

The City Council of the City of Charlotte, North Carolina convened for a Budget Straw Votes Meeting on Thursday, May 30, 2024, at 1:41 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Councilmembers present were Dimple Ajmera, Danté Anderson, Tariq Bokhari, Malcolm Graham, Lawana Mayfield, and Victoria Watlington.

**ABSENT UNTIL NOTED:** Councilmembers Tiawana Brown, Ed Driggs, Renee Johnson, James Mitchell, and Marjorie Molina

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#### **ITEM NO. 1: INTRODUCTION**

**Mayor Lyles** said good afternoon, everyone. Today is May 30, 2024. It's an important date in the deliberations by the Charlotte City Council. This meeting is the City Council's meeting, today on May 30, 2024, for the purpose and intent of voting on amendments or adjustments to the City Manager's recommended FY (Fiscal Year) 2025 budget that was proposed at the May 20, 2024, Budget Adjustment Meeting by the Council. After any adjustments are approved, the Council would then vote to direct the City Manager to prepare the necessary documents and the resolution for the FY2025 Budget Ordinance. As a reminder, the adjustments from the May 20, 2024, meeting that received at least five votes and were presented to staff who prepared a book that summarized to a great degree the changes and ideas that Council submitted. Working with several of the Council members, we're going to go ahead and begin to talk about the process for the meeting today, but first I want to just really say that today we know what information we have, and these adjustments and votes are very important to the way that we talk about. As someone said, "Your budget really illustrates your values."

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#### **ITEM NO. 2: CONSIDERATION OF ADJUSTMENTS FROM THE MAY 20, 2024, CITY COUNCIL BUDGET ADJUSTMENTS MEETING**

**Mayor Lyles** said so, for this process, I think that what we'd like to do is start off with two Council members who have built around the concept that the Council had, that you will remember, our meeting of Adjustments, the Council members voted eight to three I believe, to try to address the Manager's Budget to determine if there's anyway that we could possibly administer or delay or not include the property tax increase. So, with that, I want to recognize Ms. Watlington and Mr. Bokhari for the work that they've done and ask them to kick this meeting off.

**Councilmember Bokhari** said thank you, I'll start, and I'll engage my colleague in a second. So, a lot of work has happened since we last met and again to give the context here, the Manager, after feedback from all of us and work from staff proposed a budget and that budget included a one and a half cent property tax increase. We were presented with an opportunity to explore after last week's first straw vote to go about finding and seeing if there was a way for us to find cuts and reduce the impact of that property tax basis. This is something that made sense across the aisle to look at in partnership. Some might say when times are tough we need to tighten belts, others might say there's an opportunity here to prioritize and go all in on the sales tax for a broader transformational transportation investment, by showing with our actions to our partners across this region but also in Raleigh that we were all in indeed on the sales tax for an investment where we had \$33.7 million in hand with the property tax increase or the potential for \$20 billion in investment in our transportation system. A once in a generation opportunity. So, there's reasons for all sides to be interested in this, and I think again it is a really big opportunity, but not easy. So, what we've decided in work is two major things that we're going to present this Council with. The first is I will call the Tariq solo proposal. It is something that I've designed myself with no input or help from others. I don't know how anyone feels about it, but it is an option nonetheless to get us to 0.9 cents or a 0.6 cent reduction in that property tax increase.

The second one, I will call it the Victoria collaboration option. This is something that Councilmember Watlington spearheaded and got input from many if not all of you and I also support it myself. So, the difference between these two proposals is that mine is a set of broader cuts of just the proposed increases from this budget. I'll go into that in a second. Ms. Watlington's is more specific and tactical cuts based on feedback from all of you and a smaller amount.

**Councilmember Driggs arrived at 1:47 p.m.**

So, while mine generates 0.6 cents, hers generates 0.322. Both are victories for the ultimate outcomes I started with. So, in order for everyone to have a full view of all of the options, we're going to go through mine really quickly and then Ms. Watlington is going to go through hers really quickly, so everyone sees all the options on the table. I think they're two final points in teeing this up. One is how we will tactically go about this. For mine, I've separated mine into two basic adjustments or actions for raise of hands and I'll go through those, and we can do none of them, all of them or one of them. Each item that we do and raise hands and at least get six, is a win in the direction. So, it isn't all about that.

Then for Ms. Watlington's we've broken that out in to four and she's going to explain the four components or buckets and how much money each of them equates to and we'll go down there and see. We get one, two, three or four or zero and then we'll see where we are after that. So, it's very structured in how you get to hear everything, decide what is palatable to you or not. The final point is I'm sure the question on everyone's mind is, "Well we're starting this big agenda today with the cuts, but then there's an entire agenda of adds and how does that work?" What I'll say is in working with Ryan Bergman, there's a simple statement. It's a little more complicated than this, but this is directionally correct, that everything to come after these cuts except for one item potentially, does not require an additional property tax increase from the cuts we've made. The reason why that point is really important is, well if we cut taxes here and then we approve the things that are coming and we get back up to the level, what did we actually accomplish? I think the really powerful point is these cuts, except for one, and that one happens to be one of mine. So, I will explain that when the time comes, are one time in nature and if you propose and get support to go with it, you can point towards reallocation and adjustments within the PAYGO (Pay as you go) buckets that equal \$13 million or you can prioritize via our ARPA (American Rescue Plan Act) interest and allocations that are still available. There is a scenario where none of that's viable and you say, "I propose a property tax increase with it," and that's okay too, but there is enough allocation in those two buckets to handle every one of the agenda items to come if we prioritize it on these items except for that one. So, hopefully that makes sense to everybody at a real high level. Punch line, two proposals, we're going to go explain them now. We're going to go down the list and then raise our hands for two of mine and then four of Victoria's and the rest of your collaborations. Then we're going to see what we have and move forward from there.

Mayor Lyles said I just want to make sure when you say we're going to raise our hands and we're going to vote on it, we're going to have a motion and we're going to have a second and then we'll have a vote?

Mr. Bokhari said yes ma'am.

Mayor Lyles said got you.

Mr. Bokhari said sure. I did not plan that but you are indeed correct. So, with that being said, Ms. Watlington, what you and I will do is when we get to the point after the explanation, we'll just make a motion and see if there's a second for each of our items.

**Councilmember Watlington** said actually what I'd like to do is go through the full pile that way people have a full understanding.

Mr. Bokhari said that's what we're going to do.

Ms. Watlington said okay.

Mr. Bokhari said so, that's what we'll do. So, I'll make mine very quick because Ms. Watlington has a lot more specifics that she'll need to get into. Mine is simple. The Tariq solo plan, by myself. No calls or collaboration with anybody. There are two adjustments. The first one, which will be the first one we vote on, if someone seconds the motion is basically reduce all the increases, we proposed over last year in this budget cycle for bonds and CIP (Capital Investment Plan). That means housing bonds from \$100 million to \$50 million, back to the record breaking \$50 million number. The CIP, the new investments, everything from Corridors going back to the established amounts, the Strategic Investment Areas, the sidewalk program, the Vision Zero program, the Corridors of Opportunity program back down to \$10 million, all the different areas there, and I think the punch line on this is some of them are belt tightening items, but some of them, and why I propose this item was while we sacrifice now with a small property tax ability to do these increases, if we are successful in our broader mission with the sales tax which has a lot of steps to go, but this is in the direction. We will get those investments in those types of items back tenfold. So, we're not cutting them forever, we're putting all of our eggs in the sales tax basket. That equals 0.3 cents of a reduction and then the second vote is to eliminate the additional \$7 million for arts which we put back into the General Fund and it brings it down to \$4 million. So, from \$11 million that has been proposed, back to the \$4 million that we did last year, which again I'll remind everyone was a record breaking amount there. That reduces it by 0.3125 cents. So, those two combined bring us to a total of 0.6 cents or down to 0.9 cents. That would be still a property tax increase, but we would send a message to Raleigh with those two and all of our other stakeholders that were all in on the sales tax. Many of those things would get back returns in tenfold if we're successful and that 0.9 can be justified as the public safety enhancements we have made over and above. So, those are the two we'll vote on first, but then so you understand the Victoria collab plan, she will walk through her items now.

**Councilmember Ajmera** said yes, can we discuss this one first?

Mr. Bokhari said let's go through all of them because Victoria's is an alternative that I also support and I think everyone hearing the whole layout first and then if you wouldn't mind Mayor, I think there might be a quick round of questions, but then save most questions for each motion that gets a second and then we do it real quickly so that we don't burn a lot of cycles. If that's alright with you.

Mayor Lyles said good idea.

Mr. Bokhari said okay. Ms. Watlington.

Ms. Watlington said thank you Mr. Bokhari. So, first of all, thank you. A huge thank you to Mr. Jones and to City staff. You guys did a phenomenal job supporting us on this work. It's been a very long short holiday week and we thank you for hanging in there with us and providing the support that we needed because that's what it's going to take.

**Councilmember Mitchell arrived at 1:53 p.m.**

As was mentioned, we're in a time of enormous growth in our City and we've got to make some tough decisions and we've got a lot of decisions ahead of us over the next couple of years. Things that are happening not only within the City of Charlotte but also with some of our intergovernmental partners, but at the end of the day, each resident that lives in our community is going to be impacted by all of them. So, our role as policy makers and as leaders in our community is to think about that resident and the overall cumulative impact to them as we consider how and where and when we invest. So, with that in mind, as was mentioned, we discussed as a group that we'd like to take a closer look at our budget and figure out what it is that may be options on the table to alleviate some of this tax increase at this point. As was mentioned, some of these conversations are not necessarily about yes or no, now or then, or this or that in terms of the how. So, with that being said, I would like to share with you the conglomeration of the work that

many of us have done to try to make sure that our priorities are reflected in our budget. So, that being said, I will offer these up to you in these buckets, but certainly as we discussed, there may be particular line items within the buckets that are up for discussion. So, we're open to that, but what we attempted to do here was to just give you an idea by bucket of what the impact would be so that you can assess as you go through and make your selections.

So, the first selections were from Action A. Staff provided us, just for context options A through F of potential options that we could leverage to reduce the sales tax and much of it was the same as what we on Council had investigated within the budget book.

**Councilmember Johnson arrived at 1:55 p.m.**

So, there was a lot of synergy there. So, we responded to the particular actions that came from staff. So, as you can see here the first set really came from this notion of reducing or eliminating our CIP bond increases. As you all know, what was recommended in the budget was an increase to transportation, housing, and neighborhood bonds. So, what we've done is made a few adjustments. We know that as it relates to the capital program, we're leveraging dollars. So, there's not a one-to-one reference, but we know that there is an adjustment that can be made or recoup through debt service each year if we reduce the bond amount. So, this is what you see up here and as was already mentioned by Mr. Bokhari, much of this as it relates to transportation, we believe that we can still fund through sales tax while also meeting our community's needs.

The other thing that you will see here in the selections from Action A is that we did not include a reduction to the Housing Trust Fund or the Housing Bond. We know that in the Housing Trust Fund, we've been talking for a long time about increasing to \$100 million. So, that is still within the budget. That's why you don't see it here. However, taking feedback from this body, we are going to be talking about what those categories really need to look like in this cycle as we move into the Committee work. You'll also see here a reduction in Corridors of Opportunity from \$25 million to \$20 million. There is funding in PAYGO for Corridors of Opportunity to the tune of about \$5 million already. So, we do think that that will give us still significant investment dollars in Corridors. So, that is the first bucket. You can see that if we put those pieces together that we have about 0.14 cent incremental change on the property tax to the negative, meaning a reduction in property tax.

The second set is related to art, and I do believe that we will have a bit of a discussion on this one, but I want to make sure that I level set for folks. The original conversation though in the arts was really about two things. The first one being the process itself and whether or not through this budget we were endorsing a particular process and even particular organizations. I'd like to decouple that from this conversation because based on our conversation last week, that will be a separate process to really outline how we want that to work. So, this will focus on what is the amount that we will even be talking about. That said, there had been discussion around whether or not we wanted to maintain levels at \$4 million in the General Fund. We understand that previous years, because of ARPA dollars there was a \$6 million allotment, but as it relates to the General Fund and ongoing dollars, it's been \$4 million for some time. So, the question then becomes do we increase the General Fund dollars to \$7 million for arts? There has been a good bit of conversation there. As I understand it and we'll probably hear from folks that there is a differing level of support for making adjustments to this, but what we would like to propose at this time is that we reallocate the \$7 million out of the General Fund and investigate the ability to fund that through alternative means such as the Tourism Fund. I have spoken with Teresa and Ryan over here about that and it is a viable option. The question becomes about capacity and what are the other impacts that we obviously would need to dig into more specifically between now and the budget vote to assess the veracity of that particular one. When we get into that discussion, I would defer to just set that conversation because I want to make sure that folks are clear about what that could look like, but the net change to the property tax if this one was supported, you can see there is 0.313 cents.

Then Action C is related to our operations and our new non-public safety positions. There were a number of requests from various departments for new hires for various reasons across the budget and this particular one is really focused on the non-public safety. So, not fire, not police, more of our discretionary funds outside of what I would call core services. That's what's reflected here. What you don't see here included is housing, workforce development and CBI (Charlotte Business INClusion) because those were three priorities from the working group that were still included in the budget despite wanting a property tax reduction just because of the level of support within the body and also within the community that has really been pushing for some alternatives to help folks who live in Charlotte stay in Charlotte. So, that's what you see there, but again, I will repeat that as we work through these, we will talk about each particular line item. That results in a 0.05 property tax change. So, that is Action C.

I should've pointed this out in the beginning. Everything here right now that we're talking about are one-time adjustments, with the exception of the conversation around arts which we would want to make sure that as we decide what that governance structure looks like and what that looks like, would then set the tone for ongoing pieces. So, then if we could hop back down to where I left off to section E. Now this particular one was one that had some level of interest in understanding. I'll leave it to some of our other colleagues to talk in detail around this one, but essentially, you'll see here there's an option to reduce the merit pool for salaried employees from four percent to three percent. You can see that the property tax impact is 0.0422 cents. So, if we look at the total reduction to the property tax rate, if everything but art was included, you can see here that that gets us down 0.233 cents, and you can see the corresponding revised property tax increase. So, that would be everything without changing anything to the recommended budget when it comes to art.

Now, if we were able to find alternative funding for art or if the will of the body was to make some adjustments to the total investment in art coming out of the General Fund, you could see that up to 0.55 cent property tax reduction would be the ultimate impact. So, with that, I will pause.

Mr. Bokhari said yes, let me just jump in and close this out here before we get going. Three quick things. One, I think that a lot of this has been happening in real time. So, Ms. Watlington has a documented piece on that arts component that says something that's probably a little bit different than the proposal, which is explore the opportunity to find other funds to not make arts a cut. One of those to explore is the Hospitality Funds. There are implications to that that are pretty significant. So, while it says that in the line item, I think you would agree Ms. Watlington that is one example that you would like everyone to consider in challenging staff to go find other examples as well where my version is a pure cut, Ms. Watlington's version is a reallocation from anywhere creatively that is not the property tax, including potentially the Hospitality Tax, but I know that there will be issues with that. So, that's one clarification. She nodded that she agrees with that.

Number two is again just to end at where I started on the scope and implication of all this. It is a strong, strong message that we are sending through our actions that also dovetail into all the other things that have happened. Us getting CATS (Charlotte Area Transit System) back into a position of strength and operational excellence. Us navigating through this very complicated MTC (Metropolitan Transit Commission) situation where now we have light at the end of the tunnel, agreement across a lot of the Board for the allocation and balance of the funding and for a strategy to solve the governance issue that doesn't require us to figure out everything right now. We have the tail winds that have come from the Red Line and the ability for us to fulfill promises that were made a long time ago to the northern towns and we have a business community that has engaged in a way that I have not seen in years that have both helped many of those things happen and started their own conversations in Raleigh where we have leadership initial head nods and "I am interested in where you're heading with all this." I believe the last piece to this puzzle and the icing on the cake is us through our actions not just our words, sending a message that we are all in on the sales tax by taking action on this property tax. I believe that's important because while it's teed up and at

bat, it has to make it through caucus in the short session in Raleigh and this simplified message of here's our actions, here's where we are I think is more powerful than anything we've seen before. So, Madam Mayor if you don't mind I would propose then finally how we structure this is we do a quick round robin if anyone who either has clarifying questions to anything that's been presented as quickly as possible and then we go into each motion where if you have a position statement for or against, you quickly say that because obviously there's a lot of complexity and ground. At least with Ms. Watlington, she's had conversations with a lot of you. So, it's not starting from scratch. Is that acceptable?

Mayor Lyles said I'd like to actually put a motion on the table and then have questions.

Mr. Bokhari said yes ma'am. Okay.

Ms. Ajmera said so, before we even begin, can we just get a breakdown of this? That's a lot of items. I mean I've had conversations, but I would still like to see.

Mayor Lyles said do we have copies of this material?

Ms. Ajmera said so two pages. One would be for Tariq and one for Victoria's motion.

**Ryan Bergman, Budget Director** said well the Councilmember Bokhari items, they correspond to page five and six of the Q&A which we printed an extra copy of what you received Friday. They correspond to Action A and Action B on pages five through six.

Mayor Lyles said five through six, A and B?

Ms. Watlington said yes, just A and B.

Mayor Lyles said just A and B. Okay. Alright, do we have a motion?

Mr. Bokhari said Madam Mayor, if I might just say I think when we go about this in the first proposal, two motions, the second proposal, four motions, there may be some things in each proposal that somebody might have a clarifying really important question on something later that may change their mind one way or another. So, I would propose that if there are any really quick macro questions because once we get into motions, we're only going to be on one of essentially six items at a time. It's fine if you'd like to do that. I'm sure we'll work around it.

Mayor Lyles said I understand what you're saying is that we open it up for questions, but we're also trying to accomplish this in a procedural way that would be on the record.

Mr. Bokhari said so, I'll make the first motion then and I would just encourage everyone in this motion. It is for this first item and if there are questions that would make you want to do this but maybe to pose the question more broadly in that.

Mayor Lyles said there's always a substitute opportunity to adjust the motion.

Mr. Bokhari said I will make two motions. The first one I'm going to make, these are both in the Tariq solo list and then we'll hand it over for Ms. Watlington to make four motions in the Watlington collab list.

Motion was made by Councilmember Bokhari, and seconded by Councilmember Watlington to take everything that is laid out in Action A from the staff report and reduce the property tax by 0.3 cents.
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Mayor Lyles said alright. So, you have a motion on the floor to address those items under Action A down on page five.

Mr. Bokhari said I can just recap it for everyone if they'd like. Housing bond's \$100 million to \$50 million, Corridors of Opportunity \$25 million to \$10 million, eliminate \$55 million strategic investment area program, reduce sidewalk program from \$50 million to \$20 million, reduce Vision Zero from \$20 million to \$4 million, reduce Corridors of Opportunity from \$25 million to \$10. Eliminate \$5 million from the implement Center City transportation improvements, eliminate \$1 million from the repair and replace bridges program, eliminate \$30 million in future FY2026 or FY2029 in the City's facility debt program. Again, just to clarify, all of those are reductions in the increases we have proposed from where we were investing many of those at records level before and most of these would then be part of us going all in on the sales tax for a multiple return of investment back into them.

Ms. Ajmera said so, I understand that this is just the reduction of where we were in previous year, but I want to make sure. There is elimination of \$1 million from the repair and replace bridges program. What would be the impact of that? I don't want us to be in a situation where we have seen a bridge collapse. So, can someone tell us the impact? I cannot make a decision just off of numbers. I have to understand the real impact because we have an obligation to maintain our roads and bridges.

Mr. Bokhari said I'll start and ask Ryan to actually elaborate, but my premise on this is since we are that the, let's call it 10-yard line with this action of the sale tax for transportation, if we're successful, this would enable us to not just replace that but potentially grow that. In addition to that I would imagine that if we are in a spot where we are behind anything, since this was an increase that wasn't a steady state view from before, we would be able to reallocate, but I'm not the expert in that.

Ms. Ajmera said so, yes Mr. Bergman, if you could just tell us out of all of these bullet points, what would be addressed by the sales tax increase and what would not be addressed by the sales tax increase if approved?

**Marcus Jones, City Manager** said so, there's two questions. I'll do the second one. I'm not sure about the bridge. I'll buy you some time Ryan. So, the way that the proposed legislation will be structured will be to help us fund road and road facilities. So, when you think about road and road facilities, you think about not just the roads but the sidewalks and what we call complete streets. So, many of the things that are related to transportation could be funded by the sales tax.

Ms. Ajmera said so, pretty much everything minus Affordable Housing Bond and bridges? Is that correct?

Mr. Bergman said no, bridges could be probably Corridors dependent on what the Corridor work was.

Ms. Ajmera said okay, so Corridors, housing. How about the Advanced Planning capacity that we were looking at for animal care and control?

Mr. Bergman said that's what we call [inaudible], City facility debt. So, that would have no sales tax implications.

Ms. Ajmera said so, we are looking at three bullet points that will not be addressed by the potential sales tax increase if approved. Correct? Thank you. That's all.

**Councilmember Graham** said I just want to remind everyone that if it gets on the ballot, if the voters vote for it. There are a number of hurdles that have to be cleared before we can talk about spending dollars that may or may not appear. Notwithstanding that Mr. Bokhari said we need to send a message to the General Assembly about our budget, no we don't. It's the City of Charlotte's budget and we have to fund our priorities based on the needs of our citizens notwithstanding the impact it may or may not have in Raleigh. So, I think we need to be focused on our operating budget and our priorities, understanding we know what's happening around us, the sales tax, but that's on a different course, that from my perspective we should just focus on our budget because

there's so many hurdles that have to be cleared that it's not even on the ballot yet. It's not even voted on yet. It hasn't even been introduced yet. I think we need again, to focus. Make the main thing the main thing and that is our operating budget.

**Councilmember Driggs** said so, one more or less technical question. If we were to lower the tax increase to 1.2 from 1.5 based on these capital things, that actually reduces our allocation to debt service by only a fifth of that amount. So, then we would also have to agree to allocate from operating to debt because actually you'd be able to allocate a little way from debt but I'm just saying the allocation we have right now between debt and operating would not work if we just reduce that tax rate by three-tenths because it doesn't all come out of the amount that's designated for debt. I am curious to know also what would be the debt issuance under this proposal? That's for Mr. Bokhari.

Mr. Bokhari said my assumption would be, and I think Ryan would probably better answer this, that you raise a good first question and I am interested in the impact of that, but on the second question it's basically going back to run rate from the 2024 fiscal year.

Mr. Driggs said so, back to \$228 million which is our sustainable number, right.

Mr. Bokhari said yes.

Mr. Driggs said meaning we're taking out \$172 million which I hope is what that adds up to because one of my issues with the budget is, and I've been clear about this, I'll do you all a favor and not repeat it, but I see structural tensions in here and I'm worried about what it implies going out. The fact is that we have \$172 million in excess of run rate now. So, I assume that the cuts you're proposing would basically roll all of that back and that raises some interesting questions. Personally, I have a fondness for the sidewalks and the resurfacing and so I have a hard time seeing that reduced. I said what I did because I want to be clear. Really for these structural reasons probably not close to being supportive of the budget and therefore I'm making observations without offering my vote, if you understand. I think it would take a more differentiated approach to those cuts and probably a less radical adjustment in the tax rate and also taking into account the allocation between operating and debt service before we have a manageable adjustment. I am of course all onboard with any reduction in the tax increase and I appreciate efforts in that direction, but it needs to come from the right places. So, as it stands, I will not be able to support this. Thank you.

