

City Council Budget Adjustments Meeting - May 19, 2025

The following are requests received from City Council during the May 19 Council Budget Adjustment meeting that received five or more votes for further analysis. Each request has been categorized as an on-going expense, a one-time expense, or other. The table below highlights a funding source available.

Funding Sources

Funding Source	Reoccurring funding or one-time funding source	Amount Available
American Rescue Plan Act (ARPA) Revenue Replacement	One-time funding	\$5.3 million

\$5.3 million of American Rescue Plan Act (ARPA) Revenue Replacement funding remains reserved for City Council's discretion. If the \$5.3 million of American Rescue Plan Act Revenue Replacement funding is utilized, it is important to note that this funding is one-time in nature so should only be used for one-time expenses. There is no expiration date on this funding.

Additional upcoming funding opportunities exist through applying for Emergency Solutions Grants, which will open for applicants again in Fall 2025, or for the next cycle for Housing Trust Fund dollars that will open in June 2025.

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REQUESTED BUDGET ADJUSTMENT INFORMATION SUMMARY

ON-GOING, GENERAL FUND EXPENSE REQUESTS

The following are on-going General Fund expense requests received from City Council during the May 19 Council Budget Adjustment meeting.

Council Adjustment	Amount
1. Provide the cost of on-going expenses in the People's Budget.	\$74,500,000
2. Understand cost to increase minimum wage to \$25/hour for 40-hour-a-week, non-temporary employees.	\$998,248
TOTAL	\$ 75,498,248

ONE-TIME, CASH EXPENSE REQUESTS

The following are one-time cash expense requests received from City Council during the May 19 Council Budget Adjustment meeting. All one-time expense requests are proposed to be funded by the \$5.3 million of ARPA Revenue Replacement funding that remains reserved for City Council's discretionary use.

Council Adjustment	Amount
3. Provide the cost of one-time expenses in the People's Budget	\$5,144,000
4. Additional or Alternate Financial Partners (under review by BGIR)	TBD
5. Provide funding for Charlotte Museum of History's <i>American Revolution, the Augmented Exhibition</i>	\$350,000
6. How much would a request for proposals and contract with an outside firm cost to ensure small business utilization targets are met on the Bank of America Stadium renovation project?	\$1,000,000
7. Additional funding to support Level 2 Arboretum designation (\$37,500)	Funded
8. Analyze providing \$1.5 million from the \$5.3 million in one-time funding over a three-year period for the employee rental assistance program for city employees.	\$1,500,000
9. Provide considerations for a new grant program for first responders in Police and Fire to assist with offsetting out-of-pocket costs for medical insurance from \$5.3 million in one-time ARPA funding.	\$790,440
TOTAL	\$8,784,440*

*Total amount does not factor in any additional funding for Financial Partners beyond the proposed budget.

OTHER QUESTIONS AND ANSWERS

Additional Budget Adjustment Q&As
10. Review resources for 911 to eliminate wait times.
11. How much is Mecklenburg County proposing to allocate to financial partners in FY 2026?
12. Identify opportunities to support the National Institute for Community Economic Development in their support of small businesses within corridors of opportunity.
13. Review Heal Charlotte and Freedom Fighting Missionaries proposal for funding.
14. What is the source of funding for the tree canopy care fund and the available uses?
15. Review of Office of Constituent Services (OCS) pay grades.
16. Review recent compensation increases for salaried employees.
17. Raise House Charlotte down payment assistance limit.
18. Analyze amending the city's Paid Parental Leave Policy to include coverage for employees who experience a miscarriage or still-birth.
19. Review tourism funds for alternative uses.

REQUESTED BUDGET ADJUSTMENT INFORMATION

ON-GOING, GENERAL FUND EXPENSE REQUESTS

1. Provide the cost of on-going expenses in the People's Budget.

The People's Budget Coalition is a group of local advocacy groups, service providers, faith leaders, community organizations and concerned citizens that present funding requests to the City of Charlotte. The requests generally include both one-time funding allocations as well as proposals that require on-going funding. All on-going funding requests from the FY 2026 People's Budget are listed below along with additional information from the city in blue text.

People's Budget Coalition Request	Cost of Request to General Fund	Cost Already Included in Proposed Budget	Net Cost to General Fund	On-Going Funding or One-Time Funding
Raise the minimum wage to \$26/hour and associated increases to mitigate compression <i>The Proposed FY 2026 Budget includes a \$24/hour minimum</i>	\$1.7M	(\$0.1M)	\$1.6M	On-Going
10% across-the-board raises <i>The Proposed FY 2026 Budget includes a 3 percent merit pool raise for salaried employees and a 4 percent raise for hourly employees (including a merit pool)</i>	\$64.4M	(\$17.7M)	\$46.7M	On-Going
4% increase in 401K contribution <i>The Proposed FY 2026 Budget maintains a 3 percent employer contribution regardless of employee contribution</i>	\$26.2M	-	\$26.2M	On-Going
TOTAL	\$92.3M	(\$17.8M)	\$74.5M	

2. Understand cost to increase minimum wage to \$25/hour for 40-hour-a-week, non-temporary employees.

As part of the FY 2025 Budget, the city programmed minimum hourly pay for 40-hour-per-week, full-time, non-temporary, hourly pay plan employees at \$23.00 per hour totaling annual pay of \$47,840 beginning July 1, 2024. This means that all city employees that meet the minimum required employment status earn at least \$47,840 annually. No city employees who are 40-hour-per-week, non-temporary earn less than \$47,840. There are a few instances, based on specific scheduling by job type, in which the per hour rate may be less, for example, new hires in Fire with a 24-hour shift.

The Proposed FY 2026 Budget includes increasing minimum pay for this employment status to \$24.00 per hour, or \$49,920 annually in November 2025 for 40-hour-per-week non-temporary employees.

