

The City Council of the City of Charlotte, North Carolina convened for a Budget Workshop on Monday, March 24, 2025, at 2:24 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Council members present were Tariq Bokhari, Tiawana Brown, Ed Driggs, Malcolm Graham, Lawana Mayfield, and James Mitchell.

ABSENT: Councilmembers Renee Johnson and Victoria Watlington

ABSENT UNTIL NOTED: Councilmembers Dimple Ajmera, Danté Anderson, and Marjorie Molina

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Mayor Lyles said thank you for coming today and thank you for your patience today. I'd like to call to order our second Council Budget Workshop for the Fiscal Year 2026 Budget Development into order. As you all know, we have one of the most important and impactful policy items that we work on together each year in developing a plan to allocate resources from our community to align with our strategic priorities and the needs of our community. So, I want to thank everyone for joining us today, and before I turn this over to the Manager, I'd like to note that our plan today includes a short break after our budget discussions, and then we will go into a closed session before we go into the chamber today.

Marcus Jones, City Manager said thank you Mayor, members of Council, I appreciate the input from the Budget Governance and Intergovernmental Relations Committee. This is a continuation of the calendar we put in place for the budget workshops, and today we'll have a conversation about financial partners, Solid Waste Services, and the capital projects update, and Mayor, if there are no questions, I'd like to turn it over to Marie.

Marie Harris, Strategy and Budget said thank you, Mayor and Council. As we get started today, I'd like to bring up Cherie Smith, and she's the one that's responsible for leading the program and working with all our financial partners and ensuring they get their reporting in, their applications together. So, I just can't go on enough about the work she does to help with our financial partners. Thank you.

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ITEM NO. 1: FINANCIAL PARTNERS

Cherie Smith, Strategy and Budget said good afternoon. So, first I want to say thank you for having me this evening and thank you for the privilege of being able to manage such a wonderful program that's obviously impactful to our community. So, I just want to start a little bit with the end in mind. Financial partners are organizations that are selected that are able to extend the City's capacity to advance Council's strategic priority and address community concerns. So, really when we partner with our organizations, we keep these strategic priorities at the forefront to ensure that they are showing up in an impactful way with our community members.

Councilmember Ajmera arrived at 2:28 p.m.

So, just to take you back to October of 2024, City Council adopted the first financial partner policy. This policy ultimately accomplished formalizing criteria around nonprofit status, ensuring that organizations are aware that they can either have nonprofit status when they apply or they can be in pursuit of nonprofit status, in addition to formalizing our financial reporting requirements, and setting in place some funding restrictions according to the organizations operating or program budget, as well as establishing a term limit of five years with annual Council approval required. Regarding funding restrictions, we did say within that policy that the City would award a maximum of 30 percent of the agency's budget, and that is either their overall agency budget if they are asking for funding for their overall agency, or their program budget if they are asking for

funding specific to a program. Within the application process, if an organization did request more than the maximum, we would then adjust what we're able to fund down to that 30 percent maximum requirement.

So, just to give you a timeline, we opened the financial partner application on October 16, 2024, for FY (Fiscal Year) 2026. We then closed the application on December 6, 2024. So, that gave organizations about seven weeks to pull together all of the application requirements that we set forth for them.

Councilmember Anderson arrived at 2:30 p.m.

In order to ensure that we reached as many in the community as possible, we not only leveraged our internal City communications, but we also used some of our partner organizations to invite organizations that they work with, or community folks that they were aware of, to let them know that our application process was open. For every fiscal year, performance period begins in July, and that is around the time when we start to work on the contracting process for any organization that was selected. You'll see that we had two new initiatives this year, just to make sure that we were fully communicating the new financial partner policy, as well as be a little more intentional about allowing organizations to ask questions in advance, and that was during a financial partner information session, and we also added a component of application scoring by staff, which I'll talk about a little bit more in our presentation.

So, our financial partners were invited to attend an information session. We had 62 participants to register for that session. We had 46 folks to join us virtually. We shared program information, we shared information about the new policy, and we did allow time for Q&A (Question and Answer), so that organizations that weren't familiar with the program could ask any questions that they needed in advance of completing the application. In addition, we introduced scoring for all of our applications. In order to ensure that we were mitigating the impact of individual bias that could be present when folks are scoring applications, we did develop a cross-departmental scoring team. There were 19 City staff, so ultimately every single application that came forward for consideration was scored by six different people. We thought that this would allow for a more comprehensive and balanced assessment of the applications across the board. In addition, we did ensure that every organization, when they submitted their application this year, had to select one specific strategic priority, and that was the priority that their organization primarily advances. So, in your application packets, you'll see folks grouped by strategic priority. That is not to say that, that is the only work that that organization does. We wanted to make sure that we brought to the forefront the primary work of that organization, and that's how we started to break them down into categories.

So, just for reporting for you guys to know, every organization is required to provide performance measures, and we do that during the application process. Every organization will identify their targets, their objectives, and what they hope to accomplish for the fiscal year if they are funded.

Councilmember Molina arrived at 2:32 p.m.

Then, if they are selected for funding, we further refine those performance measures. They are reported on at midyear in January, and at the end of the year in July. We did include, as a part of the financial partner policy, the ability to hold payments if organizations aren't caught up on their reporting. So, that's not to say that an organization would not be funded. It's just an opportunity for us to come to the table with them, understand where they are according to their performance measures, if they're experiencing any challenges meeting the targets within their performance measures, and we work together to see if those are still applicable measures or if we need to update their measures. So, it's not a way for the City to withhold funding from organizations, but rather to check in and make sure that they are well-positioned to accomplish what they said they would accomplish for the fiscal year. So, our financial partners are typically awarded from discretionary revenue within the City, so that includes General Fund dollars, as well as PAYGO (Pay As You Go) dollars. For our

conversation, we will focus on discretionary revenue, while we do have partners that receive dedicated revenue, and there are partners within the Housing Department.

So, looking at our FY2026 request. We had 50 organizations to apply for the Financial Partner Program for FY2026. For context, in FY2024, we had 18 organizations to apply. So, if you're looking at a percentage increase, we're looking at over 177 percent increase in just interest in the program, which is phenomenal and wonderful, from our staff's perspective, to have a wide range of organizations available that are at the ready to accept the charge to advance those strategic priorities of City Council. So, again, highlighting that we did host an information session for all of those that applied, as well as, we were available by phone, text, email to answer any questions as organizations work through the application process. Request total this year was a little over \$8.6 million, and I do want to highlight that was the largest funding request that we have had in looking back through all the records for the City, not just my time in the Budget Office. On the screen, you can see how we have broken down funding with our ARPA (American Rescue Plan Act) dollars, as well as discretionary funding. There were a couple of agencies that did not reapply this year, and then you can see our new agency requests versus our existing agency increase requests.

Alright, so I wanted to put this in a different perspective for you on a historical basis. So, if you look at FY2024, FY2025, we sat right around that \$1.5 million in funding. In FY2024, Council was able to leverage ARPA funding for organizations. We then incorporated those partners that were funded through ARPA in FY2024 into our PAYGO Fund for FY2025. In addition, you'll see that in FY2025, there were partners that were added again as ARPA financial partners. So, we have significantly grown the funding that we have been able to provide to our financial partners, but I do want us to recognize that a lot of that was due to the one-time ARPA funding that we had coming into the City, and your concerted effort to make sure that that funding was deployed back into the community in a meaningful way.

Alright, so going into some of our applications. All of our applications, they are broken down according to strategic priority area. Eleven of the 50 applications were for the Great Neighborhoods strategic priorities, which represented about 22 percent of our applicants for the year. We also have Safe Community, so there were 12 applications that were received with that priority area, representing about 24 percent of our applicants for the year, and we also have our Well-Managed Government. So, we had three folks to apply representing about six percent. Then, finally, we have Workforce Development, which by far, we saw the largest number of organizations identifying that they were advancing that strategic priority with 44 percent of our applicants. On all of these screens, you'll notice that there was an application score to the right side of the screen. I want you guys to know that the total score was out of 65, and that's it.

Mayor Lyles said okay, let's open it up for questions for Cherie.

Councilmember Ajmera said Cherie, great job with implementing the new financial partner policy. Certainly, we have seen record-breaking applications, and that's great, because that shows interest that organizations have in partnering with the City. I know this is a new process, especially the scoring component of it. If you can just elaborate on how the scoring came about, especially out of 65? How some organizations got 55 or 60 versus some organizations got 40? If you can just elaborate on that, that would be helpful, because there are certain organizations who have applied, are in this room or are watching virtually, and they're interested. They want to know how we were ranked where we are?

Ms. Smith said thank you for the question. So, we identified staff members across the City, so they came from multiple departments. There were folks that were in our Communications Department, our Housing Department, as well as our Community Relations Department, that participated in our scoring process. So, the scoring scale was five, three and one, or zero if an organization did not provide the information at all. That is a standard process I found amongst other funders when they are having applications to be scored in this way. So, again, it was five, three, one or zero, and we

were basically scoring on, if the organization submitted all of the application requirements, and then we had our staffers to look at their performance and equity measures. So, according to those measures, did they feel that what they had proposed as an organization, would it advance that specific strategic priority area for Council? While I understand that can be a very biased opinion, when you look at one individual, we made sure that we had each one scored across our larger group of folks, so that we could then take the average. So, you will see that you have like some 0.2's or 0.3's, and that's just because we had the scores across all of those different scores.

Councilmember Mitchell said I just want to echo great job from discussion in BGIR (Budget Governance and Intergovernmental Relations) Committee. I think for me what's very helpful, how you've broken it down by our priorities. So, you're keeping us focused on what we agreed upon, and how the applications fit into that category. Now, I'm lazy, so I've got to make one request. So, let's go to Safe Communities, and I'm just going to use this as an example, because we've got this thorough book that says financial partners, but I was trying to read the book and match it up with the folks here, and it was a struggle for me. So, we're going to use For The Struggle, it's on page 96. So, could we add another column that shows what page it is related to our financial partner, so we can see more of the detail?

Ms. Smith said yes, sir.

Mr. Mitchell said okay, okay, thank you. Thank you, Mayor.

Councilmember Mayfield said thank you for the presentation. I also had concerns regarding the scoring, why some of the partners scored rather low, and in reference to the financial partner book, it was highlighted in red those that their financial request was over the 30 percent. Now, the way that I interpreted that in red is, those need to be set aside for later. The way we started out the presentation, with saying that we would not potentially fund over the 30 percent versus the fact that you submitted a budget request that was considerably higher. One of them, which should not have been highlighted in red, was actually at 28 percent, but I think it was an error that that one was caught. So, I would like some clarity around, if you're over the 30 percent, are we saying we're going to consider up to 30, or are those invalid?

Ms. Smith said so, let me answer the question about the organization that was in red that was 28 percent. On that particular organization's funding request, they actually requested more than what was on their budget. So, their budget and their funding request did not match. When you look at the actual funding request amount in comparison to their budget, it did exceed the 30 percent. So, that's where the discrepancy was coming in on that piece. Regarding funding up to 30 percent or taking organizations out that exceeded the maximum requirement, it wasn't clearly laid out in the policy, so I would respectfully say that that is a discussion that could take place among Council.

