



General Fund Outlook

FEBRUARY 12, 2024

Update General Fund Revenue

Budget Capacity:

Update Revenue **+\$39.1m**

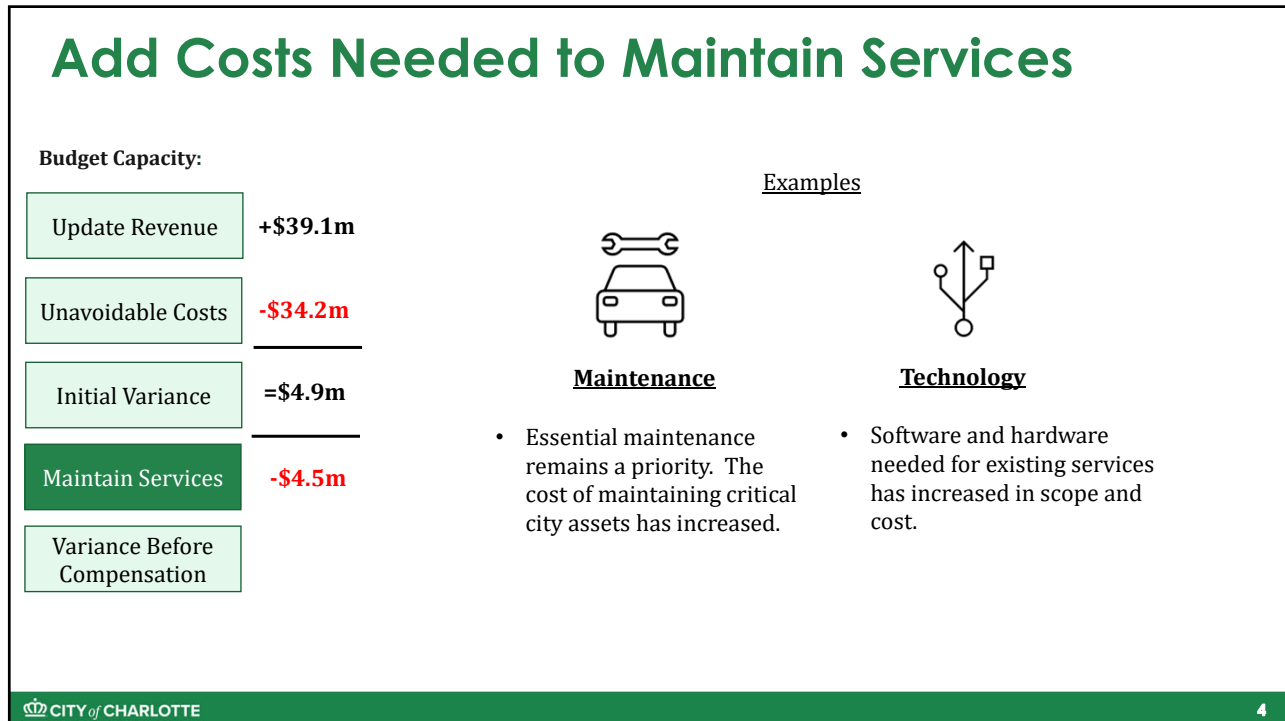
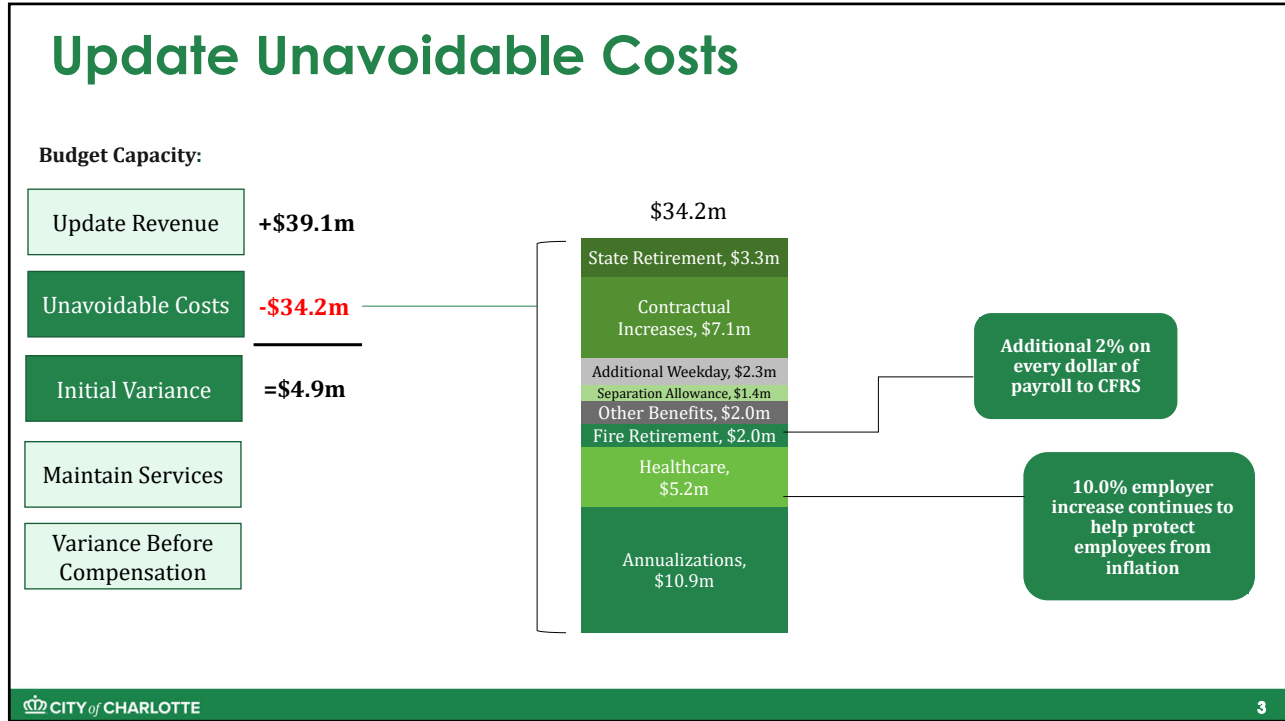
Unavoidable Costs

