

The City Council of the City of Charlotte, North Carolina convened for a Budget Workshop on Monday, March 25, 2024, at 2:12 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Councilmembers present were Dimple Ajmera, Danté Anderson, Ed Driggs, Malcolm Graham, Lawana Mayfield, and Victoria Watlington.

ABSENT: Councilmembers Tariq Bokhari and Tiawana Brown.

ABSENT UNTIL NOTED: Councilmembers Renee Johnson, James Mitchell, and Marjorie Molina.

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Mayor Vi Lyles said thank you everyone. Good afternoon. It's Monday, March 25, 2024. This is the first meeting for the City Council today. They'll be several others I expect later on this evening. So, let's go ahead and get started with this meeting which is the City Council's Budget Workshop where we try to work and understand where we stand for the development of the Budget that will be presented later on this year.

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ITEM NO. 1: CATS BUDGET OUTLOOK

Marcus Jones, City Manager said thank you Mayor and members of Council. We have three items today in terms of the second Budget Workshop and that is CATS (Charlotte Area Transit System) Budget Outlook. We'll also discuss the five-year CIP (Capital Investment Plan) and the 2024 Bond Outlook as well as our financial partners. We will have in the Budget Committee Meeting, Enterprise Funds which they'll be a discussion with water and stormwater and aviation. That has always been a part of the plan and we have opportunities even that evening if there's any additional information that we have to share. So, we try to fit this around these two workshops, but also utilizing the Budget and Intergovernmental Relations Committee. With that said Mayor, before I turn it over back to you, we need to make one adjustment and move the CATS Budget Outlook to third and with that said Mayor, I'll turn it back over to you.

Mayor Lyles said alright. So, we have one adjustment to the agenda and that is with the CATS portion. So, we will go into the CIP immediately.

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ITEM NO. 2: FIVE-YEAR CAPITAL INVESTMENT PLAN AND 2024 BOND OUTLOOK

Ryan Bergman, Budget Director said alright, so the first thing we'll talk about today is our five-year CIP and our bond outlook. So, when we propose and approve a Budget, we are only approving through Council the first year of our CIP, but as part of the plan, we also show the next four years. So, we can talk about capacity, future projects. As you know, when we go through these CIP projects, they take multiple years to plan and execute. So, I'm going to turn it over to our Assistant Director Hannah Bromberger and Special Assistant for Mobility, Ed McKinney who are going to run us through a bond outlook, but additionally some of our facility projects and the outlook there.

Hannah Bromberger, Strategy and Budget said thank you Ryan. Good afternoon, Mayor, members of Council. So, as Ryan said my name is Hannah Bromberger. I'm the Assistant Director for Strategy and Budget and with me is a very familiar face, Ed McKinney, Special Assistant to the City Manager around Strategic Mobility. So, you'll remember that in February 2024 at the February Budget Workshop, Jennifer Smith, the City Engineer and I were with you reviewing the funding status of all active capital projects. So, everything that we talked about then in February 2024 was related to ongoing previously appropriated projects. Today we're shifting gears and we're looking ahead to the existing plans for FY (Fiscal Year) 2025 and for the 2024 bond. As a

reminder, like Ryan said, you adopt a five-year Capital Investment Plan annually as part of the Budget process, but the first year of that plan is the only one that is locked in place. The remaining four out years as we often refer to them, are simply a plan. So, they're adjusted annually as the Budget is presented to you. So, the starting point for our conversation today are those four out years for the current Budget and once we recap the plan, we'd like your feedback on priorities as we head towards the proposed budget in May 2024.

This graph recaps what Teresa Smith, the City's Chief Financial Officer shared with you in February 2024 around updated steady state capacity. So, the previous steady state included \$210 million of General Obligation Bonds or GO Bonds as we usually refer to them. As a remainder, GO Bonds have three different bond categories, housing, neighborhoods and transportation. Teresa shared that the steady state has increased by \$18 million. So, it's now at \$228 million. We'll talk more about the 2024 bonds later in the presentation, but I want to mention COPs really quickly. So, the steady state also includes about \$26 million on average per year in Certificates of Participation which we usually call COPs. In reality, because of the way that facility projects are funded as they move through conceptual planning, land acquisition, design and construction we know that the actual funding tends to fluctuate away from that \$26 million but we build those fluctuations into our debt model. The updated steady state that Teresa talked about at the February 2024 workshop had no change in the COPs capacity. So, as we move to talk a little bit in more detail about COPs projects. Just a reminder that COPs traditionally fund facility construction or facility renovations. COPs funding in recent years has really focused on public safety and on maintaining our existing assets and improving operational efficiencies. So, you've programmed more than \$120 million into the Police Station Construction Program. That program funded construction of six permanent police stations. You've also programmed an additional \$10 million to date to improve the Animal Care and Control Facility. You've programmed more than \$100 million in the Fire Station Program which is ongoing. We still have several more years of that program. That program is intended to fund five new infill stations and replacements. You've funded nearly \$20 million in sustainability program advancements to advance your Strategic Energy Action Plan and those projects have really been focused around EV (electric vehicle) charging ports and around solar projects on City-owned facilities, and you've programmed another \$20 million in ADA (Americans with Disabilities Act) improvements across various City-owned facilities.

This table shows the current planned out years of the COPs schedule as you'll find it currently in today's FY2024 Budget book, plus a little bit of a skeleton framework for a draft fifth year of the plan FY2029. The plan continues to advance the Fire Facilities Program like I mentioned earlier. We've appropriated nearly \$50 million to date in that program with a little over \$50 million more planned over the next few years. The plan also continues several consistent programs around ADA, capital maintenance and building sustainability. You'll notice that bottom line, reserved future capacity includes about \$30 million in future years to address inflationary increases on projects currently underway or for future projects coming out of the Advanced Planning Program. So, while \$30 million is certainly significant, in the world of building construction, it doesn't translate into all that much capacity in terms of facility projects, especially as we dive deeper into the Advanced Planning Program on the next slide.

So, as we look ahead to the project pipeline and potential uses of that future capacity, this slide provides a summary and status update on COPs projects that are currently in the Advanced Planning Program. The first three projects, the fire facilities, equity renovations, the solid waste equity renovations and the 911 call center expansion are all far enough along in design that they're ready to receive construction funding. As a reminder, those projects have been in advanced planning for several years, but both the equity renovations for fire facilities and for solid waste expand female locker rooms at various facilities and the 911 call center expansion reconfigures a portion of CMPD (Charlotte Mecklenburg Police Department) Headquarters to allow for 22 more 911 call taker consoles. The next two projects on the list are ready for land acquisition in FY2025. So, that's the relocation of the ARD CDC, it's the Asset Recovery and Disposal and The Commissioning and Decommissioning Facility. It's a little bit of a mouthful so

we just say ARD CDC. Then also the relocation of the CMPD helicopter hanger. So, both of those facilities are on airport property, and we've known about the need for these to relocate for many years and the airport has been a great partner with us in refining those timelines. The ARD CDC also has some building maintenance concerns. So, we need to relocate that facility, and the helicopter hanger is in airfield space that conflicts with the Fourth Parallel runway. So, we need to relocate that facility as well.

The next project on the list, Animal Care and Control. This is phase three. We've already completed phase one and phase two with that \$10 million that I mentioned earlier. So, this is phase three of Animal Care and Control and it's currently undergoing feasibility and conceptual programming. As you may have seen in the Q&A follow up from the February 12, 2024, Budget Workshop, some phase three study work has already been completed and it simply proved too costly at an estimated \$200 million including \$130 million of construction funding, which is significantly beyond our COPs capacity. So, we're also exploring building a satellite shelter on the existing Toomey Avenue property or if that's not feasible, maximizing kennel space at the existing Byrum Drive property. Both options are intended to optimize overall building operational efficiency and increase the kennel capacity, but both are still in feasibility programming at this time.

We'd like to introduce another potential project. The solid waste transfer station that might be suitable for the Advanced Planning Program in FY2025. If you're not familiar with the concept of a solid waste transfer station, it's a model that many cities use where individual trash collection trucks take trash to the transfer station site and discharge the waste there where it can be compacted and loaded onto larger vehicles like semi-trucks and then the semi-trucks dispose of the compacted waste more efficiently at the final destination whether it be the landfill or a recycling center. This has huge operational impacts and reduces windshield time, and it also provides sustainability improvements and perhaps allows us to explore more widespread electric garbage truck usage.

So, a couple of key takeaways as we wrap up the COPs outlook portion of this presentation. One, we anticipate acquiring some land in FY2025 in order to keep projects moving forward, but we believe that the existing COPs capacity is sufficient to accommodate these land purchases, and two, it's likely that we're going to need some additional COPs capacity in future years once these advanced planning projects get closer to construction. So, we're going to shift now away from our COPs program and focus a little bit more on our bond outlook.

Mayor Lyles said before we go to the next, let's go and see if there's any questions about COPs.

Councilmember Driggs said going back to the Animal Care and Control, it sounds like what you're saying is it would cost up to \$200 million to do anything and therefore we're going to do nothing. Isn't there a smaller financial commitment that could significantly improve the current situation and doesn't involve diving in for a nine-figure number?

Mr. Bergman said Mr. Driggs, I'll take that. What we did before is Animal Care and Control was in Advanced Planning. That led to some of the initial \$10 million of work that we needed to do, but we also looked at the same time at building a brand-new shelter. That's where you get into the high six figures numbers but that doesn't mean that we're going to do nothing. It means that given the results of that, we want to also look at our opportunities to expand one of the two sites we have with almost like a satellite shelter, but it's still in the feasibility stage. So, for purposes of immediate funding, the way we do things with Advanced Planning, it doesn't currently have a design that we would be comfortable putting in front of City Council.

Mr. Driggs said it does sound like a way of just not allocating any money because we're allocating money to other places. This is a bad situation over there. We keep hearing about it and as far as I'm concerned, we're on a sort of never, never track right here.

Right now, when would you actually expect to see improvements, operational, based on the timeline we're on?

Mr. Bergman said well I think the timeline we'd be on would be to come up with a strategy in FY2025 for either of the satellite options that are laid out in the Q&A's. If there's Council desire to go towards the bigger number, then we would talk about that but the way like any other CIP project would work is feasibility goes to actual planning which would then go into a number we would put in an immediate budget.

Mr. Driggs said I don't for a minute think that we should talk in terms of a nine-figure number, but we've been hearing from them and I'm familiar with this situation and it just does sound like either we do nothing for a long time, or we spend a couple hundred million dollars and I don't think that's a choice we have to make. I think there are things that could be done to improve the situation there with a much smaller investment, \$10 million or \$20 million. If you put \$10 million or \$20 million into an expansion of that facility, I have a hard time imagining how it could cost \$170 million to create an animal care facility. You could build a lot for that amount of money, still. So, I would just love to see more action oriented nearer term attention. You and I have been discussing this for a couple of years anyway. I think that given all the investments we make in housing and some of the other priorities, neglecting this particular one is a responsibility we have. It's something that the City is supposed to be doing and from everything we're hearing from the people involved we're not living up to that. So, I will just register that. I don't know how strongly my colleagues feel about it, but I would certainly like to see something bigger and sooner than what we're talking about now. Thank you.

