

## BUDGET BRIEFING

The City Council of the City of Charlotte, North Carolina convened for a Budget Briefing on Wednesday, May 8, 2019 at 12:15 p.m. Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Councilmembers present were Tariq Bokhari, Ed Driggs, Larken Egleston, Julie Eiselt, James Mitchell, Matt Newton, Greg Phipps, and Braxton Winston II

**ABSENT UNTIL NOTED:** Councilmembers Dimple Ajmera, Justin Harlow, and LaWana Mayfield

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## OVERVIEW

**Mayor Lyles** said today is our Budget Briefing, the first meeting since the Manager presented the 2020 Budget on Monday and I believe that we've got a budget that is both responsive and responsible to the Council's planning since the Retreat and the work that we've been doing as well as responsive to the many things that we've had challenges in the last several weeks. We are talking about how do we address upward mobility within our community, and not only within the community at large, but specifically how do we do that for our own employees that we not fall behind after setting a standard over two-years ago on a living wage for our employees. We've talked about our affordable housing program and this budget gives us more options around them and as well we've talked about how the strategic priorities are going to be accomplished inside of our organization. I have to say once again, this is all done without a tax increase and a revenue neutral tax rate. Today, we are going to start with questions about the budget; we will answer as many as we can today, but the staff will continue to provide the responses to everyone if they require additional research or more follow-up.

One of the things we've talked about is how to conduct these meetings and a couple of things that I think are really important. The Council has discussed this and they talked about this should be a time to ask questions and have those questions addressed. We said that we would begin by funds so we thought we would begin with the enterprise funds because those are very straight forward and we've had some work done on those in Committee prior to this meeting. Then we will go to the General Fund, our General Capital Fund and our Financial Partners. I think that what we said is that we would not add new requests for the outside funding agencies as a part of this budget. That was something the Council discussed and had as a ground rule for the discussions starting today. This is our schedule; we the May 13th required public hearing on the budget and I think you should encourage any of your neighborhood organizations, our financial partners, many of those folks to let them know and I'm sure they are aware of the budget but we need to get them in to hear at this time because that will be their time for the community to speak about what the priorities are and what the recommendations are. May 27th, we will have another meeting like the one we are having today; May 23rd we begin to actually look at any adjustments that we would like to make and then again, following our guidelines we've talked about five votes to move anything forward and then on May 29th we would have our straw votes on those and then any amendments and June 10th we plan to have the budget adopted. If we stick to our schedule we should be able to do that. Now I will turn it over to our Budget and Effectiveness Committee Chair, Councilmember Phipps.

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## INTRODUCTION

**Councilmember Phipps** said I would certainly echo your sentiments about the budget. I too believe this is a good budget that aims to improve our community, the lives of the Charlotte residents and the lives of our City employees. We've spent the last two days, I certainly have, going through this big book chocked full of information. I joked with the Manager yesterday that when I was reading through all of this [inaudible] came to my mind but I was kind of in a daze when I say that but hey, I think this book is chocked full and not only budget details of budget document but, the whole process by which we trying

to change our culture in terms of what we are trying to do. It has been very exciting to see City Council's new strategic priorities woven into the fabric of the work that the City does. I want to thank my Vice Chair of the Budget and Effectiveness Committee, Mr. Driggs as well as my other Committee members, Ms. Ajmera, Mr. Bokhari, Ms. Mayfield. We feel that there were many meetings with the Budget Committee, our guidance helped to shape the framework of this year's proposed budget and I look forward to the rest of this budget process as has been laid out and described by the Mayor; the next steps that we can make the City Manager's proposed budget even better. With that said I think we are ready to jump in.

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## **CITY MANAGER'S FY2020 BUDGET RECOMMENDATION – ENTERPRISE FUNDS**

**Marcus Jones, City Manager** said I think if we just look at the enterprise funds in terms of the four; Aviation, Storm Water, Charlotte Water and CATS. If we could just pull those four together we would be fine with any questions that come from those four.

**Councilmember Mayfield arrived at 12:20 p.m.**

### **AVIATION**

**Councilmember Driggs** said on Aviation I'm just interested in understanding the kind of mechanics. If you look on Page 159 we see a 23% year on year increase in revenues and then expenses on the next page at up 8.7% and the excess goes into a reserve for future years. Could you just talk a little bit about how that works?

**Brent Cagle, Aviation Director** said if I understand the question you are asking, what happens with the net revenues remaining?

Mr. Driggs said first of all, just trying to understand the revenue structure where you've got a 23% year on year increase. I'm sure it has to do with the mechanics of running an Airport, but I would just like to know what it is.

Mr. Cagle said one of the largest areas in our revenue increase are in what we would call capital restricted funds so, you will note there are three areas, total operating revenues, passenger facility charges and contract facility charges. The two bottom funds, the PFCs are passenger facility charge and the CFC are contract facility charge, those are capital restricted funds. PFCs are governed under the FAA rules and the CFC is basically the charges that we collect to support the rental car facility. Those are based on passenger traffic and as passenger traffic or rental car days increases so do those revenues but they are restricted in their use. The total operating revenues at 10.3%; that would be the unrestricted revenue so, the revenues that we receive are net revenues that we receive from activities like concessions or parking and those funds then go to support our capital program and our general cost of operating and maintaining the Airport on a day to day or annual basis. The net revenues then fall down into the bottom bucket or the Airport General Fund, if you will, and are reserved for future capital expenses and to maintain our debt coverage and financial matrix.

Mr. Driggs said so, you are projecting to put \$42 million into your fund balance?

Mr. Cagle said that is correct.

**Councilmember Egleston** said I know this is several years out from being a shovel ready project but I just want to make sure that in our long-term budgeting for the Airport that we are factoring in whatever the costs will be for whatever infrastructure facilities will be necessary to connect the Airport with our Silver Line.

Mr. Cagle said those would not be included in this five-year CIP but, certainly the planning we are coordinating very closely with CATS and the Planning Department to understand the timeline for the Silver Line and then to program or create a plan of finance to enhance

or create to have the needed funds for capital infrastructure to support the Silver Line coming out to the Airport.

**Councilmember Harlow arrived at 12:24 p.m.**

### **CHARLOTTE AREA TRANSIT SYSTEM (CATS)**

**Councilmember Newton** said I think this is generally speaking, a good budget as well. I want to give our Budget staff kudos on ensuring that this tax revenue you have in the proposal, at least right now. So, looking at the budget material for CATS I wanted to ask about long-term plans for the Silver Line, the Gold Line Extension and any problem solving for funding for those. It is my understanding that what we are looking at right now was specifically your enterprise fund for that. This could be context for a greater conversation maybe as it pertains to our General Fund, creating debt capacity for bonds. We are looking at creating some debt capacity for some additional affordable housing bond money in 2020. I want to ensure that we are not putting all of our eggs in one basket in that regard and just wanted to see if there has been any problem solving or strategic discussions pertaining to that long-term or potentially even short-term within this budget. I'm not sure if I've seen that here within our enterprise fund materials.

**John Lewis, Transit Director** said in regard to your question about funding for the Silver Line; the MTC has allocated in its five-year program approximately \$36 million over that five-year period to begin 15% design for the Silver Line and that is outlaid in the budget. Our goal over the next five-years is to get it to a point which generally in that 30% to 35% design where we can be ready to enter the federal program. Federal program is to begin to compete for the FTA Capital Investment Grant. That is a two-year process for that; once we lock in that process we have to be ready to enter into construction and so, at 35% you really come up with an estimate of what the cost will be; you have to be very clear on your local and state revenue sources because once you enter the program the federal government will cap its full funding grant agreement based on your estimates at that time. So, as an example, even though 35% is the minimum, we took the Blue Line Extension to 65% design before we entered into the federal investment program. So, we are advancing the Silver Line along; we won't be at a point in that five-year period where we can go into the federal capital investment program.

Mr. Newton said would a bond measure be something that could be done; is that something outside the realm of possibility for helping with this and would that be a help if it were done?

**Mayor Lyles** said Mr. Newton I think you are saying would there be a bond referendum supported by City funds?

Mr. Newton said City funds to the extent that it creates a debt capacity but certainly would have to be approved by the voters.

Mayor Lyles said oh no, I was saying is the federal funding the formula. Fortunately, I think through the Legislative work that we've been doing Raleigh has said that they took off their 10% restriction on the state funding so right now we would still be at 50% for the federal funding and we would be required for cap and until we get the federal funding that is where we really have an issue I think in dealing with this. But, I think you are asking about bond financing for the overall.

Mr. Newton said to help fill the gap frankly. Would that be possible and if so would it help?

Mr. Lewis said the gap in terms of the overall cost of constructing the project or in terms of design?

Mr. Newton said our portion, even design frankly; it is all within the same bailiwick, correct? We can't get there without design so why not include that as well?

**Robert Campbell, Interim Chief Financial Officer** said I think the question you are asking about whether you can use general bonds for a CATS project; that is more of a legal issue because those bonds are secured by property tax revenues and the statutes lay out what you can and can't use property taxes to fund. I'm not the Attorney in the room, but I believe you can if you put it on the referendum and it is voted on but that is more of a legal issue.

**Councilmember Egleston** said we've talked about a little before but I just want to get up to date overview; I know there has been some discussion about discussing Phase 3 of the Street Car in a different way funding wise. Where we are at with that and where we see that fitting in to a five-year plan budget wise?

Mr. Lewis said in regard to the Gold Line; the Gold Line is not included in the CATS budget that you see in front of you other than the construction funding that is ongoing for Phase 2. So, the best way I can describe this is that when the City, 10 plus year ago, made the choice to move the Gold Line out of the MTC funding process and to accelerate that project it then became a City project. It is not shown in the MTC; there are no sales tax revenues that go to the construction or operations of the Gold Line. So, if at any point we are ready in partnership with the City to advance Phase 3 that would have to be done outside of the sales tax portion.

Mr. Egleston said we are currently still envisioning Phase 3 being funded through a similar model to Phase 2?

Mr. Lewis said yes, at this point.

**Councilmember Harlow** said for Mr. Egleston and Mr. Newton; I sent you guys an e-mail and I want us to get straight on this budget but, I want us to start having some of those ongoing conversations. I've talked to Mr. Lewis; we've talked with the Manager trying to loop you guys in and you saw my e-mail about what it would take to get Phase 3 up to the point to where the Silver Line is with CATS envisioning let's build all these things at the same time. We know we are behind on it on Phase 2 and I think a real conversation and really a staff recommendation to say what is the best way to package up how to possibly fund this. Is it sending it back to the MTC, it is a combination of MTC with possible sales tax with the City still funding some money and hoping there are some federal dollars down the road? I think we've got to get a little creative there, understanding cost escalations are only going to keep going up. I know we've kind of reached that 35% number on Gold Line Phase 3 somewhere around \$18 million to \$20 million and we've got this new planning fund as well and I think there is an opportunity there to possibly loops maybe not all of the \$18 million but something in it knowing that is a revolving fund that gets replenished over time. I think we need to hear more about that; I know that is beyond the scope of this budget currently, but I think going forward Mr. Manager as we think about what are going to be talking about this summer after this budget is adopted, how do we get this Phase 3 thing with a definitive plan that we can march through over a couple budget cycles probably to get it there?

