

The City Council of the City of Charlotte, NC, convened for a Workshop on Monday, December 6, 2010, at 5:24 p.m. in Room 267 of the Charlotte-Mecklenburg Government Center with Mayor Anthony Foxx presiding. Council members present were: Michael Barnes, Jason Burgess, Nancy Carter, Warren Cooksey, Andy Dulin, and Edwin Peacock III

ABSENT UNTIL NOTED: Councilmembers David Howard, James Mitchell, Warren Turner

ABSENT: Councilmembers Patrick Cannon, Patsy Kinsey

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MAYOR'S EFFICIENT AND EFFECTIVE GOVERNMENT REVIEW TASK FORCE FINAL REPORT

Mayor Foxx said today I'm really, really thrilled to have a report presented to us that I have been anticipating for quite a while. Council, as you remember, almost this time last year you allowed me to appoint an Efficient and Effective Government Review Task Force, and we have convened that task force, and we have several of its members who are present tonight. He recognized the task force.

This group has worked more or less with our City Budget staff, and the goal was to put together a group that would give us unvarnished thoughts about the state of our fiscal health both short term and long term, and I'm really pleased by what they have been able to do. So, without further ado, Mr. City Manager, I would like to have Ms. Patterson come up and walk us through the task force report. You received a copy of this report in your packet on Friday.

Councilmember Howard arrives at 5:26 p.m.

Cyndee Patterson, Chair, Mayor's Efficient & Effective Government Review Task Force, said we have been at it about a year. She began a PowerPoint presentation entitled, "Mayor's Efficient & Effective Government Review Task Force," a copy of which is on file in the City Clerk's Office. She said one of the things that we want to say as a committee is how amazingly wonderful it was to work with your staff. The level of professionalism matches anything I have seen in the private sector, and I think we looked at 700 pages of information. They did an amazing job of bringing information in the room. We had lots of questions going back, and we actually asked – I'll show you at one point – how to kind of make a lot of data. We had a big piece of data around the technology piece, and we said can't you figure out how to make this look simpler to understand, and they actually did. She asked the committee members to stand and be recognized.

Mayor Foxx said, Cyndee, I'm going to interrupt for a second and say I don't know many cities in the country that can put the caliber of talent together to do this kind of work that Charlotte can, and you all took time from your professional lives to do this, so I just want to reiterate the thanks to you.

Ms. Patterson said it was an amazing team, and a lot of this committee fortunately had a strong finance background and understood how budgets fit together and things should work. She continued the PowerPoint presentation with the bottom slide on page 2.

Councilmember Mitchell arrived at 5:34 p.m.

Councilmember Peacock said can you tell us again which members of your committee – I saw in the write-up it had been broken down into two parts.

Ms. Patterson said everybody that was on technology raise your hand – Trent, Laurie, Archie. There's your technology committee. I'm sure they would be happy, Edwin, if you have any questions about the indepth side of it to chat with you about it. You will see, as a matter of fact, in your full report there is also a series – the bubble chart is on page 24, and but if you look at Appendices K through M, you will see a lot of the analysis we went through to get to these recommendations in a lot more detail.

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Councilmember Howard said, first, thank you and thank the committee for your hard work. My question is you say severe risk areas are those capital expenses could be about 8.4. Any thought given to examining what the potential other side of it could be if we don't do it so there is a comparison? I know that is a hard number to get to, but it would seem like if we don't do it what is the risk that happens if we don't do it?

Ms. Patterson said I think the staff can quantify the risk a little better for you, and some of that in a SWAT analysis is in some of those appendices. Some of the systems we think are at risk if they went down would be major problems for you in the short term, and you would have to spend a lot more to get them back up and running. I'm not sure we got to bottom line numbers. I'm looking at Trent on the risk bubbles.

Trent Gustafson said to quantify that level has been a challenge, but the way we looked at it is what is the risk to the consumer, what is the risk to the citizen? One of the larger bubbles is the 311. (Inaudible – not near a microphone) To listen to her describe how she has to manage those and keep those (inaudible). Inefficiencies directly impact the citizens, and how you quantify if that system goes down (inaudible) is really difficult to do. (Inaudible) Where is the level of risk now (inaudible)

Ms. Patterson said it's hard to quantify in dollars, David, because what the City does is it doesn't have output in dollars. Does that make sense? If we were in a corporate environment and your financial services piece went down, I think Bank of America could probably what that means to them by the hour. People don't pay you to do things here really, so it's harder to quantify because of how your revenue stream works. So, what we felt is two things: One, if it shuts down a piece of your business, your ability to do business out of a specific department, or it is customer-facing and shuts down the ability for a customer to get the service they need, that's fairly significant.

Councilmember Howard said that's all I wanted, Mr. Mayor. I just wanted to quantify that. I didn't want the story to be 8.4. I think the real story is how much that would save us.

Ms. Patterson continued with the top slide on page 6.

Mayor Foxx said thank you, Cyndee Patterson, and thank you all again. The idea behind this was to give us as much of an indepth at our budget as we could, and it hadn't really been done since Mayor Vinroot did it back in the early 1990s. This is just an amazing amount of work that you all have done, and we can't thank you enough for that.

Councilmember Peacock said I have seen several of you prior to this, and Council has a lot of data poured at us, and one of the things that concerned me about this very exercise was right around the time that Chairman Barnes and the Budget Committee was going about our work and beginning to convene those meetings, you all were just beginning to learn about what we have learned, and much of what you have done has echoed some of the things we have known about this. One of the things I hoped, and we just didn't implement it because it was moving so quickly, was to have us, our Budget Committee, working or you all attending and being a part of what we are doing as policy makers to take a close look at what Chairman Barnes was doing at the time on that. My first question to you just really goes to – I know everybody here has signed off on this report, but I want to know who is the primary author of the report?

Ms. Patterson said I'm going to blame it on Sam. What we did actually in –

Councilmember Peacock said or are we actually attributing it to Sam Bowles?

Ms. Patterson said this is kind of funny. In the two subcommittees, we actually wrote big portions out of those subcommittees as a group, and then we really asked staff. Based on everything as we have gone through the process, one of the things we said as we went through the process early on is as we go through these pieces let's make sure we get to something – well, say in the criminal justice system or your debt service system – is that we say so that staff is capturing what our thoughts are. So what they did is really feed back to us in a draft outline what we thought. We met. We looked over the outline. We had a little bit of give and take

particularly around what we say about the public safety pay plan because as you can imagine we knew that was going to be a thorny issue. Then we did some languaging in that meeting, and then the staff took it back and wrote a first draft, and then I think there were three or four of us, but Sam was the primary person who took major pieces of it and rewrote it. We then came together as a committee again, and we had the original version. There were three of us that did some editing, and we looked at all the edits we had, and we kind of decided which ones were in and which ones were out. We had, again, some give and take on that, and we came to the final report. We were still mucking with the final changes to this ten days ago and going back and forth in emails about what we needed as changes, so it was sort of a group effort with two or three of us taking a lead on the real writing piece.

