

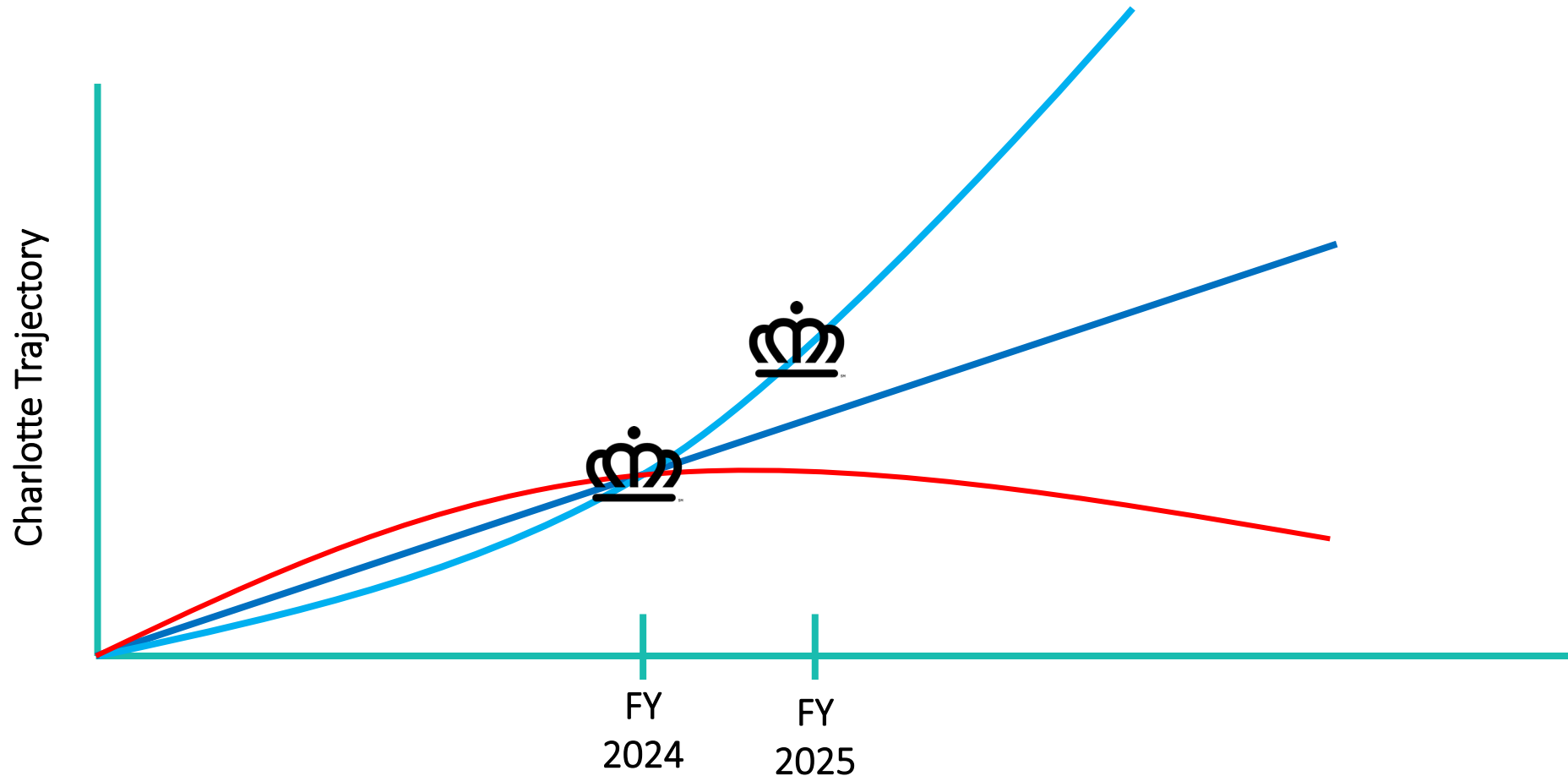
FY2026

# Proposed Budget

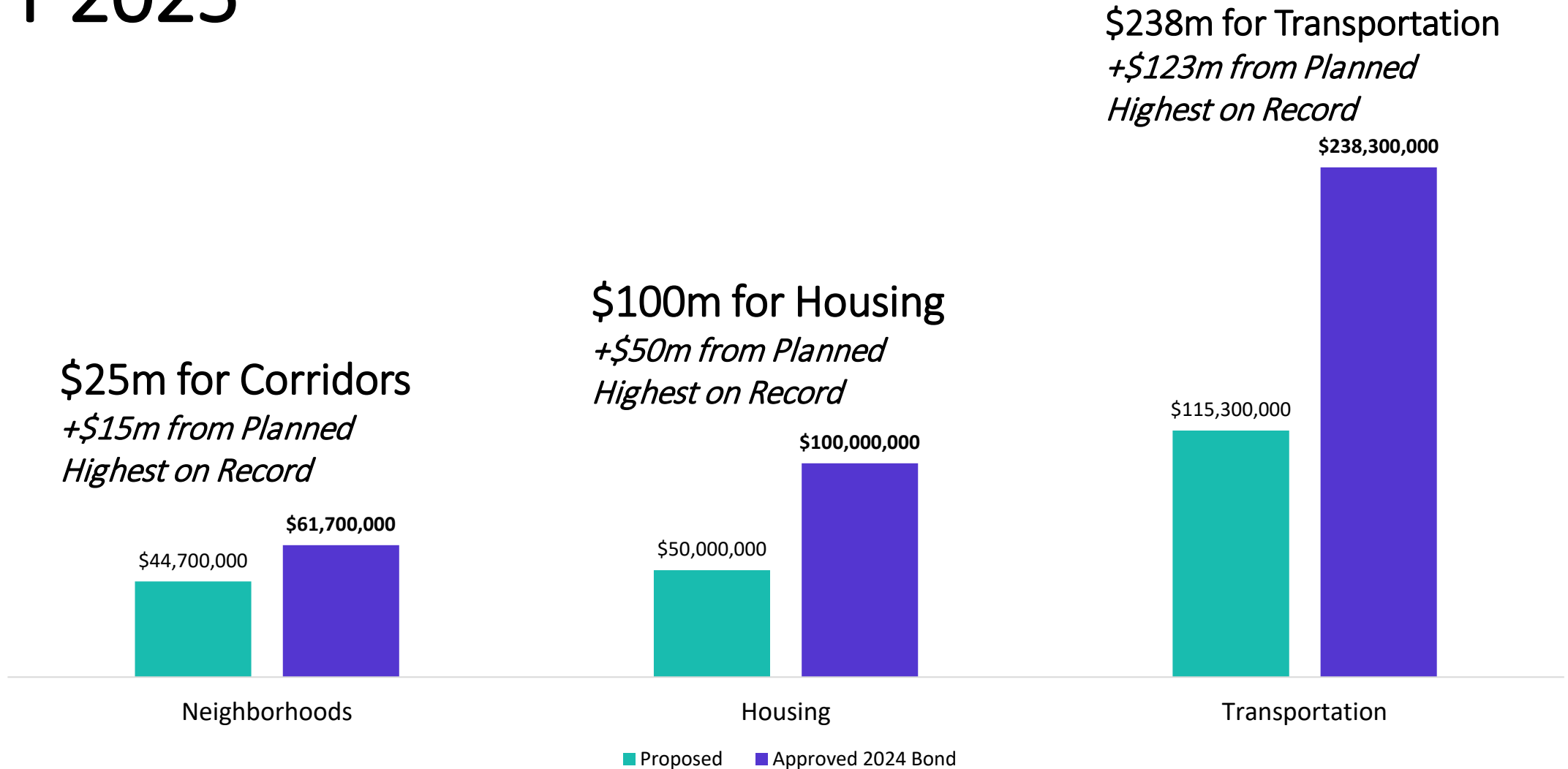
FY2026-2030  
*Capital Investment Plan*

 CITY OF  
CHARLOTTE

# Additional Revenue Put Us On the Right Path in FY 2025



# Voters Approved Generational Investments in FY 2025



# Corridors Investment has Catalyzed this Community

**\$95.6m**  **\$111.2m**  **\$53.2m**  
City of Charlotte Private Sector Federal Grants

**\$260m**

For Corridors of Opportunity over the last five years



# More than \$800m After Water and Storm Water Infrastructure

$\$95.6\text{m}$    $\$111.2\text{m}$    $\$53.2\text{m}$    $\$396\text{m}$    $\$154\text{m}$

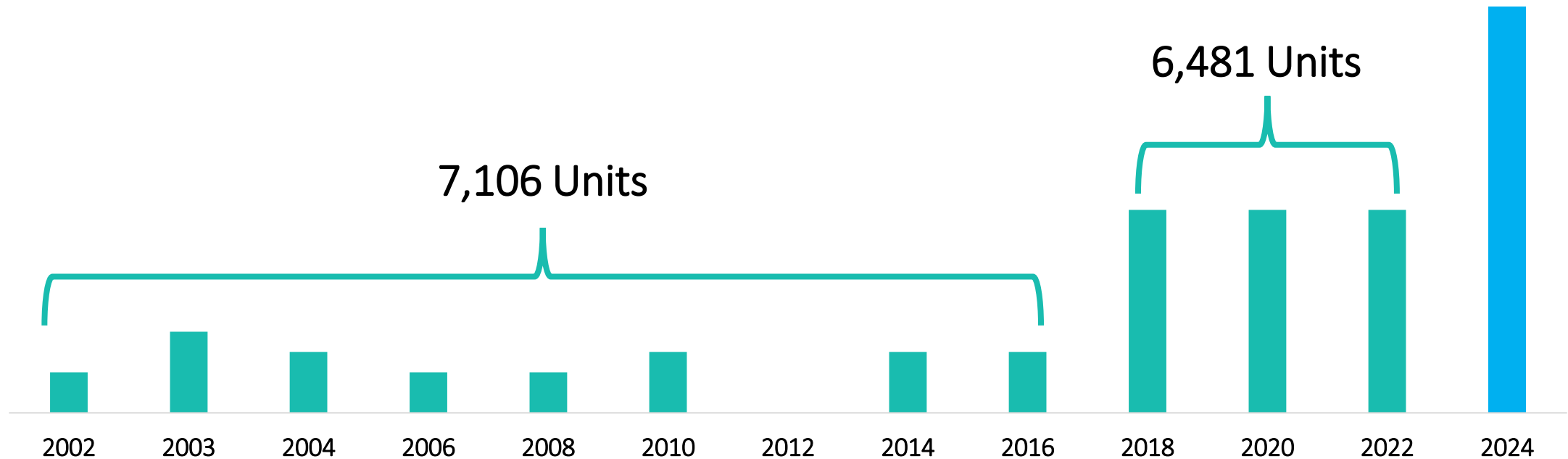
City of Charlotte      Private Sector      Federal Grants      CLTW      STW