Initial Variance

Maintain Services

Variance Before Compensation

Revenue (millions)	FY 2024 Budget	Pessimistic	Base	Optimistic
Property Tax	\$443.2m	+\$19.0m	+\$20.1m	+\$24.5m
Sales Tax	\$145.1m	+\$0.4m	+\$8.0m	+\$9.7m
Other Revenue	\$245.3m	+\$7.9m	+\$11.0m	+\$14.2m
Total	\$833.6m	+\$27.3m	+\$39.1m	+\$48.4m

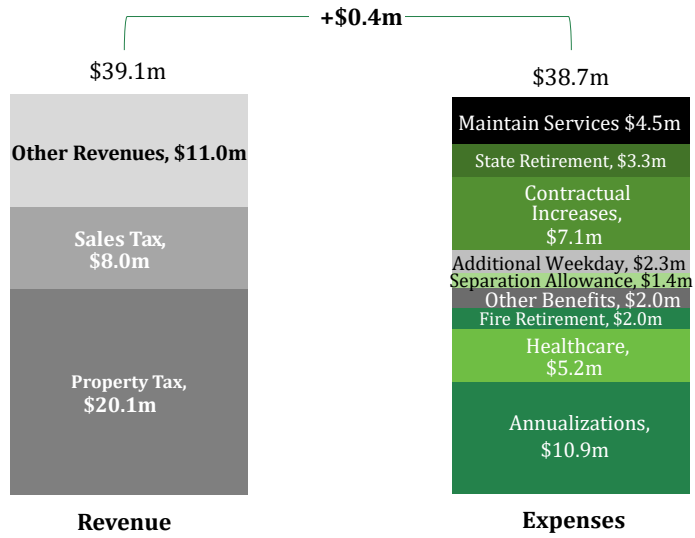


Variance Before a Compensation Increase

(No Service Enhancements)

