FY 2027

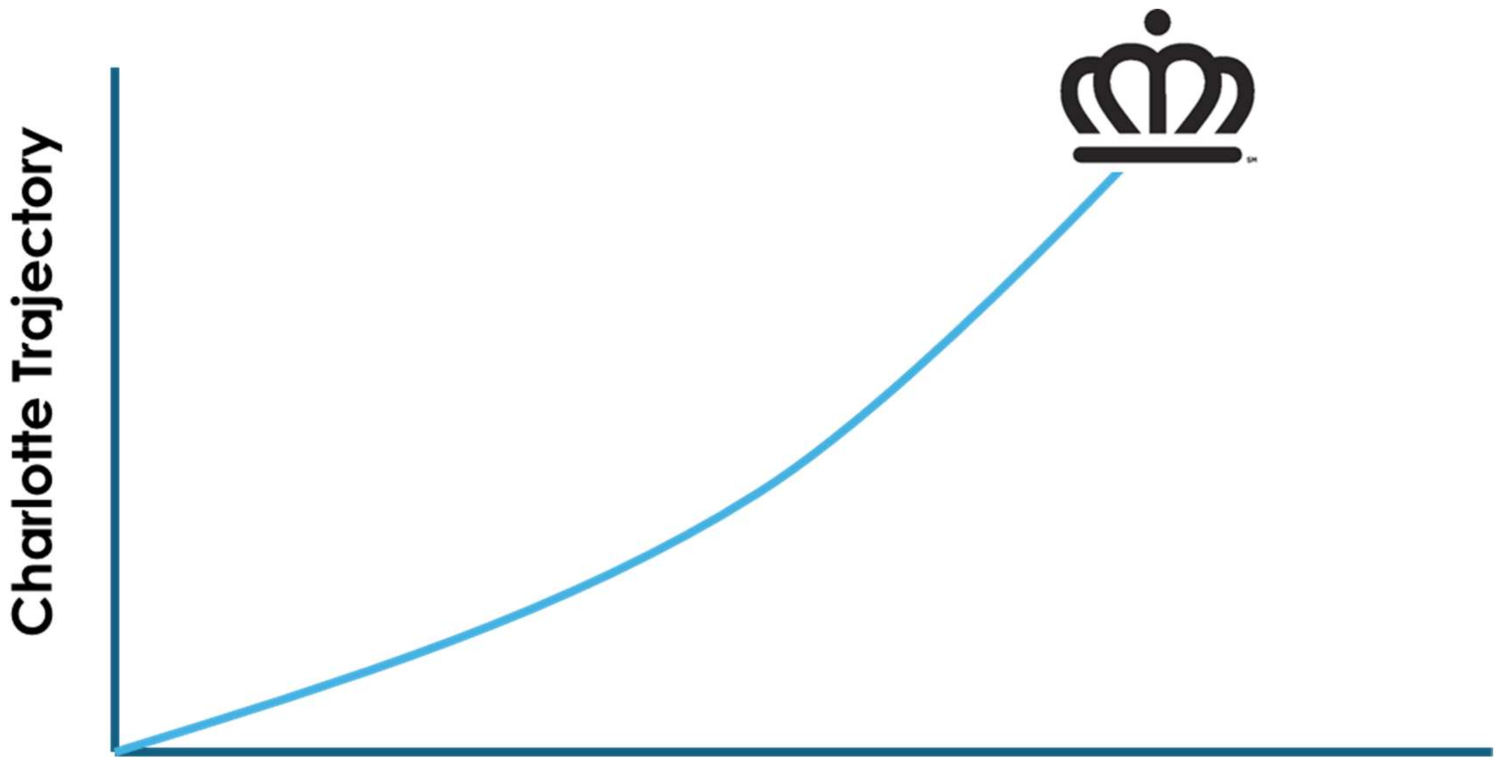
Proposed Budget &

2027- 2031 Capital Investment Plan

May 4, 2026

CITY OF CHARLOTTE

All Our Work Has Put Us on the Right Trajectory



Where we were....

2016

$15M
Housing Bond

2017

Lowest paid city employee made **$13.58/hr.**

2018

Funding for the XCLT was **$100M short**

2019

4 **leased** police stations with no funding plan

2020

4 planned but **unfunded** fire stations
Backlog of **~1,700** stormwater repair requests

No Steady State Model

History of Raising tax to pay for bonds

We took bold steps to address these issues

Solid Foundation Allowed Charlotte to Persevere and Excel!

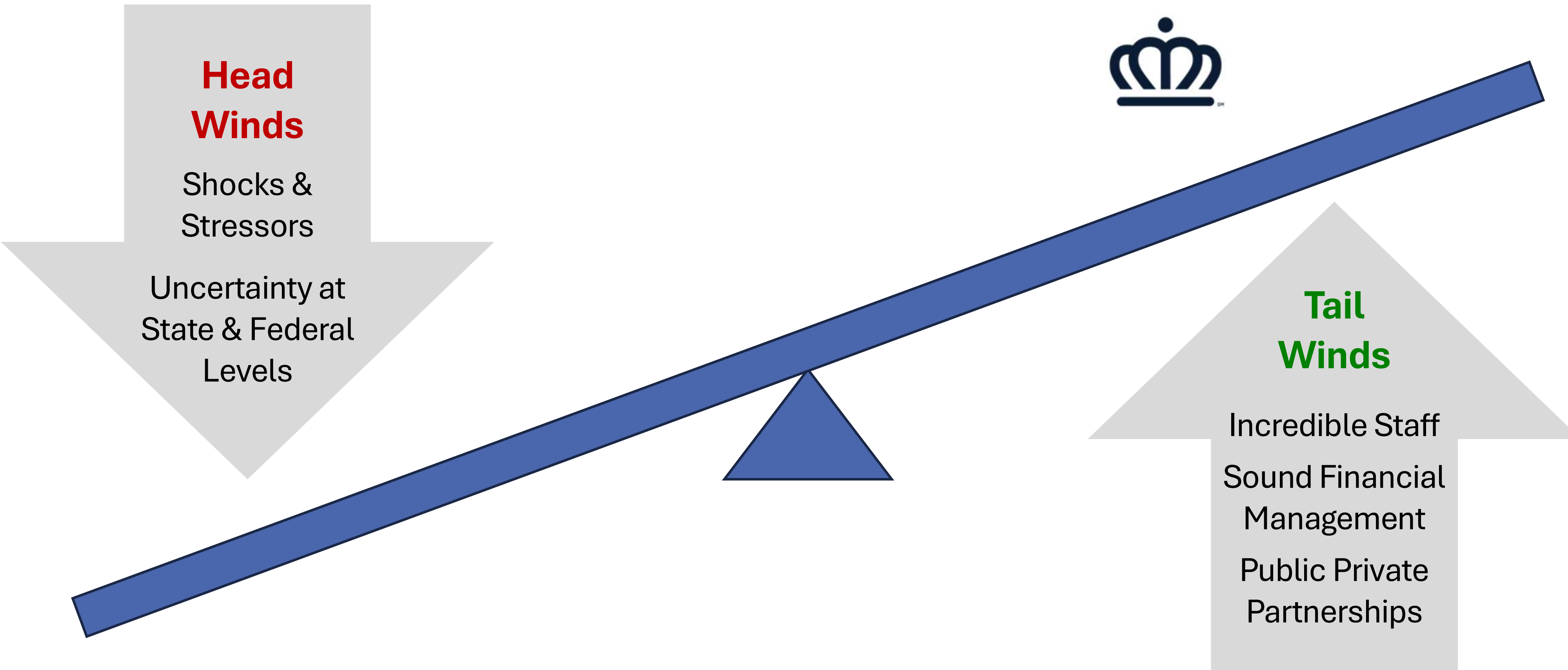
- Charlotte MOVES
- Corridors of Opportunity
- Workforce Development
- Small Business Growth
- Better Pay for Employees
- Strategic Energy Action Plan
- Affordable Housing

Then COVID hit us

- In 2020, when the U.S. economy and Charlotte experienced a significant shock due to the COVID-19 pandemic, the framework and financial principles that the City of Charlotte is built upon allowed us to pivot and proactively manage our way through many of the shocks and uncertainty.

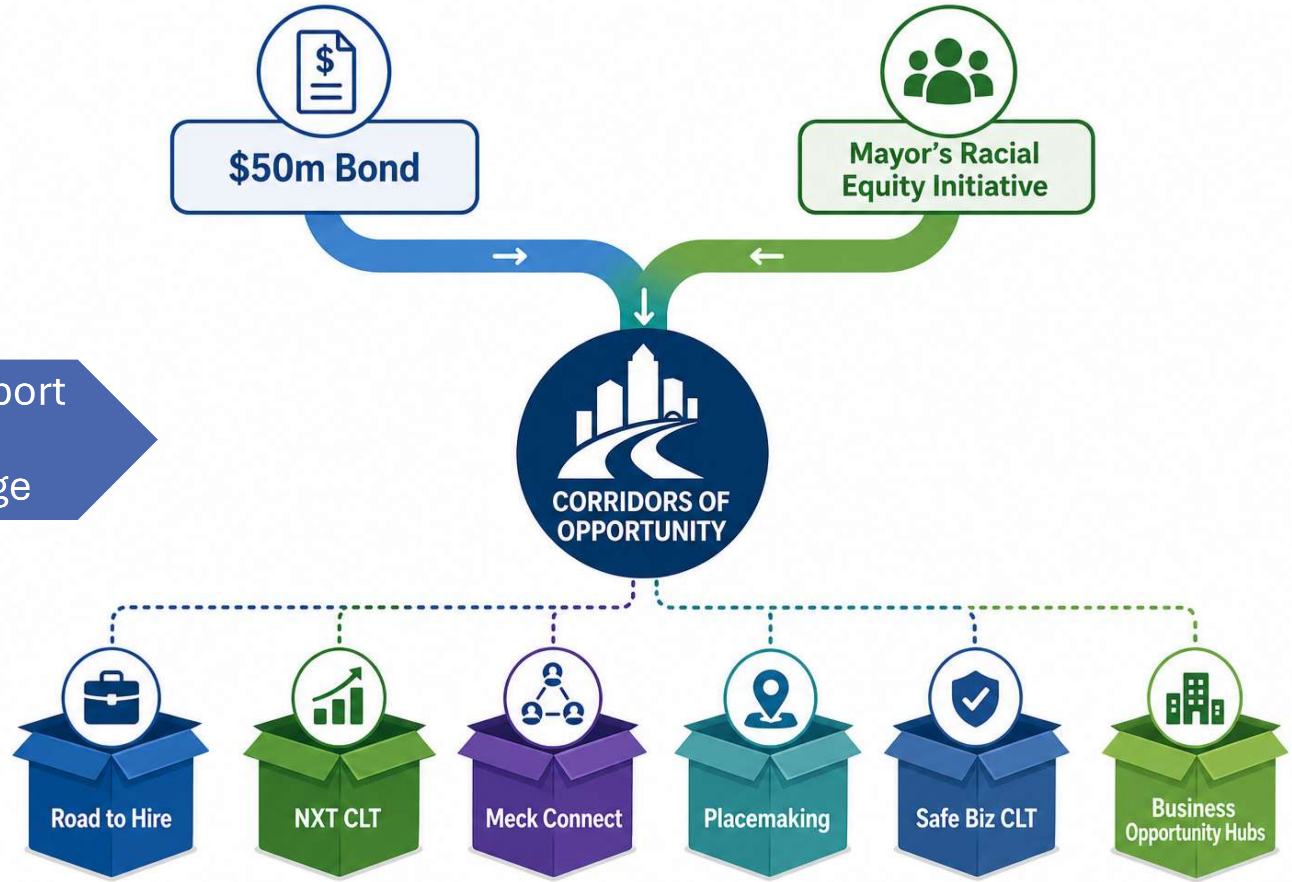
- From a place of caution, we grew to be more innovative, enhanced some of our service models.

