



Budget Workshop #2 Preview

**BUDGET, GOVERNANCE AND INTERGOVERNMENTAL RELATIONS
COMMITTEE**

MARCH 6, 2023

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Workshop Plan

Budget Workshop Topics		
Workshop 1: February 9	Workshop 2: March 9	Workshop 3: April 6
✓ Capital Affordability	Economic Outlook and Revenue Forecast	FY 2024 Revaluation Process and Neighborhood Revaluation Impacts
✓ Existing Bond Project Updates	Compensation, Staffing, and Healthcare	Staying in Place Strategies
✓ 2024-2028 Bond Outlook	Financial Partners and Municipal Service Districts	CATS Budget Outlook
✓ City Facility Program	Water and Stormwater Budget Outlook	Aviation Budget Outlook
✓ Corridors of Opportunity		

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Presentation 1: Economic Outlook and Revenue Forecast

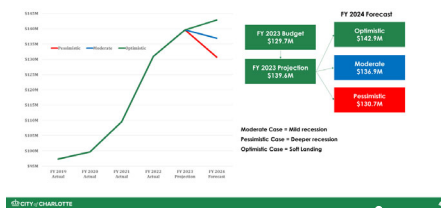
Key Themes:

- Economy still signals possibility of a recession despite a strong labor market
- Sales tax outlook is more challenging than past two fiscal years
- General fund revenue growth for FY 2024 is projected at 3.8 percent

Labor Market Strong amidst fears of a recession

- ↪ Unemployment rate at 3.4%
- ↪ Employment gain of 517,000
- ↪ Labor Force Participation at 62.1%
- ↪ Average hourly earnings at 4.4%
- ↪ Initial UI claims at 191.3K
- ↪ Labor demand still outweighs supply

General Fund Sales Tax Revenue Forecast

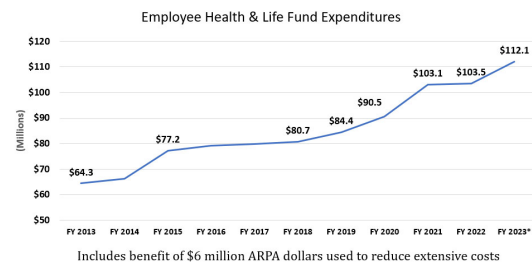
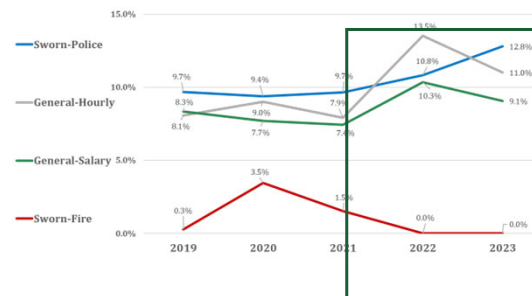


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Presentation 2: Compensation, Staffing, and Healthcare

Key Themes:

- Compensation actions taken by City Council in FY 2023 have showed positive results through the first half of the fiscal year
- Staffing concerns remain in some key areas due to labor market pressures
- Healthcare cost growth will require significant additional investment

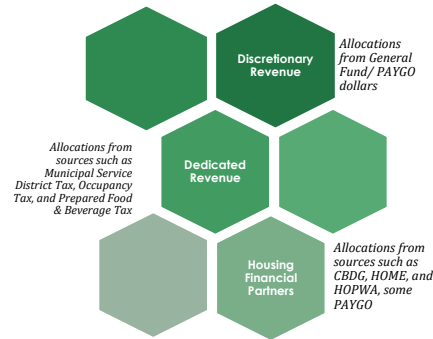


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Presentation 3: Financial Partners & MSDs

Key Themes:

- Financial Partners are contracted by the City of Charlotte to provide specific services which support key initiatives to advance Council priorities and contribute to community enrichment.
- The financial partner program is a competitive process with new applications submitted each fiscal year
- Organizations responsible for identifying and reporting on performance goals, MWSBE utilization and equity measures



Funding Source	FY2023 Adopted	FY2024 Requested
Discretionary Revenue	\$1,264,360	\$1,935,261
Dedicated Revenue	\$28,207,028	\$29,178,649
Housing Financial Partners	\$6,507,512	\$18,580,835

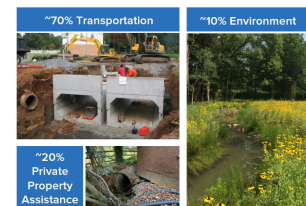
Presentation 4: Water and Stormwater Budget Outlook

Key Themes:

- Storm Water Services continues to resolve the 5-year repair list from FY20
- Both Storm Water Services & Charlotte Water continue to maintain their existing systems while responding to new growth
- Thoughtful financial planning results in proposed rate increases which:
 - Address inflation, particularly in the CIP
 - Meet financial targets to sustain AAA credit ratings
 - Reflect the importance of service affordability

FY 2024 – FY 2028 Proposed STW CIP

- Five-year budget basis CIP = \$470 million
- Supports Storm Water Services' mission to improve waterways & convey rainwater safely
- Supports City Council's Strategic Priorities



Charlotte Water Capital Program – FY24 to FY28