Councilmember Peacock said my next set of questions really deal with those on the committee that were dealing with the public safety portion of it. This is the largest part of our budget. We are very protective of our police and fire and what we believe is obviously our first job to protect and serve. It is the largest item, and I guess my biggest question to you all is – and you don't really seem to specifically state it here. You are stating clearly that we have something that is unsustainable and in 2013 we have a break point. My question to the committee is are we operating efficiently in Police and Fire? Are we operating efficiently? I'm hearing that in this report.

Ms. Patterson said you probably know this. We met with the police chief and the fire chief because we wanted to ask them a lot of questions. I think we came away with that, and I will let anybody that wants to speak to this do. We came away thinking we don't know enough about their business to know, but we felt like what we heard was true. Now, you will find some comparables on officers per capita and everything in the information that is in the back of the report. And, we did. We looked at other cities to try to benchmark it, and what we found is we were sort of in the middle. We weren't high, and we weren't low. Now, some of the cities that were high, we don't want to be those cities because we already know about their crime rate. So we thought that given everything and the success you have had in reducing crime that you were probably in a pretty good place, but we didn't feel like we could decide specifically – Let me say this. The chief did say he was going to want more officers, and there is probably a difference of opinion on our committee about whether that is needed right now or not, but what we did say is you can't even get to that until you fix this.

Councilmember Peacock said my comment and I guess a question to them as well, too, is what was your initial reaction to 8% to 10%? That's where we are heading to. I think that most people that look from the outside in say in what job can I get an 8% to 10% pay increase?

Ms. Patterson said, Joe or Sam, I know you all have –

Joe Hallow said to answer the question I think Edwin was talking about do we run our departments efficiently, our take, after meeting with the chiefs, we are, number one, very fortunate to have the leadership we have with both chiefs. After meeting with both chiefs, the feeling was very positive, very well led. As far as are we efficient, yeah, I think the answer is yes. The question is are there areas that we can focus on to become more efficient like case processing? Our agreement as a committee is that we need to collectively figure this out whether it's the local level or the state level, but there clearly is a lot of time being wasted within our Police Department, and Chief Monroe is very supportive of working through that, and I don't have the answer to that, and that's not the committee's job. The committee is saying that is you are going to look further that is an area to improve efficiency is case processing.

As far as the challenge to additional head count, as a citizen, when the police chief, who you think is very competent, says you need additional head count, you want to listen to him. What this committee is saying is based on our read of the data that we cannot afford additional head count in the future unless we take a look at potentially a restructuring plan to afford this unless there is some other creative way, which no one supports, to generate revenues. Right now with the current track that we are on this plan cannot be paid for in I think 2013 is the agreed upon year, but as far as whether or not we think the departments are well led, I think they are based on our information that we received. Sam, I don't know if you have anything to add to that.

Sam Bowles said I think that is right. I think we looked at a lot of different metrics to judge or measure efficiency – things like number of officers per thousand citizens – different metrics like that, and we found that the Police and Fire Departments were efficient as far as what we looked into. I think your question about the 8% to 10% annual raises we got into pretty strong debates about that, and we –

Councilmember Peacock said I want to hear about those debates if you could summarize that.

Mr. Bowles said that's what I'm trying to do. When we talked about those, there were certainly people who thought maybe that number should be lower, maybe it should be higher. There were people who thought the people who provide public safety deserve a premium for what they do for us, and we ultimately concluded that it wasn't within our purview to make that type of what I would call value judgment whether or not they deserved that type of premium. What we did conclude is regardless of what you feel about their compensation the current structure is unsustainable.

Ms. Patterson said I would add to that, Edwin, that one of the reasons we looked at turnover rates was to see – we anticipated that one of the things we would hear is that if the step as it currently is structured at 5% wasn't there that you would have a turnover issue, but we have looked at national salary comparisons, and, as Sam said, per capita, and then we looked at the turnover rate, and we said we didn't think so. And, we did think in this economy very specifically at least that was the debate inside the committee, and you can now hear the side of it that I might have been on that 8% to 10% not only wasn't sustainable; it might not be appropriate given what is going on in the world.

Mr. Bowles said, Cyndee, we also looked at other cities to see whether or not they had step plans, which is what the public safety plan is. Some do; some don't. Of the ones that do, our step increase, the 5% we have had for 12 of the last 15 years, was higher than the median and the mean, so, again, we have been increasing faster than the average city that uses step plans.

Councilmember Peacock said maybe, Sam, you can answer this as well, too. On page 16 of your report, you used a very conservative assumption with no annexations. Did staff recommend no annexations, and we have been on a pretty steady diet of annexations, and I don't know how much more we have and if that intersects with 2013, Curt, or how that number –

Ms. Patterson said that pretty much came to us from the Finance Department. We didn't know when there would be significant additional annexations that would create enough additional revenue over and above the cost of annexation, of providing a service; and, as you know, a lot of what you are going to annex going forward is not going to cover the cost of the serve out of the box because it's a lot of residential. So we just decided to make that neutral in this along with the fact that you are going to need a lot more money – not a little bit more money – to sustain this program.

Unidentified Speaker said, Edwin, Finance can correct me if I'm wrong here, but I think the average increase in the property tax rate over the past ten years has been 3% excluding the annexations, so they recommended 1.5% to us. We asked for that number so that we would know how the 1.5% compared to the historical average. As you know as well as anybody, the last ten years have been pretty good years for this geographic area, so we thought using something more conservative than the historical average made sense, so we took the 1.5% from Finance. We agreed on that, but we also ran all of our analysis at 2% and higher levels, whether that comes from increase in property values or annexation really doesn't matter. We looked at 2%, and you still have a deficit in 2013 if the property tax or the resource level grows at 2% versus 1.5%.

Councilmember Peacock said so still at 2% then?

Unidentified Speaker said yes. That's 2% over the five years. It's each year.

Ms. Patterson said it's 2% a year for five years.

Unidentified Speaker said if you go zero for the next two years and then –

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Mayor Foxx said there are opportunities to talk to the folks after as well.

Councilmember Dulin said I'll wait until after the presentation is complete.

Councilmember Carter said this chart is one of the most valuable I have ever seen, and I cannot say thank you enough to you all. This is so revealing. I really, truly believe that, and I'm sure we will use it in our budget session. Thank you for your work. I was going to comment on annexation, Mr. Peacock. That's a prime concern for me because we have used that to shore up our property tax and the way we create revenue for the city. The other question I had was about workforce. We are getting to the point where the baby boomers are at the max of their level of commitment of service, consequently, we have a pretty good percent of the workforce that is of an older, well paid, demanding talent, and they are going to be retiring and hiring back in a very, very competitive market because we are not getting planners, etc. through our education system, and I think we are going to have to pay more for those significant people. Did you all look at that labor issue?

Ms. Patterson said we did not.

Councilmember Carter said, oh, dear. That's a compendium then. Thank you.

