

BUDGET WORK SESSION

The City Council of the City of Raleigh met in Budget Work Session on Monday, June 5, 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

These are summary minutes unless otherwise indicated.

Mayor McFarlane called the meeting to order at 4:10 p.m.

City Manager Ruffin Hall reminded the Council members that the work session is their part of the budget development process. He thanked City staff for working hard to put together the information and noted many staff members were present and available to answer questions. He suggested reviewing each of the six budget notes individually; he will make general comments and the rest is self-explanatory. He indicated the budget notes are in response to Council questions throughout the year, and are not staff recommendations; they are merely offered as options and ideas, with pros and cons, for Council consideration.

PROPOSED FY18 BUDGET – INFORMATION RECEIVED – VARIOUS RECOMMENDATIONS MADE

Budget Note #1 – Human Service Funding Level

The following information was presented:

At the November 1, 2016 Council meeting (minutes attached), Council Member Baldwin requested a budget note about increasing the human services agency grant funding. This memorandum provides background information on human services funding and discusses two options City Council could consider to increase human services funding.

Background

From 1988 through 2014, the city annually appropriated \$500,000 in human services agency grant funding. In January 2015, Council adopted a policy to increase the human services grant funding allocation annually by the same rate as arts per capita funding. Arts per capita is currently calculated using the U.S. census population data for Raleigh

multiplied times the per capita rate of \$5. The percentage change between the previous fiscal year and current year is then calculated to determine the annual change in the level of human service funding.

The new policy resulted in an increase in human services grant funding increased of two percent in both FY16 and FY17, equating to an allocation of \$510,000 and \$520,000, respectively. The calculated increase for FY18 is 2.5% which results in an allocation of \$533,200. Recommendations regarding which human services agencies to fund are presented to Council by the Human Relations Commission (HRC) each year during the budget process.

In addition to the human services grant funding recommended by the HRC, additional general fund support is provided to selected human services agencies outlined in item two below. In the current FY17 budget, human services appropriations total \$1,019,000:

1. \$520,000 in grants awarded by the Human Relations Commission (HRC), and
2. \$499,000 in General Fund support for grants awarded by City Council outside the HRC competitive process or as a supplement to HRC grants for agencies historically supported:
 - CASA (\$84,000)
 - Healing Transitions (\$95,000)
 - Interact (\$70,000)
 - Interfaith Food Shuttle (\$95,000)
 - Legal Aid of NC (\$45,000)
 - Tammy Lynn Center (\$95,000)
 - SE Wake Adult Daycare (\$15,000)

Funding Options

The tables below provide human services funding levels using the current-approved approach and two potential options for annual funding adjustments.

The first table depicts the current approved approach which, as previously stated, provides the same percentage rate increase as the arts per capita funding. The FY18 grant funding amount is calculated using the actual growth, per adopted policy, of 2.5%. A 2.1% 3-year average growth factor is used to calculate the FY19 and FY20 amounts.

Current approved human services funding

| | FY 17 ADOPT | FY18 PROPOSED | FY19 PROJECTED | FY20 PROJECTED |
|----------------------------|------------------------|----------------------------|----------------------------|----------------------------|
| Grant Funding | \$520,000 | (2.5% growth) \$533,205 | (2.1% growth) \$544,402 | (2.1% growth) \$555,834 |
| Additional Council Support | \$499,000 | \$499,000 | \$499,000 | \$499,000 |
| Total | \$1,019,000 | \$1,032,205 | \$1,043,402 | \$1,054,834 |

Option 1 – Current approved applied to full human services allocation

Option 1 applies the current approved policy to the full human services allocation. In FY17 the full allocation was \$1,019,000 (which includes HRC grant allocations and General Fund support). The FY18 growth factor of 2.5% is applied to the FY17 total. The FY19 and FY20 calculations use the 2.1% average growth factor.

| | FY 17 ADOPT | FY18 PROPOSED | FY19 PROJECTED | FY20 PROJECTED |
|---------------------------------|------------------------|------------------------------|------------------------------|------------------------------|
| Total Human Services Allocation | 1,019,000 | (2.5% growth) \$1,044,475 | (2.1% growth) \$1,066,409 | (2.1% growth) \$1,088,803 |

Option 2 – Per capita allocation

Option 2 applies a per capita method in annually adjusting the full human services allocation. A per capita rate of \$2.30 provides the current FY17 adopted amount of \$1,019,000. FY18 is projected using the same population figure from the U.S. Census website as is used in the arts per capita calculation. An annual population growth of 10,000 is projected for both FY19 and FY20.

