

The City Council of the City of Charlotte, North Carolina convened for the City Manager's FY2026 Proposed Budget Presentation on Monday, May 5, 2025, at 6:01 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Council members present were Dimple Ajmera, Danté Anderson, Tiawana Brown, Ed Driggs, Malcolm Graham, Renee Johnson, Marjorie Molina, and Victoria Watlington.

ABSENT: Councilmember Lawana Mayfield

ABSENT UNTIL NOTED: Councilmember James Mitchell

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Mayor Lyles said good afternoon, everyone. Thank you for joining us today. This is a really special time in the life of a Manager and the Mayor and the Council where we actually have the wonderful opportunity to look at what are we going to do, and what kind of organization will we be, and what will we do for this community, and it's all encompassed in a proposed budget. That Budget is from the staff, and I think the Manager agrees that he's got a great budget team. So, that's really good. So, what I'd like to say is that this is our introductory meeting. So, we have lots of time and have allocated a number of times when we'll have budget public hearing on May 12, 2025, and we'll have adjustments and comments from the Council members and we would need to have those hopefully by May 19, 2025, so that everyone can be ready and prepared for the next year's budget. So, with that, we're going to do introductions.

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ITEM NO. 1: CITY MANAGER'S PROPOSED FY2026 BUDGET PRESENTATION

Marcus Jones, City Manager said thank you Mayor and members of Council. Julia and I were trying to count and we're counting on our fingers, and I guess that's not the best way to start a budget presentation, but we think this is the ninth budget presentation that I provided to the City Council. So, I'm pleased to begin the presentation. I really want to start with FY (Fiscal Year) 2024. We talked a bit about being at an inflection point in this community and trying to navigate how we could go about providing excellent services and to make sure that they're cost effective to our residents. So, in FY2024 we talked a bit about whether we would be in a decline, be on the steady trajectory or even advance it a bit. So, by the time we got to FY2025, you did approve a 1.37 property tax increase with about 0.82 going to operating primarily public safety, another 0.24 going to capital, really housing and mobility, and lastly 0.31 going into Arts and Culture. I will tell you that in the current Budget, what that allowed us to do especially around the capital piece is have historic investments in our Corridors and affordable housing as well as in transportation. So, I'll start with the Corridors, and I don't think the story is told enough that it's really a five-year journey starting off with some investments in the Corridors. I believe it was \$14.5 million in the CIP (Capital Investment Plan) and \$10 million in PAYGO (Pay-As-You-Go) back in 2020. I just want to say that those investments over the years at \$95.6 million has really pulled in for every dollar that the City has invested, \$1.71 million in the private sector and federal grants. So, really as we start to look at this now, there's \$95.6 million of City investment, but \$260 million in community investment over the last five years.

I would be remiss if I didn't bring up what Angela Charles says to me over and over again. She says, "Marcus, don't leave out what's happening with infrastructure." So, you take that same period of time, Charlotte Water has invested \$396 million in the Corridors and Stormwater another \$154 million. So, \$810 million invested in our Corridors of Opportunity. It was never the thought process that the City would do this alone and the great news is that folks have come along with us. Also with that property tax increase last year, we were able to do more in terms of the bond with the Housing Trust Fund. What's important is if you look at the three bars not quite to the far right, but before the blue bar, that's when the Housing Trust Fund went up to \$50 million. So, if you start to look at those bonds, that's 47 percent of all the units that have been

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constructed since the beginning of the Housing Trust Fund back in 2002 and we just can't wait to see what we'll get out of the 2024 bond, which was \$100 million in terms of Affordable Housing Trust Fund. It's a new approach. Instead of just having multi-family construction through the Housing Community Safety Committee and this Council, you came up with new goals, economic mobility, neighborhood affordability and residential stability. Not just to focus on multi-family construction, but homeownership, naturally occurring affordable housing, rehab and repair, shelter and supportive housing and collaboration.

Then just as important as the first two, the historical bond for Transportation, \$238 million, \$123 million more than the highest on record, but it was not just roads. It is congestion mitigation, Vision Zero, sidewalks, and it's not just the sidewalks with \$50 million and Vision Zero with \$20 million, but it was a test. Fifty-five million dollars into what we call Strategic Investment Areas. So, let's think about the six Corridors of Opportunity and then overlay that with 16 additional areas where infrastructure is important. So, what we did is took that \$55 million and tested it in two of these Strategic Investment Areas and while this may seem simple, it's extremely important. A sidewalk that we identified in August 2024, it was constructed by January 2025, but more importantly it was the missing link between a bus stop and miles of existing neighborhood sidewalks. What we learned from this test is in this project, we did it twice as fast and at half the cost. Mainly because we had 14 different departments working together as opposed to in silos. These projects maximize connectivity, safety, and accessibility.