**Councilmember Driggs** said on Page 171, transit PAYGO transfer is what we used to refer to as maintenance of effort; is that right?

Mr. Lewis said that is correct.

Mr. Driggs said that is General Fund money that is paid to CATS.

Mr. Lewis said when CATS was established and sales tax was established as a revenue there was a whole harmless provision as a part of that where each of the jurisdictions and the City went a little further than that maintained a Maintenance of Effort Agreement; the City continues to escalate their maintenance of effort; the other funding partners are not but there was that maintenance of effort requirement.

Mr. Driggs said on Page 172, the next page, it shows operating expenses up 20% or \$10 million. Is there anything going on there; why that big leap on operating expenses?

Mr. Lewis said this is the first year where the full cost of the Blue Line Extension hits CATS operating budget.

Mr. Driggs said right, so I assume then that as we go to Page 179 there are debt payments in there around \$5 million in 2017 and 2018 and they go up to \$108 million and \$101 million; are those the first maturities of Blue Line related debt?

Mr. Lewis said yes, it is a Blue Line Extension. As a part of that we took out short-term debt that helped us manage the cash flow as we were waiting the continuation of federal and state funds and so, the big jump in the \$100 million and \$125 million I believe is the first repayments of that short-term debt. We have long-term federal TIFIA loans that are 30 plus years out.

Mr. Driggs said on that same page it says the debt service reserve fund is used to maintain \$30 million of fund balance in accordance and down below we see that the fund balance is \$8 million so are we short of the target on the fund balance?

Mr. Lewis said no; I don't have that page, but our reserves, we are required to have \$100 million debt reserve account and a \$30 million operating. The \$30 million we are above our reserve requirements and the \$100 million is an annual requirement that we be at least at \$100 million at the end of the year.

Mayor Lyles said is there further clarification on the transfers to CATS and reserve for future years?

**Phil Reiger, Strategy and Budget Director** said the \$8.1 million is the amount in fiscal year 2020 that will go into the fund balance for that year so, there is \$30 million there to cover any fluctuation in the market.

Mr. Driggs said we have to see a balance sheet to actually see the fund balance?

Mr. Reiger said that is true.

Mayor Lyles said this is not in the document; this is what is necessary to maintain the target that you've set, the contribution for the target.

Mr. Reiger said that is correct.

Mr. Driggs said I would echo a couple of the other comments; as I read these numbers I have no visibility on how we are going to proceed with some of the large projects that we know that we want to do and therefore, aside from this process I think we really do need to kind of get more focused about how that is going to work, the Gold Line and the Silver Line.

**Councilmember Mayfield** said I will mention it but we can have a deeper conversation later regarding the Silver Line Extension. Our Deputy City Manager and I actually went out and drove out Wilkinson Boulevard so, I'm trying to get an idea of impact on current businesses and whether we are talking about creating a lane and even though it is not in this budget we can have a side conversation to get a better understanding of what the community impact is going to be with expanding the line out to the Airport.

**Councilmember Phipps** said on Page 171, I noticed this 31% decline in the level of proposed state funds; is that reflective of a degree of pessimism on our ability to try to persuade additional funds from that source or more or less a realization that that is how we are going to –

Mr. Lewis said no sir; last year if you will look at the state budget process, the state's budget comes in after we complete CATS' budget and the City budget and last year the state reduced the SNAP Program by almost \$10 million statewide. Of that \$3.8 million was allocated to CATS and after we established our budget and it was passed by the MTC and the City Council we lost \$3.8 million in state funding. In this budget, even though

conversations continue to go on at the state level, we have programmed in this budget a continuation of that cut to state resources. That may change but right now we are programming it at that level.

Mayor Lyles said is that restricted funding Mr. Lewis?

Mr. Lewis said no, that is operating costs.

Mayor Lyles said I mean it is restricted to operating and it cannot be capital?

Mr. Lewis said let me get back to you on that; it is generally maintenance of effort and as a part of that there is a capital component of our operating, but let me get back to you on that.

Mr. Phipps said on Page 173 we've allocated about 23 FTE's for the Gold Line roll out so, are those hires going to be starting at the beginning of this budget year or are they going to be phased in once we get the delays behind us on that?

Mr. Lewis said all those hires will happen at some point during the next fiscal year so, as an example we will hire mechanics as quickly as possible because their training curve is much longer. Operators will come in towards the end of the fiscal year so, there will be some phasing in.

**Councilmember Eiselt** said first of all, I have to say that I really regret - I feel like this was the Evelyn Woods approach to looking at a budget. I for one felt like I needed more than 40 plus hours to get through this so, I apologize if I'm not fully informed on what I want to ask but, if I step back and look at the big picture on our whole budget, and I will get to the CATS piece of it, the vast majority of what we spend our money, and it is what it is, this is a tremendous amount of work that went into it. I recognize that, but the vast majority of what we spend our money on either goes to maintaining what we have or fixing the mistakes of the past. With that I mean mistakes that have resulted in a tremendous amount of inequity in our community. Unfortunately, like most municipal governments what we spend our money on is just to keep the lights on and keep the trains moving and keep the buses moving. I'm a little disappointed that we are not spending more money on our future. So, to the conversation about the Gold Line and the Silver Line, whatever it is, I don't think that we are ever going to get up to really move the needle on equity and making Charlotte an affordable place to live unless we make some really visionary changes. Maybe it is in the budget, maybe it is too late and maybe it is next year, but when I look at the property reval, honestly, I'm a little bit sorry that we are just so focused on revenue neutral because the fact of the matter is it is not revenue neutral. In fact, it is not revenue neutral for most people in this City who are poor. They have a tax increase if they own a house and if they rent their taxes will probably go up too because their landlords will increase. My taxes are going down which I'm just kind of horrified. I'll be honest, my property taxes. Most people who have enjoyed property value increases in wealthier neighborhoods either have a neutral tax bill or it will go down and I don't think that we are doing enough to provide equity to people in this community. I look at our Planning Department and it is 1.5% of our whole budget; Economic Development, these are all forward-thinking things, is 1.8% of our whole budget. I don't know, it is an overall frustration that I have and then I combine it with what the County is doing in their budget and I just don't see any vision in how we are going to really make this City an equitable place to live.

**Councilmember Ajmera arrived at 12:45 p.m.**

When we look at our CATS' budget, and I thank you Mr. Lewis for giving me some of this background information and to our Deputy City Manager, because I called to get last minute data, even with these improvements to our bus system the average trip in this City is still 90-minutes. I work with a woman that has to miss two hours a day to get her child to a magnet school. Two hours of work a day so, not only is she paying over \$400 a month for bus passes she is losing \$25 a day in earnings because she is trying to get her child to what she considers a quality magnet school. If it still takes 90-minutes to get

around Charlotte on the average trip and it would cost \$35 million to bring that average trip down to 30-minutes that is a whole hour of income that somebody will save, so you are also saving an hour of salary for that individual. Then I look at the fact that we have \$130 million in reserve for CATS and that was a decision, my understand is that Council made, that was a Council policy to say that is the right number. I don't know when it was made but the question is what sensitivity analysis do we have in there to say if we could lower that operating and capital reserve would we still be able to maintain a decent bond rating. If we added 2.5 pennies back to that tax rate we would be able to pay for that whole 35 minutes and get bus routes to 30-minutes on average. I think we've got to think about this a little bit differently. I know nobody wants to have another penny or so added to the tax rate but I just don't know that revenue neutral is a phrase that we should be using because it is not neutral to the people who are paying taxes, the ones that we are most concerned about. So, I guess that is a long [inaudible] to say that I think we need to look at this a little bit different; I think we need to find a way to make bus travel more affordable and affordable means you get an extra hour back on your work day even if bus fares don't change. That is something I leave with the Manager; do we need to keep \$130 million in reserves to still have a decent bond rating and can we find any way to find meaningful dollars to reduce the average trip in this City because it is not changing in transit. Affordable housing is great but that is a long-term solution for not a lot of people frankly. Transit is what 30% of the average person's cost of living? If we can make it more affordable for people to stay in Charlotte because right now, under this scenario poor people are going to have to find somewhere else to live. If you own a house at \$200,000 on average your valuation went up 67% and we are having a 30% tax reduction so they are still paying a lot more in taxes and I just don't think we are addressing or we are not taking a big bite out of the elephant.

**Marcus Jones, City Manager** said Ms. Eiselt; I don't disagree with you in terms of trying to do more some of our employees and some of our residents who are on the lower end of the income spectrum and we made some attempts in this budget to begin to address it. I will leave the long-term question up to John and Robert in terms of what is the impact of dipping into that \$130 million, but before I do that I would say that from a percentage standpoint, departments like Planning and Economic Development aren't operational departments so the operational departments have hundreds of people in them and because of that they take up a bigger piece of our budget much like Police and Fire with 1,900 folks in Police and close to 1,200 in Fire. So, a concentration on Planning and Economic Development which we did put in this budget for additional staff, I think it is five more in Economic Development and 10 more in Planning. The numbers are small as a percentage because they aren't operational departments. In terms of the fund balance in CATS, one thing that is important is that if we are going to address some of these lead times it is not just purchasing buses, but you have to have people drive the buses so, onetime money should be used for onetime expenditures so, if it is something that the Council wants to do the fund balance alone won't address it, but I do understand what you are saying. So, John and Robert, in terms of the fund balance in bond ratings what is the impact of doing that?

Mr. Campbell said I think as you started out with the \$130 million is fund balance; it would be onetime use if you used it at all. I think it is important to understand where the policies came from; it was back to the beginning when the South Corridor Line was being established, the \$100 million was put in place because CATS as an appropriation style, they are COPS. Their real true backing is the City General Credit so, the City's property taxes actually back that debt. To access the credit markets the underwriters helped to establish what the right level should be so, that is where the \$100 million came into place. The \$30 million was put in place with the Blue Line Extension and that was in recognition coming out of the 2008 great recession there was such volatility in the sales tax, it dropped significantly during that time, and there was a calculation done to see how much would you need to have in reserve to prevent bad things needing to be done if there were another downturn like cutting back on bus service and that sort of thing to be able to maintain operations and it was fairly conservative and it could have been probably nearly twice as much as the \$30 million to cover a 2008 type recession. Since we don't anticipate that happening that often there was I think enough comfort with the \$30 million reserve that that was the policy that was actually put in place and adopted by the MTC.

Ms. Eiselt said I guess my point is not to be spending all our reserves but if that is the level we have to maintain we have to use money to continue to fund it. Again, it is just the way we are looking at this and I understand it is the will of the Council. The Council has to be the one that says we need to change the way we look at things so, I hope the Council will look at this a little bit more carefully and say are we really doing things to help people now that need it the most in this community.

Mr. Driggs said I agree with a lot of what you said; I think there is a concern about people being displaced from their homes. We need to have a more extended conversation, maybe not in this setting, but my concern about the tax rate is you may help certain people but the instrument you are using to help them hurts others right. Because now you are raising the property taxes very regressive; the pain that people feel at the lower end of the income scale is much greater than it is higher up. I think we need to be thoughtful about the tools that we use and I would also point out that \$130 million has a cost of carrier associated with it in the current market of about \$2 million a year or \$3 million a year. In terms of your operating budget or your ongoing capacity to fund projects it doesn't actually represent that big of a cost; it is only a couple percent in terms of the [inaudible]. I just wanted to make that brief comment; I hope we will continue to have the conversation and Ms. Eiselt and I have talked about some ideas for providing relief to people who are being priced out of their homes by the property tax because of the appreciation but that is probably also not for this session.