Marcus Jones, City Manager said so Councilmember Driggs, don't disagree with you. So, the Advanced Planning Fund did exactly what it was supposed to do. We got something at 30 percent design. We didn't think it was reasonable to put the \$200 million figure in front of you, but immediately Phil has gone back to the drawing board and we're going to take those two options, get something like you just said that's less costly, but we are not stopping. That's the capital side. On the operational side, there's some things that we will do in this Budget to help with that. So, we won't be silent on the animal care control facility, we just believe that big number amount is something we didn't want to bring before you for a decision.

Mr. Driggs said I would like to see a little more balance in our Budget and this is an example. That's why I'm talking about this. It's not historically a personal priority or urgent, but I have been talking for a couple of years now based on some engagement I had about maybe this improvement or that improvement and it just looks like because of the one-sided commitment we have to certain priority, we don't have any money street surfacing, sidewalks. This is another example. I would just like us to take care of the business of the City. Thank you.

Councilmember Ajmera said I would also like to lend support for the Animal Care and Control Facility. It's great to hear that there will be some funding on the operational side to alleviate some of the concerns that we have been hearing about from public speakers, but let's not forget there is a sense of urgency here with the capital side which is the capacity. What's happening at the animal shelter is certainly concerning and we need to address capacity sooner rather than later. I know at last year's Budget discussion or the year before, we had been talking about how we had been doing advanced planning and that's the hope we have been giving to the community, especially those who've been advocating for Animal Care and Control Facility expansion. So, I think if we don't do something in this year's Budget, we have failed them. So, I would like to see some sort of capital funding for that facility. It may not be a new facility, it may be the improvement, I'm not sure what that is, but I would like to see some sort of capital allocation towards it in this year's Budget. Thank you.

Councilmember Mayfield said so as staff is looking at these numbers, I recognize we've already committed \$20 million. We've gotten to a certain place we've identified that we have one facility on nine acres another one on four acres. When you're looking at the potential of the satellite, that's the information that I would be interested in. I will

make it very clear that there is no version where I would support a \$200 million ask for this particular project with all the needs that we have, but I also don't want us to forget that we have been making investments, we have been making improvements. As the City is growing, there's a need that is growing regarding the amount of animals that are not spayed or neutered and unfortunately when people face the position of being unhoused the impact that that is happening, but I'm really interested in seeing what are we able to do on the land that we currently have access to between the two. Is that a consolidation on that nine acres and possibly building out, as opposed to having two different satellites? Is it creating an additional satellite, but being realistic and feasible and not give a misconception that we found access to that magical money tree that's out somewhere in the back that I haven't been given access to in a decade? So, to be really feasible and realistic in what the expectations and the goals are and not over commit.

Mayor Lyles said I think in our package is showed the phasing of the operation and the construction with improvements both immediately this Budget year as well as capital but operations. So, if you take a chance to go back and take a look at it, and then we can probably figure out what else needs to be done or are we satisfied with what the staff has pulled together.

Mr. Jones said so, Ryan I'm going to do an audible, but I think we have some friends here from solid waste services. On the previous slide, the transfer station may be something new to the Council. Can we talk just a little bit about the importance of what a transfer station can do for us?

Mr. Bergman said so, what we are signaling with the transfer station is that we think this is a really important operational priority to put into Advanced Planning, basically fast track to the point where maybe we'd be able buy land in the upcoming year. So, the way that it works now is garbage trucks collect the waste, they bring it out to landfills. It's not the most efficient way of getting it there. A lot of other cities operate with transfer stations where the garbage trucks can bring it to one transfer station, they don't have to go through dirt or any difficult terrain to get there. Ideally, it's a little bit closer geographically and then from there you use 18-wheelers to make one trip to the landfill rather than 10 trips to the landfill or whatever the equivalent is. So, this is something we've talked about for a few years. We want to put it in Advanced Planning and kind of take the next step in this Budget is really what we're signaling here.

Councilmember Graham said just a quick question. Conceptually I get it, I understand it. You talked about buying land. What's the specification for the location of the land to fit this need?

Mr. Bergman said yes, we don't currently have land identified. We'd put it in Advanced Planning and then we would look for the land. I don't want to get into the land use. It's certainly not my forte, but we can get you the information on specifically what it would be looking for. I know we've had some concerns with landfills and things like that at the planning level. So, I assume it would be industrial, but it's also important to note that the way these facilities operate it's not a bunch of garbage sitting outside. It's like a big concrete building where it brings it in and the garbage is inside, but we'll get you additional information on that.

Mr. Graham said education is key.

Mr. Bergman said yes.

Rodney Jamison, Director of Solid Waste Services said alright. I think the question was the specifics of how much land you would need? Is that correct? How much space?

Mr. Graham said I was just wondering the criteria for where the land would be located to fit this particular need.

Mr. Jamison said okay. Well, it depends. We would love an industrial district but we're looking at a minimum of 10 acres is required for a transfer station.

Ms. Mayfield said so, on this same line. Thank you for joining us, for stepping in. So, have you all started a conversation with the airport since we do need it to be industrial land? The airport has amassed and still currently amassing quite a bit of land. When you look out in the Steele Creek area where we have relocated entire neighborhoods in that conversation of land amassing, are we having those conversations so that we can keep this further away from residential?

Mr. Jamison said yes, they're included as well.

Ms. Mayfield said thank you.

Ms. Ajmera said so, for 10 acres, does it have to be in the City of Charlotte?

Mayor Lyles said there are places that have transfer stations outside of their jurisdiction.

Ms. Ajmera said yes, is that something you're considering?

Mr. Jamison said for efficiency purposes, I would love for it to be in the City of Charlotte, but it does not have to be.

Ms. Ajmera said okay, thank you.

Mr. Jones said Rodney, I think it would be good to explain to the Council how a transfer station works and how it's very different than a landfill and how some are considered very, very clean and things of that nature. I think it would be helpful.

Mr. Jamison said yes, it's a lot safer, a lot cleaner. So, the transfer station is pretty much a flat concrete surface. A landfill is craters, hills, dangerous, slippery sliding, today is a bad day being that it rained a few days ago, but it's a smoother quicker transition of transporting our waste. The last thing we want our residents to even worry about is their waste collection. This would help us, and it'd be very beneficial for us to actually move to this.

Ms. Ajmera said if you can just provide us a picture of what would it look like from other cities, that would be helpful because I'm sure none of us have seen solid waste transfer stations. So, it would be helpful.

Mr. Jamison said oh yes, I would love to.

Ms. Ajmera said I'm sure no one wants it in our district. So, I think having a picture of it would help.

Mayor Lyles said I think he recognizes that today.

Mr. Jamison said you'd be surprised. It's actually some that are in downtowns in some cities, in the municipal districts.

Mayor Lyles said okay. Thank you.

Mr. Jamison said thank you.

Mr. Bergman said let me just add one thing on the 911 Call Center because it's a positive story. We were able to reconfigure space over the last year with space planning and credit to Phil Reiger and General Services staff for all the work. To be able to expand the current 911 Center and add, I think Hannah said 20 or 22 spots, which is important because a little more than a year ago we were having those concerns. I'm happy to say that out of 125 911 positions, we only have two vacancies currently. So, we've caught up, we're continuing to go and there's a plan that's potentially ready for

construction in the next Budget that uses what we already have in a better way to expand those spots.

Ms. Bromberger said okay, so we're going to shift gears completely. No more facility talk, we're moving on to our bond schedule now. So, this is the plan that's in place for our GO Bonds in 2024, 2026 and 2028 compared to the most recent bond that you approved in 2022. So, as a reminder these GO Bonds include three different categories. Affordable housing, neighborhoods and transportation. First the Council has to adopt the CIP in June 2024 and then it's presented to the voters in November 2024. So, November of this year, 2024, is planned to be a bond referendum year. We're not going to spend a ton of time today on housing and on the Housing Bond and on the Housing Trust Fund, but I do want to note that Rebecca Hefner, the Director of Housing and Neighborhood Service is going to be before you at an Action Review in two weeks on April 8, 2024. So, she's going to be discussing the Housing Trust Fund and recommendations on its uses. So, as we prepare to talk more about the neighborhood and transportation bonds specifically, you're probably recognize this graphic. Ryan showed it at your Annual Strategy Meeting in January 2024 although now it's been updated with the new capacity numbers that Teresa shared. What you'll see is that our programmatic funding is constrained in this plan because of those large named projects as they approach construction. So, as a reminder, here we have sort of in that teal blue block, the named projects, but as a reminder there are four of them. There's the Eastway Shamrock Intersection, Bryant Farms phase two, Robinson Church Road and Ashley Freedom Tuckaseegee intersection. If you want to see the specific budget breakdowns for each of those projects, they're in the Budget book in the bond schedule. It happens to be page 333 in case you're curious. So, those named projects, as they're approaching construction really start to squeeze those programs like sidewalks and Vision Zero that aren't planned to receive as much funding as they did in the 2022 bond.

There is that additional \$18 million of net new capacity that Teresa presented on in February 2024 and I'm going to turn it over to Ed McKinney shortly to continue the conversation around the strategic shift that he's been talking to you about for many months now related to programmatic dollars and transportation bond dollars in general. I want to tee it up for him a little bit and just sort of remind everyone that even though names might be changing, and we might be calling them strategic investment areas, we are accomplishing the same kinds of projects that are accomplished through our programmatic dollars, but we're doing it in a far more strategic and focused and intentional way.

Councilmember Molina arrived at 2:45 p.m.

Ed McKinney, City Manager's Office said thanks Hannah. So, again Ed McKinney with the City Manager's Office now to talk a little bit more detailed about the approach we've been having around mobility investment and strategic investment areas. As Hannah described, we now want to put this into context of the Budget and how we invest. So, last we spoke with you was back at the Annual Strategy Session, but to give you an update on the approach and the work we've been doing, we gave a brief update to the Transportation and Planning Development Committee last month and we will continue to have that conversation with them moving forward, including next week. What we wanted to do today was just give you an update on what that process, a little bit more detailed than what we've given you in the past and then again I think I'm here within the Budget conversation is to begin to connect this strategy, this bigger conversation we've been having with how it will ultimately land and be part of the decisions you'll make around capital budget and investment now moving forward. So, what you see on here is a graphic you've been asking for. We've given you a couple of versions of this before and I'll walk through in more detail as well, but this describes those strategic areas. There's 16 of them across the City. This is sort of a diagram so this just begins to locate you and where these are specifically. We've given them some names. You get sort of the sense of the context of those, but as Hannah was describing, a simple way to think about this in the context of the conversation today is all of these programmatic needs we have and I think you've seen and we've shown you that blue book which we prepared last year which was the 2000 or so of those needs.

What's different here with the shift that we're making is instead of just looking at those individually, we started to layer those together. So, where are the overlaps of those needs? What are the hotspots that those create? Then let that be our focus with the suggestion that those needs are priorities for us as a City. Where they are concentrated and where they are related are the places we probably should focus where we could potentially have the greatest short-term impact and within a sort of wholistic approach to really move the needle on those needs and those conditions throughout our City.

I should also say it wasn't just those programmatic needs that drove this analysis. We've talked about it before. We looked at where we're growing. So, we added Activity Centers from the 2040 Policy Map. We looked at where we have transportation disadvantaged populations and some of the demographics of where households have less access to a car, or older or younger populations that need a different range in mobility needs. So, again, it was a pretty in-depth analysis that got us to these hotspots and sort of represent diagrammatically what you see on this map. I'll also say you'll see on here the Corridors of Opportunity. So, I want to put that in context as well and think about it this way. That work is really the foundation for some of the things we're doing in this approach, and you can almost think of our strategic areas as sort of the extended family of that approach with Corridors of Opportunity. The idea is again go into places where we have needs, looking at those concentrations and developing a wholistic strategy around how you would approach investing in those needs. In this case, the strategic areas are with a stronger mobility focus, but the approach is the same and we believe the success we will have with this approach will be the same that we're seeing with the Corridors of Opportunity.