Mr. Bergman said yes, just to answer Mr. Driggs' question originally. So, what we proposed in the budget was a 27.54 cent budget and that's made up of 21.03 cents for the General Fund, 5.51 cents for the Debt Service Fund that he's talking about and then one cent for PAYGO. Council does have the discretion to adjust any one of those. You don't have to proportionately adjust them. So, Council could say to Councilmember Bokhari's point rather than 5.51 cents for debt service, there's 5.21 cents for debt service. So, that's why it's kind of presented like this. As for the question, you're correct Mr. Bokhari. Under this scenario the future debt taken out would go back down to \$228 million from the \$400 million bond. It is notable that that debt is all taken out at different times depending on when needed by finance. It's not all going to be taken out day one of course.

Mr. Bokhari said in response to your question, to mirror the question posed, I would just say this Mr. Driggs. This is not easy. To me, especially sidewalks and the same items you brought up, that was a really, really hard choice for me to propose, but my thought process was, and this goes back to Mr. Graham's point, yes there's a lot of steps but we've made it so far. Farther than we ever thought we would right now and we are literally in the red zone right now looking at an opportunity to punch through something that has completely stalled for a long time and that takes going all in sometimes. If we aren't successful, you're right, there's a lot of chance. That's the risk we're taking, but if we are, to Mr. Driggs' point, I personally believe the sacrifices in the sidewalks, the resurfacing, the things that I absolutely know are critical, these are a drop in the bucket



right here versus a transformational \$20 billion amount where a portion of that can be tenfold change our ability to do those things. So, again, I'm not trying to diminish your point. It's a very good point and one I struggle with mightily, but households and businesses are expected, and to achieve certain outcomes to have to tighten belts sometime and make tough decisions. So, I tried to make my own tough decisions in that as well.

Mr. Bergman said then one more just so I can answer Councilmember Ajmera's question. The Bridge Program is something we typically put about \$6 million in. We put \$7 million in this partially because of all our programs, that has a lot of volatility anytime you're dealing with bridges, but it wasn't necessarily specifically earmarked that we're going to do this many more or anything like that. So, on this list that's of course the smallest dollar amount change, is that \$1 million.

Ms. Ajmera said so, it's not allocated to a specific bridge, it's just additional funding if we run out of that \$6 million?

Mr. Bergman said well any amount put towards the Bridge Program will be used on the Bridge Program.

Mayor Lyles said we have a bridge inspection program and I understand that that's where you have the flexibility. You have to go to every bridge at a certain time. You also, I've learned through all of this with our bus system, is that you have to actually wait for people that are hired to come and look at the bridge with you which sometimes you'll send out a crew and the other crew doesn't show up and you're still doing that. So, it's not as simple as we're building a bridge or inspecting a bridge. It's more.

Ms. Ajmera said I agree. What concerns me is that potentially eliminating \$1 million could have catastrophic effects on our infrastructure. I think we all know that our infrastructure has not kept up with the growth we have seen. So, yes, I am very appreciative that we are tightening our belts and we are trying to find ways. I think this should have been part of our budget workshop exercise where we should have looked at the impact and we did not do that. That concerns me a great deal because when we look at a property tax increase any time that is, we're not only looking at homeowners. We're also looking at the renters because ultimately some of the property tax increase does get passed on. So, it's kind of difficult to make a decision today based on just this number without looking at the impact that it will have. I advocated for Vision Zero because we have seen traffic fatality numbers go up significantly and there is an opportunity cost. I get it that we will have a sales tax funding available, but by the time, we are losing lives and there is an opportunity cost that we need to consider. So, Vision Zero definitely I cannot support eliminating or reducing, neither the bridge repair and the future Advanced Planning because we have advocates for animal care and control that have been advocating for the facility, for the capacity increase for so many years. We haven't increased our capacity and their staff is put in a very difficult situation. So, for all of these reasons, I have a hard time supporting Action A.

**Councilmember Mayfield** said just for clarification. We're going to have two separate conversations. This is just the conversation that we're having regarding Councilmember Bokhari's proposal and then we're going to have a separate conversation regarding Dr. Watlington's proposal?

Mayor Lyles said yes.

Ms. Mayfield said that's all I needed.

The vote was taken on the motion and recorded as follows:

YEAS: Councilmember Bokhari

NAYS: Councilmembers Ajmera, Anderson, Driggs, Graham, Johnson, Mayfield, Mitchell, and Watlington

Mayor Lyles said the motion fails.

Mr. Bokhari said I'll make the next motion quick then. I see where it's headed. That's fine. Ms. Watlington has the collaboration plan. So, I hold hope there.

Motion was made by Councilmember Bokhari, and seconded by Councilmember Mayfield for Adjustment B to take the arts funding from \$11 million down to \$4 million.
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**Councilmember Brown arrived at 2:24 p.m.**

Mr. Driggs said we shouldn't belabor this. I just hope everybody noticed that I sent two emails around describing what this plan is for the arts and why I believe it's actually a game changer, and I think that that investment is something we can do that is affirmative. We spent a huge amount of money addressing difficulties and challenges in our City. This is something we can do that's a cause for celebration. It benefits everybody. So, I will not support its deletion.

The vote was taken on the motion and recorded as follows:

YEAS: Councilmembers Bokhari and Brown

NAYS: Councilmembers Ajmera, Anderson, Driggs, Graham, Johnson, Mayfield, Mitchell, and Watlington

Mayor Lyles said so that motion fails.

Mr. Bokhari said Ms. Watlington, you are up.

Ms. Watlington said thank you sir. Okay. So, again just for some context. I know some folks came in after the discussion had begun. We went through, we being a group of us. I've tried to touch as many Council members as I've actually been in contact with, went back from these options that are on this list and talked about well what could it look like? I think you just saw there's very little support for eliminating completely a lot of these items. So, we talked about what is it that we can do that meets our varying needs. So, we'll start at the top and we'll just take the first chunk, selections from Action A, CIP reductions. So, I've already explained this a little bit, but I will just add in light of the discussion that we just had that what remains in this particular one, I'm on page five. So, if you look at the proposal here, it's reflecting what you see on page five where we have elected to keep the Affordable Housing Bond at \$100 million. We have elected to rather than eliminate the \$55 million Strategic Investment Areas Program to bring it down to \$30 million for this budget cycle. We have elected to keep the reduction of the Sidewalk Program from \$50 million to \$20 million. We have elected to rather than taking Vision Zero funding from \$20 million to \$4 million, to take it from \$20 million to \$10 million because to Ajmera's earlier point, we do think there is significant work there that we would like to get done within this year.

Mayor Lyles said Vision Zero from \$20 million to what?

Ms. Watlington said to \$10 million rather than the \$4 million that was on page five. We think that will give us good capacity to still be able to get some critical projects done between now and the proposed sales tax. We also elected to keep the \$1 million for the repair and replace bridges program.

Mayor Lyles said did we get to the eliminate futures?

Ms. Watlington said so, that's where we were. That's a point of discussion because in the discussions that we were having, because we did not see a specific number in this particular year, it didn't have a number reflect. We see here that the outer years are programmed for \$30 million and I know that there was some discussion about what potential projects could be used for that \$30 million. So, as far as a motion, I'm happy to amend that to strike that last line about eliminating the Advanced Planning capacity.

Mayor Lyles said okay so strike that. You're going to make the motion and you'll tell us which ones.

Ms. Watlington said yes.

Ms. Ajmera said can we do line by line?

Ms. Watlington said I think that would be at the pleasure of the presiding officer.

Mayor Lyles said do we need to?

Ms. Ajmera said because [inaudible] everything, I'd agree with one line.

Mayor Lyles said would you like a one line? You would like to do it line by line?

Ms. Ajmera said yes, because there's a lot of options.

Mayor Lyles said we'll go ahead but we're going to have to have a motion and a second for each individual line. Do you have an exception one that you would like to have an exception from the motion?

Ms. Watlington said Councilmember Ajmera, would you be amenable to exercising a substitute motion that way we don't have to go line by line and you could just call out the ones that you would like to adjust?

Ms. Ajmera said yes. So, the one where it's eliminating \$5 million center city transportation improvements, I do see that being funded out of sales tax, but the rest I have a hard time reducing. So, I can make a substitute motion or if you want to amend that. Either way.

Ms. Watlington said I'm not sure I follow.

Mayor Lyles said one of the questions I have. We're talking about the sales tax that we're going to Raleigh that we might get and if we get it it's another year before that, and then if we do that I want to make sure we're talking on the same level, and it could not happen. Let's stay on track.

Ms. Watlington said to keep it clean I will go ahead and move to accept the selections from Action A as listed and we'll just start there as a base, as listed here.

Mayor Lyles said when you say the here, I'm looking at a book that says, "Selections from Action A. Reduce strategic investment areas from \$55 million to \$30 million." Is that your motion Ms. Watlington?

Motion was made by Councilmember Watlington, and seconded by Councilmember Johnson, to accept the items that you see from Action A, with the exception of the last one that says eliminate future City facility capacity.
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Mayor Lyles said alright. So, this is a motion that would reduce strategic investments, reduce Vision Zero to \$10 million, reduce the Corridors of Opportunity to \$20 million, reduce the sidewalk program to \$20 million, eliminate \$5 million Center City transportation improvements.

Ms. Watlington said correct.

Ms. Ajmera said so, what was taken out?

Mayor Lyles said the last item. It's eliminate future City facility capacity, \$30 million from FY2026 to FY2029 capacity worth five cents of a tax rate adjustment.

Mr. Bokhari said put 0.05.

Mayor Lyles said 0.05 cents. So it's the last item under A, CIP reductions, before the total bond reduction line.

The vote was taken on the motion and recorded as follows:

YEAS: Councilmembers Bokhari, Brown, Johnson, Mayfield, and Watlington

NAYS: Mayor Lyles, Councilmembers Ajmera, Anderson, Driggs, Graham, and Mitchell

Mayor Lyles said I vote that we do not reduce the selections from the CIP and that we move to the next item on the agenda. So, my vote would be to break the tie to say that we do not reduce strategic investment areas, we do not reduce sidewalks, we do not reduce the Corridors of Opportunity that we're building. So, thank you. Okay, the next item up, Ms. Watlington.

Ms. Watlington said alright, the next one is selection B.

Mayor Lyles said so, this is the reallocation of \$7 million to increase the Tourism Fund, reduce property tax revenue in the 2025 budget.

Ms. Watlington said yes, but as Councilmember Bokhari mentioned earlier, this hot off the presses, this one spoke specifically to the Tourism Fund as an example, but the intent is to investigate reallocation of that \$7 million. So, whether that comes from tourism or from another place, if that is something that is feasible, what we'd like to do is investigate.

Mayor Lyles said I'm going to let you state the motion so it's reflective of what you want to accomplish.

Motion was made by Councilmember Watlington, and seconded by Councilmember Johnson, to investigate the reallocation of the source of the \$7 million art increase from the General Fund.
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Ms. Watlington said I would like to defer to Teresa a little bit just to give an understanding of what it is we're looking at specific to the Tourism Fund, not necessarily the other.

Mayor Lyles said okay. Alright, we're going to have a discussion.

**Teresa Smith, Chief Financial Officer** said sure. So, I think this requires starting with a reminder about the Hospitality Funds and that the uses of those Hospitality Funds are all based on the source of revenue in those funds. So, you will probably recall that we have three different Hospitality Funds with different revenue sources and each of those funds has different uses based on that tax source. So, what we're talking about here specifically is the Tourism Fund. This fund has an occupancy tax, a rental car tax, and a U-Drive-It tax. The occupancy tax is the most restrictive part of this and allows us to do things like construction, financing, maintaining and operating convention centers, civic centers, coliseums, auditoriums, museums. So, this is where we fund things like the recent deal we did with Spectrum Center. So, we're funding the improvements to Spectrum Center, we're using the occupancy tax portion of the Tourism Fund.

The rental car tax is not as restrictive and then the U-Drive-It tax is not as restrictive. So, when we talk about something like arts which would be an ongoing operations funding, that is the funding that we would be looking at using to fund something like this. Currently, we're using that funding to support the cultural facilities. So, the Levine Arts with Beckler and Harvey Gantt, the Knight Theater, the Mint Museum. We're supporting the existing debt service on those as well as the maintenance related to those facilities. We're also supporting maintenance related to things like Owens Auditorium and Bojangles. So, they're already some commitments on the use of these funds. In addition, I had mentioned to Dr. Watlington this morning, you know coming out of COVID those revenues are the things that were very heavily impacted. So, we are starting to build back some of those funds, but we are currently starting at a place where we don't have a lot of additional or extra funds that are available. We did do a preliminary look and it is very much a back of the envelope. So, I would need a little more time to just confirm the numbers, but currently what we see is that there would be about \$1.5 million to allow for an ongoing expense like this.

Mr. Driggs said I just want to mention I'm really reluctant for us to take an action that based on an assumption about Hospitality Funds without talking to HTA (Housing and Tourism Alliance), CRVA (Charlotte Regional Visitors Authority), the legislature, and all of the other parties who are involved. It creates controversy and to Mr. Bokhari's point, we don't need to be doing anything that the legislature could find questionable because of the definitions of the [inaudible]. I did want to mention I genuinely appreciate the work that you've done. This is a more thorough budget conversation that I can remember. It would've been better if we could've had this conversation in a workshop frankly. We're at a stage in our budget process right now where what we're supposed to be doing is looking at line adjustments that were offered during the add/deletes and resolving them. It's difficult I think to process and to analyze the kind of changes you're proposing in this timeframe. So, I can say for myself when I heard the Manager's budget, I wasn't prepared for a penny and a half. I didn't know about the \$400 million and I really felt to that extent, those features were not based on prior conversation that had happened among us. So, it's too bad we couldn't do this earlier. There's a lot of value in the work you did and certainly I would love to see us cut back in a number of ways that are suggested here, but I just don't know that we can digest the changes that are being talked about and in particular, I really don't want to be making assumptions about Hospitality Funds without prior consultation. Thanks.

Ms. Watlington said just for clarity on the motion. The motion is to investigate. So, that's exactly what it'll be called. I just want to make sure folks are clear on that.

Mayor Lyles said it is investigated, right.

Mr. Driggs said understood, but investigate instead of actual funding. We can investigate, we can do the funding that's proposed and investigate and if we see an opportunity based on that idea, that's a high grade problem to have that we would free up, but to go in with the lower level of arts funding and compromise the whole plan that's been worked out on an assumption about our ability to find that money somewhere else, would be I just think the wrong way around. Thanks.

**Councilmember Anderson** said Mr. Driggs actually took one of my first points which is we have these recurring conversations about Hospitality and Tourism Funds and the HTA and our partners in Raleigh have really been great strategic partners for us and have helped us to wonderful things to enhance our City. This is an excellent double click in looking at a budget and thinking about ways which we can extract dollars here and there to of course reduce a tax burden on residents. I would be very weary about having a decision being made today potentially on Hospitality and Tourism dollars. Teresa, if I'm understanding you properly, and I may have not gotten that right, but based on what you're saying, there's just about \$1.5 million in the actual account where this could be potentially. So, it's no where near the amount of the funds anyway, but I just want us to be very wary about bringing decisions around hospitality dollars without including our partners with the HTA and in Raleigh because they are truly partners for us.

So, the other piece I want to say is that the arts, and Mr. Driggs, the plan that's been done around the arts, the restructuring around everything that we've done over the last year and a half I think is important to our arts ecosystem. I personally would like to lean into the arts and continue the investment that we have and potentially coming out of COVID, we have so many people within our arts ecosystem that haven't fully rescued themselves and re-substantiated. I really believe we need to be investing in the arts as well. So, though this is a wonderful exercise and I wish we did have this a week ago or two weeks ago, because then we could've actually double clicked and had some really great debate around it, but I don't think I can support it today. I appreciate the effort from both Ms. Watlington and Mr. Bokhari.

Ms. Ajmera said so, I wasn't going to bring this up, but I think I have to say this. There is a common theme here which is I think most of us are trying to find ways to reduce a property tax increase. I think Mr. Jones, you hear that loud and clear because when residents are reaching out to us, they are trying to tell us that, "How are you tightening your belt?" like we are all doing every day. So, I wish we had had exercises on how do we reduce our budget because I was also caught off guard by 1.5 cent, a penny and a half property tax increase. In the past, back in 2018 I do remember us having a conversation about impact. This year we missed it. We didn't do the due diligence of understanding the economic and behavioral impact of having a tax increase. Mr. Driggs is right. We are at this point in the budget, it's kind of difficult to now take out one line item here, one line item there without truly assessing and understanding the impact comprehensively. So, I think this is a message for you as we move forward with the budget in the future that whenever there is going to be a tax increase, we look at the impact overall. In terms of investigating how we reallocate or find another source for arts funding, I would like to investigate and I say if there is a source that's available, I think we've got to explore that option. So, I'll be supporting it. Let me just say that while also ensuring that we get input from our hospitality community, and that would be part of the investigation, so I'm all for that because arts does bring in a lot of tourism. There are arts festivals, there is a festival like Charlotte SHOUT! that I'm a big fan of. So, it's important. I think this sends a message to our community that we take a property tax increase very seriously and we are trying to find ways to reduce that burden on our residents. That's all I have. Thank you.

Mayor Lyles said so, how much was the reduction of the motion? I'm making notes and I wanted to make sure. How much is the reduction?

Ms. Watlington said it's not a reduction at this point.

Mayor Lyles said it's an investigation.

Ms. Watlington said correct.

Mayor Lyles said okay. Alright, thank you.

Ms. Mayfield said Mr. Manager and Mr. Bergman, somebody has the answer to this. So, even though we're having two separate conversations, when we talk about the possibility of the sales tax, that is something, just for clarification for those who are watching online or who are in the room while we're having this conversation, even if we go to the General Assembly, if the General Assembly says, "Yes you now have the ability to go to the community for the community to vote on it," we would then have to tell the community, "This is what we're looking at," just as previously when we went to the community we had to tell them this was for hospitality and tourism. If we are looking at programming or something else, we would then be telling the community, "We are asking you to support this, and here's the bucket that we are looking at using these additional funds for."

Mr. Jones said absolutely correct Councilmember Mayfield and I want to rocket docket the money for the sales tax would come in FY2027. So, in other words July 1, 2026.

Ms. Mayfield said so, I just wanted to make sure we got that out there because I have a concern that people that are listening are hearing part of the conversation and they are not ready to jump in, "Oh no, we might get together too soon because that's not what we approved." No, we're having conversation. It was still a long process, have to go to the General Assembly, then we have to come back, go to the people and even at that, we are talking about FY2025, that's not something that would kick in until FY2027. So, in a way I kind of feel like we hurt ourselves a little by bringing that piece into this conversation for this budget cycle, even though I do understand the challenge regarding today. Do we have a tax increase? What does that tax increase look like? I support the idea of investigating the source of the \$7 million, yet at the same time with understanding that we have an Action Plan A, B, C, D, E and F, and here's a question not a statement. We are seeing which one of these individual Action Plans do we have support on. So, for the last discussion that we just voted on for Action A, we made some adjustments in that. That was not supported. So, now we're saying possibly do we support Action B or Action C or Action D or Action E if any of them. Just for clarity. That is what I wanted to make sure, but also, I wanted to make sure that those who are listening that don't necessarily have this in front of them understand this conversation that we all are having and making sure we're all on the same page. I'm just going to say for me, to make sure I'm understanding where we are in this process of understanding, because although I support the idea of this line item, what I personally support is what I raised my hand for, which was looking at we're not reducing you, we're just not increasing you. We're going to keep you where you're at right now while we figure this out.

**Councilmember Molina arrived at 2:48 p.m.**

Ms. Watlington said I just wanted to add a little clarity and I think we might've gotten there. I want to make sure that folks knew this line item specifically was about investigating and doing exactly what Councilmember Ajmera said was engaging the appropriate stakeholders in regards to it and what that would look like then coupled with the data that we would get from finance would then inform us what that final budget would look like as it came to the vote. So, I just wanted to make sure that was clear about what the motion actually is. The other thing I would say is I agree with Councilmember Ajmera in regards to our responsibility to have better, I'll say, as good a stewardship as we possibly can and I'm hearing the conversations around I wish that we had been able to do this earlier and that kind of thing. I would just offer that as the Council, as the governing body of this organization, we set the timeline. So, if that means that we need additional time to do our due diligence before we vote on the budget, that is well within our prerogative. So, I just would remind us of that. Certainly, there are some things we can do from a process standpoint to improve our budget process in the years going along, but what I don't want us to do is rush to a decision if the theme that we're hearing is that folks want to really roll our sleeves up and get some answers to these questions ahead of time. I think that would be a disservice to our community and frankly I think it would be irresponsible of us to do something like that given that we have the ability to set the timeline in terms of when that vote actually happens. Thank you.

Mayor Lyles said thank you. I think we'll be able to have a sense of it when we finish this list of items that we're approving and if people vote and support and how many we change.

**Councilmember Johnson** said I was trying not to speak because I don't want to be divisive on this issue, but I would just say when I brought up looking at the hospitality tax just to investigate, we were sent letters from that industry that basically said, "Stay in our place." I believe our place is governing for our citizens and doing whatever we can to protect them. We're looking at a property tax increase in the wake of a County tax increase, the revaluation and other increases. So, I think that we should do everything that we can to reduce the burden on our taxpayers. They should not be forced to carry the increase if there are other alternatives. We did not ask permission from the HTA when we approved \$275 million or \$273 million for the Spectrum Stadium, we're not going to ask. When we look at the Bank of America. We spend that. So, I think that we

need to be diligent in doing all we can to reduce the tax burden on our citizens. I want to work with that industry, and I hope that they would want to work with us to help our citizens. When we talk about the property tax increase, I think about the property tax increase on the hotels and the motels. When those taxes go up, who do you think is going to have to pay the higher cost? Our most vulnerable citizens who live in them. So, while we talk about it's only \$53 a year for the average homebuyer of a house for \$358,000 when we know that's not the average price in many areas. So, I think we need to be ten toes down to protect our citizens and do what we can to reduce this property tax increase and if it's looking at a fund that we are potentially going to be spending hundreds of millions of dollars to improve stadiums, I think it's our responsibility to take a look at using those funds in other ways as well. I'll just say this, when I mentioned it back in April 2024, and I didn't even give a solution or an area where we could spend it, but that was the same week where there were homeless folks in the airports. That's directly related to tourism. So, yes arts is related to tourism as well as infrastructure and transportation and other areas. So, I think we as elected officials need to be able to face our voters and let them know we did all we could to reduce the potential for a property tax increase in the wake of two other property tax and revaluation increases. That's all. Thank you.

Mr. Bokhari said mine is very quick but I just want to make a point. As my initial motion stated, what I think should happen here is a reduction from \$11 million to \$4 million without going and finding anything especially with this very significant property tax increase. The arts funding proposal portion of this is nearly a quarter of that. So, when the citizens out there that are taxpayers that are feeling this brunt, understanding that a quarter of that raise is now in there because of the additions we've put in arts is significant and important. However, that didn't pass. I am going to support Ms. Watlington's proposal because it is something to explore, but I just want to be real clear. There's no scenario I'm going to support the hospitality tax being a solution for this, but that doesn't mean I don't want to push forward given the point we're at when these conversations have been able to finally evolve. It's important enough to try because a quarter of our property tax increase right now is driven by this. Hospitality Funds won't work for me, but I definitely want to have a shot at making a reduction.

Mayor Lyles said I think that's a fair statement.