Ms. Mayfield said thank you. When you noted that we had a number of information sessions, so there was seven weeks to get the application in. I also want to identify where, when the applications were submitted, using the example that you gave, was there any follow-up with the organization or any of the organizations that were over the 30 to help them clarify their budget?

Ms. Smith said we had one information session, so I just want to make sure, but I was also available if folks had questions prior to submitting their application. I did not individually reach out to every organization to confirm their budget amounts or what they put in their description of activities. I do want to be fair, in that when you have 50 applicants to apply for a program, I would want to be able to provide the same level of service to each. So, I just did not think that would be a fair thing to do.

Ms. Mayfield said or efficient on your end, but it helps me to know. When we're looking at this breakdown, some of these jump out at me as really should be County partnerships versus City, and looking at what our City priorities are. Was that

conversation taken into consideration when we looked at the breakdown of the different applications that came in?

Ms. Smith said no, ma'am. We did not look at an organization and say, from a staff perspective that, oh, that's something that could be funded through the County. They applied to the City's program. So, we evaluated the applications based upon the criteria for the City's program.

Ms. Mayfield said and the final question that I have, and you may have mentioned it and I just missed it, we're saying the total amount of requests is \$8,642,299?

Ms. Smith said yes, ma'am.

Ms. Mayfield said how much are we thinking that we have currently in order to have this discussion for it? Because at the end of the day, there's going to have to be some no's, because we're looking at a financial shortfall. So, Manager, do we know where we are financially right now to even have this conversation?

Marcus Jones, City Manager said sure. So, let me start with attempting to answer the last part of your question where we are now. So, when we started off at the Annual Strategy Meeting, we talked a bit about the gap. Right now, the gap remains millions, single digit millions, but I think what's more important is how we begin building the budget for FY2026. So, we start off with taking out everything that's a one-time. So, when we started building this budget, and Marie, I think I have this correctly, if we went to slide 10, anything that was ARPA, we wouldn't have started it as a base, nor would we have anything that's in that additional \$1.5 million. We started off with that green block, which is about \$1.5 million. So, for whatever we're trying to balance to, initially we're trying to balance with the financial partners up to what would have been considered General Fund ongoing, that \$1.5 million.

Ms. Mayfield said I want to clarify and make sure I understand. For Council, we are starting at \$1,520,000. The requests are \$8 million and some change. So, I would hope that, as we're going through this process, we're going to have some additional considerations for streamlining. We have a number of new requests, and to be honest, there are a number of high dollar new requests. So, I think it will be helpful for us to ensure that, one, we're not duplicating services, if we have partners that have been doing the work, especially since we've implemented a time limit of around five years to help them get to self-sustainability. Because, there's a piece of this where you are identifying other financial resources outside of government. Also, looking at realistically what we're able to do, and what is our role. We are [inaudible] services. We have stepped in and we have done a lot to help with our community. Financially, that might not be as sustainable in the near future, especially when we know the County is also looking at a potential financial shortfall, itself. So, I would like for us to keep at the forefront in mind \$1.5 million, even though there's \$8 million in requests, to see if we can get some recommendations on which one of these truly, one, would not necessarily be duplicates, where they potentially can be working together. Like Manager, you and I had our meeting last week. One of the proposals is in partnership with a separate group that also submitted a proposal. That's not really logical to me for you to be looking at two different funding sources from local government to fund one program. Some of these requests are considerably high dollar for new partnerships, meaning we don't have a track record with you. Some of them, honestly, are new organizations where you don't have a track record of your work yet. So, I would just like for us to have that into consideration on the front end. Thank you.

Councilmember Driggs said I appreciate that we're starting this conversation early. I hope, colleagues, that we will not end up, during the add/deletes, considering a whole bunch of things that we didn't talk about before. If you have any preferred project, please get it into the system quickly, so that we don't end up with that disorganized process at the end. So, remarkably, Ms. Mayfield and I are thinking along exactly the same lines. I do note that for the past four years, we have had a PAYGO component. So, I think it's reasonable to assume that at least some of the gap may be funded again

through PAYGO this time. I have to say I don't consider that an ideal use of PAYGO, because, in general, this is an ongoing thing. PAYGO should really be one and done, but we've done it, so there's something. That means, in addition to the questions you were asked, do we see any capacity in PAYGO taking shape should the Council decide to tap those funds? I know that PAYGO often ends up being a residual, late, so I'm not sure how soon we will know about that, but that would be one source.

My other point was, can we develop any sort of a more objective method, based on value added, or something like that. The state has a STIP (State and Regional Investment Plan) process. It's data driven. Can we look at the results that these organizations are achieving and figure out what the most productive use around money is, instead of trying to come up with some wholesale formula or arbitrarily because somebody likes somebody or whatever, bringing these guys in and leaving them out. I hope that maybe either the staff or in committee, a little thought could be given to what the best basis is, an objective basis, because I would like to be able to tell people that don't make it, look, this is what we did, it was fair, and this is what happened, and you weren't there. So, those are my thoughts. Thank you.

Councilmember Graham said similar comments that Mr. Driggs just mentioned, and if we can go back to the scoring. How did you guys take into consideration community impact. The impact that these organizations are having versus an Arbitrary 5310, and specifically related to those who are currently receiving funding?

Ms. Smith said so, on the scoring rubric, the question was around the performance measures for the organization, and were those performance measures at the organization identified, measurable, attainable, and impactful? So, we wanted to make sure that it was something that could be tracked. We wanted to make sure that it was a realistic number. We also wanted to make sure that it would be impactful within the community according to the tenants of the strategic priority that they said that they would be advancing. So, outside of that, that's how we broke down the scoring, and tried to keep it fair across all of the organizations, and not bring in too much of an individual's bias, to some extent, when they were doing their assessments.

Mr. Graham said were they required to submit annual reports, audited statements? How do we eliminate organizations? So, what's the process for elimination, other than based on the score itself? Were they required to submit supporting documentation like that on annual reports or audited statements?

Ms. Smith said every organization is required to submit either an audit, or two-year comparative statements for the most recent two years. We also ask that they submit salary disclosures, organizational structures, their HR (Human Resources) policies, their financial policies, their retention policies around data. We also ask that they submit over their board of directors. So, while we don't scrutinize their documents, because none of the people on my scoring team are CPAs (Certified Public Accountants) or CFOs (Chief Financial Officers) where they can analyze a financial audit, we do make sure that the organization actually provides that information.

Mr. Graham said yes, that was going to be my follow-up question. Did anyone take a look at it?

Ms. Smith said I look at those things, but again, I'm not a CPA, I am not a CFO, but yes, we do make sure that those documents are provided. If they did not provide them or if they were incomplete, then they would not receive the full score, or they would receive a zero.

Mr. Graham said yes. I think Councilmember Mayfield is correct. There's going to be a lot of, it's almost like [inaudible], that we're going to have to do based on the total amount that's requested, notwithstanding the impact that many of these organizations have and based on where we are financially as a community. Thank you.

Ms. Smith said thank you.

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Councilmember Anderson said thank you for the presentation. Clearly there's a need, because it's such a high number for requests. However, I agree with Mr. Driggs that I think we need to come up with a process. Of course, we will be emotional about some of the ones that we care about. Given the wide distribution of these scores, I certainly feel if 65 is the top score, the highest you can get, there are lot in the 50s, but then there's some in the 30s as well. Before we even have the individual conversations, I think we need to have some guidepost around, if an organization has scored a 33 or a 32, with the midpoint being 32.5, that speaks to the readiness of that organization to actually execute on the dollars. I also think we need to have, too, the conversation around community impact. We know some of these and their impact pretty clearly, and then there's others that there are names that we might not be as clear about their impact, not saying that they don't have an impact, but it might not be as visible. So, I think before we jump into it, perhaps we can agree to some guideposts, some guidelines, around how we want to go about this. Thank you, Madam Mayor.

Ms. Ajmera said so great conversations on financial partners. All of this conversation did occur when we were discussing the policy last year, especially how do we make this qualitative process as objective as possible? This is the best that we could come up with, because there is a piece of this puzzle, which is going to be qualitative. We are ultimately putting more teeth into this process, where we are asking staff from various departments to help us come up with a ranking. So, certainly, I hear from my colleagues that there needs to be more that needs to be done to eliminate certain organizations just because we have a finite amount of dollars. Certainly, we are happy to sort of drill further and figure out how do we make this process even more objective. Some of the information that you see in our package today was not part of our process in the years prior, especially the audit, organization financial statements, all of that is new. So, I think organizations that are receiving more than a certain amount, or asking for more than a certain amount, now they're asked to provide audited financial statements. So, we have someone who's a third party, a CPA, looking at it and giving an opinion, but then also there are organizations that are not going to meet that threshold. So, we will have a hard time analyzing that financial information within the resources that Cherie's team has. So, that's where I think the qualitative assessment will take place based on staff's expertise, but I look forward to really drilling further into this.

A couple of questions in terms of the funding. I know, Mr. Jones, in the past we had used PAYGO, to Mr. Driggs' point, but then we had also provided one-time from ARPA funding that we had. I know there are still some funds available. Do we have any capacity, or everything has been allocated?

Mr. Jones said Councilmember Ajmera, so typically what we do is, when we start off with the PAYGO, there's some revenue streams that are a part of PAYGO that's ongoing, but we also look at the previous year's surplus. So, we had a surplus of just under \$14 million. I would tell you that what we've done in the past, we've been able to fund areas such as the Corridors of Opportunity, the SEAP (Strategic Energy Action Plan), some other key areas, and I will tell you that some of that should be used to address some of the reserves that are running low. So, for me to say there's no money would be disingenuous. What will occur, I believe, through this process is that there will be different priorities for the Council, in terms of what's the best use of the funds. I'll go back in time, and I think Councilmember Driggs, we were talking about a previous surplus, and I remember you said, "Marcus, you gave us a slate of things, but it would've been nice if you would've done something around capital." So, those are the kinds of things that we would do. So, I know I've spoken a lot. Yes, there are other opportunities to use one time. At some point, we want to be careful, because one time is one time, and if you have an organization that's depending on that ongoing, then we've created this expectation that's not realistic.

Ms. Ajmera said I couldn't agree more, Mr. Jones. In fact, to Councilmember Mayfield's point, some of the organizations did receive one-time funding from ARPA. They knew that this was one-time funding, but we are seeing this ongoing request. So, at the end of the day, I don't think it's a bad thing, but I think how do we now figure out who gets the funding? Which means, which organizations help us tackle our priorities, and most

importantly, where are the gaps? I guess that's where, looking at the financial partner's package, I called Marie pretty late, and Marie did pick up her phone. I said, "Marie, I'm reviewing this package, it's overwhelming." One thing, I think, if we can figure out where some gaps are in our services. For an example, TreesCharlotte, let's look at that example. They do the work that no one else is doing in the City, in terms of planting in schools, other properties. That's a no-brainer. We've got to do it, because no one else is doing. So, if we can find organizations that are helping us fill gaps, so we know that these are some of our commitments that we have to deliver on. Just going through the package, I was able to find some gaps that organizations were helping us with. TreesCharlotte is one example. There are a few I have highlighted in my packages, but I think that would be helpful, because Councilmember Mayfield's point is correct. There are organizations that are collaborating, but then they all have requested the funding, so we need to filter those. We also need to filter organizations that, let's say if you are funding one or two organizations that are working around youth, do we need to fund more? Things of that nature. If we can just drill further. I don't want Council to spend so much time on this, because I know Councilmember Driggs will remind us, this represents less than 1 percent of our City's budget, let's be honest. So, I think, with Cherie's and Marie's expertise, we can do that digging deeper, and come to the list where we can continue to strengthen our partnerships with our financial partners, and still continue to balance the budget. That's all I have. Thank you.