Ms. Eiselt said just to keep in perspective if you owned a \$200,000 home and that tax rate went up 2.5 cents it would be \$50 for you. A bus pass is \$88 a month, so the people that need it the most are actually doing better with that if they take the bus.

Mayor Lyles said I think one of the good things about this is that the budget is very readable and very much points out those points that have not been addressed. I think keeping a list of those because I've heard others, it is not just the Gold Line, the Silver Line, tax relief in terms of resources for people to be able to pay. The bus headways we've known about and we've begun to talk about them. I think keeping this running list is about January. Thinking about it I have to say that a year ago we were at \$15 million for housing and it might take a long time but if we don't start somewhere we are not going to get anywhere so, that \$50 million makes a lot of difference. We are continuing that but that discussion, if you will recall, how painful it was and how well debated it was and how much it took to get to this place. Some of these other issues are going to take that so, I think just continue to make the list, headways on the buses have been a big problem for a long time and it is an average and it is really is something that impacts people that have to work far away from home. We know where those neighborhoods are and we know where the jobs are and it just predictable. I think we have much to do and keep the list going of what we need to do and let's start talking about it now so that we can plan for the next budget because we can't just appropriate money or go with the tax rate now without being able to deliver. The ability to do that is really are the programs ready to go. We've talked a lot about revamping our capital structure so we are ready to go if we've got to have that same structure on our operating structure to move quickly to do things that people need to see accomplished. Mr. Jones; I hope that you've heard the conversation and dialogue. The request is not that this is bad; it is just can we be our best. We're good but are we the best and we believe Charlotte can be the very best. We ought to be a model nationally for this country.

**Councilmember Winston** said I might be adding to the list; these are some things that we've spoken about during the year between last budget and today. Envision my Ride, I assume that is an ongoing program and an ongoing effort.

Mr. Lewis said Envision my Ride is a multistep program; the first part of it was to fix the structure of our bus routes and we accomplished that in October and we have stemmed the flow of lost ridership. Prior to that we were in high double digits of lost ridership, we have not started to gain but we are down in the lower digits now. The important next phase of it is to start impacting these headways; more than half our routes are headways between 45-minutes and an hour; imagine you are standing on the corner, you've missed



that bus and you've for to stand there for an hour before the next one. I think those are the kinds of conversations that we are having now.

Mr. Winston said along that line one of the things I wanted to see with that process is connecting neighborhoods to schools so we can change the culture of ridership so that maybe school age children, since we are becoming more of a dense City, are able to depend on public transportation options to get to and from school so parents don't always have to take that time out of their day. I wanted to explore the ability to invest in bus passes with CMS so, I was wondering if there is any room in this budget to explore that or if we are doing things like that?

Mr. Lewis said we are moving with CMS on a pilot program for some of their special programs similar to what we are doing with City employees and UNC-Charlotte students, faculty and employees. What we will need from CMS in order to move fully is for them to upgrade their student ID cards to have the technology that we can read and know if this is a legitimate student, is this ID card correct and once they get to that point we can go to full implementation.

Mr. Winston said I would love to see the budget implications of a program like that.

Mr. Lewis said it is neutral to us so we could begin at any point; it is CMS's decision.

Mr. Winston said we can revisit that offline. Again, we presented this employee transit pass program last year that every City employee is eligible for full time; I'm wondering some of the things I've asked is how can we provide more outreach to other employers throughout the City, especially around the uptown area and the service industries in general but especially as it relates to the efforts around the RNC in 2020 and how some of those workers might be disproportionately affected by changes in transit and cost in childcare and transportation needs. I'm wondering if there is any money in this budget that provides outreach to industries to take advantage of those programs. I think we have run into some difficulty with getting people to buy in to that.

Mr. Lewis said we upgraded and continue to increase our marketing and outreach budget. We are having multiple conversations with other groups in the City. I just want to make sure that Councilmembers understand, getting into agreements with other organizations like we have with the City does not cost CATS any money; it is purely a decision of that particular group. What has been the stumbling block is how do we positively identify so that we know this is a person in the hospitality industry, this is a City employee, this is a school student and not John Q Public.

Mr. Winston said I've wondered if there are other service or contractors out there; I know in New York City they used to have a transit check program that it would come out of the actual paycheck so there was no ambiguity because the people that were paying for it are the ones that would get that direct benefit. Again, I'm just wondering if there are other types of investments we can make to have options that we can present that might have some type of costs on our end to do the research and do the leg work to present an option for our citizens.

Mr. Lewis said understood and we will dig into that more detail.

Mr. Winston said that was the same idea around bus passes if there is some type of different technology or some type of other vendor out there that could help us speed up that process of making public transportation more equitable for students in the public education system. I would love to know if there are any budget implications to finding out services like that.

Mr. Lewis said sure, maybe we can talk off line and get into more detail on that.

Mr. Winston said absolutely, and lastly, we have spoken about this idea in light of some of the difficulties of getting funding for the Silver Line and Red Line for light rail and commuter rail transit that the use of bus rapid transit could be the lowest cost method of

providing quicker connections and expanded service for public transportation. In light of what Ms. Eiselt was alluding to the need to make drastic changes in the way we do things, is there money in this budget or what would we need to allocate to come up with a very aggressive plan to get a culture shift that looks at bus rapid transit implemented especially understanding that there are other pieces of infrastructure that are coming on line like the I-77 toll lanes where the bus rapid transit I believe would take advantage of that. So, where is the money to provide us with that aggressive plan and if it doesn't exist, how do we get there?

Mr. Lewis said the I-77 bus rapid transit is funded and we will begin that the moment that the project opens. In regard to more urban bus rapid transit projects, we are working right now with C-DOT on exploring how we implement what are the right corridors, and we hope to have a pilot done in the near future and based on the evaluation and success of that pilot like C-DOT is doing with the bike lanes, then I believe in subsequent budgets we can identify corridors, begin planning and design and work toward implementing that. But, there are tradeoffs in that regard that I think we need to work hand in hand with C-DOT on.

Mr. Winston said when you say near future, are you saying between now and the next budget cycle we could have a pilot that is going and then we can make further determinations perhaps next budget cycle to scale that up?

Mr. Lewis said it is our goal to have a pilot implemented in the next fiscal year and be ready to make evaluations on the success of that pilot so that we can inform the next budget cycle.

Mayor Lyles said so, the answer I think is yes.

Mr. Lewis said yes.

Ms. Mayfield said Mr. Lewis, it will be part of the offline conversation regarding the partnership between CATS and CMS. I also would like to get information regarding how our alternative and charter schools would fit in that conversation since we have so many different educational opportunities. If we are really going to work towards equity then we have to think beyond CMS alone and look at all of the educational choices we have within our community and what is that impact.

**Councilmember Bokhari** said after this is done can I get a deeper look as much as possible in the revenues, particular passenger fares related to modes of transportation and how we can break out those operating expenses? We see a high level at Page 171 and 172 but it is kind of generically bucketed so I would prefer to see a track on the revenue coming from passenger fares.

Mayor Lyles said you want the \$28 million broken down by the fare schedule.

Mr. Bokhari said it is pretty clear what passenger fares are; they are nodding their heads like they understand what I'm looking for.

Mayor Lyles said what are you looking for because I want to make sure I have it.

Mr. Bokhari said revenues coming into CATS, but passenger fare breakout and then as much as possible the operating expenses it costs to run those exact same things, so I can see those things side by side.

Mr. Driggs said isn't the deal we have with UNC-C similar to the kind of structure we have with the City and isn't that a model that we can use? We addressed a lot of these issues; we did the analysis of likely traffic and worked it out in such a way that it was essentially neutral to CATS. It seems in response to that question that maybe that is the blueprint. Have you continued to work with the yield that you are getting on the fares because of the structure of discounts and things; is there any movement there still?

Mr. Lewis said yes, we continue to evaluate our fare structure and we will be making additional recommendations to the MTC on ways that we can adjust those to continue to maximize our fare return.

Mayor Lyles said that concludes the CATS enterprise funds questions and discussion.

### **CHARLOTTE WATER**

There were no questions on the Charlotte Water Department budget.

### **STORM WATER**

**Councilmember Egleston** said I was glad to see the \$14 million additional funding for completion of Storm Water capital projects; I've spend extensive amount of time talking to Mr. Jones and Mr. Davis based on what I think has historically been a systemic problem but also manifested itself in very specific instances in my District that we've all dealt with together. If either or both of you could speak a little bit; I know there have been discussions on changing the way we prioritize projects and it says in here project prioritized with regards to standards of public safety and public liability. Can you outline a little more explicitly what that will look like and how we do our prioritization now so we are not spending money on low level projects when we have constituents that have gapping-holes in their yard that aren't getting fixed?

**Marcus Jones, City Manager** said I'll start off and then Mike can talk about the prioritization. I want to comment Mike again because much like we looked at projects in the CIP and tried to get to some level of prioritization and scoping, designing and planning, in Storm Water it was no different so one of the things you will see in Storm Water is 18 additional positions. You really can't go to construction if you aren't planning and designing projects so, those 18 additional positions will help us in terms of planning and designing projects. Then we took a different stance going into FY20 and that is first taking a look at those projects that are on public property that we have a liability for. Not talking about A's, B's and C's but if is on public property we have a liability and we have to address it so, what Mike is doing now is he has developed a prioritization process so that we are now taking a look first on those projects that are on public property and trying to move them along the list based on this prioritization. Mike is that a good setup?

**Mike Davis, City Engineer** said that is great and just to pick-up where that left off because I think you are asking for a little bit of detail; just a quick contrast, what we are moving away from was something that valued this idea that if you have been on a list for a while we want to make sure that at different points on the list people felt like they were moving and I think what we are really valuing now is saying we really need to focus on our highest priorities. What informs those greatest priorities and how we determine what those are is really coming from to categories; one is taking care of the assets that are truly the City's assets. If it is already in our right-of-way it is an easement that needs to be reflected in that prioritization scheme and two, those priorities should have something to do with public safety and health and welfare kinds of conditions. What we are doing, have done and will continue to do is really adapting an old list to a new one and that new list will be simplified into a single list that works from the top down. When you get on that list still does matter but what matters more is how severe the risk is and is part of the system that we are charged with maintaining as compared to something that would be adding inventory to our system.

**Councilmember Driggs** said I'm looking at Page 191, the fund balance line. We've got \$19 million on fund balance as a revenue source; what fund are you talking about there?

**Phil Reiger, Strategy and Budget Director** said Storm Water is an enterprise fund and it has its own fund balances which would be the Storm Water fund balance.

Mr. Driggs said so, we are drawing down fund balance?

Mr. Reiger said this would be a scheduled draw.

