



CITY of CHARLOTTE

TEAM CHARLOTTE

People and Places Are Charlotte's Future

The City of Charlotte remains committed to aligning the use of public resources with the most critical needs of the community. In light of current inflation rates and labor market pressures, the cost of maintaining existing city services is increasing. Moving into Fiscal Year (FY) 2024, Charlotte's focus on people and priorities will include intentional decision making in the delivery of core services alongside initiatives designed to advance City Council's Strategic Priorities.

Strategic Priorities

- ✓ Well-Managed Government, Equity, Engagement, and Environment
- ✓ Great Neighborhoods
- ✓ Safe Communities
- ✓ Transportation and Planning
- ✓ Workforce and Business Development

"Charlotte is America's Queen City, opening her arms to a diverse and inclusive community of residents, businesses, and visitors alike; a safe family-oriented city where people work together to help everyone thrive."

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FY 2024 BUDGET HIGHLIGHTS

Highlights of the Budget Include:

- Balances budget without a property tax increase
- Maintains or enhances core services
- Maintains operating reserve levels; no use of one-time revenues such as General Fund balance
- Protects current employees—no layoffs or furloughs
- Continues to invest in employees:
 - Increases minimum pay for all full-time \$46,200 by January
 - Provides the greater of \$3,600 or 6% salary increase for all General Hourly Employees (greater of \$1,800 or 3% increases in both July and January)
 - Provides a 4% salary pool for salaried employees
 - Programs pay plan parity for the public safety pay plans of Police and Fire
 - Provides at least an 8% increase for all Police Officers and Sergeants
 - Increases starting and top pay for Police Officers 10.5% by January
 - Provides a 5.5% to 8% salary increase for Public Safety Pay Plan Firefighters
 - Implements \$1 per hour on-call pay for officers, sergeants, and hourly employees within CMPD
 - Adds 29 apprenticeships
 - Continues flexible work options for feasible positions
- Continues to lead in municipal sustainability through the Strategic Energy Action plan:
 - Purchases 45 electric vehicles
 - Adds the first net zero carbon police station
 - Adds the first electric refuse truck in Solid Waste
- Provides \$3.38 million for tree canopy preservation
- Invests in Fire infrastructure by programming construction of 5 fire houses
- Supports Corridors of Opportunities with a \$5 million dollar investment for implementation of playbooks, continued engagement, and partnerships
- Adds 37 positions to support the Unified Development Ordinance
- Provides \$4.2 million in American Rescue Plan Act funds toward the Helping Out Mecklenburg Homeowners with Economic Support (HOMES) program to provide assistance that directly reduces the city tax bill by up to 25% for eligible applicants who are low-to moderate-income households within city limits
- Includes \$250,000 to continue partnership with Atrium for Hospital Based Violence Prevention Program

HOW SERVICES ARE FUNDED

Funds are accounting groups that the city uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state statutes. Other funds are established to control and manage resources designated for specific purposes. The city uses three types of funds: Government Funds, Proprietary Funds, and Fiduciary Funds.

Government Funds
Proprietary Funds
Fiduciary Funds

Major Governmental Funds

- **General Fund** – The city’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Debt Service** – Accounts for the financial resources accumulated and payments made for principal and interest on debt of governmental activities.
- **Capital Projects** – Accounts for financial resources used for the acquisition, construction, and improvement of capital equipment and facilities.

Proprietary Funds

Services for which the city charges customers a fee are generally reported in proprietary funds. The city uses two types of these funds:

- Enterprise Funds:
 - Aviation
 - Charlotte Area Transit System
 - Storm Water
 - Charlotte Water
- Internal Services Funds:
 - Risk Management Fund
 - Health and Life Fund

Fiduciary Funds

The city is the trustee, or fiduciary, for the Charlotte Firefighters’ Retirement System and the Employee Benefit Trust. The city is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The city cannot use these assets to finance its operations.

ECONOMIC OUTLOOK

National Economy

Economic growth since the COVID-19 recession has been weakened by high inflation. To combat inflation, the federal reserve has aggressively tightened monetary policy by raising interest rates. Inflationary pressures have declined but remain elevated. Many economists predict a mild economic downturn in the second half of 2023.

