

The City Council of the City of Charlotte, NC, convened on Monday, May 9, 2011, at 4:04 p.m. in the Meeting Chamber of the Charlotte Mecklenburg Government Center to receive the City Manager's Recommended FY2012-2013 Budget with Mayor Anthony Foxx presiding. Council members present were: Councilmembers Michael Barnes, Jason Burgess, Patrick Cannon, Warren Cooksey, Andy Dulin, Patsy Kinsey

ABSENT UNTIL NOTED: Councilmembers Nancy Carter, James Mitchell, Edwin Peacock III

ABSENT: Councilmembers David Howard, Warren Turner

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MANAGER'S RECOMMENDED BUDGET PRESENTATION

Mayor Foxx said welcome to our Manager's Recommended Budget Presentation. This afternoon the City Council will be receiving a presentation on the City Manager's recommended operating budgets for the fiscal years 2012 and 2013 and the recommended five-year capital investment plan for FY2012-FY2016. Over the last several months, the City Council has been receiving information and discussing budget issues in preparation for this recommendation over the past several months including the City Council Retreat in February. We have held three Budget Retreats since then, and the Council will now have an opportunity to review the City Manager's recommendation and make adjustments. We will continue this process over the next two months prior to the scheduled budget adoption date of June 13th.

During the next two months, the City Council will hold additional meetings on the budget including May 18th when we will have budget adjustments at 3:00 in Room 267. May 23rd there will be a budget public hearing at 5:00 in the Council Chambers where we are tonight. June 1st will be straw votes at 12:00 p.m. in Room 267, and on June 13th, it is expected that City Council will adopt the budget at 7:00 in the Council Chambers.

I want to add a couple of parenthetical thoughts to this process before the City Manager makes his presentation. The first is that many of us have been stating publicly our preference for a revenue neutral budget. I still think that is very important in this economic environment. One of the challenges with doing that this year is that we do not have the kind of capacity for a capital program that we have had in the most recent years, so even as we have a conversation about where to set the rate, I think it is important for us to have adult conversation about what that means long term in terms of our capital program.

Secondly, last year the City Council made a decision to phase out funding for school resource officers, and that decision was made last year, but the impact will be felt in the next budget year under the current plan. I am tonight encouraging the Council to begin the process of reconsidering that decision because as we know our school system will be facing significant budget cuts at the state level and potentially challenges at the local level as well. I think we have got to have that conversation as well as we go through this cycle. There are still a lot of moving parts on our own budget, I understand, and as we get closer in to the decision making time, maybe this conversation will take a more specific direction in terms of where money would come from and so forth, but at this point, that is not what we are here for today. We are here to hear the City Manager's recommendation, and with that, City Manager Curt Walton, I leave the floor to you.

Curt Walton, City Manager, said we are here today for me to present recommended budget for the next two years of our operating plan and the five-year capital budget, and that is good news in a way because we have had to depart from our two-year budget cycle for the past several years because of the difficulty of accurately projecting revenues. We do feel that there is enough predictability now with the revenues to return to the two-year budgeting process, so what I will be presenting to you today is a two-year cycle for the year beginning July 1st of this year and also July 1st of 2012. The capital budget is a five-year budget and will be very limited changes in that because we don't have a referendum this November, so we'll talk about that.

Councilmember Carter arrived at 4:08 p.m.

I will share the presentation with Ruffin Hall, the Budget Director, and with Barry Gullet, our Utilities Director. I will do the overview, key messages, and challenges, and Ruffin will do the budget summary, our discussion of the revaluation process, general fund summary, the CIP, and the enterprise funds. Then Barry will talk to you about the rates. We presented the Utilities budget to you in March at one of our Budget Retreats, and we are scheduled to present our recommended rate adjustment to you in April, but we were not ready yet. We were still looking at consumption and some of the other factors, so that piece is going to be new to you today. I think that is one of the few pieces that you don't already know about.

The overview – I think we are in a good position. I think our collective thought is that we have weathered the worst of it, and we may have turned the corner a bit. The first year of the two-year budget is still going to be a very minimalist budget, but it is starting to trend in the right direction. So the problems that we all started to encounter in the fall of 2008 I think we are now emerging from with our budgets we will be recommending to you today.

Councilmember Mitchell arrived at 4:10 p.m.

I do want to commend you and others on making the decisions along the way to keep us in this position ranging from in 2008 slowing down our capital program to make sure that our spending matched our cash flow; to the employees – our employees have done a tremendous job over the last three years of recalibrating service delivery and bringing new ideas to the table, and in most cases, customer service has not suffered. A couple of places it has, and we have addressed a couple of those for you in this budget.

Last year we had, as you recall, 52 reductions that went throughout the city and were significant enough that we didn't have to make any further reductions this year. So what we started late calendar of 2008, which was FY09, and then the next subsequent two years have really put us in a position to now start growing again and start to better meet the needs of the community.

We have maintained our policies, and credit to those who have sat in your chairs and my chair for a lot of years before us. These policies go back for the most part 40 years, and we have maintained our AAA credit rating. AAA has always been important because it's a general Good Housekeeping Seal of Approval on your financials and also it was cheaper to borrow money under a AAA rate than it is under any other, but because the rating agencies in 2008 received some of the blame for the financial meltdown and some of the ratings that they had not done as diligently as they should they got much, much tighter with those ratings in that process. So it became a process of not only having the rating and it being good for you in a number of ways it also meant whether you could place debt or not. We are not as tightly in that market now as we were two or three years ago, but it still is a very important point as you go to the markets to place debt. The revenue growth that we are seeing in this year is primarily dedicated to operating expenses, and we will talk to you about that, and as I mentioned earlier, there are very few changes from last year's budget that you will see.

I have identified several challenges, and as I looked at it, the weight of the challenges outweighed the first couple of slides, and I don't mean it to. I think we are in a good position, and we should feel very good about where we are. I guess the good about having challenges is we have ways to address them, so I will identify several of these and some of the strategies we have for addressing them as I go through.

As you know, the State of North Carolina has been challenged from a budget perspective starting with the between \$3.5 to \$4 billion deficit depending on who you ask, and we thought six months ago that we would be greatly at threat financially. As we talked last Monday in Dana's update to you, financially we are not seeing a great deal of impact. Most of the impact for us has been loss of authority, and that is significant, but it's not necessarily in the financial side. It's annexation, it's billboards, it's residential design standards, and things like that. But I would say until the Governor signs a budget – the House has presented a budget, the Senate now has it. Their goal is to have a budget to the Governor by June 1st, and what she does then we would

need to wait and see. I think the chances of their being a state budget adopted before our budget on June 13th I still think is limited, but there is a possibility.

We have, above our 16% threshold, \$18.4 million from what we closed last year with, and we are recommending, as we talked before, holding that until we see what the impact of the state budget is. So while we know of no immediate financial impact right now, we need to make sure we make it all the way through the signing of a budget before we divert from that plan. We also have \$445,000 left from the criminal justice technology reserve that we established several years ago at a \$3 million level, and then our general fund reserves, the 16%, equals \$82 million. So between the 18 and the 82, we have about \$100 million in reserve. Sixteen percent is your policy, which is \$82 million, and then \$18 million is above your policy.

Councilmember Peacock arrived at 4:15 p.m.

Once the state budget is adopted, if money is not necessary, I do have recommendations for you on the use of that 18.4. The Mayor's Budget Taskforce that Cindy Patterson chaired identified one of their recommendations of \$18.4 million for severe risk technology projects, something that we strongly agree with but have to get past that state issue, so if we do get past the state issue, we would recommend appropriating the \$8.4 million to technology. There are additional technology investments beyond the severe risk particularly customer service enhancements that we would like to do, and \$4.6 million won't do it. It just keeps us on that continuum towards the funding we will need over the next several years.

I'll talk a later a little bit more about the insurance and risk fund, but it's an area that we are really challenged right now, and we would recommend \$5.4 million of that 18.4 go to insurance and risk if we don't need it. I would recommend liquidating the \$445,000 in FY13 to police because we don't have much of that \$3 million left, and to be honest, we never found a way to spend it that was agreeable to the state. So we might as well close that chapter. Retaining our reserves at 16% would be the \$82 million.

Annexation is another challenge for the state, for us. We have spent \$5 million preparing for the June 30th annexation in the general fund. Utilities has spent much, much more, but as you remember, we bought those private systems in the eastern part of the county earlier this spring, but not all of that was solely for annexation, so I'm not suggesting we did that only for annexation, but that was a big part of it.

In the first year of the two-year budget beginning July 1st, revenue exceeds expenses for annexation by \$1 million. So, if you look only at FY12, it's a good snapshot. You have to consider the first two bullets that it's going to take us a while to recover our costs. As you know, there is an annexation process working through the General Assembly. If the bill that appears to be in the lead right now is approved, long term it's bad for annexation, but short term it allows the annexation on June 30th to go forward. So if that bill is indeed approved, we would have \$1 million in the budget that you have available for use for something else. However, if it gets approved in another form or they change the date and we don't get to do that annexation, we have a \$1 million hole in our budget, so that's why there is a \$1 million reserve built in just in case the worst happens.

The second challenge is the federal budget, and the immediate impact is on the CDBG and home funds, and I think we accurately forecasted 20% reduction, and we have made the adjustments that we'll talk to you about. I think longer term the implications are more in the transportation transit realm. They are not cuts that impact us right now, but I think going forward the reauthorization and the funding for transit is a little more suspect. So there is limited dollar impact for the federal budget and this following year, but long term I think it's an area of concern.

Employee compensation – there is no recommended compensation adjustment in this budget. As I mentioned, the employees have helped put us in this position of financial strength over the last several years, so I want to make sure that their efforts are acknowledged. The 3% group insurance – it's still 3%, so there will be a net loss on take home for people, but 3% is very good. It is well below medical inflation, so I want to give credit to our HR folks for managing that

process very, very well. We hate that it's any increase, but 3% is considerably better than where we would have expected to be.

The budget does restore the 401k contribution. We had been at 3% for a number of years. In the current year, we dropped back to 2% with the intention of 3%, and the budget does that. Also we have restored a portion of training budgets that have been significantly reduced over the last three or four years. Doesn't get us back to where we were three or four years ago, but it's a way to invest in employees without having to do the compensation adjustment.

Continuing with employees, I am requesting the authority to do up to a 1% lump sum adjustment from this current year budget. Let me explain where we are. The current year ends June 30. Midyear at the Retreat we had projected about \$5 million of savings by June 30th. If we did a 1% adjustment in the general fund, it would be about \$3.5 million. What I would like to do is to challenge the organization to save an additional \$2 million from where we projected, and if the savings are at least equal to the City as they are to the cost to the employees, do it from the savings in this fiscal year. So it wouldn't be paid out until we close the books – that's July or August – so it would happen this summer and next fiscal year, but it would be from this year's dollars, so it wouldn't impact anything long term. That is my request for the employees to be able to work towards the 1% lump sum or up to 1% if the savings are not significant enough. As long as there is a 2:1 ratio of savings to cost to move forward with that amount in August.

Number four, the capital program, and the Mayor mentioned this. I think this is probably the largest challenge for us and the most significant because the others will all come and go, and this is something that we will always be in the infrastructure and reinvestment business. As you know, the November 2010 referendum was the last referendum for which we had funding, so that means we don't have funding in place for November '12 or '14.

Go back to the rating agencies – when we didn't have a referendum in 2004, we didn't stay on our normal two-year cycle. We had to do a lot of explaining as to how we were going to meet the infrastructure needs of the community long term, and keep in mind we do a lot of investment for CATS, we do a lot for Airport, we do a lot for Water Sewer, Storm Water, but the keystone of the AAA bond rating is the general CIP – Transportation, Neighborhood Improvements, and Affordable Housing. So that is the area we have got to figure out how to address. In 2006, you infused \$20 million annually into the program. Over the next three referendums, that put \$551 million of investment into the community. That also, I should have mentioned, fire stations and police stations, so it's not only voter approved GO bonds; it's certificates of participation for City facilities particularly those two – Fire and Police and things like the Emergency Communication Center.

So, I think we have no more than a three-year window. I don't think we can skip the November of 2014 referendum without seriously putting the AAA at risk. If we skip the November of 2012, I think we can perhaps explain that away, but we would just have to see when we got there. So I'm not recommending anything to you now that is different from where we have been, but over the next three budget years, we are going to need to address the AAA bond rating and specifically how we move forward with referendums.

Councilmember Barnes said I wanted to ask you a question regarding something the Mayor alluded to and discussions you and I have had over the last several months regarding our inability to issue bonds in the future. Is it your anticipation that we could realize sufficient revenue under the current revaluation to allow us to finance bond debt over the next couple of years or will we have to seek a combination of gains realized under revaluation and new revenue?

City Manager Walton said I think it depends on the size of the program, but we will talk to you about the rate. The revenue neutral rate is about two cents less than where we currently are. A penny is about \$8 million, so that would infuse \$16 million. Sixteen is relatively comparable to the twenty that you did in 2006 and yielded the \$551 million. Sixteen would certainly be less relative to the 551, but it also depends on over what time we plan to spend it, so that would certainly be one way to address the issue or you could put that off for future years. It would be a policy decision for Council.

Councilmember Carter said thank you very much for this, but Mr. Cooksey and I have had a discussion about the number of challenges to the appraisal of property, and it appears to be quite significant, and I'm wondering if we have enough static data to base our decisions on. Mr. Cooksey has proposed something that I think of great interest, but subsidiary to that I would like to ask if our investment in technology could be considered as soft capital and could be a mitigating statement for the AAA rating?

City Manager Walton said I'll take that one first. Technology – some places do put it their capital program, but it doesn't last 20 or 30 years, so in my opinion it belongs in the operating budget rather than the capital except in PAYGO funds. In fact, we do put it in PAYGO. But if you were going to bond it and, therefore, leverage it, I don't think it's a good way to do it. I'm not familiar with what Mr. Cooksey had proposed.

Councilmember Cooksey said later.

City Manager Walton said later, okay. We had factored in the appeals. The Tax Office and the City and the County are using the same assumptions – they came from the Tax Office – on the number of appeals, and it's significant. We have never been in a situation like this, so the only thing we know is it will be wrong, but we have tried to be very conservative as to how we think those appeals will come out because we can't afford to be too aggressive.

The last area is miscellaneous catch-all, several things. Every two or three years we seem to find ourselves in this position of fuel going up and down. Last year City vehicles traveled 46 million miles in the distribution of City services. Ten cents up or down is about a \$500,000 swing throughout the City budget, so there is volatility there. We have increased the funds, and I mentioned the revenue growth going to operating costs. A lot of it is going there. We have not increased it to where the price is now, so we are trying to find a middle ground that is higher than where we are in the current year but lower than the current prices, so fuel is something to be aware of, but we have always managed this when it happens, when fuel prices spike, and we'll continue to manage it in the future.

The stimulus police officers – as you know, in 2013, the second year of the two-year budget, we start inheriting the cost of those police officers, those 50 officers we added several years ago. That increase is on for the next several years, and we need to be very mindful that shouldn't sneak up on us, so we need to prepare for the second year of the two-year budget and on down the road for assimilating those costs into our budget. The same for the streetcar, although that is not in the two-year budget, and it's only in the last half of the last year of the next two-year budget, but that is estimated at \$1.5 million in 2015.

Insurance and risk I mentioned earlier. We are self-insured, and we are workforce that in the general fund is 64% public safety, and over the entire city population 50% public safety, so there is significant risk that goes along with that, and then we also have buses and trains and garbage trucks, etc. There are significant risk exposures for us. We have also had a number of issues, particularly employees over the last 18 months or so. Actuarially speaking those haven't hit us yet, but they will in the next year, two years, three years, so we need to anticipate where that curve is going and try to mitigate the impact of that as best we can.

Finally, technology again, just continuing to keep current with our technology investments. We have made a lot of progress in the last four or five years. As we have talked, that is something that over the ten, 15 years prior to that we did not do a good job within this area. We have not been very risk adverse. Technology projects often fail, so it's something we are coming to terms with inside our organization and need to just figure out what the priority order of moving forward is and how we are going to address that, and you have been very helpful over the last several years with significant dollars. The financial system is underway, and that process will lead us to a new procurement system and cost accounting in a couple of years. As I mentioned earlier, there are a number of customer service systems that we need to invest in and make it easier for the customer to deal with us and any number of others, so technology investments will be on there probably every year for infinity because that is the way technology appears to be going, but it's something we have not been good at; we are doing better at, and we are looking to really moving forward with it more quickly.

Councilmember Howard said are those type of investments, the technology investments, are those geared toward 311 at all?

City Manager Walton said, yes, sir.

Councilmember Howard said I went out and saw that. That is a great place, and I think they have a number of systems they maintain.

City Manager Walton said, yes, sir. Remember, they have 13 disparate customer service systems that they have to maneuver through. They would not be the end, but they are certainly going to be the means through how our customer service systems are improved because that is something that makes it very, very difficult, so that reflects then on the customer having to know which of those systems to access.

Councilmember Howard said a one-stop shop just seems to be the way to go with customers.

City Manager Walton said, yes, sir, we agree. I will turn it over to Ruffin unless there are questions for me. I will be glad to answer questions at the end.

Councilmember Barnes said, Mr. Manager, I wanted to go back to this issue of fuel costs, and I believe you indicated that the ten cents equaling half million dollars was exclusive of CATS.

City Manager Walton said it includes CATS.

Councilmember Barnes said we heard information from Ms. Flowers a few months ago about the increased costs in their budget where fuel is concerned, and I believe we purchase fuel as a part of some large group of bulk buyers; is that true?

City Manager Walton said uh-huh.

Councilmember Barnes said are we undertaking any initiatives to change the types of vehicles some of our employees drive, and I'll give you an example. I frequently see City vehicles. They look like Tahoe's and sometimes pick-up trucks that has nothing in the back of them, but there are people driving around, and I imagine they at some point put equipment or tools in the back. I don't know, but I'm wondering whether there may be an opportunity to save money by purchasing either hybrid vehicles or small engine gas-powered vehicles. Have we given any thought to how we deploy our vehicular assets?

City Manager Walton said, yes, sir, we spend a lot of time on that. Some of those could have been hybrids. I don't know which ones you might have seen. Before we buy anything, say a Tahoe, we do an assessment of what the need is. I think there is a needs-based process that would have yielded that result, but we are always looking at the fleet and looking at our fuel practices and how we can increase the efficiency in both. Relative to CATS, CATS does a great job on fuel of managing in the private markets. Where we really need to concentrate is more on the just regular gasoline for police cars, small vehicles, code enforcement cars, that sort of thing and how we can do that on a more consolidated basis.

Councilmember Barnes said speaking of the police vehicles do we know whether the new Dodge Chargers are more fuel efficient than the Crown Vics?

City Manager Walton said I don't know off-hand, Mr. Barnes. I know Crown Vics are going out of the market, and we have two choices: Dodge Chargers and Chevy Lumina or Chevy something, which are front-wheel drive and don't really work well for police, so we're down to having one choice going forward. We will get back to you on the fuel efficiency. Probably they are not very good because they are eight cylinders, rear drive vehicles.

Councilmember Carter said I have two sets of questions, if that's appropriate. Dealing with annexation, I assume that the assumption is the motion for the moratorium will not take place until July 1st or after that.

