

Message from the Mayor

Chattanooga is a unique community with the promise of becoming America's best city. As I look back on my first 100 days in office, I am proud of our efforts to lay the groundwork for tackling the structural challenges our community faces, while ensuring we get the basics right. We have restructured our government to align with priorities, streamlined departments to be more efficient and effective, and started the process of making it easier to do business with and within our city.

We have also begun the process of shifting resources back into our local neighborhoods and Community Centers. City government shouldn't just be a building on East 11th Street, but a network of services, places, and relationships embedded in neighborhoods across Chattanooga.

We committed \$2 million to the new Construction Workforce Development Center and donated land to help bring the vision for this trade school to life alongside our other key community partners. This will provide critical opportunities for Chattanooga residents to get the skills they need to land great jobs in the trades and rebuild a local labor force that's in high demand.

We began Mayor's Open Office Hours, a monthly opportunity for residents to meet with me and my senior team in community centers across the city to discuss issues that are affecting them, or to share an idea they're passionate about — because everyone should have open access to their local government leadership.

We announced a pay increase for our frontline workers and first responders, bringing them up to competitive salaries that will allow us to provide essential services for our residents.

These are just some examples of the work we have done during our first 100 days in office. And it's a great jumping-off point to introduce a budget that reflects a new organizational structure, creates a strong foundation for good governance, invests in infrastructure, preserves essential services, and allocates resources toward important new initiatives for our community.

Simply put, this budget is the foundation for making sure Chattanooga lives up to its potential to become the best city in America: a city that works for everyone, as one Chattanooga, together.



Mayor Tim Kelly
City of Chattanooga

Budget Process and Timeline

The process for assembling the fiscal year 2022 budget spans two separate mayoral administrations. Upon taking office, Mayor Kelly and his staff reviewed the draft budget prepared under the prior administration and began making immediate adjustments to align with Mayor Kelly's vision, priorities, and reorganization of government.

On June 8, 2021, the Chattanooga City Council adopted an interim budget that allowed a continuance of the prior year's budget for the months of July, August, and September 2021. An interim budget allowed the City to operate at 1/12 capacity each month until a new budget is adopted.

The prior administration's budget process had incorporated community input: this feedback was not lost with the election of a new mayor. The fiscal year 2022 budget reflects the community's priorities as expressed over the past year, as well as feedback obtained from throughout the recent mayoral campaign.

Following is a timeline for the budget process:

Mayor Tim Kelly Inauguration	April 19, 2021
Budget Review	April 2021 through May 2021
Reorganization of Government	June 8, 2021
Budget Adjustments	June 2021 through August 2021
Budget Presentation to City Council	August 10, 2021
Budget Education Sessions	August 17, 2021 through August 31, 2021
Budget Public Hearing	August 31, 2021
Budget Ordinance - First Reading	September 7, 2021
Budget Ordinance - Second Reading	September 14, 2021

Strategic Framework

In August 2021, Mayor Kelly will release the first iteration of his One Chattanooga strategy. This will be a strategic framework that guides the work of all departments throughout City government.

Following is an outline of the key values, goals, and strategic initiatives that Chattanooga will undertake under Mayor Kelly's leadership to realize One Chattanooga.

Our strategy, which puts Chattanooga on a path to shared prosperity and common purpose, includes the following key priorities:

Build a path to universal early learning

- Make Chattanooga a national model for investment-ready early learning
- Integrate early learning programs, from prenatal care to kindergarten
- Train the next generation of leading early-learning professionals
- Expand access to early learning for all families
- Partner with Hamilton County Schools to provide high-quality learning opportunities and services for families

Catalyze the resurgence of a Black middle class

- Increase the number of pathways to entrepreneurship for all
- Reform city purchasing and procurement practices
- Advance arts, culture, and the creative economy
- Invest in historically-underserved neighborhoods
- Engage and involve the community in city plans and investments

