

The City Council of the City of Charlotte, North Carolina convened for their annual retreat at 2:54 p.m. on Wednesday, February 3, 2010 at The Pinecrest Inn In Tryon, North Carolina. Present were Mayor Anthony Foxx, Council members Michael Barnes, Patrick Cannon, Nancy Carter, Warren Cooksey, Anthony Dulin, David Howard, Patsy Kinsey, James Mitchell, Edwin Peacock, and Warren Turner.

Councilmember Susan Burgess was absent but was connected by conference call.

Staff present were City Manager Curt Walton, Assistant City Managers Ron Kimble, Julie Burch, Jim Schumacher and Eric Campbell, City Attorney, Mac McCarley, City Clerk, Stephanie Kelly, Budget Director, Ruffin Hall, Finance Director, Gregg Gaskins, Planning Director, Debra Campbell, Transportation Director, Danny Pleasant, CATS CEO, Carolyn Flowers, City Engineer, Jeb Blackwell, Chief of Police, Rodney Monroe, Economic Development and Neighborhood and Business Services, Pat Mumford, Kim McMillan, Corporate Communications, Jeff Stovall, Chief Information Officer, Carol Jennings, Special Assistant to City Manager, Saskia Thompson, Executive Assistant to the City Manager, and Kim Pearson Brown, Assistant to the City Manager.

Facilitators were Mike Whitehead and Nicholas Beamon of Whitehead and Associates, Inc.

City Manager, Curt Walton, introduced Mr. Whitehead and Mr. Beamon and said they have already done a tremendous amount of work and they are doing it out of the goodness of their heart. That is something we really appreciate Charlotteans doing for us. I also want to thank the Retreat Committee who has also worked on this – Edwin Peacock, Patsy Kinsey, Michael Barnes and Andy Dulin. The Committee has tried to structure this retreat differently than retreats we have had in the past, so as you work through this and how you are going to work together, in your particular interest from a staff perspective of anything you need differently from us and anyways differently you need us to work, communicate or whatever the case may be,, we want to make sure that we are in line with where you want to try to get and how you want to try to get there. Don't be shy about letting us know that as part of this conversation and discussion.

I think the thing I would say to you is it feels like the whole world is in a bad period right now. We are certainly in a different period than we have been for different reasons, but this happens about eight years. After September 2001 all city and state budgets plummeted. About eight years before that in 1992, 1993, 1994 the same thing happened, not for any calamitous reasons that I can think of, but we went through a period of declining revenues. Particularly, the state was in a very difficult spot then and took a lot of money from us. The same thing happened in the mid-80's so this is something that we have worked through before and we will work through again. It is a different set of circumstances than we've had, but some of the results are the same so we will work through this. I think what is important for us to remember is there is a tremendous amount of capacity in this room to solve problems and Charlotte has always had the tradition of being able to solve problems that a lot of other jurisdictions haven't been able to solve. That is typically what one of the outcomes that we will get out of this going forward. Even in those dark periods financially, in those eight-year increments, things were put in place that came on line in those intervening seven years that really made Charlotte what it is. Lots of things in that early '90 period, plans for the Convention Center, the Convention Center Hotel for example, came out of that period. It is a time to be very conscious of where we are financially and things that are on our plate, but it is also a time to not stop thinking about the vision and where you want Charlotte to be because we will only get there if you push us there. It is not a time to fold up the tent and do nothing because that means in three to five years when things would be coming on line and hopefully, we are in the middle of a good period again, that we wouldn't have put anything in place. It is important to keep moving even though it feels like it is the time to go into a shell. That would be my word of wisdom for us as we work through this over the next two days.

Mayor, Anthony Foxx, welcomed everyone to the 2010 Retreat. It is great to be here. It is out of the kindness of their hearts and the spirit of community that Mr. Whitehead and Mr. Beamon have donated their time to be with us today, tomorrow and the next day, as well as all the hours they have spent leading up to this retreat, which I think has enriched all of us, if you have had a chance to be have a one on one with them. I think we not only owe it to our community to spend

the next three days working as hard as we can to build a teamwork we need to succeed, but we also owe it to them to give the best effort possible.

The second thing I want to say is that we are very fortunate as a Council to have the caliber of staff that we have. I had a chance a couple weeks ago to sit around the table with a lot of other mayors who are dealing with Fire and Police Officers and letting go of all kinds of things. We have been exceptionally well managed and that is credit to Curt and your entire team. I think we should show our appreciation to the staff. 2010 does feel a little different than the last retreat we had out of town. Two years ago we were in a recession, but we didn't know it. We had lots of projects in the ground that are now starting to come up and ground breakings are happening with those. This year does have a feel of a little dark cloud hanging over our heads and you can see the evidence if you look through the first couple pages of our notebook. Just a couple of statistics jumped out – 12% area unemployment. If you look at the real estate activity that we are seeing now versus in years past on page 4 in your notebook and you will see that we are seeing anemic real estate activity right now. Sales tax revenues through November are sharply down and projections are that we will come in about \$8.5 million short on the budget. There are lots of things out there in the distance that we are going to have to deal with. Having said that, we can choose to engage on those issues like we have done in the past and work through the issues as they come up and try to deal with them. One of the things that we talked about very early on in the Retreat Committee, and I had talked with staff about this, is that we do need, in my opinion, to spend some time working on how we engage with each other. If you think about swinging a golf club, which I don't do very well, but for those of you who do, what I'm told is that sometimes in order to hit the ball farther you have to really step back and work on your mechanics. It is not a matter of hitting the ball harder, it is a matter of hitting it better. As we talk about how we deal with the revenue picture, how we pick things to focus on as a Council, how we talk about what we want the city to look like and what steps we need to take right now to get the city there, I think a lot of what we've got to do is to step back and work on our swing. Most of today is really about working on the mechanics of how we interrelate with each other. I have been on Council for four years and some of you have been on longer, and some of you not as long, but I have noticed that we've gotten historically in the habit of ... of how we react to each other, how we talk to each other, who we talk to and one of the opportunities we have over the next three days is to break that up some, and to figure out a way for us to work even better together across party lines or cross relationships and to build relationships that really work for the better part of the city. That is a goal that I have personally over the next couple of days.

There is good news that I want to mention. Because of leadership that has happened in the last several years we have these cultural facilities coming up out of the ground. It is a produce of the work that previous councils and staff have done. I know Ron Kimble and others, some of who are not in here right now, worked very hard on that so that evidence of work that happens and gets realized at some point along the pathway. Chief Monroe, we are seeing historic roles in crime rate which is due in large part to the partnership we've had with Council and with you as Police Chief in breaking down some of the silos within the criminal justice system and working within the Police Department to encourage more effectiveness. That is a victory. Curt, Ruffin, Greg, I don't know where this city would be without you all helping us work through the financial challenges we've had over the last couple years, and even though we are facing a shortfall this year, you even anticipated that and we have a way of bridging that gap if it does in fact exist by the time we get down to the final budget. That is part of the partnership we have between the Council and the staff. I am particularly proud of the fact that Charlotte is a leader across this country in linking transportation and land use. That has been reaffirmed over, and over and over again and even as recently as three weeks ago when I was sitting across the table from the Transportation Secretary, he took note of the things that we are doing in Charlotte. It is not a secret that Charlotte has really moved a light year ahead of where many cities are in that work. What I want to say ultimately to you is previous Councils have answered the question, what will you do. That is the question for us right now. What are we going to do to give this community hope and the optimism this community has always live with and it has always characterized the way we've dug ourselves up out of tough times. That is the question we have to answer. In order to do that we've done some things differently today. Usually we would be sitting around square tables today. You are not sitting around square tables today, you are sitting around circular tables and that is intentional because we are trying to foster relationships. You may think you know people in this room and you probably do, but get to know them better. That is part of the way we have organized it. You are going to go through some exercises today

which we have tried to make them fun and things that allow us to work together on our teamwork. Today let's try to focus on us and how we are going to work together and tomorrow we will focus on the people of Charlotte.

Mr. Whitehead said a lot of our work today is really conversation, but a different type of conversation. It doesn't have to be an activity as much as a conversation. If you look at this collaborative leadership for Charlotte's future, the idea was collaborative which is the key word here. Collaboration definition is very interesting and we normally throw that word out like we know what it means, but let's look at it very closely and see that indeed to labor together is really what we are here to do. It is a labor and it is a work. I really had no idea how much work it is to be on Council and how much you have to manage. It is an enormous amount to manage. I had no idea and if I got that many e-mails in one day, I think I would just say forget it, I can't do it, but I did end up doing the very best job I could with what I had. I am sure that is the same way with the city as well. We start with the premise that you are doing the best job that you can do, given the environment that you are in. It just doesn't seem to me to be set up or structured for you to win most effectively. It is obviously going to require this in order for you to be more successful, and that is really what today is about. It is not about necessarily an event where everybody has to love one another and appreciate one another and feel good about one another. I hope we have some very constructive debate and conflict today. It is very healthy and I'm going to lead you through some exercises and the exercises are simply conversations. There is nothing hokey about it or no games, it is just conversation, but I'm going to ask you to really get below the surface of your conversation. As we all know there is a conversation that we are all having out loud and we call that the foreground conversation. It is kind of like when you were a teenager and went out on a date for the first time and you are being very polite and very kind. You look very pretty and you are having dinner, but we know that while we are having dinner, having that polite conversation, there is another conversation going on. That is the sub-text conversation, so if you are a teenager and you are into having a conversation, you are wondering what is going to happen after dinner. There is the conversation that we are having and there is a conversation under the surface which is the subtext. We want to be able to create an environment and we can have the sub-text conversation or the underlying conversation just as much as you can have the conversation that is out here. There are a lot of things under the surface within the city, within the Council, between Council members, between Council and the city that would be very healthy if we were able to bring that to the surface and look at it. That is part of the exercise to do. I don't want to forget why we are here so if you look at the vision of the city, let's just ground ourselves in why are we doing this. A slide projecting the vision of the city was shown – A Model of Excellence That Puts Citizens First. He said he feels that is important, not our agenda, not our ego, but the city first. Skilled, Diverse and Motivated Employees will be known for providing quality in value in all areas of service. A platform that will provide economic activity that you show a competitive edge in the marketplace and partner with citizens and businesses to make this a community of choice for living, working and activities. Let's remember that this is a fundamental purpose for what we are doing this for, and hopefully the purpose for which you, if you are a Council person, that you chose to be in office. There is the Mission Statement – The mission of the city is to insure the delivery of quality public services that promote safety, healthy quality of life of its citizens.

In terms of this retreat, the overall purpose is to establish a strong and effective foundation on which to accomplish a scope of work in the next two years. That strong and effective foundation is kind of like, when you think of your relationship with people on staff, the more relationship you have with someone, obviously the more results you can produce. It is correlated to the degree of relationship that you have and that relationship of trust. What we are trying to do is build that relationship. That is not a touchy, feely relationship so let me be clear, that is not that. We've worked with the highest levels of organizations, with corporate executives and it not about having everybody be touchy feeling and love one another. It is about having people have very direct conversations, very constructive direct conversations and that may mean that I really disagree with you and I am challenging you and I'm pushing back, but I might ask you to go have a beer with me right afterwards. We are going to have that kind of dialogue, but first I have to get past something to get there. There has to be trust and relationship to get there. If you look at what keeps that from happening, I want to introduce you with this notion and I would like for us to refer back to this from time. Everybody knows that this is – furnace filter. How many of you have changed your furnace filter recently? How many of you are starting to think, Oh, I forgot? Now I am reminding you and that may explain why your heating bill is so high.

Obviously, when you have a filter that is clogged up it is hard to see through it, so this filter, I'm going to suggest that you and I have these, and the preconceptions that you had I have about each other, we don't see each other as human beings, we see each other through these filters. If I am meeting you for the first time and I say oh, she's from Jersey, you notice how quickly you have a perception of what that might mean. If I have any experience with somebody from Jersey, or if I've heard somebody talk about Jersey, then that is my experience, so therefore now I am filtering them and I don't see them. If I call the Police Chief, the Police Chief I have now ascribed a label that he is the Chief, which is good because we use that word to describe the person. Mayor Foxx, Chief of Police, City Council person, staff person – how often we use labels as filters on people and then therefore we treat them as if they are the label, not the human being. Criminals – the label criminal, so I want us to pay attention as we go through this that you and I are going to have filters of each other and if you've work together for a while, and you've been around the block a few times, yours has probably got a little dust on it. There is some people in here that if I say the word Republican, you would say oh yeah, let me tell you about Republican. I get a little filter about Republicans, and if I say Democrat, immediately if you are a Republican you have a certain filter about what that means, based on past experience of course. What do we typically do when you and I have pretty strong filters of people or situations? We base our actions according to that filter. I know there are a few attorneys in the room and I would assume that most people who go to law school, part of the training is to train you to be right, or convince people that you are right. The job of a very successful attorney is to convince people that their point of view is the right one. However, all of us have that. I just like to think that attorneys have a heavier dose of it, but we all like to be right so therefore we go collect evidence to support our point of view which is based on this filter. We see that in the media. I don't see any media here and if the media were here I would say the same thing. The point is that if you are in the media and you have a filter about a public official or if you have a filter about leadership in our community. Let's say that filter is that you can't trust them, hypothetically speaking if I got that filter that you can't trust them then what am I looking to find. I go look for it and therefore when I look for it I collect evidence to support my point of view and that is exactly what I found. Typically we always get what we are looking for. The idea here is not to actually say why I shouldn't have filters, the idea is to say I've seen the ones that I have and I'm just going to notice them and I'm going to hold them over here and be able to observe it. If I ask anybody in this room, are you prejudice, I bet 100% of the people would say no, no not at all. Most people would say that because that one in its self has a negative connotation doesn't it. If I take that word prejudice and put it on the board and I ask you to break that word down, what does it mean? If I say prejudice and I ask everybody in the room, have you ever prejudged the situation or a person, then how many hands would probably go up? Probably everybody because I can't imagine you being a human being and not have some wiring in you that would prejudice something. Has anybody been wrong about your prejudging? It doesn't feel very good when we were wrong about our judgment, but we do it. I wanted to notice that everyone in the room has these filters and they are going to occur during our conversation during the next three days. I'm going to ask you to let Nicholas and I not just facilitate the meeting, but coach the meeting as well. Actually lead you through a process where you could break through that to develop levels of trust that you had not thought you could develop. This is a huge opportunity for us and it is really up to you to take it, but it is a huge opportunity to have this retreat be something completely different, a break from history to lead you to Charlotte's future, which is what the title this was. Does this make sense?

Councilmember Carter said it is about awareness.

Mr. Whitehead said it is about awareness so there is going to be some awareness going on in the room and we've got to be willing to go a little deeper in the conversation than we normally go. If I ask you to tell me how the retreats normally go, and I want you to really think about this because most of you have been in retreats before. There is a default way that this retreat would go, left to its own devices. We will use that term default, what I'm comfortable to, what I'm used to. Left to our own devices tell me how you think this retreat would typically go.

Councilmember Carter said information in, decision out.

Mr. Whitehead said lots of information in and decision out. What are some examples?

Councilmember Peacock said power points and everything gets done at the bar.

Mr. Whitehead said is it typical at your former retreats for people to take phone calls and get up and leave?

Councilmember Barnes said that is a result of technology. There are people who feel like have to be tethered to their jobs and folks will get up and check whatever. That is a technology thing. I don't necessarily care for it, but what I'm saying is that a lot of people that is an automatic in life. The Blackberry buzzes and you've got to respond, you've got to check an e-mail and the problem we may get into as we go through this retreat, but it is one of the problems a lot of us are having in that the e-mails you talked about, you get 50 e-mails everyday and people expect an automatic response. We try to get help with certain things but there is just this expectation that I sent you the e-mail, where is my response. Some people will shoot you an e-mail back in 20 minutes if they haven't heard from you. I think there is a technology piece, right or wrong that got inserted at some point when technology became prevalent.

Ms. Carter said you have to accept the ground rules and the parameters of what you are going to do because that is the expectation of what people think you are going to do.

Mr. Whitehead said that is coming up in just a few minutes.

Councilmember Howard said you talk about default, the people here, myself included believe that this is intended for Council and staff is here to observe and take notes.

Mr. Whitehead said as far as default, that is the way it has been in the past, right? Staff observes, takes notes and Council speaks. Generally speaking is that how it has been?

Mayor Foxx said I would say that in the past some voices have been louder and mattered more than others.

Mr. Whitehead said so in the past some voices louder than others and other people a little quieter.

Ms. Carter said it is easy to fall into a structure that is familiar to you like I'm know as being an environmentalist, so you are following some sort of a construct. Andy characterized me with three different things the other day and I respect that because those are the strong issues in my life, but there are other one that we need to share and to hear each other.

Mr. Whitehead said we were talking about the default culture, how would the retreats go, left to their own devices? How did it get done in the past?

Councilmember Dulin said one of the things that has happened in the past is the productivity. We are in a stage this hour, right now this moment of ramping up the productivity. We will be productive tomorrow and some of us are more productive early in the morning than others, but we will have a window tomorrow of roughly 9:30 to 2:30 or 3:00 where we will be really cranking and then we will roll down as the afternoon wares on a little bit when people get a little bit worried about what is going on at home. Then Friday morning about from 8:30 or 9:00 until about 10:30 we will be productive. After that people are bugging out. While we are ramping up today and during that window tomorrow I think we all got to really buckle down and concentrate because Friday it is back to life.

Mr. Whitehead said that is part of the default and it is not only your retreat, but a lot of people's retreat, toward the end of it. Are there any other default patterns from past retreats? Some of the things I picked up in the interviews, just talking to different people was in fact even the reluctance to speak up. Even when I am asking this question, there is a certain cautiousness about speaking up. You can observe it right here, right now. This is a microcosm of what goes on because we have everybody in the room. We have one person in the room by phone, we have two people who aren't here and I'm not saying that is good or that is bad. I'm acknowledging the dynamic that is taking place. We want to observe the dynamic that takes place between City Council and staff and between Council and Council and see is that dynamic, is that really what we intend for it to be in order to achieve the goals that you have set for yourself. Is that really going to work or are we just going to mull through that and say well that is just the way it is and the way it has always been, we'll just check this retreat off our list. I have heard some views of

this retreat as a job, let this thing get over, I've got to go put my time in for this retreat. If I can just make it through this retreat! It is really not going to be valuable because we are not really going to have a meaningful conversation. Basically it is already pre-described what we are going to do. Why don't we just tell you what the outcomes are and everybody save the trip. That is generally how it is at the bottom of it all. That is what I heard. I'll call that resignation, a little bit of hopelessness in it and a little bit of cynicism of which nobody is going to tell you that is really the way they feel. Then you've got the part of pretending that is not really there and everybody pretending it is fine. Underneath the surface, it is like this isn't really going to matter. Obviously, I'm giving you the broad spectrum, but if we didn't acknowledge that yes, by default we can just check off this retreat, get through it, not really get to know anybody any differently, come out with the same priorities we know we are going to come out without anyway, and walk away saying I'm glad we got out early. If that is what we are going to do we should probably just do it now. When we had the conversations with you all it became clear, and what is ironic is that nobody didn't want that. Everybody wants to have a meaningful retreat, everybody I talked to. So we are all committed to the same thing, yet if we don't do anything differently or intentionally, it is basically going to go the same way. So we've got to do it differently. React to what I'm saying. Is it true?

Mr. Peacock said it is the truth. You are speaking the truth.

Mr. Whitehead said the Baptist preacher said tell the truth, shame the devil.

Councilmember Cannon said probably in the past one of the things that has happened in retreats is that we come and be in a setting like this and the guards go down and we are all "lovey dovey" and we can all agree to be that way until we get back to the City of Charlotte and then instead of the guards being down, all of a sudden they are back up. That has been something in the past that we have experienced.

Mr. Whitehead said that really alludes to okay if we think that is going to occur, then we will resign ourselves and say I'll just go ahead and play it safe today. Why would I go through this knowing it is not going to be any different when I get back. I will tell you that this is a different conversation we are having. This is a different retreat. We have designed it very differently. This is the work we do with Corporate America so you will either have a real break through today or you will find this is a waste of your time. I guarantee you that Nicholas and I would not have spent three days and all the time we have spent so far doing this if we didn't think it was going to make a big difference. We are absolutely committed that this retreat be a break through retreat for you all and that requires a partnership with you of course. The way we structured this is based on our 20 years of experience doing this and we are going to ask you to trust the process. When I say trust the process, everybody has their own particular filters. I volunteered to give our services to the city and you know what the filter was on the other side when people found that out, right? Well, what does he want? What is underneath the agenda, what is really going on.

Mr. Peacock said he wants a rezoning!

Councilmember Cooksey said a permanent contract with the City.

Mr. Whitehead said a permanent contract with the City – there has got to be something because that is the way we are.

Mr. Barnes said there are so many examples of people using things, not what you are doing, but people leveraging relationships to create things that make the public distrust public officials, government businesses, etc. It would not be beyond the imagination that someone would volunteer to do something in order to get business. For anyone to have that thought it was not necessarily based on dream land. I want to go back to what you were talking about earlier about past retreat experiences. One of the things that we had to deal with in the past is when you are dealing with elected people there is a certain amount of guard, parameters and control we have to have in order to make sure that we are able to do what we need to do with respect to getting elected, re-elected, pleasing our constituents, etc. For example if you guys did some analysis of me and it turns out that I am X, Y and Z and all of a sudden at the next election, X, Y and Z gets out there and my opponent uses it, I'm in trouble. I personally can deal with it and don't care, but it is a

thought for many people. Also in past retreats one of the things we had to deal with is something that Anthony alluded to, but I will put a little spin on it. We had to deal with a situation where people were concerned about their positions being politicized and corrupted and there was a reluctance to really express what people were thinking. There was also some tension that we dealt with that no-one really liked at all. I don't feel it this year so far, but it was a reality of those retreats and you are right it led to okay what time can I get out of here and how quickly can I get back to Charlotte, or back to my office because I didn't want to deal with it. Also there would typically be two or three members of the media sitting in the corner with their cameras and watching. You are reluctant because they will take something – a sound bite from one of us and all of a sudden Barnes wants to raise taxes by a billion dollars. You have to deal with that when it gets out into the public domain so there is all this stuff that we have to deal with and today we don't, in part because no-one is here and I assume that Ms. Kelly is not recording everything that is being said.

Yes she is!

Mr. Barnes said you are kidding right?

City Clerk, Stephanie Kelly, said no.

Mr. Barnes said my point is that is what builds the walls that have been our problem. You've got to worry about people recording what you are saying and sending it out into the ether and you've got to deal with retribution politically when you get back to Charlotte and that stuff has a serious, in my opinion, impact on our ability to communicate effectively and meaningfully.

Mr. Beamon said we had this thought while driving here when you are part of a political party, there probably is a tendency to say what is expected of me as a Democrat or a Republican. How do you resist being a puppet to your own party and doing things that you think all of the other members of your party, whether it be voters or whoever, doing what they think you should do as opposed to what you in the moment, based upon the issue, believes is the right thing to do. How do you avoid being a political puppet to your own party. We were wondering how you all dealt with that, how do you stay truly offensive to a particular view.

Mr. Whitehead said it is just another dynamic that you have to deal with, like the median is a dynamic. We haven't led a retreat with that many dynamics in the room, but you've got dynamics everywhere.

Carolyn Flowers said basically talking about the perception that you guys can't do anything unless you stay among your party lines. That is a filter.

Mr. Cannon said my experience has been that that has been relatively rare where practically every vote we are voting down party lines. I've seen it over the several years that really you have people crossing over, even if it is just one Democrat that gets on with Republicans, or vice versa. It is not to say that it hasn't happened. I recall votes and I remember one about the death penalty, but they are far and in between.

Mr. Cooksey said this notion that sometimes elected officials ... inaudible Keep in mind fundamentally the reason we belong to a political party is because we have fundamental agreement with its principles most, if not all of the time. Don't come in and say how do you deal with being a puppet in your party. No, no. How do you deal with acknowledging that someone who is expressing a philosophical view that is in harmony with a political party may actually believe that. I would contend that is a far greater challenge in communication than to simply sit back and say oh he is just saying that to get elected.

Mr. Beamon said from a context perspective when we think about our normal retreat, when we lock the door and we talk about with our corporate client, we get in there and there is no holes barred, and there is no media. From a context perspective, knowing that the media is going to join us and they use phrases just like the one I used – political puppet. So that is part of the water in which you all swim, right? For us as a retreat group when the media shows up will that change this dynamic and what do we do about that. Do we control that or do we just simply become conscious of the folks in the back of the room and how they might come back and say I

saw a Republican and a Democrat and they looked like they were getting along great. This is headline news, how do you feel about that. It is an added dimension to this environment, an added dimension to you all.

Ms. Carter said put in that paradigm staff/Councilmember because there is supposed to be a divide. We are supposed to be addressed as Council members. Personally I find that a difficulty because I'm Nancy. I'm not Councilmember, I'm Nancy, but there is a structured divide supposedly between staff and Councilmember, and yet we are still working on the same things. That to be is a difficulty.

Mr. Beamon said what is written or not written, what is the essence of that divide and its purpose?

Ms. Carter said I'm really not sure. It is separating policy and Manager's policy and I understand that perfectly, but it is saying don't muddy my water, make the decisions but don't muddy my waters.

Pat Mumford, Neighborhood Development, said I think that is a filter coming from the elected officials. I don't believe there is a structured, and there shouldn't be a structural divide and frankly I don't like the word staff, but I can't come up with a different one. You all are our elected board of directors and if you look at the private sector, the board of directors gives structure to that organization, but works with everybody else in that company. They are all working together rowing together, going in the same direction. We need to do a better job of working more closely together as if a board of directors in a company of colleagues. If we want to get behind closed doors and hash it out that is great, but in public it becomes frustrating. When I was in this room a couple times on your side some of the discussion toward your colleagues who are staff, it was a we are going to tell you what to do, it was a hierarchy of this structural divide that you are discussing Nancy, but it can be debilitating. Now I hope we can work through that and I didn't recognize the strength and quality of this organization until I got on this side, and the amount of work that takes place and the benefit of the policy objectives that you all set. I would like to say publicly, I appreciate all ready Mayor Foxx's acknowledgement of good work. I will tell you, those few statements go a long, long way with the people that work so hard. People do look to you to give direction, when you acknowledge it, they appreciate it greatly and they want to know that they are appreciated because they are working extremely hard because they believe in this work and will continue to work hard. We've got to break down that perceived structural divide so we can work more efficiently.

Deputy City Manager, Ron Kimble, said another way of saying it is we understand the difference in the roles, but we as staff members I think have the same passion for this city that the elected officials do.

Budget Director Ruffin Hall said I've work some other places too, and I think the ability for staff to have a good working relationship informally with the Council is very good here and we can have this honest conversation. I actually don't think it is a bad thing for staff to remind itself that there is a modicum of respect that elected officials have earned and deserve and by definition we have to treat that perspective equally. If you don't remember that that line is there sometimes you can get blurry in circumstances that you shouldn't. I guess what I'm saying is I think it is important to blur those distinctions because we are all working together, but there is a distinction that you can't forget. I think that is important.

Debra Campbell said a lot of times it is consistency that you are looking for. Nancy wants to be called Nancy, but some Council members want to be called Councilmember, so it is hard to distinguish which ones do and which ones don't, so you take the safe zone and call everybody Councilmember. From a staff perspective I think that is one of the things that you have to be conscious about. I do agree with Ruffin. We do work in a structured form of government that dictates certain things from the staff to the Council. That is the Council/Manager form of government.

Mr. Barnes said I want to give some perspective from my side of the table. The reason why we actually operate with certain parameters is because there is 700,000 people who demand it of us. I am the face of Northeast Charlotte, not Danny. All these e-mails and phone calls I'm getting
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about Back Creek Church Road and Rocky River Road, they think it is my fault, even though it is the State's. The only way I can bring a resolution from their perspective is to say something or to do something. Another example is Rodney Monroe's predecessor who was a fine man, but the policing strategy only kept cops in problem neighborhoods. What happened for me, I begin to have problems in neighborhoods that didn't historically have problems. He said I believe I need to focus on the strategy and as a result, guess who is getting phone calls and e-mails about Highland Creek and other places that haven't had problems and all of a sudden they have people taking i-pods out of cars. For my perspective, the only way I can bring a change to that is by talking to Pam Syfert and Curt Walton and say look this is a problem and you eventually find yourself with a Rodney Monroe. I understand what you are saying Mr. Mumford but the way the public gets what they want is through us because they don't know to call you. I know you go through this Nancy with Eastland. We are the face of the resolution and the face of the problem. If we don't do something, the next time around you've got two or three opponents. I understand what you are saying but also think there is a perspective that we have to deal with that you guys escape because you are staff.

Saskia Thompson said I understand that people are calling Council, but they are also calling staff. We had 1.6 million calls to 311 last year and that doesn't count the calls to CATS. We have 700,000 citizens and if we used every communication channel that they can, that is a stressed out partnership. They are calling you for things and they are calling us for things and they are going to use whatever mechanism they can to get that channel opened up. It would be a mistake to think that staff doesn't know what those problems are.

Mr. Barnes said I am saying that you are not going to be held accountable for it. I am. Nobody is trashing Saskia Thompson for what is happening in Highland Creek. They are trashing me, or in Eastland it is Nancy, or whatever neighborhood it would be. I can appreciate what you are saying, but in terms of who the public identifies as the target of the complaint, they may hate you because they say you didn't do anything about my problem, but they feel like the only person they can go after is me or one of the elected folks or maybe Curt. My point is they so rarely know who to pick on in C-DOT. They wouldn't know to bug you, and what I'm saying is that many, many more people know us because of being the elected officials.

Mr. Foxx said I think your point is well taken Michael and I think some of it is there are different accountabilities. We are elected in two-year increments so there is a public dimension to what we do, where we are measured in our effectiveness by the people. That is not to say that we don't really do anything. We send an e-mail or make a call, but if a pothole needs to be filled somebody in Danny's staff has to go fill that pothole. If we are trying to get a problem house dealt with, somebody in code enforcement has got to go do that. I think some of it is realizing that the staff is trying to help us do what we want to get done also. What I'm hearing from staff is a request that we manage our relationship at a higher level of respect maybe than has been in the past.

Mr. Barnes said if that is the case I need to hear what the specific requests are.

City Attorney, Mac McCarley, said most of the folks in this room have a real strong connection to their role for being in this room. We are all committed to that vision and mission, but we are responsible for one slice of it. When the 12 people in here with a vote start talking about the money tomorrow, I guarantee you that every staff member in here will be hearing it through their filter of what does that do for me. What does that do for my department, for my functions, for my programs? It is impossible for us not to hear it that way. Frankly, we get paid to hear it that way. We are responsible for a slice of that mission and it is hard not to keep that filter going.