So, we want to learn from that. We want to learn from these Strategic Investment Areas and also create this team of teams approach with an organizational improvement team. So, what we will be doing is focusing on how we can just be better in certain areas. How can we deliver exceptional customer service to our residents with no additional resources? Again, team of teams approach, we'll have Monica Allen that helps us create these teams as we go about looking at specific areas. I will tell you that Alyson Craig got out in front of us with the Charlotte Development Center and already is looking for opportunities to take these seven departments and provide enhanced services to the community. We will also have a focus on procurement and CBI (Charlotte Business INClusion). I am merging those two together, elevating them to its own City department so that we can have the focus on making sure that we are being responsive to our community, but also responsive to the organization. So, we'll continue on this path and I think this is what's extremely important about this slide. No tax increase, no property tax increase is planned for FY2026. I do want us to take a look at the next two years though. There's a conversation going on in the community about a one cent sales tax for transportation and transit. If that occurs and we begin to collect revenue beginning next July 2026, it has an impact on our overall budget, and I'll explain that in a bit. If that doesn't occur, the stress that we have on the system would suggest that we need another revenue source, and I'll explain to you why I'm suggesting that.

Then when we move forward to FY2028, it's a reval year and I had this conversation with you at the Annual Strategy Meeting and I'll tell you, I actually had this conversation with Councilmember Driggs probably three years ago at the last reval. We won't go into detail, but you understand for the most part when you have to set the property tax rate at revenue neutral, you're not getting the growth that would match some of the inflationary prices we have. So, I just had these two boxes because decision points as we go forward and how do we continue on this path. We still need a revenue source to match the growth, but this Council has positioned themselves in a great place. The last time I was here to present the Budget, we had not agreed to change this to the Interlocal Agreement. So, in June 2024 the members of the MTC (Metropolitan Transit Commission) agreed to change this to the Interlocal Agreement. That allowed you the opportunity to purchase the Red Line which unlocked a conversation about the one cent sales tax that this community is having. The enabling legislation was introduced in February of 2025 with enhancements to rail, bus, and roads. Then lastly in March 2025, the Transit Authority legislation was introduced also.

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So, we're balancing the 2026 budget without a tax rate increase, without a property tax increase. At the retreat or the Annual Strategy Meeting in January 2025, we talked about making sure that we are recovering our fee recovery accurately. So, in other words, we have a policy for 100 percent fee recovery and we're not always there with some of them. Then we also are reducing expenditures. I will tell you that I strongly believe that we are near the edge of what can be reasonable reductions without having an impact on the community. Much of this Budget takes away some of the flexibility that the departments have but maybe more importantly, some of the enhancements that the departments had are not funded in this Budget.

Okay, Charlotte continues to have the lowest total cost of government. We benchmark ourselves against the 12 largest cities in North Carolina and when you start to think about the total cost in that solid waste fee, water, stormwater, property tax, we continue to be the lowest in total cost of government. So, even with the proposed sales tax increase in 2027, Charlotte would continue to be one of the lowest. Total cost of government would remain low. The sales tax increase for transportation still alleviates some of the stress in other budget areas. So, let's do a couple of pictures. So, basically, we have three pots. We have our General Fund, which funds basically the services that we have as a City. We have a Debt Service Fund that pays for some of the investments we have in the CIP. Then we have PAYGO. Essentially, we take the property tax and we take the sales tax and if you want to call them levers, we pour some into one bucket and some into the other. What's important about the sales tax for transportation is that's \$102 million for the first year and it's estimated to grow by four percent each year. So, that's \$5.7 billion dollars over a 30-year period. That can go directly into that Debt Service budget bucket as well as the PAYGO bucket which gives us more capacity to take some of the property tax and put it back in that General Fund budget, and that pays salaries for police officers, for firefighters, for the folks in the room.

So, again while it's all about mobility, the way we've structured our Budget, it just provides us some relief on the General Fund and with the property tax. This \$104 million is really worth about 11 percent of our General Fund budget. However, the big thing is, let's move it away from the Budget and let's talk about how transformational this is, \$5.7 billion over a 30-year period. We start to think about our discussions over the last few years about our Strategic Mobility Plan. Two thousand projects across our entire community, but really no source to pay for them. Fifty-five million dollars to be had in this budget is a drop in the bucket and we've shown that it worked. That we can take a team of teams approach, and we can deliver projects because if we can't deliver the projects, it's very difficult for the community to say, "Well let's give you additional resources to try to deliver them." So, we've tested it. We believe that we're ready as a team if this comes to fruition. I think what's also important with FY2026 Budget it's just the principles. We wanted to make sure that we preserved core services. We have no layoffs in this budget. We wanted to maintain our reserves and invest in key Council priorities. You know, this process every year, we analyze services and service delivery. We look at to increase that fee recovery rate, but maybe more importantly than anything else, it was just words years ago when we started to talk about breaking silos, and we talk about a horizontal organization. We are that. So, this inter-department collaboration is what we live for. FY2026 Budget is structurally balanced. That means one time revenue is associated with one-time expenditures, and it's not only balanced in FY2026, we always have a two year lens. So, by June 30 of 2027, this two-year lens, the budget will be balanced also. We don't take into account in FY2027 any policies or decisions around compensation, but again we don't want to create a problem in 2027 as we build the 2026 Budget. It's a 5.2 percent growth in the budget, which is about \$46.7 million in additional funding. So, this \$943 million budget, almost 70 percent is in those two sources I've been talking about, the property tax and the sales tax.