Ensure accessible housing choices for all Chattanoogaans

- Expand the inventory of affordable housing citywide
- Diversify the range of capital options available to develop affordable housing
- Expand the supportive housing resources needed to end chronic homelessness
- Support both tenants and housing providers with housing security and eviction-prevention resources
- Preserve land for affordable housing in transitioning neighborhoods

Improve local infrastructure

- Ensure timely, equitable, responsive repairs to potholes and roadbed failure
- Develop a strategic capital plan that incorporates long-term maintenance needs
- Modernize our multimodal transit network
- Make Chattanooga a city that's prepared for sustainable, inclusive growth
- Expand and connect our local parks, trails, and greenways system
- Invest in green and resilient infrastructure

Build a competitive regional economy

- Grow our economy with good-paying jobs
- Generate economic opportunities for all Chattanoogaans by focusing on workforce development and skills training
- Ensure essential city workers are paid a living wage
- Prepare to lead in the emerging green economy
- Foster a welcoming, inclusive, and prosperous city for New Americans
- Expand Chattanooga's competitive advantages and trade clusters

Close the gaps

- Address racial and economic disparities in public health outcomes
- Disrupt community violence trends by addressing the root causes
- Adopt an equity lens across city government, investments, and initiatives
- Reduce and eventually close the racial wealth gap in Chattanooga
- Ensure all Chattanoogaans have access to fresh, healthy, and affordable food

Ensure responsive and effective local government

- Streamline our city processes and prioritize innovative approaches to city services
- Increase opportunities for residents to engage with their local government
- Implement practices and policies that ensure transparency and accountability
- Invest in technology, platforms, and practices that allow Chattanooga to lead in the 21st Century
- Advocate for local control over local issues and policies

Significant Challenges

As we worked to finalize the fiscal year 2022 budget, we found ourselves in the midst of a resurgence of COVID-19 with the spread of the Delta variant. This pandemic poses a direct threat to the economic future of our City, with the serious potential to harm both the businesses and workers who supply revenue to the city, as well as the nonprofits with which the city partners on countless initiatives. We must ensure we can continue providing essential services to all citizens of Chattanooga while also protecting those who are most vulnerable.

Our city's infrastructure liabilities are also adversely impacting our residents' quality-of-life and pose significant cost challenges to return them to an acceptable baseline standard. Our roads have deteriorated precipitously over the last ten years, with the portion of our roads rated as 'poor' increasing from 7 percent in 2010, to 20 percent in 2020. Reversing this decline will require a significant long-term investment.

More concerning, the bill to repair our bridges —on which we depend for both commerce and public safety— is also coming due. Over the next ten years, Chattanooga must invest about \$120 million to repair and replace bridges that are quickly reaching the end of their useful life. Without immediate action, our first responders will eventually have to take lengthy detours, which will adversely impact life safety.

While federal money is expected to become available to help repair and upgrade our roads, bridges, sidewalks, greenways and sewers, Chattanooga's portion of these relief dollars represents only a fraction of the need.

But infrastructure is not the only life-safety risk Chattanooga faces: Years of low wages —ranging from 15% to 36% below the market's 50th percentile— have dried the talent pool and drained our first-responder agencies of qualified personnel. An acute shortage of qualified drivers also forced the city to suspend its recycling-collection services this year. Shortages of fire and police personnel will undoubtedly lead to increased 911 response times, darkened fire stations, and declines in training and community outreach. These would be unacceptable outcomes for Chattanoogaans.

If our city does not begin offering competitive, essential pay for our essential workers, we risk further deterioration of the bedrock services on which Chattanooga residents depend as employees will instead transition to the private sector, neighboring municipalities, or retire. From potholes to public safety, Chattanooga deserves not just a minimum level of service, but service meant to enhance our collective safety and quality-of-life.

Budget Highlights

Overview

The fiscal year 2022 budget is focused on ensuring that we have better government for all Chattanoogaans. In order to accomplish the goals detailed in our strategic framework, we must develop a baseline in order to deliver results. We can no longer ignore the nuts and bolts of government, and may no longer kick the can down the road. This budget represents a commitment to fiscal responsibility, transparency, accountability, public safety, equity, education, economic opportunity, community investment, customer service, and a common-sense approach to solving the problems that face our city.