Councilmember Cooksey said thanks to the task force and particularly Cyndee for leading it. Just a couple of things because I have to confess that I am still digesting all this fantastic stuff and will probably call off-line on some of this. A couple of things that pop up directly particularly the corporate technology side of things and how to fund. One of the things we learned earlier this year, or we were reminded in some cases, learned/reminded, previous Councils and over time there have been lots of little pots of – well, maybe not lots, but there have been little pots of capital funds that have been created and sometimes lost track of. The specific example I'm thinking of is when this Council charged the City Manager for finding money to help with the streetcar construction matching one of the line items suggested was an old smart growth fund that no one had touched for years and years and years. Did the task force delve into some of those specific line items in our one-time funding to see if there are other little remnants out there like that that perhaps could be reapplied to corporate technology?

Ms. Patterson said, no, we didn't. I don't think we were aware that there were little buckets of money other than the ones we looked at. We did look at the big finance, and we went through that by line item, but I don't remember something popping out at us that said we should investigate further.

Councilmember Cooksey said did the task force discuss – you mentioned the fact that we do the 16% fund balance, which is twice what we are required to do. From time to time, I have had people suggest to me that is too conservative a number. Frankly, I'm fine with too conservative generally, but did the task force at all discuss whether 16% might be more than the City needs given the other policies that are in place, or is 16% still about right, or did that conversation –

Ms. Patterson said we did have that conversation, and, as you know, we recommended spending some of it. So we obviously had an opinion about that right now you had some flexibility with it. What I think we came away with is if the times were different and you were looking at more than a 1.5% growth in property tax revenues we might have said something else, but we didn't feel certain enough about the economy over the next five years and none of us have gotten to feeling any better about it in recent weeks, and we felt like given these kind of times and the fact that you are going to be revaluing property, and, yes, that is supposed to be as I hear it from the county tax assessor you still have a question about how much new development is going to occur. We have a growth model that is based on not just annexation and new housing, which I think is slowing down substantially, but around new industrial and commercial development, which is also at a standstill. So our concern in saying you could rob from this on an ongoing basis was that until we start to see the economy have a little bit of a rebound we would rather as citizens you guys be safe than sorry.

Unidentified Speaker said the other point is that has been a crucial part of our information or marketing effort in going to the rating agencies, and, again, our thought that maintaining the

AAA rating was something we wanted to do, was very important. It was clear to us from our conversations with staff that the 16% was something that the rating agencies had bought into and valued very highly, so if you were going to change that, and some of us thought maybe we should decrease that a little bit, you could have a big issue with the rating agencies.

Councilmember Burgess said a question about Appendix G. When we are comparing for FY10 the regional and local –

Ms. Patterson said the market rates for police and fire?

Councilmember Burgess said yes. The comparable national, regional, and local, and specifically regional and local we are between 120 and 140% of comparable. That is for 2010. I guess my question is in 2013 is there a way you can figure out what percentage we are going to be comparable in the region and locally?

Ms. Patterson said it would be hard to estimate that. We would hope that if you change the pay plan that you won't be.

Councilmember Burgess said maybe that is where this is going, but this is –

Ms. Patterson said it would be impossible for us to project what other cities and communities are going to do, but you can see where we are. Again, we are the biggest gorilla in the region, so to speak. In the state, it's a little bit different.

Councilmember Burgess said what about 2007? Did you know what we were? Were we still at 120%?

Ms. Patterson said I don't remember seeing that. I'm looking at anybody on the task force. Did we look at 2007?

Councilmember Burgess said where did we go past the other comparable cities?

Ms. Patterson said that's a good question. I don't know that I have the answer, but I know that Ruffin can get us that answer.

Ruffin Hall, Budget, said we can get you that.

Councilmember Dulin said, Cyndee, again, like everyone else, thank you. Appreciate your work, your effort. Mayor, you and I had that conversation earlier in the evening, and we mentioned that, Cyndee, this is pretty good work, and I would like to – I don't know if I need to make a motion to do it, but I would like to invite at least Cyndee back next week and whatever committee members to come and give us this report a second time downstairs on the record, on TV because this is the kind of information we need to get out to the community in a transparent and get it out to the community. We are talking about the citizens' dollars, and it is somewhat staggering sometimes.

Ms. Patterson said, Andy, I actually have to be out of town on the 13th, but I'm sure somebody from the committee can do it if I can't. It's up to you guys.

Councilmember Dulin said it's a business meeting. Do we meet, Curt, on the 20th?

Mayor Foxx said we can work out a date at the convenience of either Cyndee or one of the people on the committee.

Councilmember Dulin said I think this type of thing tends to get quiet, and I don't think it ought to be quiet.

Councilmember Cooksey said just as an addendum not only does it tend to get overlooked; it's getting trumped tonight by something else going on downstairs as we can tell by our friends here. Thanks, guys, for being here, but we are not the story tonight, but this ought to be.

Mayor Foxx said is something going on downstairs?

Councilmember Cooksey said yeah. That's where all our media friends are.

Councilmember Turner arrived at 6:18 p.m.

Ms. Patterson said I did want to say a couple of last things. One is that having seen these kinds of reports come to this dais before I know they sometimes get stuck on a shelf somewhere, and I would hope that doesn't happen with particularly the two issues we raised because I think they are pretty important to the city. I would say this was a totally apolitical group of people, and we fought our battles on what we believed was right, and we really all came to consensus around it, so you have a really strong recommendation from us on this. I want to thank the committee members for being so engaged – I mean totally in on this – and one more time to thank the staff. They are first rate. Like the bubble chart, we asked them impossible how to do things and how to make things happen, and they made them happen for us and did it in a way that we knew we could bring back so you could explain it to folks, so I thank you all.

Mayor Foxx said thank you very much, Cyndee Patterson, for your service and for the entire committee and to the staff and Mr. Walton. To get to your point about things not collecting dust on the shelf, my recommendation, Council, would be to take this report and send it to the Budget Committee and ask the Budget Committee to work on these recommendations, and, in addition to that, to ask our staff to recommend a staff team to work particularly on the public safety pay plan issue in advance of our budget discussions this year. I think it's that important. We asked this group to come together and to help us figure out whether we are healthy long term financially, and I think we owe it not only to them but to the citizens we represent to take seriously their admonition on that issue. So without objection, we'll do that.

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**FISCAL YEAR 2010 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)
AND REPORT OF THE EXTERNAL AUDITOR**

Curt Walton, City Manager, said coincidentally paired with this is the annual audit that we are required to do each year, and we report to you in December, so tonight we wanted to have Greg Gaskins and our outside auditors report to you on our fiscal year that ended June 30th, this past summer, on our financial conditions, so I'll turn it over to Greg

Greg Gaskins, Finance, said every year in December we come and we bring to you a report on this document, which is the primary document by which we disclose the financials of the city and all parts of the city to the public, to rating agencies, to those people who buy our debt obligations. This is primarily for transparency or visibility to the public about what the numbers are. An outside auditor is required to do the review of these numbers and to present to you his findings, which he will do in a moment, and I will introduce him.