Councilmember Brown said I want to go back to the scoring system, because I heard Councilmember Ajmera talk about collaboration with organizations partnering with one another, but that collaboration is not individually in their budget. So, because they're collaborating with another organization, doesn't mean that they do not have the criteria to apply individually for their own funding. So, I did want to point that out. If we can go back, I want to look at the scoring system. Can you pull that slide up for me, please, because I'm really concerned about the scoring system especially. So, if an organization who's been in the community for a very, very long time, some of the bigger names, for example, I said United Way of Greater Charlotte. They do great work. If we go and we start to look at they're going to have everything that they need for that financial budget. They're going to have all of their checks and balances checked off. They've been around for quite some time, but when we start to look at the smaller organizations, which are organizations that I'm fighting for, everybody knows that. It's not a secret. The smaller organizations, I don't want them to automatically be wiped out, because if you look at some of the bigger organizations that's been around for a long time, they're going to have some of the higher scores. They're going to be able to check off all the checks and balances and not saying that that should automatically eliminate anybody. I don't think that. I wouldn't vote for that at all. That would never be something that I vote for, because I would like to look at the impact, and what is the impact of the organization and what are they bringing. I know we don't need to spend a lot of time, it's just one percent of our budget, but it is a part of our budget, and we're at the table talking about it, so we need to address it. So, when we start to think about the big picture. I know you said they have to have a financial audit, but that was a substitute. What was that substitute called?

Ms. Harris said two-year financial analysis?

Ms. Brown said two-year financial analysis. So, what is the scoring impact of somebody with a two year?

Ms. Harris said it would be the same.

Ms. Brown said it would be the same, so that would be no different.

Ms. Harris said and sorry, if I may interject, this is an important point, just when we're looking at scoring, does not mean that people that scored low with us are any less impactful than the ones that scored higher, per se. It means that they were more impactful directly towards your strategic priority. So, I just want that on the record. Doesn't mean if they scored lower that they were any less impactful, but they were less impactful towards your specific Council priorities.

Ms. Brown said okay, alright, no problem, and where can we get a copy of the scoring system? Did we get that?

Ms. Smith said so, in the financial partner packet, the binder, there is the scoring rubric for every organization.

Ms. Brown said okay, alright, thank you, so I would like to look at that. Then, my final, I would like to thank the staff for all your hard work, especially you. I know that you're doing a big part of it, but I just want to make sure that we're being fair and being unbiased, and sometimes, just looking at this, it's a big red flag out there, being biased, and I want to make sure that we're not doing that, and that the actual impact of the organization is something that we look at, and that's all that I have to say. I yield to you, Mayor.

Councilmember Bokhari said yes. I was just going to say, I think that one of the challenges we're going to have with this is the scoring assessment, kind of rubric thing, that they've used to do it, probably doesn't hit on exactly what we need to draw a line or make a decision exactly. It's good stuff, but it comes from a different perspective. For me, if I was kind of quickly redoing this, I would get back to the basics of what is the financial partner program for? I think it has turned into something over the years and decades beyond maybe what its intent was. For me, it's how do you make some kind of investment into something new that a group is doing to promote an outcome that we can measure that's maybe one day sustainable and grows out on its own? So, that's why it's one-time money, and many times the same groups we see year over year getting it to fund their operations. So, I think we need to get back to the basics of like, are you proposing something new in addition to what you're doing today? Exactly how can we measure your success a year from now? Then, people start graduating, either to self-sustainability in doing this, or if we want to outsource because TreesCharlotte is going to do something that we value, and we're not going to ever do, they come out of this and they go into a budget, into the real budget of that group, because this is kind of this special world where we pay attention to everything. So, I think a lot of it could be whittled down just thinking about what are we trying to prove, with the outcome of they're sustainable on their own, or they have a chance to make it into our formal annual budget to help us with something that's in our priority list. I think if you take that lens to it, great work, not taking away from the greatness of the work, but it's just going to whittle down when we scope in what are we trying to achieve.

Ms. Mayfield said so I would say, as we have a conversation around trying to level set, if we just look at what the Manager just told us, the \$1.5 million and some change, that's the top six items if we were to fund. Even at that, the top six items, just in Great Neighborhoods, is short \$380,828. I agree that somewhere we need to have the difficult conversation of looking at the scoring. For me personally, I would have expected, as was mentioned by my colleague, we have some funders who have been funded for a decade plus. The reason, and just for those that are new on Council, we started this conversation many years ago around having a window. Looking at Philadelphia and other cities that have a three to five, or five to seven-year window for funding, not funding in perpetuity. I would have expected those numbers, if you have been a partner for multiple years, to have been a lot closer to that 65, which is why I wanted a little more clarification on the scoring, because that seemed pretty difficult for those to obtain. If we just look at the \$1.5 million, these first six requests, if they are funded at the levels that they are requesting, that already puts us over \$380,000. So, we are going to have to have very real conversation regarding if there is an appetite to look at the application scoring and identify those current partners that have been doing substantial work. So, even if I was to say, if the score was 40 or higher, that is still a large number that's in here. At the end of the day, for me, we are still but for. That is where government dollars come into place. There's still an expectation for these businesses to identify other funding sources, and not for the bulk of that funding source to be local government. Honestly, the conversation is a little different this year than previous years, because we just don't have it. Financially, we have to be responsible, as the Manager mentioned, regarding what we're going to do with PAYGO, when we have everyday needs that need to be provided.

When I mentioned earlier, it is on the same lines, in my opinion, just said in a different way by my colleague, we need to go back to our core. By being in our core of what is the role of the City, looking at it from that particular lens, may help to guide us in this conversation to ensure that we are supporting our partners, but being very realistic in letting everyone know, seriously, thank you for the application, but there's not an automatic guarantee that this is going to be funded at the request that you asked. Again, with a lot of the new partners, it is going to be very difficult to have this conversation. I just want us to level set that if we only have \$1.5 million, you're asking for over \$8 million, the first six alone would wipe us out, and we're going to have to have the same conversation when it comes around for Housing Trust Fund dollars. So, we need to be prepared to do the work of the community and understand that there's going to have to be some no's in here, but we need to try to be as efficient as possible in connecting our roles and responsibility and looking at a level set.

Councilmember Molina said I think there's a diversity of applications here, based on what we see, and not to say that anything that anyone has said is wrong. I think we have different types of applicants on the screen. Let's say, for an example, DreamKey Partners. They are something that was started by way of an initiative started by the City of Charlotte. So, their sustainability has an inevitable connection to us, and I don't know if that's long-term, short-term, or whatever, but a lot of our initiatives for affordable housing, we can't do that directly with the public. We directly aren't partnering with some of these agencies that provide the affordable housing opportunities. United Way of Greater Charlotte is another one that's one of those staple initiatives that what they provide for the community. Crisis Assistance Ministry, for an example, these people help thousands of our residents on a regular basis. Then we have the diversity of some smaller organizations, like what Councilmember Brown was alluded to, that are really just getting started, and the same exact conversation with people who are making substantial impact. So, if I have any input into what the current conversation and atmosphere is, it would be we have people who are helping at different levels. I don't know if we kind of consider them an equilibrium, because their impact wouldn't even be the same. So, the impact of Crisis, the impact of United Way of Greater Charlotte, the impacts of DreamKey Partners and etc., etc. We have several different examples on the board. It wouldn't be the same as one of our partners that is doing something on a much smaller scale, that's still important, still has impact. If this was policy, the policy would, like a street sign, apply to all people no matter what, 55 is 55, and if it says 55, it doesn't make sense to decide whether you've got a truck or a car, a six cylinder or a four cylinder, it's 55. Still, I think a few of my colleagues, I don't remember which ones, kind of alluded to this, like I said there are different types of organizations and different types of impact that they have across our community. So, I don't know if there's room to consider that when we make some of these decisions as well, and that's all I have, Madam Mayor.

Mayor Lyles said so, I really appreciate the conversation, that everyone has been very honest and candid about what the situation is for us as we move forward into the budget process. We have had the opportunity to actually say no to groups, and I think this year will require it, but I think the question is, is the no because of what? I think most people in this community will understand what's going on, and they will really try to work with us and say this, but I've heard a couple of things like is it one-time money? What are our criteria for this? The team has done a great job getting all of this. I've had this conversation with Cherie as well, and it's just been like, oh, well, how do we get this done? We do not have a value proposition for a way to look at all of these groups differently, and so if we're going to do this, we need to figure out maybe it's one time, maybe it is innovation, maybe it's sustainability, gaps or impact. I'm not sure where it would go, but we've got to get someone to give us some idea of what the criteria should be to do this, and it's not to say that it's right or wrong, it's just we're in a situation that requires us to be more specific about what our relationships are as we have financial partners for our priorities. So, I don't think there's an answer right now, but I certainly would hope that we wouldn't end up at the last minute, which we've often done, and say, start raising your hand, and it's chaotic, and it doesn't really work. So, we've got to figure something out. Marie, I'm sorry, but I keep saying, maybe we go to UNC (University of North Carolina) Charlotte, maybe we go somewhere else. I'm not really

sure where we go, because we haven't said what we're trying to do yet. So, Mr. Jones, are you going to help us get out of this?

Mr. Jones said let me see if I can be helpful. Okay, so a couple things. What we try to do with these budget workshops is have no surprises. So, last year, we raised taxes, property tax, by 1.5 cents and it got reduced a bit, and some of you said, hey, you surprised me, Marcus. So, we want to make sure we don't have surprises. I believe I've been consistent since the Annual Strategy Meeting, we're not going to raise the property tax. There will be programs and services that are cut in the City, our programs and services, and we're going to cut them based on whether or not they're giving us the outcome that we expect that they would give us. So, I would just say, the same level of scrutiny that we're going to do our own organization, it should also be to well-intended groups. The groups are amazing what they do, and I think we all agree with that. It's just what we're doing with this budget, our goal is to preserve jobs for our City employees, but also to be able to show you that before we come back to the community and ask for something on the property tax side, we've looked at our expenditure side also. So, when I said earlier, we still have a gap, we still haven't balanced the budget, we're less than two months away, and while it's single digit millions, it's still millions.

Mayor Lyles said so, Mr. Jones, I'm going to ask you. What do you see out of this conversation before we move to the next one, because we have two or three more to do?