Councilmember David Howard said one of the problems I've seen in the past, as opposed to doing the potholes is exactly what Mac said, which is what staff is supposed to do for the next two years. What are their goals. Everybody is sitting around waiting for Friday when everybody said what they were going to do, Economic Development, housing or whatever and everybody shoots off for those three things for the next two years. The default is that you expect to figure out what the game plan is when you read this and I don't know if that is not always fair to do in two days.

The Council divided into groups at 5:40 p.m. and the recorder was cut off. They reconvened into the large group at 5:50 p.m.

**The meeting was recessed at 6:35 p.m. on February 3rd, and
Reconvened at 8:10 a.m. on February 4th.**

Mr. Beamon said last night we had dinner and reception and then some folks came back here and played cards and had fun and got to know each other. When Daniel came in this morning, he walked in with his camera and the first thing he said was, the room is set up differently this year. It was an immediate notice and when he walked in, he was someone who had been to retreats before and he noticed that it is different. Yesterday was different. We set out for it to be different. We talked about default retreats and how this retreat might go if left to its own devices. We made the decision that we were going to have an intentional retreat and it was going to be different. We certainly had a different type of dialogue. Any reflection on the dialogue yesterday and how things went?

Councilmember Dulin said it is not rocket science what we are trying to do, but I was pleased with the way things went yesterday and I look forward to today. Yesterday was our ramp up and today is our work day. I want to get my head down in the book and get some work done.

Mr. Beamon said so you are feeling the sense of issues and business. It is nice to have the foundation that we worked on yesterday as we now transition back into business and a work day. We've got a little more work to do with respect to finishing what we started yesterday around working agreements, which we will get to in a moment. We are going to finish our work on aligning the operating agreement, then we are going to transition and have a conversation about the budget and the economy. We are going to get to Council member goals. Each Councilmember shared with us their individual goals during our one on one sessions and what their goals were for the Council as a whole. Then we are going to transition into our tactical discussions, talking about Community Safety, getting to that before lunch. At the lunch session we are going to split out and do staff to staff dialogue in one area and then we are going to do Council to Council dialogue in another. Staff and Council will have some time to sit and be with each other during lunch. Then we will get right back to work on tactical discussions around transportation, the environment, economic development, housing and neighborhood development. As we transition into the evening we will have a discussion on your leadership profiles and what the results show from the big profiles that you all did.

We established yesterday the foundation on how we are going to be, both in this retreat, and how we are going to operate with each other. Let's finish that work and take a look at what we originally identified as the default culture, meaning historically, here is how we operate left to our own devices. We came up with the separation between Council and staff and what that looks like over time. We have kind of a "get through it" and some vibe mentality, particular when it comes to the retreat, let's check it off the list and get back down to Charlotte. Top down agenda, distractions with technology, proportional agendas, the under current conversation, meaning what is unsaid, what is the unspoken, what I let out there and then there is the unspoken of what I keep in my head and that conversation I'm having with myself or I might go off to a smaller huddle up group and have a conversation I didn't have with the big group. We identified that as part of the default culture. The staff gets much more to do than they actually can do. Then we began to identify what we wanted the intentional cultural to be, given the bigger game and the bigger accomplishment as a body we are trying to achieve. It is based on collaboration, less division between staff and Council and more participation from the staff. Fewer distractions with more focus and more trusting relationships. I will circle, highlight and underline trusting relationships. Isn't it amazing how when we trust the intention of the other how much more tolerant we become. When I think about my personal relationships, when the other person knows my intentions and spirit and I feel they trust me they are more willing to tolerate my bumps and flaws. The things that I say based on an emotion or reaction, the trust is there so there is more give and take.

Operating Agreement

We talked at length yesterday about what do we want this to look like from a work environment, from what we would call in the corporate world from a cultural perspective. Mike and I
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summarized what you all said and here is what it looks like. The cultural we choose to operate in is based on honesty and respect. We respect policy objectives and are mutually accountable standing together when things are good as well as bad. We operate with a positive, yet candied tone. We seek to make decisions with as much of the full story as possible. We share information both ways in as timely manner as possible. Our interactions are as frequent as possible and consistently build higher levels of trust. We have meaningful and productive relationships based on mutual respect for each other. We are willing to step outside our comfort zones to take more risks as appropriate. We seek win/win solutions, realizing there are sometimes no perfect answers. Here is what we want you to do. At your tables, we want you to take a look at this and have a quick discussion around it. Are there things that need to be highlighted, added, pulled out. Have a 5-minute discussion on this because this is the agreement that ultimately, as a body, we are going to adopt. We are saying to ourselves, this is how we are going to operate. This is the environment in which we are going to do what we do. It is a very important foundational piece.

Mr. Whitehead said we don't need to spend as much time on it because this is exactly what you came up with. We just summarized it for you. We are really looking more for just quick edits, but not to revamp the whole thing, so doesn't have to take a long time. Just look to see if there needs to be some editing.

Mr. Beamon said we will open this up for anyone who wants to represent their group or have an individual comment around the agreement or any edits recommended.

Councilmember Mitchell said we, at my table, would like to eliminate the word "risk" and substitute it for the word "more creative".

Mr. Beamon said the essence is a reaction to the concept of risk.

Mr. Howard said what bothers me about it is it didn't sound like we were going to do something more than what we've done before and look for opportunities. The risk being appropriate didn't go together for me, because when is a risk appropriate. That can be so subjective that you can talk yourself right out of taking a risk. The point I think was to be creative more than it was to take a risk.

Mr. Beamon said so risk is relative?

Mr. Howard said if we put appropriate with it, but if you take appropriate out, risk becomes left out there by itself. We tried to figure out how to make risk, which we were trying to get at and it didn't work so creative is what we came up with.

Ms. Carter said I agree that being more creative would be preferable, but I think you have to have the risk concept because I think that is the box of which you have to step outside. But we are not willing, as a culture, in city government to take that risk. To me it is in an intentional word. I think creative is absolutely acceptable, perhaps preferable, but I think that risk concept is needed. We are losing that intentional permission that we are giving each other.

Mr. Howard said what creates risk?

Jeb Blackwell said is it risk you want?

Mr. Cannon said the risk is what you want because the norm is not to take the risk without some level of security or some sense that you are going to be okay. I think we spoke to that yesterday. You've heard the analogy of waiting for someone else to fall in sewer before we test that water. How do we get at some lingo that allows, to Nancy's point, the word risk to be in there such that staff understands it and we understand that a business risk is what is important at times, but we need to step a little bit further and test the water.

Mr. Beamon said if you think about the original comment it was not, as we now know, not really about not having risk as an element, but not going far enough to have creative new ideas. The pair feels more ideal and by definition, not being willing to take any risk and say we are only going to do that which we know is going to work. That is pretty tough to pull off in a world that is dynamic and evolving.

Mr. Howard said James asked Ron if staff feels creative, if they felt like they worked in an environment of creativity and he said yes real quick. I asked James the same question about Council and it was no. That may be a challenge on both sides of the full cultural. If staff wants to be creative or bring in risk the council needs to be willing.

Mr. Beamon said so we have a cultural where we expect creative ideas to be born and discussed. We still got to figure out which one to go with. That is the decision. We have a cultural that allows creativity to get on the table.

Mr. Dulin said if we had that much conversation over the word risk, this table wants to blow up the word "we" at the beginning of all of this. We had a big discussion over council/staff. We didn't know what "we" meant. Was it "we" council or "we" staff or was it council/staff? I would like to have the opportunity at the second sentence, "we" respect policy. The folks at my table were concerned about council/staff. I was concerned about my ability to respectfully disagree with policy. A lot of policies get passed on Council that I had neither voted for or that I disagreed with or whatever. At the beginning of the second sentence I would like to add somehow, though we may disagree, we respect policies or we respect adopted policies. We spent a lot of time yesterday talking about respect and being able to have communication with folks in a business like manner. We didn't know whether we needed after ever "we" comma, council/staff comma.

Mr. Walton said it is a council/staff agreement that you are making.

Mr. Dulin said then it needs to be said. The next thing we were talking about, before long this thing is going to be a legal document and nobody is going to sign it.

Mr. Whitehead said that is why we don't want to speed too much time on it. The essence of it and the exercise obviously, is the essence of it is important and the spirit of it is important. That you actually have an agreement, whereas you didn't have an agreement before. We didn't want to pick it apart so if you can live with the essence of it and the spirit of it, that is the important piece. Obviously, there is some editing that we can do on it.

Mr. Beamon said this is not about been curt, it is about establishing what we agree is the best environment for us to do what we do. We know what we do is difficult and hard and we are going to have debate and disagree, but this document, this agreement is about how do we do what we do together, person to person, Mayor, Council and staff. It is the essence of it.

Ms. Carter said in the middle of the paragraph, "our interactions are as frequent as possible", respect each others time constraints. That is one thing that we tried to emphasize yesterday, we know that staff is really maxed. In the last sentence also, delete ... inaudible.

Mayor Foxx said our table felt fine with the original piece, but I do want to go back to this creative/risk taking piece for one second. One thought I don't see there is when we ask staff to be creative that starts moving the machinery around and getting things in motion, looking through options and things like that. Is there an element of responsibility we as a Council want to take to act once we've asked the staff to go through that work. That is what I heard in the word "risk" was there was an action component, not just thinking about creative things, but actually partnering to view creative things and I don't know if that is still there.

Mayor Foxx said how does the staff feel about that?

Ms. Flowers said I think staff's job is to present options and that is where the creativity is. You have to generate options and if gives you a broader scope for your decision making.

The Mayor said but if we know going into a discussion that there is risk involved, if we are not clear with staff about our tolerance level for the ultimate risk in making a decision. Shouldn't we then take the responsibility for saying we don't want to look at those options. How do we as a Council deal with that dynamic?

Mr. Cannon said I think it goes back to the point that Mr. Mumford was making yesterday with regards to just knowing when to say when in so many respects. We may want to move in a
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direction where we may or may not identify with what the risk is and getting too far out there may cause something that we don't see that staff would identify with. To some extent they protect us from ourselves, which some may say I don't want to be protected. Then go ahead and get baptized by fire and we will call it a day. We have to give staff the ability to move forward. Sometimes they feel like they may not want to go in that direction because Council may resist it. I'm struggling with how we can find ways to still have that say, something that is a little bit more stronger. I think it is a little soft to talk about being creative. We all try to be creative, but are we really doing what we can to take a risk and are we encouraging staff to take that risk on our behalf or under the structure that we exist to move Charlotte forward. I don't know if that really says that.

Mr. Beamon said it doesn't feel clear enough with respect to, we are willing to consider really creative things and encourage the staff to do that.

Danny Pleasant said maybe you pair the creativity with risk tolerance somehow. In order to be creativity there has got to be a level of risk tolerance. Staff can be really creative but if Council doesn't have much tolerance or much patience with us in that creative mode it is going to be kind of counterproductive.

Mr. Beamon said it is really both. What I hear in that comment is, okay great, I'm on staff and because I'm trying to live within the spirit of this, the next great idea might seem a little radical so I bring it up and the reaction is, what in the world... So it is the fear of the reaction of Council that limits the creativity and can push you right down the path of status quo. We will do what we did last year with a little tiny tweak. This is all about what type of environment can we create as a group that will lead to the solutions that move the city forward. It is about environment and what works, not what is right or wrong, but what works.

Mr. Kimble said there is a good example. Look at the whole recycling garbage collection issue. I think Curt and Victoria came up with an idea and presented it to Council. Council had lots of questions about that, but I think in the end all of those questions got answered and that was a very creative idea and solution that is going to provide savings to the city that you can redirect and place elsewhere. I think that was a good example of an idea, very creative, the risk tolerance of Council was good, you explored in a work to a good conclusion.

Mr. Howard said would it be appropriate to put some definers on risk – risk that moves the city forward or framed efficiencies or is that too confining?

Mr. Beamon said I think the concept of risk is that we don't know how it is going to turn out. Two sections – one is the creativity in discussing possibilities and ideas. Just a discussion about it. Then there is what we implement to risk that it might not work.

Mr. Whitehead said we can look at it, I know most of the media is here today and most of the media wasn't here yesterday. So if you look at even the risk of speaking up in the room today versus what we had yesterday. A lot more free flowing communication because we don't want our words to be taken out of context or have it be presented in a way that was not the intent. Even today, there is a different cultural in the room which has something to be save, being concerned, being cautious, monitoring a little bit about what we say and how we say it. That is exactly what we identified was part of the culture so it is very difficult because the dynamics in the room of being careful of what we say is to be able to free to create. We are just acknowledging that that is just what we have in terms of this is the way this thing is structure. The intension yesterday I think was to say let's stretch a little bit, knowing those parameters.

Councilmember Turner said I'm hearing several things, but a couple things from a staff perspective. I think often times it is who is driving the risk. There are visible boundaries and there are invisible boundaries. As a staff person I could see where one would be very cautious about trying to bring an idea that has a lot of risk to it to a Council that is elected by the people, not knowing how we would react to that. I can see the uncomfortable when you start talking about risk at any expense in this form of government.

Mr. Beamon said that is an acknowledgement, which is a big part of the battle. We acknowledge what goes on, we acknowledge what might go on and we acknowledge what has historically
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gone on. What we are saying is that we recognize that and we are going to do what we do in spite of that. That is the intentionality part. I know that previously maybe a staff member might come to the Council and get beat up over what seeming isn't out of the box idea, but we acknowledge that. Council acknowledges it, staff acknowledges it, bring me an idea, let's move forward and see what we can come up with.

Kim McMillan said maybe to deal with that hesitation is to get on with what the Mayor was sayings about more action oriented. Is it something that we can say we will inspire creative to get over that hesitation.

Mr. Beamon said it is a shared agreement that we say we think we can help the city get into a better place if this is a more creative process. We share in that belief, therefore when it happens we are not surprised and we remember this agreement that we know that creativity is part of the process, even it if sometimes a creative idea is not one we go forward with or as we flush it out we realize it won't work. We expect for the culture and for the process to gin up some really creative ideas. Maybe it isn't that idea, but maybe something in that discussion finds it way to a real solution. Just a willingness and expectation that the environment will nurture and inspire creativity. I like that very much.

Mr. Barnes said there is in my opinion, for lack of a better term, ... agreement and that is the dozens and dozens of special interest groups that are attached to potentially the elected officials and many respects to our staff. Person A brings an idea forth whether that person be an elected official or a member of staff and the idea that has come to that person by way of a special interest group. We all react to it and we try to find ways to either accept it in some fashion or dispose of it, but within that agreement is not the accommodation for the fact that a lot of people are impacted by special interest groups. We may think we've got an operating agreement and all of a sudden there is some major objection or some other tactic that may be used to impact whatever the "it" is and that is frustrating. Unless you are a part of that third part discussion you don't realize why whatever is happening is happening. Those interest groups are still out there and they are still going to be contacting members of staff and contacting the elected officials. From my perspective the flaw is that agreement does not incorporate that unknown into it. I don't know how you go about doing that, but that is the sort of thing that is frequently avoided in the conversation.

Mr. Beamon said you have an outside role and an inside role. This is an inside world document meaning we have lots of influences that impact us in a number of ways. The one you named is a relevant one, a real one and I think everybody in the room would agree, but when I come inside and I work with people that I work with I have an agreement that guides the expectation, something I have agreed to in terms of how I'm going to operate with the inside group.

Mr. Barnes said that is the flaw, regardless of what the agreement says the outside of the spectrum, because you don't know what the arrangements are between the special interest groups and the elected officials or staff, so you are assuming that when people come inside that they are operating by the agreement, but in fact they may be operating to the interest of the third party. That is the difficult part and what I'm saying to you is ultimately that is a reacting reality of policy. All of these comments are mine and does not reflect on the group, however, one of the things we did discuss was the difficulty of applying this type of agreement to the political setting. It works find we could understand in a corporate setting, but it is difficult to make this work in a political setting. My thoughts from that was just what I said to you, so in a perfect world I think that sounds great, makes sense and we could word split all day long, but as long as you've got the third party out there, there is going to be problems with that agreement. Somebody is going to interpret a violation of the agreement.

Mr. Whitehead said so there is a letter of the agreement and there is a spirit of the agreement.

Mr. Barnes said I think we can all agree in spirit that we would like to see this happen, but in terms of actual execution I'm not so sure.

Mr. Cooksey said to elaborate on Mr. Barnes' point and to add my own to it, my antenna went up when you talk about inside and outside, because I understand the concept but from the perspective of a democratic republic, when you start talking about inside and outside, you create
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a wall of some sort or a separation of some sort between the elected officials governing people and the people themselves and that is not healthy. If you create the idea that we are this inside group and we are doing our thing, that is not what people expect of their government. It risks the appearance of transparency, it risks the idea of openness. Mr. Barnes has addressed it from one perspective about special interest groups and I caution on another. If you are promoting this notion that we as the elected and senior staff level of the City of Charlotte has this inside or operating agreement, that is shutting out the voters to whom we are accountable. That is not a message that is health and should be sent out.

Mr. Beamon said that is not what is being said.

Mr. Cooksey said that is how one person in the room interpreted it. I'm interested if we could draw the media into the conversation and see how you felt about the inside versus the outside explanation about what is going on here.

Mr. Beamon said what we are talking about is team. We are a team. Does everybody agree that we are a team? We are talking about team and as is the case on any team, whether it be sports, corporate, non profit or government, the more the team, which is simply made up of a group of people, the more cohesive the team unit is generally the more effective the outcomes are. We are talking about as a team how do we operate in the best possible way to drive outcomes in a very complex scenario.

Ms. Flowers said I would put forth that maybe we shouldn't call it an operating agreement, but call it guiding principles. This is basically how you want the team to interact and if you call it guiding principles, you don't get into all of these interpretations. You set parameters on how you want the team to act with each other.

Mr. Beamon said guiding principles, the spirit of how we say we are going to work with each other, the spirit of how we say we are going to interact or respect to build trust to try to do what we've been asked to do to help the city. It is about the spirit of this and I think you could go through this line by line and you could have an entire retreat on this document or this concept. Of course we know we can't do that, but if we could agree on the spirit of this then I think we will have taken a nice step forward that would create a foundation for all of the hard work that we are going to begin to do now that has to sit on top of this agreement or this type of guiding principles of spirit.

Mr. Whitehead said can we take this document and we will take your edits, and if you have some that you want to write down and give to us at the break we will continue to message this and take your comments into account, give it back to you at the end of the day so then you can either adopt it and call it the guiding principles or agreement whichever you prefer. Does that work for everybody?

Mr. Dulin said I'm sorry, I can't let that go. First of all this is almost impossible to adhere to. It is a nice thing to read, but if you are going to bring it back to us in the afternoon, this crowd is going to talk about this and we could literally talk about it for ... but we've got work to do. If you are going to give us the document in the afternoon then there is going to be some tweak time needed for it because it is not going to be finished. If you are going to give us something to read again it needs to be lunch time.

Mr. Beamon said we can do that.

Mr. Whitehead said I will remind you of something someone shared yesterday and we put up as intentional and that is sometimes there is no perfect answer.

Budget Overview

City Manager, Curt Walton, said I will make a few introductory comments and then Greg and Ruffin will give you the details. As you can see in your materials, for the current year, FY10 that we finish on June 30th, we are projecting a deficit of about \$8.5 million. Sales taxes are the primary culprit. We estimated a 10% drop in sales tax and they have been down about 18%. They just haven't bounced back the way that we thought, however, if you recall we still have
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\$7.4 million in reserve that we set aside for worsening economic conditions. Between that and the savings that the departments have generated to date and are projected to generate for the rest of the year we will be fine this year. The departments have been really great, and if you remember they are down to 3% from a reduced amount last year so the budgets continue to drop. They are going to produce savings in addition to what is budgeted. If you agree with appropriating that \$7.4 million, which I would suggest that we go ahead and do so we don't have to deal with the issue of deficits for the remaining five months of this fiscal year. That is there and is available. I don't think it will take the whole \$7.4 million, but whatever we appropriate that isn't needed returns to fund balance anyway so it winds up back in the same place. We have issues that we have a plan in place to deal with it for this current year. Next year is more where I would like to place the attention because we are in a different place than we have been before. We aren't growing very much, a flat 1%, somewhere in that range. We have some expenses that are outside of our control that are going up and we will talk about those. I think the comments about risk are timely here because Ruffin and I started meeting with each of the departments in January to talk about things that we could eliminate, things that we could suspend for three years. We look at this probably as a three year period. I think our revenues will continue to strengthen over the three years, but not by a great appreciable amount. What can we eliminate, what can we suspend for three years and what may be working okay, but it is inefficiency delivered. We are compiling that list and we will bring that to you during your budget retreat process. I don't know whether that will be March or April, because I don't know when we will be through, but there will be things, and be mindful of the point, there is a constituency ... or we wouldn't be doing it. That means at some point in time over the last 20 or 30 years, at least six of you thought that was a good thing to do. Things are going to have to be modified. Either with less frequency of something, eliminating something, doing something differently, as we are doing in Solid Waste. It may not be anybody's first preference but it probably is where we are going to be for this next year or two or possibly three. As I said yesterday, that doesn't mean that we fold up our tent and go home. This is still a dynamic community that is used to a high lever of service delivery. Services are beginning to slip and that is something that I don't ever recall having to tell you before because of the budget cuts that we have this year. Things like 311 where we have 11 vacancies. Service levels are considerably below where we would like for them to be and that is just one example. There are a lot of examples that we could give you, but for the first time service levels are beginning to slip. We are acknowledging that and we will talk you through those in the budget process. We will work our way through this with your help and what we would ask is your patience as we work through it. We will bring you solutions for you to choose from and there will be really no way with what we see now on the revenue side that services will not be impacted. We will bring you back the choices and be glad to work through those things with you.

Mr. Barnes said regarding the 311 vacancies, were those the result of furloughs or just unfilled positions?

Mr. Walton said frozen unfunded positions.

Mr. Barnes said are we seeing the call volume increase?

Mr. Walton said yes.

Ms. Thompson said the call volume is increasing.

Mr. Barnes said so folks are calling and having to hold longer or hanging up?

Mr. Walton said let me talk briefly about the AAA bond rating which we've had for 35 years and it is very important and will always be very important to us. It is even more important to us now because in the past it meant it was kind of a good housekeeping seal of approval on your financials. There are a lot of jurisdictions over the last 18 months that haven't been able to place debt. That means that they can't move forward with capital projects, it is not a choice. We have the choice whether to do it or not but they don't have the choice to do it because they can't sell the debt. Maintaining that AAA rating is very important. When Gregg and I were in New York in the fall, and as we've told you, the tenor of the conversation was different than it had been before, partly because the rating agencies are caught up in all of this stuff too. They have been a little bit too lenient with some of the non-governmental credit ratings that they have done, so

they are beginning to really clamp down and a lot of those ratings have been lost. One of the things that they were most concerned about was our unemployment rate. That is something that we have never even had a conversation with them about. We believe there is a difference between the organic unemployment rate among Charlotteans and Charlotte Mecklenburgers versus people who are still continuing to come here from our traditional paths of Ohio, Pennsylvania and West Virginia. If we can break that out I think it may actually help with the rating agencies a little bit because it shows that the economy is stable, it is just that people are still coming here. That is one small thing that we can continue to work on and make progress with and ties into other focus areas. Generally our financials are still very, very strong and we've included Standard and Poor's and Moody's ratings in there and I think they concur that we are still strong. We are in a different place, but every government and every business in the country is in a different place. How we respond to this difference is really the key.

Mr. Cooksey said I think the idea of separating our unemployment is intriguing and one that does capture what is going on here. It is probably too soon to tell whether the rating agencies would buy into that, but are there any other cities that may be facing that kind of thing? Charlotte was one of several that were growing by leaps and bounds before the recession hit so are there other cities where we think there may be parallels where they've got a native unemployment rate and unemployment rate driven by people going there as well?

Mr. Walton said their concern was specific to us because in their mind the banks were going to leave so they saw our financial industries, the main stay of our economy, as off loading a lot of the joys which really hasn't been the case. That is why they were looking specifically at us because that meant the whole foundation of our economy was damaged. I think other places it has been more the housing market and some of the peer cities we've used, like Phoenix, has always been way up here in the municipal realm and it has plummeted like a rock. It is housing and their governmental economy is built on hospitality sales and real estate so it is different. I think the point of it is specific to the banks and their concern.

Mr. Cooksey said I'm not directing the cause side it is just the response side and in that conversation something comes to mind, Las Vegas also had tremendous employment growth and they are also suffering. I wondered if perhaps they are in a parallel situation where they could break out an unemployment rate for folks who have been there for a while versus an unemployment rate of folks who have moved in the last year or so or whatever time frame they are looking at for Charlotte. One of the things I learned about watching any kind of official agency is they strike me as being averse to creative ways of explaining things. I didn't know if we have any difficulty making that pitch to the agencies.

Mr. Peacock said I'm glad you brought up the comments about Moody's. On page 21 of the Moody's report says further the city's overall debt burden of 5% evaluation including \$2.4 billion of overlapping debt for Mecklenburg County is significantly higher than Moody's median 2% for AAA rated cities. The ability for the city to balance operating expenditure pressures and lease payments is part of its annual budget process while maintaining a strong financial position will be key facets of future credit analysis. I guess as Gregg dives into that I'm curious what Moody is looking for. They've got a different measuring stick it seems like now. I don't know if that is new.

Mr. Walton said it has been evolving or emerging because the combined Charlotte/Mecklenburg debt, the ratio is higher than in most places. They have always come back to say in the next sentence that because of the growth of the community we didn't have much of a choice. Their greater fear is that you don't keep up with the capital program, so they would prefer a higher debt ratio to not meeting the capital.

Mr. Peacock said is the similar to what we have been hearing about on the C-MUD side where we are talking about the position of debt ratio as Doug is talking about floating these capital projects. They want a much lower debt ratio now. Is that similar? I know that may be a different box.

Mr. Walton said they are comfortable with where we are. The mix of revenues is important to them whether it is pay as you go, bonds, revenue bonds, etc. They always have mentioned the debt ratio for Charlotte Mecklenburg, but it has never been a great concern for them.

Ms. Carter – comment inaudible

Mr. Walton said that is one thing that is very strong in our favor because the tax base continues to grow.

Mr. Peacock said what part of this do you think you can control the most?

Mr. Hall said on the expenditure side, obviously operating expenditures, the lease payment is what the cite here.

Mr. Walton said I think maintaining our reserves and being pre-vigilant about cost containment and those extraneous factors like unemployment, explaining the financial services decline that hasn't happen to a great degree here. Some of those things I think are the bigger points.

Finance Director, Gregg Gaskins, said the technical side of is, Moody's is very particular and they have certain platforms of judgment, but those in many cases are not set for highly growing communities where you are going to have a greater proportion of debt load if your community is growing very fast. Particularly in utilities. Their only AAA in utilities work are normally ones that don't have any growth, that are actually able to balance their revenues with their current expenditures plus whatever they need to do to do some improvements. Typically, you wouldn't have a AAA on a utility and it is only because of very, very strong management so therefore we are, for example with Moody's, management AAA. In other words it's actually the policies and the management of that that got you the AAA, not the numbers. That is unusual, but that is a very subtle point.

Mayor Foxx said I guess we won't be able the capital investment side this in the sense that we have a capital bond program into our current budget, but do you expect that we will get questions this next time about our future intensions relative to the capital program? How are you thinking about handling that?

Mr. Walton said I don't know what my answer will be yet, but we will get that question. They look at the five years too and the tax increase that we did in 2006 funded referendums in 2006, 2008 and 2010. The last one we have is 2010, so when we've been there before we could always shows a future referendum and we can this October, when we usually go, so we will be able to point to November of 2010, but we can't point to anything else. They will ask what our plan is for continuing essentially \$150 million to \$200 million capital investment every other year.

Mr. Cannon said in looking at 2011 are you able to at some point bring us back some options. I know that it has been suggested every year a slight increased in property tax rate. Can expenditures help to offset some of that along with this for us to consider. I'm just trying to understand and anticipate a slight increase.

Mr. Walton said we are focusing on the expense side right now. We will present the budget in May, but there won't be any surprises by the time we get to May. We are starting on the expense side. If we see that it can't be done alone on the expense side we will come back to you before May, but that is pretty much where we are focusing right now.

Mr. Cannon said as we talk about technology on the IT side and all these different IT areas that we have, which one to buy, lease, I've seen opportunity for some functional consolidation across the board with that. Moving in a direction to do that could have some savings in the future. I would hope that we could look at all of that across the board in each and every department and how we might be able to do that to realize some savings.

Mr. Walton said point taking on that particularly, but keep in mind we had a very aggressive functional consolidation program and there is very little overlap. Medic and fire particularly, and it doesn't relate to police all that much. In medic and fire there is more of a semeiotic relationship there, but medic is something that is statutorily given to counties and unless they choose to give it up, but I don't know that they need legislation to do that. We continue to look at those sort of things.

Mr. Cannon said will you pull something together and bring that back to us and kind of give us an idea as to what it looks like if we were to look at some of those IT shops?

Mr. Walton said we will try but I don't know that we will have visibility into the medic side. We do for the police and fire and I don't think there is instant savings there. What we have talked about is that our system is outdated and after we bring them up after a period of time I think we will start saving money again. We will try to get something for you.

Mr. Gaskins said there was quite a bit of material in your book and I've heard some comments from some people when you looked at that. The question about Moody is very interesting because that has come up in the past about how they are modeling related to what AAA is. In other words, they are not exactly the same. Standard and Poor's and Moody, each model is a little bit different about how they determine what a AAA is. I'm not going to cover all the material but we do have a little summary sheet that has both Ruffin's material and mine on it as a tickler. I want to make a couple points and in the course of discussion we will either try to answer any question anybody has or certainly provide that information to you later if we don't have an answer today. On the economy, last year we still had a split among economist about 2/3 to 1/3 as to what was going to happen with the economy. This year it is closer to about 90% in agreement. When we poll all of these sources for the economy they are all showing slow recovery, maybe a 10% variation from that. Whereas last year it was about 66% were towards one opinion. What that means, I have tried to display for you. What we are seeing as a revenue picture, there is that general economic picture and there is this. This is not budget, this is just general fund revenues. All you really need to do is look at the diagram and see that it was high and instead of continuing to grow it dipped way down and now we are seeing some recovery. We are officially out of the recession or the great recession as the economist call it and we are coming back up. What it doesn't show on here is what the demand for service is in your particular local economy and it does not show how you have to get down to those revenue numbers instead of growth numbers. It doesn't show the actions we had to take on the budgetary side. It just tells you where we are in terms of revenue. What Curt said is, it looks like this revenue picture is going to slowly get back up to where we were and that is going to take 2 or 3 years, which is the reason we are having this discussion. The situation on employment is very interesting and once again Warren that was a good question because the rating agencies, when they look at Charlotte from a management perspective, this is from our policies from what Councils have done in the past, the things that we have done we are so strong that the generally don't have a lot of questions to ask us. When there is an economy situation like this, particularly with unemployment going up, which is a measure that has not been, they are going to ask questions. I have some data in here for you related to the local economy and according to the Chamber, we lost 16,122 jobs. We added 15,542 jobs, a lot of those in the banking and finance sector by the way, the one that they are worried about. Yet our unemployment is now up above 12%. The Charlotte Observer had an explanation for that and that is that they are people coming to Charlotte looking for jobs because we are still creating new jobs in Charlotte. We are creating new jobs in Charlotte. There is a lot of places in the country that are not creating new jobs, in fact people who have left banking and finance in the big towers are out starting their own business. There is a lot of business activity in Charlotte in spite of the downturn and that is one of reasons why people might be coming to this place and think about it, some of the counties that surround us have much worse economies than we do. Then even further out there has been a tradition for people to come to Charlotte. Our economy is still a very vibrant economy in spite of difficulties, in spite of layoffs, in spite of a slight negative in terms of loss of jobs. We are seeing all kind of signs that we might come out faster than the rest of the economy. That doesn't automatically translate, unfortunately, into revenues. As the state can see revenues that are dependent on business activity are down. They have even more of that than us because they don't have a property tax. There is a problem at that level, even worse than at our level. The other issue we've got is the command for services because we are still growing in terms of population and demand of services has not really stayed level. That makes that gap a wider gap than it would be in a community where maybe they are actually losing population and demand for services. The gap can be wider here even though we start from a much stronger financial position. These of the type of discussions we've had with rating people about particularly the Charlotte Mecklenburg economy.

