborhoods are the fabric of our community. Strong neighborhoods are ones in which residents are comfortable, engaged, and spend time with their families and friends. Creating the sense of “home” calls for partnerships with residents, businesses, faith-based organizations, philanthropic organizations, and the government.



Largest Affordable Housing Allocation in Charlotte's History

The Adopted FY 2019 Budget continues to build on this approach by increasing our efforts in housing and neighborhoods and provides **\$50 million** towards creating even more affordable housing options for our residents.

To help these efforts, the city will partner with the Foundation for the Carolinas, Bank of America, and Wells Fargo to engage the Local Initiatives Support Corporation, (LISC). LISC is a national organization with a grassroots focus. LISC helps create strategies and projects resulting in affordable housing, safer streets, growing businesses and programs that improve the financial outlook of people.



Piloting an Aging in Place Program

This pilot program supports fixed-income, senior homeowners lessen the impact of the 2019 property valuation. To help toward this effort and complement existing Mecklenburg County homeowner assistance programs, the Adopted FY 2019 Budget provides \$750,000. It also establishes a Senior Housing Support Team to conduct outreach starting in the Historic West End. Grant assistance will be provided to qualifying low-income homeowners who are over age 65 to help pay increased city property taxes and avoid losing their homes.

Commitment to Public Safety

Over the past few months the city has had many conversations to discuss the most pressing issues facing sworn officers. After thoughtful review an affordable multi-year approach has been developed.

Charlotte Fire Department

- Last year we agreed to a two-year plan to adjust the firefighter pay. The Adopted FY 2019 Budget holds true to the commitment. For FY 2019 funds are proposed for a two percent market adjustment, a new 2.5 percent step added to the top of Firefighter II, a new 2.5 percent step added to the top of Fire Fighter Engineer and 2.5 percent increase to Fire Captain steps.



2-Year Plan	
Phase 1 (FY 2018)	Phase 2 (Adopted FY 2019)
<ul style="list-style-type: none"> Step increase 2.0 percent market adjustment Add 2.5 step to Firefighter II Add 2.5 percent step to Fire Engineer Increase all Fire Captain steps 	<ul style="list-style-type: none"> Step increase 2.0 percent market adjustment Add 2.5 percent to Firefighter II Add 2.5 percent Step to Fire Engineer Increase all Fire Captain Steps



Helping Firefighters and Sworn Officers Save for Retirement:

- The Adopted FY 2019 Budget includes \$600,000 for a defined contribution retiree healthcare investment account for sworn officers and firefighters. The city will contribute \$1,040 in 2019, (\$20 per week) to an account for each eligible employee hired on or after July 1, 2009. The money in the account is then invested and becomes available after retirement to pay for medical costs, including premiums.

Commitment to Public Safety



We rely on police departments to "protect and serve" and Police Officers rely on community support and cooperation. An investment in our Police Department is an investment in our community. Attracting a large, dynamic, and diverse candidate pool is the first step to ensuring long term success of the Charlotte-Mecklenburg Police Department (CMPD). The Adopted FY 2019 Budget aims to improve attraction and retention in the following ways:

Improving Officer Attraction:

- Starting pay for CMPD Officers is increased to \$44,362.
- Beginning in FY 2019, education incentive will be included during the academy, allowing Police Officers with a 4-year degree to start at \$48,798.

Improving Officer Retention:

- Each eligible Police Officer and Sergeant will receive two steps in FY 2019.
- The top step will be increased an additional 2.5 percent.
- Creates the Senior Police Officer Program for officers at top step, providing an additional five percent in FY 2020.

Improving Officer Presence in the Community:

- Over a period of two years, officers who live or move into Charlotte will receive a \$2,500 residency incentive.
- An expansion to the Take Home Vehicles Program, starting with 64 cars above normal replacement levels in FY 2019.



Building Strong Sustainable Communities



We are a city of neighborhoods. Our neighborhoods represent the history, diversity, and everyday life of our city. Their livability and vibrancy requires intentional investment. The FY 2019 – 2023 General CIP rests on the principles that every neighborhood should be safe, connected, have a sense of place, and be a part of a community our residents are proud to call home.