Regional Economy

The Charlotte region, which is the largest in the Carolinas, ranks 21st in the U.S. for total output and accounts for 21.9 percent of the total output for the Carolinas. In March 2023, the regional labor market had grown by 3.2 percent since March 2022, which was higher than the state’s employment growth rate.

Local Economy

Property taxes, which make up the largest portion (over 53 percent) of the city’s General Fund revenues, have continued to fare well since the pandemic. Sales tax distributions make up about 17.4 percent of the city’s General Fund revenues. Elevated prices as measured by inflation have also helped in increasing the total amount spent by consumers as they pay for goods and services. Utility franchise taxes are the third largest revenue source for the city’s General Fund, accounting for approximately 6.7 percent of the General Fund revenues.

Property Tax Revaluation and Tax Rate

Revenue neutral rate
=
No increase in property tax rate

Property revaluation occurs every four years, including in 2023. The property tax revaluation this year saw an average overall increase in property value of 51 percent. Since residential property values increased by a greater percentage than commercial property values, residential homeowners will take on a higher share of the city’s property tax bill. To reduce the impact on homeowners, the city’s adopted property tax rate is set at the revenue neutral rate, which results in no additional revenue for the city. The revenue neutral property tax rate is 26.04¢, down from 34.81¢ in FY 2023.

FY 2024 will be the fifth consecutive year the city has not increased the property tax rate.

COUNCIL PRIORITIES & KEY INITIATIVES

Strategic Priorities

Council priorities set the policy framework for development of the city’s budget. During the January 2023 Annual Strategy Meeting, the strategic priorities were reaffirmed and addressing the digital divide, and small business and minority business development were designated as additional key initiatives for the coming fiscal year.

The Adopted FY 2024 Budget aligns the allocation of resources with the advancement of Council’s priorities. Key principles that guided budget development are:

- ✓ Maintaining a well-managed government that is financially sound, focused on equity, engagement, and safeguarding the environment,
- ✓ Investing in City of Charlotte employees, and
- ✓ Investing in residents.

These priorities and initiatives guide the use of city resources. The adopted budget is designed for the city to holistically advance the initiatives with collaboration across internal departments and service partners, and with strong community outreach and engagement.

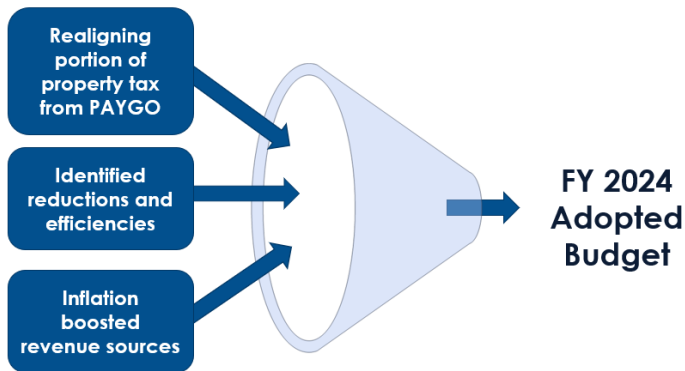
COUNCIL STRATEGIC PRIORITIES					
	Great Neighborhoods	Safe Communities	Workforce and Business Development	Transportation and Planning	
KEY INITIATIVES	Affordable Housing				Well-Managed Government, focused on Equity, Engagement, and the Environment
	CLT 2040/UDO SEAP				
	Corridors of Opportunity SAFE Charlotte				
	Mobility				
	Hire Charlotte Arts & Culture Workforce Development				
	Small Business/Minority Business Development				
	Digital Divide				

Note: Workforce and Business Development was also referred to as Economic Development at City Council’s January 2023 Strategy Meeting

MANAGING WITHIN CURRENT RESOURCES

Handling Unavoidable Costs

To maintain service-levels, there are \$25.9 million in unavoidable expenditure increases that had to be considered with development of the FY 2024 budget including inflation costs, healthcare and benefit increases, and contractual escalations. The Adopted FY 2024 Budget utilizes all available resources to prevent the need for a property tax increase. Along with inflation boosted sales tax revenue, the city has identified two adjustments for additional sources of funding. One adjustment is realigning 0.18 cents in the annual property tax allocation from the Pay-As-You-Go (PAYGO) Fund to the General Fund. This action structurally increases General Fund revenue by \$3.8 million. The city has also identified \$4.1 million in operating efficiencies and reductions that do not result in an impact to core services.



