

The City Council of the City of Charlotte, North Carolina convened for a Budget Adjustment Meeting on Wednesday, May 27, 2020, at 12:08 p.m. in Room CH-14 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Councilmembers present were Dimple Ajmera, Tariq Bokhari, Ed Driggs, Larken Egleston, Julie Eiselt, Malcolm Graham, Renee Johnson, James Mitchell, Matt Newton, Victoria Watlington, and Braxton Winston II.

* * * * *

ITEM NO. I: INTRODUCTION

Mayor Lyles said we are here for the City of Charlotte's Budget Adjustments Meeting. Before we proceed, I'd like to just remind Council, we have of our practice. Ed could probably do it better, but I would say that we've had the Council Meeting and had the opportunity to review the suggested changes to amend the Manager's recommended budget. Today we have two items to actually vote on today, but I also want to provide the opportunity for the Manager and the Budget team, our Finance Director to follow up on any comments before we go to agenda items that we would vote to determine. I also want to say; besides the two agenda items, we always have a motion to instruct the manager to complete the budget with the adjustments made by the City Council and prepare it for adoption on June 8th, 2020. We have done the introductions, then we have the adjustments, the motion for the Manager to prepare the documents for the 2021 budget. So, with that, I'm going to turn it over to Mr. Jones.

* * * * *

ITEM NO. II: CONSIDERATION OF ADJUSTMENTS FROM THE MAY 20, 2020, CITY COUNCIL BUDGET ADJUSTMENTS MEETING

Marcus Jones, City Manager said during the Straw Vote process, we are at the place now where three items were advanced based on five votes. Ryan and Kelly have worked very hard to find a way to address either immediately or in the medium term, the request of the Council, the straw Vote process. So, I'll turn it over to Ryan, who did most of the heavy lifting to get us to this point.

Ryan Bergman, Strategy & Budget said we do have a PowerPoint on the screen, which has the three items that you guys voted on last week. The first two have recommended adjustments and then the third one we will talk a little bit differently. This was recently sent out as well but it's the same thing that you will see on your screen. So, we are going to talk about this individually. The first is fairly straight forward in that it's coming from the undesignated balance that we referred to at the last meeting. \$70,000 for the Historic Landmarks Commission. I have there listed some of the actions that this specific group takes. I do want to point out that for accounting purposes and State Statue purposes, this is actually a County entity. We are able to contribute to it, but I just want to draw the distinction between this group and a traditional financial partner and how that would work. So, the adjustment that you see on the bottom there would just move \$70,000 within the General Fund to a new item to make a contribution to this. Which then would be presumably managed by the 12-member board. Which include six appointees from the City Council and the Mayor. So, I give you a chance to read that one. I don't know if it would be easier if I do all three.

Mayor Lyles said Let the people ask questions about each individual one. Would that be appropriate?

Councilmember Egleston said It is a comment. I think now is the best time to make it before we get down to the third item. In the spirit of cooperation and hopefully, this will not mess up staff here. I think we've done the back work. I certainly have a passion for the Historic Landmark Commission. This is the one that I put forward. I also have a passion for the digital divide issue that Mr. Winston had brought forward. So, in the spirit of cooperation and teamwork here, I worked with Mr. Winston and Mr. Bokhari. I know

they pulled in some other partners as well to come up with, Mr. Bokhari and Mr. Winston can give the details on this, but come up with a plan for a pilot project around the digital divide. Not that it's necessarily up for the offering. Had offered up and I would certainly support taking \$35,000 of these \$70,000 putting it towards a pilot project in a specific community identified by people like Bruce Clark, there working on the digital divide. A specific community pilot project that we can fund, test, measure, and hopefully overtime down the road replicate if it's successful. So, if it's appropriate now I will have them give a little detail of that but that would come from the \$70,000 adjustment. It would be \$35,000 for Historic Landmark Revolving Fund, \$35,000 for the digital divide pilot project and we would still not have to make any [inaudible] adjustments then what we have in front of us.

Mayor Lyles said do you want me to recognize Mr. Winston or Mr. Bokhari right now Mr. Egleston?

