

## BUDGET ADJUSTMENTS

The City Council of the City of Charlotte, North Carolina convened for Budget Adjustments on Thursday, May 23, 2019 at 1:12 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Councilmembers present were Tariq Bokhari, Ed Driggs, Julie Eiselt, Justin Harlow, LaWana Mayfield, James Mitchell, Matt Newton, Greg Phipps, and Braxton Winston II

**ABSENT UNTIL NOTED:** Councilmembers Dimple Ajmera and Larken Egleston

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**Mayor Lyles** said this is our FY2020 budget; so, we are going to talk about anything that we would like to do in addition. In front of you today are the questions and answers from the May 22nd Budget Briefing meeting. I know that you just got this so what I would like to do is take a couple minutes for you to read through it.

I would like to introduce a guest we have in the audience today, I would like Carolina Nicetrum to stand up; Carolina is a student at Providence Day School, her favorite thing about school is that she really likes her teachers. I don't think many of us could have said that. She is going to be attending George Washington and is hoping to have public policy as her major and then she is going to come back, and she is going to try for one of our jobs. She is shadowing for the afternoon, so please be on your best behavior, otherwise she might try for your specific job. Carolina, we are glad that you are here and able to watch public policy being made today. So, thank you.

### **Councilmember Ajmera arrived at 1:17 p.m.**

Mayor Lyles said we have had an opportunity to read the questions and our process today is about anything we want to do with the budget so the Manager can prepare for our agenda on June 10th the Budget Ordinance. Of course, on June 10, 2019, we would like to have the ordinance written in a way that they can get it loaded and ready to start the new year. I think most of us forget that even after the budget is adopted there are a lot of things that have to be fed into a data base, so that we begin our controls for the new year and wrap up the end of the last year. That is why June 10, 2019 for the adoption and then the staff takes it and makes sure that everything is loaded for operations on July 1, 2019.

**Councilmember Bokhari** said I think we will all agree that the Manager and staff have put together an incredibly strong budget this year; one that they have listened to us for month and months now on individual specific topics, challenges that they have arisen; they've all in a lot of folk's opinion I believe done a really, really good job in inserting and infusing that in there. Rather than snatching defeat from the jaws of victory here, as we are on the verge of what I believe is a unanimous budget vote it seems. I think a lot of folks in the add/delete process have a lot of individual worthy causes that we might want to throw in there that could risk that, as well as accidentally enraging the community with questions or directions we might take it from this point forward that we instead of following the process of we need five votes today to bring something out of here and move forward an add or delete and then six votes to follow that to actually add or delete it; we've had some conversations off line individually and it seems that we have at least seven votes so people who believe the current budget without any adds or deletes is something that looks good to move forward. I've talked to our legal folks that this is appropriate to bring forth the motion now to go ahead and take the straw vote that would enable us to know and move forward with a little more advanced time, minus the separate discussion that we need to have today on the MSD decision, which is not directly inside our budget, but it is a separate decision that has to be made.

Motion was made by Councilmember Bokhari and seconded by Councilmember Driggs, to dispense with budget adjustments and proceed with the budget as recommended by the City Manager.
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**Councilmember Winston** said I'm sorry, I don't mean to be personal, but that is one of most ridiculous motions I've ever heard, especially given all the discussions that we have had behind the dais over this past year, specifically as it relates to spending and our Consent Agenda items, when so many people, including the Councilmember that has made this motion has said the proper time to have those discussions is during the budget process. To try to cut that process off because an abdication of your primary duty as a Councilmember is to approve and scrutinize the budget, it doesn't make any sense. I don't know where you are coming from. I don't know what the fear is in engaging in a democratic process of having the people who we represent be able to ask the questions and scrutinize it, after you have spent 12-months saying how this is the time where we should be able to that in depth and find a more detailed approach to the process where you want to cut that off. You won't get a vote from me, and I would love the explanation as to both sides of the line you seem to be coming from about this process.

Mr. Bokhari said I'm happy to address that. I honestly would never have normally have done this; I think one of the things that activated it, well two things really. One, we've been working on this for months. All the things you talked about are exactly what we've all done behind the scenes and then behind the dais and in our discussions that have made their way into this budget, and to be honest my last straw was really yesterday and then the news that came afterwards of something that is just going to enrage the City, when they don't realize that that is not how the majority of us are thinking about whether it was misinterpreted or not, taking money from Police Officer Training and deploying that towards our own pay. So, rather than just go down a path of further making a challenging situation and making us all look stupid, I figured this was a really good opportunity for those of us who believe that everything you said in transparency is in this budget, let's just get it done.

Mayor Lyles said I really want us to have a respectful conversation here, and if we can do that I think that will carry us a long way. You have to remember we are going to work together on this budget; we've done a lot of it, but there is going to be the next item and the next budget that we will work on as well. Let's try to remember that these are our colleagues.

**Councilmember Mayfield** said there is a challenge in trying to usurp the add and delete process. We have an add and delete process for a purpose. Also, it is around this table that we ask questions, and if it gets to a place where you cannot ask a question and give staff the opportunity to either respond with an answer or to not respond for us to make a decision moving forward that changes the whole dynamic. I do think it is interesting that a colleague would suggest let's just move forward with the budget as is, and for clarification it was two separate conversations yesterday, and as an elected it is our responsibility to explain to the people that the funding for Police is a one-time, and since I was the one that made the motion of the reduction from \$2 million to \$1 million, there were very clear reasons because when I ask our Chief specifically how many officers are currently trained, how many officers will be trained, is this a mandate and was told that this was voluntary, and we don't know, then I said okay, why can't we use \$1 million, since we have some clear needs in the community that need to be addressed?

A separate question was asked regarding funding and then I followed up to give staff the opportunity to say no, this is one-time funding, anything related to salaries has to come from a line item that has consistent funding from it for clarity. So, it is our responsibility to share that information and not just jump on the bandwagon because the media is in the room. When we try to take away the ability for people to have conversation around this table and/or to eliminate the ability to have adds and deletes, because there are clear concerns, I do not discount the fact that the Manager and his team gave us a great budget but, this is his recommendation. His recommendation of the budget has been the responsibility of Council to go through that budget and identify, based on the needs that we see in the community, if this recommended budget is going to address the needs that we have all agreed upon collectively are the needs in our community. There are some very specific needs in different parts of our City. To even encourage the idea that we just say okay, this recommended budget yeah, we are just going to go forward with it, it is all

great without having further conversations is a challenge and that also goes to show the lack of understanding of how the full process works, and this is the time that you ask the questions and that you have your adds and deletes, and you go through the process to see if there is support for it or not. Just because I recommended that we reduce it to \$1 million from \$2 million, with very clear reason why, it is still up to the body to vote; it is either six that is going to do it or not. So, at the end of the day we have a process in place that should be followed. Anytime that process is attempted to be usurped there should be concern, not only from this body and future bodies, but also by the community as far as what direction is your elected body trying to go in.

**Councilmember Egleston arrived at 1:25 p.m.**

**Councilmember Mitchell** said City Manager and staff, great job on the budget. I'm a strong advocate that this is a great budget, because there is no property tax increase. The issue I have though is going away from the normal process, because I do think this budget needs to be tweaked and I'm going to give you a policy discussion we should have. Opportunity Zone, if you look at this current budget there is nothing in here that addresses a very important tool like Opportunity Zone that we are all passionate about. I hope we will have the conversation from a policy side. What is our vision; what direction would we like our City to move; therefore, can the budget be tweaked? Mr. Bokhari, thank you and Mr. Driggs for being umbel with the budget, but I don't know if I would be a fan of not going through the process.