The important thing that we do with this every year is we try to do the very best job we can, and we are supported by many, many people in the departments in terms of providing information to our auditing staff in order to prepare this document, but it is an extremely important document, and I will give you a summary of some of the findings that we have this year that we typically do, and I always encourage that if you later look at the document, if you see something that doesn't look right or you have a question about it, give me a call. Be happy to set up a meeting with you. From time to time, somebody has a particular issue with the data, and we would be more than happy to follow up with you and get you an answer if there is a question about any piece of information that you see in the document.

We are privileged that we have been able to comply for years and years with the basic requirements of the state and federal government and increasing requirements that we have relating to the format and the information and the type of information that is necessary in order for us to meet the auditing standards for this information. We are going to have the auditor report on that for a moment. We received that award again this year, which I will talk about in a minute, and it's simply a certification to the public that in fact the books and records as disclosed

are legitimate information and they can depend on those facts and figures as they are presented. I will, as I said, present a summary of the information, but before we do that, I would like for Eddie Burke, representing Cherry, Bekaert & Holland, the outside consultant, to come up and present to you his review of our audit report.

Eddie Burke, Cherry, Bekaert & Holland, said I'm happy to be here tonight to present a summary of the audit for June 30, 2010. I have got a couple of slides I would like to go through, and like Greg said, he is going to go into more of the details after I finish my presentation. He began a PowerPoint presentation entitled, "Comprehensive Annual Financial Report Fiscal Year 2010," a copy of which is on file the City Clerk's Office. He said the audit went very, very smooth this year. It was a challenging year with all the stimulus money that was being distributed across the country. The City did receive a clean opinion on its financial statements. This is the highest level of assurance that can be provided on a set of financial statements by an independent CPA firm. The Yellow Book opinion was a clean opinion also indicating the City had complied with North Carolina General Statutes. The Circular A-133 report, again, was a clean opinion indicating that the City had complied with the federal grant requirements. Finally, the State Single Audit Implementation Act opinion was also clean indicating that the state dollars that had been received in the current year again complied with administering those programs. He described the required communications that would be sent to Council.

He said in closing I would like to thank the Finance Department and all the City departments for the help and assistance that we received throughout the audit process. This is a very long, drawn out process. It takes a lot of time, a lot of coordination, a lot of communication to get to this point, and that concludes my comments. At this time, I will turn it over to Greg, who is going to go through a more detailed presentation of the data.

Mr. Gaskins said when we finish if there are any questions Eddie will still be here, and we can ask either he or I any questions. He continued with the PowerPoint presentation with the top slide on page 4. He said I would like to recognize Teresa Smith. Teresa and her staff are the people who really do the work, and then I get to stand up here and tell y'all about it. He continued with the bottom slide on page 4. Here is a summary of the results. We know this – property tax and sales tax are our number one and two revenues. I think the trend here though is sales tax has dropped as a percentage. This shouldn't surprise anybody, but in 2008 it represented 13% of our general fund revenue and now represents 10%.

I have a follow-up on that. This is one of the issues that we have dealt with, and we will again this year is that our sales tax growth, which had been continual since 2003 began to drop in 2008, and while it has leveled off, this is a serious issue for your number two revenue to have this level drop flat, and it's primarily the issue that has driven the concerns we have. The other issues have been fees have been the other place where we have had a considerable drop in revenues.

In terms of utilization of fund, public safety is number one by far, as you can see – Solid Waste being way behind in number two. This fits also with the presentation that you just had. This trend has been true for many, many years, and as a percentage over the last few years, we have had a slight increase in terms of the public safety from 59 to 62% in terms of expenditure percentage.

Here is the fund balance. As you can see, the 19.6% is primarily a result of savings efforts – as a result of the concern that we had about the revenues and the directives of the Manager attempting to save money to protect ourselves against unknown events, and that is the reason it exceeds the 16%. At some point in time in the future – not today – we have in the past talked about that 16%, where it comes in, what's appropriate, what is not appropriate. I have been more than happy at some point in time if it's committee or wherever to discuss that in detail and about how we ended up with 16% and why we got there. That's not for today, but that is a topic that is important to us but certainly more than happy to discuss in detail individually or collectively that issue.

Debt capacity – the reason we try to keep the AAA is because we have a huge amount of debt outstanding, and we have intent to issue much more. In this particular case just the general fund is a billion five just in the general fund. The water/sewer is even larger – nearly two billion – and we have plans to continue to issue. The Airport is 730 million, public transit and storm

water trail behind that. The total is well over \$4 billion. It saves considerable amount of money when you issue debts at the level we need to to support our capital infrastructure in order to have and maintain the highest rating. That is the reason policy wise that City Council has maintained this policy.

This is the last point related to the AAA, and that is the fact that even with the current situation we have where there is a risk to whether or not we can continue to issue debt, in terms of the expectations of the rating people, financial people, the expectation is that we would have the capability to meet citizen needs. Cyndee actually cited a figure when she was doing the presentation about trying to meet 50% of the known needs. If you are doing a good capital planning process and you associate a debt capacity process with that, that's how you can come up and attempt to balance those two to meet approximately 50% of the needs – as I would say, a minimum of what you need. We have actually fallen below that. That is a reason that is a concern. We know – we just passed a bond issue – and we have needs beyond that. We are going to be issuing debt. Already we know that was a \$205 million issue. We have additional unissued debt this year and the following years, so maintaining the AAA ultimately saves us money in the long run, and that's the primary reason we have followed that policy. This is simply a summary of information. Be happy to answer any questions, and, of course, if there is anything subsequently that we want to go to in more detail, be happy to do that.

Councilmember Barnes said, Mr. Gaskins, a couple of questions for you. First, do you recall about a year or so, I guess, the majority of the Council authorized the investment of \$150 million, and I think we started with 10% of that number into the market.

Mr. Gaskins said right.

Councilmember Barnes said can you give us an update on where our investments are in terms of whether we have gotten any return on them?

Mr. Gaskins said yes. The long-term investment monies that we authorized have actually not been invested in equities at this point. Primarily it's an issue of the legal documents necessary to do that and a question about whether the law had a quirk in it that was going to allow us to issue them. So those funds have not been invested at this point. I think I told you and I believe we mentioned at a prior meeting that at the point we did this I would come back and give you a detailed report. I am actually reporting at this time that we believe that we have finally cleared all those hurdles and that we will be coming back to you in the near future. At this point in time, there is nothing to report related to the investment of those funds.

Councilmember Barnes said do you know whether your recommendation would be to invest the 10% of the 150 or another number?

Mr. Gaskins said it would be a number at this point in time between \$15 and \$25 million in the initial phase, and that will be part of what we present to you. I think if you remember at the first time it was going to be at least \$15 million.

Councilmember Barnes said regarding the last slide here did you just indicate that you thought we could issue debt for the purpose of issuing a bond package without a new source of revenue?