You see these kind of highlights down here, I want to emphasize this notion that there's a focus around this. So, the idea is we did this analysis focusing on key areas. The goal is, again with this approach, looking wholistically as we would actually have the ability to maximize impact in those areas. It is scalable and that's been another thing we've talked with you about. The intent isn't to create bigger projects. The intent is to create an approach that's focused that goes to areas of need. I'll show you a few examples that allows us to focus and implement things based on availability of funding, based on just the feasibility of work and the desire to get things on the ground and start moving investment without having to rely on bigger capital investment projects. They are measurable. Again, this is just a nod to the work that's ongoing with Council around performance measures and the discussion you had at your Strategy Session. The work we're doing here, and we'll start to make those ties as we talk about that more in our committees, but the idea is we can measure the impacts, particularly in those geographic areas that actually allows us to measure them in a more meaningful way in terms of how it's going to affect behavior change mode and sort of the move the needle on these specific areas and then we can collectively add them up and start to see what that means from a City-wide perspective. So, again, we believe this strategy gives us a way to sort of meet your goals in making sure that the investment we're making has a measurable impact on our community. It's adaptable. The last thing I'll say there is because it's got components to it, it allows us to test things and be adaptable and certainly technology is one of those things, but even the way we invest. We may realize that the type of thing we were investing in, a different focus would make more sense. Again, this approach gives us the ability to have that adaptability as we move forward.

So, there's a risk in this. What I'm about to show you is an example. We had to pick an example. I'm going to go through a specific Council district, District Five, show you a specific example within that district. There's more work. What you see here is a representation of work that we're putting together. So, we'll have a wholistic summary package of all this. So, you'll see that in context. Ryan and Hannah only gave me a few slides. So, I couldn't go through all the districts and certainly we don't have time, but just again the notion that I want you to know and what we're showing here, the application of this is a model for how it applies throughout the City. So, again, this is District Five. What you see here is you zoom in on a Council district. The circles represent those larger circles I showed you on the full map. So, here's your focusing in. Council District Five happens to hit and touch four of those strategic areas. So, you begin to see the context of how this applies to each of the districts. Within those strategic areas, and I'll

talk about these bundles. So, within each of those areas, I'm going to show you an example of one, but these are broad areas and the work we've been doing is focusing in throughout those locations to identify multiple project bundles. So, this is one example within one area, but just again to know that there's more of those within each of these areas. You might be able to see on this slide this sort of a dashboard there, safety, equity and growth. Again, back to the analysis that we did, this gives you sort of a quick snapshot of what the drivers are in each of those areas and the point I want to make there is they're all a little different. So, the way we would invest would be different. They're all important in each of those areas and in some cases there's higher growth in certain areas than there is in others. Some cases there's more safety issues that we've identified through our analysis. The point again there is that analysis and that view of these areas given their context is important for us as to how we drive the investment. One size essentially doesn't fit all for each of those areas.

Real quickly just to tee up this notion of bundles and I'll walk through this in a little bit more detail in the next slide, but the notion there is really where do we have concentrations of needs that have a logic around a focused amount of investment? It might be a Corridor; it might be a location around an Activity Center or a location around a neighborhood. The notion there is a package. The example that Hannah described is some of our programmatic needs. If you could combine those in specific areas, do them and implement them in sort of a phased scalable way, you're actually having sort of a more holistic impact in specific locations. So, I'll demonstrate that with an example. So, this is staying within District Five, now we focus in on one of those project bundles, and again just one example I think we've talked a little bit about before because for us it's been a good example of some of the characteristics of this approach. So, this is the Harrisburg Road corridor within District Five. I think the Council members are certainly familiar with this location and we've heard and had lots of conversations with the Far East neighborhood about their needs and their expectations and the opportunities within an area like this in Charlotte. The other thing to mention here is there are many locations just like this around the City. So, again, it's a good example of an approach that's not just specific to this one district or this one location. As you see here, it's a package of things and we've heard this from the community. It's street lighting, it's sidewalk gaps, it's having safe pedestrian crossings across to the neighborhoods between parks. This is a line that has a bus corridor around it. So, it's just having basic amenities around transit. So, all of those things are distinct pieces and from a programmatic approach, they're all on our program list but they all are prioritized at a City-wide level.

The sidewalk projects here are prioritized within the context of sidewalk needs across the City. That's a good thing. We will need to continue to do that City-wide, but this begins to demonstrate that, "Well, what if you package that with other things?" We could fix and begin to build those gaps connected to a pedestrian crossing, connected to a bus stop, add in the street lighting and all of a sudden within that combination of scalable pieces, you can have a real impact on that corridor. It doesn't require us to rebuild that street. The other part of this strategy is we understand that with our limited resources, we have to scale projects in a realistic way, in sort of an implementable way. So, again we're being thoughtful to not identify and look for big projects although some will be, but in many cases like this, we're looking for a corridor wide impact that we could have but with scalable pieces that could be implemented over time, basically on feasibility and funding. Those bundles, again the notion is the whole of this is greater than the sum of the parts if we do that in the right way. The components are big and small. They can be done over time. Again, the notion that they're adaptable and flexible. In some cases, things can happen really quick like a pedestrian crossing, in some cases even a sidewalk project requires feasibility work, design, etc. So, again the notion that it gives us some flexibility, time, funding and adaptability as we think about the investment in these locations in a corridor like Harrisburg.

To try to put all of that back together and maybe frame it back up for Hannah and the Budget from a Budget standpoint, this is just a summary now. The chart there is from the example I just described. So, I'm focusing on those project components. You can see them listed out. We started to put ranges of costs to them. This is at a broad level.

So, you can see each dollar sign kind of represents a scale of investments. Some as I mentioned are small, some are bigger and you also see on that chart the kind of focused needs that each of those components are trying to get to. So, it touches all of them. So, in some cases, projects are around vehicular capacity and safety, some cases certainly they're around transit and bike and ped. So, the notion here is to demonstrate the work that we've been doing to make sure that these projects, the identification of them is not singular in their focus, that we're looking across all modes, across all needs and in some cases each project component has a different mix, but as you can see, the goal here is to move the needle in a packaged way. You can see we would be moving the needle on all of our needs across the board, again in a phased way. Then the last part of that slide you see a risk here, but we want to demonstrate what this means from an approach standpoint. I just put some numbers there. If you take some of those components and say, "Well, we do three of this, or we do a mile of that," and begin to just give you a sense of how you could package a set of investments at different scales. So, that package of the things that are listed there, plus or minus, would represent about a \$20 million piece of investment. That doesn't touch the whole corridor. It would be sort of a notion that you're doing that in some specific locations, but you get a sense there that in that package that we've laid out can be scalable. We can do more or less based on feasibility, based on funding, based on the need and the focus in each area. So, again emphasizing over and over the notion that this is a scalable approach that hopefully I think gives us a way to think about it as we move forward in the capital Budget for how it might get implemented over time.

So, a couple things and then I'll turn it back over to Hannah. There's lots more detail to this. We'll be back in front of the Transportation Planning and Development Committee next Monday. So, we'll go into all of these things in more detail. We're actually putting together sort of a packaged document brochure that will have everything you just saw but through all the districts in all the areas, sort of an ability for you to have and see it completely. It'll be a tool for us as we go out to the community in our engagement that will be tied to the Community Area Planning Process that will be going on later this year. So, we'll have a good sort of simple way to describe this approach to the community. I've hinted about this back at your Strategy Session, we're creating an online tool so you can dive in extreme detail. So, we're still in the final details of developing that tool, but we'll have that ready next week as well to sort of demonstrate what that looks like. Then obviously we'll have additional opportunity with the Committee to get into more questions and hopefully get some final direction on this strategy so we can continue to move forward with the engagement and the conversation we want to have with the community later this year with the engagement going on with the Planning Department.

Mayor Lyles said well let's start that discussion right now.

Mr. Jones said alright. Thank you, Mayor and members of Council. So, could we flip back to slide eight? So, two things that I would say. This is the state that we're in right now and every couple of years we have this conversation. I would say when I first got here, those named projects didn't exist. So, there's been a lot of advancement in being able to do large projects. If we flip to slide 12, so I know folks like Liz and Phil and Debbie and Alyson are excited that we're able to do something totally different that's data driven when it comes to projects. I do want us to focus on that one little disclaimer at the bottom. So, I don't want us to go back. So, in slide eight, a lot of that stuff was before Advanced Planning, and you really didn't know how much things cost. So, we tried to get this discipline around having firm numbers before we come to you. So, Ed I'm doing this for you Ed McKinney. Ed tried to give ranges. There's been no advanced planning. We're not reverting back to a place where we just throw things against the wall and hope we can make budgets. With that said, you've asked over and over and over again just an order of magnitude for these types of projects. So, there's not a way to come in and take the \$2 and all the \$3 signs and add them up and get to a number. I'd ask you please let's not do that but it does tell you a little bit about how costly some of these projects could be. So, I know we're going to get a bunch of questions, but I will tell you that it's almost been a rocket docket. I'm amazed at how much has occurred over the last year in terms of just getting to this point, but you'll be the judge and I'll be quiet and we'll take questions.

Ms. Ajmera said so, Mr. Jones started us off really well. Can we go back to slide number eight? So, if you look at sidewalks, our resurfacing and our Vision Zero, and in planned capacity for 2024, 2026 and 2028 it's truly concerning. I would like us to prioritize those buckets. We need to invest more in three of those buckets to ensure that we are responding to fatalities that we see in our communities. This is not just about infrastructure, it's about public safety. I've been asking for a list of Vision Zero projects, especially the ones that are high injury networks and I know Debbi has a whole list. We need some sort of numbers next to that, how much it's going to cost us to address those high injury networks and time is of the essence. The longer we defer some of these high injury networks, we are seeing more lives being lost and I would like us to prioritize high injury networks in this year's Budget and figure out a way to address all high injury networks between 2024 to 2028 bond cycles. I don't know what that number is. So, I would really like staff to tell us what that number looks like. I'm sure there are more than 10, 20 high injury networks. A couple of years ago I did see a list, but that list is not static. It's going to continue to evolve as our City grows at such a fast pace. So, making those key investments are absolutely critical.

Ed, hats off to you for highlighting District Five, Far East. In fact, Councilmember Molina, myself, Commissioner Jerrell, we all live in the Far East area, and we have been getting requests about gaps in infrastructure and you summarized it pretty well in terms of streetlights. Just the basic infrastructure, streetlights, sidewalks and I would like to see this being implemented. I really like how you highlighted collaboration with CATS especially with our mobility hub because when you look at ridership, some of the high ridership areas are in East Charlotte. So, having that collaboration is absolutely important as we roll out some of these key strategic infrastructure investments. I have some questions on that but I'll talk to you one on one. With that, I'm just really excited about this strategic investment area that is focused and scalable where we are measuring and we are tracking performance towards our policy goals, especially our Vision Zero. So, with that, that's all I have. Thank you.