**Councilmember Ajmera** said I do agree with some of my colleagues. Mr. Mitchell made a great point that this is a great budget, kudos to the staff of including some of the priorities that we have been discussing, but to take away from this democratic budgeting process is not a good idea. I had asked a question yesterday about increasing the non-intern temporary part-time employees to align them with the \$16 per hour wage, and I would like to add that to the add item.

Mayor Lyles said we have a motion on the floor right now, so we are discussing that motion first and then if that motion does not pass or passes then we will decide the next step. The motion on the floor is to –

Ms. Ajmera said I don't support that motion.

Mayor Lyles said I figured that part.

**Councilmember Driggs** said I just wanted to say, it felt like after our last meeting we were very close, and we have the benefit of a budget that was more organized and better presented than we've experienced in past years; so, I think the idea for this just came from the fact that we actually have an opportunity to kind of support what the Manager has done, and it wasn't intended I think to deprive anybody of a chance to speak, but in past years we've seen that those final stages came down to like a three-hour discussion about \$50,000 of Out of School Time and things like that and the question was can we kind of let the Manager deal with those situations on a more discretionary basis and agree that this document is reflective in so many ways of what is we've been talking about all year? Again, I would just remind that yesterday we said okay, is anybody going to want to bring up adds/deletes? There were a couple members who weren't present but yesterday was an opportunity to tell the Manager, so he could be ready for today, and I think on that basis we through we were close enough to consider this proposal.

**Councilmember Egleston** said apologies for my tardiness and not knowing what I missed in the few minutes that I was not here. I certainly appreciate process, and I do think there has been a process, but I don't want anybody in the room who doesn't know better to think that there hasn't been an opportunity for there to be dialogue amongst ourselves and amongst staff. I don't know that everybody had individual meetings on the budget, but I know everybody was offered the opportunity to have individual meetings with staff on the budget. I had one, and some of the ideas that were floated yesterday I think have enough merit to be worthy of discussing, but I don't know why we waited until yesterday to start discussing them. It sounds like the topic is do we adds and deletes.

I do have bad memory, as does Councilmember Driggs, of last year us trying to debate the worth and merit of various organizations that I think we all think are worthy and saying well, we don't have money to fund some of them, so let's take up/down votes and then you are voting against an organization that you think has a really important meaningful mission. I hope we don't go down that path again where everybody throws something at the wall and then ask their colleagues to vote yes or no on it and then two-months later you get accused of voting against the Animal Shelter or whatever. We don't have the money to pay for everybody's pet project. I don't think that was an effective process last year, so if the goal is to mimic last year's process, I would take a pass on that.

Mr. Winston said yesterday, a lot of us didn't necessarily have questions, because we were handed this packet 12-hours before the meeting so we could go through the information and ask additional questions and put further context between the discussions that we were having. If we are going to make comments like this about the process, I'm trying to find nice things to say about it, but there is some real swaying and moving of the goalpost here. The idea that we would usurp our responsibility and the democratic process of being able to scrutinize the way tax dollars are spent, because we don't want to make difficult votes then why are we here. I can't believe we are spending the first 35-minutes of this important session discussing whether or not we want to do our job. I just don't get the discussion we are having right now.

Mr. Mitchell said I'm trying to be nice with the comments I'm trying to make, so let me take it from this standpoint. Sometimes we get elected and our decisions are hard, and we don't have all easy decisions. I think the toughest decision we make is on the third Monday when we are talking about rezoning; you have a developer. You have a neighborhood, and I never like to call them winners or losers, but they are tough decisions. We are going to have tough decisions in the budget if you are doing the work that the citizens elect us to do and so to try to find a way that we don't talk about our financial partners, I think that is a valid conversation to have when you look at those partners who we need to move this City forward.

If last year was tough I got news for you, that is the way it should be; it should be tough for all of us, because I remember when the conversation was on My Brother's Keeper. I was adamant that I thought it was worth us spending \$50,000 for a program and an issue that is important to our community. We shouldn't shy away from those conversations, and I don't like to call them winners or losers, but I do like to call them partners we need that we think are very valuable to our City. I just don't like the mindset that we say on one end we don't want to have tough conversations, and I'm just going to wrap up, but please, we are elected two years to do a budget. It is a tough process, but I think we can work collectively and decide what is best for our citizens. This is the last piece we need to rush through, because it is so important to our citizens how we are going to spend money, and does it match our priorities?

**Councilmember Phipps** said I too had thought that we had progressed through this budget and read through it and given the Manager and his staff direction on how we wanted to go that it did appear to be a pretty good blueprint from which us to move forward on. I know we have processes in place that not only we would have one on one meetings but his office and his staff's office is always open to receive comments on the budget, so I would have expected that everybody would have used those opportunities to have a free-flowing discussion and dialogue. We do have a process in place, and while I am amenable to wanting to more or less streamline and ease the process, the fact that we are having this discussion with these many minutes devoted at the beginning of this meeting leads me to believe that we shouldn't probably just go forth with our original process and move forward with it. One thing that I wanted to make sure that I know in past budget cycles we have included in our packet our 15 budget principles; are they anywhere in these packets? If you go through those you can see where we want to have a budget process that was more like a deliberative process and not a budget scheme where we would, use of all things, to try to satisfy different priorities. I know I'm the poster child last year; I made a flippant comment about wanting to reduce the bike plan budget from \$4 million to \$2 million, and they tried to paint me with a broad brush, so I know that



those kinds of things can happen, but I survived it. I won my election, but I can see both sides of it. We are starting off this process, and we are late in the process in terms of where we want to go, and it is turning into a divisive kind of discussion that I would think we would better be served if we moved forward with our process no matter how cumbersome it is and just go forth with it. That is what I would prefer to do; just follow our existing process and listen to what people want to do and move forward.

Mr. Bokhari said I want to withdraw my motion. We were all on the same page going into it, and I think if the Budget Committee Chair has had a change of heart as it relates to wanting to go forward with it then I would like to give him difference in that position.

Mayor Lyles said we've had a withdrawal of the motion and a withdrawal of the second I believe.

Mr. Driggs said yes, I just want to suggest maybe what we could try to get done today, and it wasn't meant to be acrimonious; we don't want this budget to be acrimonious, because the truth is we are actually 99% in agreement and that should come across. I agree, and I appreciate the fact but, what we can do perhaps is hope today to get the straw votes done. With that be too much of an abridgement? I just think we are close, maybe we give ourselves sometime today to discuss, and we look at where people really come out on the add/deletes but let's just without a motion try to reach a consensus that would allow us to have our straw vote today and that would be kind of in line with what we were talking about without causing anybody to feel that they had been excluded.

The motion was withdrawn.

Mayor Lyles said I think that Mr. Driggs has really hit on something. What we have done often is a five person vote and then the staff being able to respond. Yesterday, I wrote down a lot of the questions about adds or deletes, more like this is an add, and this is a delete, and I think if we can get this done and have six votes to move forward than we will be ready to prepare a final budget. I would say that this would be the time that we really make proposals for adds and deletes and with the exception of the Municipal Service Districts, which I know you guys would prefer not to sit through all of this, but we are going to try to figure out exactly where people are and what we usually do is go around the room and ask for adds and deletes. Again, I know that some people had asked some questions about asking the Manager to help with something; I hope that they've had a chance to do that so when you give your add we are asking you to give a delete because the Manager has a structured balanced budget.

Ms. Mayfield said since some of us started yesterday, we don't need to reintroduce them today, because they already them, so they should pop up.