Budget Cuts

Upon taking office, Mayor Kelly directed all staff to take a deep dive into every line item of the city budget, to “dig into the couch cushions,” and ensure we're maximizing every

taxpayer dollar. This budget includes over \$4 million in budget savings identified across all departments.

Agency appropriations have been reduced by \$1.2 million where duplications of services could be eliminated, and/or funding could be reallocated to other areas that would most benefit taxpayers.

Departmental operating budgets have been reduced by \$1.5 million in order to right-size budgeted line items to spending levels that would be more efficient and effective.

The number of budgeted positions was reduced by 53 to 1,919 positions from 1,972 positions, including the elimination of 25 routinely and historically vacant positions in the police department. This reduction in positions produced total savings of more than \$1.5 million.

Underutilized YFD programs have also been eliminated, saving over \$500,000, which was reallocated to help create a Department of Early Learning.

Key Investments

Reorganization of Government

The FY 2022 budget reflects Mayor Kelly's reorganization of government—ensuring we will be a community where City Hall isn't just a building on East 11th street, but a network of services, places, and relationships embedded in neighborhoods across Chattanooga. A city with the most investment-ready early learning system in the country, with a path toward universal access. A city where opportunity is not only possible but plentiful, for every single one of our residents. A city where economic development will go beyond incentives and industrial parks. A city where we open up pathways for local small businesses to grow, thrive and hire. A city with an equity lens that ensures we're building toward long-term solutions for everyone in our community.

The **Department of Community Development**, in addition to managing Chattanooga's community centers, will also include neighborhood services, codes enforcement and other assistance programs, and will still coordinate with the Department of Economic Development on workforce-training assistance.

The newly independent **Department of Economic Development** will manage both economic and workforce development, real property, brownfield redevelopment, as well as arts, culture, and the creative economy.

The **Department of Equity & Community Engagement** will contain the functions previously served by the Office of Multicultural Affairs –a newly-created Office of New Americans– and will perform community engagement and outreach functions. This new department, which reports directly to the mayor, will also focus on supplier diversity, as well as citywide diversity, equity, and inclusion initiatives.

The new **Department of City Planning** will include the Regional Planning Agency, transportation planning, strategic capital planning, and sustainability.

The new **Department of Early Learning** will manage Head Start and family child care navigators, as well as manage partnerships with Hamilton County Schools and early learning centers.

The new **Department of Innovation Delivery & Performance** will oversee the 311 Center as well as the Office of Performance Management & Open Data. The new department will also direct special citywide performance-improvement projects (including code and ordinance reform), will ensure that recommendations from internal audits are implemented, and will expand transparency and accountability government-wide.

The new **Department of Parks & Outdoors** consolidates multiple missions and services from other agencies to create a more streamlined and functional parks department that's focused on outdoor activities. These include: parks planning, parks programming, parks maintenance, greenways and neighborhood connectivity, Outdoor Chattanooga, special events, outdoor recreation, and municipal golf courses.

The **Department of Public Works** includes several divisions responsible for the city's infrastructure and other essential services such as: engineering, wastewater treatment, transportation, fleet management, and essential neighborhood services (e.g., the collection of trash, bulk-trash and brush, and recycling). Public works also manages the Land Development Office.

The **Police and Fire departments** were not affected by the reorganization of government. Other departments not affected include **Finance, Purchasing, Human Resources, and Information Technology**.

The Chief of Staff, Chief Policy Officer, Chief of Police, City Attorney, Chief Equity Officer, and Senior Advisor for Economic Opportunity will all report directly to the mayor. Most operational functions are consolidated under the Chief of Staff, while most planning and strategic functions will be managed by the Chief Policy Officer.