Ms. Mayfield said thank you for the presentation. If we could go one forward to nine. I have a couple of questions and one of them is going to be a basic question just to help remind me. Why do we have Pineville Matthews identified?

Mr. McKinney said great question. We have adapted those names a bit so it's hard to get the right naming around each of these areas and I think someone had already mentioned that Pineville Matthews is just referring to the road, Highway 51. So, we're not in Pineville, we're not in Matthews.

Ms. Mayfield said since a lot of people don't necessarily recognize that a good part of it still is actually within the City of Charlotte, they think it is outside. So, if we could just add that in there, that might be helpful. So, while we're looking at this current map where we've identified both potential Corridors of Opportunity, what I want to understand is are we tracking looking at in real time to make the adjustments based on this? A lot of these areas that were identified as Corridors of Opportunity have had major growth, major development in them. The individuals that we were attempting to assist are no longer in these areas. They have been displaced. So, I want to make sure, and Mr. Manager this is also for you and we've discussed this, that we're not just completely committed to this because the services that we were attempting to provide, a good number of those individuals are not there in those particular areas. So, what does that look like today? So, I would believe that you all are looking at it in real time, but if so an update of what that looks like as we move in this conversation would be helpful. Have you all started looking at it?

Mr. McKinney said I guess the way I would answer to see if I'm answering your question, I'll put it in the context of the work we've been doing and maybe the corridors team would be better to answer that question, but to what I think your question is around a little bit is the adaptability of the data as things change over time. Sometimes it's a population, sometimes it's conditions, sometimes it's going to be safety for sure. We track the high injury network pretty closely. So, again back to the approach here. Because we founded all of this on data, all of that data changes. So, we have the ability

year by year to continue to track the changes in that data to help up refocus and test the investment we're making and back to the notion that it's adaptable, we're not locked in on just one singular big investment. We can use the data to help us refocus or adapt based on changing conditions.

Ms. Mayfield said that's what I would like to make sure, that we're taking the opportunity to be adaptable knowing that just within the last three, four years, we've seen a considerable shift. Also, as we're having this conversation and we're looking at our sustainability goals and we're looking at where we're making the investments in pedestrian and bicycle, somewhere in this conversation we need to actually get out of this building and drive through communities because a lot of our bike lanes are used for parking. So, as an example, three days ago I was headed out to visit a facility off of Park Road, but I came up the back way. I was riding slowly behind a pedestrian on a bicycle because the entire bike lane was filled with vehicles even though individuals had open space in their driveways. So, while we're making these investments and this connectivity, we are missing an opportunity if we're not staying on top whether it's through code enforcement, however it's going to be done, staying on top of individuals not actually using our bike lanes to park their vehicles. So, we had that conversation for a hot minute of zero parking. At the end of the day we're going to drive our cars. The average household has two points however many vehicles in it. If we're not accommodating for this, if you go down Clanton, if you go down Freedom Drive where we've built multiple multi-family on the side, as you're riding through, for those who ride bicycles and try to use our public access ways, we are not making it safe for them based off of our language. So, if we're going to talk about identifying funding to expand our accessibility for walkability and for bike lanes, I would like to know that we are putting the necessary steps as well as funding in place to ensure that what we've currently invested in is actually being protected for the use that we created.

Mr. Driggs said Ed, I appreciate the expertise you bring to this and I'm confident that we will allocate resources wisely based on your guidance. So, thank you for that. The thing that concerns me is what people really want to know is what are they going to see and when? So, if they hear all this, members of the public, they probably won't be able to relate and it doesn't scratch the itch. I have a concern that this conversation is disconnected. So, I wanted to clarify. I think what we were told was that the unallocated capacity and the new capacity that we have identified will be required to cover cost overruns. Do I remember that right?

Mr. Bergman said Mr. Driggs, just the unprogrammed capacity for existing projects would be needed for previous projects. The new capacity is truly unprogrammed.

Mr. Driggs said okay. So, we've got \$22 million in 2024 that will be needed and therefore not available for new projects?

Mr. Bergman said correct.

Mr. Driggs said as I go down the list there, there are projects of some kind or another named projects, the sidewalks. Ms. Ajmera beat me to the punch on sidewalks and repaving. So, thank Ms. Ajmera. What I'm looking at is all of the conceptual stuff you've said and then I'm asking myself, "How are we going to do that?" The truth is that with a new revenue source, we would have significant capacity starting maybe in 2026, assuming we get that. So, we need to recognize that our ability to really do meaningful work in this area does kind of depend on that because the existing capacity that we're looking at is pretty much spoken for and not just in 2024, but if you go out to the 2026 and 2028, you'll see that things like Bryant Farm Road and other things have already absorbed. So, we don't have room in our current framework to act on what it is that we're being told. My concern is that the public hears Ed speak and making such great sense and thinks, "Oh good. My priorities are obviously going to be high because I have an urgent need and maybe that means that I'll see something happen soon."

So, I'm just concerned that we're completely straight in terms of aligning our resources and capacity with the plans that we are making and the way we are approaching this

topic because at the end of the day we have now \$20 million and going down to \$17 for the sidewalks. I like to talk about sidewalks not in isolation but as a symbol of infrastructure and basic obligations with the City, but \$20 million buys us what, four or five miles of sidewalk? How many miles are in the mobility booklet of thoroughfares and things, 260 or something? We just need to be honest and upfront about the relationship between the kind of resources that we're able to deploy and the needs that we've identified. So, that sounds very gloomy and I'm sorry if it does, but I think we are also getting into a point with our housing and corridor commitments where we are really going to need more revenue if we want to keep doing those things and not get into a deeper and deeper hole here. I'm not an advocate for more revenue, but I'm just saying I don't see how we can continue to commit almost a quarter of our capital capacity to the housing priority and do as little as we're doing in those other areas and not find ourselves at some point in the future in a deep hole. So, I hope we can be realistic about that and I would join Ms. Ajmera's comment about how do we accomplish that? So, this is where we are right now and we know what the named projects and the projects that are advanced stages will do for us, what is our estimate of the unmet needs in the future based on this plan? Let's line this up with the needs that we know about and the progress that we're making towards meeting them and get more realistic. Thank you.

Councilmember Johnson arrived at 3:16 p.m.

Councilmember Watlington said I've got a few questions. The first couple are more so process questions Ed. I just want to make sure very explicitly, what is different about this approach, this bundle project approach versus previous?

Mr. McKinney said the basic difference is recognizing something that we have just been talking about today which is the vastness of the needs and the limited resources. So, what we've been trying to do with this approach is to say that means we need to go where the concentration highest needs are. Not necessarily in one bucket. Not necessarily just from a sidewalk perspective, a congestion perspective. So, what we did is we took an analysis across the City, looked for those hot spots and made sure that we were using a data driven approach to focus where we think the limited resources, the focus resources we have will have the greatest impact on the community. So, using all the same information we've had before, but looking at it with sort of a more wholistic view trying to concentrate where the greatest needs are.

Ms. Watlington said so, rather than one large project, you're bundling a bunch of smaller ones that you think will have a larger impact?

Mr. McKinney said yes, correct and that's actually another part of it. Let's go where the needs are but then let's push ourselves to find an approach that's scalable that could be implemented based on the resources have quicker, but again, I don't want to say we won't still have big projects. There's still big projects out there, but we want a balance so that we can hopefully deliver based on the scale of funding no matter what funding we have we can deliver in a quick way but just not as expansive depending upon the amount of funding that we have available.

Ms. Watlington said okay. Then just so I'm clear. The previous project list, the projects that you're selecting from or bundling together are coming from that full project list that you gave us?

Mr. McKinney said correct. The biggest summary of that was that blue book with the 2,000. That again was all data we already had that's representative of our sidewalk gaps, of our streetlighting gaps, of our high injury network, etc., So, not any additional new information but also as I mentioned we used other data to test that. Where are areas of growth, like our Activity Centers, some of the demographic information I mentioned. So, we also used a little bit of other data to test where we think we'll have the greatest impact.

Ms. Watlington said thanks. Then my next question. I want to validate something that I just heard because my question was more around size of the issue. If \$20 million is for four miles and there's 260 miles identified, this is a \$1.3 billion problem?

Mr. McKinney said if you were just to do the basic math of sidewalks, I think that is the basic math when you talk about a mile of sidewalk being somewhere between \$5 million and \$8 million a mile.

Ms. Watlington said that's just sidewalks, not even the actual roads?

Mr. McKinney said correct.

Ms. Watlington said okay.

Mr. Jones said Liz and Ed will help me. I don't think we ever contemplated that every sidewalk would be built by public dollars. There are relationships with developers that go with this. So, that's one of the reasons why we don't do that mathematical calculation because it would assume that it's all on us. Did I get that right? Okay, alright.

Ms. Watlington said that's actually my next question. Assuming that we're not building them all, this public private partnership piece here, that already accounts for all of the leveraged dollars, these other colors, the sidewalks, resurfacing, Vision Zero, congestion mitigation, that's separate and apart? We've set aside dollars for what we think we can leverage against and then we still have these other dollars, or how are we thinking about that?

Mr. Bergman said yes. So, the public private partnership is the bigger economic development jobs type deals that we've done like Ballantyne Reimagined, the innovation district with Atrium, some of the items that were approved out at the River District. So, much of that \$34.7 million for 2024 has essentially already been approved and this is just executing it. As you get further out, they haven't been totally allocated yet, but that was just in the plan set aside for those types of big projects.

Ms. Watlington said okay. So, then my question is for the other buckets as it relates to infrastructure and safety etc., where in the factors are you capturing opportunity or ability to leverage for private dollars? I saw safety, I saw equity, I saw growth. How are we considering where we can invest that will drive a private investment that will scale?

Mr. McKinney said maybe an example or two based on what we already do now and then how that might apply to this approach. One of the programs you have in congestion mitigation that we've started the last several years. We've been using those dollars exactly the way you're describing which is those are areas we know we're growing. We are involved in those development projects and that as those projects come and the investments they're making for their private impact, we're connecting to that where we think we can add to that and take advantage of the leverage that they're doing in terms of the investment they're having quickly. They have those dollars available to partner with them in a very adaptable quick way. That approach can certainly be part of this adaptable approach we have around the strategic areas. So, having the flexibility to pivot when we capture and identify those partnerships with private development, we can execute on those in a quick way with this notion of the strategic event, investment areas and their sort of flexible adaptive approach to solving problems.

Ms. Watlington said okay. I think too, it would be great for us to be even proactive on that where we see these project bundles if that's an opportunity to go find a willing partner. I think that could help us to accelerate some of the ones that we know. There's a place for pivoting when something comes up, but certainly if we know there are places we can get the greatest bang for our buck, how do we connect with those that are nearby in the private sector and drive a solution? Then my last question is kind of along those lines as we're talking about looking at these buckets. Knowing that there is some level of overlap between the buckets, I'm wondering if there is a way to restructure how

we're looking at this bond piece. As I think about, and I want to be clear, Corridors after 2024 goes away. So, I just want to make sure that we're very clear about this idea that we're leveraging or we're balancing Corridors against transportation improvements. Two completely separate things, two totally different orders of magnitude of what we need. So, I don't ever want us to be in a conversation where we think that we're having to choose between making Corridor investments and making transportation investments. They're not the same. I think there may be an opportunity to recategorize and restructure how we're looking at this because it feels like several of these categories could overlap and I just don't want to give folks the impression, to Councilmember Ajmera's point, that we're only spending \$4 million on Vision Zero when the reality of it is if there are components that help Vision Zero in some of these other buckets, those are dollars that we don't see getting allocated to those places. Thank you.