We Have Managed Through Challenges and Uncertainty



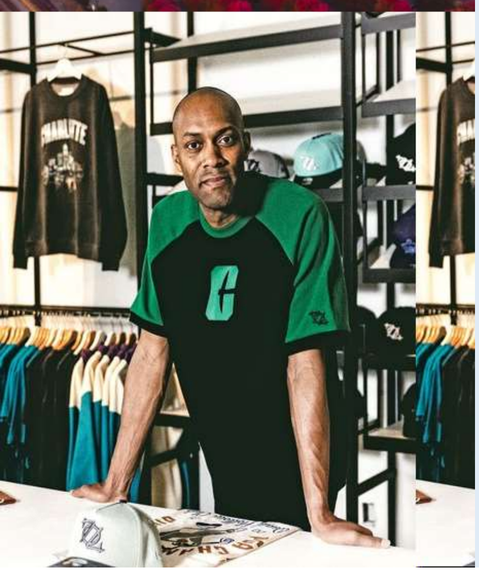
Investing in Public Private Partnerships (P3s)

Partnerships support **transformative** community change



Investing in Partnerships with Public, Private, and Philanthropic Entities

Central Piedmont Community College
Charlotte Hornets
Foundation for the Carolinas
Mecklenburg County North Carolina
Queens University Charlotte
Charlotte Sports
the pearl
CRVA Charlotte Regional Visitors Authority
Ballantyne
The River District
University of North Carolina Charlotte
universityCity Partners
The Great Seal of the State of North Carolina
Johnson C. Smith University
Charlotte Football Club
cms Charlotte-Mecklenburg Schools
Wells Fargo
Knight Foundation
Crosland Southeast
SouthPark
Charlotte Center City Partners
Charlotte Regional Business Alliance
LISC Charlotte
Economic Development Partnership of North Carolina



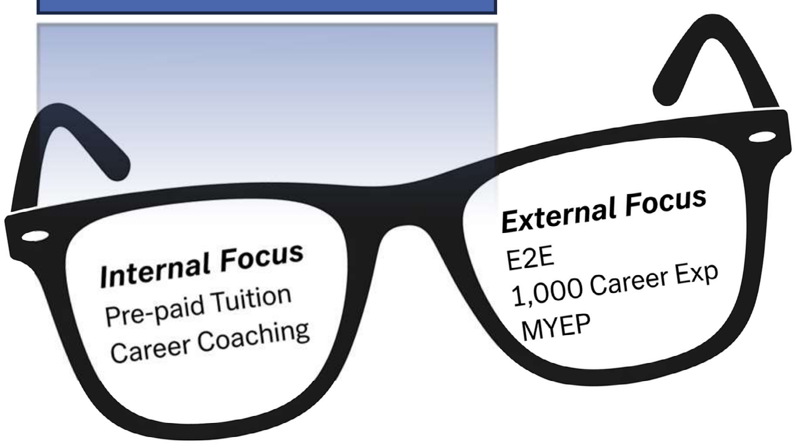
Economic Development

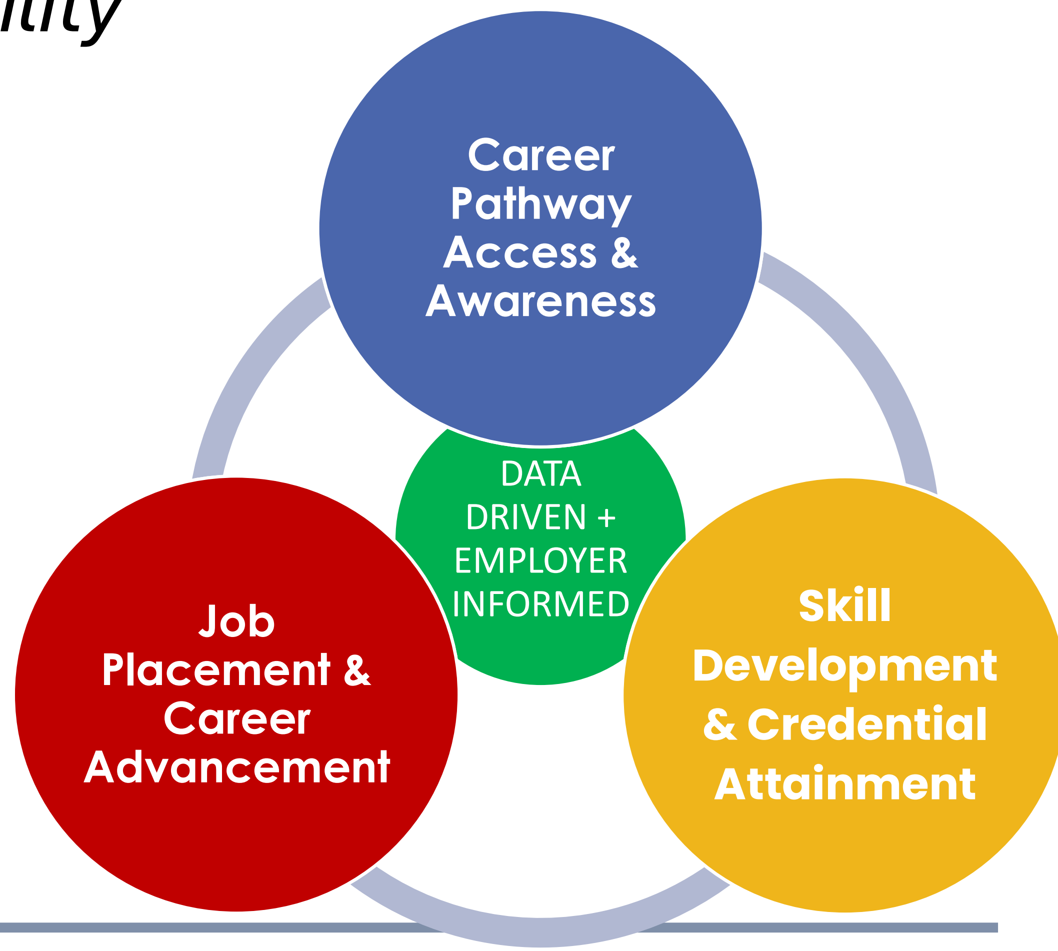
Since 2020, public-private partnerships and development agreements have **deployed nearly $150 million in public investment to leverage more than $4 billion in private capital**

Notable examples include Pearl Innovation District, Ballantyne Reimagined, Eastland Yards, and Providence Square.