Compensation Plan

This budget invests **more than \$30 million to implement new compensation plans**. Significant challenges around employee compensation were described earlier in this document. In a national and regional economy significantly impacted by the global COVID-19 pandemic, low wages and the resulting staffing shortages is the most critical issue the City of Chattanooga faces when it comes to providing essential services to the citizens of Chattanooga. To provide residents with the service they expect and deserve, it is vital for the city to be able to compete for skilled workers. The city must currently contend with higher starting wages in both the private sector, and neighboring and comparable municipalities; this budget levels the playing field by making Chattanooga more competitive in the struggle to attract and retain top talent. The compensation plans included in this budget are described in detail later in this document.

Roads and Infrastructure

This budget includes an **unprecedented \$10 million for repaving roads**. And our capital plan also includes **at least \$40 million over the next four years for paving**, in addition to other major capital projects for road improvements. Later this fall, the city will release a Transportation Asset Management Plan (TAMP) and a four-year paving plan that will allow us to pave more roads by working smarter, and by providing community transparency about the paving plan. The capital budget also includes additional road projects separate from the paving program (see capital budget section).

This budget also funds a full-time pothole inspector. The City receives thousands of reports of potholes each year, but many times when crews arrive, the damage is being caused by some other roadbed issue that cannot be fixed by a pothole truck alone. Sometimes a reported pothole is actually a case of rippling or other type of roadbed failure. Having personnel to verify potholes before a truck is dispatched will allow for more efficient repairs. Thousands of potholes are also never even reported. A dedicated pothole inspector will routinely monitor Chattanooga's roads to proactively preserve a state of good repair.

Community Forward Schools Partnership

Through a pioneering partnership with Hamilton County Schools, this budget invests more than \$700,000 for the **Community Forward Schools initiative** to ensure students and their families can thrive by removing the barriers to academic success. Community schools use academic and non-academic data to respond to whole-child and whole-family needs, tailoring individualized services and supports for each family. City-funded staff, in seven

schools within city limits, will work with principals to bring families the resources they need to support their childrens' social and emotional development, ensuring each child has access to safe and secure housing and even career services to open up pathways to good jobs. By directly engaging with families, students, teachers, and principals in schools and also in our city community centers, Chattanooga can ensure each child is positioned for success, both in school and in life.

Building and Construction Workforce Center

This budget commits \$2 million dollars for a **Building and Construction Workforce Center** at the former Garber school in East Chattanooga. The City of Chattanooga will partner with the Associated General Contractors of East Tennessee, Hamilton County, Hamilton County Schools, Chattanooga State, the State of Tennessee, and others to provide industry workforce development through three integrated areas of focus:

- An 11th and 12th grade construction vocational academy through Hamilton County Schools
- Adult learning and training through the Tennessee College of Applied Technology's construction certification programs, as well as other successful regional construction training programs
- An industry career and business center, led by AGC of East Tennessee, which will serve as a bridge to connect students with on-the-job training opportunities and offer continuing education and support services for professionals in the building and construction industry

Expansion of Homeless Services

According to the most recent Point-in-Time Count in early 2021, during the COVID-19 pandemic the unsheltered homeless population has quadrupled in Chattanooga. Many more Chattanoogaans are at risk of homelessness, with the U.S. Census's household pulse survey data indicating that the economic effects of the pandemic have led to a significant rise in housing insecurity due to late or missed rent payments. Recognizing the clear need for a long-term strategy and cohesive plan to end chronic homelessness in the long-term, we also know that effective homeless services are needed now more than ever.

The Office of Homelessness and Supportive Housing (OHSO, also previously known as Homeless Services) served over 700 people in FY 2021 through three core functions and services: outreach, service coordination, and housing navigation. With an additional investment of nearly \$300,000, OHSO will be able to serve an additional estimated 560 individuals experiencing homelessness. These additional services include streamlining the intake and service connection process, increasing the number of housing providers willing to accept Housing Choice Vouchers, and creating a single point of contact for service

referrals. This additional capacity will ensure that OHS is prepared to meet the urgency of this moment with the services our most vulnerable neighbors need.

