

The City Council of the City of Charlotte, North Carolina convened for a Budget Workshop on Wednesday, March 03, 2021 at 1:35 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Councilmembers present were Dimple Ajmera, Tariq Bokhari, Ed Driggs, Larken Egleston, Julie Eiselt, Malcolm Graham, Renee Johnson, Matt Newton, Greg Phipps, Victoria Watlington and Braxton Winston II.

ABSENT UNTIL NOTED: Councilmember Watlington

Mayor Lyles said members of our community, we are conducting an electronic meeting in accordance with all of the laws of the State of North Carolina. We hope that the community will watch this meeting either on the City's YouTube Page, the Government Channel, or on Facebook. This is the first of the beginning of our follow-up to our Strategic Planning around the positions and strategies the City Council has adopted and would like to move forward including them in the budget process.

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ITEM NO. 1: WORKSHOP OVERVIEW

Marcus Jones, City Manager said if we would go back to the Council's annual strategy meeting back in January, I would say that we set out six meetings that were, I would call it budget-related. In other words, the Monday Strategy Sessions at the beginning of the month, followed by the Wednesday Budget Workshops. So, after today would be two-thirds of the way through these six meetings that we're trying to get direction from the Council to inform us for the FY2022 budget. What you have in front of you today and as the Mayor mentioned and I appreciate the Strategy and Budget and all the Q&A's made it to you over the weekend. One of the pieces of feedback that we received last time was to please get the Q&A's out to you earlier. So, very thankful for the hard work of the staff for that.

But today we'll provide an update on key revenue. Typically this happens after the budget is introduced and the Mayor will turn to me and say, are there any new updates with the revenue that we figured that because of the volatility of the revenue sources that we would give you an update at the beginning of each Budget Workshop. Today Ryan Bergman, Budget Director, will talk again about property tax as well as sales tax performance. Those two taxes are related to the General Fund. But also, Kelly Flannery, Chief Financial Officer, will give you an update on two taxes that are connected with our Hospitality Fund, and that would be prepared food and beverage and Occupancy Tax Revenues. As those graphs come up on the screen, red is not good and green is good, okay. We'll do that. Then we'll have Rodney Jamison, Solid Waste Services Director, coming in and speak with you about the future of Solid Waste Services. As many of you know, we have the General Fund, we have our CIP (Community Investment Plan), but we also have Enterprise Funds and those Enterprise Funds are typically operated by fees. Solid Waste Services is an exception. It's a hybrid. Part of it is paid for by taxes and part of it is paid for by fees. We've learned a lot during COVID (mild to severe respiratory infection caused

by the coronavirus). We thought it would be good to give you an update on where we are with Solid Waste Services, but also some changes that are on the horizon. The last time we were together, Ryan talked a little bit about the Americans with Disabilities Act facility plan. Today, we'll give you a presentation with where we are to date. Victoria Johnson will lead that discussion, as well as some outside consultants who have been working with us. And then I know that Councilmember Driggs is super excited about having an opportunity to go back into the Capital Investment Plan and have a discussion about priorities. As we discussed after the last Budget Workshop, this is the beginning of a series of Bond Cycles that in the past, as we started those, we would begin with a tax increase to fund future Bond Cycles. This is very different in that we have a Steady-State with capacities out there that does not assume any property tax increase. Before we talk about Stormwater and the Water Budget Outlook, and as Mr. Driggs said on Monday, this is a good news story in terms of where we are in these two Enterprise Funds, if you will. We will have one follow-up that deals with arts and culture. Tracy Dodson, Assistant City Manager, will be the staff resource on that discussion. There was a preliminary discussion on Monday, and eventually, our goal as the staff is to get a nod from the Council to move forward with the examination of the proposal from the Ad Hoc Committee. So, with that said, Mayor, unless you have questions of me, we would be ready to go into item two, which are updates on Key Revenues.

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ITEM NO. 2: GENERAL FUND REVENUE UPDATE

Ryan Bergman, Budget Director said I'm going to talk a little bit about Property Tax and Sales Tax and then I'm going to turn it over to our CFO, who's going to talk about the hospitality taxes. Fortunately, the two slides I'll show on the General Fund revenues are both good news stories and then occupancy taxes are a little bit more mixed. So, last Budget Workshop, I showed a slide that was like this through January, and what it showed is that we were trailing a little bit where we were the prior year in Property Tax collection rate. We've received good news this month from our County Tax Collector. We're actually a little bit ahead of where we were last year. So, with this information where we're already almost 98%, I think it's fair to say that some of the concerns that we had with the Property Tax collection rate this year did not materialize. We ended last year at 98.9. We plan in the budget to be at 99% currently. So, that's always our target. As we evaluate this, we'll keep getting more information from the County. But this is certainly good news and may put us on a track towards maintaining where we are currently, which is 99%.

I circled the only update that you haven't seen since last time. The slide was set up the same way as I've shown the last few times. We received one more month of information. It was 2.7% higher than FY20 pre-pandemic levels. So, this really tells the story just like some of the state revenue information you may have heard about. Sales tax overall in North Carolina did not experience the declines that were feared. So, this is good news for us with budget planning. It doesn't change dramatically where we were last month, but it's certainly a good news story going forward. I would point out on the slide, January of

2021, which I know has already happened. But we get this information a few months in arrears, you'll see that we are we would then be starting to project being back to FY20 levels. So, while we do think that will happen, we probably won't be running way ahead of our projections once we get into January and February. So, with that, I will turn it over to our CFO.

Kelly Flannery, Chief Financial Officer said If you remember, back in April of 2020, when we were making revenue projections for the Hospitality Tax Revenues, there was a lot of uncertainty around the duration of the pandemic vaccination plans and the pace of recovery. Economists and the rating agencies all had varying assumptions and at that time we mirrored models that suggested hospitality, leisure, and travel-based tax revenues would fall by up to 85% of prior-year levels through the middle summer of 2020 and then begin a gradual return to the historical norms into the spring of 2021. As you can see, this approach was on budget through the summer into the fall. In fact, in October for prepared food and beverage revenues were only 4% of 2019 pre-pandemic revenue levels.

In December we did see revenues fall below projections, which was likely due to the second wave and restrictions. But through January, the Food And Beverage Tax revenues are 11% above the year-to-date projections. As restrictions continue to be lifted and vaccine rollout has become more aggressive, we are optimistic that the food and beverage revenues for the remainder of the fiscal year will continue to outpace budget projections. So, that was the good news. The Occupancy Tax revenues are a little less optimistic. As I mentioned, in April, we projected travel restrictions to impact hotel business through midsummer and experienced a rebound beginning in July, increasing throughout the remainder of the fiscal year. As you can see that experience was more or less on target throughout the fall. However, beginning in November, we began not to realize the budget expectations, which was likely due to the second wave and restrictions and people's resistance to travel through January Occupancy Tax revenues are 34% below the year-to-date budget projections. The good news is that due to the Manager and this Council's commitment to financial stability, we have in place the financial policies on these funds that have prepared us for this type of crisis. While we expect we will likely have to utilize additional Fund Balance to balance FY21, we do have an available Fund Balance to fulfill our FY21 commitments and to maintain 100% of next year's Debt Service Reserve Policy. We continue to monitor these revenue sources frequently. We're working with partners at CRVA and in the travel at Aviation Industries to develop forecasts for FY22 to ensure we can continue to maintain the financial metrics that have allowed us to maintain a triple-A rating for the last 43 years.

Councilmember Driggs said I'm wondering how these numbers affect the kind of outlook for capital spending from the Hospitality Funds.

Ms. Flannery said so, for 21 all commitments that we have, that includes existing debt, and the only capital project we have currently underway is the convention center, we expect to be able to make all of the 21 commitments, as well as 20 to debt service

requirements, will be met. Beyond that, we don't have any out of the norm capital expenses, so we're in good shape for the remainder of FY21.

Mr. Driggs said but the Capital Plan that none of us knows that much about, are we having to kind of reschedule that at all?

Ms. Flannery said there are some commitments that we make to CRVA and building maintenance and some assumptions around what we think the increase will be every year. I think it's too soon to tell for 2022 what kind of cuts might require, not just capital, but contributions throughout the fund. I think we're optimistic and hopeful that with the restrictions that were lifted last week, we can experience a rebound, and maybe that in the mix of any available stimulus funds might be able to provide some relief to these funds.

Mr. Driggs said right, and I guess we'll hear more about stimulus funds.

Mayor Lyles said I think that Mr. Driggs's point on the longer-term beyond where we are and what we've committed to doing what we continuously monitored and adjusted even in 2022. So, while we feel comfortable with the projections, that will be always something to keep our eye on.

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ITEM NO. 3: FUTURE OF SOLID WASTE SERVICES

Marcus Jones, City Manager said as Rodney Jamison makes his way into 267, again typically we would have an update that relates to Solid Waste Services, and many times it's the fee, right. What would be the increase in the fee? What Rodney will do today is tell you a little bit of a story about what we have been doing with our stellar staff and Solid Waste Services that we're very proud of and some challenges that we have in the short term and lessons we've learned from COVID and some changes that we are going to put in place.

Rodney Jamison Solid Waste Services Director said well let's talk trash. So, many people never need Police, Fire, Medic their entire lives, but cannot go a week without needing to see their garbage collector. That truly shows how essential and important the service we provide to our residents are. As you all know, COVID-19 has introduced many challenges and changes to how we provide service. COVID-19 presented extreme difficulties and challenges for Solid Waste Services. So in the meantime, throughout COVID-19 we want to distract ourselves and our staff and in dealing with the turmoil happening in people's lives. So, Solid Waste Services wanted to continue to prepare our individuals for their next phase in life in the future. We did that through our Employees and Community Upward Mobility Programs. We have an internal career pathways process that starts from our temporary good works agency all the way through supervisory leadership training. Throughout COVID-19, we had approximately 14

employees that gave their CDLs (Commercial Driver's License) through our in-house CDL Training Program and a total of 43 internal promotions throughout the COVID. We funded and supported the citywide high set GED Program. So far we have three individuals that graduated within COVID. Those were virtual sessions. We have partnered with outside agencies to reintroduce employees with barriers to the workforce. We have continued virtual Financial Literacy Workshops, off-skill coaching, and resume writing sessions. So, we have been pretty busy. We've also instituted our own food pantry within Solid Waste Services to provide for our staff and their families. We titled it SOME. That means So Others May Eat. It's been pretty successful and worthwhile.

We have a pretty resilient staff. We've been doing great. COVID, like we've stated, presented many challenges. So, our staff was able to continue providing services to our residents, but we had to make many enhancements and put them in place. We had to ramp up on our personal protective equipment. We brought in a vendor for daily truck sanitizing. We installed clear physical barriers and outdoor occupancy real loaders. We had to reduce the size of our crews from three to two and to take the brunt of the load or assist with that, we actually also use CARES funding to bring in contractors and private haulers to assist in the collections. Then we continue today to provide automation training for cross-training individuals for single-occupied vehicles.