Mayor Lyles said if they are already up there you don't have to reintroduce them but we will do the six votes and that way we will be able to finish up today so the budget can be put in order for adoption. I want to remind everybody this budget will be on a public agenda; there will not be a public hearing again, because we've already held that, but there is much room to have your comments about what you would want to see in this budget and how it does it or does not do it on June 10, 2019. We are going to go around the room and we will have the budget staff list out the adds and what you would have as a delete.

Mr. Winston said my add is up there from yesterday, and since I was able to review the mountain of information that we were given a few hours before yesterday's meeting, I have another add. I would like to add bringing Engine Company 43 online in January of 2020 and see if they can be housed in Station 12 as that infill Fire Station is being built. If you take a look at the heat map around response times that was provided in attachment one, I think seeing the growth that is happening there it will be a great use of our resources, and it is necessary right now, and it will save lives. That is our primary responsibility, ensuring the public safety; we should do that.

I have a question with regards to the conversations that we had yesterday as it relates the ability to get CIT training; if we don't think we can do that with the amount of money that we have potentially appropriated to use all of that to get Police Officers there, do we need to come up with a larger strategy to get other first responders trained in CIT? For instance, our Fire Department who goes to many different types of calls and might be able to identify crises before we get law enforcement in the deal. I would like not to see that CIT money go away but really utilize so we have a more robust CIT response citywide.

Mayor Lyles said Mr. Winston, can I talk about that for a moment specifically? I said yesterday some of our best ideas come up after we've gone through a long process of what we are doing to get to this point. I think something like that is a fair question; I think the thing that we really have to do is ask the Manager, and in this case the Fire Chief. These are ideas that we have, are they valid or not? So, my suggestion would be put them on the list, but in terms of making those decisions whether or not we use Fire Fighters for CIT, that might be a bigger discussion for us to have in September or a discussion at this point. If it is directly related to something that we are trying to put online early –

Mr. Winston said if we have a budgetary line for training that we don't think we can complete in this budget cycle, I'm asking to see if we can actually utilize our budget.

Mayor Lyles said I wasn't disagreeing with your part of your request; I was taking about the idea of firefighters. I wasn't talking about whether or not we would spend the \$2 million. I was just trying to get to the point that sometimes we have good ideas to explore and they really require some effort by the staff to responsive in a way that is credible.

Mr. Winston I'm confused with my colleagues when we believe is the appropriate time to do things, because I thought this was the time to talk about budget, but it seems many of us don't.

Mayor Lyles said I'm sorry; I will not interrupt you again, and I will not ask questions, put it up there, and let's just go with it.

**Councilmember Eiselt** said I was on the list for last time, so I just wanted to say I apologize I wasn't here yesterday; I was at a funeral, but life happens, and you should be able to miss one meeting to be able to catch up if you've read the budget. I don't know why that was funny, but my point is that this is a budget that we work on all year long and I've always been under the assumption that when a Councilmember has something that is important to them that they reach out to their other colleagues and say do you support this? Can I get six votes on this? We talked about Council salaries, and I support Council salary increases; it is a ridiculous amount of money. I've calculated my income at \$6.18 per hour; so, it is not that I don't support it, but I've never gotten a call from a colleague saying can we work on this and get six votes for it? I just think that is a piece that is missing here that you build consensus amongst each other. We don't have time to talk to each other. I think the public thinks that we all hang out with each other, but sometimes we only see each other on Monday nights. It is really important that we reach out to each other and build consensus for any item without judgement to anything that anybody puts out up there. I think that piece was missing; who is going to say it is not important to get another fire truck online? Who wants to say oh, that is not important? But to put that up there right now, half million dollars and not understand the impact in the whole budget of where of where it is going to come out of, I just can't operate like that.

Mr. Winston said everybody received the same information; it was in our packet. This is not the first time you saw it.

Mayor Lyles said I agree with you Mr. Winston; let's just go forward. We said we would go around the table, and it should be listed there. Do you have anything to delete Mr. Winston?

Mr. Winston said no ma'am.

Mayor Lyles said what would you take out of the budget to accomplish those tasks?

Mr. Winston said now we are the ones writing the budget; do we have six votes on this; that is how we are doing it. Come back around, and I'll dig into this and find something.

Mr. Mitchell said an add of \$50,000 for the Women's Business Center of Charlotte and we would take it from the Enhanced Economic Development Programs. I think it is a perfect bit because we are talking about programs that are good for our community. Women entrepreneurs is definitely a key. Ms. Eiselt and I had a change to go to one of their programs, and we didn't realize we are the number one city for women entrepreneurs in the region. I don't understand then how we won't support Women's Business Center in our community, when statistics show that women are the top entrepreneurs in the future. Right now, in the Enhanced Economic Development Programs it is about \$1.6 million there, so I would take \$50,000 from that bucket.

Mayor Lyles said we will get staff to come back and look at it; those are the salaries for the additional employees I think Mr. Mitchell or what is it?

Mr. Mitchell said it is Women's Business Center funding request of \$50,000. The second one is \$35,000 for Junior Achievement, and I would take that from the Revitalized Business Corridor. You know Junior Achievement moved to the Camp North End supported by Districts 1 and 2. As we talk about doing more with youth in CMS, I think that could be a great relationship, and so we can take that out of the Revitalized Business Corridor. It is sitting right now with \$1.8 million.

Mayor Lyles said is the Women's Business Center and the Junior Achievement operating support or would they be one-time capital expenditures for Junior Achievement in Camp North End?

Mr. Mitchell said I'm just going by the write-up Mayor; it does not say.

Mayor Lyles said that would be annual funding for operations. Is that correct? The Junior Achievement ask for operating funding, right.

**Sabrina Joy-Hogg, Deputy City Manager** said that would be annual funding.

Mayor Lyles said that would be coming out of a capital fund. We've been talking about if we are going to do annual funding that it ought to come out of reoccurring revenues. So, the \$1.8 million is capital money, and that is not reoccurring money that comes in every year. You can always say it is a one-time contract and not do it again.

Mr. Mitchell said can I ask staff them to come back with options where you think we can pull this amount?

Mayor Lyles said we had this discussion yesterday. The Manager has really asked us because he has presented his recommended budget and he is saying if we are going to do something it needs to be in line with the budget policies of non-reoccurring operating being operating revenues. Yesterday he did say there is \$85,000 in a contingency in the general fund. I would say that is probably a better choice if you want to continue to do Junior Achievement. I don't know whether the Council would approve it or not, but I would say it is better to come out of the general fund. You didn't ask my advice but-

Mr. Mitchell said that is why I was asking staff; thank you Mayor, with your budget expertise I was asking staff to come back with choices. I've very flexible. I think for me those two programs are important.

Mayor Lyles said it would come out of the contingency money.

Mr. Phipps said I wanted to talk about the MSDs.

Mayor Lyles said we are going to do that after we get through this list.

**Councilmember Harlow** said I have a question; in talking with the staff about the Gold Line Phase III, I appreciate the answer to the question #30 on Page 13 from the fat packet from yesterday. We discovered that there was some funding that was already in reserves for Gold Line Phase III, \$8.8 prior reserves. That money runs up this year, Page 266 shows in the transit PAYGO, there is nothing in the future for those reserves. This budget cycle my whole conversation has been how do we try to find a way to get Phase III, at least planning and design in line with the Silver Line projects going along with what John Lewis has said, he wanted to try to do all these projects together. So, at least getting up to the point where there is planning and design. When I read this there is surplus revenue from the vehicle rental tax and motor vehicle license tax is placed in these reserves, are we not expecting any future revenue from the vehicle rental taxes to keep funding these reserves?