Office of Community Health

Community health is a broad and vital measure that encompasses physical health, safety and security, mental health, and social connectivity. It interconnects and overlaps with a wide range of policy and programmatic portfolios in the City of Chattanooga, including community development and public safety. **The Office of Community Health** (OCH) is a new team that will be led by Dr. Mary Lambert, a proven leader in the public health sector who has served her country at the highest levels—both in and out of uniform. OCH will be responsible for advancing health equity in our community, reducing the racial disparities of health, economic and community development, building lasting health-focused partnerships in our region, and increasing health literacy through community engagement. Additionally, OCH will house the City of Chattanooga's violence prevention work and strategic planning.

In the first 100 days of the Kelly administration, OCH has already secured a two-year, \$3.4 million federal grant from the U.S. Department of Health and Human Services—Office of Minority Health to help advance health literacy in the region as a response to the COVID-19 global pandemic. These dollars will go directly to our community by bringing trusted health navigators to community centers where they can: help residents to better understand their health choices, increase the number of families connected to a primary care physician, and dispense accurate information about COVID-19 vaccines to every neighborhood.

Crisis Response Program

As part of our community health initiatives, this budget includes approximately \$1.2 million to create a **Crisis Response Program** that provides alternative response and/or co-response to emergencies involving mental and behavioral health, substance abuse, and quality-of-life incidents related to homelessness or poverty. Crisis response teams will support Chattanooga Police and Fire personnel by taking on many social-service-focused requests for crisis counseling, case management, and initial contact for individuals who are intoxicated, in mental or emotional distress, disoriented, or are in need of transport for other non-emergency medical care.

This investment includes budgeted positions for a program director and ten certified social workers, as well as funding for program operating expenses.

Community Centers

This budget invests nearly \$7 million to transform the currently existing YFD Centers into true **Community Centers**. These centers will reflect the needs of the communities in which they are located, with dedicated advisory councils to help inform both the services and programs provided by staff and volunteers.

As part of the plan to shift resources back into neighborhoods and communities, programs such as those previously offered through the Office of Family Empowerment on West 12th Street, as well as workforce development and assistance opportunities, will be available in more accessible locations within Community Centers. These centers will become front doors to city-offered services as we work to build a government that provides a network of programs, places, and relationships embedded in neighborhoods across Chattanooga.

Therapeutic Recreation Expansion

In conversations with residents during Mayor Kelly's Open Office Hours in July, we uncovered an acute need to expand services in our therapeutic recreation division. This division provides recreation services to individuals with disabilities, including the very successful Camp ZooAbility summer program. The FY 2022 budget increases funding for the **therapeutic recreation division** from approximately \$220,000 to approximately \$337,000, which will allow for more staffing and a doubling of operating expenses. This is an important investment to ensure **inclusivity** to the services we provide to the citizens of Chattanooga.

Mental Health Services for First Responders

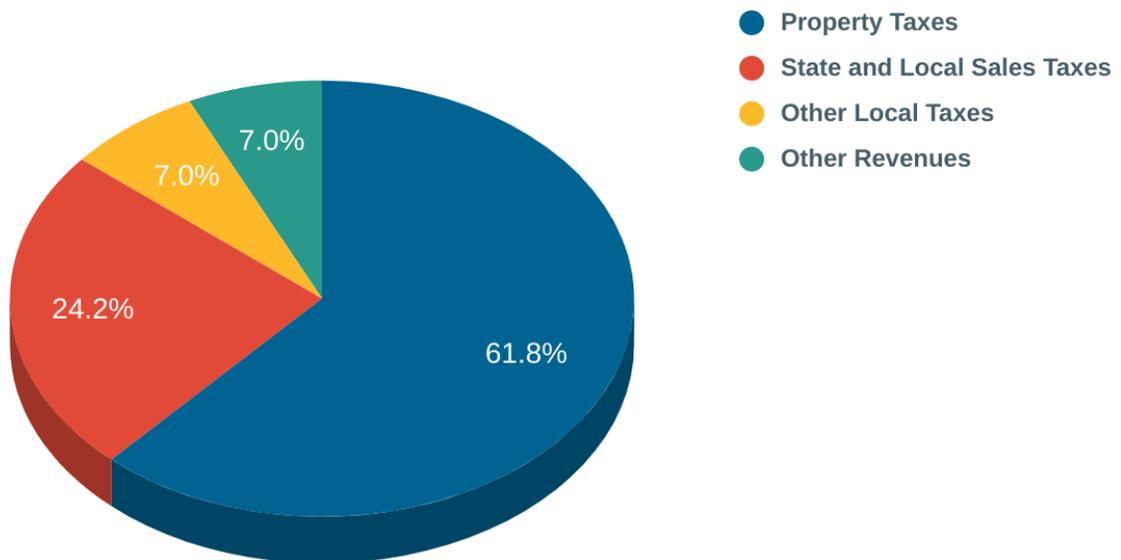
Firefighters and police officers respond to situations every day that may harm their mental health. Many have answered the call to duty, only to come upon a particularly horrific scene that adversely impacts their mental health for the rest of their lives. This budget includes \$100,000 to pilot third-party, contracted **mental health support services for first responders** to work in conjunction with peer support groups and the Employee Assistance Program. If successful, we will work with employee representatives to expand these types of services in future years.