Now, all the services that we provide. We continued to provide the services throughout COVID. We provide garbage collection weekly, recycling bi-weekly, weekly unlimited yard waste collection, and then unlimited bulky collection by appointment. We also provide many other services from city maintained the right of away, litter picking, streets sweeping, dead animal collections, small business garbage collections, and we also maintain the CATS (Charlotte Area Transit System) platforms, and lines as far as providing them with service. So, as you see, we're pretty busy now.

On the slide, you see a photo of a rear loader on the left and that's us manually loading the back of that rear loader. On the right-hand side, you'll see the automated side loader in which that side loader only needs one driver and occupant to service and that's what we use for our garbage. The reason for showing this also is if you fast forward from when COVID was introduced into the operation. July 2020, we lost a family member in a tragic accident in Solid Waste Services. OSHA (Occupational Safety and Health Administration) was called in to conduct a full investigation. We were not cited for that situation, but in their investigation, they made strong recommendations. One of the strongest recommendations was for us to look at a side loader automation study and conduct one. So, we are in the process of doing that now. In doing this, this may show us that we can reduce injury, workers compensation claims, and insurance premiums. We've already started to move in an automated direction. We've already started the process and converted our small business garbage customers to side loader automation versus manual collection. Yard waste is one of our services that is still serviced manually by rear loaders. This chart right here shows the difference in our worker's compensation claims for a manual operation of yard waste and versus the automated collection of garbage. You can see a distinct difference there.

Now how can we get there? Ways of improving worker safety. So, these options here are on the table that we've been looking at and I'd like to share them with you. So, strategies to improve worker safety. The first approach could be to convert to paper biodegradable bags. Then we can look at making limits to the amount of yard waste collected per stop. Maybe further down the line, we can look at introducing automated service with yard waste bends to the process. In the utilization of compostable paper bags, it provides many benefits for us, but number one, the Mecklenburg County compost facility doesn't accept plastic bags for us. So, we have our workers and employees out here walking around with blades and knives because they have to cut open plastic bags dumped in the back of the manual rear loader. That is extremely dangerous for us to be doing. Paper bags is also a benefit to our environment. It takes plastic over 10 years to decompose. Then further down the line, if we introduce bins, this also works in conjunction with the bin operation.

Here is an example of a manageable pile for Solid Waste Services. We're looking at something that's eight feet wide, four feet high, four feet long, and probably the size of a refrigerator laid on its back. So, that's a manageable pile, especially being that we have now only two individuals on a truck. Convert it to bins for yard waste can improve operational efficiency. It could definitely reduce the risk of coming in contact with snakes and rodents and insects that wander into the piles overnight. Then the challenges and possible disadvantages of actually going to this is the transition to bins itself. Space limitations for our residents as well as a capital investment. As our City continues to grow, we always look at other municipalities in the services they provide and at what cost. This slide right here just pretty much provides and shows that most municipalities in the state of North Carolina have either a cart-based program, limits for yard waste, or additional fees to provide services. From this point, I will pass it over to Mr. Ryan Bergman to discuss cost, analysis, and fees.

Ryan Bergman, Budget Director said the Budget Office and Solid Waste have had a really good relationship the last couple of years to the point that we actually assign our new analysts to Solid Waste typically because Solid Waste has such strong financial management, that it's really good exposure. I only mention that because these next two slides were a combination of work between the two departments. I wanted to provide the Council a little bit of analysis and benchmarking. So, this first slide, what shows is our Solid Waste fee as it currently is. We generate about \$24 million in revenue. As the manager mentioned, we have kind of a hybrid system where we are primarily supporting Solid Waste with property taxes, but the fee revenue does support some of the costs. If you look at the actual fee ordinance, it is not specific about what the fee is paying for. It is just generally paying to help support Solid Waste Services. So, what you see on the screen is our attempt to break down the different services that Solid Waste offers and the actual cost. So, this is inclusive of things such as trucks and inclusive of things such as management. What you'll see is that with about \$65 million in services, we recover about \$24 million from the fee. So, that's about 37% of costs currently that are recovered. While this probably isn't something we would consider this year, long term it may be in the interest of the City Council to identify a target for what that split should look like. Should it be covering garbage collection? Should it be covering everything but garbage

collections? Should it be covering 50% of costs? Like I said, this is probably not an FY22 discussion, but I feel it's an important context for you to understand the services that we provide.

It wouldn't be a Budget Workshop presentation if I didn't show you a super complicated slide that I had to explain. I apologize for that, but I think it's relevant for you to understand the services we provided as Rodney mentioned, currently we provide excellent service in every area without limits. I wanted to compare us and our Solid Waste fee to the 10 next biggest cities and towns in North Carolina. It's the same list that you saw on Rodney's other slide a couple of minutes ago. What you'll see if you just look on the left, and this does include county Solid Waste fees as well, we are well below the median. We have a \$67 City fee, that's annual and we have a \$40 county fee. So, we are the fifth-lowest there, but what is also important is if you look on the right, what that is, is the combined City And County Property Tax Rate you'll see that the red dots on the left are the same cities that are the red dots on the right. So, you'll see that everybody else who provides a lower fee than us has a significantly higher property tax rate. So, it's kind of a tradeoff. If you actually did the analysis overall Charlotte actually comes out ahead on a median home value. So, with that, I know there's a lot of information. I'll turn it back to Rodney and any questions you may have.

Mayor Lyles said Mr. Jamison, I would like to say thank you. When we have career employees that are able to participate in in-house training that's not just around work, but around the quality of life, that is so commendable. I just want to say thank you for the leadership and thank you for what you're doing there. We don't think about food pantries a lot in this community and our own organization, but I know that there are many people that work in your area that have family, friends in areas. And I just want to say thank you for what you do.

Councilmember Driggs said I wanted to know, we used to talk about the fee portion that is a tipping fee, which is what was referred to, it was kind of pointed to in the context of the cost to us of tipping on county-owned and waste disposal sites. So, when you say there is no, historically, there is a basis for that fee and we've gotten away from that to the point where there is a general policy question and the Mayor and others will recall that we've had this conversation in the past about what the mix should be of the fee versus the portion that is covered by property taxes. The real issue about that is incidents like you need to calculate exactly where that cost lands depending on what mix you choose. But I would just make the general comment that I think this is a policy question. So, I don't believe, as your budget chair, that we should be trying to answer these questions in the course of the budget process, and therefore, Mr. Bergman, I appreciate your comment that this is something we will want to take up later. I hope in the current budget cycle we can be sensitive to the issues that were pointed out to us about the need for change in the equipment and safety of employees. I really want to have the conversation about the mix of fees and tax funding somewhere else and as you point out, there is a spread. People who arrived at different conclusions with property tax rates are higher and the fees are lower and vice versa. We haven't really had in my time on Council an intentional

conversation about what that is. But I do want to make clear we are departing entirely now from the history of associating those fees with tipping fees.

Mayor Lyles said I would hope that's not the intent of what you are trying to do. But to point out the to say I think that Mr. Driggs is making the same point that you are making, Mr. Bergman. So, it shouldn't be in the context of the budget. It should be in the context of what I believe is a countywide Solid Waste Plan that has to be updated and if I recall correctly, I'm not sure how old the plan is that we have now, but the plan includes issues that are not just financial but capacity and methodology. A large part of I thinks it is Mr. Driggs's point is that if we have a Solid Waste Plan, we should do that as a plan for the overall service. It's a big deal if we're going to meet some of our goals for our SEAP (Strategic Energy Action Plan) if we're going to continue to attract the quality of employees, and utilize the equipment, there are lots of factors that go into this. And so thanks very much to Mr. Driggs and Mr. Bergman for the ideas of what do we do and when do we do it and when the Solid Waste Plan comes up.

Mr. Driggs said and that was my point there. Thank you. Appreciate it.

Councilmember Ajmera said does this automated loader system, does it require a CDL license?

Mr. Jamison said yes, the automated truck, does require a CDL license.

Ms. Ajmera said what is the plan to sort of train the entire workforce development to transition to this new model because that will require everyone to get CDL? Isn't that the case?

Mr. Jamison said we have drivers. It requires a CDL for the real loaders as well. The rear loader truck. So, it was just be training for specialized equipment.

Ms. Ajmera said got it. Do you see any workforce impact as a result of this automation?

Mr. Jamison said no, actually I see some growth for our staff because that's a different pay rate for an individual. So, I actually see upward mobility going in this direction.

Ms. Ajmera said that's good to hear. Also, when Mr. Bergman when he brings this conversation about the policy and overall fees and property tax, I would be interested in seeing if other cities in North Carolina, if have their own enterprise fund for Solid Waste Services and also what is the County's model like? I know they are also having conversations about Solid Waste. If there is any change in terms of fees for this year's budget from the County?

Councilmember Phipps said I have several questions, I guess, of Mr. Jamison. I'm trying to figure out how sustainable are some of our practices on a go-forward basis? It looks like I'm going to have to make some adjustments when we do come up with a Solid Waste

Plan. But, how sustainable are you a part of recycling efforts right now? I understand that overall across the country the percentage of recycling items being recycled is very low and that most of the recycled materials end up in the Solid Waste stream. How would you describe Charlotte's recycling efforts right now? Is the public being given a false sense of environmental due diligence and as much as we recycle on a bi-weekly basis, but how much is that of our recyclables are being processed in a manner that we expect?

Mr. Jamison said recycling is actually in a decent place for our residents right now, but we have some work to do. So, we continue to educate residents and we're putting together focus groups to focus on particular items for recycling so we can kind of focus on what can be recycling and what is being reused versus just doing throwing everything in the trash. I think we're going and can do a lot better and we'll continue to move forward with that and educating our residents. So, we're working on dual activities with the County as well as our efforts in education.

Mr. Jones said we've had this conversation in the past, and this time I won't bring my wife into it in her recycling habits. One of the things that it's very important is to have a clean stream of materials. So, as Rodney was speaking in this educational piece, there is an opportunity perhaps for us to be more innovative in what we what is recycled. Right and how we do it. We are having partnerships with Envision Charlotte to find different ways of innovation around recycled materials. But it has been tough because, as you know, what happened in China and what's happening across the world in terms of what is received or what can be used in terms of recycling. So, we're very aware of that.

Mr. Phipps said moving on, at the last Budget Workshop, we did have a quote from our Mayor. I don't know if you might remember it or not, but she did say that the citizens of Charlotte like to litter. To that point, how much funding is devoted to the right of way litter clean up right now? Unless you live in the central business district where things seem to be pretty much litter-free, other areas of Charlotte that I've noticed is this terribly trashy. Do you have any comments on that? I mean, do we have any hope that we can devote any more budgeted funds for litter pickup because that's where a lot of our constituents' complaints come from when they look at the litter and, of course, litter doesn't differentiate if it was a city street or state road or not, But can you help us out on that litter front?

