

**DURHAM, NORTH CAROLINA
FRIDAY, FEBRUARY 18, 2022
9:00 A.M.
DRAFT MINUTES**

The Durham City Council met for a City Council Budget Retreat virtually via Zoom with the following members present: Mayor Elaine O'Neal, Mayor Pro Tempore Mark-Anthony Middleton and Council Members Javiera Caballero, DeDreana Freeman, Jillian Johnson, Charlie Reece and Leonardo Williams. Absent: None.

Also Present: City Manager Wanda Page, Budget and Management Services Director John Allore, Budget and Management Services Assistant Director Christina Riordan, and Deputy City Clerk Ashley Wyatt.

Budget and Management Director John Allore provided introductory remarks, outlined the flow of the meeting, and noted that all agenda materials were to be translated to Spanish.

Mayor Elaine O'Neal called the meeting to order and welcomed everyone in attendance.

[OPENING REMARKS]

City Manager Page offered opening remarks and welcomed all to the Budget Retreat.

SUBJECT: FINANCIAL PROJECTIONS/ BUDGET OUTLOOK

Director Allore, Director of Budget and Management Services, provided a presentation to Council that addressed the following:

A recap of the previous fiscal year and the expenses of the total \$530 Million budget; robust development that created more revenue; value of inspection permits; tax rates, different funds within the budget that pertained to different departments; general revenue; tax rates, deficits, adoption of budget guidelines, multiyear projections and described the sentiment of his department as cautiously optimistic as far as the upcoming budget.

Council Member Johnson asked what the projected gap was in the previous budget cycle.

Director Allore stated that it was \$6 million.

Council Member Johnson asked if the departmental requests had been vetted.

Director Allore stated that the requests were currently everything that they wanted, but was not final.

Council Member Caballero asked about staff increases and salary.

Director Allore stated that Human Resources was going to be presented at an upcoming budget retreat.

City Manager Page also noted that the pay for performance for salary increases were currently included.

Mayor Pro Tempore Middleton asked how many departmental requests were received last year in comparison to the current amount of requests.

Mayor Pro Tempore Middleton asked why the housing rate increased.

Director Allore stated that the difference accounted for debt associated with the \$95 Million housing bond.

Council Member Williams asked what the City was doing to generate more revenue.

City Manager Page stated that there were ongoing conversations regarding that topic.

SUBJECT: CAPITAL IMPROVEMENT PLAN AND DEBT

John Allore, Director of Budget and Management Services, and Mindy Taylor, Treasury Manager, provided a presentation to Council that addressed the following:

Various General Fund projects; total project costs; debt services models; cash flow; maximizing projects that the city was able to fund; capital funding capacity; the fleet replacement fund; and equitable green infrastructure.

Council Member Freeman thanked staff for continuing to incorporate racial equity into smaller projects; asked how community engagement was taking place; and asked for more planning to take place regarding collaboration with other departments.

City Manager Page acknowledged that staff was taking notes on Council feedback.

Mayor Pro Tempore Middleton expressed concerns around paying debt out of the Dedicated Housing Fund in perpetuity.

City Manager Page clarified that while the increase in the Housing Fund was provided as a total percentage, 2% of that Fund was still only for housing and only the other 1.38% was allocated to pay for debt on the \$95 Million housing fund.

Mayor Pro Tempore Middleton thanked the Finance and Budget staff for their hard work and noted that it was being recognized across the state.

SUBJECT: RACIAL EQUITY UPDATE

Sharon Williams, Director of the Equity and Inclusion Department, introduced her Department staff and provided a presentation to Council and spoke to the following:

Race; opportunities; the other factors of predicting outcomes; the difference between; equity and equality; accessibility; systemic barriers; leveling the playing field for people of color; racial equity institute training; 2300 staff had been trained on racial equity; racial equity survey from staff; 21 Day Challenge with United Way.

City Manager Page recognized Sharon Williams on her promotion as Director to the Senior Executive Team.

Council Members Johnson and Freeman echoed the comments made by City Manager Page and thanked the Department for their hard work on all of the programs they have been putting together.

Council Member Freeman also called for more focus around black males.

Council Member Caballero thanked Director Williams for her work and thanked Council Member Johnson for spearheading the Race Equity work in 2017.

SUBJECT: EQUITY IN THE BUDGETING PROCESS

Christina Tookes, CIP Manager, and Mary Grace Stoneking, Budget Intern, spoke to the CIP process and highlighted the following:

Where the City of Durham was placing infrastructure; equitable projects; scoring factors and methods in determining what projects would be operational and funded; utilizing the City of Oakland as a model for setting priorities as they pertained to equity; budget equity past and present; and updated recommendations would be before council by March.

Council Member Johnson asked how each project area was being rated.

Ms. Tookes stated that that there were 10 factors that went into the evaluation prior to the ratings.

Mayor Pro Tempore Middleton asked how the City was preparing the public for equity to be operationalized externally.

City Manager Page responded that the City was starting that work in conjunction with the Equity and Inclusion Department.

Director Williams responded that normalizing conversations with external stakeholders to train them on how to identify equitable standards as they pertained to the City of Durham was going to be critical.

[CLOSING REMARKS]

Council Member Reece thanked staff for their presentations and ongoing work.

Council Member Johnson stated that she saw positive changes and was eager to move forward.

Mayor O'Neal stated that the Budget Retreats had been pleasant, informative and looked forward to future presentations and thanked staff for guiding her on the process.

City Manager Page provided closing remarks; spoke to various vacancies in the organization; highlighted the customer service in the City; and thanked staff and Council for their time and work.

[ADJOURNMENT- 1:10 PM]

Ashley Wyatt, CMC
Deputy City Clerk