

The City Council of the City of Charlotte, North Carolina convened for a Budget Workshop on Wednesday, February 5, 2020, at 1:37 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Councilmembers present were Tariq Bokhari, Ed Driggs, Larken Egleston, Julie Eiselt, Malcolm Graham, Renee Johnson, Victoria Watlington, and Braxton Winston II.

ABSENT UNTIL NOTED: Councilmembers Dimple Ajmera and Matt Newton.

ABSENT: Councilmember James Mitchell

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ITEM NO. I: WORKSHOP OVERVIEW

Mayor Lyles said I know everyone is excited to kick off the 2021 fiscal year Council budget. Our process is to work with our Budget and Effective Governance Committee to get things on the table, but to act as a collective committee of a whole so that as we go forward, we've had examination and review by a smaller group in our Committee, but at the same time everyone is aware of what is going to be coming forward. The whole idea around these workshops is that there are no surprises. Now, that is not to say things don't happen that are surprising, but they are things like no surprises unless the Legislator does something at the last minute that we have to react to. Our goal is always to be open and give the Manager guidance and feedback on what this year's budget ought to look like. I would say that we all know that the budget often grows incrementally with the number of people that we hire. I think we are at 8,000 now Mr. Jones?

Marcus Jones, City Manager said 8,200.

Mayor Lyles said 8,200 people that serve the citizens of this community. We've got a lot to look at in terms of how we grow that, but what else do we want to do? Today's agenda; you have the notebook and for the newer Councilmembers, this book will be updated for every one of these workshops and you will get an additional amount of information from the staff and the staff is always ready to help us understand things in a very detailed way that makes it easy for all of us to work together. Mr. Jones is going to start us off, but we've got a couple of things, Charlotte Emergency Management and the overview of our Arts Support. On this one, I think this is something that many of us are very aware of, but I would hope that today's meeting on Arts Support will actually give us a sense of where we as a City will participate and what principles by which we would give to the Manager to do that. Our Financial Partners applications are fairly routine at this point, but I think we've got enough new Councilmembers. Existing Capital Project's Updates and Street Lighting. Intriguing agenda today. So, I know I just saw Bokhari. We are missing a few other people coming in. Mr. Jones.

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ITEM NO. II: CHARLOTTE-MECKLENBURG EMERGENCY MANAGEMENT

Marcus Jones, City Manager said Mayor; you have taken every highlight that I could possibly provide, so one of the things that I would like to add, the Workshop is very important to us but, if we go back to the Retreat or the Annual Strategy Meeting, for the most part when Ryan gave you an update, you basically said in terms of providing the same level of programs and services in FY21 as we did in FY20, we felt very good at where we are in terms of the budget. Whatever the small gap was at that time, and I know small is relative, we believe that we could solve that within our existing resources. Sometimes we get a little concerned at the Workshops because that is when new items may come in and those new items will have to be balanced with some of the priorities that the Council has provided for us during the Annual Strategy Meeting as well as the resources that we have. So, one of the reasons that we have the Arts Support pulled out today, and typically we have Financial Partners as one of the last presentations during the series of Budget Workshops, but we do have a large request from the Arts and

Science Council. So, we wanted to have that discussion much earlier in the process than we typically do.

So, with that said, we do have Chief Johnson who will start off to talk a bit about Charlotte Mecklenburg Emergency Management. I would like to frame this a little bit and Councilmember Graham had asked on a couple of occasions about how the City is prepared in terms of Emergency Management and when I start to think about Emergency Management, while we have the Charlotte Mecklenburg Emergency Management Office we have a number of events that require police, require fire, require C-DOT, and so we work very good as a team. Today, we are going to talk specifically about Emergency Management and address some of the concerns that were raised during the Retreat. With that said, I will turn it over to Chief Johnson.

Councilmember Ajmera arrived at 1:48 p.m.

Chief Reginald Johnson, Charlotte Fire Department said we are glad to be able to sit here and talk to you a little bit about Charlotte Mecklenburg Emergency Management Office (CMEMO); it is just one leg of public safety here in the City. Chief Winkles is going to hand out the Annual Report for the Emergency Management Office. I'm going to talk a little bit about the purpose of the CMEMO. We are here to assist the City, the County, and the Towns through the mitigation, preparation, response, and recovery process. That is before, during, and after any type of emergency. Whether, it is a natural emergency or human-made emergency, and that varies greatly in today's society what those two things look like. But we don't do it alone. So, we don't operate in a silo, we don't operate in a vacuum. We actually communicate, coordinate City department resources, county resources, as well as resources through the towns. So, our job is to do just that, make sure that we coordinate everyone. I'm going to introduce to you the Deputy Director for CMEMO, which is Chief Wyatt Graham, and I'll use one of his terms before he gets up here and I will steal it from him early, is that everybody should be considered an emergency manager. That is why we talk about operating as a group and just coordinating resources.

Chief Wyatt Graham, Deputy Director of Charlotte-Mecklenburg Emergency Management Office (CMEMO) said I'm going to steal something from Chief Johnson. Chief Johnson always says that Emergency Management is the fourth leg of the public safety organization here in the City of Charlotte, but before we get started, it is important to remember that the City of Charlotte is responsible for Emergency Management for all of Mecklenburg County. So, in addition to just the City of Charlotte, we have eight governments that we report to, also the municipalities and also the county government.

In your annual report you also see CMEMO at a Glance; a lot of times we are involved in incidents and events throughout Mecklenburg County. Last year we deployed our mobile operation center 48 times. There are 16 support functions and I'll talk about those in a minute. We opened 12 shelters within the County. Today, as you are well aware if you walked in, it is raining very hard so our Shelter and Task Force is actually meeting at this moment to discuss locations for any shelters we might need and [inaudible] messaging is out there. We are coordinating with the National Weather Service and also Duke Energy.

Last year we dealt with 17 large scale events. With Major League Soccer coming that will be an additional 16 I believe, and also with the concerts planned at Bank of America Stadium, as Mr. Tepper has indicated, he will be moving forward with additional concerts. So, those are also events we will be working with. There are two WebEOCs, that is how we keep track of everything in, not only our county but the 10-county region. It is also how we communicate with the State and the State Emergency Operation Center in Raleigh. There are over 800 users on that system and served over 100 organizations. As we go through this it is important to remember that Emergency Management talks to everybody all the time, and so our phones ring non-stop pretty much 24-hours a day, as we have our partners call to ask questions and work with them. We are also responsible for public warning and mass notification. We do that utilizing our Everbridge System and also CharMeck Alerts, which is the opt-in portion of the Everbridge System, and you may know

it as IPAWS, which is Integrated Public Alert and Warning System. We also maintain the warning point for the County at Fire Communications, which is The National Warning System for Mecklenburg County. This is a good indicator of the different municipalities in the county that we serve.

Response; so, we are responsible for coordinating, we are not in charge unless it is a nuclear incident, but we are responsible for coordinating all of our resources all the time. So, we make sure that CMPD talks to the Fire Department, talks to Medic, talks to Red Cross, talks to Duke Energy, talks to the National Guard, the state, etc. So, we are always on a phone and when we need to, we open the Emergency Operation Center for Mecklenburg County to coordinate those resources. We monitor a number of things, if there is a Verizon outage in the Charlotte area of North Carolina like there was last week we are monitoring it to see if that leads to other cyber issues within the state or if that is a trend. Today, we are also monitoring the Coronavirus as you are aware of in the news. So, we've talked to the Health Department, the hospitals, the Airports, etc.

Large Planned Events; when are we involved? Anytime there are over 20,000 of our residents in one location Emergency Management is involved in the planning and coordination of the event along with our partners and we are also on scene. If you watched the Panthers this year and you saw some of the evacuations that went on, that is Emergency Management talking to our contracted Meteorologist but also the National Weather Service and then coordinating with the Panther staff inside which is Retired, Deputy Chief Eddie Levins, from CMPD. So, we are all talking all the time. That decision is made to evacuate the Stadium or evacuate the outside and we want to make sure that everybody in the area is aware of the evacuation order and the plan. We are always concerned, in addition to just the Emergency Management function, you may call Home Land Security, it is really the same thing.

High profile sporting events, large festivals, presidential visits, and candidate visits at the request of US Secret Service. Our federal partners that we routinely interact with almost on a daily basis include SISA which is the new Cyber Security and Infrastructure Agency, DHS, US Secret Service, FBI, etc. So, we are working with all of them. This is kind of in a nutshell what we do on a day to day basis and like I said there is always somebody on call, but we work a lot of hours on our phones and our phones ring all the time.

Coordination, Communications, and Connecting Resources; when Mecklenburg County cannot handle something internally that is when we turn to the emergency order, and then we reach into our Emergency Operations Plan which you adopted back in September. The resources that come to Mecklenburg County from outside the County is through the state or federal or at the request of Charlotte Mecklenburg Emergency Management, through the web USE and the state approves and they send those resources to us.

Task Forces; we have a number of task forces that meet either monthly or quarterly. Those include our Sheltering Task Force which you, as a Council, revolved with our Homeless Sheltering, also our affordable housing. We worry about those types of things in Emergency Management. We are also worried about financial literacy for our populous because we know that folks that have money are going to be better in a disaster or major emergency. We also know that if you have a higher credit score you are going to recover faster from a major emergency or a disaster in Mecklenburg County. Our Active Violence Task Force, this is a group that we just started, and Victoria Johnson and Angela Charles are part of that task force. So, we are looking at not only in Charlotte and Mecklenburg County and all of the other towns getting a group of folks together, so we have one message, one training platform and we are moving forward on that. If you take the UNC-Charlotte shootings, we were out there for 28-hours following the actual incident, involved with UNC-Charlotte Emergency Management, the Governor, the State of North Carolina, etc. Cyber-Security Task Force is a very important new task force in Emergency Management, but again, it is getting all the right players together to look at how we can prevent, mitigate, respond, and recover from a cyberattack, not only in the City of Charlotte but our small and medium businesses. Bank of America is part of that task force, Wells Fargo is part of that task force so, we are getting all the right people together and then getting them talking. We have great resources here in the City of Charlotte, but our

other smaller municipalities will also benefit from those resources. If you take Atlanta, New Orleans, and Baltimore, they have all been hit by major cyber-attacks in the last couple of years. McGuire Nuclear Task Force meets monthly; there are about 100 folks that are involved in that task force and that is very important because every two-years we are graded by FEMA. Emergency Management and our other five counties involved in that task force are responsible for all the off-site emergencies related to McGuire Nuclear Power Plant and Catawba Nuclear Power Plant down to the south.

Major Products; as you are aware the Emergency Operations Plan which was approved last year, that was presented to all eight governments and I'm very happy to say that not one person voted against it out of those eight governments and we have the signatures on that document are from all seven Mayors and the Chairmen of the County Commissioners, makes it a very airtight document and our plan for Mecklenburg County. Continuity of Operations Plan, there are two types here in the City, as you may or may not know, one is looking at the INT portion of it but also all of our departments have Continuity Operations Plans along with the County. If you think about it if you can't come to this building tomorrow how does our government continue to run? Hazard Mitigation; we were talking about Hazard Mitigation earlier. We are one of the top counties in the US for Hazard Mitigation. The FINS process which is how we look at our rain gauges, the cameras that are associated with that, that is a national best standard and was adopted by the State of North Carolina; they call it FIMAN. We recently received a phone call from Houston, and they wanted to know what we were doing right here in Mecklenburg County and we had a very good conversation with them.

Our Threat and Hazard Identification Risk Analysis is done every three-years for FEMA and that looks at what are we going to do with grant funds because there are a number of grants that we get in Emergency Management. How can we better our community in the nature of our resilience? Our Stakeholder Preparedness Report is done every year for the City of Charlotte and Mecklenburg County. Uptown Evacuation Plan; if you have driven uptown you know we have a lot of roads closed so, in 2013 was the last time that was done, and we are going to update it this fall and then Dam Plans and Nuclear Plans.

Specialty Programs; Our All Hazard Incident Management Team is a new program created three years ago and it involves Charlotte Mecklenburg Police Department, Charlotte Fire Department, Charlotte Water, we just brought on Parks and Rec., Huntersville Police Department and we have some of our Airport Emergency Management also on that team. Regional Response Hazmat Team, not only does it respond here in Charlotte, we use them locally, but they respond across the seven-county region in North Carolina and can be called anywhere during a major disaster. Our Swift Water Rescue Teams; if you have seen them down at the hurricanes, they are used here locally, but they are also used across the state. Our Urban Search and Rescue Team, which we are exceptional proud of that routinely assist the State of North Carolina and is also used locally. Helo Aquatic Rescue Team, if you see helicopters making rescue in Linville Gorge, there is a really good chance that there are Charlotte Fire Fighters that are dropping out of those helicopters to make the rescues. There are State Medical Assistance Teams.

So, the Field of Emergency Management is evolving. Technological hazards including cyber continuing to become an issue for our communities and we have to figure out how to deal with those locally. If you think about the Federal Government, they have a lot of resources, they are putting out a lot of documents or saying that these are all the issues that we have identified. The states are beginning to address those, but then how does that translate to the local level? How does that translate to Charlotte and Mecklenburg County? Climate-related events; in Emergency Management climate change is an accepted thing so we don't look at it and say well, the climate is not changing. No, it changed and now we have to deal with it. So, how does that impact our citizens of Charlotte? Active Violence of course, electronic platforms, so we have a number of programs that we use including GIS, looking at data mining, looking at Tweeter. We want to make sure that as people put things out there, we are tracking so we have better understanding of what is happening in Mecklenburg County and get real-time information so we can respond and address major emergencies. Pandemics; flu is bad. If you didn't

get your flu shot, the Fire Chief and I will talk to you after this, but get your flu shot. We also worry about the Coronavirus or anything else related to those things. We are always tracking all of that every day, all the time. Then Public Education and Volunteer Organizations. How do we get our public involved in Emergency Management processing? How do we make sure that that resource is tapped for when we need it? So, we want to do that before we have a major emergency or disaster so we have those organizations identified and then we can get those folks to help us respond and recover to the major emergency or disaster.