| | FY 17 ADOPT | FY18 PROPOSED | FY19 PROJECTED | FY20 PROJECTED |
|------------|------------------------|------------------------------|------------------------------|------------------------------|
| Per Capita | 1,019,000 | (2.5% growth) \$1,127,665 | (2.1% growth) \$1,152,665 | (2.1% growth) \$1,177,665 |

Budget Impact by Fiscal Year

The final table outlines the budget impact of each option by fiscal year as compared to the current approved approach. Please note any additional funding provided for human services grants impacts the General Fund.

| | FY18 | FY19 | FY20 |
|----------|-------------|-------------|-------------|
| Option 1 | \$12,270 | \$23,007 | \$33,696 |
| Option 2 | \$95,460 | \$109,253 | \$122,831 |

One of the remaining questions regarding the human services funding is:

- Should the HRC continue to provide grant award recommendations on a portion of the total human services allocation or should they provide recommendations on the entire amount?
- If the HRC continues to provide recommendations on a portion of the total, does their portion include any increases in human services funding level?

Ms. Baldwin indicated there was a proposal to hire an Executive Director to oversee the Human Relations Commission and other commissions and suggested that no decision be made on the position until funding is in place.

Budget Note #2 – Funding Gap for John Chavis Memorial Park

The following information was presented:

Background

In January 2012, the City of Raleigh Parks, Recreation and Cultural Resources (PRCR) Department initiated a Community Conversation and planning process to develop a revised Master Plan for John Chavis Memorial Park (JCMP). In May 2014, the revised Master Plan was adopted by City Council. The 2014 revised master plan is a result of a collaborative community effort to reach consensus on shared interests, identify options for additional amenities and improvements to the park and develop a mutual understanding and respect of the history and the future of the park.

In November 2016, Council Member Branch requested a budget note outlining the costs associated with completing the John Chavis Memorial Park master plan.

Revised Master Plan Budget Summary

The 2014 revised Master Plan identified probable budget cost necessary to implement all master plan elements. The total construction would range from approximately \$22 million to \$40 million based on which elements were included in the final design. The attached excerpt from the revised Master Plan shows the estimated cost breakdown. With associated design and planning costs, including professional services, the total project cost for master implementation would increase to approximately \$30 million to \$50 million. The cost estimate is based on master planning concepts only, and would be difficult to refine. The final cost of implementation will be dependent upon detailed scope, design and project process costs, and construction market climate.

The master planning process was guided by a 16-member Public Leadership Group (PLG) approved by City Council. The PLG members were selected to include a diverse representation of interests and stakeholder groups reflecting the diversity of residents and users from the surrounding neighborhoods as well as regional historic focus.

Over the 28-month planning process, there were 15 PLG meetings including 11 formal meetings, one park tour and three optional working group meetings. In addition, 10 general public meetings were advertised and held to gather community input. Other public engagement opportunities included 9 reports to Central Citizen Advisory Council, frequent updates on project website, coverage and interviews with Shaw University UpFront radio and Raleigh Television Network, as well as hard-copy signage, handouts and mailings.

The planning process with extensive public participation concluded in May 2014 with the Council adoption of the master plan, which provided recommendation for improvement prioritization:

1. New Facilities (Community Center, Aquatics Center, Original Carousel Building)
2. Sports Facilities (track, field, courts)
3. Play, Creek and Open Space (play corridors, creek management)
4. Event Space (Heritage Plaza, Central Plaza)
5. Improved Circulation and Access (trails, bridge, wheeled train, new vehicular entrance)

Phase One Implementation

The 2014 Parks Bond Referendum included \$12.5 million for John Chavis Memorial Park redevelopment. The Strategic Implementation Study for Phase One was then initiated to prioritize master plan recommendations in detail. The PLG members and citizens were reengaged. Throughout the 15-month study phase, there were 2 PLG meetings, 4 advertised public meetings and 4 reports at Central Citizen Advisory Council. In addition to public engagement, the professional team researched a number of other parks across the country that share key similarities with John Chavis Memorial Park - urban parks, destination parks, historic community parks, parks that help to tell the African-American story, and parks that have undergone phased transformations.

