PROPOSED BUDGET
Advancing Opportunities for All

FY2025-2029
Capital Investment Plan
Charlotte is Unique

2\textsuperscript{nd} Fastest Growing City
ACS 2020-2022, Top 20 cities by population

Providing Regional Services

Financially Sound and Resilient
We Have Managed Through Challenges and Uncertainty

Options to Increase Available Resources

- Property Tax
- Sales Tax
- Organizational Reductions and Realignments
- One-Time Federal Funds (CARES/ARPA)

Resource Pressures

- Stabilizing the Workforce
- Inflation
- Growth
- Meeting Service Expectations
## North Carolina Cities: Property Tax History

<table>
<thead>
<tr>
<th>City</th>
<th>FY 2024 Property Tax Rate</th>
<th>Property Tax Increases in the last 5 years</th>
<th>Difference from Charlotte</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greensboro</td>
<td>$0.6725</td>
<td>3</td>
<td>2.6x</td>
</tr>
<tr>
<td>Winston-Salem</td>
<td>$0.6610</td>
<td>4</td>
<td>2.5x</td>
</tr>
<tr>
<td>High Point</td>
<td>$0.6175</td>
<td>1</td>
<td>2.4x</td>
</tr>
<tr>
<td>Durham</td>
<td>$0.5575</td>
<td>3</td>
<td>2.1x</td>
</tr>
<tr>
<td>Fayetteville</td>
<td>$0.5395</td>
<td>1</td>
<td>2.1x</td>
</tr>
<tr>
<td>Greenville</td>
<td>$0.4895</td>
<td>1</td>
<td>1.9x</td>
</tr>
<tr>
<td>Concord</td>
<td>$0.4800</td>
<td>2</td>
<td>1.8x</td>
</tr>
<tr>
<td>Gastonia</td>
<td>$0.4700</td>
<td>2</td>
<td>1.8x</td>
</tr>
<tr>
<td>Raleigh</td>
<td>$0.4330</td>
<td>3</td>
<td>1.7x</td>
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<tr>
<td>Asheville</td>
<td>$0.4030</td>
<td>1</td>
<td>1.5x</td>
</tr>
<tr>
<td>Wilmington</td>
<td>$0.3950</td>
<td>2</td>
<td>1.5x</td>
</tr>
<tr>
<td>Cary</td>
<td>$0.3450</td>
<td>1</td>
<td>1.3x</td>
</tr>
<tr>
<td>Charlotte</td>
<td>$0.2604</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Population > 250,000

Information as of January 2024
Starting Where We Ended FY 2024

We are at An Inflection Point for Our Community

FY 2024 Proposed Budget Presentation
COUNCIL KEY INITIATIVES

AFFORDABLE HOUSING

CORRIDORS OF OPPORTUNITY

SAFE CHARLOTTE

MOBILITY

CLT 2040/UDO

SEAP

HIRE CHARLOTTE

ARTS & CULTURE/WORKFORCE DEVELOPMENT

SMALL BUSINESS/MINORITY BUSINESS DEVELOPMENT

DIGITAL DIVIDE
We Have Been Preparing For These Initiatives

- Workforce Development Strategy
- Small Business Strategy

Developing | Investing | Implementing
## FY 2025 Proposed Budget - $4.2B

### Proposed FY 2025 Budget (Net of Transfers)

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>898,150,000</td>
</tr>
<tr>
<td>Reimbursements and transfers to other Funds</td>
<td>(69,384,396)</td>
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<tr>
<td><strong>Sub-total General Fund</strong></td>
<td><strong>828,765,604</strong></td>
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<tr>
<td>Aviation</td>
<td>1,221,189,723</td>
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<tr>
<td>Charlotte Area Transit System (CATS)</td>
<td>326,518,097</td>
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<td>Charlotte Water</td>
<td>785,496,991</td>
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<tr>
<td>Storm Water</td>
<td>122,461,103</td>
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<tr>
<td><strong>Sub-total Enterprise Funds</strong></td>
<td><strong>2,455,665,914</strong></td>
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<tr>
<td>General Capital Investment Plan</td>
<td>517,076,036</td>
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<tr>
<td>General Capital Debt Service</td>
<td>56,337,662</td>
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<tr>
<td>Pay-As-You-Go Funds</td>
<td>26,011,312</td>
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<tr>
<td><strong>Sub-Total Capital Investments</strong></td>
<td><strong>599,425,010</strong></td>
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<tr>
<td>Debt Service - Nongeneral Funds</td>
<td>31,544,342</td>
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<tr>
<td>Special Revenue and Internal Service Funds</td>
<td>257,874,257</td>
</tr>
<tr>
<td><strong>Total All Funds</strong></td>
<td><strong>4,173,275,127</strong></td>
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</tbody>
</table>
Structurally Balanced Budget with a 2-year Lens