Mr. Gaskins said, yes, absolutely. What was just approved that has been voted on –

Councilmember Barnes said but you are not suggesting that 2012 would –

Mr. Gaskins said, no, I was talking about actually issuing the approved \$205 million.

Councilmember Barnes said I thought you had perhaps given us some breaking news.

Mr. Gaskins said, no, absolutely not.

Councilmember Barnes said they are all gone now, but perhaps.

Mr. Gaskins said the \$205 million, as you know, was already scheduled.

bvj

Councilmember Barnes said I thought you said some other source.

Mr. Gaskins said, I'm sorry. I wasn't falsely giving you hope.

Councilmember Peacock said, Greg, you mentioned the legal issues with the long-term investment.

Mr. Gaskins said right.

Councilmember Peacock said this is something that has risen to the occasion of the Attorney's Office, or this is legal issues –

Mr. Gaskins said actually one of Mac's attorneys was working with us on it. It had to do with the language and the way it was actually written in the statute, and a very, very subtle change in the contract language, and it was comparing the contract language and the contracts offered to that language in the statute that raised a question as to whether or not we could appropriately do it. With the consultation with the Manager, we decided to err on the side of safety and not do anything until we were absolutely certain. As you remember, a part of the reason why is because this was a new legislation, and we had not done it before, so that was the reason we erred on the side of caution related to the investment of that, and we think that is going to be resolved very shortly. In other words, we will have contract language that would match the statute. The problem we really had is that people's contracts – you know, they didn't have our statute when they were written, so there is red tape getting them to then go back and change it to be consistent with the statute written in North Carolina.

Councilmember Peacock said do we have a timeline?

Mr. Gaskins said after the first of the year.

Councilmember Peacock said my next question is about the rating agencies. Had a change of tone at all now that we are a couple of years into the recession? Are there new standards? Are they looking at things with new lenses?

Mr. Gaskins said absolutely. We had seen that almost immediately actually in 2008 in terms of their review and the stringency of their review. I think that continues. In other areas of the country, they are looking very carefully at the broader picture of what the economic standing of the community is and how they are responding to it with their policies. There is no question about that.

Mayor Foxx said, all right, everybody satisfied.

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ENVIRONMENT: ENVISION CHARLOTTE

Michael Smith, President and CEO, Charlotte Center City Partners, said this is a really exciting initiative. This is one of the more exciting initiatives I have worked on over the last five years. I think it holds incredible potential for Charlotte. It is one that is being celebrated around the country, around the world. It has been interesting having the feedback actually back to us and people sharing this idea with us, which is kind of fully because it has then come full circle. We will share a video in a minute, but just to provide some framing. What Envision Charlotte is it is an umbrella under which we plan to launch specific initiatives for a very aspirational effort regarding the sustainability of the Center City of our region. We will roll the video to introduce the concept. A video was played. That being John Chambers, who, if you are a student of business, he is today's Bono among business leaders. Some people get fired up about meeting sports stars, others about actors and actresses. To me, meeting folks like him – he created Lucent Technologies in the course of about ten years. He is working in every major city around the world through CISCO. I mean it's more than networking. It's intelligent networking,

and to have him carrying that message from that stage about what Charlotte is doing I think is a great testimony to what's possible here.

Let me introduce you a little bit to Envision Charlotte. As you know we are working on our 2010 Vision Plan now, and the adopted 2010 Plan calls for us to make the middle of our region viable, livable, and memorable, so a great place to work, a healthy workplace, a great urban neighborhood, and a memorable destination. We are doing a great job moving along that continuum. The piece we are adding in the 2020 Vision Plan is adding sustainable to that. We think everything we are going to be doing regarding our downtown, our Center City, will be shaped. There are verticals. We think this is the horizontal. This is the one that shaped everything we are looking at going forward. The next decade of development this is what we are calling for. He began a PowerPoint presentation entitled, "Envision: Charlotte – Center City 2020 Vision Plan," a copy of which is on file in the City Clerk's Office. Let me introduce to you Vincent. Vincent is responsible for this initiative with Duke Energy.

Vincent Davis, Director, Smart Energy Now Community Partnerships, Duke Energy, said my role really is to get out into the community and actually talk about the Duke Energy program and the specifics. This is an exciting time for us. It is an exciting time to be in the energy business. I always find it very interesting that I'm actually in a role where I'm educating our customers on how to use less of our product, but it's the right thing to do, and it's about sustainability. He continued the PowerPoint presentation with the slide on sustainability.

Another element that CISCO is bringing to the table is the eco-map, and for those of you that are familiar with it, again, that's a game changer. Charlotte was not on their list of cities they were going to be bringing the eco-map to any time soon. Now, there is a lot of work to be done, and it's again collaboration and community, and the City of Charlotte will have to come to the table with some data as well in order to make this happen, but we can actually bring the eco-map here, and that would be yet another big win for this program and ultimately for the city.

Mr. Smith said share what the eco-map is.

Mr. Davis said the eco-map itself if you have ever seen a heat map you can pull it up and you actually see hot spots in terms of carbon emissions. The tool itself when you go on line will give the user the ability to actually monitor their carbon footprint, will provide him with things in the tool kit that will actually allow them to reduce their carbon emissions as well. It will track the amount of recyclables that the City is actually managing, water reduction, energy reduction, things of that nature, so it is again yet another powerful tool in this pursuit of sustainability and energy efficiency. He continued with the PowerPoint presentation.

Councilmember Cooksey said interesting stuff, and I do like the element of moving Charlotte to be more known for this. I have got to wonder – do we know anyone in SouthPark that might be working on SouthPark office spaces because we have this initiative uptown and Ballantyne. The last four office buildings that opened up were gold LEED certified, so we have this possibility of adding to the energy hub concept the efficient building concept citywide – not just within part of it. I would be curious. Maybe Curt or Michael if you know anyone who is working on this sort of thing in the SouthPark area, too. I'm sorry, Andy, do you know anyone?

Councilmember Dulin said all of those building owners are working their own initiatives. It's to their benefit to run their buildings more efficiently. There has not been a collaborative effort though yet.

Councilmember Cooksey said you mentioned a game idea, so I have got to get my current managing tactical on that. I confess I don't play Farmville myself, but you might want to look at four square as a model instead. Put a little badge concept that four square has. Folks love badges. I know they love crops, too, but that might be something to piggyback onto because four square is a lot more mobile than Farmville is, but just a thought.

Mr. Smith said I think to your question on are there other initiatives going on throughout the city, I think there is a great opportunity for us to have a citywide and countywide sustainability plan, and we are having those conversations with City staff and County staff, but that kind of initiative ends up being called for by City Council. Eventually Envision Charlotte needs to have a plan for

the tactics that it calls for over the next ten and 20 years for the way we want to perform, but it has to nest inside of what we are doing as a community, and this is just one piece.