Structurally Balanced Budget

The Adopted \$3.33 billion FY 2024 Budget is structurally balanced, which means that the budget is balanced using reoccurring revenues to cover reoccurring expenditures. This budget utilizes all available resources to prevent the need for a property tax increase and prevent a reduction in service-levels. By not raising the property tax rate above a revenue neutral rate, the City of Charlotte has the lowest municipal property tax rate of the 15 largest cities in North Carolina.

Charlotte has the lowest city property tax rate of the 15 largest cities in North Carolina

THREE YEARS OF SAFE CHARLOTTE

Council adopted the Framework to Address Violence and SAFE Charlotte in 2020. Charlotte has continued to make progress in addressing safety needs alongside residents and in partnership with community partners.

The Approach is Working



Charlotte has been recognized as a national leader in reimagining policing and violence prevention

Expanding Alternatives to Violence Program

Alternatives to Violence works to stop violence using a public health model with three primary strategies:



- Detecting and interrupting conflicts
- Identifying and treating individuals at high risk of involvement in violence
- Changing social norms that exacerbate violence in the community

In FY 2024 the city will launch two new sites to bring the total to three and add a Program Manager for this important initiative.

Continued Collaboration between Partners

The city will continue work with the CARES Team in the Central Division to expand the service delivery model to the Metro Division in FY 2024. The city will also continue collaboration with Atrium Health through the hospital based intervention program with a \$250,000 contribution and match from Atrium in FY 2024.



PROMOTING QUALITY OF LIFE

Continuously reviewing our service impacts and striving to promote quality of life for all community members is fundamental to our city services. A Quality of Life team has been formed of representatives from several city departments including members from CDOT, City Attorney’s Office, City Manager’s Office, CMPD, Solid Waste, and Housing and Neighborhood Services.

The internal team has been working together to assess current issues and needs of the community from a holistic approach. The team is currently working on strategies for addressing issues such as semi-tractor trailer truck parking and litter.



To support a targeted approach to addressing quality of life needs for all residents the FY 2024 Adopted Budget includes the addition of four Code Enforcement positions. Currently, code enforcement operates from 9-5 Monday-Friday. With the addition of this team, code enforcement will be able to extend hours on certain weekdays and cover some weekend hours.

The additional code enforcement employees will serve as part of a rapid response unit. This Rapid Response Team will focus on Quality-of-Life concerns city-wide. Initial concerns of focus will include:

- Tractor trailers illegal parking
- Parking in bike lanes
- Litter
- Illegal signage

The FY 2024 budget also allocates \$250,000 from the PAYGO Fund toward a partnership with Center for Employment Opportunities. This partnership will add one litter crew for a total of three litter crews. The partnership helps previously incarcerated individuals build work experience.

AFFORDABLE HOUSING

Keeping the Momentum

The Affordable Housing Development Bonus Program (AHDBP) allowed for developers to increase the supply of low to moderate income housing units, including paying a fee-in-lieu (FIL) to the city for affordable housing. Funds from these fees are being programmed toward support of affordable housing. For FY 2024, \$4.7 million will be available from the FIL program for housing initiatives. Upon implementation of the UDO, the AHDBP will be replaced with the UDO’s expanded bonus program.

Staying In Place Next Steps

In FY 2024 the city plans to continue a holistic approach by enhancing efforts with city partners. The city is collaborating to develop a comprehensive Anti-Displacement Strategy that is expected to be designed this summer.