So, as we went through the budget preparation process the majority of these sources were I would call green lights. We didn't see concerns, but two, we do have concerns. One is sales tax and the other is a solid waste fee. So, I'll start with sales tax. Sales tax has typically grown at about four and a half percent. I will tell you the last few years it's grown a whole lot more than that, but we would never budget that way. So, FY2025 it was 5.5 percent growth, FY2024, 11.9 percent growth, FY2023 20.2 percent growth.

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So, to start off with 4.5 percent growth in FY2026 made sense. The reality is that growth is not there, it's about two-tenths of a percent and that's about a \$6.5 million hit to the FY2026 Budget.

The solid waste services fee. We talked about this in January 2025. We talked about fee recovery. When we start to think about curbside, the recovery is about 34 percent. So, instead of trying to make a case to go from 34 percent recovery to 100 percent recovery, we're just trying to get to 50 percent recovery and do it over a four-year period. So, with that said, over this four-year period trying to get to a 50 percent recovery, we think that that will help us in terms of service evaluation, managing long term costs and aligning the fees to the service type. I want to talk just a little bit about how the budget was put together. So, we start off with that \$46.7 million in additional revenue. The reality is, and you have asked me over and over again, "Well Marcus, what is it just to keep the lights on?" So, to keep the lights on is a combination of what we call base adjustments, technical adjustments and it goes anywhere from contractual increases to annualizing the cost of any salary increase to lease payments. I will say the technical adjustments and the base adjustments were worth about \$33.2 million. So, it left us with about \$13.5 million for compensation increases. A typical compensation increase is closer to \$18 million. So, we had to figure out how do we continue to provide core services, not layoff any of our employees, but to also make sure we can compensate them too. I do want to talk a little bit about three of the technical adjustments that while it's not salary, it is compensation related.

So, outside of compensation, we have contributions to the LGERS (Local Governmental Employees' Retirement System), the retirement fund which is General Fund employees plus police and that increased by \$3.4 million. That's 100 percent on the City. We have our own fire retirement system which we have challenges, and I do believe that's a great referral we can have within this year to make sure that that fund which is the City of Charlotte's fund is stable. That's again 100 percent employer contribution, \$4.3 million more. In the healthcare fund, and that's employer and employee, about \$4.5 million increase with that. What's important to note with this, which really helps the employees, over the past few years all of the increases the City has absorbed and not necessarily passed any of the increases on to the employees which is more typical that there's some cost sharing in the increase. So, I would just say that those three alone were about 26 percent of the growth in the General Fund expenditure side. Now, we could've come in and said, "Well how do you make up for that loss in sales tax?" Basically, for a quarter of a penny, a little bit more than a quarter of a penny, 0.27, property tax increase would be worth \$6.5 million. You get the stability back in the revenue stream and it's ongoing. We didn't do that because we believe that first we had to challenge ourselves and see what we could take out of the expenditure side. What we did is we looked at adjustments to make sure we could continue to provide core services and continue to have a salary increase. So, that's almost 21 positions that we've taken out of this budget.

Now some of those positions are related to our Enterprise Resource System, the ERP system we're putting in place. We would've programmed those savings from those positions and deployed new positions to it in other areas that are important, but instead we cut them and there are a number of vacant positions that we eliminated. I will tell you upfront, the vacant positions may have been vacant for nine months and we took them away. It didn't mean that they weren't important to the different departments, but we didn't have them filled and if the principle was that we weren't going to lay anybody off, the first place to go would be those vacant positions. We also reduced contractual costs and cost recovery we had in alignments. That was worth about \$7.4 million more than what we lost in terms of the sales tax. Our employees are the backbone of our City. I think what's important is we're going to continue doing what has worked for us. I know the March 2025 number is a little bit different but when we start to look at the February 2025 number for vacancies across all of the categories, salaried, hourly employees, police, fire, we had got to single digits and that's something I haven't seen since the pandemic. We're going to continue with the 2.5 percent bump for having a CDL (Commercial Driver's License) if it relates to your position, 2.5 percent bump for shift differential. I see somebody who is really instrumental in shift differential in the room. An

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all-access pass for our employees again, about \$30 a year, that CATS (Charlotte Area Transit Center) all access pass is valued at \$2,100. So, that's something available to all of our employees and when you start to talk about how you impact quality of life, that allows you to have more money in your pocket.