Revenues Summary

Revenues needed to operate city government are generated primarily through property taxes, state and local sales taxes, and other local taxes. These funds are used to provide essential services to the citizens of Chattanooga, as detailed below in the expenditures summary. This budget was prepared using a property tax rate of \$2.25 per \$100 of assessed value. This represents a 2.7 cent decrease from the current rate.

Revenue Source	Dollars	Percent
Property Taxes	\$186,593,235	62%
State and Local Sales Taxes	\$73,175,496	24%
Other Local Taxes	\$21,145,009	7%
Other Revenues	\$21,117,135	7%
Total Revenues	\$302,030,875	100%

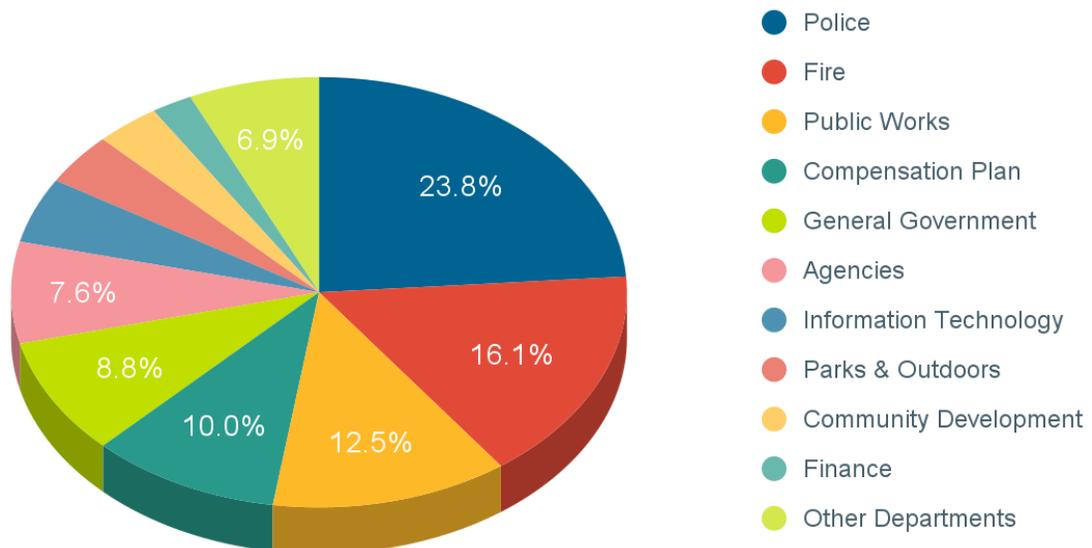
General Fund Revenue Sources



Expenditures Summary

Department	Dollars	Percent
Police	\$71,987,525	24%
Fire	\$48,649,811	16%
Public Works	\$37,631,142	12%
Compensation Plan	\$30,105,653	10%
General Government	\$26,575,068	9%
Agencies	\$23,003,332	8%
Information Technology	\$14,822,020	5%
Parks & Outdoors	\$11,785,379	4%
Community Development	\$10,199,253	3%
Finance	\$6,506,272	2%
Other Departments	\$20,765,420	7%
Total Expenditures	\$302,030,875	100%