Mr. Jones said sure. I'll just say that the lens that I have, and I think what we all agree with is the impact lens that needs to be overtop of all of this. What's the value prop? To me, there are three categories. There are our partners who've been with us over time, there are some of our partners who are one-time in nature, and then there are some new partners, and they're all over the board of where they've scored. Some of our partners who've been with us have scored low, and some of our new partners that we don't have relationship have scored high. So, I believe this has helped us. in that it doesn't necessarily have to be the score on the board, but what's the impact? What gaps are these organizations filling? I'd be the first to say, whoever used the example of TreesCharlotte, they've been with us so long, and if it's something that literally we don't do, but they do better, do they become a part of the fabric of what we do?

Mayor Lyles said so, thank you very much. We know where Ms. Ajmera stands on this issue on value prop as it is.

Mr. Mitchell said Mayor, I think we need to kind of close the loop if we can by the next steps on this, because I think it was a great conversation around the dais. I agree with the City Manager and Councilmember Graham, impact should be one of the top variables. So, I don't know if this needs to be referred to BGIR April 2025 and May 2025, because I totally agree with the Mayor, I don't want this two months from now, and we're sitting around here and we're just raising a show of hands. So, can we talk about maybe a referral to those items you just articulated, and let the committee fine tune those and bring them back?

Mayor Lyles said as long as you bring them back with an answer.

Mr. Mitchell said okay, fair enough, fair enough.

Mayor Lyles said fair enough. Well, six votes doesn't mean an answer, to tell you the truth half the time. That's what it does, but that's where we are. So, I think that if we could go ahead and do this, if you're willing to take it on, but I really do think the whole idea is how do you do this assessment and make it work? Mr. Jones, any thoughts on that?

Mr. Jones said well, to Councilman Mitchell's point, I think April 2025 is fine. However, I introduce the budget on May 5, 2025. So, I guess what I'm saying is, in a couple of weeks if something comes out of the committee that first Monday in April 2025, there's

some additional guidance, but I think after that is really unfair to try to put a budget together with something this important.

Ms. Ajmera said and I think with that, I guess what I hear some Council members saying, then this shouldn't be part of the add and delete conversation if that's what the majority decides to do, so that our budget adjustment is not so chaotic.

Mayor Lyles said right, let's go for no chaos. Alright, so you have that first week of April 2025. Alright, thank you. We'll go ahead and send something to you.

Ms. Ajmera said Mr. Heath says we can make it happen? Okay, alright.

Mayor Lyles said alright, thank you.

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ITEM NO. 2: SOLID WASTE SERVICES

Marie Harris, Strategy and Budget said just to set the stage, we're talking about Solid Waste Services. We're going to go over a little bit of the lay of the land and what's currently going on, what we're looking at for the next fiscal year for 2026 budget development, and then even beyond that, considerations. Again, this presentation is focusing primarily on residential services, and a lot of people in the public think, okay, there's trash pickup on a weekly basis, but it's important to note that also embodies the yard waste collection, recycling, and bulky item collection, but we wanted to also highlight Solid Waste. Rodney's team does a whole lot more than just residential services, litter pick up, street sweeping, graffiti cleaning, public receptacles, and a whole host of other services that his team provides. You've all seen this slide before, but it's important to reference it again for the total cost of government services, because Solid Waste fees are also included in that. Again, we are comparatively very low compared to our peers across North Carolina.

Then, planning for the next year's budget, analyzing residential services. So, that's what we're definitely taking a hard look at in trying to develop this budget proposal. What expenses does the fee currently cover. Again, that first slide, we had garbage, yard waste, bulky, recycling. So, those services cost a total of \$86 million roughly, and the fees we currently collect cover right at \$40 million, which is 46 percent of the actual cost. So, what we're doing now is looking at, okay, how do we look at the service based on service type versus it's just residential? So, curbside or the rollout versus the dumpster, and again, looking at all these categories of residential services. The fee currently covers roughly 34 percent of the rollout container cost, and right at 96 percent of the dumpster. So, we're looking at analyzing service fees, reviewing the frequency types of services. We definitely want to maintain core services for our community. That's the benchmark of all we do right now. We want to build and enhance, but we definitely want to maintain what the community needs. We're looking at managing long-term cost drivers, aligning fees to type of services. Again, there's only one fee right now, regardless of if you're curbside or dumpster, and we're looking at analyzing and breaking those fees out separately. Additional considerations under review are the frequency and cost for bulky item pickups, and the small business rate. Right now, small businesses are charged \$250 a year, and that's been flat for several years. That's not recovering the cost. We're not saying we're going to necessarily jump up to full cost recovery, but as our labor and equipment costs rise, we do need to look at that fee as well. Then, even beyond 2026, continue to assess service options.

Yard waste. Ya'll have done a lot already with yard waste, and thank you. We've converted to paper bags for yard waste. We're continuing to analyze opportunities to further automate or enhance those services. To Councilmember Mitchell's point, we don't do a good enough job of celebrating our wins, but that transition to paper bags was a big win for our workforce. Just a reminder, before our workforce had to get out of the truck, bring the plastic bags over, cut them open with a knife and dump them into the cart. So, it's definitely helping our workforce be safer, and paper bags are

biodegradable, and they work in conjunction with yard waste carts, which we are going to talk a little bit more about. Solid waste services have been transitioning services to automated side loaders and that's important, again, for worker safety. Think of it this way. If our employees can stay in the truck and automate it versus having to get out of the truck, deal with the trash, get it into the vehicle, and it also is a lot more efficient, so it's a win-win when we are able to move that direction.

So, in progress. We're continuing to assess considerations for looking at a cart for yard waste, and there's a lot of considerations about that. It would be more safe for our workers. It is equitable service. Instead of people having to go out and get their own types of bins for their leaves and brush, we'd have a City-provided bin. The reason we're not jumping to this, because we need to work with the community and continue to do that, Rodney and his team, and also, it's a significant initial capital investment, because we would be investing in the carts, getting rid of some of the rear-loaders potentially, and getting more automated vehicles. This slide, I'm not going to go over in a lot of detail, it's just to show you that Rodney and his team, and we help with them, continuously benchmark ourselves, and look at new and innovative ways to deliver services. Right now, though, of note, the cities of Durham, Fayetteville, Greensboro, High Point, Raleigh, and Winston-Salem have all already moved to a cart for yard waste, and we're continuing to work with them and reach out and see what kind of options may be applicable to the City of Charlotte. Potential yard waste options under review, again, potentially looking at carts, looking at seasonal. Some people that have carts use the cart, but then certain times of the year, when there's more yard waste, also have the rear-loaders come by to pick up the bags or limbs. So, we're looking at potentially scheduling services, limiting weekly volume, and again, that's just giving you a heads-up of things that we're assessing and looking at and working with our partners on.

Another thing on the horizon is solid waste transfer stations. This is an important piece of the service model for Solid Waste moving forward, and if you'll remember the benefits. So, right now, what happens is, when a dump truck gets full, it has to travel all the way to a landfill, and wait in line sometimes hours to dump its load. Also while it's out there, it's not on a smooth little paved road, it's on bumpy conditions and a lot of wear and tear on the vehicles. So, that would really help efficiency, getting the trucks back quicker to their route, and it's just an important consideration moving forward, and thank you, in 2025 ya'll designated some funding to set aside for Advanced Planning for a transfer station. We have not found land yet, and we're partnering with the County on looking at what are their solid waste plans, what are ours, what locations would be ideal, and also, to that point, Mecklenburg County Waste Management Advisory Board has advised the City and County to partner together on long-terms strategies.

Another important initiative moving forward. Our current interlocal agreement with the County, on specifically solid waste, expires in 2028. There's a lot of components of that, but the gist of it is, we transport the materials, if it's recycling, the yard waste, or trash, and then the County maintains the facilities or runs the facilities or is responsible for the facilities that receive those materials. Important considerations moving forward for us are the landfill tipping fees. Working with the County, what's the best model around that? How can we optimize that? Because those continue to increase every year, and review recycling service cost benefit. What other things can we maybe do with our materials moving forward that we're not exploring now, and that's it. I'll take any questions.

Marcus Jones, City Manager said so, thank you, Mayor and members of Council. Marie, I've never seen anybody go through a Solid Waste Services presentation so fast, so congratulations. So, Rodney Jamison is superior in what he does. I'm not sure that anybody does it better than Rodney and his team. Along those lines, customer service is so important to the City that sometimes we take it on the chin maybe doing other folk's jobs, because it's so important to our residents. So, I wanted to give kudos to Rodney.

What's also very important, as we start to think about this budget is, we have 14 budget principles, and one is a structurally balanced budget, but another one is to get the correct cost recovery for fees that we have, and there's a fee associated with Solid Waste Services. Lastly, as Marie talked about the interlocal agreement, one of the things that we're trying to do in this budget also is to make sure when we start to think about these agreements that we have with some of our partners, whether it's Solid Waste Services or the Medic contract, what kind of cost recovery are we receiving, because that's still something on the revenue side that helps us with balancing the budget. So, I just wanted to frame it up a little bit as you start to have questions why this is such an important conversation we're having, because this is a fee that we collect, as well as it's a level of service. There are some things that we could do in the future that some of the other cities are doing. There are some costs associated with it, but as we start to think about the return on investments, sometimes those upfront costs, especially when you start to think about the safety of our employees, are worth the investments. So, Mayor, I just wanted to say that.

Councilmember Driggs said thank you for the presentation. So, we're talking about 46 percent of costs. There also is reference in here to various capital costs. So, I assume that Solid Waste Services, like other departments, has an operating budget and a capital budget, and we are only covering 46 percent of operating expenses. Is there a debt service component, or is it associated with the City's GO (General Obligation) bonds, or how do we fund capital in Solid Waste Services?

Ms. Harris said so, embedded in the fee there's also debt service in the cost allocation plan, so that is loaded in the fee. So, it's not their full operating budget. As we said, they do a lot of things, like the graffiti pickup and the receptacles that aren't residential, but you take the operating of residential and then load on top of that, to your point, the debt service for their vehicles and their facilities, so that is included in the fee.

Mr. Driggs said [inaudible] ongoing investment in new capital goods, like the new vehicles, things like that?

Ms. Harris said it's not its own fund, but yes.

Mr. Driggs said so, the 46 percent, is that operating or is that operating or is that [inaudible]?

Ms. Harris said that's both. That's the operating plus the capital overhead.

Mr. Driggs said and they have, presumably, a budget going out years identifying what capital needs, like Charlotte Water, for example, where they have a plan?

Ms. Harris said it's not the same. That's part of the General Fund. So, each year we analyze the need for vehicles, and we pay for those, but it's not costed out. We assume, but we don't know for sure, and we don't specifically cost out the number of solid waste vehicles needed.

Mr. Driggs said so, I think it would be helpful if we had some idea of what that outlook is. Then, we could plan for the needs of Solid Waste. When we talk about how much to charge, I think 46 percent, personally, is a low recovery rate on costs. I know it's probably sensitive, because if we raise these rates, then certain people who have to pay more are going to be upset, but it has to be paid for, and the alignment of those costs with the people who benefit from the service, a closer alignment, in my mind would be in the public interest.