We offer more than a job. We're going to nearly double our education to employment, E2E, 13 individuals graduated from high school, came to work for the City, full benefits, full salary like anybody else. We're going to have 28 this year and eight departments are participating. We continue to have apprenticeships. We have 200 employees that are engaged in our prepayment tuition. In other words, it's not to just take money out of your pocket and then try to figure out how you get reimbursed. We trust our employees. We'll take the risk. We'll take the gamble. We'll prepay tuition. What I'm really, really excited about is what we're doing around financial wellness and stability. We have our employee resource coordinator that is working with our employees, but we've also launched an employee rental assistance program, and we will launch this summer a low interest loan program for hardships for our employees just trying to make sure that people aren't taking advantage of our employees and we're taking care of home first. So, we have at least a three percent increase for all employees. It's a little complicated. I'll try to do it pretty quickly.

So, for our hourly employees it's four percent. It's a combination of 1.5 percent cost of living adjustment and 2.5 percent for merit. The general employees, there's a merit pool about three percent. What I'm super excited about it, we're going to bump minimum pay up again this year, \$24 an hour minimum pays for our 40 hour a week full time employees. Wish I could round that thing up to \$50,000 but it's \$80 less than that. It's \$49,920 per year for our lowest paid employees and we'll keep working on that. We're committed to the step plan for police and fire. So, they have a plan, and we are funding the plan and there's a series of steps and there's at some point, you top out. When you top out, what you get is the 1.5 percent. So, what I am recommending is to add another 1.5 percent as a bonus so that no employee gets less than three percent. The reason I say a bonus is because the bonus becomes one time as opposed to if we had a salary increase that's over and above the plan. It's more than what the plan says, but to be candid, we've been doing more than what the plan says in the last few years.

So, one-time resources that are available. \$13.9 million is the 2024 surplus. The way that works, the surplus, not the next fiscal year but the fiscal year after that we put it into PAYGO, essentially all of it after we've made sure that we've made our 16 percent reserve. So, this is nothing different than any other year. So, we take the \$13.9 million, we put it in PAYGO for this upcoming budget. What are some of the things we do in PAYGO? So, altogether it's about \$68.9 million. Remember we talked about the buckets and one of the buckets was PAYGO and how you deal with property tax and sales tax. So, the \$68.9 million, about \$42 million of it is under that well managed government and we spent about \$25 million just on purchasing vehicles. We have to purchase vehicles. \$6.1 million is to maintain our City-owned facilities, and then we have \$3.6 million of the General Fund to finish up this ERP system. It's kind of interesting. We're at the final leg of it. It's going to be more than we initially thought, but we're at the final leg of it and once we have the ERP system fully implemented, I think by September of this year, 2025, we're going to be able to do a whole lot more in terms of reporting.

Safe Communities, I think this is extremely important and this is why we're trying to balance with this budget the \$6.5 million in what we call Safe Communities, but \$3 million in this FY2026 Budget is just for public safety radios. It's things that you have to do. Cities sometimes don't do it well. We're trying to adjust this in such a way that we do it well and it's \$11 million over five years for the public safety radios which are extremely important. Workforce and business development, \$17 million. I will say \$14.6 million of that is for our cultural facilities. So, again, PAYGO, we don't talk about it a lot but there's a lot that's in PAYGO and surpluses from two years before are used to fund that.

So, that's the one-time money, \$13.9 million. There was \$6.3 million ARPA (American Rescue Plan Act) interest. So, in order to pay for the bonus, for the police and fire or individuals who had topped out, that bonus is \$2.1 million, and I am recommending to

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take it from the ARPA interest and then don't touch it. So, leave \$4.2 million there. Then after that, there's the ARPA revenue replacement that we have that's \$5.3 million that I'm not touching at all either, leave that up to the Council's discretion of how you may want to use that. The only thing I would say, all of these funds in this column are one time in nature and they should be used for what's one time in nature.

So, preparing for the big opportunity, I hear it often and I like it when I hear it, is you know the three-legged stool. A good paying job, a place where you can live and the mobility back and forth as well as the upward mobility in our community. So, how do we prepare for it? The Corridors of Opportunity as I mentioned earlier, \$5 million that we programmed over two years FY2025 and FY2026, but then there was a lot of discussion about, "Well what if you're not a Corridor?" So, what we're going to use is work with what we have in terms of as we started to do the Community Area Plans, 14 of those. Set aside a million dollars so that in these areas certain things can be tested too. So, that if we have this opportunity for more revenue, that they're not at a disadvantage because we've had time to prepare for the Corridors. That becomes exciting.

