

## **BUDGET WORK SESSION**

The City Council of the City of Raleigh met in Budget Work Session on Monday, June 12, 2017, 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 Russ Stephenson  
Councilor Dickie Thompson

Mayor McFarlane called the meeting to order at 4:11p.m. All Council members were present except Councilor Bonner Gaylord, who was absent and excused.

### **PROPOSED FY18 BUDGET – INFORMATION RECEIVED**

#### Budget Note #7 – Raleigh Arts Implementation Funding

The following information was contained in the agenda packet:

#### **Background**

On June 5, 2017, Councilor Gaylord requested a budget note outlining options to begin implementing the Raleigh Arts Plan in FY18.

In 2016, the City of Raleigh completed the development of the Raleigh Arts Plan. Council adopted this plan in February 2016, which set a vision for arts and culture for Raleigh.

To fully implement the plan over the next ten years, Raleigh Arts estimates a total of \$17M of additional funding will be needed from the City of Raleigh as well as the support of community partners and strategic allies. Raleigh Arts has identified a list of short-term priorities, which are outlined below in Table 1. This information was presented to Council at the February 27, 2017 Budget Worksession. To carry out these programs in FY18, an additional \$230,000 of funding is required.

The Raleigh Arts Plan was shaped by extensive community engagement and outlines eight major goals to ensure everyone has access to a creative life. More than 4,000 people participated in the planning process, led by a steering committee of 34 community stakeholders. This engagement was organized into the Raleigh Arts Plan that set eight goals to implement over 10 years.

Raleigh Arts, with 11 full-time staff members and several dozen part-time staff and instructors, is charged with leading the implementation of the Plan. This is in addition to Raleigh Arts work overseeing the public art program, exhibition program, arts grants

(totaling \$1.8 million) and the Pullen and Sertoma Arts Centers. Raleigh Arts has two resident advisory groups: the Arts Commission and the Public Art and Design Board.

Currently, \$5 per capita is allocated from the General Fund for Raleigh Arts programs and grants funding. For FY18, this allocation will total \$2,255,330 in expenditures. Arts per capita is largely invested in grants to organizations, community programming, temporary public art. The Raleigh Arts Commission has submitted recommendations for Arts Partners Grants of \$1,801,058. The remaining per capita will be spent on full-time staff salaries (~\$235,000/three positions) and continuing arts programming (~\$220,000).

### **Raleigh Arts Plan Priorities for Continued Implementation**

A number of the Raleigh Arts Plan strategies are currently being implemented. To move forward with additional strategies, additional funding and staff capacity is necessary. With funding at current levels, Raleigh Arts can create a plan for public art, continue existing community public art projects, leverage art center staff during construction to run temporary art labs, develop programs at Dix Park, and offer capacity building through partnerships (BCBSNC + Learning Community for Universal Access)

While this baseline of activities keeps the community engaged and develops existing programs, additional funding is required to create high impact projects to capture the momentum created with the Raleigh Arts Plan and implement short-term priorities to address the increasing demand for public art and community engagement in the arts.

The following priorities were developed by considering the Arts Plan implementation matrix, stakeholder interests & priorities (including the Raleigh Arts Commission, PADB, Arts Plan Participants, Community Partners) and alignment with the City's Strategic Plan. This information was presented to Council at the February 27, 2017 Budget Worksession. Table 1 outlines these priorities and the cost associated with the programs, projects and work planned.

**Table 1:**

Short-term Implementation Priorities	Plan Links	Outcomes	FY18 Funding
Work with external and internal partners to create bold public art projects.	RAP: 5.5, 5.6 ACR: 2.4, 2.5	-Increase awareness of Raleigh's public art program -Raise profile of Raleigh -New communities engaged in public art	\$100,000
Launch tech laureate & neighborhood engagement residency programs.	RAP: 1.1, 1.4, 1.5, 1.6, 2.4 ACR: 2.4, 2.5	-Increase access to arts & culture -Artists use risk capital to innovate -Number of artists engaged in community work expands -New art & tech projects identified	\$35,000
Expand capacity building & provide	RAP: 7.1, 7.3 ACR: 2.4, 2.5	-Organizations grow services + programs -New organizations grow	\$40,000

professional development funding for artists. Update grant program.		-Arts audience diversifies -Artists achieve professional goals -Projects with community impact are cultivated and funded.	
Create + distribute tool kits to activate temporary, neighborhood and citizen-initiated public art.	RAP:1.4, 5.5, 5.6 ACR 2.4, 3.5	-Residents are empowered to make public art -Artists involved in public art increases -Private groups and developers include more public art in their work	\$5,000
Expand new & innovative community arts activities, events and projects.	RAP:1.4 ACR: 2.3, 2.4, 2.5	-Add arts programming in underserved areas -Test new projects in new communities -Professional opportunities for artists increase	\$30,000
Fund community, pop-up and experimental public art projects across the city.	RAP: 1.1, 1.4, 1.5, 1.6, 2.4 ACR 2.4, 2.5	Strengthen creative community by providing risk capital to experiment Build partnerships with the community, artists and the tech sector	\$20,000
<b>TOTAL</b>			<b>\$230,000</b>

### **Implementation Options**

Should City Council wish to transfer costs for the three full-time positions from the arts per capita allocation to general expenditures and maintain the current per capita amount, two options are available.

#### **Option 1**

One option is to allocate \$230,000 from the Other Outside Agency (OOA) grant reserve. Included in the FY18 proposed budget, the OOA grant reserve totals \$277,805. The City received a total of \$3,282,982 in OOA grant requests, \$2,347,600 of those being new requests. No funding is currently proposed for the new requests in the FY18 budget. Should Council choose to use either part or all of the OOA reserve to fund the arts plan implementation, less funding would be available to fund new requests in both FY18 and future years.