Mr. Driggs said I'm trying to connect what you just said to our past conversations; at one point it was a billion dollars; there were \$600 million in the C's, we've kind of whittled away at that and then there was \$400 million left and what I appreciate is that you are doing what it seemed to me for years we should be doing which is taking a fundamental new look at how we do this rather than chasing an ever-increasing waiting list. Nonetheless the situation we were in was that even for those A's and B's we were projecting wait times of eight-years and 10-years and we had suggested at one point that it would take annual increases of six to eight percent in the fees just to reach a point somewhere in the future where we were bringing that down. I'm pleased, but interested that we are able this year not to increase the fees at all and somehow magically we've gotten on top of that. Could you talk a little more about that; what are the wait times now for service? Have we disallowed any A's and B's or have we bumped them down to a never, never kind of waiting period as a result of your new prioritization? How does it affect the situation as we knew it?

Mr. Davis said I'll start with that last question; nothing has changed yet in the sense of anyone who qualified for service yesterday still qualifies today and none of that has changed. What we are doing today is still working from the list that we've had and with this budget proposal that we would move to a new prioritization system and we will learn as we go, absolutely. If you are asking how is it we were able to achieve a zero percent and move the needle; I'll point to a couple things. One, is we did take a fresh look at the debt model that we used which is a 10-year model; I'm not qualified to give you a lot of detail on it other than to say I think we are leveraging some of the benefits of assumptions about costs of debt and also how aggressively we would bring down cash reserves to a debt covered ratio of two so, that has been a team effort that has gone beyond just what Storm Water brings to the table to make sure we are maximizing the resources that we have. Part of what we discovered through that is that we weren't fully leveraging the resources that we had in hand so, this budget proposal does, as the Manager alluded to, it is more than just the funding side, that funding activates new positions to start new projects that get them moved towards construction. This would represent a fairly sizable increase in our capacity to actually process the work, it doesn't turn the curve down in year one but it is a way to build that capacity to bend it down more quickly. To the question about wait times, that is something that has moved from year to year and it has moved in the wrong direction. Someone who would call us today, another current set of assumptions has been right around where we have just started a project that was seven or eight-years old. That is what we are not trying to bring down to be within a couple years to get through a project delivery.

Mr. Driggs said do you have an estimate of how long it will take to get us back to where we are kind of reasonably current?

Mr. Davis said what we are trying to do; we sometimes call it a surge of work, try to resource this in a way that we add some permanent capacity and add some temporary capacity that lets us attack the existing body of work prioritized on public right-of-way, greatest priority and we are thinking that in the next three to five years we would have that in a steady state condition.

Mr. Driggs said the main issue for me is that we not find ourselves next year back in a position where we are exactly where we used to be. We've been kicking this can down the road for a long time so, I appreciate the fact that you are taking a fundamental look at it. I'll be curious to see what progress we make.

Mr. Jones said I would like to add one thing to it Mr. Driggs; Mike just said at one point, and this is how we worked through this budget process, we do all these scenarios and then finally I said to Mike, what is we gave you a zillion dollars, could you do it and he said no, I need people to design the project. So, we found a fundamental flaw in what we were doing; we hadn't given him the resources to have people design the projects.

**Councilmember Phipps** said my question was along the same lines. I was pleased that we didn't have a rate increase in Storm Water this year even though that has been a

source of contention in budget cycles previously. I'm wondering are we setting ourselves up in the next budget and future budget cycles to rate increases that would be unpalatable? I don't know, double digits; we got by this time but how far in the future do you think we could; is this a trend that we are going see going forward or are we leading up to an eventual another rate hike maybe next budget cycle?

Mr. Jones said we definitely have a rate increase plan for not just next year, but the following year and the following year and the following year; we just didn't think it made sense to have a rate increase in a year where we had a fund balance capability and in a year, that we are sorting out how to have a new method going forward. The fund does need annual rate increases but we do not project annual rate increases in double digits as the next one is 3.6%. What is the dollar amount?

Mr. Davis said it is under a dollar.

Mr. Jones said 40 cents.

**Sabrina Jog-Hogg, Deputy City Manager** said if I can add to that we are also looking at trying to do something steady so you are not six percent, five percent, something very steady, stable that we can project the work on.

**Councilmember Mayfield** said on the same line when we identify our highest priority and we look at not just the projections but the reality of what is happening in the community and we are looking at all the new development; what I'm hoping is that with hiring 18 additional staff that we have a clear goal of looking at quality of life because it is our current residents that are feeling the negative impact. They are the ones that it appears that within three to six-months of a new development they are seeing the sinkholes on their property, in their backyards water never seems to dry up. It is creating foundation problems, it is creating other issues, it is creating a quality of life concern but our previous and current model has been that is on your property so it is your responsibility, but we need to figure out a way on the front end before we keep allowing development to happen what is the impact and the strain regarding that development in older communities. That is a partial statement for this conversation specifically on Storm Water and making sure that all of leadership continue through the diversity, equity, inclusion training that has been started to have a better understanding of the impact on community but also a conversation that we clearly need to have when the time comes for us to speak with our Planning Director and we are looking at the language that we are creating and we are approving development and the ideas of development based on the current reality and not just continue to build a city for the future but a city that is still welcoming for our current residents as well as welcoming for future residents. That was for the Manager.

Mr. Davis said just one bit of reassurance around that because this is a big step for us in the program last year. Last year's budget, one of the things it included and is improved in our ability to deal with private development as was the advent of pipe video. So, we are able to now deploy when new development occurs, we've always expected developers to build to our standard but what we can now do that we couldn't do in years before was put little robotic cameras down in that pipe and made sure they were actually installed correctly. So, what had been an inspection practice that sought to make sure that things were well installed, we have much greater ability to control for that now that should avoid some of those problems you were just describing which I think are kind of anomalies but we are always seeking to contain.

## **GENERAL FUND**

**Mayor Lyles** said there is an executive overview in the General Fund on priorities and then there is the department budgets that are in the General Fund. Can we go in the order of the departments in the General Fund, would that be appropriate or do we want to address more of the strategic viewpoints? Why don't we start with overall strategic viewpoint from the General Fund? The strategic priorities are economic development which economy drives in upward mobility, safe, healthy and inclusive communities,

accessibility, mobility, connectivity and then efficient, effective and customer focus [inaudible] We've got a chart there and you can see on Page 43 some of the measurers around economic development. Neighborhood Development starts on Page 45.

**Councilmember Egleston** said I'm not sure how far into the weeds we've gotten talking about this but with the structural change with Charlotte Regional Partnership and the Charlotte Chamber and those merging into the Alliance and the City taking on more of a role in business recruitment, business retention and things of that nature, I was glad to see that we are adding positions with that economic development focus. Do we feel like we have sufficiently added to that focus knowing that we are going to be taking over some of the role that those organizations previously had?

**Marcus Jones, City Manager** said I don't know if sufficient is the correct word but, what we did focus on this year is this concept of Project Management and we knew that that was something the City would take on. We focused on positions related to Project Management in some of the administrative positions.

**Councilmember Mitchell** said let me do a follow-up to Mr. Egleston; that was one of the questions I have about are we fully staffed for the Charlotte Regional Business Alliance and then we are having discussions already about the Opportunity Zone. I don't see this is our current plan; we talked about a short-term and a long-term; short-term meaning website and some other things and we have not had a discussion about a long-term. My fear is how are we going to address even a new initiative like Opportunity Zone in the current budget?

Mr. Jones said I guess the best way to answer it is I'm not sure what the problem is that we are trying to tackle that needs to be economic development related versus Citywide related and the resources that we have in communications and some of the resources we have in other departments. I believe that we are in a good position starting off.

Mayor Lyles said several of us went to the Opportunity Zone Retreat that was held at Johnson C. Smith in District 2 and while it was focused on District 2 the lunch discussion was about people that actually had already developed a fund and were beginning to look at investments so, I think much like a number of the things that we are getting when recruiters come in, I think they are going to come in and it will either incentives or perhaps some of our corridor money because all of the Opportunity Zones do exist on a corridor. I don't know that we are fully prepared but at least I think if someone actually came in with a full plan I think we would be able to be responsive short-term and we may know more in the next eight-months before this jumps off. I was pleased to hear some of our funds are local and they know us and they know what we are trying to do in our City so, I thought that was a good ending to that day.

Mr. Mitchell said when I looked at support entrepreneurs or support minority small businesses is that where we are going to capture like supporting initiatives like the Women's Business Center and it will fall under those categories?

Mr. Jones said I'm not sure the Women's Business Center is the right analogy but let me tell you how this should work and then maybe it falls under [inaudible] We have about \$450,000 of new funding that is set aside for small minority women owned businesses with some of that being more of the infrastructure like the Charlotte Business website that we have but then we are being more intentional with some of the different groups that have come through our amped up program and conceptually we are calling this like grad school. How can we take some of those businesses that came through amped up and provide them with more resources?

Mr. Mitchell said we know there is a lot of needs from economic development standpoint that has a list of line that people have approached us about enhancements so, I guess the overall question is are we going to look at our tourism fund to try to be in a position to fund those new requests or is there another creative way we need to look at from Discovery Place to the Hornets, to the Panthers; I think we have heard about some requests that will be coming to us.

Mr. Jones said two pieces and maybe we have to figure out a way to display the budget; there are a number of funds that are economic development related that are not listed in the Economic Development Department. A lot of it is in PAYGO; it is the same concept of economic development being horizontal in the organization so, I think if I put it altogether we are closer to being up 58% in 2020 than we were in 2019 and in terms of the tourism dollars I think that is why, and this is up to the Mayor and Council, it may be one of those summer projects because we start to think about how do we deal with some of the programs or some of the calls that are in the hopper and some that haven't made it to the hopper yet.

Mayor Lyles said Mr. Mitchell, I agree with you, and it is a summer project but we need a deep dive into our tourism funding and what are our policies and expectations that should guide the Board of Directors that we appoint? I think I shared with some of you that we've had some request by the industry representatives that we look carefully at who we have serving on those Boards to represent their interest and I agree. I think there are some things that perhaps we've gotten into talking about that really if you look at the industry they would say why would this be a higher priority than something else? We need to get on a page, and I would say it may be one of our first referrals to the people that want to work in August on projects in the ED Committee, because I think this is absolutely essential to how we look at our dollars and what is going on and as well how we are organized to do this. We have the contract for the CRVA so we are talking about working with people to do this and making sure that everyone still agrees and we have alignment. I really agree with that, and it is something we need to do this summer.

**Councilmember Driggs** said people have told me that they would like to see much more specific designations as to what the backgrounds are of members of the Board and who they represent. I think it is in the same vein but that Board needs to be more representative of the industry.

Mayor Lyles said the industry designations are already there; I think what I was asked is ask us who we would like to have, and I have done that. I have an appointment coming up, and I think there is going to be come Council appointments coming up, but they have established a chapter here, and I have talked to the Executive Director to say you asked us as we are filling these positions, tell us who fulfills this service, full service, limited service, restaurants and things like that are already designated, but did we ask people that represents that industry to give us names? I think that is an important part of what we need to do to go forward.

**Councilmember Ajmera** said under the second item where it says increase talent development opportunities, the target is more than 60 on Page 43. Are we looking at other industries, or are we still keeping it to construction and fiber optic?

Mayor Lyles said I thought it was a follow-up; I thought we were adding some additional industries as well as increasing people, but we will have to get an answer later.