**Marcus Jones, City Manager** said my understanding, not for the design of the Phase III of the Gold Line.

**Phil Reiger, Strategy and Budget Director** said the Manager is correct; the revenues forecast for the future are there to operate the Gold Line in its Phase II state. So, there are operating funds that are needed in order to keep that rolling, and that is where that comes from.

Mr. Harlow said I'm on Page 243, General CIP, we've been back and forth with John Lewis and the Manager knows this, what gets us close enough to getting us in line with the Silver Line planning and design? He said it is about \$18 million. It started with \$5 million then went up to \$10 million, and he said okay let's get serious about \$18 million and that gets us to about 40% or so which I think we would be a lot more comfortable with when we are talking about how do we shrink the scope so we don't get absorbent numbers later. We are going to have a real conversation about how do we make sure this is not forgotten again because we've now learned the history of the prior Gold Line decisions. We've got a PAYGO available cash balance of \$19 million, and no-one is talking about that and that is not a bad thing. I would like to from that \$19 million to get us in line with Gold Line Phase III to at least start the process of planning and design for our Phase III to add \$10 million to our already \$8.8 million Gold Line Phase III reserves to get it in line for planning and design. There is currently \$8.8 million in reserves so get it to \$18 million would be approximately \$10 million.

Mr. Jones said a couple things, one is the \$8.8 million that is in that reserve for the Gold Line is for Phase III, game set match. That is what it was designed to do, so over the years there have been some accumulation of those dollars, and the last input is going to be in FY20; so, the good news is there are dedicated funds for the design of Phase III. What John Lewis did was he tried to give an estimate of what it would cost to get to 50% design for Phase III, and that is where this \$19 million comes in. So, if I understand what Mr. Harlow is asking is, I'm going to round up to \$9 million, so you are asking another \$9.2 million to get to that. I would just say from that \$19 million, if I understand what you are saying, that PAYGO is revenue that is being applied to expenditures in the 2020 budget. So, that reserve is actually helping to pay for everything that you see on the expenditure side of the 2020 line. It is not free money.

Mr. Harlow said so, it is not available?

Mr. Jones said right.

Mr. Harlow said it reads that way but okay, it makes sense. Good try.

Mayor Lyles said actually Mr. Harlow; I think it is more than a good try. We all know that we are at a point where we've got to deal with our transit issues. I think that is our next big leap for the next year's budget. I don't know how we continue to plan a Silver Line and invest \$143 million in design and not begin to acquire the land, not begin to build the project and my understanding is that we had our MTC meeting yesterday, and John Lewis reported that he has begun working with the financial analysis team, and he is looking at



every source; so, what he is looking at is have the reserves set by the current operating, are they still appropriate when they were set I think 15-years ago. Also, he's got a financial analyst coming in and saying what are our projections for sales tax, and what are our choices to get more work done? I think the real question in this community will be how do we get people to move around and that means beginning our Silver Line and finishing the Gold Line. I don't separate those two things; in the past the Gold Line was in our operating budget, and I think we need to move it over for funding and match just like we do the Silver Line. I would hope that we would have that as a big discussion in the upcoming Retreat, because we've helped to house people, we are now working on workforce development apprenticeship programs. What is our third priority? Transportation getting people from home to work, and I think we've got a big decision to come up in the next year, and I think we need some advice on it, districts, value added, and putting all of this together I think is necessary for us to be able to be responsive on transportation next year. Just my opinion and I would encourage us to look at this holistically and every aspect of it. Mr. Jones, did I misstate something?

Mr. Jones said not at all. The good news is that there are funds to begin the design; so, back in January there was the question is there any funding. So, there is almost \$9 million to begin the design.

Mr. Harlow said I appreciate that; so, when I see this surplus revenue and in the book it says there is nothing in the future for the reserve account. But, in the question and answer it says surplus revenue from vehicle rental tax and other vehicles placed in this reserve funds for future needs associated with the project. That reads to me like there is no future revenue coming from the vehicle rental tax being associated with the project.

Mr. Reiger said the projection for the operating cost of operating the Gold Line Phase I and Phase II- the Transit PAYGO account in those out years are projected to be used for the operation of Phase I and II, and we project right now that it is going to require the whole amount to do that. That is why you are not seeing additional excess value going into the reserve.

Mr. Harlow said just for clarity, I'm happy with the \$9 million, and it is better than the zero that we felt like we were starting with so, thank you. As we think further and I will continue to mention this over time, we cannot let this Gold Line be forgotten about. I have no adds or deletes.

Ms. Ajmera said I have a couple of mine up there. Could we go back to the operating budget? I looked at the details that were presented where there is a breakdown by different categories when it comes to part-time employees. There is one category that is cost to increase non-intern, temporary, and part-time and that is something I would like to pull; it is just \$1,000. There are three part-time employees, so that is question #7. Up there it says \$91,000, and I know the budget is already balanced, and I don't want to put it too much out of balance. So, here we will just add \$1,000, and the one that is for our youth programs. Those are mostly for college educational related; so, I'll leave that as is.

Mr. Jones said we intend to fix that, so we can take \$1,000 off. We intend to fix that.

Ms. Ajmera said when you look at the number, it looks like a huge number, 203 part-time employees, but when you dig further down it really gives you a clearer picture of how many really part-time employees, because the majority of them are for educational learning of some sort of internship, so that really leaves three employees.

The other thing I have and I have had a conversation about this with budget staff on Cross Charlotte Trail. I applaud your leadership Mr. Manager on getting \$54 million to fund out of PAYGO, cash in lieu debt refunding, to come up with the segments for five, six, seven and eight and 10 and 11 still do not have any sort of funding in terms of the construction. We do have funding for planning and design; so, after we have an accurate picture of cost estimate for construction, what would be your plan to fund segments 10 and 11?

Mr. Jones said what we would do is get back to the discipline with our projects so, after the two-year design the concept would be we will continue to closeout projects, which projects will come to the end, and are there opportunities to use those closeouts to fund the last two segments as well as any refunding much like two of the pots that we identified this time?

Ms. Ajmera said is it fair to say we are not going to go out to voters to ask for construction funding for segments 10 and 11?

Mr. Jones said I can't tell you exactly where we will end up but that is not the intent. The intent is that we've gotten through the first nine segments and the desire is to finish segments 10 and 11 after the appropriate design without going back to the bonds.

Ms. Ajmera said I know that in a year or two that will come up. I want to make sure that is not forgotten as we go through this process of building our entire Cross Charlotte Trail that we had promised.

Mayor Lyles said how long will it take us to construct the \$54 million that we have underway?

Mr. Jones said let me clarify something. When I say bonds, it would be the voter approved bonds, not some of the things that we do without voter approval of the COPS. Mayor, I am not a betting person, but the money is there, and by the time we do design and acquire real estate and go into construction, it will be years.

Mayor Lyles said I also say that, because I think design and right-of-way and what I've been hearing about our construction industry right now is the workforce is actually very difficult to bring in and keep, that we are now going begin competing with some of our private sector folks to get some of these projects done, because we don't have sufficient so that is a testament to the work that we are doing to train people, but it is also a testament that we are really struggling right now in that workforce area, and we'll continue those programs.

Mr. Driggs said I just wanted to say, I consider the \$54 million for the trail to be a big win, and I hope everybody perceives it as such. I'm actually not completely happy; I think that money should have been prioritized alongside all of our other capital needs, but I'm going to bow to the inevitable. I want us to be unanimous, and I have no adds or deletes.

Mayor Lyles said Mr. Winston we are going to come back to the areas you had suggested for some potential ideas for deletions.