Mr. Egleston said I think that would be appropriate or you all may just bookmark that thought and we could talk about it when we get to adjustment three.

Mayor Lyles said Mr. Driggs has a question about the Historic Landmarks Commission Revolving Fund.

Councilmember Driggs said I just wanted to point out that as a point of order, this suggestion should have been brought forward to our last meeting. The purpose of this meeting is basically to vote up or down on the proposals that came forward from the last meeting and I think introducing a new use at this point creates a problem because the time that we were supposed to have from the adjustments meeting to this meeting has now past. So, I am opposed to the idea of any re-designation of funds for a different purpose. I will note that my own preference would be as much as I respect Councilmember Egleston's passion for the Historic Landmark Commission that we in our current circumstances hold the \$70,000 in reserve for needs that are very likely to arrive in the coming year to give us a head start on dealing with the situation. I felt to me like this was kind of an afterthought when nobody else had any proposed uses for it. Again, I normally always at [inaudible] to support Councilmember Egleston because I like the way he thinks but, on this occasion, I'd rather see us just put the money back into the kitty and leave ourselves and the Manager some latitude to address issues that may come up that may come forward.

Mayor Lyles said Mr. Driggs I think that it's fair because, the other items that are on the list, if you go to item # 3 that was suggested, it was four ways that the City could help close the digital divide. Now, I think that this is legitimate to have a conversation about the money for the digital divide. I just think that that's appropriate for the agenda.

Mr. Egleston said I certainly appreciate Mr. Driggs's point. I did want to make the point that you just made, which is that the thing that we are talking about is not a new topic, but it is the third of three topics that had the five votes it needed to advance last week. So, we are not pulling anything new here and certainly in our conversations, and apologies for this literally, but just kind of put a bow on this in the last hour on the digital divide piece but made sure that this was drawing from money from my proposal and not requiring staff to go back and find funds somewhere else. So, I tried to make this as clean as possible. I certainly understand Mr. Driggs's position in not supporting it. No hard feelings there but hopefully [inaudible].

Mr. Driggs said It was unusual in the first place to have an item come forward from half deletes that didn't have a number associated with it. I would be interested to hear what the Manager is proposed response was before we take this action because it was on the list. I presume when the manager considered it and I just like to know what he intended to do about this before this suggestion came along.

The Historic Landmarks Commission

Mayor Lyles said If you read section three, we are going to go through this. I believe everybody can hold their comments but, this is the time if we can amend these and have

this proposal. As we are continuing through, we will cover all three. I have Ms. Ajmera that has a question about # 1. The Historic Landmarks Commission.

Councilmember Ajmera said staff thanks you for giving us more information on this request. I understand this is an accounting function. It's considered to be conformant to Mecklenburg County. Can these funds be used outside of the City of Charlotte limits? If we approve these funds can these funds be used outside of the City of Charlotte?

Mayor Lyles, I don't know the answer to that question.

Councilmember Egleston said the answer is yes.

Mayor Lyles said yes, it would fall under the Historic Landmarks Commission verses the Historic properties is what we fund. So, just like if the County made an appropriation to Historic properties, we would be able to use that where ever we chose. I hear Mr. Egleston was on this board. Mr. Egleston, can you reply again to Ms. Ajmera's question?

Mr. Egleston said yes Ms. Ajmera, these could be used towards any efforts in Mecklenburg County for Historic Preservation. If you look at the Historic Landmark's website, you see a very sizable percentage of those properties are in the City of Charlotte limits. Yes, this would go into a larger pool theoretically we could earmark the dollars that come from the City to say that they could only be used to the City of Charlotte projects but a large percentage of that budget already does get used for the City of Charlotte projects so I would be more inclined to not encumber the funds in that way.

Ms. Ajmera said while I understand that Historic Preservation is something that we need to continue to fund those efforts, I think we need to get bind from other Cities in the County so that it's truly a collaborative effort for the entire County and it's not just the City of Charlotte funding. So, if you are going to approve this, I would like it to be for the City of Charlotte. That would be my first question here. I forgot what my second question was so I will come back to that.

Mayor Lyles said may I ask a question Ryan; do you know how much is in the Revolving Fund now?