FY 2025 Proposed General Fund Revenues
- $898.2m

FY 2025 Proposed General Fund Expenditures
- $898.2m

FY 2026 is structurally balanced without policy-driven compensation increase

FY 2024 General Fund
- $833.6m

FY 2025 Proposed General Fund
- $898.2m

7.7% growth
Foundation for Success Always Starts with Employees
Story of Attracting and Retaining Employees

Tailoring Approach to Work-Type

- **Public Safety**
  - Recruitment and Retention
  - Pay Plan Structure changes
  - New Incentives

- **Operations**
  - Compensation and increasing minimum pay
  - New Incentives
  - Career path opportunities

- **Administrative**
  - Flexible work options
  - Career path opportunities
Supporting Career Growth with the City

- **Continuing Pre-Paid Tuition Assistance and Career Coaching**
  - ~150 active participants across 15 departments enrolled at CPCC
  - ~175 employees utilized Career Coach

- **Almost 20 apprenticeships citywide**
  - Launching four new roles in FY 2025
Compensation Increase and Continuing Incentives

**Hourly Employees**

- 5% increase in FY 2025*
  - Minimum $3,280 increase for lowest paid employees
  - ~7% for lowest paid employees

**Salary Employees**

- 4% merit pool in FY 2025

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Continuing Additional Incentives

- 2.5% for CDL
- 2.5% for 2nd and 3rd shift (includes Police)
- All-Access Transit Pass

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*2.5% in July
2.5% in November
Increasing Minimum pay to $23/Hour*

70% increase in the last eight years

Proposed Minimum Salary for Full-Time Employees:
$47,840

$23/hour*
*For 40-hour employees
Meeting our Employees Where they Are

Financial Support Coordinator
Help employees access city and community benefits

Adding new financial planning resources
Providing employees access to individualized financial planning

Emergency Loan Program
Up to $1,000 0-interest loan for hardships

Employee Advocate
Formalizing advocate role to support employees involved in workplace complaint resolution or pre-termination processes
Enhancing Home Ownership Opportunities

**House Charlotte**
- $30k in assistance
- Citywide

**House Charlotte Plus**
- +$50k in assistance, $80k total
- Must be in corridors
- Set aside for City, CMS, and County employees
- NEST Commission Recommendation
Launching New Opportunities and Supports

Hiring 17 CMS High School Graduates into City Jobs with a starting salary of $47,480

Leveraging ARPA in the Community

$4.1m approved for:
- Career coaching
- Skills and job training
- Access to employment

$5m Remaining:
- Talent connector
- Essential Skills
- Job training in target industries

Looking Ahead:
- Workforce development strategic plan early fall 2024
Turning a Corner on Police Staffing

Separations include retirements, resignations and other instances of separation.

Includes 91 retirements, the peak from the early 1990s hiring

Additional recruit class expected to significantly boost hiring

Graduates

Total Separations
Following Through on The Plan

- **New Starting Pay:**
  - $64,485 w/ 4-year degree
- **New Top Out Pay:**
  - $104,801 w/ 4-year degree
- **5-7.5% increases (including step) in FY 2025 for most employees in police pay plan**
- **Reducing pay cycle from 28 days to 14 days**
Investing in Police Operations

Reducing Officer Workload

✓ Addresses Recommendation 4 of SAFE Charlotte

+ 16 Civilian Crash Investigators

+ One new CARES Team
  • Expanded hours
  • New geography

Expanding Telecommunications

✓ Adding resources to maintain expected service level

+ 15 Telecommunicators

+ $9m to support 911 Call Center Renovations
  • $7m in FY 2025
  • $2m in FY 2026
Supporting Fire

- Up to 7.5% increase (incl. step) for employees in the fire pay plan
- Nearly 2.5x the planned increase in funding for the Firefighter’s Retirement System (4.9%)
- Adding 72 positions
  - 57 Firefighters
  - 12 Inspectors
  - 3 Civilians
  - Includes additional staff for new ladder company at Station 20
Addressing Fire Infrastructure

△ New Infill Stations
  • Station 45 (Hidden Valley)
  • Station 46 (Miranda Road)
  • River District