Investing in the Workforce:
Promoting Upward Mobility

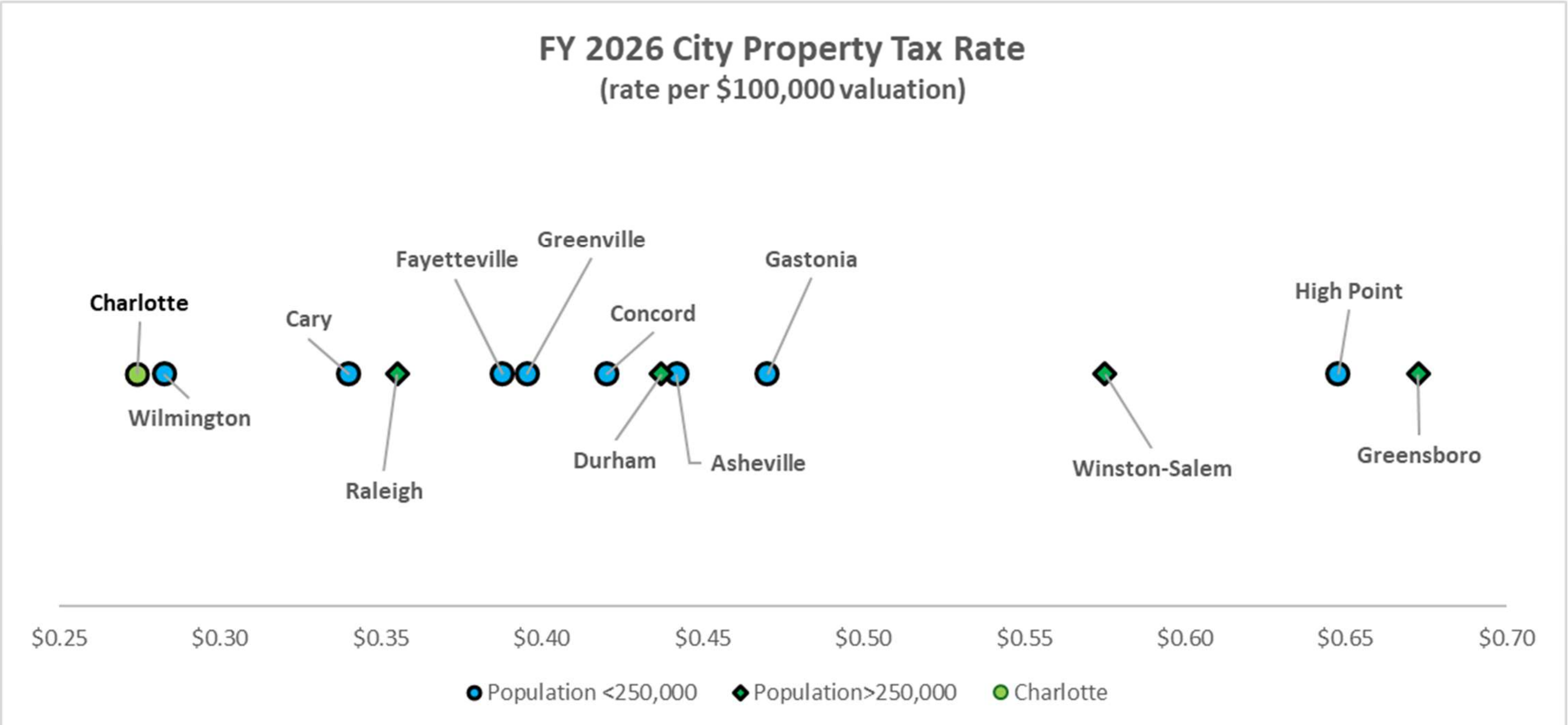
CITY OF CHARLOTTE
WORKFORCE DEVELOPMENT



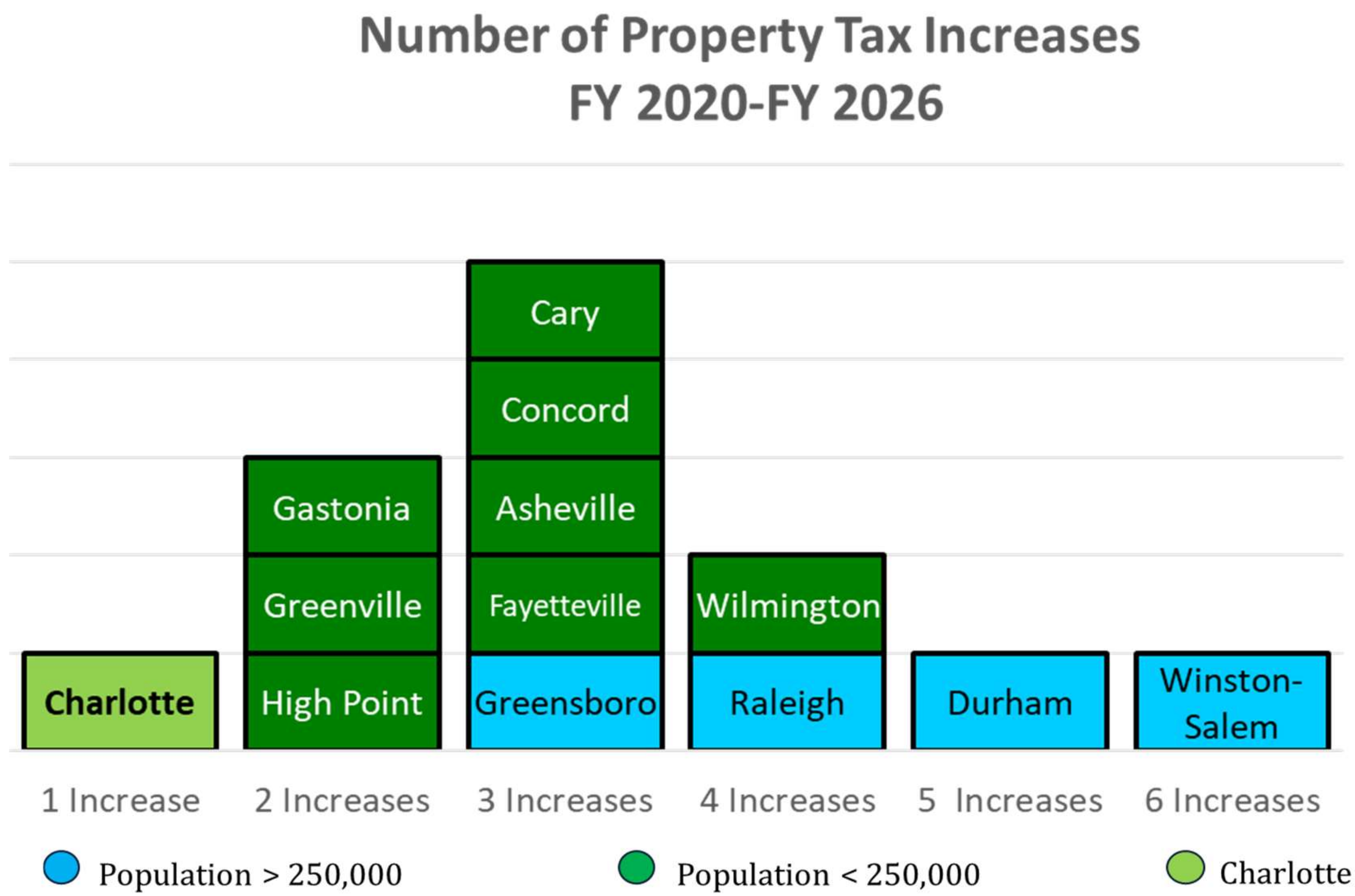


We did all this while maintaining the lowest property tax rate of NC cities

Property tax rates across NC peer cities

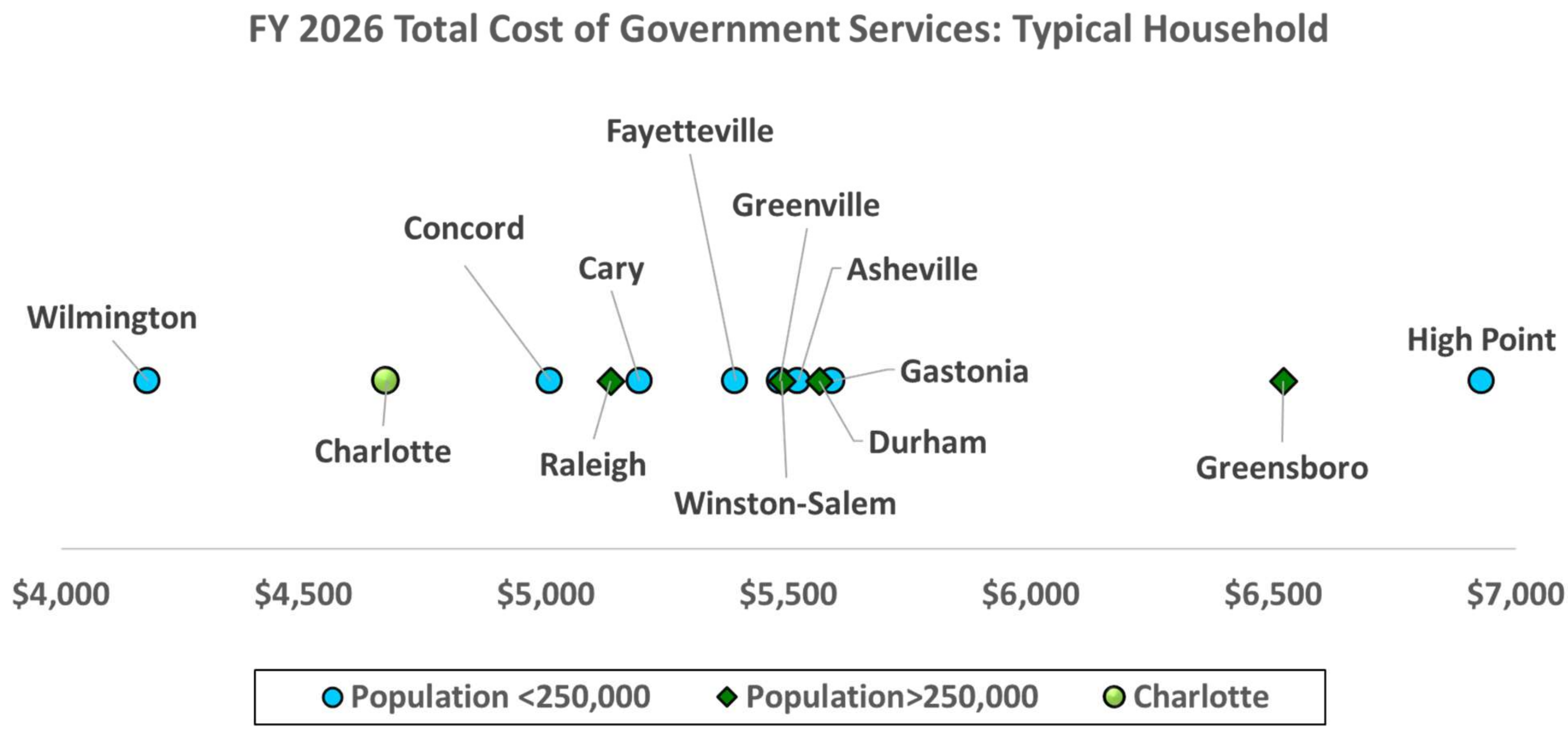


NC Peer cities: Charlotte lowest # of Property Tax Increases



Cost of Government

Charlotte Mecklenburg basic government services are more affordable than our peers, based on cost of City and County taxes and fees



Includes city property taxes, county property taxes, water/wastewater, stormwater, solid waste, and local sales tax

Charlotte-Mecklenburg Regional Impact

Economic Engine

Charlotte is home to **7 Fortune 500 companies**: Bank of America, Lowe's, Honeywell, Nucor, Truist Financials, Sonic Automotive, and Duke Energy.

Tourism Center

In 2024, CRVA activities generated approximately **$1.1 billion in economic impact**.

Talent Pipeline

From 2023 to 2024, the Charlotte region added **24,200 jobs** to the local economy representing 32.6% of the state's job gains

Mecklenburg County produces ~22% of NC's total GDP

2025 NC Association of County Commissioners Report

Charlotte is Good for North Carolina

#6
Busiest Airport in the World

#1
State for Doing Business
CNBC 2022, 2023, 2025

#2
Best City For Company HQs
Site Selection 2025, 2026

#14
Largest City by Population
U.S. Census Bureau

#18
Highest Congested Metro in U.S.
INRIX 2025 Global Traffic Scorecard

157
People Moving to Region Daily
Charlotte Regional Business Alliance

#2
Largest Job Growth in U.S.
U.S. Department of Labor, 2026

#8
Best Big City to Live in U.S.
U.S. News & World Report 2025-26

CITY of CHARLOTTE

Received Direction from Council at the 2026 Annual Strategy Meeting

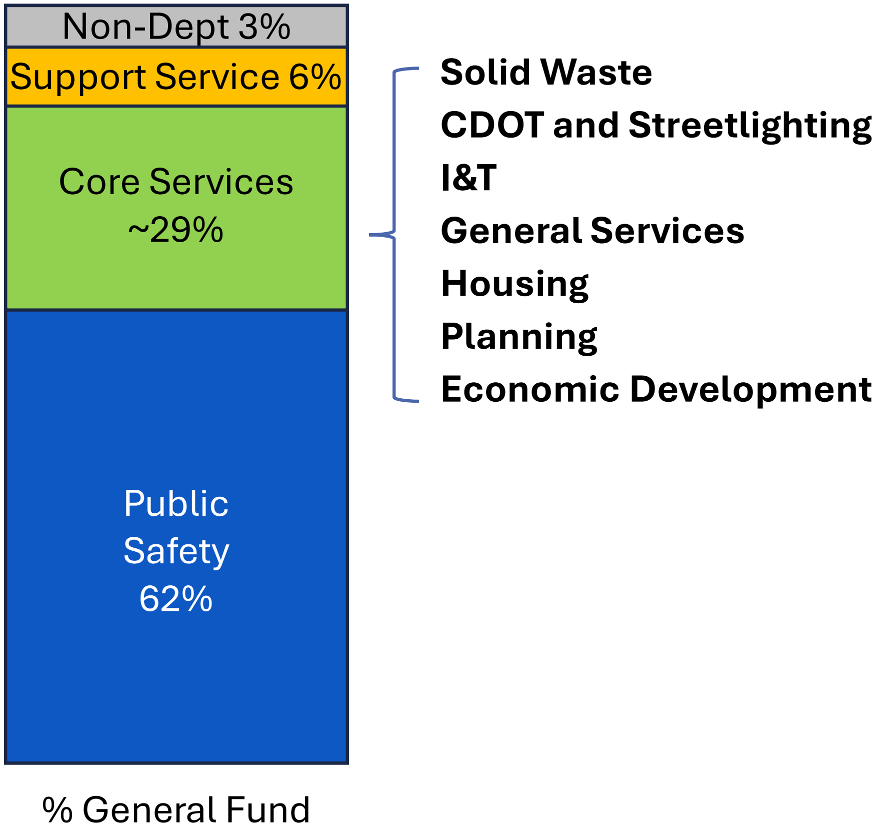
- Shoring up core services
- Focusing on Public Safety
- Being Forward Thinking with Housing and Economic Development
- Investing in Mobility+
- Implementing a tax rate that supports community needs

Shoring Up Core Services

General Fund: Public Safety and Additional Core Services

General Fund budget provides core services with 62% dedicated to Public Safety

This is what we do!



This is how we show up:

1st Qtr 2026: Overall crime fell 23%, including an 18% drop in violent crime and a 23% decrease in property crime.

Investments in 911 improved call answer times during FY 2026

- Percent of 911 calls answered within 10 seconds or less at 92% from January-March 2026

188 community events hosted by Housing and Neighborhood Services for upward mobility in first six months of FY 2026

87.6M gallons of wastewater treated on average per day by Charlotte Water

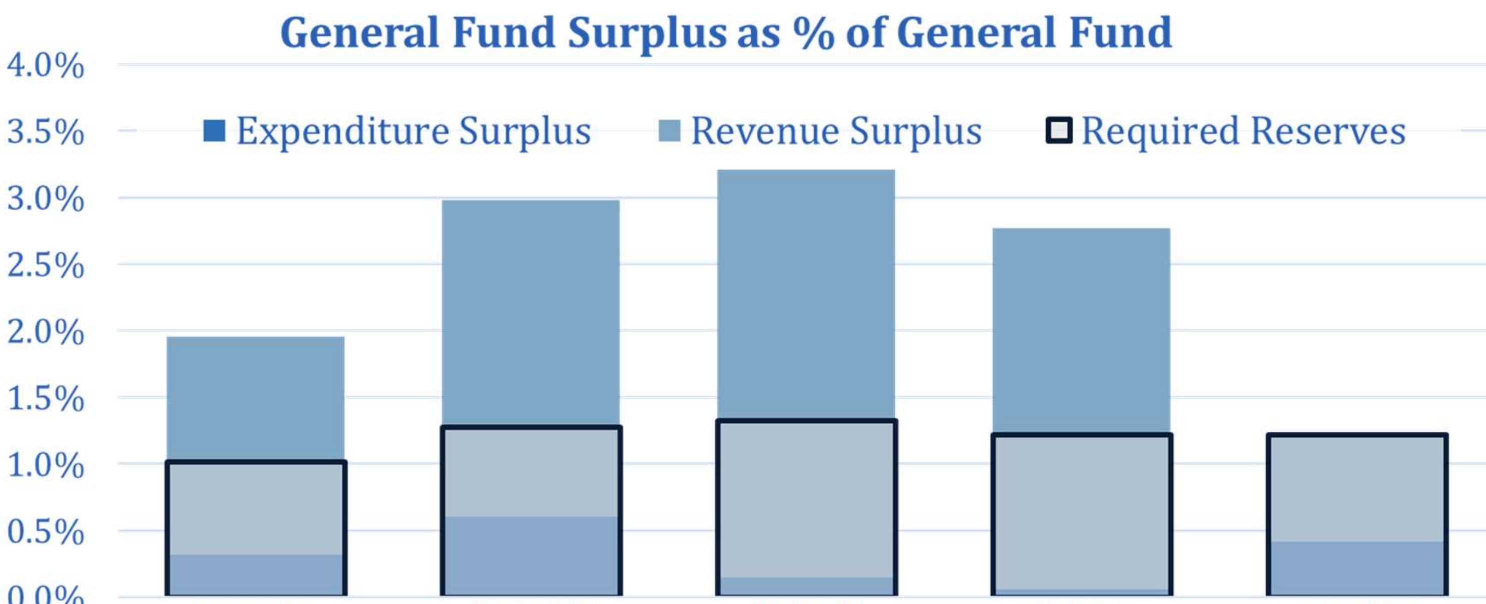
CLT - Named most financially efficient airport for 3rd consecutive year

Keeping an Eye on Performance: Measures and Input for Highlighting Progress and to Track Areas for Improvement

Focused areas of improvement based on FY 2025 Year-end results:

- Fleet availability
- 311 capacity
- Public Safety Response times

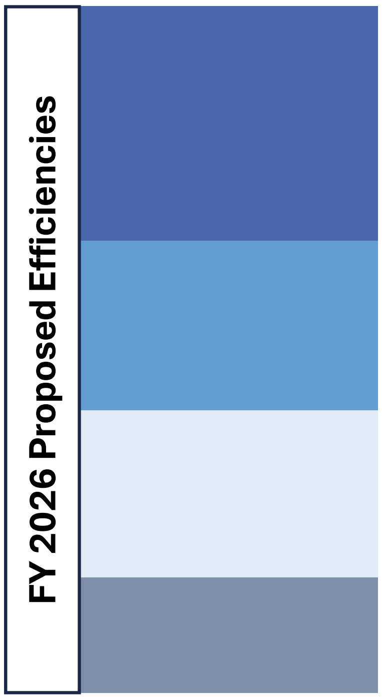
There is a Challenge in Providing Exceptional Core Services, Keeping the Tax Rate Low, Meeting Performance Goals, and Keeping the Budget Structurally Balanced...