Mr. Jamison said yes we can. Litter is a huge concern of ours. We have partnered with some agencies to assist, but it has been very difficult to keep up with. I mean, especially with the state streets. We can clean a street today and tomorrow, it is littered again. We just don't have the resources to actually touch a street every week. But we do our best and we encourage people to actually adopt streets and assist us. We look for help across the City to provide that assistance. We will come to pick up the bags if you actually just put some garbage in one place in an area that we can get to. But we look for assistance, but we can get back to you with the exact numbers of what we use and spend for litter cleanup.

Mayor Lyles said how has COVID impacted the litter? Is there a significant difference since COVID-19 and prior year history? As we are coming out of this pandemic, are there things Rodney, that you could help us think about going back to doing? It seems to me it has been worse this past year and so any comment on that?

Mr. Jamison said It has. We can use COVID for a reason, but also there's a lot of individuals moving to the City of Charlotte, and the traffic and the pacifiers and mobile arena, they're just tossing a lot out of their vehicles and it's causing a lot of challenges. So, things that we could do differently are just getting more people involved, enforcement of some sort to clean areas in the City of Charlotte.

Mayor Lyles said it might be really good to get our Keep Charlotte Beautiful Committee to send us something that they think would work and ask for their feedback because these are people really committed to what we're doing coming out of the pandemic. What would they like to see us do and participate and accomplish?

Mr. Phipps said yes, my final question on this topic relates to the yard waste pick up. What's stopping paper bag usage now in terms of things like leaf collection and such?

Mr. Jamison said a lot of residents use plastic. I think it's easier, convenient, and easier to fill. But a lot of people are using plastic bags to put their leaves in. So, it will just take an act of actually transitioning people into using paper bags.

Mr. Phipps said but is there a movement afoot to do just that because you said you have the blade cutters and such I guess people spending money on the plastic bags and you're cutting them in, but those plastic bags end up in a container that you all have on the truck, right?

Mr. Jamison said that is correct.

Mr. Phipps said it seems like it's a very inefficient process there.

Mr. Jones said Mr. Phipps there is nothing stopping us and as a matter of fact, that's why we're talking with you today. This is a very logical step forward. With that said, there takes a bit of education for our residents that there is going to be a change. But for every reason that Rodney said earlier, just from the safety of our employees to our environment, this is a no-brainer and we intend to move forward with this conversion.

Councilmember Eiselt said thank you, Mr. Jamison, I'm glad to hear that we're moving forward with bags instead of plastic. I want to ask a question about, you had mentioned that perhaps you're going to have to limit the amount of yard waste, and with regards to that or recycling, I remember representative John Ottery, who used to be on Council, would bring up the idea of pay as you throw. Especially for yard waste, is that something that has been considered? I know it would require other equipment.

Mr. Jamison said yes, it has been looked into, but the way our fees are structured, it would be problematic at this time, but maybe something in the future we can talk about.

Ms. Eiselt said I just wondered because I know you'd have to have special equipment that can weigh it and whatnot, but I wonder if it's a consideration. Then I'll just also mention, I have noticed a big difference in the level of service from your team. So, I just want to thank them for maybe all this internal training you're doing it is really paying off, but I've noticed them being a lot more courteous and friendlier when you wave at them on the street or talk to them and the bins are back where they started instead of in the middle of the street after they've been collected. So, I do appreciate the improvement level of service from the team.

Mr. Jamison said thank you.

Councilmember Johnson said I want to piggyback off my predecessor, Councilmember Phipps, in district four we have a lot of state-owned roads primarily it seems. So, I wanted to get some clarification from Mr. Jamison on what the plan is to partner or to manage those state-owned streets.

Mr. Jamison said right now we're partnering with the State on that, but also with our outside the agencies that we brought in. We're giving them a list of streets and those streets in your area I did receive those. We have those on the list to touch, but those areas are areas that once we clean one day, sometimes the next day is back littered again. A lot of increased traffic is in that area.

Ms. Johnsons said is there going to be a schedule that they will be maintained or cleaned or will it be sporadically?

Mr. Jamison said those streets are being placed on the schedule.

Ms. Johnsons said okay. One of the things that we're doing in the area, Jane Talan is setting up a meeting with the vendors for the apartment complexes. That's one of the complaints or one of the findings that we've been told that some of the vendors that are picking up trash from the apartment complexes, the trash is not secure. So, that's one area that we're working with the apartment complexes and also UNCC (the University of North Carolina at Charlotte) reached out to me. They're going to be working with the Vance High School engineering students to try to come up with some solution to address the litter because this is such a huge area in district four. I get complaints and I'm sure that Mr. Phipps got them prior to my term. We get them constantly about the litter in the area and because of the state-maintained streets, it's just it's very problematic. So, any attention to that would be great. If there is additional funding in the budget, that would be great because this area is truly affected because of the State-maintained streets. So thank you.

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ITEM NO. 4: AMERICANS WITH DISABILITIES ACT FACILITY PLAN

Marcus Jones said as I mentioned earlier, at the last Budget Workshop, we had a conversation that there would be an impact of the results of the Americans with Disabilities Act Facility Plan that we could implement over time. So, we'll have Victoria begin the conversation and bring our consultants in also.

Victoria Johnson, Assistant City Manager said the City contracted with Altura in 2019 to evaluate all City-owned and occupied facilities, programs, policies, procedures, and public-facing information technology applications for ADA Compliance. Altura was also tasked with providing an ADA Transition Plan for the City. As of now, Altura is 85% completed. The recommendations will allow the City staff continued commitment to serving the public. The recommendation shows the City's commitment to protecting everyone's civil rights. More than just the civil rights of people with disabilities and more about quality of service for all citizens. The city can clearly demonstrate actions being taken in today's social environment.

The recommendations will elevate the importance of civil rights in both public and the City staff. At this point, I will turn it over to Terry Bradley, Deputy Director Of Community Relations. He will speak to the enormous amount of work that Altura and his department have undertaken for the City to have reached this point in the process.

Terry Bradley, Deputy Director Of Community Relations said I just wanted to kind of give some insight into what we've been doing as ACM Johnson has mentioned. The Community Relations Department has been charged with coordinating and monitoring City compliance with ADA section 504 as well as the State civil rights requirements regarding discrimination and harassment based on disability. As a civil rights law, The Americans with Disabilities Act provides for freedom of harassment or denial of services based solely on your disability.

Also, we are overseeing the compliance efforts to minimize the occurrence of ADA section 504 violations. We're implementing the City's discrimination complaint procedures, including investigations with respect to allegations to ADA. Following the adoption of the 2010 regulations the City began to undertake and we continue to undertake the self-evaluation of all of our programs, services, and activities, as well as the facilities to provide full and equal access to all persons. While working with our consultant to which I'm about to introduce to you, we have determined that this work is more about social justice and equity, and inclusion within the City of Charlotte. It also allows citizens to connect to good-paying jobs. It also is a way for us to enhance public safety, and it allows our residents an opportunity that they can still work, play, learn to retire comfortably here in the City of Charlotte.

Now, with that, I just want to turn this over to our consultants out of Austin, Texas, Altura Solutions. Jesus Lardizabal, who is the principal who will update us on the work around the City's assessment and the development of the ADA Transition Plan?

Jesus Lardizabal, Altura Solutions said we are working on the city's ADA Transition Plan. I'd like to give you just a little bit of an outline of the presentation. I'm going to briefly go over what the Americans with Disabilities Act transition plan entails. I'll also go over how we gathered the information today and the risks that we went through. Then Ryan will help discuss some of the budget planning aspects of that.

A brief background, as it's been stated before, the Americans with Disabilities Act as a federal civil rights law that prohibits discrimination against people with disabilities and in fact, ensures access to State and Local Government Services for people with disabilities. As Terry mentioned, while the focus of this was through the ADA lens, we have looked at it as more of a broader civil rights component. The Department of Justice, or DOJ, requires that government agencies conduct a self-evaluation of the accessibility of their facilities, programs, and services, as well as policies and procedures. So, the ADA was enacted in 1990 and of course, a lot of infrastructures had been built before that date and not to the standards. So, this gives government agencies the opportunity to go back and conduct a self-assessment of what the current state of their facilities are. Also, I'd like to point out that the ADA does not require every single facility to be brought into compliance. Instead, what the ADA aims for is program accessibility, which means that in its entirety, when the city looks at its facilities and programs, is it providing programs and services in an equitable manner?

So, the ADA Transition Plan after a government agency has gone through the self-evaluation process, then the City basically creates a plan to address all the identified barriers, whether they be physical or programmatic. The transition plan identifies the physical barriers and recommends remedies and proposes cost along with time frames. So, in essence, it helps the City put itself on a budget and schedule to reach program accessibility. This transition plan is going to serve as the City's guiding document to achieve program accessibility over the next 15 years from the facilities' standpoint. As mentioned earlier, the City contracted with Altura Solutions to provide the transition plan, and it was mentioned earlier we're at the 85% complete mark as of now.

So, as part of the assessment, we began this process in January 2019. We interviewed the City staff from every department to get a feel for programs and services, how the City operates, and definitely want to commend the staff for their dedication and service and meeting the requirements of the ADA. We have inspected 175 facilities. I want to speak to the fact that our specific analysis was for facilities. There is a separate analysis being done for the right of way, which I'll touch on in a bit. But we looked at 175 facilities and these excluded aviation facilities since aviation had done an independent assessment outside of ours. What we have found is that there are buildings that do have some barriers. These are typical of what we see across the country, adjusting counter heights, adjusting drinking fountains, some restroom items that need to be addressed, installing new ramps, and eliminating obstructions and pathways.

So, for the facility improvements we are recommending improvements to 124 facilities, and these ranges, as I mentioned earlier, from moving counters to redoing restrooms and

so forth. Part of our scope was to provide conceptual budgetary costs. These are not engineering cost estimates, but more to provide in order of magnitude of what is required of the City. We have met with several City departments to run these numbers that we've put together and make sure that the numbers are providing that an order of magnitude for what is coming next.

As I mentioned earlier and the right of way, the city is doing a separate assessment and the consultant [inaudible] associates is completing that assessment, and that includes infrastructure such as sidewalks, curb ramps, transit stop, pedestrian pushbuttons, and on-street parking. They have not completed that study yet, but they are recommending for their findings to be addressed programmatically over 30 years. Again, the facilities portion that we are doing is over 15 years. The right of ways since it's a larger scope will take 30 years to address programmatically. The approach also includes private development, and when a developer does the project, they will be asked to address the sidewalks and curb ramps in the right of way, which should help the City reach accessibility sooner. Once the information is completed in the right of way [inaudible] the overall City Transition Plan will incorporate those findings into the facilities and programs Transition Plan.