Mr. Winston said Page #152 and 153 in the non-departmental section, we can delete the \$34,000 grant allocated for building rent in unoccupied areas. Number 152 is \$34,000 for Charlotte Mecklenburg Government Center rent of for funds used for building rent in unoccupied areas. We should be occupying those areas, and if we can't do it there are plenty of underserved businesses that are looking for places to do business. Maybe we should open it up to them. Then \$300,000 paid to the County Tax Office to support a County audit and \$200,000 for reimbursable accident repairs of funding for the repair of accident damaged vehicles by third parties. Again, this money would be used to provide as immediate as possible fire engine coverage for the South Boulevard area.

Mayor Lyles said County Tax Office on Page 153, provide funding for reimbursement and for the collecting of auto license fees and FY19 included the one-time funds for the audit so that is money that is already gone. So, this would be for collecting automobile tax; I think the audit has been done.

Mr. Reiger said the County Tax Office money is money that we are contractually obligated to pay the County, and for the audit, they do that on a periodic basis, so you see that fluctuate. So, there was one-time money included to cover the audit; it is a contractual obligation. The building rent as well; we have agreements with all of our tenants, and this money is wrapped up in those agreements.

Mr. Newton said on the building rent on unoccupied areas, is what you are saying Mr. Reiger; is that we are locked in with leases with these landlords, for lack of a better way of putting it, and we would be out this money anyway if were to somehow back out of this or be opening ourselves up to some sort of legal liability?

Mr. Reiger said it is formulae, so the City pays for part of the building and the County pays for part of the building through an agreement; CMS pays for part of the building. There are unoccupied areas, and it is just to formulae.

Mr. Newton said is there a way for future references or future purposes, is there a way that we could sublet some of these if they are unoccupied for our purposes in the future to maybe not have this shortcoming next year or the coming years?

Mr. Reiger said I'm not the real estate professional; that is possible, but we can bring back more information about those opportunities. Those wouldn't be opportunities if it was possible that could be done in the next month. It would require marketing etc.

Mr. Newton said oh yes, not for purposes of our budget now but in future years.

Mr. Reiger said we will be glad to explore that.

Ms. Ajmera said as we are going through this add and delete process would it help to actually have the items in the budget that are contractual obligations versus the ones that are not; so, that as we are going through it. We don't know which ones are and which ones re not. I think that would definitely help.

Mayor Lyles said next year that would be able to be clarified. Right now, the only delete that we really have is the \$85,000 for the reserves and reduce the accelerated Police Training for CIT by \$1,000.

Mr. Jones said what we tried to do is give you a breakdown of the types of training that would occur, and we tried to do in terms of Police Officers based on so many hours of training. So, if you gave all Police Officers 40-hours of training it would be \$2.5 million. So, what we tried to do is use what the Chief wanted to do with this money in terms of four types of training. It is refresh all currently trained CIT Officers. It is to offer additional capacity for Police Offices to become fully CIT certified, is to provide an eight-hour tactical medical for first responders course for the majority of Police Officers and to allow for additional cultural proficiency training. That alone will over subscribe the \$2 million; so, that is why we put money into FY21 another million dollars. How he goes about doing it; I think in all fairness, he needs some time to structure who gets what level of training, but there is not enough money to do all of the training if everybody got 40-hours of training in the next fiscal year. That goes beyond \$2 million.

Mayor Lyles said I'm going to say it a different way; we are hoping that everyone gets training so what you had estimated is over two-years with upfront in those four training sessions to try to get every officer through some level of training and then in the next year it would take another million, so we would reduce it by a third, because you would have \$1 million and \$1 million versus \$2 million in one.

Ms. Mayfield said in direct response to that and the reason why my recommendation was for the funding to come from this \$1 million is because as the Manager mentioned, that is the hope, and that is if all the officers were to get 40-hours of training. When this was first proposed, and we asked very direct questions we were told one, it is voluntary. So, we don't know that all officers are going to go through the training. I also asked how many current officers do we have? Because we already have officers that went through CIT training; if we are talking about identifying money to retrain you on what you in theory have already been trained on that is a challenge. I also asked how many officers are we actually looking at because it is voluntary. So, the reason I made the recommendation because this is add and delete; so, if I'm going to add something then I need to identify where a delete can come and as this is one-time funding and as the creation of a

collaborative specifically from Tuckaseegee to Nations Ford can be identified as a pilot in order to help opposed to asking for 500 in order for it to match what is happening in Camp North End and other areas the request was to start here at 250, because there are some very specific needs in the community opposed to the ideas of the what if, and we are just going to pad this \$2 million to cover if all of our officers. Now, if there was clearly a plan to ensure all of our officers were going through that would have been a very different conversation. That is not what was shared; it wasn't shared when we sat in this room, and I asked the questions initially, it wasn't shared when I sat in the room with Mr. Newton when we had our one on one, so therefore, if you could not tell me specifically because there is a lot of funding that we have identified and we have allocated for multiple CMPD training.

In the report that we received today where we received an update regarding the monitors regarding the question of how that was supposed to play out. So, the idea again impact and intent. So, the intent may be this and what I'm saying is opposed to funding for an intent, we have some actual impactful needs that are happening right now and there was very little wiggle room in a number of other places in the budget, which is why I ask, and again, at the end of the day we are either going to vote yea or vote nay. You needed a delete; that is my delete.

Mayor Lyles said I just wanted to make sure, because you have been focused on the CIT and this training carries cultural training and what do you call the first aide training, and there is one other. So, I was just trying to make sure if it was CIT that we would get the right number.

Ms. Mayfield said I was focused on the \$2 million and how the \$2 million was going to be spent, and how many staff, just like we know with Police Training\ we can only get 80 through the academy. What is that funding; how do we walk it? I was trying to keep us as close to the budget of what is needed as possible, opposed to just having extra money sitting out there and then come back a year or so later, a new Council has absolutely no idea what conversations were held, and there is a request for an additional, but you haven't really shown how the initial was allocated.

Mr. Driggs said understanding all of that I just have a general feeling this is a really bad time for us not to be giving the Chief what he says he needs to do his job. Particularly, given the clamor about the training of the officers in the Franklin shooting –

Ms. Mayfield interrupted to say the UNC-C shooting which was a very different shooting.

Mr. Driggs said correct, but I'm just saying the crisis intervention topic is such that if it looks like we are not fully funding that, I would be very concerned. Also, I just want the Chief to make the decision about how to run a Police Department and for us to kind of support him in that; therefore, I would not be in favor of deleting that funding.

Mr. Newton said maybe to clarify a point, I'm actually in favor of the \$2 million of funding. I misunderstood where we were suggesting the \$1 million coming from yesterday. Having said that, I think we have identified Crisis Intervention Training in the community as a need. I think we have made a commitment with the CPCRT Program to that end, and I feel like this is something I've advocated for personally, and I'm all in favor of us identifying other revenue sources, particularly when we know we have some short comings in some of the areas that we do want to fund. I don't think this is that revenue source.