Where are we with property tax? It is almost flat, slightly under 1% growth. Sales taxes are down and they are worse then they were projected to be. If you remember last year we actually

talked about the fact that the month after we were going to make the decision there was going to be a key month as to weather that went up or down, well it went down. Therefore we were hoping it would hold flat, but it went down, therefore that means your progressive projection was below what we initially recommended. In fact most of the state did exactly the same thing. The most recent material and information they had showed it was going to be closer to flat than it was and therefore they overshot in terms of sales tax projections. I point out in here for the state, it is about \$120 million now that they are estimating their lag is. Business Privilege License Tax, also a business activity tax, is similarly affected. It was a little below what we were in terms of revenue. That relates to the projection that Curt was talking about in terms of the approximately \$11 million that we will be looking for in 2011 so that is where we are and that is how we got there.

With regard to debt capacity, we did talk about that and this is an issue because we've got the 2010 and then we don't currently have a 2012 plan.

Mr. Dulin said before we got too far from the unemployment numbers, where are we on our hiring freezes with the City now.

Mr. Walton said we don't have a hiring freeze. We have frozen unfunded vacancies, but when we began the new fiscal year, if departments could fund vacant positions as they became open, they could be filled. We haven't had a hiring freeze in 9 months.

Mr. Dulin said why can't we start filling some of the 311 positions?

Mr. Walton said because they are not funded and the savings are going to be needed to help balance the budget. It just depends on what has been generated, and they have generated savings in addition to that. It just means that it builds in costs for 2011 that we don't know that we can spend the money.

Mr. Dulin said do we have a list of departments that are funded and are hiring? Does Deborah have enough money to start hiring some of her people, or Jeb for Storm Water or C-MUD needs people on the job now. They are down 10% over there when they need to be up 10%.

Mr. Walton said therein lies one of those risks. There is a cause and effect. If they maintain the 100 vacancies in order to get the rate that the net 5% range, they have reallocated and will continue to do so, and that means some other area is going to see service decreases. In the case of Jeb and Deborah, there are specific frozen positions and then vacant positions that may have come along. They can mix and match as long as they can still meet their expenditure target which they are doing.

Mr. Dulin said okay, it is interesting that some people are hiring and some are not.

Mr. Howard said I was just wondering from the information shared standpoint with the community, I don't think I realized the unemployment rate was still going up because people were moving here, which says we are not losing as many jobs as it feels like if you are not sitting in this room. It is kind of depressing to everybody else to hear 12% because that sounds like the economy in Charlotte is going in the wrong direction, when in fact it is not. When you figure out what that separate number is and how many people have moved here compared to how many people were here three years ago and lost their jobs and have been here for a long time. That would be a real good thing to really push to the communities. It is depressing to hear 10% and 12% when in fact that is just because people are moving here from other areas. If that is a true fact, that would be something that we need to work on.

Mr. Gaskins said the same people who got jobs are not the ones that lost jobs. Sixteen thousand plus, people lost their job and they may not have been the ones that got new jobs. We also added 15,000 jobs so it is a mixed bag.

Mr. Barnes said if we factor in underemployment, what is the percentage?

Mr. Gaskins said we don't have a measure of underemployment but that is a great question.

Mr. Barnes said nationally I think it is 17%.

Mr. Gaskins said we don't have any data locally on that. That is a great question. I was an economic forum about a month ago and somebody was asking if there was underemployment figures locally, and there is not.

Mr. Barnes said I'm not asking you all to do that because of the work involved, but would that typically come from the state or would the Chamber have some methodology on that?

Mr. Gaskins said the state numbers really don't cover underemployment because if you are employed you are in their statistics as employed. There is really not an underemployment figure. The national numbers are estimates that are made and they are not estimates for Mecklenburg County. That is what makes that a hard figure.

Ms. Carter said that is a good research topic. Can we request of our research centers?

Mr. Gaskins said we've got some sources we could ask to see if we could get an underemployment figure.

Mr. Gaskins said on the debt side we had a very interesting year. When we talked to you last year we talked about some of the challenges of certain people having zero access to the market and the whole entire market being a challenge related to debt. There are some things that we had to do last year that were unusual. We actually very aggressively went into the market place and looked at the areas that were troubled, this is particularly related to areas where we liquidity, short term debt instruments, and we saw an opportunity to actually take some of those out and convert to long-term at a total savings to the city. Why, because of the fact we were one of the people, as Curt pointed out, who had enough credit crunch and power to actually make that transfer and because fixed rates were so low we were actually able to save money in doing that. Not everybody could do that. The result of that is we lowered our overall risk profile which the rating agencies through was good in this market that you would be able to do that, but we were also able to save money, which some were not able to do. That is really how you generated about \$40 to \$50 million of capacity. This number normally probably would have been, with the economy like it was, \$10 to \$12 million but instead it is \$40 to \$50 million. It is actually a fairly large number that we were able to create because of market conditions and our economic strength let us do that. That number is a higher number than I would have normally presented to you this year. We took advantage of luck and turned that into some additional revenue for the City. That is how we got \$40 to \$50 million of capacity. Right now, one of the benefits we've had of being a top credit is when things got troubled nationally and when people got concerned about credits they were therefore willing to pay more for our name. For example, we've had some very successful sales. The last Airport sale was extremely successful because the Charlotte Airport has a great name. The City of Charlotte has a great name. The Charlotte Utility in terms of the capability to repay has a great name. We've benefited from that over the last year, but we still don't at this point have the 2012 plan and when we go in the fall to talk to the rating agencies that is one of the questions they will ask us.

The last thing I want to mention is one of the factors that Curt alluded to where we are going to have something that we don't control that increase our costs. We are fighting with low revenues and yet this budget is not staying the same and this is one of the reasons. The local government employees retirement system had not had an increase for employers in 26 years. The Board, on January 21st voted an increase that was 1.55% and the numbers are there that takes it up to 6.35% and 6.41% related to the regular employees and law enforcement. We had worked with the Treasurer's staff after looking at the numbers to see if a lower number wasn't sufficient in light of the circumstances and not to go into all the actuary tables and everything, but we had an opinion that a lower number would spike and we got the large city county finance officers organization which Curt and all the other managers attended for this meeting and voted unanimously to pursue this alternative. We actually got the administrator of the retirement system to recommend it and it was voted down. We have a very unusual board in terms of that board is seven members that are joint members, primarily state and seven members are local members. Those 14 people are the people who make this decision. In this case the 7 local members voted 4 to 3 for the alternative proposal. The treasurer abstained so the vote on the state side was 6 to 0 not for that. There is a lot of reasons why that could be. We are trying to

make sure that we pin that down so we know exactly where we are in this area. Curt has asked me to work with some of the other governments that helped support us before in terms of pursuing this issue to determine whether there is something of enough importance about this in terms of what it is going to mean for us in the future as to whether or not we might pursue some other alternative, and we are in the process of doing that right now. What means for us this year is \$3.5 million of additional expense for the general funds, \$4.5 million total expense related to your budget.

Ms. Carter said does this have to be ratified?

Mr. Gaskins said it does not. They changed the law and the reason there was a joint board of the local side and the state side was that all of it went to the General Assembly. The way the law has been changed, that Board of 14 people is a final decision related to type of inquiries. You hit on the issue as to whether or not there is a fairness issue involved with that and I think is part of the expiration.

Mr. Walton said it was a bad process and the League and the Association of County Commissioners just rolled over on it and for something to not go up for 26 years and then go up 33% at once in a year like this when the pension fund is still the third strongest rated in the country and we are 99.6% funded. It is just amazing to us, but we really haven't been able to get anybody's attention on it so we are still jumping up and down, but we are doing it pretty much by ourselves right now.

Mr. Gaskins said I think we have the attention of the other big 10 members. This is the five largest cities and the counties they are in. In fact we are talking about Curt potentially having a special meeting of that group to discuss options that we would bring back to Council, and they would bring back to their councils and commissioners.

Mr. Foxx said is this \$3.5 million number folded into the number you have shown us, the \$8.5 million?

Mr. Walton said it is in 2009 to 2011 and it hits starting in July.

Mr. Gaskins said as Nancy pointed out, it is final when they did that vote on the 21st, that was the final action.

Mr. Walton said the state will not fund their side of it where the state employees just went up the same amount.

Mr. Gaskins said here is the unknown. That issue gets presented to the state and then the State Legislature will debate it and they may choose not to fund 100% of that. We don't know what they are going to do, but they have the option of funding a lesser amount.

Mr. Dulin said Curt, you had mentioned that you wanted to take \$7.4 million out of reserves to help with the \$8.5 and now it is \$11.5. That is going to tap that particular pot dry isn't it?

Mr. Walton said right, that is the amount that is for this year, not next year.

Mr. Dulin said are you going to put that back in there? How is that going to get rebuilt?

Mr. Walton said it will have to go through the budget process. We have \$9 to \$11 million gap next year which presumes nothing about the \$7.4 million.

Mr. Dulin said it presumes nothing about the potential pay raises for the employees.

Mr. Walton said it is exclusively of this year transaction.

Mr. Dulin said we are basically going to tap it out – go to our piggy bank and empty it.

Mr. Walton said keep in mind we still have about \$100 million in fund balance. We're over 16% so it is just an increment above 16% from last year that we drew down. We have now drawn down from 16% to 7.4% for other things but we reserved the 7.4% exclusively for that purpose.

Mr. Gaskins said the only other thing that is not over here related to revenue is the fact that the state could still act, but they have a problem themselves. They could still act in some way that might negatively impact us on. This is not in your numbers and of course we are very aware of that. There is a joint Senate and House Finance Committee that is looking at revenue stuff. We have been monitoring that and tracking it and I think there is some material included in your packet related to that. There has been no announcement from that group so at this point in time as we talk we don't know of anything related to that other than that the issue of business privilege license tax is still on the table. You are receiving \$16.6 million anticipated from that tax. If it were to go away you can create your own horror stories on that one.

Mr. Dulin said I just think it is important. That is a nice report and you guys are good at what you do, but I think it is important for us to remember if we are spending out of our piggy banks. We are spending the principal and it is a lot of money we are talking about and it is not our money. I think it is important that we remember that we keep going to different pots of money for whatever we want to do or we are having to find this money, whether we have it set aside or not. We are having to go find it to spend it on things like next year's budget.

Mr. Walton said it is only on this year's budget and it is not principal. In a way it is interest because the principle is the 16% that is the Council's policy. The interest is the amount over 16% so the interest has been applied to that which is now 7.4% just for this year.

Mr. Hall said one thing I would like to highlight is what we have put in front of you for this current year which is between now and June 30th is our estimate about what will occur for the rest of the year. We try to be conservative with that so that we can plan for it and make sure we've got it covered. It is possible, perhaps even likely maybe revenues will kick back in a little bit better for the rest of the year. Departments could save more than \$4.2 million and we may not even need the 7.4%. All we are showing you today is our scenario about how we are going to manage the current year and hopefully we won't need it. We don't even have December sales tax yet and that is a big grow of sales tax so Gregg is guessing, but guessed really well, but we don't get that until the middle of February because there is a two-month lag on the data. I wouldn't over think the current year. I think the message is that we are really okay. We've got a way to handle it. Council agreed to set aside that reserve because things were really uncertain with regards to economy. It is a cushion against what may be our worse case scenario, but we are okay.

Mr. Dulin said I need to be able to communicate that to people who I talk to on a daily basis. It is good to have that so we can communicate.

Mr. Peacock said we are talking about pages 15, 16 and 17 in our book and this is what you all said, 74% of our general fund budget is employee pay and benefits. 74% of the 66% of employee pay and benefit goes to police and fire in the general fund. Then we turn to the reality of what is going across this country, which is under funded pensions, concerns about investment losses, continued depression in all of the equities market. I feel like we need to be clear about, as you all are going to be talking to us because it looks like it is crunch time here by February 11th. All the Key Business Units are going to be coming to you with their formal budgets, but that big driver is what we are paying our employees, the future promises that we are going to have to fund in these defined benefit pension plans. It is that delicate balance that really boils down to where we are right now and I feel like we can get caught in the weeds here, but standing at the top of the forest, these are some very serious things. I want to try to boil down to what we can understand right now.

Mr. Hall said one thing to remember is that this is the February part of the process and what we are doing by putting forward an estimate on \$9 million gap for 2011 is to sort of set the beginning of the process. There is a lot of variables that are going to go through as we go through March and April and then we are going to recommend to you a balanced budget in May. It will be balanced and there will be no gap put forward by us when it comes to May. The purpose today is to sort of set in motion what are the key drivers we are having to look at that do
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contribute to that forest look. None of these things are set in stone today. We are going to get that revenue data and as Curt mentioned, we have already been meeting with all of the Key Business Units talking about alternatives that we might use to incorporate into this particular budget proposal coming in 2011. I will comment on this drivers, going off of Page 3 of the handout, looking forward into 2011 an actual budgeted revenue decrease at this point in the process. We are coming out of the recession and since we are not looking at making revenues in the current year, the actually budget projection going into fiscal year 2011 is about a ½ % decrease from 2010 to 2011. What are the cost drivers that we are looking at, ... is obviously a big portion of what we always talk about. We did not have a compensation adjustment for our employees last year. It is a very difficult circumstance to do that two years in a row, for all kinds of reason that are pretty clear to the people in this room. There are issues associates with recruitment and retention, there are issues associated with morale and we also have to do market studies. We also have health insurance costs and those are continuing costs drivers for employees. The police officers is just the increment, about \$900,000 for the general funds on the portion of the 125 officers you added in August that the general fund was projected to increase. The Local Government Retirement System, that is the \$3.5 million and is the biggest single material impact right now, looking forward into 2011. Risk Fund, that is Gregg's area, but the short description is that we've had some increase in some significant events that we are familiar with. Also Worker's Comp claims have increased dramatically due to some of the rulings from the Industrial Commission at the state. We are having some issues in the loss funds, we are self-insured and put our own money into to pay out the claims. Those claims are coming out faster than the money we are putting in so we will have to look at that. We had an electric rate increase from Duke Energy, but on the other side of the equation, it is not all bad news, Solid Waste has got significant savings associated with the program that you all are familiar with. The bids came in better on the carts significantly, than what we've even got in the projection so actually the \$9 million could be \$8.3 million. The numbers move as we go through the process. Solid Waste has a significant amount of savings going into 2011 that is offsetting those things. The projection assumes no adverse impact from the state. Big assumption. I don't recall the numbers off the top of my head, but as you all know the state is driven by income in sales tax, which is much more volatile and much more connected to the conditions of the economy so the state budget hole is dramatic for 2011. We are just going to have to watch that as we always do and recommend a balanced budget in May.

Mr. Peacock said on Page 17, the last paragraph, costs have been rising due to three primary factors, worker's comp, adverse court judgments and increase in catastrophic events. I wanted to ask about the Executive Level Risk Management Task Force and Ruffin, you made comments about the state and worker's comp, can you tell us a little bit more about that. Do you think we are able to control, what is going on here?

Mr. Gregg said what happens over time with worker's compensation is you know this tradeoff, the reason we have a worker's compensation law is so employees don't have to sue an employer and just about everybody in the country has now a worker's compensation program where in the placement for that suit between employee and employer you have a state law and there is a board that does the review that if you in fact have a dispute about this it mandates these payments for these type of injuries. In this particular injury, you get this payment and it is a very uniform way to handle this type of situation, but when you get what I would call unusual circumstances or facts, that goes to the industrial commission to be decided, what tends to happen over time is, imagine the worst fact situation and the one that is going to go to Raleigh to the industrial commission, not the one most favorable to the City, but the one least favorable. If they make a decision on that least favorable fact situation then every other case that is like that, even if it were to be more favorable to the City is ruled on and in fact in this case, not just City, the corporate entities as well. As a result of that over time you have an expansion of what is considered compensable and typically you have seen this go over a period of time and then eventually there will be some legislative reform and you will have another period and it will start again. This has been the history of the worker's compensation system. What we are seeing now is some adverse rulings that have resulted in us paying more money for either certain types of injuries that maybe were paid less at one point in time and paying for certain types of injuries that maybe we didn't pay over time. Some of them seem to be when you analyze them to be unreasonable in terms of those amounts. There is a very famous case that happened one time related to someone and an injury that was psychological and resulted in a huge payment by the City. This was sort of a poster child or is that a reasonable solution. We don't really control the

industrial commission so what tends to happen when we see these cases, even though we might make a different judgment, we pretty much are going to have to pay those because if you go through the process of litigating them you are going to basically pay that cost plus the litigation costs which cost even more. There has been more money in terms of worker's compensation going out and it has been a situation of slightly more frequency and also a lot more severity in terms of the size of the claims. On the other side related to cases, we have seen a number of cases that have been either litigated or settled where the particular instance is of high value. Many of those have come to you in closed or executive session for you to see them and there have been more of those high value cases than we've had in previous years. These are the primary drivers for the risk loss. There has also been a slight increase or frequency in certain selected areas and in those selected areas where you've had that, it has also cost you more. You add that altogether and from an actuarial standpoint you are looking a pretty high scale. That is the reason the Manager has decided to take some action of having an executive level committee to really focus on not safety versus the job, but doing the job safely and put some real effort on that. That is really what Eric has been charged to do.

The meeting was recessed at 10:00 a.m. and reconvened at 10:09 a.m.

Mr. Whitehead said are we really to transition to reaction to debate.

Ms. Carter said two questions – property re-evaluation, the basic assumption that property with higher value would be an imposition on who don't have money to pay it. When is the assumption that re-evaluation And number two, we enacted investment in markets, using some of our reserves. How is that doing?

Mr. Gaskins said on the rebound, we are at the end of the re-evaluation period. We can delay it no longer. We have to because by statute you have to do it every 8 years. The tax assessor for the city and county is actually currently already out there starting that process. It is a 2011 process that is effective 2012. If you talk to people who do this and the Assessor's Association, etc. if you go for a year, in spite of what the downturn is, you are going to have increases. Take a look at Charlotte Mecklenburg. These evaluations will be high. As always there are going to be places that are lower because there are places that due to economic conditions and changes in market values, there are going to be places where it is depressed and their value will be lower. There will also be places where it is higher and places where it is a lot higher. The combination of all of that is you will have higher assessment. I don't think there is any way that you could not after 8 years in our economy. That will happen for 2012. It won't affect the budget you are currently talking about, it will be the next year's budget that it will affect.

On the investment program. You all are through with that and this is really for funds that we are required to hold for long periods of time, therefore we can invest for longer periods of time and earn additional revenues. We are in the legal niceties of that but basically there are contracts that have to be signed. We reviewed those contracts and obviously where they had not dealt with us before there are some contractual terms that were difficult so we had to review all of them, make our recommendations, send them back. They have gotten them and sent them back. I think we will be completed with that process in about 30 days so we would expect to begin that program in about 30 days. Everything else is done and all the other parts are in place. We are simply doing the finalization of the contractual agreements.

Mayor Foxx said given the revenue picture right now, I know there are some issues regarding recruitment, retention and morale within the organization, but given where the revenue pictures are right now, staff pay increases just don't seem to be the thing to do right now. I don't know how you handle it in terms of communicating the concern, but I do think there needs to be some awareness at the staff level of what the revenue picture is. I'm talking about people in the organization, obviously, in this room now. During our budget process annually, regularly we have people coming to the council about pay increases and this year it looks like it could be particularly grim. The other observation, in the interest of being directed and honest, and encouraging creativity, is that I think we as a council ought to be open to things that you can do outside of pay increases that help build morale. Some of the things that we get asked about from media outlets that are going on, I can understand that there is an effort being made by the staff to try to improve morale at a time when folks haven't had pay increases and things like that. That also ought to be something that we could figure out a way to communicate, but I want to say to

you that I think whatever we can do to try to keep the count we've got and not let it walk away in a situation like we are in. We ought to be trying to do something.

Mr. Peacock said has there been documented problems about retention? I'm trying to understand, to be honest and direct right now, if people are losing jobs at an enormous rate why are we having problems or am I hearing that we might be having concerns of city employees are thinking of leaving and going somewhere else. Where else would they go?

Mr. Walton said that is not really what we said, but there are places in the organization where recruitment and retention is kind of an issue. We haven't made a recommendation so I'm not going to defend the pay recommendation right now because we haven't made that decision. That will come in April or May, but I think it is not so much that, but there are some things tied to worker's comp where crew sizes are smaller and that is creating some injuries perhaps. Crews are working faster in order to increase the amount of work so I think morale issues are probably greater than retention issues, but there are places in the organization where people are very marketable because they are in like procurement. Areas where private companies are hiring them because they can see a way to reduce their costs. If they can get better prices on products and supplies, or whatever the case may be, there are a few of those. There are also places historically like engineers and IT, when the economy does change those people are going to move quickly. It is a balance, but we are not recommending a pay adjustment now. We've got a long way to go. There has been a lot of discussion among senior staff and department heads about that, whether it is a good thing or bad thing so we are not there yet.

Mr. Peacock said my only comment would be keep us informed of which divisions are having morale issues so we can look for ways to get staff to be creative around that. We certainly don't want to lose quality people, but I think we have to look at this from the perspective of what we are seeing all across the private sector which are pay decreases, people being fired and organizations dropping off enormous amounts of their workforce to address their drops in revenue. We can't operate as if we are any different and my message I would hope as a council that we absolutely want to attract, award and retain great people and want to stay consistent with our HR philosophy of not being at the high end of the scale or the bottom end of scale, but in the middle. I believe that people will be recognized as you look at the rich benefits that we offer on health insurance, pension, this is a very stable workforce. I think that is the overall impression the public would get of what it means to work for the City of Charlotte.

Mr. Walton said I don't agree that it is rich but that is an opinion.

Mayor Foxx said we have seen some service delivery impact and it is likely that we will see other service delivery impact and communicating that to the public as clearly as we possibly can is going to be important. I personally don't think most people in the public expect us to be able to manage through this economy without some impact. I think the public will be understanding as long as we are very clear to them about what we are doing and why. After seeing this presentation, projecting revenue pictures is very difficult in a time like this and I think you all have done an exceptional job of trying to work through the issues anticipating some of the challenges to manage through it.

Mr. Turner said I think the more we start indicating that we want to make things clearer to the general public, anytime we speak to the taxpayer and talk about service fees going up, or user fees going up and service quality going down, I don't care how you communicate it, it is not ever going to go over very well. If I take my car to get it serviced and the service is bad but the cost of my car being serviced continues to go, you are going to have some rejections. I have an alternative not to go there anymore, but the citizens living in our county have a very small window of as it regards service. We as elected officials would be put on the hook. They won't look at our City Manager, they will be looking at us and wondering why we would support something like that and what alternatives have we come up with. I think that is going to be our greatest challenge, making sure that we come with alternatives internal, our capital goals and whether or not we fund those and go forward or whether not you fund the citizens based on their user fees, fees that are going to have a direct impact on their cost of living whether you give them a raise or not. One of the other things when you talk about HR, how often do we retrain our managers throughout our service departments. I get a lot of complaints about people who supervise so I think when we talk about relationships, a lot of time people will be willing to take

a sacrifice and understand the cost of doing business and they might not get a raise, but to work in a very respectful and comfort environment goes a long ways. I think when that is not happening and people are not treated fairly, it make that more difficult to not give people raises and compensate them for what they do when they feel they are being harassed and we are not addressing some of the HR issues. Do we any cross training to bring people up to date on how to deal with people in crisis?

Mr. Walton said there is constant training throughout the organization, but less than there used to be because we don't have the funds for it. The answer is yes, but not as much as we've done in the past. I don't hear a lot of what you are talking about so it would be helpful to know what those cases are, but I think some of that is the stress of the increased work load, less people to do it.

Mr. Turner said the two departments that I've gotten the most complaints are C-MUD and Solid Waste. They are complaining about the long hours, the call back, don't want to pay. It is just a lot of complaining and something that I have not had a lot of volume of during my term on Council, but a lot more in 2009.

Mr. Walton said I would probably agree with you as those are the two areas of the City that have been most involved with managed competition, particularly Solid Waste. The number of things people have to collect is huge and the other thing since there is so many vacant position, overtime is a very big issue and call back. The same people are performing more of the service which it can increase morale for a little while because you are making more money. Then it is going to plateau because you are use to it and then overtime it is going to drop because you are tired of it. We will be glad to look into any specifics that you want us to.

Councilmember Mitchell said I'm passing around a research done by the National League of Cities and it clearly shows how all cities are going through tough time from recession to recovery and you will see examples of other cities as they are faced with physical distress. I think the more we can be proactive and creative it will continue to set our city apart from other cities that are having terrible distressed times.

Mr. Beamon said we are going to transition into talking about the five focus areas that you all as a group have been operating from. I want to shape this up as a tactical conversation about those five focus areas, starting with Public Safety. I want to get your thoughts on what are the outcomes you want to have from these tactical discussions on these five focus areas. What does a successful dialogue on Public Safety look like?

Mayor Foxx said I think an assessment of the current state of play on Community Safety. Getting the facts about where things stand. A discussion on ways to improve upon what we've gotten and some specifics around strategies to do that.

Mr. Beamon said what does a successful conversation on a focus area look like, knowing that we've got a limited amount of time on each of the five so we will have to be clear about what we are trying to achieve by having the discussion.

Mr. Howard said agreed upon assumptions and goals about what the future of those areas look like.

Mr. Cannon said I would add to that, determining short-term achievable goals as well as long-term.

Ms. Carter said and the message we want to convey to the public.

Chief Monroe, said I would like to have some discussion about what some of the issues are within the whole public safety arena, even before we start talking about those to really know what some of the issues are that we can really attach some of those goals to. Sometimes it needs to be more than just police, but I think it is time to look at a broader spectrum of the criminal justice system as a whole to see where we can have even further ... of our public safety needs.

Mr. Beamon said I would call that critical issues. Of any complex issue there are lots of things that impact it and lots of things going on. Normally there is a shorter list of critical issues, what are the real drivers of what is creating this and what are the real drivers on what we can do and what are the key drivers on the outcome.

Mr. Cooksey said can we all agree to call it the same thing? Sometimes we call this focus area Public Safety and then there are documents on Community Safety. Could we just call it the same thing. I'm not sure which is should be but I find myself calling it either one and sometimes wonder if I'm talking about one focus area or two when it is just one with two different names.

Mr. Beamon said consistency in how we label the issue. It is important to put these up and anytime we have these discussions, let's just remember what we said a successful dialogue on the issue looks like.

Mr. Howard said when do we have the conversation about the other issues, not that I have one, but all of those are centered around committees more than anything, but is there going to be discussion about the other ones?

Mr. Beamon said I think the identification of an issue that would not be considered a key issue, the acknowledgement of it, but based on the time we have to talk about all five, it may not be able to be flushed out or a large dialogue around that issue. It may have to go back to committee. If something is not being said about an issue, no-one is talking about it in your view, just to get that in and this is something I think might be relevant. We don't have time to go through it today, but I want to get there out there and circle back to it.

Mayor Foxx said let's think about where we were two years ago at this same time. We agreed that Community Safety would be one of the top three priorities for the City Council and we asked staff to work on a Community Safety Plan which has been adopted. Chief Monroe came in about six months or so into that year and began a process of realigning the Police Department into 39 smaller targeted districts, making the force more nimble in the way it responded. We are seeing a lot of the results of that including a 30-year low in crime and even a lower number of absolute crimes in the last year than we saw the year before. That is a credit, not only to Chief Monroe, but also the entire Police force for all the work that is going into that. I think maybe using that as a guide, walk us through some of your observations about the current status on public safety, some of the critical issues and some of the goals that you would suggest to the Council.

Assistant City Manager Eric Campbell said I will briefly try to set a context for the discussion of the current focus area plan and then turn it over to Chief Monroe and he can elaborate on some of the key points. When this Community Safety Focus Area Plan was developed it was developed in the environment of the new Chief coming in for a reorganization of CMPD and an introduction to a new strategic plan for CMPD. All those things were the environment in which the Community Safety Committee had been looking at the Community Safety Plan. If you look at the overall narrative, there is just some technical corrections because we had some reorganizations so Neighborhoods and Business Services was corrected within the document. I will briefly go through some of the general focus area initiatives so you will know what they were and what Council approved.

The first initiative was decrease in crime throughout Charlotte-Mecklenburg through enforcement and problem solving strategies that target criminal activity and chronic offenders at the neighborhood level. We have all heard that from the Chief with his presentations to council. The second one is to enhance citizen safety through increased police visibility and engagement of citizens as active partners in crime reduction. The third one is develop recruitment strategies that attract a more diverse applicant base to the Police Department. Number four is partner with other city and county agencies as well as other members of the criminal justice system in enforcement and prevention efforts that reduce crime and enhance the quality life in our community. The last one is reduce loss of life and property damage from fires through proactive fire code enforcement and rapid response to working fires. These are the primary focus area initiatives and looking at Initiative two, one that the staff is considering that we add into the Focus Area Plan is the adoption of a Police Facilities Strategic Plan which basically outlines the priorities for where division offices would be located throughout the community. That plan is

already being worked on internally in CMPD, but we felt it should be elevated to the Focus Area level. If you look at Initiative number four we also encouraging that we include the work with the District Attorney's Office on information technology plan that includes a case management system with an interface to CMPD's electronic case papering system. We've already started working on that process and Council has approved some funding to do this. Again we wanted that to be elevated to the Focus Area level. When this particular Focus Area Plan was adopted Council also adopted the strategic operating plan for CMPD as well, so they were done in conjunction. That is where we are in terms of this particular focus area.