Mr. Driggs said it is here; I think you've got four to six that are named in there. I can't quote the page, but I saw it.

**Councilmember Mayfield** said Page 75.

Mayor Lyles said that is the money, but you were talking about the skillsets that we are talking about working with.

Ms. Ajmera said based on the growth and opportunities that we are seeing.

Mr. Jones said we will bring that back to you.

Mr. Phipps said in the area of Economic Development, I don't know if everyone is aware, but it seems like we've been having a lot of foreign delegations coming to Charlotte looking for investment opportunities; so, I'm just wondering. I would think there may be a

need for one additional staff person to help align all these different visits and follow-up or if there is a way to use the Economic Development Office to be able to help improve some of the movement in the direction on some of these kinds of requests and deals. I think it is needed because we've been having quite a few delegations come through, and I don't know that we are adequately following through on the potential for some future multinational investment in the Charlotte area. I was wondering if we could take a look at something like that. I know we got a Chief of Protocol, but I think that is a one-person shop now, and I think this person is being pulled in a lot of different directions, and I don't know that it affords that person enough time to be able to properly focus on a lot of those requests that are coming through.

Mr. Jones said we will look into that. I will tell you Mr. Phipps. That was not one of the requests that came through; so, why don't we get a little background information and see what gaps may exist.

Mayor Lyles said or what priority is more important, because this is elevating itself and something else may drop off.

**Councilmember Winston** said I wanted to echo the needs that diversify the way we look at using tourism dollars to invest in Economic Development. It is something that I brought up in the past and when that was brought up I actually got some pretty nasty phone calls from some Board members and was never able to sit down with folks from CRVA and the Board to discuss different ways to look at things. I think there needs to be a change of culture in that fashion; there are plenty of other ways to get heads in beds that we are not taking advantage of in terms of investing our dollars. I often think of the way we look or don't support culture institutions, for instance, I don't believe there was any tourism dollars on supporting Hamilton, coming in which people will come in from all over the place to look at so we need to really look at different ways of using those buckets of money to change the way we support Economic Development in that way.

Another priority of this budget has been the Economic Development and mobility of workers within our organization, and I know that we have done some very good things around the minimum wages of our City employees but with that said there are concerns of not just the way we operate but the way companies operate period, and sometimes transferring work to interns, some that are paid and some that are not paid interns. So, I would like to get an audit of the amount of work that has been transferred over to interns within our organization and how much of that has been done with paid interns and what those interns are being paid and absolutely about unpaid interns. If that is the case I would also like to see how we can get interns that are doing work for us up to that same \$16 an hour range.

Mayor Lyles said knowledge of internship programs that are the City; are you aware of those programs?

Mr. Winston said this is stuff that I've been informed of by constituents from other City workers.

Mayor Lyles said constituents in the departments are saying we have unpaid interns. Sheila will you address that please?

**Sheila Simpson, Human Resources Director** said without additional context, I will just frame an answer around how the City of Charlotte employs interns if that is okay. We have a structured approach around internships and many of our interns are compensated. We do have a few interns who may enter into the organization who are compensated in a different way; so, it may not be monetary. Through a university if an intern enters into our workplace they will get consideration which is the academic equivalent to when you have experience that you are gaining in a workforce that you can get credit for at that the college level and the university accepts that work as college credit. There are times those individuals do not have a monetary compensation; their compensation is in consideration of the work, so we do have both types.



Mr. Winston said and that has been an increase kind of corporate tool, not just that just the City of Charlotte has utilized, but across industries have utilized and some may view that as a form of wage theft. I would like to look at that and take a deeper dive into it. Mayor Lyles said explain the program and the number of people we have in each category. I think he said an audit so just the numbers of where.

Ms. Simpson said we will get you the data on the number of interns that we have in our organization and the composition for those that are compensated.

Mr. Winston said the last thing I would like to look at is while we employ the public/private partnership; that is one of the things that we champion. Wondering how when we go into these types of partnerships how do we leverage our use of MWSBE's to make that a requirement for not just our portion of the public/private partnership but an expectation of the private part that we are going into as we try to increase equity in economic development?

Mr. Mitchell said Mr. Winston, that is actually the discussion we have in our policy; we had in ED in March, and hopefully we will bring something back in June.

Ms. Mayfield said as we are having this conversation around economic development, I am still going to ask for us to stop doing a good number of the things we've always done and expecting a different result. I had a chance to attend a meeting in Raleigh with a number of our fellow elected from Durham City Council where Durham has been very progressive on a lot of language both through resolutions and through policy, which is why I'm over here going through my bookbag of all things pulling out information from multiple meetings.

One of the things I was looking at specifically in our budget is on the same line that you heard from some of our colleagues regarding the increased talent development opportunities through Project P.I.E.C.E. That is great; it will also be beneficial for us to be very targeted with utilizing our colleges and universities. I've been in several conversations specifically within the last two-months where some of our outreach to students at UNC even when we think about recruitment. Fire, for example, we know we have a great opportunity within our Fire Department at UNC-C the conversations start at the Juniors. For Johnson C. Smith University where we go out and do outreach it is with the Senior Class; so, we need some consistency, because one of our other challenges is the fact that we have a lot of Charlotte graduates that are not having opportunities. We also have an opportunity to look at some of the language that is already utilized, not by another state that is not under [inaudible] rule but looking at our neighbors in Durham regarding having some clear expectations regarding who has job opportunities when we are having these conversations with relocation and with headquarters we love to have these conversations of seven to 10-year tax deferrals and through tax increment finance glance and stating well, we can't mandate certain things but we can be very direct and very clear on our language along with the fact that political will versus political ability Council has the ability to say no on a number of projects.

When we have a Sister City that has worked, not only with our labor partners in the community, but worked very closely with the universities and schools in order to create language that supports their goals of hiring our residents within the community then we need to do a better job of utilizing that. Even when it comes to contracting prior to realignment and me no longer being on the Economic Development Committee, I had met with our State Director around minority participation and shared information with our Chair of Economic Development regarding state language that clearly states some requirements specifically if you are looking to do business with the State of North Carolina that Charlotte could be utilizing, because again, we love to say we are utilizing the language of the state. Well, it is subjective at times what language we are using because they have very clear language as far as the makeup and leadership with companies that are coming in.

Ultimately, when we look around our City, is our City really equitable when it comes to, not only job creation, small business support and moving forward? We need to support

the Women's Business Consortium. We were one of the initial investors for that; we need to make sure that our commitment stays there, but we also need to make sure that we are utilizing all of these opportunities. It is great that we have the networking event I attended last week for the kick-off of Small Business Month. There is an additional step that we have the ability to take in leading those conversations as well as identifying a line item if it is a priority. The only way that is a priority is if it is coming out the Manager's Office and making sure that we have clear staff that is identifying the gap that we have in community. Project P.I.E.C.E is great; that is limited.

Again, we have highly qualified and highly trainable students within our current community that we are losing because they feel that they can't get an opportunity within the City, and that is just not City of Charlotte, our 8,000, that is a different level of challenge that you are working on, but when we are talking about these partners, and what is a real partnership I think the City has a better opportunity to be more direct and forthright of what that partnership looks like on the front end. I will be getting this information over to our Deputy City Manager.

Mr. Driggs said quick clarification on Page 43, leverage private investment, it says one to three. I'm looking at Page 72 and it looks like our expenditures are \$5.9 million, but I'm just wondering what ratio is that; what numbers are we comparing in that target? It is on Page 43; it says one of our goals is to leverage private investment, ratio of public to private investment one to three.

**Marie Harris, Strategy and Budget** said I can you more detail from somebody from the Economic Department, but that is saying with the City's investment and some of the projects we've worked on we get private leverage so that our leverage in part of the City's funds we get at least three percent of private [inaudible].

Mr. Driggs said quote me an example of a project that we are talking about here.

Ms. Harris said I'm sorry. I can't remember one off the top of my head, but we've had a few in the past and we are looking to do a lot more. We can definitely give you some example in follow-up on that.

Mr. Driggs said my other question, I guess for the Manager is I'm not completely clear yet on how the CRVA and Charlotte will kind of work together and how the other communities will be served as well. Are we confident that we have the right economics in this budget to deal with whatever emerges, because that is kind of undefined still?

Mr. Jones said Mr. Driggs, I agree with you; you will see a lot of these are new measurers. It is almost as if we are building two organizations at the same time. There are going to be some overlapping measures. There are going to be some measures that are more relevant to Charlotte because of our environment, but right now, I'm confident that looking at this a different way and working together is the right way.

Mr. Driggs said I get that; I'm just wondering what we are investing in CRVA and what the needs might be. It seems like it is ill defined still.

Mayor Lyles said we do agree with that, and that is why we are going to try to get that in a study effort this summer.

Mr. Driggs said but, you are not going to need more money during the year?

Mayor Lyles said I don't think anybody should ever say we don't need more money; we don't know what is coming, but we will try to get- I don't think there is that certainty that we could say that, but I think we all know that we will have to make choices. One of the questions that I have is that we've spent a good amount of time on this as a topical area.

I wonder if it would be more productive for you to go to the departments and just start on page, and we can come back to the strategy, because we can address those as well, but

it would be better to start on Page 55 and just go through the City Departments there in alpha order?

Mr. Jones said I would like to make a suggestion, because some of the departments are very, very small and one position may have like a 10% or 15% fluctuation, and if there are some general things about the departments that the Councilmembers have questions about maybe that is a way as opposed to a page by page turn, but it is your budget.

Mayor Lyles said it is. So, the question is what is more helpful; would it be to go through by budget or just to go around the table? This is what we agreed to do, and I apologize for forgetting this. We said we would just start and everybody get their questions out.

Mr. Egleston said I think some of us have different understandings of what we are trying to get through today versus what will be left for subsequent meetings. Do we have a certain goal of the subject matter we are going to get through today or have a certain time that once we get there we are just done wherever we are at?

Mayor Lyles said I think our goal is to get through enterprise and general funds today, because that is where most of the citizens will come down on Monday to talk about that. They will generally be talking about our programs that we operate. I was hoping that we would at least get through the General Fund today; that doesn't mean that we won't come back to it, but we would at least have that, because the public hearing is on Monday.

Mr. Driggs said you've got a cut in Finance of 15 people, and you are kind of changing some functions with General Services and so on. Could you talk a little bit about how those functions are morphing and what the overall impact is on the budget? Are we repositioning resources from one department to another, because 15 looks like a big cut out of Finance, but I gather a lot of the project assessment is now going to be in General Services.

Ms. Joy-Hogg said that is correct; we are moving the Division of Procurement to General Services. General Services; as we know it now there is a big contracting piece of construction projects and then Procurement handles all the other contracting throughout the City. As we continue to centralize and standardize some of our procedures the synergy between the two; there is a lot of synergy opportunity there and they can rely on each other's staff to make more efficiencies. So, Procurement is usually found in the Department of General Services throughout the nation; General Services can sometimes have risks, they can have mail service, and they can actually even have legal services; so, right now we've started with Procurement and trying to consolidate some of those functions and because Procurement needs an overall vision for the City we found that would be the best place for it to be. There is no reduction in positions; it is just a straight transfer.

Mr. Driggs said right and that is what I'm getting at. I saw a lot of numbers going up and down, but the effect is that apples with apples we are getting the same functionality overall for about the same amount of money.