\$25.00 per hour would equate to \$52,000 per year. To enhance minimum pay from \$47,840 per year to \$52,000 in FY 2026 would cost the general fund an additional \$998,248, which includes \$416,646 in direct salary and benefits to 146 employees plus another \$581,602 for 80 vacant positions and funding to help

alleviate compression issues created for supervisors or positions in the same job series as those making the \$52,000 minimum wage. By comparison, the same amount of funding would provide an additional 0.8 percent pay increase to the hourly pay plan, which includes 1,443 employees.

Although this cost estimate includes some funding to alleviate compression, it would be difficult to increase the minimum wage by \$4,160 from \$47,840 to \$52,000 and avoid creating compression issues between employees at the lower end of the salary range. The city has applied best practice in recent years with a steady approach to increasing minimum pay 50-percent, or \$16,640, since the beginning of FY 2022.

ONE-TIME, CASH EXPENSE REQUESTS

3. Provide the cost of one-time expenses in the People's Budget.

The People's Budget Coalition is a group of local advocacy groups, service providers, faith leaders, community organizations and concerned citizens that present funding requests to the City of Charlotte. The requests generally include both one-time funding allocations as well as proposals that require ongoing funding. All one-time funding requests from the FY 2026 People's Budget are listed below along with the People's Budget descriptions of each item in black text and additional information from the city in blue text.

People's Budget Coalition Request (People's Request in Black Font, City of Charlotte Response in Blue Font)		Requested Amount
Assistance Landlords Willing to Add Air Conditioning (Recommended by OneMeck, Action NC, The Redress Movement) "From data within the proposal, approximately 75,000 housing units in Charlotte were built before 1970. It is reasonable to assume that the majority of units lacking A/C are in these older buildings. Based on rental market trends, an estimated 10% of these units lack A/C, which equals roughly 7,500 units—about 2% of all dwellings in Charlotte." <i>As part of the minimum housing code policy referral, the Housing, Safety & Community committee directed staff to further evaluate an air conditioning requirement, and to quantify potential scope and impact to residents. Staff are currently working with partners and stakeholders to crowd-source data on the number, type, and location of housing units that do not have cooling equipment.</i> <i>Cooling equipment will be an eligible improvement under the upcoming Small Landlord Retrofit Program pilot. This program will incentivize landlords to conduct property repairs that support tenant safety, affordability, and health. Types of improvements include code violation mitigation, heating and cooling equipment, energy efficiency upgrades, and accessibility and mobility upgrades. To prevent displacement, property providers that receive funding from this program will be required to maintain existing affordability on the housing units through deed restrictions. The overall need is not currently known. This initiative is being piloted with existing funds and no new funding is currently needed.</i>		\$2,000,000
Sol Nation "For a Community Engagement Survey on Climate and Environment. The Corridors of Opportunity are not just for economic opportunity but climate and environment as well. These corridors are the most impacted by climate, and it will serve our Charlotte community well to begin mitigation and adaptation efforts. The surveys will identify the issues and solutions that communities see to their climate and environmental issues." <i>Did not apply to be a financial partner in FY 2026; has previously received JumpStart and Placemaking grants. Sol Nation and CleanAIRENC have partnered to form SOLAIRE which is a city partner for GreenPrints. This entity serves as the community engagement lead for the GreenPrints initiative. Initiatives for Greenprints have been funded in the Beatties Ford and Freedom/Wilkinson Corridors through the Knight Foundation.</i>		\$200,000

People's Budget Coalition Request (People's Request in Black Font, City of Charlotte Response in Blue Font)	Requested Amount
<p>Assistance for Displaced Tenants <i>(Recommended by OneMeck, Action NC, The Redress Movement)</i> "For a pilot program to cover families earning less than 30% of AMI who are forced to leave their current residence due to unremediated housing code violations or need to relocate while remediation is occurring. These families are not covered by the current Community Link program, which is restricted to 30-80% AMI families. The funding would cover families who apply for relocation assistance who are not currently eligible (estimated at 50 families/year, with \$10,000/family in assistance and administrative cost). The funding would provide a one-year rent subsidy of \$800/month for 50 families, plus administrative costs because it takes an extended period for these families to find alternative apartments within their means. Also covered would be a full-time administrator for the program (currently part-time) and reimbursement of application fees for qualified families."</p> <p><i>Addressed via the policy referral to the Housing Safety and Community Council Committee on strengthening minimum housing code enforcement through Multi-Family Code Enforcement which expands relocation assistance for residents. This initiative is being piloted with existing funds and no new funding is currently needed.</i></p>	<p>\$1,100,000</p>
<p>Heal Charlotte "\$114,000 to reserve 10 rooms for 12 months to be used by the city to temporarily house residents displaced in a mass displacement. \$70,000 for program support (case management, rapid rehousing services & neighborhood revitalization)."</p> <p><i>Did not apply to be a financial partner in FY 2026.</i></p> <p><i>Not eligible to receive additional Housing funding until Housing Support Grant contract close-out documentation is submitted from 2023 ARPA-funded Nonprofit Housing Support Grant.</i></p>	<p>\$184,000</p>
<p>Crisis Assistance Ministries "\$180,000 for utility assistance. \$645,000 for rental assistance."</p> <p><i>The Proposed FY 2026 Budget includes \$825,000 of federal Emergency Rental Assistance funding for Crisis Assistance Ministries.</i></p>	<p>\$825,000</p>
<p>Roof Above "For the Day Services Center (DSC). DSC is open 365 days/year and serves people who are unsheltered by providing hot meals, showers, laundry, mail services, an on-site nurse, and housing navigation to connect with housing solutions. Special COVID funds through the City have supported Roof Above during FY24."</p> <p><i>Applied to be a financial partner in FY 2026 but is not proposed to be funded; has previously received ARPA funding.</i></p> <p><i>Did not apply for Emergency Solutions Grant in May 2025, may apply for next round of funding in Fall 2025. Also eligible to apply for HOME-Rental Assistance funding in November 2025.</i></p>	<p>\$250,000</p>