Mr. Cannon said as Chair of the Public Safety Committee, I had asked each member of Council to provide basically what the Chief has asked for in the way of what some of the critical issues might be and we have gotten those responses from several members of council. I will turn that information over to you so you can know specifically whether it is a district rep or an at large rep, what some of those issues might be that you could take under advisement for consideration, then in turn work to apply that and meet with them at some future date to talk about those issues and what can be done to mitigate some of the concerns out there.

Chief Monroe said the overall strategy for the CMPD is pretty basic and that is focusing at the neighborhood level. Everything that is occurring relates to community/public safety occurs within the individual neighborhood and those neighborhoods that you represent and how do we bring about 24 hours, 7 days a week accountability and responsibility. Accountability by virtue of someone being in the know of what is going on all the time there and having the responsibility of developing those strategies for addressing those public safety needs. Over the last year and a half, we've been able to put and identify upwards by the end of June, 280 additional officers back into the community. That is based on redeploying officers and that is based on maintaining almost less than 1% attrition rate within the department. That is very, very key because those 60 to 70 vacancies that has been in the department that we have experienced year after year, although they created a great amount of savings, that is over half of the division. Sixty vacancies is over half of our 100 plus individuals that we have assigned to a division. By virtue of redeploying, maintaining a very low attrition rate and then top that with the 125 additional officers that we have been able to hire, and the up-date on that is, the 50 that we hired in September will graduate February 19th and go out to the divisions. The start of the 75 additional officers on top of the 50 were hired and started the Academy last week with the expectation of graduation prior to the end of June. That focus won't change and with that understanding what the priorities still remain in the division, having the ability to put as many resources back there as it relates to patrol, as it relates to focus mission teams that are able to focus on chronic problems, problems that come up periodically that we need to put resources toward, identifying detectives in the division to investigate crimes, rather than all the investigations occurring downtown. More and more of our investigations are occurring within the divisions. We now have gone to a response to all larceny models where we are accepting less and less telephone reports and responding officers to those actual calls. They do two things, one is it gives us an idea where things are happening, being able to see them, being able to put ourselves in front of citizens and also it is giving the citizen a great satisfaction knowing that we have prioritized these cases and now are responding to them. Our core problem still remains repeat offenders. We are seeing a small number of people that are repeatedly committing crimes within the city and with that we have tried to focus on how do we bring greater accountability to that limited few. We have a list of upwards of about 250 individuals that we monitor daily as it relates to whether they are in jail, whether they are on the street, whether they on probation, whether they have a criminal case assigned to them or whether or not we just need to follow them around for a couple days and see what they are up to. With that group we are finding more and more there are other partners out there that can help us hold these individuals accountable. Communities are pointing out these individuals. We have now stood up three court watches throughout the City – Eastway, Providence and the South division that have been very effective in going to court and helping to hold prosecutors and others accountable for bail, sentencing and other things related to the offenders. Our partnership with probation has increased. We are doing more and more home visits with that portion of that 250 that are on active probation within the city where we are knocking on doors, doing home visits and in many cases doing home searches. Just the other night, I was with one of probationers, and thanks to the law that was passed by the general assembly that allows us to go in and actually search a probationer without a warrant, or without permission, I know some people start looking at how this may be tramping on people's rights, but it is not. The perfect example is going to visit one of our probationers, going into the

bedroom and there are three color TV's sitting in the bedroom and we were able to identify that came from a burglary within the neighborhood. The mere fact that probationers know this is happening causes a reaction from them and that is what we want. Either that reaction is that they are going to stop some of their criminal activity or they are going to have to do it a different way. Every time a criminal has to do something a different way we have a better opportunity of catching that individual. Some of the larger issues that we want to start focusing on and where we are going to really need a lot of muscle to do is when we start talking about bail reform. What are some of those bail reform issues that we need to bring forth either to the legislature or to our own judges to say how do we hold ourselves more accountable for setting bail, reducing bail, pre-trial efficiencies. There are a lot of people that are released pre-trial. Right now we are funded for 170 electronic monitors. We are at 290. We are electronically monitoring 290 individuals. A lot of that funding is coming from foundation and some of that funding is coming from a grant from the county, which within the next year and a half, will probably be going away but how do we continue to monitor more individuals on pre-trial services.

Mr. Dulin said how is your staff levels for those people that are monitoring the folks that are on monitors.

Chief Monroe said personnel wise we are fine. We increased the staff over electronic monitoring.

Mr. Dulin said it was four individuals, how many people does it take to monitor 250 ankle bracelets?

Chief Monroe said based on parameters that we set up we have five that are part of the core group, but the individuals within the divisions that elect who gets monitored now. No longer do we just centralize that, but division officers are allowed to recommend individuals and they do a lot of the monitoring themselves. They get the reports daily that does the cross strangulations to see where a crime may have been committed and where that offender may have been during that particular time so we've just broadened out to the rest of the department who helps us monitor those 290. Most of those 290 are property offenders. Burglars, robbers, auto thieves and larceny from auto suspects. Those are the majority of the individuals that are wearing the electronic monitors right now. That is why I think we are seeing such a dramatic drop in those particularly crimes. Burglary, robbery and larceny from autos are three crimes that we've seen the largest reduction in crime in 2009. Starting calendar year 2010 we are at 16% decrease in crime for the month of January. We are showing a decrease in every category all over the five categories.

Mr. Dulin said would you run that by us one more time Chief, that is important. A 16% decrease over January.

Chief Monroe said last January we had a very good month and to be able to see a further reduction for this January was pretty good also.

Mr. Cooksey said we all loved it when you came in the first your and your changes were producing declines in crime that year over year that we can point to. Just simply your arrival and the shake up that you did was changing, but now we are starting to see, not simply that you were improving over the past performance, but you are improving on your own performance and I can't comment you enough for that.

Chief Monroe said from July 2008 through December we saw reductions and we were able to replicate those deductions in 2009 over that same period. It gave us the ability to go into 2010 really trying to keep those same type of deductions. We are seeing more and more probation revocations where now probation is able to go before a judge to have individuals revoked. It does two things, one it gets that offender off the street and more importantly it sends a message that if they continue to be involved in criminal activity there is a greater likelihood that their probation is going to be revoked. We are starting to look at other treatment strategies. We've brought along other representatives from the county to really look at alcohol and drug treatment to make sure that we are doing all that we can to address some of those systemic problems as it relates to the offender. Going forward in 2010 our concentration will remain on priority and repeat offenders and how we can better identify them through tracking methods. We started a repeat offender unit that is now actually waking up every morning with certain offenders and

following them throughout the day and when they are identified in criminal behavior arrest are being made immediately. We are not divulging just how many targets we've put on that list just yet or how many people we have identified that will be a part of that, but I can tell you that that group is comprised not only of CMPD personnel, but also probation, parole, ATF and some of our other federal partners that actually make up that repeat offender group.

Mr. Cannon said what are you doing in house to have better working relationships with neighborhood leaders?

Chief Monroe said our focus still is at the Commander level where either they or their representatives are attending all community meetings to know what problems exist in the verity of communities. We were able to bring up 23 additional neighborhood watch groups last year. We did a number of home surveys and increased that over last year so again the more we understand and know what is happening at the neighborhood level, the better we are able to develop our strategies for addressing those particular problems.

Mr. Cannon said let me applaud you for you are doing with area businesses in the City of Charlotte, particularly area hotels where we've seen a lot of issues involving larceny. When we have visitors come in we certainly want them to come back and not experience some things that normally wouldn't be a good experience. I ask that question about neighborhoods because one of the things that is going on and has been going for some time, and this is prior to Chief Monroe coming here, as early as a week or two ago Council had someone to come down and speak before them, not knowing and understanding that that person who actually serves on a board is also an individual that is conveyed or is communicating back to drug dealers in the community. What is going on, what level of enforcement is coming down after attending neighborhood meetings? That has been happening and goes back to 1993 so what we should be encouraging I would hope is asking our officers to ask those persons on some of these neighborhood boards in these communities not to be a part of the problem but to help continue to be a part of the solution. Right now the rest of that story goes this way. This person goes, informs these drug dealers about what is going on where, whose is making the complaint about them, in turn giving up that person's telephone number who has made the complaint to the neighborhood and they turn that number of to the drug dealers. The drug dealer in this case calls that person. This man has now had to change his telephone number and worry about the safety of himself along with his family. We can't tolerate in this community, having persons that are in area neighborhoods claiming to be about trying to solve the issues of the neighborhood, but actually doing the opposite. Not a whole that can be done about that except to encourage those persons to work with your officers, but as best those officers can encourage those persons to be as upfront and honest as they can be with them will help us rid some of the activity that is going on in these communities.

Chief Monroe said we encourage all citizens to stay involved and one of our basic principles is that the more citizens are involved in safety the better it will be and we are going to do all we can to protect citizens that are involved. When we start talking about as a group what we can focus on there are instances where we have car rental groups and we dealt with the hotel issue of hotels catering to drug dealers and prostitution and bringing crime in. We have put some very stringent laws into effect to help address that. Another thing we are starting to see is people renting cars to robbers, burglars and we are seeing more and more of that happening in the city and are there laws or other things absent that we can take against these organizations that will better allow us to monitor them and hold them accountable for that. It is a growing problem and people will always find a way to skirt the law and now being able to legitimately rent a car, and I'm not talking about a brand new car, I'm talking about a 1994 Ford Crown Vic with 200,000 miles on it, but it is a legitimate vehicle so we can run the tag when you see it in the neighborhood. It is not stolen so it is coming back to these rental car places and we've seen them involved in robberies and burglaries and other things. These are the type issues we want to bring forward to help find ways of addressing them and I think it will help us hold those repeat offenders more accountable.

Mr. Dulin said have you put some numbers to your staff request for this year?

Chief Monroe said as it relates to personnel. That is something is that we are not considering for two reasons. One is that by the end of this summer we are going to have a little over 125
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additional officers on the street that is going to take us into fiscal year 2011. I would like to see how that wings out as it relates to our crime reduction issues before we start talking about additional officers.

Mr. Dulin said so you anticipate no new officer request this year, to which Chief Monroe said correct.

Mr. Cannon asked how juvenile enforcement and how that is going.

Chief Monroe said anytime you are dealing with juveniles in any type of criminal justice system you have to try to balance it with enforcement and intervention. As it relates to enforcement we've lost the facility that housed juvenile offenders so we no longer have a place locally to take juvenile offenders which has made it harder to help hold some of them accountable. On the intervention side I think we are doing a lot more in developing partnerships throughout the community and other collaborations that the Mayor has started to bring other people together that are working with youth to better coordinate those particular efforts. On the intervention side I think we are greatly improving. On the enforcement side I think we are somewhat stagnant simply because of the fact we don't have a whole lot to do with juveniles once they get taken into custody.

Mr. Cannon asked about PAL.

Chief Monroe said PAL has expanded greatly and we've put additional officers over to PAL and we are trying to take PAL out into two additional communities within the City to expand PAL and the partnerships that we have put out there with other organizations supporting PAL has increased also.

Mr. Cannon said you are doing a very good job.

Ms. Carter said I am delighted about PAL expansion. WEED and SEED has disappeared as I understand it and hopefully we will get back into it. Michael and I have talked about perhaps putting an enhanced amenity out at Milton Road where their problems seems to be spiking. I was very concerned when the International Division was disbanded and I want to compliment you because it has been pragmatic what is happening internationally. You have done an outstanding job and the Hispanic communities are communicating with me that the response and the communication and the interaction of the police is much more comfortable, more accessible and I really thank you for it. I cannot say that enough. Ex-offenders – there are some community groups getting together and I think intentional CMPD presence perhaps bringing these together so we can collaborate and find out what is going on to help people get into jobs so they don't go back.

Chief Monroe said I personally have been involved with some of re-entry programs in the city and supporting them. There is some great work going out there. We start talking about systemic prevention issues, that is when re-entry, that is when juvenile intervention and PAL really come, investment drug treatment and alcohol treatment really comes into play if we are going to talk about how we are going to really stem the kinds of crime in the future. I don't think we can ever lose sight of those systemic prevention issues.

Mr. Barnes said I want to share with you all an example of why the strategies that we are pursuing are working. I had the pleasure of attending a neighborhood meet a couple nights ago with Patsy, and we heard a story from a young woman who had moved into the neighborhood and was renting a house. She said I am here because I am tired of being harassed by my neighbors. Her neighbors were mostly 65 plus, older people who had been there for a long time. They were calling the police every time something looked strange and she was saying she was tired of you all bothering me. It got fairly contentious and I made the point that those neighbors are doing what we want, which is you dial 911 when you see something that is not right. She was there to stand up for herself, which I respected and appreciated as well. I don't think she appreciated why they were doing what they were doing, but the fact of the matter is by letting people know they were watching and essentially to some extent, harassing some of them it changed the nature. I am always telling people to dial 911 if you see something that is not right. The more we as elected officials tell our neighbors that the more we will see good results. It is

unfortunate what you described about this person essentially snitching to drug dealers in their neighborhood and I don't know what we could do about as a city, but the fact of the matter is the more we all stand up and say we are not going to put up with this stuff and get the police involved, the more people who can start looking for other places to go.

Chief Monroe said in the scheme of all of this when you start talking about crime reduction, you also sense some of the factors that are coming into play. Our calls for service are being reduced greatly. Our response times are being reduced greatly. Over the last year we have reduced response time for priority one, two and three calls as well as the call into 911 and that gets time. If you multiply that time that we saved for calls for service, it equates to additional people being available to do some very proactive things out in the community. We are very pleased with those type of benefits associated with it.

Mr. Turner said do you have any additional information you can share with us with regards to increase of black tar heroin we are seeing coming into our communities and the marijuana that appears to be more prevalent now? It seems to me a lot of suggestions are coming from a particular group of people and we seem to be seeing more of it throughout the City of Charlotte. Can you speak on that and how you foresee that affecting the crime and what it can do and lead to additional crime within our city?

Chief Monroe said regarding the black tar heroin, we think we have pretty much nipped a lot of that in the bud. We have a Mexican cartel that were operating the black tar heroin rings and a lot of them were operating in the south side of the city. We've broken up all of those networks, but those networks, some have reappeared, not to the level they were about 8 months ago. The same with marijuana, marijuana is coming in through Mexico and is coming in great volume. Because Charlotte is a key transportation hub, trucks are coming through here. We just knocked off a storage facility a couple weeks ago where we got several thousand pounds of marijuana, but the good thing is we got about \$600,000 in cash also. They went to a safe house and tried to get as much cash out as they could. They made that one about a million dollars out, but left about \$300,000 scrambled around the floor that we were able to recover. Do we think those several thousand pounds of marijuana was intended for Charlotte, no it was a distribution throughout the southern states.

Mr. Howard said Chief, I want to go back to the prevention stuff that Patrick was asking about. One of the things I want to do is, we've had a lot of compliments on the drop in crime and justifiably so, but want to make sure I compliment you on the commitments to the prevention program. I think in a way that is institutionalized in a way that the former administration didn't it have on that same level. I would love to know from a prevention standpoint, where you would like to see this stuff. I look forward to the day when you come in and ask for more officers to deal with that part of it because that has become a real deterrent to crime, and not just having more officers on the street. Is there more to your philosophy about how prevention fits into the overall scheme and you would like to see that expanded in the future.

Chief Monroe said it is similar to our other strategies. It is about partnerships. Seeing where we have partnered with probation, the courts and treatment to deal with systemic problems in reducing crimes. The same has to happen with juveniles. There are a lot of organizations that are working with young people in the city and the more that we can organize those groups together, knowing what their strategies are and how we can go about supporting them, not just by funding, but by knowing here is a place that you can refer a kid to or giving them the names of certain kids that are operating within certain communities. We've done more on our truancy initiatives whereby we are not only picking up these kids for truancy, but we are referring them to some of these partner organizations that are wrapping themselves around these kids, so not only are they preventing them from committing criminal acts, but they are doing more for them educationally. It is about creating those partnerships and I think what Mayor Foxx is focusing on is bringing all these organizations together and getting some type of reference of who they are and what they are doing and where they are doing it so we can better support them as a city. There are a lot of grass root organizations out there that are doing some great that we need continue to be involved with.

Ms. Carter said if you could post those on the internet, those agencies and community groups that are working so they could interface. If you could just have an open page for them to say I'm doing this.

Mr. Cannon said one thing that is working really well for the Chief and his officers, to your point where it is not so much about the number of officers, but actually how you are utilizing your resources. The Steele Creek Division has the least amount of officers of any division all throughout Mecklenburg County, but yet have the greatest reduction in the way of overall crime. The point is not how many you have, but how are you exercising that partnership, how you are exercising that service delivery to allow that to take place. I just wanted to highlight that because it is not so much how many, but how you execute the strategy that needs to be laid out.

Mr. Turner said we also have the largest geographic area and we reduced that ...

Mr. Mitchell said some of your officers had this communication piece they were e-mailing out to neighborhood leaders – tell them kudos because I get so much positive response about police officers communicating with neighborhood leaders to me on a person to person basis. Secondly, Metro has done a fabulous job of helping you change the image of Beatties Ford Road corridor so that you very much. Two questions, do we have any data that shows how many times we have incarcerated our homeless population? As we try to make a connection on what we do and the big issue that is growing in our community is homeless, I'm receiving a lot of data and Mayor Foxx and I have been in constant conversation with other providers that shows us data that shows just how much money we could save if we addressed some of our homeless issues. If you could provide that data to us I think it would be very helpful. When you look at some of our challenges at our high school level, is there any type of discussion, maybe a resource officers or some of our hot spots as it relates to high school. I know right now we just fund school resource officer to middle school.

Chief Monroe said no, we have school resource officers at every middle school and high school and West Charlotte has two. There is a formula out there as it relates to what the schools pay for that school resource officer and I think that is probably one of the things we need to go back and re-address also. We have 49 officers that are actually assigned to schools, but we only receive 50% of 80% of the officer, which I think needs to be looked at again.

Mr. Mitchell said it is 50% of 80% funding of officers?

Mr. Dulin said last year during our budget cycle we had a lot of conversation about funding either 911 workers or community coordinators, folks that send the officers out to the hot spots. We still could use more 911 operators. Last year I believe we were answering 911 calls, physically the phone somewhere around 22 seconds is our average. If we got more of those folks we want to get it down to the 10 to 12 second answer average. Is that right?

Chief Monroe said we are little higher than the 22, but more operators would help bring that down. We are looking at ways of not asking for additional people for obvious reasons. We are restructuring some of our other internal operations so we can divert some of those resources to 911.

Mr. Dulin said personally and there may be others that feel this way, having 911 service staffed fully is a big deal to me. I called 911 Monday afternoon. There was something going on in my neighborhood. I was out for a run and I didn't like the looks of something so I had my phone with me so I called 911. That is something I would like to look at because if you take somebody away from whatever they are doing to put them over here there is still a gap there. If you are not asking for uniformed officers this year I would certainly like to look at what it would cost us to get some 911 folks in there. I know last year we were looking at 8 of them for \$463,000 and of course that rolls over and over and over, but that at least ought to be on the table for our discussions.

Chief Monroe said I think the issue is on the table, but we want to first really try to see where we can create greater efficiency and I think we can in order to address that particular thing. With that it would give us a much more immediate plan for that, just redirecting some resources that are already doing some of the work, whether they are taking reports over the telephone or whether

they are doing criminal checks etc. just reverting some of those resources to our 911 system. We should have the overall responsibilities for those.

Mr. Dulin said we also had conversations last year about the PAL and PAL taking more responsibility for after school programs. Can you share with us a little bit of your vision for that because we certainly fund plenty of after school programs. You will be competing for dollars that some folks on Council over the years have gotten in there and I'm sure all those folks are going to want to be fully funded again. We tried to cut some of it out last year and Council put it back in. Tell us what your thoughts are on after school.

Chief Monroe said anytime we have the ability to enhance our programs whether it is PAL, Right Moves for Youth, Do the Right Thing, The Gang of One, these are programs that we specifically have tailored toward addressing juvenile crime, steering juveniles away from crime. Even though it may come in the form of after school programs, athletic programs or other type of activities, the main focus is to deter them from being involved in crime and gangs. The more that we can support those organizations within, the more capacity we are going to have to directly affect crime and juvenile crime. With that I will always be a champion for those type of programs. That is why we went to the federal government to say funding these programs to the tune of almost \$250,000 for PAP, Do the Right Thing, that is where we distributed that money through our organization.

Mr. Dulin said I just want to let the group know that my number one job is our community safety, so I will fight during the budget season to try to get you funded and get people to you. We are spending a lot of money on things that are non-community safety.

Mr. Howard said Chief, Community Safety Initiative #4, the new one about the DA and technology. Is that looking for federal resources to do that or is that a state issue. What is the target for that.

Chief Monroe said that is the issue of the will. How can we create the will to put that into effect.

Mr. Howard said will with the state or with the DA's office?

Chief Monroe said everyone. Even if we have to look at a dual system. A dual system would allow us to be more efficient than the antiquated system that we have in place now. We can't measure certain things and we need to be able to measure things that determine within our criminal justice system if we are getting better. Our conviction rates, our disposition to cases, all those things we should be able to instantly measure to determine where we need to put resources. The Administrative Office of the Courts controls the courts and they are a separate function within state government.

Mr. Walton said when this goes to committee I think it would be wise to develop for next year's long session a comprehensive community safety legislative strategy. Chief Monroe has done a great job of maximizing his \$200 million but I think there is a diminishing return once it leaves CMPD so whether it is probation, parole, bonds, structured sentencing, technology, there are things that Chief Monroe sees that would greatly enhance the \$200 million investment and give them the measurements that he needs. Those aren't there yet and North Carolina is not a good criminal justice system. The more specific we can be and tie it to a result and then working with governmental affairs, that is something that, and the Administrative Office of the Courts may not even be legislative, it may be policy and leverage. We need to look at how we maximize the money we are putting in because it is a tremendous amount of money compared to the rest of the system.

Mr. Howard said I was going to come up with a statement like Andy did and I would like to put in the agenda, seeing how we can make that happen. We've already done the staffing, you've got the prevention and that is the other critical issue that needs to be dealt with so that all of that makes sense and we don't look at all your efforts in a couple years and start declining because we didn't take advantage of the momentum.

Chief Monroe said that was my point about identifying those other critical issues that we need to focus on.

Mr. Howard said it is policy, it is state and that is why I was asking who all the players were because some of it is just relationships and that is what we need to put effort into.

Mayor Foxx said you've heard a lot of thanks and kudos and I repeat all of that. A lot of citizens in Charlotte are concerned about being ... and there is a very direct connection between the ... in which our community views as safe and ... business want to continue growing jobs and coming here. I want to applaud you for the work you are doing and we want to keep working with you. It is our number one priority expressed in the budget. I think almost 100% of our property tax revenue goes into public safety some way or another so we are putting a lot of resources into it.

Chief Monroe said we want to keep the momentum. I don't think we can say we've reached some point where we can back off now, but the more people we get involved in the process the greater we are going to be able to get some of those tougher issues.

Mr. Barnes said regarding the sworn resource officers, I will ask Council for the authority to pursue this further through the budget committee discussions, but we want to work with you on bringing better balance because you essentially have 50 officers committed to one spot.

Chief Monroe said 50 officers and a car.

Mr. Barnes said I will be talking to the Council, getting permission to deal with it.

Mr. Walton said also school crossing.

Mr. Turner said we've been down that road, but maybe we have a Council this time that is willing to do something.

Mr. Beamon said time wise you are right on target so you did really well. Be mindful as we start to dig into core issues and discussion, monitor default versus intentional. We start to model how we are with each other and how we do what we do. We are going to break up the group into two. Staff and Council. Everybody is going to have the same assignment where we are going to get back to work on the team guiding principles and you will be able to continue to discuss during lunch the team guiding principles. We will also have a chance for the Council to share with themselves what their personal goals are as well as their goals for the Council as a whole.

The meeting was recessed at 11:23 a.m. for lunch and reconvened at 1:38 p.m.

The group was divided into two groups and the recorder was off during this time.

Recording was resumed with Mr. Beamon saying we will continue with Team Guiding Principles and asked if they had any edits. Once past that we will move to getting agreement on it.

Mr. Campbell said his table was comfortable with the document itself. We just had some technical edits. We share information both ways in a kindly manner.

Mr. Whitehead said the spirit of the document you are okay with. That is what we are looking at, not to get too nitpicky except for grammatically and make it sound right. Is there anyone adamantly opposed to it. The general agreement is to adopt it as a City Leadership Team. The group gave a unanimous vote to adopt it.

Mr. Beamon said we will clean it up and get it out to everybody. That is important work we just did. We will continue on the five focus areas and having a tactical discussion on each. The next Focus Area is Transportation. We are still defining a successful dialogue now on Transportation.

Mayor Foxx said our city has been recognized and continues to be recognized as a leader in linking land use and transportation. We have encouraged that through policy and through a verity of investments that we made in our capital program. Transportation is one of those areas that is going to be a challenge for us because given the revenue pictures we are going to have to make choices about where to make investments. I think in this conversation as we go along in the year we are going to have to be really strategic because investments that we make in transportation can have return value in terms of livability, economic development, etc. but not

all transportation projects are built equally. I'm excited about the link between Transportation and Planning which we now have in our city and I think that makes a huge difference in terms of how we can continue to build that linkage between those two subject areas.

Assistant City Manager, Jim Schumacher, said my purpose is to review a little bit of our accomplishments and our challenges and maybe the things on the horizon. Our stated goal is to integrate transportation and land use and we are succeeding with that through a lot of policies that are designed to do that and through the implementation of those policies. We are building a lot of sidewalks and crosswalks and pedestrian signals that helps pedestrians get around the city. Bike lanes, adding trees to the streetscape, connectivity, building streets that create a street network and create connectivity. Development oriented transit which is a term we use. Our purpose for transit is to move people around and connect land use that will provide people with the opportunity to make choices about transportation. This coming summer the Engineering Department will have over \$129 million worth of those kinds of street improvements and neighborhood improvements under construction, the highest number ever and that is street and neighborhood type improvements. It doesn't count storm water infrastructure and other elements of the capital improvement. As we look at the Focus Area Plan from last year we have several achievements again related to implementing those policies, 14 miles of bike lanes, more than 10 miles of sidewalks, many roadway construction projects and we will have more of those coming. We are continuing to implement the centers, corridors and wedges policy and the planning staff has been working to update that policy. We will be bringing that to you in the coming months. We do have challenges. The natural trend of sprawl and the natural trend of a city is to move out and sprawl and get bigger and makes transportation more difficult. That is something we are continuing to try and overcome. We have some goals related to having parks and pools and transit within ¼ mile of each resident and those numbers are going down, not up. Our transit ridership as we all know has been down during the last several months about 12% and we all know the air quality issue. We are struggling to deal with air quality and on the good side the long-range transportation plan that we are in the process of moving through MUMPO and submitting does pass the air quality conformity test. On the other side of the coin, the federal EPA is figuring out what lower standard to set for air quality. Even though we are apparently meeting the standards right now, the standard may get more difficult for us. You mentioned that you wanted to get to the critical issues in these discussions and I think there is probably a wide agreement that the critical issue for Transportation is funding, funding, funding, funding. We pretty much know what we should be doing and we know what roads and infrastructure and transit we should be building, and we would like to build it all, but we are very restrained by funding so that is really the key that we need to work out. It was mentioned when we started yesterday that we might feel an inclination to kind of withdraw and say in this economic time, talking about expanding the funding for Transportation is not something we should be doing, but on the contrary, I would suggest we should be talking about it and figuring it out so that as we move over the next two years we can implement those ideas and finance and fund transportation improvements that we need. We know the Committee of 21 did a lot of work last year and their recommendations got sort of waylaid by the economy and the state taking the opportunity to raise the sales tax in support of their primary recommendations. We have Senate Bill 910 that is out there for discussion as it relates to transportation funding. Something on the horizon is the census, the census that will be occurring here in the next month or so will lead to changes to the MPO's. That data is scheduled to come and cause those changes in 2012. Even though we have a long-range transportation plan right now that is going to meet the regular road requirements today, we need to start working on the next one immediately and incorporate the changes that we can come up with to make that work for us long-term.

Mayor Foxx said I want to punctuate some of the things you said, particularly on the funding issues. At the federal and state level we are always looking for ways to connect up to opportunities. There are a couple of differences we are starting to fear at the federal level about how they are going to view funding. One of the changes is that the federal government, FTA and Department of Transportation are looking at livability as a way of planning their transit funding in particular. The good news about that is that we've been working on those livability issues for a long time. The things that we do with our Transportation Action Plan, the things we do with our zoning around the transit corridors, the centers, corridors and wedges strategies is exactly the type of strategy that will help us link up to those federal sources. We are positioned well there. I would also mention high-speed rail which is another component that will be coming down the pike over the next five years. We are going to have a shorter travel time between Charlotte and

Washington, D.C. I think right now it is about 8 ½ hours on the fastest train and that will get down to 6 ½ so there is an economic development angle to that. Finally, they are looking very hard at supporting regional transportation systems. I think our area is challenged by that because the way that we are organized right now through our MPO structure is Mecklenburg and Union are joined together and then you've got several other MPO's and RPO's in our region. As we work through the next two years I would put on the plate of work for us is to try to really encourage more conversation about regional approaches to transportation.

Mr. Schumaker said to put a couple of numbers to the point you make, in the *Wall Street Journal* account of the new budget from the administration just this week, includes \$527 million to help the administration integrate transportation, housing and other investment in a more livable community initiative. That is an example of what the Mayor was talking about. Another related item is the budget proposes a \$4 billion national infrastructure fund to invest in high value regional and national projects. One of the things that we need to be doing very quickly is finding out just how that is going to work and how we can take advantage of it.

Mr. Barnes said on a projects specific basis I think it would be helpful for us to enlighten the public on the status of certain large projects, for example the work being done at Highway 29/49. I am frequently asked about the status of that and I have given them the reports that you and I have discussed. If there are any delays in that project that you know of, obviously I need to immediately let the general public know as well. The status of Fred Alexander Boulevard, I think we are still in the land acquisition phase for that. That is going to be a major roadway and will have a major economic development impact on the north western side of the city. As we move along provide us with some updates on some of the major projects will help us let the public know that we are actually working our roads. The second piece ties into the rail transit. There is a growing concern to the north about the perceived conflict and perhaps inner-play among the streetcar on the east corridor and the north corridor. I think some of us received e-mails yesterday from elected officials to the north regarding that project. We seem to be having a difficult time convincing people that our intent is not to disregard the north corridor and I would like some feedback from you regarding how we are going about communicating that message. There is perception that we, the Council, are ignoring MTC and disregarding our partners to the north, which isn't true and it certainly is not our intent to do that. It would be helpful for us to find a better way to communicate to them that we are trying to build a comprehensive and regional transportation system and transit system.