Ms. Joy-Hogg said correct, so, each of the bullets where it says there has been a transfer of negative there should be a sentence in there that says there is corresponding adjustment that can be found in the other Department.

Mr. Driggs said on Police, I'm interested to see that the FTE's, I'm looking on Page 130, sworn total is unchanged from the prior year. What is the actually current compliment under sworn officers? Do we have unfilled vacancies, or why we would not otherwise be budgeting for an increase?

**Ryan Bergman, Strategy and Budget Deputy Director** said we've really concentrated our efforts into trying to give them the means to fill the jobs that they already have. We do have a high vacancy rate in Police; the efforts we've done over last year and this year we are trying to retain officers, make it a more attractive job for new people to come in both at the Academy level and as lateral hires. It is unnecessary at this point for us to put

more in right now; it is really the idea that our fill rate will get higher and then we will add more officers.

Mr. Driggs said are you in fact budgeting for positions that aren't filled right now? How many sworn officers are there currently?

Mr. Bergman said there is a vacancy rate of about 250 to 260; so, it is not as simple as saying are we budgeting for them or not. It is really a calculation for how many of those vacancies need to be filled with overtime and how many of those vacancies need to be filled with hire backs where they will hire back a retiree. The answer to your question is there are about 80 of the positions that we're not funded, and we feel working with Police that is a reasonable rate that allows them to be full speed forward this year without impacting their ability to hire.

Mr. Driggs said what is your expectation in terms of the actually increase in the number of officers that we would expect as a result of this budget?

Mr. Bergman said that is difficult to predict, because it really depends on the attrition rate that is going to come. We do know that we've seen some positive signs in the voluntary attrition rate since some of the changes we made in July, but really what we are trying to do is make it as attractive as possible with the resources we have to turn the tide. I don't think we can put a number on exactly where we expect to be; we're just trying to make sure that we have positive steps.

Mr. Driggs said we can follow-up off line; historically there has been a bit of an issue of funding positions that weren't filled and what that meant. We need to target to the actual costs that we anticipate and not where we wish we were and then pay for that even though we are not there. I'd like to follow-up with you for a little more detail; I just point that out. As it stands, we are budgeting sworn officers flat which in the context of the current community conversation it would probably be hard for people to understand.

Mayor Lyles said I think Ryan, the question was are you funding the 80 vacancies that you anticipate throughout the year, and I guess my question would be if that ever got to the place where we were actually ahead of the game would we be coming back and or you would be determining how to get money into the budget for those salaries. That is what I kind of got from that Mr. Driggs, but I think a deeper dive in that may be possible, but I think what you are saying is you've got vacancies. You are doing overtime, hire backs and other creative uses to fill them but at some point. There is an amount of people that you are looking out over the next 12-months you are anticipating, I thought I heard you say 80.

Mr. Jones said I would say, with a great deal of confidence, it would mathematically impossible for us to fill all those positions that are in FY20 budget for police because of the number of retirements. Even if it stayed par, we have two recruit classes a year and unless we increase recruit classes or double the recruit classes, we feel very comfortable that we won't be in a situation this year or any of the next few years of coming back to you and saying we need more FTE's for Police. I'd love to be in that position, but we are confident that there are more than enough FTE's for the pluses and minuses we will get in the next year.

Mr. Driggs said my two core points are, we shouldn't be budgeting positions we don't expect are going to be able to fill, because I'm not sure what happens to that money, even though I am all in favor of fully funding our police, and the second point is, just the appearance we should explain publicly that we are projecting the FTE's for sworn officers flat and clarify that that doesn't mean that we don't expect to make any changes or that we are not recognizing the issue in the community and beefing up.

Mr. Jones said my apologies, now I understand your question. We have a turnover number in this budget that basically accounts for what we believe is the delta between having more money in salaries than we may fill and having this additional money in salaries counters against having to call people back in for overtime. There is a turnover in this budget that works on your issue.

Ms. Mayfield said when I look at Page 131 and looking at the breakdown for our Domestic Violence Counselor, we currently have 10, and we are saying a reduction of six. I am trying to understand that in correlation, if you just to Page 151, where we have our non-departmental funding where we have Safe Alliance and other things in there. With everything that is going on and the fact that we have seen an increase of domestic violence related incidences that have resulted in assault and death, why are we moving those six into another area? Help me understand that.

Mr. Bergman said these were six that were never hired; they were added last year and then police kind of changed gears that they were going to do it from a contractual standpoint. This is not a dollar reduction; this is shifting the funds to contractual services so it is a loss of an FTE count, but it is not a loss overall.

Ms. Mayfield said we identified the ability, but I don't remember, and maybe I missed that meeting, Council having a conversation that supported the idea of us not having these positions filled and working with a third party to be the one that will handle the majority of the domestic violence.

Mr. Jones said this was the meeting, I believe August, where we brought the contract to Council and we had not gone through the RFP process, but back in August is when we brought it to Council's attention that we believe it is better for us to contract out for the services than have the FTE's. I believe the people started in May; we are in a good place now, but we are not reducing that effort. It is just through a contract versus six people that work for us.

**Councilmember Newton** said a follow-up on that and that was actually the question I was going to ask before Ms. Mayfield asked it. In as much as these six positions are concerned and the outsourcing of the contract; is that the CPCRT program that we are talking about?

Mr. Jones said yes.

Mr. Newton said do the duties and the responsibilities, the acumen of the folks being contracted through CPCRT, do they align with what these professionals were providing, the six that we are losing here? Is there an exact alignment there?

Mr. Driggs said we never had them; instead of hiring them we contracted out, so it is not like people left.

Mr. Newton said my questions would be would the CPCRT professionals cover the same responsibilities and duties of people that we were envisioning hiring through the domestic violence?

Mr. Jones said yes.

**Councilmember Eiselt** said just a quick question about the \$2 million for the accelerated training; is the same program we have now, you are bringing in more trainers, or what is the \$2 million for exactly?

Mr. Jones said it is actually \$2 million in FY20 and another million in FY21 and what we are trying to do is make sure that our first responders, specifically police, have all of the training that they need in terms of some of the issues that came up over the course of the last month. We are leaving that to our Chief to design what that training is, but it won't be the lack of funds that would prevent us from having everybody receiving training.

Ms. Eiselt said the training is open to being different, but this is really being able to grow the capacity to be able to do it faster, is that right?

Mr. Jones said exactly.

Mr. Winston said in terms of training I would like to know the bucket of money we are putting into providing first-aid training all of our officers; CIP training for all of our officers and de-escalation training for all of our officers. Also, I would like to know if there is any money right now, and if there is not, addressing the issues of gun violence within our community. Doing so in not necessarily a punitive fashion but finding solutions that we can implement that reduces the existence of gun violence within the City of Charlotte.

Mr. Egleston said for Police and Fire, I'm looking at our performance measure highlights, and in maintaining a diverse workforce, it looks like in the fiscal year 2018 actuals for Police and Fire we far exceeded our goals of 40% and above 20% respectively, but I wonder why for fiscal year 2020 we haven't aimed higher if we have demonstrated in Fire that we can have 47%. Fire is on Page 85 and Police is on Page 129. If we have demonstrated in 2018 that we can have 47% of our applicant pool be women and minorities for fire and 64.7% of our applicant pool be women and minorities for Police why we would not aim a little higher in our goals than just staying steady with what we are at with 20% and 40% respectively?

Ms. Joy-Hogg said Mr. Egleston, some of these performance measures were submitted by the departments; we will need to get back to you on why they felt that it would go down.

Mr. Egleston said I'm happy that we are exceeding our goals. I just think when you exceed your goals you should start aiming higher.

Mr. Winston said I know the question of the technology for holster monitors that activate the body-worn cameras, I know there is some discussion on why that hasn't happened, but if we figure that out, is there money in this budget to get those resources if we are able to?

Ms. Mayfield said still on Fire and Mr. Manager, you might be able to help me understand this, because when we are looking at upcoming retirement and we know that the training for Fire is about six months. I'm trying to figure out if we created the funding for the hires in order for us to actually have a smooth transition opposed to once the person retires then we go and identify knowing that is going to be a six month or more training period in order to get them. I don't know if we are set up that way, but that just seems like one of those logical common-sense things, but common sense doesn't work with government, so I'm trying to figure it out.

Mr. Jones said I'm going to differ a little bit with the common sense in government, okay. I've been in a number of fire stations in the last few weeks and this has come up and the concept is over hires if what they've said. What has been suggested to me is similar to what you've said is that let's not be in the position if you know that somebody is going to retire and you have a recruit class that is going to graduate three months after someone retires, it is better not to be down in your count. So, my understanding is it is more a budget than an HR issue is that we provide flexibility for Fire in order for them to not be in a situation that you just described and what was described to me. Is that an accurate statement?

Mr. Bergman said one thing I would add is that unlike Police, Fire does not have an attrition rate, so all their positions are budgeted at 100% which means that they are able when there are 10 to 15 vacancies they can get those people in. Additionally, we do work with them if they say there is going to be 15 vacancies here can we hire a little bit early for a couple months; we would certainly work with them on that. The other thing we did this year is we did add nine additional positions without increasing the staffing level; so, those positions should help a little bit with that and also fill in a little bit of overtime.

Ms. Mayfield said a clarifying question so I can make sure that I understand it, if the recruitment class of 30 and 22 actually complete and graduate. When we say giving flexibility for hire is that hire to go out and create the recruitment class, or is that the graduating class hire? To me they seem like two different conversations, and maybe they aren't.

Mr. Bergman said if there are 20 vacancies we will let them hire 30 for a class.

Ms. Mayfield said I'm saying prior to vacancy before we to the vacancy how is the recruitment identified if we know that there is a window of training in here; 11 people are going to be retiring in August, do they have the ability to go put out for a recruitment class today and give the applicants an opportunity to make it through, and let's say out of the recruitment class, 11 actually make it so there is a full transition opposed to a gap.

**Chief Reginald Johnson, Charlotte Fire Department** said I believe Ryan has talked a little bit about that by allowing us to have nine additional positions to kind of offset the timeframe when people actually retire and the time they get hired and go through recruit school and if we have the flexibility to ask for additional over hires then we will be able to offset that as well.

Ms. Mayfield said when you say ask for additional over hires that is not coming back to Council, that is working with the Manager's Office in order to be flexible based on our need.

Mr. Johnson said that is correct.

Mr. Driggs said I've been asked a couple times including after the recent police shooting incident, how many of our officers are crisis intervention trained and so on, and I think I remember hearing an answer like 700 or 800, but we're not up against financial constraints when it comes to that training right. It is more operational like what the capacity is to run these classes and take officers off line. How many officers do we intend at the end of the day to provide with this training, and how long do we think that is going to take?

**Chief Kerr Putney, Charlotte-Mecklenburg Police Department** said to respond to your questions we have about 700, 690 to be exact, last check who are CIT trained. The manner of whether or not you want them all trained depends on what you want. If you want to just check the box and get them all trained and have the bell curve of effectiveness, we can do that, but what the experts who train us recommend is you give them two-years of actual experience, and those who have a passion for that type of work opt in. The training capacity is they can train about 80 per year, and that is about effective as they can be without expanding their capacity as experts.