Ryan Bergman, Budget Director said I just want to spend two slides explaining what this may mean from a budgetary standpoint. What you see on the screen are the identified costs in total, but as we mentioned, the intention is that this is a 15-year plan, which from a General Fund standpoint, allows it to be a little bit more manageable as a program. We have \$4 million per year identified in our Capital Program that we would need to include to address this. I really want to reinforce the point that this is fluid. For instance, we know that some costs will change when we go to engineering, but there's also some facility improvements that will drop out of the program as we replace some buildings. For instance, there are two fire stations with a total of over a million dollars in improvements that are very high on the fire chiefs replacement plan and will likely be done through that before we get to fixing the facilities from the ADA Program. What this means on the Capital Program is we have bonds and then we have other debt that we call COPS (Certificates of Participation). So, in the Steady-State that we talked about last time, there \$226 million, and we had identified about \$28 million for COPS. What this is essentially saying is that \$4 million each year would need to be dedicated to a program like this to achieve the goals that are likely to come out in the final report this summer. We also talked last time about some other opportunities we have in COPS as far as capacity. We feel that this is a goal we can achieve, but we really it is a high-cost impact, though, so we really wanted to get it in front of you.

Mr. Lardizabal said Our next steps, as I mentioned earlier, where we're basically at 85% and we'll be releasing the draft in March, early April. That draft will include our recommendations for facilities and associated budgets. We will allow for public input to occur from April through May. We will then take that public input and formulate the final ADA Transition Plan, which is planned to be released this coming summer for Council consideration.

Mayor Lyles said first before we get to the questions, I want to thank the nonprofit Disability Rights Resources for working with Altura and our staff. This is a very important part of the infrastructure and creating equity in the community. It's a part of our own Mobility Plan. It's a part of what we need to do. I want to thank all of the people that participated in the surveys and the interviews, but especially Disability Rights and Resources for their good work with us.

Councilmember Ajmera said Terry, thank you so much, and Mr. Lardizabal on your work on, like Mayor said creating equity and inclusiveness in our City buildings. Is there a regulatory requirement that some of this transition assessment has to be done and implementation has to be done by a certain time frame? And how does what does that look currently?

Mr. Lardizabal said yes, thank you for the question. The Department of Justice has not given a timeline. So, originally when the ADA was first enacted, everything was supposed to have been made ADA compliant by 1995, which, of course, no city achieved. And so now it's up to each city to create a budget and a schedule to get themselves to reach the program access. We work with city officials to get to a budget number and that the schedule that made sense. In other words, we don't want to say that this could be done in five years knowing that the fiscal situation would not allow it. But we believe that 15 years for the facility site makes sense and is achievable. Something I commend the City for is, this is being done to try and get ahead of ADA and reach an equitable position because if, for example, the Department of Justice came in and found that the City was lacking, then that the Department of Justice would put the City on a schedule and with probably less consideration to the budget. You see other cities that are told we will achieve this in five years and it's up to you to figure out from a budget standpoint how to do it. So, the City of Charlotte is ahead right now, and that the City gets to make the call in terms of budget and schedule. So, I think there is some kudos to be had for the City staff to get ahead of this issue.

Ms. Ajmera said I do have a follow-up question. As part of this assessment, have you also looked at Pregnancy Disability Act and if there are any changes that the City needs to make in terms of infrastructure or invest to be compliant with the P.D.A.?

Mr. Lardizabal said I want to make sure I heard you correctly. The pregnancy?

Ms. Ajmera said yes.

Mr. Lardizabal said okay, we did not look at pregnancy specifically. Our lens is basically, The Americans with Disabilities Act, but working with the City staff, we did expand some to include that language inclusion and in what we did. We believe that some of the recommendations that come out of the Americans with Disabilities Act benefit many more society members than just people with disabilities. Some of the recommendations being made here would benefit pregnancy issues. But we did not look at that specifically.

Ms. Ajmera said thank you. To follow up on that, Mr. Manager, this one is for you. I'm not sure what our infrastructure is like to support pregnant women, especially the need around a nursing room. So, I would appreciate your follow-up report if you could provide us where we stand on that.

Mr. Jones said will do.

Councilmember Phipps said I think that you're going to answer my question about the Charlotte Moves favorable grade and meeting their programmatic schedule with regard to the outside infrastructure, with regard to the ramps and things like that for ADA compliance.

Councilmember Johnson said thank you for this presentation, Terry, and Mr. Lardizabal. My question is also for the manager. As far as our ADA Plan, I realize this evaluation was looking at facilities. Does the City have a plan for equitable hiring for individuals with disabilities and also for STS transportation? I believe that the policy currently is STS will pick up residence where there is a bus stop and there are some half-mile requirements, but if an individual has a disability that makes it difficult to walk a half-mile or get to a bus stop, then there needs to be some equitable consideration and pickups. So, I wondered what if the City has a plan for ADA and some equitable consideration for hiring and for CATS.

Mr. Jones said we will give you all of the information we have around those questions that you just asked. I am very familiar with the second one because Councilmember Newton and I have discussed that from time to time. While it is consistent with my understanding. CATS is consistent with what is required federally and there could be some additional costs to change from that, but what I'll do in order to bring all of the Councilmembers up to speed will include in the packet information about what we do around those two areas and what are some opportunities if that works for you.

Ms. Johnson said that's great and I work with individuals with disabilities, so I'm happy to speak with you offline about some of the experiences that they have with CATS and some ideas for hiring as well.

Mr. Jones said that would be great. Thank you.

Councilmember Driggs said I wanted to highlight in particular our veterans who are disabled. So, I'm very pleased that we are addressing the needs of the entire disabled community with this initiative. I did want to ask since you referred to the fact that we were taking a broader interpretation of the ADA, are there not facility type of items that would be included here? Are there any investments we're talking about making that can't be funded with COPS? What do you have in mind when you say that we may kind of take this broader view of the ADA?

Mr. Lardizabal said yes. For example, when the ADA requires that you gather community input and ADA specifically wants you to get input from the community with disabilities and speaking with community relations, they said, well, let's take it a step further and include in let's have language inclusion. So, let's have our materials translated into different languages. Let's have not only sign language interpreters but other language interpreters at our meetings. So, that's an example of we took a broader look at ADA from a civil rights standpoint, however, that the main focus was still centered around meeting the requirements, the technical requirements of the Americans with Disabilities Act. We will definitely do that, but that's just one example of us thinking beyond it. We have analyzed how the city does programs and services, how they provide those, and we provided our input where there are opportunities where the City might be unknowingly discriminating. In that instance, we look at not only people with a disability but other potential aspects of where that might be happening.

On the physical side, on the facility side, we did stick primarily with the requirements of the ADA and those are programmatically where we could broaden our scope of it.

Mr. Driggs said okay, this is a pretty big financial commitment. So, I just would like us to be disciplined if we're going to call it an ADA Program that we recognize we recognize and that we operate within the requirements of the ADA. I would also like to echo Ms. Johnson's comments about the SDS. I've had a couple of constituents who called me and said that their eligibility for this service has somehow changed because of a re-designation of who qualifies. In some cases, they ended up having really no means because of the cost of the SDS they would have to be taking Ubers, which for a lot of people was really not feasible. So, have we actually changed the eligibility for the SDS, or is that an ongoing conversation?

Mr. Jones said yes, we will give you the information. My understanding is that there are opportunities that are county provisions of service as well as city provisions of the service. We have been consistent with what is required of us from a federal perspective, but I would love the opportunity to provide you with that information so the Council can have a discussion around it.

Mr. Driggs said a couple of these cases were pretty sad. So, I don't really have a policy background on this subject, but I just hope that we have a policy that doesn't leave certain people out in the cold because it's very lonely for them at some point when they lose that access. So, thank you for that, Mr. Manager.

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ITEM NO. 5: CAPITAL INVESTMENT PLAN PRIORITIES DISCUSSION

Ryan Bergman, Budget Director said I'm just going to spend a minute going over the last couple of slides from the last presentation. There's not new materials here. If you'll recall, we presented a lot of information around our Capital Program at the last workshop.

Then where we ended up, we didn't have a lot of time for Council discussion. So, I'm just going to show these final scenarios again. Really the idea here is that this is the time for Council discussion. Normally, the manager's proposed budget is the first time you would see and then react to it, but this is such a unique situation recently where we have this five-year CIP that hasn't been populated that we really want to make sure we have a touch point with city Council to talk about your priorities, needs, things of that nature. We do have the same people that were here last time, available in CH-14, which includes Liz Babson and our Transportation Director, Jennifer Smith, our City Engineer, Phil Reiger, our General Services Director, and we also have Pam Wideman available for any housing-related questions

Marcus Jones, City Manager said one of the things I will say to the Mayor and the Council is that, again, I mentioned a little bit earlier, this will be difficult because there are programs in the CIP that were even in the Planning Fund that typically have not been in these Bond Cycles over the last [inaudible] and those are major, major roads, and major intersection projects, but also has not been a part of the beginning of a series of Bond Cycles, at least the last two. There have been tax increases. This one does not propose a property tax increase. So, in other words, we're able to use the Steady-State Model to populate the different Bond Cycles at this point without coming back for any type of revenue enhancement in order to afford it. So, again, having said that, and as Ryan said earlier typically I would just bring this to you on the 3rd of May, but we just believe that because there is no road map per se, just understanding what priorities are for you would be very helpful as we move forward.

Mr. Bergman said a what you'll see on the screen, I'll say the same thing I said last time, this is not a recommendation. This is more like a straw man to give you a starting point of the two Bond Cycles that would be in the five-years CIP while also showing some of those costs that are essentially locked in if we're going to continue doing the basic programs for maintenance and street resurfacing and things of that nature.

So, this first scenario, which still leaves more than \$50 million in capacity for each Bond Cycle, would assume no road projects and no intersection projects from the Planning Fund. So, everything is the same on this one except for that middle section. This assumes one road project and one intersection project from the Planning Fund. We would still be able to do it within the Steady-State. We would have a little bit of extra capacity. Then if you go to the final scenario this shows the impact of doing both roads and both intersection projects from the Advanced Planning Fund in the CIP if you left some of those other programs at similar levels to 2020. So, while we wouldn't formally approve something for a bond referendum in this upcoming budget, we wouldn't do that until FY23. We would like to have a five-year CIP roadmap that is in this proposed budget. So with that, we can leave these on the screen or not, but really the intention here is to allow the City Council a chance to talk about their priorities, questions, things of that nature.

Mayor Lyles said so, for the Council, this is in the workshop for February the 3rd. This was where we talked about Steady-State and it was our Steady-State of \$26 million for COPS

and \$198 million in GO Bonds. Obviously, when you look at that even with the opportunity of pivot on several projects and to do this work, if we're going to get roads built and intersections improved, which I'm sure there is a very much longer list than one or two, it's like \$35 million a road and \$12 million for an intersection. That assumes that we continue to do those things that we do in terms of maintenance. I think this is consistent on all of the projects that we have under the no roads or intersections. Just any one of the charts, those first nine or so projects are things that keep our maintenance down, as well as commit to some of the major programs that I would say people expect us to spend our debt for like sidewalks and bikes and safety. So, I think that discussion is probably at, I'm going to ask if this is an appropriate way. If we continue to maintain our capital facilities and if we continue to build upon safety primarily, the question is those things that we have chosen, transportation or mobility, housing, Corridors Of Opportunity, and economic development, we are looking below those two lines to say are there trade-offs, or do we do more? Is that a fair way to say that?