Mr. Schumacher said I think there was a fair amount of discussion about that at the MTC meeting last week.

Mr. Walton said at the MTC meeting last week, I'm not sure it is communication I think it is more ... and there was serious drilling on how the streetcar took away from the north and the answer was it didn't. We showed them in CAT's proposed budget how that wasn't the case but they didn't exactly believe that. This has been happening for about 6 to 9 months now, ever since it became clear that the revenue dip was becoming a trend rather than a dip. The 2030 Plan began to drift further and further away so I think there is just legitimate difference of opinion as to whether the northeast or the north was the thing that should be moving that. That has been the jest of the conversation and the meetings for the last 6 to 9 months have been much more tense than they were the previous years.

Mr. Howard said is there anything built into the long-range transit plan to actually revisit the order of projects every couple years based on economy, based on administration and budget sources? The MTC stopped every 7 years and we are probably right at 7 years into a period, but to revisit on occasion. Is there some agreement with them that that should happen just to make sure the way they have ordered stuff is still the best way.

Mr. Walton said the 2030 Plan was adopted in 2006 so it happens about every five years anyway through its own natural course. I think part of the discussion at the MTC meeting was whether to go ahead and do that now, whether you are updating the 2030 Plan or if you are doing the 2035 Plan and whether this was the time. On the one hand we know things have shifted for five years already. The northeast has moved to 2019 based on the current funding streams, so do we go ahead and do that or do we wait for some stability in the revenue. I would advocate waiting for some stability in the revenue because it could get worse or it could get better and we would have

to redo that work. It is clear that the 2030 as proposed and as approved in 2006 can't happen on that time line. I recall the 2030 Plan basically had the northeast and the north on fairly concurrent, no punt intended, track, but the northeast is on a different tier because it is federally eligible and the north and the streetcar are not. We've got the federal earmarks for the northeast that have put us in a position to move ahead and I think it has put our congressional delegation in a position to not move ahead with it is going, I think, jeopardize our future funding for whatever the project might be. That is one of the issues. Even if we decided right now that the north was our next priority, it would be well into the 2020's for it to happen because it is \$300 to \$350 million. Our local share of the northeast is less than that. I don't know if we will ever get to a one, two, three, four, five or not.

Mr. Howard said there seems to be some understanding in the community that there is a one, two, three, four, five.

Mr. Walton said there has been discussion but I don't remember that there is a list in the 2030 Plan that says we are going to do it in this order because I think they decided to move concurrently with those two projects. I think the streetcar was next and then the southeast was the one they postponed for five years which the five years is about up. Just by default, that one is last just because it does not have a timeframe on it. I think it is safe to say you can the 2030 Plan as a point of reference, but it is not much of a guide.

Mayor Foxx said one of the additional overlays of this is that things continue to be somewhat fluid. The last year in recovering it there was a line item for tighter funds which were very flexible transportation dollars. \$8 million of it went into high-speed and \$1.5 billion was totally discretionary at the federal level. North Carolina put all of its weight behind the Yadkin River bridge to get that money. We will know something in the next couple weeks about the outcome of it, but in the role that is discussed at a conceptual level now, is the prospect of a tiger two allocation as part of that document which could theoretically support a transit project. Part of the challenge is that the ground is shifting and you add another overlay which is ... is now saying that development can be a criteria for transit projects which could also be a game change of some of the other projects. We've got to be firm enough to send a clear message to Washington, but we've also got to be flexible enough to cease on the opportunity that may come up as we go along. Frankly, I feel pretty strongly that we are in a window of time that we are not going to see for a long time after this because it is going to be a point in which the deficit focus becomes more of a priority at the federal level. We just need to be ready to move on a dime because these opportunities are going to pop up potentially.

Mr. Howard said a couple more big things going on with Transportation and Planning. I think we would all agree, especially the ones who have been in Charlotte for along time, that Independence Boulevard and the solution to that is probably something that comes to the top of the to do list as something we should be working on right now. That is one of those things that we have to put a lot of energy around and that is not just the road itself, but the land use that happens around it. I know Debra, Danny and the state have all been talking about what that is and I would hope we would all put some energy behind it, making sure that whatever that becomes, we are supporting staff and this effort to try to get it through to give the citizens along that corridor a final answer to what that is. It is already two or three different things right now and it will become something else before it is over with. That would probably the number one thing that comes to the top. We have some other creative things that I hope we are looking at. The one that comes to the top for me is the Gateway Station. The state right now is in the process of figuring out what it is going to be and how they are going to fund it. That is one of the opportunities we have to do something to even further propel West Trade Street into our transit system and all the things we want to do at Gateway to make it something real special. I would hope that is another one we could get creative on and work with the state to make sure it is something iconic and not just a platform if you will. Something that can really define our transit system for years to come.

Mayor Foxx said are there any specific comments on the Focus Area Plan that you want the committee to look at?

Mr. Howard said right now it is a great document for transportation, but how to pull planning in in a more significant way as well. It is understood that Planning is throughout all of this, but if
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we are going to try to focus on it together we probably need some language about planning ability.

Mr. Pleasant said I think that ... one is to support centers, corridors and wedges growth framework and that is kind of what that does for you.

Debra Campbell, Planning Director, comments inaudible – too far from mike.

Ms. Carter said as we move through these circle points, I would like to offer the Governmental Affairs Committee's help. If you all think it is appraised, then perhaps we could help you achieve these as we all go out to communicate both on the Hill and in Raleigh. I think that is an important thing that we all need to be engaged in, those who are particularly versed in the topics to help educate us all. We are coming up on the Congress of Cities in March and Town Hall Day in June so that is out there.

Mr. Gaskins said the Joint Committee of the House and Senate, in their conversations transportation funding has been talked about as an issue and we are of course monitoring that to see if that is something that we need to be aware of. That is another issue that is out there.

Mr. Pleasants said since you brought the intergovernmental department in, a couple thoughts that came to mind and you have heard it kind of sounded out, we are in a shifting environment right now. The federal initiatives are unlike anything I have seen in 30 years of practice doing this kind of thing. The Secretary of Transportation and the Secretary of Housing and Urban Development and EPA are working together across departments to do a livable communities initiative. Some of that is downloading in North Carolina and the state is mirroring that with DOT, and the housing group at the state level to have that cross collaboration. Some of the work going on in NC-DOT is unlike anything I have seen. They just adopted complete streets policy, they are understanding better urban growth frameworks. It seems to be going through the legislature with that kind of different thinking. Lots of things are changing right now and I think as far as the north corridor is concerned, simply, the north corridor did not qualify for federal funds. The streetcar did not qualify, but what I'm reading now and hearing about reauthorization coming up, there may be opportunities that people ... so I don't think we know where funding opportunities are. I think to Curt's point, waiting for the system's plan update is probably wise and we will see what the authorization does. It is a real changing landscape and I think from an intergovernmental perspective it makes sense to pay very close attention to that.

Mr. Mitchell said if you can facilitate transportation and housing as it relates to transit oriented stations from a planning perspective, making sure those two committees are engaged to have the discussion so if you all can facilitate that I would appreciate it.

Mr. Whitehead said we will transition to Focus Item 3, Environment. Did you get enough dialogue out of this? Is this the way you want to go? Are you getting what you need or do you need more of something?

Mr. Peacock said I would like to recognize those that are on the Transportation Committee and hear from any of the new Council members if they have some things they would individually like to talk about, what things you would like to see referred to Committee.

Mr. Howard said the members of the Transportation Committee are Michael Barnes, Vice Chair, Warren Cooksey, Susan Burgess and Patsy Kinsey. I have already given my comments and I don't know if Michael has anything he wants to add.

Mr. Barnes said one of the biggest challenges we have right now is this communication piece with the towns to the north. It is important to hear what you just said about what the future may hold because what is happening it seems you've got a couple minority voices saying Charlotte is screwing us over and you can't trust them. Council is going to ignore us and that is really not the case so whatever we can do to share that message I think is important.

Ms. Flowers said I have a meeting set up with all the northern town mayors next week so that is probably be part of the discussion and I will certainly carry the message that we are trying to look at all funding sources and try to build a network here.

Mr. Walton said Michael, I don't think staff has seen that e-mail so if somebody wants to forward it to us that would be good.

Mr. Cooksey said one significant thing we can't lose sight of, even though funding is still our stumbling block on this, we've accomplished a lot of what we set out to do two years ago on the transportation fund with the Committee of 21 leading. They came back to us with funding options and we essentially because of economic conditions had to put that on the shelf, but we need to not forget that it is there. That is always going to be our problem with the funding side of it and we can't lose sight of that because the money isn't there to do what we need to do. I don't know if what prompted that point was that they hadn't been the same kind of animated discussion about transportation that there had been about public safety. From my perspective, I think the reason it is a little less animated is because we know what the situation is and there is not much to do about it.

Mr. Whitehead said it would be easy to be lulled to sleep in this conversation sometimes, but just to make sure that everybody is participating and contributing and we are giving the people the opportunity to speak up, so please insert yourself if you have something to say. This is a time to ask questions so it doesn't have to be a one-way data.

Mr. Beamon said now we will transition to Focus Item Three, which is Environment.

Mayor Foxx said we've had a good year. Two years ago we didn't have a building policy and we now have a building police which is huge for the city. There have been a number of other developments that you all can talk about, but clearly the environment fits into the context of livability, it fits into the context of how we want this community to evolve.

Assistant City Manager, Julie Burch, said the City has been in the environmental business for a very, very long time. When you think about the traditional municipal functions that we've been involved in for decades, water, supplying water treatment, garbage collection, storm water run-off, land use and transportation, we've been involved in that business a long time. In 2006 the Council had the foresight and vision to tie all that together and establish the environment as a focus area. To those of you who are new on Council, it is our newest focus area. It was established in 2006 and in 2007 the first focus area plan was adopted by the City Council. Now I think more than anything by making it a focus area was a way to bring a lot more strategic thinking to all of those functions I mentioned, those and a whole lot more. Also to recognize all the connections and inner-relationships across the typical and traditional functions along with the new horizons that are becoming known globally and nationally and locally, to recognize those relationships across functions, across key businesses, across geographic boundaries and certainly across political entities in terms of yes indeed the environment goes way beyond the Charlotte City limits in so many different ways. As I mentioned, the first focus area plan was approved in 2007 so we are now about to iteration number three I guess in terms of the plan. I will direct your attention to the focus area plan document in your book and back in 2006 we called the environmental principle and that has evolved into the vision statement for the environment. I call your attention to tag at the top, Charlotte will become a national leader in environmental initiatives to preserve our natural resources while balancing growth with sound fiscal policy. In fact the words "national leader" were added by the Council just last year as a result of Committee Chairman Peacock in particular leading that conversation with Council. There are no proposed changes to this vision statement for the coming year. I do want to call your attention to the last paragraph of that page that emphasizes the inner-relationship between this particular focus area and other focus areas, and particularly with economic development and initiatives related to green energy, renewable energy and that kind of thing. While the environment focus area plan may not specifically talk about green jobs in particular, there is that initiative in the economic development plan. We chose not to repeat it here but there is an inter-relationship across these plans.

In the area of the first initiative which relates to sustainability through land use decisions, Council has met the target that has been set in terms of issuing new housing, multifamily and office development permits as well as new employment centers within centers and corridors. Those targets have been met and we are focusing on land use decisions in centers and corridors. We met the target for approving rezoning incorporating environmentally sensitive sight design components per the adopted general development policy for the environment. Continuing with

the implementation of other strategies related to GDP-E in terms of testing the applicability of an environmental inventory to a particular plan. We are doing that with the Steele Creek Plan using an environmentally sensitive sight design check list as part of the rezoning process. I believe you are starting to see that in your rezoning case analysis, seeing that attention is being paid to the environment. Certainly the staff is using a template in terms of the review of these plans as it relates back to the environment.

In terms of another initiative leading to efforts of air quality, we had set a target to establish partnership with a couple mixed use centers in the city, most notably SouthPark and University City area. C-DOT staff is working with business organizations in those areas to do just that. That is to encourage alternative modes of travel, particularly to those two work centers and that is on track. We certainly are continuing collaboration with the Centralina Council of Government, the Regional Air Quality Board, the Clean Air Works Program, the State Division of Air Quality to develop and implement strategies related to air quality. As Jim mentioned a little while ago the standard is going to be stricter in the future. We know there is a big issue out there that we are going to have to continue to grapple with, but it is not an issue that the city alone is in charge of. It is multiple layers of government involved in that in terms of federal government, state government and Mecklenburg County. That is definitely an example of where collaboration is key. In progress related to air quality is review of the proposed revisions to the Tree Ordinance. That has been quite a long process and committee members can certainly talk more about that if they wish. We are getting close to getting the final recommendation of the stakeholder as well as a sub group that was formed in the last year. Those final recommendations will be going to committee probably in March so they can begin to review those and then formulate a recommendation to the full Council. Coincidentally, the companion piece of that that is coming along is the result of the Urban Ego System Analysis, otherwise known as the Tree Canopy Study. We will be planning a dinner briefing on that in the coming weeks so the full Council will have that information as well.

One of the other initiatives in this focus area plan is lead by example. That is cities leading in terms of how we operate our facilities and run our operations and how environmentally friendly we might be able to be. The Mayor mentioned probably the most notable achievement over the past years and that is the Council adoption of the sustainable cities facilities policy and I believe that is going to take us quite a ways as we develop perhaps a few facilities we might need to develop in the future will be as environmentally friendly as possible. As you know we spent a lot time on that, consulted with Green Industry representatives along the way and I believe Council can feel really good about the policy that you have adopted. You will begin to see as facilities come forward to you on the Council agenda, you will begin to see where staff is beginning to apply that policy. In the focus area plan for next year there is a specific mention that we will be evaluating that policy and the effectiveness of it after the first year of implementation. We will have a little score card to see how well we've been able to proceed with that policy. One thing that is not mentioned in the focus area plan, as far as the one we adopted this past year, is we had an unanticipated opportunity in the area of the environment this past year and that is the Energy Efficiency and Conservation Block Grant Money. We didn't know that was coming when the focus area plan was adopted last March, but the staff and Council embraced that, approximately \$6.5 million and we are waiting notification of that, but the process was so important to get us there in terms of developing an energy strategy to submit to the federal government and Department of Energy. As you are aware we had a public input process, we had energy partners, energy representatives at the table, we had a couple public meetings on that topic to solicit public input and I think the Council feel real good that we are one of the few cities in the country that went to that expense and we are waiting to hear from the federal government. They said 3 or 4 months so we have to be patient, but we are excited about that. As you know there were 18 different projects in that energy strategy. One of the things you will notice in the proposed draft in front of you for the coming year is mention of implementation of those various projects. It is going to be very important that we are successful in doing that. It will take energy around that, no punt intended, but we intend to do just that. We of course have to be able to spend that money successfully and we have until August of 2012. A number of projects related back to residential energy efficiency, commercial building retrofit, electrical vehicle charging stations, center city on street parking and recycling. We've got a lot of exciting things in those programs. Key points and some challenges, again just to reiterate, energy efficiency block grant programs will be important as part of the environment focus area plan in the coming years.

A green house gas action plan – because we developed a strategy for that grant opportunity we were also able to verify the green house gas emissions inventory for city operations as well as conduct a green house gas emissions inventory for the community. Now that we have that we will be able to take that information and develop proposed targets for emissions reduction. That action plan was directed by a May 2007 resolution that the City Council passed. Now that we've got the inventories down we can actually move ahead with developing an action plan. Staff estimates that we will be able to bring that back by early winter of 2010. It is going to take some work with and that resolution also called for that to be as realistic a target as possible also. You will notice that in the draft plan. Another piece in the coming year is the implementation of single stream recycling and we are on track for that for July 1. You will hear more about that Monday night in terms of the public education campaign, as well as being asked to award the bid for the recycling carts.

Other notable items in the focus area plan draft that you have in front of you is Utilities completing a master plan for several renewable energy projects. That relates to bio fuel as well as methane to energy projects. Utilities are looking at those and putting some effort and research into that. We are going to have a master plan related to that. Another mention very important is supporting North Carolina's defense and our defense in terms of the water rights law suits. That is mentioned in the focus area plan. We also are working on a city wide environmentally preferable purchasing policy. We are spending a little time on that in terms of how we might direct our staff to make purchases perhaps a green product over a more traditional product. We know we have to be very mindful of the costs and the benefits of that so that is why it is taking a little bit of time to craft that to make sure indeed it is appropriate guidance in that regard. In summary I will say that we have accomplish a lot but we have a lot more to go. This is particularly an evolving deal. As you well know the environment has really been raised on everybody's conscious globally, nationally, locally and of course we are hearing from a lot of folks in the community interested in what the city is doing. I think we are definitely being watched in this regard, but it is a very exciting time to be involved in this kind of priority or focus area for the Council.

Mr. Peacock said thanks to Julie and also Jeb for your excellent work last year. I think you hit on the big highlight which is the sustainable facilities policy. I would like to recognize our Vice Chair, Nancy Carter, passionate environmentalist and great idea source for some of the referrals we've had in the committee. Other members of the committee are Councilmember Dulin and David Howard, our newest member, and Susan Burgess. Three "ts" about last year, number one, I call trash and how we are going to be dealing with recycling and solid waste and some of the savings that you've seen from the budget discussions earlier as it relates to that. The second is trees, the Tree Canopy Policy has been studied and evaluated and while it has taken a significant amount of time to get to where we are, I believe in the first quarter of this year we will probably come back to Council with a full recommendation. We have been very careful in how we have been balancing our focus area plan and we are going to balance growth with sound physical policy, and part of that was trying to move this ordinance through and actually play it out as how we work in coordination with Urban Street Design Guidelines and Post Construction Control Ordinances, and let the development community get their arms around how this could affect future development. What I hope you will see when Council has a chance to vote on this is that you will not see a group of developers and a group of organizations say we have not looked at how much this cost and how this will impact the city. On the other side of the trees issues, we've got news from the fact that we've received funding to complete the tree canopy study, which will give us a solid inventory of what is happening with trees in this city and what we all appreciate and value what our city is known for. The final thing is what I call the tipping point. Julie pointed up the Energy Efficiency Conservation Block Grant. I think the environmental focus area moves right in the middle of all our other four focus areas and this is a new area for us from your comments from 2006. With this block grant and some of the uses that we are putting in place with that, the 18 different initiatives, I think you are going to hear a lot of comments from your constituents, you are going to hear our community take a higher awareness on this issue and a very important one. The second point to the tipping point is the intersection between economic development and the environment. I have talked with Mayor Foxx about this and we've got an enormous amount of energy and a lot of enthusiasm in the business community about companies that are looking to do work in energy, winds, solar and the use of methane. We are seeing a lot of activity along these lines. Not only are we trying to be an energy leader or a green leader if you will, a lot of it is really coming true right now in the economic development picture. It is

being driven by the market and you see it being driven by the market on the development side and you see how many people have gotten EAP at the end of their name whether they are an attorney, an architect or engineer, people are really focusing on this. The private sector is moving ahead and we are certainly trying to lead by example.

Ms. Carter said this is really an exciting place to be in our city and interaction, the conjunction with the difference committees, I think this is the one place where we can really see it. The Urban Street Design Guidelines winning a national award, that is incorporating the trees, incorporating the dust removed and that can be an air quality – good stuff. Practices in this committee is really outstanding. I think the targets are achievable that we've had and I am excited looking at recycling and moving that into the apartments. How can we communicate with our citizens and I think that is a key issue here, communicating and letting each other know what we are doing in the environment. All of these initiatives are good and a great challenge for all of us moving ahead on the foundations that we are rated for and just looking at good things that are going on. It is a great way to get the city to the forefront on a national level.

Mr. Howard said I would like to commend the Committee and Mayor Foxx for what they did to get to the point where the city took on a building program as it relates to its own construction and its own portfolio of builders. I would also like to challenge the state that we should be going beyond that to the next level which is how do we incentivize the development community to do the same thing. The county has already done that by waiving fees to assist developers in being interested in doing that and I would think that would be the next level of conversation that you have already started with the city setting an example, now going beyond that to see what could be done to incentivize the development community to do the same thing.

Mr. Cannon said as one of your initiatives under the air quality piece if you all would consider bringing something back to allow us to look at where we are with phase three aircrafts, commercial aircraft, which in term helps to reduce emissions in the air. At one point we were looking at that and then the environment wasn't really at the top of the staircase as it is today. Trying to see exactly where we are relative to the number of those planes that are here and what our Aviation Director is doing to help encourage that. I think that would help us with air quality in the market place. I would ask that we explore that further.

Ms. Burch said we are planning a workshop with the Airport in April so that could be a piece of information that Jerry Orr could share with the Council.

Ms. Carter said did you all know that we are combing the Neighborhood Symposium and Earth Day?

Mayor Foxx said I want to pick up on a comment that Edwin made and David took to a different place. This connection between the environment and economic development is a real one. I know there is a lot of conversation in the private sector about the Charlotte area energy sector and there is a lot of work going on around trying to help promote that, but even some of the efforts we are talking about now with the small business loan program expansion that could target sectors that we want to grow like the green economy jobs, where we can really put some thought into how we as a city can enable that economy to take off and actually start building a strategy around it that we can articulate to the outside world.

The meeting was recessed at 2:39 p.m. and reconvened at 2:58 p.m.

Mr. Beamon called the meeting back to order and said we are now on Focus Area Four, Economic Development, with a commitment that we are going to set a record for afternoon energy.

Mayor Foxx said I don't think there is any issue on our plate right now that is demanding as much of the public's attention and demanding as much of our attention as the economy overall and obviously there is a lot of things we don't control, but in terms of having this conversation right now, we've talked a lot about the real estate activity, or lack of it. We've talked about unemployment, sales taxes and all of these are reflection of where the economy is right now. If we simply stand still we may not see the economy in our community bounce back to the point that we want to see it bounce back. If we make strategic decisions that have a good chance of

playing out the right way maybe we will see a more robust of recovery. As we talk about ways in which we sort of actualize all of this conversation, I think we need to keep in mind that regardless how we shake out on any given policies, small business loans, expansion, whatever, all of us are trying to get the economy on its best footing. I know there is a lot of work going on at the staff level in terms of responding to some things we've already asked the staff to do. There will be more, but hopefully all of that is calibrated to enable our economy to move back to a healthy state as quickly as possible.

Mr. Kimble said there is kind of a theme going here, Community Safety - safer, safer, safer. Transportation and Planning - funding, funding, funding. Environment - green, green, green. What is the one word you want to repeat three times? Jobs, jobs, jobs because that is what it is all about. How the economy affects us is what Mayor Foxx described. What we need to do is create jobs, jobs, jobs. The ED Focus Area we had to recognize, according to James Mitchell, Nancy Carter and the other folks, there is a new norm because it is different than it was 18 months to two years ago so they are hearing this at the National League of Cities level and it is true at the Charlotte level. There is a new norm and what you all are doing about it in terms of the focus area plan. It is pretty strategic, it's ambitious, it's bold and it has to be to get us to that next level. With ED Focus Area Plan last year, because the economy changed so much the committee wiped the slate clean with the ED Focus Area Plan and started from the ground up and they did a great job of building it back with the pieces. There were comments in the focus area plan that we had to recognize the new state of the economy and the depressed state that it was in and the recession that we are in, but many committee members didn't want us to dwell on the pessimistic side of it. They wanted us dwelling on what are we going to do about it so they wanted to put a lot of things in the focus area plan that were optimism. These are the things we are going to do to counteract the recessionary times that we find ourselves in and I think the committee last year and now this year is honing in on those things. Mayor Foxx has introduced some new concepts in terms of the small business opportunities program taskforce looking at the small business loan program. Also looking at the Small Business Strategic Plan where we are working with many of the partners in the community and another committee of the city known as the Business Advisory Committee which is plugged in quite well with the Small Business Strategic Plan. You also have a Business Corridor Plan that was versed many years ago by the previous Council led by Mayor Foxx and many of you in this room. That served us well to hone in on those distressed business corridors and those areas that really needed some infusion of dollars, effort, energy, time, resources and we are updating that Business Corridor Plan as we speak and that is going to be coming back to this committee as well. We also have the Mayor's Youth Employment Program where you've wanted to increase the amount of jobs for youth in our community and we are looking at February 11th as that Youth Jobs Program again and finding out if you want to be at this level it means this much resource and if you want to be at this level it means more. It is us presenting those creative options to you and then you making some choices on what you want to bring back to the full council in terms of the Mayor's Youth Employment Program. Then there is the overall Economic Development Strategic Plan which was first born in about the year 2000. It was updated in 05 and 06 and it is time to update that entire Economic Development Strategic Plan and at some point we will need to get that item referred to the committee so the committee can get its teeth into it then work on and then make recommendation to the full council. There are about 6 or 7 different programs that are out there right now and strategic plans that are in the hopper and they will be all cranking through the Economic Development Focus Area over the next one, two, three and four months and you are going to see a lot of activity. That is why the committee has got two meetings a month because we feel the type of activity that is going to be coming to you is going to be very, very important.

What are some other things? The Business First Program - last Thursday morning our first annual report out, great attendance, Mayor Foxx, Bob Morgan, combination City Chamber coming out with the first ever document. We sent this out to you in your Council/Manager memo last week and we will send you the power point presentation that was presented last Thursday morning, but again this is on the business retention side, making sure that we are contacting existing businesses, working with them, getting their feedback and turning it back into action on the things we need to do for business retention and job retention in this community. Then all of the things that are involved with job growth from a business attraction and a business recruitment with the efforts that have been made in the last many months on headquarters relocations into the Charlotte area, Charlotte region and the successes that we've had and how that relates to the Business Investment Grant Program and how you connect back with the State

of North Carolina and the types of incentives that the State of North Carolina can offer. It didn't stop there, a new combination, Neighborhood and Business Services was the idea that came about in the collaboration between the City Manager and the Council to try and move to a more simplified model of packing the resources into one area and making sure that we can get the most out of those resources and then the hiring of Pat Mumford to oversee that joint operation I think has proven to be very beneficial from the efficiency standpoint and it has allowed us to get greater economy to scale with some types of individuals that now are co-located in that environment.

There is the whole issue of permitting and land development and some of the progress that we've made in the past two years led by David Weekly and Jeb Blackwell, working in combination with the City staff and then with building standards with the county staff, and we have made some improvements there and we are now going to the digital submission of plans. We've got a one-stop shop located on the 14th floor of our building. It is getting better and it needed to get better because it was creating some friction with the development community and I think we've eliminated a lot of that friction, not because there is not as many plans coming through the pipeline, but because we've gotten better at the ones that do come through the pipeline.

Mr. Dulin said has it gotten any cheaper or more expensive or stayed flat?

Mr. Blackwell said the fees were held flat this year and did not change.

Mr. Kimble said in addition to that the issues of the Urban Street Design Guidelines, the Post Construction Control Ordinance, the Tree Ordinance and the things that are coming through, I think Mayor Foxx sent out to all of you a letter talking about these regulations and these new policies are good because they create quality development in the community, but maybe we need to look at the application and the flexibility that we might have in how we apply those regulations to every development that walks through the door and finding a way to get a little bit more flexible in how we apply those regulations. That is coming up I believe on your March 1st Workshop so we are going to have a great interaction and presentation to you about those new regulations, those policies, how we are going to move forward to ordinance form and yet at the same time, we see the technical application of those policies, how can we make them work better so that we preserve the integrity of those regulations and those guidelines.

I think that may be enough for now to whet your appetite and wet your whistle, but I think it is going to be a very active period in a new norm for economic development in the City of Charlotte and our Charlotte region as well and making sure that we work with all of our partners in economic development because there are a host of partners out there.

Councilmember Mitchell, Vice Chair of the Economic Development Committee said Council members Dulin, Kinsey and Carter are also on the committee and asked if there were any other ideas that Council staff would like for us to consider or just give us feedback. It is clear about jobs, jobs, jobs, SPE opportunities. We didn't do a disparity study last year because there were some funding challenges, but I would like to see us talk about the disparity study but are there any other things that you can think about that we need to address in economic development.

Mr. Turner said I think it is very important and I understand our initiatives and what we're trying to accomplish here, but everybody is talking about small businesses and they employ a majority of the people in our community. At this moment they are struggling, not because they need a shot in the arm, but they would like to see if there is anything the city can do to help them advertise their business and such as River Gate. Not necessarily would you go down there to say we are going to give you direct advertisement. You go down there and you advertise the entire complex to let people know what is in their area. When these companies take everything they have to invest in opening up a shop, once those doors close they are out of business. Then we have vacant boxes in our district. I would like for us to look into whether or not we could go in, can we get staff to start going out there and featuring some of these areas where we have worked hard over years as a city to help developers come in and develop and bring these opportunities into our community. If we don't patronize them and if we can't get citizens to understand that you wanted this and we've brought it to you, they desperately need your help even if it is just dropping in for lunch. These people need some help and they need people to patronize them and

we've got to get them some traffic. One way I think we can do that is at least engage them from a perspective this is what we've done as a city, go to your area and support those businesses.

Mr. Barnes said is that a recommendation? I'm not sure I agree that the city should be in the business of advertising.

Mr. Turner said it is not so much that you are advertising for them, but what you are really doing is showcasing a product just like we do any other project in our city. Just like we put IKEA in your area, people know that now exist along that strip as well as the new Wal-Mart is important. I think for us to just showcase our growth and what is available in our city and try not to just focus one area but show the entire development.

Mr. Cooksey said I believe there are two ways of going about the businesses to support. One is when you target and the more active role you have with our existing corridor and you keep your eye on the totality of it. The micro level of the economy with tens of thousands of small businesses, hundreds of thousands of jobs and we saw earlier about 16,000 lost in about a year and a half period. When I look at the numbers I always appreciate having the numbers of the target, but 180 jobs created are very important to those 180, but in the scheme of 16,000 lost it is a lot of work focused on a small return. The other element that I would encourage the committee to always be considering is what can we do in general to make the business prime of Charlotte very effective. Ron mentioned earlier about the permitting process. That is an example of how we do our job better so that we are providing that platform on which a person can say I'm going to be successful in Charlotte and fewer things are going to get in my way in Charlotte than in other cities. I appreciate the work and look forward to hearing those ideas.

Mr. Howard said I heard this on the campaign trail so it is as much a question as it is a statement. We've done a lot in incentives working with the state and some other people to attract the kind of jobs that Warren is talking about, the bigger job announcements that we've enjoyed. Anything for the smaller groups that want to come to Charlotte or even more so the ones that want to stay in Charlotte. How far does that incentive program go. It is usually pretty good for the big guys that want to come to town but what about the smaller guys or even the bigger guys who want to expand?