**\$810m**

For Corridors of Opportunity over the last five years

# Increasing Production from the Housing Trust Fund

## Historical Housing Trust Fund Bonds



# A New Approach to Affordable Housing with \$100m Bond

## Housing Funding Policy Goals:

- Economic Mobility
- Neighborhood Affordability
- Residential Stability

☑ Multi-Family Construction

*Enhanced Focus in 2024 Bond*

☑ Homeownership

☑ NOAHs

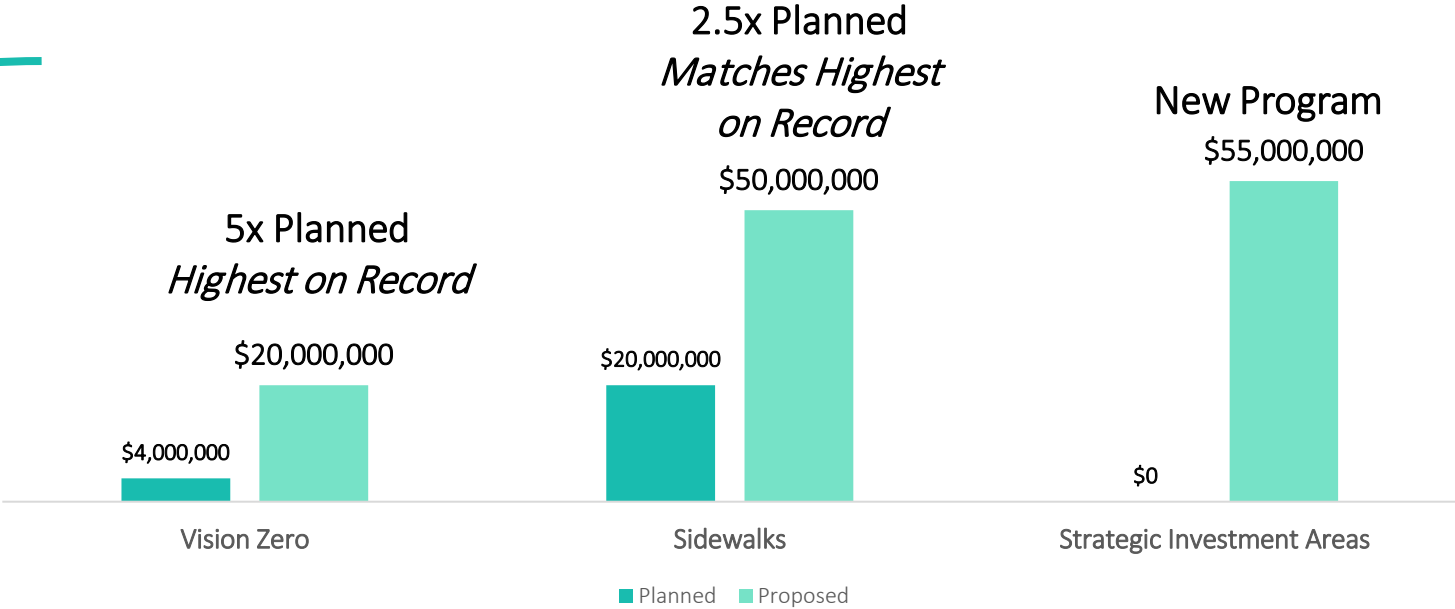
☑ Rehab and Repair

☑ Shelter and Supportive Housing

☑ Collaboration

# Deep Dive: Transportation Bond

**\$238m for Transportation**  
**+\$123m from**  
**Highest on Record**



\$8m	\$10m	\$24.6m	\$28.3m	\$42.4m
Bicycles	Congestion Mitigation	Street Resurfacing	Roads + Intersections	Existing Projects + Programs
			\$180m+ over next 3 bond cycles	

# Guiding Growth Through Strategy and Investment

Major Areas of Transportation  
Investment (2024 Bond)

**\$55m**

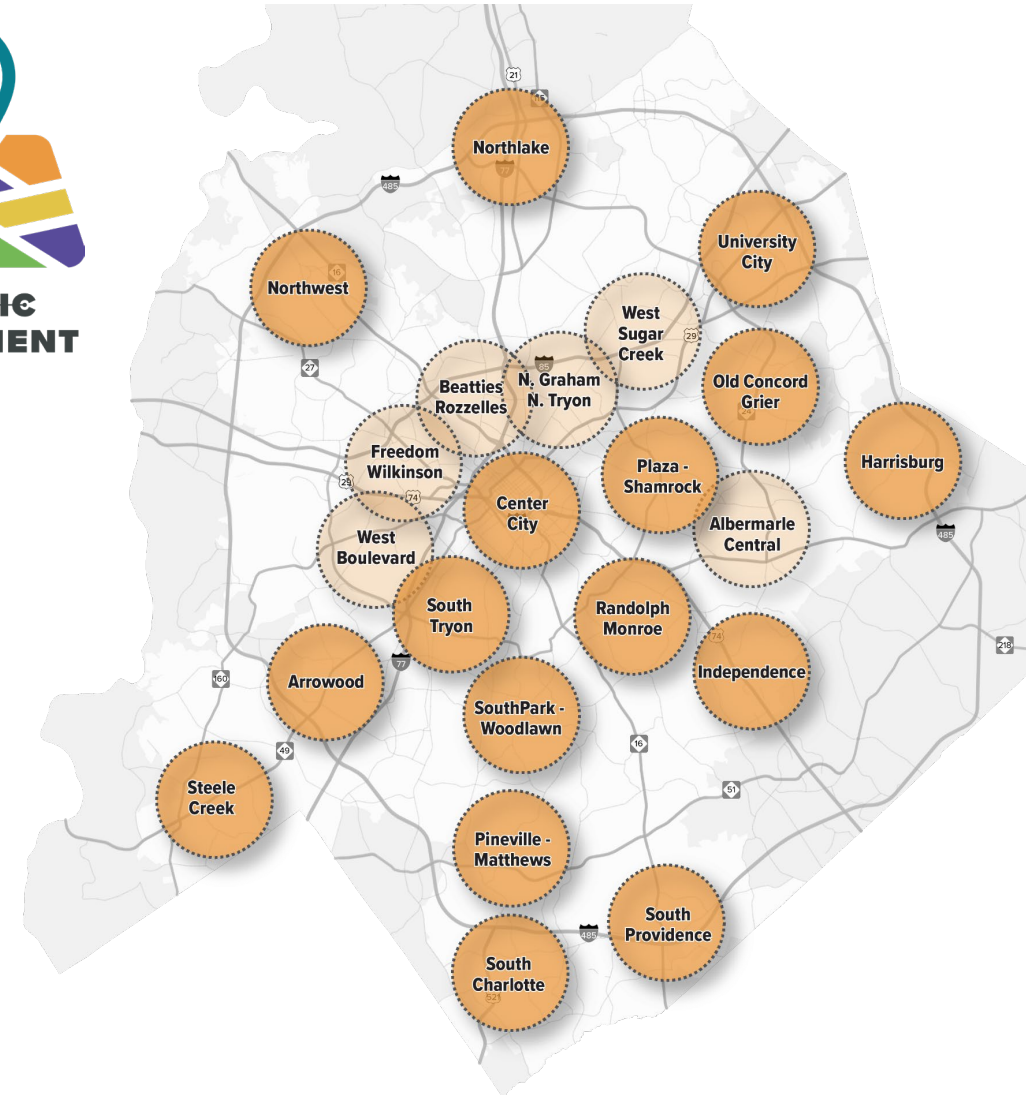
Strategic Investment Areas

**\$50m**

Sidewalks

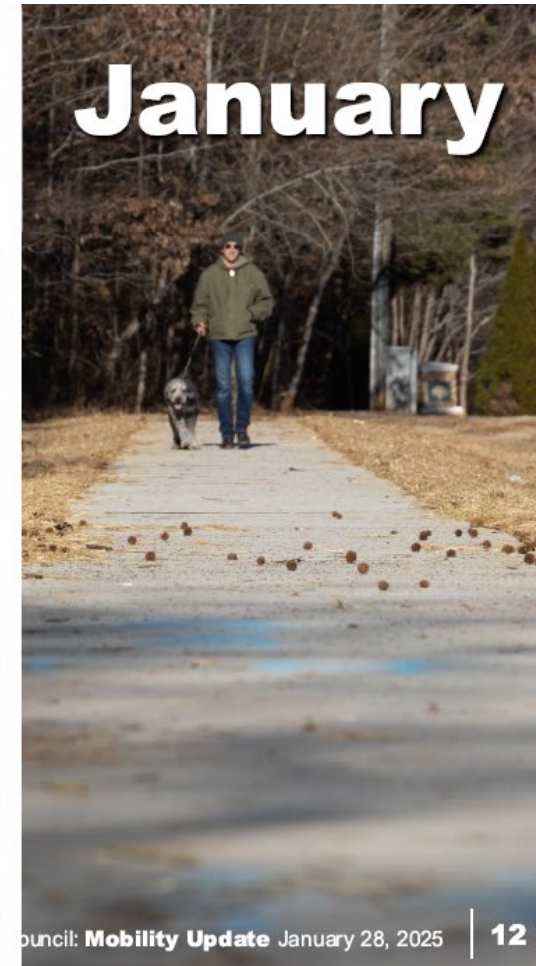
**\$20m**

Vision Zero





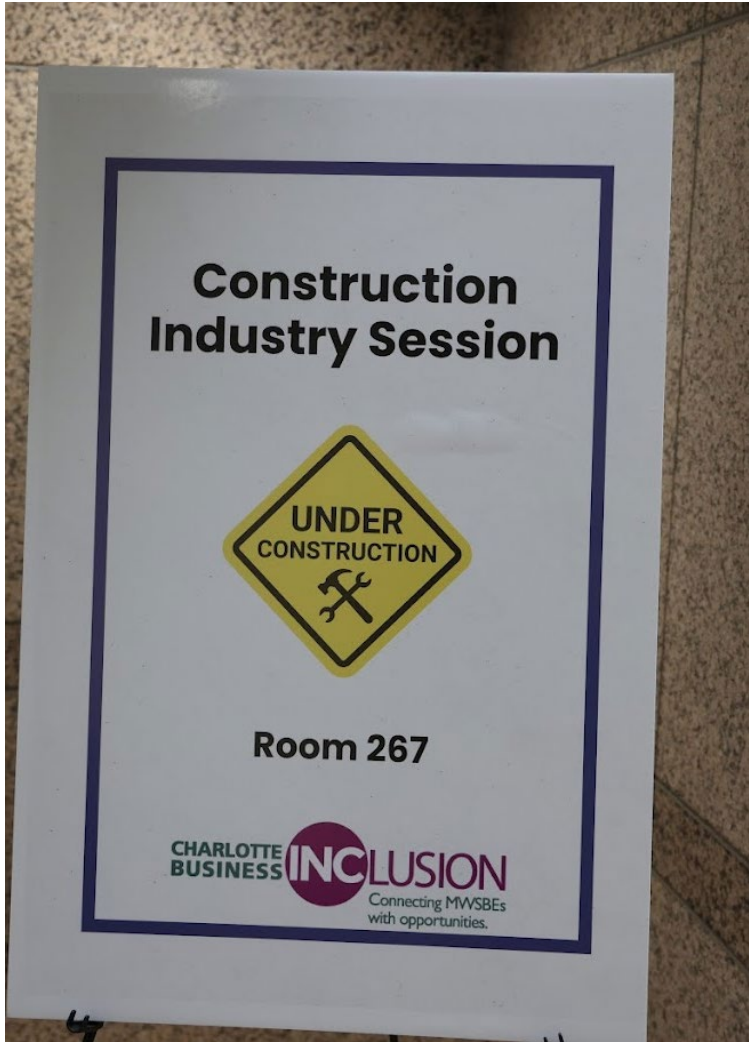
# Turning Investments into Projects Faster than Ever