Mr. Driggs said so, the whole economy of the property tax is complicated. Many members of the public don't understand it. I think in our conversations here, we need to be very disciplined and not hold out a prospect that really if we think about it carefully, we know is problematic. So, the fact is that we have the authority to levy this tax based on laws that were passed. The use of the tax is coordinated with the industry because their customers bear the burden. It effects the economy of their business and therefore we need to work with them. Now what I understand from Dr. Watlington is that she is saying, "Let's explore this." What troubles me is the red \$7 million on the slide. So, at this point we should not be reducing, doing our calculations based on any assumption about this and if people want to reach out to the responsible parties and explore with them whether they accept and are willing to join us in making a case to the legislature because they would have to. The legislature is going to be influenced by what they hear from the industry on this subject. So, if we were able to get that conversation started and they said, "Yes, we get it, you're right, that's valuable. We'll join you," let's go and talk to them and if we can get that done in time for the final adoption of the budget to reflect the willingness of all the parties to go in that direction, great, but I don't want the public to think that we are passing up an opportunity to give them some relief in the General Fund based on a very controversial idea about the use of Hospitality Funds. We've been through it once with the stir that was caused the last time and I need to be more careful myself because I said politely, "Sure we can talk about that," and that got me identified as somebody who saw a potential there. I frankly am very skeptical, but what I really do think we need to require is that we approach this subject with all due care and respect for the other people who are affected. Thank you.

Mr. Graham said I think Councilmember Driggs took the words right out of my mouth. So, I don't want to be redundant. I think he's spot on and indeed but for the hospitality



industry, we wouldn't have the tax today. They went to Raleigh recently to get it renewed for us and working on getting the other one renewed as well. They were very involved in Spectrum, they were very involved in NASCAR Hall of Fame, they were very involved in a wide variety of projects that utilize the tax. As a matter of fact, we kind of go to them first to say, "What do you think?" So, it's not correct to say that there was no involvement from them. I just think that's correct. I just want to correct the record.

**Councilmember Mitchell** said just a clarification. I think Councilmember Mayfield brought up a good point. We have to be careful how the average citizen who is looking at this doesn't understand. So, when we go back to what Dr. Watlington suggests, investigate a source of \$7 million increase from the General Fund, the total in my mind, the total we're trying to get to is still \$11 million. We're just looking to reallocate \$7 million. So, somehow I don't want the viewers to think that we're only funding arts at \$7 million. So, somehow we need to put in parenthesis that the total would be \$11 million.

Mayor Lyles said we'll hopefully get that done today. Thank you very much.

Mayor Lyles said Ms. Brown. We're so sorry for your loss.

Ms. Brown said thank you. I really appreciate it. Thank you so much. Madam Mayor, I wanted to say with all due respect, we have to try to work for the best interest of our constituents and to make sure that they know that we care about them and that we're just not trying to increase the tax and trying to go through the line items and see how we can reallocate to help save them. I do want to go on record letting them know that I do care about an increase. It may be something that we have to do, but we are working through trying to see if there's other ways or parameters that we can get around that. So, for the record I do want to show support of trying to support Dr. Watlington's motion because we need to try to do something not to increase it, although there are times and opportunities where we may not be able to do that, we're trying to do that today. So, I wanted to go on record letting folks know because I've been bombarded with the increase. Nobody wants an increase in anything.

Mayor Lyles said right.

Ms. Brown said the whole fear of increase in tax. You know, they're saying there's no affordable housing and a whole list of other things that they've sent to me and now we're looking to take their taxes up. So, I definitely want to make sure that for the record I want the constituents to know that we're working diligently to try to come up with alternatives for that. So, that's all that I have today. Thanks.

Mayor Lyles said thank you.

The vote was taken on the motion and recorded as follows:

YEAS: Councilmembers Ajmera, Bokhari, Brown, Johnson, Mayfield, Mitchell, and Watlington

NAYS: Councilmembers Anderson, Driggs, Graham, and Molina

Mayor Lyles said okay. Alright. I've been listening and I guess one of the questions is we've got a number of other selections. We have the set position request list.

Ms. Watlington said two more motions.

Mayor Lyles said two more to go. So, the next item for consideration. Ms. Watlington.

Ms. Watlington said yes. So, Action C. Just as a pause because I'm hearing some rumblings about Action A and I know that Councilmember Ajmera had some interests in particular line items. I just want to make sure that folks are clear that I, I'll speak for myself, am amenable to adjustments to these. So, please feel free to speak on those

particular ones. So, for C. As you can see here, essentially the action is to eliminate new, new hire positions for this year, and you can see these are some of the items that have been listed in the budget book. There have been some redactions or reductions if you will based on interest from various members of Council to preserve housing, CBI and workforce development opportunity for hire this year. So, that's why you don't see those three particular ones on here, but these were ones that had significant support to consider. So, I would move that we accept this selection from Action C.

Mayor Lyles said okay. So, may I ask if we went back, which were the ones that were on the list but did not come up under this selection?

Ms. Watlington said CBI, workforce development and housing.

Mayor Lyles said okay, and those were chosen with what rationale?

Ms. Watlington said priorities. We know that we're going to get the report out from workforce development soon and we know that there's already significant dollars allotted to that work. So, we wanted to make sure that we put ourselves in a position to make a hire there if we needed to, to support that work and there's been a long time discussion about CBI and CBI University in particular and what we need to do especially as we look to do a significant spend over the coming years to support our MWSBES (Minority, Women, Small Business Enterprises) and then housing because of the work. As we see Councilmember Mayfield has on her faith and housing summit shirt that was executed today and there were over 400 attendees and strong, strong interest in that program. So, we anticipate we're going to need support for our housing staff in that space. So, that was the rationale behind those three.

Mayor Lyles said the rationale for not doing these is?

Ms. Watlington said so, that will vary by Council member. So, certainly would be open to discussion in regards to that, but I will say that these are the ones that folks generally said, "I could see that." I will add too, I want to make sure this is clear because this came up in some of the discussion earlier. We absolutely understand and recognize that it is the City Manager's role to be specific about operations and how you're going to do the work. Our role is to set the tax rate. So, these are the line items that were in the budget book. That doesn't necessarily mean that this is how it's going to be implemented within the organization. That is for the Manager to determine, but because these were the line items that were in the budget book, our goal was to look at what could the potential property tax increase change be overall. So, this is the specific list because it was in the book, but as far as Council members making specific decisions around don't hire in this department versus this department, that wasn't the intent of this. I just want to make sure that's clear.

Mayor Lyles said yes, I think so. I want to simplify as much as we can. We can either ask the Manager to cut \$1,129,000 or we could actually go down a list and everybody could talk about who's on that list.

Ms. Watlington said no, I like the first one better.

Motion was made by Councilmember Watlington, and seconded by Councilmember Mayfield to eliminate new, new hire positions for this year, and reduce the operating budget by \$1.1 million.
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Mayor Lyles said well I do too, but I want to make sure that we're just asking him to manage his cost of personnel to reduce it to \$1. 2 million.

Ms. Watlington said correct.

Ms. Ajmera said I have a question. I just want to make sure. So, we are not going off of this list. The Manager would figure out ways. It may not be specific to these line items?

Mayor Lyles said that's what I think Ms. Watlington said, yes.

Ms. Ajmera said okay, so while you're saying that I just want to emphasize.

Mayor Lyles said you can't ask for somebody to be on the list because when you're talking about taking them off now. No new people, okay?

Ms. Ajmera said no, no new folks. So, this \$1.2 million could go from other budgets. So, it doesn't necessarily mean just this list?

Mayor Lyles said no, this would be where he would reduce the City's operating budget by \$1.1 million, I think. Ms. Watlington, she's asked a question. I want to make sure it's about reducing the operating budget by \$1.1 million.

Ms. Watlington said correct.

Mayor Lyles said okay. Alright, any other questions?

Ms. Watlington said no, we were just discussing here that these are General Fund dollars.

Mayor Lyles said yes, they are.

Ms. Watlington said that doesn't need additional specificity because the point is that we want to reduce by that particular amount.

Mayor Lyles said right. That's what we're trying to do. Okay.

Mr. Driggs said but it is personnel expense.

Mayor Lyles said it is personnel expense, right.

Mr. Driggs said right.

Mayor Lyles said yes. Alright.

Ms. Brown said I have to ask if I don't understand. So, for the \$1.1 million, it's specifically for the personnel operating budget? That's it.

Mr. Jones said so, if I understand what the question is and I've done this long enough to yield. So, what you're asking me is on the personnel budget, instead of going in and saying you must eliminate this, I can do it from a series of options. Maybe I'm going to have a higher turnover or maybe I'm going to hold positions vacant a little bit longer. So, if that's the general guidance, I'm fine.

Mayor Lyles said okay. Ms. Brown are you okay?

Ms. Brown said yes.

Mayor Lyles said okay.

**Councilmember Molina** said so, I'm trying to gain some clarity around this. I know that we have staff that was doing some research. Is this congruent with any staff recommendation?

Mayor Lyles said we asked the staff to tell us options and this was included in the option.

Ms. Molina said so, this was the option?

Mayor Lyles said no. Some of these.

Ms. Watlington said if I may, I can give a little background on it. So, the way it began is we were having the conversation like last week that eight of us wanted to look at potential ways to reduce the tax burden. So, I asked specifically about particular departments, Councilmember Bokhari asked about a broad budget overview for staff to come back and tell us options. So, they did that. Just meanwhile, he was looking at particular options as was I and there's only so many options in the budget, we all pretty much came back with some version of similar options. So, what you see here on page five is what staff brought back to us which also happened to be the same places that we were looking. So, the differences that you'll see are to what degree do we want to impact those particular things.

Ms. Molina said because I wasn't a part of those conversations, I have no idea what those conversations were.

Ms. Watlington said we've been running like crazy. This came in our packet.

Ms. Ajmera said [inaudible].

Ms. Watlington said okay. So, this part has been a working hot off the press.

Mayor Lyles said Mr. Jones would like to address.

Mr. Jones said I can manage this.

Mayor Lyles said he's going to take care of it. So, I would like for everyone to raise their hand for once and have a unanimous vote unless you really feel different about it. The Manager said he can manage this.

The vote was taken on the motion and recorded as follows:

YEAS: Councilmembers Ajmera, Anderson, Bokhari, Brown, Driggs, Johnson, Mayfield, Mitchell, Molina, and Watlington

NAYS: Councilmember Graham

Ms. Watlington said great job guys. Then finally from my list, I don't know if folks are going to circle back to Action A or not, but from the list that I gathered from the various conversations is this particular one around salary increase reductions. So, I'm going to pitch it, but I definitely don't want to misspeak or misrepresent the position. So, certainly would defer to some of my colleagues on this one, but I'll go ahead as part of this process is make the motion for it.

Ms. Mayfield said for Action E?

Motion was made by Councilmember Watlington, and seconded by Councilmember Mayfield to reduce merit pool for salaried employees from four percent to three percent.
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Mayor Lyles said so, you see what's up there. I mentioned this to Ms. Watlington when she talked about this with me. I don't know who the salaried employees are, but I am very concerned when we look at our salary and personnel folks, especially with issues around child care for women workers. These things really often from my research really impacts women more. So, I would hope that we are very carefully looking at this because I don't know. We talk about the public, three percent to four percent could make a difference for a number of reasons that are going on right now.

Ms. Mayfield so, I would also like to share for clarification and clarity when having this discussion. For me personally, we are specifically supporting the idea of salary. Our hourly employees were having a number of conversations regarding how to get them to an equitable place based on the City of Charlotte. Not even going through the whole list, which I made some of my colleagues sit through, but from \$190,000 up to \$305,000 are some of our salaries. So, a reduction of that one for me, no disrespect, I love the work that our staff does, they're going to be alright to a certain extent. We have a large number of our hourly employees that for me, we have an opportunity to do something very different just based on the climate of what we have in our City. I am not saying we are not doing an increase. So, even with looking at that pool from four percent to three percent, I support the idea of us supporting our staff. That one percent can contribute to our reduction but also can help us look at other ways that we can support potentially our hourly staff and address the desire we have of not increasing taxes to a level that is unsustainable knowing everything else that's going around from us. So, I appreciate you giving me the opportunity, but again, all of those salaries are out there. It is a much longer list than that, but I just say from \$190,000 to \$305,000 a year, that one percent could make a greater difference for some of our lower paid employees that are at that \$38,000, \$52,000, \$47,000 range. I just wanted us to take that into consideration. Thank you.

Ms. Ajmera said so, Mr. Manager, I know that you suggested that you would be able to come up with \$1.1 million in total reduction from our operating. Would you be able to do the same for \$945,000 without affecting our salaried employees? Maybe look at travel? I'm not sure, catering, whatever it is, but I would like us to suggest that instead. I do want us to recruit and retain the best talent that we have like Ryan Bergman and all our strategy and budget staff and other amazing staff that we have. So, if we can find other ways Mr. Jones.

Mayor Lyles said I think the issue is it's a continued issue.

Ms. Ajmera said the question [inaudible].

Mayor Lyles said could you do it over?

Ms. Ajmera said Mr. Jones?

Mr. Jones said I'm trying not to push back on it. At some point it reminds me of a recent negotiation I just did. At some point if it gets bigger and bigger and bigger and bigger it's real tough for me to not cause pain in the organization. That's a little bit of my concern.

Ms. Ajmera said so, you don't think this would be possible?

Mr. Jones said I'm not saying that. I'm just saying that we were doing like \$1.1 million and I felt comfortable because worse case scenario, I don't do what's on the board, but you still left it up to me to manage it. If you ask me to cut \$5 million out of this budget, I would tell you it's going to be some pain.

Ms. Ajmera said right.

Mr. Jones said so, \$1 million, we can keep ourselves together for 10 days, but when we start to go significantly above that and I'm just being candid with you, I just don't want to have something that you really think is important that we don't do or we delay for nine months or things like that. Again, if this is \$945,000 and this [inaudible] where we are, I don't want to push back so hard.

Ms. Ajmera said you're not sure, 100 percent.

Mr. Jones said exactly.

Ms. Ajmera said so, I think since Mr. Jones is not certain 100 percent, I would like Mr. Jones to come back and tell us whether that would be some sort of, what would be [inaudible] like.

Mr. Bergman said if I can say something. I think what the Manager is talking about with that \$1 million and flexibility is that it's a small enough number that throughout the year we may be able to find opportunities that naturally happen the smaller it is. I hope we don't create something where we have to come back in five days with \$1 million or \$2 million more

Ms. Anderson said again, I just want to say that the exercise of going through and trying to extract waste or redundancy in the budget is an extremely useful exercise, especially given a tax increase. I've done this many, many times throughout my career, but what I do want us to be careful of especially because we are talking about personnel dollars and I know the Manager was very amenable to say, "Hey I can try and figure out how to flex with \$1 million, but eventually what occurs is the work isn't going to be reduced. We still have our priorities. We still have all of the things that we're asking staff to do and eventually what's going to happen is instead of going out and hiring someone that's talented and capable to do the work, it's going to be outsourced to a consultant or we're going to bring somebody in at a third party which overall becomes much more expensive, especially if it becomes a practice. I'm pretty sure we're not going to say, "Okay, well we'll just push that deadline back three or four months on this major initiative because you really don't have enough space on your desk to do this work." So, it's my personal belief that with this personnel issue, this is an operations muscle, and it should be left to operations. We as a Board of Directors should be providing instruction and intent but letting the operations directors and the operations manager, in this case the City Manager, make the decisions around how they're going to flex. The organization's already relatively lean. We've gone through various budget cycles and we're actually trying to increase pay for all of our employees rather than identifying where there is fat or waste. So, it's my inclination to allow the Manager to continue running a very well run relatively lean operations because that is within his wheelhouse to do and for us as a Board of Directors to just provide some guidance around potential decreases in percentages. I think we're getting into some dangerous territory where we're going to be a penny wise, pound foolish at the end of the fiscal year. So, that's just my perspective.

Mr. Mitchell said most of my colleagues know that when we get on this topic, how I feel about government employees versus the public sector. I think our talented employees are very underpaid and if they would leave and go to the private sector, they would be compensated at a different rate. So, I'm going to stay true. I think the City Manager has hired some outstanding people. I think we ought to continue to reward them based on the value they bring not only to us but to our City. So, my colleagues know I've never been a fan of not rewarding hard work. So, I will not be supporting this motion.

Ms. Johnson said just for the record, we are not proposing any salary cut. We're not proposing any salary cut, even three percent or four percent, we're simply saying, "Congratulations, you'll be getting a three percent raise this year." Thank you, and that's for the salaried employees and this is a win-win situation. We are trying to reduce property taxes and we're simply saying you're getting a three percent raise this year. Your salary is not being cut, there's no layoffs, none of that. That's it. So, thank you.

Ms. Brown said it's a lot going on in the room today but it's very important. I would just like to say that I love the staff and what they do, and their skill set. I saw the salaries, it's public information. They're paid their worth, but I can't tell people what their value and their worth is, but I also listen to the City sanitation workers that keep the City clean when they're downtown and they're picking up all the trash and they're making sure that our streets are clean and the utility workers. You know, they need an increase as well. So, wherever we can try to make it work, I'm going to always speak up for the blue-collar worker. We need to get them to a pay that's satisfactory where they can take care of their families. Some of them are homeless and they work for us, the City of Charlotte and make this City look good. So, salary is a sensitive subject and if it's four percent

and we can go to three percent, and if that money is going to be used to our sanitation workers, the guys or women that work on utility or water, how can we guarantee that though? We don't know that that's a guarantee. So, talent is talent and our workers work hard in the sun, rain, sleet, hail, and snow. So, if there's a way that we can do that, then I'm definitely going to be supporting that. I'm going off of what you said Councilmember Mayfield. Do you want to clarify it please?

Ms. Mayfield said Madam Mayor, may I clarify it? So, for what I was saying, the salary workers or the number of the workers that you're mentioning is the exact reason why I say I'm supporting four percent to three percent. As representative Johnson said, "Yay, you're getting a three percent raise," because our higher end, that \$190,000 a year up to \$305,000 are not our sanitation workers. They're not the ones that's out there every day. So, they're not making that almost over \$200,000 a year that you need to make in the City, that's why I say I support. It's disheartening that the conversation is becoming something other than what it is. Nothing is being taken away, we're just saying let's forego that increase. Instead of four percent, let's go to three percent just for salaried employees and I gave the example which you can easily pull it up on Data.Charlottenc.Gov which I've already shared on social media to look at what the salaries are.

Mayor Lyles said wait a minute. We've got three conversations going on at the same time and I just want to make sure. I think Ms. Brown if you're asking if we didn't spend this.

Ms. Mayfield said I was clarifying.

Ms. Brown said [inaudible].

Ms. Mayfield said I was clarifying what I was asked.

Ms. Brown said [inaudible].

Mayor Lyles said okay.

Ms. Mayfield said yes ma'am. So, that's why I am in total agreement with you that our workers that are out there, we have some opportunity to help grow their salary. This, when I look at our salaried employees and looking at a three percent increase on \$200,000 plus a year, \$300,000 a year versus a three percent increase on \$46,000 a year, two different conversations. How can we help some of our lowest paid workers? That's why I was saying I support instead of four percent, three percent. You're getting a three percent raise. A lot of companies you get a 25-cent raise. So, I'm thinking three percent is great, we just don't have to go to four percent. I appreciate being able to clarify that because you and I are on the exact same page with thinking about some of our workers for the City that are our most vulnerable and how can we help them while also helping them not have to pay more in taxes when you're not making enough on the front end.

Ms. Brown thank you Councilmember Mayfield for your clarification. Okay. So, for me with the clarification, I will be supporting the motion.

Mayor Lyles said okay. Mr. Jones would like to speak to this.

Mr. Jones said yes. I've struggled with this a little bit. Terminology. So, salaried employees, hourly employees, administrative employees, operational employees. I know Sheila is here. Ms. Simpson, I believe when we start talking about salaried employees as we define it in the system, you have individuals that are doing administrative functions and may be making \$60,000 a year. So, I don't want you to implement something thinking one thing, but it's really doing something else. So, we're talking about a couple thousand employees that some of them make \$60,000 a year that would go from four percent to three percent.

Ms. Brown said so, responding to Mr. Manager. Thank you so much for that, but we're not taking anything away from anyone. I don't support taking anything. I said that when I first started speaking. Salary is very tender to me. You can't put a value on a person's worth and what they bring and their talents and their skillset. I think I'm invaluable. There's no price tag that you can put on me. So, that means I can't be bought, sold or told. So, I understand what we talk about when we talk about value. I think I'm invaluable and irreplaceable as I think each of my colleagues feels the same way about themselves, but I'm not trying to take anything away from anybody. If we can add to those that are most vulnerable, that's what I was just speaking to. Councilmember Mayfield gave a complete thorough explanation as to what I was asking for my question. I want to be crystal clear on that. I'm not trying to take anything away from anybody when it comes to salary. I would love to see everybody make their worth, which you can't. That's not going to happen. In a perfect world it would, but I am very, very concerned about blue collars workers because I'm one. That was my point and I'm going to leave that with an exclamation point okay.

Mayor Lyles said okay.

Ms. Anderson said Madam Mayor can I just ask a point of clarification? We're having a really great conversation. This \$945,648 number, is the motion to reduce that percentage from four to three percent to be allocated to hourly workers?

Unknown said no.

Ms. Anderson said it's just simply to reduce this. Okay, because there was a conversation around increasing hourly workers' pay.

Ms. Anderson said okay.

Ms. Mayfield said just for background of what could happen but this is strictly just instead of four percent, let's say three percent.

Ms. Anderson said understood.

Ms. Mayfield said if we say three percent, this is how much it can save.

Mr. Driggs said my understanding of this conversation is we're looking for ways to reduce the tax increase which means if we do this, we're not finding other uses for that money. It's going to affect the tax increase. That's what I understand. What troubles me here is normally this conversation takes place in a data environment. We have comparable compensation in other cities. We have inflation, we have private sector. So, we have an objective basis for making a decision about this. I think it's unfortunate the four percent came out the Manager's Budget and we're now talking about cutting it as if we were taking back something that maybe the employees thought they had. That's a bad look in my mind even though I'm 100 percent onboard with a tax reduction, whatever that represents, 0.05 cents.

Mr. Ajmera said it's 0.04.

Mr. Driggs said it would be great if we did have a justification one way or the other to say, "Look, this is what's going on in the industry. This is what the private sector is experiencing. Here's what you get when you adjust for all the benefits and various other things that go with the job, the job security so that we can have an objective conversation." As it is, for the sake of .05 cents given the discomfort I have with a lot of other features in the budget, trying to squeeze that out this way is something I have a hard time with.

Ms. Molina said so, I'd like to start by saying I do realize I was late. I actually was watching. I'm a single mother and I have a responsibility to pick two kids up who are having exams this week. So, even without that though, I've never even heard of this. I've not talked to a person. I don't know what this is and even with the explanation it's



really hard for me to get comfortable with making such an important determination on the fly. The position that we hold from my place of reference is that we are a Board of Directors. We don't institute the what. We really instruct the how and right now, we're getting into the what without any type of specification, without any type of information. Lending to what Mr. Driggs said, something specific. What are we doing specifically? How does this match up with the actual numbers in this four point something billion dollar budget. I think making these decisions on the fly like this is something that we're not doing responsibly. I don't feel comfortable with this. Not to say that we don't need to make a reduction. In full transparency, I think when we say out loud to the average constituent who doesn't have the ability to see what we see with the intention of cutting this for people who make more and then we say out loud that there's an intention to give it to people who make less when that's not an expressed decision that we're making, then we're actually creating some level of false hope. We're making somebody believe that if they make a certain amount, that this amount is being cut so that we can save it here and give it to them and that is not what we're doing from what I'm understanding.