Mr. Kimble said that is part of the Small Business Loan Program we've done. There has been a few cities in the state and a few other cities in the country that are now starting to offer those kinds of incentives. We can bring back to you options and ideas that will be a little more creative than we've been before and it will be up to all of you to look at those kinds of options and the kind of dollars that would be required if you go down that path. There is an opportunity to look at some new and different ways of partnering with small businesses on the incentive space.

Mr. Howard said the other part is existing businesses, it wasn't just the small ones. I know when we hearing those rumors about Bank of America possibly moving their headquarters, the first thing that came to mind was what do we do to incentivize companies that are already here, to stay here or either to expand here.

Mr. Kimble said while the Business Investment Grant Program does allow for that type of expansion by existing businesses and it is based upon dollars invested and jobs. It is a combination and is tied to the property tax increment created by the expansion of those businesses initiatives.

Mr. Mumford said the location.

Mr. Howard said but not jobs created. With all the vacancies downtown if Wells Fargo wanted to add more jobs or something and we wouldn't necessarily try to incentivize them to grow their jobs here.

Mr. Mumford said what is currently in place has a but for provision so it might be difficult to suggest that Wells would leave if not for that deal, but jobs are important and the pay scale of those jobs are all part of the policy as well.

Mayor Foxx said the Business First Program, one of the great things that it does is it takes some of our staff out to existing businesses and basically it is a how are we doing conversation about things that we do in terms of things that are out there in the business climate and that feedback gets rolled into some of the things that have been proposed even in the last year or so. I think that is a good example of how this on going effort to keep ourselves in front of the existing Charlotte area businesses to make sure we've got an ear to them for what is going to help them.

Mr. Cannon said I want to go back to the small business aspect, and I want to comment Mayor Foxx, just last week I was privileged to be there and hear some of the feedback from some of my constituents and folks who are small business owners. We had one person who had lost her job but yet she was now looking and maybe that was a sign for her to start her own company. That is great, but we need to make sure that we are clear in articulating that while the economy is growing itself that let's say she wants to become a retailer. Retailers aren't going after loans because no-one is buying which means that today the debt can be serviced on the loans they get. Hopefully, we are clear about telling people, if we are providing those loans, but they need to understand what it might mean if they want to go in that direct. Just articulating and making sure that we aren't selling pie in the sky but giving the real deal in terms of what is available and educating our constituents on what is available in the market place.

Mr. Barnes said I wanted to mention a couple things to the committee. One came to me by way of a developer who said to me, would you be willing to help us waive certain fees? One of them is the \$3,400 water/sewer connection fee and the \$950 to \$1,250 permit fee. It is close to \$5,000 in fees and they are saying can you get those waived for the first phase of our development and also drop the no violent restrictions on all this other stuff so we can get the project built. From his perspective he needs relief from those fees in order to finish the project. We've been talking back and forth and nothing has happened but it is a unique situation for me because you set a really dangerous precedent in my opinion because if we start waiving them for one developer you know pretty well they are going to be coming saying you gave him a break, give me one. This guy has been persistent asking me what I came up with. I have told him that it is most likely not going to happen, but it is still what are you going to do about it. I'm not asking the committee to explore waiving those fees. What is increasingly becoming important is that people are aware that the fees, ordinances and regulations are in place because we've been trying to figure out how to build better and stronger communities. For example, the residential design standards, the whole point of that is to create something that Pat Mumford talked about when he was on the Council which was helping us to create true neighborhoods and not just cul-de-sacs and subdivisions. Getting that message across is quite a challenge in the current economic environment, but I think we've got to remain steadfast and say listen we are actually trying to grow the city for its future not to just deal with the current economic situation. The second piece I want to talk about regarding economic development is our emphasis on job creation that I think misses something that I think we've got to start paying more attention to and that is creation of blue collar jobs. A number of the jobs, for example the Electrolux jobs are not blue collar jobs generally speaking. We talk about the number of people who are moving to Charlotte who don't have jobs and are looking for jobs, I would submit to you that a lot of those people are looking blue collar jobs. Because we don't have any emphasis on creating and bringing those jobs, and a lot of those jobs have left the country and are going to other places, so there is an educational system component to it as well, but we need to start finding ways to create and help generate and attract more blue collar jobs because if you've got the situation where people aren't really qualified for the executive position at Electrolux you've got to have something for them to do or otherwise we are just exacerbating the problems we have from a public safety perspective and other challenges as we try to grow the local economy. We don't hear a lot about them. We hear about stuff going to Bank of America, Wachovia, Wells Fargo, white color stuff, but not enough emphasis on the other side of that. It is a need I think.

Mr. Kimble said we get a lot of requests many times for waiving the fee. Our normal response is we can't do that but here is what we are willing to do for you, assign a project advocate to your project because time is money for the developer and try and make sure we can help you get it through faster and then it gets back to the applicability of all of those regulations and ordinance and making sure that where flexibility is needed to be in that system, it is there and we need to test to make sure that everyone of those rules that are ordinate ought to apply there and there may be some situations where flexibility is warranted so we will take a look at the project that way. If

we get into the business of entertaining the waiver of fees it really deteriorates our entire system and how it is funded and provides the protection that you are looking for.

Ms. Carter said the green industry is something of an answer to those blue collar jobs because you've got service that you could use tier in the region and then you've got installation and services. If you look at the environmental industry you really do have a fund product potential as well as those blue collar jobs. I think that is a very positive thing. Where we fund the crossovers I think that is a hot corner for us. When we look at transit stations putting in new businesses there because you are going to have people demanding services in that area. Wherever we find those matches and they target all their priority, I think that is a business that goes way up in my priority and that is a way that we look at small businesses as well. To that point as well, we've chosen our business corridors. Do we understand those corridors, do we have the best information on those corridors yet? Do we need to do a drill down study on those corridors to see what is needed, what is the demographics, what is the potential and then make those our priorities. That is something I would love for Council to consider.

Mr. Howard said one of the reasons we are seeing more white color jobs than the blue color jobs has do to with the fact that the workforce and the people looking for jobs usually comes from financial sector and they are more prepped for those types of jobs. That is just a thought and maybe our workforce is more geared toward white color jobs creation right now. What would it take to have the industrial jobs or blue color jobs come. One things I know this Council talked about in the last couple years is the industrial area, whether or not we have enough of it to accommodate blue color jobs coming or if we have the money to help people upfit some of the industrial areas that we have to fit blue collar jobs, the type operation they would need in warehouses. I guess that is the first question and the next question is do we have program set aside to help companies retrofit these light industrial and industrial areas inside the city to help them grow blue collar jobs.

Ms. Campbell said when we were making modifications to the I-II zoning district we did a market study that gave us a snap shot of our industrial land inventory. I think two conclusions were reached. Number one the industrial land in town is converting to higher intensive uses like mixed uses like the property along the Lynx corridor was zoned industrial and now it is zoned transit oriented so that was the first thing we found. We also found that that land was priced very high, even with industrial zoning it was very, very expensive land. The second piece that we found is that we don't have any long those large pads that a lot of the industrial users need and that is why they are going to other counties because they are looking for a much larger floor plan than is available in terms of land assemblage in our community. I think you still have an inventory of land for smaller uses, but the larger uses we don't have.

Mr. Howard said the ones that came to my mind was Bigger Brothers and Rite Aid is looking right now. If they go to another country they are going to take those \$12 to \$13 an hour jobs with them. How do we help them stay.

Mr. Mumford said the Rite Aid is one where it is a location issue for them and the land lock and how big they want to get. That is going to be a business decision on their part and if that site were to work for them they would probably come ask us how we could help them expand. Some of that is out of our control, but as far as a fully retrofit program, we don't have anything specifically but Julie mentioned that block grant for energy efficiency. There may be a way to tie those dollars to some of these facilities to help them get upgraded. It may not be for expansion but it could be to bring in some operational efficiencies to the building which might help them stay where they are and make their operations a bit more cost effective.

Mr. Howard said is there any benefit to looking at the whole blue collar thing from a regional standpoint? We've talked about doing transportation from a regional standpoint and I know it don't work because we don't get to keep the tax dollars here. I was wondering since we have available land in the area, maybe the Chamber does it when they are trying to recruit blue collar jobs they are doing it as a region and they are selling Charlotte and trying to get it close to other things. Does that strategy make sense?

Mr. Kimble said if the jobs are coming from outside the region then the contact is made and there will be many different sites within the region that will be available and shown and made
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aware to that industry that wants to locate here. I think part of the issue becomes if you get into a program that starts to step that up in terms of incentives regionally, you do get into the issue of sharing of revenues as you get into targeting where those go and then you've got the North Carolina/South Carolina State line issues also to think about if you go for a program like that.

Mr. Mumford said a recent example of that is the Cellguard relationship we had in Charlotte and they just recently announced in Cabarrus County that they are going to have more of a blue collar job so it could be that we are not just drawing the headquarters jobs and stopping there. They may want to build up the rest of their entire compliment of activities and bring suppliers and bring manufacturing and we are seeing a little bit of that with some of the business investment ... inaudible.

Mr. Howard said the last one is workforce development. Ronnie Bryant just sent out an e-mail this past week talking about the fact that it is real important to start preparing kids even in high school for what is considered vocational jobs or blue collar jobs. I am wondering if there is a real effort with the school system and CPCC and the other area community colleges to get serious about this. That is the only way that is going to happen and I think what they are trying to say if we don't have a workforce that is prepared to do that, then we are not going to get those type of jobs.

Mr. Mitchell said on our Workforce Development Boards, do we have representatives from each of those bodies?

Mr. Kimble said I think we give about \$2 million per year to the Workforce Development Board flow through and they are partnering with many of those other institutions in order to target the training programs that will do that. I think your question is are some of it targeted through the blue collar jobs. We could look at that.

Mr. Mumford said CPCC has been a great partner with retraining, tailoring and specific educational opportunities.

Mr. Howard said it may not be the big guys, it may be the mid-size guy.

Mr. Hall said just a quick observation in the blue color/vocational sector from a more economic perspective. Keep in mind that the entire state, perhaps the entire country, is still in the middle of this conversion from the different types of jobs that are available. I may not be speaking to the specifics that you are talking about, but we are in the middle of, particularly in North Carolina, the loss of manufacturing jobs and the job growth is at the service sector. That is one of the things that is driving some of our issues into the revenue and there is a lot of data about which job sectors are gaining and losing. To some degree, some of the challenges of trying to recruit the job growth may be in the sectors that are swimming upstream against the overall economic conversation, based on bigger factors.

Mr. Barnes said I wanted to respond to something that David said and also something that Ruffin said. Actually, in my opinion, the educational emphasis starts when they are small because if you are trying help people adjust when they are 18 and they haven't been close to the mark all along it is not helpful long-term. As we've heard this discussion about how the state can determine the number of jail cells that need to be built based on third grade ... and we have the ability to do that sort of tracking we should certainly be able to put more attention into making sure these young children as they grow up are going down the right path. A lot of that has to do with parenting. There are things we can do in the school system to make sure kids are going down the right path. It is a much bigger issue that I think this committee can fix and we need to find partners to help us deal with it.

Mr. Cannon said I would hope we would have some discussions with CMS and it all boils down to dollars and cents because I think occupational preparation would be great to have in each and every middle school, if not high school. That was the subject matter that used to be in play where tailoring, cosmetology, brick masonry, automotive mechanic, shop or whatever, were things that were in the system, but they have since dwindled. To have them back does exactly what you are suggesting in terms of trying to get job skill training. The issue of Central Piedmont Community College is that people right now just don't have the finances to be able to

go and get the proper training in order to become something in the market. We ought to have some conversation with them to talk about what does that cost and we begin to forecast and look at that. I think we need to have some discussion about it because at least now it becomes a plan to work toward something even if we are where we are. If we can encourage that kind of thing to take place that will be great. You know the city used to have job skill training, but that went out back in 1995 I believe because they didn't need to be in the business of job skill training.

Mr. Walton said it kind of turned into the workforce development, who the state gave the money to.

Ms. Carter said Richard ... is proposing that job skills training be part of the core curriculum in the school and that is a change of emphasis and assuring funding for those ... The Mayor has a representative on the Smart Start Board. That is education readiness for children, help educating parents that has been going on for years now. At the state level it is under attack and they are looking at Bright Beginnings more core, smart start, combing all of these under one umbrella. That means we will lose the services that have been extremely helpful within our communities so by streamlining you can sometimes lose your emphasis and your focus. I think it helps those young people come in ready to learn because being ready to learn sets that whole career for a youngster.

Mayor Foxx at the Business First Breakfast last Thursday one of the statistics that just knocked me out of my chair was that John Silverman mentioned the unemployment rate across the board, they said for African American males who do not graduate from high school, the unemployment rate is greater than 50% right now. Some of the conversation we are having here is acknowledging that education is an economic development driver, which we all know, but it isn't explicitly stated in this focus area plan, partly because we don't touch on it as much. I wonder whether we ought to at least acknowledge that as a guidance in the focus area plan and as something where we stand ready to support efforts to improve education in our community. The other point is that I was in a conversation on Tuesday about education and one of the things we don't appreciate, we talk about economy, energy, bio-technology and healthcare, our education is also a sector and we don't talk about it a lot as a sector, but maybe we should be talking about that as a sector because it does employ a lot of people in our area. It is a place where we may see some expansion and we should be probably targeting in expansion.

Mr. Mitchell said the Mayor just reappointed me to the Visitor Advisory Council and I think one great opportunity for us is amateur sports, amateur tourism. When you look at the CIAA that will be here the last week in February, the Meineke Bowl, I think we ought to try to think out of the box so we can recruit other amateur sports here because that is about jobs, hotels, and continue to sell Charlotte.

Mr. Howard said one of the things that came up when we were talking about some businesses wanting to expand here was whether or now we were doing enough to make the connection between the business community and the higher education community, Johnson C. Smith, UNC-Charlotte, Winthrop and CPCC, making sure that we are trying to grow those relationships. I often think about the difference us and Raleigh and it is the fact that they have the University and they capitalize on those connections whether it be research and business growth or other ways. It would be real smart for us to do the same thing with UNCC and Johnson C. Smith and the higher education institutions we have in this area.

Mr. Cannon said we ought to use as much leverage as we can to encourage those in the private sector that are willing to provide training to do so when we know there are kind of tough times. I'm only saying that because I know there is some interest out there in Charlotte-Mecklenburg that will provide some free training to our constituency so it doesn't cost the city anything but the ability to have some people that know the people to ask those in the private sector to make that commitment.

Mayor Foxx said we have talked in the last couple meetings about the Town Hall Meetings that we are doing and also the job creation summit that will be on the 19th of February. I want to keep that date in front of you because I want to make sure that those of you who want to come can do so. It will be at the Convention Center. That will be a conversation with business leaders because the Town Halls can give us an opportunity to look at unemployment and

underemployment but this conversation would be with those who actually create the jobs. It is an opportunity for us to learn whether there are other ways we can help enable job lists. That is another thing to come and you are all invited.

Mr. Mitchell said I will leave on this note – jobs, jobs, jobs.

Mr. Beamon said the fifth and final focus area is Housing and Neighborhood Development.

Mayor Foxx said we still keep talking about this overhang of the economy and yet the reality is that we are at a time when we are constrained and feeling bad about our revenue situation, we are seeing dramatic increases in the number of people who are homeless, people who had jobs who are no longer working and are struggling to stay afloat. We are starting to see the impacts of that a lot more. One of the things that I am most excited about is the energy in the community and among Council members, as well the staff, around trying to do something more innovative than we have in the past. I'm not going to get on my soapbox about it yet, but I do want to say that we have a chance in these two years to make some dramatic shifts in the framework that we deliver housing within, pulling partnerships together with non-profits with the faith community as well as the business community and really having a comprehensive way of dealing with the housing issues from the homeless all the way to the working core. Developing a framework in which the range in which we touch on those communities are seamless. I think that is an exciting prospect. At some point we've got to deal with the fact, just like with the transportation area and others that there is a high demand and resources that we attribute to it don't match up to where the demand is. We will always be chasing that a little bit, but we at some point have to deal with the revenue issue. The third area that I think is intriguing about this period of time is that we have an opportunity in this Council to have a conversation that has been difficult to have in our community about location policies and to really start having a conversation about not only how we are going to fund our affordable housing strategic, but how do we do it in such a way that our entire community shares in the deployment of that housing and also we don't inundate our area and end up in a situation where we've made it harder for neighborhoods to continue being strong neighborhoods.

Ms. Burch said briefly I'm going to talk about the words on the piece of paper as far as the draft Housing and Neighborhood Development Focus Area Plan just to say that we haven't done much to the words on those pieces of paper. You won't notice a lot of green or a lot of changes in particular. We did shorten the tag line on the front page simply to "Creating healthy and vibrant Neighborhoods". As we talk about all the focus area plans this afternoon there is so much touching and connection and crossing over in really positive ways and how all these focus area, or how the other focus area plan objectives touch what we want to do to make our neighborhoods better than ever. Much of the focus area plan objectives are really works in progress. As you know, so much of what we do in housing and changing quality of life in neighborhoods indeed takes time so in terms of mid-year report, not so much at this point, but I do want to point out that in terms of the supply of affordable housing which has been an initiative in this plan for a number of years, and we've made great progress in that regard. We still have a long ways to go, but certainly have accomplished a lot. Our goal for the year we are was 1,000 affordable housing units. To date we have built through partnerships, we don't actually build, we help fund and through partnerships we have built almost 600 affordable housing units in particular in terms of that lower income bracket of 30% and below. 161 of the 581 are in that lowest income bracket that we have made a sub-target of that initiative. Another key achievement of the focus area plan is the Council's adoption of the non-residential building code and that ordinance will be effective April 1, 2010. Neighborhood and Business Services staff is gearing up for that and one of our challenges and opportunities for the coming year, after April 1, will be the successful implementation of that so that will go a ways toward eliminating blight and nuisances in business corridors where that is necessary.

Other things in the plan are works in progress and one of the significant things that the committee is doing, based on the Council approval of the focus area plan last year is the review of housing policies. Staff has gone through a systematic review of those with the committee in recent months. We had a session this past Tuesday and we have one more left in terms of that review and that is with regards to our housing partners. That will be at our next meeting in early March and then thereafter it will be up to the committee to start looking at those policies at even more depth to see if they need tweaking, need changing, etc. and I am sure that James and the

Committee will be anxious to hear Council member's comments this afternoon in terms of input into that process.

I mentioned earlier the Energy Efficiency Block Grant projects and three of those 18 projects fall under Neighborhood and Business Services in terms of residential retrofit, commercial building retrofit and the neighborhood energy challenge. We will be tackling those and those will be made key components of existing programs. Our existing housing rehab programs will be able to take the energy efficiency money in that program and bring it right along with that rehab program when we are dealing with that homeowner who applies for a rehab loan. It will be a real comprehensive review of that particular house or structure.

Those are all about the words on the page, but I want to share that the staff horse power behind this focus area plan has been reorganized and reenergized as you well know by taking Neighborhood Development and Economic Development and bringing them together in the same house so to speak, under new leadership with Pat Mumford. We believe we are really going to be able to move forward in new and exciting way in terms of our neighborhoods and business corridors. In fact a specific change in the focus area plan, whereas the old focus area plan talked about a pilot program in terms of neighborhoods and business corridors. We dumped that one and are suggesting that we don't need to say that anymore. We feel like with the new organization that we've got the energy we need to really comprehensively look at neighborhoods along business corridors and vice versa in terms of housing, neighborhoods and corridors and add job creation, job retention, the look and feel of the corridor and the neighborhoods around it, all those kinds of things. With that new energy we can make a lot of great progress in the coming year.

I would like to turn it over to Pat Mumford, our new Neighborhood and Business Services Key Business Executive to talk a few minutes about the progress so far in bringing those groups together.

Mr. Mumford said I don't want to be repetitive, but a couple things have just come up as the notion of collaboration. When the Chief was speaking earlier, setting up this model that we all had to follow, we were talking about the things that make his work a little bit easier to do. It is not just about the Police force. One example is, what used to be called the Neighborhood Cabinet, which was an internal group with the city of Key Business Executives and partners, figuring out how to get work done, we've broaden that Community Cabinet. It used to be people would come to that meeting and look to Neighborhood Development folks to give them an update on neighborhood improvement program. The Police are very much engaged now and we also have ... including United Way, Arts and Science Council, CMS, Department of Social Services. We are communicating in a way to suggest what it is that the Police Chief needs from us to be more supportive. It is not just about enforcement and we keep pushing that. It is not just about enforcement with the Chief, it is about being on the front side around prevention. We think we can bring to the table a lot of preventive opportunities. The same in neighborhoods. We are certainly very proud of code enforcement. Walter and his team does a great job but at the end of the day I think success is Walter working himself out of a job because what we don't want to do is just increase the number violations and citations, we want to reduce those because neighborhoods are taking care of themselves. They are not parking on the lawn. So there is a lot of education and a lot of preventive activity out there and that wouldn't have occurred without the new organizational structure that allows us to think more holistically about our approach. The Chief mentioned truancy. Truancy comes through Weed and Seed and a lot of that funding and there are folks that roll up under Neighborhood and Business Services' chain of command that oversee truancy. It is a great partnership and in fact I had a meeting with an individual from the Department of Justice just last week and they couldn't speak more highly enough about our truancy activity here compared to everyone else they see in this region and it covers a multi-state region. Those are things that are pretty quiet, but I think they give us definite investment, they give us a great return. The challenge to you all as elected officials is to help us see the benefit of those activities. It is really difficult to quantify how you stop something from happening in the future. It is a little bit easier to quantify going out and slapping a citation for somebody as a code violation or arresting somebody. I think the Chief would probably tell you he would rather not have to arrest some of these people. We are working collectively is the main point for all of this to make sure that we are balancing things on the front end.

We are working diligently on housing. Mayor Foxx hosted a session a couple weeks ago and we are working diligently on the back end to keep that momentum going, to bring people to the table to address the framework the Mayor mentioned. I would suggest to you that it is not really about the funding today, while funding is an issue. It is more of how do we get people aligned so we are not tripping all over each other or that we are missing some gaps. We should have something coming forward relative quickly so we can bring that back to committee and really put that into a policy. That is kind of broadly where we are.

Mr. Mitchell introduce other members of the Housing and Neighborhood Development Committee, Vice Chair, Warren Turner, Michael Barnes, Warren Cooksey and Patrick Cannon. He asked if there were any thoughts from the other Committee members.

Mr. Peacock said he was not on the committee but does have a question which is a follow-up from the meeting that Anthony and Pat held and I attended. Where are some of the energies that you all saw in the room and that I felt in the room – where are they reflected in this document and are there going to be some edits that maybe the committee is going to be adding to it. No where in here we talk about the word homelessness. We only hint that when we talk about area A and I in the housing component. We heard very loud and clear that we have an enormous and growing amount of people that need housing right now and need shelter especially during the winter months. From a policy perspective it doesn't seem like we are really hitting on that and I don't know if I'm misreading this.

Mr. Mumford said I don't think you are misreading it because it is not spelled out, but it is imbedded in the policy and program review. The outcome of that is really to then begin to develop a comprehensive strategy on housing. Part of that would be this component of the homeless initiative.

Mr. Mitchell said you all allow the location policy to refer to that and part of that whole discussion is to look at conclusion areas only, special facility needs as well as addressing some of the housing challenges out there. Give us some time and we are going to try to work through some of those tough issues.

Mr. Barnes said I wanted to share some information that actually related back to Economic Development as well as Housing and Neighborhood Development. I had a conversation with a developer a couple weeks who had taken some folks to look at some property along North Tryon Street for development purposes. What he said to me was, after we did our look I don't think you are ever going to get anybody to do anything market rate in that corridor because of the concentration of homeless support facilities, which goes back to the locational policy. My concern is, and good bit of the area as Patsy and I have shared, is that because we have turned that 3-mile radius into a center for that type of service we are foregoing any opportunities for private sector development, especially at market rate. This is someone in that business talking, not just me. I have suspected it all along but I'm starting to hear it from people in the business. As we consider the locational policy one of the things that will be important to me is to look at the economic development component because it has a direction impact on location and vice versa. We have to have an awareness of what these decisions are meaning to people who are considering investing. There was a time when Hugh McColl had talked about that stretch of North Tryon Street leading out of uptown being another vibrant corridor in the city despite I-277 and the rail crossing, etc. I am concerned that we may be on the verge of losing that opportunity because of some of the things that we are supporting. Hopefully, we will be addressing that more as we move on.

Mr. Mitchell said I think we have to be sensitive, when we look at our Housing Trust Fund, a lot of our monies are ear marked already for 2011 so we need to decide collectively what type of bond package or capacity and what we need to address some of the housing issues in our community. Julia mentioned earlier and Nancy did also, this FYI Saturday April 17th Career Action with CPCC for our Neighborhood Symposium at CPCC.

Mr. Howard said I know a little bit about housing and the whole conversation of homelessness has been one we have been aware of in the community for a while. I don't think I fully appreciated the full bully pulpit that the Mayor has because just in the month or so that he has been Mayor and just talking about homelessness, I've heard people talk about this issue in ways

that I have never heard people talk about it in the 12 years that I've been involved in housing. I wanted to commend him for taking that on. I'm not sure where this goes and I think we need to be careful about the stuff that Michael just pointed out, destabilizing one area of town and being fair about how we distribute it, but still this conversation has not been had at this level for years.

Mr. Mitchell said let me throw one thought out – the Quality of Life Study. I had my Intelligent Leadership Conference that some of you had opportunity to come by, and a lot citizens in District 2 told us to look at our Quality of Life Study in a new way. Particularly those communities that have an education institution located. If you take University Park as an example. University Park was a stable community until about two years ago when West Charlotte Senior High School had a tremendous spike in crime. Now you look at University Park quality of life, it is transitional so it is going backwards. The citizens were saying it is not a reflection on the community, but it is a reflection of that education institution that has caused at least by the Quality of Life Study, for the neighborhood to go backwards. I think we need to look at that as well look at Quality of Life and maybe we can look at the education institution whether it is an elementary school, middle school or high school, and make sure that the incidents that occur at those facilities does not have a negative impact on our communities.

Mayor Foxx said we just blew through five huge topics and I think the conversation we had about those topics was extremely rich. I just want to say that I am very proud of this Council and the way that we are working through those issues, as well as the staff for helping to prepare us for those conversations.

Mr. Dulin said we've built the market rate and affordable housing apartments over at SouthPark behind Burger King. When are those going to be rolled over to us. I know the senior housing is already being occupied.

Mr. Mumford said I don't know the schedule of that. It is still on their which is positive.

Mr. Beamon said it is ten minutes after four and today has been a significant day. You all put a major brick in the foundation of how you are going to do what you do as a team. That is a big deal. Agreement, dialogue, how we are going to be. Then you had substantive conversations about the five focus areas that you all are addressing, attacking and working on. Big issues. Good quality conversation between staff, committee, committee chairs, really good rich, good, big day. What is going to happen now is we will take a break and then do the final Leadership Development exercise.

Mayor Foxx said are there any issues that we haven't talked about that are on staff's mind that you wish for us to give some thought to at this point?

Mr. Walton said not that I can think of.

Mr. Beamon said from that discussion, you and your team feel you have a really good feel for where the Council is, what are the issues, all of these things we talked about, you feel like you heard and had the dialogue about what you and your team needs?

Mr. Walton said yes, but the next step is to go back to committee so it is not time yet for us to be crystal clear on what the outcomes are. When we get to that point which is after committee recommendations and after Council approval, that will be the check in point of is it crystal clear.

Mr. Beamon said do you feel you got what you needed out of the discussion, to which Mr. Walton said yes. Mr. Beamon said staff, did you get what you needed out of the discussion?

Mr. Howard said is there anything outside of the five focus areas that was just talked about that come to mind that should at least be mentioned? When we first started I was talking about those additional things and it may not raise to the level of being a number one in the five, but is there anything else that should be up there?

Mr. Walton said I think the issue that I raised a couple meetings ago that we need to be very thoughtful about how we are going to spend out time because just these five areas all encompassing are very big. Is everything that gets referred to committee as important as these
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things or is everything that we are working on as important as these things. I know that not everything we do is tied up in these five focus areas, but everything we do outside of those do take away from our ability to focus on those priorities. I would just put that out as a reminder that we need a filter as to how you want to spend your time ultimately, how committees would spend their time and how staff would spend their time.

Mr. Cooksey said a general theme from the entire operation, we touched on it a little so far, but I don't think we should lose sight of the importance of increasing our concentration to Council on customer service issues. Given the latest round of issues around Charlotte Mecklenburg Utilities billing items that are being worked through, the service slipping items, as the Manager identified to us as a result of frozen positions. We need to keep that customer service element in mind because that is what our constituent/voter/taxpayer and ultimately customers, how they interact with us on problems.

Ms. Carter said at one point, as I understand the Assistant City Managers, had an additional focus because they were doing a long-term evaluation of the city long-range plan. I am wondering if we give our ACM's enough time to have that aspect on their plate.

Mr. Cannon said I didn't get a chance to do this earlier, but I want to acknowledge the members of the Community Safety Committee, Vice Chair Patsy Kinsey, Andy Dulin, Edwin Peacock along with Susan Burgess. They are doing a good work for you all, a hard work right now with things in committee and I just wanted to say I appreciate you all in the work that you are doing and the time you are investing. For those you have not gotten information back in terms of what some of the issues that are existing, if you can get that information back to me so I can compile that information to the Police Chief, that will be great.

Mr. Turner said we keep talking about the homeless situation and we also keep talking about the over concentration of affordable housing and the unfortunate foreclosures, those things are still plaguing our community. What are we doing as a City? Do we have any plans to go in to take some of these homes. A lot of these houses are just vacant, just sitting there with nothing going on. There are blighted areas where drug activity, crime, code enforcement has spent hundreds of man hours citing these folks and of course you know the homeowners are beyond our reach sometimes but the reality of it is those things still exist. When we start talking about affordable housing, homeless, crime, people are saying here we go again. We've got a new mission to try and resolve some of the problems that we had. What are we doing and is there anything in our objectives that we are trying to do on those things?

Mr. Mitchell said Self-Help CDC partnering with Neighborhood Services and adopted Peachtree Street and they have done a remarkable job of acquiring and renovating some of the homes now due to community safety and Chief Monroe's work crime was down tremendously. They have stabled that and we provided some funding, but they provided a lot of the manpower and grass root efforts. There is a success story for us, but we have identified Windy Ridge and some more communities as well as communities we need to go in and have the same success.

Mr. Mumford said we are in Windy Ridge through the neighborhood stabilization program. NSP funds that have already gone in and the last I heard Habitat had purchased 7 houses, and it may be more now of the many that foreclosed there. They are working with the homeowners to help educate them on how to maintain their home, financial education and life skills so they don't have a repeat, but they are trying to get in and stabilize as quickly as possible so there is an effort going on.

Mr. Turner said can you tell us how they determine which neighborhood they go to?