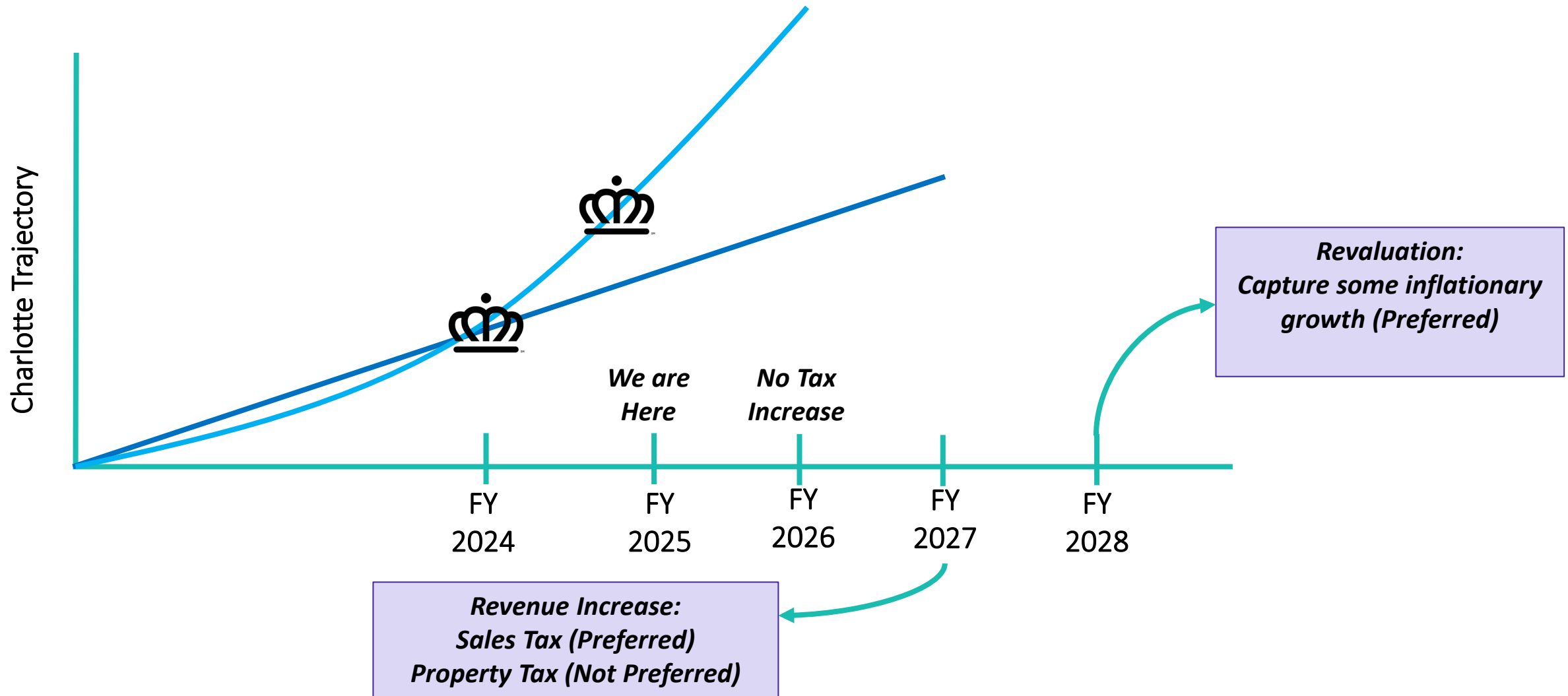


# Learning from SIA Model

- New Organizational Improvement Team:
  - Streamline operations
  - Improve service delivery
  - Improve customer satisfaction
- Focus for FY 2026:
  - Procurement and Charlotte Business INClusion
  - CLT Development Center



# We Will Continue on This Path



# Mobility

More... Ways to Move  
Less ... time, distance, Cost

Narrow the gap



## Housing

More  
affordable  
places to live

## Jobs

More  
attainable  
opportunities  
to work

Still need a  
revenue source to  
match growth

# Positioned to Capitalize on New Revenue

Interlocal  
Agreement



Purchased Red  
Line



Enabling Legislation  
Introduced



Transit Authority  
Legislation  
Introduced

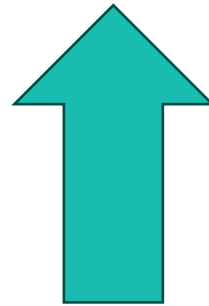


Done in collaboration with 97% of  
Mecklenburg County

# Balancing the FY 2026 Budget Without a Property Tax Increase



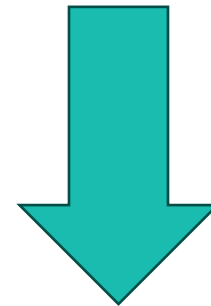
Increase Tax  
Rate



Improve Fee  
Recovery



*Impact:  
Planned Fee Increases*



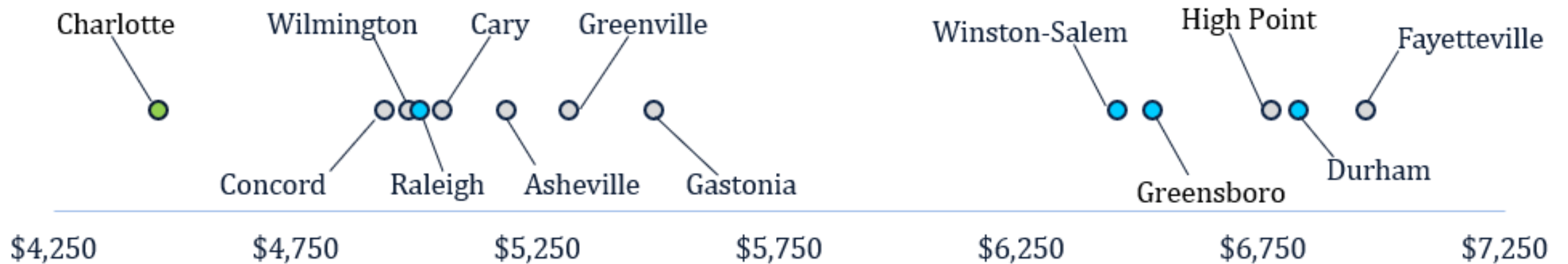
Reduce  
Expenditures



*Impact:  
Limits ability to address unforeseen  
issues while maintaining service level*

# Charlotte Continues to have the lowest total cost of government

**FY25 Total Cost of Government Services:  
Typical Household**



● Population > 250,000

● Population < 250,000

● Charlotte

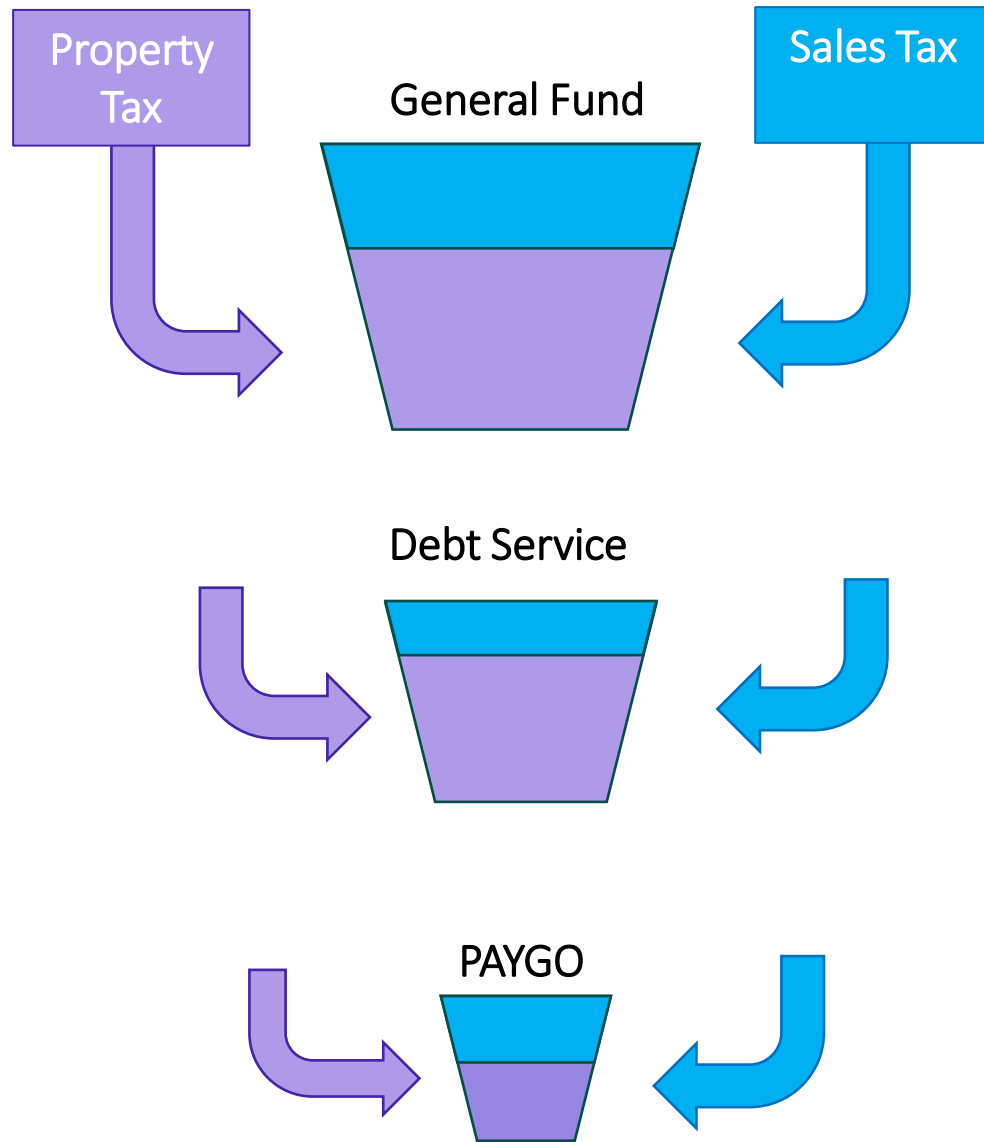


Even with a proposed sales tax increase in FY 2027, Charlotte's total cost of government will remain low