△ Replacement Stations
  • Station 11 (North End)
  • Station 30 (Airport)
We Are An Exceptional Place to Work
Making Investments for Charlotte’s Future

• Affordable Housing
• Arts and Culture
• Corridors of Opportunity
• Minority, Women, and Small Businesses
• Strategic Energy Action Plan (SEAP)
• SAFE Charlotte
Affordable Housing: What We’ve Accomplished

History of Housing Trust Fund Investments

- $110m, 52% of Units
- $150m, 48% of Units

Bond Year

- 2002
- 2003
- 2004
- 2006
- 2008
- 2010
- 2012
- 2014
- 2016
- 2018
- 2020
- 2022

Bond Amount (Millions)

- $10,000,000
- $20,000,000
- $30,000,000
- $40,000,000
- $50,000,000
- $60,000,000

Key Initiative
Generational Housing Investment

- **$100m Housing Bond Proposed in 2024**

- **Key Initiative**
  - Homeownership
  - New Multi-Family
  - NOAHs
  - Rehab and Repair
  - Shelter and Supportive Housing
  - Collaboration
Ready to Implement in all Six Corridors

FY 2021:
- Beatties Ford Road
- West Boulevard
- I-85/Sugar Creek
- Central Ave/Albemarle
- N. Tryon/N. Graham
- Freedom/Wilkinson

FY 2022:
- I-85/Sugar Creek
- Engagement
- Central Ave/Albemarle
- N. Tryon/N. Graham
- Freedom/Wilkinson

FY 2023:
- I-85/Sugar Creek
- Implementation
- Central Ave/Albemarle
- N. Tryon/N. Graham
- Freedom/Wilkinson

FY 2024:
- Implementation
- N. Tryon/N. Graham
- Freedom/Wilkinson

Key Initiative
Continuing Support to Address Community Priorities

Building on FY 2024 Success in FY 2025

- Leverage Opportunity Hub network
  - Programming to train talent, attract jobs, and support small businesses

- Further develop public-private partnerships to:
  - Address food insecurity
  - Invest in great places
  - Promote small business
  - Enhance community vitality

- Grow the SafeBiz program

- Continue and increase community engagement with Corridors Connect 2.0

$25m (CIP) + $5m (PAYGO) = $30m
FY 2025 Proposed
Supporting a Sustainable Arts Ecosystem

Charlottesville Arts and Culture Plan

Priority 1: Sustainable Funding and Collaboration

Priority 2: Public Sector Leadership

$11m for Arts and Culture

- More than 3x pre-covid amount for arts and culture
- Support for Annually Funded Organizations, including organizations in City-owned Facilities
- Funds reserved for individual artists and arts organizations
- Collaboration with Mecklenburg County
- Continue participation in community-wide arts coordination
### Annually Funded Organizations – Proposed FY 2025 - $9m

<table>
<thead>
<tr>
<th>Organization</th>
<th>Annual Funding</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Sign Of The Times of the Carolinas</td>
<td>Charlotte Symphony Orchestra</td>
<td>McColl Center for Art + Innovation</td>
</tr>
<tr>
<td>Arts+</td>
<td>Children’s Theatre of Charlotte</td>
<td>Mint Museum of Art, Inc.</td>
</tr>
<tr>
<td>Bechtler Museum of Modern Art</td>
<td>Clayworks</td>
<td>One Voice Inc.</td>
</tr>
<tr>
<td>Blumenthal Performing Arts</td>
<td>Discovery Place, Inc.</td>
<td>Opera Carolina</td>
</tr>
<tr>
<td>BNS Productions</td>
<td>Gay Men’s Chorus of Charlotte</td>
<td>Que-OS</td>
</tr>
<tr>
<td>Carolina Voices</td>
<td>Goodyear Arts</td>
<td>The Carolinas Latin Dance Company</td>
</tr>
<tr>
<td>Carolinas Aviation Museum</td>
<td>Harvey B. Gantt Center</td>
<td>The Light Factory</td>
</tr>
<tr>
<td>Charlotte Art League</td>
<td>Historic Rosedale Foundation</td>
<td>Theatre Charlotte</td>
</tr>
<tr>
<td>Charlotte Ballet</td>
<td>JazzArts Charlotte</td>
<td>Three Bone Theatre</td>
</tr>
<tr>
<td>Charlotte Center For Literary Arts Inc</td>
<td>Levine Museum of the New South</td>
<td>Tosco Music Parties, Inc.</td>
</tr>
</tbody>
</table>
| Charlotte Folk Society                            | Martha Connerton/Kinetic Works, Inc. | Wing Haven |}