Councilmember Peacock said, Vincent and Michael, thank you again. You all presented to about 50 residents that were attending our town hall meeting we did several weeks ago. One thing I remember from your discussion that stuck out at me is how measurable this particular assignment is – the beginning, the end – and then, Vincent, can you quote the stats again. How many buildings, what square footage, what kind of communication between the buildings and Duke, what is Duke working on in using that data or what do you hope to, and then, Michael, when we get to the end of this, obviously you say you have been marketing it along the way, but where does this take us once we achieve this goal of 20%?

Mr. Davis said I will start off with the response. In terms of the actual data elements of this, we have identified approximately 70 buildings that fit within the criteria we have set forth, which basically is within the 277 loop, 10,000 square feet of office space or more. In terms of the communication, we are looking at a secured line between the building itself back to Duke Energy through a fire wall, so there is no impact to the actual building network. This is all done via clouds and that type of technology, so it's really pretty fascinating stuff.

Councilmember Carter said this is just incredibly exciting. Thank you all for compiling all of this for us. Ms. McMillan has been working on an initiative for us of posting what is going on in the city, and we are hoping that people will engage with this.

Kim McMillan, Corporate Communications, said we co-presented and have already been in touch, and we are actually talking about sharing the metrics and being able to cross-promote on Power to Charlotte, and they already have a great write-up with Duke Energy as partner as well as Charlotte Center City Partners.

Councilmember Carter said it was a hit at the NLC Conference as well. They did a wonderful job with the booth.

Mayor Foxx said, by the way, while you just mentioned the NLC conference, why don't we acknowledge our president? He recognized Councilmember Mitchell. Thank you very much. It's an idea that got hatched with kind of a "what if" conversation between you and Jim Turner, Michael, and we are grateful for this suggestion and for working it through and for the attention it has gotten our city and look forward to seeing it get implemented.

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PROPOSED 2011 FEDERAL LEGISLATIVE AGENDA

Curt Walton, City Manager, said the current focus area plan for the environment includes developing a tree canopy goal for the City, so we wanted to give you a status report on that and also to request referral to the Environment Committee after the presentation.

Tom Johnson, Senior Urban Forestry Specialist, said I'm here to talk to you about our tree canopy goal and our investment strategy. He began a PowerPoint presentation entitled, "Tree Canopy Goal and Tree Canopy Investment Strategy," a copy of which is on file in the City Clerk's Office. What we are asking to do here is refer the development of this tree canopy goal and its investment strategy to the Environment Committee, and then eventually Council will be asked to approve contracts for the first year of increased tree planting at the December 13th Business Meeting.

Councilmember Howard said I was wondering how the policy we just passed a month or so ago plays into this, whether or not we dealt with those goals at all during that five-year conversation; and, secondly, whether or not the new payment in lieu source was taken into consideration and will be part of this policy conversation and you all's thoughts as well.

Mr. Johnson said, well, to answer the first question, with the adoption of how we protect trees, which is the major change, that 15% commercial tree save, we knew we were losing tree canopy,

and we knew this would be a step in the right direction. We didn't formulate that specific goal knowing that we are going to set a particular tree canopy goal, but it is our intent to use this investment strategy to kind of measure the effectiveness of that ordinance.

Councilmember Howard said what you are saying in the next conversation we are not talking about additional new restrictions. We are talking about ways we can take our funds to add to the canopy.

Mr. Johnson said that's right – how we'll leverage those funds, but also this strategy will help us measure just how well we are doing as we go forward.

Councilmember Howard said I just want to be careful not to reopen that conversation. It should be about adding; not, well, now we decided we want you know whatever amount, so we need to go back and look at that policy again.

Councilmember Carter said two questions, please. Have we estimated the impact of mitigation funds for the 15%?

Mr. Johnson said we haven't. That was something that we said we would probably take about the first six months of once that ordinance begins in January 1 that we will be back to Council reporting on how that program is working, but it's not something we have estimated.

Councilmember Carter said but also geographic proximity to the project itself.

Mr. Johnson said absolutely. That is our goal to use those funds in that mitigation in the same area where the development is taking place.

Councilmember Carter said the other part would be please communicate these goals internally. I think that is a very important point for us as we build sewers, roads, etc. to be very much aware of what we are doing with trees and most particularly to protect the root systems.

Councilmember Peacock said the American Forest report that we received did not break down like it did for other cities per district map of where we won or lost or added trees. How much is the American Forest report going to cost us to get it to show that measure, and when the committee and the full Council decides to set its goals, I think Ms. Carter's point is we need to know how to use the data to the positive that Mr. Howard is referring to. We are not trying to reopen a can of worms about redevelopment. We are talking about going on the offense and increasing the amount of trees because we know all the different benefits that they have and there are so many people that when they think of Charlotte that's what they think of. They think of trees, and they want to protect them. They don't think about the various tools that we spent so much time talking about – payment in lieu. They think about trees and planting them. How much is it going to cost us to get that report upgraded and then use that tool going forward?

Mr. Johnson said actually the beauty of this report is – a product of it – the data, so American Forest gives us all the classified data, and we have folks in-house who can run GIS analysis like that.

Councilmember Peacock said so you can produce a report that will tell Councilmember Dulin that he had the most tree gain or loss versus Councilmember Mitchell; is that correct?

Mr. Johnson said I believe we could do things like that, yes.

Councilmember Cooksey said since this is presumably going to committee for discussion I think we can't emphasize enough that, you know, the report shows that 2008 Charlotte is a 46% tree canopy, estimating in that chart shown 2015 being 44%. At that rate, we hit 40% at about 2027 thereabouts if it's like 2% per six years. I take the 40% number because that's the percentage that American Forest recommends that cities east of the Mississippi have as their average tree canopy. So we are doing, by American Forest measures, real well currently, and we have a good number of years to watch this before we even fall below their recommendation.

Mayor Foxx said my only comment on this, and it's very good work, and thank the Manager for recommending this additional allocation last year and to the staff for working up this idea, is I really think there is an opportunity here in addition to increasing the tree canopy to do two others things. One of them is to improve our tree infrastructure in some of our challenged areas of the city that we know that trees add value, they add vitality, and so forth, and I think we should take the opportunities to do that. Secondly, to engage youth in helping to accomplish that either through Park and Recreation or through some other vehicle. I think getting young people engaged in truly working to improve their own neighborhoods can be a very, very positive thing, so I really encourage you to work on those collaborations and to come up with a vehicle to do those two things.

Councilmember Carter said the 500 people who participated in the tree plant over at the Little Sugar Greenway Parkway it was just amazing. Families were out, kids were really participating. It was fabulous. The way they identified trees and mixed them and close proximity planting was very interesting, but it just was a tremendous success, so thank you all for what you did.

Mayor Foxx said thank you for helping us. Appreciate it.