&

The sales tax increase for transportation will alleviate some of the stress on the budget in other areas

# Property and Sales Tax Distribution

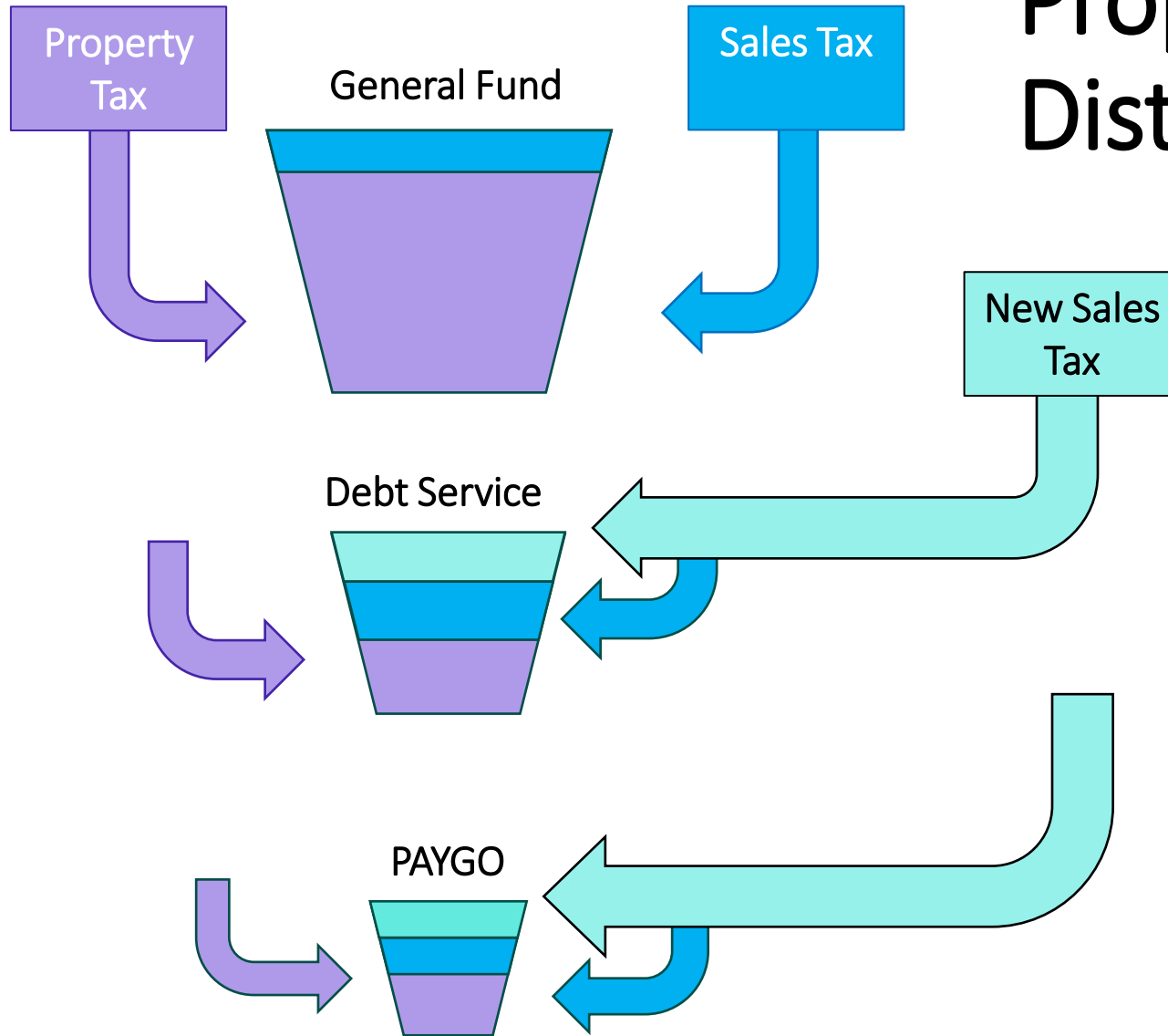


Property Tax is split between

- General Fund
- Debt Service/CIP
- PAYGO

The split has been modified in recent years to meet needs

# Property and Sales Tax Distribution: w/ 1c Sales Tax

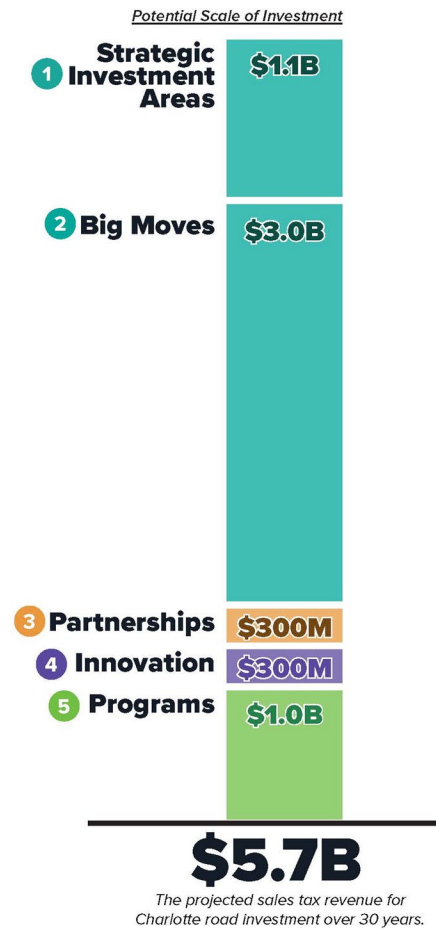


New 1c Sales Tax  
=  
\$102.4m/year

*Estimated 10.85% of the  
General Fund Budget*

However, the main impact from the sales tax is on infrastructure

**\$5.7B**  
30 Years  
**\$102M**  
Year 1



# Building the FY 2026 Budget

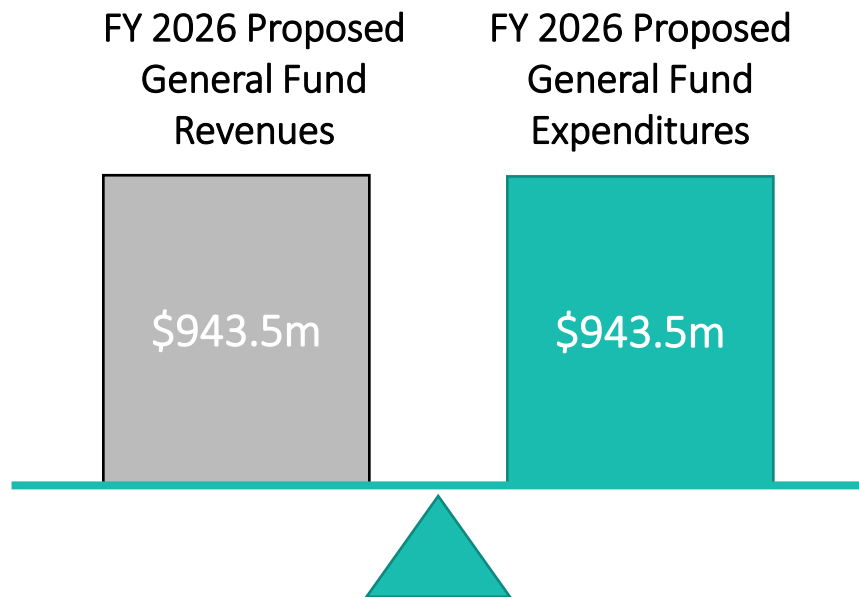
## Principles

- ✓ Preserve Core Services
- ✓ No Layoffs
- ✓ Maintain Reserves
- ✓ Invest in Key Council Priorities

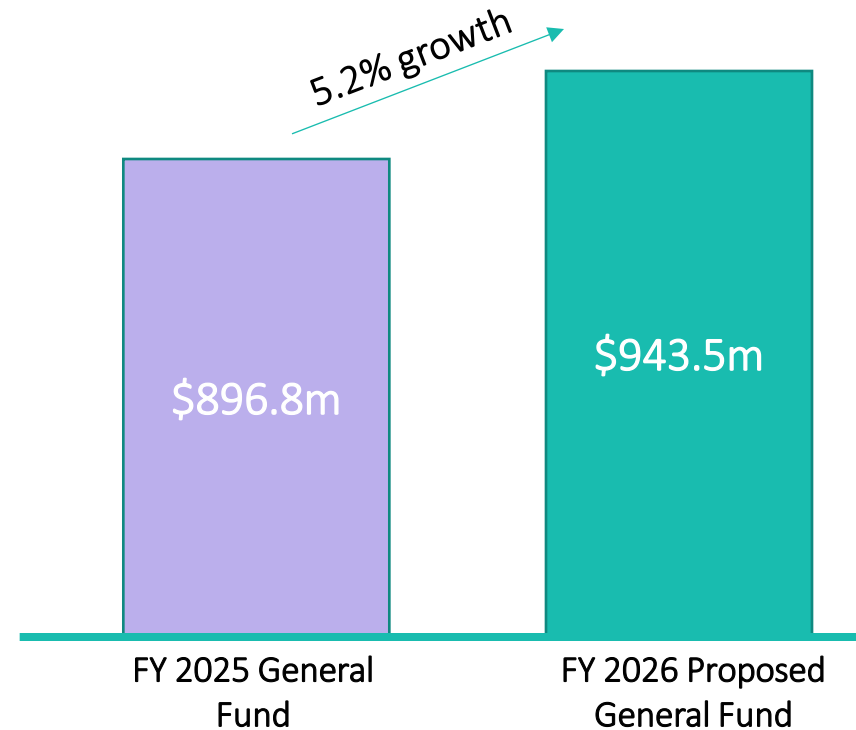
## Process

- ✓ Analyze Services and Service Delivery
- ✓ Increase Fee Recovery Rate
- ✓ Inter-Department Collaboration