People's Budget Coalition Request (People's Request in Black Font, City of Charlotte Response in Blue Font)		Requested Amount
Block Love "For continued support for their outreach program that provides food, clothing, sleeping bags, toiletries, etc., throughout Charlotte, as well as connecting residents in need to community services."	<i>Did not apply to be a financial partner in FY 2026.</i> <i>Did not apply for Emergency Solutions Grant in May 2025, may apply for next round in Fall 2025. Also eligible to apply for HOME-Rental Assistance funding in November 2025.</i>	\$100,000
Freedom Fighting Ministries "For housing placement and support for 40 McKinney-Vento families who are experiencing homelessness. This housing support provides housing, case management, and workforce development for two years. This request is a continuation of the housing support grant that was awarded to FFM from the city ARPA funds."	<i>Did not apply to be a financial partner in FY 2026.</i> <i>Not eligible to receive additional Housing funding until Housing Support Grant contract close-out documentation is submitted from 2023 ARPA-funded Nonprofit Housing Support Grant.</i>	\$1,000,000
Save Our Children Movement "For year-round after-school programming, summer school programming, and mentorship programming."	<i>Applied to be a financial partner in FY 2026 but is not proposed to be funded; has previously received ARPA funding.</i>	\$125,000
Alternatives to Violence "For the Beatties Ford Rd project. (The other two projects are funded through 2026.)"	<i>Funded: The FY 2025 Budget transitioned \$500,000 of Alternatives to Violence funding specific to the Beatties Ford Road area from one-time Pay-As-You-Go funding to ongoing budget within the Housing & Neighborhood Services Department. An additional \$300,000 of one-time, Pay-As-You-Go funding is available for Alternatives to Violence specific to the Beatties Ford Road area in the Proposed FY 2026 Budget.</i>	\$500,000
Hearts of the Invisible "To continue support for 2 social workers conducting outreach to homeless residents in uptown Charlotte."	<i>Applied to be a financial partner in FY 2026 but is not proposed to be funded.</i> <i>Did not apply for Emergency Solutions Grant in May 2025, may apply for next round in Fall 2025. Also eligible to apply for HOME-Rental Assistance funding in November 2025.</i>	\$150,000

People's Budget Coalition Request (People's Request in Black Font, City of Charlotte Response in Blue Font)		Requested Amount
Archdale Senior Organization "To organize their resident council." <i>Did not apply to be a financial partner in FY 2026.</i> <i>In May 2025, Archdale Senior Organization was awarded \$6,792.47 in funding from the Neighborhood Matching Grant Fund to support the following activities:</i> <ul style="list-style-type: none"> - <i>Marketing/Branding/Website Training and Support</i> - <i>Monthly community activities/meetings and events</i> - <i>Exercise equipment, tablets, headphones, community games</i> <i>Archdale Senior Organization will be eligible for additional funds in September 2025 through the Neighborhood Matching Grants upcoming cycle.</i>		\$25,000
Fifth Element CMPD Community Services Bureau Program "To meet youth where they are, mentor, and provide a support system for them to become self-sufficient and productive members of society. Each participant will have access to a network of resources, including mentors, life and occupational skills training, career coaching, and cultural enrichment activities." <i>This was a pilot program within CMPD. The pilot along with the city's current youth programming will be assessed by CMPD and the proposed Office of Youth Opportunities. In FY 2026, leveraging existing programs, increasing collaboration, and expanding successful services will be heightened a focus on youth services and violence prevention. No additional funding is currently needed.</i>		\$10,000
TOTAL		\$6,469,000
Already Included in the Proposed FY 2026 Budget		(\$1,325,000)
Net Total Not Included within the Proposed FY 2026 Budget		\$5,144,000

4. Additional or Alternate Financial Partners.

A review of Financial Partners was referred to City Council's Budget, Governance, and Intergovernmental Relations committee. Attached for reference is a listing of the Applicants, FY 2026 Requests, Proposed FY 2026 Funding, and City Council requests from the Budget Adjustments meeting.

5. Provide funding for Charlotte Museum of History's *American Revolution, the Augmented Exhibition*.

The Charlotte Museum of History will host *The American Revolution, the Augmented Exhibition* in 2026. This exhibition is an interactive experience that allows visitors to travel back in time to Revolutionary America to meet historical figures and explore 16 pivotal moments from the years 1763 to 1789. A preview of the exhibition is available here: [American Revolution, the Augmented Exhibition at Charlotte Museum of History on Vimeo](#).

The city's funding is proposed to be combined with other contributors. The Charlotte Museum of History has secured private donor support and Mecklenburg County has included \$350,000 in the Recommended FY 2026 Budget for the exhibit.

6. How much would a request for proposals and contract with an outside firm cost to ensure small business utilization targets are met on the Bank of America Stadium renovation project?

On June 24, 2024, City Council authorized the City Manager to negotiate and execute agreements related to Stadium Facilities with Tepper Sports & Entertainment. That Council approval also included a targeted participation goal of 27 percent (15% Minority Business Enterprises (MBE) and 12% Women and Small Business Enterprises (WSBE)) on materials and services funded by the city's contribution and eligible to be provided or performed by MWSBE contractors.

Tepper Sports & Entertainment is considering options to align and monitor Charlotte Business INclusion goals. One of those options is to include a firm within the Construction Manager at Risk umbrella for goal monitoring within the stadium construction portion of the contract. Additional support could be considered to oversee all contract spend, which would be anticipated to cost approximately \$1 million.

In addition to the currently proposed internal monitoring by city staff, the city will continue to explore opportunities to engage the small business community and leverage best practices, including networking and partnership events for relevant industries, technical assistance for small businesses, and targeted outreach and capacity-building initiatives for small businesses. The city has also formed a cross-functional team with the City Manager's Office, General Services, Economic Development, and Charlotte Business INclusion to ensure alignment with the City Council-approved participation plan goals.

