

**DURHAM, NORTH CAROLINA
FRIDAY, MARCH 4, 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 DeDreana Freeman, Jillian Johnson, Charlie Reece and Leonardo Williams. Absent: Council Member Javiera Caballero.

Also Present: City Manager Wanda Page, Budget and Management Services Director John Allore, Budget and Management Services Assistant Director Christina Riordan, City Attorney Kim Rehberg and City Clerk Diana Schreiber.

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

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

[OPENING REMARKS]

City Manager Page offered opening remarks and welcomed Mayor O’Neal and Council Members to the fourth Budget Retreat.

SUBJECT: COMPETITIVE INFRASTRUCTURE FUNDING

Presenters: Deputy City Manager Bertha Johnson introduced Business Services Analyst Trinae Schneider who handled the presentation titled *Building a Better Durham dated March 3, 2022*.

The presentation contained the following:
Bipartisan Infrastructure Law Funding objectives; spoke to the 25 competitive infrastructure funding opportunities for local governments; funding categories: transportation, climate/energy/environment, broadband/cyber/and other programs; identified the city qualified for 16 of the 25 opportunities and noted a dashboard would be implemented for outreach and updates; explained the process of getting ready for applying for and receiving federal infrastructure funds; and addressed challenges and next steps.

Council Member Williams arrived at 9:24 a.m.

Council Member Freeman inquired about how to maximize opportunities with the infrastructure grant program; requested a list of partners (former RFP recipients) and urged the creating of a core group of (former) city grant writers and connect them with students in the NCCU's Public Administration Program, in addition, urged the inclusion of formerly justice involved persons; and asked how to get community health workers involved from the arena of public health engagement and connect them to the inventory mapping of lead pipes; and urged keeping community engagement going.

Council Member Johnson spoke to the federal grant opportunity that was an unprecedented opportunity for Durham to compete for funding and appreciated seeing which opportunities were being pursued; encouraged staff to bring in expertise in applying for time-consuming federal grant processing in the form of subject matter experts in order to obtain the resources for Durham and encouraged staff to use whatever resources necessary to fund the grant writing process.

City Manager Page complimented staff for work related to competitive grant processing; had spoken with Duke University and NC Central University to seek out expertise in collaboration with the City; and suggested utilizing retirees, students and consultants in this effort.

Mayor Pro Tempore Middleton complimented the work of staff; inquired if there would be concrete asks for the FY22-23 budget.

Deputy City Manager Johnson did not anticipate additional funding being required in the FY22-23 Budget.

Mayor O'Neal confirmed there were lots of federal resources available, appreciated the work of city employees with special mention to employees in the City Manager's Office; and spoke to her upcoming attendance at the Mayors' Conference in Reno in April 2022 where the topic of infrastructure would be discussed.

Next Steps: Develop dashboard; assess staff and community capacity and expertise in accordance to the timeline; and track application deadlines on the dashboard.

SUBJECT: TRANSIT FUND OVERVIEW AND DISCUSSION

Presenter: Director of Transportation Sean Egan who made a presentation titled, *Transportation Transit Fund Update, dated February 23, 2022.*

The presentation contained the following:

COVID-19 impacts (operating at 80% of system); detailed federal relief received that was indirectly increasing fund balance; consider extending Fare Free beyond FY22 (minimizes attacks on drivers), investments (competitive wages/benefits; service quality;

deferred maintenance; fleet and facility renewal), one-time federal aid allowed for fund to be absorbed in FY23, combination of containment of cost growth, new grant funding additional revenues needed to support transit in future years.

Council Member Reece appreciated the highlighting of the Transit Fund; confirmed there were capacity issues due to the pandemic although ridership had not decreased and expressed appreciation to the bus operators; and encouraged Council to continue the Fare Free program moving forward. He also recognized the importance of regional transit that was associated with Durham County Transit Fund and spoke in appreciation and gratitude for Director Egan's leadership.

Council Member Johnson echoed the policy to maintain the Fare Free program moving forward in that it removed financial equity barriers to riders.

Mayor Pro Tempore Middleton supported a robust transit service which was the hallmark of great cities; supported maintaining Fare Free programming and wanted to ensure the program was high quality; supported the Village Transportation Hub; and asked about concerns regarding operator safety.

Director Egan addressed best practices in safety measures; detailed bus operator assault incidents and explained how safety measures were being implemented: detailed the effective public safety response by using off-duty police officers (when available) at Durham Station and increased pay for off-duty officers at Durham Station (all shifts were now covered); explained that off-duty officers had been activated along routes that had experienced incidents; ordered retrofitting operator cabins (partition) in the bus fleet by the end of June 2022; and noted there had not been an operator assault since October 2021.

Council Member Williams inquired about access for operators and asked about plans for increasing the number of operators (drivers) to address shortages.