This is an example of 16 ESFs which are called Emergency Support Functions. There are 32 core capabilities that FEMA identifies that we need to address. We address those utilizing the Emergency Support Functions; 16 of them here in Mecklenburg County. I'm not going to go through all of them, but everybody is involved.

Emergency Operations Center. Think about the EOC as a consolidation of government, and so everybody in this room makes a lot of phone calls, text messages, e-mails, etc. and sometimes you say we just need to meet and that is what we are doing here. So, we get everybody in the same room so you can turn around, have a conversation, fix things with your key decision-makers in the room to address the issues right-away, and then there is a planning component of that. It is very organized. Emergency Management serves as a coach for that Emergency Operations Center, making sure that we are moving through the disaster.

As we talk the 32 Core Capabilities, they translate to the Emergency Support Functions and for elected officials like Mr. Jones, our Managers, we report out on those utilizing the Community Lifelines. It is a new process, but it is also very easy to understand. These are the seven Community Lifelines that we look at. They can be green, which is awesome. They can be yellow, which is not great. They can be red, which means we are in trouble and we need to address that lifeline, or they can be gray, which means we are not sure whether they are good or not. If you get a briefing from us during a major emergency disaster, we are going to be talking about Community Lifelines.

Recent Emergency Operation Center Activations include hurricane exercise in 2018, which was a great exercise. Mr. Jones actually ordered it. He said look, you've got to do this, and I hadn't been in this office very long and I was like oh, here we go. We did it and on Sunday night the state of North Carolina asked us if we could shelter 35,000 people for Hurricane Florence. So, Mr. Jones came in there, and we had a meeting, and we said we need to open our EOC. So, we literally walked into the EOC and said this is an activation order, we are now actually real-time activated, and we activated for seven-days prior to Hurricane Florence. Hurricane Michael, as you may remember; we actually had more damage with Hurricane Michael as a community, but it came through very rapidly, so it was over in four hours. It was one of that hit like 11:00 in the morning and by 6:00 I was a home watching the news, but we were able to handle a lot of things in a very short amount of time.

McGuire Nuclear Tabletop Exercise; the nuclear exercises are very, very serious. There is a lot of time that goes into make sure that we are ready as a community and if you would like to come down and actually see how one goes it is a great time. I get two FEMA evaluators to follow me around for six-hours, writing down every single thing I say. So, it is a wonderful time to come down and see us under stress as we go through that. Winter Storm Diego, the Statewide Hurricane Exercise last year, the Catawba River flooding, if you remember June 2019. We had 101 homes damaged and 26 destroyed. A couple streets are still recovering today, and we were out there yesterday making sure that they are okay, and they will ride out the next couple days. McGuire Nuclear Exercise this year and then our Integrated Emergency Management Course, which Mayor Lyles, actually at the request of FEMA back in 2018, they did that last week. FEMA came down and it was a great time and many people in this room participate in that exercise.

These are pictures of our Emergency Operations Center, actually from last week. It was great to see everybody working together and coordinating and also our Charlotte

Mecklenburg Incident Management Team supporting the folks that are in the EOC. That's it. I'll turn it back over to Chief Johnson.

Chief Johnson said we are now available for questions if there are any questions.

Councilmember Driggs said I appreciate the presentation and I think the community will be happy to know that we have this level of readiness for all of these things that most people ordinarily don't think about. I did want to ask since this is a budget meeting, are all of these activities contained within the CFD or CMPD budgets or do we have a separate budget item specifically allocated to these emergency operations?

Chief Johnson said that falls within the Charlotte Fire Department budget. We talked about UOSE I think the last Business Meeting and some of the funding does come from some of the grants as well, but we do have grants beyond UOSE, but this falls within the Fire Department budget.

Mr. Driggs said so, the City doesn't have separate line items specifically that are not included within the Fire Department for Emergency Operations?

Chief Johnson said in 2001 the City signed an intergovernmental agreement to take over Emergency Management for the County so then that fell underneath the Fire Department.

Mr. Driggs said the other question I had was the JCC; where do we stand with that?

Chief Johnson said that is a little bit beyond Emergency Management.

Mr. Driggs said I think it mean that one more for the Manager.

Mr. Jones said Mr. Driggs; the first thing I would like to say is that; in terms of some of the line items in the budget as it relates to Emergency Operations, and I should have started with this, while we don't do line items in these Workshops, we have realized that Emergency Management in their operations, and you will actually see it in the book that was handed out when we start to review the number of personnel versus the population we understand there is something we need to do in the 2021 budget and we've already talked to both Chiefs about that. In terms of the JCC, we are in a position now to add that to a future Fire Station, a future Police Station, or any other building that we may own, and we believe that we can save considerable funds by doing that. So, we've abandoned the site where we were. The concept will be well Marcus, how much did you put into it that you will never get back? So, we will make sure we have that number for you, but we are convinced that we can, not only stay within the budget that has already been allocated, but we can save tremendous funds by building it onto a future building.

Mr. Driggs said any discussion about the adequacy of our funding for Emergency Operations will be part of a later conversation about the emergency services public safety budgets?

Mr. Jones said yes.

Councilmember Graham said thank you very much Mr. Johnson and Mr. Graham for the presentation. I think it is a really important topic that we ought to really begin to hone on as we begin to move forward towards the cost receipts in this year and the RNC in 2021. Mr. Driggs asked two of my questions so, we are thinking along the same lines, but for large scale events, Panthers game, future soccer games, who pays that bill for security and Police and Fire?

Chief Graham said Chief do you want to talk about inside versus outside first?

Chief Johnson said yeah, we can talk about that and I don't want to speak for CMPD because I wouldn't necessarily know their particular payment, but we have members of the Department that actually work inside the Stadium that is actually paid for by the Panthers. Everything we do on the outside is really consequence management and just

being prepared for that rainy day or that event that occurs and that overtime does fall within the Charlotte Fire Department, but if Mr. Bergman wants to elaborate that is fine.

Ryan Bergman, Strategy and Budget Director said as far as Bank of America Stadium, the current agreement is we get \$250,000 from tourism funds to help support CMPD as far as game-day operations and anything beyond that would be on the City.

Mr. Graham said and that would be the same for any future MLS games, soccer matches as well, or is that something to be negotiated?

Mr. Jones said it would be negotiated.

Mayor Lyles said I think we talked about that at the Retreat that that would be a negotiation around that subject with MLS and some other things coming up.

Mr. Graham said this is a piggyback on Mr. Driggs' question; in case and God forbid, there is an emergency, is there a disaster relief fund in place? Where do we go if something happens, we have to pull resources for an emergency? Is that from reserves for the City?

Mayor Lyles said it would a reserve and it depends on whether like the immediate relief is with the American Red Cross. If it were something that were longer term, we have stepped up and either appropriated from reserves, or I think basically just spent the money and seeing if we have to come back and do more.

Mr. Bergman said as far as reserves, that is one of the reasons that we keep double the state required general fund reserves. So, it would come from reserves initially and then it would be a question of federal reimbursement depending on the event.

Mr. Graham said my last question resolving large scale events in preparation for the RNC, will there be any type of drills prior to August that you did prior in terms of preparedness?

Chief Johnson said the Integrated Emergency Management Course that Chief Graham talked about was one of those preparations. We've done a number of drills within the Fire Department as well as with CMPD and we have a number of events coming up including some tabletops and some exercises over the summer to prepare everyone for that.

Mr. Graham said lastly, Madam Mayor and Mr. Manager, just like Councilmember Driggs, hopefully as we get deeper into the budget cycle we can actually talk about the budget for Police and Fire but also that margin for Emergency Management preparedness as well. I just want to make sure that the budget is keeping up with the growth of the activities of the City, and the Departments. I just don't want to get that lost in the shuffle, in terms of new Police Offices and equipment, that we don't really kind of focus in on making sure that we have the margin in our budget that takes into consideration the increased activities that will be taking over the next year and a half.

Mr. Jones said we will do; as a matter of fact, even beyond just Police and Fire there are issues around transportation so, all of the Department Heads, we are working with them at that level.

Councilmember Eiselt said Chief, I think it was two winters ago when we really had a bad cold snap and had to really scramble to open some shelters. There were a number of churches who mentioned that they would like to participate and help, and it was sort of outside the overall Emergency Management System. So, a group came together, and I think it was Rich Grange right before he retired, when he was in charge of Emergency Operations. They came together to form sort of a network to be able to have these churches and other groups jump in there to help. What became of that; is that group still together and does somebody run that?

Mr. Jones said if we are talking about the same group, I believe that is Rob Kelly and it is for CLT and they have been tremendous whenever there is a crisis that they actually reach out to us before we even reach out to them.

Ms. Eiselt said great. Is that a group that could be mobilized for other kinds of emergency situations?

Mr. Jones said yes.

Councilmember Bokhari said this probably has some touchpoints to Emergency Operations but probably more so to just broader operations in budget of Fire. On several ride-a-longs in the last year with Fire, I noticed a disconnect between the trade that was made many years ago where Medic went to the County and Fire went to the City. They do a lot of emergency health response calls, Fire and Medic at the same time and they get there at different times and I'm just curious do you guys, either Manager of Chief, what do you see as it relates from a budgetary perspective because they are kind of like making decisions on is Medic going to take this call or is Fire going to continue on? I feel like, and this is only anecdotal because I have only seen it several times, not hundreds of times. I feel like there is budget inefficiencies because they roll up into two separate entities and budgets and maybe they have protocols in place making decisions based on what is optimal for the budgets rather than what is optimal for Charlotte and Medic and Emergency Response holistically. Any comments on that?

Mr. Jones said I will start off Mr. Bokhari; I think what you are talking about is Medic holes, and there was a process that started before Chief Johnson, and I believe they are trying to work through that and hopefully, that addresses your question.

Mr. Bokhari said that will probably go along way because it was the holes in the decisions making. I guess just at a more macro level as we think about our touch points with the County and the way things have evolved to today, some things logically, some things just like deal-making and the way things worked out. Does it make sense for Fire and Medic to not be under the same budget?

Mayor Lyles said can I ask another question before you start Chief? You know Medic reports to a Medical Director. Our Fire Fighters report to the Chief and I know that this has always been a tension, but could you address the standards and protocols for Medic that are different from the protocols of Fire and what do the consequences of that look like?

Chief Johnson said I think there is a key point there because we report to the same Medical Director and so when the Medical Director makes decisions, we kind of fall underneath those same directives. We do have a first responder contract with Medic and to Mr. Bokhari's point there is room for discussion there and I know that Joe Penner and I have started those conversations about what is the appropriate funding for first responder operations, but it is a broader picture than just what Charlotte Fire Department is doing. It is actually a County discussion that needs to be had.

Mr. Bokhari said I just wanted to raise the point again; that is a big topic but I was just raising it.

Councilmember Winston said I think Mr. Bokhari is talking about the wisdom of start conversation, continue conversations about consolidation of government, and making it more efficient and effective which is a good conversation I think we should have in general. I have a couple of questions that relate to current events in the news right now that was mentioned briefly, the Coronavirus. How are we preparing for this emerging threat and what are the potential budget implications for these preparations in the upcoming fiscal year budget?

Chief Johnson said I'm going to let Chief Graham address what Emergency Management has worked on as far as preparation for the Coronavirus. I did verify this morning that, and I assume, Mr. Cagle can verify this, that Charlotte Douglas Airport is not one of the

Airports that are receiving people coming from the designated areas. But, Chief Graham, if you want to talk about what Emergency Management has coordinated so far.

Chief Graham said we are working with the Health Department; they are actually the lead agency for Mecklenburg County on this issue, but we have a number of coordinating calls. I think they are occurring every three-days and we are getting daily situational updates on that. We are in the very early stages of saying okay, right now, they are monitoring it but there are plans in place at the state level should we have an actual larger issue; If you would, here in Mecklenburg County.

Mr. Winston said so I'm hearing that there are no potential budget implications as we think about how we might prepare for this?

Chief Graham said not right now there is not. If you think about, we are seeing this in the news, and it is like in China and there is 11 here right now. We don't know what that would look like here in Mecklenburg County and there is no way for us to forecast if it gets out and becomes a bigger issue, but because we are talking and we are getting information from the Health Department every day, but the Health Director and I have talked offline and we are doing out coordinating calls, but we are supporting her and what she is doing. She is the lead agency and everybody else is supporting her. The Airport is on board. Their Emergency Manager and we are all talking in the state.

Councilmember Ajmera said for the Emergency Management Office; do we get any financial contribution from the County?

Chief Johnson said no, I believe that 2001 agreement the City of Charlotte took 100% responsibility for the office.

Councilmember Egleston said last year with what we are doing with the Immigrant Community Committee, language access came up a lot. Is that something that the Emergency Management Office has been engaged with as we expand our Language Access Plan for the City, making sure that all of our emergency communications are available in as many different languages as possible?

Chief Johnson said thank you for that question. We actually had Federico react out to us for Emergency Management and notifications and we are going to work with his office to make sure that we meet those needs.

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ITEM NO. IV: FINANCIAL PARTNER APPLICATIONS

Marcus Jones, City Manager said I was just discussing the with Budget Director; if it is okay with the Council, we would like to have Financial Partners first and then we will do Arts Support. Before Ryan starts, one of the things that the Council did last year that was very helpful is that we made sure as a staff that we were pulling in as many applications for Financial Partners during the December or the fall timeframe. So, we consider this to be the universe, as opposed to what was happening at some of the straw votes where we would have new Financial Partners come in. So, our strong desire is that the same process that we would have this year and that the individuals who have already applied become that pool in which you would fund.

Mayor Lyles said So, what you are saying is that you had an application process with a deadline, and we are sticking to it?