Mr. Driggs said is your goal at any time in the future to have all of them trained or are you saying there is actually efficient number less than 100% that represents the right amount?

Chief Putney said I am going to have an entry level CIT which is part of the money that the City Manager has allocated to have everybody, at least a primer course, everybody at least is aware and understands the concepts, but as far as having everybody CIT trained, it is going to be those who are best equipped to do that work at a much higher level, which will never be all of our people. That is based on the recommendation of the experts who actually train us, meaning just like SWAT, everybody cannot be SWAT Officer. Everybody does not have the capacity; so, trying to make people do something beyond their capacity is not what experts recommend nor would I.

Mr. Driggs said I get that. So, are you at kind of a stable level now; have most of the people that want to this done it?

Chief Putney said 35% of the organization, which is 10% better than the national average, yes.

Mayor Lyles said I think that was part of your question Mr. Winston.

Mr. Winston said I didn't ask for percentages, but I think we need to have an offline conversation, because I think there is philosophy there that is different if what experts say versus what is happening with people on the streets. I think we need to have a deeper dive in that.

Mayor Lyles said I thought your question was the number of people who had CIT training. Was that correct?

Mr. Winston said I asked for a breakout in the budget to find out what the number would be to get everybody trained, because we run into too many situations where people are in crisis, and they are not running into officers that have that type of training.

Chief Putney said are we talking CPR or CIT?

Mr. Winston said I asked for first aid, CIT and de-escalation.

Chief Putney said with the funding that the City Manager has put in this budget, as I spoke to the CIT, everybody will get an introductory course, which is what experts recommend. I'm not an expert, I just listen to those who are. As far as CPR all of our people are already CPR trained from the Academy. There is 40-hours of training to get us all CRP certified; so, we know CRP from the moment we graduate from the Academy. That is updated every two-years, and what we are also doing with the money is allowing for only the officers that opt in to be trained up to the highest level that police are certified to do [inaudible] the Medical Director in this County, and we have funding to do that starting July 1st moving forward if this budget is approved.

Mayor Lyles said was that responsive Mr. Winston?

Mr. Winston said I would like to see what those numbers are.

Ms. Eiselt said I guess I'm confused by the opting in thing, because if we are talking officers that are responding to calls, they are allowed to opt in to whether or not they get CIT training?

Chief Putney said they will have an introductory course based on the money allocated, so everybody will have some level of CIT training. Everybody will not get 40-hours of training across the board; that will be opt in.

Ms. Eiselt said they can choose, or are you being strategic about who?

Chief Putney said no ma'am; the experts say it is not up to me. It is up to the individual officer and their capacity. So, we can check the box, which is what we are going to do, getting everybody into CIT, but those who go through 40-hours, based on the expert recommendation will have to have the capacity and two-years of experience to opt in.

Mr. Egleston said I think it is based on interest and aptitude.

Chief Putney said yes, precisely.

Ms. Mayfield said they don't need to be on the street.

Ms. Eiselt said that to me is a little bit incongruent; if they are going to be on the street interacting with people and if they are not comfortable doing that, because they don't want to take Crisis Intervention Training that is just a little odd to me, and I would think the experts would say that would be your call.

Chief Putney said I would too; I've been dealing with experts for four-years trying to change their mindset which is how we got up to almost 700 versus about 350 when we started, but again, they are saying if the people only have that inclination and capacity you still would not get any better response than you get now for people in crisis.

Ms. Eiselt said maybe that is a conversation we have a different time, but I personally trust how you feel about putting your people on the streets in front of people than whoever the experts are.



Chief Putney said the opinion of the experts and my opinion is no different. Just like with SWAT, if you don't have the capacity, I'm not going to give you that opportunity, because what we see is a result that we don't want as a community as well. There is a bell curve to this; there is a capacity to this, and there is also an inclination in that prioritization.

Ms. Mayfield said Chief, you just stated your opinion and the expert's opinion. I didn't quite understand what you are saying, because I'm of the mindset of you see what is happening on the ground in our community, and you are the one who has to be accountable. So, when we have the last four weeks where we had one incident where interaction with law enforcement led to loss of life, and we had another incident where the individual was arrested. The community of course is questioning us, because the only the community sees really is the difference in ethnicity. Do you agree with what the experts have shared, or would it be helpful for your Council and through your Manager who is your direct report to, give you the flexibility you need to address the needs for our community versus what an expert that don't live here say?

Chief Putney said well, the experts actually do live here who train us and my agreement is I defer to their expertise about how the training is delivered, and the other issue I am an expert in what police are, and I can tell you there is a bell curve. So, everybody must know the tenants of CIT, which is a part of the training but how deeply they dive is going to be determined by their capacity, and their inclination in that order.

Ms. Mayfield said Mr. Manager, what I think would be helpful for me in this budget is since we have those who have been trained and some have more training than others, it would be helpful to get an idea out of our total number of law enforcement who had that number of those that have expertise, because the impact in community is an individual goes out, an incident happens and then we fall back and say well, that person wasn't trained on X or whatever the reason. If we have officers that were it is very difficult to try to have a conversation about why people are out on the streets or responding to certain instances if they don't have specific training when we have people that do.

Mr. Jones said I would just add Ms. Mayfield or just magnify what the Chief just said; every officer this next year is going to be trained in the tenants of CIT whether it is grad school or whether it is a PhD is something different, but every officer is going to be trained in the tenants of CIT. Did I get that right Chief?

Chief Putney said correct sir.

Ms. Mayfield said we currently have some officers who are trained, and we also have had multiple incidences on the ground where one of the defaults that has been utilized in conversation after the fact is they didn't have the training. So, it will be helpful again, to have access of that breakdown of who is current; it is great that we are seeing everyone is going to be trained in the future. What is that everyone number; how many are currently trained versus those who are not trained and once everyone gets trained who is that everyone? Is that 85; is that 200 of them that aren't trained out of the 800? Because then it is going to trigger other questions of how we go out, but it would be helpful to have that information if we are going to continue to have community conversations around transparency and having real conversation if we want to keep our community intact prior to 2020 and beyond.

Ms. Ajmera said Mr. Manager, I'm trying to find the funding allocated for the training for this. Is this for all the officers that the funding allocated?

Mr. Jones said it is in PAYGO.

Ms. Ajmera said so, that is for all officers, just the initial training? Am I correct?

Mr. Jones said as the Chief said that he defers to experts, I'm looking at our Police Chief and what he knows that will work within this organization. So, we've given him capacity; \$2 million in 2020 and another million in 2021 to provide the level of training that he believes is necessary and adequate for his sworn officers.

Ms. Ajmera said is that sufficient?

Chief Putney said is the funding sufficient? Yes ma'am.

Ms. Ajmera said I guess I'm trying to understand obviously, from what I understood that there is 40-hours of training for CIT, and that is the training where it is an opt in training or is that mandatory?

Chief Putney said correct, that is opt in training.

Ms. Ajmera said so the funding that is allocated currently, what percentage do you think would actually take that 40-hour training?

Chief Putney said it is hard for me to say, but the funding is for 100% of sworn.

Ms. Ajmera said assuming that all of our police officers will opt in for the 40-hours –

Chief Putney said no ma'am, let me try it one more time; the tenants of CIT, the basis of CIT goes to 100%, all sworn including me. Then there is an opportunity that exists even today where we have a deeper dive. What we are looking to do with some of the money is incentivize those people that we think have the capacity as well who may stand on the sideline and not opt in to opt in anyway. So, we can increase beyond the 35% which we haven't been able to increase in the last four-years. That is another part of the \$2 million that has been allocated for the next budget year and then a million dollars beyond that.

Ms. Ajmera said that is the funding that we didn't have in the past.

Chief Putney said yes ma'am.

Mr. Winston said I want to get all those buckets broken down, because I understand that there is a bell curve; I also understand that you can change curves, and you can change the way information is measured over time if you change different variables that are put into the equation. Again, I think to take a look at where we are making our investments in our police officers, as we also try to bridge the gap of recruitment of making sure that we are fully staffed and dealing with the challenges that we face in recruiting police officers, maybe that we do need to find ways to invest and that we make it a profession where we are reaching more people that do want to be CIT equipped or first aid equipped. What we did learn is that yes, everybody gets CPR training, but that is different than first aid training and like you said you don't want everybody to be giving first aid if they are not equipped, but again figuring out ways to advance the profession and change that bell curve to the type of people that are coming on the job. I need to know those numbers of what kind of investments we are making now and maybe where we should be to go forward to change those variables to the bell curve.

Chief Putney said Columbus, Ohio.

Mr. Egleston said I just want to underscore, because I think I heard Ms. Eiselt saying because it was what I was thinking as well. Officers can opt out of going into the advanced CIT training, but they can't opt out of finding themselves in situations that require that training, and so, if we've got officers who are self-identifying or showing promise and aptitude for those types of trainings and are naturally equipped to handle those sort of situations are we analyzing how we deploy those officers into certain roles where they are more likely to find themselves in those situations and how we deploy officers who opt out of those advanced training or maybe don't have that aptitude, so they are in roles where they are less likely to encounter those crisis situations.

Chief Putney said absolutely, fantastic question, that is a question that I would love to address. A part of is, last year the City Manager pushed forward, and you all funded SPO-1, Senior Police Officer 1. That is the first level. We designed training specifically around cultural proficiency and tactics so 100% got that, which is what we are doing this year

around the basics of CIT, but we are also encouraging those who want to do a higher level towards advanced first aid as well. The other piece of the conversation that is missed a lot is what could have been done a month ago was visibly checking for a pulse and breathing repeatedly, but on the scene, about 20 in our organization could have done more, and for that specific case nothing but getting a person to the hospital in front of a surgeon would have been proved. So, there is nothing any of us in CMPD could have done. What I'm also told quietly is the same relates to Medic; the only thing they could do is get him to services in particular.

What I say is a part of this training also speaks to the compassion, and I saw and I reviewed it a couple hundred times, one and a half officers check the way I want them checking, but I want them checking like that consistently and intentionally even if there is no aid that they can render because, they don't have the training. That is also a part of why we are doing the basics for everybody, even the lowest-common denominator, but capacity is based on the person's ability; that is why there is an opt in for a longer more in-depth.

Mr. Egleston said I just don't want to end up in future situations where we find ourselves-we can't control who the first officer and second officers to get on the scene is and then they find themselves in that crisis situation and we say well, that wasn't really their cup of tea. They didn't have the advanced training, because they didn't feel they were cut out for it. They were the ones who got there and had to deal with the situation.

Chief Putney said what I can tell you is nobody in the organization is going to deal with an armed person with CIT tactics. It is going to be survival tactics when somebody is armed with a gun so nobody in the organization is going to attack or try to approach an armed encounter with CIT measurers. CIT is after the armed encounter has been rectified.

Mr. Egleston said I don't want to get into too much or a rabbit hole here, but I do understand that someone being armed creates a different set of circumstances, but in my understanding of the limited CIT training I've been through part of it is the demeanor and tone of voice, and the way you are engaging someone in the dialogue that is going on. I do feel like that should be used, even in an armed situation.