	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenue Surplus	1.6%	2.4%	3.1%	2.7%	0.8%
Expenditure Surplus	0.3%	0.6%	0.2%	0.1%	0.4%
Required Reserves	1.0%	1.3%	1.3%	1.2%	1.2%

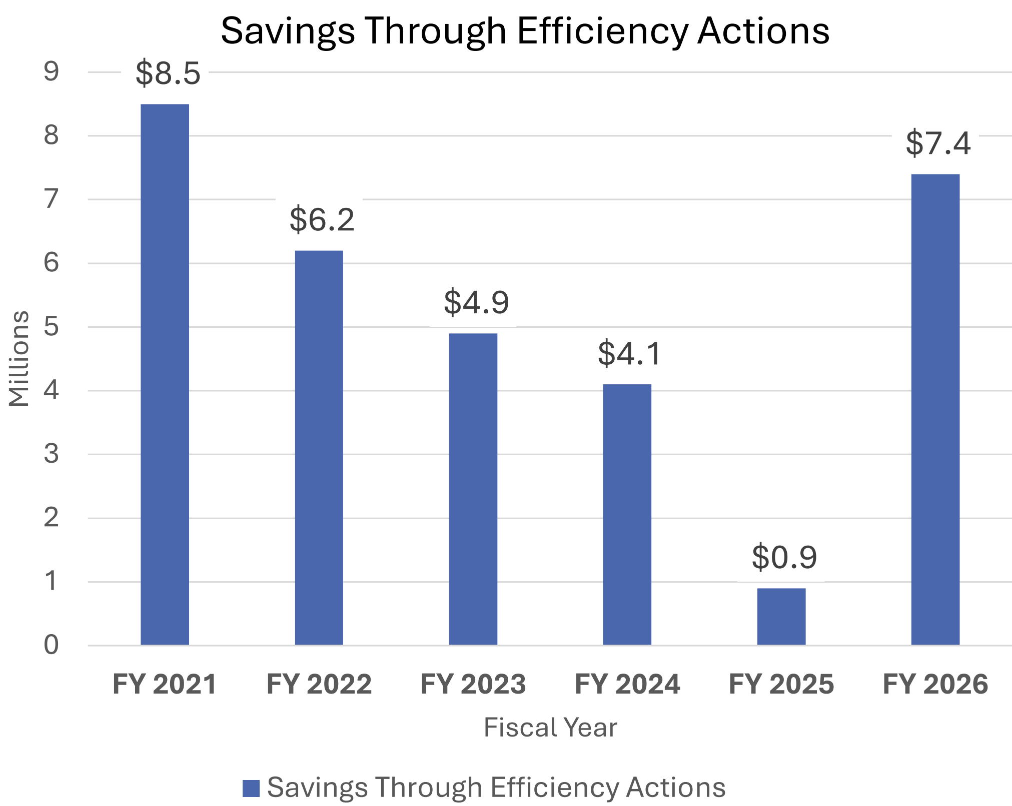
Capital Reserve/ Available for PAYGO	**$7.05m**	**$13.35m**	**$15.74m**	**$13.87m**	**$0.01m**

The Current Fiscal Year is Challenging:
FY 2026 Efficiencies Implemented



($2.5m)	**Eliminated 17.75 Positions**
($1.8m)	**Reduced Contractual Costs**
($1.8m)	**Cost Recovery/Realignment**
($1.3m)	**Operational Efficiencies** (also included eliminating 3 Positions)
($7.4m)	

Achieved all we can within current resources



- Annually review services and processes, technology advances, best practices
- Margins are very thin, do not want to see a service decline
- Need to make critical investments in core services
  - Firehouses, fleet replacements, solid waste crews

Making Ends Meet: Several Considerations Made When Assessing Options

- We ended FY 2025 with $10,000 balance
- We made FY 2026 reductions of $7.4 M during budget development
- Margins now *too thin*, it is proving to be a tough challenge to meet FY 2026 budget and maintain 16% reserves

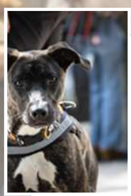
Moving Forward in FY 2027: Putting More Fuel in the Tank

Ensuring Services for our community:
Core Service Investments & Enhancements ($18.75M+)

$5.65M for Modernizing and Securing Technology Infrastructure & Maintaining Technology Assets

$1.2M in multiple other core service needs

$1.8M for Solid Waste Service increased contract costs and 3 new Crews



$0.5M Additional staff and operating funds for Animal Care

$0.8M Funding for more street lighting and higher costs

$2.7M in increasing fleet funding and an on-going increase of $2M for purchasing vehicles

$0.9M Ramping up internal service to support Mobility

Adding an additional $3.2M to maintain city-owned facilities

Public Safety: Investing to Enhance Safety for All

Advancing services for the needs of our community requires additional resources

Police Investments:

- Pay increase
- Overtime, retirement, and other personnel expenses
- Additional cars for take-home vehicles
- Vehicle Replacements
- Dash cameras and radios
- Continuing CARES contract
- Software, licenses, and equipment

Fire Investments:

- Pay increase
- Overtime, retirement, and other personnel expenses
- New Engine No. 46
- Vehicle replacements
- Civilian support and technician positions
- Software, licenses, and equipment
- Turnout gear replacements

Enhanced Public Safety Investments: **$85 M**

= **3.64¢** **Property Tax increase**

Just like any other year, try to minimize the impact of cost increases on residents

Finding Efficiencies

- Process Improvements
- Reviewing services and needs
- Technology solutions

Prudent financial management and planning

- COPs for facilities
- Financing for vehicles and capital equipment
- Multi-year funding plans

Less pressure on property tax revenue

Movement of Revenues to Current Needs

City of Charlotte Budget Principles

1. The city will adopt a balanced budget. The budget process will begin by first evaluating available revenues. Funds for operating and capital expenditures will then be budgeted where there is the greatest community need.

- Reallocate 1.54¢ of property tax from PAYGO and the Debt Service Fund to the General Fund to support public safety
- Move 0.25¢ of Article 42 sales tax from the Debt Service Fund to the PAYGO Fund to provide greater out-year growth potential in PAYGO to support core services such as vehicle and radio replacements
- **Dedicate all new 1¢ sales tax to the Debt Service Fund to support the financing, constructing, operating, and maintaining of roadway systems**

Outcome of all the review and analysis, funding reallocations…

Proposed 1.89¢ Property Tax increase

$5.71/month increase for typical homeowner

1.89¢ for Public Safety

Remaining in General Fund or PAYGO

- Pay increases
- New positions
- Radios, software, licenses, and other equipment

Debt Service

- Fire turnout gear
- Vehicle replacements

Multi-Year Funding Plan

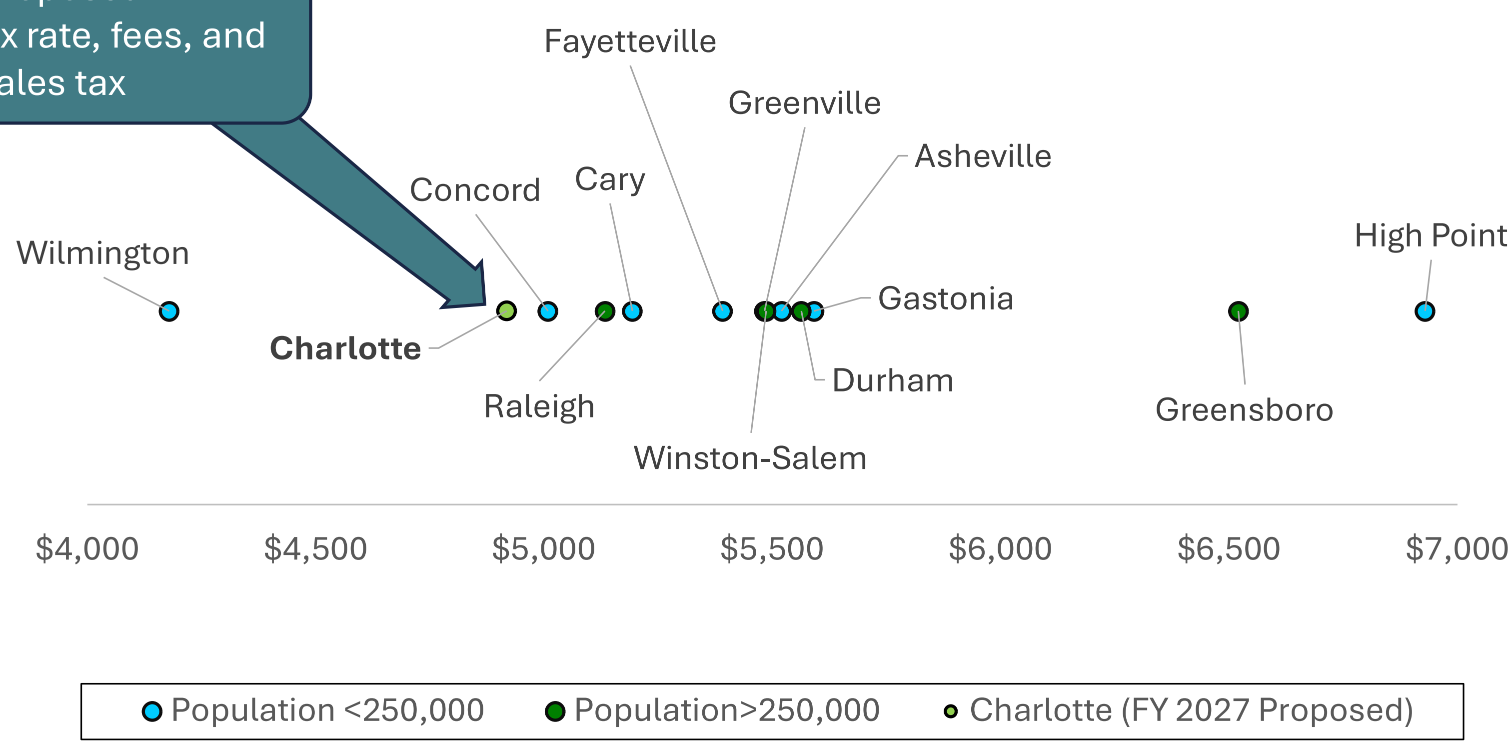
- Overtime, Retirement, and Benefits
- Police take-home vehicles
- Dash cameras

Cost of Government

Charlotte Mecklenburg basic government services are more affordable than our peers, based cost of City and County taxes and fees

Total Annual Cost of Government Services: Typical Household

Including proposed property tax rate, fees, and PAVE Act sales tax



Proposed Investments in Public Safety

Advancing Public Safety: Recruitment & Retention for Police

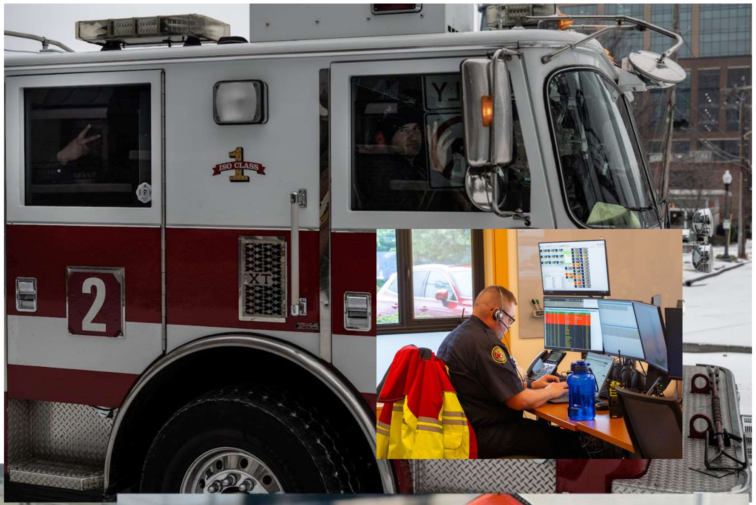
- Police: 10% pay increase: for rank of Officer through Sergeants
- Continuing military, education, language incentives
    - New: Option to stack Associates Degree with Military incentive
- Continuing 2.5% incentive pay for 2nd and 3rd Shift
- Additional 35 take home vehicles for eligible officers residing in Charlotte ($2.45m to purchase and replace take-home vehicles in PAYGO)
- Dash cameras for patrol vehicles & FTE to manage footage ($1.1M for year 1 of 3-yr plan)
- PAYGO program for radios, vehicles, and equipment
- Right sizing funding for OT to match expanded workforce ($1.69M)