Pedestrian Safety Initiatives in FY 2019

- Vision Zero: \$2 million **ZERO** Traffic fatalities and serious injuries
- Sidewalk and Pedestrian Safety: \$30 million **ZERO** Placeless neighborhoods
- Bicycle Travel: \$4 million **ZERO** Disengaged residents
- Bryant Farms Road Extension: \$2 million **ZERO** Children without access to opportunity

Neighborhood Character Investments

- Comprehensive Neighborhood Improvement Program : \$40 million
- Placemaking: \$250,000
- Neighborhood Matching Grants: \$400,000
- TreesCharlotte: \$100,000, in addition to the programmed FY 2019 – FY 2020 endowment support of \$500,000 for an updated total of \$600,000
- Neighborhood Reinvestment Program: \$5 million

Collaborating with Community Partners

Organizations embedded in neighborhoods often offer greater opportunities to improve the community around them than government. We work to support these partners making transformative change around Charlotte.

International Community Members

To ensure all people within our community have equitable access to opportunities to thrive, we hired the city's first International and Immigrant Integration Manager to manage the Office of International Relations.



*Federico Rios,
International and Immigrant
Integration Manager*

To continue this work in the year ahead, the Adopted FY 2019 Budget includes \$50,000 to promote collaboration between the Office of the International Relations and the Charlotte Mecklenburg Library. These funds will help create a multi-media resource packet, expand our citywide language access plan, continue a partnership with refugee resettlement organizations, and further develop regularly occurring public strategy sessions.

Creating Ambassadors of the City



Center City Partners will create an ambassador program in uptown utilizing uniformed personnel to provide hospitality services, crime deterrence, and social service connections for the homeless and near-homeless population. To do this, the Adopted FY 2019 Budget includes a tax increase for municipal service districts (MSD) one, two, and three. The rate in MSD one will increase by four tenths of a penny, and the rate in MSDs two and three will increase by six tenths of a penny.

Fostering the Historic West End Initiative

This work focuses on creating social and cultural connections, developing an anti-displacement strategy, and planning for development as construction of Phase II of the LYNX Gold Line is completed.

\$125,000
for 3 years to continue the
Historic West End Initiative:

- Strategic development and redevelopment.
- Community partnerships.
- Expansion of economic mobility.

Developing a Circular Economy

In the Circular Economy, economic and environmental resources are kept in use for as long as possible then recovered and regenerated to marketable products and materials in a way that helps create new industries, jobs, training, and income opportunities.



Partnering with Envision Charlotte, a globally recognized local public private plus collaborative, we will create a living lab incubator. The city's new incubator for this forward-thinking approach will begin with a repurposed city facility, in the Belmont neighborhood. The lab will be housed in a facility once used by the Charlotte Fire Department (the Old Horse Barn) to house horses. Public collaboration, community engagement, and in-depth data utilization will occur all while reusing and recreating waste products normally headed for the landfill. The goal is to have innovation and products to showcase during the international 2019 By Cities for Cities event, hosted in our city by Envision Charlotte.



ENVISION
CHARLOTTE

Developing an Innovation Barn \$2.0 million

Joining the Circular Economy 100 (CE100) network



To help propel the Circular Economy movement forward, the City of Charlotte has joined the Ellen MacArthur Foundation. The City of Charlotte is the second U.S. city to commit to this network. We will leverage this program and its premier network to accelerate our transition to a Circular Economy and become the leading U.S. Circular city. The Circular Economy 100 program brings together leading organizations and cities, with the key objective of innovating, developing and implementing circular economy opportunities.

Becoming an Employer of Choice

The City of Charlotte strives to be an employer of choice and acknowledges that a strong community starts with a strong organization. Attracting and retaining the best workforce talent is critical to providing efficient, reliable, and quality services to our residents.

Adopted FY 2019 Compensation Highlights

- Three percent merit increase for salaried employees
- 1.5 percent merit increase and 2.0 percent market adjustment for hourly employees
- **NO** increase in employee healthcare premiums for FY 2019
- Additional week of paid military leave
- Compression adjustments for certain Solid Waste and Charlotte Water positions
- Healthcare Premium relief for the city's lowest paid employees

Employees pay
no health
insurance
premiums in
August

Promoting Public Transit

In September, the city will begin offering all-access transit passes to employees for the significantly reduced rate of \$33 per year. These passes, which include both buses and light rail, can save city employees over \$1,400 annually.