Budget Capacity:

Update Revenue	+\$39.1m
Unavoidable Costs	-\$34.2m
Initial Variance	=\$4.9m
Maintain Services	-\$4.5m
Variance Before Compensation	=\$0.4m







Compensation and Staffing

FEBRUARY 12, 2024

City Council Took Aggressive Action to Improve Staffing

	<u>Typical Budgeted Compensation Increase</u>	<u>Budgeted FY2023</u>	<u>Budgeted FY2024</u>
Hourly Employees	3.0%	8.0%	6.0 - 11.0%
Salaried Employees	3.0%	4.0%	4.0%
Sworn Police and Fire	1.5 - 6.5%	3.0 - 8.0%	5.5 - 13.5%
Added Incentives		2.5% Shift Differential  2.5% CDL Incentive 	

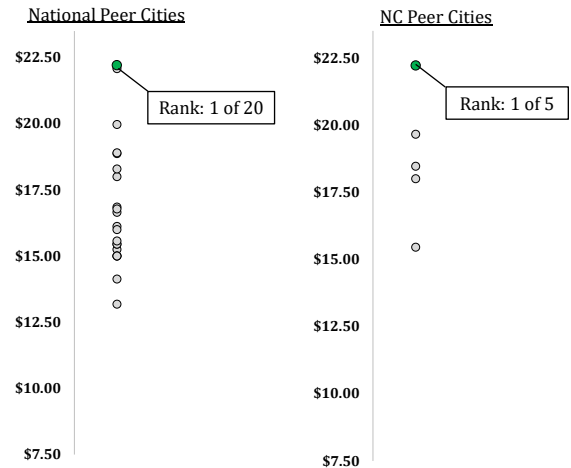
And Put an Emphasis on Lowest Paid Hourly Employees