- Carrying forward previous ASC and Infusion Fund operating grantees
- Collaboration with Mecklenburg County:
  - County will provide annually operating support for organizations outside the city
  - Additional County support for educational programming @ annually funded organizations

*Indicates organizations who operate, or primarily perform in city-owned facilities.
Plus $2m to support Individual Artists and Organizations

- Collaboration in the arts ecosystem
- Bringing opportunities into communities
- Supporting emerging artists and organizations
Capitalizing on Historic Investment

BLOOMBERG AMERICAN SUSTAINABLE CITIES

The initiative aims to ensure the participating cities - collectively representing over 10 million people - can leverage and implement federal funds to advance local projects, especially in disadvantaged communities historically overburdened by pollution.

Charlotte is 1 of 25 cities nationwide

✓ + Innovation Team (3 staff)
✓ Technical and Policy Assistance
Positioned To Implement MWSBE Programs and Policies

- Wallet Hub – 3rd best Large City to Start a Business
- Public-Private Partnerships
  - Launching Charlotte Small Business Growth Fund
- Charlotte Business Inclusion
  - Increasing reach across small business landscape
- Business Development
  - Continuing funding for NXT|CLT and AmpUp
- Looking Ahead
  - Developing comprehensive ecosystem strategy
  - Review CBI Policies and Processes
SEAP Is In our Fabric

- Ranked 14 out of 75 in local government operations by American Council for an Energy-Efficient Economy (2024)
- Scored an “A-” from Disclosure Insight Action for superior citywide sustainability efforts
  - National average for cities: “B”
- One of 10 cities selected for Cities for Smart Surfaces program
- Launched pilot with Duke Energy to conduct deep energy retrofits with critical home repair
- Anticipated approval of nearly $800k to support solar infrastructure for low-income households
- +59% in city solar capacity since 2022
- Charlotte Convention Center – LEED Gold Certification (2023)
Implementing the Existing Plan while Adding a New Focus

**Committee Charge**

- Review Safe Communities strategies, goals and progress related to juvenile crime
- Review juvenile and repeat offender crime statistics
- Benchmark national best practices
- Leverage collaboration with applicable stake holders
- Make policy recommendations to Council for consideration
Enhanced Focus on Youth

In Progress Today

Corridors + MYEP
- **150 MYEP** youth from Corridors this summer
- **3x** increase from summer of 2023

New partnership with Teach For America in Corridors to mentor youth

CMPD launching the JADE Initiative and enhancing the 5th Element to address juvenile crime

Preparing For the Future

$3.5m reserved in FY 2025 for Council Recommendations

**Potential areas of focus:**
- Incorporate best practices into existing programs
- Increase participation of at-risk and justice involved youth in city programs
- Advance inter-governmental collaboration
Every $1 city invested in addressing violence, has returned $3 in other public, private, and non-profit support

• +$500k for on-going support for ATV @ Beatties Ford Rd.
• Leveraging federal funds to continue:
  • Project BOOST with Atrium Health
  • ATV @ West Blvd. and Nations Ford Rd.
• All of this is done with County collaboration
Advancing Collaborative Approach in Uptown

- Working across sectors to ensure continued vibrancy of Uptown:
  - Quality of Life
  - Public Realm
  - Economic Development
- Taking new measures to enhance the public realm:
  - $5m in CIP for uptown mobility
- Expanding Operation TRIO (Targeted Response for Intervention and Outreach):
  - Broadening Officers geographical focus in Uptown
Starting to Execute on the Mobility Strategy
Reminder: February Budget Workshop

Steady State Bond Capacity:
From $210m to $228m

- FY 2025: $210.0
- FY 2026: $210.0
- FY 2027: $210.0
- FY 2028: $210.0
- FY 2029: $210.0

Certificates of Participation (COPs):
- FY 2025: $25.5
- FY 2026: $26.0
- FY 2027: $26.0
- FY 2028: $26.0
- FY 2029: $26.0

New Steady State Capacity:
- FY 2025: $18.0
- FY 2026: $18.0
- FY 2027: $18.0
- FY 2028: $18.0
- FY 2029: $18.0

Planned General Obligation (GO) Bonds:
- FY 2025: $0.0
- FY 2026: $50.0
- FY 2027: $100.0
- FY 2028: $150.0
- FY 2029: $200.0

Capacity (in millions)
A New Approach to Maximize Impact

• Strategic Investment Areas (SIAs):
  • Focuses investments where they can have the greatest impact
  • Project Bundles – mix of project types and scale in one area