Ms. Mayfield said I want to make sure there is no misunderstanding. It is not a point of there not being a need for CIT training, but for those that have been around for a while, we have funded a number of trainings, and the reality on the ground is it is very subjective when that interaction happens. We also have a community that has seen most recently an individual, after we had a long conversation about us approving \$600,000 grant with a company that we say we have already been working for and working with for years regarding identifying distressed situations, and yet what can appear to be a distressed situation those services nor that training was utilized. Then we have another incident and that incident resulted in lives taken and multiple lives wounded and that individual was



arrested. So, there are multiple conversations regarding bias, implicit bias, and recognizing how we actually interact, but we have funded trainings; we have funded partnership, and we continue to fund. For this particular conversation it is not about the importance of the training because I believe the training is important but when you tell me that it is not mandatory or we are going to be able to allocate this specific number of officers through the training during this particular period of time, when you say that it is voluntary whether or not first responders go through this training that is a completely different conversation, because at the end of the day once we approve whatever we approve, and it goes in there is very little conversation that we have but as soon as something happens in the community it is us that the community looks to and ask well if you funded X and Y help explain Z. We are the ones that are accountable for that; so, I want to make sure there is no misunderstanding. It is not a question of whether or not the CIT training or any training is needed. Yes, I believe the training is needed, but I also believe that training should be enforced and when it is a subjective training of who should take it or who says yes, I think I want to do that, that is a very different conversation. That is why I said this money, but I just wanted to make sure there was clarity around the table as to why this \$1 million was identified. It is not about supporting the training; we need the training. We need a lot of training. I just want to make sure that those funds are utilized to actually implement those trainings so that we don't have another conversation where after the fact what we are told and what the community is told, oh, that officer didn't have proper training when everyone should have it.

Mr. Bokhari said I one, would like to quickly get to voting on this as quickly as possible, but I again, fear we are heading back to the path we were on yesterday where the headlines are going to read that our officers out there who we know their retention and recruitment and moral issue are going to read, and they are going to see once again what is going on? Why do I stay in this job and make this amount of money? They tell me all year that I've got to have training, and I've got to be held accountable, but now when it comes time to fund that, there is this confusion. That is the point I want to make. CMPD Officers out there know that when these headlines come up it does not reflect how the majority in this City and the leaders in this City feel about you nor how we feel about the budget process and giving the Chief what he needs. Before we go forward, I would like to know if the Chief has any kind of view or comment that he would like to make since this is his budget that he has proposed and we've put so much faith and trust, and we are thankful that he is actually here.

Ms. Eiselt said again, I've listened to the conversation, but I wasn't here yesterday. I think it is complete fair to hold our Chief and our Police Department accountable to tell us how the training is being implemented, how it is being used and to question why can't we make it mandatory and to have that conversation? I don't know how we reduce training; it almost feels like a punishment if the Chief says this is what we need and then we cut it because we say we don't know if you are really doing it, then you either give it to him or you don't, but to reduce it doesn't feel like you are holding them accountable to it. I think everything that comes out of these conversations when there is an incident is that we need our officers to be trained, and we need to give them the resources to get them all trained. I would rather give them the money and then say let's hear more about how you are training them, who is getting trained and what we might be missing?

Mr. Phipps said if I'm not mistaken and I'm trying to recollect, I recall when we had this initial CIT training discussion it was a Consent Item on our agenda, and we postponed it because we were concerned about whether the vendor contract was appropriately vetted. I'm trying to figure out because it took us almost a year before that came back to us. Is this a part of that a CIT process or was that a whole different thing?

Mr. Jones said different. There are two different ways to tackle this. The last time the Chief was up we talked about 40-hours of CIT training, and what he is proposing now is not just that and even back then we got hung up on the 40-hours of CIT training as opposed to what I think is just as important, the Cultural Proficiency Training and the Tactical Medical for first responders. So, everybody is going to get training, different levels of it, and that is the concept. It is not just 40-hours of CIT training; CIT is what the

bulk of the conversation was about, but there are different levels of training that everybody will get, but everybody is going to get training.

Mayor Lyles said I would say let's go through the list and see where we are. So, six votes to carry it forward for the June 10, 2019 adoption. Let's start from the bottom, number six – expand the City's Tree Assistance Program by \$100,000.

Ms. Mayfield said a question of clarification, where is the delete? In order to have for us to move forward and to this correctly, if this is adds and deletes, any of the adds have to have a delete to go along with it, so if we don't have a delete up there to be able to all see what project or what program are we saying we are going to reduce funding from, we really can't have this conversation. If we are going to take out the top one, then we still have to get some funding up there to identify where we are deleting the funding from.

Mayor Lyles said Ms. Mayfield is saying that in our process you have to have an add and a delete, and if you don't have that then the only one that would be eligible for vote to reduce the police training and create the collaborative initiative.

Mr. Harlow said the way I see this and I don't support reducing the CIT, but the way I see this is that Ms. Mayfield has suggested \$250,000 to create another collaborative initiative to help match what we are doing in Westside and Eastside collaborative initiatives. She is asking for \$250,000; however, she had deleted \$1 million; so, you don't even need all of the \$1 million to get the \$250,000, but let's take the \$1 million out for a second and then we look on the rest of the list and say where can I get \$250,000 from?

So, I'm going to add in for Ms. Ajmera and Mr. Winston since we are looking for all these, because I support all of these actually, the tree stuff so \$375,000, and we look on the list and say okay, on Page 242, because basically that is where we have to work off of. I feel like we are spinning in circles here so, let's look and say we don't want to take it from the Police, let's look for something else. So, we are looking for \$375,000; what is the appetite? We look at enhancing the economic development programs. You've got \$1.65 million-line item; it is \$1 million for the future years, so it will still be more than the future years and when you go into the deeper dive on PAYGO economic development programs, we've got a lot of economic development projects; Project P.I.E.C.E. \$2.0 million, MWSBE capacity increases, new Westside/Eastside Collaborative services districts, we've be adding another one here on the lower southwest side. I don't know what the appetite is for that but if we take the \$375,000 from the \$1.65 million it still leaves a decent amount of change for enhancing economic development programs, but it creates the balance for us, and it doesn't touch the police training.

Mayor Lyles said what I think is happening is these would be three things to vote on and you are suggesting that they all come out of the \$375,000 that you've put there. I don't see Mr. Mitchell's programs; are they up higher? I have to go back to the capital, so let's just vote on; you see that you have the option \$375,000 out of \$1.3 million.

Mr. Jones said the \$100,000 and \$25,000, you wouldn't do both of them. One would be a pilot, and the other one would be to expand to Citywide so you would save \$25,000 by just doing #6.

Mayor Lyles said okay, take out the \$25,000 and see if we have #6 approval; put Ajmera/Winston and the \$100,000 goes there.

Mr. Mitchell said I think Mr. Harlow is going to the right place, but my recommendation would be the \$250,000 for Tuckaseegee/Nations Ford to come out to revitalize business corridors. I just want to make sure what we do lines up with our priorities. It is actually \$1.8 million already in that bucket, so Sabrina correct me, in our one on one, the business corridor is \$1.8 million in there this year, correct.

Ms. Joy-Hogg said that is the balance, correct.

Mr. Mitchell said I would say take it out of there; it makes sense business corridor, business corridor as opposed to –

Mayor Lyles said remember our business corridors are our Opportunity Zones. They are the same.

Ms. Eiselt said one Tuckaseegee and Nations Ford.

Ms. Mayfield said no, Tuckaseegee to Nations Ford.

Mayor Lyles said I just want to make sure that one of the points we understand is that our corridors are basically our Opportunity Zones and all of that is around our economic development. We just did our framework for economic development and this kind of rolls it in a different direction but it is up to you.

Mr. Mitchell said how do you come up with \$250,000?

Ms. Mayfield said that was my request and as I was looking at it initially as a pilot for looking at how we make very specific investments from Tuckaseegee and Nations Ford; I wasn't necessarily trying to match the \$500,000 at Camp North End and other areas, because that is much more established at this point.

Mr. Harlow said Mr. Mitchell, you can take my \$350,000 out; you just found it in a different place.

Mr. Mitchell said exactly.

Mr. Harlow said it makes more sense; I was just trying to get away from the Police training.

Mayor Lyles said you don't know that until you vote so let's vote and see where what we've got.