City Manager Walton said in the leading contender bill there is no moratorium. It allows things to move ahead, and ours is June 30th, so it would be under the current rules. If it were going to be July 30th, that's the one that we would have to do free water and sewer hookups for residents, allow them a vote, and I have forgotten the percentage that would have to approve it, number of restrictions, so it's going to make it very difficult going forward, but the current bill allows us to move forward under our current plan.

Councilmember Carter said the expense noted at the bottom is \$1 million cash reserve budgeted for FY12 and FY13 – that's \$1 million per year.

City Manager Walton said it's a million both because there is a million of revenue built into both.

Councilmember Carter said will there be income from servicing the other county as we were doing with our water service?

City Manager Walton said I think Cabarrus bought that system from us, but if we go out of county, they do pay us a higher rate.

Councilmember Carter said the other question I had was about the lump sum adjustment, and I applaud that consideration. Is it based on merit that the distribution of the lump sum will be based?

City Manager Walton said as long as you are at a certain level of performance it would just be a 1% lump sum. With 1% it's hard to do merit based.

Councilmember Carter said the other question that I had about that is the 80% performance of some of our less salaried employees. There was one year where we did extra compensation to bring that segment of our employees up to an 80% of pay in the market. Has that 80% held, or do we need to do extra adjustment?

City Manager Walton said in the interim between when we did that last and when we had reliable pay plans we made an effort at the bottom to make sure that the bottom stayed above that. Over the last several years, since this would be three years with one pay plan in three years, probably the number drifting below 80% citywide is going to be much greater than it has been before. Generally I think we need to handle those things through the performance based system. It's going to take us a while because of missing pay plans and the market to catch back up, but I think when we do catch back up, we need to stay caught up through the performance based rather than through an adjustment to a percentage.

Councilmember Carter said I do want to mark my concern about that area.

Councilmember Cannon said, Manager Walton, this would be under the employee compensation. Relative to the restoration of the 401k contribution from two going back to three, what is that number?

City Manager Walton said \$1.8 million.

Councilmember Cannon said the restoration of a portion of the reduced training budget what is that portion?

City Manager Walton said \$450,000.

Councilmember Peacock said, Mr. Walton, on challenge number three, employee compensation, my question is about your last point -- important to get back on track with next year's public safety and broadbanding pay plans. Can you explain a little bit further that slide where you were answering Ms. Carter's questions about the lump sum and how that interacts with the Mayor's Taskforce you have put in place now to start addressing the public safety pay plan?

City Manager Walton said I think as we go – we would go into a fourth year, Mr. Peacock. I think it's important to try to get back into schedule with whatever is appropriate at that time

based on the market. I think there is increasing stress on the workforce and within the workforce. I think morale is starting to be more of an issue than it has before. The markets are starting to open up again. There is more hiring, so I think for all of those reasons it's important plus we will have hopefully a new public safety pay plan that will come out the end of this year, beginning of next year, and I would like to make sure we can demonstrate good faith that we went through that effort to generate something that we could fund and make good on that. It is certainly not a given. It is never a given, but it would be a goal of mine to be able to reinstate that.

Councilmember Peacock said one follow-up question. Could you re-explain that slide again about the 1% lump sum and if this was done then that will occur. I didn't fully understand that.

City Manager Walton said if we can pay – if we did a full 1% in the general fund, it's \$3.5 million. If we can leave \$3.5 million with the taxpayers in the general fund reserve so that next year we would have a conversation about how to use that \$3.5 million, basically the payout would be no more than the money left with the city. That's my goal. So, with our budgets, as they have tightened, the amount over 16% has gotten smaller and smaller, so it may not be possible to achieve \$7 million of savings, so in that case, it would be prorated down. If it was only six, we would only pay out three; if it was five, we would pay out 2.5.

Ruffin Hall, Budget Director, said in the interest of time I'm going to modify my presentation a little bit and kind of skip through some slides, particularly some where I was going to give some more detail and the question and answer period with the Manager, you stole some of my thunder, so that's a good thing, but no need to go ahead and do it again. I'm the City's Budget Director, and the purpose today is to give you a little more background in some of the details of the Manager's recommended budget, and then when I get to enterprise funds, I'm going to hand it off to Barry Gullet, so he can talk to you about the recommendations associated with Utilities.

Just a quick reminder, the overall City budget both capital and operating including enterprise funds this year is about \$1.67 billion. There is a lot of attention often focused on the general fund, which is the piece that includes Police, Fire, Solid Waste, and Transportation. This is about 3.5% lower overall from last year's budget mostly due to the lapsing of the federal stimulus dollars that was approved as a part of the midyear adjustments during FY11.

The general fund, as a reminder again -- we have talked about this quite a bit – the general fund, which contains Police, Fire, and Solid Waste as your core services, single largest revenue source is the property tax and sales tax is your second largest source, so those two are critical when you start talking about looking at the City's budget. Expenditures, Police and Fire are the largest pieces of the expenditure side. Police, Fire, and Solid Waste together represent almost 80% of your general fund budget.

Sales tax – I'm doing this a little different order because I wanted to spend a little bit more time on property tax. Sales tax revenue, as you can see, is a little bit more volatile, it's correlated with the impacts of the economy, and you can clearly see going from '09 to '10 the impact of the crash in September of 2008. We went through two, perhaps three rounds of budget cutting since then, and it's now stabilizing a bit. This matches the conversation that Greg Gaskins, the Finance Director, has spoken with you about already that it doesn't look like we are going down any more, and it's moved into a period of somewhat slow growth.

Property tax revenue – again some slowing, but it remains one of our most important revenue sources as a slow and steady revenue source over terms as well as the importance of annexation. FY12 does include the annexation revenue in the estimate, and, again, we are looking at a stable revenue stream going forward.

Property revaluation – last property revaluation that was conducted by the Mecklenburg County Tax Assessors Office was 2003. State law requires that you have a revaluation at least every eight years, so this year was required. For the City's calculation, in 2004 the State law changed to better define how to do the specific methodology, so this year we are using that particular defined methodology. It's the same as the County is using, and it is also a methodology that was outlined by the UNC School of Government. This describes the process of determining the rate, using prior rate of increase, and then adjusting it to account for annexations, de-annexations,

mergers, etc. The detail of that calculation is in your book, and I can show you that if you ever had any questions about how that calculation was done.

So we are recommending a revenue neutral tax rate for FY2012. The current rate right now is 45.86 cents. We are recommending 43.7 cents, which is about a 2.1 cent tax rate decrease from the current year. The last thing on property taxes to mention before I go –

Councilmember Howard said if we left the rate where it was how much of an increase would that be?

Mr. Hall said, as the Manager mentioned, one cent is approximately \$8 million, so 17 roughly. Property tax revaluation also impacts your municipal service districts, and with the exception of one district, we are recommending the revenue neutral tax rate, the same as we have done for the city side funding, general fund, debt service, etc. I will mention that in just a second.

Councilmember Barnes said I believe you are about to answer my question regarding the South End tax rate, Mr. Hall, so I will wait and see if you answer it. If you do not, I will ask.

Mr. Hall said four out of the five districts the amount of the property value went up from the last revaluation, therefore, the revenue neutral tax rate would go down. For South End, the property valuation since the last valuation went down slightly, so revenue neutral tax rate can be positive or negative. Often in the context of our conversations, it's always going one way because the value goes up from year to year. If you do have an area where the value in an area or in this case a municipal service district goes down, in order to keep the revenue neutral rate, you would actually have to raise the tax rate from 6.68 cents slightly up 7.05 cents.

Because of the economic conditions and economic development interests, the City Manager is recommending that we keep the recommended tax rate at the 6.68 cents; in other words, keep the tax rate flat. The revenue is not dramatically different for that particular area, but we thought it was important to keep the tax rate flat instead of revenue neutral. Did I answer your question, Mr. Barnes?

Councilmember Barnes said I believe you did.

Councilmember Howard said it translates into the fact that there will be less money for what happens in South End this coming year; right?

Mr. Hall said less money associated with Charlotte Center City Partners, but it's some number around \$15,000, \$20,000. General fund summary – much of this has been mentioned by the Manager, so I will skip through the sections that are repeated. You may remember from your Budget Retreat in February we projected a \$5.4 million gap and the assumptions we had as a part of that projection are listed in front of you including the restoration of the 401k, the contribution to retirement, and a 25% rate increase internally for the risk fund because of some of the issues we were having. There were several changes associated with what happened from the February Retreat to now. Property tax revenue estimates got better than what we had originally had anticipated. We went through our normal budget review process and examining carefully salaries and salary projections, and we were able to generate some savings in salaries associated with normal turnover, and, as the Manager mentioned, HR did a great job in looking at our health insurance rates and made some recommendations, which Cheryl shared with you at your March Retreat as well as some rebidding that occurred on the prescription side and the wellness side that generated some savings, so we were able to save money from the Retreat.

As a reminder, I just wanted to mention several items that may be on your mind that were a part of last year's budget process going into 2012 that are items that either had an impact in the '12 and '13 budget or was a part of your deliberations and discussions that impact the 2012 and 2013 budgets. First of all, we recommended a reduction to the general fund contribution to Storm Water with a three-year phase-in, so that amount is increasing in 2012 by \$151,000. We are continuing the three-year moratorium or suspension of the neighborhood streetlight request, new neighborhood streetlights, to avoid additional cost associated with that. ImagiNon we had recommended a three-year phase-out of the maintenance funding. The total amount is about

\$283,000. Council voted to defer the implementation of that three years beginning this fiscal year that we are recommending, 2012, and then going into '13 and '14.

Councilmember Howard said on that streetlight situation, what happens when we lift that moratorium? Are we going to take over all the lights or are we going to phase that in or we just won't accept the ones that were put on line while we were off line?

Mr. Hall said we are talking about the petition process for neighborhoods to get new streetlights, and there has always been a backlog, so the question really just becomes a matter of resources – how much money can you choose to put into the program to go farther down the list and pick up those installations and utility costs.

Councilmember Howard said I thought it was also on new construction and the lights put in by new construction as well.

Mr. Hall said it depends on whether or not there is an existing developer agreement that was in place prior to the initiation of the suspension of the program. I can get you some more details about that. I'm not immediately remembering the rules about which piece it is. There will be a backlog though when it comes off – to answer your question.

School resource officers – this was a recommendation we made last year for beginning implementation in 2012. I think some of the confusion we had last year was there was a concern that we were talking about implementing it in FY11 budget, which we are currently in. The recommendation was to begin the implementation in 2012 to allow some time. I will take a moment to remind you of how this works because it is a little bit complicated for the purposes of refreshing everybody's memory about the City's proposal. Right now the Charlotte-Mecklenburg School System pays the City for school resource officers, and the current methodology for that is that FY11 current level. The methodology is 50% of 80% of the cost. The logic behind that that was invoked at the beginning of the program was that a police officer spends about 80% of their time in the school. They are out during the summer and vacations, etc., and that we would split that 80% cost 50-50. So you can see right now, CMS pays the City, about \$2.4 million to offset the costs for SROs.

Our proposal was to transition that to 80% of 100%, a full actual service allocation methodology so the schools were paying for 100% of the time when the officer was in the school. In order to mitigate the cost impact, the proposal was to do that over a three-year process. So for FY2012, this particular formula would say that the Schools would pay the City \$958,000 more than they did in '11. Then you can see the associated impacts in '13 and '14. If you add up the impact of that over three years, it comes to about \$2.7 million of additional payment to the City over that particular period of time. This is an actual cost based contract relationship, so these are estimates about what future costs might be. In other words, if you add SROs or if you increase salaries and benefits for whatever reason, then these numbers would change, but this is based on a projection of the current behavior.

The other impacted item I wanted to mention was school crossing guards. We are recommending elimination –

Mayor Foxx said, I'm sorry, Ruffin.

Councilmember Mitchell said I apologize. Let me go back to that discussion – SROs. How many are we actually talking about? Is that elementary, middle school, and high school? What's the total number?

Mr. Hall said it's middle school and high school. It's 48 police officers and one sergeant. There were 49 plus one sergeant, but they reduced by one when they had one of the schools close.

Mayor Foxx said do we know whether the school system has the capacity to replace that funding – to ramp that funding up?

Mr. Hall said my understanding is the schools as part of their budget request have requested to the County that first \$958,000 payment as part of their request to the County. Now then the

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question becomes what does the County budget do in terms of their response of how much funding do they give the schools. The County makes their recommended budget on May 17th, which is a week from tomorrow, and then we would know whether or not they intended to fund it as a part of their additional allocation.

Mayor Foxx said given how fluid things are let's suppose that the additional funding doesn't come through the County. Do we know what CMS will trade off to either provide this function, or will they replace it with some independent security force? Do you have a sense of what will happen?

Mr. Hall said I do not have a sense of that yet. My understanding is CMPD has had meetings and has met with the policing staff over at CMS and put these precise numbers in front of them associated with the contract proposal and they have had some dialogue. They have not responded beyond receiving the proposed formula change we put forward.

Mayor Foxx said this is going to be something we have to continue watching as we go through because there are a lot of fingers in the soup right now. It will settle out as we get further along.

Mr. Hall said I mentioned the elimination of City money for crossing guards for this particular budget year 2012. Again, this was another item we put forth for implementation this year. Then another item going forward that is worth mentioning is the loss of stimulus funding, as the Manager mentioned, \$3.1 million lost grant revenue by 2014. So part of the concept here is you have a three-year phase-out of federal funding for stimulus funded police officers and then we have a three-year phase of some additional savings and additional payments from CMS associated with those programs.

A couple of other position changes that I would just like to mention. We are recommending adding 13 response area commanders in CMPD to finish out the 39 response area commanders proposal that the chief had put forward as a part of his reorganization. We are recommending 15 officers to increase law enforcement allocations at the Airport. That is 100% funded by Aviation. That's not paid for by the general fund. We have an airport battalion chief also funded by Aviation, two positions for annexation and Fire, two positions in Solid Waste for annexation, and then five positions for Sanitation associated with minimizing safety risks. You are going to see some additional positions over here in this slide as well associated with risk management – another tort attorney paid for by the risk fund, and the five positions I just mentioned in Solid Waste, again, these are trying to address some of the problems we have had in our risk and liability funding from the prevention side, and on the legal side driving towards trying to get a handle on some of our risk management costs.

Business Support Services – one contract administrator. That's fully funded 100% by additional commission fees it's able to put forward by a proposal from Charlotte Cooperative Purchasing Alliance and two additional positions in procurement to address workload and compliance needs. You may recall that Internal Audit, Greg McDowell, came up with a report a couple of years ago about some vulnerabilities we had in our procurement function, and we believe these positions are necessary to address some of those deficiencies, and going forward the Enterprise Resource Planning, ERP, will also be creating some benefit associated with procurement, but that's a couple of years away, and we think there are some issues we need to work on right now.

The last is Neighborhood and Business Services – there is a deletion of eight unfunded positions due to the reorganization. There is no money attached to those positions, but it's cleaning up some frozen positions that are no longer going to be necessary.

Councilmember Mitchell said, Ruffin, go back to the Business Support Services procurement, particularly the comment funded by commission fees. Can you explain?

Mr. Hall said my understanding of this particular proposal is there is an alliance you can join and participate and consolidate purchasing practices, and as a part of that participation, you are able to get commission fees paid back to the participating units. It was one of the 54 cut items last year that we were looking at to try and increase our efficiency, so BSS went out and said how can we better address procurement without just having to add money directly from the general fund, and they discovered this particular commission option. Another way to look at it is if you

go out and you are able to get discounts with vendors, you can generate some savings that can pay for the cost of that particular person.

Councilmember Barnes said, Mr. Hall, back to the first slide on position changes. Regarding the 13 response area commanders, the comment says create lieutenant rank. Does that mean they otherwise would have some other rank?

Mr. Hall said the response area commander right now is a special assignment, and what this is doing is that we are going to be creating a new rank based on some legal situations that have been occurring on the HR side. If we go much further, I'm going to have to ask Cheryl Brown to help me out. Basically by creating the lieutenant rank, they will be able to clarify the specific role that the response area commander currently provides.

Councilmember Barnes said will it create increased costs for us?

Mr. Hall said, no, sir, because the response area commanders right now already receive special assignment pay. A couple of other general fund highlights – Solid Waste Services, \$300,000 for additional carts. This is not additional carts associated with the second recycling cart that is being currently piloted and considered. This is basic operating costs. We made some reductions last year in Solid Waste Services to their base operating and probably took some costs in some areas that went a little too much, and this is something as an ongoing expense they need to have budgeted.

Two hundred thousand for youth engagement initiatives. That's really Police Activities League and Right Moves for Youth, and we are recommending additional financing for capital equipment replacement for some Fire and Solid Waste trucks, and that will actually create some savings on the maintenance because some of our maintenance is much higher when the trucks get older, and this is another area that we cut pretty heavily the last couple of years, and we are starting to see the cost benefit not work so well.

The Manager already mentioned the compensation and benefits pieces, so I'm not going to repeat that. On the group insurance increase, we are recommending 3% overall. That was down from 8% at your February Retreat, and these are the same recommendations that Cheryl provided to you in March. We are increasing deductibles for PPO-A, increase out-of-pocket maximum PPO-A, and continuing our policy of retiree cost sharing, employee cost sharing depending on the market.

Transition to a buy-up. Cheryl Brown mentioned this again as a part of your presentation to create more of a distinction between those two plans. One thing I would emphasize is that if an employee selects a PPO-B based plan they will have no increase to their health insurance in 2012. Right now less than 10% of our workforce picks PPO-B, but if they do, they will have no increase in their health insurance. Significant savings due to the rebidding of prescription drug and life insurance and other cost savings that HR was able to achieve.

Capital investment plan – this is a CIP that has very few changes. We are leaving the \$6 million in debt capacity unprogrammed. We currently do not have funding for a bond referendum, as the Manager mentioned, and you do have some time to make that decision. Two hundred three point six million was the last bond referendum approved in November 2012. This is simply a chart that shows you the trend in the past of what our bond referendums look like, and right now we are not looking at a 2012 or 14 depending on future conversations.

Joint communications center – this is a project that is coming forward and being developed for a proposal next year. Right now it's in the program development stages, and it has got a lot of the occupants that are listed on the slide, and we are recommending doing the project scope and budget for a more specific proposal next year because at this point we don't have a hard number that we can give you because it is such a complicated building. We are doing a fire investigations building. It's a renovation of an existing building already on the site of the new fire headquarters, and we did recommend increasing the project budget for Freedom Drive due to some scope changes required by NCDOT.

Enterprise funds – no changes in rates associated with Aviation and CATS. Storm Water has a proposed 6.5% impervious surface fee, and Mr. Barry Gullet is here to provide you information about Utilities, and I believe there is a handout coming around that will give you more information about that particular proposal.

Councilmember Mitchell said, Ruffin, on CATS, I thought MTC did approve a bus rate increase for this FY11.

Mr. Hall said for 2012?

Councilmember Mitchell said yes.

Mr. Hall said I'm not certain. I thought they did not, but I -- for '13 or '12? Carolyn Flowers says '13, so I think it's FY13.

Councilmember Mitchell said so it's '13 for the bus fare increase?