Again, that's from what's being said around the dais, that is not me saying that I've had any type of internal conversation prior to sitting down to make this on the fly adjustment. I definitely won't be supporting it for that reason because there's no way to really make a real determination as far as quantitative information is concerned to say, "We're cutting this to do what?" You know, just to say that we're doing it to cut. Look, I make what I make here. This is my full time position. So, I make less than \$25 an hour. I am one of these people for real for real and I have a master's degree and a whole lot of education. I speak a few languages, but that's totally different. I still don't see the need to cut something without us having some specific details surrounding exactly what we're doing because right now, we're digging into the how of the organization without having specific information. So, I can't get comfortable with it. It doesn't make any sense right now.

Mr. Graham said I think you took all my comments, you and Mr. Driggs. Certainly no is advocating for a tax increase, but as an organization for the last three years we've been very disciplined in terms of our budgeting and our forecasting and it was forecast to this Council almost a year and a half ago that we had to, at some point, pay the price for a growing City. The first column A was basically all infrastructure and we talked about infrastructure for the last year as a Council saying that we needed to do more and now we were suggesting cutting it. So, I don't see the rationale other than reducing the tax rate. I'm sensitive to what's happening around me, but this is being done in a vacuum with no forethought as a group or as a Board of Directors. It's just trying to lower the number and when you have a \$4.4 billion budget proposed, 0.05 is kind of minuscule.

The vote was taken on the motion and recorded as follows:

YEAS: Councilmembers Bokhari, Brown, Johnson, and Mayfield

NAYS: Councilmembers Ajmera, Anderson, Driggs, Graham, Mitchell, Molina, and Watlington

Mayor Lyles said, the motion fails. Thank you. I think we have one or two more items from the list that Ms. Watlington has created. We just did the merit pool.

Ms. Mayfield said so we just did E?

Ms. Watlington said yes, that concludes the four. I know there was some conversation about circling back to A because of a substitute motion. So, from a process standpoint, I need to ask to reconsider the motion or somebody on the winning side.

Mr. Bokhari said ask to reconsider the motion.

Ms. Watlington said okay. Thank you.

Mayor Lyles said Ms. Watlington has asked the Clerk if there was a motion that would allow for section A to do a line item change as a result of the amount of money for Vision Zero from \$20 million to \$10 million. To reduce Vision Zero from \$20 million to \$10 million. I think that did not pass. The motion did not pass. So, I'm not sure what the request is.

Ms. Watlington said procedurally, I know that Councilmember Ajmera was saying that she wanted to offer a substitute motion, but we were going and we didn't have an opportunity to do so. So, from a procedural standpoint, what I'm asking is somebody on the winning side if they could reconsider the motion, that way she would have an opportunity to offer up her substitute motion on option A because she wanted to get one in but we never took a substitute motion for that.

Mayor Lyles said would it be to increase this?

Ms. Watlington said no, the first thing we have to do is to vote to reconsider that motion. It needs to come from somebody on the winning side of that motion because it was voted down. Somebody who voted against it would need, as a matter of fact, Councilmember Ajmera could do it herself because she voted against the motion. You could move to reconsider that particular motion. We would have to vote to reconsider it and if that passes, then she could enter her substitute motion in.

Mr. Driggs said so, Dr. Watlington, I think the fact that we voted as we did on all of these items does not preclude another motion.

Ms. Watlington said that's true too.

Mr. Driggs said so, we're not contradicting the action that we took, we're now offering something new.

Ms. Watlington said we can do it that way as well.

Mayor Lyles said I think it would be easier if Ms. Ajmera has a motion for this. Your motion?

Ms. Ajmera said yes. So, my motion. When we had option A there was a tie. I did not support option A. So, what I'm proposing, if you could just bring option A on the screen. Yes, so all the items we can see Action A.

Unknown said [inaudible].

Ms. Ajmera said so, I support reduction as is, except Vision Zero, to keep it at \$20 million. That is specifically to address traffic fatalities. So, I do not want us to reduce that from \$20 million. The rest I can support.

Mr. Driggs said the motion failed.

Mayor Lyles said the motion failed.

Mr. Driggs said so, there is no reduction.

Ms. Ajmera said so, you have to make a motion. I can substitute.

Mayor Lyles said I think we need to go ahead and figure this out. Let's take a 10-minute break and then we'll confer with the attorney because I'm not quite sure.

The meeting was recessed at 3:41 p.m. and reconvened at 3:49 p.m.

Mayor Lyles said can we call our meeting back to order from the recess please? I think we were passing out communications for the Council members. Let's go ahead and get started.

Ms. Ajmera said so I just want us to go back to Option A.

Motion was made by Councilmember Ajmera, and seconded by Councilmember Watlington, for Action A, accept everything on this list, minus reduction in Vision Zero and future City facility capacity.

Mayor Lyles said I just want to make sure when you are saying CIP reductions, it's the Strategic Investment Areas you would like not to be.

Ms. Ajmera said so, let me just restate my motion.

Mayor Lyles said okay.

Ms. Ajmera said so, we have Option A here. If we can just pull that item here so everyone can see on the screen please. So, you all remember we had a big increase in this year's budget for our CIP dollars and part of that funding came from a property tax increase, which is a penny and a half. We all know that we are trying to find ways to tighten our belts and trying to find ways to reduce the tax burdens on some of our most vulnerable members of our community such as renters, those who live in neighborhoods that are highly gentrifying. So, we have an obligation to figure out tax reduction that will alleviate some of this pain. So, what I propose out of this option Action A, that we take out the line item for Vision Zero, we take out the line item for future City facility capacity because that directly addresses the fatalities and time is of the essence. I do not want us to reduce the Vision Zero bucket and the future City facility capacity, we are looking at alternative options for animal care and control that Councilmember Brown had advocated for. So, with those two-line items, if we remove that, that will take out \$10 million. So, we are looking at \$65 million in total bond reduction in 2024.

Mayor Lyles said so, you're reducing the bond referendum that was recommended.

Ms. Ajmera said yes.

Mayor Lyles said to change from?

Ms. Ajmera said from \$75 million to \$65 million.

Mayor Lyles said you're changing the Vision Zero sum from \$20 million to \$10 million?

Ms. Ajmera said no. I'm not saying that.

Mr. Driggs said some two things don't change. [inaudible].

Mayor Lyles said so, you're pulling out the Strategic Investment Areas.

Ms. Ajmera said Mr. Driggs, can you please?

Mr. Driggs said we're going back to what we talked about [inaudible].

Mayor Lyles said okay.

Mr. Driggs said this is not advocating. I'm explaining that we're going back to what we talked about before for A, all the cuts on that list except not cutting two items that Ms. Ajmera wants to be excluded. So, you're looking at everything other than those two lines that you see on that list. So, not the \$10 million. Do not include that.

Mayor Lyles said I just want to make sure when we started out with this, I thought the motion was not approved with one change in it, the elimination. I just want to make sure that we've not impacting the bond referendum as a reduction. That's what I'm concerned about.

Ms. Ajmera said so, total bond reduction by \$65 million.

Ms. Mayfield said yes, but that \$100 million for housing is still in there.

Mayor Lyles said okay. I got it. Okay, that's a motion.

Mr. Mitchell said Mayor, let me very clear on the total bond. So, we're talking about the original affordable housing bond of \$100 million. You're not suggesting reducing that to \$65 million?

Mr. Driggs said no.

Ms. Ajmera said no. I'm not suggesting. I'm not changing anything on the Housing Bond Referendum, that's separate. All I'm suggesting is \$75 million bond reduction that was proposed by Councilmember Watlington that was supported by five Council members. There was a tie. So, what I'm saying is that instead of \$75 million reduction, I'm proposing that we have \$65 million in reduction. All I'm doing is not reducing Vision Zero because time is of the essence because that directly addresses fatalities on the roads.

Ms. Anderson said [inaudible].

Ms. Ajmera said yes, but that doesn't have a line item because that's just the capacity in 26 through 29.

Mr. Graham said what about the children that's walking the sidewalks you were concerned about?

Mayor Lyles said Madam Clerk, can you read the motion from the Action A, CIP reductions?

**Billie Tynes, City Clerk** said Ms. Ajmera's motion?

Mayor Lyles said no, the one that was acted on by the Council. Can you read what that one was?

Ms. Tynes said the one that Ms. Watlington made?

Mayor Lyles said the original motion.

Ms. Tynes said okay. Hold on more moment.

Ms. Mayfield said the one that got approved.

Ms. Watlington said there wasn't one that got approved.

Mayor Lyles said can we just let her read it first?

Ms. Tynes said okay. So, that motion moved by Ms. Watlington, seconded by Ms. Johnson was to accept the items from Action A with the exception of the last one. So, it was the last one that was written up there. You want the vote as well?

Mayor Lyles said yes and what was the vote?

Ms. Tynes said the vote was a tie. So, for the yays we had Mayfield, Bokhari, Watlington, Brown and Johnson. The nays were Driggs, Graham, Anderson, Ajmera and Mitchell.

Mayor Lyles said okay. So, what I want to make sure that we're doing and what I think we're saying is that these items were not to be reduced as a part of the budget with the exception of eliminate future City facilities and now we're adding Vision Zero?

Ms. Watlington said no. Okay. I'll restate it. All she's asking for is to accept these selections, these changes to the bond. If it's not on this list, it stays as is. So, for example for housing at \$100 million. It's not on this list to be changed so it is not impacted. The two that Councilmember Ajmera is saying to take off of this list is the second item Vision Zero, and the last item which is that facility capacity.

Mayor Lyles said I understand. Is there any other adjustment to this item? So, what's left would be our investment areas, the Corridors of Opportunity and the sidewalks on this item.

Ms. Molina said so, I realize that I wasn't here for this vote. So, obviously I'm going to highly affect this vote and I need to know a few things. So, when we say we're going to hypothetically reduce \$5 million from the Corridor, which Corridor? Who's Corridor? That does matter. It matters because we're saying we're going to take \$5 million away from it for something else. My initial question would be what are we not doing now? What are we not doing as a result of this? We're going to take \$25 million away from the Strategic Investment Areas that have been previously proposed, which Strategic Investment Areas? I represent East Charlotte and the people that I represent right now are pretty pissed. So, if you try to start taking more stuff away from us, we're probably going to set up outside. The rationale, not that I don't get the idea of being lean, but who is going to suffer? Who is the person? Who is the group of people in this City now who can't get their piece of this pie? I can't support that on the fly. Who? Look, there's no such things as winners and winners. Right now, we're choosing inevitably winners and losers. So, if we're reducing \$25 million in Strategic Investment Areas that people have had a whole year to come up with and where they wanted to invest it, so they've got to now go back to the table with \$25 million less and they have to decide who is going to lose, right? That's a problem. On the fly, today, never even having seen this before to say that I'm going to support that when I don't even know where it's going to come from makes absolutely no sense. Then the Corridors of Opportunity, these are already under invested areas in the City. Can we cut that out? I mean I'm serious. These are areas that already have not had investment and we're going to cut \$5 million just because we say that that's going to put money somewhere else, and we've just seen it today. Who's going to lose? Who's losing? I don't want it to be East Charlotte because I'm going to be in everybody's office if it's East Charlotte. So, no I won't support it. This makes no sense. I'm done.

Mayor Lyles said so, is there any response to Ms. Molina on how we would make decisions around this? Has there been any thought as we talk about the reductions, about how we would make them?

Mr. Graham said I don't have any thoughts, but I just want to echo her comments as being correct. A lot of these are items that the Manager heard through the last year relating to infrastructure and things that we wanted to do. Children walking to school with no sidewalks. We need sidewalks and now we're going to cut sidewalks. We've got these playbooks for the Corridors of Opportunity that we're getting ready to implement in District Two and Three and Four and Five and now we're going to reduce that? We talk about infrastructure for Strategic Investment Areas. We've got this nice book that I said was more fantasy than reality. So, it's fantasy now because we're taking another cut. Even \$55 million was not enough to fulfill the obligations of the infrastructure but it's a start. So, we're going to take \$25 million from it because. So, I get the reductions too. I don't want to raise taxes. I'm not here advocating for that, I'm advocating for building a City that hasn't had an increase. We can't expect nobody to invest in Charlotte if we're not willing to invest in ourselves, and we haven't done that in six years. What we're doing now is just looking for pennies, nickels and dimes and I guess we'll reduce the tax rate, that's fine, but we'll be back here again, mark my word, doing the same thing, trying to talk about the increase of the tax rate. So, as I told Councilmember Watlington when we spoke last night, I supported the Manager's recommendation as it was submitted. I'm willing to make minor modifications along the way. These are not minor modifications. These are impacting operations, impacting our ability to fund infrastructure projects, impacting our quality of life for those who live here and it's a balance. I get it. The County is raising taxes, the sales tax has nothing to do with these

conversations at all from my perspective. I don't care what folks in Raleigh think, I really don't, in reference to our business here locally. This is not the way you do it, but hey, at 5:00 p.m. when the meeting's adjourned, I get to go home. Thank you.

Mr. Bokhari said I feel as much tension as we have in this room, we've had other tensions that are different. I think this is super positive what we're doing right now. I think this is one of the most special different conversations that I've ever been a part of in a budget process and I think it is important. I think what will happen here is we all realized, "Oh, this is how we do it," and my hunch is we will never have just the same old budget process again after this. We may not accomplish everything here, but this is an important step and essentially what this is, is a hybrid zero based budgeting approach. Something that is super hard to do and I think we found a short cut where in a week and a half we got there. I think the second piece to this, in any year, but especially a year when we have one of the more significant tax increases proposed, this is what a lot of taxpayers expect out of us. They expect the several members of this body for a week and a half and over Memorial Day weekend that spent countless hours working and trying to figure out solutions where we didn't have to do that, but they expect us to spend two and a half hours of a meeting one time a year when we're about to levy a tax on them. Did we actually try? Did we expend all options? So, we may not walk out with everything I started with this and then Ms. Watlington started carrying the torch and working with several of you to get, but I think there's a huge silver lining to this and I would just say Ms. Watlington, kudos to you because your hard work over the weekend and your time and preparation just effectively reduced taxes for the first time in Charlotte's modern history. That is not to be understated.

Then finally I just wanted to answer Ms. Molina's question which I think is a great one. I think the actual answer is that's got to be figured out, who wins and who loses but someone's going to lose in all these scenarios. I think the other silver lining to all of this stuff is we have very good odds that the sales tax with all the work the private sector, the MTC, the towns, what all those folks have done is brought up in the short session. I believe this in my heart, this is not some kind of, "Hey, do this because of this," my true belief is this. There's 10 percent odds of it making it through caucus and successfully passing in the short session if we do nothing other than what we've done and I think we jump up to 70 percent odds sending a message. So, to Mr. Graham's point yes there's a lot of steps and yes there's a hundred different ways this could fall apart, but we have never gotten this far and it's about going all in there. To your point Ms. Molina, there are going to be winners and losers in the short term, but this is part of a broader strategy. Instead of slicing and dicing up \$33.7 million new dollars which is a drop in the bucket and nothing actually gets done, we have a shot at chopping up \$20 billion for our roads, for our rail, for our transportation system, for our sidewalks. So, I would just say if you're feeling frustrated about this, I felt frustrated in a lot of our meetings, and even with losing all of my votes in proposals, I think this is something we should all be really proud of because we're going to change the way we do business in this City from this moment.

Ms. Molina said point of clarification. I want to make sure that I'm clear. Again, no one has called my phone to talk about this. So, I don't know who did what. This is the first time I've ever laid eyes on it. So, it's great to know that this is your implementation.

Mr. Bokhari said I didn't call anybody.

Ms. Molina said okay. I have three cell phones and none of them rang with this information. I knew nothing about it over the last week and a half.

Mr. Bokhari said fair point. I think that point is this is the lesson we've learned which is this is how budget workshops two months and three months ago need to happen next year and the year after. It's about us showing the Manager and staff that there's a way and we are willing to do it and interested and we have time. So, this is not about this year's win. It's about next year's win.

Mayor Lyles said so, I think the question is Ms. Molina's point was if it's not about this year, then why not keep it as is because there's going to be some idea of winners and losers and something that we've outlined. I hope I'm saying that consistently with what she is saying. So, we're taking out Vision Zero. How do you take out, or change or decision making around the others? I think that's the point.

Ms. Anderson said I do agree with Mr. Bokhari that there's an expectation from our constituents that we have this level of granular conversation around budget; however, I don't believe that this is the time to do so, especially given that we've gone through our budget workshops. We had allocated that time to have these types of conversations and I am not against any type of discussion like this, but in the final hour of where we're supposed to be with our budget, with no request to modify the various budget workshops that we had in the past etc., we are talking about reducing sidewalk investment. We probably spend 15 percent of our time on Council talking about the lack of sidewalks, how to get investment for sidewalks, the importance of sidewalks, kids walking to schools on roads, being exposed to increased vehicular incidents. We've spent 15 percent probably throughout the year talking about that and the Manager has clearly been listening. So, there's an increase in sidewalk and yet we're going to reduce it and pull it right back down to where it is. The same this with Corridors, the same thing with Vision Zero. These are all areas that we all as a Council for the vast majority of us, care about in some way shape or form and advocate for an increase because we're hearing that from our constituents and yet we're going to take an action on something where some Board members haven't even seen this information at all or any of these recommendations.

I just believe this is not the right space to do this in. I do believe this is the right conversation. I wish this would have occurred in the various budget workshops that we had. I invite the conversation. I'm not against it, but this should've occurred in those spaces. Now it just feels as if we are deciding whether we are going to provide a four percent increase to some of our salaried employees who work in operations. Our Constituent Relations Department are salaried. They make no where near \$190,000 a year. So, we're impacting people's livelihoods with these recommendations that are good and thoughtful, but at the eleventh hour.

So, I really and truly feel like we are in the situation where the County has increased taxes year after year after year on a five-year window. The County has increased taxes, we have done an incredible job to not do so, even coming out of a pandemic, but Charlotte residents are Mecklenburg County residents. So, they're feeling those increases and they're not quite sure if it comes from the City or it comes from the County. Last year when we had this discussion, many of us said, "We're going to have to do an increase. We're going to have to swallow that pill. It's going to be bitter. We should have done it last year, but okay we're going to do it this year." There's a thoughtful process to go about this. Again, we're all Charlotte residents. I don't want my taxes to go up either, but as a growing City, this is one of those decisions that I truly feel like so many cities throughout the U.S. have made bad decisions around how to manage and handle growth and it has impacted their growth trajectory in a negative way. We can go down a list and name at least three, four, five of those cities. This is a space where we have to make a tough decision about our growth that's undeniable and ensure that we are bringing the services that residents want, that we hear about, that we discuss on a monthly level. We're going to have to make those decisions and if we make the wrong decision or the suboptimal decision based on a concept of being pennywise and pound foolish, while taxes are going up in Mecklenburg County, we're going to feel the brunt of that. So, I just want us to have that full view of the arena, the playing field that we're on. We're going to feel the brunt of this if we don't make the right decisions around this. So, that's my perspective Madam Mayor. Thank you.

Mr. Driggs said I agree with Mr. Bokhari that it's really valuable that we did some soul searching, that we challenged this budget, that we looked at it hard, that we satisfied ourselves. I think my position has been pretty clear which is if you look down the road, we're setting the stage for more tax increases. So, what I wanted to see was a fundamental alignment of a future of taxation with the spending. I'm afraid we're going

to be right back here next year if we squeeze anything out of this tax increase, you know, having to find that money again. If we aren't ready to adjust our trajectory, all the needs from the UDO (Unified Development Ordinance) all of the other stuff that's going on, in that sense, when I look at this particular item I'm in favor of cutting but at the same time, I will not support taking \$30 million out of sidewalks in order to defend an increase to \$100 million of housing. I've said a number of times, I think the housing program is a very valuable program, but if we're going to do that, we need to be upfront with the City about what it costs in terms of other things that we aren't doing, in terms of the money we have to raise in order to service that debt. We can't try to create the impression that we're delivering all these benefits, and they don't need to worry about the pain that goes with that. So, that's my kind of basic position. On the sidewalks in particular, \$50 million is actually in relation to the need that we've identified, a pretty paltry amount, right? You go down to \$20 million and you've basically told everybody that's out there waiting for a sidewalk to just, you know, move to somewhere else. I've been through this because of a couple of sidewalks I tried to get and I was told that the waiting list was such that the [inaudible] and other places were on a never, never. I'm grateful I was able to get a few million dollars kind of cobbled together on an irregular basis, but structurally our road resurfacing program, our sidewalks and the nuts and bolts of the City are being sacrificed in order to do the housing and not raise taxes. So, somewhere we have to get back into alignment where the cost of what we're doing is more apparent to the people.

We all know that when we raise taxes, the pain falls back on a lot of the same people we're trying to help. So, we're robbing Peter to pay Peter and therefore on this particular issue because of the sidewalks and the housing and so on, I am not going to support cutting these items even though I would love to see us achieve a more balanced reduction in the tax increase. I did want to clarify to Mr. Bokhari's comments. We have not achieved a reduction in taxes. What we're talking about here is reducing the increase in taxes.

Mr. Bokhari said I said effective. Did I not?

Mr. Driggs said I don't know what you mean by that.

Mr. Bokhari said I think that by the effective increase or decrease. Just continue.

Mr. Driggs said I'm just saying I don't want the word to go out there that we're cutting taxes. We are talking about reducing the increase in taxes, which is not to say it's not commendable and I appreciate the effort.

Mr. Bokhari said appreciate your clarification.

Mr. Driggs said the truth is that the tax rate is going to go up. It's an important point because if the people hear something like, "We achieved for the first time in history a reduction."

Mr. Bokhari said an effective tax reduction. What part of that definition doesn't make sense?

Mr. Driggs said actually I'm an economist and I will tell you it doesn't make sense to much of anybody.

Mr. Bokhari said okay.

Mr. Driggs said effective tax reduction, people think it's going down and the truth is that we are not achieving something that we never have in history because the tax rate is going to go up. I just want us to be clear about that.

Mayor Lyles said okay.



Mr. Driggs said so, that's where I am. I'm not going to support these cuts for those reasons. Thank you.

Ms. Molina said I also wanted to make sure that I'm clear in saying when we do this, especially with this vote being our adjustments, we have a different audience. Our audience is broad. There are humans that have not been a part of this entire process who are watching our conversations right now. They're getting the tail end of some of us saying yes to something that they may not understand, some of us saying no to something that they don't have a full scope description on. Right now they're hearing us choose on the fly winners and losers. I don't, on the surface, disagree with this being a robust conversation in the future. I do not disagree with us trying to make our City a fair place for as many people as possible. I will never disagree with that. On the contrary, I feel like to make these decisions right now when first, there's only been a few that are privy, I come from the old school thought of caucusing. All of us don't have direct relationships with each other, but some of us have relationships with others. So, I know if I can pick up the phone and talk to a few of my colleagues, I'm going to call them and the ones that I can, just like with Eastland and Dr. Watlington, I knew that there were certain people that I wouldn't be able to talk to for that particular vote. I knew that she would be the person who could do that, so she did that and she did it effectively and she did it well, but that's what I feel like it would take in order to make these types of adjustments and every one understand what's going on instead of finding out about it on the fly. So, if I have the ability to, I'd actually like to make a substitution motion since again, I wasn't here. I do not want to support this. I don't want to support this adjustment. So, I make a substitute motion to not support these reductions in the CIP.