Mr. Newton said I have a question on the revitalized business corridor. If the revitalized business corridor is our Opportunity Zones, there are Opportunity Zones that are just as much on the Tuckaseegee/Nations Ford side as there are on the Independence/Sharon Amity and Albemarle, so are we saying that we are looking at the revitalized business corridor money that would go toward Tuckaseegee and Nations Ford or are we talking about all of it?

Mr. Harlow said you've got your \$500,000 in the Eastside collaborate already in here.

Mayor Lyle said everybody can't answer Mr. Newton's question. He is asking is it specific to the trade-off for the collaborative initiative on Tuckaseegee would be that that corridor would no longer be within the \$1.8 million. If you are going to do that you just say that the collaborative is a part of the corridor program and that is what it would be used for if that is the highest priority. I don't think that you have to go through, if the answer is yes that this is the highest priority.

Mr. Newton said it is not to the exclusion of all Opportunity Zones is what I'm saying.

Mayor Lyles said I think that is the question that he is asking. Would the \$250,000 mean that the priority from the corridor money for this year would be the collaborative initiative from Tuckaseegee and Nations Ford? That is the question Mr. Newton is asking. Ms. Mayfield; does that make sense to you?

Ms. Mayfield said not even a little bit. I'm watching the Manager and the Deputy speak back and forth. We had an understanding of what the intent of it was, and I think that intent is being highjacked.

\* \* \* \* \*

## **VOTING ON BUDGET ADJUSTMENTS**

*Councilmembers identify items for addition or deletion to the Manager's Proposed Budget. Those items receiving six or more votes from Councilmembers will be sufficient to adjust the City Manager's Recommended FY2020 Budget.*

### **CAPITAL AND PAYGO BUDGET**

#### **ADJUSTMENT: Expand City's Tree Assistance Program**

**YEAS:** Councilmembers Ajmera, Harlow, Newton and Winston

**NAYS:** Councilmembers Bokhari, Driggs, Egleston, Eiselt, Mayfield, Mitchell and Phipps.

This budget adjustment did not receive sufficient votes to adjust the City Manager's Recommended FY2020 Budget.

#### **ADJUSTMENT: Create Collaborate Initiative (Tuckaseegee to Nations Ford)**

**YEAS:** Councilmembers Ajmera, Harlow, Mayfield, Mitchell and Winston

**NAYS:** Councilmembers Bokhari, Driggs, Egleston, Eiselt, Newton, and Phipps

This budget adjustment did not receive sufficient votes to adjust the City Manager's Recommended FY2020 Budget.

#### **ADJUSTMENT: Reduce Accelerated Police Training**

**YEAS:** There was no support for this deletion.

This budget adjustment did not receive sufficient votes to adjust the City Manager's Recommended FY2020 Budget.

#### **ADJUSTMENT: Reduce Revitalize Business Corridor by \$25,000**

**YEAS:** There was no support for this deletion.

This budget adjustment did not receive sufficient votes to adjust the City Manager's Recommended FY2020 Budget.

#### **ADJUSTMENT: Continue the City's Tree Assistance Pilot Program**

**YEAS:** Councilmembers Ajmera, Eiselt, Harlow, Mayfield, Mitchell, Newton and Winston

**NAYS:** Councilmembers Bokhari, Driggs, Egleston, and Phipps

Ms. Ajmera said this is an on-going program; this one is a one-time program, right?

Mayor Lyles said it is a pilot.

Ms. Ajmera said we had the pilot before; this is just for one time, so wouldn't be part of the operating budget? The pilot program had ended and that was actually past couple of years we had done, so I wanted to specifically continue that. So, wouldn't that come out of the operating?

Mr. Driggs said would you want to continue it forever or for one more year?

Ms. Ajmera said no, continue for a number of years.

Mayor Lyles said forever, so move that over to the operating side. So, we have no changes to the capital or Pay As You Go. So, now we are going to go to the operating.



This budget adjustment received sufficient votes to adjust the City Manager's Recommended FY2020 Budget; however, this adjustment was moved to the Operating Budget adjustments for consideration.

### **OPERATING BUDGET**

#### **ADJUSTMENT: Increase in Mayor and Council Salaries**

**YEAS:** Councilmember Winston

**NAYS:** Councilmembers Ajmera, Bokhari, Driggs, Egleston, Eiselt, Harlow, Mayfield, Mitchell, Newton and Phipps.

This budget adjustment did not receive sufficient votes to adjust the City Manager's Recommended FY2020 Budget.

#### **ADJUSTMENT: Fire Station 43 Online Early**

**YEAS:** Councilmember Winston

**NAYS:** Councilmembers Ajmera, Bokhari, Driggs, Egleston, Eiselt, Harlow, Mayfield, Mitchell, Newton and Phipps.

This budget adjustment did not receive sufficient votes to adjust the City Manager's Recommended FY2020 Budget.

#### **ADJUSTMENT: Women's Business Center**

Mr. Phipps said is this considered to be part of the financial partners; would this be a financial partner's request, and if so why wouldn't this have gone through the same scrutiny that other financial partners went through in their process?

Mr. Reiger said Mr. Phipps, the Women's Business Center did submit an application through the financial partners process; the Manager's recommendation did not include any new financial partners; so, Mr. Mitchell has asked for that.

Mr. Driggs said we got an application from them; was there any indication of whether we had been open to new applications this would have passed? Did this meet or not meet the requirements that we normally have for financial partners?

Mr. Reiger said there wasn't anything wrong with their application; the general fund discretionary financial partners are the discretion of the Council, and we had many non-profit organizations submit an application. Junior Achievement is another one that submitted an application, and again, the proposed budget didn't increase the budget to add any new financial partners. We only funded the initial financial partners.

Mr. Driggs said I think it is tough to pick up a couple them and not go through an orderly process of considering everybody. I really have a hard time with that. I want to support your recommendation but –

Ms. Eiselt said can I say something about this? I understand that is a good process but the first place that you took it from didn't it have to do with – what was your first recommendation?

Mr. Mitchell said enhance economic business program but the Mayor said I could not take it from there.

Mayor Lyles said he is requesting it as an ongoing request on operating, so it needs to come out –

Mr. Mitchell said just the history on this so everyone is clear why this has been a passion and why it has been so successful for us. We went through a competitive process with the Department of Commerce; they were looking to establish two business centers in the whole United States. We were selected through a whole process in 2015, but we were awarded, Charlotte. At that time, we put in \$50,000 to help them. The numbers have been successful. We, City staff do not do the same training that the Women's Business Center does, because they are developing entrepreneurs. Ashville and Charlotte have been a great role model, and as we talk about priority in economic development, what have we been preaching about, entrepreneurship. I think for \$50,000 we've been awarded almost four years ago, this is something we should maintain. I understand the City Manager didn't recommend it, but you heard Mr. Rieger say it is the Council's budget, and I think we need to send a strong message to women that we believe in entrepreneurship and what they are doing.

Ms. Eiselt said I would also like to add to that, that one reason I do want to support this is because what we have discovered in our MWSBE process is that we don't break down women of color out of women owned businesses, and there is a huge disparity. I don't know, Mr. Mitchell might be able to add to this, but I suspect the Women's Business Center, I remember when we went to the opening it was really supporting more women of color, and I think it is a way, even if this is a one-time thing, you take it from that now and then we work it in the budget. I just think it is a way to help what we are struggling with in our MWSBE right now that other states and other cities have figured out.

Mr. Bokhari said I don't think anyone would dispute the validity of the program. The problem is this was not the time at the very end where we are making a call around the table without a diligence in the process. Every one of those applications has a similar, if not as great story, for what can be said. Why not give this to Black Tech Charlotte, and what Cheryl Dorsey is doing in the exact same space? How can we make this decision right now like this? That is the whole point of like this is what we were supposed to be doing way before in the process to now.