Mr. Hall said yes.

Carolyn Flowers, CATS, (inaudible – not near a microphone)

Mr. Hall said I was just putting up the slide here for 2012.

Barry Gullet, Charlotte-Mecklenburg Utilities, said you just received a copy of the Customer's Guide to Understanding Rates in your bill, and I just want to point out that my presentation is really going to pull material from that, so that's what you will be seeing. I want to start out by a little reminder that we are in a transition year. I keep saying that over and over, but it's really true. First, we are still transitioning from a high growth to a low growth environment, and Utilities' budget will increase in 2012 to pay for projects that were started and underway when the recession started and before.

The map that we are showing you here and is included in the brochure shows some of the projects that have been built in the last decade that we are still paying for. We are still seeing increases in our debt service for bonds that were sold in 2009. Since we presented our budget information to you in March, we have been working really hard on how we structured that financing and the impact it's having on rates. With the help of our Finance folks and our financial advisors outside, we have been able to generate some reductions there that have helped us hold the rates down a little more than they would have otherwise.

The second transition that we are going through is transitioning over a several year period to be less dependent on borrowing to build capital projects and using more PAYGO funding. This graphic illustrates how 62% of our Utilities budget is going to pay for capital today. Less than ten years ago, about 55% went for capital. That's how quickly it has increased that much. That capital cost I'm showing here is a combination of debt service and PAYGO, so that's a combined number.

The last three years we have held the operating budget pretty flat, and we have absorbed operating cost increases by using money we saved through hiring freezes. We have fewer positions today than we did ten years ago even though our system has grown significantly in terms of the number of customers served and the number of miles of pipe we have. So the proposal for 2012 is to restore funding for 37 positions and eliminate about 50 other positions, unfunded positions, that we have been carrying in our budget. This will put additional crews in the field and help us keep up with maintenance at the plants.

The response time for repairing leaks has grown significantly this year, and this chart shows the average response time it took, but unfortunately many repairs took a lot longer than these. Restoring the crews that we propose still does not get us back to where we were even in 2009. It should reduce our maximum response time from about 12 weeks down to about eight weeks. That's still too long, but it's definitely a move in the right direction.

Finally we are transitioning to the new rate methodology that the Council approved at the end of February. This chart shows the current water and sewer rates and the proposed water and sewer rates for next year, and I want to be sure to point out here that the new methodology encourages water conservation in that customers who use the most water will still pay the highest rates for that water. Also, as we mentioned earlier, we have worked hard to keep rates as low as possible while addressing the service level issues and our financial goals. The revenue requirement that we are trying to meet is lower than the one that we have presented to you in March.

Councilmember Barnes said I wanted to ask a question. You may be about to address it, Mr. Gullet, but in case you are not, I wanted you to explain – I believe you and I may have talked about this – explain why there is no increase for Tier 4.

Mr. Gullet said Tier 4 is staying flat. Tier 4 is staying the same, and the reason is that in the new rate methodology the costs are assigned to the various tiers, so we are charging people for the costs that we are incurring to provide that level of service. Keeping Tier 4 at the same level continues to encourage conservation and it recovers the costs that we are incurring to provide water to those people who use the highest amounts.

Councilmember Barnes said it would strike a lot of people that folks who are using over 16 ccfs will pay the same thing they paid last year and will continue to use 16+ ccfs, whereas if that rate went up that might provide some incentive not to do so or a disincentive to do so. How would you respond to that?

Mr. Gullet said I would respond by saying again the rate methodology is based on charging people for the costs that we are incurring to provide the service, and this Tier 4 rate does that. It also encourages conservation. It's still the highest rate, and it's still more than five times the rate that people are paying for using a lot less water. So it still does encourage conservation, and it's not a punitive rate. It's based on recovering our cost of providing service at that level. We really do need people to conserve water, and that does that.

Councilmember Barnes said we talked a few weeks about providing an incentive to people who have outdoor sprinkler systems or irrigation systems to use a meter that is specifically assigned to the irrigation system, and I believe under that paradigm the rates would go down or up?

Mr. Gullet said remember the purpose of the higher cost for using more water is to encourage people to save water, so there are incentives in the new rate methodology that will kick in a year from now that will provide incentives for people to put in a separate irrigation meter, a back flow preventer, and a smart irrigation controller. The studies have shown that using that smart irrigation controller saves between 15 and 30% in water usage.

Councilmember Barnes said what is the incentive?

Mr. Gullet said the incentive is that if you have those things you would pay all of your irrigation water at Tier 3 rates instead of Tier 4 rates. Right now you begin paying irrigation water at a separate meter at Tier 3, and then after you pass 16 ccf at Tier 3 you pay Tier 4 rates. The incentive for installing that smart controller to save 15 to 30% of the water use is that you pay at the Tier 3 rates. We are also making it easier for folks to install a separate meter by spreading out those connection costs and by eliminating the capacity fee costs for those separate irrigation meters.

Councilmember Barnes said right now if someone doesn't have an irrigation system that is separately metered they begin paying at Tier 1, 2, 3, and so on at those rates; is that correct?

Mr. Gullet said that's correct.

Councilmember Barnes said from a marketing perspective I think a lot of people view an incentive as either a discount or money that goes to them, and in crafting this proposed policy I think it's important to make sure the incentive actually appears to be an incentive; if that makes any sense, because it would strike a lot of folks as a disincentive to say we are going to put you at Tier 3 when they may be at Tier 2 now depending upon the size of their lawn.

Mr. Gullet said if they are doing the irrigation through their domestic meter now they are probably hitting Tier 2 before they use any irrigation water. In other words, just their regular domestic use is probably going to put them somewhere between Tier 2 and Tier 3. They are also paying sewer charges on all of their irrigation water up to 16 ccf.

Councilmember Barnes said one more thing, and we are tight on time, so we will continue this piece later, but it is clear to you and I think many people who are following it that we have a very limited supply of water. It is getting dry already I noticed, and I think at some point we are going to have to face a situation where we actually implement rates that discourage excessive water use, and that's why I keep asking you about Tier 4. If people are using over 16 ccfs of water a month, there should be some incentive for them not to do so, and leaving the rates the same won't do that.

Mr. Gullet said I understand.

Mayor Foxx said we have three more. I will remind Council we are at 5:17, two and a half minutes past the time for starting our Dinner Meeting.

Councilmember Carter said two points of clarification. As customers use water, they move through the tiers in payment or do they pay at the final tier where they end up?

Mr. Gullet said they move through the tiers. The first 4 ccfs used are at Tier 1, and then 5 through 8 are at Tier 2, and 9 through 16 are at Tier 3, and everything above 16 is at Tier 4.

Councilmember Carter said the next question is are we looking at providing for the changes that the State Legislature is proposing for our service provisions for those who are annexed, the connections between the main pipeline and the houses?

Mr. Gullet said that is an area that is in such a state of flux at this point that it's hard to predict where it's going. If we are required to provide free connections to annexed households then that will have a ripple effect throughout our system, and we have not completely assessed the full impact of that at this point.

Councilmember Turner said can you tell us what tier the majority of our citizens fall in currently?

Mr. Gullet said 75% of our customers use 8 ccf or less, so 75% are in the first two tiers. That's on average throughout the year.

Councilmember Turner said can you explain to us have we changed our policy to allow citizens who are not connected yet to City water that have access to it but have not chosen to connect due to our costs of their connection? Have we changed our policy yet to allow them to pay in a monthly water bill installment?

Mr. Gullet said that will begin on July 1. That was part of the rate methodology change that Council approved.

Councilmember Turner said that's for everyone? I'm talking about residential. Is that residential or business?

Mr. Gullet said residential, yes.

Councilmember Cooksey said by way of note about conservation rates and the impact of Tier 4 consumers as raised earlier the last chart I saw indicated that roughly about 8% of our customer base ever makes it into Tier 4, and the Tier 4 customers account for about 24% of Utilities' revenue. That is including what they use on Tiers 1, 2, 3, and the like, but an impact of creating a rate structure in which very few or no one reaches Tier 4 is that we have to recover the revenue out of Tiers 1, 2, and 3. Just wanted to add that for consideration.

Councilmember Dulin said I also want to point out that those 8% of our customers that do make it to Tier 4 are paying us full price for that water. They are using it, but they are paying us for it,

and in most cases, we are not having to spend anything reclaiming it or recycling it back into service. That water, if it's used in a swimming pool, evaporates, and they fill it back up, and it's not costing us. Once we sell it to them, we don't see it again in most cases, so it's not costing us anything to reclaim it. In most cases from Tier 1 and Tier 2 and the stuff, we are selling that water twice.

Mr. Gullet said the chart I have on the screen now shows the impact of the rate change various customers. Depending on how much they use, the impact will be different. Most customers are going to see between \$3.99 and \$4.59 per month increase in their combined water and sewer bill. The highest increase that any residential customer will see will be \$8.99, and even though the water rates are going up for all customers, because of the lowering of the sewer cap there are some customers that will pay less in their total sewer bill, so that nets out the largest decrease will be \$25.49, and, again, that's because they are not paying for sewer service that they aren't receiving.

I wanted to show you a comparison of Charlotte's rates to other cities. This compares Charlotte's rates to the 2011 – to this year's rates for these other cities, and we stuck both Charlotte's this year and next year rates in here. The message is that our rates are still very much in line, very competitive with cities all across the country. We have seen a report in the last couple of weeks that would suggest that the average rate of increase across the country is about 9.4% for water and sewer utilities, so we would expect that most of the other cities on this chart will have increases next year as well.

Finally, I want to talk about communication, and communication and transparency are critical to the well-being of Charlotte-Mecklenburg Utilities, so this year we are publishing a customer's guide to understanding rates in your bill. This should be on the cmutilities.com Web site right now and will be widely distributed over the next few weeks. It's going to be inserted in some weekly newspapers. It will be emailed out to HOAs. We are going to have a water bill insert that captures some of this information, and we will be also distributing it through the other cities, the other Towns, and the County's distribution means as well. A lot of effort into communicating the change, the need for the change, and the impacts it will have. With that, I will turn it back to Ruffin.

Councilmember Turner said before you leave could you answer this question. In regards to those tiers, let's say Tier 3, the customer base that use and generally fall in Tier 3, let's say they fall back into Tier 1 and 2. Are we prepared under your new proposed rate chart here, will it capture the loss?

Mr. Gullet said forecasting sales is one of the hardest parts about setting rates, and that's one of the reasons we weren't ready in April. We were watching the weather. The weather has a big impact on that and people's usage patterns. We have seen consumption decrease. After the drought, people did change their behaviors, so we have made what I think is a very conservative projection for sales. We have increased the consumption in Tiers 1 and 2 by 1% based on the number of houses that we are going to be acquiring in the annexation area. Otherwise, we are leaving the consumption forecast pretty much the same as it is this year, so we think that's a conservative way to approach it. The uncertainties of weather and economy certainly play a role in there, but that's what this is based off of.

Councilmember Turner said based on what you just said is it for me to assume that you have indicated no because if that's the fact I'm going to give us the best solution. I'm going to say the weather is going to be good and we are going to get decent rain, and folks because of the cost are going to become more conservative in Tier 3. They are going to fall back into 1 and 2. We are going to come up with a shortfall like we did when we had the drought. Will we be back here next year saying we need another increase because we had a good year – good meaning that people didn't use. It's a pay as you go, so if they don't use it, they don't pay for it. That's your whole concept here; right?

Mr. Gullet said there is never any guarantee about how much water people are going to use. We believe that the assumptions we have made are reasonable. We don't believe the changes in the rate are going to substantially how many people are in Tier 3, so the biggest variable will

continue to be the weather, and, again, we have made assumptions based on what we have seen in the past and what we believe are pretty conservative in terms of the customer growth.

Councilmember Turner said did we do an account for how many citizens filed for permits to drill for wells at all? Did we get that information at all?

Mr. Gullet said no.

Mr. Hall said next steps – budget adjustments meeting on May 18th. I would like to emphasize to the public the budget public hearing will be in the Council Chamber at 5:00. In the past, that time for the budget public hearing has been 7:00, but this year the time is a little bit different due to some scheduling impacts, so budget public hearing is in this room at 5:00, straw votes, and your budget adoption.

Contact information, if anybody has any question, it's on our Web site as well as they can give us a call. Thank you's. I'd like to thank the Mayor and City Council particularly members of the Budget Committee. The Budget Committee worked really hard this year on several items and produced a lot of information and really did a great job, and it was a pleasure working with everyone. The key business executives, Corporate Communications, and Marketing, Finance, and Human Resources staff, all those folks really help a lot. We have contacts in every one of our key business units, and I must say perhaps most importantly the budget evaluation staff members in our office, they are the ones that really do all the heavy work, and we get to come and present the present with pretty bow on top.

Mayor Foxx said thank you, Mr. Hall, and thank you, Mr. City Manager. I think one of the unsung groups of people in this community are the City staff, who have not only worked hard to build a budget that really shows why we are a AAA bond rated city but also the hard work that goes on behind the numbers. We have done an awful lot in the last year, year and a half, on different policies and other things, and I just want to say on behalf of the Council – I think all of us agree – that we have a great staff and we are very proud of what you all are doing.

Let's go upstairs for our dinner meeting, and we'll be back down in a few minutes.

The meeting was recessed at 5:11 p.m. for the Council to go to Room 267 for the regularly scheduled Dinner Briefing.

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DINNER BRIEFING

The City Council of the City of Charlotte, NC, convened for a Dinner Briefing on Monday, May 9, 2011, at 5:43 p.m. in Room 267 of the Charlotte-Mecklenburg Government Center with Mayor Pro Tem Patrick Cannon presiding. Present were Councilmembers Michael Barnes, Nancy Carter, Warren Cooksey, Andy Dulin, David Howard, Patsy Kinsey, James Mitchell, Edwin Peacock III

ABSENT UNTIL NOTED: Mayor Anthony Foxx and Councilmembers Jason Burgess and Warren Turner

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ITEM NO. 1: MAYOR AND COUNCIL CONSENT ITEM QUESTIONS

Mayor Pro Tem Cannon asked if there were any Consent items.

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ITEM NO. 2: SIDEWALK RETROFIT POLICY UPDATE

Ron Kimble, Deputy City Manager, said we have a presentation tonight. Danny Pleasant will lead off and give a few brief remarks on the sidewalk retrofit policy update. It's something that has been in committee. Then he will call on Vivian Coleman of CDOT staff to give you more details about that policy.

Danny Pleasant, Charlotte Department of Transportation (CDOT), said in 2005 the Council adopted a sidewalk retrofit policy as part of its efforts to build a more walkable community in Charlotte. He began a PowerPoint presentation entitled, "City of Charlotte Sidewalk Retrofit Policy Update," a copy of which is on file in the City Clerks' Office. Vivian is going to give you some responses to those lessons that we have learned over the past few years and ask for your concurrence in a future Council meeting to the policy changes that we are about to make, and we are making a rather wholesale in the way we pick projects and apply those projects and use a petition process.

Vivian Coleman, Charlotte Department of Transportation, said I echo many of the comments that Danny has presented in the past few minutes. The sidewalk program has gone through a pretty huge evolution over the past few years – six years roughly – that we have been using the policy that was adopted in 2005. Tonight we wanted to talk a little about updates to that policy and let you in on how we are going to make those a little more simple for everyone in the room. That includes residents, the Council members, and the staff by adopting a new or amended policy. So, we'll talk through a few of these items this evening.

The Transportation Planning Committee has spent the past few months reviewing the policy amendments, and we have spent some considerable time talking with staff as well to work through how we wanted to make the changes to the policy. Our goal is to build a more walkable community. I have to thank the Mayor and the Council for empowering staff over the past few years for working to become a more walkable community and allowing our staff to do that because if you haven't heard yet the City of Charlotte was designated a walk-friendly community, a national designation, at the bronze level by the Federal Highway Administration, so we have won a pretty big award and that's because of the work we have done over the past few years and the work we'll continue to do. We are doing many great things for our walkers now, but we still have more work to do, and to continue to build sidewalks through the bond programs or other programs are important in making Charlotte more walkable.

Who constructs sidewalks? It's really a number of partners that help us out. Part of that are private land developers who are building new developments and subdivisions. Many of this are capital programs and projects that we play a key role. About 100 miles of sidewalks have been built through the City's funded programs, and that's quite a few miles over the past five years. The policy will focus on gaps in the sidewalk program that focus on these three City programs: CDOT Sidewalk Program, the Neighborhood and Business Services Neighborhood Improvement Program, and the Planning Department's Area Plan Program. Those are the programs that we hear from the public the most on, and we wanted to incorporate those three programs into one under this policy umbrella.

We learned a lot of lessons, and I know I talked with a number of the Council members over the past few years and worked through the design decisions, worked with the public, and within that we really have listened to and heard from the public and our residents. We have been to a huge number of public meetings to understand how we could craft this policy and make it better, make it more flexible, and include more public involvement. So we are working to be more consistent in the program so that it becomes seamless. Any time someone calls about a sidewalk, they call CDOT and they expect that the sidewalk is the City's, so we don't see the different programs that are building these, so the idea is to get us under one umbrella.

There are three primary policy recommendations that are included in the recommended policy, and these will simplify the process. They will increase public input early in the game; not late in the game, so at the start of the project and shortly after design, the residents will have the ability to provide it to us so we can make some design modifications and provide that flexibility that some of you have asked us about. It will also get property owners on local and collector streets

the ability to decide for themselves whether they support a sidewalk on their street or not as we move to a more petition-based approach.

With the increasing public involvement, as I have said, we have learned a lot from residents that getting input late in the game isn't helpful to us, and we spend a lot of staff time, resources, time of the management and time of the Council members, so we want to get that public involvement up front. We have been doing this for roughly two years now. We hold two meetings at a minimum. The initial public meeting gives a concept overview of what the project could look like. We talk about why we want sidewalks in the city, why we are trying to be more walkable, and then we conduct a second meeting at 30% design. At both of these levels, the public has the opportunity to provide design input and let us know what they think about planting strip widths, trees they would like to try and preserve, slopes, driveway concerns, building setback issues, so we really get in depth with the public now.

Councilmember Cannon said as you are involved in the general public how much of their feedback is being incorporated into what it is that they would like to see in their particular neighborhood?

Ms. Coleman said I would say we moved to a really listen to the public type of approach. There are desires to have planting strips for buffers and things like that to have a safe walking environment. But also, too, I would say we have really taken a different approach in letting the public determine what kinds of planting strips they are looking for, what type of street trees they might want, whether they do have issues with the driveways with slopes, and each is individual. Some have more input than others, but that input is all taken into consideration in the design. At this 30% design, we would bring those concepts back to the public.

Councilmember Cannon said let me tell you what I'm finding. I'm finding that in some cases, although at least in one particular area of the city, the people that are engaged in the community meetings are being asked in some cases, well, would you like to have a planting strip. Well, it sounds nice, but conceptually they don't really know and/or understand what that design might look like, and, secondly, how wide that sidewalk now will become, and as a result the road, in one case where I went by to drop someone off yesterday at home – this older lady – the driveway or the carport is literally right up on the street now. This person at this residence will actually have to pay for getting rid of their carport.