Charlotte's General Employee Minimum Wage Since FY2021

	FY2021	FY2022	FY2023	FY2024
Minimum Hourly Wage	\$16.00	\$18.31	\$20.00	\$22.21

38.8% growth in 3 years

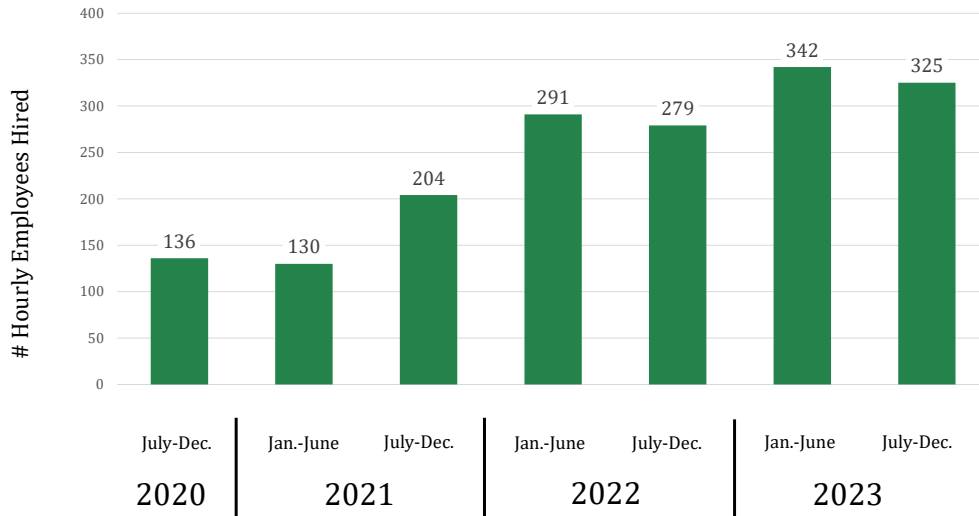
Charlotte vs. Peer Cities



These Council Actions Have Improved Retention

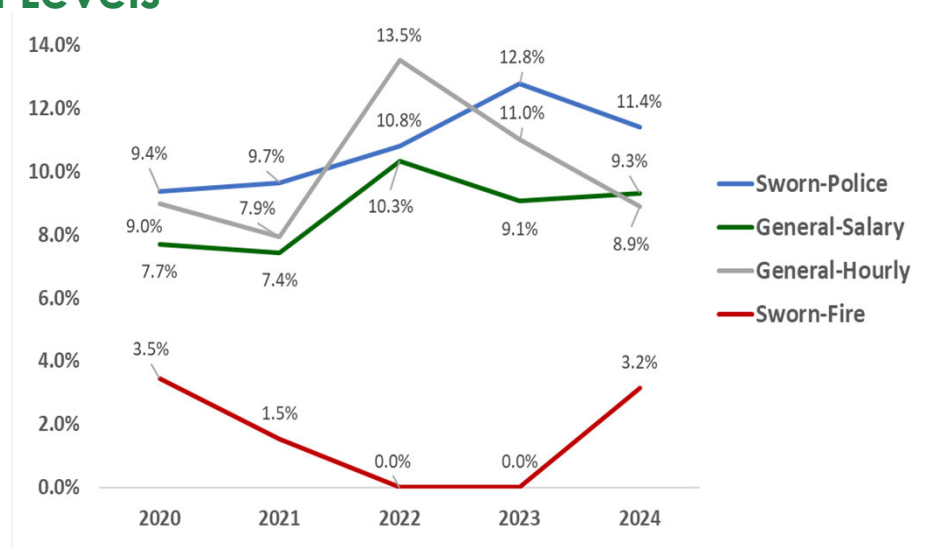
	Employee Type	CY 2021 Resignations	CY 2022 Resignations	CY 2023 Resignations	% change in 2023	
General Employees	Professional/Mid-Management/Executive/Official	112	160	108	↓	-36.7%
	Service Maintenance	111	90	84	↓	-6.7%
	Clerical/Administrative Support	73	79	54	↓	-31.6%
	Skilled Craft	72	58	38	↓	-34.5%
	Technicians	28	35	28	↓	-20.0%
	Sub-Total General	396	422	314	↓	-25.6%
Sworn Employees	Fire Uniformed	9	6	11	↑	+83.3%
	Police Sworn	68	72	61	↓	-15.3%
	Sub-Total Sworn	77	78	72	↓	-3.8%
	TOTAL	473	500	386	↓	-22.8%

Hourly Employee Hiring Has Continued to Improve



Hourly Employee Vacancies Have Returned to Traditional Levels

Vacancies by Pay Plan as of 1st Quarter of the Calendar Year



Five Year Change in Top Fire Pay

Fire Fighter

Charlotte: +23% to \$88,588
National Median: +15% to \$87,011

With four-year degree incentive

	2019	Current	Change
Eastern	5 of 9	2 of 9	+3
National	13 of 20	8 of 20	+5

Without Education Incentive

Eastern	4 of 9
National	13 of 20

With Cost-of-Living Adjustments¹

Eastern	3-4 of 9
National	9-13 of 20

Fire Engineer

Charlotte: +29% to \$95,342
National Median: +17% to \$91,366

With four-year degree incentive

	2019	Current	Change
Eastern	3 of 7	2 of 7	+1
National	10 of 16	7 of 16	+3

Without Education Incentive

Eastern	3 of 7
National	10 of 16

With Cost-of-Living Adjustments¹

Eastern	2-4 of 7
National	6-11 of 16

Fire Captain

Charlotte: +26% to \$110,141
National Median: +17% to \$110,141

2019 Current Change

	2019	Current	Change
Eastern	3 of 8	3 of 8	-
National	12 of 19	10 of 19	+2

With Cost-of-Living Adjustments¹

Eastern	3-4 of 8
National	10-13 of 19

¹ Range includes the results of adjustments using three regional cost indices: Numbeo Cost of Living Index, Mercer Cost of Labor Index, and the Regional Price Parities Index published by the U.S. Bureau of Statistical Analysis