Ryan Bergman, Strategy & Budget said I don't. As far as the accounting for it, we would have the ability to withhold it until they have a Charlotte Expansive, they could invoice us for if that was easier. I think it would have the same impact for them and I'm sure they have frequent expenses within the City as Councilmember Egleston mentioned.

Mr. Egleston said It ebbs and flows but it's in the low seven figures. It's dependent on what projects they currently have going and what they've bought or trying to sell. So, it's a bit of an up and down fund but it's generally in the love seven figures.

Mayor Lyles said so, do you know if the County is making any recommendations for this project in their budget?

Mr. Egleston said this year I don't believe so but in recent years they have put money into this Revolving Fund in their budget in the last couple of years at different points and time.

Mayor Lyles said would it be okay for the staff to take a minute to find out what the fund is so that we can have that information? If we could just find out as we go through and discuss all of these others.

Councilmember Mitchell said I just want to remind [inaudible] I will be supportive to Councilmember Egleston motion and just remind the City Council during the whole discussion about saving Historic Excelsior Club, the Charlotte Historic Landmark Commission was the first one at the table and wanted to put some resources if needed them so it kind of address their passion for Historic Landmarks in the City of Charlotte so great work Councilmember Egleston.

\$250,000 for Unified Development Ordinance

Mayor Lyles said we are going to go to the second item for questions. It's \$250,000 to expedite the Unified Development Ordinance.

Ryan Bergman, Strategy & Budget said we do have Taiwo Jaiyeoba available if there are any specific questions about this but as he mentioned last week, he felt that \$250,000 would be sufficient to help expedite the UDO. We kind of work with our team internally to find the best way to fund that without having a significant impact. We worked with Assistant City Manager, Tracy Dodson and affectively there are resources available within her money and Pay As You Go Fund to cover her needs through FY2021 without this money. So, we are recommending transferring \$250,000 from what would have gone into enhancing Economic Development Programs to this UDO bucket. Effectively what's going on is we are putting a lot of small business resources and staff time and everything into some of these programs that you guys discussed yesterday. We still feel that there are sufficient dollars available to accomplish her goals.

Mayor Lyles said I think Ryan is being very kind when he says we discussed yesterday. I think we discussed it at 11 p.m. Any questions on # 2? You can see where the adjustments are recommended.

Councilmember Watlington said I am supportive of so far what I have heard Councilmember Egleston and the team's proposal. I just curious as to how we found \$250,000 without cutting anything out of ED?

Mayor Lyles said the question was how did we decide to make the \$250,000 available for this project?

Marcus Jones, City Manager said Ms. Watlington, in the Pay As You Go budget there was \$1.6 million for Economic Development Initiatives in FY2020 and \$1 Million in FY2021 and if you even go into PAYGO for FY2022 there's another \$1 million. Before Ms. Dodson came on board, we really didn't have anything set aside in PAYGO specifically for new Economic Development Initiatives. With the reality of having the \$50 million associated with the COVID funds for small business, there is a lot of things that we are going to be able to go through that. Also, what's important is the \$14.5 million for corridors. There's \$10 million in PAYGO related funds just associated with corridors. So, while last year we had \$1.6 million to deal with the entire City, we believe that we have a hyper-focus on the corridors and there will be somethings that we will not do from that \$1 million [inaudible] from reducing it by a quarter. Out of all the places that we search we thought that this would be the best place mainly because we bolstered up some other areas around Economic Development.

Ms. Watlington said thank you.

Mr. Jones said we are trying to clarify a question and I wanted to be correct so, I'm sorry. I have an answer and I think that it's not the right answer Mr. Johnson.

Councilmember Eiselt said just to comment I want to thank you Ryan for to you and your team for working on that and to the Manager to be able to make that money available. I think this will benefit probably the same neighborhoods that Economic Development money could benefit as well because this is just again such an important undertaking for our whole community. Everybody who's been at Council going way back has been a part of this UDO so thank you for your work to make that happen and to Ms. Dodson for her acknowledgment that they can still get their work done as well. So, I appreciate it.

Councilmember Newton said when you had mentioned that the Economic Development Funds in question here would be coming out of funds available to corridors, is that our opportunity corridors that you are talking about?