The other piece of that is that there seems to be – I want to know about the level of communication so that people are clear, the residents are clear, about the information they are receiving. If it's being suggested that no cutting of trees, mature trees, 40 years, 50 years old, will not be touched on one side of the street, why is the City in turn moving forward or have Duke be involved, or whoever it might be, going in and plowing those trees down. That's number three. Number four, there being mounds of dirt being dropped in a person's yard without them okaying it or anything else, and it's being utilized for a place where the workers will go two to three weeks later to start on their project. It seems to me there is a real breakdown in communication. I have spoken to on one street as of yesterday, on Mother's Day, about ten mothers who were not happy as they could have been on Mother's Day when they started talking about that issue, and I want it to be known that in some areas I really hope that we will raise up and pull up from what it is that we are doing. The pipes or concrete pieces are in their yard, and I'm concerned that they don't know the extent of what this design will ultimately look like until to what I heard you say a moment ago or a statement you made – until it's too late, and they don't know what it means when you say a planting strip. So I put that out there for whatever it is. I have touched base with the district representative. I know they are engaged, and I'm just real concerned, and I hope we will put the brakes on in some of these areas to make sure people really, really know what they are going to get and what they have asked for.

Ms. Coleman said a couple of points to that, and I'm not familiar with the exact street that you speak of, but with the new process we will do an initial meeting and second meeting – what's called photo-shopped images. We will show the public what their lots could look like, and a picture is worth a thousand words, so it's really going to help us in the long run. A few years ago we weren't doing that type of thing. The 30% design, the residents will have the opportunity to see where the sidewalk would lie within any of their property or in an easement, and then the

staff will offer to go out and meet with residents and show them where the sidewalk is proposed to lie. We want to get the residents engaged early and show them what is going on.

Now, the instances you brought up about the piles of dirt and concrete and things of that nature we would have to talk to that project manager directly and see how the inspector is dealing with the actual implementation of the project. There may be – I don't know if there is a breakdown in that particular part of the system, but overall with the public involvement, the images show, the plats show so the residents can see what is happening on their lots and site visits.

Councilmember Cannon said make sure they get a clear picture because I'm certain that if this guy that has this carport that is now going to have to remove it. You saw that picture. I doubt that picture would be worth 1,000 words to him. So the streets have already been identified. I will just leave it at that. I think it will be circling back around, and I'll be happy to share the streets if I need to.

Ms. Coleman said we need that. Thank you for your comments on that. With the new policy, literally two meetings will be held to move through the process. Recommendation number two deals with the use of petitions. We have been relying on them much more heavily than we have before. Under the existing policy, we included a tier system, and the tier system got a bit confusing for some of our residents. They thought the tier system applied to other programs, and it was really just solely the sidewalk program. Again, another reason to bring the consistency of three programs into this, so it became challenging.

Sidewalks gaps, as Danny alluded to, on thoroughfares are critical, and they are the highest priority out there due to the high speeds, volumes, transit needs, land uses. Safety and comfort of pedestrians on thoroughfares are very important, so we want to continue to move forward with thoroughfares without a petition as is in the current policy but include those public meetings so we can get feedback on that. So we need to continue on those gaps.

The current policy also requires petitions on local streets that aren't near a school or a park, and we found that process is working very well because it gives the neighborhood, the street, ownership of whether or not they support the sidewalk or not, so that process is solid and we would like to continue using that process, and at least 60% of the property owners on both sides of the street have the opportunity to sign or not sign to validate the support for the petition.

Now, for locals and collectors, we are changing our thinking, and the thought process is that we would like to move more to a petition based approach so we can build the sidewalks on thoroughfares more so in those critical areas and then allow residents more of the opportunity to sign or not sign a petition with locals and collectors. So for those streets, we have tremendous public input, and I think that is what has led us to believe that the petition based approach is the most approvable approach for our residents. I think I worked with some of the Council members on this. They essentially want to vote on their local streets and their collectors where they are single family type streets, so this is important, and we listened and we did agree that those types of streets should be able to petition. But, and there is a "but" to that, there may be a need for a sidewalk on a street that is a local, and we would like to use what we call "reserved authority" for that.

The Transportation director already has the ability to implement sidewalks projects under the City Charter to move them forward. This authority within the policy reemphasizes the director's ability to exempt a proposed sidewalk from a typical procedure, and staff feels the authority is very important to include in the policy and to include in general, and it would provide that extra level of flexibility where a project is critical for reasons listed here. You can see high traffic volume, perhaps there are pedestrian safety issues if crashes occurred on a local street or collector street, and other unforeseen circumstances that may just come up that we need to discuss, so we want this reserved authority to be included in the policy for that just in case type of approach. This provides us with a system of checks and balances so critical projects are constructed. The decisions will not be made in a vacuum, and our department will check with the other departments, if that is applicable, and we will check with the City Manager's Office as we decide which ones are petition based or are not. We want you to know that reserved authority will be used on a limited basis, just occasionally used, but it might be needed on occasion.

The next not so much a recommendation but a consistency is to incorporate those three programs that I spoke about, and that is really when residents are notified of a sidewalk project or when they see them being built on the ground they think of the City. They are not thinking about different programs, and that's important because they contact the pedestrian program manager in many cases, and that would be me, and I have to talk to the Neighborhood Improvement Program or the Area Plan Program and get together with them. So, staff got together a few months ago and decided that these three programs were the programs that the public spoke to the most about sidewalks, and we should have a seamless approach to provide a common ground on which streets would require a petition or not and then follow that same process, so there is that seamless petition process. So this would fall under the sidewalk policy umbrella, and our staff and our Council members and our residents, it will help all of us to ensure consistency.

With the next steps, June 13th, we are planning to come back to the full Council at a Business Meeting and take action on the full policy, and the full policy will be in packets. Then we plan to implement this policy on our future sidewalk projects.

Councilmember Cannon said I just wanted to add this piece. Thank you for your presentation. I think there are some good recommendations in here for consideration for us to move forward. The areas that I have been referring to, several streets. The good thing there is, one, the project hasn't gotten so far along where reconsideration could not be given, in my opinion.

Ms. Coleman said that sounds perfect.

Councilmember Cannon said it may be – I guess this would be the ask that we kind of double check after speaking with the district rep with those folks again to ensure that they are okay or not okay with that planting strip, and, again, if the design of it has changed – sometimes the design can put it a little bit closer to one's home than what they would like, so the feedback I have been getting is we love sidewalks. We want to have a sidewalk, but we can really do without the planting strip largely in part because the homes that are there – you will see some of the loveliest homes have flowers and other levels of vegetation. You heard me mention the mature trees and so forth and so on, but when a tree has been there for decades and then someone comes and cuts it down that can cause concern for some folks and especially for us as much as we, the City, will go out here and cut trees down and charge them a few thousand bucks to pay us back for the error they made. I would love to be able to catch you before you leave with the district rep and give you some of those streets.

Ms. Coleman said absolutely. I would be glad to talk through those. We have done this kind of thing where we have checked in later in the day just because of the way the process has gone, and we hope to clarify that and change that with the new policy.

Councilmember Carter said, Ms. Coleman, thank you. You have a really tough job, and I'm very grateful for what you do. We had a discussion about this in Transportation Committee meeting today, and this has been something I have been mulling over for some years. We establish streets in priority lists, and there are reasons why we establish them, but they are usually in a close bunch. What I would recommend to the City is that we go ahead with those areas where the sidewalks are wanted so we are not using rare resources, fighting with citizens who really don't want the sidewalk, and if there are some that want the sidewalk who have the similar priority, let's go ahead with them, and that way you establish the value of the sidewalk throughout the city. That, to me, is something that we can have that flexibility that you speak about.

I truly appreciate the priorities listed on page 5 – that reserved authority. I am concerned about two points. I agree with you wholeheartedly in your priorities listed here, but you say factors including, and that implies to me there are other factors that are not mentioned, and I would very much like to see what those other factors are because that concern me. Also, if we have the capacity for doing sidewalks on one side particularly where there is an objection, and the other factors are made.

Mr. Pleasant said the answer to your first question is the policy guidance that we are asking you for is to make sure the projects are done on local streets and collector streets are ones that are

wanted. On the thoroughfares, to me, that seems a bit more obvious because you do have traffic and speeds and land uses where people are more likely to want to walk. Whether we have sidewalks there or not, if there is a bus stop there, people are going to walk to it, or if there are stores there. So we want to accommodate those. I think we have achieved the objective of having more permission from residences.

Now, for the reserved authority piece of it, we did not want to withdraw completely from our ability to build a sidewalk to a school or a park or any other destination where there may be a safety problem even though it may be on a collector street or local street. So we left that ability to have that flexibility. You have been a part of this for a long time. You know that none of these decisions are ever made in a vacuum. They are always made collaboratively with residents, with other departments, with City Council members, district representatives, and it tends to be a long process, and none of these things are made exclusively by me or any of our staff without full consultation and a lot of input from a whole lot of people.

Councilmember Burgess arrived at 6:08 p.m.

Councilmember Dulin said I'm sure we all are involved with Vivian, but I really have spent a lot of time with Vivian, and I appreciate the work she does for us, the follow-up work behind her and these project teams, and a lot of these things you folks know. Everybody is for a sidewalk until they find out it's on their side of the street. Oh, man, I thought it was on Jim's side. Wait a minute. That changes the deal a little bit. The planting strips, Mr. Cannon, are always a tough situation, a tough part of the equation. This Murrayhill one that we have been working through, and we just passed the last of the condemnations last week, five-foot planting strip is – y'all voted the Urban Street Design Guidelines in, and they say big planting strips.

I think it's sort of funny that this presentation says eight-foot planting strips on major thoroughfares, and all of these first couple of pictures they have on here are two- and four-foot planting strips in their own pictures. There's one major road here that has got a two- or three-foot planting strip on it. Urban Street Design Guidelines say eight feet. We have got Murrayhill Road, which is very residential, it's five feet. We got it down from – we got one reduced on Fairview Road from eight to six, I believe. Well, six-foot planting strip and six-foot sidewalk, something like that – five-foot sidewalk, but we are fighting – those of us that are on the ground are fighting for inches in these folks front yards. Then again, the USDG says big planting strips. I thought when I voted against the USDG that this kind of thing would be intrusive into people's homes, and sure enough it is.

Let me add one more thing, Mayor. Danny and Vivian and his crowd, they have been flexible in some cases. They have bent as much as I think they thought they could. I wish they could have done some more in some places, but there is some flexibility built in there. It's not as rigid as it might have been once.

Councilmember Barnes said I wanted to begin by saying that – and this should be obvious – but there is a lot more to the USDG than sidewalk and planting strip widths. One of the things you may recall, as you voted against it, Mr. Dulin, is that we asked staff, directed staff, to make sure that they respected flexibility in implementing the policy in the ordinance. Unfortunately you guys weren't there for my two-hour meeting one night, and people from his staff were there, but somehow CDOT wasn't involved, and it's a situation where we are retrofitting a neighborhood, and we are trying to link the neighborhood to the greenway and link it to a future north corridor light rail stop because it's within the SKIP area. So people are saying you are going to be taking up 14 feet of my property – eight-foot planting strip and six-foot sidewalk. I don't want it.

A lot of the people – I'm going to get to an issue in a second – a lot of the people who are saying it don't live on the streets that are affected. They live in the neighborhood. With regard to including the voices of the minority – because what I have discovered because of the emails I have gotten – is there is a silent probably majority in the neighborhood that actually wants the improvements because I have gotten the, "I don't want to walk my baby in the street. I don't want my children running in the street. I want sidewalks." Then I get folks who have been around for a while, some of whom are on the affected streets to say, look, you are taking 14 feet of my property – leave – and it will bring crime and all these other things. By the way, it's not neighborhoods that Mr. Cannon referred to.

Mr. Blackwell and the folks who report to him and the County folks who were there as well are aware of the need to work with this neighborhood because they are of the impression that they can get three-foot sidewalks and two-foot planting strips, and that's not the current policy. It looks like we are about to amend the policy. If we approve these amendments in a few weeks, will it apply retroactively or for projects that are initiated after the approval date?

Mr. Pleasant said you are not adopting standards. You are not adopting planting strips or sidewalks. We have done that. As far as that is concerned, we have to start somewhere. The USDG give us a good framework to start with, but we have to recognize that after doing this that when you are doing retrofit projects trying to fit in a project in an existing context, we need to honor that context as much as we can. We always champion a planting strip. It may be narrow or it may be wider. We advocate for that planting strip. We are building some behind the curb where we have no other choice. Park Road is going to be by the curb, but it is going to be a little bit wider sidewalk to make people happier.

Councilmember Barnes said for the sake of time, though, you are not answering my question. Will it apply retroactively or not?

Mr. Pleasant said we have been using these principles administratively all along. We have been having more public meetings, we have been using the flexibility all along, so what we are asking you to do is affirm the policy framework, the practices we have evolved to over the last few years. The work we have been doing, the projects you see now, are benefitting from more flexibility, more public meetings. Some of them that are locals and collectors if they were selected under those criteria may not have gone through a petition process, so we are probably not going to back up and do petitions once the project is to a certain level of development.

Councilmember Barnes said let me say this to you, too. A lot of us have been catching heck over the 14-foot issue. I heard Patsy talk about it, Andy has talked about it, I have been talking about it now, and Councilmember Carter, I believe, has talked about it, and you have got some issues, too. So we have all discovered the issues around the city, I believe, and with my area, it is the older parts of my district that are having some issues. I don't know if Mr. Cooksey is seeing any because a lot of his district is reasonably new, but in the more established parts where we are retrofitting that seems to be where a lot of the conflict is arising.

I remember one of the streets in your neighborhood, Patsy, where we were going to be pushing the sidewalk right up to the front steps, and we talked about how to avoid that, so there does need to be, in fact, and what Mr. Cannon has talked about – I wish you could talk about the detail of it. It is actually offensive in terms of what we are doing to these homeowners, and we shouldn't be doing it. We just need to make sure that you all are hearing us. By the way, during that two hours last week, I explained to people that we adopted that policy, the USDG, and I said this is why it's six and eight, and we can try to go down perhaps to eight and seven or eight and six or whatever the number may be, but the people who elect us don't get that or don't want to hear it, and, hell, I don't blame them. If you came to my house and said I am going to eat up 14 feet of your front yard, I would be a little hot, too. So, I'm not too sure that I blame them for being essentially angry. You were there, Jim. We were in a church, thank goodness. I understood what they were saying, and what I ask our staff folks to do is let's find a way to meet the needs of connectivity for the sake of the northeast corridor and the greenway system yet respect these people's property rights and interests.

Mr. Pleasant said sometimes it's difficult to unpack, but the USDG are intended for new development and projects we are working on through a capital program that is an entire new roadway project. We use the guidelines as guidelines – not as hard and fast rules. Retrofit projects we are going to do our best to fit that retrofit and honor the context of the neighborhood or the area. I think you will agree – I can't think of any case where if the need has been expressed to us and the concerns have been expressed we haven't found a way to work that sidewalk in. We are not going to please everyone, but to please enough people so it looks like a worthwhile project. We have walked away from a few projects that people just did not want, and we move on to the next project, and I think that makes a lot of sense. We have scarce resources to not get hung up on forcing a project through that is very unpopular in the area.

Councilmember Kinsey said I have a lot of old neighborhoods in District 1, so this is probably a big issue for District 1 and me. I have to say after the first time – well, one of the first issues I had after being elected was a sidewalk on – it's in Plaza-Midwood – Tamwood, I think. Anyway, and it was what you described – 15 feet, and it literally was at their front door. I have to tell you ever since that time, and I don't know who I dealt with then. That was before Vivian came, but they backed down. They wanted the sidewalk. They just didn't want it at their front door. But, y'all have been great to work with, and I really appreciate that. You have been very flexible as far as the projects in District 1 are concerned. It's been a pleasure to work particularly with you, Vivian.

Councilmember Cooksey said I actually have worked with Vivian some but nowhere near as much as others have due to a variety of factors. One thing worth noting on this and worth remembering. The policy is just about our retrofit. We are not talking about changing the requirements for developers to build on both sides when they build a new subdivision; right?

Ms. Coleman said yes.

Councilmember Cooksey said that has been in place for 13 years now, and that's one of the factors that affects south Charlotte with the growth that has occurred in the new developments, and I suspect Councilmember Barnes is seeing at the northeastern portion of District 4 is we require sidewalks on both sides for anything built new, so we have a good clump of citizens who get a) no choice in the matter because it's being built before they buy in, and, 2) they get sidewalks on both sides. I don't know if anyone wants to take that as a concern, but our policy just talks about sidewalks on one side of the street for collectors and local streets; not two. But what I have sensed from some of the discussion is why double the headache by going in that direction, but our standard development direction now keep in mind the sidewalks on both sides.

Mayor Foxx said great presentation. I feel compelled to say this because I think, Vivian, you were just promoted, so you will no longer be our pedestrian coordinator; correct?

Ms. Coleman said that's correct.

Mayor Foxx said we are sad to see you go, glad that you have moved up and out, but I know we will be finding ourselves with a great, new pedestrian coordinator, but you have done an exceptional job, and you have always been very pleasant to work with, so thank you for your service.

Ms. Coleman said you are in good hands with the new pedestrian program manager. She has been on board for about two weeks now, you will have the opportunity to meet her shortly.

Councilmember Dulin said, Vivian, what is your new job?

Ms. Coleman said I'm a Center City transportation program manager, so I'm inside the loop now.

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ITEM NO. 3: QUEEN CITY FORWARD FUNDING REQUEST

Mayor Foxx said one of the things that I know all of us are focused on is on job creation, and one aspect of that, one sliver of it, has to do with entrepreneurship. We have done a lot over the last year and a half to promote better access by entrepreneurs including the access to the capital conference that will be happening in another week or so that we are supporting and supported last year including revisions to our loan programs and so forth. Another initiative that has come forward as a possibility for us to get involved in is this Queen City Forward initiative. In the interest of full disclosure, I have agreed to be part of the leadership of this effort, so I want to disclose that at the outset, but I think as you hear more about this it is going to hopefully be pretty exciting to you.

Brad Richardson, Neighborhood and Business Services, said before I start, I will make two quick points. At your table is a copy of a funding request that we have received from this organization – Queen City Forward – and attached to that is a color copy provided of a similar strategy and information about the process and strategy for Durham called Bull City Forward, so you will hear that referenced throughout the presentation. The second thing I would like to say before I begin is that we are joined tonight by Sharon Blumberg, who is working closely with Queen City Forward to enact the plan. Sharon can join me for questions that I am not able to answer about the initiative.

What is Queen City Forward? I defined it the best I could here today, and Ms. Blumberg can give you more detail than that, but it's a community initiative. It's really about social entrepreneurship, increasing the population in our community. A social entrepreneur is a little different than a traditional high growth entrepreneur or a small business lifestyle entrepreneur. They focus on three things often called a triple bottom line. It's not only financial growth, which is common to all entrepreneurs. They also focus on environmental sustainability and social impact. Sharon can talk about that and maybe give you a couple of examples.

Here's the request. They have asked for our support to the tune of about \$50,000 to help the development of a six-month strategy. I will amend the second bullet a little after talking to Sharon. Sharon says that the original request of 50 was to support a \$200,000 plan. She tells me tonight that the number has dropped a little bit because they have gotten some in-kind donation from Packard Place for some space, so we can talk more about that, and they are also looking for other support for that plan as well.

