BUDGET WORK SESSION

The City Council of the City of Raleigh met in Budget Work Session on Monday, June 20, 2016, at 4:00 p.m. in the City Council Chamber of the Raleigh Municipal Building, Avery C. Upchurch Government Complex, 222 West Hargett Street, Raleigh, North Carolina, with the following present.

Mayor Nancy McFarlane, Presiding
Mayor Pro Tem Kay C. Crowder
Councilor Mary-Ann Baldwin
Councilor Corey D. Branch
Councilor David N. Cox
Councilor Bonner Gaylord
Councilor Russ Stephenson
Councilor Dickie Thompson

Mayor McFarlane called the meeting to order at 4:06 p.m.

PROPOSED FY17 BUDGET – INFORMATION RECEIVED; AMENDMENTS TO PROPOSED BUDGET APPROVED; BUDGET ADOPTED

Budget Note #12 – LED Streetlight Options for Historic Districts

The City of Raleigh began the process of converting 30,000 conventional high-pressure sodium streetlights within the City to energy-efficient LED fixtures in September 2015. In January 2016, City staff presented the case for a Certificate of Appropriateness (COA) to the Raleigh Historic Development Commission (RHDC) for the LED roadway light fixture. The COA would allow the use of the new fixture within the seven historic overlay districts of the City of Raleigh. Additional information was requested, and staff presented again to the RHDC in February 2016. The original COA application was denied. At RHDC's request, staff was asked to meet with Duke Energy Progress about different color temperature options and styles for LED streetlights. Staff met with Duke Energy Progress in April 2016 and received information on an alternative "teardrop" decorative LED streetlight. Duke Energy Progress does not offer any other color temperature options in LED fixtures for its entire service area at this time.

Budget Note #12 provided specification sheets from Duke Energy Progress on the conventional high-pressure sodium, LED, and "teardrop" decorative LED lights. Photos of the streetlight designs and light trajectory were included, as were funding options for the teardrop fixtures.

There was no discussion.

Budget Note #13 – RHDC Historic Architectural Survey Update/Historic District Designation

Budget Note #13 provided background and funding options relative to the Raleigh Historic Development Commission's (RHDC) FY17 budget request to fund an historic architectural survey update and National Register nomination preparation.

There was no discussion.

Budget Note #14 – Draft Ordinances and Related Resolutions

This budget note included the following drafts of the FY 2016-17 budget ordinances, resolutions and other materials for City Council to approve as part of the budget adoption:

1. FY2016-17 Budget Ordinance
2. FY2016-17 Internal Service Fund Ordinance
3. FY2016-17 Bond Projects Budget Ordinance
4. FY2016-17 Water and Sewer Utility Service Rates Ordinance
5. FY2016-17 Solid Waste Services Fee Ordinance
6. FY2016-17 Stormwater Utility Bill Resolution
7. FY2016-17 Mayor and City Council Compensation Ordinance
8. FY2016-17 through FY2020-2021 Capital Improvement Program Resolution
9. FY2016-17 Municipal Service Districts Budget Resolution
10. FY2016-17 Greater Raleigh Convention and Visitors Bureau Budget Resolution
11. FY2015-16 Budget Amendments Ordinance
12. 2016 and 2017 City Holiday Schedules

The agenda packet included a table summarizing the content and purpose of each ordinance and resolution.

City Council had discussed increasing the Percent for Art program from one-half percent to a full one percent (see Budget Note 8 for more information). Should Council wish to approve the increase to one percent, staff has prepared an ordinance authorizing the change.

Mayor McFarlane distributed copies of Budget Amendment 1, which included a copy of the ordinance authorizing one full percent for the Percent for Art program:

FY16 Council Contingency and Outside Agency Reserve	
Boys & Girls Club	$ 76,463
Raleigh Historic District Commission	40,000
InterAct	20,000
Southeastern Wake Adult Daycare	15,000
Public Art Master Plan	25,000
TOTAL	$176,463

2016/2017 Budget – FY Outside Agency Reserves	
Advance Health Services	$ 50,000/year x 5 years
Food Bank of Eastern NC	$ 75,000/year x 5 years
Triangle Family Services	$ 50,000
Falls of the Neuse Small Area Plan	$ 30,000

Other – See Attached Ordinance	
Percent for Art	1%
TOTAL	$205,000
GRAND TOTAL	$381,463

The Mayor explained each of the items in the amendment. Additionally, she said she has had conversations with the North Carolina Museum of Art and the Museum is interested in working cooperatively with the City to establishment an endowment for public art. The Public Art Master Plan was priced out at $75,000 and $50,000 is already contained in the proposed budget. The Mayor suggested adding the additional $25,000 with the understanding that the Public Art and Design Board will work with the Museum of Art to develop the master plan. She would also like them to discuss how the Percent for Art can best be used.