Mr. Bergman said yes, and so what I would add is if you look at what's on the screen, the first three are traffic and bridge programs. They're locked because we need to continue doing them. There's also not a necessity to add funding or anything of that nature. The next two [inaudible] and Ballantyne, those are essentially commitments that are already made. When you get into the bottom ones, the sidewalk, the bike, the Vision Zero that's kind of an open lock because you wouldn't need those to maintain the program, but they're different than traffic devices in that more funding for those is, of course, it's always helpful. Then when you get down to the ones under the Advanced Planning Projects, you're correct. Those are affordable housing corridors, congestion. Those are always things that we do kind of to look forward to that's really at the purview of the City Council.

Mayor Lyles said I'm going to say that while almost everything in that first group has some federal inspection, some requirements that would cause greater harm, actually cost more. If we start resurfacing streets and building sidewalks, we're just going to go deeper, further behind than we already are. I'm going to say this, and I know that we have a number of people to talk about this, but when I look at everything in this grouping. These are things that we have discussed consistently as being major needs for a growing city and things that we've communicated to our residents that we are going to try to systemically add to our programs. I'm looking forward to the discussion.

Councilmember Ajmera said I completely agree with you that we have to continue to invest in the first bucket where we have a sidewalk program and traffic devices and so on to continue the maintenance. For Vision Zero I would like to see that number a little bit higher because that prevents fatalities and also reduces some of our liabilities in terms of pedestrian fatalities, where we really need to invest. Two million dollars a year will barely fund one or two streetlight projects where we have major roads in our City that do not have public lighting that results in fatalities. We do need to address that. So, I would like to see what's the need and see if we can get that number a little bit higher.

Councilmember Driggs said guys I'm going to take my life in my hands. So, the way this is presented seems to suggest that the top range and the bottom range are pretty much locked in. I accept what Mr. Bergman just said and that our decision revolves around the items, the Advanced Funding. I just want to point out and bear with me here, affordable housing, we went to \$50 million with the intention of stepping down to \$25 million and I thought I remembered reverting to \$15 million in the aftermath of the Keith Lamont Scott shooting. Now we see it kind of plugged in here as if it was a permanent fixture. I fully agree that affordable housing is a top priority of ours and deserves our funding, but if you look at the annual investment here and you compare it to the last four Bond Cycles, the number is pretty level at around \$200 million. So, we have gone to diverting 25% of our capital capacity to one priority, one important priority, but nonetheless just one. I will point out that the funding that we have in there for sidewalks, just as a, for instance, this is a pet peeve of mine, apparently doesn't allow for us to make progress on the waiting list of sidewalk projects such that a couple of them in my district can be accommodated in anything less than 10 to 20 years I'm told. We have roads that have become major thoroughfares along the edges of which children walk to school with cars whizzing by at 50 miles an hour. I think that's a legitimate priority. If you look at the core responsibilities of the City, I think responding to situations like that, where there are safety issues that are becoming kind of increasingly more urgent, again, because of the growth of traffic and because of the speed at which a lot of cars who are transitioning along these roads, the zoom through them. So I, for example, would like us to consider putting the affordable housing in the middle section there to be considered along with these rural planning projects and other things, and really think about whether we're keeping up with our responsibilities in other areas while we pursue this goal of creating more affordable housing. I don't think that we should go to some big tax increase. Obviously, you wouldn't expect that from me, but I just would like to see the apportionment more reflective of other needs, and sidewalks are a good illustration in my mind.

I will point out that if you look at the 2040 Plan and a lot of the aspiration that is in there, it's going to be very hard for us to continue to commit 25% of our capital capacity to one priority and also try to achieve a lot of the other things that to which the plan aspires. So, I would just like us in this budget conversation to include in the mix of choices we have to make the amount of money that goes into affordable housing and to keep an open mind about that. I would love to see a step up the sidewalk funding to \$30 million so that we can make some progress on that waiting list. Mr. Manager, I appreciate it if we could actually get a list of the projects that CDOT has identified. The sidewalk projects that are pending and how they've been ranked. I think if the district representatives from other parts of Charlotte take a look, they're going to see the things that they recognize as needs are probably 10 to 20 years away on the current schedule. So, I just put that out there and I hope we can at least talk about what our ongoing commitment to housing should be.

Councilmember Eiselt said Mr. Driggs really touched on what I was going to say. I'm looking at these numbers. Sidewalks, I think, are also really important because what's in our sidewalk program is new sidewalks. Last time I asked Liz about this, Ms. Babson

about what about sidewalk repairs. We have a lot of sidewalks that are in bad shape and that you couldn't certainly talk about ADA, you certainly can't get through if you are in a wheelchair or in some sort if you were immobile. We've got sidewalks in older parts of town that have utility poles right in the middle. You couldn't push a baby carriage past that or a wheelchair, certainly. So, I don't I really don't know how to look at this when we say \$18 million a year a Bond Cycle for sidewalks. As Mr. Driggs says, I really want to know what the demand is, what the backlog is and what that includes. Are we ever going to talk about sidewalks that need to be torn out and replaced or just fixed? As the same goes really for congestion mitigation. I just don't have a frame of reference for that as to what the overall need is. The same with street resurfacing. I think we've all probably gotten the occasional email from residents who hit a pothole. In Charlotte, it does, in some cases, thousands of dollars of damage to their car. They don't get reimbursed from the city on that. They just have to clean that privately. So, the needs are there. I'd like to know a little bit more about what the backlog is.

Mr. Jones said Councilmember Eiselt and Mr. Driggs, we will get you that backlog as it relates to sidewalks. I do want to talk a little bit about congestion mitigation because it's something that was old is new again. So, instead of having, let's say, before the big ideas, a steady stream of funds for, let's say, some of those smaller projects that can help us with congestion mitigation, what we've done is put out, I guess, on this buffet everything that can happen. So, it's not an either-or it's roads. We're assessing that as well as traffic congestion mitigation, which I will speak for Liz, that is very important to her because instead of putting a lot of money into one project and waiting for four or five, six years for that to be built, we can do projects now and you'll see those projects being in the Steel Creek area, South Charlotte area, as well as the University City area. So, I for one would say that having that is important because it stops us from having just a huge concentration of funds on one project that we're able to spread throughout the City.

Mayor Lyles said I don't know if Ms. Eiselt has asked about that and if we do that in a report that I'm assuming these are things like adding additional lanes, country roads that could be paved, medians to change traffic flow, things like that. So, we'll have to get that report from Ms. Babson as a part of the next Budget Workshop.

Councilmember Graham said I just wanted to follow up with Ed's comment. I clearly understand where Ed is coming from in terms of the number of competing priorities we have, but I can't think of a higher one than what we're doing regarding affordable housing, and the investment that we're making while it's significant still falls short there, too, right. So, I just want to again say that we need to recommit ourselves to affordable housing. We need to recommit ourselves to great areas as it relates to housing i.e. when the lower end 30 AMI or below shelter, homelessness, although that's not our direct responsibility, it is a great area that we play in. The public doesn't know the difference. So, notwithstanding the fact that sidewalks are important, I agree. We need more than a sidewalk that doesn't lead to a house. Well, you know, as some people's opinion that might be a little bit incomplete. So, I think we need to do both, and no one's advocating raising taxes. But I think as we grow as a City, we need to make sure that those priorities

have the appropriate funding that goes along with them. Certainly, sidewalks are important. We're going to be dealing with this affordable housing crisis in our community for a number of years to go. So just my thoughts.

Councilmember Newton said I would agree with my colleagues that increasing the funding of Vision Zero, the sidewalk program, street resurfacing is something that is needed. At the same time, I'm torn because when I look at the numbers and I understand that these figures are finite if we're talking about taking any significant amount in the Advance Planning Road Projects and intersection projects, I don't quite know how if we are undermining our goals that we're trying to achieve because I guess I look at all this and it's my understanding that these Advanced Planning Projects include sidewalk improvement in a street and in other types of pedestrian safety improvements. I flip through our budget folder here and I'm seeing projects for complete streets. I guess for me, what I would like to know a little bit more about is where the overlap is here. There certainly are expectations that I'm sure to have attached themselves to a number of these Advanced Planning Projects. I know that there's one in my district that the community is very much looking forward to. I think it's also addressing needs from the standpoint of sidewalks and streets, pedestrian safety, that are a priority. So, I'm just kind of wondering where there is potential overlap between maybe some of the priorities of the sidewalk, our program Vision Zero and street resurfacing, and what we would find in the Advanced Planning Projects. Hopefully, that makes sense what I just said, but that would be something I would be interested in knowing is what needs that we would otherwise find in some of these other programs are already being met in the Advanced Planning Projects. Where do those projects, the needs that are being addressed, where would they otherwise be prioritized? Because we could be, I think, accomplishing many of the goals that we are talking about seeking to accomplish in some of these other programs by increasing funding, we could already be accomplishing many of those in these Advance Planning Projects. So, if that makes sense, what I just said hopefully it did, that's the question I have is where is the overlap in priorities that I think would lend itself to particularly maintaining the expectations of the community, but then also secondarily maintaining our goals as a Council that we would otherwise be achieving and increasing some of these funds under the top non-project descriptions?

Mr. Bergman said yes. So, I wanted to make sure that we don't bring Ms. Babson in without putting her on the spot. So, I was going to ask her if she could talk a little bit about the Advanced Planning Projects and what that accomplishes in those areas as it relates to the sidewalk program and Vision Zero?

Liz Babson, Transportation Director said that was a complicated question. I will attempt to give you a sort of a high-level response. So, again, as a reminder, when Jennifer and I presented to you last month as part of the Budget Workshop, we talked about the projects that went into advance planning and how, as we look across the City at where the greatest need is from a safety and congestion standpoint, that those are the projects that we put through that process. Mr. Newton, you're absolutely correct. The scope of those projects are to build complete streets so they will have comprehensive facilities for

all modes of transportation to improve the connections for cyclists and pedestrians, as well as safety for those modes as well, in addition to providing a safer street for our vehicular traffic.

Concurrently, our sidewalk program, as an example, has hundreds of requests on the list currently, as Councilmember Driggs mentioned, it's a long list and we have far more needs across the City and interest from the community to build more sidewalks than we currently have funding available to deliver those. There are similar types of projects built because we will build a sidewalk along the road where a sidewalk doesn't exist, just like we would with a complete street project. But there's not overlap in those projects. So, I don't know if you want me to clarify anything beyond that, I'll be happy to.