Mr. Jones said yes.

Ryan Bergman, Budget Director said I'm happy to be in front of you again. Last year at this time as I was the Deputy Director, I sat over there, and I watched Phil do a great job and I thought that is a lot of information and I'm very glad I don't have to do it. And, here I am this year, and I mention that because we did take some feedback from last year.

Last year at this time or a couple months later in April we presented the Financial Partners and a number of you said we would like this information sooner; you give it to us in April, there is not enough time to get the information we want, get the feedback and we want to make sure that we provide the information to you so that when the Manager turns over the budget to you in May you have all of your questions answered as it relates to Financial Partners.

I want to break down how our Financial Partners are paid for; like everything I'm presenting to you, it gets a little bit complicated with the numbers and the organization and I apologize for that, but it really breaks down into three buckets. You have the ones that you will typically think about, which would be your General Fund and your PAYGO, the discretionary ones that can change year to year. So, beyond that you have your Federal Grants so, thinking of your CDBG, Out of School Time Partners, and then your Home Partners. Then finally you have your dedicated revenue sources where there is a specific dedicated revenue that has to support that task, so think of your Municipal Service Districts.

A little bit about the timeline, as the Manager mentioned, in October we contacted last year's Financial Partners and we publicly posted the application process. These were due in December and we did work with them throughout January to make sure that we had all of the information that we required and so we are able to present it to you a little bit earlier leading into the Manager's recommended budget and then your suggested adjustments. I won't spend much time on this because it hasn't changed from the past but the applications requirements, we do collect all of this information. so, I do want to verify that all of the organizations that submitted applications did turn in what we required by today.

Before I talk specifically about organizations, I wanted to put this out there as kind of a visual tool to understand the total scope of our Financial Partner funding. I have it broken down into these buckets. I don't have the dedicated revenues in here. I will talk about them later, but I do want to treat them differently. This is our General Fund, our PAYGO, and our CDBG funding for FY20. This isn't their request. This is where they are currently funded.

Moving on to General Fund and PAYGO Discretionary, this is the universe here. So, now in this table, we have the FY20 funding amount and we have the FY21 funding request. Of the organizations that we funded last year; Tree Charlotte was the only one that did not submit an application. We did contact them and verify, and it is because they had current year program funds leftover and so they decided not to submit an application, but we did follow-up with them. Everybody else did submit an application; as the Manager mentioned, because of the uniqueness of Arts and Science Council's request this year we did pull it out. So, I won't talk about that here. But if they are excluded from this you see a universe of about \$1.2 million of requests compared to about \$800,000 of what was funded in FY20. You will see this slide twice so, I won't talk about it here for Arts and Science but I did want to use it as the opportunity to one of the other feedback items we got from last year's presentation is a lot of the questions were about the recent history of funding, what they were asking for and what we gave them. So, each of the slides will have that, the actual request, and then the approved amount that year.

So, moving on to the other discretionary ones, the first one is Charlotte Regional Business Alliance and I won't go through these reading the Mission Statement of anything, I'll just provide a little extra context. This has been a partner for 10-years. All of the funds the City provides are used for marketing throughout the world and their request that they are asking over FY20 levels is only a per capita increase because that is how they base their request. So, that is just based on population growth.

Moving on to the Community Building Initiative. They have not requested additional funding. They've been a... I should rephrase that. They haven't requested any funding beyond what they received in FY20. They are a 14-year Financial Partner. I probably shouldn't do this because it seems impartial, but I am a member of one of their programs and as someone who has come from Michigan and we are in Charlotte and the Leaders Under 40 Program, it's been a great opportunity for me to learn about this City and its

history. Safe Alliance is a 40-year Financial Partner with us. Their asking for a slight \$15,000 increase and their increase is primarily to support additional resources for an attorney position that can speak both English and Spanish and as always, they are working with victims of domestic violence and sexual assault. The Women's Business Center has requested \$49,000 over last year. This is one that was added during budget adjustments last year in FY20, which is what the table represents. So, this would be additional funding for more lunch and learn seminars and also software that they describe in the packet. YMCA-My Brother's Keeper has been a partner for the last couple of years. They are requesting \$100,000 this year. A representative from the office did get some additional context, speaking to the Director yesterday. They are looking for funding to serve additional boys. The money; if funded, the \$100,000 would be used primarily for operating with some for personnel.

Those are all of the ones that were existing and the next few are new request. The first one is Farmers Market Management Services. It is a new request for \$118,000. They are looking to support expansion of local food systems in the Farmers Market. The agency was established in 2018, so it is fairly new, and the City funding would be about 75% of the agencies budget in FY21. It is an agency that is not very big yet but is trying to expand. The next new request is from Heal Charlotte. This request would represent; if funded, about 45% of the agencies budget. They would primarily use these funds for personnel, and this is an agency that was established in 2017 so, it is fairly new as well. This is an area that is specific to a location in the City; in North Charlotte, so it is a little bit different. Finally, Samaritan's Feet is requesting \$100,000 and this is primarily to give shoes and socks to disadvantaged children. It is currently a \$3 million organization and they are requesting \$100,000. The organization has been around for about 17-years and the fund would primarily be used for, as you would expect, the operating costs such as shoes.

Councilmember Newton arrived at 2:42 p.m.

Councilmember Bokhari said I will obviously pause the ASC conversation because we are going to come back to that. So, the Charlotte Regional Business Alliance; a lot has changed over the last year or two in this topic and I think as we've been able to work more closely with Janet and the new administration there, I think we can expect great things from them, and it is an exciting partnership. But I also think we need to recognize that the model and the relationship has changed. So, I'm wondering if you guys can maybe take away, and that is why I think it is beneficial going through the partner requests upfront so then we have time to have follow-ups and discussions later. Can you go through and break us down an analysis of okay, this was the Regional Partnership's portion of the old money, this was the City's, but also given the fact that now a big chunk of what I would imagine, we used to pay the Legacy Chamber to literally be just Charlotte and Charlotte alone recruitment and kind of marketing function, has not become something bigger right. So, we are less of the focal point of the money we would put in there and two, if memory serves correctly, the two largest investors in that legacy world was the City of Charlotte and the County which both I think gave in the old model around the same amount of money. It almost then is a second point says, is the City of Charlotte almost double paying for our portion of the coverage? I'm not saying that that relationship isn't invaluable, in fact, I think it is going to be very valuable, but I think it is very different than what it was two-plus years ago and I think we owe it to go into that both, breaking out the money and understanding what that money is going to compared to what it used do. Does that make sense?

Mr. Jones said yes, we can do that.

Councilmember Egleston said I see the note that Trees Charlotte did not submit a request; and if you said this, I apologize. I didn't hear it. Did someone reach out to them and inquire why they didn't?

Mr. Bergman said yes, they verified it is intentional because of the existing funds they have.

Mr. Egleston said okay, in reserve; sorry if I missed that. Then also I saw Mr. Warshauer walk in. I wanted to make sure... I am excited to see this Farmers Market Management Services thing in here. Is this something that was born out of the report that...If you're going to respond a yes or no, you will have to come up to the mic. But, was this one of the recommendations from the report you presented to us last year, or is this independent of that? I think the report that you presented to us last year was very compelling and I want us to find ways; I know the county recently had started talking, not for the first time ever, but started talking more about food deserts and I think there is a role for county to play and a role for the City to play in addressing food deserts. I think the report that you presented to us was compelling in certain ways that the City could make an impact in that space and I want to make sure that if we are funding something here as one of our funding partners that we are doing it in a way that aligns with all of the research that you helped get done for us.

Tom Warshauer, Housing and Neighborhood Services these are people that were involved in creating that study and were some of the consultants involved in the study and they have been very interested in activating one of the recommendations in the report around a Farmers Market Association. So, they have applied sort of trying to activate, wanting to activate that recommendation in the report.

Mr. Egleston said this could be viewed as an outcome from that work that was done.

Mr. Warshauer said certainly, they read the report and they want to be involved in it.

Councilmember Eiselt said that was my question too, it really gets you further with what you presented to us with regards to food deserts.

Mr. Warshauer said yes it could.

Ms. Eiselt said are we missing something here? I think if we all feel like this is helping because I think there has always been an issue with the Farmers Market as to where it is located and therefore it doesn't address food deserts.

Mr. Egleston said this is broader than just the state market.

Mr. Warshauer said this group is led by Lynn Caldwell and they are very interested, and she has been very involved in a lot of Farmers Markets. She formed the Atherton Market years ago and she has had a consulting business or has had a consulting business, that works with people in the food space, both farmers and people who are food entrepreneurs. So, this is an area where she is very interested in becoming more involved and helping all the markets in our community be better marketed throughout Charlotte and Mecklenburg County. She has just formed her Board. There's no real track record for this and there are not a lot of partners that are on board just yet but her and her Board's goal is to activate that recommendation and to do that work. She is highly qualified, and a number of people are highly qualified that she has brought on into that space.

Mayor Lyles said I have one other question about the Farmers Market Management Services. I've actually had a visit from a group that plans on locating a Farmers Market in center city and I don't think they are a part of this group and they didn't make a request, but I just wondered if you know that there is more planning for a Farmers Market in center city?

Mr. Warshauer said yes, I talked with Jan at some length when she was first beginning her journey in exploring the Farmers Market in the center city. So, there are a number of markets that are getting going all over Charlotte and people that are interested in markets. What this organization would do would be to work with all of those because hardly none of them really have any money for marketing. Maybe Jan in the Uptown Farmers Market because they could connect to the center city and have marketing money. But none of the others really have any money to do the kind of marketing promotion that is really needed and that is what Lynn would seek to do through her Market Association, is to work

with all of the Market Managers to help promote all of the markets as a system rather than a market individually.

Mayor Lyles said and this would be for-profit and non-profit markets? I think with a start-up we need more of an idea about what they do and what their vision is. So, I think this mission statement is great, but we really need to understand this request. Who it works with, what it would do, what are the real actionable items that the funding would go towards, and how many markets have actually said we want to be a part of it? We just need some information.

Councilmember Driggs said could we get all the materials that we considered last time so that we can; as quickly as possible, get back to where we were the last time, we had this conversation? There was a PowerPoint presentation, there was some discussion and I just wouldn't want us to repeat the entire conversation if we can help it. So, any notes from those meetings, the discussions that took place, the PowerPoint, if we could just get that out to everybody then we will be better prepared the next time this comes up.

Mr. Jones said we can do that.

Mr. Egleston said I do want to reiterate that the questions were not a lack of enthusiasm; I think it is great. I just want to make sure it is married to what we'd been talking about.

Mr. Driggs said right, and I want to establish that, we covered a lot this ground was my point and I just don't want to kind start from scratch. On the CRVA, I had a similar concern to Mr. Bokhari's about the kind of incremental nature about Charlotte Regional Business Alliance so, I guess my comment is similar, I regard that as a rapidly evolving situation and I would like to see some evidence of what other localities are doing to fund it and how our participation in that is evolving along with our investment in economic development to reflect the new nature of our relationship with them. Again, particularly on the issue of how it is being funded, and what contributions are coming from the other communities? The three new applications, they have all been vetted in terms of their compliance with all of our requirements and so on. So, these are eligible beneficiaries, right?

Mr. Bergman said correct.

Mr. Driggs said but the staff is not making any recommendations one way or another and these are the only ones we received that were eligible, that we're being asked to consider?

Mr. Bergman said correct.

Ms. Eiselt said one additional question I have is with Safe Alliance; the increase wasn't what I thought it was for I'll just say. I understood that with their move to a different space to sort of a temporary co-locating space that we were going to be asked for money for rent for CMPD. So, is that still coming, or is that in a different bucket?

Mr. Bergman said the reason for the increase is pulled from their application so we will seek out clarification from them on that.

Mr. Driggs said you say it is an increase, I see \$445,000 and \$413,000 so, how is that an increase?

Mr. Bergman said the top was a request last year, the bottom was what was actually approved.

Mr. Driggs said over what was approved last year, okay.

Mayor Lyles said I've heard from Ms. Eiselt lots about justice center and co-location and all of that, I just wonder who else is aware of it and knows what's going on? I think we need to have a presentation on what is being requested because the budget is one part of it. It's actually, how do you actually, do this and co-locating was not the goal. I thought

the goal was collaboration. So, I'm very concerned about how that works and what are we going for? What's the intent?

Councilmember Ajmera said can you go back to slide #8 where you've got discretionary; under Tree Charlotte, that \$100,000, is that unrestricted funding in 2020?

Mr. Bergman said yes, so that actually came from our Pay-as-you-go fund which comes from property tax and sales tax. Yes, it was unrestricted. The only difference coming from PAYGO rather than the General Fund is they will be able to keep the money even if they don't spend it all wherein the General Fund it drops to fund balance.

Mr. Jones said I think you have a different question; that \$100,000 is not for operations, it is for planting trees.

Ms. Ajmera said I remember last year there was \$100,000 that was unrestricted and there was \$250,000 conditional upon tree planting on specific city-owned property. Am I correct?

Mr. Jones said that is exactly right.

Ms. Ajmera said I was told that out of \$250,000 only a certain amount has been used, not all of it, so that is going to continue, but I was told that \$100,000 they are still requesting unrestricted. Is that not the case?

Mr. Bergman said no, the \$250,000 was I believe part of the three-year endowment contribution that we made.

Mr. Jones said that came from the developer fund and you are exactly right, the \$250,000 was to plant trees on properties owned by the City and my understanding is that the ramp-up for that has not been as quick as Tree Charlotte would like so, there is capacity there to do that with that first \$250,000.

Ms. Ajmera said got it, but this \$100,000 that is unrestricted in FY2020.

Mr. Bergman said it is part of our Financial Partner process so when you say unrestricted, we would have given it to them for a specific purpose and we can get last year's application and what they said they would do with it.