Mr. Jones said I said the exact opposite. So, the money for the corridors is protected. So, this is over and above the money for the corridors. Yes sir.

Mr. Newton said thank you for that clarification. Thank you.

Councilmember Ajmera said so, Mr. Manager could you please elaborate on what was going to be the use for those funds that were previously allocated for Economic Development Programs enhancements? I didn't quite catch that.

Mr. Jones said Councilmember Ajmera if you will go back to last year's Assistant City Manager Dodson came up with a four-pronged approach as related to Economic Development. A lot of that was marketing, branding, communication, making sure that Charlotte is identified as the hub of the region. As we move forward to FY2021 we still provide some additional funds, \$1 million over and above the corridor money for those types of Economic Development Initiative because we have so much in COVID funds related to small businesses and communication and open for business, we believe that there is an opportunity to push some of those things out into 2022 and that's why we freed up about a quarter of a million dollars in that pot.

Ms. Ajmera said so, this could have been used for small business marketing and so on?

Mr. Jones said I would say more so towards the four-pronged approach that we aim for Economic Development in general.

Ms. Ajmera said I know that Council has said UDO is one of our priorities and I agree with Mayor Pro-Team but we do need to allocate funds toward it to continue to meet our timeline that's been set out so I will support this.

Mayor Lyles said are there any other questions or comments regarding the \$250,000 recommendation to stay on our projected schedule for the UDO? Let's go to question # 3, explore ways that the City could help close the digital divide in the community.

Digital Divide

Ryan Bergman, Strategy & Budget said so this, as you could imagine, was the most difficult to tackle because it's such a large concern, difficult to put a dollar figure on. Where we landed, we felt that if we assigned money here we didn't have a good plan yet on our end on how we would specifically spend it to help and it sounds like you guys have been working, which is fantastic on a plan, but where we were with this response is we wanted to use the resources that we have within the City. A great IT department, a lot of good thinkers to help kind of tackle this issue this year and try to use the resources that we have to help wherever we can. I'd also mention that with the COVID impacts it's very clear that we're trying to move more and more services online. The digital divide is much more of a concern because of COVID impacts and where it may lead us. So, prior to last week's meeting, our IT director had been leading a charge to explore ways that we may be able to help this through the City's CARES Act allocation. So, we don't have anything specifically to present yet because they are still working on it but there is a possibility that we could be bringing things in the near future from that CARES Act allocation that could help with the Digital Divide.

Councilmember Driggs said the \$70,000 on the sign, for the time being, presumably one of the uses to which we could put that money would be opportunities that we defined and identify in space. One of the concerns I had about this allocation of funds is exactly what you said, Ryan. I didn't know what it was going to be spent on. So, if we just maintain some capacity and then pursue the goal and except the council that we have this goal, I think that gives us more flexibility avoids a commitment of funds for which the actual of the specific use has not been defined.

Mayor Lyles said Mr. Winston, or Mr. Bokhari I don't know if this is a joint screen and presentation back and forth. So, who wants to start us off and explain what Mr. Egleston referenced?

Councilmember Winston said I'll take the first crack. I hear what Mr. Driggs and Mr. Bergman were saying and we have been working in the background to put a little more definition and I think we have an exciting opportunity that really corrals a bunch of work that's going on amongst many of our different partners and particularly changing neighborhood or for Dillehay Courts so let put a little more meat on those bones. I like to open the floor to Mr. Bokhari so he can talk about what we have cooking. Which is I think a seed which can grow into something much bigger that will expand beyond the scope of what we are able to do specifically as the City around the Digital Divide? It's something that can possibly be repeated in different sites around the City, County, and the State.