The Strategic Implementation Study for Phase One was completed in June 2016 and identified the following priorities to meet the available budget:

- New Community Center Building
- New Central Plaza
- New Playground
- Renovation of the original Carousel to address structural issues and include water and electricity
- Restroom Addition off the original carousel building with external access

The 2014 Parks Bond included \$12.5 million for JCMP phase I implementation for both design services and construction. In addition, \$400,000 has been approved and \$1 million is programmed in the Proposed Capital Pan for a total of \$13.9 million to support phase 1 implementation.

Future Phase Planning and Budget Consideration

After Phase One implementation is complete, the funds needed for the remaining redevelopment will range from \$16 million to \$36 million based on initial estimates available in 2012. The following elements (in priority order) may be incorporated in future phase planning:

1. New Facilities (Community Center, Aquatics Center, Original Carousel Building)
2. Sports Facilities (track, field, courts)
3. Play, Creek and Open Space (play corridors, creek management)
4. Event Space (Heritage Plaza, Central Plaza)

5. Improved Circulation and Access (trails, bridge, wheeled train, new vehicular entrance)

If and when additional revenue source becomes available, a public process for Phase Two implementation will be engaged to prioritize improvement elements. Based on master plan recommendation, the new aquatic center followed by sports facilities ranks the top priority for Phase Two.

Development scenarios for the next phase may include:

Option 1

Budget: \$21 million

Scope: New aquatic center development

Option 2

Budget: \$25 million

Scope: New aquatic center development and sports facility improvements

Option 3

Budget: \$36 million

Scope: New aquatic center development, sports facility improvements, and remaining improvements after Phase One implementation

Cost inflation must be considered when determining the total cost of the project. Particular scoping elements, extent of public engagement, timing of construction and local construction market factors would determine the total project cost.

Council Consideration

Should Council Members wish to fund one of the options listed above, the size and scope of this project would require additional revenue sources. These sources could include future bond issuances, major reprioritization of existing projects, or additional debt financing options.

Mr. Branch questioned whether the dollar amounts outlined in the 3 options were based on 2014 numbers with Parks Planner Shawsheen Baker responding the dollar amounts outlined in the 2014 Master Plan and are only for construction. She stated the dollar amounts outlined in the 3 options reflect the projected total project cost including construction, IT, permits, etc.

Mr. Thompson indicated it was his understanding funding for Chavis Park would come from the Parks Bond with Ms. Baker responding \$12 million for Chavis Park would come from the current parks Bond.

Discussion took place regarding how funds would be allocated with Mr. Thompson pointing out there are other parks in the City needing additional funds for facilities, infrastructure, etc. and Mayor McFarlane responding the Council could look at that issue in the next Parks Bond.

Mr. Branch stated he wanted to understand the meaning for the proposed dollar amounts outlined in each option and indicated he understood those amounts may change with the next Parks Bond.

Budget Note #3 – Small Business Grant

The following information was presented:

Background

At the May 2, 2017 Council Meeting, Council Member Gaylord requested a budget note in regards to the Small Business Grant and options for funding the program in FY2018. The Small Business Grant would provide funding to companies based upon the creation of new jobs or retention of jobs within the City of Raleigh.

The Small Business Grant would continue the creation of tools within the Economic Development Toolkit and directly aligns with Toolkit's goals to:

- Promote Economic Development in all of Raleigh
- Support small and large business growth and development
- Diversify our economy (international, small business, minority and women-owned)
- Offer different tools for different applications
- Promote a business-friendly environment
- Encourage economic prosperity and equity

According to the U.S. Small Business Administration (SBA), small businesses with less than 500 employees constitute 99.9% of all businesses in the United States. Within Wake County, small businesses represent approximately 94% of all businesses.

Proposed Budget

In previous discussions within the Economic Development and Innovation Committee, the Small Business Grant was recommended at approximately \$100,000 for FY2018. If City Council chooses to fund this grant in FY2018, Budget and Management Services (BMS) and the Office of Economic Development and Innovation (ED&I) propose Council consider the following funding sources:

- Option One: Fund the entire proposed Small Business Grant amount of \$100,000 through the Innovation Fund.

Within the FY2018 Proposed Budget, there is currently \$100,000 programmed for the Innovation Fund budgeted within the General Public Improvement (GPI) Capital Element. The Innovation Fund will also have an unused balance of approximately \$70,000 to roll over from FY2017. This estimated balance is

based on previous discussions between staff and Council to reserve approximately \$200,000 of the Fund's available amount in FY2017 for future projects. The Innovation Fund was designed to support the City's entrepreneurial start-up program by assisting entrepreneurs in multiple ways, to include: public/private matching grants, beta testing and prototyping programs, start-up challenge programs, crowd funding or kick-start matching funds, and entrepreneur exchange with other cities.