Continuing the Holistic Approach



Partnering with the County to Support our Residents

For FY 2024, the city is recommending to utilize \$4.2 million of American Rescue Plan Act (ARPA) funding to partner with Mecklenburg County through the Mecklenburg County HOMES Program. This program will support homeowners who have been in their home at least three years and earn less than 80 percent AMI. The program will provide assistance for up to 25 percent of the city tax bill (up to the median home value) by directly reducing residential property tax bills.

ADVANCING INCLUSIVITY

Enhancing the Small and Minority Business Ecosystem

The city's commitment to supporting the advancement of small and minority businesses remains a focus for the Adopted FY 2024 Budget. The city plans to invest \$1 Million toward CBI Capital Access, Bonding Program, and outreach to the local business community plus add three positions to the city's newly elevated Charlotte Business Inclusion Office.

Connecting Workforce Needs of Today While Planning for the Future

In alignment with Council's key initiative of workforce development, the city will strengthen efforts towards community engagement, collaboration with service providers and business partners to develop a comprehensive and targeted approach to advancing workforce development.

- The FY 2024 Budget includes funding for one new position in the City Manager's Office dedicated to workforce development initiatives.

Closing the Digital Divide

The city has made efforts to address the digital divide, that became evident during the COVID-19 pandemic, through the Charlotte Digital Inclusion initiative. This program aims to bridge the digital divide and provide equitable access to services and opportunities for all residents.

- **Phase 1** was accomplished by city staff collaborating with outside partners, and was primarily funded with funds from the CARES Act.
- **Phase 2** entails supporting city sponsored internet, training on basic digital skills, and providing 7,900 homes with direct internet. The city is currently implementing phase 2 funded through the American Rescue Plan Act.
- **Phase 3** will include workforce preparation, a universal application system, and a pathway forward for innovative technology.

To continue the phase 2 and phase 3 of the program, and a focus on providing digital access, the FY 2024 budget includes the addition of two staff positions for this on-going key initiative and Smart City work.

INVESTING IN EMPLOYEES

Implementing the Philosophy of Upward Mobility for Employees

Human Resources, in partnership with all city departments is building a reinvigorated approach to removing barriers of upward mobility for city employees. For FY 2024, funding is to continue and expand initiatives started in FY 2023. Some of the initiatives include:

- increasing one-on-one career coaching,
- continuing the CPCC associate degree pre-payment program,
- hosting internal career exploration fairs,
- launching an apprenticeship program in Solid Waste, and
- supporting the Advance. Connect. Explore (ACE) Hub resource site.

Expansion of City Employee Apprenticeship Program

In addition to the focus on workforce development, the city is planning to expand internal apprenticeship programs. In FY 2024, the city's apprenticeship program plans to add 29 apprenticeships: 10 in Solid Waste Services Department, four in CDOT, and 15 in CATS. This expansion will provide nearly 20 certified apprenticeship programs citywide. Currently over 100 graduates from the apprenticeship or the Career and Training Academy remain city employees.

In FY 2024, the city's apprenticeship program plans to add 29 apprenticeships

Elevating Pay for Hourly Employees

In FY 2023, the city made progress in reducing the number of vacancies in key hourly staffed positions. FY 2024 continues the work of elevating pay for the city's hourly employees. The adopted budget provides employees within the hourly pay plan a six percent base pay increase (Three percent in July 2023 and three percent in January 2024). These actions combined with the FY 2023 actions, equate to more than a 14 percent increase in compensation over the last two years. In addition, funding is being provided to ensure that the minimum annual pay for employees is \$46,200 by January 2024

Incentivizing Salaried Employees

The Adopted FY 2024 Budget includes funding for a four percent pool for salaried employee pay actions. In addition to salary increases, many salaried staff will continue to have the flexibility of working a hybrid work schedule where feasible.