# FY 2026 Budget: Structurally Balanced without a Property Tax Increase

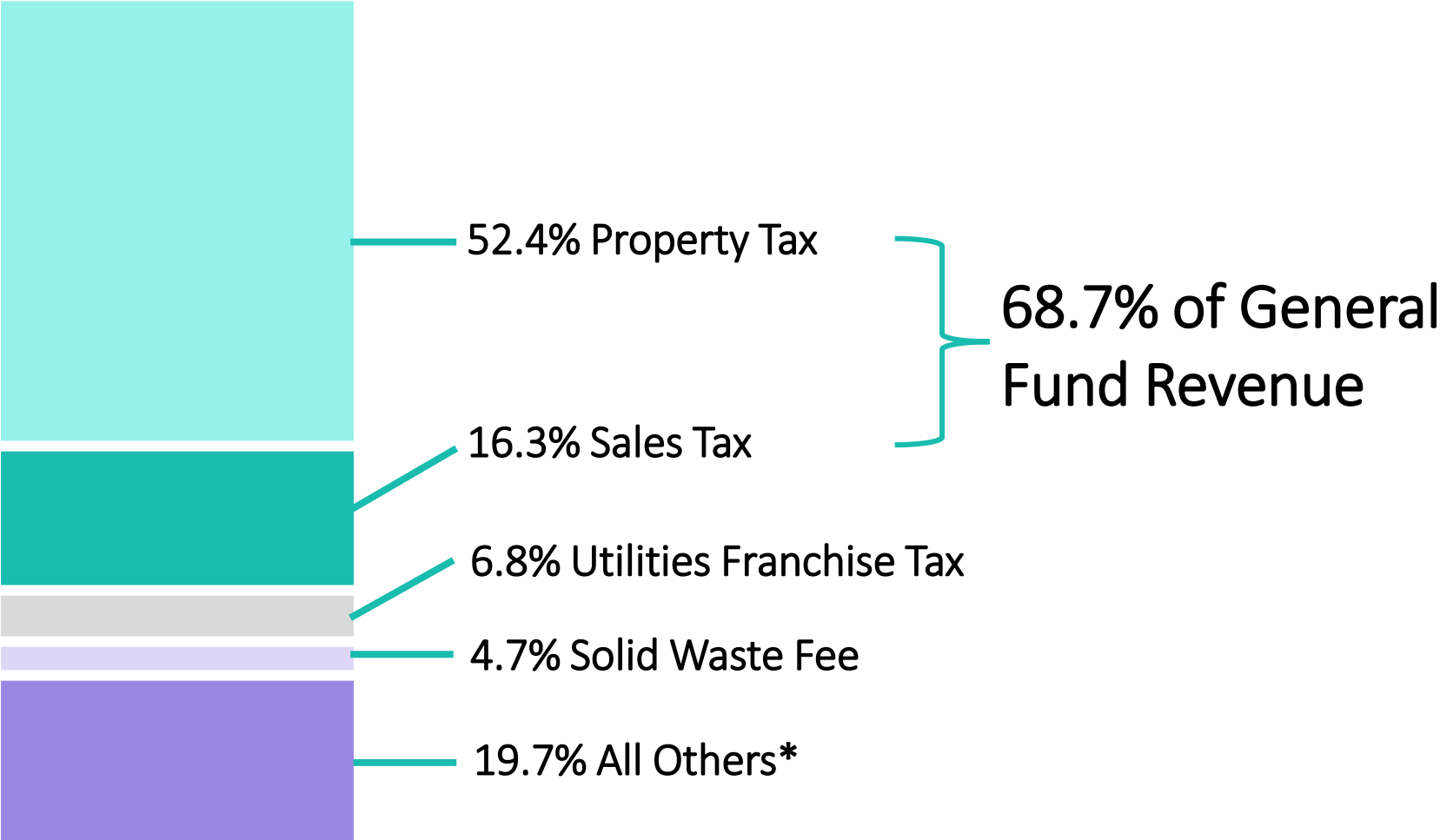


FY 2027 is structurally balanced without policy-driven compensation increase



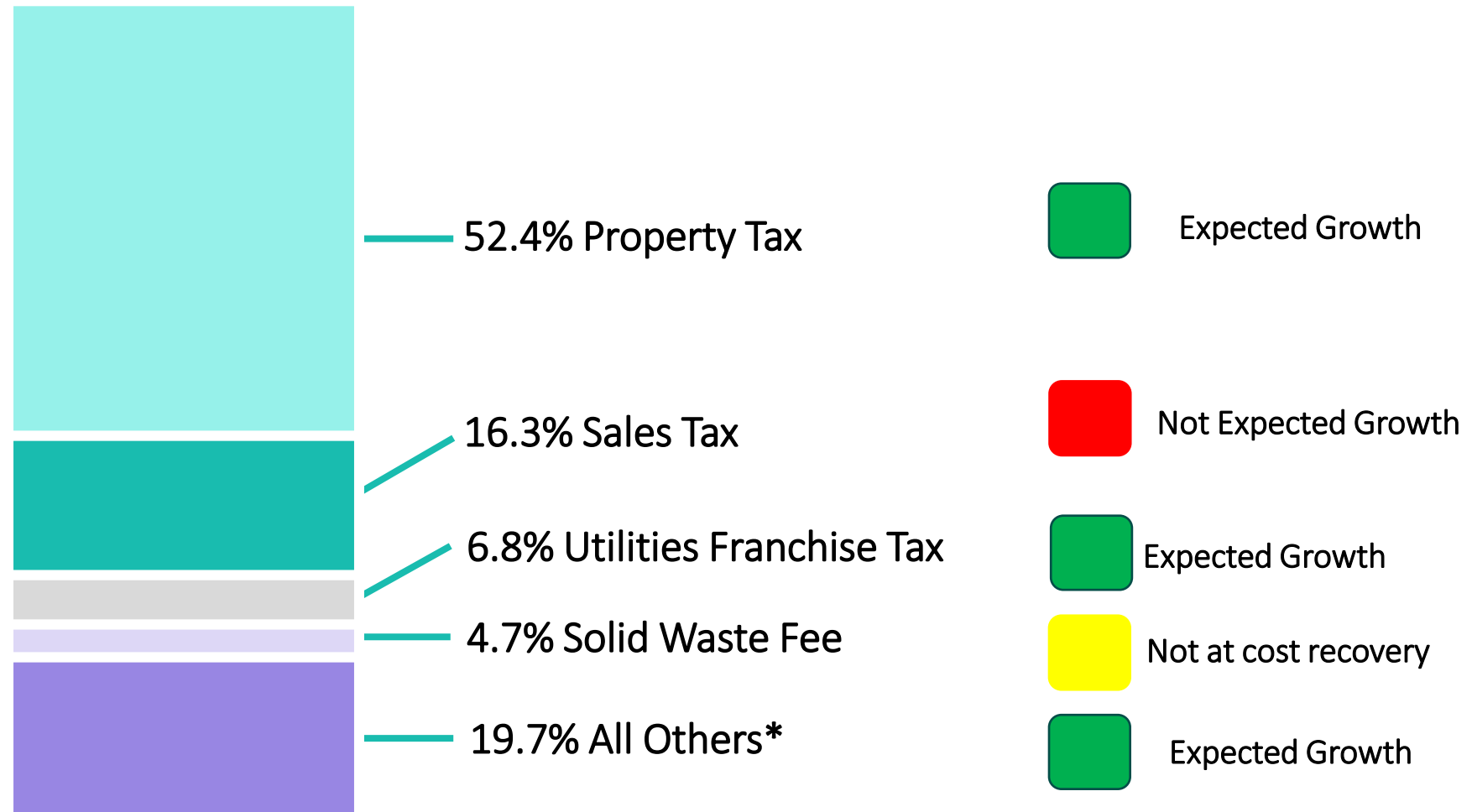


# The FY 2026 Budget is \$943.5m



\*Includes 100+ revenue sources

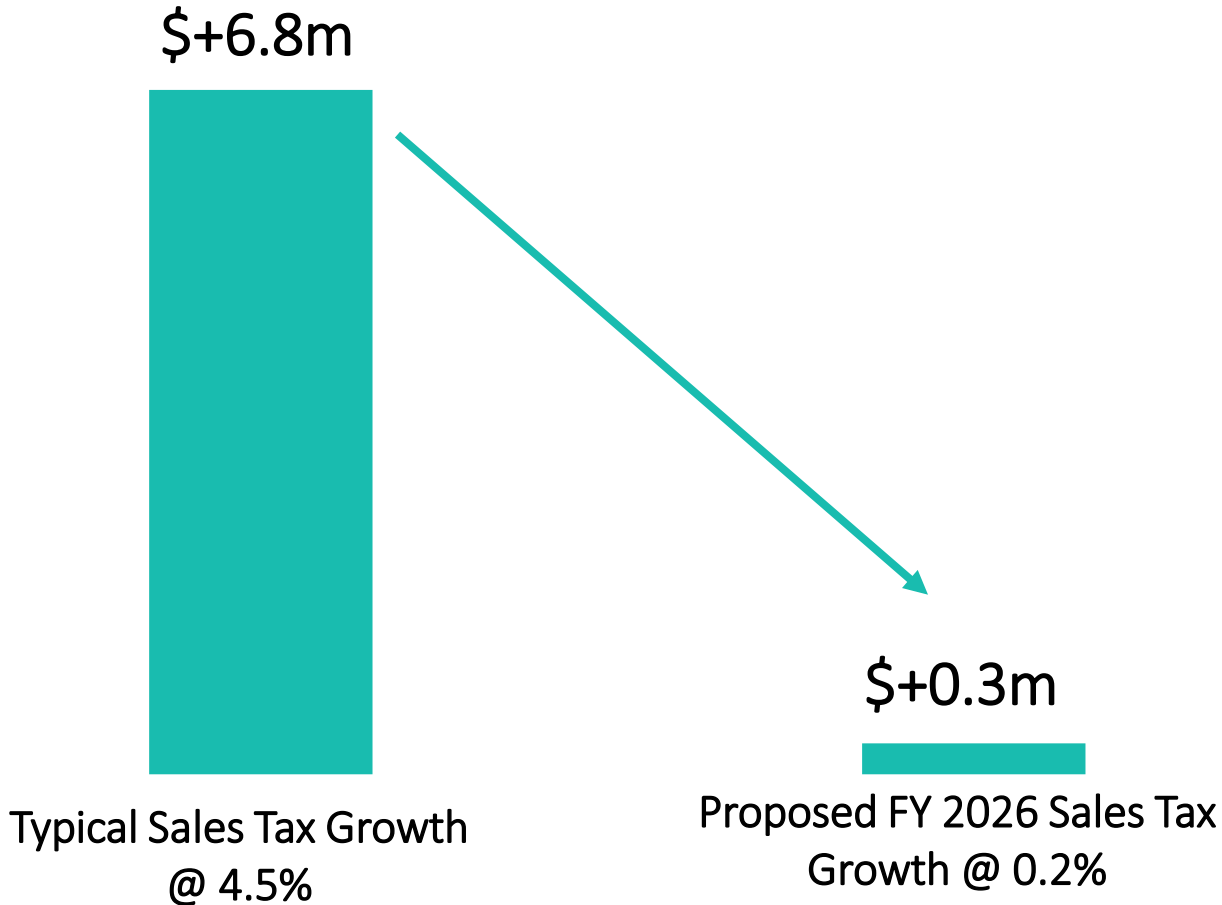
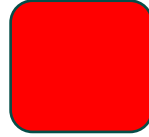
# Revenue Sources going into FY 2026



\*Includes 100+ revenue sources

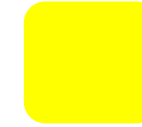
# The Problem: Immediate Impact on Sales Tax