General Fund Expenditures by Department



Compensation Plan

The City of Chattanooga has three unique compensation plans:

- Police Pay Plan
- Fire Pay Plan
- General Pay Plan

Beginning in 2019, the City of Chattanooga engaged Gallagher Benefit Services to conduct a comprehensive job evaluation and compensation study for approximately 400 general pay-plan job titles, covering approximately 1,200 employees. During 2021, the contract with Gallagher was expanded to include a compensation study for fire and police pay plans.

Following are the overall objectives of the compensation study:

- Conduct a comprehensive total compensation survey to determine market competitiveness of City base-pay, and pay practices against comparable public and private organizations;
- Classify and evaluate City jobs to promote internal equity within the City, utilizing current job descriptions;
- Develop a salary structure for all City jobs that is externally competitive, internally equitable, and legally defensible;
- Recommend a compensation strategy and operations guidelines for the City to administer;
- Train HR staff in administering the recommended classification and compensation systems;
- Provide the City with implementation support at the conclusion of the project.

Job evaluations utilized the Decision Band Method® (DBM), which is a formal job evaluation method applied to define:

- Internal equity
- Job value hierarchy
- Assignment to pay grades
- Evaluation of new or changed jobs

To collect external market compensation data, the City in collaboration with Gallagher identified a total of 142 benchmark jobs that represented different functional areas and levels across the City. Benchmark jobs represented approximately 62% of non-sworn employees in the study.

Gallagher then utilized the following published survey sources to collect market data for all 142 benchmark jobs:

- Compdata Benchmark Pro Survey
- Compdata Non-Profits Survey

- Economic Research Institute
- Mercer Surveys
- Willis Towers Watson Surveys

Finally, Gallagher developed a custom survey that collected market data for 80 of the 142 benchmark jobs. In collaboration with the City, Gallagher identified benchmark cities and sent the custom survey to 26 comparable peer cities. The following 14 cities participated in the survey:

- City of Birmingham, Alabama
- City of Cincinnati, Ohio
- City of Clarksville, Tennessee
- City of Greensboro, North Carolina
- City of Huntsville, Alabama
- City of Knoxville, Tennessee
- City of Lexington, Kentucky
- City of Murfreesboro, Tennessee
- City of Nashville, Tennessee
- City of Raleigh, North Carolina
- City of Richmond, Virginia
- City of Savannah, Georgia
- City of Springfield, Missouri
- City of St. Louis, Missouri

Available salary information from the following cities was also used:

- City of Augusta, Georgia
- City of Durham, North Carolina
- City of Hampton, Virginia
- City of Newport News, Virginia
- City of Norfolk, Virginia
- City of Winston Salem, North Carolina

Once jobs were evaluated and benchmark data was obtained, Gallagher developed a full market salary structure that reflects a \$15 minimum wage and provides pay bands that include minimum, midpoint, and maximum salaries for each DBM.

For Fire and Police pay plans, Gallagher benchmarked against other cities to determine necessary adjustments to bring these pay plans in line with the market. Benchmarking was completed for both starting salaries and salaries at each rank throughout the pay plans.

Fire Pay Plan

Gallagher benchmarked the fire pay plan against other cities to determine the market rate for starting pay and pay by rank within the plan. The 75th percentile of the market pay range was recommended by Gallagher for implementation in order to better compete with the private sector and surrounding municipalities. Overall, a 23% increase is required to move the current play plan to the market rate.

Starting pay for a Fire Cadet will increase 24% from \$32,524 to \$40,330. All ranks within the pay plan will increase by 24%, except for the rank of Senior Firefighter, which will increase 20%. Some command staff positions will have lower increases.