At the Annual Strategy Meeting, we brought in experts from across the country and we talked about the mobility investments in two important places, small business and workforce development. So, I want to make sure that what we can utilize from what we learned around the Strategic Investment Areas in being able to implement and do things faster at lower costs. Can we prepare small businesses, and can we prepare the workforce for this transformational mobility revenue that's coming in? So, with the small businesses, if you add all this up it's almost \$3 million. We had a conversation today in the Jobs and Economic Development Committee. We have lessons learned from the Blue Line. We have lessons learned from the Blue Line extension. We have lessons learned from the Gold Line. We can do better. So, what we'll do is figure out what those opportunities are and gets these small businesses prepared for those opportunities. You know, even though I talked about just for the City, the \$5.7 billion, look at the entire plan when you bring in federal funds too. It's almost \$25 billion over 30 years. The other thing is workforce development. We have a workforce development strategy. It's the time to make sure that we have people prepared for the jobs that are associated with this transformational investment. So, there's almost \$3.5 million to the side for that.

So, again, I believe if we get this right, which we will get it right, it's a great opportunity for us to address mobility needs in our community. What's new in this budget? We're going to double down on our future. So, in this budget I'm recommending that we establish an office of youth opportunities. So, if you start to think about what's happening with youth in the City? We have CMPD (Charlotte Mecklenburg Police Department) that has programs. We have Housing and Neighborhood Services that has programs. We have community relations department that has programs. Let's pull those programs together with one mission, to promote economic opportunity and positive youth development. So, it's not going to cost us anymore. It is just literally being more aligned and we're going to bet on Rebecca Hefner being able to pull this all together with a data driven approach. We'll keep seeking opportunities for collaboration and efficiency with all of our partners, the County, the private sector, the philanthropic community.

On the short term, we have to get the MEDIC contract right. The solid waste recovery, we talked about the four-year plan, but also in the midterm, there is the solid waste contract that expires in 2028. What can we do around permitting? What can we do around economic development? What can we do around affordable housing? So, it's also important to remember that we serve this region through aviation, CATS and water and these are all the highest rated enterprises that exists. So, we have the highest ratings. This Council has given great guidance and we're providing exceptional services. It wouldn't be a budget presentation without talking about fees. The solid waste services fee, even with trying to get to 40 percent in this next year, 50 percent in a four-year period, it goes up \$10.03 for the year. That's a monthly increase of \$1.35. Water is A monthly increase of \$5.47 and stormwater is a monthly increase of \$0.67. So, monthly increase for all of those, that's \$7.49.

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Last, as I mentioned before, \$5.3 million in reserve for the Council as it relates to some of the ARPA replacement dollars. This is a \$3.6 billion Budget. It's come down a bit because this is not a bond year and the same concept with some of our enterprise funds and some of the debt that they would have, but a \$3.6 billion Budget across all funds. I want to thank team Charlotte. I want to thank Marie Harris and the budget team and Teresa Smith our CFO (Chief Financial Officer) and what I presented to you is a structurally balanced budget. It's yours. We're here to assist in any way that you want us to assist. The Mayor mentioned earlier, May 12, 2025, is the Public Hearing, May 19, 2025, the Budget Adjustments, the 29th of May 2025 Straw Votes and June 9, 2025 the Budget Adoption. I appreciate the opportunity to present the budget to you and we're here to work for you just like every other day. Thank you.

Mayor Lyles said thank you, Mr. Jones, for this effort. I want to say thank you to every person that is a part of this great City and this great organization and how much we all love and respect you, having those opportunities to do the things that you make possible for us. So, I know usually we just get the big book, and Marie is passing them around now. I hope that we'll have a good opportunity to showcase with technology or things that we can do to get the community engaged in this process as well. So, it's not just the Council that would look at this budget and say how do you feel about it, but all of our community leaders and people that work with us in this respect. I hope that they'll be able to step up as well. I don't believe that we are going to have any particular questions right away. I think if we read through the budget we will be ready by May 12, 2025 to go in this direction.

Councilmember Johnson said thank you for the presentation. It is an honor to serve this City and thank you for the work that you do. Can we go back to slide 27 if possible?

Julia Martin, City Manager's Office said give me one second.

Ms. Johnson said okay. So, slide 27 looks like the revenues are \$943 million. Okay, but that's not total revenue for the City. What bucket is that?

Mr. Jones said that's just the General Fund when you add all the funds together it becomes \$3.6 billion.

Ms. Johnson said okay. So, do we have a list of all of those fund totals? Is that anywhere in the Budget including the Hospitality Fund? Is that anywhere in the Budget?

Mr. Jones said yes it is in the Budget and I believe that during the Annual Strategy Meeting we had a breakdown of all those too. So, we can make sure we get that to you again.

Ms. Johnson said okay. Not just me, just for the public to be able to see, to take a look at and see what it is that we're reviewing. Also, you said \$25 million federal match for the sales tax federal match. What was that amount?