Mr. Newton said I appreciate that, Liz. And so I guess my concern here is if we have set expectations in the Advanced Planning Projects being presented, the expectation that they will be completed and I would hate for us to move forward and pull the rug out from underneath the expectations of the community, whereas it sounds like in Vision Zero, sidewalk, street programs, bike programs, we know that there is the need, but there isn't that pre-existing community expectation for those programs to be fulfilled at this point. It's just everyone knows they're in the queue and we're getting to them.

Councilmember Watlington joined at 2:50 p.m.

Ms. Babson said Yes, sir. Thank you for clarifying that. That's exactly the way those programs work. We are pretty clear in our communication with residents when they call, for example, and ask about a sidewalk project and the potential for it to get funded in the near term. As difficult as that conversation is, again, we've got a lot of needs across the City and we use those funds in the best way possible to meet the highest priority needs citywide. So, unfortunately, that results in some really tough conversations with the community where realistically, we know at current funding levels we will likely get to their sidewalk project for 10 to 20 years.

Mr. Newton said there's no doubt about that, that there is an abundance of need as [inaudible] traffic devices and traffic signals as well. There are a number of intersections in my district where we have had fatalities because there is for lack of signaling devices. So once again, I'm very torn in all of this because I do think with these Advanced Planning Projects, there are expectations that we ourselves have set for the community. I feel like community members are counting on us to follow through with the commitments we've made. At the same time, there's no doubt about it that with these other project descriptions up at the top, a number of them, that there is great need. I would definitely be supportive of increasing the amount. I'm just torn on where that's going to come from.

Mayor Lyles said I appreciate what you said because what you're really saying is those things that we do new, we're going to make an inclusively say every part of it, the pedestrian, the biking. You've pointed that out and I think because we haven't done that in the past and we're saying that to our communities and our residents, that's what they

should expect, and they're going to see that as something that we would always commit to that if we build any kind of road, it would be for that safe street standard when there are many things that are existing that will not unless we provide additional funding to make those other that were built decades ago to meet that same standard. So I really appreciate you pointing that out.

Mr. Jones said Mr. Newton, I thought I could go through one of these Budget Workshops without bringing up the Cross Charlotte Trail, but I'm going to bring it up myself. Okay, so this Advance Planning Fund is so that we don't repeat that. So, what we're doing is to make sure that we get 30% designs before anything goes into the plan. So, I get exactly what you're saying is that there is going to be some belief in the community that if we're designing it, that it's going to be in a future CIP. That's why this discussion is so important because as Ryan mentioned in the last Budget Workshop if we threw two roads and two intersections in the next Bond Cycle, it blows the bond up at the current level that we have. It doesn't mean that we can't be innovative. I think Ms. Ajmera asked the question last time, what happens if we create more capacity in the first two Bond Cycles, and have less in the next two? There was a great response from the team, I will add to their response, but it also takes away the flexibility of future councils and future managers also, But the Advanced Planning Fund is for us to get better numbers before we put anything in the future CIP. But it does set the expectations that if we're designing it, that we're going to put it in the.

Councilmember Phipps said from time to time, we have rezoning petitioners that come before us and as part of the transportation comments, they might say that a road is needed for connectivity or some traffic mitigation, that the mere fact that the tenor of this conversation we're having would suggest to me that we really don't have any capacity at this point to entertain those type of requests. Are we more or less saying that the developer will have to put those kinds of projects on their own? And as much as we already have projects that are in the pipeline that already allocated or potentially allocated for?

Mayor Lyles said that's a great question, Mr. Phipps. I'm trying to look around to see if anyone wants to answer it. I think what you're saying if we are going to maintain our capacity within the amount that has been projected in the current state, that the projects in it, that the Council can decide? I think Ryan's asking for the feedback. So, I'm going to ask you a question that may be in response to your question. I think if you're saying that we want more roads that connect things, what will be we be willing to give up and any of these scenarios to accomplish that? That's really that's what we're doing. We're kind of faced with a hard number. Help me. I'm not really good at math. So, if we have a scenario of about \$197 or \$198 million, it's how do you want to spend it? The staff is giving you some scenarios. So, Mr. Phipps, I think I'm asking, would you see the connectivity of existing roads as a higher priority on this list as opposed to something else?

Mr. Phipps said I would see it almost as an opportunity for the petitioner to maybe jumping the line, so to speak. I mean, because we've identified projects, but to the extent that we

say that there's a road needed and the petition feels that they are willing to put in some of the funds, but in as much as the road would be a benefit to the City as well, that they want to approach the City to help with the funding of the road, do we have the capacity, given what we have on our plate now to even entertain those types of requests?

Mayor Lyles said I think that's a question for your colleagues because we'd be really creating a matching fund for connectivity based upon rezoning petitions. Is that a fair assessment? So, I don't know how our colleagues want to weigh in on something like that.

Mr. Bergman said I was just going to lay out that what we're trying to put together is a five-year plan. During that five-year plan, Council will have the opportunity for slight adjustments based on opportunity. So, you're talking about developers. There's other opportunities that may come up like the State this past year, giving us bonus allocation dollars where we can accomplish a project at 20% of what the cost would have been. So, I think the idea behind this is that this is a five-year plan and that Council would have the opportunity as we go along to make adjustments based on opportunities.

Mr. Phipps said Ok, I'll thrash that around for a while because we do have a petition where we got a live situation like that. So, I'm just trying to figure out how would we go and say, hey, we are committed right now. So, I give that some thought. But thank you very much.

Mr. Driggs said well, yes. I just wanted to say, I think Mr. Phipps asks a good question and correct me if I'm wrong, but my interpretation of his question is, is this presentation about our capital capacity, a message that we're sending out saying you don't bother to come to us with any other needs because we are sold out and we have a backlog. So, that's an issue. All right. Whether we can kind of say we're open for business. I would point out that in a situation like Pearl Street and Ballantyne, we address that with TIGs (Tax Increment Grants) and other structures. So we do have opportunities to partner with private developers where maybe there's a confluence of their kind of development and our connectivity and other improvement needs and Ballantyne is a good example. There are many improvements outside of the development itself, the cost of which is being more than half funded by the developer and a chunk of which is being funded by a TIG from us. So, I think the constraints that we're identifying on our capacity could be interpreted by potential partners as a limitation on our ability to be a partner. And that, I think, is the real question here. I mean, the last scenario we're looking at leaves us \$35 million underwater in a 24 bond. I'm not sure we're going to want to go there. So, if we can only tackle one Advanced Planning Road Project and maybe a couple of intersections and stay within our kind of permanent capacity, that Ms. Babson referred is long ant there are a lot of things in places 2-5 that I think we ought to be thoughtful and pay attention to.

I just get back to my same point by way of appearing to respond to Mr. Phipps that we do need to look at that list and we need to be mindful of the things that we are not doing, partly because of our choice about affordable housing or any other choice we might be making.

Mr. Jones said I do want to say definitely there is not the message that we're tapped out and we're not open for business. I hope I didn't do a double negative. We're open for business and we are not tapped out. We can do a number of things over these Bond Cycles to reduce the stress on the system. I don't think there's a scenario right now where we would do two roads immediately. So, part of what we're trying to do is get some feedback from the Council. What I'm hearing loud and clear is sidewalks, roads, affordable housing. At what level is something that will have to come back to you with recommendations. Had you come in today and said we want to get out of the business of affordable housing, that would have been something very different or if you came back today and said we don't want to build roads with the CIP, we'd rather have a different funding source to build roads. Those are the kinds of directional discussions that are important to us at this stage. But again, everything that I've heard over the course of this discussion is that we're in the right space with those locks and sidewalks are important, affordable housing is important, roads are important, and how do we structure in such a way that we can give you the best bang for your buck?

Ms. Ajmera said I have a follow-up question. I just want to follow up on Mr. Phipps's question earlier. So, what line item would that be because ultimately we're leveraging \$5 million to improve our infrastructure. So, I'm trying to understand, what nine items would that be and what is the remaining balance in that line item to leverage private sector dollars for infrastructure improvement?

Mr. Bergman said what you see on the screen in front of you, the example of what you're speaking of is really Ballantyne reimagined, which is on top. In the scenarios that we have, the very last line is public-private partnership/ED. So, I would equate those two as similar. So, in these scenarios, there's \$15 million of the bond, but I can tell you that's just a straw man scenario. That doesn't mean that it will line up exactly to that, but, Ms. Dodson is always working on those types of opportunities, and so we wanted to make sure that we have it in the scenario, but more than maybe anything else, that's the one that may have to be flexible from the bond to bond, where it's lower in one time and then much higher in other times.

Ms. Ajmera said okay, that explains. Thank you, Mr. Bergman. Just to follow up on that, could you provide us in the last five years what have we spent on public-private partnerships so that we have some sort of baseline to compare [inaudible] see if that number needs to go up or higher compared to what we have seen in the past?

Mr. Bergman said sure, we will get you that and the two main examples would be some of the work at Eastland then Ballantyne like we mentioned. But, yes, we will get you that.

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ITEM NO. 6: ARTS AND CULTURE FUNDING

Mayor Lyles said we had a discussion or presentation on Monday on the Ad Hoc Committee on Arts and Culture. We're going to dive into a discussion on that support now.

Marcus Jones, City Manager said we have a presentation loaded, but I'm not sure that we need to do it. What the team needs, Mayor and Council, is the Ad Hoc Committee did come up with some recommendations. We are ready to begin an analysis of those recommendations. We were hoping that on Monday we would get the nod from the Council, that sixth person or seventh person or eighth person so that we can do the assessment and that's all we're asking for today. I don't know if there's somebody from the committee, whether it's the chair or Mr. Bokhari or Mr. Driggs who would like to chime in.

Mayor Lyles said before we go, in your notebook, there is a slide on short-term recommendations and long-term recommendations. I think what he is asking is a nod that allows him to move forward based upon these recommendations

Councilmember Bokhari said I think I can tee this up very well. I think the Manager did a great kind of punch line. I was on this Ad Hoc Arts Committee along with Councilmembers Eiselt, Graham, Winston, and Driggs. So, we analyzed the significant investments that we've made as a City to date, and that's over \$11 million in 2021 supporting arts and culture, on the whole, over \$15 million over the last 15 years in direct funding to the ASC (Arts & Science Council) and the five members of our committee crafted and approved a very high-level recommendation for the City Manager to consider as he and the staff perform their work. As he just said to us in presenting us with the budget. The punch line is we want an innovative internal approach that maximizes the equity, the economic, and cultural impacts that our city dollars are having. Councilmember Eiselt covered this extensively Monday night. Council had a robust conversation where the staff was able to hear and capture all those inputs and comments as well. So, there isn't really a need for us to rehash those details now without additional insights and intel.