Chief Putney said that is the reason, for the fifth time, everybody is getting the basic tenants of CIT, because demeanor does matter. That is what we are asking this Council to invest in because that, even though your approach can be won, your demeanor matters too. Everybody needs to know at least that piece of it which doesn't happen currently.

Mayor Lyles said I think what we are learning here is that we have this training for Police that we don't understand perhaps the curriculum and how it is done? It is not a budget question. Obviously, the Chief has said everybody can get trained, the recommendation is there; so, I guess what we need to figure out is how much more do we need to know about our training for Police Officers, and so the question that I have is when can we actually have a conversation about what do all of these things mean because obviously, first aid might be one thing to one person; CPR might be another. I don't know all of those rules, but I think we can figure out a way to come out and maybe actually go out to our Training Facility and see how it works. Right now, we are about the money, and I think the money is there for everybody to get the training, how we understand it and how the Chief deploys it we can follow-up later this summer.

Mr. Newton said I have a question regarding the CIT training, and I have been waiting patiently to ask it; so, every officer gets the cliff notes is what it sounds like, but the deeper dive is conditional, and it is based upon the capacity of the officer. Having said that the question I have is, why are we hiring officers without the capacity to undergo the training, and shouldn't that be a part of the screening process to make sure that we are hiring officers with capacity the screening process for hiring?

Mayor Lyles said can we address that when we have a session out at the Training Academy that I'm just saying we will?

Mr. Newton said can you briefly comment on that.

Chief Putney said I would love to whenever the time is appropriate; I'm ready to go.

Mayor Lyles said go ahead.

Chief Putney said CIT is long and involved, and it is a deeper dive, and it speaks to what Mr. Egleston was talking about as well. Some of it is experience which is why I was doing it. My goal was to do it before they even graduated the Academy. They say without having any experience in policing the training is wasted, because they can't discern when it is more likely to impact those outcomes, because you are just learning the basics of the job.

Mr. Newton said no way to screen for capacity upfront before hiring is what you are saying.

Chief Putney said they are saying without experience it is not even worth putting them through the 40-hours without police experience, and they say two-years. We split the difference; we give them a year after the Academy. That is what the experts are saying and then I'm saying we are going to incentivize those who do, because they want to be in that line of work, first because they are going to do it best and then we are going to train everybody with the basic tenant so that everybody at least understands your tone and demeanor matter when engaged in a very critical situation. That is kind of how we are proposing that we approach it.

**Councilmember Phipps** said I have a Fire question. I read in this book where we have an infill fire station or two trucks, two crews, but it hasn't been determined where this fire station is going to be.

Chief Johnson said we had two infill stations; we should be breaking ground sometime this fall for Fire Station 43, which is on Clanton Road near I-77 and then the one that is in the budget is some additional funding to kind of make up for the estimates for this particular station, and that is going to be on North Tryon Street near Arrowhead Drive; that is the second station.

Ms. Ajmera said I am on Page 123, planning, design and development, and we have about 10 net new positions. so, could you just elaborate on that? I see a lot of those positions are for Planning, Principle Planners, and Associate Planners. Is this for the UDO and the 2040 Visioning?

**Taiwo Jaiyeoba, Planning, Design and Development Director** said most of the positions are actually in the land development or what we've been calling the one stop shop positions. I think roughly about five of those use of funds in that division and one is General Fund based on my understanding, but we also have three different divisions that hired staff. One is the long-range planning division which has one of these positions; that is where we have our Comprehensive Plan, the Charlotte [inaudible]. The other division is entitlement services, which is separate from the one stop of Land Development; that is where our rezoning sits. That has another position; that is where we have the UDO. So, the bulk of those positions actually the Land Development or the One Stop Shop.

Ms. Ajmera said to follow-up on that to summarize it is really One Stop Shop. One is rezoning and one is visioning. The one that is for Urban Forestry Specialist –

Mr. Jaiyeoba said that in the Land Development group because part of the One Stop Shop is not just Planning, but also Fire, Forestry, Engineering and Property Management, Water and staff from different departments. Urban Forestry was moved into Planning, as part of last year's fiscal year 2019 move from Engineering.

Ms. Ajmera said I know there have been some changes in terms of the departments and some shuffling of the services. Where does the tree services fall under?

Ms. Joy-Hogg said there is no change there; it is in Engineering.

Ms. Ajmera said the next I have is General Services; I know there has been some changes there with realignment of several offices. So, Manager; if you could just elaborate on some of the changes and some positions that have been shifted along with the change in Assist and Ability Office and the resources that we receive from Blumberg.

Mr. Jones said for the most part DGS, the two changes would be procurement office going over but also the Office of Sustainability, which was in Economic Development. We are picking it up and moving it over wholly into what is General Services. Matter of fact they are physically in General Services right now, so because of a great deal of what is happening with that office is the implementation of what is happening in terms of SEAP being in an office that is dealing with the operations like buildings and General Services also has fleet. It is just a much better alignment.

Ms. Ajmera said I'm trying to understand in General Services where you have the three sustainability initiatives; were those funded by Blumberg or are these in addition to those?

Mr. Jones said whatever is happening today, if this were June 30th, nothing changes with sustainability on July 1st; they are physically in this building on that floor and they will be physically in this building on that floor July 1st.

Ms. Ajmera said so these aren't three new positions.

Ms. Joy-Hogg said that last sentence that describes the transfer says there is a corresponding adjustment; all it is picking it up and moving it to this department for accounting purposes.

Ms. Ajmera said I know you had explained earlier about the procurement, so I'm clear on that; the one on data antilithics and data management, and I saw that two positions we are cutting there, so could you elaborate on what that means or is that just the realignment and shifting to another department?

Ms. Joy-Hogg said that is more of a realignment; our Department of Innovation and Technology has a whole data division, so there were two positions outside of this that was doing data antilithics, so what we've done is move them to that so we have a greater leverage and having a citywide view of data antilithics. So again, it is another realignment to create efficiencies.

Ms. Ajmera said in terms of the three positions that are on sustainability have departments submitted of ask for additional resources or this is what meets the request that was made by the department?

Mr. Jones said I think the main thing is to please to add to that we have two paid resources from Blumberg; one is dealing with fleet, and one is dealing with buildings. So, we have more resources over the next two-years than we had prior to this.

Ms. Ajmera said so, that means we don't need to add resources in General Services for that.

Mayor Lyles said Mr. Manager, maybe one of the questions would be how available is the Budget staff along with you to address these questions? Maybe we need some half-hour or hour sessions with every individual Councilmember that would like to go over some of those details, because we spent a lot of time on CIT, and that was not about having the money to pay for it. It was about what is the content. That is the requirements, so we are getting a lot of things that I think this budget pretty much reflects what people said were important, but things change and there are new issues every day. We don't have this kind of time to just say hey, look, this made me think if we do a, how are we doing it and learning more about that, and I just want us to feel like we are being productive here, and I feel like I'm not able to preside in a way that is working for the Council. I would like to ask that between now, and our May 23, 2019 meeting would it be possible for the staff to

make individual appointments with every Councilmember? Would it be possible to send out routinely the questions and answers to all of the Councilmembers as a result of those sessions?

Mr. Jones said yes Mayor, and I will make myself available to be at all of those meetings.

Mayor Lyles said the next question I have is does the Council feel like if we have individual meetings that we should have another meeting or can we meet on the 23rd, because at that time you would have your questions answered; everyone would have had the opportunity to read them and would we be ready for budget adjustments?

Mr. Mitchell said I thought the budget adjustments was the 29th.

Mayor Lyles said the straw poll would be the 23rd.

Mr. Egleston said on the original schedule we had a meeting on the 22nd, the 23rd, and the 29th.

Mayor Lyles said I know that is just what I said.

Mr. Egleston said I didn't hear you say the 22nd.

Mayor Lyles said I was just trying to get everybody ready for the adjustments budget on the 23rd. So, the 22nd, everybody try to meet before the 22nd. I'm going to try to figure out, based upon the conversation and the questions, how to organize that meeting functionally so that people can follow-up to that. The 23rd is out meeting where I would hope that each Councilmember has made a decision about what adjustments they would like to bring forward and remember that we said we would not add people to the list of outside financial partners or something like that. That is what we agreed to and that is really a Council decision, and I think everyone agreed to it except the person that wasn't there that may have something they would like to bring forward. The 29th is where we would actually have to make final decisions so that the budget staff can load the budget for the July 1, 2019 new year. So, now I would like the staff to just write the questions down and not try to answer them right now.

Ms. Eiselt said then the questions I would have is with regards to the 2040 Vision Plan; I also looked at the information Ms. Ajmera mentioned, and I see that at least 10 of the positions, or nine appear to be for the One Stop Shop and I would like to know how we are staffing the 2040 Vision Plan and I guess the UDO. I don't know, would that necessarily come underneath it? I think somewhere in here you said that there was \$550,000 going to the Planning Department. Is that for the One Stop Shop; is that for Planning?

Mr. Jones said that is for the 2040 Comprehensive Plan.

Ms. Eiselt said at one point I thought we saw a number of \$300,000 and then \$250,000; does that include the Knight Foundation Grant?

Mr. Jones said yes.

Ms. Eiselt said so, that is not really our money; that is a pass through.

Mr. Jones said but we have to appropriate it.

Ms. Eiselt said I would like to know how much money we are rally putting into the 2040 Vision Plan; how many people we are going to have there working on it? How many additional positions? I just don't see it in here.

Mr. Jones said it is well over a million; it is timing it for when he is going to actually utilize it, so we have over a million dollars associated with the Plan.

Ms. Eiselt said how many new positions will be assigned to that initiative?

Mr. Jones said we will get it for you.

Mayor Lyles said I think sometimes also what do you want from that answer; if it is a number what does it lead to? It is like what difference are you trying to make?

Ms. Eiselt said the reason I'm asking is because I want to know what kind of an emphasis we are putting on this effort.

Mayor Lyles said I think is a great question to ask. I think it helps us with [inaudible] what is the emphasis on that program versus; we wouldn't know the number of positions and all of that. I don't know what that result is.

Ms. Eiselt said I can see the emphasis because on the One Stop Shop, but I don't see much at all in here for the 2040 Vision Plan.

Mr. Phipps said I have a question sort of related to that but, related to the staffing and planning, I direct your attention to Page 16 and 17 of the Summary of Revenues. I noticed on the development plan review fees, that is down by like 47%, and on Page 17 we have the zoning petition and filing fees is down another 59%, but yet, on Page 122 they talk about these staff positions being funded with user fees. So, I wanted to know are we recouping our costs through charging appropriately for services rendered in the Planning Department? I know we had a budget a couple cycles ago where that was one of our goals to try to recoup our costs incrementally to get people to pay for what the services are, but these numbers look like they are going in the opposite direction there so there must be some reason.

Mayor Lyles said again coming back to the schedule, schedule meetings with the staff about any question, any issue, and I'm sure Ms. Joy-Hogg will try to figure out a routine way to do that, and the Manager is going to make himself available. We will have the Public Hearing and then we will the 22nd to talk about all those questions and then come back on the 23rd with adjustments.

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#### ADJOURNMENT

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

The meeting was adjourned at 2:56 p.m.



Emily A. Kunze, Deputy City Clerk, NCCMC

Length of Meeting: 2 Hours, 41 Minutes  
Minutes Completed: June 7, 2019