Ms. Ajmera said I understand, but it wasn't restricted in terms of planting trees only on City-owned property.

Mr. Bergman said if you mean that comes from a fee that has to be spent, this is different from that.

Ms. Ajmera said okay because I was told by Tree Charlotte that they are still requesting \$100,000 of what they had received in FY2020, but what you are saying is that they did not request the funding.

Mr. Bergman said that is correct and we did verify with them but based on this we will double-check.

Ms. Ajmera said I just talked to them recently so, I think there is a gap therebetween what is being presented versus what I was told.

Mr. Bergman said we do not have an application from them, and we did check it so, if they are requesting it, they haven't submitted anything to us to do so.

Ms. Ajmera said to my next question; are there priorities for this request as they come in where they had to meet their criteria, not just all this 501-C, etc. but that it has to meet whether it is environmental, housing, whether it is safety, do we have any policy around that in place?

Mr. Bergman said part of their measurers and goals are attached to priorities if that is what you are asking.

Ms. Ajmera said so when they request funding, I guess is part of the application?

Mr. Bergman said right.

Ms. Ajmera said how do we measure; is there a metrics in place in terms of how the funding was used whether we were able to move some of our priorities forward?

Mr. Bergman said there is metrics in place that they submit, so they submit last year actuals on their metrics that they track and a mid-year so, we do need to spend some time as an office really getting into that since we brought the Financial Partners to you a little bit earlier this year. We do need time to analyze that.

Mr. Ajmera said we have the actuals of what was approved last year. I would like to see based on what was approved, the metrics of the work that has been done by each one of these organizations, not what was just approved. Do we have any policy in place as to what percentage of funding can be our funding versus what they had to go out and raise or get from other sources?

Mr. Bergman said Out of School Time does; these discretionary ones don't.

Ms. Ajmera said okay, I think that is where we have to think about this, where if there are organizations that are requesting 100% of their funding from the City, maybe 80% or 70%, it may not be sustainable in the long run so, I know we have that policy for Out of School Partners but I think we also need to have some sort of policy in place that Council agrees on when it comes to what percentage could be City funding to ensure that we are tackling multiple priorities and helping as many organizations as possible.

Mayor Lyles said I don't know that we would be able to do that this year and what I recall is that some of these were added by Councilmembers during the budget session. So, they didn't even have an application so, if we are going to have some requirements around that we would need to kind of define those and I guess that would be something that a new budget policy would be prepared to address. So, at some point, we have to decide as a group if we want to do that and I don't know that we have to do that today. Well, we aren't going to do it today, but at some point, we need to think if we are going to do that and put it in an institutional format.

Councilmember Watlington said along those lines as a policy piece; my question is, regarding the applications that we received that maybe the people did not meet eligibility, because we had a discussion about safety partners yesterday and what some of the barriers may be to get funding from the City. I just wanted to understand if you were able to tell me briefly what were the highest [inaudible] items for reasons why potential partners didn't make it past that point?

Mr. Bergman said as has been done in the past we had a deadline and then there were some things that organizations had not submitted. We did work with them throughout the month of January to make sure that all of the materials they wanted were provided to us so we could say that we are not excluding anybody based on them not providing us the information that we need. So, that answers your question; there is nobody that we don't have the information from.

Mr. Watlington said okay, so everybody that applied was already eligible?

Mr. Bergman said has submitted yes, what we need from them.

Ms. Watlington said but maybe we don't have an idea of who did not apply obviously, because they knew they weren't going to be eligible.

Mr. Jones said also this isn't the only pot so, there may be grassroots organizations that are applying for jumpstart grants or some of the neighborhood grants so there are other places they may be asking for funding.

Mayor Lyles said do you want to talk about another place, Out of School Time Partners that are funded through our Community Development Block Grant?

Mr. Bergman said sure, and this year, Out of School Time Partners is in the second year of the cycle. The way these work is, a two-year cycle, so we won't go through them individually since the work that Council did last year really leads into the FY21 request. Here are the organizations that were funded in FY20 and FY21. I will tell you that there was one organization after submitting that decided that they did not want the funding. We have the letter and it wasn't a specific reason, they just said they decided not to do it. So, for FY21 that funding wouldn't be there. So, I just wanted to explain the difference between FY20 and FY21 for Out of School Time Partners.

Mr. Jones said Mayor; I would like to add, and I think you brought this up last year, so, this is your CDBG 15% set aside that you have a great deal of flexibility of how you would like to spend this. So, my ask of the Mayor and Council is before another two-year cycle comes about, Is Out of School Time Partners, your priority to spend this money because you have a great deal of flexibility of how you can spend this 15% set aside?

Mayor Lyles said I would like to refer this to Budget and Effectiveness after the beginning of the year because the 15% Community Development is very flexible. It's the most flexible money we get from the Federal Government and as you can see the totals of it are pretty – it does equate to a really good healthy amount of money and I think we really ought to look and have a policy around that because the policy has been in place since 2010, maybe even before then. I know when I came on Council it was in place already and I think it is time to take a look at that.

Mr. Bokhari said can I make a request along that front that I think ties back into something we've been talking about, even back in the Retreat? Which is I think this would make a lot of sense being referred as part of a broader referral into Business Development and Workforce, BDW because the main take away that we gave staff on this topic from the Retreat was step one, big step one, hyper urgency because of the budget period. Go and inventory everything that is happening in the community around workforce, any area that touches it and then overlay where we have Financial Partner relationships. For example, I know the Greater Enrichment Program very well, served on the Board of that for a couple years. That is a perfect item for us to know, map, and understand how does that fit into my apt/piece 2.0 next generation. When I mentioned on Monday the urgency we have and the window that is going to close, this is in my mind is the first step in that and I know that Tracey has us working on the next agenda. Which, I hope for Business Development and Workforce will be this topic specifically around workforce. I think that would be a logical place for us to start and then we would need to toss it over to Budget and Effectiveness once we understood the mapping. So, less of the budgetary thing and more of what strings are attached and related to workforce.

Mayor Lyles said I think we know this time period is ending and so we've got too have something in place after this budget is adopted. So, we have some time and I hear both requests. Is there anything else you wanted to say about the Block Grant one since they are kind of agreed upon? Anything else from the Community Development Block Grant?

Mr. Bergman said moving on, these are Out of School Time Partners, but they are Financial Partners; they are treated a little bit differently because these are through the Home Grant. It is through a CDBG but not the public service portion, it is also through our innovative housing in the case of Crisis Assistance Ministry so, they do submit the same application materials, but it is just handled a little bit differently through our Housing Programs.

Ms. Ajmera said for the CDBG, Home, and HOPWA, are those restricted to only housing work? Could you elaborate on each one, CDBG, Home and HOPWA Grant that we receive from federal agencies, can they only be used for housing?

Mr. Bergman said for instance Crisis Assistance is funded through our housing funds and innovative housing so, that is of course used for housing because that is what we asked. As for the Home and CDBG grants we are serving a specific purpose of what CDBG wants, which in this case is housing, and if you are asking could that be used for something else, I think we would have to do some research on that, but that is more in housing shop.

Ms. Ajmera said I'm trying to understand what each one of these grants can be used for.

Mr. Bergman said if you don't mind, I will ask Pam Wideman to come up.

Mayor Lyles said yes, please because there are restrictions around Community Development funds from the Federal Government that are directed but there are multiple ways to use it.

Ms. Ajmera said I'm just trying to understand if any of this funding could be used for other requests that are coming in.

Pam Wideman, Housing and Neighborhood Services Director said as far as your CDBG it has to be used for low to moderate households earning 80% and below. It has to be used for housing services and it can be used for public service activities like Out of School Time Partners so, you are currently using it as it is prescribed. For your HOPLA, that is housing for persons with aids and HIV, it has to be used for housing activities for those populations and then your Home Funding, again, it is to be used for households earning 80% and below and there are specific housing activities that it has to be used for.

Councilmember Winston said I just wonder specifically around the funds around the Housing Partnership; what kind of conditions are we able to put under these relationships? For instance, specifically are we able say we will give you this money, but we have to remove application fees when people are applying for affordable housing. Are we able to dial in that acutely with these funds?

Ms. Wideman said your CDBG funds are generally used for housing; they are used for rehab; rehabilitation of existing housing units and they are also used for new construction. So, I don't want you to confuse the Housing Partnerships or any other affordable developer's need to do an application fee with those. I don't think you can put those restrictions on them just because they receive CDBG dollars.

Mr. Jones said anything that says PAYGO extreme flexibility?

Ms. Wideman said that is right, your local dollars are extremely flexible.

Mr. Jones said but outside of that when you start to see CDBG you are looking at low to modern income areas so, I think if we can give you a breakdown of how much of the funding is related to PAYGO and how much is related to CDBG, Home or the other program, I think that would be helpful.

Ms. Ajmera said this was very useful Ms. Wideman. For the Housing Partnership and for the House Charlotte, those two-line items at the bottom, how much of that is coming from PAYGO, each one of those?

Ms. Wideman said Ms. Ajmera, I don't know that off the top of my head, but I'd be happy to put that in a follow-up to you.

Ms. Ajmera said okay, from what I understood PAYGO could be used for other purposes, got it, but the others are restricted based on federal guidelines?

Ms. Wideman said correct.

Mr. Bergman said there are four Dedicated Revenue Partners. They all have a funding source that is restricted to our Municipal Service. The other area is the Charlotte Regional Visitor's Authority and then a subset of that is the FILM portion of the Charlotte Regional Visitor's Authority. The request that you will see in all cases that have increased is based on anticipated growth in the revenue source. Like the case with Charlotte Center City Partners they have a request amount which is just a projection by them; what they actually get is the actual tax dollars as finalized. CRVA is a similar set-up with occupancy tax and there is a portion of this that is required to be used on marketing, restricted for marketing and of course they restrict it for that purpose. The FILM portion has not changed, the request is \$150,000 and then University City Partners is similar to Center City Partners, it is an MSD and the money that they get is based on the actual tax value of the MSD.

That is what I have for Financial Partners and I'll stop there. Otherwise, I can go straight into the arts if there are no questions.

Mr. Winston said when would be the appropriate time to have a discussion around CRVA and the funding model and how we interact with that group? I know this has come up, not just from myself, but from other Councilmembers and it would seem that before we make decisions on that, if there was any kind of rebalancing that we might want to consider would be the time to do it before we vote on appropriating the money.

Mr. Jones said typically we do bring in CRVA and Center City Partners as a part of the budget development process and I believe that the Mayor and Mayor Pro Tem are working on some mapping system as it relates to the Boards and Commissions having a relationship with the Committees.

Mayor Lyles said I have another question. Can you tell me how much the marketing percentage is at this point of the \$17 million that they currently do? I don't know if they designated the \$18 Million request.

Mr. Bergman said 15% is one of the revenue sources and it is \$8.9 million.

Mr. Winston said say that again.

Mr. Bergman said \$8.9 million is the restricted marketing portion.

Mayor Lyles said so, it is about 50%? It is \$17 million, and you said \$9 million, so it is about 50%?

Mr. Bergman said yes, the marketing piece, correct.

Mayor Lyles said there is a relationship here between this and the Charlotte Regional Alliance as well so, can you kind of help us understand how the organization works because Charlotte Business Alliance does not do the marketing and CRVA does? I know that there is for all of those things, so if you could just make sure we understand who owns what and what fund is what.

Okay, we just have the applications and Board information in detail behind here about the various organizations and I'm sure the staff will be glad to meet with you on any one of these if you think there is something you have more of a question around their mission or how they do their work and those things can come back to the Council in our next report. I don't know if I said that to the new Councilmembers; there will be Q and A that will be done sequentially so that you will see each Workshop the follow-up as a result of the questions asked by Council.

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ITEM NO. III: OVERVIEW OF CITY OF CHARLOTTE ARTS SUPPORT

Marcus Jones, City Manager said Ryan's dad is somewhere sitting on the edge of his chair fretting over his son making a presentation about Arts and Culture. I did want to recognize that Chief Bryant is in the room today and we've had some conversations about what the ASC is trying to do. I think in terms of level setting, I'm not sure that this Council has every had a presentation from me or the team related to the Arts and Science other than an annual increase of a couple hundred thousand dollars. So, we'd like a little bit of grace starting off because I believe this is something new in terms of having such a large request related to the Arts and Science Council. The last thing I will say before I turn it back to Ryan, there have been a series of studies; there was a 2014 study as well as a 2018 study or a 2018 workgroup in which staff, Sarah Hazel, was a part of that. Which talked a lot about what is happening right now in terms of the Arts and Culture in our community as well as what are some options moving forward. So, as we talk about this, I guess for the first time at this level, a lot of this is just level setting and information.

Ryan Bergman, Budget Director said the purpose of the presentation, we wanted to talk a little bit about all of the City of Charlotte's support for arts in FY20, not specifically restricted to the Arts and Science Council and their request, but we also wanted to talk about the Financial Partner request since it represents such a large percentage of the Financial Partners and the increase this year. I would ask for a little bit of grace here; since the Budget and Effectiveness Committee, Councilmember Eiselt asked some more specific questions about what are some other places doing so, we did try to rush in a benchmark analysis. I wouldn't classify this as a report. We've done it over a couple weeks only, but it does provide some information that could be helpful with context with some of our peer cities.