7. Additional funding to support Level II Arboretum designation. (Funded)

A Level II Arboretum designation requires at least 100 species of woody plants, paid staff, and enhanced public education programs, and a documented collections policy. The Elmwood/Pinewood Cemetery meets Level II accreditation requirements except for signage requirements to identify species. Funding for the required signage is included within the proposed FY 2026 General Services Department budget; no additional funding is needed to meet the signage requirements.

8. Analyze providing \$1.5 million from the \$5.3 million in one-time funding over a three-year period for the employee rental assistance program for city employees.

In FY 2025, the city allocated \$500,000 to support implementation of the Employee Rental Assistance (ERAP) program. The program includes funding for a resource navigator tasked with connecting eligible employees with available resources including financial wellness programming and financial support for security deposits to secure new rental housing. To date, the program has supported eight city employees with securing new rental housing and Human Resources estimates it can support 30-35 more employees with its remaining funding.

Human Resources proposes the following if an additional \$1.5 million were available, over a three-year period:

- Expand Services and Support (\$950,000)
 - Lease renewals; transfers; eviction loan program; hardship cases
 - Estimated employees: 175
- Part-Time Social Worker (\$40,000)
 - Connect employees to wrap-around services to ensure long-term stability
 - Estimated employees: 200+
- Housing Flex Fund (\$250,000)

- Provide short-term emergency assistance for employees who may not meet the Employee Rental Assistance program eligibility requirements but are experiencing a housing-related crisis (e.g., hotel stays; utility reconnections; short-term displacement)
- Estimated employees: 100+
- Lease four emergency rental units (\$260,000)
 - Provide immediate, temporary stability option and support employees facing housing crisis related to domestic violence, no-fault eviction, unsafe conditions.

9. Provide considerations for a new grant program for first responders in Police and Fire to assist with offsetting out-of-pocket costs for medical insurance from \$5.3 million in one-time ARPA funding.

In 2022, the city lowered deductibles; the recommendation included in the Proposed FY 2026 Budget is to reset deductibles back to where they were in 2021. For out-of-pocket maximums (OOP), the recommendation is to reset Plan A to 2021, Plan D to 2018, and for Plan E a \$500/\$1000 adjustment given recent claims experience in Plan E.

Upon initial review, staff do not believe that it would be legal to administer deductibles and out-of-pocket maximums (OOP) differently for enrolled employees and their dependents or to provide grants or reimbursements, such that similarly situated employees in the same plan were being treated differently. For several financial and administrative reasons, staff also does not recommend establishing separate benefits plans for first responders.

In reviewing options to meet Council's request, it would be possible for the city to provide a one-time bonus to employees in the Public Safety Pay Plan to help offset the proposed changes. However, because most employees do not actually meet their deductible or OOP, this approach would distribute funds broadly, not just to those with high medical costs. The estimated cost for the city to provide a one-time bonus of \$250 to each Public Safety Pay Plan employee is \$790,440.

It is important to note that staff believe the changes in the Proposed Budget are important for the long-term financial health and management of the city's Employee Health and Life Fund. The city has made every effort to protect employees from the impact of the pandemic and high inflation in benefits costs, but the result is that the Fund has not been operating in a structurally balanced way. Since 2018, the changes the city has made to the medical plans have been with a focus on avoiding adverse impacts to employees. As a result, the city's contribution toward benefits has grown (the contribution in the Proposed Budget is 40 percent higher than it was in FY 2021) and the city has drawn down reserves in the Plan to absorb cost escalations. In addition, in FY 2022 City Council authorized the recommendation to use \$6 million in one-time ARPA funds to reimburse the medical plan for COVID-19 expenses, expenses which otherwise would have had to be covered by regular city and employee contributions. The Proposed Budget also includes using an additional \$10.7 million in one-time funds to cover the Plan's FY 2025 deficit in another effort to protect employees from the impacts of persistent medical inflation. The result is that the city's portion of all costs has increased from 59 percent in 2018 to 68 percent in 2024.

The ongoing, structural budget of the Employee Health and Life Fund remains imbalanced and requires ongoing, structural changes to revenues and expenses that will need to be gradually made over multiple fiscal years, beginning in FY 2026. On the revenue side, the ability of the city to continue increasing its contribution by 10-12 percent each year is limited by the year-over-year growth in the city's main revenue sources (e.g., property and sales tax) and the need to also fund other City Council priorities and needs. The other primary revenue source for this Fund is employee premiums. The city has increased revenue for the medical plan the last two years with modest premium increases, however continued premium

increases of a similar amount as previous years will not be enough to correct the structural imbalance in the Fund.

On the expense side, when evaluating potential changes, the city tried to minimize disruption, maintain choice while beginning to appropriately price each option, minimize impacts to low-utilizers, and achieve enough financial benefit to justify the changes. The city has also been mindful of what other employers (e.g., the State Health Plan) are considering in this space. Two additional factors are also important to note. First, any changes approved by City Council in June 2025 do not immediately take effect or take effect on July 1st; employees will still have four months to consider these changes before Open Enrollment occurs in November 2025 and prior to the changes taking effect January 1, 2026. Second, employees also have the benefit of another increase in pay based on the Proposed Budget which staff analyzed and took into account when looking at options for changing the medical plans and premiums.

The changes to deductibles and out-of-pocket maximums were recommended with consideration of the fiscal impacts. A deductible is the amount a member of the medical plan must pay for health care expenses before the Plan begins to share in the costs of the covered services. The city's non-employee-only plans include embedded deductibles which means that if one person meets the individual deductible, the Plan begins to cover their care. It also means that if a family together hits the family deductible, then the Plan begins to cover everyone's care even if some individuals have not met the individual deductible. The result is that coverage can start based on individual or total family needs and does not require the family deductible to be met before they receive coverage for their healthcare expenses. Once the deductible amount is reached, plan members are typically only responsible for the coinsurance amount (0-20%) of any services they receive beyond that. There is a limit to what a plan member is responsible for paying out-of-pocket for the deductible and coinsurance, which is called the out-of-pocket maximum, and beyond which the city covers 100 percent of the cost. Increasing or decreasing deductibles and out-of-pocket maximums does not impact all plan members; it only impacts the plan members who reach the deductible and out-of-pocket maximum amount. Human Resources estimates that of the 18,000 individuals on the health plan, on average only 12 percent meet the deductible and less than 1 percent meet the out-of-pocket maximum (see Table 1). This is relatively less impactful than changes in premiums, for example, which impact 100 percent of enrolled employees, and impact employees whether they utilize their benefits a lot or a little.