Councilmember Anderson said so, just to the last point Ms. Watlington made about the Budget versus impact. I think that's the view that might be helpful. If this is what we're budgeting, if this is what we're planning but there are some derivative impacts to budget in other areas that are adjacent to some of these buckets, there might be a way to have a demonstrative picture of impact to put beside this. That might be helpful for everyone to absorb. I wanted to say a couple of points. One is I think the last time we had this discussion and we were looking at this chart, I made the same statement around Corridors and the investment that we've made in Corridors has unlocked the opportunity to tap into federal dollars in a significant way. So, it's been a multiplier effect to the \$10 million that we have invested in our Budget. I would like to see some dollars allocated to Corridors on a go forward basis after 2024 because it will bring more dollars. There is a multiplier effect to these underserved areas that haven't been invested in in decades. So, I don't want to see our skin in the game, if you will, go away from that because it would have a rippling effect. The other question I wanted to ask is on slide 12 Mr. McKinney, I like the framework here and effectively the t-shirt size of cost on the far left side. You mentioned that you haven't gone through the full exercise of completing the bundles for the balance of the map that you have on the previous slide. Is there a projected date where you might have an encyclopedia of these project bundles for the entire City?

Mr. McKinney said sure. I know that's the question we continue to get asked which is the right question to lots of work we've been doing behind the scenes to get there. So, there will be a version of the encyclopedia as early as next week. I've hinted around this online tool that we've created. So, we've been in work on that now for a few months to have a way for the community and for you and others to be able to navigate. So, it'll have an interactive map where you can zoom in to each of those areas. You'll begin to see the way we've been identifying bundles and as I mentioned, there's more than one within each strategic area. They won't all have the level of definition that even some of the things I showed today and part of that is because there's a lot of work to do. Part of that is we need to and want to have more community engagement. So, we're thinking about that as how it will happen, and it's really ideally coordinated with the Community Area Plan process. Then the other part of that is back to the data driven adaptability. This is going to be a living thing. So, we have this database now and the analysis to help us continue to inform the thinking adapt since some of those bundles are going to change. They might move in terms of the focus. So, it's never going to be a static thing, but absolutely we'll have a pretty comprehensive tool to share that will give you and the community ability to go into a lot more detail and see across the City.

Ms. Anderson said okay, great. I am aware of the Manager's comment about the note at the bottom being that this is a reflection of current market rates. However, in the far right here when you have the plus-minus \$20 million, can you just add some clarity to that? Is that really and truly a standard deviation swing of plus or minus \$20 million? Can you get more clarity on that one?

Mr. McKinney said yes. Again, so what we showed was simply a quick very simple math to just demonstrate how you might bundle something and get to a general cost, all the caveats we just talked about. Again, what you see on there is some basic numbers. It said okay if we had three of this or a mile of that, we generally use those ranges and as

the Manager just described, those are pretty broad planning purposes. So, generally with that, the point there is to say that we could take that Harrisburg Corridor, the range of investment and sort of calibrate and tailor a different set of different scales and investment based on the number of things you do which would really be calibrated to the amount of investment available for us. So, I don't want you to get too fixated on the \$20 million, it's just the example was if you were to kind of collect pieces of that bundle, in this case the numbers that we've described and we did sort of simple math that said you're probably within a \$20 million plus or minus, maybe \$15 million to \$25 million. You have a range given the scale of what we're talking about, but again the point is the bundling strategy gives us a way to calibrate, really focus on the availability of needs that we have. The last thing I'll say around the feasibility work, all of this, even the level of detail that we've prepared and will be showing you next week will have to have this ongoing feasibility work. As bundles become more defined and it makes sense to move those forward in terms of priority, they will have to kind of move their way into the Advanced Planning process to give us the level of detail and understanding of feasibility and cost. So, those numbers will constantly be refined and updated based on our own feasibility work, changes in the market, etc.

Ms. Anderson said okay. Thank you. That was helpful. That's also sort of outside of the note that we have below there. So, in our estimation of this standard deviation swing of plus or minus \$20 million, then you also compound it to that would have market swings as well as it relates to costs which at times could be beneficial, but quite often we're seeing the opposite effect. So, that's going to be added dimensions to all of these projects. I think we need to just be rooted in that as we have the conversations. And then lastly I'd like to echo Mr. Driggs' comment. I was thinking the same on slide eight. There's so much to be done and we understand the nuances of a variety of these bars. However, without an additional revenue source it's going to be very difficult to activate on all of the good work, Mr. McKinney, that you are projecting in these bundles in a timely fashion.

Mr. Jones said Mayor Pro Tem, you actually wrapped it up at the end where I wanted to go back to the slide. So, this is the way I see the discussion going. This is why we have these workshops. To Mr. Driggs' point, to your point, without a significant revenue source slide 12 becomes fantasy. So, what I see from the feedback that we've received today when we started to talk about Vision Zero and resurfacing and sidewalks, what's planned for 2024 isn't even consistent with what this body would like for us to do. So, what I see is even to Dr. Watlington's point, I see something different in 2024 in terms of that stack that's not reflective of what we see today and it starts to build what 2026 and 2028 could look like with a real dedicated source and to Ed's point earlier, some of the [INAUDIBLE] the disclaimer on slide 12, what we get in the 2024 bond is the ability to take some of these bundles and actually begin to cost them out. So, while it seems that it's really a two-step process, I guess it is a two-step process, first thing we have to do is change this in a way that's measurable in 2024 but without a significant revenue source, slide 12 just doesn't happen at all. That's kind of what we need from the community.

Ms. Anderson said that's why it's important to read the disclaimers.

Councilmember Molina said before we get really excited about the fine print, I'd actually like to go back to that slide, because the people I represent really want to see that slide. First before I say anything else, thank you Mr. McKinney because I know how hard you've worked on this subject matter. I know how dialed in you are to the entire City of Charlotte and the residents and listening to their concerns and making sure that those concerns are lifted up to the Council so that we can make the proper decisions as a result. I love that we are talking about this from a data driven perspective. I think data should drive our decision making including the quantitative portion that involves how we're going to pay for it. So, I'm under no illusion that we can just say to the people of the Harrisburg Road corridor or anybody that's within that range that, "Hey, we're just going to do this," and there's some magic number that we could associate with being successful and then being able to scale this to the rest of the City.

However, I'm really excited. Actually, I remember in the retreat you spoke about the public and private partnership opportunities and that being a target for some of these opportunities. So, I'm really excited to have that conversation and see how it evolves. I am most heartened by the success of the Corridors project understanding that we put a third of that dollar amount forward by way of federal dollars that we were able to access and money that we were able to put into the CIP. The private sector actually matched that to the tune of \$170 million in a year's time. So, that means that there's an appetite from the private institutions the things across the City that we need. I think we all know that our need right now is much greater than what our financial capacity entails. So, with that being said, specifically I want to raise up, and I think this was a great example of where to start with that need understanding that this is really within the only proximity to a major highway or a thoroughfare that is even attracting development in all of East Charlotte. You know that and I know that too. There's only one little slither of a 28-precinct area that I represent that is even attracting development. We had 55 hearings and decisions last week. One of them belonged to East Charlotte, just one. So, with that being said, we have this mismatch in development coming to an area where this would make this a great example to start with and we got people who live out there who don't have bus service. We got people out there who live, who not only don't have sidewalks but they don't even have bus service. So, we're talking about an area not only of need but an area of high need to even meet it where it would actually be comparable to basic areas that are already developed around this City. I think this was genius to sit this up here and to say, "How do we use this as a catalyst?" This is how we take something, and I'm encouraged by the appetite for risks to say, "Okay, we have planned projects. We have planned capacity." How do we take this very extreme area where if you just turn on Harrisburg Road, you try to walk down that street, and it's cars flying by you on both ways and you have all of this development out there that's popping up left and right and you can't even walk down the street without taking a risk of being hit and you can't even catch a bus because the bus stops aren't out there.

So, I don't want to say, because I know we're in a Budget conversation and I know this is realistic. I want to absolutely make sure that I personally as the representative of this example, and knowing personally because I don't live in the Far East, I actually live in the Middle East. But I represent the people who do. When I say Middle East, I mean the middle portion of the eastern area of Charlotte. I need to make sure that I'm very clear in saying that and give some clarity to what I'm trying to explain here, but the [inaudible] who gives her full time and part time capacity to lift up the people who live in the FinCo stretch. She's jumping somewhere looking at this and doing backflips, and some of the amazing human beings that we have who have been really tied into this conversation and lifting some of this up and we do happen to have our County Commissioner who lives there. We do happen to have one of our At-Large representatives who lives in the FinCo stretch and a number of other leaders that actually live out here and know exactly what this means. So, like I said, as a person who personally and professionally understands with a background in banking where I did a lot of the same quantitative analysis, I know that we can't make this pie in the sky, but I would really like to see, especially in that meeting, I am eager to get my hands on what you're considering to be an encyclopedia so that I can delve deeper and see if this is something that we can present where it makes sense for the whole of Council to say maybe as far as plan capacity is concerned, as far as partnerships with our private industry, how can we make some things like this take place? I know that this in particular is not the only place. I don't want to tell any of my colleagues that I'm saying that District Five should take any type of precedent over any other area, but I can personally tell you based on my own quantitative analysis, based on my own digging into what Mecklenburg County has published as far as land use and what we actually determine based on our land use decision making and past area plans, how areas like this across our City have been left out. No, they're not corridors, but these are areas that have been completely left out of what development has looked like because most of it was unannexed. So, how do we bring them into the fold? How do we give them the services that they pay taxes for and they trust us to a decision? So, I won't belabor that point, but I just want to make sure that I accentuate this strategic area because I know it personally. I represent and lift up the people who I know are working on this day in and day out and I think it's important to look at every possible way, that even understanding what our capacity is.

I know as far as a municipal bond in any Budget, making this plain for the people that we represent, we know how much we're going to make a year. Based on what we know we're going to make a year we decide where we're going to live, we decide what kind of car we're going to drive, we go to the grocery store, we do everything else with that budget and if we intend to do something else, we have to move something from somewhere else. I mean it's the same thing for us on this larger scale. So, I understand that, I understand what we're working with but we have been successful. I am proud of Corridors. It is one the proudest things that I go outside of our City over and over and talk about the fact that we have this unique public and private sector opportunity in the City of Charlotte where our business sector will partner with us for the priorities of the taxpayers that we represent in this City. So, I know there's capacity for this. Like I said, we can talk about risk assessment, we can talk about quantitative analysis, we can talk about whatever we need to, but I would love to see what this would look like if we actually planned it out. What does it look like? How do we check some of these boxes and make this possible? Then we lean on some of those partnerships that we have in those private sector opportunities that we have. Look, I hate pandering. As a resident, I hate it to see somebody pander. I don't pander to people. So, I don't want to tell people stuff that we can't do. You're never going to catch me doing that crap, but I would like to dig in and find out what we can do and then be specific about what we can and what we can't and find out what capacity we can dig in to make what we can happen, happen, and what we can't, we can't. We just say we can't and then look for a way to do what we can do. So, that's all I have to say.

Mayor Lyles said thank you very much. Well said.