I had one other question. In the past, we talked about maybe changes in service between the dumpster and the rollout. Are there any conversations going on now about whether triplexes and so on have dumpster service or rollout, or how is that coming along?

Ms. Harris said I'll have to look to Rodney. There's not any specific that I'm aware of, change in the current models whether you have dumpster versus rollout.

Mr. Driggs said alright, so we're done with that, okay.

Mr. Jones said let me make sure. Is there any ordinance change that we're contemplating with that, and I'm just asking?

Mr. Driggs said well, that's what I thought. We talked about it in the past.

Mr. Jones said yes. I just don't want to have a conversation and then we're doing something different. So, Alyson, I don't know.

Alyson Craig, Assistant City Manager said we're working on some minor modifications.

Mr. Driggs said would that be part of our UDO (Unified Development Ordinance) process?

Mayor Lyles said I don't think everybody could hear you, Alyson. So, let's make sure that everybody hears your question as well.

Rodney Jamison, Director of Solid Waste Services said we are working on some minor modifications to it, though, within the UDO.

Ms. Craig said the Solid Waste Ordinance.

Mr. Jamison said ordinance.

Ms. Craig said yes, correct.

Mayor Lyles said so, could you give us an example of something.

Ms. Craig said I think it's really just clarifying the policies that Solid Waste have had in practice for some time that need to be codified in the Solid Waste Ordinance, is what I understand the changes to be.

Mr. Jamison said yes, it's more definition placement.

Mayor Lyles said so, Rodney, a question is, if you look around your world and all of that, I know we're doing that for the ordinance and getting it right and all of that, but are there things that we ought to be doing that are new? I mean, we can do the ordinance, and get it all straightened out for the UDO and all of that, but is there something that you see in our future that makes this work better for safety, as well as I think, in the environment?

Mr. Jamison said definitely, definitely. What was mentioned earlier, which is going to an automated vehicle, helps us drastically in changing how the operation is running, especially within the yard waste arena. That is very manual. That is intensive and sweaty. A lot of sweat being put into that and injuries, it's dangerous. The landfill is very dangerous. I know it was explained to you as if it was a rocky road. You're going up a hill. If you ever want to come to Solid Waste, please do, and we can take you up these steep hills, and you'll see it's a rollercoaster ride, it's behind the Speedway, but the job is very dangerous. So, anything to minimize accidents and strains on our employees and our residents is what we want to go for. As the City is growing, of course, waste is growing, traffic is growing, so our trucks are driving at least 80 to 100 miles a day, that's one truck.

Mr. Jones said Rodney, I think we tried this a year ago, and I don't think we gave you enough time. The concept of the transfer station, can you explain why it's so important?

Mr. Jamison said oh, it's very important. I can't give an exact number right now, because I have another meeting with the landfill representatives, but as the City grows, the landfill is filling up. The current landfill that we go to, eventually, we're not going to be able to go there anymore. The transfer station will be a major piece of that of being able to get our waste out of the City of Charlotte. So, it's very detrimental.

Mr. Driggs said so, Mr. Manager, I just wanted to conclude by pointing out, if you're committed to not raising property taxes, it's going to be a stretch. This is one place where you might be able to prevent cuts elsewhere by changing the pricing for solid waste.

Mr. Jones said so, Councilmember Driggs, I think that's part of the concept. Again, there's a fee recovery that's a part of your policy that talks about 100 percent fee recovery. So, no one's saying jump to 100 percent, but is there something logical that can help us with that, yes.

Mr. Driggs said well, that's what I'm saying, and it's important because we're not going to have new revenue from the property tax. Thank you.

Councilmember Anderson said thank you for the presentation, and this is an interesting area. I want to make sure that I speak from my district. I have residents in District One that are asking me about how the City can help them with yard services, because they're older and they're trying to age in place, and they don't have the ability to go out and collect the leaves and maintain trees, etc. So, I think this is an area that I'd like to see what the real dollars would be. Just take yard waste, for example. If we were to convert to a container, and as you're laying out on slide 16, go to a seasonal compostable bag. October to December is a very short time period for the City of Charlotte, as it relates to leaf collection, and everything that goes on. I just want to see what impact these dollars would have by switching to this type of service. Also, advocate for, if there is a program, if there's something we can do to help those who are aging in place. We're encouraging our residents to age in place, and to keep their homes on line and to keep them safe, and yet, they're unable to do a lot of the things that they need to do in order to maintain their yards, their homes. So, if there's something that we could do for those aging in place to assist them if needed, I think that would be something that should be a part of this conversation as well.

Mr. Jones said so, I'll try not to be the Solid Waste Services Director. So, Rodney, if I'm wrong just let me know. So, I believe this concept is side loaders. When you think about that, that's one person driving a truck, and that person has the arm that comes out, dumps it in the back, but when we talk about rear, it's two to three people involved. So, if I understand this, which I think I do, the leaf season, you would always have the side loader coming in, but because of the fall, where there would be more leaves, you would move away from the side loader primarily.

Ms. Harris said well, sorry, we'd probably augment the service.

Mr. Jones said you would augment it with additional folks, okay yes. So, you would still get a strong level of service year long. We would just augment that side loader during the leaf season.

Councilmember Mayfield said Marie, thank you for this detailed presentation. A couple of things that jumped out to me. When we're looking at that slide 15, the comparison of yard waste programs in North Carolina, when we're looking at Durham, Fayetteville, and others, are those the fees that are being charged to the single-family homeowners, or to the small businesses, if we're having a conversation about potentially increasing the small business rate from the \$250 we've had for many years?

Ms. Harris said this is for residential.

Ms. Mayfield said so, it will be helpful for me to have an idea of what is that dollar we're talking about, because we get to a point where, whether it's reality or perception, it feels

like we're nickel and diming the residents. Businesses have a responsibility. So, these multi-family units that we have approved throughout the City, regardless of the income of it, that is a business. So, it will be helpful to understand what you all are looking at for what that potential increase could be, in order to ensure you're paying your fair share, as well as what that new fee, how it can contribute to the funding needs that we're looking at. I'm also trying to understand, when it comes to the small business rate, if there's a differential from say, the garbage pickup of a corporate building versus [inaudible].

Ms. Harris said that's outsourced. Correct, Rodney?

Mr. Jamison said that is.

Ms. Harris said so, we do not do that, they do.

Ms. Mayfield said so, corporate buildings are outsourced, but multi-family, small business is what we pick up.

Ms. Harris said sorry. So, there's dumpsters that are residential that we pick up, but those are outsourced as well, but the small businesses, I guess I'm fumbling, so he's coming to correct, but there's small businesses that are [inaudible].

Ms. Mayfield said so, what do we consider small business?

Mr. Jamison said small businesses are businesses that generate no more than five containers, 96-gallon containers, collection. So, your normal residential waste container, they cannot exceed five of those. That's considered small business.

Ms. Mayfield said okay. So, for me, where I think there might be an opportunity in the conversation to ensure a more equitable payment system, is to be looking at the umbrella. Looking at what is the fee for multi-family units? What is identified as small business, as well as residential? Because, the idea of an additional charge onto the residents is concerning to me, because even though we have stayed revenue neutral, and I believe the County also did a revenue neutral, because at a property tax reevaluation you had some areas that went up over 200 percent, so that still created a major impact. I'm also wondering when we say that we've now gone to the paper bags, as a homeowner, I mow the yard, then that's where it's going to go. When I'm driving, coming into this building, especially coming up Davidson, and around the City, I see multiple companies that are lawn maintenance companies, that are blowing the leaves into the street. They are not capturing these. So, are we even having any conversations to identify language around that particular incident to ensure that they are also paying towards the cost. Because again, those leaves going into our drainage systems, that's causing problems with Charlotte Water and other areas. We're telling the residents this is what you need to do in order to comply, but we have landscaping companies that are contracted, and some that are contracted through the City that are not adhering to the same rules. So, do you know if there's been any conversation about the possible impact there?

Mr. Jamison said yes, it is impact there, and there's language being put together, but that's where enforcement actually really needs to take place for us to capture and catch when that happens, because that adds to our job.

Ms. Mayfield said and Manager, now that you're back in, that's something honestly that we can add to CLT+, because when people are driving by they can capture the picture, and that'll give the location and give the information that we should be able to identify, but if we're talking about potential costs, I would love to have an understanding of what that business rate would look like, and also what would that rate look like for the multi-family versus just a sample of what the rate would look like on the individual residential owner.

Mr. Jones said sorry, Councilmember Mayfield, did you say SeeClickFix?

pti:pk

Ms. Mayfield said so, CLT+, so yes, SeeClickFix, Inc. which took a long time to get here, but those are ways that we can utilize it, and now that you're back in, Manager, years ago we created a partnership around recycling. So, we had the facility that was over on the West Side, and part of that conversation back then was around helping to reduce what we're taking to the landfill through recycling.

Mr. Jones said you're correct. There was a pilot, and the pilot was seeing whether or not you could take, let's say containers, and have only that material in the container, whether it's paper, glass, plastic, and have something pure that you could take over to, let's say the barn or the mirth. So, there was a pilot with that, and my understanding, we can get you some information in the packet, that it was pretty successful.

Ms. Mayfield said so, it would be helpful if we can get an update, because that was one of the ways that we were trying to attack. Because what we don't want is, worst case scenario from idiocracy, where the landfill decides to just crumble, and the impact of all of that. We put some funding and support into helping to realign what's going to the landfill, that's also going to contribute to the cost. We also have an opportunity with our partners, of which you and I talked about this years ago, especially for our elders that are aging in place. Our partners through Neighborhood Services, through Neighborhood Matching Grants, through Good Will, will connect you to young people and others that will come in and mow the yard and trim some of the limbs, and do some things outside of just house repair, to help people in creating a list. We had started that. It's just a matter if it's being continued. Thank you so much.

Councilmember Ajmera said since I'm going last, I only have one question. Mr. Jones, in terms of the recovery rate, historically what has been our recovery rate for our [inaudible]? I mean, I see that 46 percent is currently, and we always have had a goal of having it as close to 100 percent as possible, as one of our budget policies. So, has this changed recently?

Ms. Harris said so, it's important to note that currently there's not a different fee. So, the dumpster customer, residential customer, pays the same as a rollout customer, and by City ordinance we could only do 100 percent recovery. So, if you look at this slide here, it's cheaper for the dumpsters, for somebody just going in and do that.

Ms. Ajmera said what slide is that?

Ms. Harris said slide number seven. So, it's cheaper. So, it was 100 percent of the dumpster rate, and that's why we're analyzing, okay, does that really make sense or should we look at the type of service, because the type of service to service a rollout is a lot more expensive. So, that's why we're potentially looking at splitting the fee.

Ms. Ajmera said yes. I mean I see comparison with other peer cities, and we are the lowest. So, I'm not sure if it's because other cities have Enterprise Funds, when it comes to solid waste, where they recover 100 percent versus us where General Funds continue to subsidize some of these costs. I see Rodney nodding his head, so certainly he knows more.

Mr. Jamison said no, I was shaking my head, because you are correct. Most municipalities are at full cost, and we are not.