Advancing Public Safety: Investing in Firefighters

- 7% Salary Increase for Fire Public Safety Pay Plan positions
- Continuing military, education, language incentives and occupational health benefit
- **New**: Option to stack Associates Degree with Military incentive
- Continue to support Fire retirement system
- $4M for turn out gear replacements
- Right sizing funding for OT to match expanded workforce ($4.15M)
- 3 Field Technicians for the Operations Division Chiefs $366,225
- Add Civilian Support to Improve Fire Training and Response Times (2 FTEs) $225,298

Advancing Public Safety:
Fire Infrastructure Investments

- New fire company: Engine 46 at Miranda Rd. Infill Station (18 FTEs) $2,281,822
- Plans for commercial burn building in proposed FY 2027 CIP
- Apparatus Replacements: 6 Engines and 3 Ladders
- Moving forward on a schedule
  - ➢ Fire Facilities Plan: New or infill station planned for every 2 yrs
  - ➢ Long-term vehicles replacement strategy



Advancing Safety for Community Beyond Police & Fire

While police and fire at the core of our public safety strategy, we continue to advance a wide range of non-law enforcement strategies in support of community safety and vitality including:

- Strengthening city ordinances
- Investments supporting the unhoused community
- Investments in youth
- Support for violence intervention and interruption programming
- Ongoing commitment the pairing of non-sworn clinical staff with CMPD, through CARES and CPCRT
- Infrastructure investments – including enhanced street lighting – to enhance safety through the built environment
- Emerging collaborative efforts – such as Neighbors Building Neighborhoods – targeting hot spot geographies

Enhancing Community Collaborations

Youth

Road to Hire

Connecting youth to paid opportunities, career pathways, and skill development that promote long-term economic mobility

Small Businesses

Business District Organizations

Providing tools and programs that build small business capacity

International Relations

International Relations

Strengthening connections with International Communities

Neighborhoods

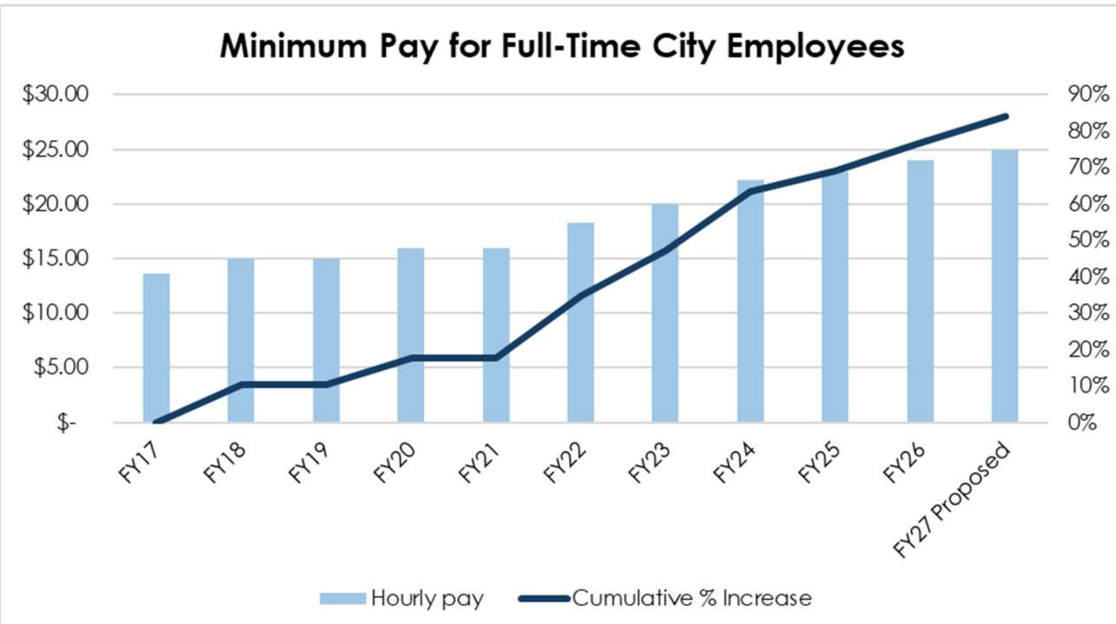
Neighbors Helping Neighbors

New Initiative focused on helping communities with clear needs and real momentum get the support to activate change

Housing and Economic Development

Focus on Our Employees

Increasing Minimum pay to $25/Hour*



84% increase in the last 10 years

Proposed Minimum Salary for Full-Time Employees:

$52,000

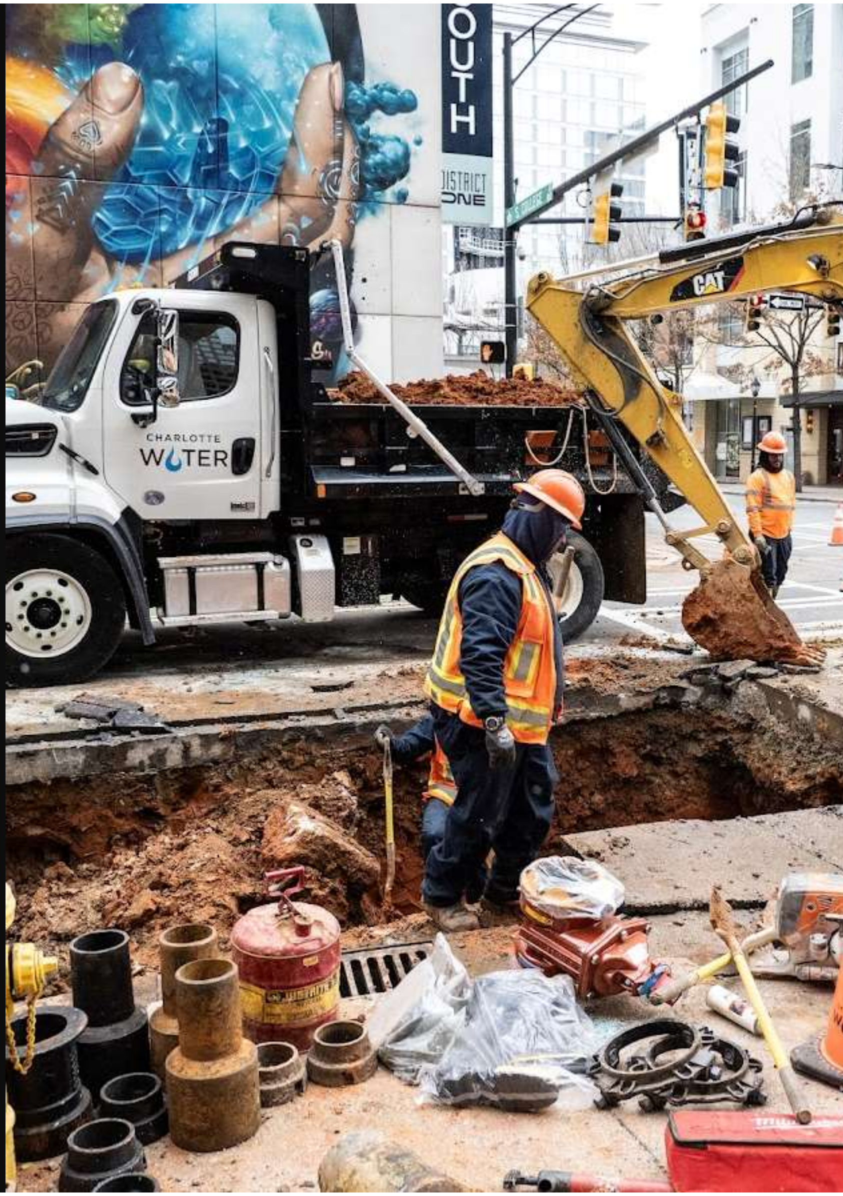
=

$25/hour*

***For 40-hour permanent employees**

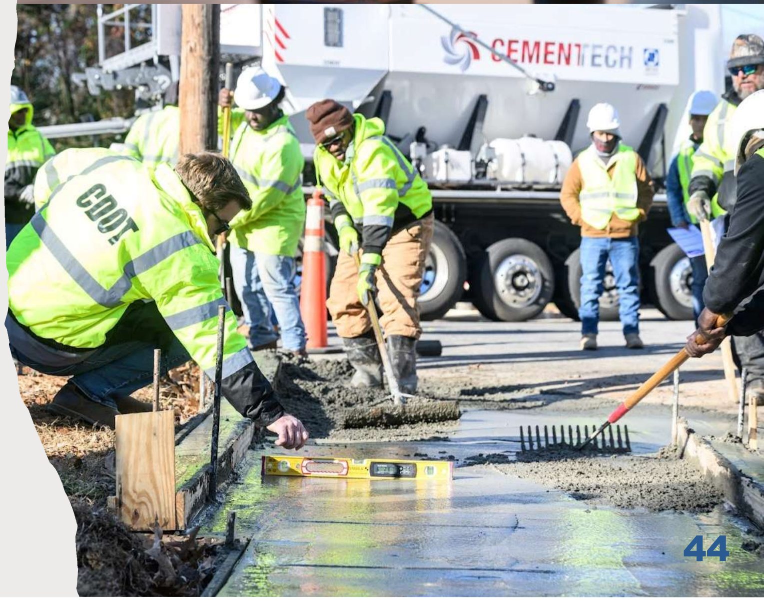
Continuing Incentives for Our Employees

- **New: $25/hr** minimum pay for General Employees
- Enhanced pay for all staff
- Restructured pay range structure for General Employees
- Continuing:
  - 2.5% for CDL General Employees
  - 2.5% for 2nd and 3rd Shift
  - Pre-Paid Tuition Assistance and Career Coaching
  - All-Access Transit Pass
  - Career coaching
  - Rental and downpayment assistance
  - Financial counseling and assistance



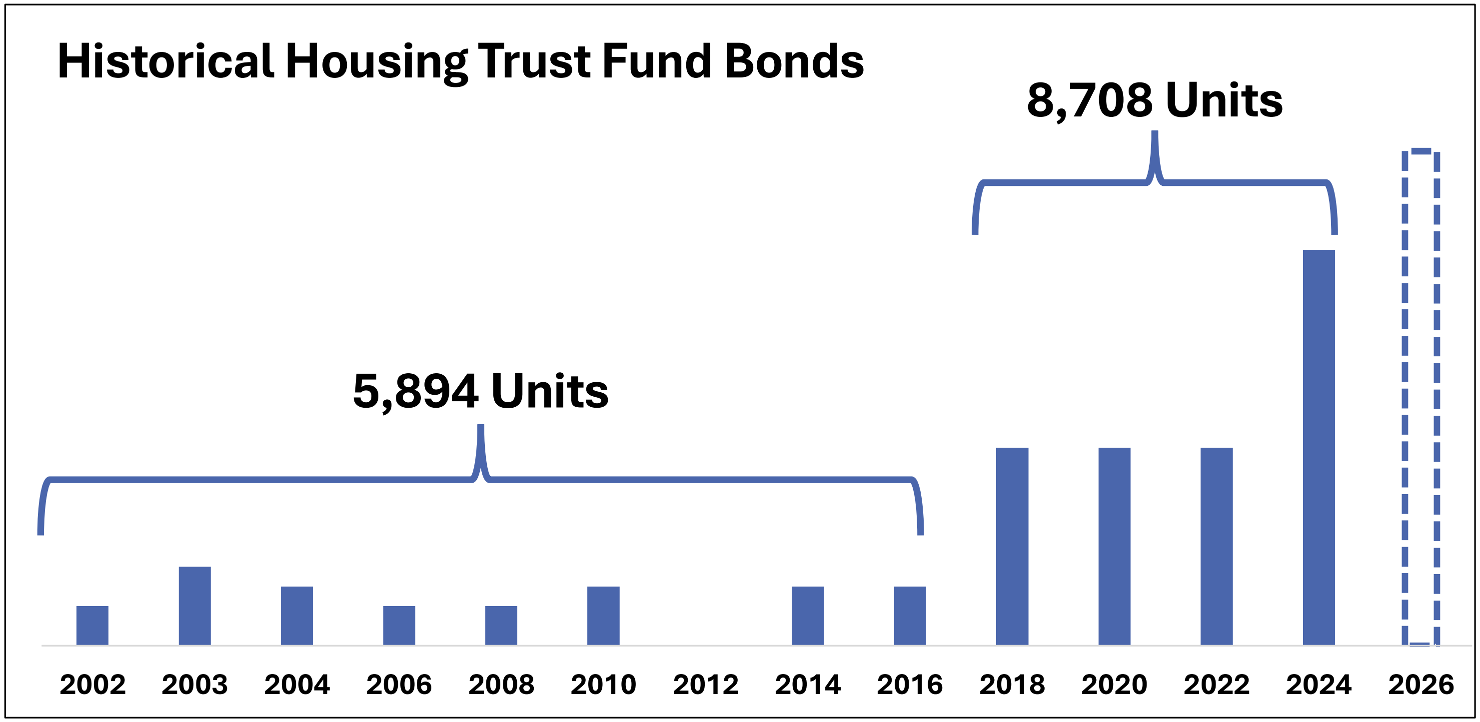
General Employees

- Raising Minimum pay to **$25/hour** or $52,000/yr for 40-hour week, full-time employees
- Hourly Employees: 4% (combination of market and merit adjustment)
- Salary Employees: 4% Merit Pool
- Restructured pay range structure
  - Clear Career Pathways: Leaders and employees will have greater visibility into how roles align across hourly and salaried positions.
  - Fair Market Alignment and Pay equity: Jobs with similar market value will share the same pay range