INVESTING IN EMPLOYEES

Emphasis on Police Recruitment and Retention

To attract additional recruits, the Adopted FY 2024 Budget increases starting pay by a total of 10.5 percent by January. This will result in a starting pay for a Police Officer with a four-year degree of \$62,913. To boost retention, the following additional actions will be taken in FY 2024:



- Increase current Police Officer and Police Sergeant salary by at least eight percent
- Increase top pay of a Police Officer with a four-year degree by 10.5 percent to \$99,811
- Add 25 new take-home vehicles for veteran Police Officers

In addition, the FY 2024 budget implements \$1 per hour on-call pay for officers, sergeants, and hourly employees within CMPD

Supporting Public Safety Fire Employees

The Adopted FY 2024 Budget continues FY 2023 increases to top pay in the Fire Public Safety Pay Plan. Other actions include:

- Increasing all fire pay plan employees' salary by 5.5 to 8 percent
- Adding 42 positions to establish two new companies and improve staffing levels
- Increasing starting pay for Firefighter I by 8 percent by January 2024



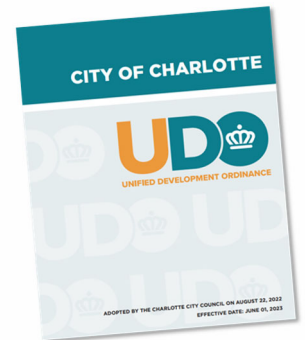
BUILDING A COMPLETE CITY

Implementing the 2040 Plan

Two years after adoption, the Charlotte Future 2040 Comprehensive Plan remains a benefit for the community and the sustainable health of Charlotte over time, continuous community input and feedback remain key and core to the plan's success as the policy is implemented. Upon adoption of the plan, the city committed to bring to fruition the plan's policies, provide transparent annual reporting, and track progress on an ongoing basis. The adopted budget includes additional resources for the Planning, Design, and Development department including 21 positions so that the department can continue implementation of the 2040 Plan and the Unified Development Ordinance (UDO). In total, 37 positions were added across various departments to support implementation.

Unified Development Ordinance

Adopted by City Council last August with an effective date of June 1, 2023, the Unified Development Ordinance (UDO) aligned the city's land development regulations with the vision of the Charlotte Future 2040 Comprehensive Plan and other adopted city policies. The adopted budget supports the UDO's implementation by providing:



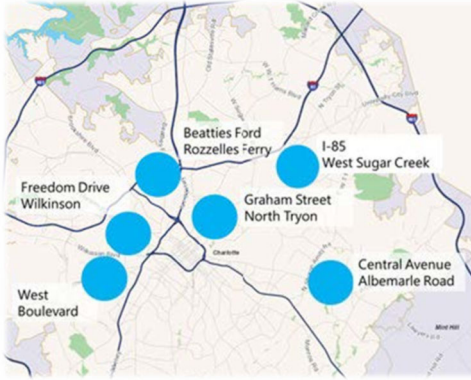
- A Program Manager position to support UDO related projects and manage the monitoring and reporting of key metrics related to the plan
- Ten positions to ensure the CLT Development Center can provide exceptional customer service while preserving the city's tree canopy through UDO administration

Investing in Trees

- \$250,000 for tree maintenance and replacement above the FY 2023 funding levels
- \$2 million for trimming trees and removing nonviable trees along with \$1,375,000 for replacing trees for a total of \$3.38 million funding for canopy preservation

CONTINUING WORK IN CORRIDORS

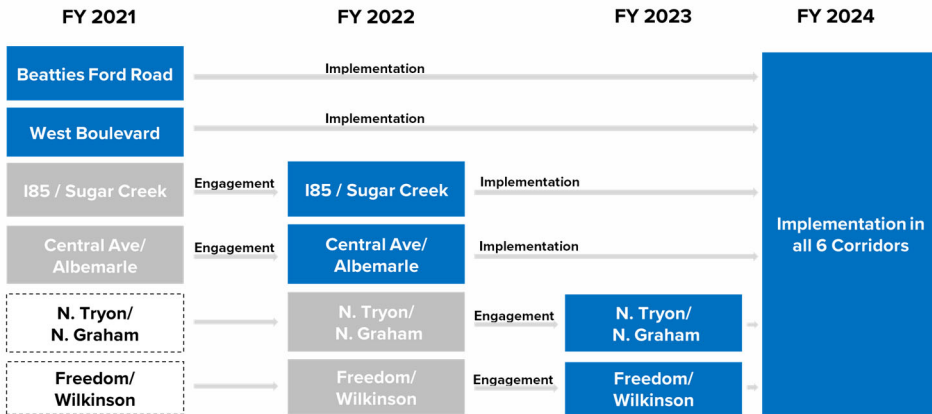
Following Through with Corridors of Opportunity