Not Expected Growth

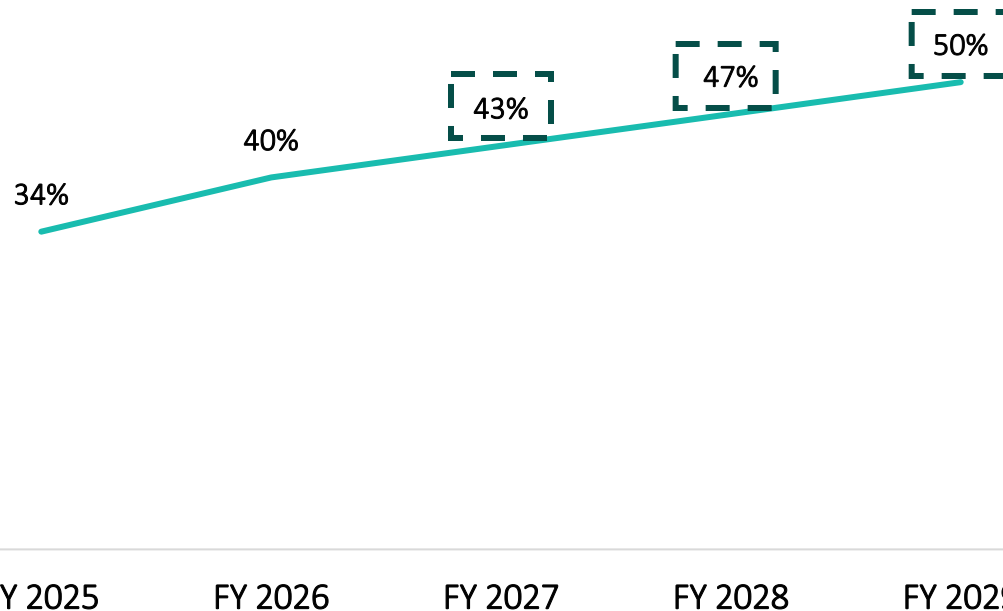


Loss of \$6.5m in Expected Revenue

# Solid Waste Services has a 34% Cost Recovery Rate (Residential Curbside)

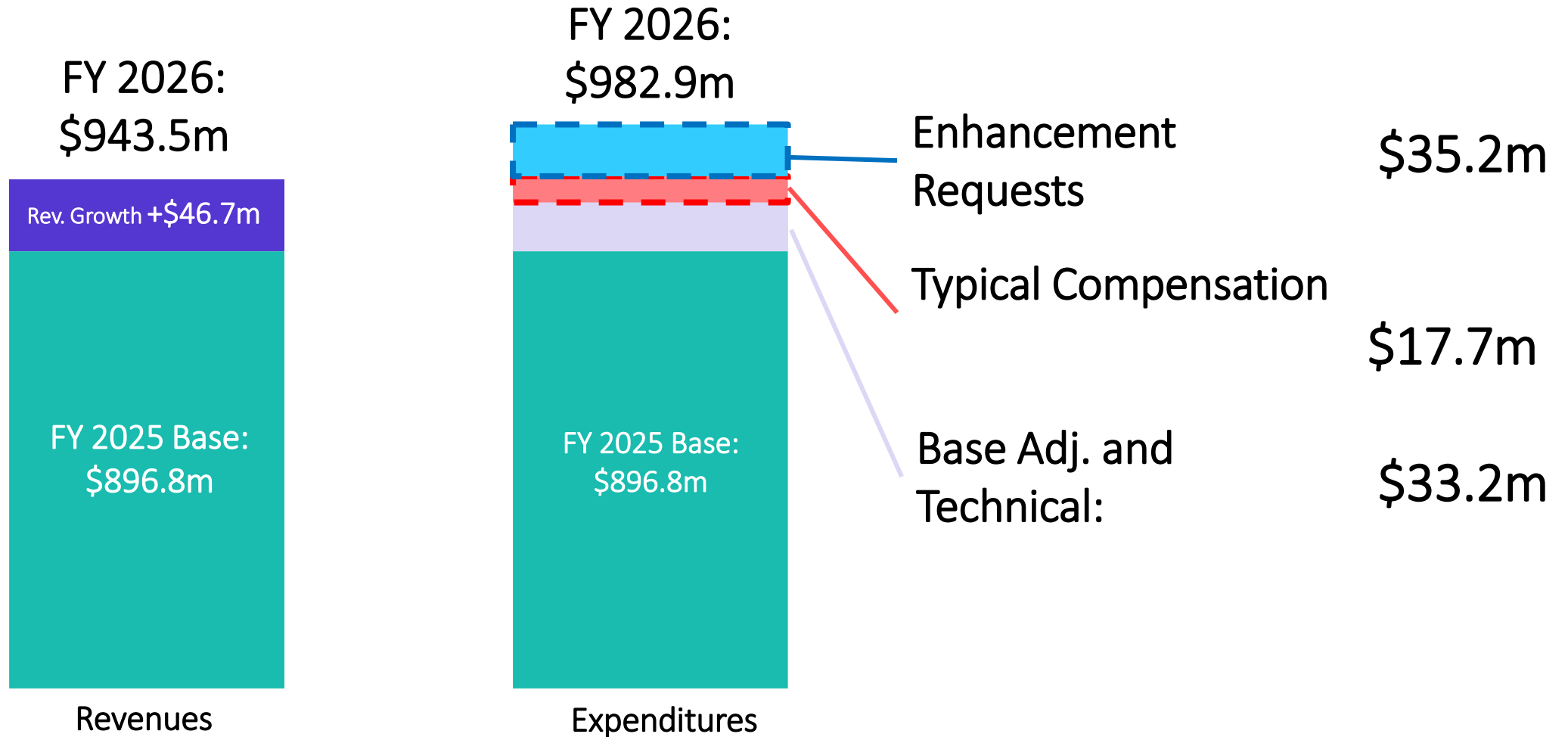


Four-Year Plan for Solid Waste Services Cost Recovery



- Improve cost recovery through:
  - Service evaluation
  - Manage long-term cost drivers
  - Align fees to service type

# Slower Revenue Growth and Increased On-Going Costs Created a Challenge



# Outside of Compensation, other benefits continue to drive costs

	Financial Approach	Additional City Cost in FY 2026	
Healthcare Fund	Employee/ Employer	+\$4.5m	} +\$12.2m additional needed in FY 2026 = 26% of Growth in FY 2026 General Fund
Fire Retirement	Employer	+\$4.3m	
LGERS (Local Governmental Employee's Retirement System) ↳ General Employees Sworn Officers	Employer	+\$3.4m	



# We Could Have Raised Property Taxes to Solve the Gap

Lost Sales Tax  
Revenue in  
FY 2026

(\$6.5m)

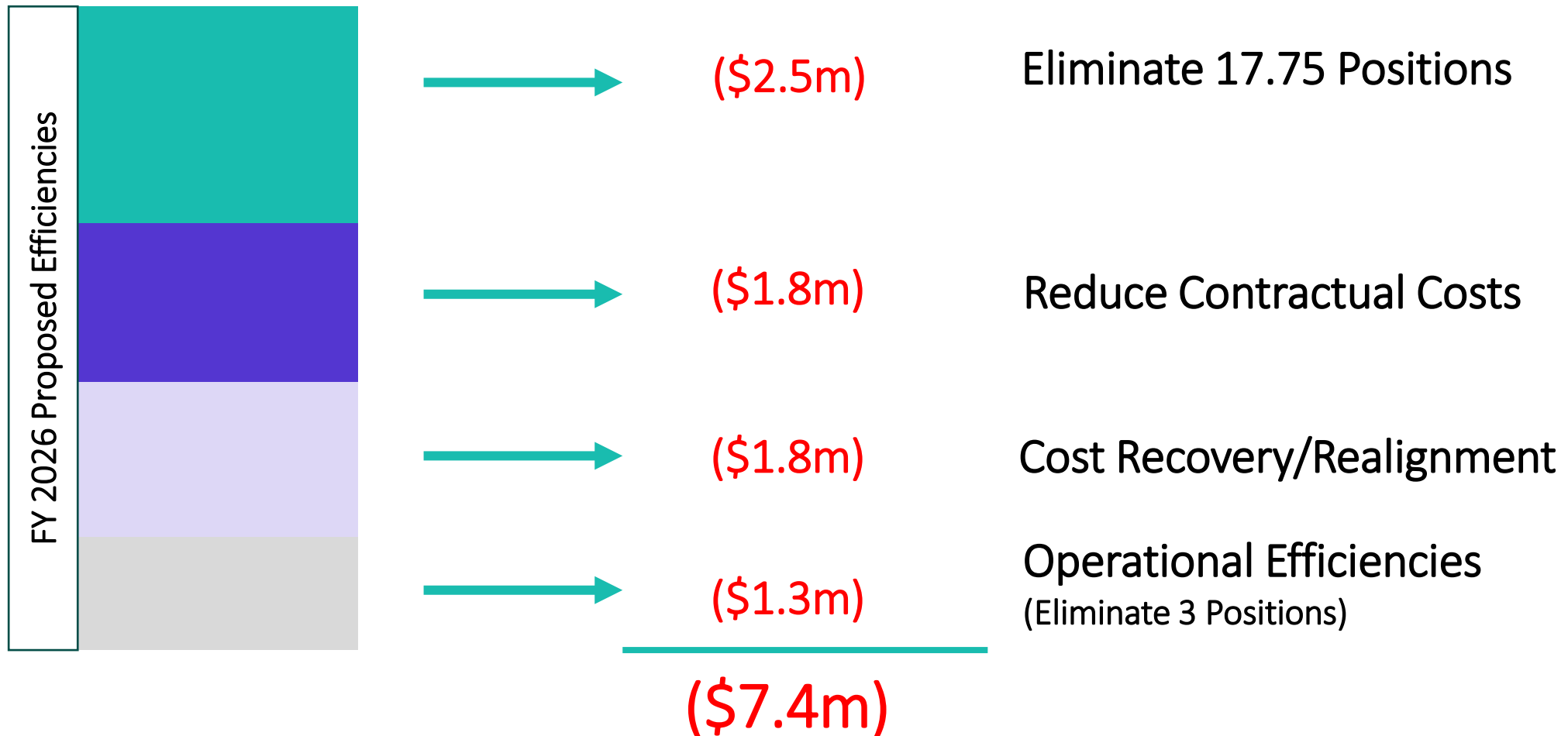
Value of 0.27c  
Property Tax Increase  
in FY 2026

\$6.5m

*Impact on the typical household =  
+\$84c/month*

Charlotte would still have the lowest  
total cost for municipal services in North Carolina

# Instead, we Started with Adjustments to Create Capacity for Core Services and Salary Increase



# Employees are the Backbone of Our City







# Continuing Compensation for Our Employees

- 2.5% for CDL
- 2.5% for 2<sup>nd</sup> and 3<sup>rd</sup> Shift (includes Police)
- All-Access Transit Pass