Councilmember Cannon said how far along the line are they with these grants they are seeking from Duke Energy and Advantage Carolina and the Foundation for the Carolinas?

Mr. Richardson said I'll defer to Sharon on that one.

Sharon Blumberg said we have put an ask that is currently on the table at Duke Energy Foundation, the Foundation for the Carolinas. What we are waiting for is someone to be the first one in to make a commitment to support this initiative. So, for example, we would be delighted if the City supports us, and Duke Energy Foundation will fall in line and so will Foundation for the Carolinas. We are also pursuing grant requests at Fifth Third Bank. We have gone out to Wells Fargo as well as Bank of America. Those two entities are very interested in our initiative, but they don't fall within their funding focus areas right now but maybe later on down the road. Advantage Carolina declined our request because they seem to have been inundated with asks from the community, and they just could not satisfy them.

Councilmember Cannon said can you enlighten us on when you made the ask of those that are listed?

Ms. Blumberg said yes. We asked Duke Energy Foundation, Advantage Carolina, and the Foundation about two months ago.

Councilmember Cannon said is there a timetable as to when you can expect to hear back from them with regard to your request?

Ms. Blumberg said they are waiting to hear back on how the City plans on supporting this initiative. I'm being honest.

Mr. Richardson said this slide entitled "Use of Funds". It's a six-month strategy. It includes three things: Mapping of the entrepreneurial ecosystem with a focus on that social entrepreneur that we talked about a minute ago, some best practices, and some community input. A very robust 130 or so community involvement process. They will have working groups focus on these four things. We thought this was important to share with you. They are outlined in the proposal, but recruitment, development, retention of talent from universities, from the school system, into our community from outside; developing enterprises, making sure they have networking opportunities, make sure they have access to the capital they need to spin businesses off and the profitability. Measurements around outcomes – what will you get for this initiative. That will be part of the study as well, and the general advocacy and marketing of social

entrepreneurism both locally, state, and federal government level. So those are some ideas of the four working groups.

Councilmember Barnes said I'm going to speak, if I might, as chair of the Budget Committee now. We typically as a committee have an opportunity to review new funding requests of this nature, and obviously the full Council does as well, so I want to ask the Manager why this was not in the budget.

Curt Walton, City Manager, said a couple of reasons, Mr. Barnes. The first and largest reason is I just found out about this request in the last week or so, so the budget was done, so there was a timing issue. For most financial partners, whether it's for months or continuing, it would become a financial partner with performance standards and contract provisions, etc. The others were due in January, so there is a significant time difference here. That's one reason.

The second is I would do exactly as you said during the budget process bring new requests through the budget process, the Budget Retreats. That's why it's handled in this way, outside of the budget, and because if there is going to be something new for you to consider, I want you to know about that as it is relative to the budget as far ahead of time as possible. Then the third, as the Mayor said at the beginning that he is part of this, I am also on this board, and generally I won't make a recommendation to you on something that I'm on the board. I will bring it to you for your consideration much like the Community Catalyst Fund request last year. Unless it's an established board like Center City Partners that Councilmember Kinsey and I both serve on that we are used to going through the process, but if it's something new and I'm on the board, I will bring that out through a different process.

Councilmember Barnes said did you say you recently became aware of the request?

City Manager Walton said I knew the discussion of the strategic plan was going on. I assumed there would be some cost to it, but as far as the actual \$50,000 request, I just found out in the last week or two.

Councilmember Barnes said would the \$50,000 be a multi-year contract?

City Manager Walton said, no, I think this would be for the strategic plan – one time.

Councilmember Barnes said ordinarily you have the authority to sign contracts for under \$100,000; right?

City Manager Walton said once you give me that authority. Basically you would have to approve the funding depending on the funding source. If it's the discretionary fund, only you can appropriate from that source. Since it's a new initiative and not in the budget, I can sign for things that are in the budget up to \$100,000. I couldn't put things in like this without your approval or not put things in without your approval and consent.

Councilmember Barnes said this morning I sent a few questions to Mike Whitehead, and Ms. Blumberg responded and someone else I believe from the organization responded. I went and reviewed the Web site, and I never heard of this before, so I had questions, and whenever I see new requests for cash, I'm always wondering what is going on. So I asked a series of questions after reviewing the Web site, the Bull City Forward Web site, and the information that Mr. Whitehead included and Ms. Blumberg responded with some information which I found helpful and I appreciate that. So, I think I have asked the questions I have at the moment, so thank you.

Councilmember Cannon said, Mayor, I do want to add something in the wake of a lot of what Mr. Barnes said and kind of piggybacking off of something I made a comment about earlier. I asked a question what the timeline would be in terms of when they might hear something back from some of the other people they have asked for grants from, and it was stated that they are waiting to see what we do, what the City does. I think that's kind of the reversal of the way government works and functions. We are here to be in a position of closing the gap if that but-for question is answered, and it would seem to me that we should hear something back from them and not the other way around than from us because what if the gap is much larger; what if it's much smaller; what if it's not anything at all?

That's why we are here to safeguard the interests of the taxpayers to make a determination, so it would seem to me that I will be better served getting some information back from them on the likelihood of what they are going to be able to do before just throwing their nets out there and we haven't gotten any information back in terms of their level of ability to give. I think that's only fair. It's what we always do. We are going to have something come before the Economic Development Committee meeting soon of another request of several million dollars. I'm going to ask the same question. But-for what are you asking this? Where have you gone to source for these dollars that you now need public dollars to close this gap. I think that's only fair. It's what we have done in the past. I think that's what we should do in the future.

Mayor Foxx said I hear you, and I appreciate the perspective you are sharing because I'm sure that perspective is probably shared by others around the table. My only observation would be that I know that with the bank, for example, we made a contingent offer of resources contingent upon their ability to raise a certain amount of money externally, and I don't know whether that target has been met yet or not, but there is a model for us to be an early mover, if not a first mover, but to make the move contingent upon the raising of these other funds. I understand Ms. Blumberg's point. We know almost for certain what the number will be if the City doesn't move first, but there is a possibility that there will be significant buy-in externally if we indicate an interest in moving forward.

Councilmember Cooksey said I'm torn on this one because I have been hanging around a bunch of technology folks here over the past year or so going to bar camps at Area 15 and the like, and there is a great hunger for greater opportunity for entrepreneurship and small business in this community, and it's been encouraging to meet up with programmers and things of that sort – folks who have a lot of ideas. In fact at the last bar camp, there were three separate sessions on getting small businesses started, so I know there is that pent-up demand.

My concern, however, is I share some of the concerns that Mr. Barnes and Mr. Cannon raised about where we get into it, and I think one of the things we should step back and be careful of is how does the precedent look? This major citation of the Gramene issue I think is well taken in that we have an opportunity now to say was that an actual precedent or did we kind of veer off further than we should have on that one? My concern with this ask is if we aren't very clear from a policy perspective how are we going to support this sort of activity, if we are going to do so, than how do we turn down the next person, and there will be a next entity.

I mean Area 15 has been out – it's a small business incubator – for several years now, and they have never come and asked us for a dime. We grant \$50,000 to an initiative that began out of the City, and how do you turn them down? How do you turn down another group that comes and says we want to help small businesses? If you look at the Triangle area, there are easily six, eight, ten – how many overall business incubators are there that have popped up in the Triangle to encourage folks there, and we have in terms of the official map I have seen from the Small Business Technology Development Center, if you call that official, just the Ben Craig Center. Who else is going to come before us saying we are trying to incubate small business. Give us 50 grand, too; give us 100 grand, too. I think overall we need to tread cautiously on this to make sure from a policy perspective if we are going to do it we have these check lists to go off on. Perhaps contingent, yeah, we may be the first to jump in the pool, but you don't get the check until you raise everything else you said you are going to raise; that kind of thing. But let's do a policy first and then talk about who is asking for what would be my suggestion.

Councilmember Turner arrived at 6:38 p.m.

Mayor Foxx said I think that is a very, very, very good point, and I have actually on a completely unrelated conversations, and, Brad, you may be willing to share some of this. I know you all have been doing a lot of thinking about how to help out in that entrepreneurial space some, and it may be worth sharing that, if not today, at some point in the future about what the scope looks like there.

Mr. Richardson said be happy to, but I see questions.

Councilmember Carter said about four years ago I brought Climate Prosperity back to the Council. It was thoroughly vetted by the Environmental Committee. We talked about it some in the Economic Development Committee, and it didn't fly. Unfortunately it went international, and it's really an impact right now. What I would like to know is how is this proposal different from what we are doing now or what we have considered before, what new results do we anticipate from such activity, and the Democratic National Convention is mentioned? What impact do we expect before the convention if we are doing this, or is it simply flying a flag? Of most of the Council members I will be supportive of sustainable things, but I need to know the construct and where we are going with it.

Mayor Foxx said as I understand it, and Brad and Sharon jump in, but as I understand it, there is a lot of desegregated parts of our entrepreneurial ecosystem, and we have done a lot actually in the last year or so with the Small Business Web Portal to kind of build on that, and there have been some other efforts that are ongoing. This could be a part of that ecosystem and part of what the year of study will be doing is figure out how not to reinvent the wheel by leveraging resources that are already there. Let me sort of explain what I understand the vision of this is that you will have a physical space where social entrepreneurs will be able to come and there will be classes that will be sponsored by already existing entities that provide instruction

There will be space for businesses that are starting out. There will be networks that they are able to tap into in terms of access to capital and so forth, but this is for people who are interested in sort of this triple bottom line concept of doing well, doing good, and also doing good things for the planet and for the community, and I think you will find that there are younger and actually older workers out there on both ends who are looking to reposition themselves but they don't know how to connect and they don't know where to go, so this is another piece. I don't mean to suggest that this is the only entrepreneurship strategy that could ever exist in the city, but I think this is an opportunity to create another piece of the puzzle.

I will also add that I think part of the challenge here is that you are building something that will take on an identity that we can't define right now. I mean it's literally building something from the ground up, so what is being asked for are the funds to build the model, and then the theory is that model will then be scaled so that it can actually have an impact on the community. We have an example in Durham.

City Manager Walton said, Brad, will you go to the next slide. A suggestion that we hadn't actually planned on, but the economic development focus area for next year starting July has an initiative on how to partner better with entrepreneurs and grow entrepreneurship, and that's the overall strategy. From listening to your conversations, it sounds like the strategy and the policy is missing, and how does this or does this fit within it. One suggestion could be to move that up a month and not wait until July, but as Economic Development can handle it from an agenda perspective, go ahead and take the entrepreneurship strategy to the committee and fold this in and maybe the committee can bring back a recommendation on this request.

Mayor Foxx said very good idea.

Councilmember Peacock said I'm not one to want to squash innovation and good ideas. It's not intended to do that. I know we have two members of your board. We also got very early tip-off on this with David Gergins presentation at the fall Council Retreat – very thoughtful, very enthusiastic, very energetic presentation to this, but for me, I like Mr. Cooksey's comment regarding precedent, but I think as I read your plan and I read it and read through it, and I heard several members mention this already, and Mayor Foxx and City Manager Walton, you all could be a big part of helping them to shape this because obviously I concur with Mr. Cooksey that there is a pent-up demand, there is a desire to do this, but right now for me what I'm reading here this really lacks definition on a couple of different fronts.

I have circled some words here that jump out at me that are on your plan – social impact entrepreneur. What is that? What is it not? On the appendix section, "Charlotte community needs analysis. Local ecosystem map." What's an ecosystem map of Charlotte. Just a couple of terms here that are used that really stretch the term "entrepreneur", and, again, I'm having a hard time trying to make the connection between that term. It sounds young, it sounds fresh, it sounds current, but at the end of the day, the second concern I have, Mayor, is some of the results I'm

reading about in 2010 and the types of businesses that you are talking about – farmhand foods, a bond, reader. These are really essentially very small businesses that do not have a long track record. One is simply a supplier to restaurants. Our community and our chamber can adequately tell you the success and failure rate of most restaurants and what it takes to do that. How that is going to be different because someone driven by a triple bottom line. I think there needs to be a little more – you need to have a lot more history to be able to convince an entity especially of this size or more importantly even from the private entity that you have some results behind you. I think they are clearly just starting as it relates to that.

Mayor, my last comment really goes to the contrast tonight of what we are talking about here and what we will be talking about in front of the full Council tonight on TV, which is about \$100,000 being directed from the Workforce Development Board for them to be able to create youth employment, real employment opportunities that could be the future tax base in helping children who are in high poverty situations to get into a good job and hopefully have a good first start to that. So I look at that allocation, that reallocation resource that we will be debating and discussing, and I have talked to Mr. Richardson about that before. I just look at that and I say how in the world can you all possibly tell me that you are any different than any other struggling brand new business that's out there. That's my final point is you all have really got to be able to show me what you are doing differentiates you from what the Chamber already does in order to try to facilitate and fill up our entrepreneurial zones and spaces, and I really like this create an incubator building space that's coming up – the Packard space. I think that's through the folks at Red F. That's a private venture that is stepping out. They came to us, Brad, is that correct, for City funds, and they asked us – they applied through that process to be a part of that.

Mr. Richardson said it was a business investment grant with the County on that building, yes, sir.

Councilmember Peacock said, right, that was on the building side. Mayor, again, I commend the idea and the good intentions behind this. I don't think it's fully ready for the support of what we traditionally will see, and as Mr. Barnes pointed out from the onset, we normally would have seen this in the Budget Committee a lot earlier. I think the timing of this may not be as ideal and the track record that you all have and Mayor and Manager Walton, I'm sure you all will help them to shape this to see what we would be looking for and be a little bit stronger, so thank you.

Councilmember Howard said the way I see this conversation is the first of several conversations. I think they came to get input tonight on what we are looking for. So, for me, it's just three things – how this fits into the bigger entrepreneurial conversation in the city, in the region. I'm not sure I know what a social entrepreneur is. I'm not sure how that is different from a regular entrepreneur, so I would like to know that. Then the Mayor has challenged us when we start talking about the DNC to make sure that we did things that were sustainable and had a bigger impact, so whatever Queen City Forward's connection is to DNC, how do we now take that and make it into something even bigger – not just to lead up to it, have a week or whatever, and then it fade away?

Mayor Foxx said I want to add on to this point about entrepreneurship, which is part of the reason why it's really hard for us to focus on because it's not big. By definition, it's not 100 jobs, 500 jobs, or whatever. It's one or two here, five or ten there, and that's the nature of it. But, I remind you that 90% of the jobs in our county are small business jobs, so the more we create a climate in which people know the city is intentionally focused on growing more entrepreneurs, the more we become known for that and the more we become attractive for that, so in some ways how many jobs this kind of concept creates is one way to measure its impact. The other way to measure it is how it creates the strong impression that this community entrepreneur-friendly community. This, again, is just one part.

The second point I want to make is that what we have recognized early is that you can't just take a turn-key approach to this. You can't use the same format that Durham uses. Durham sits in the middle of four or five huge universities, and they can draw on young people who are coming out of college who have these bold ideas and want to start a company, and that's what they are doing. That's their motto. We have a different makeup in this community, and part of the idea is to try to figure out how that makeup can apply to something like this. I think this is due diligence money that is being requested. It is not action money. I think some of the questions

aren't going to be answered until the funding is in place to figure out the answers to the questions.

Councilmember Kinsey said I want to warn everybody that I did not take my ladylike pill today. I really do think this is coming at a bad time particularly after coming off the budget presentation, and I am sitting here thinking because I'm looking over at the Arts and Science Council. I'm talking about all of our funding partners and how much they would like to have that additional \$50,000, and I'm really not looking at taking on another funding partner right now particularly when this is the first time I have seen it. I haven't had a chance to read it, and I cannot support it if it comes back from Economic Development Committee in a month. That's not time enough for me. To be really frank, I feel very pressured knowing now that our Mayor and our City Manager are involved with this. I feel very pressured, and I don't like to feel pressured, and I don't like to make a decision without knowing a lot about it, and not only have I not had a chance to study this, this is the first time I have heard about it. To come and ask for \$50,000 particularly after we have gone through the budget, we are not giving our employees a pay raise this year, we have got all – and I know \$50,000 isn't much, but there are other organizations that have been involved with us, funding partners, for years that could use that \$50,000.

Councilmember Dulin said I think you are getting some pretty good feedback that Council, at least I, this group doesn't like to be rushed, and I think a lot of us are feeling rushed. I certainly am feeling rushed, Ms. Kinsey. I'm right with you. We have spent a lot of hours going over funding partners and folks and in some cases they are trying to figure out how they can ask for less money to save money, and I don't want to add, we don't want to add another \$50,000 partner this year. One way you might work around that is do an add and delete. If you want to add \$50,000 of nonprofit money then take \$50,000 off of some other nonprofit so we keep that level, but I don't – shoot, I'm awfully pro-business but I'm also pro not spending an additional \$50,000.

Councilmember Cooksey said since Mr. Peacock mentioned it and since the address is listed twice in this write-up, what exactly is the connection between Queen City Forward and Packard Place?

Ms. Blumberg said thank you for the question. We have been offered an in-kind contribution at Packard Place to house the Queen City Forward initiative for six months. Packard Place is developed on their ground floor sort of a co-working space, and they have asked Queen City Forward to sort of manage that co-working space in what they are calling the garage. Our intention is to be physically housed there as soon as we are able to raise some funds and operate out of the Packard Place physical space.

Councilmember Dulin said where are you working out of now, Ms. Blumberg?

Ms. Blumberg said my own private office.

Councilmember Dulin said what will be the overhead? You want 50 from us, you want 200 from a couple of others, so what is your nut you are trying to raise?

Ms. Blumberg said we are trying to raise a total currently of about \$130,000. Our initial budget was for \$200,000, but we have been able to reduce that because of two primary factors. One was we had an initial cost of \$50,000 for start-up in terms of rent, office space, furniture, utilities, etc., but since Packard Place has graciously made an in-kind contribution, we were able to take that \$50,000 off as a line item. We have also reduced our consulting expenses by a couple of thousand dollars, so instead of 200 our total ask initially is about 130.

Councilmember Dulin said after you raise the 130 who will be paid staff?

Ms. Blumberg said I will be paid staff as well as representative from Bull City Forward, John Paul Smith, who has been working there. He is going to be our liaison. We are also (inaudible) and Paul Whittenhall has given us one of his Vista volunteers to work on this half time.

Councilmember Dulin said is Queen City going to be connected with Bull City because you have a paid staffer in Durham?

Ms. Blumberg said, yes, there is a strong alliance. We recognized here the value of leveraging an existing model that resides in Durham but customizing it to the Charlotte community.

Councilmember Dulin said so the guy who is working for college kids coming out of college in Durham what is he going to know about young professional entrepreneurs here in Charlotte?

Ms. Blumberg said there is going to be a tight communication strategy between Bull City Forward and Queen City Forward with the intention of creating sort of a statewide network.

Councilmember Dulin said out of the 130 then how much of it is going to be salaries, and \$50,000 of that 130 is your request from City money; is that correct?

Ms. Blumberg said pardon.