Since Summer 2020, the City of Charlotte has embarked on transformational work in six historically under-invested corridors. City current and planned investments are catalyzing community partners to invest in the Corridors of Opportunity. The pivotal work includes collaboration among city departments, Mecklenburg County, non-profit organizations, and for-profit corporations working

together to make systemic changes and build economic opportunity in each corridor. Investment in these areas will continue in FY 2024 with:

- \$5 million for work in the Corridors
- Completing final two playbooks for N. Tryon/N. Graham and Freedom/Wilkinson



MAKING SUSTAINABLE INVESTMENTS

Investing in the Strategic Energy Action Plan



The city continues to prioritize investments to support the Strategic Energy Action Plan (SEAP) and achievement of the Sustainable and Resilient Charlotte by 2050 Resolution. The Capital

Investment Plan includes \$2.5 million for retrofits such as solar photovoltaic (PV) systems and electric vehicle (EVs) charging stations, and \$250,000 for continued analysis and evaluation of SEAP projects in FY 2024.

Electrifying City Fleet

For FY 2024, the city will be adding 45 electric vehicles and 125 police hybrid vehicles to the city fleet along with additional infrastructure to support the growing number of EVs. The city continues to integrate electric buses, trucks, and vans into city owned fleet. Notable new additions this year include a fully electric Solid Waste refuse truck and associated charging infrastructure.

Net Zero Carbon Police Station

With an allocation of \$3 million additional dollars in the Capital Investment Plan, the City of Charlotte will build its first Net Zero Carbon building at CMPD Northwest, complete with a ground-mounted solar array and full EV charging capability for the fleet. The additional funding will provide for a 300-kW solar array that will completely offset the building's energy usage.



Rendering of Northwest Division Police Station

Community Focused SEAP Initiatives

In addition to the city's internal focus on the environment within city operations, the city is also advancing opportunities for the community. Through a partnership with Duke Energy, the city is providing \$1 million in ARPA funding toward housing rehabilitation for low-income homeowners participating to obtain energy efficiency retrofits.

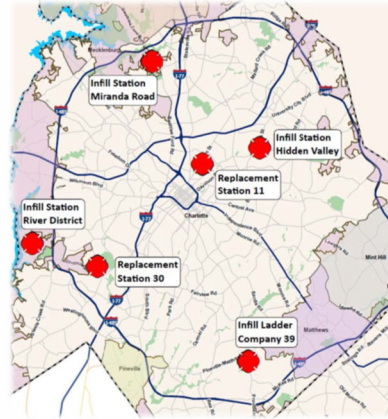
BUILDING A SAFE CITY

Support in Fire Facilities

To support fire service with needed facilities, the adopted capital budget includes \$79.5 million programed in the next four years to expand fire infrastructure. This includes the city's first all-electric firehouse (#30).

Based on Fire's current priorities, the firehouses included are:

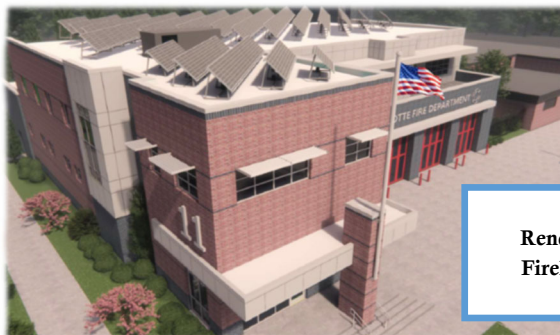
- Infill firehouse in the Hidden Valley Neighborhood
- Replacement of Firehouse 11
- Replacement of Firehouse 30 (all-electric)
- Infill firehouse in the River District area
- Infill firehouse at 4032 Miranda Road



To maintain fire service response times, two new fire companies are additions for FY 2024:

- Engine company for the temporary River District Station
- Infill ladder company for southeast Charlotte

In addition, \$2.5 million is provided in FY 2024 to support infrastructure projects that provide equity within fire houses by building female locker rooms. This is a result of the Advanced Planning Fire Station Gender Equity Study which evaluated 13 fire house on nationally accepted safety standards, the provision of equal facilities for women, exercise facilities and ADA compliance.