Five Year Change in Top Police Pay

Police Officer

Charlotte: +32% to \$99,811
National Median: +21% to \$96,293

With four-year degree incentive

	2019	Current	Change
Eastern	3 of 9	2 of 9	+1
National	13 of 20	9 of 20	+4

Without Education Incentive

Eastern	3 of 9
National	12 of 20

With Cost-of-Living Adjustments¹

Eastern	2-3 of 9
National	5-11 of 20

Police Sergeant

Charlotte: +28% to \$112,785
National Median: +24% to \$112,020

2019 Current Change

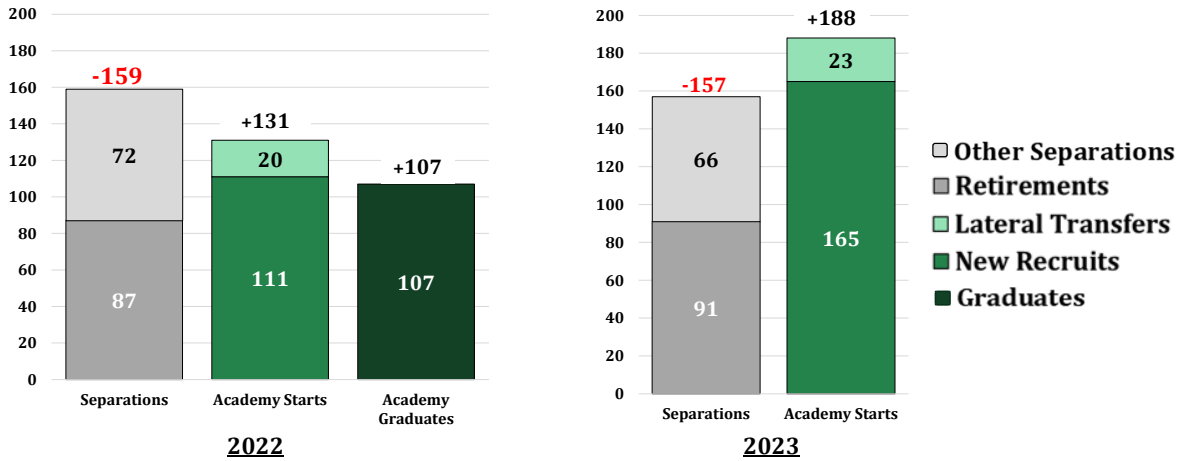
	2019	Current	Change
Eastern	5 of 9	3 of 9	+2
National	15 of 20	10 of 20	+5