Ms. Ajmera said yes, I agree with some of my colleagues. Obviously, we can't go overnight from where we are, 200 percent, because that would be a huge increase to pass it onto our residents, but I think at some point we do need to look at the services we're providing and adjust our rates based on the services. So, I see there are several options that are provided in this deck, so there are several things we could do. So, I look forward to hearing more about that. We are definitely on the lowest, and if you're having to subsidize it, that means we are pretty much using some of these dollars that could have gone towards housing or infrastructure or public safety, we are subsidizing Solid Waste Services. That's all I have, thank you.

Ms. Harris said thank you.

Councilmember Molina said so really quickly, I think what I would add is, first of all, I think this is outstanding work, considering the fact a lot of these peer cities, as far as residents are concerned, as far as square footage, don't compare to the City of Charlotte, and one of them is my hometown. I mean, love my hometown, but the whole city is smaller than my district, and I love my hometown, but considering that we cover over 300 square miles, over 900 residents, varying degrees of whether every resident is being covered, but for the people that the City of Charlotte services, over like what you were saying, such a wide geography. One truck on a daily basis travels over 100 miles. I mean, even though we want to have a lean perspective when we consider this, I think already we're doing what I would consider to be, based on just baseline information, I think we're doing a good job with what we have. Can we be more lean? Absolutely. What fees and associated costs do we have to pass on to the resident? Of course, those are always going to be uncomfortable no matter what. I see that they are cities that we can attempt to try to align ourselves with for a more lean perspective, but all things considered, so far I think we're doing a decent job with what we have, like a lot of people to serve, a lot of miles to cover, and we're still one of the lowest comparative cities that are within a 100 mile radius of us, because that's what that looks like, 100 to 200 mile radius of us, cities across our state or whatever. All things considered, I still think we're doing a fantastic job, Mr. Manager. I'd love to hear what the perspective would be on going for making us a more lean institution. I don't know how we achieve that objective, but good job.

Mayor Lyles said I want to add, I really think that we have to begin to look at this transfer station as a capital item. It's really important. We can't have, they say fires and people not safe in the way that we operate now. In addition to that, I think Mr. Jones, you know that there is the Solid Waste agreement with the County, and that is a very important document for us. So, I think we ought to start working on both of these as soon as possible, because it's going to be some hard work to do these. Thank you, Rodney [inaudible] for this, thank you. Alright, this is our final one before we go into closed session, and it's the Capital Investment Plan.

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ITEM NO. 3: CAPITAL PROJECTS UPDATE

Hannah Bromberger, Strategy and Budget said hello, Mayor and members of Council. I'm Hannah Bromberger, the Assistant Director in Strategy and Budget, and right now the presentation is being passed out to you, as well as your project status updates, these blue and yellow sheets that we hand out every year. They give you an update on the construction status, the estimated completion date, and the budget status of every active horizontal and vertical capital project. So, here with me today, I have Kathleen Cishek. She is our City Engineer, and she's going to be talking to you a little bit in more detail on these blue and yellows on the active projects. I also have Teresa Smith, our CFO, who's going to talk a little bit about capacity before we start planning for the next CIP (Capital Investment Plan). So, I'll go ahead and invite Kathleen up.

Kathleen Cishek, City Engineer said thank you, Hannah. Good afternoon, Mayor, members of Council. I'm going to start off by giving you an update on existing projects. We have had a very busy year. As you can see on this slide, we've completed 24 projects in the past year. Based on the pictures, you'll see that we've completed public art installations, ADA (Americans with Disabilities Act) improvements, solar installations, multi-use paths, and bridge construction. Aside from these projects, other projects include installation of electric vehicle charging stations, completion of our first Fire Equity project, Pedestrian Hybrid Beacon installations, streetlighting projects, sidewalks, and roadway projects.

So, as a reminder, this is not a bond year, but we did want to come in and bring an update on our bond projects. We currently have a total of 152 active projects. Nineteen of these projects are currently in construction. Over the last year, we were able to

complete 17 projects, and we added 20 new projects. Of the 152 active projects, 138 of them are on target, we currently have one project that is listed as over budget, and we also have 13 projects listed as at-risk. As a reminder, a project will receive the at-risk title when the estimates are currently aligned within our budget, but we are starting to approach a critical threshold within the project. It's simply a designation that serves as a warning that we're nearing the overall project contingency level. Staff will continually evaluate market unit prices that we receive during the bid process on all projects. This data is then used to update our project cost estimates.

So, for facility projects, these projects consist of police stations, firehouses, ADA projects, and sustainability projects, which include our electric vehicle charging stations and solar arrays. We currently have 30 active projects, and of those, 25 of them are on target. We completed seven projects over the past year, and we've added eight new projects. We currently have three projects that are showing some level of budgetary risk with the denotation of at-risk, and then two projects that are currently listed as over budget.

So, many of you are aware of ongoing developments at the federal level. We are closely monitoring this, and the City economists discussed this at the February 2025 workshop. Recent actions by the current administration could have wide-ranging implications, particularly in areas of tariffs, immigration policy, consumer spending, construction activity, employment trends, and federal grant availability. These factors have the potential to influence our projects to some regard through increased material and labor costs, potential labor shortages, supply chain disruptions, and the need to modify project scopes to stay within budget. This could impact any number of our projects. We are actively monitoring this to mitigate any potential risks. I've included images of two of our upcoming projects that are currently in design. The first one is our CMPD (Charlotte-Mecklenburg Police Department) Helicopter Hanger, and then we also have our Firehouse Number 44, which will be the City's first [inaudible] facility.

So, next, I'm going to move on to providing an update of our Advanced Planning and Design Program. As a reminder, the Advanced Planning and Design Program was created in FY2020 to explore potential projects and create a project pipeline for possible future funding. The slide shows four projects that are currently in this program. The first one is upgrade existing Animal Care and Control facility. We looked at the option to build on site at Byrum Avenue. Given the site constraints and building infrastructure needs, it was determined that the project was not financially feasible. We are now exploring a satellite option. The project is currently in the design phase, and we anticipate reaching 30 percent design by third quarter of calendar year 2026. The CMPD Hanger is the next project on the list. If you'll recall, we took the land acquisition to City Council on September 9, 2024. That project is located at 801 Woodridge Center Drive. The project has a very similar schedule to Animal Care and Control. It's following that schedule by a few weeks, and we anticipate completion of 30 percent design by third quarter 2026. RCDC, which is our Asset Recovery Disposal, Commissioning and Decommissioning facility, is currently in Advanced Planning. We are evaluating the feasibility of two existing warehouses on aviation property.

Then, last, but not least, you guys just received an update on the solid waste transfer station. We are continuing discussions with the County, those are ongoing, but currently the project is going through a master planning effort, which will work to understand Solid Waste Services' needs, and an overall program, which will help develop the project scope. At this time, I will turn things over to Teresa Smith, who will provide an update on the Capital Investment Plan.

Teresa Smith, Chief Financial Officer said thank you. Again, I'm Teresa Smith, and just wanted to give you a couple of updates. This is a slide that you all have seen before. This one you've seen at the retreat. This is a reminder that 2026 is not a bond year. So, we just had a bond, which I'll talk about in just a second. 2026, however, will have COPs (Certificates of Participation), and Hannah will be talking about those in some of the future slides. This reflects the budget that was adopted for FY2025 through FY2029.

This is another slide that you have all also seen, you saw this one at the retreat, and this one shows that the steady state will return to \$220 million. What this shows is that the past referendum that we had was the \$400 million referendum, included the \$100 million for affordable housing, and then \$238 million for streets, and \$62 million for neighborhoods. We will return to a steady state of \$220 million after this year. The other piece to highlight here is that we did use a portion of those future years to purchase the Red Line this past September 2024.

A couple of highlights about the \$400 million bond, since this was the largest bond that the City has had. Of course, starting out with \$100 million for affordable housing, you will recall that historically we were at \$15 million. We were able to move that to \$50 million, and then this past November 2024, the voters approved a \$100 million bond. We were also able to focus on Corridors of Opportunity, \$25 million remains there. Then, we also started the strategic investment areas, and you will remember that these are targeted areas, 16 targeted areas, that are in addition to your Corridors. These are where we look for scalable mobility projects that we can deliver to citizens more quickly, and we've got some pictures here of two of those wins that we have had. So, the Far East Harrisburg SIA (Strategic Investment Area) completed a sidewalk there, and we also had the Arrowood SIA, which also has already completed some sidewalks under that program. A couple of other large items there that we've included, Vision Zero, sidewalks, street resurfacing, and then some of the named road improvements. So, with that, I'm going to pass it to Hannah.

Ms. Bromberger said alright, thank you, Teresa. So, as Teresa said, this is not a bond year that we're heading into in FY2026, and so since it's not a bond year, we're going to focus on our facility funding, which is our Certificates of Participation. The capacity has not changed here. So, on average, COPs has about \$26 million of capacity per year, which totals \$130 million over the five-year plan. This is the plan that you adopted as part of the FY2025 budget, and you'll remember, just like with all of our capital planning, you adopt year one of the five-year plan, and the other four years, the out years, are simply a plan. So, we revisit them each year. So, this year, we will be revisiting FY2026 specifically, and then we will be making a plan for FY2027 through FY2030.

So, I want to go a little bit deeper on all of the projects that were in our Facility Planning in FY2025. So, we'll start with fire, public safety facilities. We have a program for equity renovations in our existing fire stations. Through our Master Facilities Plan efforts several years ago, we identified some existing fire facilities that needed a little bit of work to make sure that there was appropriate space for female firefighters. There were 13 firehouses identified that needed work. Five of those are also on a list for future replacement, so we've sort of set those five aside. We have eight firehouses remaining. As Kathleen mentioned, we finished our first of those renovations at Firehouse Two this past year. Firehouse 22 is expected to be complete within this next fiscal year, and Firehouse 12 retrofits are in planning currently. So, we still have a few that we need to tackle, and this is intended to be an ongoing program as capacity is available.

Moving on to our Fire Facilities Program. This program has been funded for several years now, and it provides dedicated funding to construct new infill firehouses, as well as training facilities, or to replace existing firehouses that are no longer serving the need that they need to serve. So, so far, we have funded \$63 million since FY2022, and we have an additional \$44 million planned across FY2026 and FY2027. We'll go a little bit deeper on the components of the Fire Facilities Plan. As we look at this program a little bit more closely, you'll see that each project is in varying stages from planning to construction, with the new infill Hidden Valley Firehouse anticipated to be completed in the next few months. You'll also see a little bit of budget concern on some of these projects, but remember that they are in a program, so the way that we do this is we budget at the program level. So, as higher priority projects are completed, like Hidden Valley, budget savings from those projects roll down to the next project in line, so we aren't too concerned about this. Similarly, because it's a program, we think that we can adjust the planned budget between 2026 and 2027, and slide some funding around, to make sure that we have the right cash flow in order to keep all of these moving in 2026.