# We Offer More Than A Job

- Nearly doubled Participants in E2E
  - 28 positions across eight departments
- Over 100 Apprentices across 10 roles
  - Adding three more apprenticeships in FY 2026
- Nearly 200 employees pursuing associates degree or certification through pre-paid tuition program at CPCC
- Increased Opportunities to Support Financial Wellness and Stability
  - Added Employee Resource Coordinator (FY 2025)
    - Connected 25 Employees with Financial Counseling
    - Referred 11 employees to House Charlotte for homeownership assistance
  - Launched Employee Rental Assistance Program February 2025
    - 11 Employees in process of identifying housing
    - 3 employees have secured rental housing with help of program
  - Low-interest loan program for hardships (July 2025 Target Launch)





# At least 3% for All Employees

- Hourly Employees: 4% (combination of market and merit adjustment)
- General Employees: 3% Merit Pool
- \$24/hour minimum pay or \$49,920/yr
  - 40-hour week, full-time employees

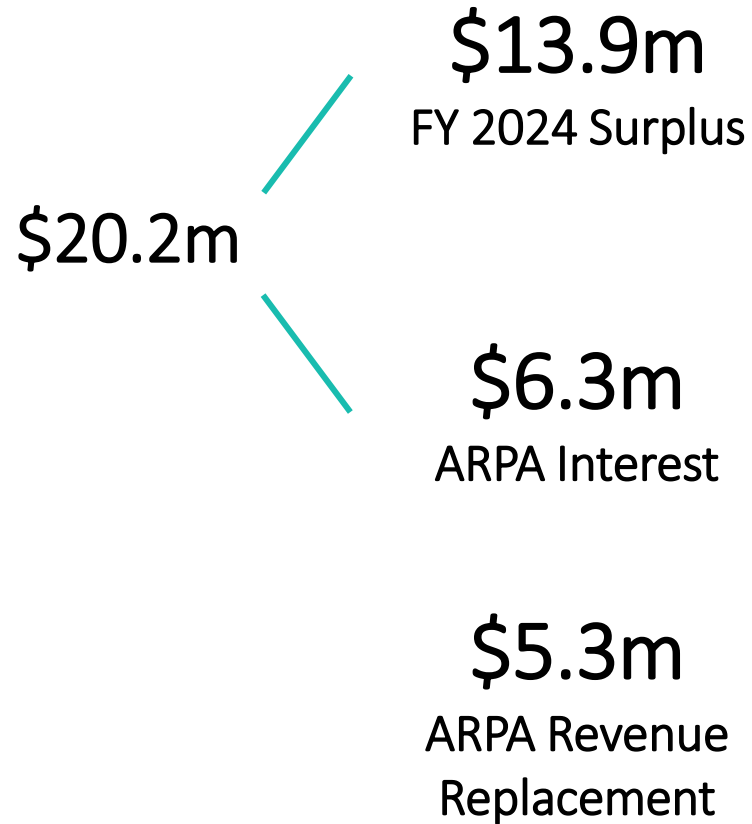


# Committing to the Step Plan

- Step and 1.5% Market Adjustment
- 1.5% Bonus for Topped Out (NEW)
- Most in public safety pay plan will receive at least 6.5%
- No one will receive less than 3%

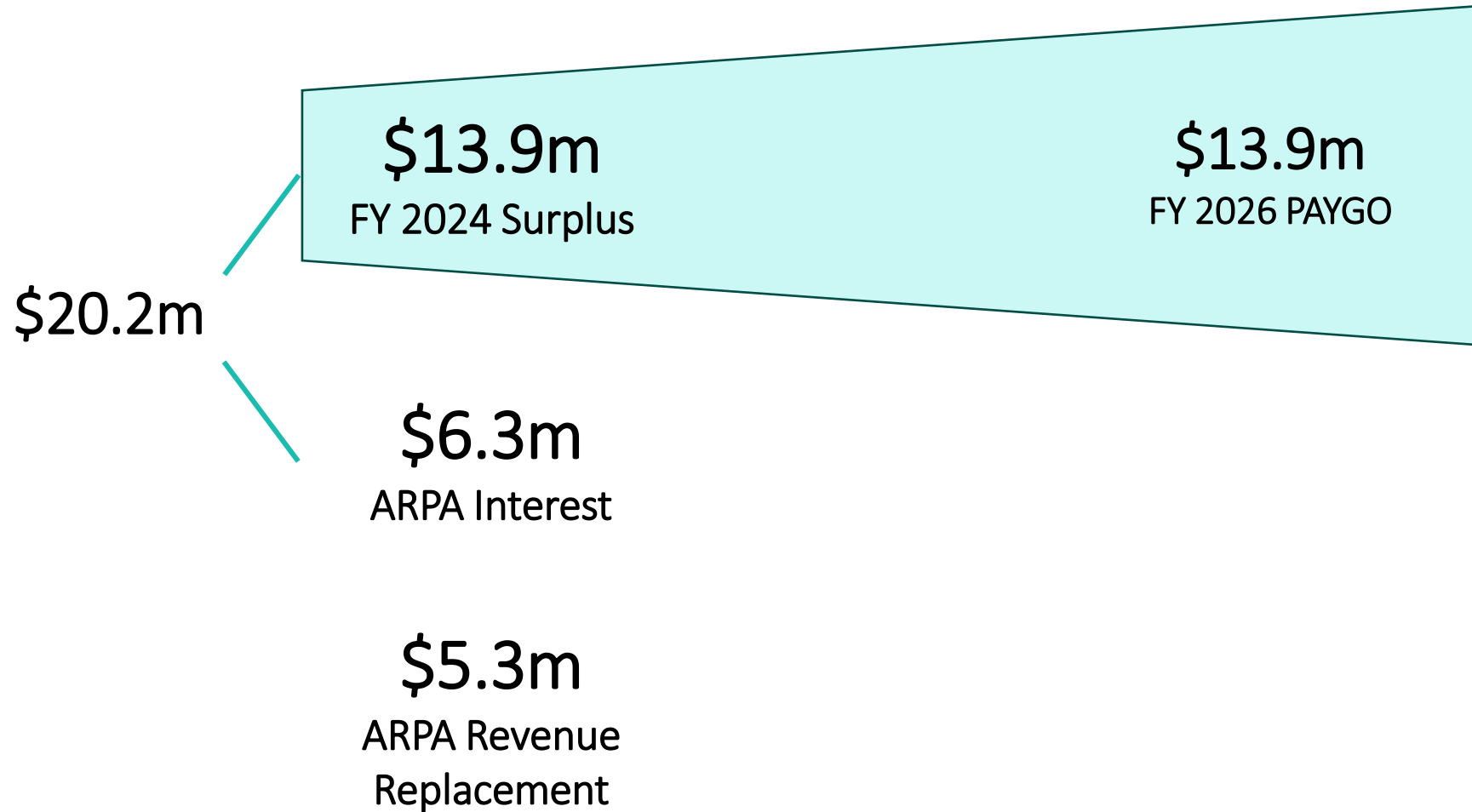


# One-Time Resources Available in FY 2026



\*\$2.7m remaining in ARPA to support Workforce Development

# One-Time Resource Uses



\*\$2.7m remaining in ARPA to support Workforce Development

# FY 2026 PAYGO: \$68.9m

## Well-Managed Government

**\$41.6m**

*\$24.9m to purchase vehicles  
\$6.1m to maintain city-owned facilities  
\$3.6m to finish ERP*