Rendering of Firehouse 11

POSITIVELY IMPACTING THE REGION

Aviation

Aviation accounts for five percent of North Carolina's gross domestic product with an annual impact of \$32 billion to the surrounding region. Aviation also manages the 6th busiest airport by passengers in the United States.



Charlotte Area Transit

The Charlotte Area Transit System operates the state's only light rail system which moves over 12 million people annually. The Adopted FY 2024 Budget for CATS does not include any increases in fare costs.



Solid Waste Services



The FY 2024 Solid Waste Fee is increasing by \$0.72 per month (\$8.58 annual increase). The increase will generate additional revenue to cover FY 2024 increases in Solid Waste operations, including contractual obligations and waste disposal fees.

MAINTAINING CITY SERVICES

Charlotte Water

The FY 2024 Water and Sewer Fee is increasing by 4.25 percent which equates to a \$3.10 per month increase for the typical home owner. Charlotte Water remains focused on maintaining high-quality drinking water and wastewater systems, while ensuring operational efficiency and compliance. In addition to providing drinking water and treating waste water, Charlotte Water helped provide more than \$1.78 million in financial assistance to over 3,300 customers through allocation of relief funds.



Storm Water

Storm Water has had an 83 percent increase in productivity since FY 2020. The FY 2024 Stormwater Services Fee is increasing by 4.6 percent, which equates to a \$0.43 per month increase for the typical home owner. For Storm Water's Adopted FY 2024 Budget, \$29.1 million will be allocated for operating and \$91 million for FY 2024 capital projects, for a total budget of \$120.1 million.

	Typical User Monthly Fee	Monthly Increase
Solid Waste	\$7.89	\$0.72
Water	\$75.98	\$3.10
Storm Water	\$9.68	\$0.43
Total	\$93.55	\$4.25



Vi Alexander Lyles, Mayor
Braxton Winston, Mayor Pro Tem
Dimple Ajmera, At Large
LaWana Mayfield, At Large
James Mitchell Jr., At Large
Dante' Anderson, District 1
Malcolm Graham, District 2
Victoria Watlington, District 3
Renee' Johnson, District 4
Marjorie Molina, District 5
Tariq Bokhari, District 6
Edmund H. Driggs, District 7

- Mayor Vi Lyles**
- Mayor Pro Tem Braxton Winston**
- Council Member Dimple Ajmera, At Large**
- Council Member LaWana Mayfield, At Large**
- Council Member James Mitchell Jr., At Large**
- Council Member Danté Anderson, District 1**
- Council Member Malcolm Graham, District 2**
- Council Member Victoria Watlington, District 3**
- Council Member Renee' Johnson, District 4**
- Council Member Marjorie Molina, District 5**
- Council Member Tariq Bokhari, District 6**
- Council Member Edmund H. Driggs, District 7**
- City Manager Marcus D. Jones**

FY 2024 Budget Calendar

- City Manager's Proposed Budget May 1, 2023, 6:00 p.m.
- Council Budget Public Hearing May 8, 2023, 6:30 p.m.
- Council Budget Adjustments #1 May 11, 2023, 1:00 p.m.
- Council Budget Adjustments #2 May 22, 2023, 3:30 p.m.
- Council Budget Adoption June 12, 2023, 6:30 p.m.

This Budget in Brief includes the highlights of the Adopted FY 2024 Budget. For additional details, please visit the city's website www.charlottenc.gov to view information about the budget or to read the adopted budget document.