Here is the big summary slide of our FY20 support. We have a \$3.2 million support for the Arts and Science Council. We also have a public art program. I won't talk much about this after this, but it is a one-percent of construction costs that we send to the Arts and Science Council and they basically act as a pass-through to artists. I will tell you that peer city this is very common, and we are in line so that is not anything elaborate or unusual. It also does not include arts in transit in the number and the reason for that is because that is a federally required program. So, I didn't feel it was appropriate to try to add it to that number. The two biggest chunks there, bigger than the Arts and Science contribution actually, are the debt and the maintenance that we pay on the seven cultural facilities that we own. These are the seven cultural facilities and they are organized by that for a reason. We actually contract with five organizations. So, we contract with the Mint Museum for instance; who runs two of the facilities. We contract with Blumenthal; who also runs Knight Theater. We charge them \$1.00 a year to these five organizations so, on top us leasing it to them for effectively free, we also take on the maintenance responsibility for these facilities. Related to that, if you take the 10 biggest program revenue-generating organizations in Charlotte, the biggest arts organizations, these would be the ones that are getting revenue from actual services, from plays or admission in Discovery Place's case. You will see that the City is actually connected to eight of them through these facilities. So, we have the five that we own the facilities for and then we also have three others that actually typically perform in the facilities that we own.

So, moving on to a couple slides on some of the snapshot benchmark analysis. Don't rain into the number 12. We have 12 Analyst, we assign one each to contact, to research to get all the information they possibly could from each. So, we have the twelve biggest, if needed we could certainly expand to the smaller eight peer cities, but then we also did the "Big 5" Cities in North Carolina to try to understand a couple of things about how we support the arts compared to them. This is the other peer cities that we looked at and it is kind of a mixed bag. We tried to figure out are they primarily supporting arts through their general fund or are they primarily supporting arts through a dedicated revenue source. It is the same as far as the dedicated revenue source; you will see one has a dedicated sales tax which is Denver, which is similar to what was recently attempted. There are two that have an admissions tax, that would be Columbus and Seattle, and so their arts revenue is from the sale of tickets and then there's three that use some kind of occupancy tax. There is one uniquely, which is Portland, which has an arts tax which is on the property tax bill as a block amount. As far as the general fund ones, we compare our contribution to them and as far as the peer cities we were three out of the five if you

don't include the facility money only, the Arts and Science money. If you included the facility money as well as a contribution, we would be second out of the five and of course, we are much bigger than the North Carolina cities, so we are above them as well.

Councilmember Winston said I have a question about these peer cities. You are telling me that we really haven't really qualified in terms of, do we think they are doing it right? Are they being successful in terms of, how they are supporting their arts with public funds, or are you just saying that we just chose these cities because of size? Are we saying that these cities are good to compare because there is no qualifying data on what the effectiveness of the investment is on the arts?

Councilmember Egleston said I think what he was saying was Ms. Eiselt asked for this and this is like a much bigger approach of benchmarking. They tried to jam a couple things together really quick for us. I don't think it is by any means a replacement for a broader benchmark that is actually necessary.

Mr. Winston said so what good is this information?

Mr. Egleston said it is not that good.

Mr. Bergman said to answer your first question, we use the 20 peer cities which we came up with last year based on a series of quantitative data that we had metrics that we could use. Our Economist came up with the 20 that clustered together based on a number of variables. We can provide you that information. It was actually in the back of the report from Monday on tethering. It is the same peer cities so, in no way are we measuring in the last two weeks of the effectiveness of the arts, we are just trying to break down the funding levels, how they fund the arts primarily and then if they handle it internally versus externally.

Councilmember Eiselt said can I just get a clarification though because some cities use a dedicated tax revenue, but it is their tourism tax. We have a tourism tax, but we don't use it for the arts, right? Is that a little bit confusing? Portland's dedicated tax revenue comes from the tourism.

Mayor Lyles said don't we pay for some of our facilities with the occupancy tax? That was part of the Levine Campus. We could not have had the Levine Campus without the debt service.

Ms. Eiselt said when we say we are not using a dedicated, or did you say we are using a dedicated?

Mr. Bergman said no, this is the primary source that we use to fund arts so, we have, and it is from 2006, we have sales tax money that is transferred to tourism which then supports our facilities, so it is kind of a convoluted process, but I did not include that in this. This is just the General Fund portion of that, and this is just trying to show these cities are mainly funding arts.

Mayor Lyles said didn't you say there were three that used occupancy tax? I had Denver for the dedicated sales tax, Columbus and Seattle for admissions tax, Portland for the arts tax and three others that use occupancy tax.

Mr. Bergman said correct; that would be, San Diego, Houston, and Austin.

Ms. Eiselt said go ahead; I'm not sure I got that answered but go ahead.

Mr. Jones said before Ryan goes much further than this, this is just the first wave. So, if the team had done a survey of 20 of our peer cities and found that 19 were doing something then there could be a trend that we should consider. Again, this is the beginning of the discussion; there can be additional questions and data that is collected but I hope we all agree that our peer cities are our peer cities and that is our starting point when we do an analysis.

Mayor Lyles said is a micro kind of thing and people look at us, so they compare us to these cities.

Councilmember Bokhari said I get where you are coming from and I totally agree. I think they are trying to help us with this, and it is a starting point, but I think no-one should draw any conclusion off of this. It is merely meant to point us in a rough direction. All it tells us is the peer cities are the right peer cities, I have confidence in that, but it doesn't tell us anything. So, I put that aside. I think Ms. Eiselt's earlier point weeks ago is really valid which is having this in a real study there is value for that in the benchmark, so we know what to do, but I think that is a longer-term, maybe a mid-term question that we have to have answered. I think right now the questions we need to answer over the next couple weeks, the benchmark is cool but honestly, I don't think that matters that much to me. What I care about is we have a problem on our hands that needs to be addressed and we know that there are various parties in town that are positioned to potentially do that. The County is one, the City is one, the private sector is one. We don't know much beyond that, we have some ideas but I think the big take-a-way right now from what we've seen so far is a lot of people are probably under the impression that we spend \$3.1 million in our annual budget into the Arts and Science Council and the arts community when in fact the first number now we've seen other than that, we spend \$13 million a year, plus, plus, plus. So, I think that should be headlined number one for those of us coming in here who have been asking for that number for a while and I think take-a-way number two then beyond that is if we are going to benchmark somewhere so we can make a decision in the next month or two in our budget where we might play and what that might look like, the question is in some of these benchmark cities are they also spending \$8 plus million on maintenance and debt service on the buildings or is that part of those budgets that we are benchmarking for other arts organizations in those cities? Things like that, because at the end of the day I feel there is a big opportunity for us right now in the next couple weeks to partner with all of these groups and put together maybe a new look at a plan that could be a new way of doing this, but the benchmark starting place is, we spend \$13 million-plus a year and I don't think a lot of people realize how heavily invested we already are. That is literally less than half of what the previous quarter-cent sales tax was going to generate. So, awareness is one and then what does that tell us and how we can move forward. That is just my hot take on seeing this number literally for the first time today.

Mayor Lyles said the other hot take of it is that a lot of it goes toward assets that we have debt on that we cannot stop spending this money or move it around. Then the other part of it is that we have to ask ourselves the question, what information do you need to have to make a decision around any effort that we are going to collaborate on in decision making or make a decision for you personally or as a Councilmember what do you need, what information because this is just the first gate opening. So, what information after all of this is being presented is really important for you to think about to consider participation or not. I've had this conversation with Ms. Eiselt about we can do a study but if people aren't committed to a study's results then, it doesn't make any difference about doing the study. We have to figure this out. What are we willing to do and what is the Council going to support so that we can get into this? I know there is a short-term crisis, but long-term structural change is necessary for this to work and we've had a great run since the mid 70's on getting this and building the City. I see our arts organization as part of what we do with economic development. Companies come here because there is a symphony, there is a Performing Arts Center. So, the question for me, it is not about are we doing it, it is just what are we doing, and how do we do it so that we have another long run. It ought to be sustainable, not five-years sustainable, but longer term.

Councilmember Driggs said I just wanted to say in very general terms, the arts are important in the community. So, we need to step back, and we need to take a very high-level look at where we see us on the arts scene and what the public interest is in investment in the arts? The thing is we've had the same \$3 million for 10-years or however long, we have not actually kind of worked out a policy. So, I would like us to get through sort of the preliminary cuts to just kind of rough-cut the dimensions of the thing. If somebody is putting \$100 million in and we are putting \$13 million that would be something to think about. We are progressing from being a medium-sized city to be a

more urban environment and I think that might cause us to think harder about whether we are keeping up with peer cities in terms of the kind of cultural attractions that we offer which is related also to visiting. I think it is worth noting that this conversation take place in the context of sensitivity about the other needs of the City, our social needs and any diversion of funds to the arts will be seen by some people as being creating entertainment to rich people, etc. So, I hope what comes out of this for one is a consensus among Council as to where our interest is, how it aligns with our main priorities and what kind of investment goes with that. In my mind, there is actually a substantial overlap there because of the educational and the other community benefits from the arts. So, if we just kind of approach it from that very general standpoint, it is going to take a couple of iterations I think to get us to the point where we can tangibly talk about, okay, these are the things that we want to fund, this is what we don't want to fund, this is how we want it to work but this information for right now, at least to me, is helpful to kind of give us a sense of where we are in the landscape.

Councilmember Ajmera said the first slide that shows \$13 million in 2020 support gives us a comprehensive view on how much City is spending in supporting the arts. What I'm looking for is more of a macro level funding; what is the City spending, which is \$13 million, what is the County spending and what is the private sector and non-profit? What is the total spend that it currently takes to support our arts and cultural community and what percentage of that is City? So, just we get a general idea of how much funding is coming from the City.

Mr. Bergman said I will quickly skip to the Arts and Science Council so; this is specific to the financial partner request for FY21. Here is the same slide from earlier and it will show the request over the last five-years ranging from \$3 million to \$4 million. Our funding level was \$2.9, and it was bumped up in FY18 to \$3.2 million and that is where it has been as of FY20. Just digging into the submission that they did a little bit, just to provide context, FY20 budget versus what they project for 2021 budget would be with support. It shows that it is not changing a lot even with the support as they have been very clear about, it is because this is primarily to replace revenue. I do have the use of City funds as submitted by them so, the City support would primarily go to programs and grant awards based on their submission. So, the revenue that they submitted, and this is what I'm referencing, their FY20 budget, this is the revenue excluding Charlotte and Mecklenburg County and they are projecting a \$2.2 million loss in revenue. This is from their financial statement; they are showing the five-year trend that has led to the additional funding, which would be the loss of individuals, workplace, non-workplace and then corporate and foundation funding of \$2.6 million over a five-year period.

With that, I left some key questions for City Council that would help staff and the last slide would be questions so I can leave it on this.

Mr. Egleston said I was wondering if you've got more detail now or if not, if we can get more detail on decrease from \$2.6 million in Foundation funding in one-years' time to \$1 million? I'm curious to know if that is one big chunk that was lost from one foundation or is it a bunch of foundations that had funding that sunset? That is the one that jumped out to me on that slide.

Mr. Bergman said we could certainly find out.

Councilmember Johnson said can we go back to slide #12; could you explain that again? That is a funding minus?

Mr. Bergman said as part of our Financial Partners process, they submit this to us, a budget, an expenditure budget, and a revenue budget. On the revenue side, we also ask them to show their revenues excluding the City of Charlotte and Mecklenburg County. So, it wouldn't include public art or the contribution that we make, and this is what they have submitted. They had a 2020 budget of \$6.4 million and they have a next year projection of \$4.2 million. This is money they would get in outside of us.

Ms. Johnson said okay if I could piggyback off Ms. Ajmera; if we could have like pie graph that showed their total funding if we could just look to see what they are getting and also in projections, is there a way to project what their funding would be if they used other alternatives such as an admission tax or a tax on each ticket of some of those other options that our peer cities are using? Could we see how that would project in their budget?

Mr. Bergman said I'm not sure what is acceptable in North Carolina for things like an admission tax. I also don't know if we have the universe of ticket sales to be able to do that, but we can try to provide information to see how it would look.

Ms. Ajmera said do we know how much of our existing \$13 million spend is coming from our tourism bucket?

Mr. Bergman said again, this is the same thing, we have money that comes from PAYGO to tourism and then it goes to the facilities because of a 2006 action. So, for those facilities itself, that money is coming from PAYGO in kind of a round-about way. It is not coming from occupancy tax.

Ms. Ajmera said I'm not sure if I follow that. So, I guess what I'm trying to understand, how much of this \$13 million spending, and you don't have to answer that right now, maybe in follow-up materials, how much of that is coming from tourism regardless of irrespective of whatever the transfer is in and out of different funds. I just need to know what is the amount we are getting from the tourism bucket. In FY2020 the request was for \$3.4 million, we approved \$3.1 million. In 2021 the request is for \$7 million but then if you look at the revenue change on slide #13 that shows about \$2.5 million. I'm just not clear, those two numbers don't tie in together.

Mr. Bergman said looking at this from a budget perspective that is a question that we will be asking as well.

Councilmember Graham said Ryan, you mentioned at the first slide \$13 million and you said you did not include the transit-oriented arts revenue. I'm just curious; what is that amount?

Mr. Bergman said we will have to get you that number. It is one percent of the eligible CATS capital project. I just don't have that number with me.

Mayor Lyles said I was just amazed that you asked that question, which is great.

Mr. Graham said it is \$13 million-plus, I want to know what the plus is. Ryan, this is not a question for you and is probably a question for the Arts and Science Council and before I even talk about numbers, I want to talk administration and understand the value proposition of the Arts and Science Council in 2020 and 2021 who is going to administer the money? Help me understand the infrastructure of the organization and the management of the organization, the model, as the Mayor indicated, worked in the past. They kind of served as a "United Way" collected the fund for the organization and kind of did the marketing and programmatic activity. That model is dying, what is the new model looking like with the Board, the management? I want to understand that before I talk about dollars and cents so, is there anyone here from the Arts and Science Council that can give a brief commercial about where you are going?

Mayor Lyles said I think today we are just trying to get some of those questions out and I think we will have a better idea the next session. They need to hear some of this as well, but I don't think we are prepared to do that.

Mr. Graham said that would be my starting point for me and my last question is knowing do I like to understand the arts one percent but also any other initiative that the Council may be considering that impacts or touches the Arts and Science in terms of projects moving forward. I think we ought to also take that into consideration. Bottom line I want to know our whole universe of City involvement before I take a step further.