## Safe Communities

**\$6.5m**

*\$3.0m to replace radios,  
\$11.0m over five years*

## Great Neighborhoods

**\$2.1m**

## Transportation and Planning

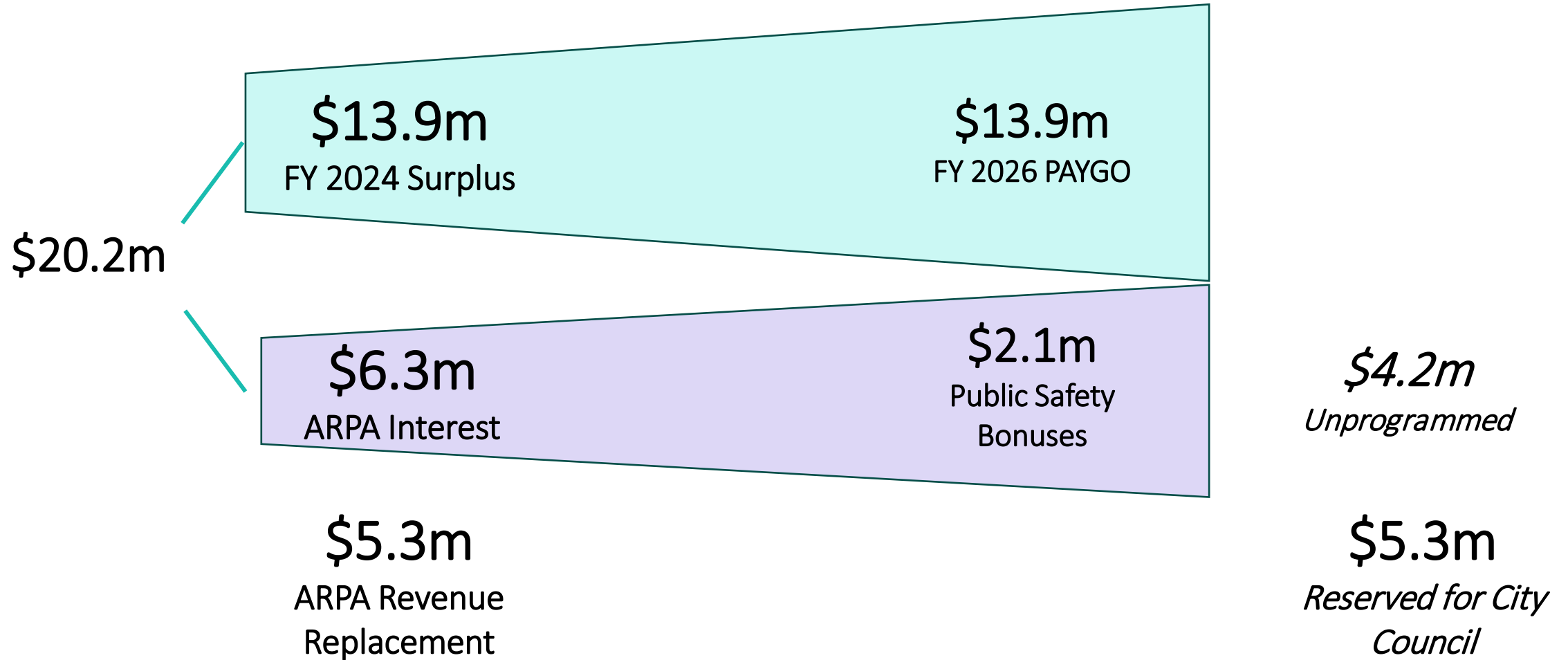
**\$1.7m**

## Workforce and Business Dev.

**\$17.0m**

*\$14.6m for cultural facilities*

# One-Time Resource Uses



\*\$2.7m remaining in ARPA to support Workforce Development

# Mobility

More... Ways to Move  
Less ... time, distance, Cost

Narrow the gap



## Housing

More  
affordable  
places to live

## Jobs

More  
attainable  
opportunities  
to work

## Preparing for the Big Opportunity



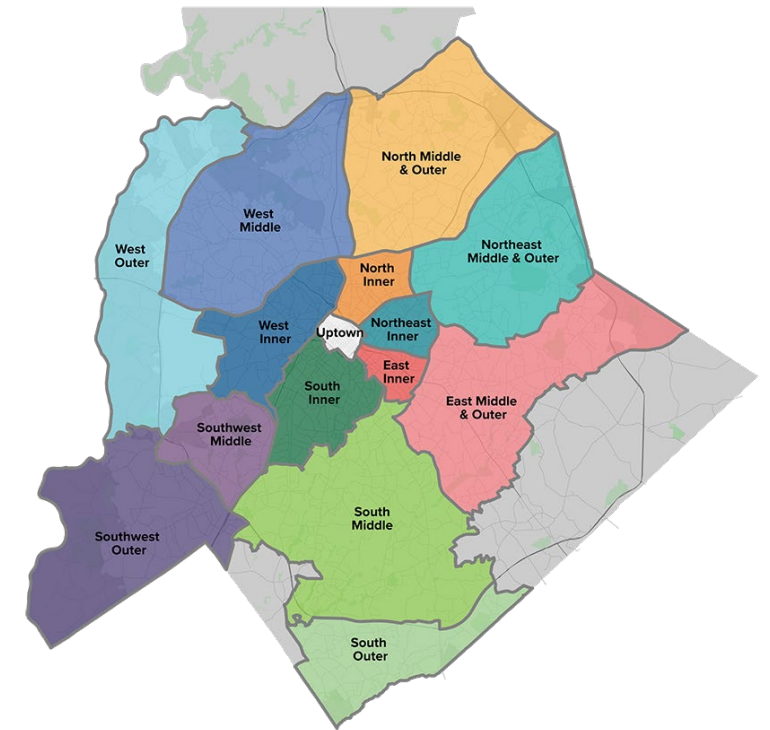
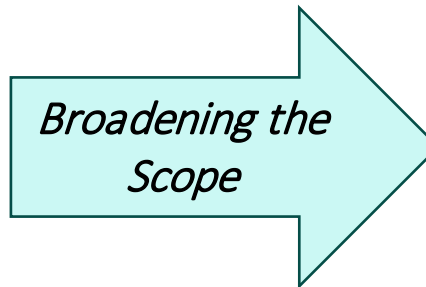
# Building Charlotte with Our Residents – *Continuing FY 2025 \$5m over Two Years*

*All Corridors in Implementation*



Continue Investments with \$5m from FY 2025

- Interior Upfit Matching Grant
- Support for Small-Scale Public-Private-Partnership
- Six Business Opportunity Hubs
- Workforce Development Support



\$1.0m to Launch the Community  
Benefits Fund



# Putting the Pieces Together

## Project Delivery

### Strategic Investment Areas:

- Refined project selection and delivery
- Maximize impact
- Reduce cost and time to completion

## Small Business

**+\$1.5m** to launch

Small Business Readiness Fund

- Partner with organizations to develop industries needed to grow Charlotte
- Priority on mobility-related industries

**+\$450k** to continue AmpUp and NXTCLT

**\$900k** in existing Corridors to support small businesses

## Workforce Development

**\$2.7m** in remaining ARPA to:

- Implement Strategic Plan
- Focus on industries that support mobility investment

**\$800k** in existing Corridors to for youth and workforce development



# Mobility

More... Ways to Move  
Less ... time, distance, Cost

Narrow the gap



## Housing

More  
affordable  
places to live



## Jobs

More  
attainable  
opportunities  
to work

A Transportation **Investment** Strategy  
to create a city where...

**Everyone**

has access to a  
**good paying job,**  
**safe place to live** and a  
**way to get there**

Advancing **Safe & Equitable** Mobility



# New Office to Double Down on the Future

Establish the Office of  
Youth Opportunities

## *Focus:*

- Youth ages 13-24,
- Low-and moderate-income youth,
- Youth living in/attending schools w/in the Corridors, and
- Young people at-risk of violence or involvement with the justice system

***Mission:*** Promote economic opportunity and positive youth development

## ***New and existing programs including:***

- Mayor's Youth Employment Program (HNS)
- Alternatives to Violence (HNS)
- Peer Mediation (CRC)
- Envision Academy (CMPD)
- Juvenile Diversion (CMPD)

# We Will Keep Seeking Out Opportunities for Collaboration and Efficiency

## Short-Term

MEDIC Contract  
Solid Waste Cost Recovery

## Medium-Term

2028 Solid Waste Contract  
Permitting  
Economic Development  
Affordable Housing



# We Will Continue Serving Our Region

## ◀ Aviation

- 5% of state's GDP
- 6th busiest airport (airport operations)
- 58.8m passengers (2024)



## ◀ Charlotte Area Transit

- Manages the state's only light rail system
- Serves a 5-county area



## ◀ Water and Stormwater

- Serves 1.2m customers daily (Water)
- 48,000+ ft of pipe installed or rehabbed (Storm Water)





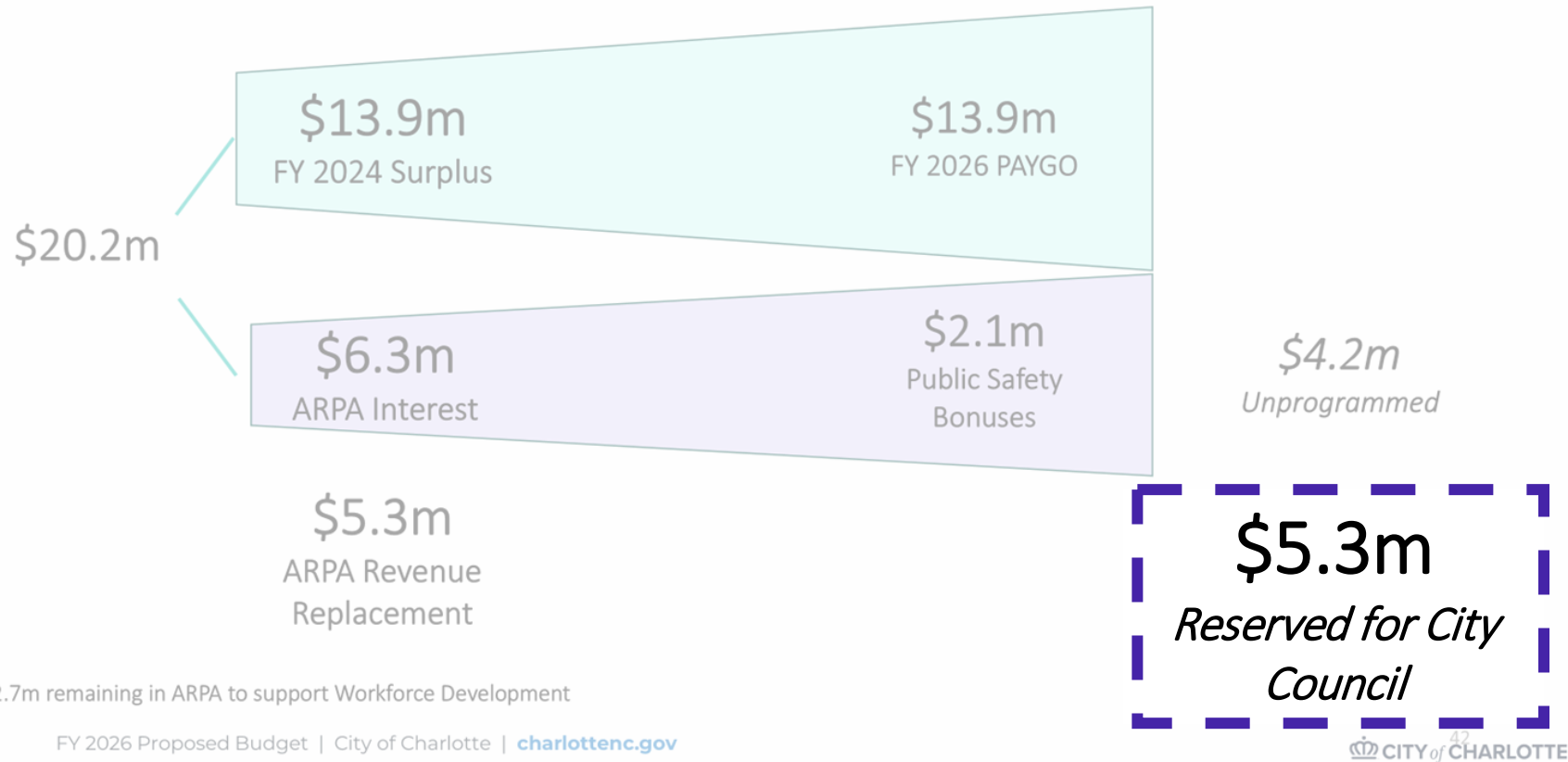


# Focusing on Cost Recovery

	Typical User Monthly Fee	Monthly Increase
Solid Waste	\$10.03	\$1.35
Water	\$85.82	\$5.47
Storm Water	\$10.82	\$0.67
<b>Total</b>	<b>\$106.67</b>	<b>\$7.49</b>

# We Will Continue to Reserve Funds for the Future

## One-Time Resource Uses



# FY 2026 Proposed Total Budget - \$3.6B



Proposed FY 2026 Budget (Net of Transfers)	
General Fund	943,500,000
Reimbursements + transfers to Other Funds	(74,044,669)
<b>Sub-total General Fund</b>	<b>869,455,331</b>
Aviation	991,738,515
Charlotte Area Transit System (CATS)	331,394,755
Charlotte Water	828,774,644
Storm Water	127,788,390
<b>Sub-total Enterprise Funds</b>	<b>2,279,696,304</b>
General Capital Investment Plan	81,148,945
General Capital Debt Service	74,770,993
Pay-As-You-Go Funds	28,257,064
<b>Sub-Total Capital Investments</b>	<b>184,177,002</b>
Special Revenue Funds	199,898,728
Debt Service - Special Revenue Funds	32,755,596
<b>Sub-Total Special Revenue</b>	<b>232,654,324</b>
Internal Service Funds	80,739,501
<b>Total All Funds</b>	<b>3,646,722,462</b>

# Budget schedule

- May 12 – Public Hearing
- May 19 – Budget Adjustments
- May 29 – Straw Votes
- June 9 – Budget Adoption

Watch each meeting live on YouTube (@CharlotteGOVchannel) or download the GOV Channel Streaming App!