With Cost-of-Living Adjustments¹

Eastern	3-4 of 9
National	10-13 of 20

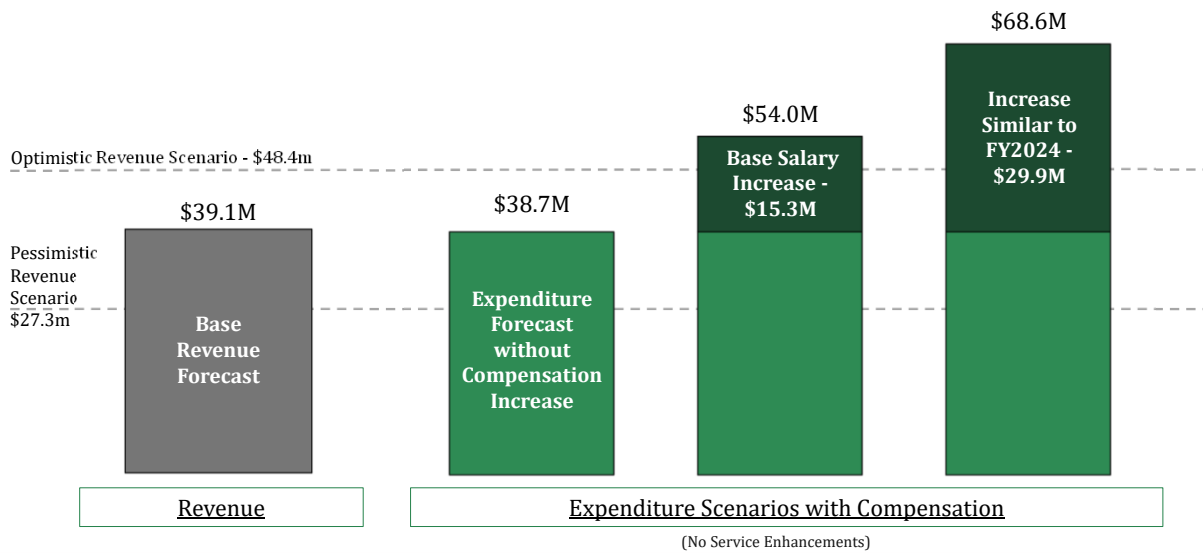
¹ Range includes the results of adjustments using three regional cost indices: Numbeo Cost of Living Index, Mercer Cost of Labor Index, and the Regional Price Parities Index published by the U.S. Bureau of Statistical Analysis

Police Hiring Vs Separations Turned a Corner in 2023



General Fund Forecast with Compensation

(No Service Enhancements)