Mr. Graham said well I hate to follow that up and be Scrooge, but there was a TV show back in the day, it was called Fantasy Island and the guy would say, "The plane, the plane," and it's the money, the money and that's why we need to pivot from 12 to eight again because all of that is good work, but if we don't solve the resource issue, all of it is just fantasy. We started this whole budget conversation in January 2024 facing the fact that we had more needs than resources as we move forward. We hadn't even talked about housing. We're going to talk about that in two weeks, but there's some members that want to increase that to \$100 million which throws everything out of whack and there may be a legitimate reason to do that. The other question is how do you spend it? We can't spend it and get a return on it and just having \$100 million is having \$100 million. So, my point is this. I think we have to have a realistic conversation sooner than later about how we're going to spend our resources and how we're going to raise additional resources. We need to have a grown-up conversation about basic infrastructure like sidewalks and resurfacing that we get phone calls every day about. Just got one this weekend about basic government type of deliverables. We have to have a grown-up conversation about housing, and I can give Mr. Ed's speech as well as Bokhari's speech about how they feel about it, I think, in reference to other priorities. The truth is in the middle and I agree with the Mayor Pro Tem that we are to find a way to continue moving corridors along the way for a wide variety of reasons. So, the issue is resources and how we prioritize notwithstanding districts, the City, in terms of putting the resources where the impact is. I think that was just an illustration in terms of what could happen if we would bundle, but I think the issue in terms of the limited resources that we have even with an increase, we still have to be very strategic about placing those resources where the greatest impact for the entire community, not from a segment of the community. I am district rep and I'll take anything coming to District Two I can get.

Unknown said except the landfill.

Mr. Graham said except the landfill. It's not called a landfill it's called a transfer station. We have enough industrial in Two, but even with that, touché. You have to think about the City as a whole and where those things are properly located and those are delicate conversations, adult conversations for a growing City. So, Mr. Manager it's resources and how those things are college hearted and the number aside them at this point from my perspective is kind of meaningless other than the named project which is already accounted for.

Mayor Lyles said everything is on the table.

Mr. Graham said yes.

Ms. Watlington said Mr. Graham hit on a couple of the things I wanted to point out because that is one thing that as we think about housing and going forward. What we do, because there is conversation about increasing the Housing Bond, we're absolutely going to have to talk about what does that really mean. One thing that I know that Councilmember Mayfield and I have said on occasion is that we've got to understand what the community needs are. I think that as we're having this conversation, we know that infrastructure is a big one. So, there's got to be a discussion and a strategy around housing itself as it relates to transportation because housing is a transportation problem. So, we've got to think about how do we properly incentivize and where do we properly incentivize developments such that we can leverage that investment to deliver better infrastructure which ultimately will make particular housing areas more attractive. So, absolutely we need housing. I think we've built in partnership with a private sector quite a bit of it which we'll see a little bit more later on tonight as we talk about what's been built since the UDO and what's been permitted, those kinds of things. I do think that we've got a particular glutton of type of housing particularly multi-family. That happens to be the type of housing that is traditionally incentivized through our Housing Trust Fund and our Housing Bond dollars. We've got to have a conversation about how do we use those dollars to drive the overall big picture that we're trying to get to. So, as we're having discussions about Housing Bond, whether it stays, whether it increases, it has to go part in part with transportation. The two have to help each other. So, I look forward to continuing to have that conversation, how we move away from this just investing in construction of housing, to how do we ensure that what we're creating are better neighborhoods of which transportation is a part, Corridors included, let me say that. I also just want to add my support into the idea of continuing to invest in Corridors.

The second thing, and this is more a question for our finance resources and certainly we're going to have to talk about this offline, but I just want to lift it. I have a perennial question that the Manager knows and fundamentally what I'd like to understand is how, when we make these investments and we talk about economic impact and we talk about generating additional revenue and all these things, it doesn't feel like it is trickling down to the residents in the sense that we've made investments such that now we've got more capacity so that we're able to afford our growth. I still am not connecting the dots because it feels like as much as we're investing in particular things and we're hoping to generate revenue from it, it's still not a net benefit when it comes to having capacity to invest for the people that we're seeing move to the area every day. So, it's that cost of growth piece and I still don't feel that we've got our arms wrapped around it quite enough. Does that make sense?

Mr. Bergman said yes, and we'll provide some information in the Q&A. A lot of the reason is that our main revenue source, property taxes doesn't grow with inflation. So, a cost of a labor hour or a capital project has been going up substantially, five to 10 percent, but property taxes were really only getting growth from anything new. So, that's going up a couple percent a year and that mismatch there does cause a lot of strains.

Ms. Watlington said thank you.

Mayor Lyles said okay, this has been a great discussion. I think all of us recognize at this point that the idea of these boxes that we ordinarily have used are not going to take us far enough into a discussion that will allow you to make a decision as a group as you vote on this for the Council. It will have to be a number of meetings that have scenarios and outcomes and all of that, but at the end of the day I would hope that the Council would establish a principle statement that the community would understand. Understand why we are making the decisions that we are making. I've already gotten phone calls from several groups on the housing. We're going to do \$100 million, or you look at this program today and you think, we can, but should we? How do we? What is possible? What is feasible? So, those kinds of discussions are going to be really important. I think Mr. Jones we have a Budget Committee that may be able to develop those scenarios

for us with the help of the team that you guys have done a terrific job. Then also as we combine, maybe there's a joint meeting with development and the Budget Committee to say, "Okay, here's what we got presented if we really want to address infrastructure," and then how does that work with our numbers? So, I hope that that'll be a conversation that the Council members will have about the choice that you want to make on how to process this. We cannot forget that this is almost April 2024, not much longer, right, next week. So, let's mull this over but let's put some ideas on the table and get them to the Manager to say this is how the process might work and I know that Ryan and his team can tell us whether or not how it works and how it fits. I hope that the Finance Director will figure out some way to cave out a few more million, but at the same time, I think that this is really, truly the test for this Council right now.

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ITEM NO. 3: FINANCIAL PARTNERS

Mayor Lyles said I thought it was interesting as I read these, how much and how many more we are getting for requests in terms of new applications as well as the opportunity to request more than the prior years. So, just like we are looking at the numbers, the nonprofits that we have served, people that think that we should be able to serve them are increasing both in terms of operations and cost.

Ryan Bergman, Budget Director said I'll introduce Marie Harris our Deputy Director who on top of this presentation is also handling Q&A for the business meeting tonight. So, she's pulling double and triple duty.

Marie Harris, Strategy and Budget said thank you and good afternoon. As the Mayor said, you have your packets in front of you that have a lot of details on every partner, but I'm just going to go through some of the highlights of the process. So, first off just as a reminder to the Council and particularly to the public, financial partners are agencies with which we partner with to move forward Council's strategic priorities and we partner with them on specific initiatives or programs specifically designed to help support and advance Council's strategic priorities and it gives us basically a set of boots on the ground for a lot of them. So, we have more partners out there helping us move these forwards. Just an overview of the process. So, this year the application process opened in November 2023, and this is for people applying to be new or renewed partners for FY2025 and it closed in January 2024. I want to highlight the fact Cherie Smith is here and she's done a lot of work making sure everybody knows about it, it's not just posted somewhere on a website. It is definitely posted in multiple places and websites, but she's also worked with the Housing and Neighborhood Development teams, with Community Relations and a lot of our partners to get the word out. Definitely anybody that's contacted her throughout the year and our current partners get notifications, "Hey, the application's up and running. Anybody that's interested, please apply." So, that process is going, but at the same time if you look across the bottom there's a parallel process for our existing financial partners. So, this year's financial partners, some of them are reapplying. Many of them reapplied, but they're also doing mid-year performance reports and equity reports. So, for everybody that you fund, and I say everybody except for some of the housing partners have different federal requirements, but they do mid-year performance and equity reports. They also work with our CBI (Charlotte Business INClusion) office to do quarterly reporting on their CBI participation as well. Any questions on the timeline?

Then again, this is going a little bit more into depth about the performance. So, we have established performance measures. So, when they submit their application to us, they have performance measures they're proposing, and they talk about how they will align with Council's strategic priorities and specifically basically what they plan to do with the City's investment. CBI office works with them on having utilization goals and those are updated quarterly. We also have equity measures that they work on, and they report on the performance measures and the equity measures at mid-year and year end and that's written into their contract as well. Then when we look at financial partnerships, we typically look at them in the three categories of funding. The main one that you have the

most discussion around is the discretionary revenue and that's allocations from the General Fund or PAYGO (Pay-as-you-go) dollars. So, that's the one that we have more flexibility of what types of programs and partnerships to fund. We have dedicated revenue that's partnerships that are typically renewed annually such as MSD (Municipal Service Districts) partnerships or ones that are funded through occupancy tax and food and beverage taxes. Then we have our housing financial partners and those are typically funded by federal grants.

For the discretionary funded, for the request this year, if you'll recall we had roughly \$1.3 million funded from our General Fund and PAYGO and then we added additional \$250,000 in ARPA (American Rescue Plan Act) funding and it's important to note actually we had \$480,000 in ARPA but one of the partners didn't reapply. So, we didn't show them in the equation. That was what's currently funded for new agencies, and this is in part due to Cherie's efforts and the rest of the City teams and communications and the neighborhood and housing folks that she worked with. We got \$2.4 million and that's really substantial because that's a million more than we funded last year through the General Fund. In increased agency requests also. So, the increased agency bubble is current partners that reapplied and asked for more money this year.

Mayor Lyles said so, let me make sure that I can say this. So, it was up from \$2.4 million but was that for only the members that we currently have?

Ms. Harris said no ma'am, that's new agencies.

Mayor Lyles said that's the new?

Ms. Harris said \$2.4 million, totally new agencies.

Mayor Lyles said okay. So, if you add in [inaudible].

Ms. Harris said there's one that got ARPA funding through a different program, but for the most part those are totally new through the financial partner's process.

Mayor Lyles said I understand. I think that we want to make sure that we had that information across like General Fund, ARPA, CARES (Coronavirus Aid, Relief, and Economic Security), all of that.

Ms. Harris said that's correct. So, the light green bubble is the ARPA from last year. So, really Block Love Charlotte did not reapply. So, last year for ARPA we funded \$480,000 in ARPA funds and that was one time ARPA funds. The General Funding that we typically do was \$1.3 million.

Mayor Lyles said okay.

Ms. Harris said any other questions on that before I move forward?

Councilmember Graham said I thought Block Love Charlotte was a direct appropriation from the Council not a budgetary item?

Ms. Harris said it was a direct appropriation through ARPA.

Mr. Graham said through ARPA.

Ms. Harris said yes. So, it was captured in the Budget. So, the ones that are funded through the ARPA funds that you mentioned are in parenthesis right here. So, that was a budget amendment you made to the Manager's recommended Budget and chose to fund those through ARPA.

Mayor Lyles said at some point it might be good to show totals all the way across ARPA, CARES, general whatever and then the requests. I think it's helpful to see the total amount.

Ms. Harris said okay. So, to your point, here's the total that is funded. In 2024, it was the \$1.5 million and then the new funding is \$2.2 million. That's for the current partners though. So, the current partners increased their request by \$708,000. Then on the next page, we couldn't fit it all on one page for all the partners. So, we broke it out by new and existing. So, these are agencies that were not financial partners in 2024. So, we got \$2.4 million in new requests. Before I move on to dedicated revenue, any questions?