This option allows City Council to use some of the Innovation Fund dollars for a related purpose in FY2018, and to keep the fund's appropriation from FY2017 for other known and unknown needs in FY2018 and beyond. If Council approves this proposed funding mechanism, the Innovation Fund will have a remaining \$70,000 available in FY2018, assuming no additional Economic Development projects are funded in FY2017, to be used for other similar purposes that remain in-line with the Innovation Fund's goals.

- Option Two: Fund \$45,000 of the Small Business Grant through the Innovation Fund and fund the additional \$55,000 by allocating one-time General Fund Capital Reserves.

As stated prior, the FY2018 Proposed Budget contains \$100,000 for the Innovation Fund. Unless City Council chooses to fund additional Economic Development projects within FY2017, the Innovation Fund will also have \$70,000 of unused balance within the fund that will be available in FY2018.

This option allows City Council to use some of the Innovation Fund dollars for a related purpose in FY2018, and to keep additional funding for other known and unknown needs in FY2018 and beyond. If City Council approves this proposed funding option, one-time resources of \$100,000 will be available for the Small Business Grant in FY2018 and \$125,000 will be available in the Innovation Fund, assuming no additional projects are funded in FY2017, for purposes related to the Innovation Fund's goals described above. If City Council wishes to fund the Small Business Grant on an ongoing basis, additional funds will need to be identified during the FY2019 budget process.

- Option Three: Fund the entire proposed Small Business Grant amount of \$100,000 through an allocation of General Fund Capital Reserves.

Option Three allows City Council to maintain the entire amount allocated to the Innovation Fund for FY2018 and the appropriated fund balance from FY2017 for other purposes outside of the Small Business Grant, and to fund the Small Business Grant in the amount of \$100,000 for FY2018. Unless City Council chooses to fund additional Economic Development projects in FY2017, the Innovation Fund will then have \$170,000 available to be used for other purposes related to the Fund's goals in the next fiscal year. If City Council wishes to fund

the Small Business Grant on an ongoing basis, additional funds will need to be identified during the FY2019 budget process.

Mayor McFarlane expressed her support for Option 1 and talked about developing a more clear definition for innovations guidelines with City Manager Hall indicating staff could develop more specific guidelines and noted the current guidelines were adopted 3 budget cycles ago and are pretty broad in scope. Discussion followed regarding what direction to give to staff regarding allocating innovation grant funds with Mayor McFarlane talking about how the fund allocations were outlined in Option 1.

Following further discussion, Ms. Baldwin moved to recommend Option 1. Her motion was seconded by Mr. Branch and put to a vote that resulted in all Council Members voting in the affirmative. Mayor McFarlane ruled the motion adopted on an 8-0 vote.

Budget Note #4 – Early Voting for Municipal Elections

The following information was presented:

Background

At the May 2, 2017 Council meeting, Council Member Stephenson requested information on the cost of early voting for the 2017 municipal elections. The Wake County Board of Elections is responsible for conducting all elections held in Wake County. Generally, City Council approves voting dates, times and locations in December or January preceding an election cycle. The Wake County Board of Elections office located at 337 South Salisbury Street always serves as an early voting site, while additional early voting locations are funded at the discretion of municipalities.

Dates for Municipal Elections

The City of Raleigh is scheduled to hold its municipal election on October 10, 2017 with a runoff, if needed, conducted on November 7, 2017. Legislation currently pending in the North Carolina General Assembly (H.B. 843) would move the elections to September 12, 2017 with a runoff, if needed on November 7, 2017.