TABLE 1 NUMBER AND PERCENTAGE OF ENROLLED MEMBERS MEETING DEDUCTIBLE & OOP

	Plan A		Plan D		Plan E	
	2023	2024*	2023	2024*	2023	2024*
Deductibles						
Individual	12 (1.0%)	23 (1.7%)	422 (14.2%)	405 (14.0%)	277 (35.6%)	245 (30.7%)
Family Member	46 (1.7%)	54 (1.8%)	1,083 (11.4%)	1,164 (12.3%)	249 (27.0%)	249 (25.5%)
Aggregate Family	1 (0.1%)	2 (0.2%)	189 (6.4%)	193 (6.6%)	59 (18.0%)	50 (14.5%)
Out-of-Pocket Maximums (OOP)						
Individual	18 (1.6%)	24 (1.8%)	3 (0.1%)	11 (0.4%)	3 (0.4%)	3 (0.4%)
Family Member	66 (2.4%)	55 (1.8%)	14 (0.1%)	14 (0.1%)	2 (0.2%)	6 (0.6%)
Aggregate Family	3 (0.3%)	2 (0.2%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)

*Through November 2024; final data not available yet.

NOTE: The "Family Member" and "Aggregate Family" categories are not mutually exclusive, therefore, counts and percentages should not be added together. Includes retirees.

In 2022, the city lowered deductibles; the recommendation included in the Proposed FY 2026 Budget is to reset them back to where they were in 2021. For OOP, the recommendation is to reset Plan A to 2021,

Plan D to 2018, and for Plan E a \$500/\$1000 adjustment given recent claims experience in Plan E. Together, these changes, along with the one-time infusion of \$10.7 million to cover the Plan's FY 2025 deficit and continued city contributions, the Fund will be on a path towards operating in a more structurally balanced way.

OTHER QUESTIONS AND ANSWERS

10. Review resources for 911 to eliminate wait times.

The city will continue to monitor performance metrics of the 911 call center and assess staffing, operations, and facility needs as the recent operating and capital investments are fully implemented. No additional funding is needed at this time. There are 23 current vacancies within the call center that are being actively recruited. Many efforts are underway to increase the performance of the call center and to recruit and retain the needed staffing.

Staffing levels for 911 telecommunications, like other hourly roles across the city, were impacted by COVID-19. Shortages in staffing affected call-answering times in 911 telecommunications, and in FY 2023 CMPD telecommunications fell short of the performance target of answering at least 90 percent of 911 calls in ten seconds or less. Funding has been programmed since FY 2023 to enhance 911 telecommunications staffing and operations.

From FY 2023 to FY 2025, pay for hourly employees increased by at least 19 percent to help address the vacancy challenges faced in hourly positions. Starting pay for Police Telecommunicators was increased an additional five percent in FY 2023, and during this time, CMPD and the city's Human Resources Department elevated recruitment efforts through many methods such as a targeted marketing campaign, improved testing and interview processes for applicants, and outreach at job fairs. These advanced recruitment efforts and events for sworn officers also helped to attract more candidates for telecommunications roles, moving the program towards full staffing. The job classification of Police Telecommunicator Senior was also created in 2023 to create additional advancement opportunities within the telecommunicator career path and improve retention. Most recently, the FY 2025 Budget included the addition of 13 Telecommunicators, one Telecommunication Supervisor, and one analyst to monitor quality assurance of 911 calls. The city's Capital Investment Plan also includes \$9 million over two years for a 911 call center expansion at Police Headquarters and improvements at the backup call center at the Police and Fire Training Academy. The renovations will provide space within both facilities to increase the capacity and number of dispatchers to meet call needs and response times.

11. How much is Mecklenburg County proposing to allocate to financial partners in FY 2026?

The county proposed no funding for Community Service Grants in FY 2026 due to limited funding. Community Service Grants are competitive grants awarded to local nonprofits providing services to county residents that align with the county's strategic business plan. Seventeen agencies were funded in FY 2025 for a total of \$2,013,060:

Organization	FY 2025 County Grant
Achieving Success On Purpose, Inc. - The B.R.I.C.K. program	\$150,000
Carolina Youth Coalition – Torch Fellows Program	\$100,000
Charlotte Speech and Hearing Center - Better Hearing & Speech	\$145,000
Cook Community Clinic – OurSmiles Dental Collaborative	\$100,000
GenOne – College Access and Persistence Services	\$55,000
Heart Math Tutoring, Inc. – School Support	\$91,100
HopeWay Veterans – HopeWay Veterans Program	\$35,000

Organization	FY 2025 County Grant
Jewish Family Services of Greater Charlotte – Senior Wellness Program	\$34,736
MeckEd – Career Pathways	\$50,000
Memory & Movement Charlotte - Service Expansion to Address Growing Need	\$100,000
Metrolina Association for the Blind - Vision Rehabilitation Services	\$340,000
Mind Body Baby NC - Doula Grants Program	\$81,300
Monarch – Youth Crisis Center	\$50,000
Out Teach – Outdoor Learning Labs	\$300,000
Present Age Ministries - For the One	\$35,000
RAO Community Health - RAO Doula Impact Program	\$241,924
Teen Health Connection - Community-Based Prevention Programs	\$104,000

12. Identify opportunities to support the National Institute of Minority Economic Development in their support of small businesses within Corridors of Opportunity.