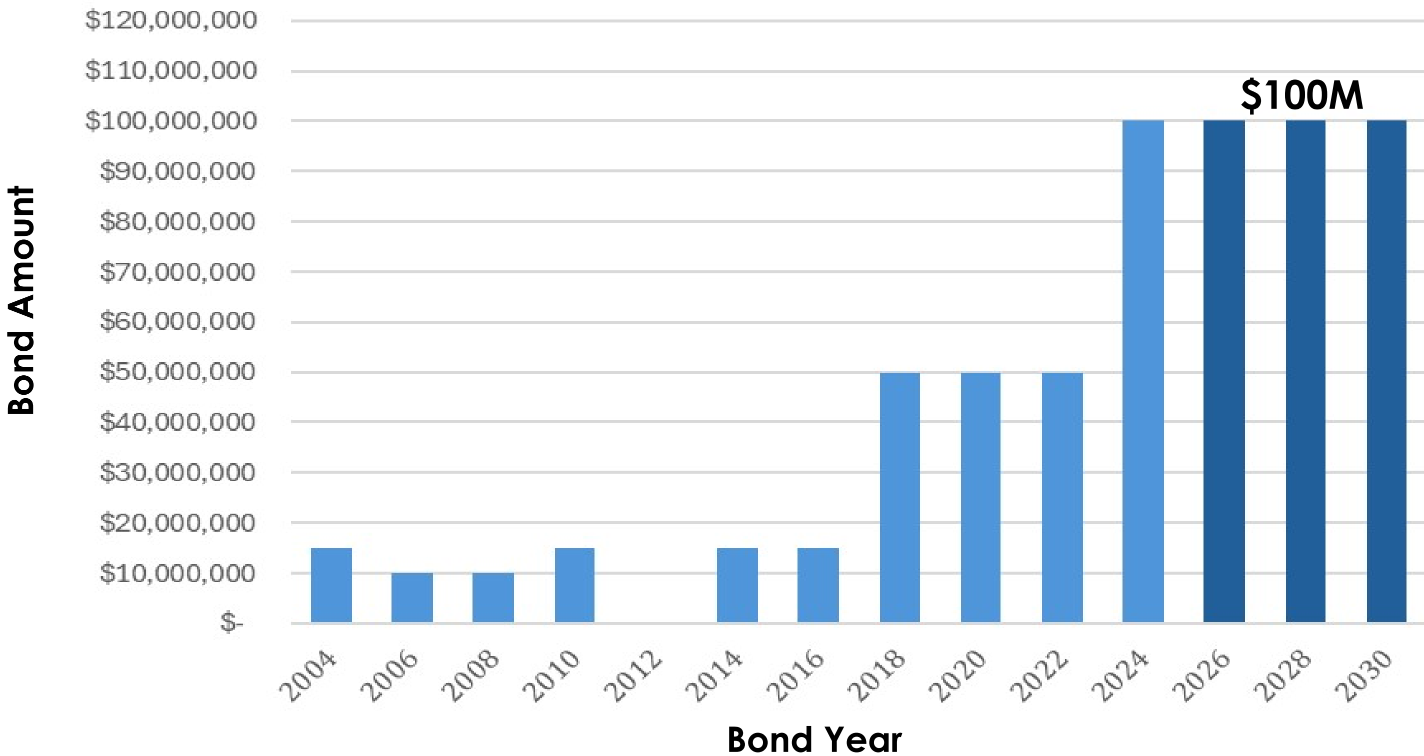


Investing in Affordable Housing

60 % of all units created since 2018

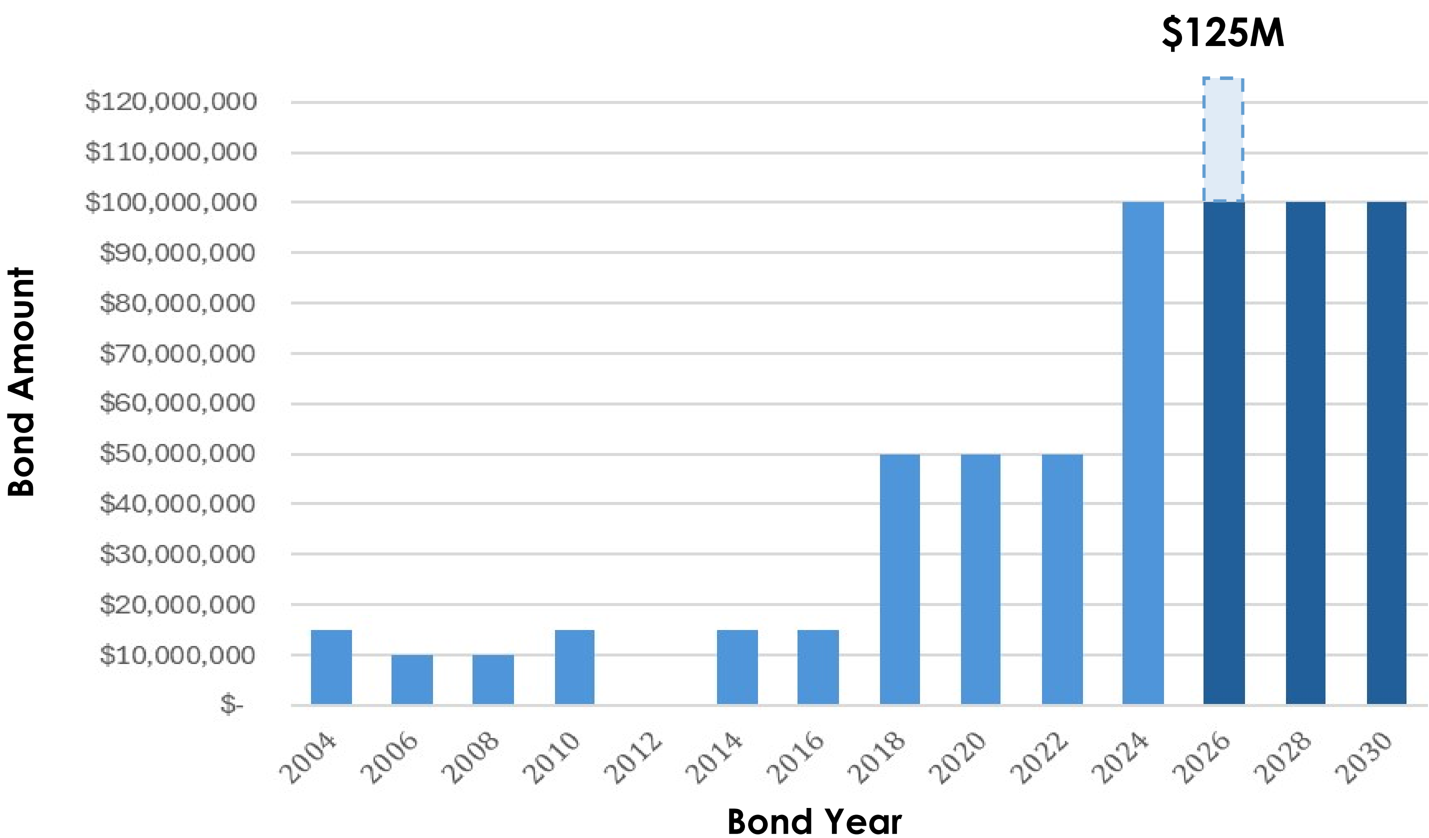


Housing bond 2026 (at new steady state)



New Steady State
FY 2027 – 2031 CIP includes a ***$100 million Steady State*** for the Housing Trust Fund

Housing bond 2026 (with one-time bump)



New Steady State
FY 2027 – 2031 CIP includes a ***$100 million Steady State*** for the Housing Trust Fund

Plus a $25 million one-time increase in 2026 Bond

The Moment: Mobility+

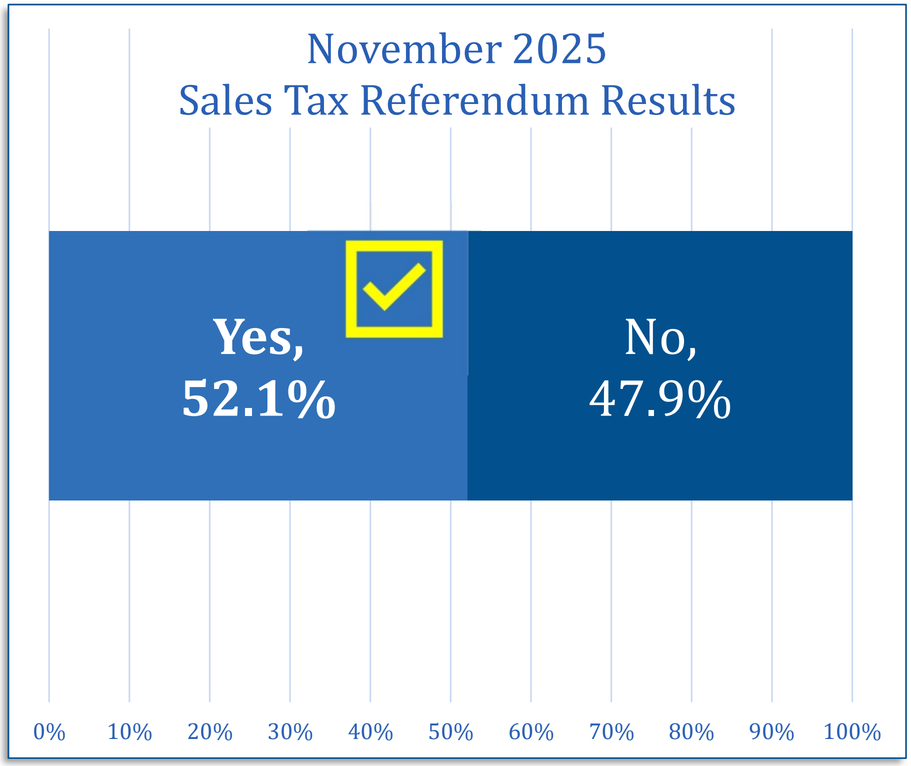
more than infrastructure

Cities/Counties where transit tax referendum failed

Location	Year
Austin, TX	2000, (passed in 2020)
Miami, FL	2002 (vote passed, but city was unable to execute transit plan)
Hillsborough County, FL (Tampa)	2010, 2014, (passed in 2018 & 2022 has implementation challenges)
San Diego County, CA	2024 (increase failed)
Nashville, TN	2018 (2024 passed)
Portland, OR	2020
Lancaster County, SC	2024, 2025
Cobb County, GA (Atlanta suburbs)	2010, 2024
Anderson County, SC	2024, 2025
Larimer County, Colorado	2024, 2025
Charleston County, SC	2024
Orange County, FL (Orlando)	2022

Roadblocks and Hurdles We Overcame

- ✓ Amended Metropolitan Transit Commission Interlocal Agreement in 2024 to ensure support of Mecklenburg County municipalities
- ✓ The city purchased a railroad! The O-Line was acquired in 2024
- ✓ P.A.V.E. Act adopted July 1, 2025
- ✓ Sales Tax Voter Referendum passed with 52% of the vote