Councilmember Bokhari said I think that's a great T-up. When Braxton and I, he's been working tirelessly on the Digital Divide topic as many of you have, when we started talking after this last budget hearing when this became an item, I'll just pick up where he left off, we decided. Well, what could we do as Ryan kind of alluded to, to create a plan that took a relatively small amount of money and turn that into a seed that with the private sector and other groups involvement could really be the pilot or beta by which it could prove out this is how we can start the ball rolling? Really what it is, when if think about starting by providing internet, wi-fi within one geographic area. In this case, we have been, with the partners we've talked to it seem no brainer, the Dillehay Courts area, and particularly figuring out how to tie in an optimist hall touchpoint there but starting with that internet. That's free. That's able to bridge that first part of the Digital Divide and we know it is important and then bridging that into a first of its kind Digital Divide lab. You can have a gateway of east ports, but it really leads towards the resources and programming for digital literacy, steam education, and workforce development pipeline. So, we have already scrambled and talked and got commitments from partners like Bruce that was mentioned with E2D. He's into partner on this effort with the City. Inlivian is also, given the Dillehay Courts touchpoint, and My Brother's Keeper has already signed up to be in. We have ongoing trying conversations with other groups including the Hornets and others who have a desire for that digital literacy stuff anyway. So, essentially what we have done is we have rallied up a number of different initiatives and efforts that are already going on separately and have taken this \$35,000 as a relatively small sum and enabled of one-time money to jump-start something that can be matched and then duplicated across the board and as a final side kind of side note as you all know I was with that. I wanted to save this money for the rainy days that we know are coming. However, it became evidently clear to me last week in our last meeting this money was going to be spent and my time was going to be better served jumping in and partnering and helping bridge define a unified front of something where both the two major needs that are left open could occur at the same time. The Historic and the Digital Divide. So, I would make the motion, or I'll leave that to Braxton actually.

Mayor Lyles said well we are still on the question right now.

Mr. Driggs said this is not a large amount, that I'm happy about to the will of the majority of Council. I just want to raise the objection that Straw Votes is not a meeting in which new programs or ideas that have not been vetted by staff and have not been considered by Council in any formal way should be brought forward by members of Council. So, I object to the procedure. If people want to do it again it's not a big deal. I agree with the priority, but I just don't want to set the precedent that people bring forward entirely new thoughts. The staff obviously haven't looked at this since their solution didn't include the allocation of this money and they told us they are not quite sure how they would apply it. So, if you want to do it, do it. But it sets a bad precedent in my mind.

Mayor Lyles said I want to just say I think this is a great idea. Something we know is out there. The school system is dealing with it. All of these things are of the issue and yet at the same time, what we have is a list of agencies and Dillehay Courts. I think we don't know what that would do. Would it be appropriate to just set aside the \$35,000 until you have some written agreement? For example, I know that the Inlivian is required to provide digital services or internet services to all of their developments and so I don't know exactly what that means. I just wonder if there's a middle ground here to say that we set this aside. I think this sounds so interesting to have partners like that. I think also you have accountability to a process that you have something that we know is going to happen. So,

I'm just saying what if we just give you some time because My Brother's Keeper provided updates periodically and I don't know what they are doing right now and you have got a list of great organizations willing to do something and I think it would be good to kind of get an idea of what resources would be needed. Whether it's \$35,000 or even more to do something that is continuous.

Mr. Bokhari said Madame Mayor we have proposed the exact same thing your saying. We are not recommending a check gets cut and sent out the door. We just got the framework of a group that \$35,000 seems to be a small amount of money but got us a seat at the table and help unify an amazing cast of organizations. So, I think that's exactly what we are saying. I think we are saying what Mr. Driggs said a second ago, which is we are setting aside \$35,000 of the \$70,000 in order to get to a point where the City Manager and staff agree that the is the good use of those funds, but we are just saying we want to reserved half of the \$70,000 that's in play now for that effort. So, those groups know that we are serious.

Mayor Lyles said it's a really good effort and we know it's greatly needed, and I think if we just leave the \$35,000 in the fund and then when we have the contract, knowing that the Manager has that, I rather see it come out as something that we really can have an impact and do it right. So, just my thinking.

Mr. Winston said I would just ask to clarify, what motion needs to be made or if a motion needs to be made to set up what the Mayor suggested?

Mayor Lyles said well we can get to that. Why don't we just start with this one and say if there is no further question for information or comments that –

Mr. Driggs said Mayor, could you clarify what your conclusion was. I'm not sure I understood where you came out just now.

Mayor Lyles said what I said is that we leave the \$35,000 in the reserve account. It used to be called contingency, but I know what you guys actually call it.