The City of Charlotte currently supports the National Institute of Minority Economic Development – The Women’s Business Center of Charlotte (Institute) through multiple strategic avenues in alignment with its mission to strengthen the asset base of diverse populations through policy, education, and economic opportunities. Through the Financial Partner Program, the FY 2026 Proposed Budget includes \$50,000 for the Women’s Business Center, an arm of the Institute and a key ecosystem partner.

In addition to funding, the city actively collaborates with the Institute through participation in the Charlotte Business Resources Partner Roundtable, a forum dedicated to coordination and information sharing among small business support organizations. City staff also provides direct support by attending and contributing to Institute-hosted events—serving as speakers, hosting vendor tables, and helping promote their programming.

This multi-faceted support reflects the city’s commitment to fostering equitable economic opportunity and empowering small businesses in historically underserved communities.

13. Review Heal Charlotte and Freedom Fighting Missionaries proposal for funding.

Heal Charlotte and Freedom Fighting Missionaries are two of the four organizations that were awarded one-time funding in 2023 under the ARPA-funded Nonprofit Housing Support Grants (\$2.25 million and \$2 million, respectively). At the time of application, applicants were required to submit a sustainability plan to ensure the project/program could continue beyond the city’s funding period. To date, the grants are fully expended and the city’s contract term with both organizations has ended.

The city has multiple funding opportunities to support the types of housing assistance and services proposed by Heal Charlotte and Freedom Fighting Missionaries:

- Emergency Solutions Grants (ESG) - Applications for the current round of Emergency Solutions Grant funding closed on May 19, 2025. These organizations did not apply for funding. The next round of funding is anticipated to open in Fall 2025.
- Housing Trust Fund - Applications for the most recent round of Housing Trust Fund dollars closed in January 2025. These organizations did not apply for funding. The next application cycle for the Housing

Trust Fund will open in June 2025. There is currently \$9 million available in the Shelter and Supportive Housing investment category.

- HOME - The next round of HOME-Rental Assistance funding is anticipated to open in Fall 2025.

To be eligible for these and future funding opportunities, both Heal Charlotte and Freedom Fighting Missionaries must submit the monitoring and close-out documentation required under the Housing Support Grant contracts previously accepted and expended. Staff are currently working with each organization to close-out the grants. Neither organization applied to the city's FY 2026 Financial Partner program.

14. What is the source of funding for the tree canopy care fund and the available uses?

The Canopy Care Account was established through adoption of the UDO (20.14(B)(3); 20.18.D.1.c.). This account receives developer mitigation payments when a heritage tree is removed. The funds are used to support the sustainable preservation, maintenance, and/or regeneration of Charlotte's tree canopy. Canopy Care funding may also be used to increase awareness of the trees and other tree canopy resources in the City of Charlotte.

Funds are to be spent in the following ways:

1. Large Tree Assistance Program (on private property)
2. Heritage Tree Mitigation Planting (on private property)
3. Program Management
4. Canopy Care Grants (grants to external entities for tree planting and care)

To-date, the city has collected \$1,922,130 and obligated \$343,936.30. The city estimates collecting \$900,000 in FY 2026 and the Proposed FY 2026 Budget includes an obligation for TreesCharlotte of \$250,000.

15. Review Office of Constituent Services (OCS) staff pay grades.

The city's Human Resources Department reviews job duties and conducts industry research to confirm job classifications and corresponding pay grades, as well as the appropriate pay ranges within each grade. The list below highlights job classifications in the Office of Constituent Services that directly support the Mayor and City Council. Details on job classifications, pay grades, and their corresponding ranges are available in the table below.

Job Classification	Grade	Minimum	Midpoint	Maximum
Mayor & City Council Support Specialist Associate	Salary 04	\$ 57,691	\$ 72,114	\$ 90,143
Mayor & City Council Support Specialist	Salary 06	\$ 63,606	\$ 79,507	\$ 99,384
Administrative Assistant Senior	Salary 04	\$ 57,691	\$ 72,114	\$ 90,143

16. Review recent compensation increases for salaried employees.

In response to elevated vacancy rates in recent years, especially among hourly positions, City Council took aggressive action to increase employee pay.

Pay Plan	FY 2023	FY 2024	FY 2025	FY 2026 Proposed
Hourly – General Wage Increase	8%	6% or \$3,600 minimum	5% or \$3,280 minimum	4%
Salary – Budgeted Merit Pool	4%	4%	4%	3%

In the hourly pay plan, employees were given universal pay increases not tied to employee performance, which were the greater of either the percentage increases for each year or a minimum pay raise of \$3,600 in FY 2024 and \$3,280 in FY 2025 as outlined in Table 1. In contrast, the city continued to budget a merit pool for salary employees who would be eligible to receive up to twice the amount of the merit pool, based on performance and funding constraints. For example, in FY 2025, while all hourly employees received a 5 percent increase or the minimum \$3,280 annual increase, salary employees were eligible to receive up to 8 percent based on performance and where the employee's pay fell in the salary range for that position. Additionally, along with the aggressive pay actions for the lowest paid hourly employees, the city budgeted a compression pool for Human Resources to coordinate with departments to address pay inequities caused by minimum pay actions and differences between the hourly and salaried pay plans.

In the Proposed FY 2026 Budget, the city plans to transition hourly employees back to a more traditional pay plan that includes a merit-based component: a 2.5 percent budgeted merit pool in addition to the 1.5 percent across the board adjustment. In addition to providing managers with the ability to reward top performers, returning to this more dynamic approach to pay provides departments with another tool to help balance pay equity within each work group.

The city's Human Resources Department in collaboration with department leadership continues to proactively identify potential hourly and salary compression issues and work to maintain consistent and appropriate separation between job classifications.