Mayor Lyles said again, if you would like to support adding \$50,000 for the Women's Business Center, please raise your hand.

**YEAS:** Councilmembers Ajmera, Driggs, Egleston, Eiselt, Harlow, Mayfield, Mitchell, Newton and Winston

**NAYS:** Councilmembers Bokhari and Phipps

This budget adjustment received sufficient votes to adjust the City Manager's Recommended FY2020 Budget.

**ADJUSTMENT: Operating Assistance for Junior Achievement**

**YEAS:** Councilmembers Mitchell, Newton and Winston

**NAYS:** Councilmembers Ajmera, Bokhari, Driggs, Egleston, Eiselt, Harlow, Mayfield, and Phipps.

This budget adjustment did not receive sufficient votes to adjust the City Manager's Recommended FY2020 Budget.

**ADJUSTMENT: Continue City's Tree Assistance Pilot Program**

Mr. Phipps said when you said continue the City's Tree Assistance Pilot Program, if I recall correctly this pilot program was just in for certain neighborhoods.

Mayor Lyles said it was in Wesley Heights last year.

Mr. Phipps said are we saying that is where it is going to continue to be?

Mayor Lyles said no, it was just continued and the location would be decided later. The first question is would you like to continue the pilot program and then a decision will be made on a neighborhood. I'm assuming with some information from the Arborist and where the neighborhood was.

Ms. Eiselt said I don't know why it is an operating, a pilot program has an end date.

Mayor Lyles said she asked that it be moved because, she sees it as a continuing program, not a pilot.

Ms. Ajmera said the reason I moved it from the capital to operating is because we already had a pilot program that ended, so we've seen success with the pilot program, how it helps people age in place, especially the residents that are not able to maintain some of the older trees because of hurricane, and so on; so, this tree assistance program helps with that. That pilot program has ended, so I'm glad someone took out that pilot, because it is not a pilot anymore. It is a continuation of that program.

Mr. Phipps said isn't it true that out of that \$25,000 it was maybe only like three or four people that took advantage of it?

Mayor Lyles said there is a write-up; there were 14 people in Wesley Heights.

**YEAS:** Councilmembers Ajmera, Eiselt, Mitchell, Newton and Winston

**NAYS:** Bokhari, Driggs, Egleston Harlow, Mayfield, and Phipps

This budget adjustment did not receive sufficient votes to adjust the City Manager's Recommended FY2020 Budget.

#### **ADJUSTMENT: Reduce the Contingency Fund**

Mayor Lyles said the Women's Business Center; we do have one source of continued funds, if there is \$50,000 for the Women's Business Center, we can take it out of the \$85,000 contingency if Council so choses. This would be Women's Business Center for \$50,000 from the \$85,000. Is there support to do that?

**YEAS:** Councilmembers Ajmera, Driggs, Egleston, Eiselt, Harlow, Mayfield, Mitchell, Newton and Winston

**NAYS:** Councilmember Bokhari and Phipps

This budget adjustment received sufficient votes to adjust the City Manager's Recommended FY2020 Budget.

Mayor Lyles said thank you everyone; I think we have a balanced budget. We have added the Women's Business Program from contingency and I think in terms of our capital we are now at our Special Revenue Budget.

#### **SPECIAL REVENUE BUDGET**

Mayor Lyles said the Special Revenue Budget for the Municipal Service Districts, the ones that are contracted with Center City Partners and University City Partners. The question that we have now is the Manager recommended a revenue neutral rate for all of the Municipal Service Districts, the two organizations. Mr. Phipps had some questions, and I think those questions need be best addressed to the two organizations. The questions were what was the process used to make the determination that the residents in those districts supported the increase in the tax rate.

Mr. Phipps said from the packet that I've read from at least one, Municipal Service District No. 5 was that they surveyed those property owners that would be large contributors to the MSD rate millage payments and pretty much through that survey process they had

an affirmative vote that in order to sustain their body of work and fulfill their goals within that MSD, specifically to strengthen safe communities, sustain and grow additional business and enable transportation options that aligns with the community goals, as well as creating strong centers they basically want their millage rate at least in the University City District to stay at its current .0279 rate and they've agreed that is what they need to be able to sustain their programs. To go the other way with a revenue neutral would severely undercut their ability to be able to support their program of work.

I generally support it, and I think my colleagues that are in the other MSDs are likewise supportive. These are people who are asking for this particular rate hike and have agreed that it is important that they pursue it to fulfill their mission and goals.

Motion was made by Councilmember Phipps and seconded by Councilmember Egleston, to adopt MSD 2, 3, and 5 Requested Tax Rates considering the affirmative vote received from their constituents.

Mayor Lyles said I don't remember what the amounts; we've gotten them in the mail, but I don't remember what they are.

Mr. Driggs said is there anybody that would be affected by this tax that has not expressed their support for the increase? You are saying that the District supports it; I want to know what the total mix was of people that were asked, the yes and no's and the ones we didn't talk to.

**Darlene Heater, University City Partners** said I sent you a detailed spreadsheet on the outreach that I completed.

Mr. Driggs said I missed it, I apologize.

Ms. Heater said that is okay, I reached out to 50 property owners, some of the property owners had multiple properties, but I was very intentional with making sure that I reached out to a broad cross section of small business, retailers, restaurants, hotels, major employers, undeveloped land owners and then property owners. Of the 50, I only had one person or one company abstain from providing a letter of support, and that was because they feared because they were appealing their property valuation, and they did not want to put anything in writing.

Mr. Driggs said what percentage of fall of the properties that would have to pay this tax did that represent?

Ms. Heater said about 40%.

**Michael Smith, Center City Partners** said we went through a similar process; rather than asking for an increase to MSD #1, which captures all of uptown or MSD #4, which both capture a lot of single family homes, we concentrated ours on MSD #2 and #3, which are created to focus on commercial properties. That is where we asked for the majority of the support and for the support for this increase, and we spoke to all the major employers; we caught the majority of the major property owners. We could not catch everyone; there was outreach to virtually all. We think we got about 80% of the value so 80% of the amount, and it was 100% unanimous support.

Mr. Driggs said I will say briefly those percentages at 100% support statistically represent a quite strong indication that the people in question support the change and on that basis, although it is not of my nature to vote for a tax increase. I will go along with this one.

Mr. Phipps said I know we had spoken that it might be of some use that a referral be made to the Budget and Effectiveness Committee that on a go forward basis that we would set forth some parameters in the future in terms of what kind of outreach we might want to see, parameters in terms of percentages we wanted to see in terms of the entire



mix that make us the MSD in terms of informing and advising them of any kind of future type millage rate increases and what form that should take.

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

Mayor Lyles said that will be included in the Manager's presentation of the budget. We will vote on June 10, 2019. We had a meeting scheduled for the 29th of May, but the action today cancels the need for that meeting. I have to say, we have a budget that we have been talking about since January to accomplish our goals, and we did it in a revenue-neutral budget and tax rate. That is a lot to be said. Now, I am sure that many of you will say that as we go out and talk to the community, but I will say that the staff deserves a lot of credit. The budget was well written, easy to understand, so I want to say thank you to everybody who does this work. Thank you for the thoughtfulness.

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### ADJOURNMENT

Motion was made by Councilmember Egleston, seconded by Councilmember Driggs, and carried unanimously to adjourn the meeting.

The meeting was adjourned at 3:07 p.m.



Emily A. Kunze, Deputy City Clerk, NCCMC

Length of Meeting: 1 Hour, 55 Minutes  
Minutes Completed: June 21, 2018