Councilmember Dulin said \$50,000 of the 130 would be the City's –

Ms. Blumberg said the City's request. So our current budget is staffing is around \$100,000, development is about \$8,200, marketing and PR is about \$3,200. We still had some overhead and start-up costs because we have the need to retain the services of an attorney, financial planner, etc. of \$12,000, and travel and business development for about \$4,000.

Councilmember Dulin said that takes your payroll – what is that – 78% of your raised dollars.

Ms. Blumberg said it's the staff time that is going to put together the strategic plan over the six-month period; you are correct. We also hope to establish some early wins for this initiative in addition to creating a strategic plan, and we say early wins – it's establishing a Web site, it's creating some marketing. I have been asked next week to present at the Small Business Week about social innovation and social entrepreneurship.

Councilmember Dulin said one more question. So your \$50,000 that you want from the City is supposed to go for six months of planning, and at that point, possibly you burn through the 50 and the 80 will come into play? There are a lot of questions, Miss. I hate to be hard on you, but it's awfully high overhead.

Councilmember Howard said one of the things that I think is clear is that anything dealing with doing something new and innovative, as we talked about at the Retreat, has some amount of risk. At the expense of just not creativity on this one because we want to encourage creativity when it comes to growing small businesses in this community I would like to recommend this to the Economic Development Committee understanding that if for some reason we do want to support this it may not make it into this budget year. We may be talking about some type of discretionary spending after the budget is done, but at least if it goes to Economic Development Committee it can be vetted because what I don't want to do is stop other people who have innovative ideas, too, because that is what we need to be encouraging.

Councilmember Cooksey said I will second that if Councilmember Howard likes my amendment. When you said this, did you mean this ask or the larger question of what it means in the plan to develop partnerships to support high growth entrepreneurs because I would be interested in the general policy development side of it as well; not simply this ask.

Councilmember Howard said are we agreeing that it would be both?

Councilmember Cooksey said, yeah, but policy and this particular ask.

Councilmember Howard said I would be very happy to accept that.

Councilmember Cooksey said then I'll second your motion.

[Motion was made by Councilmember Howard and seconded by Councilmember Cooksey]
[to refer to the Economic Development Committee the policy question of what it means to]
[develop partnerships to support high growth entrepreneurs as well as the funding request]
[from Queen City Forward for \$50,000.]

Mayor Foxx said a moment of peace.

The vote was taken on the motion and recorded as follows:

AYES: Councilmembers Burgess, Carter, Cooksey, Howard, Mitchell

NAYS: Councilmembers Barnes, Cannon, Dulin, Kinsey, Peacock, Turner

Mayor Foxx said six nays.

Councilmember Barnes said it's more of a question, and that is, if I might, Mr. Mayor. The question is that the ask is being made on May 9, 2011. What is the drop dead date for the entity because I don't believe this is coming back from ED until sometime --

Mayor Foxx said as I understood the motion that was inherent in the motion that the timing would be the Economic Development Committee's timing.

Councilmember Barnes said let's say though that they say if we don't get a decision by June 1 we can't use it, so that way we put the committee through work that is not necessary. I'm trying to figure out what the deadline is for the group, if there is one?

Ms. Blumberg said we don't have a deadline.

Councilmember Barnes said there were so many "no's" that if people would like to speak to it I would like to hear some discussion because --

Councilmember Mitchell said I have been quiet listening to all of the discussion. I will say I think Councilmember Howard kind of put it in perspective that I don't want to send the wrong message that innovative ideas come to the Council and we say no. I do think the bigger discussion would be as we talk about entrepreneur support how we are going to develop the entrepreneur concept in the City of Charlotte. We need to vet out things like this and other proposals. I will be the first one to tell you I was talking to Councilmember Carter that we already have an entrepreneur institute at CPCC, so there are a lot of things I think in place than this proposal, but colleagues always say it will not come back on 30 because I don't want Ron Kimble to kill me, but Patsy and Andy, you are ED with us, and if we could, let's have an overall policy discussion about entrepreneur, how do we create, how do we build a synergy in the City of Charlotte, and if you all will allow this to happen, at least we get a firm understanding of what direction we are going in because if we don't we will continue to have the one's and two's that come before this Council and make us feel like we are pressured. So, if you all can let it come to ED, we'll be glad to talk about it from a policy perspective.

Councilmember Cannon said, well, as an entrepreneur, I don't mind having that discussion about entrepreneurs. I'm against what is being asked for because of the but-for question not being answered right now. From that perspective, I'll be happy to do all of what you just said, but for the piece that has been added to that because I don't find any grounds for it right now because I don't know enough about it. We don't know what level of commitment is out there on the other side, and, again, we don't know if that number will intensify. We don't know if it will increase. We don't know if there is a number that will be there at all. The private sector may decide they want to take on the whole caboodle. We don't know that, and we shouldn't put the cart before the horse. So, I'm okay with all that you said. We can still do that, but it's just the other half of it that I have some concern about.

Councilmember Mitchell said, Mayor Pro Tem, I agree with you because I think what spoiled me was Gramene. Gramene came to us and they clearly said we are going to go out and raise 1.3. We won't take your \$200,000 until we raise.

Mr. Kimble said 2.3.

Councilmember Mitchell said thank you, Ron. I do think the Gramene model has spoiled us because we realize we are in the third or fourth position after a concerted effort to raise other money. My discussion is overall how do we create the entrepreneur spirit in the City of Charlotte?

Councilmember Cannon said if that's a substitute motion I'll second it.

Mayor Foxx said there actually is no motion on the table. Is there any more motion, or should we prepare ourselves to go downstairs.

Councilmember Mitchell said I would like to make a substitute motion to send the Queen City model as part of an overall entrepreneur discussion at the ED Committee.

[Motion was made by Councilmember Mitchell and seconded by Councilmember Kinsey to]
[send the Queen City model as part of an overall entrepreneur discussion to the Economic]
[Development Committee.]

Councilmember Cannon said without the ask on the table of the \$50,000?

Councilmember Mitchell said, yes, without the ask on the table of \$50,000.

Councilmember Peacock said you take Queen City is what you are saying.

Councilmember Mitchell said I'm taking the ask out. The discussion is this a great model to get us to have an entrepreneur policy in the City of Charlotte.

Mayor Foxx said I'm going to speak to that one because I think the answer is by itself no. I think there is a much larger set of pieces that have to be part of what they are talking about as the ecosystem. The question is whether this is part of it. I think the question is is this going to be the end-all/be-all solution for entrepreneurship in the City of Charlotte? I don't think that's the goal. I think the goal is to be a niche piece of the overall infrastructure for entrepreneurs.

Councilmember Mitchell said I agree, Mayor.

Councilmember Howard said I guess I'm asking a question. What's the problem of if we take our budget cycle out of the process. What's the problem with the committee evaluating their proposal?

Councilmember Mitchell said that was my motion. Taking this model –

Councilmember Howard said I'm talking about even the ask. While we are vetting out is this the proper ratio –

Councilmember Cooksey said I suggest we postpone further discussion of this topic to the Mayor and Council topics at the meeting and go on downstairs. Did Councilmember Mitchell's motion get a second?

Councilmember Kinsey said yes.

Councilmember Cooksey said could you restate exactly what you are aiming for here because I want to make sure the charge is broad enough.

Councilmember Mitchell said we take the Queen City Forward proposal as a model of the overall entrepreneur support policy for the City of Charlotte. Guys, there is a bigger picture. This might be a slot out of five slots.

Mayor Foxx said can I restate what I think I'm hearing you say? I think I'm hearing you say to take an overall policy discussion to the Economic Development Committee, and as part of that

discussion, to consider whether this concept of Queen City Forward is potentially a piece of the overall strategy.

Councilmember Mitchell said exactly. That's a Davidson interpretation. I like it, Mayor.

Councilmember Cannon said without the consideration of the \$50,000.

Councilmember Cooksey said I think I could go along with that. What I was aiming for with my amendment earlier is – could you put the last slide up, please. The question I'm curious about is we have an Economic Development Focus Area plan that says as an objective helps bring small businesses in Charlotte in part through the development of partnerships to support high growth entrepreneurs. Clearly we need more policy direction around that focus area plan. Can we get that from ED is what I'm asking – is what I'm hoping this motion will do. If this had never come before us, I think it would be a great exercise, a needed exercise, to explain, here, take the focus area plan objective and translate it into some policy direction for Council to adopt and for people out in the community who are interested in this to understand what our framework is, and they make an ask, and then we can talk about it. I agree that the ask first before we know what we are trying to do is not the way to do it. I saw a nod from the chairman on this, so I'm going to go with the hope that what we are going to get out of this is –

Mayor Foxx said everyone understands what the motion and the second is now at this point.

Councilmember Howard said I still want to make sure we don't send the wrong message about the creation of small business and innovative businesses, so at the end of your review, does that mean that we can hear from them again?

Councilmember Mitchell said right.

Mayor Foxx said the request can actually be pending. It can just sit until the Council decides to do something with it. It's not an up or down decision.

Councilmember Barnes said I just have to say this. Presumably because that objective is in the focus area plan the committee has already studied it.

Councilmember Mitchell said actually we have not. We have not taken on the entrepreneur –

Councilmember Cooksey said it's for next year.

The vote was taken on the motion and recorded as follows:

AYES: Councilmembers Barnes, Burgess, Cannon, Carter, Cooksey, Howard, Kinsey, Mitchell, Peacock

NAYS: Councilmembers Dulin, Turner

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The Dinner Meeting was recessed at 7:09 p.m. for the Council to move to the Council Meeting Chamber.

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BUSINESS MEETING

The Council reconvened for the regularly scheduled Business Meeting at 7:18 p.m. in the Council Meeting Chamber of the Charlotte-Mecklenburg Government Center with Mayor Anthony Foxx presiding and all Council members present.

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INVOCATION AND PLEDGE

Councilmember Howard gave the Invocation and led the Council in the Pledge of Allegiance to the Flag.

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Mayor Foxx welcomed a Boy Scout Troop that was seated in the audience.

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AWARDS AND RECOGNITIONS

2010 EMPLOYEE OF THE YEAR

Mayor Foxx recognized Don Gariepy as the City’s Employee of the Year. This 48-year-old City tradition acknowledges an employee whose efforts, ideas, suggestions, and courtesy in job performance entitle special recognition.

Mayor Foxx said this year the City received almost 30 nominations for Employee of the Year. All were exceptional candidates, however, Don stood out. Don is a treatment plant mechanic for the Charlotte-Mecklenburg Utilities Department.

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CMPD’S HAGLER COMMUNITY LEADERSHIP POLICING AWARD

Mayor Foxx recognized Officer Danny Hernandez of the Independence Division as the Hagler Community Policing Leadership Award recipient. The annual award acknowledges an employee whose community policing leadership efforts entitle special recognition.

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CHARLOTTE-MECKLENBURG SENIOR GAMES

Mayor Foxx recognized representatives of the Charlotte-Mecklenburg Senior Games Inc. and Councilmember Barnes read a proclamation recognizing the Charlotte-Mecklenburg Senior Games.

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PRESBYTERIAN HOSPITAL

Amy Vance and her leadership team presented an update about Presbyterian Hospital, their charity care program, and their commitment to the City of Charlotte. Ms. Vance said Presbyterian Hospital has been named one of America’s 50 Best Hospital and now joins the elite company of healthcare organizations across the country such as the Mayor Clinic, the Cleveland Clinic, Columbia, and Cornell University Medical Centers.

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CONSENT AGENDA

[Motion was made by Councilmember Howard, seconded by Councilmember Cannon , and]
bvj

[carried unanimously to approve the Consent Agenda as presented with the exception of Item]
[Nos. 21, 29, 31, and 32 were pulled for discussion; Item Nos. 40-F and 40-G have been]
[settled, and Item No. 39-F was pulled for speakers.]

The following items were approved:

20. Contract to the lowest bidder, Blythe Development Company, in the amount of \$572,796.00 for the Freedom Drive Intersection Project for Engineering and Property Management.

Summary of Bids

Blythe Development Company	\$572,796.00
Burney & Burney Construction	\$619,692.83
Carolina Cajun Concrete	\$636,877.50
Sealand Contractors	\$741,007.47
Rea Contracting	\$752,065.55
Siteworks, LLC	\$764,581.99
Ferebee Corporation	\$830,387.46
Triangle Grading and Paving	\$887,687.59

22. Low bid unit price contract with Thermo King Central Carolinas, LLC for the purchase of parts for Gilig Bus A/C systems in an amount estimated at \$197,000, low bid unit price contract with Carolina Thomas LLC for the purchase of parts for MCI and Nova Bus A/C systems in an amount estimated at \$106,000, and authorize the City Manager to execute up to two, one-year renewals with each supplier in amounts estimated at \$197,000 annually with Thermo King and \$106,000 annually with Carolina Thomas.

Summary of Bids

Thermo King	\$196,134.27
Carolina Thomas	\$105,281.34
Thermo King	\$158,294.37

23. Authorize the City Manager to execute a five-year lease with the Charlotte Transit Center Inc. in the amount of \$443,759 for Pavilion A Administration space used by CATS at the Charlotte Transportation Center, and authorize the City Manager to execute a five-year lease with the Charlotte Transit Center Inc. in the amount of \$205,500 for space used by Solid Waste Services at the Charlotte Transportation Center.
24. Accept a \$339,000 Community Development Block Grant from Mecklenburg County for the design and construction of the Walkers Ferry Road water line, adopt Budget Ordinance No. 4647-X appropriating \$339,000, and authorize the Utilities KBE to execute an agreement with Mecklenburg County for acceptance of grant funds for the design and construction of the water main.

The ordinance is recorded in Ordinance Book 57 at Page 48.

25. Service contracts for glass replacement and related services for an initial term of three years with a combined estimated annual expenditure of \$120,000 for the two following service providers: Nantz Auto Glass, Inc. and United Glass Service, Inc.; and authorize the City Manager to approve up to two additional one-year renewal options with price adjustments as stipulated in the contract.
26. Three-year renewal of the Enterprise License Agreement to Esri totaling \$914,100 for computer software licenses and maintenance for the City's Geographic Information System (GIS), and three-year subscription to the Esri Enterprise Advantage Program to be exercised as an annual option to acquire GIS software training and technical services for \$366,000.
27. Contracts for grounds maintenance services: 1) Diamond Athletic Landscaping for Utilities' Sewage Lift Stations in the combined estimated amount of \$75,000 for an initial term of one year and authorize the City Manager to renew Diamond Athletic

Landscaping contract for two additional one-year terms; 2) Taylor's Landscaping Service, Inc. for Central District in the amount of \$185,124.68 for three years; and 3) The Byrd's Group, Inc. for South Corridor Infrastructure Program (SCIP) in the amount of \$196,341.08 for three years.

28. Three-year contract for fountain maintenance services with Charlotte Specialty Services in the amount of \$163,416.
30. Contract with Dyer, Riddle, Mills & Precourt, Inc. (DRMP) in the amount of \$300,000 for traffic calming engineering services.
33. Purchase of Polara pedestrian traffic signal equipment and parts as authorized by the sole source exemption of G.S. 143-129(e)(6), contract with Temple, Inc. for the purchase of Polara Pedestrian traffic signal equipment and parts in the annual amount of \$75,000 for the term of three years, and authorize the City Manager to extend the contract for Polara pedestrian traffic signal equipment and parts for two additional years with possible price adjustments as stipulated in the contract.
34. Resolution authorizing the Key Business Executive for Transportation to execute a Municipal Agreement with the North Carolina Department of Transportation (NCDOT) for the Charlotte Region Fast Lanes Study – Phase 3.

The resolution is recorded in Resolution Book 42 at Page 963.

35. Change order to the Sunshine Cleaning Systems contract in the amount of \$532,166.62 for additional Janitorial supplies and office cleaning.
36. Purchase of two John Deere tractors as authorized by the state exception of GS 143-129(e)(9a) in the amount of \$110,811.37 from John Deere Company.
37. Payment of \$120,050 in full and final settlement of a Workers' Compensation claim for Charlotte Mecklenburg Police Department employee, Henry Cybulski.
38. Resolution authorizing the refund of business privilege license payments made in the amount of \$1,287.39.

The resolution is recorded in Resolution Book 42 at Pages 964-965.

- 39-A. Ordinance No. 4648-X authorizing the use of In Rem Remedy to demolish and remove the structure at 1615 Beatties Ford Road (Neighborhood Statistical Area 23 – Washington Heights Neighborhood).

The ordinance is recorded in Ordinance Book 57 at Page 49.

- 39-B. Ordinance No. 4649-X authorizing the use of In Rem Remedy to demolish and remove the structure at 4029 Bearwood Avenue (Neighborhood Statistical Area 44 – North Charlotte Neighborhood).

The ordinance is recorded in Ordinance Book 57 at Page 50.

- 39-C. Ordinance No. 4650-X authorizing the use of In Rem Remedy to demolish and remove the structure at 2708 Celia Avenue (Neighborhood Statistical Area 23 – Washington Heights Neighborhood).

The ordinance is recorded in Ordinance Book 57 at Page 51.

- 39-D. Ordinance No. 4651-X authorizing the use of In Rem Remedy to demolish and remove the structure at 2956 Ross Avenue (Neighborhood Statistical Area 7 – Reid Park Neighborhood).

The ordinance is recorded in Ordinance Book 57 at Page 52.

- 39-E. Ordinance No. 4652-X authorizing the use of In Rem Remedy to demolish and remove the structure at 2209 Hart Road (Neighborhood Statistical Area 116 – Harwood Lane Neighborhood).

The ordinance is recorded in Ordinance Book 57 at Page 53.

- 39-G. Ordinance No. 4654-X authorizing the use of In Rem Remedy to demolish and remove the structure at 518 Melynda Road (Neighborhood Statistical Area 17 – Todd Park Neighborhood).

The ordinance is recorded in Ordinance Book 57 at Page 55.

- 39-H. Ordinance No. 4655-X authorizing the use of In Rem Remedy to demolish and remove the structure at 3024 Seymour Drive (Neighborhood Statistical Area 4 – Capital Drive Neighborhood).

The ordinance is recorded in Ordinance Book 57 at Page 56.

- 39-I. Ordinance No. 4656-X authorizing the use of In Rem Remedy to demolish and remove the structure at 2224 Tate Street (Neighborhood Statistical Area 23 – Washington Heights Neighborhood).

The ordinance is recorded in Ordinance Book 57 at Page 57.

- 40-A. Acquisition of 147,535 square feet in fee simple on Camp Stewart Road from N.C. Department of Transportation for \$54,200 for McKee Creek Interceptor – Mecklenburg County, Parcel #14.

- 40-B. Acquisition of 857.81 square in sanitary sewer easement plus 1449.25 square feet in temporary construction easement at 2412 Kenmore Avenue from Seana McCallister Smith and spouse, Robert Jr. Smith, for \$12,825 for North Dotger Avenue Proposed 10” Sanitary Sewer Relocation, Parcel #2.

- 40-C. Acquisition of 3,208 square feet in storm drainage easement plus 69 square feet in sidewalk and utility easement plus 12,414 square feet in temporary construction easement at 2661 Barringer Drive from Mecklenburg County for \$27,000 for Revolution Park Neighborhood Improvement Project, Parcel #1.