Ms. Eiselt said to Mr. Graham's point there is another item in there that a lot of cities include in their ecosystem of arts and cultural funding and that would be our placemaking grants. I don't know, what is our total for placemaking grants?

Mr. Jones said a quarter of a million.

Ms. Eiselt said so that would be something you've got in there too, and to me, that gets back to, and I talked to a number of you about this. Some sort of a baseline study to understand what we really are talking about, what we have. I don't know when we get to the point of having enough knowledge to say what do we value here. So, when Portland passed their tax for the arts, they stipulated that a certain amount, the first [inaudible] dollars had to go to arts education and the schools. You hear that a lot and people say they value that. They want that. But I don't know when we ever get to have that conversation because that is not really what the ASC does right now per se unless I'm wrong but fund the school system so they can have arts classes, band, music and that kind of thing. I just don't know how we get to the point of having that conversation because that is not really the model that we are dealing with right now. I still would like to see a baseline study and also say what do other cities spend? In administrative costs, what are the average salaries for the people approving the grants? Who approves the grants and that kind of thing?

Mr. Winston said I think my questions or comments piggybacks off of Councilmembers Graham and Eiselt. On top of placemaking, I would like to think about our Open Streets Program as well and also, I think overall arts and culture, culture is an important part of it so where else do we have room in our budgets? I'm just thinking of things like block parties and things like this because arts and culture doesn't begin and end with the institutions. The whole big part about this is how do we create an eco-system within our neighborhoods within the space of individual artists and folks that contribute to the cultural spaces? So, how do we use our money to best cultivate those folks and not just institutions in this? As we kind of form this policy, which I agree with Mr. Driggs, that we should think about guidance for whoever is on City Council and whoever is running the City to operate from that we are thinking of those things. For instance, Open Streets might be a platform just like a state might be a platform for other artists and cultural contributors to hone their craft and to take steps. I would have questions about the ASC slide #11. I see increases in the personnel costs and the operating costs spite the well-publicized downsizing of staff and the need to look at the way ASC operates. I'm not connecting the logical increase in personnel needs when we are decreasing the number of people that are on payroll so I would just like to square that up as we continue the conversations.

Mr. Driggs said first, I wanted to recognize and welcome County Commissioner Susan Harden. Thank you for joining us today. You can take our message back to your colleagues. On the hospitality tax question and this is a little further to Ms. Ajmera's point. To the terms of the permission that we have now to levy hospitality taxes in the buckets allow for arts funding? If we look at exactly how those are described, they have general description, Convention Center and Stadium and there is a little bit of language and sort of a catchall that says other things to promote tourism. Would that permit without any special dispensation from the state that we look at hospitality funding, and I don't want to give Tom Murray a heart attack here, but I'm just trying to establish as we consider our options, would it take a special application to the state to look at those funds?

Mr. Jones said before we give Tom a heart attack, I think Mr. Driggs, we should consult both our Attorney and also the Attorneys that help write the language so that we don't have a misstep.

Mr. Driggs said I just put that out there as a topic for research as we consider our options. On the CATS capital side, if they spent \$2 billion on the Blue Line does that mean that \$20 million went to art for stations?

Mr. Bergman said based on the construction costs; one-percent of the construction costs.

Mr. Driggs said the budget was \$2 billion; what was the construction costs?

Mr. Bergman said subtracting the design do you know what the Blue Line amount was? I can get you that one quickly.

Mr. Driggs said a substantial number over the years that went into art but that was tied to stations, is that right? It wasn't general public art funding.

Mayor Lyles said it wasn't general public art funding, it was tied to the stations.

Mr. Driggs said okay, but that was still kind of an arts investment that we made. I just think going forward we are going to have to get to another level of detail about how the current funding is being invested, look at where the alignment is with our city priorities, look also at the administration. Questions were raised during the bond campaign and so we would need to have a framework in which we are comfortable that our investment lined up with our priorities. All of those are just suggestions as we continue this conversation going forward.

Ms. Ajmera said I agree with Mr. Driggs on looking at the tourism bucket and how it could be utilized to address some of the funding gaps. I know Mr. Winston had brought up a question about personnel and how that is going up. It is not as significant as some of the other buckets, but I had seen that they had after the sales tax measure was not approved, they had reduced their staffing. So, is the expectation that it will go up in 2021; are they going to bring the staffing level back to where it was?

Mr. Jones said this is just an application, it is a point in time, and I know that issues evolve. So, much like the other Financial Partners we can go back and ask but again, Ryan just pulled this from their application that was submitted in December?

Ryan said correct.

Ms. Ajmera said for the operating costs could you elaborate on that? Is that building, what is the operating costs here?

Mr. Ryan said that is like non-personnel, excluding the grant awards. It could be all the bricks and mortar things, supplies, marketing, things like that.

Ms. Ajmera said I see that is also going up so I would like to understand the increase in the operating costs especially when you are struggling with the funding. Having some more information on this would be helpful.

Mayor Lyles said I've been listening to this and known since the failure of the half-cent sales tax this would be an issue. All of us are aware and we've all heard a lot of things, but I would like; we are talking about money being used to funding the gaps. I think this is an issue that is a structural issue as much as it is money. It is about what we want to do and how we want to do it and whether or not there is consolidations. After the recession in 2008, the Foundation for the Carolinas had been funding a number of social services programs and they went through each one of them and put them in buckets and said we will help you figure out how to be a better organization, a stronger organization if you will consider consolidations and looking for synergies that you could work well together. When we look at this, it is not just the money and you go back and look at the institutions that we are funding and how many of them are operating in City-owned facilities, how many use City owned facilities and how much we all have invest in these, and then look at what we want to do. I really believe at some point we have to start looking at how do we create artists across the City. One of our issues is that we look at these big facilities and we've got them. We support them financially from maintenance and debt service and we have an operating contribution, but at some point, even cities are changing their philosophies around arts and culture and that is why I think when we start thinking about are we support the artist that are coming to our City to live that contribute to the creativity, that contribute to our technology and all of those things, maybe we are looking at it as like what the current state is instead of what is the future state. I am really concerned that we are talking

about the money and I just challenge us, yes, we've got some obligations that we have to fulfill, but at the same time what kind of City do we want to be to support arts and culture and when we talk about what those long-term goals are, are we going to support individual artist? Where should they be supported and how should they be supported? But I think just looking at the idea of how much money do we need to address the funding gap is a question that doesn't address our sustainability efforts long-term. I also believe that when we look at the percentages; I think Ms. Ajmera asked, City, County, private sector, there are foundations, there are endowments but earned revenue is just as important in an organization like this as anything. So, we can't just kind of lock-in on certain numbers and say well, we've come up with an idea or an answer. I am sure Mr. Jones, we will answer all of these questions, but the real question is where is there synergy to make this work better long-term and do it in a way that we can fund it and be successful long-term. I think that requires us to have an agreement with not just the County, but it has to be an agreement that these organizations are willing to sign onto. There is no point in us doing something for someone if they don't buy into the philosophy and mission of what we are doing. I believe in our arts group and our work in this area. I'm not about saying we shouldn't do something, but something needs to be built upon sustainability and it ought to examine every aspect of we do. We talked about the administration; that is all well and good but talking about what is our opera, what is our symphony, what do they do and even the grants that the County does, their money is restricted to block grants for neighborhoods. Well, is that the best way for us to do it and that is a conversation we have to have so, we are talking about money, but I tell you I think the long-term goal is to have a sustainable art community for a growing city like ours, are we doing everything that needs to be done, I don't think so. Are we doing enough with this or should it be done differently, that is the question I would ask before we start talking about funding?

Ms. Ajmera said I think in terms of long-term vision and sustainability of our arts community, while we are trying to gather all this information can we also find out what is the spend on minority and women artist?

Mr. Winston said my question was seeing that the potential request \$6 million of those City funds would be for program and grant awards, I would love to see what kind of equity framework or equity lens will be put on the distribution of those funds.

Mr. Driggs said I just wanted to say we have a couple months in which to get this year's budget done so I think what we are talking about could take time frankly and therefore we may need to be thinking in terms of what we do this year and then what our plan is for the benefit of more time to work on this for next year.

Mayor Lyles said I agree that we have to do that but again, I don't think we should throw money without an agreement between the various organizations and institutions that they are willing to participate. Just to continue to fund something when you know the next year we have to work together, then if everybody is not on the same page of working together, I don't see how it makes a difference in the long-term.

Mr. Driggs said if we can get there in the timeframe, but you know how this works; times goes by quickly and we need to iterate and converge on kind of input to the Manager that allows him to construct the budget.

Mayor Lyles said we have to attract businesses here on a dime. We get less than 45-days to say this is what we are going to do and how we are going to build something. So, if we don't have that sense of urgency around this, then to me that says it is a signal that I don't think we should be, or we have to pay attention to the signal that that sends.

Mr. Graham said I concur with that and that is why I was talking about the value proposition and the structure of how we are going to build this thing moving forward. I do believe that we can move swiftly; this is not something we just started thinking about yesterday. Quite frankly, there should have a Plan B in November but that is hindsight. So, I think we can move swiftly, steadily, and really have that broader question with the Arts and Science Council in terms of asking a very simple question. Where do we go from here and how do we get there? How we can play a role in getting there with all the

institutions, because there are a number of; we lose the system that we have, and I'm not sure we want 13 arts organizations approaching us for funding. That would be a disaster.

Mr. Bokhari said I fully agree with Mr. Graham on that. I think that, if we approached these next two months and to that point, I think a lot of folks, Ms. Eiselt, and many others, have been working hard behind the scenes already to get a better understanding of the parts and pieces here so we are not starting from scratch. But, I think if we separate this whole initiative into two buckets and the second bucket which I agree Mr. Driggs' point is spot on, is the longer-term bucket of we want to be, for the lack of a better term, world-class effective and efficient and that takes the benchmarking, that takes all of the things that you can't do overnight. But I think there is a way if we focus in the short-term now; the worse thing we could do is all say here is a round number from three different parties, let's throw it in a big bucket and kind of hope it all works in the end. That is the wrong idea. Even putting contractual strings to it at a high level, that is the kind of thing that really lack the accountability during the referendum that really caused the challenge. So, I think the short-term goal isn't to figure out and say we are going to have it all perfect on those long-term benchmarks and things that are needed for effectiveness and efficiency. I think the short-term thing is if we are the City and the County is the County and the private sector is there that we say these things are in our wheelhouse and we will make sure that we understand a cost model, the growth needs, the challenges inside their 990s, all of those things and we will make sure that this next year is a pilot where we are going to be accountable for those things and the County is going to be accountable for look at those. If the individual accountability and approach I think that in that interim step that enables no-one to go out of business that isn't meant to go out of business. The funding is there, yet we are paying attention to the things that matter most, not hoping that it all works out in the wash.

Mayor Lyles said I'm going to say this last thing. I think that is so important; we are building a new Library. A Library is no longer a place that I go, and check out a book, and get a card, and do all of that. And here we are talking about, well what does that mean for arts and culture? We really have to begin to think. We know that there is a need to replace Discovery Place. All of these things are in front of us. If we can't think about that now, today before we start committing to where we are going, I think we are missing an opportunity to actually think about our City as a place that we want to have the culture and the art theme to be very strong and what we want people to be able to say about both the artist in this community as well as the other types of programs that we need to build on our culture. A Library lecture and performances and all of those things are going to be coming up soon as well. It is just so much going on; that not having the conversation with everyone in this community that influence it and have the ability to contribute to it. We all have specific ideas that we would probably approach this. I'm going to get Ms. Watlington to draw us a project management schedule and get that done but I have Mr. Winston first.

Mr. Winston said to that end and without going too far down this potential rabbit hole, not just with this topic but this whole discussion over this two and a half hours, it seems like there are certain buckets in terms of our Council priorities where a lot of these topics fall and we need to have a lot of discussion to bring back some recommendations for the entire Council. For instance, we are talking about the arts from an economic development standpoint, but we also need to get a governmental understanding of how we are approaching this. It seems like there were similar questions and conversations around Emergency Management, around how we are funding our Financial Partners. So, is there some type of workflow that could be figured out where we are able to ask these questions within our respective focus areas and then bring that back to the entire group on a future Budget Workshop where we are saying here is our analysis from our intergovernmental standpoint? Here is what the County is doing, here is what the school system is doing, here is the shortfall, here is how we should move forward or here is how we are looking at this from an economic development standpoint, this will be the wisdom in the short, medium and long-term and kind of deal with that in that perspective. Just a different outlook on the literal workflow so we can get some of these questions answered, but we can also have it on a Council level discussion at the same time.

Mayor Lyles said Mr. Jones what is next?

Mr. Jones said it is funny you asked, I was just about you that Mayor. We are ready to tackle everything that is in front of us. Just level setting for us, the expectation is we will continue to monitor our peer cities, we will get some additional information. We don't have a this point a follow-up planned. If there is something that at the next Strategy Session the Council would like us to come back; it doesn't have to be now, but we would like to know what the expectation is in this 60-day timeframe.

Mayor Lyles said from what I heard there are a number of just factual questions. How much is this? Where are we going with that? Can you do this, or can you do that? So, I think all of you have captured that. The question is I have around this is that we are one part of this pie of funding and I think a conversation with our partners is a better idea to figure out where people are because our layout of the land may be what we've been talking about but if theirs isn't congruent with ours then so what, we just spent a wonderful 2.5 hours on what we think. I would say that my suggestion would be that you and I and the Mayor Pro Tem sit down with some folks, kind of talk about what we've talked about today, understand that this is short-term and a long-term but what re the requirements of each and who is going to be willing to participate? If everybody has made up their mind what it is going to be that is one question. If people are flexible around discussion and fluid on what their decisions might be that is another. So, that would be my suggestion. Is anybody concerned about that? We can summarize that in a meeting or a note that goes out with the budget information as well and then we can also talk about if it is helping to move the ball in any direction. Feel free to always come into the office and talk about it. It's is a good conversation and it is one of the most important ones for the way that we develop and operate. I think that it's on our table and it is kind of like Mr. Winston said, and let this be the second time this week that I've agreed with Mr. Winston, but this is maybe the prototype for the kind of issues that are coming. I think as much conversation as you can have, if you are at a certain place you ought to be talking about it.