Director Egan reflected on workforce shortages and acknowledged the longer wait times related to staff shortages; addressed the upcoming budget request that included operators' increased wages from \$15 to \$17.50/hour and mentioned that recruitment efforts were underway.

Director Allore announced a break at 10:14 a.m. until 10:30 a.m. and complimented his staff for their efforts in organizing and proposing the budget requests to Council. He emphasized the value he placed in staff for their support.

SUBJECT: BUDGET GUIDELINES

Presenter: Director of Budget and Management John Allore who handled the presentation of *Budget Development Guidelines FY22-23*.

Council Member Johnson asked about Fund Balance not falling below 12%, asking about the rationale behind the figure.

Director Allore spoke to discretionary holding of FB from 16.7% (policy minimum) and not falling below 12% was a minimum (state minimum).

Mayor Pro Tempore Middleton asked about a potential percentage increase adjustment to General Fund; and asked about the road surfacing fund, consisting of up to \$4 million from Fund Balance, was this additional from Fund Balance or was it a *de facto* recurring cost.

Director Allore suggested leaving this open; noted the 30.95 was current tax rate; mentioned three scenarios of 1, 2, 3% to step and open range structure and summarized their total costs. He noted that the \$4 million was included because Public Works had asked for an even greater amount to be allocated for re-paving.

Director Allore proposed a 2% increase last year but would discuss staff recommendations at a later date.

Council Member Reece liked the approach with Budget Guidelines that included where Council would need to make choices in the months ahead; appreciated Director Allore's vulnerability in devising his first Budget Retreat cycle and Guideline presentations and appreciated the clear vision from staff, giving Council options.

Council Member Freeman echoed her colleague's remarks; expressed concerns about downsizing and discontinuing programs; and supported adding to the street resurfacing budget.

[CLOSING REMARKS]

City Manager Page thanked Budget staff and Mayor and Council Members for their attendance; discussed priorities and policy matters for the organization; the budget season kicked off at end of Dec/first week January for departments; Departments considered from that point in time and involved a dynamic process that addressed concerns during the COVID recovery period; employees work to keep the organization going and serving. Taxes were collected to ensure that the service delivery occurred and would continue into the future. The last 4 sessions provided guidance toward a budget proposal for Council's consideration.

Additional details would be provided to Council and the City Manager would reach out to Council as to when those presentations would be made to Council. Example, water rates. Shared Economic prosperity initiatives would be presented to Council along with Housing and Community Development priorities. The Budget Guidelines were coming back to Council with more detail and reflective of additional analysis, for Council's

consideration at the March 24 Work Session. She continued by thanking staff and Council for their guidance and energy.

Mayor O'Neal expressed appreciation for staff's support during the budget season; and appreciated the staff.

Mayor Pro Tempore Middleton appreciated staff for their efforts; and housekeeping efforts by stating there were pending matters: Open Space & Trails, OEWD pilot and other OEWD deliverables; requested a copy of the Budget Guidelines; and thanked Council Member Reece for his strong engagement and would miss the repartee.

Council Member Williams thanked staff and appreciated Council Member Reece's support in improving his own understanding of complex issues.

Council Member Johnson echoed appreciations for staff and especially Budget staff, admitting it was an epic endeavor every year; complimented Director Allore in his new role; and asked about the ARPA funding discussion as to when it would appear on the agenda.

Mayor O'Neal explained that Council Member Caballero would reach out to Council Members about organizing the ARPA funding process and would speak to this when she returned; and requested an update from Council Member Caballero on Monday.

Council Member Freeman appreciated her colleagues' thoughts and complimented the Budget Director and his team in formulating the FY22-23 Budget; urged preparing for the worst from the COVID-19 pandemic and spoke to city resources that were available for this purpose and urged engaging persons who required resources. She also appreciated the Deputy City Manager Johnson's guidance in the budget process; and encouraged the city to have conversations with Durham County related to the ARPA Funds.

Mayor O'Neal confirmed that outreach was being made to Chair of the County Commissioner Howerton regarding ARPA Funds.

Each Council Member wished their colleague, Council Member Reece, best regards.

Council Member Reece responded to his colleagues' remarks; talked about the budget and the budget process and spoke to how the budget was a moral document. He noted that folks were rising to the occasion in their new roles with special mention to Mayor O'Neal, Council Member Williams, Budget Department Director Allore (amongst others) as capable leaders. He also emphasized that his fellow Council colleagues had continued to grow in their roles. About the budget, it was important to realize that whether virtual or in-person, Council were representing people in the community; the budget was an opportunity to be with residents as they actively problem solved their

personal concerns. Many thanks to staff for their community outreach and commended Council in their continued work for their constituents.

Mayor O'Neal confirmed the upcoming Council Meeting on March 7, 2022 would be an in-person meeting in the Council Chamber, 101 City Hall Plaza, Durham.

[ADJOURNMENT- 11:18 AM]

Diana Schreiber, CMC
City Clerk