- 40-D. Acquisition of 5,577 square feet in fee simple plus 680 square feet in storm drainage easement plus 12,553 square feet in sidewalk and utility easement plus 14,872 square feet in temporary construction easement at 3932 Sofley Road from Sugar Creek Church of Christ, Inc. for \$25,850 for Sugaw Creek/Ritch Avenue Neighborhood Improvement Project, Parcel #11 and #21.

- 40-E. Acquisition of 9,462 square feet in fee simple plus 8.151 square feet in existing right-of-way plus 594 square feet in storm drainage easement plus 8,413 square feet in temporary construction easement at 215 West Sugar Creek Road from Sugaw Creek Presbyterian Church, Inc. for \$18,650 for Sugaw Creek/Ritch Avenue Neighborhood Improvement Project, Parcel #40.

41. Titles, motions, and votes reflected in the Clerk’s record as the Minutes of the February 28, 2011, Business Meeting.

ITEM NO. 21: DOGWOOD PLACE POND

Councilmember Dulin said it is a dam and pond restoration project that I think is more the responsibility of the property owners and not the citizens of Charlotte. I plan to vote against it.

bvj

Councilmember Carter said I also pulled it, Mr. Mayor. This is located in District 5. It is to improve the quality of the water that is put back into our system, and I think done naturally it is something that will enhance both the water quality and the appearance of the neighborhood. I'm wondering what the procedure is to activate this improvement of the water quality.

Jim Schumacher, Assistant City Manager, said this will involve a reconstruction of the portion of the dam and the area of the pond itself. It's a little under two acres in surface area, so it will be drained, a portion of the dam will be removed, and a new outlet structure, a pipe through the dam with a multi-stage outlet structure will be put in place, and then the dam put back in place. What that does is it really turns the pond into a more effective detention basin, so it provides flood control downstream as well as water quality improvements by detaining and slowing down the water while it's there in the pond.

Councilmember Carter said it is not extending that area of the pond; is it?

Mr. Schumacher said, no, the surface area of the pond won't change any significant amount.

Councilmember Carter said I had asked for a crash course on Storm Water 101. Is that anywhere in the offing, Mr. Manager?

Curt Walton, City Manager, said I don't know, Ms. Carter. We'll follow up with you on that.

[Motion was made by Councilmember Carter and seconded by Councilmember Cannon to]
[award the low bid contract of \$233,408.13 to OnSite Development, LLC for the Dogwood]
[Place pond.]

The vote was taken on the motion and recorded as follows:

AYES: Councilmembers Barnes, Burgess, Canon, Carter, Cooksey, Howard, Kinsey, Mitchell, Peacock, Turner

NAYS: Councilmember Dulin

Summary of Bids

OnSite Development, LLC	\$233,408.13
Eagle Wood, Inc.	\$285,694.70
Blythe Construction	\$298,875.00
JD Goodrum	\$331,216.25
Blythe Dev	\$355,418.75
Hall Contracting	\$533,032.50

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ITEM NO. 29: TRAFFIC CALMING ENGINEERING SERVICES

Councilmember Carter said my question was are there any new practices in traffic calming, and if there are not any known, I'm hoping that our staff goes out into the educational practices across the nation to find out new ones.

Jim Schumacher, Assistant City Manager, said there are traffic calming practices from around the country and from around the world that we are aware of and have been familiar with for some time. Traditionally we have primarily used the humps in the road and stop signs in the neighborhoods, but you will note this contract with this consultant involves them considering some of those other measures that we have not been using to develop some traffic calming plans for neighborhoods that would try to incorporate some of those other ideas, so it is basically beginning to do what you are asking about.

Councilmember Carter said just encouraging looking at new.

[Motion was made by Councilmember Carter and seconded by Councilmember Kinsey to]
[approve a contract with Dyer, Riddle, Mills & Precourt, Inc. (DRMP) in the amount of]
[\$300,000 for traffic calming engineering services.]

Councilmember Mitchell said one question. I happen to do the reading on the SBO opportunity, Jim. It says the City is going to negotiate after the proposed selection process. What do we negotiate as the final goal for SBO participation?

Mr. Schumacher said I don't know that number.

Jeb Blackwell, City Engineer, said typically on unspecified service type contracts like this they don't know exactly what it will be. They have certain subs who would be SBEs, and depending on the types of work we do you would figure out the utilization by how much we needed their services is what typically happens.

Councilmember Mitchell said, Jeb, help me out. So what percentage of this contract is going to be our goal, or are we going to leave it up to the awardee to determine the goal because I see the firms listed here they are going to use, but what is the overall goal?

Mr. Blackwell said on these consulting contracts we don't know how much of those services that those subs do that we will end up using, so we have to determine it as we actually assign the work, and they will need to utilize those subs when we have work in that area.

Councilmember Barnes said a question I have is whether any of this expertise is in-house.

Mr. Blackwell said in CDOT we have some folks who have a fair amount of expertise in this area, but we do rely on consultants to do most of our design work, so we do a small amount of in-house design, but the majority of our work is done through consultants. We have some in-house design expertise in Engineering and some in CDOT, but, again, we staff low and have a lot higher work program than we can do with house staff.

The vote was taken on the motion and recorded as unanimous.

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ITEM NO. 31: VARIOUS STORM WATER REPAIR AND MAINTENANCE PROJECTS

ITEM NO. 32: VARIOUS STORM WATER IMPROVEMENT PROJECTS ENGINEERING SERVICES

Councilmember Carter said I pulled 31 and 32. If we could lump those? Is that a possibility, Mr. Mayor?

Mayor Foxx said fine.

Councilmember Carter said what I was asking of our staff is that the least impact possible on these storm water engineering projects could be observed. We have had some incidents where we have had some difficulty, and I pushed for smaller vehicles to enact these services. I asked for the tree canopy to be preserved as much as possible. We have a problem on the east side in one project, and some more trees are dying there than even anticipated, so I am trying to encourage our folks to observe least impact, and that's one of the reasons why I was asking for that education for City Council, but I do move approval and hope we will observe that practice.

Mayor Foxx said this is approval of 31 and 32?

Councilmember Carter said, yes, sir.

[Motion was made by Councilmember Carter, seconded by Councilmember Kinsey, and]
[carried unanimously to approve Item No. 31: A) approve a contract with Kimley-Horn]
[and Associates, Inc. in the amount of \$500,000 for engineering services for various storm]

bvj

[water repair and maintenance projects, B) approve a contract with Merrick & Company]
[(formerly Turnbull Metzler Design, P.A.) in the amount of \$500,000 for engineering]
[services for various storm water repair and maintenance projects; and C) authorize the]
[City Manager to renew each contract once for the original contract amount; and approve]
[Item No. 32: A) approve a contract with US Infrastructure of Carolina, Inc. (USI) in the]
[amount of \$2,000,000 for engineering services for various storm drainage improvement]
[projects, B) approve a contract with Armstrong Glen, P.C. in the amount of \$1,000,000]
[for engineering services for various storm drainage improvement projects; C) authorize]
[the City Manager to renew the contract with US Infrastructure of Carolinas, Inc. (USI)]
[for the original contract amount, and D) authorize the City Manager to renew the contract]
[with Armstrong Glen, P.C. twice for the original contract amount.]

* * * * *

ITEM NO. 39-F: IN REM REMEDY AT 1306/08 KENNON STREET

Francis Proctor, Jr., 1616 Biltmore Dr., said I have dealt with hundreds, if not thousands, of code violations in my 30 years of property management experience. This is my first demolition order, and I did not realize it is handled differently. This is 1306 Kennon Street. I asked for extensions, as I always had, but was denied time to work last fall on the corrections. You see the pictures that I handed up there. I have spent about \$14,000 on the property since last year, and I have spent a lot of money to try and make a quick, new impression of the property with fresh paint and extra money for white trim paint. I thank you for the extension you gave me earlier. Since City Council meeting about 1306 Kennon Street, I and others have worked hard on the property. I had three things to accomplish in the extension you graciously gave me. I did not accomplish the first, which was to get financing for the property to do the work. I have spoken with several contractors about the repair. I spoke with numerous banks and lending institutions to lend me money to do the rehab. I have exhausted all of my contacts. As an alternative effort, I could not find money and put the property on the market for a \$20,000 quick sale. I had a contract for \$22,000, but when the survey and title work was completed, we found that the house sits over the property line towards the Hawthorne Lane side of the house making it unmarketable. After much discussions and debate for a solution, I solved the survey issue but not enough time to close to a new buyer with money to remodel with. This house would be worth money if allowed to remain. I'm sure you looked at the new tax value and see that the tax office thinks it is worth \$96,700. The best answer to this property would be to wait until the economy recovers and Belmont community resumes its upward momentum and recovery. I could have sold this house three years ago for \$100,000. Diane with Historic Charlotte gave a real estate broker and contractor that I have shown this house to thinks it's a great house and worth saving. Please allow this house to remain as it is until the economy recovers. Your current policy is wrong about historic, affordable housing. Thank you for your time on this issue and your service to Charlotte.

Jesse Leadbetter said I wanted to give a different perspective from someone who actually lives on the street. I bought the house two houses down from Mr. Proctor in 2009, and I bought it because I have a vision of what it will someday be. For those of you who have not been on the street, it is a transition neighborhood. At one end of this half-mile street, a house sold for \$500,000 the same week I bought mine. At the other end of the street, last month there was a drug raid on a crack house, so it's definitely the epitome of an area in transition. When I bought the house, 1308 was abandoned, and that was two years ago. I would later find out that the house has been abandoned and no one has lived in it for at least six-plus years. The kudzu in the backyard was four feet tall two years ago. By last summer, it was six feet tall. That's when I learned about the Charlotte tax system, and I could look up the property owner, so I gave Mr. Proctor a call and left him a message. He had an assistant return my call, and I told her the situation, and she called me back one more time and said we'll put together a plan to fix it, to maintain – clean up our property, and then come back to me. That seemed a little irresponsible, and at that point, I really dropped the issue – 1308 has become a place for squatters, drug dealers, crack addicts. Last month I saw 20 rats in the backyard. As I told you, the property itself is in really bad repair, and those pictures were from yesterday. They weren't from several months ago. The kudzu is back up to three feet tall. To his point, once the code violations were reported, he did do some work. He did paint it or had people paint it. If you guys have seen any

close-ups of the paint work that was done, they painted fresh paint over rotten boards. They put trim over rotten trim. There are holes underneath the house. The back of the house actually sits at an angle because water has leaked into the house for several months. In December, I heard water rushing and went to inspect it because there is nobody ever at the property, and it actually turned out the pipes had burst and water had been running for at least one day, probably multiple days given the amount of water that was back there. If this was the first meeting on the issue, I definitely wouldn't be here because I believe everybody deserves a fair chance to make an honest effort to fix a situation like this; however, since that initial order, like I said, the initial demolition order was sent only a little bit of effort has been done. He talked it up that several thousands in paint, but like I said, it's poor work, and as much work I think that was put into the property and getting up to par as has been put in to getting extensions and wasting taxpayer money with appeals I think none of us would be here right now talking about this issue. Despite the economy, other homes on the street have been renovated and progress has been seen throughout the street. The house directly across the street has been completely renovated – 1309. They landscaped it and several other houses on the street have been improved.

Councilmember Howard said I would like to get Walter's perspective on it.

Walter Abernethy, Neighborhood and Business Services, said these are new photos. The property is not secure. The door opens. It is not lockable. It doesn't work. This is the inside of the house. There is no flooring system, so basically you can crawl through the sides of the house and get into the house.

Councilmember Howard said as of when, Walter? When were these pictures taken?

Mr. Abernethy said these were taken last week. As I mentioned, the side spacings are all open. The house is totally accessible. The back of the house is rotted.

Councilmember Dulin said I can save you some time, Walter.

[Motion was made by Councilmember Dulin, seconded by Councilmember Cannon, and]
[carried unanimously to adopt Ordinance No. 4653-X authorizing the use of In Rem Remedy]
[to demolish and remove the structure at 1306/08 Kennon Street (Neighborhood Statistical]
[Area 51 – Belmont Neighborhood).]

The ordinance is recorded in Ordinance Book 57 at Page 54.

ITEM NO. 11: PUBLIC HEARING ON RESOLUTION TO CLOSE A RESIDUAL PORTION OF BADGER COURT

[Motion was made by Councilmember Carter, seconded by Councilmember Mitchell, and]
[carried unanimously to recuse Councilmember Howard from this item.]

[Motion was made by Councilmember Barnes, seconded by Councilmember Cannon, and]
[carried unanimously to adopt a resolution to close a residual portion of Badger Court.]

The resolution is recorded in Resolution Book 42 at Pages 966-968.

ITEM NO. 13: REVIEW OF CITY YOUTH PROGRAMS

Mayor Foxx said I'm going to turn this over to the Economic Development and Planning Committee chair, James Mitchell, but at the outset, I want to thank the committee for taking the time to look at these youth programs and to come back with what I think are some very encouraging recommendations to expand the footprint of our youth strategies within existing resources, which is what you were asked to do.

bvj

Councilmember Mitchell said, Mayor, from the outset, let me thank you for your leadership and your passion to make sure we increase youth opportunities with our youth this summer and in the future. I need to thank my committee: Mayor Pro Tem Patrick Cannon, Andy Dulin, Patsy Kinsey, and Jason Burgess, because we were charged with a tremendous task at the outset. We heard loud and clear what we wanted to accomplish, but there were some initial struggles on how to get there. I must thank staff – Brad Richardson – for being very creative and making sure we were going to reach our goals.

Actions A, B, and C before you, Council – Action A is to approve a redirect from the Workforce Development Board \$400,000 to support more jobs programs for eligible youth, and we are talking about youth in our community that needs an opportunity to develop their skills. Action B directs staff to work with the Workforce Development to refine a new community framework and to address youth employment through education, healthcare, and through reconstituted Advisory Council for Youth. I would like to say, Mayor, part of our action is to have you, if you wouldn't mind in your already tight schedule, but to serve as what we call a champion elected official and working with the Workforce Development Board.

Last, but not least, Action C is direct staff to work with the community resource partners to develop a performance criteria for after-school programs. We heard loud and clear that our partners as well as the community are looking at after-school as a way of how do we measure the quality of our programs and how do we select those that will yield the best results for our kids for after-school programming. Foundation of the Carolinas is spearheading a charge right now, a community made of some elected officials and community leaders, to really address after-school and performance criteria. With that, I ask for a motion to adopt A, B, and C.

[Motion was made by Councilmember Cannon and seconded by Councilmember Kinsey to:]
[A) approve the Economic Development Committee recommendation to request the Charlotte-]
[Mecklenburg Workforce Development Board (WDB) redirect \$100,000 of federal Workforce]
[Investment Act (WIA) funds to support a jobs program for eligible youth; B) direct staff to]
[work with the WDB to develop and refine a new community framework to address youth]
[employment within a broader context of youth development that includes education, health]
[and safety and housing through a reconstituted Advisory Council for Youth; and, C) direct]
[staff to work with community resource partners to develop performance criteria for after-]
[school programs and to develop a process to solicit proposals from potential providers by]
[January 2012.]

Councilmember Peacock said I have had a chance to chat with Chairman Mitchell prior to this, and the only thing I was going to make a suggestion on was I had some questions related to how many times we were going to redirect \$100,000, and my understanding it was a one-time direction of that, so I want to insert that language in the motion, if possible. My larger and broader question speaks to what the Mayor's letter was speaking to, which was trying to strengthen the overall performance, and that's what you are seeking in Action B, and I am for that. It's not very clear, and I talked with Brad about this as well, too, is where we were going to be redirecting the \$100,000 and how we were going to be spending the money, and I asked him. I didn't pull the Minutes, so Chairman Mitchell I will let you clarify for me as well, too. Mr. Richardson said there was really not a whole lot of discussion on what types of jobs you all were seeking and how much \$100,000 would likely in an ideal scenario be.

Those were some things I was hoping to get back from either the committee, obviously back from the Mayor, if he is the chief elected official that is going to be in charge of this, but some element of direction to be much more specific. The Mayor spells out on page 2 of his letter here that we should be broader among our employers by embracing unpaid internships, flexible employment in internships, perhaps a range of weeks, year-round recruiting efforts. It just didn't really speak to me as to what the specific target might be to help raise the bar on youth employment as well, too.

Also, Council, and I don't know if the committee talked about this. I learned a lot in talking to Brad today about the Mayor's Youth Employment Program as opposed to what the folks at Goodwill are doing and the two different types of criteria that are involved in that. I think the

overall spirit of what the Mayor has put together here is ambitious and it's going to need a lot more specific goals in my opinion going forward on this. It's a move in the right direction.

Councilmember Mitchell said let me have Brad to come up because the first thing you said I don't remember us discussing in committee about the \$100,000 being a one-time request from the Workforce Development Board. I don't remember that.

Brad Richardson, Economic Development Manager, Neighborhood and Business Services, said good question. Before I start, I will acknowledge Deb Gibson is in the room tonight. She is our executive director of the Charlotte-Mecklenburg Workforce Development Board. She is seated here to my right. I have the pleasure of serving on the board with Deb in my role in the City. To your question, Mr. Peacock, we envision our recommendation tonight being a one-time request from the Council to the Workforce Development Board to redirect the funds, so we envision this being a one-time request. I will also though tie this to the second part of that action is that we do envision this time next year a new system would be in place, and the money may still be available, but it may be directed by that youth council and the Workforce Board itself, so we may not have that need.

Your second question, if I recall, is how it would be structured or something to that effect. We will request the Workforce Board to redirect from their federal dollars \$100,000. We will not be requesting them to send that money to us. That's important. We have a fiscal responsibility of oversight. We don't think it would make sense to be asking them to give us back money. We do envision, however, and I talked to Debra about this. The Workforce Development Board staff itself retaining \$100,000 rather than doing what they currently do – subcontracting 100% of it out to different community organizations to carry out the work. Retaining \$100,000 that would be available for City youth programs when we have eligible youth. We could call Debra's office and say we have a young person here that meets the eligibility criteria and have that money come into play rather than general fund dollars. Did I answer all of your questions?

Councilmember Peacock said you did, and I was really trying to speak to the chairman of the committee – just some questions I had that were largely around how are they spending the money. As we talked about on the phone, they are used to spending this largely on helping these folks and this particular audience at the Workforce Development Board and using this money largely to help the GED program, so this is a shift for them as well, too. I'm just wanting to make sure that if we are approving this action or making this direction to them that we have some type of performance scorecard that we are working from and we have some type of goal that we are shooting for, otherwise, I don't think we are really accomplishing the objectives that the Mayor had spelled out, which is to be more specific, to be broader, and, again, how are we going to be spending the \$100,000 in money.

One figure that he shared with me, Council, was you can take the figure of \$100,000 and divide it by an ideal week for a youth experience, which would be eight weeks over the summer at 20 hours roughly equates to \$1,200. Well, one of the comments that the Mayor made in his letter was why don't we cut it in half and make it \$500 a summer so we can help more people out. I just would like to know and hear from you all how many more jobs are we going to be able to create with that money, what types of jobs are we trying to create? Are we trying to create jobs that are simply retail? Are we trying to create jobs that are intern-like jobs that are more larger career pointing efforts for our youth to be looking towards? I just think that the more specific we get with what we expect the better results we are going to receive.