Capital Projects Update

FEBRUARY 12, 2024

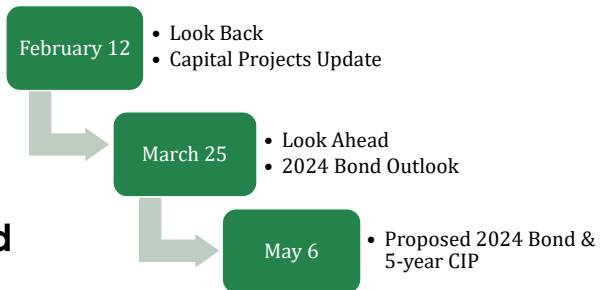
Presentation Outline

Existing Project Updates

- Bond Projects
- Facility Projects

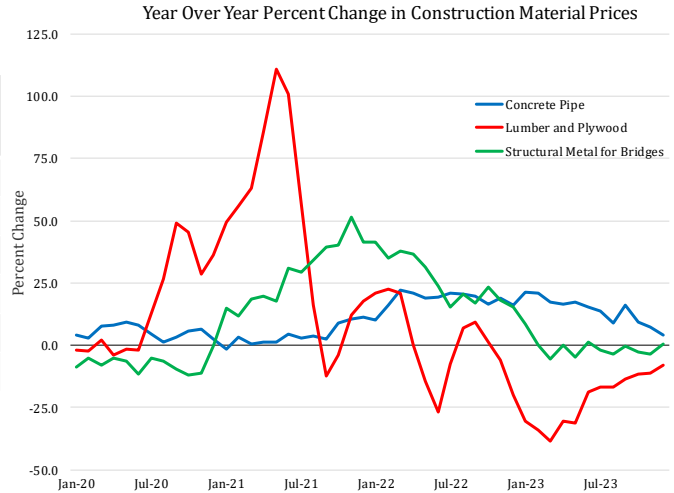
Future Project Updates

Preparation for the 2024 Bond Outlook in March



Cumulative Impact of Inflation on Materials

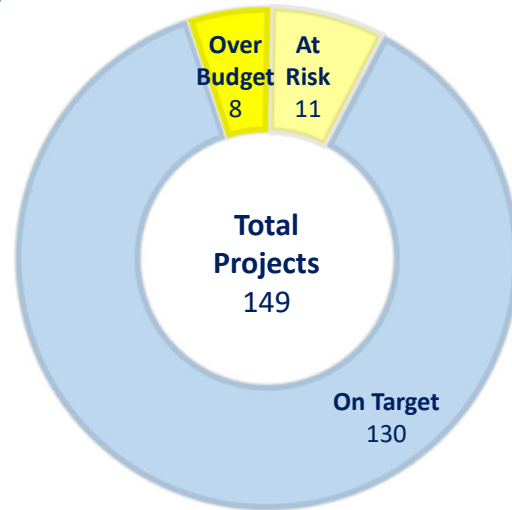
Material Cost	Concrete Pipe (LF)	Lumber/ Plywood (per sheet)	Structural Metal (lbs)
January 2020	\$100	\$40	\$1.20
January 2021	\$103	\$54	\$1.20
January 2022	\$114	\$64	\$1.69
January 2023	\$132	\$51	\$1.95
January 2024	\$138	\$47	\$1.96
Percent Increase	38%	18%	63%



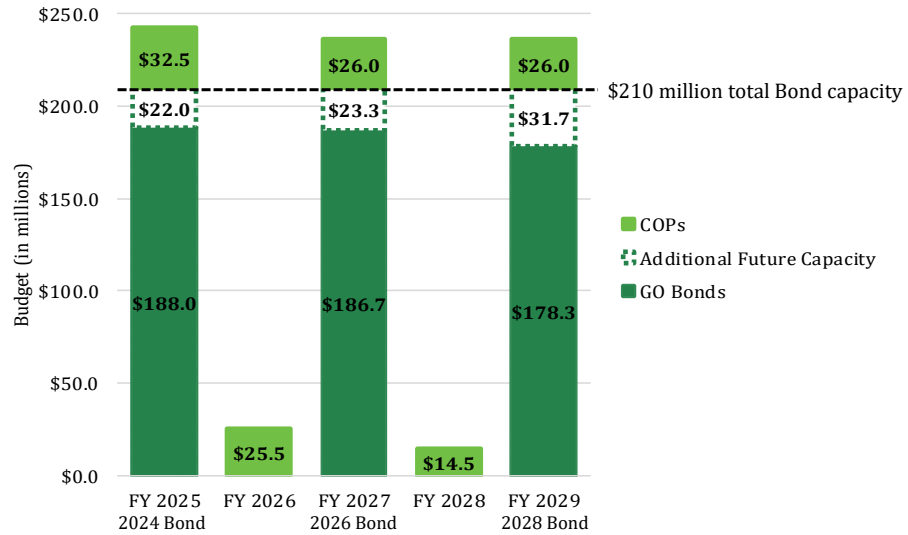
Source: Associated General Contractors of America – Producer Price Index Tables

Bond Project Updates

- 17 projects completed
- 44 new projects added
- 8 projects over budget
- 11 projects at risk
- Priority projects continue to move forward



Adopted FY 2024 Capital Investment Plan



Reserved Future Capacity

2022 Bond included additional future capacity to address existing project increases and anticipated inflationary costs

2024 Planned Bond included

\$22 million

Reserved Future Capacity

2022 Bond included Additional Future Capacity to address existing project increases and anticipated inflationary costs

2024 Bond additional future capacity and project savings sufficient to cover FY 2025 funding needs

2024 Planned Bond included

\$22 million

Maintain out-year additional future capacity for existing project increases and anticipated inflationary costs

Future Project Updates

2026 and 2028 Bond Additional Future Capacity continues to be reserved for inflationary needs

2024 Community Area Planning will test named project scopes to ensure consistency with community priorities

Planned Future Projects	Planned 2026 & 2028 Bond Totals
Bryant Farms Rd Phase II	
Planned Budget	\$43.0
Robinson Church Rd	
Planned Budget	\$51.0
Ashley Rd/Tuckaseegee Rd/Freedom Dr Intersection	
Planned Budget	\$15.0
Planned Budget Total	\$109.0
Inflationary Estimate Total	\$134.5
Difference	(\$25.5)