Mr. Graham said second.

Mayor Lyles said okay. I think all of us have had an opportunity.

Ms. Tynes said Madam Mayor?

Mayor Lyles said yes Billie?

Ms. Tynes said we have a substitute motion on the table.

Mayor Lyles said I know we have a substitute motion and I don't think we can have a substitute until a substitute [inaudible]. We can have another motion.

Ms. Molina said it was a substitute? I'm sorry, I missed the substitute.

Ms. Ajmera said [inaudible].

Ms. Molina said I thought you were a new one. I didn't even understand what was going on. I thought y'all had already voted it down.

Mayor Lyles said was there a substitute?

Ms. Molina said is that a substitute?

Mayor Lyles said I thought we didn't do a substitute, but we gave Ms. Ajmera the ability to make a motion.

Ms. Molina said I thought she made a motion.

Ms. Watlington said correct.

Mayor Lyles said she made a motion.

Ms. Molina said she made a brand-new motion so mine is a substitute motion.

Mayor Lyles said so, you can do a substitute motion.

pti:mt

Ms. Molina said absolutely.

Ms. Watlington said point of order Madam Chair.

Mayor Lyles said yes?

Ms. Watlington said can we ask the City Attorney. Isn't her substitute the same as what we voted on and what you broke the tie on? It's the same issue.

Mayor Lyles said no, you gave her permission. After the break Ms. Ajmera said, "I'd like to have a new motion specifically for the Vision Zero," and what was the other one Ms. Ajmera?

Ms. Watlington said it's a substitute. Your motion is a substitute.

Ms. Molina said is it a substitute or is a motion?

Ms. Watlington said it's a substitute motion because hers was a new motion.

Mayor Lyles said yes.

Ms. Johnson said so, can we get clarification from the attorney? Because if she's making the motion to deny wouldn't that just be a no vote?

Mayor Lyles said let's ask the attorney as you said Ms. Johnson. Let's just go ahead and do that.

**Patrick Baker, City Attorney** said so my understanding is that Ms. Ajmera's motion is a new motion and not a substitute motion. A substitute would be in order; however, I would recommend that a substitute to not do the motion that's on the floor. It may be best to simply vote that motion down.

Ms. Molina said okay. So, I'll kindly retract mine and we can go ahead and vote what's on the floor.

Mayor Lyles said okay. So, the motion to move the Vision Zero from \$20 million to which amount Ms. Ajmera?

Ms. Ajmera said it's right there.

Mayor Lyles said \$10 million?

Ms. Ajmera said can you bring that screen up?

Mr. Bergman said well what Marie has is everything from the screen that survived. These are the only changes of the motion.

Mayor Lyles said these are the things that are adopted for the vote for the bond referendum?

Mr. Bergman said no, the motion is exactly to reduce strategic investment areas from \$55 million to \$30 million, reduce Corridors from \$25 million to \$20 million, reduce sidewalk from \$50 million to \$20 million, eliminate the \$5 million. So, the first numbers of all those were the proposed budget, the second number is what happens if you approve her motion.

Mayor Lyles said okay. So, the question to Ms. Ajmera is to include Vision Zero?

Ms. Watlington said no, it's just to accept what's on that board, that's all.

Mayor Lyles said every time y'all do that I hear two people, three people and I cannot understand who's talking.

Ms. Watlington said don't say anything about Vision Zero. It remains untouched. So, if it's not on the board then it remains as per the recommended budget. All she's asking for is to make these adjustments. So, if it's not on the board it stays the same.

Mayor Lyles said okay. So, we have a motion that states, I want to make sure, can you go to the top box so we can see. So, this was the original?

Ms. Ajmera said no [inaudible]. Original was [inaudible]

Mayor Lyles said okay. I think the most important part of it is that we're taking out the reducing Vision Zero from \$20 million to \$10 million. Is that correct?

Ms. Watlington said no ma'am.

Mayor Lyles said taking it out. Well see I'm confused then.

Mr. Jones said yes you are. This is what's happening okay.

Ms. Ajmera said can we all get this on one page?

Mr. Jones said so let me see if I can help out, okay? So, this Action A the CIP reductions which was voted down, now it's back on the table with two changes from the original. One is Vision Zero will not be included in this vote and neither will eliminate future City facility capacity which is in the out years.

Mayor Lyles said that was already voted and eliminated before on the last vote. So, we're only doing one which is to take Vision Zero off the ballot. Is that correct?

Ms. Watlington said yes, we're not reducing the [inaudible].

Mr. Bergman said if I can just step in. You guys are saying the correct things, it's just one of those things that it's right from both directions.

Mayor Lyles said that's always good to know.

Mr. Bergman said if you're looking at it from the list of Action A, it is everything on this list except Vision Zero where there's no changes and except the future capacity where there would be no changes. If you're looking at it from what gets reduced from the proposed budget, it's only the things on the screen. The \$25 million, \$5 million, \$30 million, and \$5 million in that cell.

Mr. Graham said this is what happens when you work on the fly.

Mr. Bergman said the bonds would be \$335 million rather than \$400 million.

Ms. Ajmera said that's right.

Mayor Lyles said okay, now that means a choice of whether or not you want to reduce Vision Zero?

Ms. Ajmera said no, Vision Zero stays the same.

Ms. Anderson said the vote is around reducing Strategic Investment Areas from \$55 million to \$30 million, reducing Corridors of Opportunity from \$25 million to \$20 million, reducing the sidewalk program from \$50 million to \$20 million and eliminating \$5 million for Center City transportation improvements. That's what we're voting to do. Remove those things.

Ms. Ajmera said that's right.

Mayor Lyles said to have those on the ballot for voting this fall. Everybody good on that? Okay. Now why is that different than the first motion we just did?

Ms. Ajmera said the first one had reduction in Vision Zero.

Ms. Anderson said let's just do it. We have clarity on that?

Mayor Lyles said yes we do. We're all aware. So, I don't know that we need a motion or do we just because of this?

The vote was taken on the motion and recorded as follows:

YEAS: Councilmembers Ajmera, Bokhari, Brown, Johnson, Mayfield, and Watlington

NAYS: Councilmembers Anderson, Driggs, Graham, Mitchell, and Molina,

Mr. Jones said Ryan, what does that \$10 million change result in from the 0.14 reduction? It's now what?

Mr. Bergman said so, you mean the \$65 million change.

Mr. Jones said yes, what's the new number?

Mr. Bergman said yes, it's 0.078 is the total change from this one action.

Ms. Ajmera said so we are looking at total change. Do we have [inaudible]?

Mr. Bergman said give me one sec. So, 0.128 from the two things that have been approved. So, as it stands right now before anything else, the revised rate would be 1.372.

Mr. Graham said down from 1.5.

Mr. Bergman said yes.

Ms. Ajmera said so, that's [inaudible] 13 cents [inaudible].

Mayor Lyles said no.

Mr. Bergman said 0.13.

Ms. Anderson said 0.13 cents.

Mayor Lyles said okay. Now we're going back to the items that we have. I don't think we have any other items They're no other items to be chosen from this page. Is that right Ms. Watlington?

Ms. Watlington said correct, thank you.

Mayor Lyles said okay.

**Marie Harris, Strategy and Budget** said Madam Mayor, there's one other one that was number two on the original list on this page. It's not from Dr. Watlington's and Bokhari's thing but this one right here raise calendar is from Bokhari from the original from May 20, 2024.

Mr. Bergman said yes, this would be an enhancement not a reduction. I think you were saying there's no more reductions.

Ms. Ajmera said say that again.

Mr. Bergman said this would be an add, not a reduction.

Ms. Ajmera said oh yes. So, there is still a property tax increase, it's just less.

Mr. Bokhari said not necessarily now, right?

Ms. Watlington said so, I believe what's still remaining are the adjustment items that we had from last week that we need to cover.

Mayor Lyles said does everybody have a copy of those?

Ms. Mayfield said Mayor, does that start on page eight that we're talking about? That's starting page eight Madam Mayor.

Mayor Lyles said okay. Alright. Requested, budget adjustment. So, I want to start off with the items that we have. So, have we sent this out or given this to anyone? Can you post this up?

Mr. Harris said your version?

Mayor Lyles said yes. So, as we were working through the number of items that we had for nonprofit organizations for workforce development operations and for additional equipment and supplies for CMPD (Charlotte Mecklenburg Police Department), we looked at this and working with several members of the Council we grouped them by the purpose and intent. The first one was pretty easy. Workforce development, Ms. Ajmera at the last meeting said let's pull all the workforce development items out. Then we looked at all the other items that were nonprofit items that were addressed or suggested and then we had also Mr. Bokhari suggested some ideas for the Police Department. It was a suggestion from Mr. Mitchell and Ms. Mayfield on the Black Film Festival as well. I think I'm missing one which was the Teacher Village. I believe that was one as well. So, we have some that are singular, but I wanted to suggest a way that we could address this perhaps with less pain and agony. So, all of us know that there's ARPA funds that are remaining in the City. All of us know that these are opportunities that various members of the Council said these are things I believe in. The staff has not had the time to actually do any more than just help organize this information.

So, in order to address this without a lot of back and forth, we looked at those groupings and decided that it might be appropriate to actually fund these organizations from ARPA funding. So, that will be the first decision. That we will fund them from the ARPA funding. That we would fund them up to an amount that would allow the staff to begin to look at what they are doing and then have a mid-year report on them and understanding. So, it's not to say that if you ask for a lot of money, we would actually say to you, "We're going to give you an amount and then we'll have time to actually develop criteria and information," and all of those things that we have not had the time to do. So, the suggestion was that everyone in the workforce development group received \$100,000 of ARPA money. In the next group, the additional nonprofit organizations again, another \$100,000 except if those groups asked for less money than that. So, you can see where Stiletto was \$77,000 and Save Our Children was \$34,000. Then the next item was the CMPD information that was about the active shooter kits, the carrier vests, the ballistic shields which are a total of now I think \$250,000. Is that correct Marie?

Mr. Bokhari said that doesn't sound right.

Ms. Harris said \$241,000.

Mayor Lyles said \$241,000, thank you. \$241,000 for \$450,000.

Mr. Bokhari said no, that's not correct. I have a \$500,000 request in outer carrier vests. Actually, I need to address each one of those one at a time, but the original proposal is still what stands. I don't know how it got zeroed out.

Mayor Lyles said okay. So, the other one was we read the document on the litter clean up and it's basically a job training program for people that are coming out of incarceration, and they do this work. So, this would a crew if we added the \$250,000. That would add a crew to that. That was under Ms. Johnson's request. On the Black Film Festival, we suggested that we also again give them \$100,000, BOOM \$100,000 to be consistent. All of this is the idea that Ms. Ajmera's Committee has the responsibility for a really deep intense look at how do we address external candidates that come to us and say, "We can help you be better to help us do the work." So, Ms. Ajmera is taking that with her Committee, and we would actually try to ask them to do that work in the next six months so that we would be prepared, well actually a lot shorter time than that. If they can get it during the fall so that we would be prepared to talk about what our criteria are as well as everything else. So, are there questions about this? We'll try to work through it.

Ms. Mayfield said thank you for the work that you and others did with this. Since we don't have this in front of us, this is new. I just want to get some clarification. What staff presented to us on page 13 when Councilmember Mitchell and myself identified Charlotte Black Film Festival and I asked the specific question of would that fall under hospitality and tourism, staff came back that it actually is a legally eligible use of tourism funding and gave us an idea of how to move forward basically saying one consideration would be for the organization to provide expected impacts, local and tourism related and a description of how the City's funding would be utilized. I'm thinking that's moving forward. I'm trying to understand how the dollar amount that we identified, the \$287,000 was for these particular hospitality and tourism pieces, how that got reduced to \$100,000.

Mayor Lyles said basically we looked at it as this was a two-year request. Mr. Mitchell, help me if I get it wrong. It was that the Black Film Festival was for two years.

Mr. Mitchell said right.

Mayor Lyles said so, we were doing this to address the one year that we would have for all of these organizations and so that's how it became that. We also know that if it is something that we can do with additional funds from the tourism, that they could go there and we would say to them, "Please go and see how that works."

Ms. Mayfield said so, that could be in addition to our \$100,000?

Mayor Lyles said yes it could be.

Ms. Mayfield said then moving the conversation forward?

Mayor Lyles said what's the name of the film? CRVA (Charlotte Regional Visitors Authority) has a film.

Ms. Mayfield said right.

Mayor Lyles said so, they would go and ask them. We would do that.

Mr. Mitchell said Film Commission.

Ms. Mayfield said right, because we have a Film Commission. So, I'm just trying to make sure that I have clarity in what we're talking about today. I'm not a fan of the idea, which we kind of set ourselves up with the one-time funding unless we're extremely clear because we have some partners that we see one time funding but are now back. So, I just want to make sure moving forward, when I made the recommendation for it to be from hospitality and tourism, what you have recommended that we have on the

screen is that that \$100,000 actually comes from our interest from the ARPA dollars and we're going to have a conversation regarding hospitality and tourism since it is a legally eligible use for tourism.

Mayor Lyles said well that was in the prior discussion.

Ms. Mayfield said I just want to have clarification that that's what I'm hearing today. So, thank you Madam Mayor.

Mayor Lyles said okay.

Ms. Ajmera said on line item number 36, it does say it's from Tourism and Hospitality Fund. So, 27 and 28 will be out of Tourism Fund? Is that correct Mr. Bergman?

Mr. Bergman said so, when we were answering this we segregated them to be these are the ones that we think they're eligible. You could use hospitality and tourism, but I think what the Mayor is saying is that this is ARPA interest for it at this point, one time.

Ms. Ajmera said got it. So, if it's eligible for Tourism Fund and I do see that in our notes, I'm not sure why we are using our ARPA Funds. It's discretionary funding that could use potentially for other sources.

Mayor Lyles said I think the Manager would like to address that Ms. Ajmera.

Mr. Jones said I may have Tracy Dodson tag in. The concept is just because it's eligible, let's just don't force it today. Is there an opportunity for them to go through a process, but if I have this correct Mayor, the concept would be used with the ARPA interest to at least make the commitment. To Ms. Mayfield's point, if there's an opportunity for funds over and above that, at least the Council has made a commitment initially through the ARPA funds and still having the opportunity for these [inaudible] to go through the tourism process.

Mayor Lyles said okay. Generally, we thought that this might be the best and most equitable way for this. The only other thing that we have is that the Mayor Pro Tem and I have had a great deal of conversation with the workforce housing partnership with the Teacher Village and CMS (Charlotte Mecklenburg Schools) and those fees would be covering the things that they're doing to prepare for the Village. They are not going to be shovel ready until March 2025, but they have the architects and things like that, that they say that they need to have the income to do that. So, this million dollars that we have here, we talked with them about what does this mean for our own employees and I talked with the School Board Chair. She was here. So, when I talked with her, the discussion was if you're doing this pilot program which would be for the first \$1 million from the City, that as they build additional villages on school property which is their donation, the County's also doing, that those rental units or for sale units would be open to our employees as well. So, that would be the commitment that we would make by giving them the first \$1 million. They are going to come back. They're going to come to the Housing Bond. If we get it approved by the Council, they're probably going to come back for \$3 million to \$4 million. I see people shaking heads or nodding or whatever, but they will be coming back to this for our first round if we continue to do the work of the Housing Trust Fund as is, just expect that to be the case. That was the negotiation that I had with the School Board Chair. So, they would be given that \$1 million. Alright.

Ms. Ajmera said first let me just thank Ryan Bergman, Marie and the entire team for creating this really comprehensive Q&A in a week. I certainly appreciate it. I had an opportunity to take this on my vacation and study this. Mr. Bergman, if you can help me find that on specifically workforce development.

Mr. Bergman said it's on page eight.

Ms. Ajmera said yes, thank you. So, on page eight under one time cash expense, I see that they have not finalized a proposal or made a formal ask from the City. I had a

conversation like yourself with Chairwoman Stephanie Sneed earlier today and I understand the work that they are doing to recruit and retain teachers. Certainly, I think it's a great idea to support the workforce, but I would like us to review a proposal and have them submit a formal ask. I know that the Housing and Safety Committee is looking at how do we spend our \$100 million Housing Trust Fund. So, if you are looking at comprehensively all the proposals, we will be able to really look at all the proposals that we are getting because we also have to be mindful that we need workforce housing for our own employees like solid waste, Charlotte water. It breaks my heart every time we have the budget public forum. We had someone from solid waste tell us that he can't afford to live in our City and he's staying in a motel having to pay \$400, \$500 per week. We've got to make sure that we invest in our own housing and collaborate with our partners. So, I support their ask; however, I would like us to go through the process where Committee reviews it and then moves it out of the Committee so that we are following the process that we have set for all of our housing proposals.

Mayor Lyles said so, I had that conversation with the Chair and we agreed on that. So, that was not questioned by her because they will have to apply to the Trust Fund and that will go through the same process. So, that was not a concern. The million dollars however was an immediate cash flow need for design and various construction things that they thought that we would support. It's certainly up to the Council to decide if they want to do the million dollars or not. It's available, but I just gave you the information that she gave me.

Ms. Ajmera said so, to follow up. So, this million dollars would not be from Housing Trust Fund it would be from the General Fund? Is that correct?

Mayor Lyles said it would be from ARPA funds.

Ms. Ajmera said ARPA funds. So, have we ever provided design funding to any of our other partners? Like for an example faith partners that actually provide land donations. Have we ever done this for them where we would not ask them to go through the process and we would provide funding just for design? Have we done that in the past?

Mayor Lyles said I think Shawn would be best to answer that question about the past, but what they have said is that they would like for us to support that kind of effort as a part of the School Board and the issue that we brought up was, "Well what about our employees?" This is for the pilot project. Then what would happen as a result of this is that they would go through the process if they want additional funding from us, which they will.

Ms. Ajmera said so, Mr. Heath, could you address my question? Have we ever done that in the past where someone donated the land and we provided design funding? By all means, let me just say I support the teachers because my daughter will be starting at CMS soon and I do want the best teachers for her and her peers, but I just want to make sure we are following the process. What kind of precedent would we be setting if we are not following this process that we have?

**Shawn Heath, Assistant City Manager** said I'm not aware that we've done anything exactly like this. I don't mean to be dismissive about it, I'm just not aware. If Director Heffner is in the adjacent room and is aware of anything that we've done that resembles this, I certainly invite her to weigh in.

Mayor Lyles said I think maybe we should check Little Rock. I think that might be one, but I'm not sure. I just recall that. So, just look at it and see and we can get that additional information before we can decide or take a vote on this now.

Ms. Mayfield said I support the line of questioning of Councilmember Ajmera. One, I want to make sure we're not setting a precedent for something that could hurt us in the end. Two, we have a process. That process I do believe that we need to stick with, with having an actual application. I'm not comfortable with us identifying this money through ARPA. We just spent the last three hours going over some potential reductions for



needs that we have. So, I am more in line with the idea of any excess ARPA dollars going to addressing the needs that our City of Charlotte residents have. I also had a conversation with Chairwoman Sneed. I like the idea. I shared with her I wish this conversation was not started right now. I wish it had not been introduced into this space. She didn't know that it was going to be introduced in this space at this particular time, which caused some challenges, yet I think it could be a good idea down the road. We've got to have a process in place that is a clear process because what I'm concerned about is other development partners that we have out there, them looking to us and saying, "Well we also are going to need this and you did it here," what that could potentially do. We are going to have a lot of conversations over the next few years in faith and housing. We're going to have quite a few of those partners coming to the table and potentially saying, "Well X didn't have to go through a process. Why are you telling me I need to go through an RFQ (Request for Qualifications) or an RFP (Request for Proposal) process just to keep it consistent?" So, that idea of questioning I support. Everything needs to go through our Attorney's Office. If we're saying we may very well make a commitment based on a future commitment, if it's not in writing, it's not real. So, unless we have some very clear language that identifies that here's the window and then this next development that is happening on land that we have no control over, that it is in writing that our team who we're responsible for are going to have first right of refusal, first access, however the language is that clarifies it, unfortunately we're all on two maybe four year cycles things can change in a four year period which we've already seen. If it's not contractually identified somewhere, it may get lost in translation because a development can take anywhere from three to seven years to come out the ground. So, that would be the addition that I would ask if we're going to seriously consider this, that our attorneys are having a conversation with their attorneys to have very clear language of expectations of, say yes, we do this investment, this isn't the expectation so that there's no miscommunication or misunderstanding when that next time comes around.

Ms. Anderson said I appreciate the conversation. I certainly think that this is a unique opportunity for us to address an issue that we all know exists which is workforce housing within Charlotte, North Carolina and all of our civil servants, our teachers included, bear the brunt of not being able to live close to where they work and some of them are forced to live outside of the City. To your point, some of them have unstable housing. It breaks my heart too that when we have public forums, we hear from not only City workers but just workers in general who don't have access to proper housing that's clean and safe which is why I believe that this is an initiative that we absolutely should support. It's not a regular process of just bringing on affordable housing, it's a new model of looking at how can CMS and the County and the City of Charlotte work intergovernmentally to address in a targeted manner subsets of our civil servants with the teachers being in the first wave but a commitment. Ms. Mayfield, I completely agree that if there's a way to codify the commitment that in second wave that it's City workers. Of course we're worried about our City workers, but County workers. That's been stated as the intention, but if there's a way to codify that, absolutely for that. This is an opportunity for us to tap into land that's unused and to stand up a model to pressure test the model that could be scalable when we get this right. For a million dollars to help assist over 200 families who happen to work in our CMS schools, that's an incredible ROI (Return on Investment) for us to take that first step right now. If we could do it for our workers, I would absolutely be raising my hand for that too. A million dollars to help our City workers, over 200 families of our City workers have safe secure housing, absolutely be raising my hand and will do so in the future when we get this model right hopefully.

So, in the backdrop, I hope we all support the fact that CMS is so important to the ecosystem, the economic ecosystem for the City of Charlotte. CMS has this model which I believe you have in front of you and I think Chair Sneed has communicated with just about everyone here and walked them through the direct ask. It was a direct ask. I believe she had an opportunity to sit down with the City Manager as well. So, there has been a direct ask, but this is an opportunity for us to come together intergovernmentally and do something that can be creative and innovative on a national level. I hope that we can support this with the understanding of any additional asks that comes from Housing

Trust Fund dollars. Right now we have zero dollars and zero cents in our Housing Trust Fund. So, we can't tap into any of that for this, but in the future if we're able to do the things that we want to do for the Housing Trust Fund, of course I'm a true advocate that CMS go through the process that Shawn and Ms. Heffner usher and have overseen, but I hope that we can make this as a good faith nod to CMS that we support the teachers to have safe secure housing and equally as important, an innovative model that in a second wave could be 200 plus City workers that can live and thrive in this environment.

The other piece about this which is in the paperwork, but we don't really talk about is not only providing the housing, but also assisting these workers in homeownership opportunities and readiness. So, that's in next phases, but if we can make this step here, I think it would be a fantastic nod to CMS and the County that we are serious about our civil servants and workforce housing.