Councilmember Driggs said just to that though, it sounds like you're saying there's \$3.1 million in total requests versus the prior amount. I'm just wondering what capacity are we working with? What assumption are we making about our capacity to meet any of those increases? How much money do we have for financial partners?

Mayor Lyles said I think we're going to have to have that conversation. We still have a few more to go with that.

Mr. Driggs said do I understand that we've got \$1.56 million this last year and we now have \$3.1 million in additional incremental requests compared to that?

Ms. Harris said yes, over \$2.1 million, yes.

Mr. Driggs said okay.

Mayor Lyles said so, there will be a conversation I expect.

Ms. Harris said yes. So, roughly \$5 million total and this would be General Fund and last year we paid out of the General Fund \$1.3 million.

Mr. Driggs said okay.

Mayor Lyles said okay.

Ms. Harris said so, yes they'll be some tough decisions but that's a good problem to have that you've got a lot of partners wanting to step up and help with the [inaudible].

Councilmember Mitchell arrived at 4 p.m.

Ms. Harris said good questions. So, for the dedicated revenue, again this is one that we already have contracts with in Charlotte Center City Partners, the Regional Visitors Authority, SouthPark Community Partners, and University City Partners. So, most of it made up our Municipal Service Districts and it's important to note that the Center City Partners, four different districts, and of course each district has their own rate.

Mayor Lyles said let me make sure. This is outlined in the creation of these districts and the materials. These are tax dollars? It's just how we collect them and send them out.

Ms. Harris said correct and then it's linked to specific parcels.

Mayor Lyles said so, it's not a decision making as much as once we decide how much the tax rate, or we approve the tax rate that they have.

Ms. Harris said right. If they request an increase, then you would look at that, yes.

Mr. Driggs said is there any General Fund money in any of these or are they all funded from their own respective sources?

Mr. Bergman said I was just going to say there is \$150,000, the Film Commission, otherwise these are dedicated sources.

Councilmember Ajmera said Mr. Bergman, isn't that the occupancy tax funding source for that \$150,000 ask?

Mr. Bergman said I'm going to actually look at Teresa and Matt because I think we [inaudible]. Just that one \$150,000.

Teresa Smith, Chief Financial Officer said it is actually in one of the Hospitality Funds. So, it is occupancy tax.

Mr. Bergman said okay.

Ms. Ajmera said okay. So, none of it is from General Fund to answer Mr. Driggs's question.

Ms. Smith said right.

Mr. Bergman said yes, correct.

Ms. Harris said then for the federal grants and again this is mostly our housing partners and this is just an overview of their current year funding and their funding request for next year. This is based on projections of the money we believe we're getting from the federal government, not necessarily that anybody requested right now.

Mayor Lyles said okay.

Ms. Harris said that's it.

Councilmember Johnson said thank you Madam Mayor. I have a question regarding the MSDs.

Ms. Harris said yes ma'am.

Ms. Johnson said I just wanted to know how that was calculated. Can you explain that please, the difference between Charlotte City Partners and University City Partners? Is it equal respectfully?

Ms. Harris said so, when each one is proposed to be developed, you know, you just went through SouthPark a few years ago, they propose what services and what tax rate, but those two you brought up is a good point because University City has one area of parcels. Center City manages four different areas of parcels for us.

Ms. Johnson said so, as far as the square footage or the mileage?

Ms. Harris said it's based on parcels, number of parcels and the value of the parcels.

Ms. Johnson said okay. So, the size, is Charlotte City Partners four times bigger or larger?

Ms. Harris said not precisely but it's much larger, yes ma'am.

Ms. Johnson said okay.

Mr. Bergman said it's just based on the assessed value that the County does.

Mayor Lyles said I think it's important when they were started or chosen, they chose a size and each one of them had to be approved. So, you would have to go and say, "Well if you want University City Partners to expand beyond," that would be an entire process like annexation almost. Then that would be how they would get dedicated revenues, but I think that's the difference.

Mr. Driggs said the [inaudible] aren't the same either are they?

Ms. Harris said no they're not.

Mayor Lyles said it was formed in the legal documents to have a special district. I'll ask the attorney after that.

Mr. Driggs said the newest rates aren't the same, the tax rates are not the same for each, right?

Mayor Lyles said they're not the same.

Mr. Driggs said those are agreed on the creation and adjusted from time to time with the approval of the community within that district. So, there will be a difference in the tax rate for Center City Partners compared to University.

Mayor Lyles said it might be good to send something out Patrick on how these districts are formed and the process that they have to go through so everybody's up to the same place.

Ms. Johnson said thank you. Mr. Driggs, can you repeat what you just said. It's based on the community input? What was that last thing you said?

Mr. Driggs said that at the creation, my understanding is when this thing is created certain service deliveries are agreed upon and a tax rate is agreed upon within that particular service district so that the tax rates are not the same. Then occasionally we have a conversation about an adjustment to that millage rate but that has to be done in consultation with the people paying the tax in the district.

Mr. Bergman said right. So, a few years ago back in the Budget Committee, we approved a process for what you need to if you would like to request of City Council to increase that rate, and it involves a lot of outreach with the business owners to kind of come to a consensus. Then it would then go in front of City Council for a change in rate, but we don't have any of that at this point.

Ms. Harris said just for reference Madam Johnson, the University rate is .0262 and then there's different rates in the Center City Partners. Some are less and some are more than that. The largest one in Center City, District Three is .0332 cent. So, that would be the multiplier based on the value of the parcel.

Ms. Johnson said okay. So, maybe that's something we look at for next year because that area is one of the fastest growing areas in the City, District Four, that whole area. So, I know 28269 was one of the top selling areas. So, I'd like to really take a look at that. We have more litter. We've got a lot more needs. So, I'd like to just maybe talk about that next year. Then next question is if we look at the housing financial partners, do we have any money in the Budget for rental assistance, because I get emails.

Ms. Harris said yes ma'am. I forget off the top of my head, but definitely Crisis Assistance Ministry is one of the partners. They provide a lot but that's one of the ones they provide.

Ms. Johnson said I know, they do. I know last year I advocated for more because I know if I'm helping someone, Crisis is who I call. So, \$550,000. I think sometimes they can help up to \$400 and maybe there's special circumstances, but I would say we need more for rental assistance. That would just be what I would advocate for somewhere. So, wherever that goes, I'd like to advocate for more money for rental assistance. It's a challenge in this City. I know that I get emails and there've been times I know that process is closed, it's just not a lot we can do. So, I think that if we want to avoid homelessness, there's just a crisis in the City. So, I think we need to keep that in mind. Then where in this Budget is Heal Charlotte. Where's that money from? Is that ARPA?

Ms. Ajmera said that was ARPA last year.

Ms. Johnson said okay. So, the organizations that were funded through ARPA, we know that money is going to run out. Do we have anything in the Budget that I guess would be

discretionary funds or if these organizations need additional funding? Not necessarily Heal Charlotte, but projects that have been funded through ARPA, do we have a transition fund? Do we have anything where we're going to be able to assist these organizations that might need additional assistance?

Marcus Jones, City Manager said so, Councilmember Johnson. So, a bunch of organizations were funded through ARPA and through CARES funds. So, for the topic today, if I have this right, Heal Charlotte did not apply as a financial partner.

Ms. Harris said right. They're not on the directory no.

Mr. Jones said okay. So, for the most part where we have our entities whether they have been in the budget for a long time or received ARPA funding, the vast majority of them applied again. For other organizations like Heal Charlotte or some of the various chambers that were funded, the assumption had always been it's one time funding. So, if other questions come up during the budget process, and we have one on one tomorrow morning, we can talk a bit about what were the rules of engagement for funds whether they were ARPA or CARES funds when people applied or received them.

Ms. Johnson said okay, thank you. That's all I have. Thank you.

Councilmember Watlington said one of my questions Mr. [inaudible] so helpfully answered for me. I was hoping that we had a little bit of capacity, but we don't. Understood. The other thing I would just say just as an overall general comment, thank you for your work. Absolutely would like to talk with several of y'all about some of these. I did have an opportunity to go through and read in depth these applications, and to the extent that we can make sure that we are funding organizations that are doing unique and different work versus things that we're already supporting in other places I think our dollars will go further. Thank you.

Ms. Ajmera said so, a couple of questions Ms. Harris. Thank you so much and budgeting, thank you so much for putting this very comprehensive document together that goes over pretty much all our financial partners, what they bring to the table. In terms of our dedicated revenue source, has there been any request for an increase from any of these partners? Increase in terms of property tax?

Mr. Bergman said from the Municipal Service Districts, which are the ones that get property taxes, no.

Ms. Ajmera said okay. I know at some point we get a deck from them that goes over their budget, how are they going to spend it. Is that part of our Budget Committee? I'm trying to remember.

Mr. Bergman said yes. We typically have our Municipal Service Districts come in once a year. It's usually in April, May or June. So, I anticipate we'll do that same. We've done it a number of different ways, full Council, Committee. So, I think it will just be at you guy's discretion.

Ms. Ajmera said okay. So, I think Marie said this really well, that when we have increased applications in number of financial partners, it's a good problem to have because there are more organizations that want to partner with the City and help us tackle our focus areas, whether that's housing, whether that's public safety, workforce development, but as we go through this Budget process, I also want us to be very mindful about being fair and transparent throughout this process. We have a very comprehensive process that Marie had highlighted on slide number three. During the Budget discussion, if we can stick to this process that would be very helpful because as we add financial partners that have not gone through this process and if we are adding it at the Budget adjustment, it's not fair to these organizations that have followed the process. We have a limited amount of funding. Every organization out there deserves the funding, but I think Councilmember Mayfield said it really well. We don't have a money tree and she serves on the Budget Committee. So, for those of us who've been

around for a while like Councilmember Mitchell, Mayfield, Mr. Driggs and others and Councilmember Graham, I just want us to remind ourselves let's not have any surprises during Budget adjustment. I think that would be, for transparency, fairness perspective but then also out of respect for each other. We have a limited amount of time during our Budget Workshops. So, if we are going to have any discussion on financial partners, let's have discussion on those who have followed the process and have put in the time and effort to submit this package. This takes a lot of time y'all. So, I just ask all of you please stick to our financial partners that have applied. That's all I have. Thank you.

Mr. Driggs said I second that.

Councilmember Mayfield said I respect the fact that it took time to fill out these applications, yet I also would like for us to get a little bit more information. Some of our current funding partners that we have, those actual organizations have gone through multiple leadership changes, executive leadership changes, questioning by community of funding support and where that funding has gone. A couple of these partners, we may need to reconsider, especially those that are asking for a substantial increase in previous funding. If you have not been able to complete the expectation during this fiscal year, I know we have at the front of the sheet a couple of applications that we said are incomplete. When I went through all of these applications, we had quite a few that have N/A for the overall budget. That's not really helping me to understand exactly what you're doing. What is our expectation as far as if you are getting funding from us, government dollars, is that funding to cover programming that meets our City's goal? Because a lot of the applications I saw were for salaries, for bonuses, for merits, for other things that your other funding in my idea should be covering because we are but/for. If it doesn't clearly state that in the language, that's a different conversation we need to have. I'm trying to get a better understanding of exactly what am I applying for if I am a partner that's coming to the City requesting money because when you look at that breakdown of percentage, what percentage of your overall budget is this City requesting? We had 100 percent, 80 percent, 60 percent of which Manager, you know I said this many years ago, we shouldn't be more than 20, somewhere in that window. So, help me understand exactly what is the expectation as an applicant when I'm submitting a proposal to City for funding?