Facility Project Updates

2 projects completed

10 new projects added

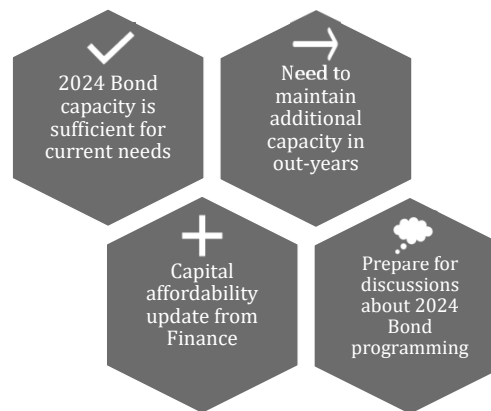
No projects over budget

2 projects at risk

- One Police Station
- One Firehouse



Looking Ahead to March



Questions?

 CITY of CHARLOTTE

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Capital Investment Plan Capacity

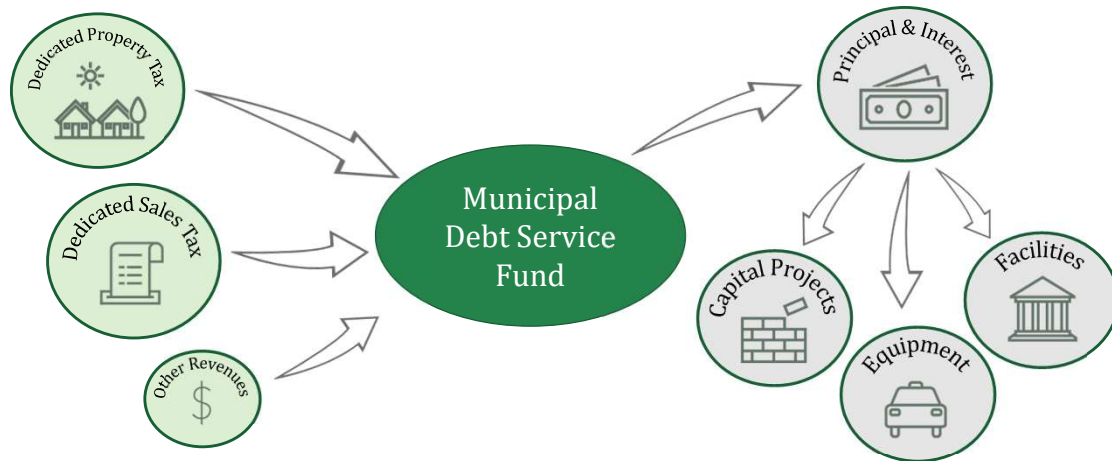
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Steady State



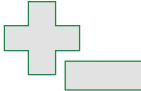
- ▶ Introduced in 2018 to support the Capital Planning process
- ▶ Debt is one component of a comprehensive capital funding portfolio used to advance strategic initiatives
- ▶ AAA rating is supported by strong financial management policies and practices such as this long-term planning
- ▶ Affordability is a point-in-time analysis
- ▶ Affordability can be allocated between Bonds or Certificates of Participation (COPs)



Municipal Debt Service Fund



Debt Model Key Drivers

Driver	Revenue	Spend Rate	Cost of Funds
Model Input	Conservative, but reasonable, assumptions for future growth	Realistic expectations for timing and cost of project construction	Financing rates as determined by market conditions
Impact	 FY2024 Actuals projected greater than Budget	 Spend rate increased due to inflation	 Interest rate assumptions steady

Steady State Affordability Growth

New Capacity for Streets & Neighborhoods \$228M *



Previous Capacity
Total \$210M:
\$160M Streets/Neighborhoods
\$50M Housing

- Growth in Capacity
- Streets and Neighborhood
- Housing

* Does not include Facilities & Equipment funded by COPs

* If New Capacity attributed to Housing Bonds, growth amount is \$10M per bond cycle

Questions?