So, the next body of work for our Council to do beyond this initial budget discussion is to craft our longer-term policy vision. It really focuses on outcomes and what we want our investments to ultimately create as impacts. So, aside from that, what we need today is for the Manager to move ahead in analyzing our recommendation alongside the bigger budgetary picture and other factors at play, and then come and present us back with what his ultimate proposal is on the topic. So, no committee itself, like our Ad Hoc Committee, can tell the Manager, direct the staff what to do with formal actions, but these Budget Workshops are designed just for that. So, since we already have five Councilmembers who formerly supported the recommendations that we discussed Monday night in our Strategy Session, I recommend we just see if there's one additional Councilmember who's willing to give a head nod for the manager to move forward during this phase while he still owns the budget, taking into account our recommendations while considering those other factors. Then bring that back to us for our ultimate decision as a body. I think

that should really maximize our time here. So, if that's acceptable, I just ask, is there one additional Councilmember outside of the Arts Ad Hoc Committee who's willing to give the Manager that head nod so that he can move forward in the diligence?

Mayor Lyles said Mr. Bokhari, I would suggest that you not limit it to one. So all of those that would suggest that the manager take the short and long term recommendations.

Councilmember Egleston said this from the manager of the manager is tracking what Mr. Bokhari said right there. You would be, assuming we give you the go-ahead here, you would be bringing back options for us to consider, one of which would be prompted by the recommendation from the Ad Hoc Committee, is that correct?

Mr. Jones said and I'm not sure it would be options in my budget, I would present an option to the Council based on what the Ad Hoc Committee has set my way.

Mayor Lyles said the Manager brings us a recommended budget. What's in that document is his recommendation. Then it's ours to change.

Mr. Egleston said I guess what would make options plural, I guess, would be for the Council to either move forward with that or to proceed, as we have historically that issue?

Mayor Lyles said I'm not clear on what that means. Mr. Egleston, could you help me? He can bring us a recommendation based upon the committee, or what was the other choice?

Mr. Egleston said well, I think my question was answered, but the other choice, I guess, was me saying, for us to go more the traditional route that we have with our funding or to move forward with what will be brought by the Manager as a recommendation based on the committee's work?

Mayor Lyles said that would be a Council decision based upon after the Manager's recommendation comes forward, based upon what we get as a hand raising now for the short and long term recommendations presented today. Does that make sense?

Mr. Egleston said yes. I'm just pointing out that there's not a definitive decision being made on the matter with this vote. [inaudible]

Mr. Jones said If I think I understand the question that Mr. Egleston has. I would base everything that I'm recommending back to the Council on this heightened increase, those \$4 million that is coming from the City with the opportunity to get at least \$4 million of the match from the private sector would be the foundation of any recommendation I bring back in my budget.

Mr. Egleston said all right, I'm good. Thank you.

Mayor Lyles said if you would just indicate approval for the Manager to move forward based upon the recommendations that are included in your materials today, would you just raise your hand, please? So, we have eight that have raised their hands.

Council members with raised hands: Ajmera, Driggs, Egleston, Eiselt, Graham, Newton, Phipps, Winston

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ITEM NO.7: STORM WATER AND WATER BUDGET OUTLOOK

Ryan Bergman, Budget Director said we have Angela Charles and Mike Davis and some of their team down in CH-14. I would just note that they presented a longer version of the presentation to the Budget Committee a couple of weeks ago. So, what you're going to be seeing today is a condensed version of each and in the appendix, you'll see the other slides that were presented at the committee.

Angela Charles, Director of Charlotte Water said we appreciate the opportunity for the water team to provide you a budget update this afternoon. Water, wastewater, and stormwater are working together in this community under a one water vision. According to the US Water Alliance, the one water approach envisions managing all water in a community in an integrated, inclusive, and sustainable manner to secure a prosperous future for our children, our community, and our Country. So, as we look at how water operates in our community, we have two enterprise funds, the Water Wastewater Fund and the Stormwater Fund that have continued to implement and plan projects to produce outcomes and to project needs for our future, even in the midst of a pandemic.

Mike Davis, Deputy Director of Charlotte Water said pleasure to be with you all this afternoon. It is a great privilege to be able to present, really the work of a much larger group of people, kind of looking back at our past year and looking ahead to the FY2022 budget. We've condensed a lot of things down to just these five slides that I will walk you through. The first of which is just to kind of put into scale, as we might in any budget presentation, the kind of work that we do and what we believe is an efficient manner in which we do it. On the left, you just see a little bit of kind of quick stats. Mainly I would just highlight just as kind of a sampling of the kind of work that we do that we are very project management focused, very construction-focused, and our work really manifests as physical infrastructure, oftentimes in the form of drainpipes and related structural facilities, but also in the form of stream restoration, which is really closely tied to our mission to improve surface water quality. We do that with a little over 180 folks and we also believe we do it in an efficient way. That tube on the right just gives some of the common metrics we might think about as we seek to deploy that capital.

So, \$86 million for FY2020 was done in a way that sustained our AAA Bond Rating. What I think is particularly noteworthy is that we were able to do 88 cents of capital investment per dollar collected, which is a very high ratio. When we talk about where we've been as

an organization and look back at the last year, really kind of starts with thinking about COVID. I wanted to talk about it and maybe just three ways.

The first of which is the financial impact. So, when we look at that chart on the right, maybe it's hard to detect the scale, but there's two lines, one of which is the line representing our cumulative charges going back to March of last year, kind of one that pandemic was really kicking in, compared to a line that sits almost exactly on top of it, which is what we got back in the door as revenue against those charges. So, the difference in those two lines ends up being about \$700,000 of impact or about 1.2% of total charges. So, it's not insignificant, but also well within what we can manage. Then we think about sort of how does it impact our productivity, stormwater services, and how it's made up, about two-thirds of our workforce does the type of work that transitions pretty well, as it turns out, to working from home. So, we've made the kind of adaptations that many have and try to keep our level of productivity high and have found innovative ways to do that. The other third of our workforce is in the field. It's largely construction-related, investigations-related, and so we just had to, again, do like the rest of the world has done, is figure out how to do that work and the safest way is possible. We have, of course, done periodic suspension of some volunteer events that would have otherwise brought people into close contact during that period.

Then lastly, just kind of thinking about workforce impact. This is not quantitative by any means but while on the one hand, we feel very good about our level of productivity, which I'll show you in a minute, we do recognize that there are just some challenges in staying connected as a workforce, how you train new people and do professional development, it's just harder to do remotely. So, if we want to talk about productivity and there's far more that goes on and stormwater services than what I've represented on this slide, but I think many of you know, we've undergone a fairly significant transformation in the last couple of years, and how we approach dealing with what we've called minor repair requests.

This is where people in our community are observing. We've got failing infrastructure and they're seeking help. What we did back in FY2020, many of you would know that we set out on a journey to really significantly increase our level of production. So, what you see in the chart on the right, if you if your eyes go to the bottom line, that was the trajectory that we were ongoing into the FY2020 budget year of how many of those minor repair requests we were positioned to resolve over the next five years. What we set out to do and what your budget set in motion was trying to resolve 1,700 projects, which was an 83% increase over what that baseline represented. So, then those two dots, the 260 and the 526 is where we've been able to come in at the close of FY2020 and where we predict will be at the end of FY2021 to not only meet that projection but slightly exceed. One thing that's worth pointing out about this chart is you'll notice that projection along the goal line actually bends upward. It is not just steeper, but it bends upward, which really means every year we've got to figure out how to get better at what we did than the year before. So, we've shown you this graphic once before, it's just a visual icon of the way we talk about sort of opening up the project pipeline. How do we take 1,700 projects as a goal and after five years get them pushed through that project delivery pipeline? It requires

doing several things. Some it's about reform of how we move those projects through the pipeline, but it's also about resources. It's about how we handle our contracts and things like that. So, there's a tie to your annual budget of how we address resource needs in order to push that volume of work through and it's been successful.

The last slide I have is really just to kind of put this in the context of our financial planning. I won't read all the bullets that are on the left, but maybe the two that are really important are the last two of those bullets, which is really just to acknowledge that what we do in terms of financial planning, we think is the best practice. It's a 10-year financial plan where we're always modeling and updating for sort of the key assumptions that act on our capacity to take in revenue and deploy that as project investments. We do that collaboratively with the finance department, with the budget and it's reviewed by the City's financial consultant. That lets us create a plan that you see on the right. The way this chart was put together was really to go back to 2020 because again, that's when we started out on what we've called that five-year surge goal. In the middle column is what that plan had envisioned us doing to try to have revenues sustainable for the plan, trying to make it never too big in any one year, but provide the revenue necessary to support those targets. On the right is the actuals. So, you'll note that two years in a row we've not had fee increases. So as we go into the FY2022 budget and we think about what had been a 3.6% target, I feel confident in telling you that we would be able to come forward with a budget recommendation that would be under that 3.6 but ultimately left to be as part of the City Manager's overall budget recommendation, which will present to you later in the budget process. That's what I've got in terms of my slides, and I'm happy to take questions now. These slides go straight into Charlotte waterslides so we can talk stormwater or keep going at your pleasure.

Ms. Charles said Charlotte Water has the vision to continue being the leading water utility recognized for excellence and dedication to our people, community, region, and environment. What we think is significant about 2020 is that Charlotte Water did not suffer any loss of service due to the global pandemic. As a reminder, Charlotte Waters is a regional utility serving about 1.2 million folks in our region daily. So, we do think that is significant to point out.

Just some quick stats about the utility. We're pumping in FY20, and that is continued today. 108.9 million gallons of water a day, 88.8 million gallons of wastewater treated a day through 8,850 miles of pipe. So, again, when I talked about one water, we're talking about just to keep the distinction, water, wastewater and what I'd love to say is wash, brush, flush, if you think those three things you are talking about, the Water Wastewater Fund. If you look at the capital investment that was made in 2020 in our community, that was \$280.7 million invested in capital improvement projects. We continue to be one of the few utilities our size in the nation. We are in the top 20 in size in the United States, but we are one of the few that have a AAA that have maintained and continue to have a AAA Bond rating from Moody's and Standard & Poor's. As a reminder to everyone, for three cents, you can purchase a gallon of Charlotte Water.

The capital improvement program that is our plan is \$2.38 billion for the next five years. When you [inaudible] look at our plan or categorize our projects into buckets, but we also always, always have to look at projects for capacity for growth as opposed to projects for rehab and rehabilitation and replacement. We are looking at 56% of our five-year Capital Program really being dedicated to projects for capacity for growth in our region. That's on the water and wastewater side. Then we've got 23% for rehab and replacement of existing infrastructure. We know that's important. When you look at a utility that's been around since the late 1800s, we know we have piped in the ground that's been around since the 1920s. Is important that we strike that balance in our planning between capacity projects and projects to rehab and replace our existing infrastructure. Investments, we wanted to also show Council how we relate to the strategic priorities in our community. I have said that this is Mr. Jones's favorite slide out of everything that we have to present today. But we just wanted you to get a feel for investments, water and wastewater investments that are happening in the Corridors Of Opportunity. Of course, we believe and know that for all types of initiatives that happen in our region, that there is infrastructure in the ground to support those projects. Water, wastewater, stormwater projects and so as we look at initiatives like the Corridors Of Opportunity, it's very important that we are also aligning with the strategic priorities of the organization.