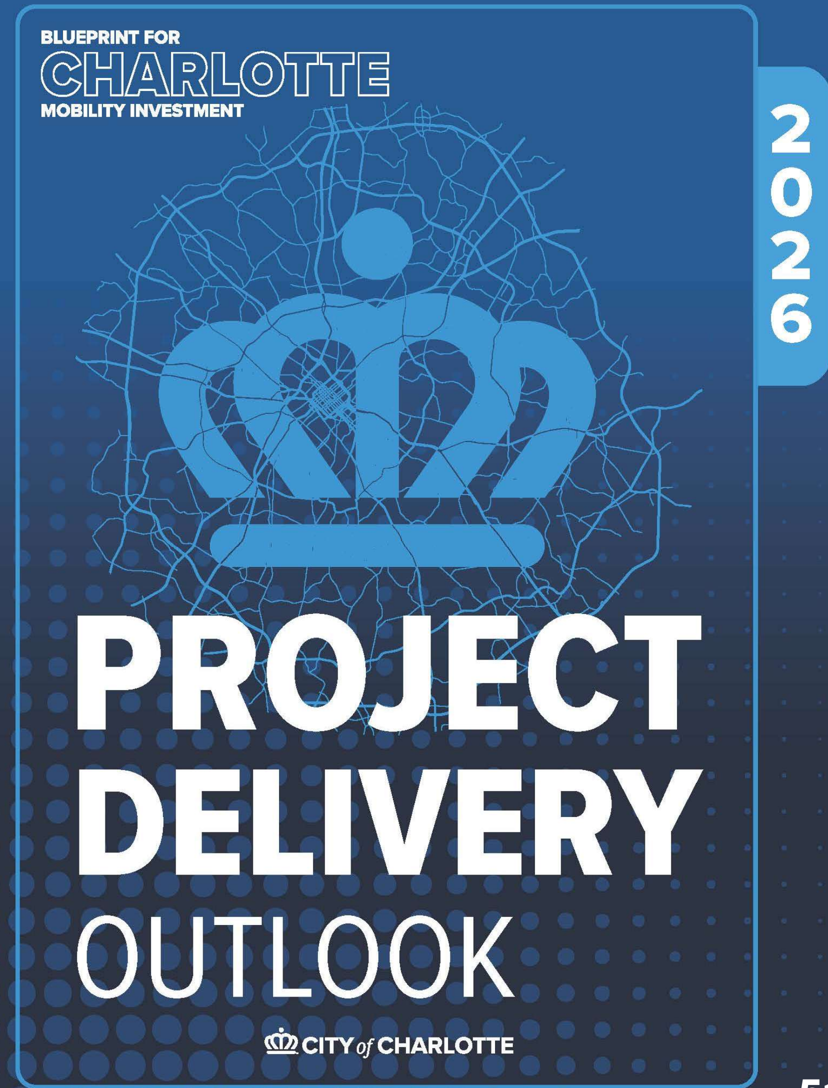
What's Next:

2026:

- **SIA Pilot Project execution** (completing the delivery of the $55M)
- **Advancement of Big Moves 2030 projects** (7 projects in 5 years)
- **Development of future Big Moves projects** (define & evaluate feasibility)

2026/2027:

- **Big Moves community engagement & project prioritization**



Mobility+

a comprehensive, long-term transportation and investment strategy designed to build a safe, connected, and multi-modal mobility system

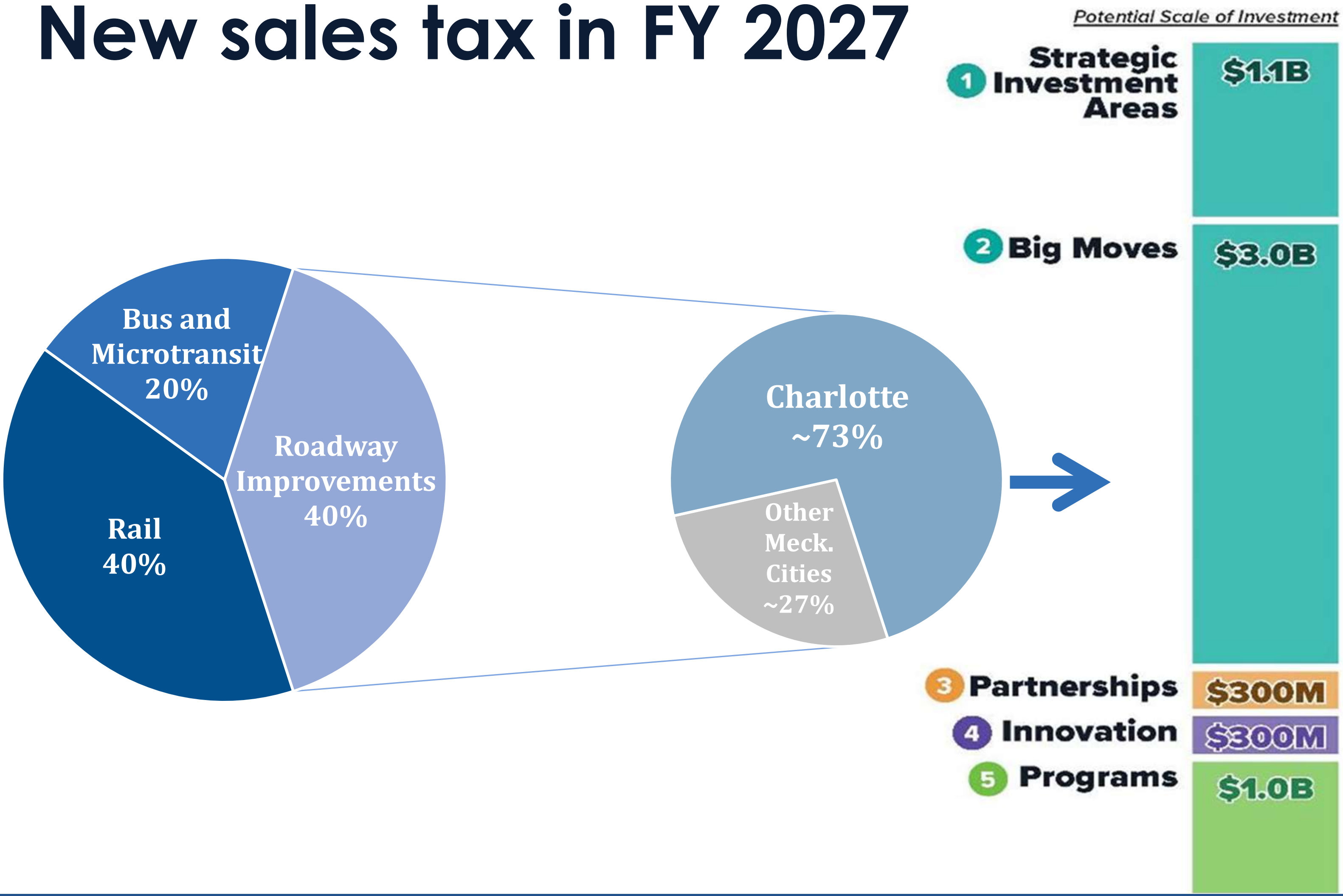
Strategic Investment Areas

- $400M total bonds in 2024, of that $238.3 transportation, of that $55M toward Strategic Investment Areas (SIAs).
- Using data driven placed approach, **SIAs are successful!** On track to deliver all $55M in two years.
- Included multi-departmental service model in deploying SIAs
- 16 SIAs and 6 corridors = 22 geographies total to replicate success
- Adding FTEs to scale up and deliver on Mobility+