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ITEM NO. VI: OVERVIEW OF STREET LIGHTING PROGRAM

Marcus Jones, City Manager said we would like flip and have the Street Light Program next because it is on an upcoming agenda item. We still believe we can fit both of these in and I believe that is the quicker of the two.

Liz Babson, Transportation Director said thank you for having us today. It has been some time since we've been before you all to present on Street Lighting so, we've got a lot of good information and hopefully, some updates that are somewhat positive that will be some good news to share. This is just a really quick overview of sort of the presentation items that we are going to go through today. I'm going to give you an overview of the program, we are going to talk about our process for how we install street lights because that is important. We'll talk a little bit about our current inventory, but specifically focusing on the LED upgrades that have been underway and then we will talk about a new initiative around safe neighborhoods and conclude with some budget information because this is a Budget Workshop and then we will talk about the Billy Graham Parkway, which is an upcoming project that is on your Council agenda for Monday night.

It is important to understand this so, we are going to come at this from a real high level. Who lights our street? NC-DOT lights interstates, interstates only and I will show you in a moment what that looks like on a map. In partnership with Duke Energy, the City of Charlotte has been responsible for lighting the rest of the streets within the City. Here is what that looks like on a map, again NC-DOT lights the streets shown in blue; these are state-maintained roads that the City has been responsible for lighting and that is about 20% of our thoroughfares that are in the City and then last but not least, are all of the rest of the streets that we are responsible for and these include all of the City maintained streets, thoroughfares, and residential streets. So, just as a reminder we do have some Council policy around our street lighting efforts and that is really about making our street safer for all of our transportation users. Just to give you a few numbers so you will have some perspective on the size of that system, we've got over 76,000 streetlights and we've

got 18,500 pedestrian lights and it is important to note that these pedestrian lights are typically on local streets or inactivity centers where we have high volumes of pedestrians. Also, again, we've got lots of streetlights out there and there are a number of different ways that those streetlights are installed. We do them through capital investment that the City undertakes. For example, if we are building a new street or widening a road project then we will go ahead and include those installations of those streetlights as part of that project. Also, as development occurs throughout the City, we work very closely with the development projects to evaluate the current lighting and look for opportunities to either install new or upgrade existing. Finally, consistent with our Vision Zero Program we are looking at our high injury network and making sure that we are targeting areas where we are concerned about safety.

We really have two processes by which we install streetlights throughout the City, that is both on thoroughfares and on residential streets and each one is a little different than the other. I want to share those processes with you really quickly. Thoroughfares are things like the examples shown on the screen. We have 600 miles of thoroughfares within the City and 80% of those are currently with streetlights, leaving about 120 miles of thoroughfares that have no lighting. Here is what that looks like on a map. Again, what you see in green are the streets that do not currently have street lighting and so what I would like to point out about those is many of those are sort of on the fringes of the City and they are areas that have been annexed over time and again consistent with the state policy, the state doesn't light streets that aren't interstates. So, we've inherited over the years a lot of streets in the edges of our City limits that do not have currently have streetlights. What you will see showing up in orange are the upcoming planned projects that we will undertake in the next year to add streetlights where they don't exist.

Let's spend a little bit of time talking about residential streets because we actually have more residential streets in our system than thoroughfares. These are, as you might imagine, low volume, low speed and they provide connections into and through neighborhoods. I think the majority of our streets in our system fall into this classification and so the process for that is a little bit different because I have said before streetlights are a little bit like speedbumps and people like them or they don't and there is not much in the middle so we make sure we have a thoughtful process on our residential streets about working with the residents that live on those streets to go about installing streetlights. So, again we can get those requests a number of ways. Residents can call into to 311, they can go online, they can call the Department directly and then we work with Duke Energy to complete the design and then at that point when we know where the poles are located, for example, we will go out to every adjacent property owner and talk to them about that new street lighting project and how it impacts their property. Because we want to make sure that we have a majority of support in that area before we proceed. We are looking for 75% of those residents to agree with that design and then we go one step further even, we will notify all of the property owners and then they have three days to appeal if they have any concerns or questions. We work very hard during this time to really make adjustments that we are able to do through the design so that we can satisfy all the concerns that come from the residents. This is important and we are pretty proud of this because as you see in the '97 residential street lighting projects currently on that list we typically only have one to two appeals per year so, we are pretty proud of that record.

Another thing I would like to say at this point, and many of you Councilmembers that have served for some time will remember we've had some challenges with getting streetlights on residential streets because it often isn't a high priority to Duke Energy and so the schedule in the last several years was long as 18 to 24 months. I am happy to say that Duke through some negotiations with the City has reallocated resources and we are now down to six-months turn around once those requests come in. Shown here in green are all the residential streets that do not have street lighting on them and again, consider the way in which we go about installing street lights on residential streets, it is really initiated by the resident. You will also see violent crime hotspots; I'll did into that in a moment in the next slide, because that is something that we are pretty excited about. We are going to work closely with these communities and the Police Department and really work with the neighborhoods, not wait for them to initiate these requests, but rather get out there

and get in front of things and work very closely to see where opportunities might exist to install streetlights in those areas. You can see those four areas shown here zoomed in on those maps. Again, as I mentioned, we will work closely with CMPD to expand and enhance our current program and really City staff will help facilitate that instead of waiting for the residents to initiate that request and then we will work with CMPD to really evaluate the effectiveness of streetlights in those areas.

Let's talk a little bit about LEDs; these are the four different classifications of street lighting that we have in our system. Starting from the upper left, that is oldest and going down through this LEDs are the newest. So, just to give you some visual perspective of how LEDs look compared to our most recent version, which is high-pressure sodium, not only are LEDs more environmentally friendly and now only recent come at a lower cost than other options to us through the rate structure with Duke Energy, it also just provides a better lighting and more natural light. Again, similar to the way we install new streetlights, upgrades happen through Duke maintenance activities and those are the ones that they do at their expense. I will talk a little bit more about that in a moment. We do upgrades through development projects and CIP projects as well.

Here is what our lighting inventory looks like right now; we do still have a significant portion of our system that is high-pressure sodium. I want to bring your attention to the mercury vapor because 14% of that system is mercury vapor and Duke has committed at their expense to upgrade those over the next three years. The upgrade effort has been fairly new for us because Duke's rate structure is approved and set from the North Carolina Utilities Commission and really only in the last two-years has that rate structure been recalibrated to a point where those LEDs start to make sense financially for the City to work with Duke to make that LED upgrade happen. What you can see is that the work that has been done over the last three years; we are not at about 15% of our system is LEDs and let me show you what that looks like on a map. What is shown here in blue is existing streetlights and what is shown in green are the completed projects that we've done over the last three-years. There is our high injury network because again, Vision Zero and keeping our streets safe is very important to us and so that has influenced the projects that we are planning for the future so what is shown in yellow, you will start to see a lot of that red go away. These are the projects that we have underway in the next year and this represents 6,000 new LED upgrades which will bring our system to 22% LEDs by the time we are finished, so that is what is all of that, a little bit busy.

Let's go back to the crime hotspots because that has been another area of focus and I'm happy to report that three of the four crime hotspots actually have LED upgrade projects in them. The first two, Beatties Ford Road and Sharon Amity Road are shown in yellow; that means they are being planned right now and will be installed in the next year and the last one, Sugar Creek is green and that one has already been installed.

Let's talk a little bit about outages because we've done a lot of improvements in this space as well. Our staff has worked really hard to create some technology solutions to help accelerate our ability to really do the inventory and report those outages to Duke. So, literally, just in the last two years we went from doing about five percent of the system to now we are tracking at 25% of the system this year which means every four years we will be able to go out and ride the city streets and look for those outages. That is important for two reasons; obviously, it is important for ensuring the safety of the users of our Transportation system but the way the Duke rate structure works we pay for those lights whether they are operational or not. We are really excited about the outage rate that has come down quite a bit. Duke is now turning around within 72-hours if it is a pretty standard straight forward repair, they are able to turn that around within three-days as soon as we report it.

This is just a screenshot from Duke's system. I always like to put a plugin for this because again, we pay for those streetlights whether they are operational or now and so there are lots of ways that you and the community can report those outages. The fastest way is to go straight to Duke; you can do that by phone or online and then there are lots of other options calling into the Department directly, you can go online and use our CLT plus mobile app or call 311.

As we conclude, let's talk a little bit about the budget. This is the budgeted amount that we have to operate the current streetlights within the City of Charlotte. We are just under \$10 million. We are projecting to spend slightly less than that this year and that is for a couple of reasons. This cost goes to pay that electricity bill and we budget for new streetlights that come online throughout the year. So, what has happened is we are now seeing an \$850,000 savings that is resulting from two key things. A couple of those projects have not come online as planned so they will come online next year, and we will budget for that. Not anything that we did to impact the schedule, it is just the way development occurs and then also, again as the North Carolina Utilities Commission restructured the rate structure for Duke that cost has come down for LEDs so, we are seeing a little bit of savings in our street lighting budget. So, what we are proposing is to take that savings and do what we are calling our highest priority street lighting project, which is on Billy Graham Parkway. We are pretty excited about this because this is an expensive project; it is on our high injury network; it is the oldest thoroughfare that does not currently have streetlights, pretty high volumes and obviously, it is access to Douglas International Airport is important and this will be a 5.5-mile stretch and will cost \$1.8 million. This is more expensive than a typical project because this is an expressway type facility and requires certain types of poles that are what we call metal poles with underground utilities. All of that is pretty major construction and so it is pretty expensive. You will have this on your Council agenda February 10th for approval. Again, the bulk of that cost is coming from the current budget in street lighting savings as well as our Vision Zero capital funding. And with that I am finished and if anyone has any questions.

Councilmember Egleston said regarding the CLT plus app, just wondering what kind of adoption we are seeing in terms of the outages being reported through there versus the other channels. Are we seeing success so far with people using that as the reporting method?

Ms. Babson said I don't have those numbers; we can follow-up and provide that to you. I'm looking around to see if anyone else might, but we can check on that and give you that in a follow-up.

Councilmember Driggs said could you clarify our relationship with Duke? Do we pay them for all of the work they do or are there things for which they are liable themselves?

Ms. Babson said the simplest way to answer that is the rate structure that we pay them to operate the streetlights covers operation, installation, maintenance so it is all-inclusive. It is technically their facility within our right-of-way, but we pay them for that service and support.

Mr. Driggs said but they own the lighting system?

Ms. Babson said yes.

Mr. Driggs said I have had some complaints from people who said lights went out, they reported them, they stayed out for quite a long time. Is that a Duke issue or how do we follow-up on something like that?

Ms. Babson said if you had the location that would be great and we could check the system and follow-up in that way, but just in general, if it is nothing more than replacing a light, they can respond to that within 72-hours. We've seen them do it because we are constantly auditing the work because as you saw we pay a lot of money for this program. The other piece is sometimes it is more complicated than that and requires additional wiring because maybe some of the electricity has been disrupted. If you ever have a question about a specific location, we can answer that with that level of detail.

Councilmember Winston said I think slide #24, reporting streetlight outages, this is too much for citizens to figure out. They look to the City to provide answers. I think we have to figure out how to make the fastest and best way to report streetlight outages to be for [inaudible]. This is talking about simplifying government and better connecting what we

do inside here to the folks that are using it. I think that should be a goal of ours to make 311 and/or the app that we now have, and we should be the conduit to get that done. The slide before that, slide #23, in relation to us looking at our street lighting as a way to improve neighborhoods, as we try to impact the occurrence of violence of violent crimes, I think we should maybe look at a subjective analysis of how we get stuff attended to because we might have a series of lights out in a certain neighborhood that would make empirical sense to get to those first before we do some in a different part of town. I think we should consider figuring out how to make that work. Slide #16, in terms of the evolution of lighting technology, it is a question I asked in the last Consent Agenda item; I find it hard to believe that technology has not created a solar streetlight. If it is out there as we are a huge customer for these things, we need to push the demand for this, especially as it relates to our SEAP. We need to push our vendor or vendors and tell them that this is what we want. I feel like this is a prime opportunity to take things off of the traditional energy grid and we can push that if we so desire. I hope we will consider figuring if there is a policy or language that we can employ that says, in future streetlight projects we desire to take them off of the energy grid and I think a solar streetlight is perfect. We can almost put them in a sense where they need to be as high as they need to be to take full advantage of that solar energy output.

Slide #12; I would ask as we continue to look at equity issues in this City, as we understand that certain neighborhoods have more influence or better understand how to use government as a tool to get the things that they need or want and others have other structural or systemic barriers to getting those things done, I would question why we don't have our own city plan for lighting the entire map of our residential streets. If the first step is residents submitting their own request again, we know that there are equity issues there so I would question why we don't have this plan and I would encourage us to do that, especially thinking about how that might be implemented year to year from the tool of the budget to get those things done. In that same vein I would ask in slide #10, do we have an executable plan for lighting all of Charlotte's thoroughfares? Is there a plan to get all of these thoroughfares lit?

Ms. Babson said yes, the way that we currently approach this is again, I showed you the \$850,000 that we have in budget savings this year, which is much higher than normal so, I don't want to misrepresent that we can do big projects every year. But within that budget, we are constantly looking at projected savings and then we will install streetlights where we can. In addition, with the new Vision Zero funding that we had approved through the 2018 CIP, we are targeting street lighting as well. We obviously focused on our high injury network because that is consistent with those program goals, but we have crashed all over the City, so we started with the highest priorities first.