We have been impacted like every other utility in the nation due to COVID in terms of accounts eligible for disconnection, normally we would have about 3,000 accounts eligible for connection and we are carrying around 16,000 accounts in our community and we have been in for the past few months that are eligible for disconnection. In October of last year, we made the decision to put all folks, all customers of Charlotte Water on a one-year automatic payment plan. So, we think that implies that we will not resume the disconnection of water service until October of 2021. We believe that is the right thing to do for our community in the midst of a pandemic. Now, there are other utilities in our community that have resumed disconnections and there are many other water utilities in the state of North Carolina that have resumed disconnections. We believe that we are leaders here and that if we continue to have the good support of our community and get the support of this Council, we believe that, and that is a business practice, all utilities have this type of business practice, but we believe that October 2021 is when we would resume that practice in our community. We just believe that this where the community is. Water is related to public health and it's just the thing that we want to do for our community.

Just like the Stormwater Fund, we do have a long-term financial plan. This is the prediction of the FY2020 rate model. We do know that Manager Jones will be presenting his official recommendation in terms of a rate increase. Preliminarily, we want to stay within the range of what the plan has predicted for the Water Wastewater Fund, and of course, that will support a 501 million FY22 budget. Again, we are supporting a \$2.38 billion Capital Improvement Program. Growth has not stopped in our community. Even in the midst of the pandemic. Charlotte Water sat more meters in the calendar year 2020 than we ever have in the history of the utility. Again, we are in a community that really has demands on the water and in the wastewater system. Hopefully, that would be a

recommendation come forth from Mr. Jones according to the plan. I will end as I began talking about One Water and the vision of Water, Wastewater, and Stormwater operating this one in, there is a short video. There's about a minute and 49 seconds that will be shown and then we will entertain questions. On behalf of 1,200 water professionals in our community, we certainly thank the Council for your support.

A video was shown.

Councilmember Winston said, first of all, I want to give a shout-out to Ms. Angela Charles. I know she gets a lot of props in the business community and the municipal community, but she's bounced around, as every employee has, but in particular, over the past year from Assistant City Manager dealing with several special projects like Mr. Jones will put her o, all the special ones, and now back as our Water Director, I just want to thank you for the way you continue to serve our organization and our constituents. I wanted to ask about just from a budgetary standpoint and operational standpoint, being that these capital improvements are ongoing and so large, I know a couple of years ago we invested in workforce development in this area. I want to just kind of see kind of where our efforts are there and what our continued investment will look like? Are there any needs or is there anything more that we can do if we increase our investments in that area?

Ms. Charles said thank you, Councilmember Winston, for the recognition and you do have a great team in Charlotte Water and in the City of Charlotte. We do have an apprenticeship program and we have continued that program throughout the pandemic. I'm looking at our data. Right now we have nine apprentices who are currently with us throughout the pandemic. In FY20 we had 15 Water And Wastewater apprentices and 93% of those are presently employed. So, we do have plans to accelerate our apprenticeship program. COVID has caused us to slow it up just a tad, but certainly as the community recovers and we get what is called herd immunity, we do plan on continuing and accelerating our apprenticeship program. It's something that we believe in stronger and we believe that is our workforce of the future. What's really nice about this is that we were already dipped in our toe into stormwater. So, now that we are aligned with stormwater we do plan on expanding our program to include folks in the stormwater sector also.

Mr. Winston said thank you. If there's anything that we can do from a budgetary standpoint or a council guidance standpoint to strengthen and accelerate that work beyond our current capabilities, I hope we will agree to do that. Thank you.

Mayor Lyles said thank you. Mr. Winston, thanks for reminding us that we have been doing this workaround workforce development for years, and really appreciate that comment.

Councilmember Phipps said yes, I was I was just curious about Mr. Davis talked about the \$700,000, I guess that's a reduction in revenue as a result of the COVID pandemic. What I wanted to get a feel for is like as much as we've had a lot of people working from

home and I guess that meant that water usage was way down in our office buildings uptown. I mean not a lot of hand washing going on uptown, not another commode being flushed or whatever, but how much of a gap did we see between the loss of that kind of water usage uptown with everybody working at home? Is that is what was reflected in that \$700,00 reductions or I'm just trying to get a feel for did we measure the gap in water usage as a result of our change in work status?

Ms. Charles said the \$700,000 refers to this Stormwater Fund now in the Water Wastewater Fund we are projecting a gap of somewhere between \$7 to \$10 million. Some of that is what we call deferred revenue that we will be collecting later on. Now our consumption has remained relatively flat, and that's mainly because folks stayed in our community. So, even though the water usage may not have been in a tower in uptown Charlotte, we were still getting water usage throughout the different premises and dwellings in the community. The gap is mainly due to, Councilmember Phipps, to folks not paying. So, we have been aggressively contacting folks in our community. We developed a Customer Care Program. We're one of the few utilities and I don't know of any yet in the nation who's made a commitment to contact every customer who's eligible for disconnect. We have we are picking up the phone and we've personally contacted over 11,000 people in our community using Charlotte water folks and folks from other city departments to tell them about funds that are available in our community to help with water bill assistance. So, that's a long way around to your answer. We have consumption is flat, okay. We do see a gap due to COVID. The gap is mainly due to folks being delinquent in paying their bills. The plan is, and we're executing that plan, is to contact all 16,000 folks in our community and inform them of programs in our community to help with water bill assistance. So, we have partnerships with over 16,000 non-profits in our community to assist people with their water bills. I think a lesson from COVID, Is that we need a Charlotte Water Foundation, a utility our size, serving the number of people we serve in the region should have a non-profit established to create those partnerships out into the community. Whether we're in a pandemic mode or not, we need to have something more formalized to help folks who are struggling with their bills. So, we've got a team working on that. That's one idea that we've pitched to Mr. Jones that now is the time. That is a lesson for us and then that's something that we will continue to have no matter what the economic situation is in the community.

Mayor Lyles said I have to say, Ms. Charles, to hear that kind of thinking as we know that we're coming to a place that perhaps we will be able to begin to reopen, but it will be different and your solution is one of those things that I think would be an example of change that's very positive as a result of this pandemic.

Councilmember Driggs said I think this is one of those rare occasions where I can wholeheartedly agree with Mr. Winston. We really need to recognize the outstanding performance of Charlotte Water during COVID's uninterrupted supply of clean water, the efforts they've made to protect people, the financial capacity that enabled them to shelter people from shut-off. So, Ms. Charles to you and your team. Congratulations. I did have a question about Stormwater. In the past, we talked about Stormwater in terms of

backlogs and things like that, and there was no narrative around tiers in terms of backlogs. You have made huge progress since then, which again, I think is a great credit to the team. Mr. Davis explained how we've accelerated projects, but do we have any update on what those waiting lists look like now or what the status is of service requests that are still in the pipeline?

Ms. Davis said sure. Thank you for that question. In the Budget Committee discussion, that question was raised and we're compiling a report that'll give all of Council kind of a complete view on that. What I would just say sort of painting with a broad brush is part of what we're achieving with the reforms to the program is, we're really changing everything about the way we do business in terms of what qualifies for work in the first place. So, we're kind of attacking it on both ends. I can get into a sort of what I mean by that if you would like this detail, but on the one hand, while we are trying to make sure we're consistent and using some discipline and what qualifies for our work, as I mentioned in the presentation, we're also ramping up our capacity to be able to resolve what we have is outstanding. So, as I mentioned, we had about 1,700 projects that we think we can get done in five years, but as of course, we are resolving those, there will continue to be new needs that arise. When the end of that five years occurs our capacity to resolve new repair requests that come to us that need our attention will be greater than the volume of work that is coming in. So, what that allows us to do, what we've talked about in some other conversations is a shift to what we've called an asset management approach, we really get away from thinking about backlogs and instead begin to think about what do we know about our system? Where do we need to make proactive interventions and the maintenance of that system so that overall we're able to maintain it at a lower cost to the program? But we have to kind of be able to retire that backlog, as you say, and so that five-year plan lets us do it and we think we'll be better that certainly far ahead of a Steady-State by the end of that five-year period.

Mr. Driggs said it's great to work.

Councilmember Johnson said I would also like to congratulate Mr. Charles, she does a great job and it's great to hear that Charlotte Water is making an intentional decision to extend the moratorium on shut-offs and to work with the public even after the federal government lifted that because we know that COVID is a virus. There were people that were struggling before and there are going to be people that are struggling after. So, I hope that this pandemic has made the nation and government organizations more empathetic to individuals who were in situations where they needed housing and rental assistance and assistance with the utilities. So, I definitely would support that foundation. I wanted to ask if that's something that we are going to discuss adding to this budget conversation, Mr. Jones?

Marcus Jones, City Manager said a couple of things. Thank you, Mr. Johnson. One, I'd like to jump on the Angela Charles bandwagon also, and that she said something that's very interesting, the Corridors Of Opportunity being a favorite of mine. She should take credit for a very contentious discussion we had in the 15th-floor conference room, which

actually led to the Corridors Of Opportunity. I say that as a backdrop and thanking Angela, is that the same type of effort around our employees, whether it's in Water or Stormwater or in Solid Waste, as Rodney spoke about earlier, is a part of the entire organization. So, as we go with our jobs study and being an employer of choice or best place to work, you can rest assured that the budget that I present to you, and I guess it's May 3rd, will have components around their employees that are consistent with what you've heard today, but not just from a department aspect, but the entire enterprise.

Councilmember Bokhari said I just wanted to just recognize Mike Davis and the team. It can be easy in this unsexy work of Stormwater and things like that to just breeze by it, but the magnitude of that work cannot be overlooked. For those of you who we came in at the same time, almost four years ago, we were sitting with an insurmountable problem of a mountain in front of us. While there's still a lot of work to be done, this is a very promising direction of some tough decisions and some hard work that's needed to be done for a long time that's getting done. So, I just don't want to move past this point without just a moment of recognition.

Councilmember Eiselt said likewise. I just want to thank Mike and his team for their responsiveness and their hard work and the very often unpopular decisions they have to make and take, and he's been really responsive to requests I've had to go out and see citizens and to look at situations that are really difficult. So, thank you Mike and your team.

Mr. Davis said thank you.

Mayor Lyles said our next Budget Workshop is April 7th, and then I think after that, it becomes a part of the Manager's work to bring us a recommended budget.

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ADJOURNMENT

The meeting was adjourned at 4:12 p.m.



Stephanie Bello, Deputy City Clerk

Length of Meeting: 2 Hours, 37 Minutes
Minutes Completed: April 29, 2021