Mr. Jones said no. So, thanks for asking.

Ms. Johnson said okay.

Mr. Jones said so, over 30 years the one cent sales tax is estimated to get about \$19.4 billion. So, you pull down almost another \$5 billion from the federal government and that's what I mean by the almost \$25 billion opportunity.

Ms. Johnson said okay, thank you. Is there a plan B? We know there's a lot of changes with the federal government right now.

Mr. Jones said sure, sure.

Ms. Johnson said is there a plan B, or do we anticipate any changes or problems with the federal match?

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Mr. Jones said sure. So, let's just assume that there was no one cent sales tax even discussed. We've talked about this for some time that we have our infrastructure needs. So, the infrastructure needs if there's no sales tax is actually the property tax and so if you start to think about it, what would be the tension for lack of a better word or what would be the opportunities to raise the property tax at a particular level that the residents would feel fine with to take care of our own infrastructure needs. So, well before the Transportation Plan we talked about sidewalks, we talked about roads, we talked about lighting, Vision Zero. So, I would try to decouple them. We have 2,000 projects that we need to find a funding source for, and it just seems that having the sales tax makes a lot of sense, because one it's immediate and about 30 percent of it comes from people who don't live in Mecklenburg County.

Ms. Johnson said thank you.

Mr. Jones said you're welcome.

Ms. Johnson said one more thing I want to say. Congratulations on the work for the City employees. That CPCC (Central Piedmont Community College), that program. We talked about this before when I worked in Ohio. Yes, my employer paid for community college. So, I got my first degree through a program like that and when you get that, if you're a nontraditional student, when you get that associate degree it's very motivating. So, I went on to get two more after that. So, it's an important program. I'd love to see the minimum wage and I think we're responding to the needs of the City. So, thank you for that work. Thank you.

Councilmember Anderson said I know we're not going to ask very specific questions this evening but thank you for the presentation and great job. I just have one question about the timeline. I forget the slide, the last slide, but I just wanted to make sure. I believe it's the straw vote on May 29, 2025. I know that's during a holiday week. I just wanted to make sure that we have enough Council members able to participate and if we don't, if we have some flex room on that, but I believe that is Memorial Day week, isn't it? From my world, some folks take Thursdays when it's a holiday weekend to make it a longer weekend. So, I just wanted to make sure that we have Council members around so that we'll have the right level of engagement for that and just another high-level comment. I know we're not taking lots of questions, but when you talked about on slide 43 the intergovernmental piece and working together, this piece right here which I think is fantastic for preparation for our transformational mobility plan, I would just love for us to think about CMS (Charlotte Mecklenburg Schools) and how CMS could play a part in the preparation for those jobs and apprenticeships, etc. So, I'll just leave my high-level comment to that point. Thank you, City Manager, fantastic job, and team.

Mr. Jones said thank you.

Councilmember Ajmera said Mr. Manager great job on the presentation. No property tax increase while making significant investments, especially in our small businesses, recruiting and retaining the best talent that we have and absorbing the inflation cost. As we know there is market pressure, whether it's through inflation, tariffs and to see that we have found ways to reduce the cost while absorbing that, I think that speaks tremendous to the financial leadership of yours as well as the budget team that we have for the City. It's a great model for other cities and municipalities to follow, not just in the State but in the nation. I would be interested in a couple of things that I will save for our Budget Adjustment Meeting. Number one, animal care and control. I know that we had allocated capital budget last year. I'm sure that it's somewhere in the Budget book and I will study this almost 800 pages in the next coming weeks, but it would be helpful to get an update on where we are. Are we staying the course on what we had approved previously?

Mr. Jones said I think that's more than fair and something as high level as this, I should've mentioned. It probably was in my notes. So, yes, we are continuing to have the facility in our plan. Maybe more importantly as a part of this proposal, one of the

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efficiencies, I'm proposing we move animal care and control from CMPD and move it over to General Services. General Services runs facilities and there were some efficiencies there with the back office. So, that's another recommendation that's proposed, is to move animal care and control. I think it's important because that's about 90 positions and I didn't want you to look at the Budget book and say, "Oh, CMPD is only growing by a half a percent." It's because we moved so large of a function out of CMPD.

Ms. Ajmera said oh that's great to hear. I think that is to Ms. Councilwoman Johnson's point, we are responding to the community's needs. We've heard loud and clear from various animal care and control. Animal care advocates about the move as well as increasing the capacity. So, that's great to hear while also responding to our workers who have asked for an increase in hourly pay, especially our hourly workers. So, I appreciate the work and the investments that you have presented in this Budget. That's all I have.