17. Raise House Charlotte down payment assistance limit.

In April 2025, several changes were made to the House Charlotte Homeownership Assistance Program based on current home prices and availability, household affordability levels, and prevailing interest rates. There are two eligibility tiers in the House Charlotte program – families at or below 80 percent of area median income, and families between 80 and 110 percent of area median income. Income limits are established by HUD annually and are based on family size. Currently in Charlotte, 80 percent AMI for a family of four is \$84,800, and 110 percent AMI for a family of four is \$116,600. A full income eligibility chart can be found on the House Charlotte program website at <https://dreamkeypartners.org/house-charlotte-program/>. The following updates highlight the April 2025 changes to the program:

- Amount - Expanded downpayment amounts (up to \$80,000, depending on income).
- Geography - Expanded eligibility to all Charlotte neighborhoods.
- Purchase Price - Increased the maximum home sales (purchase) price to \$365,000 for both existing and new construction.

House Charlotte Homeownership Assistance Program criteria are reviewed annually and updated as necessary based on current conditions. Additional information is available on the city's Housing and Neighborhood Services webpage.

18. Analyze amending the city's Paid Parental Leave Policy to include coverage for employees who experience a miscarriage or still-birth.

The city's Paid Parental Leave (PPL) Policy is based off the FMLA law and legally defined terms. PPL provides leave specifically for bonding with a healthy, living child following birth, adoption, foster placement, or guardianship. Bonding leave is designed for the care and attachment to a living child.

However, employees who experience miscarriage or still-birth have access to several other leave types, most of which are paid, depending on the employees' available leave balances.

1. Employees who experience a miscarriage have access to:
 - a. Well-being Leave, formerly known as Sick Leave, for physical, emotional, and mental health recovery.
 - b. FMLA Leave for a qualifying serious health condition (often run concurrently with sick leave to provide paid time off).
 - c. Bereavement Leave.
2. Employees who are the spouse or partner of someone who miscarries:
 - a. May use Well-being Leave and FMLA Leave to care for their spouse, if they meet eligibility requirements. These are also typically paid when sick leave is used concurrently.
3. In the case of still-birth, both parents—regardless of marital status—are eligible for:
 - a. Bereavement Leave due to the loss of a child.
 - b. Well-being Leave for physical, emotional, and mental health needs.
4. The city also provides a Voluntary Shared Leave program allowing employees to donate accrued sick leave to other employees facing catastrophic medical situations. This program helps employees facing prolonged medical absences due to their own condition or the condition of an immediate family member, utilize donated time if they are unable to cover their absence with their own leave.

As shared above, these leave options ensure that employees experiencing losses such as a miscarriage and still-birth, have access to protected and typically paid time off, even though it does not fall under the PPL policy.

19. Review hospitality funds for alternative uses.

The Jobs and Economic Development City Council Committee reviewed and discussed the utilization of hospitality funds as a sustainable source of funding for arts and culture on December 2, 2024. The Committee voted unanimously to not fund arts and culture from hospitality and tourism revenue sources and reported out their recommendation to Council at the December 2nd Council Committee Discussions meeting.

As discussed during the Committee meeting, there are three Tourism and Hospitality funds: Convention Center, NASCAR Hall of Fame, and Tourism, which has two components: Tourism 1 (T1) and Tourism 2 (T2). As outlined in the City Council-adopted Hospitality Revenue Capital Investment Policy, expenses

within the funds are prioritized by 1) statutory requirements, 2) existing debt and agreements, 3) maintenance and capital repairs, and 4) new commitments and special events. Based on funding uses permitted by the State, only Tourism 2 would be eligible for alternative uses. Each \$1 million of annual operating expenses in Tourism 2 would reduce affordability by approximately \$12 million to \$32 million over the next five years, which would significantly limit future cultural arts capital investments for major renovations or new capital projects. Rating agencies and investors have expressed appreciation for the city's current practice of using hospitality and tourism funds for only hospitality and tourism projects and the city's policy to not utilize hospitality sources to supplement General Fund operations. Rating agencies determine the City's credit rating; better credit ratings indicate a more stable and strong financial position, signal less risk to investors and afford the City lower borrowing costs and interest rates.

A summary of funding sources and funding uses by hospitality fund are outlined in the following table. It is important to note that the amounts in the "Reserved for Future Years" column are not necessarily unprogrammed. When determining current and future affordability within the Tourism & Hospitality Funds it assumes that all current revenues remain through their respective sunset dates. Each of the Tourism and Hospitality funds are designed as sinking funds, where revenues that are not needed in a specific year are added to Fund Balance, with the plan to utilize those funds in future years for Debt Service, maintenance, or other expenses that are allowable. In addition, as outlined in the City Council-adopted Hospitality Revenue Capital Investment Policy, 100 percent of the next year's debt payments must be retained in fund balance, any anticipated future-year debt payments would be planned for out of the "Reserved for Future Years" amounts.

Funds	Funding Sources	Funding Uses	Reserved for Future Years
Convention Center	1% Prepared Food and Beverage; 3% Occupancy	Uses permitted by State. Convention Center Facility, convention and visitor promotion, hospitality/tourism marketing, amateur sports facilities and stadiums over 60,000 seats.	\$27,039,985
Tourism (T1)	3% Occupancy; 1.5% Rental Car	Uses permitted by State. Marketing/visitor promotion, programs/events that will generate visitors, and the construction/ maintenance of facilities such as convention centers, civic centers, auditoriums and museums.	\$2,779,215
Tourism (T2)	PAYGO Transfer; City/County TIG	Uses guided by Interlocal and City Council policy. Cultural Arts Facilities, including maintenance of facilities, and activities and events furthering the cultural arts.	Included in T1
NASCAR Hall of Fame	2% Occupancy	Uses permitted by State. Constructing and maintenance of the NASCAR Hall of Fame, the NASCAR Hall of Fame/Convention Center Crown Ballroom, and parking facilities.	\$11,725,717