Councilmember Turner said you touched on it, Mayor. One of the biggest threats to our stable neighborhoods, and you mentioned this but not necessarily in this way, is Duke Power. Our older neighborhoods where we have nice tree canopies they spent the last two years cutting these trees down because of their grid lines, and it created a major issue in some of the older neighborhoods where you had these huge oaks, and not only were they notified but I spent a lot of time speaking with them and the representative on their behalf. I saw this on the list. What is our objective and our goal, our strategy, that we are going to apply for our older neighborhoods where these trees exist still in their power line right-of-way?

Mr. Johnson said the only answer I can give you to that is that is something we would have to have a conversation with Duke Energy to get an answer from them, but I think this investment strategy would be something that we could use as a guiding tool as we go forward to answer questions like that.

Councilmember Turner said because these neighborhoods are neighborhoods that are closer to the inner city that is right outside the Center City here, and one of the things that I constantly observed the way they were doing things is one year they went from topping the trees straight across to doing the "U", and this year they basically cut the trees down, you know, perfectly good trees. So I was a little concerned about why we were not more involved especially from a Tree Office standpoint of giving them our take on the way to do that. Of course, it's easier for them to eliminate that tree and not have to worry about the tree falling on their lines, but if that was their greatest concern from what I gathered from them is the power lines being under those large trees is that you cut them back and that makes the line safe and not necessarily cut the tree down. I hope we have some discussion when we get out in the neighborhoods and have them as a partner this year.

Mr. Johnson said we do, and one thing we have always stressed, and Duke Energy does also, is the right tree right place, and sometimes there are unavoidable conflicts, but we stress that.

City Manager Walton said any objection on the referral, Mayor?

Mayor Foxx said no objection on the referral, folks? We are okay with that – send it to Environment. Thank you for reminding me of that.

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PROPOSED 2011 FEDERAL LEGISLATIVE AGENDA

Dana Fenton, City Manager's Office, said tonight we have the proposed federal legislative agenda to present to the Council. He began a PowerPoint presentation entitled, "Proposed 2011 Federal Legislative Agenda," a copy of which is on file in the City Clerk's Office. There is a bill

before the Senate right now that the Senate Majority Leader is trying to push through. He may not be able to make it this year, but it would be on the table potentially for next year as well.

Councilmember Barnes said just point of clarification. Which senator are you referring to?

Mr. Fenton said Senator Reid, the majority leader.

Councilmember Barnes said he is trying to push collective bargaining through the Senate?

Mr. Fenton said, yes, that's correct.

Councilmember Barnes said will he be able to do that in three weeks?

Mr. Fenton said there's always that possibility.

Councilmember Barnes said he can't do much of anything else.

Mayor Foxx said I was going to go down the same pathway. Our 2010 agenda keeps that in place. I have questions about whether that effort is DOA in the 2011 start for the next Congress, so if you could kind of track that down. It may not be worth spending our energy if it is true that DOA. If you could maybe take a look at that, it would be useful to us.

Councilmember Barnes said any indication that Mitch McConnell supports or Speaker Boehner?

Mr. Fenton said certainly in the House of Representatives it would face a much more difficult path because as we all know the party leadership did change as a result of the November 2nd elections. There is always the possibility of course that some deals could be made at the 11th hour to get something like this passed.

Councilmember Barnes said but no current indications of their support?

Mr. Fenton said in the current House of Representatives, the current members, even though who lost on November 2nd, there were over 200 sponsors of the House version of that legislation, and they are still in office today, so possibly something could happen in the next few weeks.

Councilmember Barnes said I was speaking most specifically to Senator McConnell and Speaker Boehner and whether based upon their legislative history do you believe they would be likely to support this?

Mr. Fenton said that's a very good question at this time. I'm really not sure how to answer that. I don't believe they have come out with public announcements of their positions on this issue.

Councilmember Cooksey said I support keeping this in the 2011 for two reasons. One, it strikes me as playing a role much like – I forget the exact name of the category in our state legislative agenda – as a kind of reactive measure, and we want to make sure that this is still our statement of preference at the federal level in the event something comes up whether we think it likely or not. After all, we don't know what bills are going to be introduced in 2011 at this stage. And, secondly, I would hate for removal of it – since the issue is out there and has been out there, I would hate for removal of it to be in some way, shape, or form interpreted or misinterpreted as the Council doesn't care any more. I think it best to keep it here as the place marker for saying we don't support this bill; we support our own destiny here rather than Washington determining it. In light of that, I hope we keep it, and I will vote to keep it.

Mayor Foxx said I would like to get some more intelligence on whether the new House leadership lands on this particular provision. I think it would be helpful.

Mr. Fenton said be glad to get that for you, Mayor. He continued the PowerPoint presentation with the bottom slide on page 3.

Councilmember Howard said the Airport comes to mind and the need for a new control tower. Is that something that was discussed?

Mr. Fenton said we have given that a lot of thought. In order to get a new control tower in the funding, the earmark route is not the way to go. There are a variety of grant opportunities that the FAA administers, and that is the proper route.

Councilmember Howard said I'm sorry I didn't get that. So these are just earmarks –

Mr. Fenton said these are earmark requests, but I would state in the event an earmark is not available for whatever reason, whether the moratorium or whatever reason, we would try to gain funding for it through the discretionary grant process.

Councilmember Howard said I think this is new for you, too, Curt, because I think it would be incumbent for us to have a list not only just for earmarks but ones we just have priorities of seeking federal funding for period, whether it grants or earmarks.

City Manager Walton said okay.

Councilmember Howard said we should be going after the grants on these as well, and I would hate for us to not be actively looking for grants or earmarks for our priorities. I kind of feel like we are just doing earmarks. We should be – I don't know if we have an active grant seeking process as well so we are looking for as many grants as we can. This administration seems to be going in the direction of grants more than earmarks, so as they make more money available through that process, I would hope we are looking. I hope these are funded requests period; not just earmark request.

City Manager Walton said we agree. It's just the original request – FAA just operates differently, and so everything else we agree with you.

Councilmember Howard said do we have a list of the everything else, or is it just kind of wherever we see opportunities? Is Holland and Knight looking for this?

City Manager Walton said we can get you a list of outstanding grants. We get notification – I don't know on a daily basis; probably on a weekly basis, so it's as they come.

Mr. Fenton continued the slide presentation with the slide on next steps. Next Monday would be the consideration by Council of the federal agenda. The U.S. Congress convenes after the first of the year, and then there are trips planned to the U.S. Conference of Mayors and the National League of Cities in January and March.

Councilmember Carter said I would like to stress to Council members that next Monday at 7:45 in this room we will be meeting with our delegation, and thanks to Mr. Kimble and Mr. Fenton we are well positioned pulling these issues together, and your participation is absolutely crucial. When we are outnumbered by our delegation, it is embarrassing, so please do join us and make your statement for this city. The other thing I would like to say is that Holland and Knight has been giving the Government Affairs Committee updates every time we meet, and I feel it's a very informative exchange as we talk with them about the issues for Charlotte both on a federal and state level, so it is very complimentary to what we are doing, and I'm truly grateful for that opportunity.

Councilmember Peacock said while you are on that subject before we begin the Citizens' Forum let's just get a quick show of hands. I plan on attending on the 13th. At least we have got six, seven.