Mayor Lyles said alright, thank you very much. Mr. Jones, I don't know how to say this more than, but I think that you've probably done a pretty good job on an eighth year on this budget, and we are looking forward to it. I want everyone in the community to be aware of it. That we should be putting this out as much as we possibly can so that people have the ideas that they can come back, especially when we have the public hearing on May 12, 2025. Please take a look and be cognizant of anything. There is a lot of information here, but also a lot of information that I believe is really important to our future and what we're going to do and achieve.

Councilmember Molina said thank you Madam Mayor. First off, my colleague here, she said, "Ain't it the fifth of May? It is Cinco de Mayo?"

Ms. Johnson said I knew it was the fifth.

Ms. Molina said yes, I knew it was the fifth, I did know it was the fifth. So, it's more of an American holiday. It's definitely a Mexican-American celebration. It's not Independence Day. It's often mistaken for Independence Day, but Cinco de Mayo is the Battle of Puebla that was in Mexico, but again it's Mexican American, but it's good though because we get to eat good food and celebrate in America.

Ms. Johnson said wanted to be inclusive.

Ms. Molina said yes, get some tacos as people continue to say, but Mr. Manager, thank you for an outstanding job. There were many things that stood out to me in this presentation, but I have to agree with Councilwoman Johnson. The implementation for our employees and us being the leaders in the pack. We have taken on the conversation around workforce development and we're leading by example and I think for you to structure that in our Budget, to say that we're not only standing behind it from an implementation standpoint, but we're leading with our own employees by paying them a competitive wage, allowing for learning opportunities that would potentially, over time, increase their wages. It says a lot about where we stand as an organization and I'm proud to stand behind that. Additionally, I think what we talked about in the Jobs and Economic Development Committee this morning with regards to the federal matches from multiple federal organizations. I think it's really important to note that there is some uncertainty, right? We all hear it on the national stage. Of course we're municipal leaders, we do what we can from a municipal space, but knowing that we have those strategic alignment opportunities as far as grants are concerned to kind of extend our reach so to speak to provide additional resources to our community members. I think I saw, Mr. Chairman correct me if I'm wrong, like four buckets today. I think that was the TAP (Transportation Action Plan) Committee too, but we were talking about the different buckets of money that would be in addition to what we're offering from the City's perspective to extend our reach and I think even those strategies, it's just so much, the scope.

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So, I would encourage our community members to take a deeper dive, a deeper look because these are interdepartmental budgets is what I've noticed, everything from our SEAP (Strategic Energy Action Plan) to, you know, and not remis, we're talking about the implementation. We keep using this acronym about a complete computer, you know, an ERP. It stands for Enterprise Resource Planning System. So, it actually allows all 14 departments to talk about projects and baselines and we've become more efficient where we're not planning in two different departments for something. We wouldn't be spending double money. We are going to save money. We'll save time. There will be more efficiency, more communication between departments. It brings us up to speed from an information and technology standpoint. So, so many things. I think once we even achieve that, we could see some budgetary differences over time. So, like I said, just thing after thing after thing, I could pick out and say, "Good job. Great job, and keep up the good work."

Mr. Jones said thank you.

Ms. Molina said thank you so much.

Councilmember Brown said Mr. Jones, thank you so much for your hard work and your commitment and dedication to doing what you do best. You know, a lot of times as I come in and last year I didn't have a clue. Didn't know what was going on, but you took the opportunity to explain and work with me on the budget and help me understand it. So, from my perspective, I like the fact that you listen to the people and you let the people champion the budget. A lot of times people in Council seem to think they can do your job, but I beg to differ. I don't think that they can and that's why you're in that position. I would love to see more of the budget as it is aligned with the people in the community and what their concerns and their needs are. You do an amazing job with putting it together. This is 800 pages or so?

Mr. Jones said I don't know. Is it 800?

Ms. Brown said does anybody know the pages as an estimate?

Mr. Jones said we have a budgeting brief. We always provide that to you, okay?

Ms. Brown said okay. So, it was thick last year. I didn't read all of it for full transparency, and I won't be reading all of it this year. We're a team. So, I will be relying on, truth and transparency, relying on colleagues to come together. There are certain parts I look for. I look for the people's budget, I look for people to reach out to me, send emails, tell me what they would like to hear. We have dates set up here for the budget schedule. I like for people to show up. Four hundred pages of what you do best and your staff, and then I still have community meetings. I have to show up in another capacity because this is a part time job although we don't work part time hours. It's a part time job so I have other commitments and other obligations. So, I love to see when we have people that champion the budget, like the people's budget, like hearing from the animal shelter advocates and things like that. Hearing from the City employees that send us emails and tell us what they're looking for specifically. So, if I tell you that I'm going to read 400 pages, I'm not going to tell you that because I'm not going to do it, but I will look for people to champion different areas and move it forward, but I thank you so much for bringing forth what you do. I'll look over it, but to say that I'm going to master 400 pages, I'm not going to say that and that's on public record. I'm not going to do it. I didn't do it last year, but I will be looking for people, constituents to share their concerns and I'm always open to listen to the community needs and to advocate those and move those forward. Again, thank you for being the expert in that area, and I'll look for the people that depend on me the most to come with me like I did last year and share what their concerns and their needs are for this Budget so we can move the agenda forward. Thank you so much.