As we move on to our Police Public Safety Facilities, we added the 911 expansion to the budget in FY2025. It funds a renovation at both the Law Enforcement Center, Police Headquarters, as well as the Police and Fire Training Academy, and this allows for 22 more floor consoles in our telecommunicator space. Each of those consoles has someone sitting at it 24/7, so three shifts a day. So, 22 consoles really add space for the equivalent of 66 FTE's (Full-Time Equivalents), so this is a really important expansion project for us. We placed \$7 million in the budget in FY2025, and we have an additional \$2 million planned in this upcoming year in FY2026, and right now, both of those projects are on budget and will be completed in 2027 and 2028 respectively.

The Police Division Station Program, we haven't talked about a ton lately, because this is an older program. It started in 2013, and it was a program to build six police stations. At the time police were leasing space, and they wanted to have a more permanent presence in the community, so they started to construct permanent stations. These six stations, five of them are now complete. We are working on our last station, the Northwest Division, which is under construction. You may notice on your blue and yellows, that it is listed as at-risk, and the reason it's listed that way is because we think that the program funding for these six stations is going to expire, but don't forget that in FY2024, when we were seeing high inflation rates, you approved a bucket of funding for projects, and Northwest Division was specifically named in that program. So, with access to that money, we think that this project will be able to continue without becoming over budget.

Councilmember Graham said and that's Mountain Island Lake area over there?

Ms. Bromberger said 1800 Mt. Holly-Huntersville Road. Okay, I also want to mention a few other ongoing programs that have been longstanding in our Facilities Program. We have building sustainability improvements. This program has funded its first fast charger for a Class eight semi-truck. We continue to install EV (Electric Vehicle) charging stations, including in the last year, we completed the largest one at the CMCG (Charlotte-Mecklenburg Government Center) parking deck. If you go up to the roof, there are 53 charging ports on the top floor of the parking deck. We've also completed seven solar panel installations, including one that you can see looking down where we are now, over the chamber. ADA and equity renovations continue. We've completed Phase one renovations in CMCG, as well as ADA improvements in Old City Hall, Phase two ADA improvements in CMCG are currently in planning, and the Solid Waste Services Annex Building, across the street from their main building, a female locker room expansion project is in design and on budget. We also have capital facility improvements, including four HVAC (Heating, Ventilation, and Air Conditioning) replacements at firehouses and other City-owned facilities. We've replaced seven roofs in City facilities and installed card readers in the CMCG stairwell to enhance safety and security.

So, you may remember these buckets. We show these buckets a lot. Usually, Debt Service is in the middle, we have the bigger General Fund one, then the Debt Service Fund, and then a tiny little PAYGO one. The way that we show them that way is because property tax and sales tax are the primary funding sources in these buckets. So, we talked a good bit at the Annual Strategy Meeting about how property tax funds Debt Service, and this Debt Service Fund is what we use to pay principal and interest on all of our debt funded projects at the City. So, all of the projects that we've been talking about, that are facility debt funded projects funded by COPs, the principal and interest is paid through the Debt Service Fund. You may remember that property tax does not grow with inflation. That was part of our conversation at the Annual Strategy Meeting. So, that lack of inflationary adjustment in property tax not only affects the General Fund and our operations, but it also affects the Capital Program and our long-term capacity to advance priorities. So, we are well aware that we have far more needs than we can fund. As capacity remains strained, we want to make sure that we use any new capacity to ensure that the existing projects within our Facilities Program and within the Advanced Planning Program, projects that we've talked about today, like the transfer station and the helicopter hanger, can be funded and advanced further to construction.

So, as we look ahead, on April 7, 2025, at the Budget Governance and Intergovernmental Relations Committee, Aviation and CATS will be there to discuss their budgets, including the capital portion of their budgets. On May 5, 2025, the budget will be proposed, including the FY2026 through FY2030 CIP budget. May 12, 2025, we will have our budget public hearing. May 19, 2025, will be budget adjustments, followed by straw votes on May 29, 2025, and in June 2025, we will present a budget for adoption.

Councilmember Driggs said this is a lot to take in. I appreciate it, but processing all of this is hard. I'm trying to just, on a high level, get a grasp of what the magnitudes of the at-risk projects are collectively. We don't have numbers here for any of these, and we got into a situation some years ago where we were in a pretty deep hole. So, I'd like to understand better any aggregate, what all of this means. I don't want to go line by line through each contract and so on, but there must be some way to consolidate where we say, total projects on budget are this, at-risk projects are this amount, and under budget, over budget, so that we can get a macro feel for exactly what our situation is. What was the annual rate of COPs issuance capacity that was mentioned?

Ms. Bromberger said 26 average per year.

Mr. Driggs said so, over the six years on the graph, we're averaging about 30 to 35. So, how do I reconcile that?

Ms. Bromberger said we had some additional growth last year. We pulled a lot forward for the bonds, but we also had some in COPs that allowed us to adjust it slightly, and we had some time sensitive needs, like fire trucks that are in a four-year replacement schedule, that we needed to get added to the program, but we have returned to the average now, and just like Teresa mentioned on GO bonds, we have returned to 220, we have returned to about 26 per year in COPs.

Mr. Driggs said so, if I look at slide 11, it looks like we've got 39 in COPs in 2026 and 37 in 2027, and then we're going back to 15 in the outyears of 2028 and 2029. So, I would just observe that when the time comes, it could be very difficult to do that, and I think we may be robbing Peter to pay Paul a little bit here. The other thing I wanted to mention was, colleagues, I don't know if anybody's noticed, but occasionally in our meetings there's this talk about Animal Control, and I don't see anything in here. Are we doing anything about Animal Control?

Mayor Lyles said it's in Advanced Planning, I think.

Mr. Driggs said okay, so what's the timeline? Advanced Planning is inexpensive.

Ms. Bromberger said we anticipate that we'll be at 30 percent design in quarter three of calendar year 2026.

Mr. Driggs said here we are. I'm sorry, I didn't see that line.

Ms. Bromberger said, and 30 percent is generally our benchmark in Advanced Planning, because we know enough at that point to feel comfortable setting a budget.

Mr. Driggs said so, this says Animal Care and Control reserve. What does that mean in terms of our plans for a facility, or how does that translate into investment in a facility?

Ms. Bromberger said sure. So, last year when the budget was proposed, there was a line item for essentially a hold of future capacity for projects coming out of the Advanced Planning Program, and through the budget adjustments process, City Council asked us to change that name and just go ahead and dedicate it for a future Animal Care and Control facility. So, we changed that name, and that same capacity that was being set aside for projects coming out of the Advanced Planning Program, is now set aside specifically for the Animal Care and Control facility.

Mr. Driggs said unprogrammed capacity. So, if I'm reading this, when would I expect to see a new or improved facility based on this planning process?

Ms. Bromberger said a facility or a budget?

Mr. Driggs said a facility. When are we actually going to see something built?

Ms. Cishek said Councilmember Driggs, thank you for your question. So, as outlined on the slide, we're currently in the design process. We are working to onboard a design builder currently. Our anticipation would be that we would bring a GMP, Guaranteed Maximum Price, contract to Council sometime around the same timeframe. So, third quarter calendar year 2026. I would anticipate probably a second quarter 2028 completion date, but all of that will be reliant on us onboarding a design builder to help refine the overall schedule.

Mr. Driggs said, and the intended total investment is \$30 million, based on this slide?

Ms. Cishek said correct.

Mr. Driggs said okay, thank you.

Marcus Jones, City Manager said so, Councilmember Driggs, this is typically not the way we do this. Typically, we finish the advanced planning, get to 30 percent, and then have a number, but what we've done is we've said, no matter what, we've already said we've taken \$30 million in capacity. So, what I believe is, we are building and designing towards a \$30 million facility based on the earmark from Council. Is that correct?

Ms. Cishek said that is correct.

Mr. Jones said okay.

Mr. Driggs said yes. I just would highlight that facility, as old as it is, and so on and so forth. So, I think a little accountability on our part for when we can actually expect to see a facility. You hear this design, and it sounds a little squirrely.

Mr. Jones said the other thing, and Kathleen keep me on the straight and narrow, this is more or less an adoption center. Something that is elaborate, that's inviting, that will help promote getting animals adopted. Is that kind of where we're headed?

Ms. Cishek said that is correct. So, it is a satellite option.

Mr. Driggs said so, I may be interested in a cat, but it's not going to solve the problem. Thank you.

Ms. Ajmera said yes. Thank you, Madam Mayor. I agree with Mr. Driggs. This is overwhelming to go through this list while keeping up with the presentation, especially these Capital Investment Plan project updates. There are about six pages here. So, I haven't been able to go through every single line item, but I did look at the ones that are highlighted, the ones that are at-risk or over budget. So, couple of questions. First, since we are on this slide, let me ask a question on this one. Number three, can you help me understand what that is for commissioning and decommissioning facility? This is for the SEAP?

Ms. Cishek said so, Councilmember Ajmera, the ARD/CDC (Asset Recovery and Disposal/Commissioning and Decommissioning Facility) is how we affectionally call it, but what it is, it's a function of Asset Recovery and Disposal, which is where we send all City-related items to be sold off, whether it be an auction, and then commissioning, decommissioning is also a function of our fleet group, where we will bring in police cars, Solid Waste Service vehicles, to be upfit for their intended purpose.

Ms. Ajmera said okay, so we are relocating that facility?

pti:pk

Ms. Cishek said it is currently on aviation property, and we're looking to relocate that into two other aviation warehouses.

Ms. Ajmera said got it. So, that's already in our Advanced Planning. So, I guess my question is, Mr. Driggs brought up Animal Care and Control facility, which last year when we were discussing budget adjustments, there was a remaining capacity of \$30 million, and I had made a motion to put that money, specifically assign, to Animal Care and Control facility. Well, the question is, some of these projects are at-risk, over budget. How would they get prioritized with the limited funding that we have and considering there are so many projects on here that are at-risk or over budget? So, Mr. Jones, if you can speak to that, how are we going to prioritize some of this?

Mr. Jones said Councilmember Ajmera, so the good news is when something is in Advanced Planning, it's being designed to be a future project. I think where I would separate the two. One, we will give you more detail on these projects that are at-risk and over budget. I believe that Hannah suggested that there isn't a problem with the over budget projects that can't be solved within some existing capacity. Many projects are going to be at-risk. You get a lot of yellow each year in this list, and some of these things we haven't even begun to get land acquisition, but it's a warning signal that we're keeping our eyes on some projects. The Animal Care and Control, I think, is a bit different in that we have a set amount of money, we're designing to that set amount money, and I believe the only reason why we're talking a certain quarter in 2028, is that in a normal process that's how long it would take to design it, to construct it, and we're really looking at, if I got this right, a draw schedule of where the funds would be needed.

Ms. Ajmera said so, to follow up on that, it's good to hear that when it comes to over budget, we have some cushion, because I know there is always 20 or 30 percent cushion on each project that can be used to address any over budget. I look at Cross Charlotte Trail. I thought we had addressed that, that was a big issue that was addressed a while ago, and now here it's again at-risk.

Mr. Jones said yes. There's so many segments of the Cross Charlotte Trail, so no matter how good we may have been with setting aside money, when you're talking about something in, let's say 2019, and you're building it in 2027, there are going to be some changes in the economy that puts some things at-risk.