Skilled to Build: Advancing Economic Development with a multi-tiered approach

- **SMALL BUSINESS READINESS**
- **WORKFORCE DEVELOPMENT**
- **BUSINESS ENGAGEMENT**

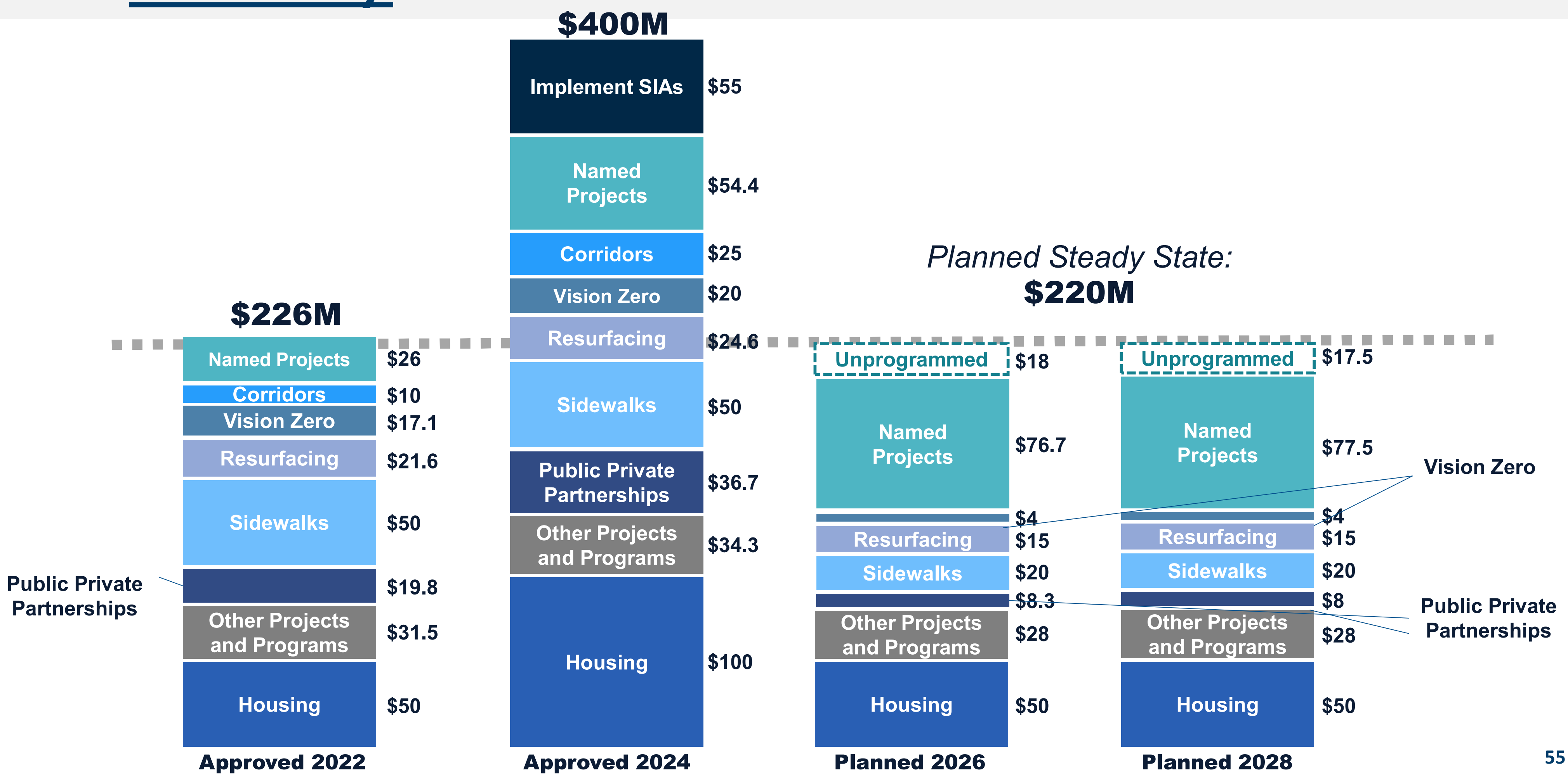
New sales tax in FY 2027



$5.7B
over 30 years

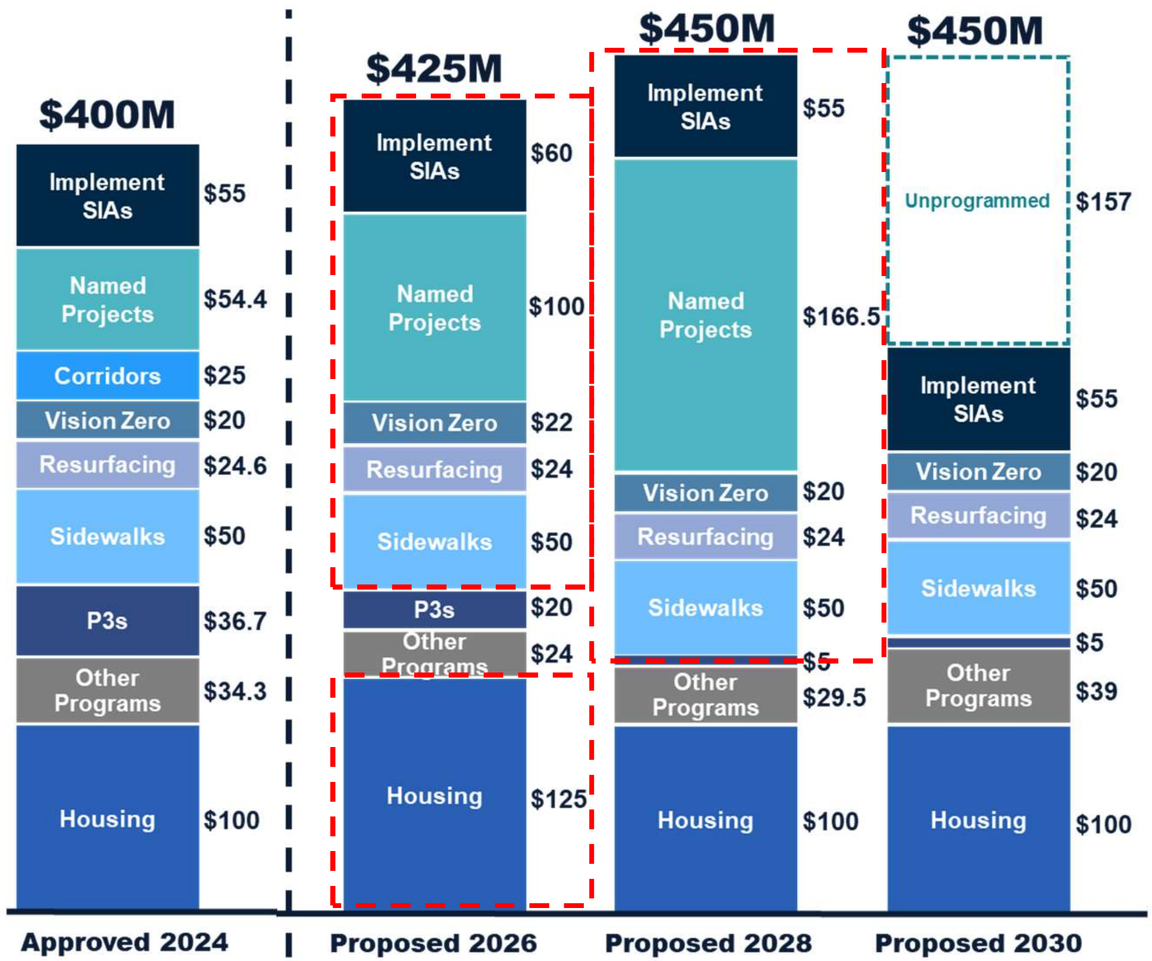
$100M
in FY 2027

General Obligation Bonds: 2022, 2024 Approved; 2026 *Previously* Planned Bond Schedule



Previously Approved/Planned Bonds vs. FY 2027 – 2031 CIP Proposed Bonds

- $266.5 M to complete seven "Big Moves" projects by 2030
- Continued investments in Vision Zero, Sidewalks, and Strategic Investment Areas
- Additional $5M in Strategic Investment Areas for targeted street resurfacing opportunities
- Additional $2M in Vision Zero to address priority areas
- **Largest housing bond in city history**



2026 Bond
Transportation & Neighborhoods

FY 2027 Budget

A Framework for
Future Transportation Investment

System-wide Programs

Safety	Vision Zero
Mode Choice	Bicycle Pedestrian & Sidewalk **NEW** Transit Supportive
Partnership & Leverage	Public-Private Partnership Congestion Mitigation **NEW** State Participation
Asset Management & Maintenance	Street Resurfacing Bridge **NEW** Orphan Roads
Innovation & Operations	Intelligent Transportation Systems (ITS) Traffic Control **NEW** Mobility Innovation

Place-based Programs

Strategic Investment Areas	Targeted investment for community-focused outcomes
Big Moves	Large scale projects advancing city-wide impact

Defining the next 10 years of projects:

Big Moves

Define

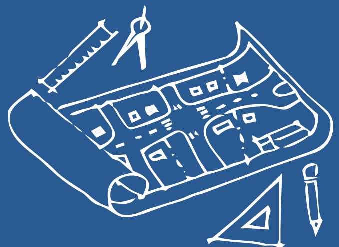
Define the scope and intent of potential projects for evaluation and community input.

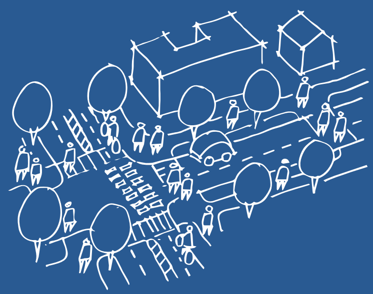
Design

Design projects through feasibility and Advanced Planning for **Delivery.**

Deliver

Deliver project through final design and construction.





2026 - 2027

2027 - 2035

Prioritization

Begins with project definition and continues through design.

On-going and integral to the design process.

Quantitative

High Injury Network
Transportation Disadvantaged Index
Transit Network
Pedestrian Network
Bicycle Network
Street & Roadway Network - Congestion
Activity Centers
Greenway Network

Qualitative

Community informed engagement
Geographic balance & area needs
Partnerships & funding leverage
Readiness, feasibility & schedule risk
Timing with other capital investment

Partnership with Foundation for the Carolinas: connecting community

FOUNDATION FOR THE CAROLINAS

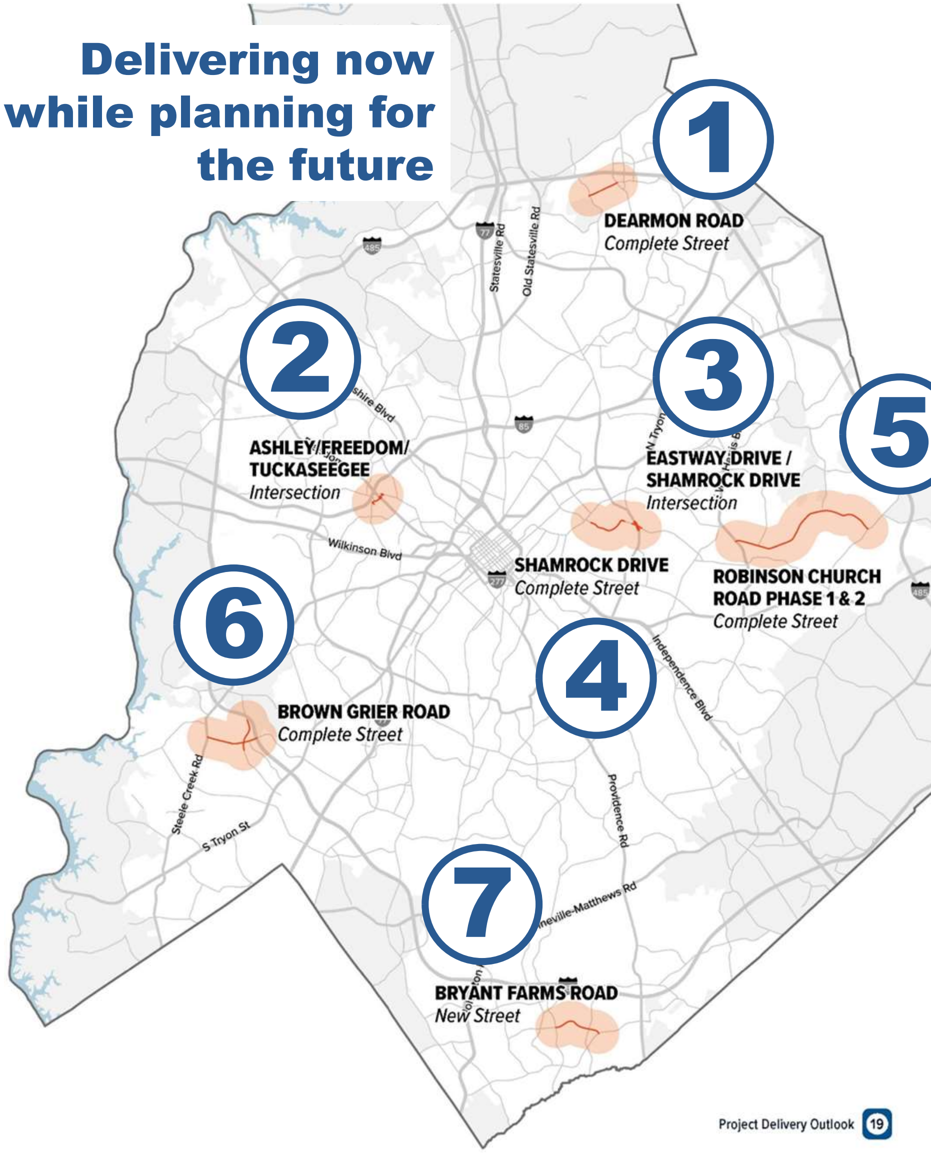
Zencity

HDR

Engaging Community

- Increasing understanding of what City of Charlotte does
- How to engage, opportunities for input and involvement
- Topical discussions (i.e. Affordable Housing)

Delivering now while planning for the future



Accelerating **7 projects** in **5 years**

Big Moves 2030

- Built on **years of engagement**
- Advances our **priorities** (safety, mode choice, capacity)
- Designed & **shovel ready**
- Funding **partnerships** in place
- New funding **accelerates delivery**

Serving Our Region

Aviation

5% of state's GDP

7th busiest airport (airport operations)

53.6M passengers (2025)

Charlotte Area Transit

Manages the state's only light rail system

Serves a 5-county area

Water and Storm Water

Serves 1.2M customers daily (Water)

48,000+ ft. of pipe installed or rehabbed (Storm Water)

Staff transition effective
January 1, 2027

CATS transitioning into the Metropolitan Public Transportation Authority

Fees Increases Needed to Maintain Service Levels

	Typical User Monthly Fee	Monthly Increase
Solid Waste	$11.38	$1.35
Water/Sewer	$81.21	$4.41
Storm Water	$11.30	$0.48
Total	**$103.89**	**$6.24**

Up to this point
we have been
building a foundation
to **Gear Up!**

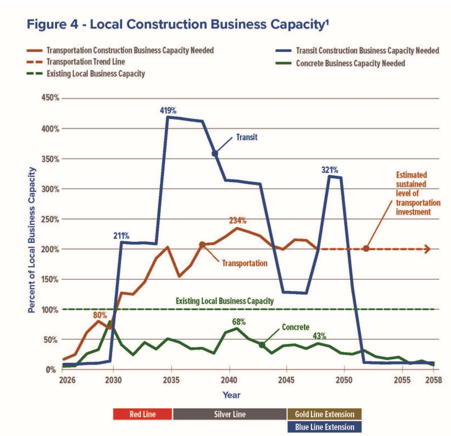
People
Places
Policies
Plans

Time is now! Doubling Down with Mobility+

We are locked in
and focused on the opportunity

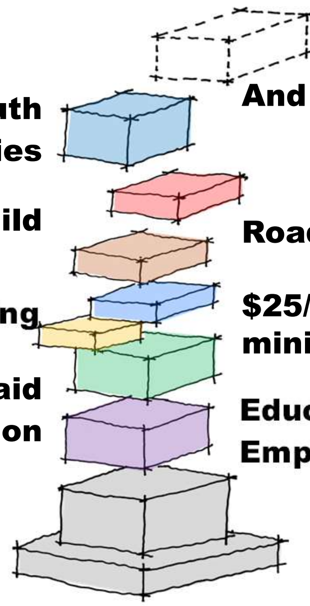
Expanding our Approach
To building economic mobility

To Meet the Moment
Investing in people, small businesses, and our region



Business capacity is only about **50% of projected demand** for road construction.

Workforce demand in key occupations **is expected to increase 20-90%** in the next 10 years



Building Economic Mobility

Local businesses can scale into prime and subcontracting roles, **expanding workforce** pipelines and **multiplying regional economic impact.**

Proposed FY 2027 Budget

Proposed FY 2027 Budget (Net of Transfers)	
General Fund	$1,042,600,000
Reimbursements and transfers to Other Funds	($73,001,752)
Sub-total General Fund	**$969,598,248**
Aviation	$1,034,222,870
Charlotte Area Transit System (CATS)	$506,771,288
Charlotte Water	$875,736,882
Storm Water	$128,275,711
Sub-total Enterprise Funds	**$2,545,006,751**
General Capital Investment Plan	$479,022,000
General Capital Debt Service	$96,800,276
Pay-As-You-Go Funds	$74,717,901
Sub-Total Capital Investments	**$650,540,177**
Special Revenue Funds	$193,833,529
Debt Service - Special Revenue Funds	$38,884,843
Sub-Total Special Revenue	**$232,718,372**
Internal Service Funds	**$90,630,215**
Total All Funds	**$4,488,493,763**

Budget Schedule

- May 11 – Public Hearing
- May 18 – Budget Adjustments
- June 1 – Straw Votes
- June 8 – Budget Adoption

Advancing core community services across Charlotte

Providing a Strong Public Service Framework to Advance Opportunity for All

CITY OF CHARLOTTE