Per state law, early voting may begin no earlier than the third Thursday before the date of the election and may end no later than 1:00 P.M. on the Saturday directly before the election. The table below shows the dates that early voting would be allowed given the three possible election dates.

| Election Date | Early Voting Days Allowed per NC Law |
|----------------------|--|
| September 12, 2017 | August 24, 2017 – September 9, 2017 at 1:00 p.m. (excluding Labor Day, September 4, 2017) |
| October 10, 2017 | September 21, 2017 – October 7, 2017 at 1:00 p.m. |
| November 7, 2017 | October 19, 2017 – November 4, 2017 at 1:00 p.m. |

Options and Cost for Early Voting

Council's first decision point is to determine service levels for the initial election. The cost associated with adding an additional early voting location depends on several factors: number of days offered, hours open, staffing and location. Staff worked with Wake County Board of Elections to determine an array of options, which are outlined below. Each option assumes that the city will request one location per Council district and will use a City of Raleigh facility. These costs do not include any facility costs, which would be incurred if a non-city owned facility was used as an early voting location. For each set of options below, the corresponding dates for each possible election are listed. Each set of options has two subsets; subset 1 represents shorter hours of operation while subset 2 represents longer hours of operation.

Option A

5.5 Days of Early Voting

September 5-9 (4.5 days due to Labor Day)

October 2-7

October 30-November 4 (for runoff, if needed)

| A-1 \$64,900 | A-2 \$76,700 |
|------------------------------------|-----------------------------------|
| Monday-Friday 11:00 A.M.-7:00 P.M. | Monday-Friday 8:30 A.M.-7:00 P.M. |
| Saturday 8:30 A.M.-1:00 P.M. | Saturday 8:30 A.M.-1:00 P.M. |

Option B

3.5 Days of Early Voting

September 6-9

October 4-7

November 1-4 (for runoff, if needed)

| B-1 47,600 | B-2 \$53,300 |
|---------------------------------------|--------------------------------------|
| Wednesday-Friday 11:00 A.M.-7:00 P.M. | Wednesday-Friday 8:30 A.M.-7:00 P.M. |
| Saturday 8:30 A.M.-1:00 P.M. | Saturday 8:30 A.M.-1:00 P.M. |

Option C

2.5 Days of Early Voting

September 7-9

October 5-7

November 2-4 (for runoff, if needed)

| C-1 41,800 | C-2 \$44,900 |
|--------------------------------------|-------------------------------------|
| Thursday-Friday 11:00 A.M.-7:00 P.M. | Thursday-Friday 8:30 A.M.-7:00 P.M. |
| Saturday 8:30 A.M.-1:00 P.M. | Saturday 8:30 A.M.-1:00 P.M. |

The Town of Cary offers one early voting location for its municipal elections. The single location is open Wednesday-Saturday (3.5 days) the week directly before the election

date. The hours of operation are Wednesday-Friday 11:00 A.M. – 7:00 P.M. and Saturday 10:00 A.M.-1:00 P.M.

Staff suggests that Council mirror the offerings of the Town of Cary; opening five sites in each council district for 3.5 days, which is illustrated in Option B-1. The one difference that staff suggests is longer hours on Saturday to accommodate citizens that cannot vote during the work week. The total costs for this suggested option is \$47,600.

Council's second decision point is to determine if staff should budget for early voting in the case of a runoff in the Mayor or at large race. In this case, staff would suggest opening early voting locations in all five council districts for 3.5 days or what is illustrated in Option B-1. The total costs for this runoff option plus the initial election early voting would total \$95,200.

It would be appropriate for Council to direct staff on which level of service desired for both the initial election and a potential runoff election.

Locations Used in Raleigh Early Elections

Staff from Parks, Recreation and Cultural Resources (PRCR) have identified five potential sites, one in each Council district, which could be utilized as early voting locations. These sites have previously been used as polling locations and have the necessary infrastructure to serve in that capacity, which is required by Wake County Board of Elections. This infrastructure includes dedicated data lines in polling rooms and appropriate ADA accommodations.

Final site selection will be dependent on community center programming needs and the dates of the election. Staff expects to provide these final selection recommendations to the Wake County Board of Elections in July. Final site selection rests with the Wake County Board of Elections. A list of the possible sites, per Council district, is attached to this memo.

Funding

If Council wishes to proceed with early voting for the 2017 municipal elections, including potential runoffs, there are two options for funding this request.

- Council could direct staff to appropriate remaining budget from FY 17 Council contingency (\$58,100) to fund early voting locations. The remaining costs (\$37,100) would come from general fund capital reserve, or
- Council could direct staff to fund the full costs (\$95,200) for early voting from general fund capital reserve.

Mrs. Crowder questioned why there were no additional early voting places in District D with City Manger Hall responding the proposal involves 5 potential early voting sites that includes District D.

Budget Analyst Nick Sadler indicated staff is working with the Parks and Recreation Department on potential sites and, once chosen, will send their recommendations to the Wake County Board of Elections for approval.