#### **Option 2**

To provide a phased approach over two years, Budget and Management Services staff identified a second option to shift \$115,000 from the OOA reserve this fiscal year. In Table 2, the Office of Raleigh Arts staff prioritized \$115,000 of potential activities for FY18 implementation. Staff would work through the FY19 budget process to identify the remaining funds for full implementation of the items in Table 1.

**Table 2:**

Short-term Implementation Priorities	Plan Links	Outcomes	FY18 Funding
Work with external and internal partners to create bold public art projects.	RAP: 5.5, 5.6 ACR: 2.4, 2.5	-Increase awareness of Raleigh's public art program -Raise profile of Raleigh -New communities engaged in public art	\$70,000
Expand innovative community arts activities, events and pop-up public art projects across the city. Launch new ACR 2.5 arts & tech initiative & neighborhood engagement programs.	RAP:1.1, 1.4, 1.5, 1.6, 2.4 ACR: 2.3, 2.4, 2.5	-Increase access to arts & culture -Number of artists engaged in community work expands -New art & tech projects identified -Add arts programming in underserved areas -Test new projects in new communities -Professional opportunities for artists increase	\$25,000
Expand capacity building & provide professional development funding for artists. Update grant program.	RAP: 7.1, 7.3 ACR: 2.4, 2.5	-Organizations grow services + programs -New organizations grow -Arts audience diversifies -Artists achieve professional goals -Projects with community impact are cultivated and funded.	\$15,000
Create + distribute tool kits to activate temporary, neighborhood and citizen-initiated public art.	RAP:1.4, 5.5, 5.6 ACR 2.4, 3.5	-Residents are empowered to make public art -Artists involved in public art increases -Private groups and developers include more public art in their work	\$5,000
<b>TOTAL</b>			<b>\$115,000</b>

**PROPOSED FY18 BUDGET – INFORMATION RECEIVED; AMENDMENTS TO PROPOSED BUDGET APPROVED; BUDGET ADOPTED**

Budget Note #8 – Draft Ordinances and Related Resolutions

This budget note included the following drafts of the FY 2017-18 budget ordinances, resolutions and other materials for City Council to approve as part of the budget adoption:

1. FY 2017-18 Budget Ordinance
2. FY2017-18 Capital Project Ordinance
3. FY2017-18 Water and Sewer Utility Service Rates Ordinance
4. FY2017-18 Solid Waste Services Fee Ordinance
5. Development Services Fee Ordinance
6. FY2017-18 Municipal Service Districts Budget Resolution
7. FY2017-18 Greater Raleigh Convention and Visitors Bureau Budget Resolution
8. FY2016-17 Budget Amendments Ordinance
9. Paid Parental Leave Resolution

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

Mayor McFarlane stated the Council members had gone through all the budget notes. She distributed the following suggested addendum to the budget:

**Proposal #1**

Allocate Funds From:

FY17 Council Contingency	\$40,000
<u>Outside Agency Reserve</u>	<u>\$277,805</u>
<b>Total Allocate Funds From</b>	<b>\$317,805</b>

Allocate Funds To:

Arts Commission	\$115,000
* Note an additional \$115,000 will be allocated in FY19	
Blue Ridge Road	\$12,000
Burning Coal Theatre	\$26,000
Community in Schools	\$25,000
<u>InterAct</u>	<u>\$50,000</u>
<b>Total Allocate Funds To</b>	<b>\$228,000</b>

**Remaining Balance in Outside Agency Reserve** **\$89,805**

**Proposal #2**

Additional Consideration:

<u>Catholic Charities</u>	<u>\$17,000</u>
---------------------------	-----------------

**Revised Balance in Outside Agency Reserve** **\$72,805**

Ms. Crowder asked where, and in what schools, the Community in Schools programs are located. Ms. Baldwin, who stated she sat on the Community in Schools board for 10 years, replied the agency has centers in every public housing community. They also run mentorship programs in almost every

public school. Ms. Crowder asked if the City had a list of where they are. Budget Manager Ben Canada replied staff does not have a list of what specific programs the City funding is applied to. He believes this request from Community in Schools is for general support for their overall budget. City Manager Ruffin Hall clarified the funding request is for network infrastructure equipment.

Mr. Branch said he toured the facility near Ligon GT Magnet Middle School, which just received a partnership with Bank of America for summer hires. During the tour, he looked at their computer hardware and said they are definitely due for an upgrade. This summer they will be working with 100 or more students between the Chavis Park area and Wake County.

Ms. Crowder said since taxpayer dollars are paying for this, it would be nice to know that all communities in the City are being served. Mr. Branch and Budget Manager Canada did some quick online research by accessing the Community in Schools Web site. The centers are Capital Park, Duke Energy Center at Chavis Heights, PNC Learning Center at Heritage Park, SAS Learning Center at Kentwood, Mayview Learning Center, and Walnut Terrace Learning Center. Ms. Baldwin added they also have mentors in Wake County schools. Budget Manager Canada confirmed it appears they have different programs operate at different locations throughout the City.

Ms. Baldwin moved to approve Proposals 1 and 2. Her motion was seconded by Ms. Crowder and carried unanimously. The Mayor ruled the motion adopted on a vote of 7-0 (Mr. Gaylord absent and excused). City Manager Hall confirmed with the Council that staff is to interpret from the motion that all the formal FY18 budget adoption materials in the agenda packet go along with Proposals 1 and 2. See Ordinances 714, 715, 716, 717, 718, and 719 TF 297, and Resolutions 475, 476, and 477.

### **ADJOURNMENT**

There being no further business, Mayor McFarlane announced the meeting adjourned at 4:21 p.m.

Leslie H. Eldredge  
Deputy City Clerk