Ms. Ajmera said yes. I understand that whenever we plan something to build three, four, five years down the road, especially longer the timeframe is, it becomes more risky to stick to that budget, because there are so many factors outside of our control. I get that, but when residents hear this, hey, you guys solved this, we allocated more funding, we have cushion that we have put 20, 30 percent, and still have that project at-risk, I think it really creates doubts in minds that, hey, are you delivering on what you said you would or you're not? One example, I got an email from Beth Smith on Northwest Station, and I had forwarded that email over to Marie, because she brings up this Northwest Station that was first discussed, it was an important topic back in 2022. It was March 2022. We had allocated about \$1.2 million toward the design. The question is, what happened, in terms of, did the delivery method change? Did the contractors change after three years, and it still has not been delivered?

Mr. Jones said so, I guess I want to make sure that we don't walk away from this meeting like we have a problem with the Cross Charlotte Trail, we don't. What we do typically in our four bond cycles, we don't allocate all of the capacity. We leave some capacity that's available for future needs. I think if I went back to the beginning of these four bond cycles, we may have had \$125 million, I think, what we did over the years. So, I guess what I'm saying is that we anticipate projects will be at-risk. We don't utilize all the capacity. We go back each year and look at assumptions around interest rates, assumptions around draw schedules, and typically we come back with some savings, believe it or not. So, I guess what I'm saying is, we don't allocate everything, and we anticipate projects will be at risk, and we attempt to solve those without taking any additional capacity.

Ms. Ajmera said I guess I have more questions after this presentation than I had before. I guess in my mind, we created this whole Advanced Planning to not have projects at-risk. So, if you're saying we are still going to have projects at-risk, I don't know what we accomplished with this Advanced Planning that was put in place for, was it five years ago or was it six years ago, we put this new process in place that we didn't have before. I guess, Mr. Jones, before your leadership, the process was, wasn't a lot of vetting was done to come to a number, so the number wasn't very accurate, so that's why we kept seeing a lot of at-risk projects, but now with this, are you saying we will still have projects that will be at-risk?

Mr. Jones said yes. I don't believe there's a large city in the country that can anticipate the cost of a project with only 30 percent design. The difference between what occurred beforehand, there was no design. It was well intended people saying, I guess it'll cost this, and then it would be in a CIP. At least, with the exception of Animal Care and Control, we don't put anything into these cycles unless we at least have 30 percent design. I think we all know, as you get further along in the design, whether it's 50, 60, 70, you get more refinement with the numbers. Anybody who can sell you that at 30 percent design projects are not going to be at-risk, I wouldn't buy what they're selling.

Ms. Ajmera said so, currently, do we still have 20 percent cushion on all of our projects?

Mr. Jones said I don't know what we have on our projects. I do know that beforehand, before we got to this Advanced Planning, some contingencies were, in my opinion, outrageously high, because there was no design behind it. So, the further you get along with design, the more that you can pull back some of these contingencies. I would say that the team is really doing a good job, and I would add to that, this new way of addressing projects, I call it the Ed McKinney group, where we are literally designing projects and implementing based on those two sidewalks, the SIAs. I don't want the staff to walk away today thinking that they're not doing a great job, because it's apples and oranges eight years later than what we were doing.

Ms. Ajmera said so, let me make sure that I say this, because when it comes to some of this project planning, certainly we've come a long way than we were before we had this Advanced Planning, where we would have less and less projects at-risk than we had before, because we are doing some of this planning ahead of time. I'm not saying that we will eliminate 100 percent all of projects, but I think we should be on track to have lesser and lesser where we are seeing at-risk, because of contingencies that are in place, we are doing some more design, and we are doing some of the sidewalks. That is what the City does every single day, some of these infrastructure projects. So, we kind of anticipate some of the risk that we would see. That's all I have. Thank you.

Councilmember Mayfield said Mr. Manager, thank you for what you just shared. For Animal Care and Control, this investment is for the adoption center. I would like for us to, while we're in the design phase, do a little bit more research, because here's the reality. Because of the financial impacts that our residents are experiencing, they are abandoning animals. The shelter is overcrowded because of so many animals that are being abandoned. Adoption is not necessarily happening now the way it once did. Now, full disclosure, out of the list of priorities, you know this is not in my top 10, yet, we need to address it. I want to make sure that what we're investing in is something that's actually going to be beneficial to the needs of the community, which is to my limited understanding, more storage space that is healthy storage space versus having a state-of-the-art adoption center, when there are not as many people actually out there adopting.

I also have a question regarding staying here on slide nine. So, we currently are utilizing for the [INAUDIBLE] aviation property, and at the same time, we're supporting multiple projects that come before us for Aviation, including the selling of land that's going to be on the books tonight. I hope that we are having some different negotiations, since the airport is our partner, to identify in a much shorter time period another facility. If there's an immediate need for this facility versus it being 10, 15 years down the line. If it's 10, 15 years down the line, then we should be able to stay there as a partner, considering

how much our airport comes to us in partnership. If not, identify a space that is the amount of square footage that we need versus trying to split up two spaces, and then in the future, future Councils having to figure out more funding for another relocation, because every time we move that costs a certain amount of dollars.

You know I'm going to ask you regarding fire. So, when we go back to slide 15, I do appreciate the funding that has been identified, but this funding is for buildings. I do not see, and maybe I'm missing it, the funding for the investments needed for our training facility, because it's great for us to have these buildings invested in, which we need, but our training facilities need investment. We are now looking at fires that are upwards of 3,000 degrees. We have a facility where the simulator fire is only getting around 800. We have a facility that is also starting to see the wear and tear impact from having multiple fire simulations. We have a water tower that is leaking. We have pallets out there. We should not necessarily have to send our training staff over to Gaston County or other areas for training, even though I know that, in community, and you and I have talked, Mr. Manager, that there may be conversations that Central Piedmont might be doing something. I would like for us to have a real conversation about what we're going to do to protect our fire. I'm concerned that we're not necessarily giving them all access to the training here that's going to truly prepare them for what they're walking into, because of how we have done infill development and the proximity, how quickly the fires are going up with the wood versus what we used to have when you're sitting on a half-acre or an acre of land, you would put out a fire very differently than the way we're doing today. So, it would be helpful to know that we have at least funding identified for the design process. I will say I'm not as concerned at what we see at-risk in this packet, because of all of the projects that are on target or have been completed. I would like to see numbers, because just telling me you're at-risk, are we at risk by \$100,000? Are we at risk by \$20 million. That would be more feasible if we're going to have a real budget conversation, yet, I don't want it to get lost. I hope my colleagues also will see the benefit in us making sure that our training facility is state-of-the-art, and that our future firefighters have every possible opportunity to be successful here versus the money that we spend sending them on the road to go get training elsewhere. Thank you, Madam Mayor.

Councilmember Mitchell said so just a couple comments, particularly for Kathleen and Phil. So, Kathleen, if you can go to slide three. So, I want to say thank you. This slide is a very important slide. It should send a message to our citizens that when you approve bonds, we complete the projects that you have given us the confidence to complete. Any construction [INAUDIBLE] will tell you it's mind boggling to complete 17 projects, but then to add 20 new projects, that's kudos to what the team is doing. A hundred and thirty-eight projects, and we only have one over budget, great job. In construction, sometimes there's as many as 20 to 30 projects over budget. Thank you for showing the transparency, the 13 at-risk. We have this right here, so thank you for providing this. Go to the next slide to facility, 30 out of 25 are on target. You don't see those percentages in our industry. Thank you all for the job you're doing, this is tough, and I will say you articulated very well the potential project impact. Those are real in the construction industry, labor shortage, cost of material, and supply challenges. So, keep up the good work, and to our citizens out there, you're in good hands when you approve the bonds, and we go build the facilities for the City of Charlotte. Thank you, Mayor.

Ms. Cishek said thank you, sir.

Councilmember Anderson said just a couple of points. One is, I wanted to speak to the whole process of Advanced Planning, and I'm very happy that we have that process in place. If we didn't, I would be scratching my head a little bit with a city our size and the monies that we manage. Something being in Advanced Planning, at various clips of design, 30, 50, 60 percent, does not necessarily indicate that we would have fewer projects at-risk, but hopefully what it's doing is crystalizing the effort and the financial backing needed to complete that particular effort, whether it's at-risk or not. So, hopefully, the Advanced Planning process is providing great insight, sort of a harbinger into the insight, around what it's really going to take to complete these projects. You guys, to Mr. Mitchell's point, the completion rate and what's on target and what's at-risk

is a great indication that you guys are utilizing this Advanced Planning process well. So, thank you for that.

I do want to echo the same sentiments that Ms. Mayfield echoed, as it relates to Charlotte Fire. I've spent a lot of time with our fireman, and I hear continuously that our training facility has just been worn out. It's aged, and it can't provide the most accurate training that fireman would like to have for the trainees. So, if there is a way that we can invest in our training facility for Charlotte Fire, whether it's upscaling what currently exists, but certainly leaning into helping them ensure that the fireman coming out have the best training possible in order to protect our community. So, those are just two quick points. Thank you, Madam Mayor.

Mr. Driggs said before we leave the whole subject of Advanced Planning, I'd like to clarify my understanding of it. When we work on these projects, we start from a position of very little, and then we evolve as we work forward. The Advanced Planning process basically had the effect of waiting until later until we put a number on it, and waiting until later until we schedule bonds, because what was happening in the past was, some of these bonds, the issuing authority had to be renewed, because the bonds hadn't been issued seven years after they were put in the cycle. I think the intention was to avoid some of the big shocks that we experienced. If you do this contingency planning, what you do is, you put that cushion in there and it's meant to cover 80 percent or whatever, not so big a cushion that you're covering 100 percent of the possible downside in every project. So, there will be a lot of projects that come in under the contingency, and you're able to return some capacity, because you didn't use all your contingency, and then you're going to get these situations. The reason I'm asking for a better quantification is because I want to get comfortable that that's what's happening. That as we manage this whole process, the magnitudes of surprise or of disappointment, are not as big as they used to be. I mean, we had stuff like the JCC (Jewish Community Center) was going to cost \$90 million, and the Animal Control Center was \$70 million. So, all we're trying to do is create a more stable environment, and I think we have, but it would really be helpful for us to know how stable by seeing some numbers.

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ITEM NO. 4: CLOSED SESSION (AS NECESSARY)

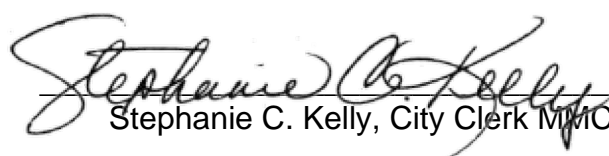
Motion was made by Councilmember Anderson, seconded by Councilmember Ajmera, and carried unanimously to go into closed session to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on tentative list of economic development incentives that may be offered by the public body in negotiating pursuant to North Carolina General Statute 143-318.11(a)(4).

The meeting was recessed at 4:48 to go into closed session.

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ADJOURNMENT

The meeting adjourned at 4:57 p.m. at the conclusion of the closed session.


Stephanie C. Kelly, City Clerk MMC, NCCMC

Length of Meeting: 2 Hours, 33 Minutes
Minutes completed: April 10, 2025

pti:pk