Agency	FY 2026 Req	Prop FY 2026	Application Score	Proposed Source	Mayfield	Council 5/19	FY 2025
Greater Enrichment Program	\$200,000	\$200,000	58.32	General Fund			\$200,000
Knothole Foundation Inc.	\$75,000	\$75,000	57.02	General Fund			-
My Brothers Keeper Charlotte-Mecklenburg	\$115,000	\$50,000	55.49	General Fund			\$50,000
Alliance Center for Education	\$90,000	\$90,000	55.20	General Fund			\$90,000
Safe Alliance	\$439,267	\$397,038	50.34	General Fund	(\$397,038)		\$397,038
Subtotal General Fund	\$919,267	\$812,038					
National Institute of Minority Economic Development: Women's Business Center of Charlotte	\$50,000	\$50,000	59.00	ARPA-Workforce			\$50,000
Our Daily Bread Foundation	\$70,000	\$70,000	57.34	ARPA-Workforce			-
Prospera North Carolina	\$50,000	\$50,000	56.40	ARPA-Workforce			-
The Boost Pad	\$50,000	\$50,000	54.69	ARPA-Workforce			-
Big Brothers Big Sisters of Central Carolinas	\$250,000	\$100,000	54.68	ARPA-Workforce			-
Subtotal ARPA Workforce Development	\$470,000	\$320,000					\$50,000
Crisis Assistance Ministry	\$825,000	\$825,000	49.64	ARPA-ERA2			\$550,000
Housing Collaborative	\$250,000	\$200,000	55.65	PAYGO			\$200,000
United Way of Greater Charlotte	\$146,143	\$130,000	52.32	PAYGO			\$130,000
Subtotal ARPA ERA2 & PAYGO	\$1,221,143	\$1,155,000					
Total Proposed for Funding from Discretionary:	\$2,610,410	\$2,287,038					
Carolina Youth Coalition	\$150,000	-	54.02		\$100,000	\$100,000	\$100,000
Charlotte Center City Trust	\$172,972	-	53.69				
Dress for Success Charlotte	\$349,501	-	53.19		\$100,000		-
Que-OS/BOOM Charlotte	\$90,000	-	52.99		\$90,000	\$90,000	\$100,000
Sullenberger Aviation Museum	\$250,000	-	52.00				-
DreamKey Partners, Inc. (House Charlotte)	\$390,000	-	51.99			\$231,000	\$231,000
Race Matters for Juvenile Justice (RMJJ)	\$74,612	-	51.46		\$51,468		\$51,468
Charlotte Works	\$322,673	-	51.00		\$100,000		
Power Up USA (Black Film Festival for FY 2025)	\$125,000	-	49.87			\$100,000	\$287,000
Roof Above	\$243,808	-	49.10		\$100,000	-	-
ourBRIDGE	\$135,895	-	49.02		\$135,895		\$230,000
Just Do It Movement! Inc.	\$32,000	-	49.00			\$32,000	-
The Males Place, Inc	\$100,000	-	47.51			\$100,000	\$100,000
Carolinas Metro Inc. (dba Carolinas Metro Reds)	\$90,000	-	47.50			\$50,000	\$50,000
Carolinas Asian American Chamber of Commerce	\$100,000	-	47.01			\$100,000	\$100,000
Apparo Solutions, Inc.	\$606,119	-	46.82		\$100,000		-
Hearts for the Invisible Charlotte Coalition Inc	\$300,000	-	46.50			\$100,000	\$100,000
Stiletto Boss University	\$100,000	-	45.58				\$77,500
Gen-One, Inc	\$115,000	-	45.35				-
ArtPop Street Gallery	\$184,500	-	44.60				-
National Black MBA of Charlotte	\$45,000	-	43.16				-
Leading On Opportunity	\$100,000	-	42.99		\$100,000		-
Carolina Migrant Network	\$114,674	-	42.82		-	-	-
Council for Children's Rights, Inc	\$400,000	-	40.83				-
For The Struggle, Inc.	\$125,000	-	40.51			\$100,000	\$100,000
The Save Our Children Movement, Inc	\$125,000	-	40.01			\$34,000	\$34,000
Charlotte Museum of History	\$400,000	-	39.02			\$100,000	\$100,000
Charlotte Is Creative	\$125,000	-	38.84				
Children of the World Learning Center	\$50,000	-	36.66				-
Freedom In Me Business Showers	\$68,880	-	35.49				-
Achieving Success On Purpose	\$40,995	-	34.17		-	-	-
Bengali Womens Forum Corp	\$15,000	-	32.82				\$10,000
The Frankie Mae Foundation	\$40,260	-	25.32				-
Subtotal Not in Proposed FY 2026 Budget	\$5,581,889	\$0			\$480,325	\$1,137,000	
Other Funding Sources:	FY 2026 Req/ Allocation		Application Score	Proposed Source			
TreesCharlotte	\$250,000	\$250,000	56.67	Tree Canopy Care			\$250,000
Local Initiatives Support Corporation (LISC) Charlotte	\$200,000	\$200,000	54.67	HNS Operating			\$200,000
DreamKey Partners, Inc. (Affordable Housing)	\$1,300,000	\$1,300,000		Federal Grant (CDBG) \$1.3M			\$1,690,000
Subtotal Other	\$1,750,000	\$1,750,000					
Total All	\$9,942,299	\$4,037,038			\$480,325	\$1,137,000	

Peoples Budget Org Requests:	
Crisis Assistance Ministry (Funded in FY 26 Proposed)	\$825,000
Hearts for the Invisible Charlotte Coalition Inc (applied as FY 2026 FP)	\$150,000
Roof Above (applied as FY 2026 FP)	\$250,000
The Save Our Children Movement, Inc (applied as FY 2026 FP)	\$125,000
Archdale Senior Org (did not apply as FP, funded by NMG for \$6,792.47 May 2025)	\$25,000
Sol Nation (did not apply as FP)	\$200,000
Heal Charlotte (did not apply as FP)	\$184,000
Block Love (did not apply as FP)	\$100,000
Freedom Fighters (did not apply FP)	\$1,000,000
Peoples' Budget Subtotal	\$2,859,000
Charlotte Museum of History Exhibit (Applied as FP, this is a separate request for exhibit)	\$350,000