Promoting Employee Engagement

To ensure employees have ongoing opportunities to share ideas, feedback, and concerns, the city formed the Queen's Team: Charlotte Employee Relations Team. This team of 80 peer-elected employees from departments discuss topics such as safety, benefits, compensation, and productivity. The City Manager meets quarterly with this team to hear feedback and recommendations.

Well-Managed Government



As the city moves away from a decentralized approach of performing core government functions, it is increasing efficiencies while reducing service duplication and costs. Reviews of Communications, Finance, and Human Resources have produced promising results as the city transitions our services to a more standardized, productive and collaborative model. The Adopted FY 2019 Budget begins the implementation of a new business model and capturing savings associated with consolidations:

Uniting Under the Crown - Communications

Realignment efforts began in FY 2018 when the Office of Constituent Services was created to provide more targeted services for City Council members and our constituents. In FY



2019, we will continue efforts to standardize and realign communication processes and messaging across the organization and restructure the Department of Communications to be more proactive, responsive and collaborative.

Refocusing Financial Services

Returning the Department of Management and Financial Services to core financial functions continues in FY 2019 as the Division of Fleet (with 124 staff positions) transitions to the Department of Engineering and Property Management for a more operational synergy. Duplicative services within the administrative division will also be eliminated or redeployed to other areas of need, such as human resources and communications.

Standardizing Human Resources Functions

A recent review conducted by AON Hewitt, a global human capital solutions consultant, recommends a centralization of how Human Resource decisions are made. In the upcoming year, the governance structure will be revised for consistency across departments. Policies will be updated and created where necessary, and redundancy will be eliminated.

Maintaining High Quality of Service

Efficient and Effective Solid Waste Services

Partnering with the county to provide the highly effective solid waste services expected by the city's residents is a core function of our government. To support county increases in disposal and contractual service costs for private haulers, and rollout containers, the Solid Waste fee is proposed to increase by \$0.59 per month for most households in FY 2019.



Enhancing the Environment through Storm Water

In addition to environmental preservation, Storm Water Services performs construction repairs on drainage issues that qualify as a safety concern on public or private property. Substantial efforts will be made in the coming year to address storm drainage improvements. FY 2019 sets aside \$5 million to fund a two-year pilot program to address resident-initiated repair requests. A fee increase resulting in less than \$0.75 per month for almost all single-family parcels will be leveraged to fund the pilot program. This program will be cost-shared with the residents.



Enriching Lives Through Charlotte Water

The city is also investing in programs that ensure the infrastructure necessary to support growth and remain an economic engine for the region. For the coming fiscal year the city will be enhancing the water distribution system, ensuring adequate capacity in our sanitary sewer system, designing and constructing a new regional wastewater treatment facility, refurbishing additional water treatment facilities, and improving the reliability at our current wastewater treatment facilities. To support these improvements, the Adopted FY 2019 Budget includes a \$1.89 per month fee increase for the typical household.





Mayor Vi Lyles

Mayor Pro Tem Julie Eiselt

Council Member Dimple Ajmera, At Large

Council Member Tariq Bokhari, District 6

Council Member Edmund H. Driggs, District 7

Council Member Larken Egleston, District 1

Council Member Dr. Justin Harlow, District 2

Council Member LaWana Mayfield, District 3

Council Member James Mitchell, Jr., At Large

Council Member Matt Newton, District 5

Council Member Gregory A. Phipps, District 4

Council Member Braxton Winston, At Large



City Manager Marcus D. Jones

FY 2019 Budget Calendar

Council Budget Public Hearing	May 14, 2018, 5:30 p.m.
Council Budget Adjustments	May 16, 2018, 1:00 p.m.
Discussion and Preliminary Votes	May 30, 2018, 12:00 p.m.
Discussion and Preliminary Votes	June 4, 2018, 3:30 p.m.
Council Budget Adoption	June 11, 2018, 6:30 p.m.

This Budget in Brief includes the highlights of the Adopted FY 2019 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.