Mayor McFarlane stated she is not sure when the election will be held as the State Legislature has yet to make a decision. She stated if the election were to be held in September then Labor Day would come into play.

Discussion took place regarding potential early voting dates with Mr. Thompson expressing his preference for Option C and Mr. Branch indicating Option B-1 would be a better option as it coincides with the Town of Cary and pointed out Cary and Raleigh are the only local municipalities with their own election date.

Discussion took place regarding whether the State Legislature's decision would also affect the Town of Cary with City Attorney Thomas McCormick confirming the State Legislature's action would also affect the Town of Cary.

Discussion took place regarding the merits of each option as well as how the early voting would be funded; after which, Mrs. Crowder moved to recommend Option B-1. Her motion was seconded by Mr. Gaylord and put to a vote that resulted in all Council Members voting in the affirmative. Mayor McFarlane ruled the motion adopted on an 8-0 vote.

Budget Note #5 – Youth Fare Transit Proposal

The following information was presented:

Background

At the May 16 Council Meeting, Council Member Crowder requested a budget note regarding the impacts and opportunities associated with expanding free youth fares on all GoRaleigh transit services to include those between the ages of 13 and 18.

GoRaleigh currently provides free fares for children 12 years and younger, as well as a reduced fare for youth between 13 and 18 years of age. A one-way youth fare is \$.60 per trip, half the base fare. Weekly and monthly reduced fare options are also available. Approximately 20% of 93,500 annual reduced fares are attributed to youth fares between 13 and 18 years of age. Proof of age is verified on GoRaleigh buses by showing a valid school ID. Students without a school ID may receive a regionally accepted GoRaleigh ID to show eligibility for the reduced fare.

During last year's budget process, Council members suggested that GoRaleigh work collaboratively with the Wake County School System to promote youth ridership and

foster greater transit use. In response to this request, staff has attended several meetings with representatives from the Wake County Board of Education and school transportation officials to share future plans and to develop strategies for increased coordination. The importance of future opportunities and coordination were discussed in light of increased transit coverage and frequencies related to the Wake Transit Plan. Access to schools during traditional school hours and after school program activities were also discussed as priority concerns. In addition, GoRaleigh has engaged charter schools located within existing Travel Demand Management hot spot areas. Travel training, GoRaleigh ID's, and transit 101 courses have been provided to meet individual schools program needs. This work will continue into FY2018.

Next Steps

The loss in revenue from converting the 13 to 18-year-old reduced fare option to a free fare is projected to be \$150,000. If City Council chooses to provide free fare and absorb the \$150,000 loss in revenue, an additional \$150,000 would need to be identified to offset this loss. Budget and Management Services (BMS) and the Transportation Department propose Council consider the following funding sources:

- Option One: Fund the entire \$150,000 amount through an ongoing General Fund contribution.

Choosing this funding option would hold the current expenditures within the transit fund harmless and increase the General Fund transfer into the fund by \$150,000. Identified funding for this program would need to be ongoing and will likely increase over the years as ridership increases, particularly with the implementation of the Wake County Transit Plan. Hours of service may double and possibly triple over the next decade with the implementation of this plan. If youth fares remain constant or increase, as new and expanded service levels are introduced, fares from 13 to 18-year-olds may reach \$450,000 by 2026.

This option would therefore require City Council to identify an ongoing \$150,000 amount in expenditures to decrease within the current Proposed FY2018 budget. Council would also need to consider the aforementioned increase in future years as a part of future budget processes.

- Option Two: Fund the entire \$150,000 through the current amount allocated to the transit fund within the FY2018 Proposed Budget.

Choosing this option would require a decrease in expenditures of \$150,000. If Council chooses this option, this decrease would most likely affect existing transit service. At a current average service hour cost of \$82.50 per hour a service reduction of 1,818 bus route hours would be necessary to offset lost revenues. In comparison, the Route 102 Express Route from Downtown Raleigh to White Oak Shopping Center in Garner provides weekday AM and PM peak services and logs

approximately 1,900 hours annually. GoRaleigh service hours for FY2018 will include 257,200 hours on regular routes, 17,800 on contracted routes and 15,350 hours for the upcoming Wake Transit Plan. If this option was implemented, staff would work with the Raleigh Transit Authority to identify the least impactful service level changes.

- Option Three: Ask the Transit Planning Advisory Committee (TPAC) to cover a potential fare reduction in FY2018 through the Wake Transit Plan.