Mr. Thompson, seconded by Ms. Crowder, moved to approve Budget Amendment 1 as presented, including the ordinance increasing the Percent for Art program from one-half percent to a full one percent. A roll call vote resulted in all Council members voting in the affirmative and the Mayor ruled the motion adopted on a vote of 8-0.

Mayor McFarlane distributed copies of Budget Amendment 2, which outlined the actions necessary to amend the Hillsborough Street Municipal Service District (HSMSD) tax rate and the relative FY17 ordinance and resolution amendments. The following additional services will be provided by the HSMSD beyond the current year budget:

- Increasing marketing and promotion for the merchants as well as keeping the entire community informed about the progress of construction and road closures during Phase 2 of the Hillsborough Street improvements construction project;
- Installing safety lighting in Phase 1 and Phase 2 areas by taking advantage of the Phase 2 construction project opportunities;
- Adding additional Clean and Safe Ambassador positions;
- Investing in research, data, and programs to support the attraction of additional retail tenants and diversifying the merchant mix; and
- Helping engage the entire community to resolve conflicts and increasing the vision of Hillsborough Street as a distinct destination in Raleigh.

Ms. Baldwin moved approval of Budget Amendment 2 as presented. Her motion was seconded by Mr. Branch and a roll call vote resulted in all Council members voting in the affirmative. The Mayor ruled the motion adopted on an 8-0 vote.

Mr. Thompson then moved to approve the ordinances and resolutions in Budget Note #14 as amended, and the 2016 and 2017 City holiday schedules. His motion was seconded by Ms. Crowder and a roll call vote resulted in all Council members voting in the affirmative. The Mayor ruled the motion adopted on a vote of 8-0. See Ordinances 599, 600, 601, 602, 603, 604, 605 TF 277, and 606 and Resolutions 320, 321, 322, and 323.

TRANSIT – YOUTH FARE TRANSIT PROPOSAL – DIRECTION GIVEN

Referring to Budget Note #4 – Youth Fare Transit Proposal that was discussed during the June 4, 2016 budget work session, Ms. Crowder asked the Council to authorize the City Manager to direct staff to develop a proposal to allow youths ages 13 to 18 to ride for free on the Raleigh transit system as part of the fare policy provision associated with successful approval of the half-cent sales tax from transit in Raleigh and Wake County. The proposal should include revenue impacts, funding options, coordination with system-wide transit fare policy, and next steps for implementation. Additionally, staff would provide an update to Council no later than February 1, 2017.

Ms. Baldwin asked if Council would be mandating that this happen or if this was a request that the Council work with its partners to see if it could make this happen. Ms. Crowder replied the latter, when Council starts working on the rate structure after the referendum has taken place and hopefully passed.

Mayor McFarlane accepted Ms. Crowder's request as a motion. The motion was seconded by Mr. Stephenson.

Ms. Baldwin suggested it would be wiser to let this wait and discuss it later rather than sooner. The Mayor replied staff will be bringing back recommendations for the rate structure in January as part of working on the budget. City Manager Hall said the specific time frame has not been determined. His understanding is that the motion is directing staff consider a potential policy change as the fare structure is developed. It would have to come back to the Council for approval. Right now, there is some uncertainty about the specifics because it is prior to the referendum. He interprets the motion as giving staff guidance to look at the fare policy option as the have conversations with other agencies.

Mayor McFarlane called for the vote. Ms. Crowder's motion carried unanimously and the Mayor ruled the motion adopted on an 8-0 vote.

ADJOURNMENT

There being no further business, Mayor McFarlane announced the meeting adjourned at 4:14 p.m.

Leslie H. Eldredge
Deputy City Clerk