• To Achieve This:
  • New organizational structure to accelerate project delivery
  • Setting foundation to deliver on significant increase in capital funding
  • +$2m for Mobility Innovation Pilot(s)
Looking ahead at the Steady State

Steady State Trajectory for the Long Term

Will not:
- Deliver on Strategic Investment Areas
- Meet Council’s Policy Goals (50/50 Mode-Share, Vision Zero)
CIP Options Moving Forward

One-time CIP Infusion
Making immediate progress on Mobility Plan

Moving Forward

Sales Tax
Requires legislative authority

Property Tax
Does not require legislative authority
Proposed $400m Bond in 2024

Accomplished this By:

- Recalibrating Steady State for the next 3 bond cycles
- Returning to $220m Steady State after next 3 bond cycles
- Increasing revenue

Nearly 2x Planned Bond
Snapshot of the 2024 Bond

$25m for Corridors
+$15m from Planned
Highest on Record

$100m for Housing
+$50m from Planned
Highest on Record

$238m for Transportation
+$123m from Planned
Highest on Record
Deep Dive: Transportation Bond

$238m for Transportation
+$123m from Planned Highest on Record

$238,300,000
$116,300,000
$115m for Transportation

Vision Zero
$20,000,000
$4,000,000

Planned

Proposed

Sidewalks
$20,000,000

2.5x Planned Matches Highest on Record

New Program
$55,000,000

Strategic Investment Areas

5x Planned Highest on Record

Street Resurfacing
$42.4m

Existing Projects + Programs

Bicycles
$8m

Congestion Mitigation
$10m

Roads + Intersections
$28.3m

$180m+ over next 3 bond cycles

$24.6m

Street Resurfacing

Proposed
Looking at Future Bond Cycles

- Proposed 2024 Bond
  - Neighborhoods: $61,700,000
  - Housing: $100,000,000
  - Transportation: $238,300,000
- Planned 2026 Bond
  - Neighborhoods: $50,000,000
  - Housing: $167,200,000
  - Transportation: $26,300,000,000
- Planned 2028 Bond
  - Neighborhoods: $50,000,000
  - Housing: $179,500,000
  - Transportation: $14,000,000
- Planned 2030 Bond
  - Transportation: $220,000,000
Implementing the Vision
Providing Great Value to our Residents

Charlotte’s cost of services is nearly $1,500 less than the next large North Carolina municipality

- Population > 250,000
- Population < 250,000
- Charlotte

FY 2024 Cost of Service Comparison

Services captured include: City and county property taxes, sales tax, stormwater and water fees, solid waste, vehicle fees
Proposed 1.5¢ Property Tax Increase

0.9¢ – General Fund (Public Safety)
0.3¢ – Capital Investment Plan (CIP)
0.3¢ – Arts and Culture

1.5¢ - Total Increase

$53.79/year, $4.48/month increase for typical homeowner
Reserving ARPA Resources

Setting aside interest earned on ARPA for additional, one-time investments that align with council priorities

$6.9m*

No Restrictions

*Estimated $7.4m if no actions taken prior to July 1, 2024.
Serving Our Region

- **Aviation**
  - 5% of state’s GDP
  - 7th busiest airport worldwide (aircraft movement)
  - 53m+ passengers in 2023

- **Charlotte Area Transit**
  - Manages the state’s only light rail system
  - Serves a 5-county area

- **Water and Storm Water**
  - Serves more than 1 million customers per day in multiple jurisdictions
  - 42,000+ feet of pipe installed or rehabbed
Increasing Fees to Maintain Service Levels

<table>
<thead>
<tr>
<th>Service</th>
<th>Typical User Monthly Fee</th>
<th>Monthly Increase</th>
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</thead>
<tbody>
<tr>
<td>Solid Waste</td>
<td>$8.67</td>
<td>$0.78</td>
</tr>
<tr>
<td>Water</td>
<td>$80.35</td>
<td>$4.37</td>
</tr>
<tr>
<td>Storm Water</td>
<td>$10.15</td>
<td>$0.47</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$99.17</strong></td>
<td><strong>$5.62</strong></td>
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</table>
Putting Us on the Right Trajectory
Next Steps

- May 13 – Budget Public Hearing (@ Business Meeting)
- May 20 – Budget Adjustments (@ 1:30pm)
- May 30 – Budget Straw Votes (@1:30pm)
- June 10 – Budget Adoption (@ Business Meeting)

Watch each meeting livestream on Facebook (@cltgo) or YouTube (@CharlotteGOVchannel)