Mr. Bokhari said thanks, I'll be brief. I've been hypercritical in the last few years about our approach to affordable housing. With that said, I think this is pretty much of a no brainer as we can get. It's a unique approach because it's teachers and we know that need and that niche is very specific. It's a unique opportunity because it's a collaboration across the school, the County and the City to get it done. It doesn't have to raise taxes with one-time funds and an approach to the ARPA approach and then finally just the numbers mathematically from the affordable housing perspective, our \$1 million is a leverage of another \$29 million that will be along with it. Our average cost per unit is \$35,000 this would be \$10,000 per unit to get a 100 units from our portion of the investment and it wouldn't be an affordability period of 15 or 20 or 30 years. It would be forever because that will be owned by the group. Ultimately for all those reasons I think it's something for everyone to support.

Ms. Molina said actually, I love what Councilmember Bokhari just said. I think what we're looking at here is something that is a no brainer in my opinion to support. I'm also a CMS mom. I have been for the last 14 years, and my children have gone through CMS since pre-K. So, I've volunteered in more classrooms than I can count. Teachers struggle. They pull money out of their own pockets to help children across our City even when they don't have it themselves and I think it's worth noting that they're also our City of Charlotte residents. They live here. They work here. They raise their families and they participate in our economy in the same way that we all do. So, I think this is a unique approach to say that we actually, unlike many of our developments that we make decisions on, we currently don't even know who those beneficiaries are. Right now we don't have quantitative information to say at the end of making a decision, who those human beings are. The only thing we really make a decision towards with the hopes of impacting is their percentage of impact in the Area Median Income, but that doesn't say that we have a particular sector of humans that we're designing a product for. I think this is unique because like Mayor Pro Tem said, it's scalable. If we can make this work and especially from an intergovernmental perspective, bringing all of our entities to bear and our resources to bear, I think we then have an expectancy, a model, that we can scale and say that we'd like to help more of our community members that do have a need specifically. So, I raise both hands and hope that we can make this something that we support. To be clear, right now we don't have any funds to make a decision from our Housing Trust Fund for, right? So, this is an existing project and the Chair has I know for sure spoken to many of us and so I'm ecstatic about this opportunity to say that we would support our teachers, oh my God, with some of the issues that we have across our City with youth, a teacher being able to say, "I know where I'm going to stay." A teacher being able to say that I live close enough to my school that I don't have to spend gas, this, that and all of the other things that all of us have to worry about. So, I'm just excited about this project. I think it is amazing and I absolutely will support it.

Ms. Johnson said so, I'm a CMS grandma, Bishop Johnson. I had the honor of speaking with Chairwoman Sneed and also Rocky back here behind me and I look forward to supporting this model. It is transformative. As an affordable housing advocate, this is something that we can scale. This is one of those pilots. I think it's a great example of collaboration and intergovernmental approach. So, I think you're right, we need to talk

about the model and I look forward to supporting this. One of the things that I like about it is it's unique. I always talk about we're Charlotte and this is an opportunity to lead in an area. We also know that it's easier to build strong youth than to repair broken men. So, this is an opportunity to invest in our teachers, thus investing in our youth. When we talk about upward mobility, we need teachers and one of the things that Chairwoman Sneed said that we had lost 10,000 teachers. So, I think that's important and this is our opportunity to act upon that. So, I look forward to supporting it. Thank you.

Ms. Watlington said so, I'm trying to catch up and read this proposal. I've got some questions essentially which is why I support the idea of moving this over to a Committee to have a discussion because I'm not totally clear about the ask. I heard money for design which would be [inaudible] cost but I see negotiate tax grant agreements from the City and County for 100 percent of property taxes as well.

Mayor Lyles said I see what you're saying.

Ms. Watlington said so, I would really appreciate an opportunity to review this as a whole, find out what is the full financial commitment just like we would do with any other Housing Trust Fund. I also would just like to lift it up that as we're having these discussions, just to harken back to this whole conversation we just had for three hours, this money is not free and it's going to impact the very people that we are trying to help in a lot of ways. So, I just want us as we're having these kinds of conversations and we're talking about the work that we want to do, just be mindful that it comes at a cost from somewhere. So, I do think it's appropriate to have the full financial picture of what this will look like and maybe that is somewhere within these documents, but right now, I'm not super clear about what that is. What I will say is that I love the idea of supportive housing. We see that beginning teacher's salary is below even our solid waste workers. So, that is absolutely something that we should care about in our community. To Councilmember Molina's point earlier, however, in regard to our Housing Trust Fund dollars we don't know who's going to be in there but we know who's not excluded. So, for me thinking about the conversations that we just had earlier and the tough decisions that we had to make, I really am not clear as to why when we make this investment intergovernmentally, we're not seeing any kind of symbiotic relationship such that we would get at least a unit or two for our City workers. I understand this concept of future projects, but if I'm understanding correctly, this investment and then anything that comes in this next immediate round of Housing Trust Fund once we're funded if the bond passes, would also not be something that City workers would be privy to which means it could be a couple of years out before something even shows up and we've made an investment. So, for me I'd like to dig into that a little bit more. That said, I understand that time is of the essence. So, my question to staff is when we look at this project from a Housing Trust Fund standpoint, if it's coming back to us for Housing Trust Fund, is there a way to front these dollars and that come out of the net request from Housing Trust Fund or how might that work?

Mayor Lyles said let me take a stab at that because I had this conversation with the Chair this morning about what the use of the funds would be. Could we pay it later or not do it? Basically, I'm sure she can speak for herself, but the question was presented that they are in the process of developing a pilot, really they did not have the cash, and if I say this wrong, Ms. Sneed, please let me know, the cash to do the development work that's being requested by, I think they're with Deon. Deon is their master developer. So, they do have a cash flow issue and this would apply to that. I said, "Tell me what that means," and I think that she was going to be able to give us some information about that.

Ms. Watlington said is it possible to just get the information from her?

Mayor Lyles said I don't know.

Ms. Watlington said I don't know what the rules of order are.

Mayor Lyles said I think that what we can do is probably send a letter or us have another conversation. I think your point about having and codifying how long will the next project be before, if we're building a pilot now what is the next project? When will it hit the ground? Where is it going to be and how can we include our workers in it as a result of doing this? I think right now basically they're saying they need cash flow for the planning right now and I thought it was very good for them to come back and say, "We will be coming to you for trust fund dollars." So, we have that choice.

Ms. Watlington said I'm hearing upfront design dollars, I'm hearing Housing Trust Fund I'm hearing tax grant agreements and rebate of property taxes. So, yes, it would just be nice to see the full picture of what that investment looks like and assessed in a similar means of what we do for Housing Trust Fund.

Mayor Lyles said I'm sure Mr. McGregor will be glad to sit down with you for that.

Ms. Watlington said yes, I'd love to see it come through Committee because I think it is significant enough of an ask to do that. Finally just so I'm clear because I'm not sure I'm completely following what we're doing here with the ARPA dollars. Last week there was a request that came out of this budget conversation about the \$1 million additional potentially for juvenile crime. Is that baked in here somewhere?

Mr. Jones said no. So, we have \$6.9 million in ARPA interest. The concept would be some of these requests will be funded from that and let's say you funded \$3 million of it if that's the right number, then you still have \$4 million left and there have been some of you who have said, "I'm holding off until some other requests for that ARPA interest." So, by depleting it now it leaves fewer opportunities for the ARPA interest past this budget.

Ms. Watlington said this particular upfront design engineering request is out of ARPA dollars?

Ms. Ajmera said ARPA interest.

Ms. Watlington said okay, ARPA interest, got you. Then my last question. Just for completion sake, I did lean over here to the expert and ask a little bit about Advanced Planning knowing that we have an Advanced Planning fund but it sounds like that's not a particular vehicle we could use here because we would never get it paid back via capital project. Okay. Thank you.

Mayor Lyles said okay.

Ms. Ajmera said I just have a question for Mr. Jones. Mr. Jones, in our Housing and Safety Committee, we were looking at addressing youth violence and there was a request and I know we were potentially looking at ARPA interest bucket to fund some of those programs and opportunities. So, what would be the funding that would be left to do that in ARPA interest?

Mr. Jones said so, if all of these items came out of ARPA interest, you would still have \$4 million left.

Ms. Ajmera said okay. So, \$4 million for us to address youth violence.

Mr. Jones said no, not \$4 million to address youth violence, \$4 million to address anything that the Council would come up with.

Ms. Ajmera said I want to make sure. How much do we have allocated for addressing youth violence?

Mr. Bergman said \$3.5 million totally outside of this process was in the proposed budget and nobody has suggested touching that.

Ms. Watlington said well that's actually coming out of Housing and Safety Committee. Last week we committed \$2.5 million to Katie Blessing Center with the understanding that we would try to get the \$1 million from the ARPA interest. So, it's out there.

Mayor Lyles said okay. So, out of the \$4 million, you'd like to take \$1 million?

Ms. Ajmera said yes, \$1 million.

Ms. Anderson said [inaudible] of the remaining balance.

Mayor Lyles said okay. Any other questions regarding this? So, what I'd like to do is give Mr. Mitchell the opportunity to make a motion on the requested adjustments for this document for the workforce development. I do want to say this though. It's really important to understand that we're really working towards how do we address these in a way that we can verify and actually get real count for what we see is going on. So, I think the way that Ms. Watlington talked about is exactly what we want for everybody to be able to do this. So, with that, Mr. Mitchell would you make a motion to adopt the various and the nonprofits?

Mr. Mitchell said workforce development. Yes.

Mayor Lyles said we need to go to CMPD.

Mr. Graham said that includes the housing for schools?

Mayor Lyles said it includes the housing as well.

Unknown said do we need to discuss the CMPD.

Mayor Lyles said Mr. Bokhari wants to address CMPD.

Mr. Mitchell said separate, right?

Ms. Mayfield said I thought we were doing this separately. We're now talking about just doing this in one full motion?

Mayor Lyles said well I guess that's what I was asking Mr. Mitchell if he would do a motion that would include workforce development and the nonprofit organizations. If you're not comfortable with that, we can go.

Ms. Mayfield said I'm personally not, because again, the question that I asked, I didn't know if I needed to put it in form of a motion and that is before a commitment of this going through our City Attorney's Office to make sure that the language codifies exactly what we're talking about doing before we just say yes to this when if we move forward with everything, what was mentioned is a total amount that's left that we have multiple asks out there on. So, for that one piece I need to know did you need a motion for us to do that because that's the only way I'm going to be comfortable.

Mayor Lyles said I don't think that we need a motion. Ryan, would you explain how you notify what is the process and if it's been reviewed by the attorney's office.

Ms. Mayfield said we aren't approving it and then say, "Oh, well that's [inaudible]."

Mr. Bergman said no, I hear you. So, we could do it two different ways. For the financial partners that we consider to be an allocation that went through the process, typically when we approve the budget you give the Manager authority to work on a contract and do that. With other things, we may just say all we're approving is the allocation and there's going to be a RCA (Request for Council Action) with a legal agreement with all of those steps, that would come before Council at a later day. Both are fine.

Mayor Lyles said so, we've done it both ways. You could either put it in the budget ordinance or you can have it on an agenda with the contract and you've had the City Attorney review the agenda item. So, I think that's your preference, but we need some guidance today to start that process.

Ms. Mayfield said thank you.

Mayor Lyles said so, would you like to go through these one at a time Ms. Mayfield? Maybe this is a better way. Is there an exception that you would like to recognize?

Ms. Mayfield said I just needed that clarification Mayor.

Mayor Lyles said okay. Alright.

Motion was made by Councilmember Mitchell, and seconded by Councilmember Mayfield, to refer the workforce housing partnership CMS teacher village to the Housing Safety Committee on the June 3, 2024 agenda. That would allow us to still have a conversation prior to our June 10, 2024 voting.

Mr. Bokhari said Mr. Mitchell, with the intention of if it passes through there that it goes into the budget?

Mr. Mitchell said yes. Yes sir.

Mr. Graham said while I'm supportive of the million dollars period, without going to the Committee, but will they have the answers to all the questions? I don't think so. It's pretty simple.

Mr. Mitchell said Chairman Sneed and Rocky, I think they're comfortable to giving what the Committee needs Councilmember Graham to move us through the process.

Mr. Graham said what they're asking for is money for architects and those type of things. So, it's pretty simple, right, but they're asking for a deeper dive into the relationship and I'm not sure they're going to have those answers.

Substitute motion was made by Councilmember Graham, and seconded by Councilmember Molina to allocate \$1 million to CMS for the partnership.

Mayor Lyles said Ms. Watlington, we really need to be understanding what's going on here. If we're negotiating or having this conversation, we need to figure out what we're talking about, and Mr. Mitchell suggested this be referred to a Council Committee that would then come to the Council prior to the budget. The second option that Mr. Graham addressed is going ahead and moving forward with the funding now with you explaining what the funding will be. So, I don't know [inaudible].

Mr. Bokhari said I think you can solve this Madam Mayor pretty easily with a combination of both motions.

Ms. Anderson said exactly.

Mr. Bokhari said we intend to send this to the budget at this point in time, we're also doing a referral to Committee.

Mr. Mitchell said exactly.

Mr. Bokhari said just like anyone can vote for a portion of the budget on June 10, 2024. If they find something out they don't want to, they can change course but it won't change the course of what we do now.

Mayor Lyles said okay. So, you hear the motion Mr. Mitchell made. Mr. Graham, is that acceptable for you?

Mr. Graham said let's roll.

Mayor Lyles said alright.

Ms. Anderson said wouldn't we have to amend? That's a different motion. This is point of information.

Mr. Mitchell said so, Councilmember Graham, I will accept your friendly amendment. So, can we put it in one motion?

Amended motion was made by Councilmember Mitchell, seconded by Councilmember Bokhari, and carried unanimously to refer this item to the Housing and Safety Committee on June 3, 2024 so it will come back in Council for the vote on June 10, 2024 with an earmark of already \$1 million from the ARPA funding.

Motion was made by Councilmember Mitchell, and seconded by Councilmember Bokhari for workforce development up to \$2 million, I would like to request that it goes to the Budget, BGIR (Budget Governance and Intergovernmental Relations Committee) to look at a RFQ process to fund these organizations who had made a request.

Mayor Lyles said are we going to give them the \$100,000 until that can be completed or is it the same? No income?

Mr. Mitchell said no income.

Mayor Lyles said no income, okay.

Ms. Ajmera said it's part of the process we discussed.

Mayor Lyles said are you saying send everything to Committee before we give any funding?

Mr. Mitchell said yes.

Ms. Ajmera said right.

Mayor Lyles said that's what you want to accomplish?

Mr. Mitchell said yes. Yes, Mayor.

Mayor Lyles said okay. That's what was confusing.

Mr. Bokhari said I think it's as simple as we are accepting that list as the scope that we're going to send forward with an earmarked allocation of those dollars into the process and the process then will determine what dollars are awarded.

Mayor Lyles said you know, my concern is I don't know what process we have. Do we have a process?

Ms. Ajmera said yes.

Mayor Lyles said you've got a statement. I've read the statement of the things you wish to achieve but I'm just timing, when will we actually have a Council adopted process to do these things in what summer?

Ms. Ajmera said so, we provide our feedback to Marie and her team. We will be presented with the framework at our next meeting. So, there will be a presentation on that. So, what Mr. Mitchell is saying that we look at the feedback that we had provided in order to be the financial partner with the City and see how this organization fits those goals based on Committee's feedback.

Mayor Lyles said I think though that we were trying to get a policy that would be adopted by Council for that feedback and those criteria. Is that something you think we can do in a timely manner?

Ms. Ajmera said we're already scheduled to get recommendations on Monday.

Mayor Lyles said so, we would take that to Council. So, we could take it to the first Council meeting?

Ms. Ajmera said yes ma'am. Okay. Alright, great. Thank you. Alright.

Ms. Mayfield said I need clarification. What we have in front of us and what is on the screen is not what you proposed. What you proposed was up to \$100,000. I just need clarification. Councilmember Mitchell, are you moving forward this over \$2 million that is being requested or are you recommending approval for what the Mayor shared with us which is up to \$100,000 out of our ARPA dollars which will reduce how much we're spending out of our ARPA dollars to give us the ability to continue addressing the needs that we have?

Mr. Mitchell said I would say take it out of our ARPA dollars.

Ms. Mayfield said are we saying up to \$100,000 that the Mayor presented?

Mr. Mitchell said yes.

Ms. Mayfield said this right here that's showing on the screen, we're not looking at the sheet right now that the Mayor passed out right before she started this conversation.

Mr. Mitchell said so, I'm suggesting to the \$100,000. So, that would be a total of \$700,000.

Ms. Mayfield said okay, up to \$100,000. Thank you very much for clarification.

Mr. Mitchell said you're welcome.

Mayor Lyles said okay.

**Councilmember Brown** said I just want a further discussion. So, the numbers that we see in front of us, I can't really see on the board, but I have the paper in front of me here. So, I'm just going to give an example. So, if we go down to Block Love for \$230,000 we're saying up to \$100,000 until we do what?

Ms. Ajmera said no, that's for workforce development only.

Ms. Brown said okay.

Mayor Lyles said no it's not Ms. Ajmera. She's saying Block Love right here.

Ms. Ajmera said we made a motion for workforce development.

Mayor Lyles said I know, but she's asking the question about Block Love.  
Ms. Brown said right.



Mayor Lyles said what we would do is treat everyone the same with up to \$100,000. It would be up to that amount while we would get these other criteria and everything set up.

Ms. Brown said so, that doesn't mean that they're not going to get the amount that they're asking we're just setting up criteria to follow through? Okay. I just wanted to be clear on that. Okay. Thank you so much.

Mayor Lyles said I want to be clear because if we're using ARPA funds there is not enough ARPA funds that would be able to fund \$2,900,000 and do also the things that we have for Violence Prevention that are in the operating budget. So, what we're saying is give these people an opportunity to have their work begin and then we'll have our criteria and then people would be based upon how they get funded based upon the criteria that they've met.

Ms. Brown said okay, but up to \$100,000 based on criteria [inaudible].

Mayor Lyles said for both groups. So, for the nonprofits as well as workforce development.

Ms. Brown said okay. So, two different things but we're doing the same thing for everybody on this list?

Mayor Lyles said yes.

Ms. Brown said alright. Thank you, Madam Mayor.

Ms. Johnson said I think you just clarified my question because we were on the workforce development section and Councilmember Brown referred to the nonprofit organizations. So, what you're saying is we're going to manage the same way, they're all going to get \$100,000?

Unknown said up to.

Ms. Johnson said up to, because one of them is only asking for \$77,000.

Mayor Lyles said right, that's up to.

Ms. Johnson said okay. So, all of these organizations will get up to \$100,000 until?

Mayor Lyles said we have our criteria done and we begin to have the staff address what we want in the criteria, which is in Committee with Ms. Ajmera who says that she can get this out as a policy statement at the next Council meeting.

Ms. Johnson said let me just make this a little more complicated. So \$100,000, three or four of these organizations, that's 100 percent of what they're asking for, whereas other organizations, it's three times what they're asking for and another organization, it looks like it's 70 percent or something, I don't know. Would it be more equitable to recommend a percentage?

Mr. Mitchell said I can take a stab Councilmember Johnson to your point. I think that's part of the policy conversation we need to have, if it's fair to do up to \$100,000 or to your point a percentage, but I think the Committee can have that discussion around policy. Our meeting is June 3, 2024.

Ms. Johnson said so, we're waiting until after Monday to make a decision?

Mayor Lyles said no, I think that's a good question. Whether or not you feel like we should do a percent but not exceed \$100,000 which is easy enough to do. So, if the Council says that where we are now is \$100,000 is the maximum, but we could do percentages if that's what the Council chose to do.

Ms. Johnson said I think it's more equitable to do a percentage because \$100,000 is 100 percent of what some of these organizations are asking for. So, some would get everything they ask for whereas other ones wouldn't. I think that if it's going to Committee on Monday anyway, we could defer this decision until Monday.

Mayor Lyles said well I really think that the budget people need to be able to have something in the budget, but if we can leave that column blank and then have it filled in, but I want us to adopt the groups, that's what's most important in here right now, that we're going to fund these groups that came to us until we get the policy in place.

Ms. Johnson said so, we can say we're going to fund them. Because we want to do what's fair and we don't want make a [inaudible].

Mayor Lyles said so the Committee would get a percentage of whatever we want to do to give them their money for the year.

Ms. Ajmera said [inaudible] policy. [Inaudible] policy and feedback that was given.

Ms. Johnson said so, can we wait until after Monday to make the decision? Are you okay with that, the details?

Ms. Ajmera said that's what we are doing.

Mayor Lyles said okay.

Mr. Bokhari said I think we always have the ability to adjust before we vote. So let's just do it.

Mayor Lyles said yes we do.

Ms. Johnson said that makes sense. You're right.

Mayor Lyles said yes.

Ms. Ajmera said [inaudible].

Mayor Lyles said okay.

Ms. Johnson said okay. That's true, okay.

Ms. Ajmera said [inaudible].

Ms. Johnson said okay, yes. That's right. So, the check's not going out tomorrow. Okay.

Mayor Lyles said right. It goes out with the budget. Okay. Next.

Mr. Mitchell said so, Mayor there was a motion.

Ms. Mayfield said just for clarification because Councilmember Johnson, I think I understand what you're saying but on that same scale, if we do a percentage, that organization that's asking for \$34,000 a percentage of theirs versus a percentage of \$700,000, if we say a percentage that's still going to create some inequality. Now, even if we say \$75,000 versus \$100,000 because I do understand your concern where some are fully funded, some not, yet I'm concerned that if we do the percentage that's going to create an even greater gap of need. Because again, for that say 45 percent, 45 percent of \$34,000 is a lot different than 45 percent of \$725,000.

Mr. Bokhari said if you say up to \$100,000 it would give the budget people what they need and time in order for it to be adjusted next week.

Ms. Mayfield said that's what I was getting to. By having the up to, that's actually a more equitable playing field than if we were to break it down by percentage because that may create an even wider chasm of need.

Mayor Lyles said Mr. Mitchell, you have the floor for a motion.

Mr. Mitchell said I'd like to call the question Mayor and Council if we can to go ahead and vote on the motion.

Mayor Lyles said alright. So, we are ready for the motion.

Ms. Watlington said excuse me. I was waiting to be recognized and we didn't vote on the calling of the question.

Mayor Lyles said we've already got the motion Ms. Watlington.

Ms. Watlington said yes, I just want to say if we're talking about equity, I'm looking at two buckets of groups. These folks in this workforce development that if I'm understanding correctly, they have to submit to an RFP and if they meet conditions then they'll get funding subject to these particular things. These people have already submitted applications and now we're asking them to go back again and submit another set of applications or is it different?

Mayor Lyles said it was the idea for us to create midyear a tool based upon the Committee's instructions on how we can do this next. This was like a holding place so that we can get our policy written and done.

Ms. Watlington said so, is this old comments here? Workforce development RFP in this column?

Mayor Lyles said no, the workforce development RFP was actually an idea that we could have in the fall a workforce development RFP. It wasn't about these specific people but I'm assuming that these people would apply if we had one, but these people would get their money sooner than later.

Ms. Watlington said so, just so I'm clear. This column here has nothing to do with this column here?

Mayor Lyles said that's right.

Ms. Watlington said we're super clear?

Mayor Lyles said you mean the ARPA interest for workforce development RFP has nothing to do until after the Council Committee establishes a policy.

Ms. Watlington said okay, but this up to \$700,000 that we're talking about issuing comes before or after the policy is established?

Mayor Lyles said was the up to for immediately. Well now it was going to be before because we were trying to make sure that we walked out of here with these folks being funded, but what the Committee has said is that they are going to have a meeting next week and then we will know what the recommendation really is.