The total cost (salaries and benefits) to implement this adjustment to the fire pay plan is approximately \$10 million per year.

Police Pay Plan

Gallagher benchmarked the police pay plan against comparable cities to determine both the market rate for starting pay and pay by rank within the plan. The 75th percentile of the market pay range was recommended by Gallagher for implementation in order to better compete with the private sector and surrounding municipalities. Overall, a 24% increase is required to move the current play plan to the market rate.

Starting pay for a police cadet will increase 24% from \$35,141 to \$43,575. All ranks within the pay plan will increase by 24%. Some command staff positions will have lower increases.

The total cost (salaries and benefits) to implement this adjustment to the police pay plan is approximately \$10 million per year.

General Pay Plan

Gallagher benchmarked the general pay plan against comparable cities and private organizations to determine the market rate for starting pay, as well as midpoint and max pay within the plan. The full-market 50th percentile, with a \$15 minimum wage, was recommended by Gallagher for implementation in order to better compete with the private sector and surrounding municipalities.

The new general pay plan will be implemented as follows:

- \$15 minimum wage
- All employees moved at least to the minimum of the new pay range per position
- Minimum pay adjustment of 5%, except for employees at the 50th percentile or above, who will receive a 3% cost of living increase

- Pay adjustments will range from a 5% to 48% increase, depending on job classification, averaging out to 18% pay adjustment across all employees
- More than half of all general pay plan employees will see a pay adjustment more than 12%
- As previously announced, garbage and recycle drivers will see their starting pay increased to \$45,000, an average increase of 42.6%

In order to ensure pay equity across the general pay plan and close pay disparities, once the budget is finalized the administration will evaluate pay bands on an employee-by-employee basis. And certain high-demand, critical positions will also be evaluated separately to ensure the ability to hire and retain employees.

The total cost, including salaries and benefits, to implement this adjustment to the general pay plan is approximately \$10 million per year.

Capital Budget Highlights

Following are some of the key investments included in the fiscal year 2022 capital budget:

- Unprecedented investments in **paving** and **sidewalks**, with \$10 million budgeted for paving and \$1.8 million budgeted for sidewalks.
- Additional capital investment of more than \$9 million for structural improvements to **critical infrastructure**.
- Substantial investments in neighborhoods, including \$2 million for **community center renovations**, \$1 million for **parks and playgrounds**, and \$700,000 for the **Neighborhood Reinvestment Fund** which will go toward safety and quality of life improvements in individual neighborhoods.
- Investments of \$1,250,000 for **greenways & neighborhood connectivity**.
- Capital investments for **early learning** totalling more than \$1 million.
- More than \$3.5 million for **economic development** projects.
- Investments of \$1.25 million for **housing and homelessness infrastructure**.
- **Public safety** investments totalling nearly \$5 million.

Capital Budget Summary

The fiscal year 2022 capital budget totals \$178,658,487, as detailed below.

Capital Budget Fund	Dollars
General Government	\$57,058,487
Water Quality	\$6,600,000
Interceptor Sewer System	\$115,000,000
Total Capital Budget	\$178,658,487

The general government portion of the capital budget has been organized into the following functional areas to provide greater transparency around how funds are invested.

Functional Areas	# of Projects	Dollars	Percent
Roads	11	\$19,871,560	35%
Community Investments	15	\$10,503,750	18%
Fleet	3	\$6,334,493	11%
Public Safety	10	\$4,960,000	9%
Economic Development	3	\$3,550,000	6%
Workforce Development	1	\$2,000,000	4%
Transit	3	\$1,638,684	3%
Better Government	5	\$1,700,000	3%
Housing	2	\$1,250,000	2%
Greenways	2	\$1,250,000	2%
Education	5	\$1,050,000	2%
Recreation	3	\$1,000,000	2%
Outdoors	4	\$800,000	1%
Other Capital Projects	4	\$1,150,000	2%
Total GG Capital Budget	71	\$57,058,487	100%