Councilmember Graham said Mr. Manager I too want to lend my voice to my colleagues around the table in terms of the preparation of the Budget, and compliments to you and the whole finance team that does a really, really tremendous job in terms of

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ensuring that our community, not only by meeting the needs of the Budget in the community but being able to afford it and working through our finances. What doesn't get a lot of attention, you just highlighted tonight was really the three enterprise divisions that are comprised within the Budget, aviation, CATS and water. Certainly, they do a tremendous job providing services not only for the City, but also for the region. Just the aviation itself, and what's going on over there, the infrastructure improvement, the ability to work with a wide variety of stakeholders that make the regional asset, the airport, as well as our CATS system I think one of the best in the country. Certainly, we're moving in that right direction with all those enterprise funds. So, I think that's something that tends to get overlooked in the budget because it kind of stands on its own, but I just wanted to highlight that and also highlight the fact that if you come to work for the City of Charlotte your base salary is basically \$50,000. So, there's a lot of conversation about affordability and what the City is paying its employees and our reach, but the things that we control from this dais, I think we're trying to put our money where our mouth is in terms of trying to create an environment where affordability for those who work for the City is achieved. I think you couple the \$50,000 with the continuing education, the other perks that are in the Budget goes a long way.

Then lastly, and I'll be quiet, just the youth engagement. We talked a lot about that earlier last year in terms of trying to identify opportunities for youth in our community in terms of getting them away from crime and violence and providing resources for them. I think this is a step in the right direction by consolidating all the departments that kind of engage youth into one umbrella. I'm almost certain that Rebecca can deliver on that, but it certainly does go a long way in terms of putting a spotlight on that and putting resources with it. Not additional resources, but additional time and additional eyeballs. I think that's really, really important. So, I look forward to getting into the Budget, all 800 pages and there was a great executive summary that's helpful every year that's not quite as thick and cumbersome, but the executive summary certainly works, and it's really detailed in its own self. So, I look forward to reviewing it and as Councilmember Brown said, I think every Council member has a particular interest where you kind of go look for that particular page. So, we are a team and hopefully we can make sure that all 800 pages, someone's eyeballs have reviewed it and give you and the staff and the community the responsive feedback that's necessary. Look forward to the public hearing on May 12, 2025.

Councilmember Mitchell arrived at 6:57 p.m.

Councilmember Driggs said I think we need to appreciate that we are now talking over a two- or three-year horizon in terms of our plans for the future. This is not an ordinary year on year incremental budget. So, there's some issues in there that I look forward to discussing in more detail. Should emphasize too though, right at the front under the cover page is a distinguished budget presentation award that the City received July 21, 2024, and this is the same quality of work. We also need to recognize I think that yes, the Manager and the Finance staff but in fact the preparation of the budget goes way down into the departments and a huge number of people participated in submitting requests or working out their numbers and then getting them worked into this Budget. It is a 450-page document, but most of it is reference. So, if you look at some of the tables and so on, you get a feel for the aggregate and that's really what it is. You can spend an hour or two with this and get a good feel for where we're going and then anything you want to know, how many employees in this department, it's all broken out. The disclosure in the document is amazing, but you don't have to absorb it all in order to understand its thrusts. So, a wonderful piece of work as usual. Congratulations!

Mr. Jones said thank you.

Mayor Lyles said thank you very much. I want to again say Mr. Jones, congratulations.

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ITEM NO. 2: CLOSED SESSION

Motion was made by Councilmember Anderson, and seconded by Councilmember Mitchell to go into closed session pursuant to NCGS §143-318.11(a)(3) to consult with the City Attorney to preserve the attorney-client and NCGS §143-318.11 (a)(6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee.

Councilmember Johnson said yes, I have a question.

Mayor Lyles said alright, yes?

Ms. Johnson said so, does that mean we're adjourning this meeting?

Anthony Fox, Interim City Attorney said no.

Mayor Lyles said no.

Ms. Johnson said so, we're going to come back after the closed session to adjourn?

Mr. Fox said you can adjourn in closed session, or you can come back out in open session.

Ms. Johnson said okay. Okay.

Mayor Lyles said alright.

Mr. Fox said if actions taken.

Ms. Johnson said okay, thank you.


The vote was taken on the motion and recorded as unanimous.

The meeting was recessed at 6:59 p.m. to go into closed session.

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ADJOURNMENT

The meeting was adjourned at 8:08 p.m. at the conclusion of the closed session.


Billie Tynes, Deputy City Clerk

Length of Meeting: 58 Minutes
Minutes completed: May 19, 2025