Ms. Watlington said my struggle with that is that if these folks have already filled out an application, whatever policy we come with, if that then means that we've either changed the rules or created more work for these folks and then at the same time we're going to give the same money to people who didn't even fill out the financial partner application the first time, that doesn't feel equitable.

Mayor Lyles said no, it doesn't feel right but the Council has a Committee that wants to figure out what the policy would be. So, we'll wait a little bit longer, but it's supposed to be done by the Council by the budget session before the budget is adopted.

Ms. Watlington said so, this Council member would hope that whatever we do up here applies down here too because I don't think it's fair that these people may have two hoops and these people don't have any.

Mayor Lyles said I agree with you. I'm trying to get a standard and we don't have one. I'm just looking for a standard.

Ms. Watlington said yes.

Mayor Lyles said okay. Which is a temporary fix for a standard. A policy is a standard.

Mayor Lyles said okay, all in favor of the process that we just discussed before the budget, we will have a policy statement on there nonprofits and other organizations.

Ms. Johnson said I liked what Dr. Watlington was saying. So, since we're going to be reviewing this on Monday and developing a policy, is it prudent that we actually commit to giving the money before we have a policy? That's what she's saying.

Mayor Lyles said well no, I'm not saying commit. We're not giving them any money. We're earmarking money so that we have money for those that meet the criteria, a standard.

Ms. Johnson said perfect, but we're not committing to these specific organizations? Okay, that's what it sounded like.

The vote was taken on the motion and recorded as unanimous.

Mayor Lyles said so, now a couple of other things are recommended, I just want to make sure that we put it together. I'm going to ask Mr. Bokhari to address the issues on equipment, supplies for CMPD.

Mr. Bokhari said I'm going to go through this very quickly. I'm not going to repeat all the things that I said last week. I'm going to give a one sentence or very brief overview. I'm going to mention the financial implications and then make a motion and then hopefully it will get us through these four items very quickly. The first one is around the timeline change from January to November for CMPD's merit salary increase period. This brings them in line with every other employee in the City and every other department. You can see the dollar amount there has been refined at \$427,110. This will have a positive impact on morale and something that's very important. As it relates to the financials, we have two options at our disposal. The number that we need right now is actually only \$196,110 because there's \$231,000 of revenue available. It's from an updated law enforcement services contract from the County. So, we got that \$231,000, knocked that down, we're only at \$196,110 and there are two options that I propose we allow the Manager to explore both because either one I think is meaningful. One, \$196,000 from ARPA interest is probably more meaningful if the Manager in our earlier action doesn't cut the four central services vacant positions. He can extend that out by five months and account for that entire dollar amount with no implications to any budget. So, if you do end up in your first action cutting those positions, then I think it really relies to the \$196,000 in ARPA, but if you don't it's just delaying their hiring for five months, accomplish it.

Motion was made by Councilmember Bokhari, and seconded by Councilmember Driggs, to approve and add to the budget the CMPD pay increase calendar date from January to November, bringing them in alignment with the rest of the City and instructing the Manager to handle in whatever way he sees fit, and if that ends up getting cut, using \$196,000 from the ARPA interest to pay for it without a tax increase.

Mayor Lyles said okay, I guess what I want to make sure is that you're asking us to add the funding that we have for the delayed?

Mr. Bokhari said yes, it's a one time expense because it's just for one time moving that up and then in the next budget cycle it's an annual review and doesn't recur.

Mayor Lyles said right. So, it's \$427,000 but what was the second amount?

Mr. Bokhari said so, \$427,110 is split into two buckets. They have identified \$231,000 of revenue available from a law enforcement services contract that was updated from the County. So, that takes care of that. They've identified that they're comfortable with it. Everyone's on that same page and that just leaves \$196,110 to solve of which that's part of my motion.

Mr. Jones said yes, I would just say that through various personnel actions I wouldn't be [inaudible].

Mr. Bokhari said I'm just going to say let's move that to the Manager to handle in whatever way he sees fit.

Ms. Johnson said I just needed a point of clarification. Is this the same discussion we had last week as far as moving the calendar?

Ms. Ajmera said yes.

Ms. Johnson said did that get five votes last time?

Mr. Bokhari said yes.

Ms. Johnson said okay. Alright, thank you.

The vote was taken on the motion and recorded as unanimous.

Mr. Bokhari said number two and the next three in order we can go through very quickly. They are the equipment purchases. So, first of all I'll go through the first two that [inaudible] budget and CMPD are in complete alignment 100 percent. The first one is my original proposal of \$150,000 for active shooter kits, med kits. This was the idea of Officer Jack Blowers who was wounded on April 29, 2024 and going to his Army Special Ops training, not only did CMPD embrace this, they found a way to reduce it to \$143,950 by reutilizing and repurposing the inner elements of the IFAK (Individual First Aid Kit) kit and turning this into something that every officer will have in a single place in their vehicle and CMPD will be able to figure out details from here.

Motion was made by Councilmember Bokhari, and seconded by Councilmember Driggs, to approve \$143,950 from ARPA interest or anywhere else the Manager decides to identify that one-time money for active shooter med kits.

Ms. Anderson said I just have a point of clarification Mr. Bokhari. So, you mentioned that for this particular line item, that CMPD is aligned. Is this a request from them?

Mr. Bokhari said the revised number came from them, correct Ryan?

Mr. Bergman said correct.

Ms. Anderson said so, that I'm clear. The other two underneath here?

Mr. Bokhari said yes, I'm going to get to those. The next one, they are also aligned on. It's the final one that I will mention the nuance there.

Ms. Anderson said okay. Got you.

Mr. Bokhari said thank you. So, the next one, again, CMPD aligned. We had a lot of meetings. This is the portable ballistic shields. I think there's some things once we approve this that they might need the flexibility to identify exactly what it is, but the premise is this would be enough money, \$97,500 to equip at least every division that we have with these shields so that in active shooter situations like we saw on April 29, 2024 these are available division wide at every shift. So, everyone's in full agreement.

Motion was made by Councilmember Bokhari, seconded by Councilmember Driggs, and carried unanimously to approve \$97,500 for portable ballistic shields and instruct the Manager to either use ARPA availability or whatever else he finds.
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Mr. Bokhari said thank you. Then this is the last one. I'm just going to give folks a little context and then throw out a solution here. So, for the last two and a half years I've been asking every patrol officer I run in to how they feel about outer carrier vests. This has been hundreds and hundreds of them and I always have the same answer every single time. It's what they want for various reasons in a very passionate way. They cite the back pain of carrying weight on their belts that would be redistributed, they cite the hot nature which would be cooler on the outside versus the undershirt versions. They've cited attachments and being able to attach the active shooter med kits that we just talked about to them and have their hands free as well as we learned on April 29, 2024 the grab harnesses that can be grabbed with one hand to be able to drag somebody out while having another hand to defend yourself. I have come to the conclusion that this is the single biggest impact to morale that we could make over the last 10 years and over the next 10 years simply for the fact that every single person I've talked to wants it for various reasons and it impacts everyone. Everybody wears a vest out there inside their shirt that is on patrol. Concerns have been raised to me by CMPD leadership on the safety of outer vests. I took these concerns very seriously and I've had several conversations with global experts in R&D (Research and Development) and protective equipment, which has provided sufficient answers to all those questions. There is no material increase in risk. After addressing all those concerns and understanding the significant positive impact this will have on officer comfort, safety, and most important to me morale, unfortunately we are still at an impasse to getting this done and at this point it is for a single reason. The Chief of Police does not like how they look even though bike cops currently wear them, SWAT (Special Weapons and Tactics) members currently wear them, 250 officers with doctor's notes for ADA (American's With Disabilities Act) reasons wear them. In fact, the only group in CMPD that doesn't have them is both the largest and the most at risk, over 1,000 patrol officers. The rank and file that protects this City on our streets every day. The ones who ran towards danger on April 29, 2024, and the ones I've asked how important this is to them. Over two years now gathering data points to come to my conclusion, and I have not heard a single no during that time.

I want to be really clear. I don't believe the role of Council is to tell the Chief how to run his department even though we have precedent for doing that in the past when decisions were made to not purchase certain equipment or attempts were made to defund ammunition purchases that he requested, but there comes a time after two and a half years when respect has been given and attempts have been made that other actions must be taken. I made an attempt to find middle ground yesterday with the Chief, one last attempt in what has been one of the most difficult decisions of my life arriving at this point to just make the currently used ADA vests more widely available to

patrol officers and that was flatly rejected as well without even discussing it. So, due to the sensitivity of this topic, I am not going to put my colleagues in an uncomfortable position to have to vote on this today, and I'm formally retracting my motion for outer carrier vests being added to our budget. However, I am doubling down on my commitment to find the half a million dollar one time investment from other sources in the City budget and will be applying maximum pressure to enable our rank and file officers to wear them when they are out protecting us. I'm completely committed to achieving this outcome as an individual citizen. I'll close by saying this. I have always counted Chief Jennings as a friend, and I still believe he is one of the best Chiefs I have seen in my over two decades living here. He navigated us through the riots and through the April 29, 2024, tragedy in a way I don't think anyone else could have. He has championed many initiatives for mental health and pay. This is not a critique on him personally, this is a factual clarification for why we are at this impasse on a topic this important to officer's safety and morale and my only purpose for saying all this publicly is that I need the residents and private sector of Charlotte to understand where and why we are stuck on this point so I can move forward on my singular mission of getting it unstuck. If we can't get this done now after everything that has happened, it will never get done. I withdraw my budget adjustment proposal.

Mayor Lyles said okay. Alright. So, that's very helpful. We're now down to this last part of the list which I think we're covered completely the sheet that is up here.

Mr. Jones said you have the last three.

Mayor Lyles said we have the last three. I thought we talked about the Black Film Festival being eligible for the funds as well as the opportunity to apply to the Film Commission.

Mr. Jones said we talked about it.

Mayor Lyles said we talked about it. So, do we need a motion on that? So, if you can see on the screen it's item 27.

Ms. Mayfield said as well as BOOM Charlotte.

Ms. Ajmera said 27 and 28.

Mayor Lyles said 28, BOOM Charlotte would have the opportunity to participate in the outcome of what the Committee is going to do, as well as advise them to contact the film business at the CRVA.

Ms. Mayfield said clarification. I'm going to motion so that we can get a second to talk about it because I'm not understanding what you just said. I don't think that's what we said earlier.

Mayor Lyles said what did you think we said?

Ms. Mayfield said so, let me ask you Mayor for clarification. We are now voting on setting aside up to \$100,000 for both Charlotte Black Film Festival and BOOM Charlotte although Monday we're going to talk about it just as we are saying we set aside this other money for them to turn around and apply for it?

Mayor Lyles said [inaudible] remember this is a two year ask.

Ms. Mayfield said right.

Mayor Lyles said so, we're trying to help them go some place to ask for the second year.

Ms. Mayfield said when we started this conversation part of the conversation was the one time \$100,000 to both out of the ARPA interest. Are we still saying that and helping

them to go to the Hospitality and Tourism? My original ask was that we look at Hospitality and Tourism which staff came back and said, "Yes, this is legally eligible."

Mayor Lyles said this is what I'm going to suggest. Is it because these are two things that are separate from the two groupings that we had, why don't we not put it in Committee and agree that they will have up to \$100,000 or an amount of money that we would have as a maximum for this year. So, then that would come out of ARPA for both of them and then working through the next opportunity as a second year, they would work through that with Hospitality Tourism Funds or the Film Commission Funds. Tell me, what would you like it to be Ms. Mayfield?

Ms. Mayfield said I'm just trying to follow along with you Madam Mayor and Manager. To me, separate conversations.

Mayor Lyles said okay.

Ms. Mayfield said we identified that these two items actually do qualify legally for Hospitality and Tourism. When I supported Councilmember Mitchell's dollar amount recommendation and I supported Councilmember Ajmera's recommendation for that specific dollar amount, it was with the ask of, "Hey, shouldn't this fall under Hospitality and Tourism?" Staff came back "Legally yes." So I don't understand why we're having the conversation of having ARPA one time funds over there versus saying through our Hospitality and Tourism because it is Hospitality and Tourism because of hotels and everything else that these events bring to the City. So, I just got a little confused and Manager maybe you can help me understand why are we talking about. We have limited funds according to what you told us.

Mr. Jones said right. So, this is what I believe. CRVA has a process where they look at [INAUDIBLE] and things of that nature, when it comes to funding different festivals and different events. So, instead of just coming out tonight and saying there's \$287,000 over at CRVA for the Charlotte Black Film Festival, I don't think that is the proper way to do it. However, this Council believes that these are worthy causes. So, could there be some money now as they go through a formal process with CRVA which could be ongoing forever?

Mayor Lyles said yes, I think that we were trying to fulfil their first year, ensuring that they have been a part of this process, but at some point, that they would actually go and seek out opportunities with the Film Commission.

Ms. Mayfield said so, just for a little background, just for clarification as we're going through this, we raised our hands for the idea of a conversation for \$1 million for something yet we're saying that the initial request of \$287,000 of which for BOOM the \$100,000 is great, but the initial which goes back to Councilmember Johnson's earlier point where we're saying up to \$100,000 some items will be fully funded some would not. I'm just trying to figure out how when we're looking at separate things if this qualifies and if unfortunately, under previous leadership with CRVA because it's not a new conversation and they have received applications and there are applications on file through them that may not have gotten supported and not necessarily not supported because it wasn't a strong enough proposal. It may be for other reasons. If we asked for \$287,000 and we're saying, "Okay to appease, we're going to do \$100,000 now to ARPA," and Manager, I'll take this part offline. Help walk me through how do we create a more equitable process through our Hospitality and Tourism funding moving forward. Thank you, Mayor.

Mayor Lyles said okay.

Mr. Mitchell said City Manager, we have how much in the ARPA interest? How much funds do we have?

Mr. Jones said almost \$7 million.



Mr. Mitchell said \$7 million. It has been a challenge for a great tourism event to get support in our community. Councilmember Mayfield's earlier comment, even through the channels we have recommended today, it has not yielded the results for the Charlotte Black Film Festival.

Motion was made by Councilmember Mitchell, and seconded by Councilmember Mayfield to take the first year out the ARPA funds and then his second year help him build a better relationship to go through the regular process.

Ms. Molina said So, with that, first I want to go back to one point. I know that we're talking about the Hospitality and Tourism dollars which are separate and apart from our ARPA dollars. They're not in the same bucket. So, I definitely wouldn't make one decision connect with another because it sends the wrong message. To see other organizations, because in my opinion all of the organizations that we have on this list are important. All of the people that we have mentioned including the Charlotte Museum of History. They only got put up for \$100,000 and their original ask was \$600,000. So, we're talking even if we stop and cap it at \$100,000 they're only going to get 15 percent of their ask. I don't want to go into that too much, but I just wanted to say that on the record to say that again we've made hard decisions as Councilmember Ajmera said earlier and that's what we're all here to do, but I'm uncomfortable. Although I probably will lend my support to this organization because I am familiar, but I would like to see as a Board of Directors, us develop a standard. We throw the word policy around a lot and the development of policy is a standard. It removes us from having to do case by case decision making because that's not what we were appointed to do. We have a 9,000 member staff, an organization, a City Manager that is by design supposed to be executing on the policies, the standard that we implement and that's not the exercise that I feel like we've taken part in largely today. I know a lot of this is for the modification process. Although I've appreciated some of the robust discussion, I'm here for a good debate, I like that. That's a good thing. I think I would like to see this earlier in the next process where we have a robust debate, where we all come to the table with the positions that we're passionate about. I know we all have different reasons to be passionate about different things and I honor that for everybody at this dais. I would like to, especially in the committee level see us create more standards, more policy discussions that can be implemented across the board where it's something that if staff looks at, they have a clear direction on what would be the will of the Council. I'd like for that to be the mentality that we take from this going forward, especially with the amount of misunderstanding from some of us and opposed to others. I know that we're all sitting here because we want to make a difference and we have different things that we're passionate about. I can see that. I know that. I just offer, especially with this one going to your particular committee, Chairwoman, I'd love to see a standard. When we say policy, I mean standard like something I look at and I know that based on what this says, we can do it or we can't. So, that's what I offer and I do realize that the Charlotte Black Film Festival is completely underinvested. I do know that. I do know the person who works with that organization and like so many others on this list, they've just not gotten the emphasis that they need. So, even if I do lend my support to move forward, I just would like to see us take that position. That's all I have Madam Mayor.

Mayor Lyles said I think that we've all settled on that and I can feel the shoulders being lifted so that you can get this done. We all agree that we've had to do grant applications and do things like that. There's models out there. So, we just need to figure out which models work best for us. So, we're going to move it over into their hands to get this done. I guess what I thought this was going to be was, you know how we often assist our small businesses.

Mr. Jones said before we go into closed session, and I think we still need to do the litter one. Did we vote on this last one?

Ms. Ajmera said oh no, I still have two items.

Mayor Lyles said we have to vote on litter and we have to vote on the Black Film Festival.

Mr. Jones said okay.

Ms. Ajmera said and BOOM Charlotte.

Mayor Lyles said the two other ones, you're right. We did the police ones.

Ms. Ajmera said I have a few more.

Mayor Lyles said I know, but there are some other ones. We have to give the Manager authority on the medical insurance which that has to be done. The discussion on animal shelter upkeep as well as I think Ms. Ajmera said no to the bike funding. Is that correct?

Ms. Ajmera said oh no, I can bring it up right now.

Mayor Lyles said bring it up? Okay. So, we have a couple of more things to do. If we could just probably drive through those, that ladder of things.

Ms. Anderson said and then we have a closed session.

Mayor Lyles said then we have a closed session.

Ms. Watlington said I just want to make sure. This juvenile crime piece, ARPA, \$1 million that was brought up last week, the only reason it wasn't put on the board is because we were told it was going to be a separate process for ARPA dollars, but if we're assigning ARPA dollars, I'd like us to address that today.

Mayor Lyles said I had hoped that when we did our first motion that I said these changes would come from the ARPA money but Billie would you check that because I do think it would be appropriate for us to vote on how to use the ARPA money after we get through this list because all of this is ARPA money that's up here so far.

Unknown said right.

Mayor Lyles said so, that's good if it's not already been done.

Ms. Johnson said so, when you talk about standards, Councilmember Molina, I think you're right. I keep talking about equity and if we look at BOOM Charlotte, they're getting 100 percent of their funding. There's only two organizations in this category. The Black Film Festival asked for \$287,000 for two years. What I think would be fair in this situation is to divide the \$287,000 and it's \$143,500 I think per year. It's only \$40,000. So, if we grant the \$143,500 to the Charlotte Black Film Festival then that seem equitable and fair to me and then both organizations are funded for that one year that allows us time to introduce Mr. Nichols to the HTA the film fund or whatever that next step would be, but I think for \$40,000 I think that's intentional and it's equitable and I think we should do that.

Ms. Anderson said okay. My comment was separate than the Charlotte Black Film Festival. Mr. Bergman, maybe this is a question for you, but we're going through our budget process now and there's a set standard process we're going through that's different than the other processes that we go through throughout the calendar year. Effectively where we have landed is that we're sending roughly 90 to 95 percent of these line items back to Committee for deliberation, which if that's the will of the Council that's fine, and it sounds like it is, but when we do that, then we don't have a broader full Council discussion on budget items. Mr. Manager correct me if I'm wrong, but I thought that was the intention of this entire process that has been laid out over months that the entire Council can take part in shaping and putting a right impression on the budget for this upcoming year.

So, if we're going to do that, if that's going to be a new aspect of the process, I think we need to discuss that on a go forward basis, but now we're having conversations in Committees that we may or may not have full Council there because they're just being brought to the attention that this is going to occur on June 3, 2024. So, I have a desire for us to have a broader Council discussion around budget because we've gone through that process where we've done things in Committee, we've had our workshops, and it seems like we're working against our established process.

Mr. Jones said I'll try to be helpful Mayor Pro Tem. So, in a perfect world, which the world isn't perfect, we would've had this budget discussion, had the budget agreed upon straw votes, get it approved on June 10, 2024, and then we would've had a discussion about ARPA interest and were there any things that didn't get approved in the budget that may be prime for ARPA interest. Many of you have said things to me over time. Some requests have come in about being funded and it seemed like Council having a discussion about those items would be the proper way to handle it. Some kind of way we blended this a little bit with the ARPA interest as a part of this budget and then there're some outstanding issues like juvenile violence and things of that nature. So, I guess what I'll start of by saying is that because these are one time in nature and ARPA interest is one time in nature, could you separate the two knowing that what you're going to do is commit to some level of funding for various items or sections or segments here knowing that there's going to be additional asks also? So, just food for thought. Then to further complicate things or help things, I had a quick conversation with Danielle Frazier. We've always had \$3 million that is unallocated related to workforce development in ARPA. So, I don't know if there's some things on this list that we could utilize some of that \$3 million on top of the \$9 that could alleviate some of the needs to use the ARPA interest. So, I'm just saying that trying to be helpful. Maybe these two could be separated and there could be more conversation and there could be a later vote on this, but I don't know. I'm just trying to make sure. I understand your fundamental question is what happens after Committee discussions on Monday and is it four people or five people making a decision as opposed to the full body being able to be engaged. I hope that was helpful.

Mayor Lyles said I also wanted to ask, Manager, part of this is that we have this list of when we were together last time, people said, "Well I'd like to have this on the list, or I'd like to have this," and maybe Ms. Harris you can tell me, did all of these people or organizations send in their applications from the workforce development and the nonprofit organizations?

Ms. Harris said Madam Mayor, all the ones at the top for the workforce development section, yes they did apply as financial partners and they weren't recommended right now. Then the second chunk where it says, "Additional funding of nonprofit organizations," did not apply this year as financial partners.

Mayor Lyles said yet we had a public hearing, they came down, they talked about what they would like to do. We also had people come in on the workforce development part to say we want to do more. The Council put these in play. So, I think that staff is trying to be responsive to the people that you said at the last budget session that you thought were appropriately eligible for funding.

Ms. Harris said correct.

Motion was made by Councilmember Mitchell, and seconded by Councilmember Mayfield to take the \$287,000 use it for ARPA funding this year and then help Black Film Festival build a better relationship through tourism. So, in the second year that will be an opportunity for them to get funding.

Ms. Watlington said back up to their original funding.

Ms. Johnson said okay. Thank you, that hadn't changed. So, I was still looking at the \$100,000. So, disregard my comment. Thank you.

Ms. Brown said yes. So, Madam Mayor, with what you just said, were you going to give another point or we're just moving forward with the motion?

Mayor Lyles said I think we're just moving forward because I think that everybody knows that Council members put this list together and we're just trying to figure out if there is support from the Council to do it, we want to get it done. Now we're going to do a little bit more equity and we're going to do some standards. So, I think that how we do that and maybe it's separate from the budget completely since we have the issue of how many of the Council members need to be able to reflect what they think should be included and this was the list.

Ms. Brown said alright Madam Mayor thanks.

The vote was taken on the motion and recorded as unanimous.

Mayor Lyles said okay that leaves us with BOOM Charlotte, that's our last one.

Ms. Ajmera said I have two more.

Motion was made by Councilmember Ajmera, seconded by Councilmember Mayfield, and carried unanimously to approve \$100,000 in ARPA interest to go to BOOM Charlotte.

Mr. Bokhari said Mayor, you still have to do the litter clean up one.

Mayor Lyles said the litter one was a situation where we would be able to have another crew formed for litter work or whatever we call it. It's with the Employment Opportunity Center to provide transitional work for people that are coming out of incarceration, and they get paid and there's a process for them to do the work through their employment agency.