During the FY2017 budget process, Council requested that staff consider this option. The non-supplantation work group, a group created by the TPAC, continues to work on a strategy for meeting legislative requirements for supplantation while allowing for future interpretation of the legislation. If Council wishes to pursue the Wake Transit Plan as a potential future funding source, this request may be more appropriate in FY2019, once these variables have been defined.

Mrs. Crowder requested clarification regarding Option 3 with Transit Planner David Walker responding Option 3 involves the City asking TPAC to fund the project from the beginning; however, the non-supplantation clause would be in effect.

Ms. Baldwin questioned whether staff approached the Wake County Board of Education regarding forming a partnership as the proposed would benefit its students with Mr. Walker responding staff did approach the Board of Education; however, the Board of Education stated they had no funds available.

Mrs. Crowder expressed her opinion the funds would be a small investment to help students without transportation to participate in afterschool activities, sports, etc., and expressed her support for Option 1.

Mayor McFarlane pointed out even though the funds were through TPAC the money would still come from the City of Raleigh.

Ms. Baldwin suggested the Mayor communicate with the Board of Education Chair to set up a partnership with Mr. Gaylord noting the Board of Education may have better insight to manage the program.

Discussion took place regarding whether to move forward with the program or hold it until a partnership is established with the Wake County Board of Education with Mrs. Crowder indicating she favors ear-marking the funds now and then talk with the Board of Education and Mr. Thompson expressing his concern the Board may turn down the offer since the funds would already have been allocated.

Discussion took place regarding potential funding sources as well as the merits of each option; after which, Mr. Thompson moved to recommend Option 3. His motion was seconded by Ms.

Baldwin and put to a vote that resulted in all Council Members voting in the affirmative. Mayor McFarlane ruled the motion adopted on an 8-0 vote.

Budget Note #6 – Mayor’s Committee for Persons with Disabilities Request for Funding Increase

The following information was provided:

At the May 16, 2017 City Council meeting, Mayor McFarlane referred a request for an increase of \$3,000 for the Mayor’s Committee for Persons with Disabilities (RMCPD) to the June 5 budget work session.

RMCPD is requesting the increase due to cost increases in interpreter services incurred over the past three years. During the May 16, 2017 Council meeting, RMCPD Chair James Benton noted the Committee has also recently been informed they will no longer have access to a local college to host their “Employer Resource Day” event at no cost. Additional background information regarding the request and minutes from the May 16, 2017 Council meeting can be found in the attachments.

The RMCPD has been funded annually at \$9,000 since FY04. From FY97 through FY03, the committee received \$7,000 annually. Options for funding the requested increase in FY18 include the following:

- Use a portion of the remaining FY17 or the proposed FY18 Council contingency.
- Use a portion of the proposed FY18 Other Outside Agency grant reserve.

At present, boards and commissions have the opportunity to request funding increases through the annual budget process. Following the completion of their annual work plan in May, RMCPD made the decision to request a funding increase directly to Council.

Mr. Thompson moved to grant the funding increase with the funds to come out of the Council contingency account. His motion was seconded by Ms. Baldwin and put to a vote that resulted in all members voting in the affirmative. Mayor McFarlane ruled the motion adopted on an 8-0 vote.

June 5th Budget Work Session – Questions and Answers

City Manager Hall indicated Council Members received a report containing staff responses to Council Members’ questions regarding compensation study recommendations, Solid Waste Fee and Public Utilities fee comparisons, primary art funding sources, and ARC of the Triangle’s request for a Human Relations Commission Agency Grant.

Mr. Gaylord talked about addition Arts Commission staff positions being funded from the general fund and requested information on how that may affect other outside agency requests

with Mr. Stephenson indicating he would second that request indicating additional staff would be regarded as any other City employee staff addition.

Mrs. Crowder noted the Council approved a plan the Arts Commission could not implement as it was not funded and questioned whether funds for the additional staff should be moved from the Arts plan to the General Fund with Mr. Gaylord indicating that is correct.

Discussion took place regarding current arts program funding as well as how operating funds are provided to the Arts Commission for staff positions with Ms. Baldwin suggesting the Council move forward in a phased approach to funding.

ADJOURNMENT

There being no further business, Mayor McFarlane announced the meeting adjourned at 4:38 p.m.

Ralph L. Puccini
Assistant Deputy Clerk