Mr. Mumford said it is all focused on the number of foreclosures. NSP money is specifically for foreclosures and the federal government highlights which areas we can go. Predominantly it is our City Within A City area. You would think it is really easy to go get a foreclosed house, but because of all the legal aspects of ownership, sometimes it is difficult to secure that and have a new group like Habitat become the owner, but at Windy Ridge they are having a very good success rate.

The meeting was recessed at 4:22 p.m. and reconvened at 4:30 p.m.

The Council went into group work and the recorder was off during the group work session.

The meeting was recessed at 7:30 p.m. on February 4th, and reconvened at 8:35 a.m. on February 5th.

Mr. Whitehead asked each table to discuss among themselves some of the things they have learned from this retreat. He said we have to be willing to surface those mental models and that is a little of what happened yesterday in that luncheon. We began to be aware of the preconceived notions and perceptions that we have, but if we try to operate on top of this what happens? It is all up here and really doesn't get to the heart of the matter. You've got to be aware that we've had this stuff and this is an uncomfortable place to go for most people, plus you've got to have the time to do it. For the most part you haven't had the time to do it. Step two is now I'm going to build a relationship with you of trust, rapport and shared purpose. That is what is in this room and we are all here for the same thing. All the City Council members are there for the same thing. Sometimes we forget that because we are operating down here, but if I have a good relationship with you and you trust me and I trust you, then I can go to step three. Step three means I can now share with you the current reality. We can talk about data without it being personal. I can talk about your district and you can talk about my district, I can talk about your performance, you can talk about my performance because we are doing it because we have this relationship, this foundation is built. Try to talk to somebody without a strong relationship, as candied as you want to talk to them. They will take it personally, they will react, get ticked off, stop talking to you. Once you've got this ability to have this kind of conversation, then you can move up to the next level, step four. Step four is now I can start talking about idea, talk about the future with some vision, where we are going, what we are doing. You can join me in that discussion and it can be a very meaningful discussion. Once I have set up a vision and idea, then I move to the next stage, which is plans and strategy. Let's make that strategy happen, and then of course I move up here to action and commitment. In our work with corporate executives, what they do is they start here. People come in and they say okay let me tell you what we are going to do. Here is what I want you to do, here is my strategy, here is my plan – everybody with me? Everybody goes yeah, because of who is writing the paycheck – the guy who is saying are you with me. Oh yeah, we are with you, but underneath the sub-text is what. He doesn't know what the hell he is talking about. Where is coming from, where is he going? There is nothing foundational in place for him or her to say that. When we do cultural integration you take two cultures and put them together, then you've got all this stuff down here that if you don't deal with it, the strategy breaks down. It is probably the same thing in your department. If you look at this model and say where do I need to come back and build more relationship, which by the way the media likes to call soft stuff, but it doesn't make any difference. As we can tell by this model it makes all the difference if you do it right. If you just go out and do a rafting trip and have people fall behind you that is different and that doesn't make that much difference in some cases unless you are having some honest dialogue.

Mr. Barnes said this was such a major breakthrough that I got a hug from Warren Cooksey. An unsolicited hug. He said I looked like I needed one so he reaches over and give me a big bear hug.

Mr. Whitehead said you remember I said that there are some people that are resigned in hopelessness. When you think change can happen a lot of people are stuck in the bottom, so if you don't move people up to that pyramid, you've got people who are cynical, resigned and these folks think that is healthy to be cynical. Then you've got people who say I'm not cynical, I'm more enlightened in that, I'm way above that, I'm just skeptical. You've got people in your organization who are skeptical that things can change. Then they may say well, you've got to be skeptical, you've got to have healthy skepticism. Then you've got people in the audience who say you know what, I'm hopeful, I'm going out there and I'm hoping this is going to change. Those four characteristics have something in common. What are they? Where does the responsibility lie in those four? External to you and me. There is a breakthrough that has to happen right here in this room, and that is moving from hopeful where you all determine that you are the partners, because if change is going to happen, where does it happen? Right here in this room because I have met the enemy and the enemy is me. This is the leadership of the city. It is not out there. It is right here. This is it! The last stage is I need to be a leader and promoter of this change. I need to own the change itself and that is huge. If we make this thing happen, then you won't need to worry about what is going to happen, because it is going to happen in your

chair. You are going to see it on City Council - a lot of people working together. In our work with corporations, they tend to think well, it is us and them. The folks who are doing all the work are blaming them and they are blaming them, so it is always us and them and so we realize we are all them. It is going to be important when we walk out of here that we are not looking for something not to work or we are not looking for someone to do something to prove that it actually works. We are looking to be different.

Mr. Peacock said I just wanted to remind you that a few times a month we have something called the Business Forum where you can come and present this back to us if you would like if we sort of tend to get off track.

Mayor Foxx said I recognize the filters that have been in place that the first time we have a disagreement on Council regardless of how it breaks down that we can slip back into these places, how do you suggest that we manage through that.

Mr. Whitehead said one is are you willing to have compassion to one another when you do? Because you will. It is human nature that we get frustrated. I don't know about you, but I guarantee you that in your life you have said What am I doing? Why did I say yes to this? I don't even want to go to work today. I know you have those moments and then you feel like I make no difference. I make no difference at all. If you notice that that is the normal course of life and we get beat up by life, right. If you can notice that everybody else has that experience. Everybody is going to have a bad day and will walk in and think they don't matter. Some people are going to have issues in their personal life that are going to affect their business life. If you can have a little compassion for people sometimes. That is the first thing. People are going to do that and you don't beat them up for it. I would advise listening a lot. If you notice that someone is down here and you go to them and say tell me something - what is going on. I just noticed it seems like something is going on, what is it. Let them talk for a while and you shut up, be a sponge and listen to what they are saying. Then you can share some of your own experience with that too. Yeah, I understand where you are coming from man, sometimes I'm frustrated like that too. I appreciate you bringing it up, anything I can do to support you? Those simple little things in the relationship will help bring people back up to here. People need to vent in an appropriate manner. We all get frustrated and you've all done it. You pull things in and you hold things in and all of a sudden you get frustrated and it just comes out - boom, because it has been stored up and stored up and it comes out. The more we can facilitate the communication and that is why I think the lunches with the city council, the small group lunches, etc., to keep the relationship good is important. Put those on the calendar and make those happen, maybe quarterly, just a short 2 or 3 hour, half-day kind of retreat where we can get into a little bit more discussion that we had a lunch yesterday. We just talk about the dynamics themselves. I recognize there are some issues related to law and meeting space.

Kim McMillan said I think it was helpful for the media to be here. They often try to divide a working body here. I think it was a really good exercise for them to see what we are trying to work toward, and listening and being more in that direction.

Mr. Beamon said the media is doing what they do and they are doing their job. It is tied to a business outcome and it can be very easy I think for this group to look at the way they do what they do and to accept it and default into it, but what you said is very different. What you said is rather than being worried or self conscious about the media's presence, you create the story. The story is this group is committed to working together. Council to council, council to staff, Mayor, council, staff and when I heard it described yesterday, the whole deal. You create the story. You go toward them. Now they choose to twist it and create a sound bite, and doesn't completely put it in context, then you can't control that and you go right back to work. I like that and we hadn't heard that at all. We've heard cautious, cautious, but your view is go toward them with the real story. That is very good.

Mr. Barnes said the media who were here, in my opinion, were not some of the ones who like to do that. When stuff gets back to Charlotte it might happen, but I didn't see some of the people who I think are famous for sort of twisting things. Also, I have a confession, I'm sometimes a skeptical leader and I can straddle that like crazy, and sometimes I'm the cynical one. I'm generally always hopeful, but I can be cynical at the same time. I am rarely ever resigned and hopeless, but how do you bridge that gap?

Mr. Whitehead said most of you know that I grew up in foster care and I think most of you know that story. I grew up in foster homes and orphanages. My parents died when I was a kid. When I was growing up clearly this is where I was. I didn't think anything mattered. I didn't understand it, I couldn't figure it out and seeing what I saw, based on my background, of course in form my experience of life, it formed that and I began to distrust people. I begin to distrust that anything really mattered. As long as my background is informing me of that and I'm not aware of that, then I'm going to do that all the time. I literally would do the same thing and repeat the same pattern over and over again because I'm looking for evidence to support my point of view. Here we all look for evidence to support our point of view. My point of view was people can't be trusted and that people don't love you conditionally. That was my point of view. So what am I looking for? I'm going to find people who don't and I'm going to set it up so they don't. Much like what I think members of the media do. The media who has a perception or filter that public leaders, you can't trust them. So you've got to watch them and you've got to find out what they are doing wrong then what do you go look for. You go look for that and after a while you take any story, you write it from that perspective so that you can affirm your beliefs so you can be right. In other words, it is all about being right. As long as you hold on to being skeptical there is a position that you are holding which is I'm right about something. I was right that you couldn't trust people so therefore I kept doing it. What happened, when I got married, my view was that people don't stay with you forever, you don't stay with people for ever. That was how strongly I felt and I will never forget the day when my wife said look, stop trying to push me away. She said I love you unconditionally, I ain't going nowhere. Why are you doing that. It was the fact that I wasn't seeing myself and she was pointing out something in me that I didn't see. She said you are trying to make me out as a bad person so I will leave, but I'm not leaving no matter how hard you kick, I'm not leaving. There was a moment in time when honestly I burst into tears when she told me that because it was something that blew my whole paradigm and the way I saw the world was different. It was shaken up at that moment. That is when I began to realize would I rather be right that I'm going to be alone or would I rather give that up and be intimate and have a relationship and have children. Now 22 years later it has worked out. There is a lot of bumps and all that stuff. I have a 17 year old and a 15 year old who I am very proud of, who I love unconditionally and I don't think that would have been possible had she not done something to help me see something about me. I know it is hard for us to take a look at ourselves and say what is it about me that is causing some of this stuff. That is what leadership development is about. If you are not willing to get a 360 and get some feedback to find out how you are coming across you never can grow.

Mr. Cannon said you may have some of us going home and work on some other stuff now, I don't know, but one of the things I hope, particularly as we talk about partnering and coming together because I really hope we don't lose hold of what we have been able to garner as we have in the past. We gravitate to it, it sounds great, we may come apart at the seams when we get back home. I do hope where the law requires that we will get together more often for those brunches, those lunches, those breakfast and continue to work together for the common good of the city, but there is something beyond that. It is important to seek wise counsel, but I hope that we will not be so influenced by other outside interest that says you don't want to get too close to that guy because you remember you are a Republican or remember he is a Democrat and we can't get there because of what it might look like. That is the story that you want to sell to the media. That is the story that we have to sell to one another in order to be able to get to where we are trying to get to. We can still be different philosophically, that is fine and all well and good, but we end up knowing and discovering other things about one another that helps us on other related issues that we can improve on. I just want to highlight that. While there is good wise counsel out there, we should probably continue to stay in contact with it, but let us be smart to the extent that we don't allow it to get in the way so much that we cannot get accomplished the things that we have been talking about in this retreat.

Mr. Whitehead said Patrick I thank you for saying that because ultimately at the end of the day, I think everybody in this room sees what is going on in our country. There are a lot of citizens you are clamoring for something different. Yes, it is difficult to cause a transformation from what we are talking about right here, to create a new story about how we work together. That is difficult, but people are tired of the old story and maybe we don't know exactly how it is going to be. I look at what Obama is doing and I think he is doing everything he can to try to break up that system, but look at the system itself and what we've built. It is an old system, an old story. How do we create a collaborative story when most of us want to be right about our own point of

view. Republican point of view – I'm right. A Democrat point of view – I'm right. Wars began over I'm right, you're wrong. We are talking something not just for our city, but talking about a mentality ship and could this city be a model city for that. That is what is interesting and think that is what conversations I've had with the Mayor about this may be messy, it may not look like it is going logically, but something is occurring here. Do we embrace it because we have the opportunity to embrace it in this city or do we just say that is too hard for us and retreat back into our default mode of comfort and security. That is the opportunity I think we have in the city and that is the game I'm interested in. That is why we would give up three days of our time. That is really the height of purpose and just so we are real clear, I wrote these words up here. This is the essence of what we do in our company. It is the essence of our leadership training, the essence of everything that intentionality is driven by purpose. If you want to find out what your purpose in life is and what the purpose of your company or organization is, and you live by that purpose, which another way of saying that is you live by your word. You give your word you keep your word why, because you said so. That statement of principles, that is a word and you live by that. By default we live by our thoughts and our feelings. If you think about it this is where the ego lives. Ego is all about me. This is me focus, selfish focus by default, my comfort, my security, me, mine, my identify. This over here is transformation to and you and I know it because when we are in the moments of quiet, what is my life for. Then you begin to say this is why I get up in the morning. We all get up in the morning for something like this, but it is easy to lose sight of that and go over here because you don't think you can make a difference. You've got to believe that you can actually change the world in your way and that requires a lot of support. That is why it is important that when you get a group of people who want to change the world they can. The civil rights movement started with just a few people and what we are talking about is change as a movement, a movement from being partisan and divisive to collaboration and inclusive. That is a movement and it is occurring across the country and people don't know how to do it. We can figure out how to do it together and that is what I hope you do. That is what I'm committed that we do.

Mayor Foxx said I agree with what you are saying, but I want to put a punctuation point on the question I asked earlier, which is that as long as we are pushing toward what you just described, we can handle an occasional setback. We have to be aware and I watch the staff sometimes and it is like they are watching a football game. The team scored a touchdown and they are like yes, and then when we get an interception or a fumble, they are like ooooooh, and we are looking at ourselves that way too. There is a group thing that we've got to be aware of that we've got to allow ourselves not to see an occasional setback as everything is lost.

Mr. Whitehead said I was born in 1964 so I wasn't around, but I can only imagine that after a few church bombings and a few people getting killed that at least I would have a thought in the back of my mind about what the hell am I doing. Yet being able to regroup, acknowledge okay I'm feeling this, I'm down here, acknowledge it and pull yourself back up, because you will fall into this so pull yourself back up.

Mr. Whitehead showed a video by Will Smith.

Mr. Whitehead said sometimes we revert back to the left and sometimes we stay to the right, but the more support you have the more you stay to the right. You can always have a good city, and we have a really good city already, you can have that relationship and survive just fine. But that is not what we are about. If you have a great one it is going to take that intentionality and that is really what this is all about. It is hard work, but it surely seems worth it.

PRIORITY STUDY

Mayor Foxx said we talked last night about the deliverable which is at this point to translate the substance that we've talked about and the process we've gone through to figure out how we engage each other to identify three areas where we want to focus staff time and staff resources. We didn't get a chance to actually share our goals as Council members and I assume this will come out organically in the course of this conversation. Because the economy is in such a state of flux it may serve us well to assign three specific priorities now and a year from now take a look at those to see if they are still ones that we want to stick with. I say that to say for example, the economy is obviously a big topic of concern and how we are going to try to help get jobs created is an obvious issue that I've heard a lot of folks in the room talking about on line and off

line If we want to take a stab at some efforts to do that, may be we can look at some of the things that are already in progress right now. If you look at the sheet in the back of your notebook, Mayor and Council requests since December 1, 2009. This is just a contract, but if we wanted to focus on jobs/economy we can roll up several initiatives that are already underway into kind of a focus and give it a name and package it as something that we are focusing on as a Council as a way of trying to stimulate the economy. For example DSP loan program review that is going on right now, the view of the small business program we are doing, the job creation submit, small business opportunity task force, youth employment program, which is still in committee, looking at ways to grow that, but if we took those initiatives and packaged them in some say as sort of a job catalyst effort I think that would be a huge statement to the community that we are focused on an issue that most people in the community are focused on. I'm throwing that out as an idea.

Mr. Barnes said one of the things, in my opinion, we are failing as a society to do is to really get businesses to create jobs. We've got a political paradigm right now that has created a great divide between a lot of people who politically are not aligned with the Obama Administration. I had a conversation a couple Friday's ago with some of them and their perspective is that we don't really know what the government is doing so we're just going to sit here and keep our coins around us and see what plays out. Until we engage, and I will be very blunt about it, a lot of Republican business leaders are doing this to what is happening right now because they don't know what the government is going to do. I think we've got to engage everybody, Republicans, Democrats, Independents so that people who are the foundation of our economy, in terms of job creation, are all involved. It bothers me that so many people who are not aligned with President Obama are kind of stepping back and some Democrat business leaders are doing that too because they don't really know what is going to happen.

Mr. Whitehead said I appreciate you bringing that up so you are distinguishing that it is not just a Republican issue. It is a mine set issue, some of which happen to be Democrat and some of which happen to be Republican.

Mr. Barnes said with regard to our local program it is important to have a broad spectrum of people, and I know we have been trying to do this, but it may be necessary for us to make that even clearer because when I talk to some of the people who have small businesses along North Tryon Street, a lot of them are Republican and a lot of them probably wouldn't live in Charlotte if they didn't have business interest here. There is this general concern particularly about the North Tryon Area Plan, what is that going to mean, what are you going to do that conversation I told you guys about which is a developer regarding North Tryon. What are you all doing for this area? How we incorporate that into a particular priority group is obviously a debate, but I think it is important that we take that into consideration because government cannot fix this problem alone. You're going to have to have entrepreneurs who are willing to put their capital and resources and time into dissolving the problem, and as I said yesterday our efforts with blue collar jobs on the national, state and locally are lacking because they are a lot of people who aren't going to work with Electrolux. They can put together the vacuum or the dishwasher, but they are not going to be ... and we are not responding to that group of people across this country. Look at what is happening to Detroit and other major cities. I would like to find a way to incorporate that into that list of bullets if we decide a priority out of that.

Mr. Whitehead said are you engaging all?

Mr. Barnes said it is engaging all constituencies essentially regardless of party, but more to the point the entrepreneurs who run small and medium size businesses because they are the ones who create most of the jobs.

Ms. Carter said your point about consistency and decision making in government is real important in drawing independence on that.

Mr. Dulin said I agree with some of what you said but I disagree strongly about Republican and Democrat. It is not Republican and Democrat out there. How many times have you asked somebody that has called you for help, their party?

Mr. Barnes said you misread my point. Zero.

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Mr. Dulin said I'm on board for growing businesses. I don't care if they are Republican or Democrat. We are on board for growing business. Somebody is going to put their capital at risk I'm all of it and I don't care if they are Republican or Democrat and I never ask, and never will.

Mr. Barnes said the point I was making was that regardless of party we need to make sure that everybody feels like they can be part of the solution and despite what they may hear out of the Obama Administration, they need to be a part of solving this problem and we are not saying to them that just because you are not politically aligned with the Administration, you should take your cash and go home. The point I was making was that we should make sure that all people, especially small and medium size business owners are brought to the table to be a part of the solution and government can't fix it alone.

Mayor Foxx said I think from Mr. Dulin's perspective, what he heard and I think some others in the room may have heard is that there is party vent to growing the economy. I think what Mr. Dulin was trying to say was he wants to grow the economy and doesn't think it is a ... inaudible.

Mr. Whitehead said if you use this as a laboratory and what we are doing right now is a laboratory, then the dynamic that takes place between the two of you, not personal, but the conversation tone and the way you all interact with one another if you broadcast that out and say is that a microcosm of what we deal with which keeps us from creating the new paradigm. What happens is, if you get frustrated of course then you pull away, and so does he. I'm not saying you two, but let's just take it out of that for a second. You all gave a good example of that because I can see the frustration and when I watch everybody else's faces, you know what they do? Oh gosh. Then the public sees that and they go down to resign and hopeless and you two are powerful leaders in this community. I want you to be looking at the power that that is, the purpose for which you are in office and notice how you come across when you interact with one another. Don't just put it off as oh, that's my style. Really look at see how righteous both of you are. That is the way we are. When I get into that righteous point of view with my wife, I'm right and you are wrong, then I separate myself from her. Fine! You all heard that. Fine, I'll just get in my car and I drive off. Well, where am I going? I know I'm coming back. But that separation, then there is no possibility anymore and I have to go back and restore that again. I'm going to use that as a self awareness coaching piece that that is a microcosm. Everybody in this room has done that. It is not just Michael and Andy, it is just that you all the most loud about it and the more open and verbal about it. That is your style, but you are in a public office and the citizens expect more from the two of you.

Mr. Turner said party to me creates that obstacle. Could you change that to regardless of your views. Just because you don't agree with my way of going about it doesn't necessarily have anything to do with my party.

Mr. Whitehead said I like that very much. Take the label off of party because it can be an explosive word and it means a lot of different things.

Mr. Howard said I wonder if I could get a two-minute spill on what you see your job submit being. If I remember it incorporates exactly what you were talking about.

The Mayor said I was going to say that but we got a little side tracked.

Mr. Whitehead said no, fine. Michael and Andy if that was inappropriate please tell me.

Mr. Barnes said no, it wasn't.

Mr. Whitehead said Andy, for you, to which Mr. Dulin said I took it a little bit hard, but no problem.

Mr. Whitehead said I apologize.

Mr. Dulin said Michael and I go at it like we are brothers anyway so we will be out in the yard wrestling in a little bit. It is not a Republican and Democrat thing putting your money at risk to start a business and getting the money flowing to small businesses. That opened it all up. A developer has to go borrow money and then he hires the contractor and the contractor hires so it
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flows down from somebody borrowing the money. Every time you open up a Subway shop in a strip shopping center somewhere you've got 15 jobs. If somebody opens up a Lowe's or Food Lion grocery store you are talking about 125 jobs. That is not getting them back \$15,000 at a time but that is laying a brick. If you open up a Subway and get 15 people that is laying a perfect brick. I don't give a damn whether they are Republican, Democrat or whatever.

Mr. Peacock said are you preparing an outline when we are talking about economy and jobs. I know you are kind of walking us through this, but I think it would be a helpful exercise if you could go through each of the tables and up for discussion, what motivates a business owner to make a decision to expand, to support, to grow. I think if you think about our focus areas, all of our focus areas touch in some way the way that someone is going to decide something, whether it is transportation and the land use plan, whether it is public safety and how Rodney's team is making a business or an area feel obviously, clearly the economic development support is revived, but I think we need to talk about what motivates people right now to make a decision. The motivation does not look at party. A motivation looks generally at your back pocket and how good you are feeling about the future of your business. As a small business owner, I know that I do not buy things when I'm not selling things, I'm not creating and originating new things. That is generally covering all of our economy right now, the paralysis of doing nothing and what we can we do as a local government to stimulate that. That is where I think we need to shaping these elements of what you area talking about.

Mayor Foxx said let me frame that because I think you are right to want to get to the heart of the matter and what are motivating businesses to either open their doors, close their doors, what can we do to adjust to it. Getting back to David's question about the job summit, over the last couple of months I've gone with a number of small business, incubator types, government types, small business owners and what they have asked for is what this job creation summit is, which is essentially a listening session. It is not going to be five government officials giving them a down load on some new program. They want opportunity to talk to public leaders about the challenges that they face. It is exactly that and there will be a wide range of people there from largely different viewpoints, small business owners, large corporation, but the whole idea is to frame the conversation I think you are suggesting Edwin. I would suggest it is better when we have the business owners in the room.

Mr. Peacock said I agree, but what I'm saying is I think we need to be thinking from that perspective because what we are talking about and what we are doing here ultimately is about a citizen making a decision to do something so we have to support and create that environment. We have to have obviously curbs and gutters and street lights, effective transportation, safe neighborhoods and a livable environment and a healthy environment in order for that environment to thrive. It needs to be physically un-constraining to someone in order to feel like they are going to grow. I look at what I have written down, which is jobs and economic development and I'm going small business loans, we are reviewing USDG's, PCCO, that is the development community that creates a lot of jobs, the job summit, the town hall meetings on under and unemployment there and then what are each of us doing individually. What are the goals of each of us to focus on that one thing to help you and everybody in the room help motivate somebody to do something differently in their business, not by what government is doing for them, but what is government doing to get out of the way and let them do it and be responsive to their needs.

Mayor Foxx said I'll another component to the list and Warren Cooksey mentioned this yesterday, the permit review process that is going on right now. That is another element that we could roll up into this. What I'm trying to suggest to you is that we've got a number of efforts that are underway that fit under the group of helping to grow jobs and we ought to, in my opinion, rather than adding a huge new bullet point, package those sort of a jobs catalysts bullet.

Mr. Cannon said are we talking about job creation summit or is it job discussion summit, or is it just job summit?

The Mayor said it is a job creation summit.

Mr. Cannon said I think Edwin probably answered your own question, we are just trying to create jobs. If people are looking for trying to expand their business, there are only two things
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that a small business person is looking for. It doesn't have to be an A to Z discussion because the A and B are really the two things. One that there is a market and two that there is capital, that there is lending.

Ms. Carter said discovering what the market is, identifying the market, understanding the market. I think, particularly on the major business corridors that we started, that is really a good approach so that we know intentionally what is out there and you can publicize that and the information where it is appropriate. I'm sorry, I'm seeing ... and I'm feeling hopeless.

Mr. Howard said basic conversation about how to create jobs is one aspect of the issue of the economy. The other one is how do we stabilize the economy. There is a whole conversation about how we keep jobs too. I thought maybe that was what Patrick was asking when he asked about the word creation, but then you have the other dynamic of how do we maintain what we have as well. I would like to say I think that conversation is probably another step in job creation. Then what you are doing is not just talking to people who want to grow their company, you are talking to business leaders who are having problems just keeping things going, and what we can do to be a part of that.

Mayor Foxx said let me ask the staff this question. How do we feel that the Business First Program is doing, which is from what I gather, is our primary tool around retention?

Mr. Mumford said I don't know the answer to that, but I'm trying to find the answer. The measure of Business First was how many small businesses did we visit and I asked the question very early, so what. What does that mean, you visit a company Inaudible. Are we able, through that visit and that discussion connect people to market share, to capital. We don't create jobs, we help connect people to resources, we help get the framework to allow our lending resources to be focused where we see jobs of the future that can fill and leverage. That is where I think the Business First can be supportive. I haven't been able to figure out how to quantify the value of those visits, but it does start with a discussion. I think the intent of it is very good and the meeting was very well attended and I think people were very interested in being a part of the solution. I just don't know that we have the tools that we can bring to help small business get what their issues are because we are not a capital provider by in large. I know we are looking at the small loan program, but there are people in this community looking at funding entrepreneurs so what we need to do is connect that. There was a big discussion on venture capital, but frankly we don't have the businesses looking for venture capital. They are looking for other types of capital. We are going to do a better job this year of connecting those dots and ask that question and say absolutely, of the four we visit, here are the outcomes, here is how we measured, that our conversation led to these businesses getting sources for capital or being able to expand or train, whatever their issues may be. That will be part of the small business strategic plan so we understand what our goal is, we understand what a success measure looks like and the outcome of those visits. I don't know if that answered your question or not.

The Mayor said it did but I question the group in not getting too caught up the job creation summit, because you are going to have companies there who have let people go. You will have companies there who want to add people, but can't for some reason. You are going to have a lot of companies there so the retention issues are going to come up. We understand clearly that the purpose of it is to frame a conversation in which the governmental leaders are hearing from business owners about ways that we can help them catalyze the job growth. I'm being very protective of the title because information has already gone out about what the title is so we can't change it, but the intent was to capture the retention and recruitment.

Mr. Walton said there are things that we can directly control and things that we can leverage. The federal government is talking about there is a fine relation of transit/land use, housing ... with the job overlay so even in good times the needs of the municipality and how they are going to out strip the ability to impact all of those needs. Given the bad economy, the needs are greater and the resources are less it is even harder. In my mind all three of the priorities are specific and not just ED, but the things that we directly control that we already do well, we do transit well, we do land use very well, we are coming along quickly in the environment. Public safety we do very well so how can we leverage those things that we directly control with things like Edwin was talking about, the infusion of capital, things we don't control, the things that aren't happening on their own without somebody being the ... There is really I think two tiers to this.

What are the things we are going to do anyway and are doing very well and how do we leverage them. That can be Independence a great corridor and North Tryon, Freedom, we've got more great corridors than we can do so we are going to have to be targeted. North Tryon and the Northeast is in process, but how do we do that 10 miles between downtown and the University to really model housing and housing choices and housing verity and how do we make North Tryon a corridor much more like it was 30 or 40 years ago than it is now. How do we use that corridor in land available for small businesses or large businesses to try to help attract them along the corridor. The same thing for Independence or Freedom. How do we leverage and we have a great deal of leverage right now with Washington so they are looking for poster children in a lot of different areas and they are looking at Charlotte as being that poster child in these areas. My summation would be as we look at all three particularly transportation, if we stay with that as it related to ED there is a whole lot that we are already doing that we can bring synergistically together in targeted areas, but geographically and functionally, make an impact that we probably wouldn't be able to do if we ...inaudible

Mr. Cannon said what has made Charlotte what it is today? I think we all know that the lingo has been in the past and still can be today, if we would go back and reincorporate it, if it is falling apart and that is public private ventures. If we can be about that program once again serious in public private ventures, in other words, some of the things already listed under ED, the Mayor's office should be using this influence, and us as members of Council, to bring about some of these summits or in some setting or another these small and mid-size lending institutions that are lending for niche opportunities. They are lending, but you need to understand exactly where they are lending. The general public is asking the question, if I'm considering an opportunity of some sort, if I am in business or looking to start a business, where are those opportunities. I will tell you that those small and mid-size institutions are lending. We entertained one in our own office just a few weeks ago and there are several others that are out there, but what are we doing to find out who those institutions are to in turn bring them to the table so that our constituents know what opportunities could possibly be available for them. If we are not pushing their button to create the public private venture there won't be any opportunities. The private sector watches what we are doing and we watch what they are doing. They can't always benchmark themselves off us and we can't always benchmark ourselves off of them, there is a very fine line. We can train all day long, understanding that if there is no where to place those folks at the end of the day, what have we created. We don't want to create false hope, but that means that we need to be buckling down and talking to those other pieces and locating the jobs that do exist. They are out there, but they are needles in the haystack entities.

Mr. Kimble said an excellent point and the staff is making those initial contacts as part of the Small Business Loan Program and the Small Business Strategic Plan and will feed back to you, but we may find that they are not as willing as we thought and we may need to engage the elected officials to go back and have those conversations. We are gathering the information right now for your benefit.

Mayor Foxx said the good news is I think that we have correctly identified the major components of a strategy on responding to the job situation. It is just a matter of how we package it for this purpose.

Mr. Barnes said in these priority areas, will we be stretching or exhausting staff resources to do this. I think you are going to be coming back sometime soon with your analysis of the demand we are currently putting on staff. My question is, if we do this can we do the other stuff we have been trying to do under ED and other focus areas. In other words does this exhaust the resources?