Mr. Bergman said undesignated reserve.

Mayor Lyles said undesignated reserve and that we have the Digital Divide, I'm assuming that Mr. Winston and Mr. Bokhari would work with the Budget Office to create a recommendation utilizing their partnerships as we do for financial partners.

Mr. Bergman said I would just say specifically I would assume the wording of the motion would be something like: I move that \$35,000 be deployed directly to Historical Landmark Trust Fund that Larken has established and that other slide and the other \$35,000 remain in the undesignated fund area but be earmarked for the Digital Divide program that we just discussed and deployed later for processes with the Manager and the Budget Office. CIO.

Mayor Lyles said I think that what they are saying is that the unreserve stays there until we have a recommendation from the collaboration would be reviewed by the City staff and would come forward on a contract and some way for the Council to have a review. The way we would do this ordinarily, is we just get the framework, the contract, everybody signs up, we have a recommendation at a workshop, and then we at a strategy session, and then we put it on the agenda for the \$35,000 and the undesignated reserve. Does that make sense Mr. Driggs?

Mr. Driggs said yes, I'm supportive of the Digital Divide Initiative and as long as we have the opportunity to consider the \$35,000 with the benefit of the staff review and proper Council action, I will probably vote for it. The objection is the way it's being proposed right now. So, I'm in agreement with that.

Mayor Lyles said thank you. I think you might have a unanimous agreement. We are going to take each of these as one motion and individually.

Councilmember Eiselt said I will be supporting this too. I think it's a great idea and I do want to just say that when we were doing the budget discussions and Mr. Winston brought the concept up, we did ask at the time about the funding and what that would intel. So, my recommendation would be for next year's budget and future budgets to really just make clear for every Councilmember. So, that there is a level of expectation that if you do want to add something get a budget number ahead of time. We did allow it and we said that last time. So, I can understand how this came about but we use to do it that way. Where you had to come with a dollar amount and kind of let your colleagues know about it. So, going forward for whoever does it in other budget sessions we just kind of have an understanding with that. Thank you.

Mayor Lyles said I think that's a fair comment it's just right now with virtual it's just hard. We would have ordinarily had the budget committee which would have set some of those rules and guidelines and so, I think that's a good one for the budget committee that will be working on this starting in December. Okay, we have a motion.

Councilmember Egleston said are we doing

Motion was made by Councilmember Bokhari, seconded by Councilmember Winston and carried unanimously for (A) \$35,000 of the Undesignated Reserve Fund contribution to the Charlotte Mecklenburg Historic Landmark Commission Revolving Fund, (B) have the City Manager make the adjustment between the enhanced economic development program budget to transfer \$250,000 to expedite the Unified Development Ordinance, and (C) to designate the undesignated balance of \$35,000 and work on a Digital Divide Program collaboration that would be recommended to the full Council.

A vote was taken on the motion and carried as unanimous.

* * * * *

ITEM NO. III: CONSIDERATION OF MOTION DIRECTING THE CITY MANAGER TO PREPARE THE NECESSARY DOCUMENTS AND RESOLUTION FOR THE FY 202 BUDGET ORDINANCE

Mayor Lyles said we approve a virtual Budget Meeting for June 8th, 2020. I think that we will have all of June be virtual but hopefully, we get a little bit of a break Mr. Jones. We have a lot on our plate but let's try to remember it is Summertime. Memorial Day started at that time even in the midst of a pandemic.

Motion was made by Councilmember Driggs, seconded by Councilmember Johnson to move to direct the City Manager to prepare the necessary and resolutions for the Fiscal Year 2021 Budget Ordinance.

A vote was taken on the motion and carried as unanimous.

* * * * *

ITEM NO. IV: NEXT STEP

June 8th Adoption at Council Business Meeting

Councilmember Bokhari said I want to say real quick thank you to all of the colleagues who literally came together and showed how strong we could be when we are unified.

* * * * *

ADJOURNMENT

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

The meeting was adjourned at 12:53 p.m.



Stephanie C. Kelly, City Clerk, MMC, NCCMC

Length of Meeting: 45 Minutes
Minutes Completed: May 27, 2020