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Councilmember Dulin said I have another piece of business unless you want to do Council business after Citizens' Forum.

Councilmember Peacock said we have exactly 30 seconds.

Councilmember Dulin said I don't know if the Mayor has left for the night or not, but I sent out an email to everybody today letting folks know that I was interested in having an advance copy or advance look at his State of the City speech that is planning on delivering tomorrow, and I haven't backed down on my desire to see what his ideas are of it. This body votes together on most everything we do. I say it like this a lot. We vote like this instead of like this, and that is something to our credit, I think. But on some issues and some of the issues that he might be talking about tomorrow it really doesn't represent my views on it, so I wanted to get a look at – still do – want to get a look at the speech before it's delivered and/or I'm going to have to request some time for a rebuttal. We'll see how this plays out. I wish the Mayor were still here so we could discuss it a little bit, but I will be on the phone either later tonight or first thing in the morning with staff trying to get a copy of it. I had a conversation with Kevin Monroe today, and he was not helpful about my desire to try to see the script. I just want to give you all a heads up.

Councilmember Turner said what was his response?

Councilmember Dulin said he said it wasn't finished. He didn't know when it was going to be finished. He didn't know if we were going to be able to see it, etc.

Councilmember Peacock said, again, that meeting is tomorrow at 10:00 in the main government building.

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CITIZENS' FORUM

TAXI CAB/AIRPORT

William Dobbins, 7910 Waterford Ridge Dr., said I think everyone at this point on the Council at least knows who I am. I'm the president of the drivers' association at the Airport. Very briefly, there are a few things that have happened since we last talked, and we wanted to just mention a couple of those things to the Council so they will understand what our position is. We have had three people selected, three companies selected. I'm sure you know those companies are selected for the Airport, which the drivers really have no – I don't think we have major – we have some major concerns about, but a couple of things have happened since that time. We noticed the RFP has not come back to you, so we know there hasn't been any action taken on that, but we have had Royal Cab decide that they wanted to force their drivers to buy cars by the 25th of this month or they are going to be terminated from the Airport. We wanted to bring that to your attention. Also, Yellow Cab has increased their rates to \$550 a month. We wanted to bring that to your attention. Just so you understand that because we are drivers we don't really have input on what the companies decide to do, but between now and next month when you are entertaining this information hopefully there will be some kind of investigation into it. I was hoping the Mayor would still be present, but he is out right now. If there are questions to me about that particular portion, please feel free to ask me any questions about that, but we do feel it is in your interest to at least find out why these things are starting to happen. We know when you have been selected, obviously you know you are in or may be possibly in after everything is finished, and we want to at least let you understand what we are up against. We also want to mention the fact that we know we have some legal action that is pending in the courts. We don't want to take an offensive on this. We simply were in a position of being backed into a corner where we had to take some form of action. We know you have been advised not to talk to our representatives, to myself, and other people, but in fair interest what we really have is more line items that need to be addressed in this proposition as opposed to the whole process. So we want to leave that particular area open to you so you will understand that if someone had the ability to talk with us individually, myself and some others, we would have no problem doing that. Things are on the table, but they can be taken off the table. We aren't unreasonable people; we never have been. I don't think you have ever seen us address you in that way, so hopefully you will do the same in reference to what we are talking about now. That's really just about all I had. Did you have any questions about any of this?

Councilmember Barnes said, Mr. Dobbins, I just want to make a statement. You alluded to it a few seconds ago. I have received a number of inquiries from some of your members. At least

one of them is sitting with us tonight. I have not responded in any substantive way other than to say that because of the litigation I am not going to say anything. Now, my reservations have a lot to do with the fact that I am a lawyer, and I recognize the harm that can be caused by one running one's mouth, so I have been reluctant to talk to you all. From the very beginning of this, I have expressed, and I think a number of others have expressed a desire to see what is fair and what is right happen, but the institution of that litigation for me shut down my ability to talk. I do hope that things work out well, but in terms of me being able to meet and discuss all that does from my perspective is create a witness list, and I don't want to be on it, but I do wish everybody well.

Mr. Dobbins said I do appreciate your comment on that.

Councilmember Howard said, Mac, I think I would like to know the genesis of the requirement by Royal Cab to purchase new cars. I would like to know if that is a result of our RFP or something else, if that's okay, Mac. I'm asking staff if they will find that out for me.

Councilmember Peacock said any other questions.

Councilmember Turner said let me follow up on that because I'm trying to understand what you are saying. Now, Yellow Cab hasn't been chosen to do business or not been removed from doing business at the Airport. You alluded to that the fees have gone up. What company was the fee went up?

Mr. Dobbins said that was Yellow Cab, sir.

Councilmember Turner said did they justify or tell you all why?

Mr. Dobbins said, no, sir.

Councilmember Turner said has anyone requested that information from them?

Mr. Dobbins said the way this has always happened in the past we really don't have options on it. They are independent contractors. If they decide to go up on the prices, they don't really have to justify it to us. They simply say these are your weekly fees. If you choose to stay at the Airport, this is what you will pay. I was trying to explain how this thing operates.

Councilmember Turner said what was the name of the other cab where they told you if you didn't have a new vehicle by –

Mr. Dobbins said that was going to be Royal. That is Royal and King. Royal has two companies. All their employees will have to have a car by the 25th or possibly be terminated from the Airport.

Councilmember Turner said did it say what kind of car, what year? I mean is this based on the model car, wanting a newer vehicle to be more competitive or what?

Mr. Dobbins said new cars. That's all they basically stated.

Councilmember Turner said did they put that in writing?

Mr. Dobbins said I have to ask my colleagues this.

Councilmember Turner said is that in writing?

Unidentified Speaker said what is going on is Yellow Cab and King Cab are one of the three companies that be selected –

Councilmember Turner said being considered.

Unidentified Speaker said yes. Being considered, Yellow Cab increased their price, and Royal is forcing the drivers to buy new cars (inaudible – not near a microphone)

bvj

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MAYOR AND COUNCIL TOPICS

Councilmember Howard said I wanted to address what Andy said. I want to make sure that my silence is not being taken as being complicit with what you are requesting. I think that any time as elected officials we can give speeches any place we please. I think the Mayor should be able to give a speech without us asking for advanced copies. I don't understand that. I wanted to make sure I went on the record so my silence wasn't saying I agree with you, Andy, because I don't. I think he should be able to say whatever he wants to whenever he wants to. I think Andy could give a state of the city address if he wanted to, and I just wanted to go on the record and say that.

Councilmember Dulin said I agree, and it turns out that I might end up having to do that.

Councilmember Mitchell said Patriots and Jets.

Councilmember Peacock said there's the motion to adjourn.

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ADJOURNMENT

The meeting was adjourned at 7:52 p.m.

Ashleigh Martin, Deputy City Clerk

Length of Meeting: 2 Hours, 28 Minutes
Minutes Completed: January 19, 2010