Ms. Harris said so, to your point currently there's none of those types of criteria.

Ms. Mayfield said so we don't specify?

Ms. Harris said you have to be a nonprofit and you have to show what measures and how you're going to promote the City Council's strategic priorities, but to your point that'd be great and helpful if we had more parameters that we could provide based on your expectations as a Council.

Ms. Mayfield said so, we did talk about that many years ago. I guess life happened. It never got implemented. I would like to think that as a Council we get to a place to have a real clear expectation for our partners because as was mentioned earlier, some of the funders and the management and I had this conversation during our one on one, some of our funders that we fund, fund other organizations. So, in essence we may have a handful or so of organizations that's receiving our dollars from several different avenues. Are you really addressing the need? Do you have the financial wherewithal through your fundraising, through your board, through other resources for you to be successful in what it is you're attempting to do? Are we being respectful of tax dollars with trying to address the need that we have? Again, we should have some very clear metrics that are stronger metrics than you filling out this form because on ground in community, there are several organizations that have received funding that could not do the work that they said they were doing. We have had times over the years where we have had to get funding back from organizations because they weren't able to do what they said on paper mainly because that really was not the work. They wrote a grant based on where the dollars were.

So, if we have the opportunity to really look through these applications to see what you've actually done, but also look at what has the actual impact been in community. If you've had major leadership turnover, that is a challenge that we need to take into consideration and rewarding you with double or triple of previous financial request, I don't think we're sending the right message to our community partners that are doing the work consistently. So, I would like for us to look at, down the road, not now because we're in the Budget cycle, we need to put some very clear metrics and expectations in place and just like we repeatedly said during ARPA, this is one-time funds. I know I requested for support of an organization and I also threw on the table right then, I'm not asking this for one-time funds, I feel like they need to be included. So, I put my disclaimer out in the beginning. Yet at the same time, we have some that we have been funding for 20 years. Is that still the right investment for our community? Are there other organizations doing similar work or doing identical work that we're funding? Can we help to streamline the process? That was really for the Manager. Marie, thank you for always being accessible when I have specific questions. I have a lot but I'll get with Budget because I made notes on every last one of these. So, I'll get with Budget, but I just wanted to put that out for us to hopefully think about a different conversation as far as what are our expectations for potential partners.

Mayor Lyles said I think that was an excellent presentation. I was reading through this and one of the programs that we decided not to fund about eight years ago has applied for funding today in this packet. I was like, "We made a decision that we should phase you out," and they have a new name. So, it was interesting to see that. I think a lot of you have expressed this idea. Ms. Ajmera, no surprises. Ms. Johnson, when you look at Crisis Assistance and what they do for their fundraising and how much work they do, they probably have way more opportunities because they are really deep in this community from faith-based groups and people that they rely upon and we shouldn't be punishing them for that. I also think that there's a lot to be said about some type of process that actually provides. If I recall, the process of the past was what were the Council's priorities? We didn't do education. I'd add another one, how do we compare with the County? Are these same organizations asking for the same amount across the County or some of these other organizations? So, it is time. We're grownups now. We're big business and we are grownups and we need to figure this out.

Ms. Ajmera said Councilmember Mayfield raised a very good item which is the policy and I think the Budget Committee needs to dive deeper into some of those very basic criteria. How long does our funding last? How much should it be? Should it be part of operations? I think all of those, we don't have a policy around that. So, Mayor, if you could refer that item to our Committee, we could certainly dive deeper and send a referral back to the Council. I think we do need some formal policy around that which we don't have currently.

Mayor Lyles said it's out there. People do this all the time and we can have some ideas about what we want to do.

Councilmember Mitchell said Marie, great job.

Ms. Harris said thank you.

Mr. Mitchell said one thing that would be helpful, and Mayor touched on it, is to group these organizations by our strategic priorities because I think it's hard for us just to look at a list. We need to see those related to affordable housing, minority businesses, public safety and I think that allows us to make a more informed decision based on our priorities and that would take away how we feel about some of these organizations very dear to us. So, if we can have that breakdown about our priorities, I think it would be very helpful.

Ms. Harris said that would be great. I just want to make one disclaimer. It's self-selected. So, we'll put what they reported.

Mr. Mitchell said okay.

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Ms. Harris said part of the application process they link. So, we won't have to make that judgment call, we'll report to you what they proposed.

Mr. Mitchell said perfect. Thank you.

Councilmember Molina said actually, what he said. Literally. Actually, thank you Marie. I'm always sensitive to the fact that you guys, before you come to us, you've done an extensive amount of work. So, I appreciate that. Actually, before our elder stateswoman over there, Councilmember Mayfield spoke, that's literally what was going through my head. As I was looking through this information, I was like, "Well what's the rationale?" Right? Like, what would be the rationale behind making what we consider to be touch decisions? I don't know when we do that colleagues, but I think we have to do that. We have to have something that says across the board why are we doing this? How does it compare? I think I hear a lot of great ideas. Are people getting money from the County too? Is this kind of double? I think we need to be able to answer those questions when we make those decisions. So, thank you for your work. I look forward to seeing what that rebuttal looks like.

Ms. Johnson said I think I'm the only one on the Council with a nonprofit organization. So, I would agree that there does need to be requirements. So, when we talk about outcomes versus outputs, I think that outcome is very important and I also want to say, just to piggyback off of Councilmember Mayfield, I agree with those requirements, but we also need to be willing to lead by example. When you talk about a change in leadership, we can ask the questions, but we have departments here that have had major changes in leadership and are maybe asking for an increase in the Budget. So, I think that we want to be careful in penalizing organizations that are operating with just a small fraction of what we operate on and know that this work is being done. These are the organizations that are boots on the ground. These are small organizations and again, I'm going to just advocate for Crisis. I know they're the ones that help with rental assistance, financial assistance, clothing, they are really working with our most vulnerable population. So, again the rental assistance, I think that's important and when we talk about surprises in the Budget, I can look at this list and see organizations that were surprises last year. So, I think that we need to be open and recognize the needs of the community and be willing to be flexible in our Budget planning. Thank you.

Ms. Watlington said well, Mr. Mitchell hit on the main one I really was interested in. My questions are on every last one of these, but I think once those are in buckets, then we can start digging into alright, who do we think is really going to give us the biggest bang for our buck, if you will. So, I look forward to that conversation. I do think that there's going to have to be an extensive amount of that conversation that's not necessarily going to happen here. So, I appreciate the transparency piece. I do think it's going to require some offline discussions though. So, let's try to stay connected as much as possible.

Mr. Graham said I was going to echo that as well and I clearly understand the sentiment that the Budget Director made, but hopefully there's a sense of flexibility and all these agencies chose us and maybe we should be looking at choosing them as well. There may be some individuals that didn't apply at all based on what we're experiencing in the City in reference to youth crimes and youth issues, issues relating to homelessness. So, hopefully that would be prioritized where our dollars are. Understanding our dollars are limited, that we do try to be somewhat flexible in our decision making.

Mr. Driggs said quick question. Are these restricted or unrestricted grants?

Ms. Harris said so, we make a contract with them and the contract includes those performance measures, but we don't say, "Well you only met half of them so you only get half your funding." So, in that regard they're not penalized.

Mr. Driggs said so, they're not recorded on the books of those entities as restricted? That's a very clear accounting term.

Ms. Harris said okay. Ryan?

Mr. Bergman said no, it's unrestricted.

Mr. Driggs said okay, thank you. So, to Ms. Mayfield's point, looking at things like expense ratios would protect us. I can think of a famous example against what you talked about, but we should be prepared to sort of support the activity. I remember going back with the old understanding was that we were providing these grants to sort of help entities kind of build-up, get to the point where they could support themselves. It was always meant to be for a limited term and I thought that was a good approach promoting newcomers and people to Ms. Watlington's point, who are adding an extra dimension to our engagement on behalf of the community. So, I would like to see us as we articulate the strategy, remember that and take it into account. Thank you.

Mayor Lyles said thank you. Okay, that was a great discussion just like the one prior on the blocks and all of that. I think we have a lot of work to do. The question I have is can we have some simple rules to come out for this year before they go further and then more intensive work in the next year? I think we want to be fair and equitable this year, but at the same time next year we want to have something that's a little bit more process oriented. So, we'll do something and get that to you as the Budget Chair. Mr. Jones, you have any ideas for us?

Mr. Jones said plenty. I think Mayor and Council, if there will be changes to the financial partners, significant changes, maybe not this Budget Year but next Budget Year, we should signal to them whatever we do in this upcoming Budget that things could change. So, at least they would be aware.

Ms. Ajmera said I agree.

Mayor Lyles said yes, agree with that.

Mr. Jones said okay.

Mr. Driggs said [inaudible] do that.

Mayor Lyles said yes.

Ms. Ajmera said so, not this year it would be next year.

Mayor Lyles said I guess there's some small things like this year. When does the Council have the time to say we're not going to surprise each other. I can't remember who said no surprises.

Ms. Ajmera said I just said that.

Mayor Lyles said yes. So, that's what I'm saying, that kind of idea. We should write that down because if you don't write it down, because oftentimes we don't remember what we say and we don't have a record of it. So, it would be better if people actually knew. Well we have a record but then it's a long time.

Ms. Mayfield said Madam Mayor, quickly. We do have a record because we actually had this long conversation in Committee in 2017 when Ed was the Budget Director, and we did actually clarify and put it in writing and it made it to full Council and we actually voted and agreed upon it. The question came somewhere after that. It wasn't adhered to but we actually have the language in place, it just stopped being enforced.

Mayor Lyles said it was intentionally not done the way that it was. That policy expired in terms of interest and commitment by the Council. So, that's a big change there. Okay. So, the next thing is that we have Council meeting and it's time to eat dinner. We do have, if you've seen the speakers list, we do have some folks from Gaza and the Palestinian people. So, I will be reading the script that we have for that.

Mr. Jones said so, Mayor, we don't think we have ample time to have the CATS discussion. So, the question becomes would you like for that to be a part of the action briefing because we only had one item on the action briefing? We do have a closed session or is this something that you'd like to do at the end of the first Monday in April 2024 meeting? We always reserve that 6:00 p.m. time spots. So, we have a little bit of time as we eat to think about how you'd like to treat CATS.

Mayor Lyles said the question is we can eat dinner. How long is the CATS Budget Outlook? We'll do the other things.

Mr. Jones said I would say if the Council breaks for dinner and then the meeting will start at 5:00 p.m. and by that time, you can decide whether or not you'd like to have a CATS discussion as a part of the action briefing.

Mr. Driggs said we would have to have that without Mr. Cagle. Is that right?

Mr. Jones said we believe he will be here by that time.

Mr. Driggs said he's going to get here. Okay.

Mr. Jones said yes.

Mr. Driggs said so, if he's here then we can do it.

Mayor Lyles said I think we ought to try it. If the action briefing is available, we ought to go ahead and try to get him. Yes, we should be doing this as quickly as we can.

Mr. Jones said okay.

ADJOURNMENT

The meeting was adjourned at 4:38 p.m.



Ariel Smith, Lead City Clerk

Length of Meeting: 2 Hours, 26 Minutes
Minutes completed: November 6, 2024