Mr. Walton said I think what Ron was saying, if we hit the high points in whatever your priority areas are today we will develop a plan around what we can do and bring that back to you for your review in March or April. In this case it is probably not far off from what we are already doing in the Economic Development Plan. I think from the broader perspective, targeting North Tryon or Independence, I think that would be helpful. That doesn't mean that we stop on anything else we are doing. There are five corridors and if we pick one or two to focus on in this land use/housing/transit mode, it doesn't mean that we stop working on others because we are working on all of them, but it may mean we heighten the effort on some of those, in order to leverage those resources more widely.

Mr. Barnes said the first bullet point says review USDG, PCCO and proposed tree ordinance to minimize adverse consequences. I was on the Transportation Committee as we went through the USDG and we went through a fairly exhaustive effort to find ways to minimize unintended consequences. What I don't want to get back into is reworking USDG now. One of the things we asked staff when we passed it was please allow flexibility so when people come to us we can say okay you don't have to have a ... and the same thing with PCCO and the tree ordinance. These are infant sort of pieces of legislation and I don't know how this list came together but I don't want to see us going back through, taking USDG apart and putting it back together again and having stakeholder meetings and the whole nine yards. That is a waste of time.

Mr. Walton said that is not our intent unless we come back to you and you direct us to do that. Basically, we are coming back in March to address the flexibility issues and how it is being applied and how we are going to move forward. I think in USDG post construction is the largest section of that and is state required so there is a whole lot less flexibility there, but we will come back because the Mayor had asked for an update in the plan when you approved it, basically said come back and update us on that. We will do that and I think it is working well. I wouldn't come back with a recommendation to open that back up again, but we do owe you the report. If you all are uncomfortable with any part of the report we can open that part or we can just keep on going.

Danny Pleasant, Director of Transportation, said also your focus area plan has a deliverable at the end of the summer to bring you back code ordinance. Debra's staff and my staff are working hard together to get through that process right now and the challenge is how do you build in flexibility and predictability within the code. We are working hard to get that to you as well as the update on March 1st.

Ms. Carter said I'm sorry about the passion, but you now where I am and you know where I come from. On the question about planning, etc. and looking at USDG, I think where the crux is where we infill and recycle. That to me is going to be a specific Charlotte solution. I think we have some real talent to look at these USDG pads and rezonings recently that push us on. And I think we can have a real positive impact on our community by being very intent on this decision. The City does public private enterprises really well and I agree with that. We identify under utilized assets really well and where we have the most impact is that but for situation. But for city government it would fall apart, so here I think is where we need to put the effort. I'm looking at 30% and lower AMI housing. I'm looking at, of course Eastland. I'm looking at Independence and North Tryon, but for the city government there would not be activity. Transit is providing that push on North Tryon and I have to say this because nobody else is going to say this, the far east is really in dire need of the message. We need to see what we can do for residents there. That 35 resignation needs help.

Mayor Foxx said we have spent a good deal of time talking about what is in essence to your point Nancy. We have three headings that we can reach for and we are still on item one. I guess my question is are we comfortable with staff packaging or basically inventorying our job catalyst efforts and making that our priority for one of those five. Is everybody comfortable with that?

Mr. Turner said I'm still uncomfortable with the job situation and I understand what we are trying to accomplish and I still think that is two-fold. Yesterday I got some resistance and James said when you go against something at least you should have a solution, at least to say no to something. I'm still going to ask that we have staff consider stepping out of the box and try to come up with a unique way. Just telling me no is not good enough. We are going to have to talk about people that if they are already in business, that we need because our unemployment rate is already high enough. They are at the threshold of survival and it is the same terminology whether you got a head in a bed in a hotel or whether you are sitting in my restaurant or coming in my door buying my product. They don't have the money to advertise, they don't have the money to get their literature out because they are struggling just trying to hold on because we keep telling them the sun is going to rise again. They are struggling and we can do whatever we want to do to approve it and it can be done, but you've got to be fair about it. Again, I'm not advocating that we advertise any particular business, but we advertise what we do and what we've built in our city. We just haven't focused on it and there is a very unique way in these tough economic times, for these small businesses that are struggling. When they close those doors we've going to have vacant space and a leased space that puts a strain on another corporate

company and the people who built it in the first place, based on our partnership. I'm still going to ask that we come up with some unique way to advertise those businesses.

Mr. Walton said we have very clear direction on Eastland to do nothing and I just want to point out that that means that should somebody come to us with some sort of concept that they want to pursue or they would like have help with or advice on, we can't provide that. That is something that we can address now or we can address when we bring the plan back, but we are taking that as a literal do nothing. At some point I think somebody will come to us with some interest in doing something and our position is that we can't have that conversation and I just want to make sure that we are clear about that.

The Mayor said thank you for bringing that up and putting that on the table. Are we comfortable with that current state of play?

Ms. Carter said I am not.

The Mayor said I got that.

Councilmember Kinsey said I'm not either. I think we should have the flexibility so the staff could receive offers and bring it to us.

Mr. Mumford said my understanding is that we were to stop all work, but it was suggested that if somebody comes back to us with some new deal that we could bring that to you and say silence has been broken, there is another opportunity, do you want us to engage in detailed conversation.

Ms. Kinsey said I did not hear Curt say that so if that is okay, I'm good with that.

Mr. Walton said I think it is technically true, but it is just the likelihood is next to zero that somebody bring us a proposal.... Inaudible

City Councilmember Kinsey said I agree with Pat and Curt.

Mr. Cooksey said if someone did come up with an idea and that person was interested in what the city could be involved in, if they call Pat and said can we talk about this, would the staff response be no, don't call us again, we're shut down, or would it be maybe, but we have to ask Council to go forward with this or would it be well we can talk about some generalities but we are prohibited from giving any specifics, or is there a fourth one that I'm not contemplating?

Mr. Walton said again I don't think they will be looking to do that. Somebody wouldn't be associating with putting their name out there as a possible interest if they were going to turn into a lot of questions.

Mr. Mumford said I wouldn't be comfortable coming to you and saying some of these interested may be ... inaudible. I would probably suggest to the person, are you bringing capital or equity to this deal because Council has said they are not interested in what was presented previously. It would have to be something measurably different before we would bring it to you.

The Mayor said so if we were interested in shifting so you could actually entertain ideas before coming back to the council, is there a suggestion that you could make in terms of how we could express that to you if we wanted to do that?

Mr. Mumford said let me see the facial expression.

Mr. Walton said it goes to the risk because if somebody brought us a deal that they would put in \$6.2 million if we make this thing work. I would not be willing to go forward with that to you because you would likely say where did this come from and how did it get here. I am interpreting it extremely conservatively, that is a yes or no, and we got a no. That is the way we are treating it and there is not discussions going on.

Mr. McCarley said one of the issues with this is when the private sector comes to us with an idea, it is rarely fully baked. It takes a whole lot of staff input to try and get something to an ideal level that is worthy of presenting to you all. I think where Curt and Pat are is we don't

have instructions to go spend that kind of time to invest the effort in working with one or more private partners to try and figure out if there is a deal.

Mayor Foxx said the result is that it is unlikely that such a thing would transpire because of what you just said.

Mr. McCarley said no-one comes to us with an idea of the caliber and quality to finish that we can present to you all.

Mr. Cooksey said in the interest of time I would support putting Eastland into the economy jobs priority area and would topic for flushing out council's division at this point on it. It sounds as though we should have an additional conversation about where do we take it at this point. My own perspective of the shutdown was I thought we had reached the limit of what I perceived to be a city initiative to actually buy the property and start working with it. I'm not fully comfortable with the notion of treating it basically ostracizing the area completely. I want to look for that balance, but I don't think we are going to hash it out here so I will be willing to put it in there as an area to talk about.

Mr. Beamon said one vote for revisiting what Council's direction to staff on the subject of Eastland really is.

Mr. Howard said would it be appropriate to refer it to the Economic Development Committee now?

Mr. Cannon said Debra Campbell, Martin Cramton, Pam Syfert, Curt Walton and a whole lot of other folks understood that nothing would come to Wilkinson Boulevard or West Boulevard without there being some level of reinvestment and making sure that the area was safe, that it was clean and all the things you can think of. As a result there is brick, wrought iron fence, decorative street lighting and as a result of those things happening and Mac McCarley and other folks getting rid of unwanted type of entertainment facilities, developers and business men and women took an interest in that side of town. Where Eastland currently sits I think you've got to start looking real hard at some of those initiatives that were looked at then that still have a place somewhere today. If it looks like an area that is not so pleasing to the eye, if there is a perception, even greater, that it is not safe place for people to be, no-one is going to that area to do anything to bring about any level of business. If you don't believe it I'm telling you there are plenty of examples for us to look at and all I saying is let's not put the cart before the horse, but let's start looking at another level of investment in terms of the kinds of things that will bring about some opportunity or interest in people that would want to put something on that side. Unless they can see some changes and turn around we all know it is not happening.

Mayor Foxx said can I make a suggestion that we consider rescinding the do nothing part of our previous action which isn't telling the staff to go out and create a deal, but it takes the handcuffs off of them in case something comes to them.

Mr. Peacock said I would second that, but Mac has enlightened me, unlike we've been enlightened in closed session. Closed session to me for this discussion almost felt like an auction and I felt as through we were responding to an offer, but I think what you are telling me Mac is that Pat and the team and Tom Flynn have put an enormous amount of initiation to arrive at the \$22 million number that we were at. There was never this hey, we would like to make you all an offer for \$22 million, what do you think. To me I just boiled it down to it is as simple as that, let's just respond with a counter. I think that was the general sentiment at that 11:30 p.m. decision so I would like to learn a little bit more. I've always had the impression that maybe you all would receive another phone call, but what I'm hearing according to the Manager, that just doesn't happen. We have to somehow begin to simmer this and help to develop it.

Mr. Mumford said we can do it without objection. Can we do it that way?

Mr. Howard said what is the motion?

The Mayor said to rescind the do nothing part of our previous action. It means that staff has an affirmative instruction not to do anything relative to Eastland right now. The way I was
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interpreting rescinding that language is to say the staff is not an instruction to go for the building thereof for Eastland, but if they get a phone call from a developer who says I have an idea to redevelop Eastland it gives them permission to help work on that.

Mr. Barnes said my concern is, what the City Attorney raised, which is the amount of work that would be required. I would rather they come to us and say John Doe has approached us about Eastland, how much work do you want us to spend on it as opposed to them going through what Pat went through and other people went through, putting that series of closed sessions together just last year. I'm just trying to bring some definition or understand what the definition is around rescinding what we said before because I want something to happen, but I don't want to be in a position where they are bringing things to us that we are going to have to say ...

The Mayor said I think they can do both. I think if they get a call and it is serious enough for them to give us some notification, they can come back and tell us that they have received information and have begun doing some work on it, is that okay. Right now their default would be, we can help until the Council weighs in and they will be asking us to weigh in on something that is very ill defined.

Mr. Howard said I'm not sure there is enough appreciation in this room about how politicized things get when they come to the dais. Once somebody is trying to negotiate with the city, which is a very hard thing to do because we have to go into closed session to do that, they understand that they are playing on the public sympathy, they are playing on the fact they have heard all the folks who want to get stuff done. It is very hard to negotiate in the public. I think what is being said is it frees them to go be the professionals they are, to bring back a good deal and if it is not, then we can say so. Play it out step by step not only prolongs it, but it politicizes in a way that it gets very hard for staff to do anything with it. I could go through a number of deals that my own group has done and if we had to come every step of the way, but matter of fact that is why my agency was created so you could pull the policy side of it and get some things done because every time you have to come back to this body it just slows it down. I think the public private partnership that Patrick talked about a little while ago, if that model that we grew up seeing was based on a lot of businesses in Charlotte taking the lead on the risk part, and either those guys are not paying attention to those things that will make our community grow, we have a leadership vacuum that somebody is looking to fill and right now I don't think anybody is doing it. I would call it the public probably taking the lead more than it used to be and that is where the risk comes in. A lot of time the private was able to take care of that and subsidize it and that is not going to happen. The only two things I could think of that I remember this political body of Charlotte going after was the Convention Hotel, the mass transit system and things like that, but that is the kind of entrepreneurial leadership this is going to take to even move especially Eastland Mall because it is so complex.

Mr. McCarley said may staff constructively engage with private parties who express an interest in the Eastland Mall Property? I think if somebody came to us today Curt understands that you all don't want us investing very much into it, but allowing us to constructively engage someone that comes to us would let us do some work to see if there is something there worthy of bringing to you for further consideration.

There were no objections to Mr. McCarley's question.

The meeting was recessed at 10:27 a.m. and reconvened at 10:46 a.m.

Mayor Foxx said I think the conversation we just had was really good. We had a lot of people participating and we got to a point of voting on that first point. The more challenging piece is that we have about half an hour to get through the other two of our priorities. I think there has to be some closure to the whole thing so let's shoot for a half hour. The other piece is that I just got a request from Council member Peacock to finish out the conversation about Eastland by making it very clear that we were not instructing the staff to go negotiate something affirmative, it is simply giving staff the ability to react to offers that come in.

Mayor Foxx said these are not necessarily in one, two, three priority areas they are just our three areas so let's talk about our second priority. Curt, what were our three last year by way of content?

Mr. Walton said economic development, particularly the corridors, transportation and community safety. The jest of the community safety was the rewriting of the community safety plan that had some age on it, which was done and approved. The transportation priority was around funding and alternative revenues for transportation needs.

The Mayor said remember what we are doing, we are asking the staff to do these three pieces of work for us during the year. It does not mean that if something is not on here we are not going to do what else is in our focus area plans, so we have those areas covered.

Ms. Carter said transportation is important to me because we've got a deadline coming out on air quality and we have to be sure that our plan meets those guidelines.

The Mayor said are you looking for a specific action?

Mr. Walton said all the focus areas are more aspirational. Priority plans are more practical, things that we specifically want to get accomplished in the next year or in your term so by November of 2011, what we specifically want to see ... inaudible. There are a number of things of importance, the funding is still an issue and there is still a lot happening at the state. I don't see anything new happening locally with the Chamber or the Committee of 21, but the state is looking at different things. Another area that is hot are the MPO's and the RPO's, and I don't understand all of those, but that is a model that is going to be changing over the next year or year and a half and that probably will affect air quality.

The Mayor said transportation as a topic, we want to dig into a specific technical step we want the staff to work on, but maybe let's just get all the ideas on the table first.

Mr. Cooksey said as I think about this in terms of priority, I'm going to try to cheat a little bit. Far from the federal model that Curt referred to about transportation, land use, environment, housing with jobs as a wrap around, I would suggest as a wrap around for whatever our three action item priorities turn out to be, that this be done in our tradition of physical restraint, particularly looking at working through what we have to do by modifying ... working on the expense side and not the revenue side. Don't come back to us for FY11 saying here are some ways we can raise revenue to get what we need done. I don't want a property tax increase and I'm not going to be very pleased in talking about storm water or utility rate increases no matter how much we program for it. That is kind of a wrap around and I would like to suggest that we get done about how to go about reacting to our priorities and presenting us with an action plan on how that is going to come out.

Mr. Walton said I hear you, but particular in transportation, the tax increase in 2006 basically yielded about \$400 million in bond capacity. In my opinion we can't expense our way to ... That doesn't mean that we have to do that again, but beginning in November of 2012 we don't have ... inaudible. I don't believe we would be able to generate three or four cents worth of property tax equivalent in savings, particularly since the stimulus funding for police in ... With that restraint you need to understand what the consequences are. If you face these consequences then that is where you wind up, but if it is not, we can't get through another \$150 million in road improvements every year without an infusion of some revenue.

Mayor Foxx said one of the reasons why I suggested at the outset that we take a year look at these priorities is because the economy is shifting some and I think now we have to assume that revenues won't grow substantially, but it is possible with another annexation and if the economy turns a corner that we might spin off revenues under the existing property tax rate. The other unknown is the evaluation process and we manage to do that. There are some unknowns out there and I think that, at least the way I feel about it is, I cannot support a property tax increase unless something absolutely catastrophic were to happen this year. I think if we capture that over the next year and then revisit it.

Mr. Cooksey said talking about catastrophic, as we see and as we dig in the budget there has always been pockets of money saved for a verity of things that can be used to what extent. Might it be worth the conversation to see which taboo do we break first, talking about property tax increase or talking about perhaps using some one time money as a referring patch during a rough period. There are a verity of ways I think we could have that conversation about how to
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be a little risky and creative in our budgeting during a rough patch. Secondly, from a respective capacity, and this is something else I think we could talk about going forward with the budget, and particularly our capital, to what extent might we consider for a 2012 bond referendum, the chicken or the egg about a tax increase or capacity for the bond is that we go to the public in a 2012 bond stating that if we have this we raise the property tax to pay for it because that is what we will do. That is what we have to do to pay for it. To have that message there so we tie what the tax increase is for to what the voters are voting for. That is an operational detail that I think is worth jotting down as a pickup for a later capital consideration.

Mr. Cannon said I would ask that we have some discussion around another priority, as it relates to human safety, obviously looking at our criminal justice system and working with Boyd Cauble on helping us to get some of those issues that I know the Chief could probably speak more eloquently than I on what the needs are. I still think that community safety should be a top priority or one of our three.

Mr. Whitehead said am I clear that you are trying to clarify, you have already clarified the top one and that is economic development. I'm trying to determine if it is transportation, community safety, housing or environment. Is community safety the priority? That is what I want to ask you first.

There was a lot of discussion about what was going to be the top priority, with everyone talking at one time.

Mayor Foxx said the Council picked three two years ago and we are trying to decide what our three are for the next year. We can change the three, but you don't have to.

Mr. Barnes said the three before were economic development, transportation and public safety. Are we now debating one, two or three in that order?

The Mayor said no, we are debating whether those three are the same three that we want to have.

Mr. Barnes said I would like to highlight the fact that 2004, 2005, 2006, 2008 and 2009 those were the three. If you vote on it I'm voting to keep the same three.

Mr. Mitchell said I will vote against the same three, but we can have some discussion, but I think housing and neighborhood has a very important role in our community. If we don't discuss a policy about addressing more of the special needs in our community, we are behind the 8 ball in this discussion and we need special interest pressure to move forward and make this a priority. All our priorities, transportation and environment are important, but when you look at the next two years, what priority can we make a big impact. I want us to clearly think about housing and neighborhoods because our citizens are telling us that it is a priority to them. I want us to make sure we have some discussions rather than just rubber stamping the same three we had previously.

Mr. Turner said when you tell me these are our priorities that tells me that you are willing to have a funding source to make those our priority. Are we willing to commit funding, real money to our homeless?

Mr. Mitchell said I think it is a subset of housing and neighborhood – the homeless discussion. No we do not have a dedicated source, but we have a ten-year housing plan that we have worked and agreed to be a part of, so to your point Mr. Turner, no but I think it could be a subset. How do we identify or do we identify that resource? I think there is enough private discussion out there in the community, look at the Moore Place, that is a prime example. That facility is \$10 million. The public has raised \$9 million to make that facility a reality. They come to the Housing Trust Fund for \$1 million, now can we then be the creator of getting the synergy around that topic and have a location policy that would address the Moore Facility going forward. It is not going away and there is more need of that facility in our community.

Mr. Cannon said I would only echo that in all cases ... the money has to be to qualify. They want a house, some of the same people Mr. Mitchell was talking about in the way of our homeless population, and it is a matter of really collecting the resources. We address some of

the faith based community and other instances and it helps us to create a kind of shelter and not just shelter, but also identify.... We know there are some locational issues out there for some folks, but I'm not driven by special interest I'm driven by what is going to be good for Charlotte overall. Right now, if I hear Curt correctly, on the transportation side there are some things going on on some other levels where the issues with these priorities is to give some direction to staff. Just say this is where we want you to go and to work on this and in a year's time or whatever the timeframe might be, to get that back to us. The transportation piece of it, and I want to hear from the transportation folks about what are you asking for in that year. What Mr. Mitchell is talking about is right now things, and they can be acquired.

Mr. Cooksey said I don't think anyone in this room wants to come out of here saying that transportation is not a priority for us this year. It is a fundamental infrastructure matter for city government to be dealing with today, but on the other hand, without a specific action item for staff to be working on, it is kind of silly to have it up there. Furthermore, as much as I may have some philosophical disagreements about means and ends about how the city should be involved in housing and neighborhood issues, the fact remains that it was a priority of the Mayor's when he ran and Mayor you won, so I would have a concern about setting up from priority perspective a council priority list that risk putting the Mayor's activities on something he ran and won on in contradiction to what council is directing staff to work on. I'm inclined to wonder if the transportation action item is one that may not be as consuming from a staff perspective, why go to the default three and just say it is four, and the four that are up there are what we are looking at.

Mr. Whitehead said that is creative thinking.

Mr. Barnes said are you saying do the four and transportation stay one of the four?

Mr. Cooksey said transportation stay one of the four.

Mr. Barnes said then I won't talk.

Mr. Cooksey said the two action item I think we are missing here, for transportation, as Curt mentioned, there is a lot of discussion about the planning organizations and the likes of. We could try to ... as a goal for the year, working on that consolidation, working on some regionalism for transportation.

Mr. Howard said that is number one on my list along with Independence Boulevard and that land use issue, and that needs to be wrapped up in the next year for sure. Then you have the whole issue with the north and our transit issues. That is something that we need to work through, and that is not just a staff issue, that is something we all need to work through. The federal landscape changing and the state landscape changing, there should be some attention paid to opportunities as well as challenging in this.

Mr. Cooksey said I wasn't quite seeing what as a deliverable we could do in transportation inside of a year, but I didn't want to abandon this priority. Put a public safety action item, and this is not original either, we need to work on the legislative strategy to go into long session in 2011 ready to hit the ground with the newly elected general assembly to say this is what has got to get fixed. We can't wait until next year to say that is a priority, that has got to be worked out now.

Mr. Mitchell said under housing and neighborhoods, I want to make sure you capture as well special needs facilities.

Mr. Barnes said I think the HAND Committee, which I am on, is working through some of these issues and I'm not convinced that they need to be that particular sub issue. They just need to be on a priority list this year. I'm also not convinced that we should leave transportation up there without adding something to it. I think we should do that, for example, because of the ice and snow we've been getting lately, I think there is going to be quite a bit of damage done to our roads and do we have the money left this summer to add some of those roads back to the repaving list. I had a very good discussion with Jeb Blackwell yesterday about all the orange barrel projects that are going to be happening in Charlotte this spring and summer. We should do something to let the public know about all the work that the city is doing and the value it is

adding to Charlotte. That is going to be in process of the priority and maybe not, but there are other things, for example, I mentioned Fred Alexander Boulevard yesterday, that might be worthy of some attention. There are some other transportation type projects that are fine tuning stuff we do with intersections and such that we should put more emphasis on. I'm not convinced that HAND should be on the list. Going to community safety topic, I do believe that we should add a University City Police Division Office to that list. The current office is in a business park and not at all visible. The lease will expire about the time that a new office comes on line. The reason that is an issue is because of improvements I have seen in the Metro Division as a result of that new division office. I was at a meeting over there on Beatties Ford and it actually changes the atmosphere around it. One of the things we are trying to do along the northern part of North Tryon is help change the tone along that corridor by making that type of investment. That division office does a lot for the Beatties Ford Road Corridor. I think it would do a lot to help the University itself and that part of the city because there is a good deal of investment going on. In fact I've got a lot of construction happening up there right now and I'm trying to make sure that we are supporting the businesses and our residential communities.

Mr. Cannon said I hope we would be open to exploring free standing division offices.

Mr. Barnes said we are doing it.

Mr. Cannon said what I'm saying is that you have a division office right? If we are going to be prioritizing and making sure that, in terms of equity, across the board that there are other parts of our city that are also able to have the same kind of attention for their side of town.

Mr. Whitehead said it is explore the possibility of free standing division offices.

Mr. Barnes said don't all divisions have offices Mayor?

Mayor Foxx said yes they do.

Mr. Whitehead said what do you propose different language?

Mr. Cannon said different language.

Ms. Carter said I believe that Eastway has been offered as a division and we need one also. I understand what you are saying and the investment is important for the neighborhood and I would partner with that open statement that Patrick was saying. In the past I have suggested some umbrellas. We looked at Smart Growth as an umbrella, we looked at the environment as an umbrella and I would like to propose an umbrella at this time that staff have the flexibility to respond to potential federal funding. That could be stimulus, that could be the Grants, but I think staff flexibility to see what is coming down the pike is offered to us that we need to have that nimbleness that we talk about and be able to respond to the potentials. If it is in housing I want that potential, if it is in transportation I want that potential. That to me is a key point.

Mayor Foxx said I think it is a key point and it brings up the fact that with our focus area plans, which will all be going back to committee for work and revisions, the work on all five of our focus area does not stop. It does not stop, we are going to keep working on all of those angles. I think you've got the flexibility built into the system. We are not saying don't do other stuff, but a year from now we look back and we say what did we accomplish. What are the three things or four things that we want to accomplish.

Ms. Carter said I think we have to have that flexibility mindset by putting it in that over arching responsibility so all of us look at it.

Mr. Whitehead said what we are saying about physical responsibility as well as what you are saying about flexibility and response, so I added that up here.

Mayor Foxx said we have transportation, community safety, housing and neighborhood development up on the board.

Mr. Barnes said Mr. Cooksey just made a good point to me. He said some divisions don't have crime rates such that a free standing visible office is necessarily warranted.

Mr. Cooksey said I may be talking out of turn here, but I appreciate greatly the crime reduction efforts in the South Division, and I want visible police stations in every division eventually, but I don't know that from a prioritization perspective one in south would have the impact that one in University City would have, based on the data I have. I will support the general wording and we can explore that further.

Chief Monroe said we have submitted our capital plan for facilities and it is not just based on crime. We have some facilities that are just deteriorating. When you look at the Steele Creek facility and the Eastway facility, those are two facilities that are in most disparate need of replacement. Steele Creek sits behind an iron locked fence where it is not accessible to the community. Eastway – we are opening and closing locker rooms because it is just inhabitable by the personnel. When you start looking at it from what is a priority need, those two fall into that priority category, not necessarily based on crime, but based on what our facility's actual needs are.

Mayor Foxx said Curt, have we gotten tactical enough within these areas to be helpful?

Mr. Walton said you have run right over into the focus areas. For example there in the community safety, there is a measure, adopt a police facility future plan which establishes a building schedule for new police division offices. There is also one on the legislative piece. It really depends on what you want to do. If we are going to have five focus areas and four priorities, why not just make it five and eliminate the priorities and put it all in the focus areas. In the past though, council discussions have been that those are too broad and not specific enough so that is why we went to the priorities. In this case regarding transportation, I agree with the point that there is not a whole lot, but I also agree with Warren Turner's point that the money follows the priority. You wouldn't see probably, on page 22 is the \$181 million November bond package, which has \$100 million in transportation. The transportation improvement of priority, it is going to shift in the ED and it is going to shift into the housing and neighborhood development. It does give us guidance, not only on how we spend our staff time, but how we are going to allocate the resources.

The Mayor said in the whole course of this conversation, we have not added anything new. We are really talking about rehashing things that are already in the pipeline and I suppose that is okay. Does anybody have any objection to the focus area plans as our plan of work?

Mr. Barnes said Curt, are you suggestion that if we do that that the money would come more fluid in and among the focus areas?

Mr. Walton said all of our general efforts and obligations or the majority is transportation. As long as it is in the mix we will probably continue that unless you want to change the policy. If you had three priorities and it wasn't one of them, then the money is probably not going to follow it. It is fine with us if you just have the five focus areas. It is council's preference in the past to have priorities that we initially ...

Mayor Foxx said I think part of what is going on is when you are cash flush you can think in term of projects and we are at a stage right now where we can think that way. We are trying to be more process oriented so even the outcomes are a little more nebulous right now for us. Having said that, going back to a point Warren Cooksey made, there are some specific things that I am already doing and will continue working toward so I'm for putting it all out on the table and making sure everybody is okay with it. The jobs piece, there is a lot that is going into that and actually a lot of collaboration at the Chamber and the other players and economic development so what is described under that rubric right there is exactly where I'm placing a lot of my energy and attention. I am happy if the council wants to be involved in some of those things like the jobs creation summit or anything else. I'm saying that not with necessarily any action to be involved, but that is something that is a real priority for me. The transportation piece I absolutely agree with what Warren and David have said about the regional transportation issue and I'm dialoguing with Mayors around the region to start that conversation, but I think all of us could play a role in trying to frame that issue. On the homelessness issue, I wanted to get to that

one specifically because I have talked about it a lot. Pat Mumford made a point yesterday and I don't know if everybody caught it, but in terms of resources there is some pre-work we need to do before we really have a whole lot more conversation about resources in terms of realigning the pieces that are already in place. James also mentioned that in terms of looking at locational policies and how we frame this that is comparable to approach the housing. Those two components could be work for us this year that would not adhere a big budget item, other than what is already programmed. I wanted you all to be clear on what I'm doing and how I'm spending time. I think one big take away for me from this while experience is that we do need to have more regular communication as Council and I need to because one of the things I want to do is to make sure you all have a sense of what is going on this way and I want to make sure I know what is going on with you all, so we will program in some time on a regular basis to get together with you, maybe small groups and I don't know how we will figure it out. I will be looking for suggestions from you Mike and Curt and also Mac about how not to get in trouble. In addition to that I think we've got a fluid year ahead of us and we are going to have to adjust to things that come up, some that we will be excited about and some that we might not be excited about. As we've talked about, the most important thing is to be able to communicate. I think we've made some progress this week. I think the conversation today has been really good so unless there is any objection to the five focus areas as our one plan of work from here, I will turn it over to Mike.

Mr. Whitehead said is there any objection, to which several said no. Mr. Whitehead said there are a couple of things I want to flip through real quick. First of all that each of the council members were asked to just suggest what their goals were for the year and I want to flip through those real quick. This is when I did the interviews with folks and if you didn't get a chance to get yours in just speak for a quick moment. Actually we've heard some of your personal goals already so you may just state that it has already been said. Mr. Whitehead showed a video of what each Councilmember said their goals were.

Mr. Dulin said I don't recall not giving you any feedback, but I agree with improving communication among us. There are 400 plus neighborhoods in District 6 alone and I've held one major community meeting, mostly because I go to so many individual meetings. I would really like to do a better job of having regular communications with my neighborhoods. If that is e-mail lists to get to those folks so be it. Right now I e-mail things to my neighborhood leaders and let them send it out to their neighbors to keep them involved. With regards to council goals, I would like to continue to work on these five focus areas that we've got and I would like to be a good positive influence to Council members and staff and to contribute to my committees and the work that we are doing.

Mr. Whitehead said take five minutes to reflect on what you have accomplished. Congratulations on the work you have accomplished, but take a moment to think about what could work better.

Mr. Whitehead said Nicholas and I enjoyed being with you and thank you for what you do everyday.

The meeting was adjourned at 11:42 a.m.

Stephanie Kelly, City Clerk

Length of Meeting: 18 Hours, 8 Minutes
Minutes Completed: March 17, 2010