Mr. Winston said it sounds like we are doing this as an as can basis and what I'm suggesting is, in a perfect world if we can do this in five-years, even if that plan is aspirational, if we had the perfect budgetary allotments year to year how will we get all of these thoroughfares, the 20% that don't have lighting? If we think that this is a priority, assuming we do as we talk about it often, it is probably the most common question I get, speed humps and streetlights from constituents. How do we get those proactively done? I would love to see a plan to make that happen.

Mr. Jones said Mr. Winston; it is interesting that you say that. As we were preparing for this and that is where I believe Liz was pivoting to, starting off in some of the gaps that we have in some of our crime spots, if we did business, as usual, you would wait for somebody to submit a request. So, we are doing the exact opposite, somewhat with this equity lens, going in and basically making sure the people understand what the process is and the same thing with the high injury crash network in Vision Zero, we are just attempting to be more proactive, knowing where some of our issues are.

Mr. Winston said my last couple of questions are about slides #3 and #4. I would like to know the data, what is the state's budget? What does NC-DOT's budget look like year to year for lighting the interstates that fall within the city limits of Charlotte? I don't know how it breaks down to that, but if it does, I would like to extrapolate those numbers. Then on slide #4, you show the state-maintained streets that the City lights or it falls within our

responsibility. My question there is, how do reconcile that tax burden if there are state-maintained roads, obviously, it is tax dollars that are going to fund this, but if the burden isn't on the state, those are our City tax dollars? So, how does that kind of transfer responsibility of tax dollars? Does that make sense Mr. Manager?

Mr. Jones said yes.

Mr. Egleston said briefly on the same lines as Mr. Winston on a couple of smart street light technologies; I agree if solar lights exist which I presume they do, it might be limited in certain areas with dense tree canopy coverage but there would certainly be other areas where they would work. In that same vein, and I think this was before most of us were on Council, but didn't we put in kind of a test pilot smart streetlight in the North End Smart District at some point?

Ms. Babson said Renee, our CIO updated you all, I believe at your Council meeting last week as part of the Manager's report and it is included as the plan going forward in that partnership with Microsoft to look at the North End Smart District and put in smart streetlights in that area.

Mr. Egleston said but none of that has been done to date. I thought some of it had been done several years ago, maybe just started talking about it. Could be remembering too.

Ms. Babson said we have talked about it in years past, but I don't believe we were ever able to implement anything.

Mr. Egleston said I know too, and maybe we have looked at this, there are streetlights as well looking at new technologies as we start to upgrade, that can report their own outages and there are streetlights that can also self-dim, like a timing or based on if there is a car of pedestrian coming or things like that, how much have we looked into –

Ms. Babson said I believe those all fall under the smart streetlights.

Mr. Egleston said so the ones that we are looking at doing would be ones that would have some of those capabilities?

Ms. Babson said yes.

Mayor Lyles said I think the point here is that the Council is going to be asked to approve the Billy Graham Parkway Safety Project on February 10th. Are there any questions specifically about the Billy Graham Parkway project, the Vision Zero and the streetlights portion of it?

Mr. Winston said I just have a comment on that. Obviously, I understand why it makes sense, it seems like a good thing. I would just point out that this is a very auto-centric improvement. There are not a lot of pedestrians that are going to be walking along Billy Graham Parkway. Again, as we try to build neighborhoods that are more pedestrian centric and pedestrian-friendly my question would be is the highest and best use of improving the walkability of places. Is there not another thoroughfare? I understand the fatalities and the Airport but again, it is come off that this is for people that are coming and going to the Airport and not necessarily for folks that are forced to walk to work, to the bus stop, to childcare, to and from school. I would just like to keep that in front of mind.

Mayor Lyles said Mr. Jones; are we going to do the Capital Projects Update?

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ITEM NO. V: EXISTING CAPITAL PROJECT UPDATES

Marcus Jones, City Manager said yes, I think this may be one of the quicker presentations; this was made to the Budget and Effectiveness Committee and I think Phil is doing the exact same presentation so, those individuals in the Budget and

Effectiveness Committee my apologies if this is the second run through. We thought that because this such a big issue over the course of the last year that we should make sure that each Councilmember has a level of information as it relates to where we are with some of our capital projects that have a little bit of a concern, not many, as well as an update with some of the technology around it.

Phil Reiger, General Services Director said Jennifer Smith, our City Engineer is with me today and we are going to give a very brief General Capital Project Update. I want to draw your attention to your packet; today's presentation is really based off of the General Capital Investment Plan Project update that you have in your pocket. So, it's this blue thing with some yellow lines on it. I'm going to skip some parts of this in the interest of time to get moving so that we just get right to the projects. I want you to know that we've been working hard over the last couple years to improve our project management practice. One of those outcomes that you've seen from that work is the project dashboards, just a reminder that that is there, and it is a great place to get current information about projects. It is updated quarterly and there is the website for it.

On this handout, there are 178 projects listed and those projects represent the projects that are currently and actively being managed. This is the universe of projects, of those 178 projects, eight of them are highlighted in yellow. They are highlighted in yellow because we've classified them as having some budget risk, so what does that mean? What that means is that there are some projects that have some circumstances around them, and Jennifer is going to describe those circumstances that have just caught our attention and has resulted in us paying really close and particular attention to them. What I want you to note though is that just because they are classified as having some risks it does not necessarily mean that they are going to require more money. In fact, you are going to find as Jennifer describes some of those circumstances, some of the projects will likely be addressed without additional city funds. The last thing I would say before I turn it over to Jennifer is that there aren't any projects in these eight that we are going to talk about that represent large funding gaps. So, with that said, let me turn it over to our City Engineer and let her give you a status update on the eight projects that are classified as some budget risk.

Jennifer Smith, City Engineer said first I am into numbers too and I just have to repeat there are 178 projects with a total value over \$1.1 billion. Eight of those have the budget risk and over the next month or two we will be narrowing that down to determine exactly what that number is or what that really means. There are 19 projects that were completed since the last update. We will be looking at those 19 projects to see what sort of savings we've had from those that can then be used to fund any overages we have on the eight projects.

So, to start with the first one, these first three that I'm going to show you were actually yellow or had some budget risk that was shown on last year's document and project update list that we had given you. The Idlewild Road/Monroe Road Intersection; this project is also proposed in the 2020 budget to get about \$2.5 million. In addition to that C-DOT has asked the CRTPO for some additional funding to complete the scope of work that is out there right now. The CRTPO votes on this project for that additional funding on February 19th so we will know whether or not all of that funding is available or not. So, this is one that may come off the list, we are just waiting for timing on this one to see if we have that additional funding coming through.

The second project with some budget risk that was also on last year's is the Northwest Police Division Station and the reason why this is on as yellow is that I didn't have land last year. I still don't have the land acquired yet this year; we have identified it; we've been negotiating with the two parcel owners. The larger of the two parcels will probably come for your approval of that acquisition in March and the smaller portion, we are still in negotiations with. So, as soon as we have that land, I'm able to do some planning for that new station, we will be able to determine if that budget that we have set aside is good enough. We think it is but again until we have the land, we can only do that analysis. Just out of caution, keeping it yellow to let you know that.

Mayor Lyles said before you go on, I would like to ask some questions and updates on the Police Station work. This was brought up at one of Taiwo's 2040 presentations by a group of people and it was around, we often build space in there for community rooms and that space doesn't get used for community rooms because the community doesn't want to meet in a Police Station. Even though we want to encourage it, if it is not working, I just wondered overall if you could give us a sense of the space and what we are doing in those buildings and how we are utilizing that space now.

Ms. Smith said is that on the new ones that we are planning or existing?

Mayor Lyles said Divisions giving a gauge of what is historical for what goes forward.

Ms. Smith said the third project that was shown last time is the Gold Line Project. This is yellow, it was yellow last time, it is a big project and we are keeping our eye on this one. It really is just the sheer magnitude of this project; it is a \$150 million project and we are continuing to monitor it. We are getting close to the end of construction; we're going to have to put it online to start running and doing the testing on it and then we will continue to work with the contractor and FTA in the closeout process.

Councilmember Egleston said it was my understanding that the screw-up on the Hawthorne Bridge by the contractors was not going to put any additional cost burden on the City and I see that as a potential piece of the explanation for why there could be an overrun.

Ms. Smith said we don't believe it is our fault but, in the end, there will be mostly likely a claim because they are going to claim that it is our fault. We will work with our attorneys on evaluating that and possibly may go to litigation so again, I'm highlighting it.

Mr. Egleston said the potential outcome if we were to lose the case.

Ms. Smith said yes. Again, I don't want you to be surprised but I come and say we need more money for this project because of that, I want to let you know now that I'm thinking about those things. This next project, the Beatties Ford Road Widening project is in construction now and it is a new project that is yellow. But as we've been doing construction on this project and installing our underground utilities, we have found that the soils out there are not as good as what we had originally assumed. We did do testing beforehand, but we can't test up and down the whole way and every amount of soil and so this one is still on there. We are still trying to figure out exactly what that impact is but the main driver here is the bad soils that we are having to put back in the trench.

Mayor Lyles said I drive out there a lot and I tell you the landscaping, the trees are just not there. I find it almost desert-like and I don't know what is going on with the landscaping but my sense of what we were trying to do was create a place where there seemed to be like a boulevard and that is why all of this extra time that we spent with the guys in the Funeral Home and on and on but I know that this isn't in the budget but I wonder if you could think about this. The size of the street trees and how long it will take them to get to place where it looks like a boulevard. I just think this is Highway 16 and it ought to be Highway 16 all the way through the City.

Ms. Smith said this next project is very similar to the Beatties Ford Road project; McKee Road/Providence Road Intersection. Again, we've run into some unsuitable or bad soils and so we are still evaluating the impact of that but that is the main cause on this one as being some budget risk.

This next one has some budget risk; this is the building that we purchased at 5516 Central Avenue. As we've looked into the renovations of this building there is significant deficiencies in some of the electrical, mechanical and fire alarm systems so we are still evaluating this and looking at other options possibly for the use of this building. But that is one that we are evaluating.

Mr. Egleston said one quick question on that one; we did purchase this building and so those strike me as things that would be part of the due diligence in purchasing a building. It is not like digging up and finding bad soil. In my mind, it doesn't seem like digging and finding bad soil and clearly, we can't test every ounce of soil on a project, but if we are finding things that are mechanical inside of the building it seems like part of the due diligence we would have done in the purchasing of the building.

Ms. Smith said I agree. I think we did find some things but as we were going in and looking at some of the building code requirements we had to take some of the walls down after we had purchased, we had to take some of the ceiling down to look at the HVAC and we found that the HVAC system that is in there that is typically in other buildings is not typical in this building. It had the insulation inside the HVAC unit, it got wet and now we have issues with the insulation being wet. If we'd run air through that particles would come out and so that is one of the things that we really didn't see until we took the ceiling tiles down, until we really got into the building.

The next project is a C-NIP project, it is in the Sunset Road/Beatties Ford Road Comprehensive Neighborhood Improvement Program. This is project is pedestrian improvements along Beatties Ford Road and Sunset Road. In some recent conversations with NC-DOT, they have shared with us that they want us to extend and possibly increase the size of a pipe crossing that is underneath Beatties Ford Road near Hornet's Nest Park. We are in conversations with NC-DOT about this and we are also looking at other options to see if there is anything else that we can do to mitigate this.

Mayor Lyles said there were also some development options that were coming along on that portion. We had some rezoning or something I remember. I wonder if this is something that we could have a little bit of time on as development occurs in that Trinity Road and if there is a pipe that the Hornet's Nest Park, just looking at that differently and maybe it goes through a development process or get some help from the development process.

Ms. Smith said this last project is the Montford Drive to Abbey Place Street Connection. This is one that has some budget risk due to some real estate or land acquisition costs. We have made an offer to the property owner; if all that works out this will come off the list but, again I wanted to show because some of the initial conversations, they were throwing out some numbers that were higher than what we were thinking.

Mayor Lyles said this is one of those situations when you go to Montford Drive and Abbey Place, not everything is going to line up all the time and I think it is to be a place where we are spending so much money on the right-of-way, I just have to wonder, like more signalization or more [inaudible] or danger or whatever, I just wonder how much, and it is \$2.5 million and they are doing an additional \$1 million.

Ms. Smith said I think this one may come off; we have an appraisal, we are pretty comfortable with our appraisal and if it comes in with our appraisal we will be within the budget and it would come off, but that is one of the options that if the costs to acquire this land is so expensive or as much as the actual construction of the project it might not make sense to do it.

Councilmember Driggs said so you have 178 projects, \$1.1 billion; 19 are complete and you are hoping to get some funds that you could apply towards these eight situations. It looks to me like the eight situations could amount to something like \$15 million. Are we going to have the ability as other projects complete to basically digest this \$15 million or is this going to have to be a conversation topic as we come up with further capital planning?

Mr. Jones said Mr. Driggs I do believe that our first stop would be can we digest it. As Jennifer was saying about the 19 projects that have been closed out, are there any savings there. So, I don't at this point believe that there is going to be a big ask that we are coming back to Council for.

Mr. Driggs said I think the big news here is that there are no time bombs right. We've been through a couple of surprises, so I appreciate the fact that this review has been done and we now have our arms around the status of these projects.

Mr. Eggleston said to somewhat echo Mr. Driggs' this does feel like more information sooner than maybe we gotten in the past, so it is much appreciated.

Mr. Jones said that is it.

Mayor Lyles said when is the next one of these coming up?

Mr. Jones said the first Wednesday in March.

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ADJOURNMENT

The meeting was adjourned at 4:52 p.m.



Stephanie C. Kelly, City Clerk, MMC, NCCMC

Length of Meeting: 3 Hours, 15 Minutes
Minutes Completed: February 28, 2020