Motion was made by Councilmember Johnson, and seconded by Councilmember Ajmera to approve Litter Clean Up for \$250,000.

Ms. Watlington said so, on this one, given what you just discussed in terms of workforce development and maybe I'm misunderstanding what the Manager said. Right now we're going to approve the funding whether or not it comes out of ARPA or workforce development dollars because it's a workforce development program, it remains to be seen. I noticed that we just approved BOOM specifically out of ARPA. So, this one is just approving the number not necessarily the source.

Mr. Jones said well with the approval of the Council, what the team would try to do is guide those approvals that you have that are workforce development related to the workforce development bucket so that the ARPA interest bucket with more flexibility would be available.

The vote was taken on the motion and recorded as unanimous.

Mayor Lyles said we still have a few more to do. So, let's go through these.

Motion was made by Councilmember Ajmera, seconded by Councilmember Bokhari, and carried unanimously to approve medical insurance for dependents of the City employees that died in the line of duty.

Ms. Ajmera said then I just have one more item that was also in our budget book. So, this was something that Councilmember Brown had proposed. Animal care and control. We did get an answer for that. Thanks Marie and the entire team. I read word by word. Thank you. So, there is \$30 million in COPS (Certificates of Participation) capacity currently reserved and I would like us to reserve these funds for future animal care and control construction. There is an alternative.

Ms. Mayfield said what page are you talking about?

Ms. Ajmera said that's on page three.

Mayor Lyles said page three exactly. This is a new suggestion from Ms. Ajmera.

Mr. Bergman said this was voted on at that budget adjustment.

Ms. Ajmera said yes, it was.

Mayor Lyles said I know, but it was at the budget adjustment but it's in the book on page three isn't it?

Ms. Ajmera said it's on page three.

Mr. Bokhari said did it pass?

Mr. Bergman said yes it did pass.

Mr. Bokhari said where's it at?

Mr. Bergman said it's on page 14.

Mr. Bokhari said no, on this list.

Mr. Bergman said it's on the list. It's under the bonds and CIP.

Ms. Ajmera said I did add it.

Mr. Bergman said so, the reason there's not a dollar amount in 2025 is because the way that project works with Advanced Planning, there's no construction dollars you would need in 2025. What I believe Councilmember Ajmera is saying is taking the future \$30 million capacity in our COPS program and assigning that to Animal Care and Control until there's a design. Is that what you're saying?

Ms. Ajmera said yes. So, Mr. Bergman that's correct. So, you know on page 15 you had provided more details where it says currently the first option is construction of a satellite shelter and that's on existing City-owned property. There is an address on there. So, it is currently being assessed and conceptual design is anticipated to be complete in the third quarter of 2024. So, I just want to make sure that if the satellite option is visible then we use this capacity of \$30 million for construction. Does that make sense?

Mr. Bergman said yes. So, how this would actually work is if that's approved, when you look at our five-year CIP you'll see a reserve for Animal Care and Control line that has future dollars in it.

Mayor Lyles said I guess what I'm thinking is that this may be something that we really continuously need or in a year are there other opportunities? What's going to be changing and different about it? I'd be a little bit better concerned to be able to do this as it comes up after we do the renovation of the Toomey Avenue [inaudible].

Mr. Bokhari said not to discount the point of the validity of the topic, but this seems more like a new business item on a business agenda than a budget item that we're doing for this.

Ms. Ajmera said it is part of the budget discussion because we did discuss this. Councilmember Brown had brought this up at the adjustment meeting. You know, we have been putting this off, Animal Care and Control for a while. So, unless or until we are committing some sort of funding, we're just going to keep kicking the can down the road and we're going to continue to see speakers come down and we're not going to anything to show progress. I appreciate that the Manager added additional positions, but that doesn't address the capacity issue that a lot of people are coming and advocating for. So, I make that motion. If people don't want to support it, that's fine, but I do feel that we do need to allocate this funding for that.

Motion was made by Councilmember Ajmera, and seconded by Councilmember Brown to reserve COPS capacity of \$30 million for future Animal Care and Control construction and there is already an option that's being assessed.

Mr. Jones said I thought it got eliminated when we eliminated the future City facility capacity?

Ms. Ajmera said no, we didn't eliminate that. I did not eliminate that.

Mr. Jones said oh, that stayed in.

Ms. Ajmera said yes. I did not eliminate it.

Mr. Jones said okay, I feel better.

Ms. Ajmera said because I knew this was coming.

Mr. Driggs said so, I support this. The only concern I have is that when staff looked at this, the only suggestion they came up with was seven times the size of the existing facility for \$200 million and therefore we don't have a target, what I consider to be a useful target. So, now we're saying let's commit money? Yes, we should but I want to know more about what it is we're committing the money to. So, I think we need a commitment, not \$200 million and we need to have a more tangible and workable suggestion and timeline for implementation on a more reasonable suggestion about this. Again, I think it was six or seven times the size of the existing one and a \$200 million price tag, that's not helpful. So, I would support the motion in the spirit that we are making a concrete commitment to getting something established and a schedule put in place to implement.

Ms. Watlington said to that end, I'm wondering if we would be better served to reserve dollars for Advanced Planning for the animal shelter so that we could get a sense of what the actual construction cost would be and then we would know whether or not we can afford it.

Mr. Bergman said so, this project actually is already in Advanced Planning. So, like Mr. Driggs said [inaudible].

Ms. Watlington said that's where the \$200 million came from.

Mayor Lyles said I like it when you tell us it's a hospital Ryan. So, we're building a hospital.

Ms. Watlington said so, we're suggesting that we set aside this \$30 million but then what happens to the other \$170 million?

Mr. Bergman said no, there is no other \$170 million because there's nothing backing it. There's \$30 million of capacity in COPS, it's in Advanced Planning, they are basically working on options to create a second location, a satellite shelter which they would operate both facilities basically and they're doing Advanced Planning and they would

bring it back to Council once it makes it through Advanced Planning sometime in FY2025 and really all this is committing is that you are not going to spend any of that \$30 million in capacity until you figure out what you want to do with that project.

Ms. Watlington said I see.

Mayor Lyles said if another project comes up that's urgent?

Mr. Bergman said City Council can do what they would like.

Mayor Lyles said we'd have the ability to come and say hey, this is. I just worry that we get the Toomey project right too. I think that used to be the Humane Society site and it's got a bunch of kennels and a lot of other things. I think we ought to get the Toomey site done well and renovated and revisit this, I think. Okay, you have a motion on the floor.

Ms. Brown said you're saying the Toomey site though, but is that under development?

Mayor Lyles said it's the site that you talked about telling the story that you used to go down and pet the animals. I remember that story because I used to go down there and pet the animals too.

Ms. Brown said what are we doing with that site though. I don't know what's going on with that site.

Mayor Lyles said what is Toomey going to look like?

Mr. Bergman said yes. So, really what they're looking at is they're looking at using the land. They're probably not going to be able to repurpose the existing facility but they're still a lot of savings if they're able to use the land and then build a satellite shelter on top of it. So, that's currently what they're evaluating.

Ms. Brown said okay, yes. So, I've been advocating for them from day one when I went down but you know I went through the whole process and looked at it. So, I'm happy to see the \$30 million and that we're trying to move something in the right direction for these wonderful folks that come down all the time. They've been coming down way before I came around. So, it's time for us to take a step in the right direction to support it. Doesn't everybody here love animals?

Mayor Lyles said okay.

Ms. Brown said you know I didn't grow up with them but I support it though.

Mayor Lyles said alright. So, you have a motion by Ms. Ajmera on the floor to set aside \$30 million is COPS for the animal shelter, the new facility for the animal shelter.

The vote was taken on the motion and recorded as follows:

YEAS: Councilmembers Ajmera, Anderson, Bokhari, Brown, Driggs, Graham, Johnson, Mitchell, Molina, and Watlington

NAYS: Councilmember Mayfield

Mr. Bergman said we've got one more. The bike funding one is the last one.

Ms. Ajmera said this also [inaudible] at our last budget adjustment meeting. This was to increase the bike funding. We know that some people use bike infrastructure to get to work. It's not for recreational purposes. So, that's why I'm proposing this increase to build out our bike network. So, I make the motion to proceed with an additional \$2 million through ARPA.

Mr. Bergman said that's what I was going to ask.

Ms. Ajmera said yes, through ARPA funds.

Mayor Lyles said so, instead of putting it on the ballot we would put in on ARPA funds?

Ms. Ajmera said yes, that's correct.

Mayor Lyles said I think the people ought to have an opportunity to vote for these things generally.

Ms. Ajmera said they did have an opportunity to speak.

Motion was made by Councilmember Ajmera, and seconded by Councilmember Brown to approve an additional \$2 million in ARPA funds for the bike lanes.
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Ms. Brown said I'd rather a bicycle hit me than them cars up and down the street.

Ms. Molina said I see Comprehensive Neighborhood Improvement Program (CNIP) over two years.

Mr. Bergman said yes. So, when this was requested, it was a Capital Improvement Plan (CIP) request. We had suggested if you want to fund this you take it from one of the other bond projects. We mentioned strategic investment areas. That has already been reduced now to 30. So, I believe Councilmember Ajmera is suggesting ARPA instead which is your prerogative.

Ms. Molina said so, just to be clear, it would've been part of or could've been part of what we had initially funded, but since we've done a \$20 million reduction, that's no longer possible?

Ms. Ajmera said it can still be [inaudible].

Mr. Bergman said it could be, you'd just have to cut something is what I'm saying.

Ms. Molina said so, now the proposal is that it come from ARPA instead?

Ms. Ajmera said so, that's why I was answering. It can come from either CIP or it can from ARPA.

Ms. Anderson said didn't you just say it can't come from CIP?

Mr. Bergman said it can come from CIP, you would just have to reduce something left in the CIP.

Mayor Lyles said okay. So, for CIP you have to take something of the \$2 million. I think what's maybe confusing me is that we had it on the list for additional bond funding for people to vote, but now we're saying take it out of ARPA which is now the funding that we want to do police, violence for youth and it's \$2 million. So, I think that's the question.

Ms. Molina said I agree actually. So, I want to be clear because there was a petition, it was circulated to many of us and the second largest amount of those petitioners lived in East Charlotte in District Five, and bikes. Ms. Cathy Hill from [inaudible] got an extensive amount of people reaching out to me with an interest in doing this. So, my assumption based on what you're explaining to me Ryan is that we now essentially just cut a large amount of our potential budget from the CIP, and to now say that we would put it in ARPA dollars instead. I actually spoke to Councilmember Ajmera prior to this and she told me she would make the motion and of course because there's so many constituents in East Charlotte, I would agree, but now I don't even know how we would do it. So, it's harder for me to support it and that's something that I don't even know how I will explain to the people that I represent because to say now that we're going to put



\$2 million in ARPA funding towards it when if I'm listening to even the Chair of Housing and Neighborhood Services, I sat in on their meeting about the Katie Blessing Center. That is another fundamental regional opportunity that is asking for some essential dollars that I feel like we need to be a part of. I'm absolutely on board for that. Do we even have \$2 million in ARPA funding now with all of the ARPA discussions that we're having and the potential ones that are currently in committee that haven't even come to the full Council yet? It's only been voted out of committee. So, now the Council's going to review that opportunity and hopefully get us to an agreement, but then where are we in budget funding that we now have an additional \$2 million in ARPA.

I'm confused because this is going to be very hard to explain. Again, there are people in real time watching us right now and what they're hearing is the tail end of a discussion where they will not have the full scope of what's going on and I think that's unfair because if someone votes against this, they're going to appear that they're not with it, but in fact we've had an extreme decrease in the amount of funding in our possibility based on the recent decisions in this actual meeting today. So, I want to be clear on record for anybody who's listening to me in East Charlotte, John Holmes, I know you're watching. Cathy Hill, I know you're watching, this is not because we did not intend to put money in the CIP. We now have a potential decreased funding amount to implement and put towards that. So, now we will have to decide whether we're going to take a very limited ARPA funding pot and allocate these \$2 million. That is a discussion that on the spot is unfair because again we have people who have a responsibility to who have voted for us, who have trusted us and what they're seeing they may not have the full scope. It's just going to make it a harder conversation to have afterwards.

Ms. Ajmera said I just wanted to provide clarification. So, in the proposed budget, let me very clear. There was absolutely no increase in bike funding and hence I had made that request. So, if we look at the proposed budget it stayed the flat. So, I'm okay with getting it from CIP, we can still fund it from CIP, that's not an issue. The only reason I proposed ARPA is because we have a capacity left, but I'm open to amending it to CIP because there is still funding. We can still do it out of CIP.

Mayor Lyles said Ryan?

Ms. Anderson said we reduced the pot by \$75 million.

Mayor Lyles said I want to make sure. Can this be funded out of the CIP or do we have to find the funding for it to move to the CIP?

Mr. Bergman said no, it can be funded out of the CIP. You'd have to do one of two things. You'd have to either reduce something else in our bond by \$2 million or you'd have to very incrementally tick back up that property tax adjustment, I guess.

Mr. Jones said I guess trying to be helpful. So, what we had recommended initially was a new a program, the Strategic Investment Area. So, that Strategic Investment Area is now at \$30 million. If you wanted to take \$2 million more out of that to move it over to bikes, you could do that.

Mayor Lyles said I was just saying it's a little bit what Ms. Molina said, you have strategic areas and somebody would have to lose something somewhere to take it out of those areas.

Ms. Anderson said just as a point of information, didn't we vote down the increase of the Strategic Investment Areas as a Council?

Mayor Lyles said I think we did.

Ms. Anderson said we voted that down.

Mayor Lyles said okay.

Ms. Anderson said yes, so that \$30 million we said no as a Council. Madam Mayor, I just wanted to say that I fully support bike infrastructure. I'm an avid cyclist. I think we need even more than \$2 million invested in bike infrastructure. I do think with our Strategic Mobility Plan that we have, that we will get more, but I just want to make sure we're bifurcating processes. We had a process for the other tab and it feels like we just switched tabs and now we're having a completely different process. So, again to my earlier point of we have sent roughly about 90 to 95 percent of the items in the adjustments back to Committee. Why wouldn't we send this one back to Mr. Driggs' Committee for example to do the same thing we're doing with the rest of the line items. Because we've agreed as a Council that that was the process for the majority of these line items. So, if that's what it is, why not send it back to the Transportation Committee, have them discuss this and talk about potential investment options and then bring it back like all other items?

Ms. Ajmera said I'm fine with that. I can withdraw my motion. I'm good with the Committee. So, Mayor do you want me to change my motion to send it to the Committee?

Mayor Lyles said you don't have to do that. I'm glad to send it to a committee.

Ms. Ajmera said okay, yes.

Mayor Lyles said so, that's fine.

Mr. Bergman said Mayor?

Mayor Lyles said yes?

Mr. Bergman said when you send ARPA things to a committee that's not very problematic for us because we're preparing a budget document, and our ARPA investments actually live outside of the main budget document. So, if you're sending this to a committee for a potential ARPA investment, if you're sending it for a potential changing the bond, then that could create some problems for us.

Mayor Lyles said I think that we're giving leeway. This is the way I would say it. It goes to the committee, you've got the funding that's suggested but you also have the history of what's being done and what's being allocated in the budget already. So, I think it's a discussion of what do we do more of and have the committee make a recommendation. I mean it's basically more additional funding but where the bike funding would go, how those decisions would be made is really the most important thing. We don't want people to lose and at some point it's joining the other bike plans that we have. So, it's just a matter of I think, doing more. Okay. I want to make sure that we do a couple of things that are housekeeping that we are required.

Ms. Watlington said I don't know if we voted on that one and also the juvenile crime piece is still out.

Mayor Lyles said I thought she said she dropped it.

Ms. Watlington said oh you said you withdrew?

Mayor Lyles said right.

Ms. Ajmera said I make a motion to just refer it to the Committee.

Ms. Watlington said I think she said that she didn't need a motion.

Mayor Lyles said I don't think you have to do that.

Ms. Ajmera said I know we did that for the other item. So, if you are referring it, that's good, but if you need me to make the motion, I'm happy to do so.

Mayor Lyles said no, you don't need to make the motion.

Ms. Watlington said okay. Madam Mayor the other item was the juvenile crime. That was the \$1 million for the ARPA. We said that because we were talking ARPA in this process it would be appropriate to have it here. It was brought up last week but not included because we were waiting on the ARPA process. So, wanted to make sure that we covered that one before we left the ARPA items.

Mayor Lyles said alright. So, I understand that. I thought that the Manager was going to bring back the ARPA fund at the next Council meeting?

Mr. Jones said to Dr. Watlington's point, she brought up something related to ARPA interest. As there are a number of Council members around this dais that have other concerns that have come up over time so maybe it's the time to bring those all up.

Ms. Watlington said well I thought that's what we did on this other sheet because we were voting to pay for things out of ARPA funds, no?

Mayor Lyles said that was going to committee and my understanding, it would go to committee and then there'd be a discussion about the funding and how much.

Ms. Watlington said so, the Charlotte Film Festival was funded out of ARPA today or it's going to Committee?

Unknown said that was funded today.

Ms. Watlington said that's what I thought.

Mayor Lyles said right.

Ms. Watlington said so, I think we still need to vote on the juvenile one because that actually has already gone to committee and come out with support.

Mayor Lyles said what are we voting on for the juvenile? The amount?

Ms. Watlington said \$1 million out of the ARPA interest to supplement the \$3.5 million. That is what we voted out of committee when we supported the Katie Blessing Center. So, we have \$3.5 million right now. Katie Blessing Center is asking for \$2.5 million. So, part of how we approved or supported the Katie Blessing Center was with the understanding that it would come with an additional \$1 million for juvenile crime out of ARPA which is what I mentioned last week. So, I think all we need to do is just put it on the board and then vote it up or down.

Mayor Lyles said okay.

Mr. Graham said that's coming through a committee process, right?

Ms. Watlington said it's already been through committee, yes.

Mr. Graham said it hadn't come to the full Council through a business meeting.

Mayor Lyles said it hadn't come to the Council. [INAUDIBLE].

Ms. Watlington said did the Charlotte Black Film Festival go through Committee and come to full Council?

Mayor Lyles said it did not, but it was a part of the Council that put it up on the [inaudible] as full Council .

Ms. Watlington said remember last week when I brought it up, I was told that there was going to be a separate process for ARPA, otherwise it would've been on the board.

Mayor Lyles said okay. I think that's fair. Okay.

Ms. Anderson said so, just as a point of information, this line item, wouldn't it be a part of the ARPA discussion? This is a budget discussion right?

Ms. Watlington said that's what I'm not clear about.

Ms. Anderson said that's why I'm trying to get understanding.

Ms. Watlington said yes, we're voting to take things specifically out of ARPA today. That's what I've heard a number of times.

Mayor Lyles said yes, I think that's fair Mayor Pro Tem because we did it for the housing and we're doing it here. So, I think that it is a question that the Committee recommended, and I think it's fair because it was said how do we get to this? It was ARPA funding and now we are actually cutting into ARPA funds.

Ms. Watlington said because to Councilmember Molina's point earlier, based on what we said today, there's some reduction to that \$7 million that's already gone. So, I just want to make sure that we're deciding on this as part of that process.

Mayor Lyles said like I said, I think that's fair.

Motion was made by Councilmember Watlington, seconded by Councilmember Mayfield, and carried unanimously to approve \$1 million out of the ARPA interest to supplement the \$3.5 million to support Juvenile Justice.

Mayor Lyles said so, we have one thing that we have to do before we take a bathroom break and then come back in.

Ms. Mayfield said Mayor quick question before we go on bathroom break because also when we were talking about that we were going to have a separate conversation for ARPA funds before all the funds have been allocated. It should already be on there, the funding through ARPA for the faith and housing and that was a request. Do I need to put that on the board Mr. Manager? \$1.5 million?

We started out with \$2.5 million. So, let me just get clarification because what we just had a conversation basically for predevelopment funds for one development with our partners in CMS was \$1 million that we're talking about allocating for now for pretty much pre-development funds. The only way that faith and housing is going to be successful and has been up to this point is because of the financial line item commitment that the City identified that's helping to identify other support. That conversation started at \$2.5 million, then somewhere in some paperwork it changed. So, that was intended out of ARPA interest.

Mr. Jones said I think you're still at \$2.5 million. So, in the budget there were the home funds that we had a partnership with the County. We pulled those back, still funding for this year and I think it was \$1.5 million. So, we thought we could get the entire \$2.5 million. We didn't. So, that's why I say \$1 million [inaudible].

Ms. Mayfield said so, the request today, colleagues. If it is amenable to you all, my request is for \$1 million for the ARPA that will be added to specifically to address the faith and housing which hopefully everyone knows. So, everybody should have their umbrellas today from the event. To address our needs and to help us move the conversation forward within our religious institutions as well as our development communities.

Motion was made by Councilmember Mayfield, and seconded by Councilmember Mitchell to request \$1 million for the ARPA that will be added specifically to address the faith and housing needs and to help us move the conversation forward within our religious institutions as well as our development communities.

Mayor Lyles said I really am excited about this. The idea that we have, that we're going to support institutions of faith that have property and have the willingness to. I actually think it's a win-win for everybody. So, thank you Ms. Mayfield for what you're doing.

Ms. Johnson said yes, I just wanted to know how much is going to be spent from the ARPA funds? I'm going to support.

Mayor Lyles said we'll have to do this based upon what we're doing. Let us get this. First of all we have to have direction for the Manager to do these tasks that we've put up there and then we would be able to have a list for the ARPA money that's remaining.

Ms. Johnson said okay, thank you. I also agree. I think this is a transformative, exciting opportunity. I know there were a couple of pastors that I referred to the summit. So, congratulations Council woman. Thank you.

The vote was taken on the motion and recorded as unanimous.

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**ITEM NO. 3: CONSIDERATION OF A MOTION DIRECTING THE CITY MANAGER TO PREPARE THE NECESSARY DOCUMENTS AND RESOLUTIONS FOR THE FY2025 BUDGET ORDINANCE**

Motion was made by Councilmember Driggs, seconded by Councilmember Brown, and carried unanimously to direct the City Manager to prepare the necessary documents and resolutions of the FY2025 Budget Ordinance.

**Councilmember Driggs** said we're instructing to prepare [inaudible]?

**Mayor Lyles** said to prepare the budget for the June 10, 2024. Alright. So, I think we've got it all. We've covered every step along the way.

\* \* \* \* \*

**ITEM NO. 4: CLOSED SESSION (AS NECESSARY)**

Motion was made by Councilmember Mayfield, seconded by Councilmember Mitchell, and carried unanimously to go into closed session to discuss matters related to the location or expansion of industries or other businesses in Charlotte including agreement on a tentative list of economic development incentives that may be offered by the public body pursuant to NCGS § 143-318.11(a)(4).

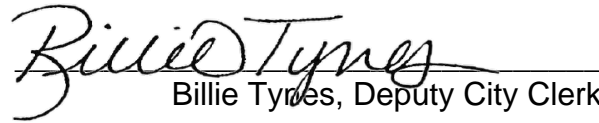
The meeting was recessed at 6:48 p.m. to go into closed session.

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## ADJOURNMENT

Motion was made by Councilmember Mayfield, seconded by Councilmember Ajmera, and carried unanimously to adjourn the meeting.

The meeting was adjourned at the 8:07 p.m. at the conclusion of the closed session.

  
Billie Tynes, Deputy City Clerk

Length of Meeting: 4 Hours, 19 Minutes  
Minutes completed: December 16, 2024