Mr. Richardson said I'll take a stab at answering it. You are right. If we did a full eight-week internship for \$100,000, you would burn through that with about 100 young people assuming that all of the employers needed 100% subsidies. Our current practice is a small percentage of employers actually receive a general fund subsidy for a portion of the wage, so it's not an easy number to get. We also have heard you loud and clear, Mayor and Council and the committee, that year-around is important, shorter term work experiences are important, and we believe that as well, so you could expect 100 young people full internships or some number greater than that depending on how it works out to hours and wages and work experiences versus full or not.

To the types of jobs – I will clarify the point or reiterate your point that the Mayor's Youth Program works with employers, and I brought a list so I could be accurate tonight. Corporate

partners in the private sector, largely names that you will recognize like Duke Energy, Piedmont Natural Gas, Husqvarna, Siemens – that is indicative of the Mayor's Youth Work Experience Program. The Youth Job Connection at Goodwill – they are major suppliers of jobs – Bi-Lo, Harris-Teeter, Carowinds, Food Lion, more entry level, typical teenage jobs, so you see the nice balance, and I say that to say that we support both programs with general fund dollars. We don't duplicate the services when we can help it. We are talking about two different types of programs.

Councilmember Mitchell said let me just add because one thing that is not in the write-up is an initiative that we talked about in the ED Committee meeting about the Mayor getting more engaged and making calls, and now we have Dawn Hill with her assistance to sit with our Mayor and it has been received very well from the corporate community, and I don't want to put you on the spot, Mayor, because I think Dawn knows actually how many companies have actually signed up so far. Dawn, do you have the number to date.

Councilmember Mitchell said while she comes I think this is an example of the Mayor kind of championing unemployment opportunities for the youth. He said I will do the heavy lifting and pick up the phone and call, and it has been very successful. Dawn, can you report today of how many corporations have said yes?

Ms. Hill said, yes, sir, Councilmember Mitchell. We have had about 46 employers in the Charlotte community to step up and say, yes, we'll hire one or more youth. Since sitting with the Mayor, we, along with Mayor Foxx, generated over 50 positions for the Youth Employment Program for summer 2011, and we are well on our way to increasing that for 2012.

Councilmember Mitchell said, Mayor, once again. Thank you for your work, and one thing I think we need to make sure there is a difference. To your point about Goodwill, Edwin, we want Goodwill to continue to focus on training, but the committee really wanted to hire youth this summer, so we saw this was the best option, and, Debbie, thank you for being a good partner, and allowing us \$100,000 to employ youth. Once again, thanks staff and especially ED for taking on this tough issue.

Councilmember Cooksey said I'm torn on this for a variety of reasons, one of which of course as we just went through our budget presentation. This is no way near a core function of what we do as City government. I know there are programs that exist and that we work on from time to time, but when you look at the large things that the 721,000 citizens of Charlotte expect us to do, this isn't really one of them. I'm also concerned about the redirection of the \$100,000. Mr. Peacock references in the write-up about that money is currently used for GED programs. How many dropouts will not be able to get a GED because we are redirecting this \$100,000? Does anyone know that number?

Mr. Richardson said I don't know the answer. I will invite Deb, if she has an answer. The budget for current youth service is 1.2. We are recommending they preserve 1.1, and I will ask Deb if she has a direct response to that or it's something we should follow up with you later.

Councilmember Cooksey said I would be interested in knowing.

Ms. Gibson said right now we are currently with 370 youth. I cannot give you a number on who would not because what we do is we work with groups of youth. We recruit constantly, so I can't say that any youth would not get their GED by us redirecting this money. I would also like to mention that we have done work experience programs in the past especially with the stimulus funds, so we had experience with that.

Councilmember Cooksey said I want to remind everyone there is an opportunity to cost whenever you shift money from one thing to another. I'm not in the mood to be a Grinch, so I'm going to go along with this just to see where it goes, but I think it's interesting the trend in which I think it's worth considering to put this in context is over and over around this dais and upstairs and in past business meetings I have heard the mantra of it's wasteful to spend the money on policing when it's much better and a better investment to spend tax dollars instead of on police and arresting youth to give them a chance. It dawns on me considering this particular item that the direction we are heading in, if that's our logic, eventually there may come a day because we

are not here now, but eventually there may come a day when we outright get to say as government parents aren't doing their jobs so we should do them absolutely for them because that's the direction we are heading in.

We operate under the assumption that – Originally we operate under the assumption that parents should raise their kids, teach them the way to act in society, and if people go astray, we arrest them and put them away. That's not the direction we are heading with here. We have the assertion that is a wasteful use of resources, so we should instead do what we can as government to avoid having juveniles be put in the situation of being arrested because they are doing wrong. In other words, because their parents aren't doing what they need to do to raise their children. So as a step towards this notion that the way to have a better, safer, sounder community is for government to do what parents are not I think is actually what this is a step towards, and it may be an experiment worth considering.

Councilmember Mitchell said let's be very clear why we are doing this. Nowhere in our discussion we are talking about is taking the place of a parent. Nowhere in our discussion was talking about preventing crime. This was truly about what we believe that in order for Charlotte to be a better community we think we need to employ our youth and give our youth job experience so they can become productive citizens. I just want to be careful that the discussion doesn't go from a positive thing that we are trying to do here tonight to another agenda, so, Debbie, once again, thank you. To the youth out there, we believe in you. We want to give you an opportunity to get job skills in the City of Charlotte, and thank you Mayor and Council for letting me have a rebuttal to my colleague.

Councilmember Barnes said I will pass. I appreciate Mr. Mitchell's comments.

Mayor Foxx said I'm just going to say a couple of things. I'm actually a little surprised at the numbers. What is the overall number in the Youth Employment Program this summer?

Ms. Gibson said it's a year-round program.

Mayor Foxx said Dawn Hill, I'm sorry.

Ms. Hill said currently, Mr. Mayor, we have commitments for 207 internships.

Mayor Foxx said prior to that what was the high number for us in a year?

Ms. Hill said the highest – last year 153. We did reach 179 several years back, but that was also skewed a little bit because of some stimulus and other dollars that were involved. Just straight numbers about 153 was the highest we have ever achieved, so certainly sitting with you and getting over 50 internships in one day was quite a feat for us.

Mayor Foxx said I think we have a lot of work to do, and I want to thank all of the corporate partners who stepped up this year. We have some new ones that have stepped up this year in a tough economy to help us with an eight-week program for young people. In my opinion, I think we have got a couple of challenges happening in this community right now, and one of them is you are seeing a massive demographic shift in our country – not only the country but in the community – and yet we are also seeing graduation rates in a very challenging place in some parts of our community and kids literally rotating out of schools without job skills

Frankly I think it's not so much that public safety is a wasteful expense. I would never argue that, but it's expensive to deal with it on the back end than dealing with it on the front end, and I think part of the idea here is we arrest 4,000 kids a year. I cite that often. We are putting through our Youth Employment Program fewer than 10% of the number of kids that we arrest, and I actually think a goal for the City ought to be getting to parity with the number of kids we arrest because just like kids can be bad influences on each other they can be good influences, too, and the more we are able to create a climate in which kids feel like there is a success out there for them the better off our community will be. So, this is not getting to that level, but it is an incremental shift that I think is positive and moving us in the right direction.

Councilmember Cooksey said I just want to reinforce that when we talk about, as you do in your letter and just now, 4,000 juveniles arrest a year. That's 4,000 kids whose parents are not raising them right because if they are being raised right they are not going to get arrested. We have well over – what is it – 130 some thousand kids in the Charlotte-Mecklenburg School System, so when you include private schools and home schooling a six figure number of children in this community, 4,000 of whom we have identified, have issues at home that are leading them to be arrested. So the step moves from arresting them to providing government provided assistance and educating them and employment when the school system actually should have educated them, but apparently the school system can't do that either, so we are going to step up and try to fix that. At one point if helping becomes the norm instead of arresting, do we then turn and say we have got to do something about the parents because we cannot have this conversation about 4,000 juveniles being arrested a year without acknowledging that there are some parents out there somewhere who aren't doing what they should be doing.

Councilmember Barnes said I'm going to be brief, but speaking as a parent it's very challenging to raise children. My kids are young. Some of my colleagues have older children. Doing the job of parenting is one heck of a job especially if you are doing it on your own without a spouse. I'm blessed. I have a wonderful wife who is doing her part; I'm doing my part. So much of what you said, Mr. Cooksey, is offensive to me, but I am not going to engage in responding to everything you said. I just want to let you know how difficult it is for a lot of people who are trying to raise their children right, and sometimes it is the influences of the streets, it's the influences of school that steer these children in the wrong way. I would agree with you that there are people who are not doing their job when it comes to parenting. I agree with that, but behind what you are saying is a level of evil intent that surprises me.

Councilmember Cooksey said point of order. Is intent a motivation and a suitable topic for debate around this dais?

Councilmember Barnes said I have had this discussion with Mr. Peacock. You are not going to tell me what to say or how to say it. I'm just trying to express to you a concern I have about what you are saying. We serve a lot of people or at least I do – I serve a lot of people who are struggling to keep their kids in school, to keep them out of trouble, and they deserve better than to have one of us sit here and criticize what they do without knowing the specifics of it. The intent of the Mayor and those of us who support this initiative is to give these young people a chance at success even if their parents have screwed up, and a lot of them do. We get that. We are trying to help these young people. If you don't want to do that, that's fine. I think you said you would, but if you don't want to, that's fine, but to take those sorts of shots is in my opinion unnecessary.

Councilmember Cooksey said I'll close it out by simply saying that I appreciate the agreement Mr. Barnes had with some of what I said, agreeing that there are parents who aren't doing the job, agreeing that there are parents that – I agree with him that there are parents who are struggling mightily. It is a difficult job, and I have seen plenty succeed. Our concern and what we seem to be focusing on with these programs are those that are not, so I heard agreement actually from Mr. Barnes that there are parents out there that aren't doing their jobs right; that are screwing up in raising their kids, and that's where we are stepping in to make a change.

Councilmember Barnes said, Mr. Mayor, what you heard from me, Mr. Cooksey, is an acknowledgement that there are people who are not necessarily doing their job the way they should be doing it. What I heard you talk about seemed to be some emphasis on the fact that some unmeasured percentage of people aren't doing their job right, so while there is some truth to what you said, it was almost an unnecessary comment to make. That's my point.

Councilmember Howard said I will use another word. You said surprise. I think I'm going to say I'm offended. I'm surprised. I will go a step further than you did, Councilmember Barnes, and say there very well could have been a number of us around this dais. There are a lot of programs that reached out to me as a young man that if I didn't have – I mean with all the hard work my mother has done, and most of you guys know the hard work she does in this community, it could have very easily been me just from the associations in my family and my friends, and my mother had nothing to do with that, so I'm going to take offense and be surprised because we really need to be careful about those 4,000 kids. We don't know what the story of

their parents is. For those parents out there tonight, if your kids is one of the ones arrested this year, I'm going to apologize for this Council because we in no way say you are not doing everything you could because sometimes it is just the circumstances you find yourself in, and what you need is anything that can pull you out of it, and I can tell you personally that if it weren't for a number of programs I wouldn't be sitting here, and my mother is a darn hard working mother.

Councilmember Cannon said this is almost a liking to trying to suggest that we are about social engineering when all we are trying to do in this situation is create opportunity, trying to help set a good stage, and I have to say that I'm disappointed in the comments that I heard largely in part because it either comes from a lack of experience or lack of exposure to make comments like that when the fact of the matter is you have kids coming from two-parent homes, well established, got everything they wanted to have in life, and those parents did all they could to rear that child or those children accordingly, and somehow one day that child gets hooked on some type of illegal substance, and all of a sudden did the parent fail? They did all they knew they could do, but there was a slip.

What happens if that child later on grows up and again comes from a stable household and he or she loses their job? Are we blaming the parent for that? It's ludicrous. Hopefully not. I think what we are doing is trying to determine what we can do to create an opportunity for our youth. It's almost like the after-school enrichment program that we support around this table. We certainly know and we understand that if we don't give these youth an outlet or try to create some level of foundation for them that they could turn to a life of crime; they could become a victim of their own circumstance or just go down any road towards mischief. It's my hope that what we'll do is to go ahead and move this agenda forward – you know what I mean – and just let this be what we all hope it will be, and that is an opportunity that has been created for our youth that the Mayor supports, that this Council supports, that this community can get behind, and we support our youth the best way we know how in all facets. It's a part of economic development. We can argue whether or not it's core or not, but at the end of the day, we have every good intention of trying to make sure we are improving the quality of life of our youth as they development. Thank you, Mr. Mayor, and call the question.

Councilmember Carter said we are talking about partnerships here. Deb Gibson is a dear friend and such a good partner with us. Don has created a wonderful program. The City reaches out in many different ways. The neighborhood grants – if you will come to Winterfield Elementary School, you will see a community garden where children are learning about nature, how you can produce food to serve yourself and your community. They are doing after-school programs, as has been mentioned. Our children, with the exposure that we can afford to give them, it's just absolutely crucial. It's not stepping in and intervening in a family life. It's giving them exposure to things they can use the rest of their lives, ways they can deal with others working as teams, how to learn when they have not been challenged in the correct way – an appealing way in school. It's each of us pulling together, and we all do around this dais in different ways, and that's what we need to acknowledge that the School does, the County does, and we can do our share, and that's an important to recognize this is one of the ways we can accomplish it together as a Council reaching out to our community.

Councilmember Barnes said call the question.

Mayor Foxx said there is a motion and a second on A, B, and C.

The vote was taken on the motion and recorded as unanimous.

Mayor Foxx said that carried unanimously but with some very interesting conversation.

ITEM NO. 14: FY2011 HOUSING TRUST FUND ALLOCATION

Councilmember Kinsey said I have just a few comments, but I also call your attention to the three pages of information you have in your agenda, which is very good information. We heard

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last week at the Workshop that the Charlotte-Mecklenburg Coalition for Housing is making great progress on affordable housing and homeless issues in our community. We charged the Coalition with recommending a strategy for the implementation of the ten-year plan to end and prevent homelessness. The Coalition also recommends the priorities and funding allocation for the City's Housing Trust, which is the action that is before us tonight.

The Coalition is recommending we prioritize our funding into three areas, and you see them outlined with the numbers in front of you. Tax credit set-aside, 29% of the funds, serving those earning 60% or less of AMI to fund projects that receive tax credits from the North Carolina Housing Finance Agency. This allocation helps us to leverage local funds with State funds. Rapid acquisition, 20% of the funds, serving those earning 30% or less AMI and allows for development partners to act quickly on land acquisition for affordable housing. And, the third is supportive housing, 51% of the funds, serving those earning 30% or less AMI to fund projects that include supportive services, and that, as I said, is outlined and defined in the material in front of you.

These recommendations help fulfill the strategy and work of the coalition and reflect the needs in the community. With that, Mr. Mayor, I know there are probably some questions, but let me go ahead and move the approval of the Housing and Neighborhood Development Committee's recommendation to allocate \$16,200,000 in Housing Trust Fund dollars to multifamily rental housing developments that support North Carolina Housing Finance Agency tax credit awards, rapid acquisition, and supportive housing with supportive services.

[Motion was made by Councilmember Kinsey and seconded by Councilmember Mitchell]
[to approve the Housing and Neighborhood Development Committee's recommendation to]
[allocate \$16,200,000 in Housing Trust Fund dollars to multifamily rental housing develop-]
[ments that support North Carolina Housing Finance Agency tax credit awards, rapid]
[acquisition, and supportive housing with supportive services.]

Councilmember Turner said I looked at this and I was having some discussion with my colleague, and one of the issues still for me, and I appreciate the objective here and the goal. I don't want anyone to think that I don't believe in affordable housing and we shouldn't find a means to end homeless. The concern that I have still is we passed our relocation policy recently, and I was very concerned about that policy. I did not agree with all the wording of it and thought it left some loopholes that I still think will have some negative impact on areas that are currently overwhelmed with this very thing we are supporting, and I still believe that it is still not in the best interests of certain part of our city where this type of housing would exist and where predominantly most of it would go.

In saying that, I'm not going to support it because I didn't support the policy then, and I don't support us funding it because I don't believe we have really set a policy that I can really support, but I think it's fair and will be fair across the board. Under no circumstances do I want to send the message that I don't support us helping people that need help and trying to resolve our homeless situation and affordable housing, but I still don't think the policy is a fair policy across the board, and I think it would have negative impact as we go forward with this, so my vote is going to be a "no".

The vote was taken on the motion and recorded as unanimous.

ITEM NO. 15: FY2012 ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT

[Motion was made by Councilmember Mitchell, seconded by Councilmember Barnes, and]
[carried unanimously to approve the FY2012 Annual Action Plan for Housing and Commu-]
[nity Development.]

ITEM NO. 16: REFINANCING OF SECTION 108 LOAN FOR VILLAGES OF HOPE HAVEN PROJECT

[Motion was made by Councilmember Barnes, seconded by Councilmember Mitchell to]
[approve the refinancing of the remaining balance of \$1,810,000 of the Section 108 loan]
[associated with the Villages of Hope Haven project.]

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ITEM NO. 17: NOMINATIONS TO BOARDS AND COMMISSIONS

Development Review Board – The following nominations were made for two appointments:

Transportation or Urban Planner Representative

1. Nicole Storey, nominated by Councilmembers Barnes, Burgess, Cannon, Carter, Cooksey, Dulin, Kinsey, Peacock, Turner
2. Kevin Vogel, nominated by Councilmember Howard

Landscape Architect Representative (as an alternate)

1. Bradley Sikes, nominated by Councilmembers Barnes, Burgess, Cannon, Carter, Cooksey, Dulin, Kinsey, Peacock, Turner

Mayor Foxx said we'll hold those over.

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ITEM NO. 18: APPOINTMENTS TO BOARDS AND COMMISSIONS

Development Review Board – The following nominees were considered for one appointment:

Real Estate Development Industry Representative

1. Thomas Brasse, nominated by Councilmembers Carter, Cooksey, Kinsey
2. Sheraine Spivey, nominated by Councilmembers Barnes, Burgess, Cannon, Dulin, Howard, Mitchell, Peacock, Turner

Results of the first ballot were recorded as follows:

1. Thomas Brasse, 3 votes – Councilmembers Cooksey, Dulin, Kinsey,
2. Sheraine Spivey, 8 votes – Councilmembers Barnes, Burgess, Cannon, Carter, Howard, Mitchell, Peacock, Turner

Sheraine Spivey was appointed.

Civil Engineer Representative (as an alternate)

1. Robert Latta, nominated by Councilmembers Barnes, Burgess, Carter, Cooksey, Kinsey, Turner
2. Kevin Vogel, nominated by Councilmembers Howard, Peacock

Results of the first ballot were recorded as follows:

1. Robert Latta, 8 votes – Councilmembers Barnes, Burgess, Cannon, Carter, Cooksey, Dulin, Mitchell, Turner
2. Kevin Vogel, 3 votes – Councilmembers Howard, Kinsey, Peacock

Mr. Latta was appointed.

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ADJOURNMENT

The meeting was adjourned at 8:33 p.m.

Ashleigh Martin, Deputy City Clerk

Length of Meeting: Hours, Minutes
Minutes Completed: