

The City Council of the City of Charlotte, NC, convened on Monday, May 3, 2010, at 4:04 p.m. in the Meeting Chamber of the Charlotte Mecklenburg Government Center to receive the City Manager's Recommended FY2011 Budget with Mayor Anthony Foxx presiding. Council members present were: Michael Barnes, Susan Burgess, Patrick Cannon, Warren Cooksey, Andy Dulin, Patsy Kinsey

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

ABSENT: Councilmembers David Howard and Warren Turner

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MANAGER'S RECOMMENDED BUDGET PRESENTATION

Mayor Foxx said welcome to the Charlotte City Council Manager's Recommended Budget Presentation on our FY2011 Budget. This afternoon the Charlotte City Council will be receiving a presentation on the City Manager's recommended Operating Budget for FY2011 and the recommended five-year Capital Investment Plan from FY2011-FY2015. The City Council has been receiving information and discussing budget issues in preparation for this recommendation over the past several months. We discussed the budget as part of the City Council's February Retreat. We have also held three Budget Retreats since February.

Council will now have the opportunity to review the City Manager's recommendation and make adjustments. We will continue this process over the next two months prior to the scheduled adoption date of June 7th. Keep in mind that what you are about to hear is the Manager's recommendation and not the City Council approved budget or any such thing at this point. The Council is receiving this information from the City Manager. We will go through a further process of adopting a final budget, and that process includes over the next several weeks: May 12th, a Budget Adjustment Meeting at 3:00 p.m. in Room 267 upstairs; on May 24th, a Budget Public Hearing at 7:00 in this room, the City Council Chambers; on May 26th, we will have Straw Votes at 12:00 in Room 267, a process by which we, the Council, make adjustments to the Manager's Recommended Budget; and then on June 7th, we are anticipating adopting a budget at 7:00 p.m. in the City Council Chambers. So, at this time, the City Manager will present his Recommended Budget, and I will turn it over to Mr. Walton, and other Council members will be joining us, I'm sure, as we go along.

Curt Walton, City Manager, said we have a tag team presentation for you this afternoon that I will kick off. We want to do several things this afternoon. First, we want to give you an overview of the budget, the historical decision points along the way, the funding issues, the budget safeguards that I'm recommending that you consider, as well as an overview of the budget process. We will also provide a general fund summary for you, employee compensation and benefits summary, key budget considerations that we have for you, two big items that we will address for you – public safety and utilities – and then we'll talk about the Capital Investment Plan (CIP) for the next five years.

Councilmember Carter arrived at 4:08 p.m.

Councilmember Mitchell arrived at 4:10 p.m.

In the front cover of your notebook is a blue sheet, the first page of which gives an overview of the budget that Ruffin Hall will cover the majority of that page and the back of that page on page 2. I wanted to start out by going over pages 3 and 4 with you, which really address why I believe we are in a different position than a lot of other cities and counties and states around the country. The decisions that have been made over the long haul, and I'll give credit to Charlotte City Councils and Mayors and City Managers that go way before us, but I have outlined the major reasons. First, the AAA bond ratings, which has always been something we are very proud of; we have had for about 40 years. It is one of the general Good Housekeeping Seals of Approval financially for a city, but in a recession such as we have had the last several years, it's been

important because that's how we have been able to issue debt, so not only has it been cheaper for us to issue the debt, it's ensured that we have been able to move forward.

We have had financial policies in the budget for a very long time including one-time revenues and dedicating those to one-time expenses, so we do not build those into the operating budget in one year, and, therefore, have to make up the difference in the following year. In the capital budget, we have a 50% debt service reserve so that as revenues fluctuate in the debt service fund we have enough of a portfolio there and a reserve there that keeps us out of trouble financially, which goes to the diversified portfolio, having enough diversification of revenues so that when one is up another one is likely to be down, and the balance is that we move forward on the plan we have given you. Then finally under the financial policies we have a balanced capital budget that is heavily focused on roads and transportation but also includes neighborhood improvements, housing, and public facilities.

Probably the single biggest difference for us and other governments or units of governments is number three, the sinking fund, which has been in place for about 40 years here in Charlotte, and that is when we put money in every year, and this year we have \$94 million that is going into the debt service fund, and that's about a comparable number that we have on any given year so that we keep the revenue infusion on an annual basis whether we are issuing debt or not. So that basically means and a way that you can look at it is being prepaid. We know when we go to the voters that we have the revenues in place to support the bonds that we are asking them to consider. That's something that has been a major success for us over the long haul.

We also have a Pay-As-You-Go Capital Fund for items that are difficult to bond, things such as some of the housing programs and some of the after-school type programs that are in that fund. We have \$56 million in Pay-As-You-Go, so some of the things that we don't want to take on – the 20- or 30-year liability or they don't have that shelf life – we have the Pay-As-You-Go. We have segregated over the years our enterprise funds from the general fund. The enterprise funds are generally strong, but in a case like this economy with CATS, for example, with the sales taxes coming in lower it really protects the general fund to have those costs and those revenues isolated – the same for water and sewer and the volatility that exists there. Then finally one of your most recent policies is the 16% fund balance, which, as you know, is twice the state-required amount. We currently have about \$82 million in that fund, so that's something that sets us apart from other units of government.

On the expenditure side, we have been very aggressive over the years with functional consolidations, and we have about 25 functionally consolidated services in Charlotte-Mecklenburg, so that means we have eliminated a lot of the functional duplication that other cities and counties would see, and that's a significant cost savings over the year. We, in the mid-'90s, implemented an aggressive managed competition and privatization program that is currently saving us about \$12 million a year on an annualized basis – about a penny and a half on the tax rate. A lot of that has come out of Solid Waste but also Utilities, Transportation, Engineering and Property Management, so that has helped to drive our costs down over the years. We restructured the City organization some time ago and flattened it both in terms of the number of departments that we had but also eliminating layers of management, and that is something that has served us well.

Councilmember Peacock arrived at 4:15 p.m.

Our financial partners – it is always an area of discussion for us, but we have now less partners than we had many years ago and generally considerably less than other units of government have, so while it seems that we focus on those a great deal, we don't have them to the degree that others do, and it allows us to focus on the key, critical mission. Then employee health care costs is something that we have talked to you about and really began almost 20 years ago aggressively managing that program, and our health care costs have consistently been lower, our increase is lower than medical inflation on an annual basis, so it's something that is a large area of cost for us, but it is also something we have managed to control the expense.

On the back side of that page, two other sections I would like to talk to you about. We believe we have been very conservative in the revenue and the expenditure forecast in the budget we are recommending to you today, but it continues to be a period of uncertainty and volatility, so I

have recommended several things that you should, I believe, consider going forward. There is a \$1 million budgeted reserve in the general fund, which essentially means that our revenues are \$1 million greater than the expense that we are recommending to you, so that \$1 million you will see in the general fund. There is a \$2.25 million balance in the criminal justice technology reserve. We have used \$750,000 of it in this budget. We are recommending that you keep that in place. If, again, that can be helpful in moving us forward from a criminal justice perspective, that money would still be there. If it's not, it should be a safeguard for us. As you heard Senator Clodfelter say this morning, there are significant state dollars available. It's just what to spend it on, so I don't know our \$2.25 million is going to be key to moving forward.

Our general fund reserves, if necessary, we could go in excess of 16%. I don't believe that would be necessary, but that's an area that we will – I mentioned we have \$82 million. That's before year-end closeout at June 30th of this coming summer, so we will probably go above 16% by some percentage. Each one percent of going below 16% equals about \$5.1 million, so as you see, if we were \$5 million short and safeguards 1, 2, and 3 didn't work, we could reduce fund balance by 1% from 16% to 15%, and we would still have that safeguard.

I talked to you a lot about technology going forward, and we have a significant technology investment in this budget over the five years. Most of the money is in the third and fourth years. That will allow us to address the systems that we really believe are the most efficient particularly procurement, cost accounting, and areas in our financial area that are really important – our 40-year-old GEAC system. That is something I hope we can protect at all costs, but, if not, that is cash that is available in the five-year capital budget we could use as a fallback. Then other areas we can always and always do implement actions on the expenditure side to help balance. We don't rely solely on the revenue side of the equation, so those things taken together I believe more than secure us going forward. I believe the budget we are presenting to you is appropriately conservative, but should there be some economic or other governmental action, we have these areas to go to.

Which brings us to the last area, the future budget issues, and there are several things to keep in mind that I don't believe are imminent impacts on this budget, but they could be going forward. If you reaffirm the plan for November 2010, we will have a bond referendum this November for streets, housing, and neighborhood improvements. That's the last one we have funding for. The tax increase from 2006, after the 2010 referendum, we will have put \$687 million of capital investment out since 2006, but that is essentially the end of that line, so we would need to consider that next year or the following year in order to have a capital program.

We also, as you know, added 50 officers through stimulus funding, and we have covered the 75 that we added on our own going forward, but when that program ends in the third year, which will be probably 2013 beginning into 2014, there will be a \$5.5 million net increase to the general fund. The same for the streetcar grant, should we get that, and I think we'll probably hear in the next month or two. That will have an operating cost of about \$1.5 million, which would be the City's cost – not a cost to CATS going forward, so taking two and three together, that's about \$7 million, about the equivalent of a penny on our tax rate that we will have built into our budget going forward.

The retirement system is something you have heard me complain enough about this year. It is something that as you know had not increased for 26 years and then went up 33% at one time. We don't know what their plan is going forward. We, of course, want the fund to be healthy, but from all appearances, it looks like it is. It is just something that at the staff level we have been vigilant about monitoring, and there may be something that we might request for our long session legislative package to help address the board representation for that retirement system.

Number five, the collective bargaining legislation for Police and Fire, we are certainly supportive of Police and Fire. We don't know what the impact of this would be, but it would be considerable on the financial side we believe, so we heard that addressed this morning. I don't think the issue, the primary concern, would be at the state level; it would be more at the federal level, so that is on our federal package already and is being monitored by Holland & Knight, so that is just something going forward that when it would kick in would have a cost to us.

Then business privilege license tax I think I will just generalize to state revenues. You heard this morning that the following two and three years might be the worst years for the state, so it's making sure we preserve our own authority that we have and make sure that our state collected local revenues don't get intercepted along the way. That is something that has always been a point of concern for us, but probably over the next five years will be a continued concern. With that, I will turn it over to Ruffin to begin the detailed review of the budget.

Ruffin Hall, Budget Director, said before I begin with the more detailed background of this recommended budget to the Mayor and Council I did want to make a couple of introductory comments as it relates to the process. You will see that as we flow through this particular recommendation. One of the things we started talking to you about at your February Retreat was that this process was going to be a little bit different. Our circumstances were unusual associated with the economic downturn and what we had to do in the midyear in 2009 as well as significant cuts in 2010. We knew that 2011 was going to be difficult to land here today, so we did some things a little bit differently.

One of the things that you, of course, all know is that we outlined our recommendations earlier in the process. Often in the past, your Budget Retreats were presentations of certain information and sort of see how things went. In this particular process, we actually put forward on the table what we were intending to do iteratively as we went through the process. We also did a lot of staff work behind the scenes, and I won't get into that that represented of how we did things a little bit differently. One of the folks that works with our staff indicated that this was one of the most intense processes that we had ever done, and I would agree with that. I think intense was definitely this particular budget process. We always look hard for savings, we always look hard for opportunities; this year we went above and beyond that standard. The other thing although it's not different than what we have done in the past is the general resources associated with this particular budget does continue to emphasize your priority of public safety, and so if there is a point of element associated with the cost associated with the budget it's going towards public safety.

So to put some numbers and some background behind the recommendation as Mr. Walton outlined for you overall, one thing to keep in mind is that, again, the City's budget has a lot of different funding sources. It's more than just the general fund. The general fund is what often gets the most play in the media and in public because it's supported by property taxes and sales taxes, in other words, tax revenue, but we have several other funds as well. – CATS, water and sewer, Aviation, Storm Water. Those are self-sustaining enterprise funds which use their own revenue source for support. Also when you look at the total budget, you have to look at differences between the capital budget as well as operating, so when you take enterprise funds as well as general fund and you combine capital and operating, you get to a \$1.64 billion total budget recommended for FY11.

In both cases, that represents a decrease in the budget from last year. I'll use the second row first. The citywide total budget represents a decrease of about 11.6%. A lot of that has to do with changes in appropriations in the capital budget, and the largest single change has to do with decreases associated with water and sewer capital, which you are well familiar with as a part of your ongoing discussions about utilities budget. The general fund operating budget, which supports Police, Fire, Solid Waste, Transportation, and is supported by property and sales taxes is also going down 1.25%, so in both cases, the overall budget is going down, and I think you would agree that reflects the current environment in which we are currently working.

So, that's the overview associated with the total budget. I wanted to go ahead and give you some background associated with the general fund operating budget going forward. These slides are familiar to you. We have used them before. The general fund revenue – where the money comes from. These are the revenue sources that support your general fund operating budget, and as you can see, property tax at 64.3% is the single largest category and secondly is the sales tax. So often we talk in the context of property and sales tax. Property tax is one of those revenue sources that has remained relatively stable even through the economic difficulties. We are estimating a growth in property tax of about 1.3%, which is relatively small but still a little bit of growth. Sales tax has been more volatile, as you are familiar. Council approved an appropriation last month of the \$7.4 million in economic reserve in order to offset loss of sales tax even below budget for the current year. Without that appropriation, what we would be

projecting for next year would be another decrease in sales tax budget-to-budget of about 6.5%, but we basically revised the budget in the middle of the year to lower our expectations about sales tax going forward, so going into 2011, it's more stabilized. We think sales tax is close to have hit bottom or is going to hit bottom during 2011. Hopefully it won't get any worse, but most economists that we have talked to and seen and our Finance folks can give you more detail about that as we talked about during your retreats are saying that the bottom is here, and it's looking at a period of very slow growth.

So, that's the general fund revenues in terms of the source of revenues for the general fund. So, where does the money go? Again, this is a familiar slide to you. As you can see, Police is 43.9% and Fire is 20.8. Again, public safety is the single larger consumer of the general fund resources. If you take Police, Fire, Solid Waste, and Transportation, about 80% of the general fund goes to those four core services. So, again, those are the services most consumed by the public on any given day with the exception of perhaps water and sewer, but they are some of the most important as indicated by your strategic plan.

In the flap of your book along with some of the other handouts, you have this landscape document piece of paper, which is a condensed version of the reductions that we gave you earlier in your budget process. I'm not going to go through all the budget reductions that we outlined at your various retreats. As you may recall, that was quite a bit of information. What I'm going to do is just hit the highlights. The backup for a lot of these cuts is in your book. For the citizens that may be watching at home, we are also going to have all these materials, both the recommended budget book as well as the backup information that the Manager indicated in the cuts list, on our Web site, which is up on the screen: <http://citybudget.charmeck.org>. So, all that information will be on the Web, but I'm not going to go through all that in great detail.

You may remember at your February Retreat, you started at about \$10.3 million gap projected for 2011. We took several steps to reduce that as we went to your March 24th Retreat including changes related to health insurance and some improvements on our property tax and sales tax estimates, and then we started the process of identifying budget reductions. The budget reductions process was fairly elaborate this year. The City Manager and staff members from our office met with each of the key business units to identify items that they could cut, suspend, or eliminate going forward as a way of trying to balance the budget. So we brought back the results of that work to you at your March 24th Retreat, which is outlined in that list of cuts.

There were about 48 items on that particular list that covered all key business units, and they are summarized into these four categories above: service reductions, external agency reductions, internal efficiencies, and internal cost transfers. We deduct \$2 million from that calculation because we had already counted it in the projected gap to your Retreat, so what that meant was you had \$5.7 million of additional budget cuts that we could use to help address the gap. So as of your March 24th Budget Retreat, we were still in the hole about \$2 million for the general fund.

When we came before you at your April 14th Budget Retreat, we brought you another set of recommendations. In this particular case, it was in three categories: increased revenues, transfers, and additional budget reductions that we had identified through our process, and that generated a positive of about \$9.2 million. So at the end of the process on budget balancing the general fund for April 14th, we were to the good about \$7.2 million. This slide sort of summarizes those points I just made -- \$2 million in the hole as projected for March 24th, April 14th \$9.2 million of additional changes, and that is when we put before you three additional items to the budget as a way of addressing some additional needs.

First, we are recommending an employee pay adjustment, which I will talk about some more in just a moment. We added a million dollars back for general fund operating budget reserve as a back stop against possible items that may occur that are unanticipated that may impact the budget, whether that be additional economic impacts or any possible changes that could occur from the state. There is one position that we are recommending adding to this particular budget that is funded by the general fund, and that is a public records attorney, which we described for you in detail associated with the very high volume of public records request we have received over the last several years. So when you put all those together, we came out with a general fund balanced budget as of April 14th.

A couple of other highlights to mention which with the exception of the public records attorney and the match at the top do not speak to the bottom line, but they are important changes in the budget. The \$900,000 for the city match for the 50 police officers, Mr. Walton already mentioned in his opening comments, that's our match for the federal stimulus positions. We are deleting eight police officer positions due to CATS' change to using more contract public safety company associated with providing security along the light rail line, and we are adding 21 positions to staff a new Fire Station 41 at the Airport, which is 100% funded by Aviation, and Chief Hannan in just a moment is going to mention that. Again, I just commented on the new public records attorney, so those are some of the additional highlights.

Councilmember Barnes said, Mr. Hall, a question for you regarding the second and fourth bullet points. The eight positions in CATS where we are removing officers those officers are going back into CMPD.

Mr. Hall said I'm sorry, excellent clarification. Those are positions, so the eight positions are being deleted because CATS is not going to be paying the general fund revenue, but those employees will be going into other police positions.

Councilmember Barnes said so we are not cutting those officers.

Mr. Hall said, no, sir.

Councilmember Barnes said with respect to the fourth bullet point I understand, and I saw this in a news story and just wanted to get clarification, that one of our current city attorneys is changing his job title focus area.

DeWitt McCarley, City Attorney, said he has now gone to the Manager's Office.

Councilmember Barnes said can we not use his salary under your department to pay this new person?

Mr. McCarley said we need to backfill that position to cover work that is already in the office, and the public records lawyer is to relieve the burden on my senior folks when these massive requests come in because they tend to land on the core of your senior staff, and it –

Councilmember Barnes said are you hiring two people?

Mr. McCarley said we'll backfill the Phocus position and then a new position.

Councilmember Barnes said how much is his position?

Mr. McCarley said I ought to know that, shouldn't I?

City Manager Walton said it's probably in this range.

Councilmember Barnes said that position – replacing Phocus in his current role does not have an impact in terms of a budget request because you have already got funding for it.

Mr. McCarley said correct.

Councilmember Barnes said you need this money for a new person.

Mr. McCarley said correct.

Mr. Hall said, Mr. Mayor, if I could add one clarification, Mr. Barnes. One point that actually precludes what you have described is a large portion of Mr. Phocus's current funding comes from other funds such as water and sewer and storm water because it's an environmental attorney, so you couldn't use that to fund this position. Actually the funding source is different.

Financial partners and outside agencies – this is always a point of interest to both the Council as well as the community, and we have described these recommendations to you in the past, but we thought it would be important to repeat it here. We are not recommending any additional financial partners. That includes the request associated with the Community Catalyst fund. They did make a request to you for \$500,000, and then they revised that request to \$250,000. At this point, we are not recommending any funding for that proposal. All the other financial partners are flat except for those that have a specific contract provision, and then there are there additional comments. The first is we are recommending the elimination of Partners in Out of School Time (POST). That is due to CMPD's having a higher priority, other youth engagement programs. Secondly, we are recommending the elimination of Lakewood Community Development Corporation due to low productivity. And, finally, ImagiNon Children's Theatre, we are recommending a one-third funding reduction over three years to zero for building maintenance expenses. If I could, let me elaborate on that for just a moment. The backup for this is in the material. You have heard this before.

As you may recall, the cultural facilities project proposal that was approved as a part of the development of the new Mint and the Discovery Place renovation and African-American Cultural Center and the existing facilities was that those particular cultural affiliates would assume a greater share of building maintenance expenses, and that additional share of building maintenance expenses was phased to them over a three-year period. In each one of those cases, those particular facilities were City-owned. The logic associated with the reduction to ImagiNon Children's Theatre is that is a facility that is not currently owned by the City. So it was as a policy matter equivalent for us to apply the same building maintenance proposal to a facility that we don't own to the ones that we had already imposed that upon related to a facility that we do own. I'm sure that is a point of discussion you will hear as a part of your budget adjustments period, but I did want to explain the rationale behind the proposal.

Councilmember Mitchell said, Ruffin, on the POST, those are our two after-school programs at Quail Hollow and Albemarle Road, correct?

Mr. Hall said they fund three programs, but the City is involved – they allocate funding from the City towards two of the three programs, yes, sir.

Councilmember Mitchell said how many kids are we serving at those two after-school sites; do we know?

Mr. Hall said that was in one of the follow-up Q's and A's. Off the top of my head, I want to say it was close to 200.

City Manager Walton said, Mr. Mitchell, I can find that out for you.

Mr. Hall said we can follow up with you to be specific. We had already responded to that. I just can't remember off the top of my head. I think it was close to 200.

Councilmember Mitchell said roughly between the two programs two hundred twenty two odd thousand dollars for each site?

Mr. Hall said, yes, sir, that's correct.

Councilmember Cannon said, Ruffin, on the Lakewood Community Development Corporation, you have we are looking to eliminate the \$60,000 based on low productivity.

Mr. Hall said, yes, sir.

Councilmember Cannon said define what you mean by low productivity as it relates –

Mr. Hall said for FY09 they provided one additional affordable housing unit, and for FY2010, there were two units. When I say units, it's not developments; it's a unit and two units. You also may recall last year as a part of the recommended budget reductions process, the staff recommended the elimination of all four community development corporations, and three of those were eliminated, and Lakewood was put back as a part of the Council process.

Councilmember Cannon said did you all take into account that maybe the low productivity may have come from a downturn in the economy relative to them being able to meet the specified goals; and, if so, did you take that into account?

Mr. Hall said all of the community development corporations were evaluated as a part of the affordable housing strategy last year, and I can't speak to the specifics of the Lakewood circumstance. Neighborhood and Business Services can certainly do that. That was a part of the budget recommendations that we went through, so we will have to get you some additional information about the specific criteria.

Councilmember Cannon said you don't have to do it right now because I know we are trying to move through this, but let me know – also let us know if the monies that they had on hand how much that applies toward neighborhood services where they may have vested those dollars in the community given then weren't able to do what they could do because of market conditions surrounding housing at that time.

Mr. Hall said certainly. We can get you a more thoughtful write-up about that.

Mayor Foxx said I know there are a lot of questions that are going to come up over the course of this, and I would urge us to receive this now and maybe save our questions either for a dinner meeting or some off-line conversations with staff or a response that we receive in writing from staff in response to our questions.

Councilmember Dulin said had I not already asked, but with an answer to Mr. Mitchell from the materials that we had before almost all of these programs, whether it's Community Link, United Family Services, Bethlehem Center, YWCA, Northwest School, all of them give us a headcount of how many they help. POST doesn't give us a headcount, about the only one she's not telling us how many kids she has actually helped, and it is, you are correct, Albemarle Road and Quail Hollow.

Mayor Foxx said I'm sure that information is available, so we'll see if we can't get it for you.

Mr. Hall said I wanted to go into the recommendations associated with employee compensation and benefits. As you all know, the City is involved in a direct service provision business. Most City services are hard services of things that are delivered directly to citizens by employees. For the general fund, 74% of the budget is for pay and benefits, so it is a large driver of your operating budget is the direct delivery of service by employees to the citizens. For FY2010, the current year that we are in, as you may recall, we did not recommend nor fund any merit or step increases for City employees in the current fiscal year. That covers both your public safety pay plan as well as broadbanding, which is your general pay for performance system for non-public safety pay plan folks.

For 2011, we are also looking at an increase related to all of our group insurance coverages including health insurance and some other programs, and the City's portion we are projecting to increase by 5%. As you may recall when we went to February Retreat, it was estimated around 7%, and we have a series of recommendations associated with benefits that drove that down, and that does lead to an increase health insurance premium contribution that all City employees would pay from \$1.50 to \$8 a week depending on the coverage level that you select.

With regards to your public safety pay plan, with no pay adjustments, you do have recruits coming through your Police and Fire Academy for both FY2010, the current year you are in, as well as 2011. That includes the 125 positions that were added for police associated with the stimulus as well as the general fund, and those recruits have not received the compensation adjustments since entering the academy, and when they come out, there is about a three-month field operations experience, and then they are entitled to a step increase. So without any form of increase associated with 2011, those recruits will be going through the Academy and then not receive a step.

Finally, just for illustration, you do have your labor and trade classifications, which are in the general fund. Labor and trades are generally your equipment operators, who are often Solid

Waste workers or crew members or laborers, typically on street maintenance crews. They are your lowest paid employees. If you did no form of compensation adjustment, the labor and trade category, which is 726 of them, would receive a net pay decrease of about 1.1%. For service maintenance, which is specifically a subset of labor and trade, it would be closer to 1.2%.

Additionally, and this information was described to you in the March 24th material from Human Resources. Tim Mayes went over the specifics. We are seeing as a part of our survey information increased movement in the labor market. That information is in front of you right there, and here is a summary table of what has been going on and a trend analysis over the past four years as well as today. So you can see that there is some movement in the labor market. Obviously there are some sectors that are more impacted by the changes in the current economy than others, but overall, we are seeing a 2.1 to 2.6% movement, and what we are recommending is a 2% adjustment to broadbanding, which I will describe on the next slide.

So, our recommendation associated with employee compensation is a 2% adjustment to broadband -- that's your pay for performance merit budget system -- as well as funding for your public safety plan. That includes a 2.5% step. Our normal step adjustment for your current public safety plan is actually 5%, so this is a number less than the 5% step, and then also a public safety market adjustment for everyone that is within the public safety pay plan. So the increase to the general fund is \$6.1 million going from 2010 to 2011. So it's a \$6.1 million increase to the general fund. So, \$4.9 million of the \$6.1 million is going to Police and Fire. Another way to look at it is 80% of the recommended compensation adjustment is going to Police and Fire. One other thing to mention is that also the same 2% recommendation would apply to the enterprise funds as well -- CATS, Water and Sewer, Storm Water, and Aviation.

One of the ways that as we indicated to you earlier how we are able to pay for this was 401k contribution reduction. State law mandates a 5% 401k contribution to sworn law enforcement. The City currently provides 3% to all other employees other than the sworn law enforcement. We are recommending a reduction of 3% down to 2% for FY2011 with the goal to restore that back to 3% next fiscal year. One thing to note is that must apply to all employees equally. By rule, you can't separate different classifications of employees from another. You also cannot segregate it by amount of salary, so there are restrictions as to what you can do with limiting 401k.

These are just the premium changes, which I indicated to you earlier for your information, and this is the list of benefit changes that support the decrease from 7% down to 5% for your group insurance. We discussed this in detail in the Budget Committee, and Tim Mayes, our Human Resources director, talked about this with you at your Budget Retreat, so I'm not going to go over it in detail. Just understand that we do have several programs related to wellness, and tobacco cessation that is proposed in this recommended budget for employees. We are also looking at the conversion to a single medical vendor for the administration of our health program. We are a self-insured health insurance program, and then additional changes associated with prescription drugs and out-of-pocket maximums.

With that, I would like to pivot just a moment. A couple of folks are going to come up and talk to you a little bit about some of the key elements of the budget. One of the other themes of this particular budget is we are doing things a little bit differently, and as you have already sort of seen as a part of the operating budget -- you will also see this in a moment related to the capital -- one of the most important elements of your budget is public safety -- Police and Fire. So we asked Chief Rodney Monroe and Chief Jon Hannan to come forward and speak to you a little bit about some of their budget priorities that are included in the recommended budget for 2011. Additionally, Barry Gullet, interim Utilities director, is going to come forward and talk to you about the Utilities' rate recommendation. We have had several conversations. Restructuring Government Committee has been working on this quite a bit, and that will be the conclusion of his particular process. So with that, I will start with Chief Rodney Monroe, and then he is going to hand it to Chief Hannan, and then he will hand that to Barry Gullet, and then I'll be back.

Chief Rodney Monroe, Charlotte-Mecklenburg Police Department (CMPD), said, first of all, I would like to thank you for the opportunity to speak on behalf of the large segment of our public safety employees. All of us at CMPD acknowledge very readily that these are some very difficult times for City Council, and we are faced with some very tough decisions.

Understanding that, I feel that it is very important for us to recognize our employees for the work they have done to make Charlotte a safer community

In 2009, crime in our community declined 18.5%, and so far in 2010, we are experiencing over a 15% reduction in crime. We knew that 2009 was going to be a very challenging year for us as relates to crime, so we wanted to make sure that our employees stayed focused and motivated to meet those crime reduction goals in all parts of our city. The message that was stressed to our command staff throughout the year was primarily to keep our members focused and motivated toward achieving our primary goal. Our employees got the job done by developing strategies to address crime and address them at their very early stages and continue to build partnerships within our community with all citizens. We have maintained that focus, and we are continuing to experience double digit decreases.

I think it's important for us to send a message to our employees that their work is recognized and valued by the Council and the community. During the Council Retreat, I stated that we would not seek additional officers this year or increase our civilian staff. My primary reasons then and now focuses upon our workforce receiving a much needed pay increase. Not letting them go a second year without a raise would be the best way to let them know that we do truly appreciate their work and that their work truly matters even in tough economic times. This is especially important, as Ruffin mentioned, for the 125 new officers that we have – 50 that graduated in February and the other 75 that are due to graduate in early July. They fall into a special category because these officers were hired in a year in which there were no pay increases. If there were to be no increases two years in a row, these officers would fall even farther behind within our pay scale, and we'll begin to start seeing a mass exodus of these officers with the City experiencing not so much but more so a significant decrease in its investment especially in the way of recruiting and training of these new officers. The efforts of our current as well as the 125 new police officers led to my request for a pay increase for our current employees, and that being the highest priority for next year. I urge you to make this raise for our employees, one of our main and important budget priorities that we have established.

We continue to establish high crime reduction goals for the City, and our dedicated employees have once again developed quantifiable strategies to achieve these goals. They have earned our appreciation and more importantly our tangible support. In a presentation that I heard not long ago to local governments, it was said, "Even in trying times, dedicated and loyal public service employees deserve a reward." I also urge you to support our strategic plan for our police facilities. We want to locate all of our patrol divisions in the areas of our city where our police presence can have a direct and positive impact on the neighborhood that we serve. They must be a catalyst for constructive change.

As you know, we are relocating the Providence Division office directly within a neighborhood where we feel the new police facility and heightened police presence will have a dramatic presence in improving the quality of life within these neighborhoods. Our next two divisions need to be the Eastway Division and Steele Creek. The Eastway Division is far too small for our divisional needs, and there are some health issues related to that facility. The Steele Creek Division is inaccessible to our community and citizens and needs to be less isolated where citizens can fully utilize that facility and to serve as a visible presence within that community. These new facilities will be an investment in our public safety in our community. I hope you will also support the construction of these new facilities.

As always, I continue to appreciate the support that you have given me and the men and women of the Charlotte-Mecklenburg Police Department. I hope that support continues especially during these challenging and difficult times. With that, I thank you for this opportunity to speak on behalf of the CMPD members. At this time, I turn it over to my good friend and colleague, Jon Hannan.

Chief Jon Hannan, Charlotte Fire Department, said I will start with our capital first, and I want to thank you for the support there. We have quite a few things working. Currently you will see up there Fire Station 40 on Harrisburg Road. That's an annexation fire station. You gave us 36 firefighters with that for that annexation. Engine 40 is in service running out of Reedy Creek Park to cover the area. The ladder will go in service when the station opens. That shows the

commitment to annexation, and in the conversation this morning part of why Charlotte is a model for annexation is that we do it properly.

Station 41 is under construction at the Airport. That will ultimately be funded by the Air National Guard, but it will be staffed by our people. There are 21 people in that recommendation to start July 1st, and that is to meet the FAA standard for Airport fire protection. With the third runway, we have to respond from two stations. The current Fire Station 17 will stay in service, and then new 41 across the Airport will come into service for that runway. Station 42 is the station you approved construction for, I believe, the 24th of April. That's the Eastland Mall station. Our plan right now is to move Engine 64 from Station 8 to cover that area, so there is no anticipated operating cost other than the utilities on the station for that.

You did allow us to ask for a Safer Act company this year for the first time. That's where the federal government funds the first two years of salary of a fire company, and the City has to commit to one additional year for that grant. If we are successful in achieving that, our recommendation would be to put that company where the call load is the highest, which would either be the Eastland Mall station or Company 15 on Frontenac at Eastway and Shamrock. That's where our highest call load is at this time.

We also in the recommendation have the consolidated fire headquarters. You did allow us to purchase land for that last year. The only leased property the fire department is in is our headquarters at 228 East Ninth Street. This would allow us to move that into a City-owned building and to bring fire prevention off of Beaumont Street in the old City Carpentry Shop and fire investigation – actually arson investigation. There's CFD, CMPD, the ATF, and the State FBI all keep employees in that. That's been the Arson Taskforce for about 28 years now, and it's extremely effective. We will keep them together as a group. We have also asked for land for a joint communication center. Chief Monroe and I have a great relationship. We see a lot of value in bringing communications together, and it's an opportune time to do that if that's possible.

On the compensation side, my highest priority was a compensation package. Ninety percent of the Fire Department's budget is payroll. We deliver our service with people. You have a great fire department. It's effective. It's in every community, and it's welcomed in every community in this city, and you provide that service with people with high morale. We started a new CPR program. Dr. Blackwell, the County medical director, worked with us to set this program up, and we are achieving a 60% save rate on heart attacks that have convertible heart rhythms. I think, and I have asked Dr. Blackwell to prepare a presentation for you and the County Commission because this should be a national leading number. Our people do a great job. It's extremely important, and we hire our largest numbers in January, and because of the freeze hitting in FY10, actually firefighters hired in January of '09, if you don't do some compensation package, wouldn't see anything until July 1st of next year, so you would have journeymen firefighters with two and a half years on the job still making the same pay as a brand new hire. Thank you for your consideration.

Barry Gullet, Utilities, said I want to start out by recognizing the work that the Restructuring Government Committee has done this year. We dove deeper into the Utilities budget and rate setting process with the Restructuring Government Committee under Mr. Cooksey's leadership than we have ever done before, and we presented a lot of that information then onto Council at the Budget Retreat. If you remember, we presented three different scenarios at that Budget Retreat for utility rates. Those scenarios were all based on a projected budget of \$275 million for FY11.

We are here tonight to recommend that Council adopt what was called Scenario 1. I will get into that in just a second, but Scenario 1 is consistent with the existing rate methodologies and with the existing financial goals and policies that the City and Utilities have in place. We also want to go one step farther, and we want to recommend a rate methodology study that should be completed in the upcoming year. The Utilities rate methodology was originally written and adopted in 1977. It's been amended a number of times since then, but the last two amendments have been done in the context of serious drought and economic downturn conditions, and they were made for really good reasons, but they might not have gotten the level of input – public opinion, public ideas, and thought – that maybe they should have deserved. So we want to be

sure we can do that now, so we want to do a rate methodology study, have that complete before we get into budget season next year so that you are dealing with budget and not budget and rate methodology at that time.

If you remember, we looked at different rate scenarios. We have a little bit of flexibility under the existing rate methodology. We went beyond that and looked at some options that did go outside of the existing methodology. Some of the suggestions were made by the Cornelius Taskforce, some suggestions that Council members made for us, but we went back to the existing methodology for our recommendation. We also looked at impacts that the capital program is having. We talked about how the capital program drives long-term rates, but there is little that can be done on a year-to-year basis to impact the effect on rates.

The rate recommendation that we are making we'll put up here. These are the current water and sewer rates, and these are the rates we are projecting for FY11. What you will see is that we are proposing a two cent per day increase in the fixed fee for water and the fixed fee for sewer, so that is going from \$1.80 to \$2.40 per month for each of those. We are not recommending any changes in the tiered rate structure. We are not recommending any increases in the water fees. We are recommending an increase in the sewer charge of 31 cents per hundred cubic feet.

We have included a chart that shows the impact that this new rate structure would have or this new rate would have on different types of customers from small customers, who use about 4ccf, which is about 3,000 gallons per month all the way up to the larger customers. You will notice that about 75% of our customers use 8ccf or less each month, so the increases that are proposed would have a monthly impact of about \$3.68. You also notice that the maximum impact on any residential customer of this rate increase – and these are for the largest customers – is \$8.64 per month, and that's because of a cap on the sewer fees at 24ccf.

We are working on a rate communication plan so we can inform the community about the new rates and the impacts they have on their water usage. We are putting up an information package on the Web site. You have that in your packet today. We are targeting specific groups, both electronically and in person. We are using the City's communication vehicles, and we are planning a bill insert that will be in the June and July bills that will explain the increases. I will turn it back over to Ruffin.

Mr. Hall said we are running a little low on time, so I'm going to speed it up a little bit. The storm water rate recommendation is the other piece of enterprise funds that deserves some mention. We are recommending a 7% increase, which is a slight change from what we discussed with you at your March 3rd Budget Retreat. This is to increase the number of flood control projects, major projects, started in 2011 from the original proposal of three to now six, and that should reduce the backlog from 19 to 14 years. For the Tier 2 folks, that would represent a 43 cents per month increase. Also I should mention that CATS, as you are probably well aware, is proposing a 25 cent fare increase for their local routes, and more information will be coming forward to you when you approve CATS' budget as a part of a future agenda item.

Capital Investment Plan – At your February Retreat, the finance director, Greg Gaskins, indicated you had about \$50 million in available debt capacity, and the five-year CIP allocates 45 of that 50 million. That leaves \$5 million of remaining debt capacity unprogrammed in this particular five-year budget. You do have an upcoming proposed bond referendum, November 2010. The original plan was \$181.1, and we are recommending to increase that to \$198.6. All of that increase is in your transportation portion of the bond referendum. Again, please note this proposed five-year CIP does not include a general bond referendum after November of 2010.

Here's some highlights associated with the transportation section of the CIP. I'm not going to read through the projects. There were a couple of projects that fell off the list that had planning and design money in your 2010 bond referendum in preparation for construction dollars in 2012, but since we don't have a proposed 2012, we eliminated those projects so that now all the projects that are on the 2010 bonds can be both plan designed and construction with those dollars in case there isn't a bond referendum after that for some particular period of time.

One point of highlight associated with the transportation section beyond your normal roads, intersections, congestion improvements is we have increased the northeast corridor access

improvement area by \$20 million. If that is passed by the voters, then the total amount reserved for northeast corridor access improvements would be \$30.5 million. For clarification, that isn't the transit-related construction work of rail lines and stations. Those are called access improvements, which are facilities away from the stations that help connect them to the neighborhoods – sidewalks, intersection improvements, etc. It's basically your SCIP program that you may recall was in the south corridor when that was done. Neighborhood improvements and affordable housing – those dollars are unchanged associated with the amount that is in the proposed referendum compared to what you had in your original plan, so all of the additional dollars are going into transportation. That then produces a bond referendum with three levers or voting pieces on the ballot, and by far the largest is transportation at almost 80%, which includes sidewalks, area plans, pedestrian safety, and traffic calming, as well as intersections and road improvements. So the \$198.6 million proposed referendum is not the highest you have had in history or recent memory. Last bond referendum was larger, but it is still a significant number compared to what you had been averaging in the past.

One other point about your capital program, Pay As You Go, this is the same plan that we put before you on April 14th. There are no changes to it, and we identified several programs as a part of that presentation. We just wanted to highlight one of those pieces for this presentation today, which is trees. There is an additional trees investment in this particular budget. It is in two categories. The first is tree trimming and removal, and the second is tree replacement. This recommendation includes \$1.4 million for tree trimming and removal, which addresses the health of the trees as well as liability issues that we need to be working on. This transfers some operating dollars within the general fund to Pay As You Go as well as combines that with the existing Pay As You Go program on trees and then adds a little over \$300,000 to tree trimming and removal to get to a total of 1.4, so the program for tree trimming and removal has increased by \$300,000, but what we have done is consolidated our various tree programs into one place to allow for better flexibility and more leveraging of our dollars related to tree trimming and removal particularly as it relates to contractual services.

Tree replacement is also going into Pay As You Go capital with a program total of \$700,000. That transfers \$216,000 in general fund operating expense for various tree-related programs and adds \$483,000 for an increased level of tree replacement. Again, we are consolidating some of our existing tree funding as well as increasing it by \$483,000 to get to a total of \$700,000, and the specifics on that program would need to come back for Council's review, discussion, and approval at a later time as to what does that tree replacement plan look like. This is just the funding.

Next steps: The Mayor mentioned in his opening comments Council Budget Adjustments at 3:00 in Room 267, Public Hearing on the budget at 7:00 in this room, Straw Votes, and then budget adoption at your Council Workshop at your first meeting in June. Our contact information is on the screen. We have copies available in the Clerk's Office. Obviously we are available by phone to help answer any questions, and we will have these documents probably now on our Web site for folks to take a look at if they need any information.

I know we are out of time, but I would like to take a moment to say thank you to a lot of folks who have worked really hard to get us to this particular point in the process, and I think that does start with the Mayor and Council, and I'm not just saying that. You guys have spent a lot of time both at your February Retreat and at three meetings in March and April going over a lot of information and having a lot of good dialogue, and that has made a big difference in getting us to where we are today. The departments: Corporate Communications, Finance, and Human Resources staff, our contacts in the key business units that worked really hard, particularly a big thanks to the Budget and Evaluation staff. They worked an intense process with a lot of work hours to bring you a product that we feel pretty good about. So, with that, Mr. Mayor, I conclude.

Mayor Foxx said, thank you, Mr. Hall, and I want to say as a matter of personal privilege, and I think I speak for the rest of us that we do appreciate the work of our Budget Committee – Mr. Barnes and all the others that serve on that committee – as well as the staff. You have gone through a lot of work to try to help us work within our means. This budget is a smaller budget this year than last year's budget, and we are not talking about a tax increase, we are not talking about a lot of things that other levels of government are talking about, and that leads me to the

second point. Council, the only request I would make as we go forward is that as you know there is a lot of pain that is being spread in other levels of government as it relates to reductions, and you have probably been approached, as I have, about trying to help out on some of those other issues, and I would appreciate getting some feedback from you all about your thoughts and feelings on that topic so that I can at least share that with others because we are being asked, and I want to make sure that the message is one that actually represents what the Council is thinking and feeling. With that, we have to run upstairs and try to eat within three minutes, so let's get going.

The meeting was recessed at 5:11 p.m. for the Council to go to the Meeting Chambers for the regularly scheduled Workshop.

WORKSHOP

The meeting was reconvened at 5:25 p.m. in Room 267 of the Charlotte-Mecklenburg Government Center with Mayor Anthony Foxx presiding. Council members present were: Barnes, Burgess, Cannon, Carter, Cooksey, Dulin, Kinsey, Mitchell

ABSENT UNTIL NOTED: Councilmembers Howard, Peacock

ABSENT: Councilmember Turner

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HOUSING & NEIGHBORHOOD DEVELOPMENT: CHARLOTTE-MECKLENBURG'S TEN-YEAR IMPLEMENTATION PLAN TO END AND PREVENT HOMELESSNESS

Mayor Foxx said the first item on the agenda is Charlotte-Mecklenburg's ten-year implementation plan to end and prevent homelessness. As you know, this is a plan that we adopted back in 2007, and it calls for a lot of steps many of which have not happened. We have set along the path of doing some things differently in the first several months of this new Council, and I want to outline three of those at the outset and then turn it over to Mr. Mumford to do the presentation.

The first point is what we are talking about tonight, which is looking at the framework through which we deliver housing support either on the capital side or as you will hear on the supportive services side as well. We have been hermetically sealed off as a community when it comes to doing those things. In other words, the City has taken the capital side and other support agencies have taken some of the supportive services. The question is how do we link all of that together, so we will hear some of that tonight.

The other two pieces have to do with budget, which we just heard. There is a ten-million allocation currently in the Manager's recommendation for the Housing Trust Fund. I have told you and will continue saying this that I am going to be pushing hard to see if we can increase that amount between now and the time we adopt the budget. Then finally locational policy, which we have all read and heard a lot about recently. That is working its way through the Housing and Neighborhood Development (HAND) Committee, and I'm hopeful that we will get some recommendations this summer on approaches to dealing with it. So, Mr. Mumford, with that context, I want you to see this discussion in the context of a much larger set of policy issues that we will be dealing with soon, and with that, Mr. Mumford.

Pat Mumford, Neighborhood & Business Services, said thank you, Mr. Mayor. That was a great set-up. This is really about a comprehensive approach to support a plan that was adopted back in 2007. Most of you were on the Council at the time when the ten-year plan came through. What I want to do is talk a little about the history of that and get into the real crux of this, which is an organizational structure to be able to deliver this implementation. He began a PowerPoint presentation entitled, "More Than Shelter, Charlotte-Mecklenburg's Ten-Year Implementation Plan to End and Prevent Homelessness," a copy of which is on file in the City Clerk's Office.

Councilmember Howard arrived at 5:40 p.m.

Councilmember Burgess said I have several questions. To begin with, I think this makes perfect sense to bring all this together and leverage our money with everybody else's, but who do you expect to participate financially in this plan for homelessness?

Mr. Mumford said everybody that is participating in housing today. We, the City, would continue our participation. The County supports the services side. They would still have those resources. There are private sector individuals – that is probably new money that might come to the table from a philanthropy standpoint, and the nonprofit organizations. The idea is that when we come together more comprehensively we can leverage those funds better and we can serve priorities in this community that today are really priorities of those individual organizations.

Councilmember Peacock arrived at 5:42 p.m.

Councilmember Burgess said I don't think there is a person at this table that doesn't strongly believe that we need to do more about homelessness, and this is just such a great example of how Charlotte works in partnership to tackle our problems, and this is our next one. I do have some concerns about the Housing Trust Fund Advisory Board because they do give us their recommendations of what developments they think we should use our money for, and my position has been that we should get a roof over everybody's head, do the homeless thing first, and move our way up to 30% and below and so forth. We have sort of redirected the Housing Trust Fund Advisory Board to bring us developments like that, but we also know you can't concentrate poverty and that it's appropriate at times to put affordable housing in with mixed income. What concerns me a little bit about this model is without the Housing Trust Fund Advisory Board looking more holistically at all housing how are we going to evaluate or get advice on those other developments?

Mr. Mumford said the word "homeless" is in the ten-year plan from 2007, and it is mandated by the federal government. I'm glad we worked in prevention in the title because the prevention is absolutely where you are going. It's not just about chronic homelessness, but it is about 30% of median income, 60% of median income, making sure there is opportunity for people for stable housing so they don't end up in a homeless situation. This board we have proposed would really carry out exactly the function that the Trust Fund Board does, which is to propose from a category standpoint where funding should be allocated. Then it's really formulaic from that point on. RFPs go out today with the trust fund projects, vie for the funding that's available in those categories, and then they are ranked. So the board really doesn't have to play much of a role in pointing out particular projects. They allocate at a broader level, and the idea is that this board would do that and be even more comprehensive in their approach because they would have the context of that full continuum of care of housing from chronic homelessness to the mixed income housing you referenced.

Councilmember Burgess said when you have a board dedicated to homelessness it's almost unrealistic to expect them to support a development at 80% or a mixed use development. Even though this is where my heart is, I don't want to lose that part of our affordable housing efforts. How do we prevent that?

Mr. Mumford said each body, for instance, the City Council trust fund money, would fit into that continuum somewhere. There may be somebody else that has dollars that works directly for chronic homelessness, but as you all know, there has been some money that you supported for trust fund to go to special needs housing.

Councilmember Burgess said, oh, absolutely.

Mr. Mumford said so some of the chronic homeless needs will be impacted by trust fund dollars. Going forward we have to look at all of that. If we just do homelessness, chronic homeless, but we don't resolve some permanent solution and transitional solutions in this continuum, then they are always going to be in that homeless situation, so it's a balancing of all of that. There is not a notion that this be just homeless. It's prevention which includes stable housing so that people can move up and out. Really we are looking for a systemic approach to address this issue in this community. We can't build our way out of it as maybe we have tried in the past. We have to be thoughtful about connecting all of these points together.

Councilmember Carter said the funding process for the HTF remains the same. Council will continue to review and approve all HTF projects.

Mr. Mumford said that is correct.

Councilmember Carter said will they be presented to us in a priority form? Could Council reverse the priority form to get to this problem that is being discussed, which is one we were discussing quite frankly? The intention of Council is to address homelessness citywide as well as mixed housing citywide and centers and corridors. There are so many things that we deal with specifically that would not necessarily be the concern of this combined committee, but would we have the opportunity to address those issues that we have and not be presented with a package that cannot be –

Mr. Mumford said, yes, absolutely. At the end of the day, Council makes the decision. At the end of the day, you can either take the recommendation and do what it says or not. The idea here isn't to have a board that delivers the products. The idea is to have a board that understands contextually what is going on in the community and take a look at that on an annual basis, align funds with where the need is. The Council ends up determining where you want to spend your money. It could be 100% in line with that recommendation or totally void of the recommendation. This board does not have ultimate say. You do. The County Commission has say where their dollars are being spent, and I will mention to you there is concern in the community from housing providers that this board is going to tell everybody how to do their work. That is not the case. The idea is to help people understand within again this continuum where their body of work helps the broader picture. Everybody's work still continues, but it's now connected in a way that it is not today.

Councilmember Carter said to me one of the most important factors that comes through this report is that the housing funding is matched to support services, and that, to me, is a tremendous priority that the City has tried to address, and I'm extraordinarily grateful for that pairing and strength of statement.

Councilmember Cannon said, Mr. Mumford, thank you for your presentation, really appreciate it. It's something that is very much needed and hopefully we can get behind it and support it accordingly. I do want to insert something in the way of the level of appointments that we're talking about here because what I heard Ms. Burgess say is really about ensuring that there is a level of expertise at the table to ensure that when we start talking about these Housing Trust Fund dollars that there are people who understand what that means relative to the real estate market in itself, understand the different locational policies and issues that might be out there, and then if there would also be someone with a finance background of some sort. I just think in order to make this stronger because it is strong, I think, in terms of what you have here. We need to try to devise a way to bring about someone who has real estate market experience, a real estate market analyst of some sort, and then someone who comes with a strong financial background. Obviously, you have here corporate force/economic development. I think that can probably stand alone as it is or you could maybe incorporate something there, but I think we still have to have something very strong in the way of finance and real estate because if you look at our current board right now, we have tried to go with that makeup, if you will, to ensure that we aren't stacking or concentrating, if you will, that we are allocating dollars towards projects that make really good sense for the community overall where we can leverage some things, and it would seem to me that it might be appropriate, Mayor and Council, that we also try to find a way to incorporate those two areas as well. I don't know how much that messes up the numbers, if you are trying to have even numbers or odd numbers – but I think it's really important that if we are to get our arms around this that we try to incorporate this in some kind of way. Anything to respond to with regard to that?

Mr. Mumford said I think those are good points. I would say it's a small number of board members. The idea is this is a working board, not a board of 35 people, and so there wasn't a notion of even or odd numbers. I think your points certainly are well taken, and that's how we appointed people to the Trust Fund Board.

Councilmember Mitchell said, Mayor and Council, thank you. Pat, thank you so much, and to our former assistant city manager, Vi, thank you for your leadership and your hard work on this. I think Council will always look at opportunities that we can engage nonprofit to a community issue in the City of Charlotte, and I think this is a great opportunity to find other partners. What I'm a little uncomfortable with is the mere fact of the Housing Trust Fund, and, to me, they have been very successful in some of our housing goals we have set. What I would like for this Council and Mayor to do, if we could, refer this to the HAND Committee and then let us continue to work through a process that we can be very comfortable. Mayor Pro Tem, you mentioned earlier about homelessness is truly an issue in our community, and then we still have the goals of putting rooftops over people's head at 30%, 60%, and 80%, so there are issues there I think we still need to take this great idea and see can we find that balance. With that, Council and Mayor, I would like to make a recommendation that we refer this to the HAND Committee.

[Motion was made by Councilmember Mitchell and seconded by Councilmember Cooksey to]
[refer this item to the Housing and Neighborhood Development Committee.]

Councilmember Barnes said I support Councilmember Mitchell's suggestion.

Mayor Foxx said let me weigh in a little bit on this. First of all, Mr. Mumford, and I think Ms. Lyles is here from the Lee Institute. How many people are here for this part of the agenda tonight? Thank you for being here tonight. We have spent about two and a half years with this ten-year plan on the books and very little has been done with it. The effort to bring all of the components of our community together to figure out a way to leverage the resources that are here, I mean we have got a Housing Authority that spends \$70 plus million annually on housing, and they are a group that would be brought to the table to try to help leverage the resources they are providing.

I think under our current structure I agree the Housing Trust Fund has been very successful, very successful in putting rooftops, but as we know, when we start talking about anyone who is seeking affordable housing particularly the homeless, there are a host of other support services that really are needed and are actually being provided, but it's just happening in a fairly disjointed way in our community. I think this effort is an effort that could be a true inflection point for our community in advancing our efforts to really, really help people who are at the lowest economic level in our community. There are literally people dying in our streets. There are literally children who don't know where they are going to sleep tonight. I think we have to give this a go, so, Mr. Mitchell, I would ask you – I think having some time to digest it and ask questions in a forum that gives you more time and more opportunity to do so is fine. I would ask you whether you would be willing to get that brought back to the full Council in a time that allows us to at least be at a point to not throw this timeline off.

Councilmember Mitchell said, Mayor, I think we can. The HAND Committee is now meeting twice a month, and I have four of my committee members here, so they are nodding their heads, so I think we can come back to Council definitely by the end of May.

Councilmember Burgess said end of May – this month?

Mayor Foxx said you'll have two meetings I guess this month.

Councilmember Mitchell said we have two meetings. Our first one is Wednesday, so if we could have this information on our agenda for this Wednesday.

Councilmember Dulin said I don't have any problem working it through committee. I'm not on the HAND Committee. I mean I'll trust you guys to get the work done, but something this big I don't think you can get it done in two meetings.

Councilmember Cannon said try us.

Councilmember Dulin said no offense. I didn't mean it offensively. I just think that work needs to be rushed.

Mayor Foxx said keep in mind that we approved the ten-year plan to end homelessness, so one could read that approval as moving forward with the process that has been described here. The question would be is there some reason why the HAND Committee believes we should not move down the pathway here, and if you all come back with a red light, we can have some discussion about that.

The vote was taken on the motion and carried unanimously.

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HUMAN SERVICES STRATEGIC PROCESS

Mayor Foxx said you all may remember about a year ago Crossroads Charlotte had a series of forums about the human services needs in our community, and there have been a number of folks working on that, and Commissioner Murrey on the County side, has been working to build support on the County Commission for a collaborative strategy around that, and I believe his report is going to be a discussion of what their findings have been and maybe a request to us.

Commissioner Dan Murrey, Mecklenburg County Board of Commissioners, said I appreciate everyone allowing me to come. It's rare that I get an opportunity to have two evening government meetings in one week, and I appreciate that chance. I really wish he hadn't asked the question of who was here for the housing issue though because I came assuming that you were all here to hear me, but maybe by the time I'm done I will have convinced you it's worth your time. I couldn't have a better intro than to have Pat give his presentation on the ten-year plan to end homelessness as an introduction to my presentation on the human service strategic process, and the reason is because it's really the same proposal only on a bigger scale. It's really about trying to get some organization to how we approach the human service sector including the issue of housing and trying to direct our resources in a more efficient and effective way and increase the communication and collaboration along a central goal, and I will go into some more details along that. He began a PowerPoint presentation entitled, "Human Services Strategic Process," a copy of which is on file in the City Clerk's Office.

Councilmember Kinsey said, Dan, thank you for being with us, and you come back and visit with us any time you want to. I know or I sense that the real goal here is to provide better services to our citizens. Do you see any financial savings if we do this?

Commissioner Murrey said we certainly could see financial savings. I like to frame it in terms of less in financial savings and more in terms of better bang for the buck, so maybe we could get more services or a broader array of services or better integrated services for the same expenditures. I'm looking for an improved return on investment, and I think frankly we will be more likely and more willing to put money in the sector if we know we are getting an efficient and effective return on it. I'm looking to measure those things, and I'm looking to try to gauge those things as best I can through this process.

Councilmember Howard said I agree with Patsy. Please come often. My question has more to do with kind of the way you see the big picture going as well. Are we talking about maybe looking at shared goals between the City and the County for agencies or – I mean our evaluation system is different from you all's, so I mean you talked about having outside big funders bring their evaluations into sync. Is that maybe a goal between the City, County, and the School System, and the Towns as well maybe?

Councilmember Turner arrived at 6:21 p.m.

Commissioner Murrey said I think having each of us understand what each of the other funders have as goals would be a first step so we know what you are trying to achieve in the City when you fund human services, you understand what we are trying to achieve, and with each of the different foundations that are putting a lot of money into the sector, what are they trying to achieve as well. That's a first step. I think through that process we will find that there is a lot of overlap and there may be some duplication. To the extent there is duplication that creates some lack of efficiency there. We may end up deciding that we want to divvy it up, that this is a goal

that is so important to you if we get a request in that arena we are going to funnel it to you, or if you get a goal that is in – if you get a project that is in our arena, you may funnel it to us as opposed to us both funding the same thing or neither of us funding it even though we both feel like it's important but we assume the other is going to do it. Those are simple examples, but I think it's a matter of coordination and knowing the broader community-wide goals that we would be going for in the first pass.

Councilmember Howard said that's essentially where I was going with it because I was going to ask you how much of this would fold into what the Foundation for the Carolinas is doing trying to urge nonprofits to be more efficient in delivery of service. It would seem like they have done some of this work already, and it would be important to make sure to hear and is an important part of that part of this.

Commissioner Murrey said fortunately they have already been an important part of this. They have been very involved and supportive in the work I have been trying to do and move this forward. They have been certainly with their Catalyst Fund – that's a great example of how you could spur some collaboration through the funding, but the Catalyst Fund is a relatively small amount of money compared to all of the human service sector spending that goes on, so conceptually they are very much supportive and behind this and they have been very helpful. They did a lot of the background work frankly on figuring out what our current assets are within the human service sector and with the bridge span work that they did. Ultimately this is going to have to go beyond just the Foundation or just the County or just the City, and I think the advantage that we have is to have an organization like the Foundation who is willing to help be a convener of sorts, which is what they have been so successful at within the private sector, and I think having our public groups participate as part of that convening is really where we need to end up.

Councilmember Carter said this is truly a fascinating proposal, and I had pointed to the Foundation of the Carolinas, just like Mr. Howard had, trying to figure out how you fit it into that and where you were, and I'm glad to hear they are a foundation for it. Pros and cons. Cross-pollination is a very important part of synthesis as we found with the Children and Family Services building. I really do support that, but with concretizing that collaboration you lose some flexibility, creativity, and initiative, and I really don't want to lose that in these sectors where there is underfunding and you have to respond with those elements to emergency situations and dire situations. I would be concerned about those elements within your structure that you are proposing to us. Don't know how you preserve them, but I think that those are elements we have to target. I'm excited about the ease of access to and passage through a system for clients. I think that would be absolutely magnificent in a very paperized system, so I think that is a really important element. Confidentiality of those clients though, would that be an issue, would there be a problem?

Commissioner Murrey said on the second point I will tell you that we have enlisted the help of a couple of different folks who do a lot of data warehouse work, and a lot of it is in the confidential areas of either children and family services or healthcare. They assure us that those firewalls can be built into the system. I think that can be done. Obviously there will be issues – there always are – that we have to work through with that, but it's certainly not an unattainable goal and one that should keep us from trying it. In terms of the entrepreneurial element that is stimulated by short of funding, even though I think we are going to be able to improve the efficiency and effectiveness of these organizations and be able to prove it with data, I'm still pretty sure there is going to be a sense that there are not enough funds available to do all the work that needs to be done. So I think that creativity will still be there, but I do think there is always a trade-off.

When you do something that has a master planning effect, you do sometimes have to forego some of the smaller initiatives within that. My hope though is that this is a framework for the big picture, but this is not exclusionary. We are not saying to anybody that they can't be a part of this or they couldn't be part of the data warehouse or they couldn't participate with data or even that they would have to participate. Now, to get County funding they might, but that doesn't mean that they wouldn't be able to participate. We are not going to tell the Duke Endowment or the Knight Foundation who they can and can't fund. That is not the purpose here. It's a matter of us understanding each other and what they are trying to do and what we are trying to do and

make sure we – frankly, in the County, I think our objective is to do the thing that has the biggest bang for the buck but also fills in the gaps that nobody else is filling. The only way we can understand how to do that job ourselves better is to know what everybody else is doing. So, we are really not trying to quell creativity, but we do need to blanket the community.

Councilmember Peacock said, Dan, you speak with a lot of confidence on this subject, and I think because in your day job you brought together large organizations that are handling a lot of really sensitive information and trying to find cost efficiencies around that. I wonder if you could speak to any experience you have had in your day job and some of the things we might be coming down the road here, and the second thing is that I came away from our meeting about six months ago, and I remember the one thing you talked about, and I thought it was brilliant, is one ID card per client. That would give them and give us and give both bodies and give all the service providers really that one data point. Can you talk a little more about that vision – if it's been hashed out even more? You didn't mention it here.

Commissioner Murrey said they told me I had to keep it short. Conceptually what I have talked about with this data warehouse idea and with this communication network is to create essentially a Mecklenburg County social security card, if you will, where essentially if you input your data on that intake form, we could spit out what you qualify for, what are the programs. If we have 100 programs within our network, we could tell you which of those you would qualify for from a demographic, economic, or whatever parameter you did. That would be information that we would have readily available. Obviously it would have to be updated regularly, but the point would be it's a client-focused, customer-focused solution as opposed to an institution-focused solution, so it's not about making it easy for DSS or for Crisis Assistance or for any of the other organizations that are doing great work, but it is about making it easier for the client and the customer to get what it is that they need, which is what ultimately those organizations want anyway, but this is a way to create some connectivity across that.

In terms of my day job, I will tell you that we have a data warehouse that has made a fairly revolutionary change in our ability to do reports, answer questions, and make strategic decisions as an organization. Now, a healthcare organization of 800 employees or so is nothing like dealing with a county of almost a million, but it is a microcosm of what we could hope for at the County level if we were able to share data. It turns projects that require three months to produce a report and get an answer to three minutes to get an answer if you have the right data in there and if you have it connected. It can be pretty dramatic, and we have worked with Dr. Yi Dang, who is the chair of Computer Informatics at UNCC, who has given us a lot of insights on the current state of that technology and really what is required to do it, and he is very confident and hopeful that we, as a County, can pull this off.

Councilmember Barnes said welcome to you, Commissioner. I have generally a very positive reaction to what you describe. It would be helpful for me to get a reaction from the Manager at some point – not necessarily right now – but just based upon your background and knowledge on the concept, it would be helpful. Also, it would be helpful for me to understand what would be required of us potentially. I don't know what that would look like, but that would help to fill in the picture for me. Under the providers' collaborative, I notice that education and training were not explicitly listed. Perhaps they are implicitly contained within one of the other bullet points, but it's clear to me that one of the ways to get people out of needing the services you have talked about is by providing them with education and training so they can become self-sufficient, get a job, and become self-reliant. I recognize also that we are dealing with a lot of financially strapped entities, but at some point if we could perhaps get CPCC involved from a training-education perspective to help people improve their minds, and, therefore, perhaps become more self-reliant that would be helpful. If it's within those, great; if not, it should be added some place.

Commissioner Murrey said I appreciate that, and that's where we get the lumpers and splitters deal. I'm a lumper, so what you just described is under financial stability, so job training, what CPCC does, entrepreneurship, wealth creation, small business generation, all those things fit under financial stability in my framework. But, you are absolutely right. That is a big piece of the human service sector particularly right now.

Councilmember Burgess said, first of all, you are so welcome here. I'm so glad to see a County Commissioner at our meeting, and I hope we do more of this.

Commissioner Murrey said you guys can come to ours on Wednesday, if you want.

Councilmember Burgess said I want to thank you personally for your leadership on this. It's really out-of-the-box thinking, and I think our community will be better served if we can pull all this together. I have a question. One, about 15 years ago or more the community had an organization called Children's Services Network, and ultimately it led to the Children's Service Building, so it got some place eventually, but we were trying to do a data network, and ran into a serious legal problem of confidentiality especially with health data. I'm assuming that hurdle has been passed somehow. Has something changed that allows sharing, or is it informed consent, or how are you –

Commissioner Murrey said I'm not going to stand here and pretend to be a lawyer, but I can tell you that there are technology solutions to that and there are also legal solutions to that, and there are some we would have to be very careful about dealing with in terms of who has access to the database and what format that is presented and those sorts of things. Clearly the person who is responsible for taking the information from the client and putting it into the database has access to their confidential information, and they in that episode should have access only to what they qualify for, not necessarily to be able to go in and look up somebody else who they are not serving. So that's essentially the key from a privacy standpoint is making sure you don't have unauthorized access to files that someone does not have a reason to be accessing. But there are a lot of technological ways that have been developed to deal with that in the last 15 years.

Councilmember Burgess said I think it's the next slide that has the three things here – the three asks – well, there are two. Yes, to support the conceptual framework. The second is to direct the staff to work with the County and the City to divide outside agency funding. We just left a really difficult budget presentation where we are dealing with less revenue to support our basic services, and the Manager is recommending reducing the number of our financial partners because we don't have money right now.

Commissioner Murrey said we are doing the same.

Councilmember Burgess said the second bullet says to divide outside agency by service sector and organization. I don't know that we are in the position to take on anything else. Hopefully one day we will be there, but I think this needs a lot of deliberative thinking on behalf of the Council, and then, of course, we couldn't get to number three until we answer one and two. For that reason, I would like to make the recommendation that we refer this to our Restructuring Government to really dig into this. To misquote Vice President Biden, "This is a big deal." It needs a lot of thought, and I really think your committee can tackle this and do some good work on it, and I hope we get there. At the appropriate time, I would like to make that motion.

Commissioner Murrey said could I just address that real quickly. I don't want you to misread what that means.

Mayor Foxx said let me interject real quick here. Mr. Peacock has to excuse himself, and I think he wants a motion to be excused from –

[Motion was made by Councilmember Dulin, seconded by Councilmember Mitchell, and]
[carried unanimously to excuse Councilmember Peacock.]

Councilmember Barnes said, Mayor, does that mean he is no longer a yes vote on anything?

Mayor Foxx said that's correct.

Commissioner Murrey said I just wanted to make sure I didn't have a misconception. I'm not asking you for more money. What I'm saying is to the extent that you are providing funding for human services that we figure it out together because we are providing funding for human services. My impression is that you are, too. We should do that collaboratively so we make sure we are getting the best bang for the public dollar. The same people paying your taxes for you are

paying taxes for us. So it's a matter of coordination. It's not a request that you start funding things that we funded or we start funding things you fund. We may collectively decide that makes the most sense, but I'm not assuming that. I'm just saying have staff start talking to one another to figure out how we get the best bang for our buck in these services that we feel like we need outside agencies rather than government agencies to provide.

City Manager Walton said just on that point Peter Gorman, Harry Jones, and I started point number two last summer, and I think one of the issues is we all three in some cases fund the same agency, and we don't know that. So it may be that some things are better aligned with the County, some with us, some with the schools, so it may not cost more; it might be a realignment. We put that to the side because we knew how difficult this budget process was going to be. So instead of going through a lot of agencies that may not still be there in public funding after July 1st, we thought we would pick it back up after July 1st when we knew which ones those were. I think we can do number two without a great deal of issue, and it will take us a while to work through that, but that might be a launching point then for restructuring government to take that back to them, and we have actually even shared the performance data for each of the goals that we have for Agency X versus the other two, so we have to really compile that information, which is good information for us to have.

Mayor Foxx said we need to move on.

Councilmember Howard said my question, Dan, real simple is talking about the data collection. Is there a model? Have you done any research to see if there is a model where there is a county agency that has done some of this already because we all know, and my good friend, Mr. Cooksey, over there knows that the creation of a database from scratch to do this stuff could be really expensive.

Commissioner Murrey said the creation of the database itself, the technology piece of it, is not expensive. It's widely available. It's been done lots of places. The difficult piece is the operational side, so it's figuring out how do you get the data into the data warehouse. So it's how do you get the DSS worker that currently fills out all these forms to do it into the computer database and how do you do it without creating duplication of work. That's the difficult piece of this. The cost of these things is not terribly high frankly. It is the cost on the time and initiative side of things that is challenging, and that's why we need to start with a relatively simple project with three to five agencies as opposed to just opening it up more broadly. We think we'll learn some patterns by trying to choose agencies that are different.

Councilmember Dulin said my quick question is how is – getting the three of you all together is fine. I mean you work well together. How ill this affect what the catalyst fund is trying to do or fold that in because they are going to come back to us with a report in six months, a year, whenever it might be of how we can get rid of some duplicated services.

Commissioner Murrey said if you will do number three, you will be a part of that because the catalyst fund is done by a foundation, and they will be a part of the funders' collaborative as are ten other, I'm sure, or more foundations. If you are participating in those discussions, you will know. On our side, I would expect either a Commissioner or County staff or both to participate in those meetings, and I think if y'all do the same you will be up to speed on that. It's not meant to be a separate process than what else is going on out there. It's meant to be additive to it.

Mayor Foxx said it can still be consistent with what the Manager has said about what they are working through. It can just bubble up on the Restructuring Government after we have had them come back.

[Motion was made by Councilmember Burgess, seconded by Councilmember Carter, and]
[carried unanimously to refer this to Restructuring Government.]

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ENVIRONMENT: URBAN ECOSYSTEM ANALYSIS

Curt Walton, City Manager, said this is what I call the tree canopy study for short. It feeds into our focus area plan that you adopted last week and moving forward.

Rick Roti, Project Consultant, American Forest, said I served as a project consultant on this urban ecosystem analysis as I did back in 2000-2001 with American Forest when we did an initial analysis of Charlotte and Mecklenburg-County. I served as chair of your Charlotte Tree Commission as well for six years, and I now chair the Charlotte Public Tree Fund, which is a 501(c)(3), and we focus on preserving and planting trees within all of Mecklenburg County, so we are using this data and these tools already to reforest critical areas within our riparian corridors.

I would like to say I have been working on tree issues in Charlotte now for 12 years, and it's such a pleasure to see how things have evolved in the City of Charlotte. We now have an Environment Committee, we now have environment focus areas, and believe it or not, we are now looking at the second urban ecosystem analysis that the City has decided to undertake. It's really motivational and pleasing to see that kind of movement by the City of Charlotte. We have come a long way. When we did the first urban ecosystem analysis, which we completed in 2002, that was very helpful to the City when we adopted the Residential Tree Ordinance. Prior to that time, we had not saved trees during the development process, and this helped us inform the stakeholder committee that we needed to do that. Right now we are just completing the stakeholder process for yet a new tree ordinance, so this is very timely in getting the data and the results of this new study so the stakeholder committee and you, the members of Council, can use this data as you focus on the proposals for revisions to the tree ordinance to make it even more effective.

Tonight I'm going to give an introduction to this process, and Tom Johnson, the urban forester with the City, will go into the meat. So, I'm going to cover the fluff, and Tom will go into the details. Of course, our natural assets provide ecosystem services. Ecosystem services are air quality, water quality, storm water management, habitat, help us handle flooding more effectively, water quality issues all come to us from our natural assets. What an urban ecosystem analysis does is it measures those assets, locates them, quantifies the benefits that we all derive by having those assets in place.

This particular study was made possible – we were fortunate to get a very nice grant from the Women's Impact Fund, and City Manager Walton also contributed some money towards our endeavor once we received that grant. Mecklenburg County also provided us with very high resolution imagery, and they donated that to our project, which had a value of \$30,000. Blumenthal Foundation and also American Forest contributed in-kind to the project. Now, American Forest has been doing this for quite a while. They are actually the nation's oldest citizens' conservation organization. They have been around since the 1800s. They have done these type of analyses in 40 municipalities around the U.S., and today they focus on providing technical support to cities like Charlotte to help you measure your urban assets, your natural assets, and integrate those assets into your growth and planning.

I really want to emphasize that this is not just a report, but in addition to the data you are going to see tonight, this is a tool. It's a tool that enables the staff at the City to work with the environmental assets and integrate them into all your other growth – road network, building network, infrastructure, so you can preserve those assets as growth continues. We have also done a lot of work in this region. I mentioned we published the first analysis in 2003, and there is a very intense interest in the City of Charlotte. Anybody who moves here I'm sure notices how much our citizens value their trees. The support at every level is tremendous. Chairing the Public Tree Fund, we had 800 volunteers come out in the last two years to plant 7,000 trees along our stream network. We are going to have another planting this fall, and we have no doubt that we are going to plant 2,500 trees, and that will be right in Charlotte in the Belmont community along the stream network there. We have no trouble getting volunteers. Also, Bank of America, one of our biggest corporations, and Duke Energy funded this initial study. There is an intense interest even at the corporate level with our tree canopy in the City of Charlotte.

We also published a 15-county analysis in 2005. Once the Knight Foundation saw the results of our initial study, they gave us a very nice two-year grant to study the entire region to see what was going on with our tree canopy. That study also showed continued canopy loss. Then the Clean Water Manager Trust Fund, a state agency, funded us to study the Mountain Island Lake Watershed in 2007 because of the impact tree loss has on water quality, and, of course, Mountain Island Lake being our drinking water source, there is an interest in preserving that drinking water quality.

The staff had asked me to point out key differences in a couple of things here. You are getting two major components in the study. One is a land cover change analysis, so we looked at the years from 1985 through 2008, and we measured the change in land cover over that time period. That type of analysis is done at a very rough scale, so what you do is you acquire imagery and then you classify that into land cover types. But when you do this type of analysis the closest you can get to the earth is about two basketball court size – pixel, if you will – and then the predominant land cover within that area is how the land is classified, so it's a very rough scale. It's not good for planning other than to know trends, so you will see a lot of trend information in the study, which shows change over time.

The most important portion of the study, however, is the high resolution. This enables you to get into a card table size area – very, very highly accurate – so then when you quantify your trees, your water assets, your open ground, and your impervious cover, it's very, very accurate, and this is the type of data the City should integrate into its planning going forward as growth and development continues.

So we quantified the land cover, first of all, into four types: trees, open space, urban area, and water. This is how we do it. We acquire this very high resolution first of all, which the County donated luckily for us this time. We then classified this into these four land cover types using GIS technology. Then American Forest factors in air quality issues, air pollution issues for the area we are studying. We also look at rainfall data because that has a huge impact on storm water management and water quality issues. Then we look at the soil cover because that tells you how the soil itself reacts to rainfall and so forth. That then enables you to use the software together with the data to produce reports that show you the impact you have. And, these reports can be done by the City going forward at the parcel level, at the watershed level, by zoning category, any level that is of interest to the City of Charlotte as it manages its natural assets going forward.

Then we measure the actual impact on storm water quality itself because of course as you remove tree cover you get increased erosion, increased velocity of water, which increases scouring and sedimentation into the stream network. You get storm water volume increases of course because the trees are not slowing the storm water runoff like street networks or rain gutters and things of that sort advance the water much more rapidly. We then also look at air quality. Trees are great tools for improving our air quality, so we measure that impact. A new feature in this report is carbon storage and sequestration, so our tree canopy is containing a tremendous volume of carbon dioxide, which, of course, is a greenhouse gas, so the more tree canopy we have the better we are doing in terms of managing our impact on global warming.

I'm going to bring up Tom Johnson now, and I would just like to say that the two things I would like for you to remember to take with you. This report is just a start. This is a tool, and it's really vital as we move forward in the City of Charlotte. We have come a long way. To take the next step as we adopt a new tree ordinance is to use this tool to fine tune our analysis of the City's natural assets so we can decide where we can preserve and get the biggest bang for our buck as we continue to grow.

Tom Johnson, Engineering and Property Management, said I would like to say before I begin, kudos to Rick. He was instrumental in securing the funding he spoke about. The contributors probably wouldn't have been as they were without his support, so, thank you, Rick. Again, I'm going to speak to you about the major findings of the urban ecosystem analysis for the City of Charlotte and Mecklenburg. This particular slide shows the tree loss trend based on the course resolution photo that Rick touched on. This data is really good for showing trends over time. It doesn't do a real good job of showing you a particular snapshot in a particular time,

but it shows you that general trend. The legend you see at the bottom, actually the red in this particular slide, shows you tree loss from '85 to 2008. That is based on the low resolution photo.

Really the heart of this report, to me, is the data you are gleaning from the high resolution aerial photos, and this is based off one of those. This is the high resolution photo for Mecklenburg County. These photos typically come from leaf on summertime photos. They are flown typically as part of the Department of Agriculture. They take these photos for agricultural purposes. Mecklenburg County supplied the funding to get these photos taken for Mecklenburg in 2008, and in 2008, this photo showed us we had about 91,000 acres of urban in Mecklenburg County, and about 50% tree canopy. That's roughly 175,000 acres of tree canopy. The other facets to this legend are open space, water, and bare ground. Bare ground in this scenario would be acreage that has been denuded through grading activity, so relatively low.

Councilmember Barnes said just so I understand the way you are presenting the data what was the percentage of tree cover in 1985?

Mr. Johnson said in 1985 the data that we had available was based off the land sat. The land sat, like we said, is very course, very low resolution, so it doesn't give you a very accurate snapshot in time, but at that point in time, it showed us between '85 and 2008 a net loss of about 33% total in the county. Don't have a high resolution answer to your question.

Councilmember Barnes said do you have a guesstimate? 60%?

Mr. Johnson said, Rick, do you recall what it would have been in '85?

Mr. Roti said while you are talking I'll see if I have it.

Mr. Johnson said he is going to look that up for you and see if he can find it in the report.

Councilmember Turner said the information you provided us tonight is excellent, but there are a couple of outstanding issues. I find it disturbing that your map clearly indicates what we see every day as we go around Charlotte and if you fly the area at any time, and we have had these discussions in the past concerning our tree canopy. The concern I have here is that you are providing us this information, and the solution is greater than even your future problem. I say that because we don't control this trend because we don't own the land. As it continues to be developed and clear cut, we can expect this percentage to go down even though our objective and our goal is to continue to try to maintain our tree canopy. I think you have to put things in proper perspective and make it realistic. The reality of it is that is have you – is there anywhere in this report that can tell us how much of this we see today is privately owned and likely to be developed in the future if we don't change our trend?

Mr. Johnson said that is possible to do, and I believe you would do that – first of all, to regulate the tree canopy itself would be through regulations such as our tree ordinance and our replanting programs. The way you could see a future build-out would be to use the shape files we have available at the parcel level and show a future build-out and then model our tree ordinance and what that would give us through time once those trees have matured and we have built out. It is possible. It's not a part of this report, but the data that is available from this report could help us to do that.

Councilmember Turner said thank you, and I think that is an excellent answer as well. Now, I'm going to give you another challenge here. Let's look at the trend as it is, as it's happening. One of the things I think is the greatest concerns that I continue to hear on this Council and from Ms. Carter over the years is that we cut down 100-year-old, 50-year-old tree. That's a mature tree. It takes 50 years for that tree to do what an adult tree is doing today in regards to removing the green gases and nitrogen out of the air and carbon monoxide. Can you help us understand the timeframe of the damage we would have to sustain and based on our air quality and erosion and runoff if we don't do it in a different manner and slow it down even more by using the tree canopy and more strict rules? Can you touch on that?

Mr. Johnson said I think the model is using the City green software that is proprietary software by American Forest could answer some of that. I also think that as we develop it's important to

not only protect trees but to plant trees back, and we need to do that at a rate that is going to get us ultimately to the goal that we decide as a city the way it should be. I'll continue on. So, again, this was the Charlotte tree cover in 2008 based on the high resolution photo. This slide is showing you the 2002-2008 – what tree canopy would be lost in that six-year window, and, again, that's in red. So there was an incremental loss of about 2% to 3% in the City and the County, and that's what you see here in red.

The other large part to the study that American Forest completed for us was to analyze our stream buffer network. Everything you see there in blue inside the County boundary, those are our stream networks, and they model the tree canopies in those areas and determine we had approximately 71% tree canopy. So that is a data tool we could use just like we could use from the parcel layer to see where we could reforest and where we are lacking in good tree canopy.

So the results summed up from 2002-2008 you see in Mecklenburg County in '02 is approximately 63%, and in that six-year period, we lost approximately 3% based on the high resolution photo. The City of Charlotte had approximately 48% tree canopy, and we have now fallen to about 46%. So the good new/bad news is that while we are still within the recommended range of American Forest we are slowly beginning to fall out of their range as I will show you here in another slide.

So, again, American Forest uses their city green software, which is based off models developed by USDA Forest Service, the EPA, and others, and they can calculate the amount of storm water that is retained by our tree canopy as well as the annual pounds of air pollutants that are removed, and they can also determine the amount of carbon that is being stored and how much our tree canopy is actually sequestering or taking in annually. So, the City of Charlotte, we had the same analysis run. Our tree canopy in the City of Charlotte is approximately 662 million cubic feet of storm water detention, and that is basically based off a given rain event and what it would take to detain that same amount of storm water that this tree canopy is doing for us naturally.

This slide I really feel is the nuts and bolts. Based off the high resolution aerial photos, this slide really shows you where we were in 2002, where we are present day or in 2008 rather, and if you were to carry that same rate of decline out to 2015, you would see that we would pretty quickly fall out of American Forest recommendation for tree canopy for Mecklenburg County. Their recommendation is that we are somewhere in the neighborhood of 50% to 55% tree canopy. So we are there. We are still very close to where they recommend us to be, but you can see in short order we may fall out of that recommendation if we don't change our development patterns.

So, what are these results telling us? Again, American Forest is recommending for Mecklenburg County that we fall in that 50% to 55% tree canopy range. This also tells us that our program and our tree ordinance is working. As Rick touched on, we have reforestation efforts along our creeks as well as CIP projects to install trees, so we are doing a good job. However, the net losses between 2002 and 2008 still show us that we are losing tree canopy. So, American Forest recommendations were the following: that we would use this data to calculate the benefit of trees provided by our existing tree programs, which we can do; that we would plan and establish our own tree canopy goals; we could use this data to identify critical areas for reforestation. That may be areas along our travel corridors or our creek networks that need trees; we can also use this data as an awareness tool; and we can use this data when we are engaging community partners and talking about tree planting efforts. This really gives us the best representation of where our tree canopy is and where we can take it. The next steps forward would be that this is part of our environment FAP to maintain a significant and healthy tree canopy. I will take some questions.

Councilmember Carter said thank you so much to Rick and to you, Tom, for your work here. Thought process is leading me somewhere. When we construct frequently we pipe streams, and when we concretize those streams, we cannot plant trees on top of those pipes because that deteriorates the system. It's a function of terrain respect, and I'm wondering this could be a suggestion that I made before to Council about our planning to give some sort of bonus for maintaining natural terrain. I think that could enter into preserving tree canopy as well. I'm very curious to see if there is any buy-in yet perhaps from the Environmental Committee and then as a recommendation to Council for our planning process to look at terrain as impacting our tree

canopy. It's a backdoor way to approach that, but I think terrain degradation leads to degradation of tree canopy.

Councilmember Cooksey said you are right. It's a lot of data, and it's a lot of fun to go through and figure out. Boil it down basically to three questions for tonight. First, when you are talking about comparing '85 to '08 and 2002 to '08, what geography of Charlotte did you use for each base here because the geography in '85 in terms of the square miles of the city is different than it was in '02 and different from '08.

Mr. Johnson said, again, that was done by American Forest. What they do is their GIS analyst I believe they use the same shape file so they can compare those, make those relevant to one another. The shape files they use for the GIS they try to use the same shape files.

Councilmember Cooksey said what I'm inferring from this, of course, the County data with the County being a fixed geography, I have got a high degree of reliability I can put on the County data, but the City data could be a matter if you got 20 acres, 50% tree cover, and then you annex ten acres, and suddenly you are down to 33% tree cover, and nothing has been cut down assuming the ten acres you annexed didn't have any trees on it. The geography concerns me on the Charlotte side. The second question I had is in comparing Figure 1 and Figure 2, and I know early on in the slide –

Mr. Johnson said in the presentation or in the –

Councilmember Cooksey said it's in the presentation, and it was also on the slides, but they are in the booklet in our packet. Figure 1 was the tree loss '85-'08, and Figure 2 is the '08 County land cover.

Mr. Johnson said this is a large file. It takes a minute to roll it through. You would like to see this one.

Councilmember Cooksey said what had thrown me was the difference between that image and the one that is in ours because in ours Figure 1 had a lot of green uptown, northeast of uptown, and all down South Boulevard, which threw me, and I was going to ask you why that was the case. Your image on screen has it as grey, and thus urban, but in our printout –

Mr. Johnson said you are looking at page 4 of the report?

Councilmember Cooksey said I'm looking at page 4 of the report, and there is a lot of green there in the central column of Mecklenburg County that is not green and is appropriately grey in your picture in the slide. At least it looks green to me.

Mr. Johnson said these should be the same photo. Perhaps the resolution on the screen makes the grey look green.

Councilmember Cooksey said it threw me off a bit. Finally, do you happen to know, say of the 25 largest cities in the country how many are above, at, or below the American Forest recommendation for tree canopy?

Mr. Johnson said of the cities and municipalities American Forest studied that we are close to the top in tree canopy that would be in that recommendation – one of the few, I believe. All of their studies are available on their Web site at americanforest.org. There are also some other sites out there that show we are approximately in the top echelon of tree canopies.

Councilmember Cooksey said I appreciate you adding that because whatever this Council and perhaps the County chooses to do I think it's good to recognize and realize that we are starting from being in the top as it is. We can express concern about sliding beyond that, but if we are already up there, then our goal is perhaps just as much preservation as it is recovery.

Councilmember Burgess said thank you very much for your presentation, both of you guys. The graph on page 8 to me is very alarming because that slope is pretty steep. You have very thoroughly explained the environmental advantages of trees, but what you have not talked about

is the beauty that they have added to our city. I can't tell you how many people have told me they moved to Charlotte because of the trees. They fly over Charlotte and think we live in a forest. Neighborhoods that have mature trees have higher property values because they are so pleasant to live in, and we must not lose sight of that fact of how our trees add to our attraction. This, to me, points out, as we work through our tree save ordinance, how important it is to hang tough on that. The other thing this supports is the Manager's recommendation for the care and feeding and replacement of trees, and I was delighted to see that. Thank you, by the way, but I can see just looking at that slope why that is so important to us, and I would love to see that trend reverse and go the other way, and if we do those two things, I think we can make that happen.

Mr. Johnson said I fully agree with that, and those are all noteworthy points -- the aesthetic value, the property value -- however, those are difficult to model scientifically and put into a report like this. You are absolutely right.

Mayor Foxx said I will just echo what Mayor Pro Tem Burgess said about both points. We do have a tree ordinance that is in the pipeline, and we'll be asked to consider it at some point, and I think there are some things we need to be thinking about that are outside of the box a little bit on how to help protect our tree canopy including consideration of an open space designation in our zoning ordinance, and there may be other ways we can deal with it. You are looking at trend line, and it's pretty dangerous what kind of track we are on, and we'll keep working to improve it.

Mr. Johnson said the stakeholders have been at it for almost five years, and I think they are bringing forth some really good recommendations, so I'm looking forward to that.

Mayor Foxx said this information, for example, with the Manager's recommendation, if we were able to correlate the investment in new trees and repair and preserve trees, would we be able to plug that into a model someplace and figure out what kind of impact that investment would make on this trend line?

Mr. Johnson said absolutely. The American Forest software can do things such as you are talking about. You can carve out individual parcels and grow those trees that are planted over time, and it will output the benefits and the results in a report just like was shown on one of those slides, so, yes.

Mayor Foxx said I know that a number of these ideas about tree preservation are being worked through processes as we speak, so I'm going to resist the urge to try to push the open space designation today because I think it's being discussed at a staff level, so we will see where it goes and maybe make a referral at some point in the future.

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RESTRUCTURING GOVERNMENT: CITY SPONSORED UTILITIES CUSTOMER SERVICE EVALUATION

Curt Walton, City Manager, said we have had a number of initiatives underway in Utilities, some of them for up to a year and others that we started in the past six months or so, and we want to give you an overview of what those are, and we will be back in June with the conclusion of a number of these. Making the presentation will be Kim Eagle, our evaluation manager from Budget and Evaluation along with Barry Gullet.

Kim Eagle, Budget and Evaluation, said, as Mr. Walton mentioned, at his direction, a team of City staff and outside consultant have been working now since March 1st in earnest to look at the Utilities Customer Service operation. We are trying to address concerns and make needed improvements, and tonight we want to share with you what the project plan looks like. I will refer to the overall initiative as "the project". You will see there are nine very different yet complementary components that we'll talk about. She began a PowerPoint presentation entitled, "Utilities Customer Service Evaluation Update," a copy of which is on file in the City Clerk's Office. She discussed the meter reading equipment audit and said we wanted to spend a little more time on this piece in particular for two reasons; first, there is such an interest in the public

about this topic, but, second of all, the audit is about to begin so it's very timely. I'm going to turn it over to Barry Gullet for this piece, and then I'll be back to talk about communications.

Barry Gullet, Utilities, I brought props. This is a water meter, and what I'm going to talk about is really what the audit is. An inspection might be a better word than audit because what we are not doing is going in and investigating a water bill. What we are going out to do is to inspect the meter equipment, the meter installation, so there are really three parts. It's all stuck together here, but there are really three parts. The brass part of this is actually the mechanical part of the meter, and this black part on top is called a register, and that can come off of here. I can't detach it right now, but the register has a dial on it. It spins around and looks like a car speedometer. It looks like an old timey car speedometer, and that registers how much water goes through the meter.

So the water goes in one end of this and comes out the other, and it makes some things inside of here wiggle around, and that spins the dial up here to increment the reading. Then this wire connects that register to an electronic component. This electronic component is supposed to read the same amount as here. It gets its signal from this mechanical register, so it's supposed to read the same. We have found some cases where they don't read the same. We don't think this is a widespread problem, but we don't really know, so really the purpose of the audit is to go out, first of all, and ensure that everything in the meter box that is supposed to be there is there, to be sure the mechanical register is working, to read that mechanical register, read the electronic device, and be sure they agree. Then the other function of this electronic device is that when our meter reader comes riding around the subdivision or the neighborhood or out in the country -- wherever you are -- reading meters, this is supposed to transmit the signal. It's a radio transmitter. So the other part of the test is to be sure that it is actually transmitting so that when the meter reader comes he gets a reading instead of a zero reading.

The process will work is that a person will come out to 9,000 homes in the system. They are going to find the meter box, they are going to take the lid off, they are going to open this little hatch, they are going to take a picture of that, they are going to read the dial, read this, and then the next thing they are going to do is go up to the house and turn on an outside faucet, and they are going to run a little bit of water out of that faucet, and they are going to watch to be sure this meter increments, that it actually advances, and everything is working. Then they go to the next house. That's the process. We are going to do 9,000 of them. They are scattered around the whole county. We have made a real effort to try to get a good mix of the various types. This is only one type. Some of them look a little different than this one, but we have gone to great efforts to try to get a good mix of the old types and the new types, customers that use a lot of water, customers that don't use so much water, all kinds of different scenarios so that we have a good baseline to work from.

Why are we doing this? First of all, it's independent. City staff isn't going to be doing this, and the supplier of the equipment isn't going to be doing this. We have gone through a selection process and picked an independent firm that we are contracting with, and they are doing that, again, to give us a baseline as part of a quality assurance, quality control program, and it's a part that we haven't done in the past. We have a QA/QC program, but we need to add this periodic audit to that process. He continued with the bottom slide on page 5.

Ms. Eagle said Barry mentioned the communication associated with the audit, and you have the door hanger in your book. We have also prepared a script for the auditors to use in communicating with citizens as folks come out of their homes and have questions, and finally we have a frequently asked question sheet that is in your book as well. We are replicating that for every single component of this project so that we spend lots of time and effort on communications because we have heard you and the concerns you have got around Utilities customer service and communicating with the citizens, so we are putting lots of effort, a tremendous amount of effort into the communications strategy for the overall program.

Councilmember Dulin said, Barry, this is for you. This is a big deal because all of us have got these reports of \$274, \$274, \$274, \$49. So, your guys or the lady, whoever the inspector is, is going to go and open it up and physically take a picture of the meter and physically take a picture of the adaptor or just the meter, and then he is going to go turn on water, which is sort of odd, you know, since they are having to pay for that water they are running through there, and then he

is going to go back and take another picture of it. We are assuming they are not running water inside.

Mr. Gullet said it doesn't really matter if they are running water inside. All we are trying to see is if the meter moves, if the meter actually goes forward when the water is running.

Councilmember Dulin said that's the problem though because these people who are getting \$274 bills – little old ladies – Ms. Nora, for instance – it's moving too much.

Mr. Gullet said I understand.

Councilmember Dulin said it's moving when she is not running water.

Mr. Gullet said the only thing that can move this is water going through the meter, so there are places where people have – there are leaks, there are appliances that use water, there are all kinds of things that use water. An icemaker uses water from time to time. So the only thing that will make this move is water going through it.

Councilmember Dulin said over the last year you guys have done – probably already done thousands of these checks because everybody says, no, they came out here and told me my meter was working properly, and yet I have a \$400 bill or something. I mean is this the same process we have been using that these guys are going to be using?

Mr. Gullet said, no, it's a little different in that what we are doing now is establishing a baseline. When we go out for a high bill investigation, we do get a meter reading, and we go back and we look at the previous meter reading, and we try to true things up. What we don't have – and we do get a correlation between the mechanical and electronic. Then we go back and look at history. So, to some extent, they are the same, but the difference is that this process is really focused on the equipment and not on the bill. When we go out for a high bill investigation, it's focused on the bill and why it's high and looking for problems. So they are both looking for problems – one focused one place, one focused the other.

Councilmember Dulin said I'm more than willing to give you all a chance to do this. It sounds like you have set up a really nice process, but we have to go out and sell it to the community particularly with high water usage months coming up. So your work is important to all of us particularly that little old lady that is getting spikes in her water bill, so thank you.

Mr. Gullet said let me talk about that a little bit more. One of the concepts that has been put forward is that the water meter generates pulses, and this counts pulses. So there are ideas out there, and I don't know if they are right or wrong, and that's why we are doing the audit is to try to find out are they right or wrong, but the idea is that there is either under-counting or over-counting of the pulses or that the pulses aren't being generated properly, and another possibility is that they aren't generating enough pulses or it's not counting the pulses and when we go out and actually visually read the meter then this has been recording correctly and at a higher rate than this has. So when we go out to read this, we get a visual reading, and the result then is a spike in the water bill. That's one of the concepts that is out there and one of the reasons we are doing the audit is to find out is that happening, and, if so, how widespread is it and what is causing it, so that is part of the purpose.

I don't know if that addresses your question or not, but there are a lot of things that can cause high water bills, some of them related to the meter, some of them related to the customer, and some of them are one-time incidents that happen and they are over with, and you can go out there and inspect everything that you want to, and you will never find out what caused it. But we are trying to establish whether there are really and truly issues between the mechanical and electronic part or not. That's the purpose of the audit.

Councilmember Howard said, Barry, if you could. You mentioned during your presentation when you showed us how the piece of equipment worked that there are different versions of that.

Mr. Gullet said that's correct.

Councilmember Howard said are you going to do an audit of all the same ones from the same vendor to see if there is an issue? It would seem to me that if you had different versions of the same equipment the problems could be different with each one of them. How do you narrow that down? Are we just kind of going to go out and study all Model A's and figure out if there is a problem with that one or all Model B's, and if there is a problem with that one or –

Mr. Gullet said the 9,000 meters that we are going to inspect are a mixture of the two latest generations of the electronics. The mechanical part of the meter I don't believe has changed in a long time. We began installing the electronic meter reading equipment in 2003. The supplier of the equipment is one of the largest – maybe the largest – I'm not sure. It's one of the largest suppliers of this type of equipment in the world. They are installed all over the place. Other utilities, other water utilities, other electric, gas, they all use sort of the same technology.

So we are on the – we started out with the Model 40s. That's the model number of this thing. We started out with Model 40s. They came out with Model 50s. Now they are out with Model 60s. There's a Model 100 that is supposed to be out in the next few months, so there is an ongoing evolution of these things as the technology develops, as everyone uses them and gets more experience and learns more about them. So we have a mix of those in the audit and are trying to find out is there a more prevalent problem with one than the other. We are swapping out the 50s for the 60s, and the supplier of the equipment is providing that for us at no cost. It is not costing us – I mean when we find one that has a problem, that is reported as a problem, we go out and replace this black part and this part and update it.

Councilmember Howard said you mentioned that the employees – I'm going to follow Councilmember Dulin for a second – when they go out, I'm kind of concerned about the fact that you are not going to – and I see you are talking about messages up here – telling them beforehand for safety reasons, one, getting police calls because the homeowner is not sure what is going on with their home and vice versa. Any chance it would hurt to let somebody know ahead of time that your house is going to be audited?

Mr. Gullet said we are trying to publicize it generally throughout the service area that this is coming, and the inspectors who are out there will have identification, they will have information from the City, they will be in uniform, so they should be readily identifiable. We have talked about trying to specifically notify the homeowners that we are coming to their home, and there are pros and cons to that. We don't really want people to think that they should do something to prepare. We don't really want them to try to do anything that would change the outcome of the audit in any way, although I'm not really sure quite what that might be, but we chose not to notify the individual homeowners but rather do it on a more global basis and to let them know after we have been there.

Ms. Eagle said just real quickly and then we can wrap this piece of the discussion up. We have worked with Corporate Communications to update the Web site. There is a link on the home page that can take you directly to Utilities. There is a link to a dedicated customer service improvements page related to this overall effort, and then as we reach key milestones, for example, the meter audit, we will be including detailed information here so the public will know exactly what is going on. In terms of next steps, we will be back on June 7th to share results from the work that is going on now, so the primary message is we have a plan, we have a comprehensive plan, and we are working the plan.

Councilmember Barnes said real briefly I wanted to applaud the Manager and his staff for responding to what has been a very challenging issue for a lot of our citizens. I know we won't address every single issue, but I appreciate us at least exploring the way our business functions and the way our service is delivered, and it's a good thing.

City Manager Walton said, thank you, Mr. Barnes, we appreciate that.

Mayor McCrory said I want to disagree with one part of the presentation as it relates to meters and how they can't be moved. I think either my four or six year old could probably find a way to move it pretty easily. We are going to move on from that presentation, and we are going to have to push the Transportation Action Plan until after.

City Manager Walton said we'll reschedule that, Mayor.

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Mayor Foxx said, Ms. Burgess, you have an agenda item.

Councilmember Burgess said, thank you, Mayor Foxx, for allowing me to add this to the agenda, and Mr. Flynn now is distributing some points that will request the Council to do something we don't like to do, but there is an extremely compelling reason to approve this request. A company wants to lease 64,000 square feet of office space at 500 Forest Point Boulevard off of Arrowood Road. We knew about that. We actually voted to expedite the hearing to May 17th. Now, they want to expand 240,000 square feet more and add another 1,000 jobs. However, they have inadequate to do that, and in order for them to have adequate parking, there is property across the street that they need rezoned for parking. They would like immediate occupancy, and they will not sign the lease until the rezoning is approved so they know they have the capacity to expand at this site.

The provision in the lease requires the expansion parking spaces to be available by October 1st, which means that we need to work fast. They are not asking for any other incentive from the City except this expedited zoning decision, and in April, we already talked about this, as I mentioned, and we moved the hearing to the 17th, but we didn't expedite the decision. The building owner, Faison, and the agent, John Culbertson, are asking the Council to reconsider this for an expedited decision, and that's my request to you tonight that we have the hearing and the decision the same night. Now, this in no way commits us to support their rezoning request, but this will allow this important project that will create 1,265 new jobs in Charlotte, so that's the request that I'm making. I think the staff supports it, and I would make that motion.

Councilmember Dulin said is that a motion, or does that need to be a different motion?

[Motion was made by Councilmember Burgess and seconded by Councilmember Cannon to]
[hold a hearing and make a decision on the property at 500 Forest Point Boulevard at the May]
[17, 2010, Zoning Meeting.]

Councilmember Kinsey said it would have been very helpful had we had this kind of information at the meeting last month because we didn't know what we were voting on. We didn't know anything about it, and I am one of the ones who really doesn't like to make a decision the same night we have a hearing. I understand there are times when it is possibly appropriate, but not having any information, it was very – I mean I voted against making a decision the same night. Now, I will go ahead and support this since I have something in my hand to read, but I hope in the future this doesn't happen. Probably won't, but it was very unsettling for me.

Councilmember Barnes said, Mayor, do we know what is across the street from 500 Forest Point Boulevard? What's on the BD, CD site now?

Tom Flynn, Neighborhood and Business Services, said my understanding is it's a vacant lot.

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

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CITIZENS' FORUM

REVENUE GROWTH & INFRASTRUCTURE

Dan Snyder, 4045 North Course Dr., said this is not so much a speech as it is a list of observations to get around to increasing revenue, improving infrastructure, which I believe translates to more opportunity for citizens and a better lifestyle. A couple of observations from the standpoint of a citizen as well as a small business owner. I believe that we have a model here that is limiting us from opportunity. I have seen well over eight figures in investment dollars

pulled off the table in the last three years and moved to Miami, Atlanta, other markets. For example, because we are sitting on 485 at 2:00 in the afternoon, and we are not moving anywhere, and you barely have a million people here. Why can't we get anywhere? Doesn't seem to be a commitment from Raleigh, and I'm seeing jobs and opportunities get lost, and I'm kind of looking to get educated a little bit and see what kind of vision or strategy exists. Key areas I would like to hear about at some point -- increasing the tax base and diversifying our business interests. I think we are too heavily relying on banking, and I believe by diversifying the business here we increase the tax base, shift the burden to the businesses, which I believe is the right thing even though I am a business owner, and I think we will see some more growth that will translate to more opportunity, and that's really what I wanted to say. Any type of information we can give in the short-term as far as what's happening to attract more businesses. It's good to hear tonight there are things happening and a significant amount of jobs, so maybe I'm a little bit behind the times, but anyhow I wanted to bring it to the attention of the Council that there is concerns of the business community about the perceived lack of growth and diversifying the business and increasing the tax base, and it seems as if we are being limited by that.

Mayor Foxx said thank you, Mr. Snyder. I have to tell you that this body is focused like a laser on trying to accomplish what you just talked about, and I will ask our economic development director, Tom Flynn, to get you the latest information we have in terms of what we are doing and what we are collaborating with others to do.

COOKIES FOR KIDS CANCER

Mayor Foxx said I have a very dear friend of mine who is here tonight, Amy Christenbury, who is very much involved in this, so it's great to see you here tonight.

Lesla Helbein, 4800 Aspen Ct., said I'm a volunteer for Cookies for Kids Cancer. Cookies for Kids Cancer is a national, nonprofit organization focused on raising awareness for pediatric cancer research through local bake sales and on-line cookie sales. It was founded by a family in New Jersey after their son, Liam, was diagnosed with neuroblastoma at the young age of two and a half. At this time, they learned there were many treatment options developed by scientists that simply needed funding so they could begin to give these kids and their families the hope they deserve. Just like the founders of Cookies, Charlotteans Amy and Jeff Christenbury, faced the same news about their son, Grier, when he, too, was just two and a half years old. Diagnosed with Stage 4 neuroblastoma, the Christenbury's learned the same facts as the founders of Cookies and quickly became supporters of the cause. Amy hosted her first bake sale in the fall of 2008 and began to make plans to host another event in the fall of 2009 when Grier suddenly relapsed, and they were facing treatments once again. So in just four short weeks of planning last November and December, the Charlotte community came together to pull off a bake sale that raised over \$30,000 in just four hours making the Queen City the home of the largest national bake sale ever. Now we are at it again. We see the difference we can make if we all work together. Families and businesses from all across the region are coming together for a Cookies for Kids Cancer Bake Sale at Taylor's Finish Line Festival. Taylor's Finish Line Festival is being held in honor of Taylor Gibbs, who is the son of J.D. and Melissa Gibbs, and the grandson of Joe Gibbs of Joe Gibbs Racing. Taylor, like Grier and Liam, was diagnosed at a young age with a form of pediatric cancer – leukemia. While I'm glad to say that Taylor is currently scheduled to finish his treatment in April after a long period of remissions, they are finally nearing the finish line, and what better way to honor these children than to have a carnival. Taylor's Finish Line Festival will be held on Sunday, May 23rd, from 2:30 to 9:30 p.m. at Charlotte's Z-max drag strip at Charlotte Motor Speedway. There will be carnival rides, midway games, a kids' zone, stage shows, including Toby Mack, appearances by NASCAR drivers, a pit crew cookie eating challenge, fireworks at silent auction, and, of course, a Cookies for Kids Cancer bake sale. We will once again have donations from many local bakeries such as Amelie's, Bird and Bear Bakery, Café Monte, Polk-A-Dot Bake Shops, and many, many more. We will also have over 6,000 items that are being donated by local families baking homemade baked goods in their homes as well as 15,000 cookies that we will be baking at our Cookies for Kids Cancer Bake-a-thon at Johnson and Wales on Saturday, May 15th, which we have already recruited over 200 volunteers for. The proceeds from Taylor's Finish Line Festival will go to Make-A-Wish Foundation and Levine's Hospital while the proceeds from our Cookies for Kids Cancer bake sale will go to Cookies for Kids Cancer with 100% of that to fund pediatric cancer

research. We will all be honoring Grier Christenbury, Taylor Gibbs, Marnie (inaudible), and Kay (inaudible), who was just diagnosed recently. These are only four of many children in our area that are currently battling some form of pediatric cancer. Our goal is to raise enough funds on this one day to fund an entire clinical trial, which can be as little as \$50,000 but run into the millions. It seems with the help of the Charlotte City Council, the City is primed to continue to be the leader of fundraising for Cookies for Kids Cancer both at the Finish Line Festival event and far into the future. I can't thank you enough for the opportunity to speak with you and our community about this wonderful cause, and I hope we will be able to work together. (Tape change). The founders of Cookies for Kids Cancer believe that if it takes a village to raise a child then it will take the world to fight pediatric cancer. I, too, believe this. Please be a good cookie and help us in our efforts in making this one of the biggest Cookies for Kids Cancer bake sales in the history of Cookies for Kids Cancer. Let's make "C" stand for cookies.

Mayor Foxx said if I make cookies can I send them and you all can sell them?

Ms. Helbein said we do have a packaging party that we are having on May 22nd, which is Saturday. People can bring their baked goods to Joe Gibbs Racing up in Huntersville, and we are going to have like a bucket brigade packaging cookies.

Mayor Foxx said Hillary and Antony Foxx are going to make some cookies for you.

Ms. Helbein said I'm going to hold you to that.

Mayor Foxx said I'm going to make them, I'm telling you. She is going to make them with me.

WARREN TURNER

Darrell Alleyne, 3613 Gargany Ct., said, Mayor Foxx, before I begin, may I have 15 seconds. I would like to apologize to you, Mayor Foxx. When I last spoke on February 22nd of this year at about 6:30 p.m., my grandson, Justin's birthday, you mispronounced my name several times, and it angered me. Inappropriately, I took offense to that and made a comment to you that was inappropriate, disrespectful; you're the Mayor. It wasn't important pronouncing my name, and I felt bad about it. I called you the next week every day, your office, to apologize to you personally, and I never got through. I saw you last week, Mr. McCarley, and I apologized to you then. I apologize now in the same format in which I acted inappropriately, and I do so now.

Mayor Foxx said I apologize again for mispronouncing your name.

Mr. Alleyne said, Mayor, I was wrong.

Mayor Foxx said I apologize.

Mr. Alleyne said this evening I am here regarding Warren Turner. I have been a police officer and investigator for over 40 years. I can tell you this, Mr. Mayor, I have known Warren Turner for six years. He has been a strong advocate for our police, public safety. I can tell you many, many times I have brought females, attractive females, to his office and never, ever have had a complaint from any of them. I know most of the people around this dais and you know me. I am a Republican. I support many of you Democrats because you are good people and will do so, but what I do support as an American is when someone is falsely accused by persons who become A, B, C, and D and seal their names in an investigation, Mr. Mayor, which I find to be not independent, not an investigation, but an attempt to cover up or reinforce garbage. An investigation starts, ladies and gentlemen, when someone comes to you with a complaint. You hear their complaint. You don't guide them. You don't instruct them. You hear the complaint. You then take the complaint and reduce it in writing. They sign it. You begin your investigation. That wasn't done here. This is like a crossword puzzle – A, B, C, said D; he said, she said; I might have been, I might have heard. This is a man whose family has been through a lot. Independent, I am told this law firm and these investigators are campaign contributors to you, Mr. Mayor, and they are supporters of you and friends of yours. Now, when this first came up, I called your office and said that for no cause, not a dime, I would do the investigation for the City. I have a bias because I like Warren by his integrity. I would have told you about my bias and for no money – not \$35,000 – you would have gotten the truth. That's who I am. People

here know me. I search for the truth. I don't see baits. I don't see times. I see the investigator say, "He told me." You put it in writing if you want to accuse Smudgy or Nancy or what. My wife says such harassment is what I did last night. That's all I have to say. This is garbage.

ILLEGAL IMMIGRATION

Alan Miller, 5900 Florence Ave., said this is difficult for me because I really don't like public speaking and I'm really kind of nervous. I'm only here because I notice a problem happening, and I figure if I don't speak about it it won't get any attention, and it's time that we start to stand up for ourselves. My subject is about illegal immigration. First, I think I was like a lot of you where I thought it's just a few of them or they are just people looking for a better life. Unfortunately over a ten-year period, I had gotten to realize a different picture, and the different picture is that – some of it is my personal experience and some of it stuff from television. They come here illegally, they overcrowd our schools, they overcrowd our hospitals, they take jobs that are designed for Americans, and you might say these are jobs that Americans don't want, but I can tell you for a fact that there is a company in South Carolina, a distribution company, that employs illegal immigrants there and they pay good wages, and I will guarantee you that Americans would like to have those jobs. My feelings really changed when I met a Latino family and I tried to help them, and they would tell me all the time that I was their friend, but I would go to their large cookouts – 50, 60 people – and I would hear them say things about Americans and America and how they really didn't like us but they liked our money. These people over a period of three years said things to me and did things to me that will scar me for the rest of my life, things that I will never be able to get out of my head. I think just because a country borders ours does not give them the right to just come over here and do what they want and say what they want and take what they want. They are here. They have no drivers' licenses and nothing can be done about it because I talked to the Police, and they say their hands are tied. In most cases, they are told do nothing. These people have a run to just go wherever they want, and we have to abide by certain rules that they do not. Like with insurance, I have to report an additional driver. They have one person that register five or ten cars, and you have bunch of people driving around illegally. And I said to them, "What if you get caught?" They say, "We just run. We declare the car stolen." They also know how to use our laws. They use them against us, and I could, if I had the time, tell you a case in point where I loaned money to people and tried to get it back, and instead I was taken to court for harassment. They know how to lie very well. They have other people that lie for them, so you are dealing with –

WE KARE MISSION – HOMELESS

Rev. Willie Simpson said I'm here tonight to talk to you about the We Kare. You came out one time, Mayor, as a Councilman – now, you are Mayor. I'm saying congratulations late, but there it is. I'm here to ask for transportation for this event. We have it every year, and it has been going on for ten years. This is our tenth year, and we have relocated. The church ministry is in Pineville now – 1616 Ervin Lane, Grace Unity Church. I am pastor at that now. What I'm asking the City to do is give support to this effort of reaching out to the homeless and the people in the community. From my experience in ten years doing this, I have noticed people that wouldn't speak to each other are now speaking. People that wouldn't have any conversation, they are holding conversations now – neighbors. You know the north Charlotte area, Pegram and Villa Heights. I fought for their reversal and all that. You knew about that, but now I want the City to join us with transporting the homeless from the shelters to this event. It is geared to bring them close together and give them hope, let them know that somebody still cares about it, and we got the name We Kare. Recently you have my sympathy about cancer because just a couple of years ago my wife passed from cancer, so I understand about cancer, and I was listening about that tree – about planting trees. If I can just say this? I would like to see the trees not planted under the cable wires and be butchered. You have seen that before? Ugly. Mayor, I am going to leave this with you, and I have some information about the We Kare Ministry. We need donations to help this ministry. We are nonprofit, and we have been doing it, like I say, this is our tenth year and looking forward to inviting all of you to come out to see what is happening over there in the north Charlotte area – Parkwood and Umstead Streets. That's all I need to say tonight.

Mayor Foxx said thank you very much, Rev. Simpson, and if you will leave that with us there may be some way we can help.

Rev. Simpson said sponsor the transportation.

Mayor Foxx said we'll see how that plays out.

Rev. Simpson said one more question, excuse me. Is anybody here from CATS that could talk with me about that?

Mayor Foxx said not at present, but that is why if you leave the information we'll have somebody reach out to you.

Councilmember Barnes said, if I might take a moment of privilege here to a point that Rev. Simpson made. Along the shared border that Councilmember Mitchell and I have, W.T. Harris Boulevard, some Duke Energy contractors have been clearing the right-of-way for their power lines, and the way they are doing it has created a scene that looks like storm damage. It's not a neat job, and I was wondering if you could contact Mr. Turner or someone at Duke Energy and ask them to take a look at what those folks are doing because I don't know if you have seen it yet, but it is a tacky looking job. They don't remove limbs. They almost just shred the tree apart as they move along. It's along Harris between Sugar Creek going east to Old Concord Road in various places.

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ADDITIONAL AGENDA ITEM

Mayor Foxx said now we are on to an item that has been added to the agenda. I think you all received a memo from the City Attorney over the weekend relative to this, and I will just give very little preamble here and turn it over to Mr. Turner. We did receive a report last week on the investigation that the Council had commissioned. The report contained a number of factual issues that have been investigated, some of which, most of which have been disputed by Mr. Turner, and a bedrock principle of a democratic system is an opportunity to give individuals a right and opportunity to be heard. The Council spoke loudly and clearly about affording such an opportunity.

Late last week Mr. Turner's attorney reached out to our city attorney and asked for an opportunity for Councilmember Turner to speak today. At that point, there was no opportunity for the Council to make a decision as we typically do about putting items on the agenda. I agreed to place it on the agenda using my discretion as Mayor with the understanding that we would receive something in writing in advance of the meeting so that you all would be in a position to understand some of the issues that Mr. Turner would like to speak about. We did not receive that, however, today at noon, Mr. Turner and I had an opportunity to sit down, and I'm satisfied that he is going to do an admirable job of explaining his position and telling his version of the story here. I do believe he should have the opportunity to do that, and I agreed to place it on the agenda tonight. So I'm going to leave it there, and, Mr. Turner, the floor is yours. There are two items on the agenda. One is the response from Mr. Turner and the second is if the Council wishes to consider any action as a result of what we have heard both from Mr. Turner and the investigator you have that prerogative tonight.

The final point I will make is that my intention is not to place this item back on the agenda in the future. I think we have been through a lot of conversation and discussion about this. It is not the most comfortable thing in the world to be having to deal with it for anybody. I think that if we can get anything for this body tonight it would be some point of closure so we can focus on the issues that the folks out there need us to focus on including jobs, budget, etc. Mr. Turner, the floor is yours and take as much time as you wish.

Councilmember Turner said, thank you, Mayor, and my colleagues for this opportunity. First and foremost, I want to thank my family and thank God because without him I would not have been able to get through this to this point. As you know, last week I sat among my fellow Council members and the City leaders, and I listened to a 20-page document filled with untruths, half-truths, and inconsistencies, a report that I was hearing for the first time just like many of

you. The report was prompted by a March 14, 2010, email that the Mayor, Anthony Foxx, sent out in regards to sexual harassment, and it stated it will not be tolerated. Immediately curiosity set out and rumors swirled.

It is important to understand at that time the email was sent to the Charlotte 11 Council members. I, along with a number of fellow Council members and City leaders, were in Washington, DC, on Council business. It was while on that trip I learned the email stemmed from a sexual harassment complaint or allegation against me. Needless to say, I was stunned, but even more stunning within minutes of learning that someone had accused me of such allegation of sexual harassment I learned that my accuser was on the same trip to Washington, DC. Further was not only she on the same trip but she was the same individual who accused me of sexual harassment. This employee is Employee A in this report, and the report, which I have before me, the same report which many of you have had the opportunity to look at, this very report says that this individual is Employee A.

The report of this investigation says that not only was she involved and made these allegations against me, but this person flew on the same airplane, shared my cab to the hotel in which I was registered to stay at, the same person that booked herself in the same hotel and on that flight. This is Employee A. My accuser asked me also after we stood around and I registered into my hotel, not only did she assist in watching my luggage, but she even offered in front of myself and other colleagues if I wanted to work out with them at 5:00 in the morning. It was not because – I refused. It was not because I knew or had any allegations or knew that any such thing had ever been alleged against me. I refused because I wasn't willing to get up at 5:00 and work out. I said no not because of sexual harassment.

Keep that in mind, please, such claims had ever been made. I said no because I was not getting up at 5:00. And, again, during the Washington, DC, trip when my accuser was present, I had no idea that any allegation of sexual harassment against me ever existed. However, there were quite a few who did know, yet they still allowed my accuser to be in my close company throughout this trip. Mayor Anthony Foxx, who was not in Washington, DC, but knew of this allegation and the accuser saying nothing. City Manager Curt Walton knew; said nothing. Attorney Mac McCarley, the City Attorney, knew and said nothing. It has been stated in recent weeks that I was not informed of these allegations because the complainant was not a big enough issue to address to me and that no formal complaint was made, another reason given for keeping me in the dark. My selected leaders did not feel comfortable coming to me as they view me as their boss. Given that, I am a member of the Council and also carry out the Council duties including filling key City positions, carrying out key City business. I find that really odd knowing that on many occasions the City Manager, the City Attorney, both of whom have long known about these allegations have walked in my office, talked to me about Council business matters that were of concern to them – votes on important issues and private matters – on many occasions on my time of being on Council, but they could not approach me about something as damaging as sexual harassment. The idea that they knew this and still allowed Employee A, the person who accused me of sexual harassment, to be that close to me throughout the Washington, DC, trip absolutely terrifies me.

According to this report, the same individual, Employee A, made a claim of one incident that was told three different ways, three different scenarios to various individuals. This incident supposedly happened December 14, 2009, in Councilmember Mitchell's office. I heard that as you have and many others in this report. This is an alleged incident that I later learned prompted Mayor Foxx on March 14th to send the email although he had known about the allegation since December 2009. As stated in this report, Employee A claimed to one person that I pulled her sweater at waist level. In another place in the report, the incident goes from pulling a sweater to lifting accuser's jacket. The same alleged incident – different scenario. There is a third scenario, but what point would that make. Also during this event I supposedly made an inappropriate comment. Employee A also claimed Councilmember Mitchell saw this, and he heard this comment. Further, according to Employee A, Councilmember Mitchell called her and apologized to her for my behavior. In this report, Councilmember Mitchell stated he did not recall the incident, stated no such phone call to Employee A was ever made.

In support of Councilmember Mitchell's statement, the report states the phone records that were obtained by the investigator could not substantiate that Mitchell ever made a phone call to

Employee A as Employee A claimed, but more than that what is the key here is that Employee A claimed this happened about 5:00 p.m. on December 14, 2009. I have records right here that will show the time I came in this building, the time in which I left this building, and also my purpose for being here when I came to meet with a constituent. I would not name that constituent because that is not important. Once my meeting concluded with this constituent, I got on the elevator and I reported to my duties at the Dinner Meeting approximately 5:27 p.m. on this date. As I have stated on numerous occasions when I first heard this, not only to my City Attorney but also to my City Manager, that under no circumstances did this ever happen. As documented, my movement throughout this center no way could this harassment charge happen because, first and foremost, I have never been with Employee A in my office, Councilmember Mitchell's office, or any other elected official's office nor have I ever seen her in our office area. I find this to be very disturbing. I expressed this to them at that moment still not knowing all that was there.

With regard to Employee B and the alleged incident in Reno, Nevada, in 2006, a near four-year-old claim that I heard about for the first time in the past few weeks: While on Council business, according to Employee B's statement in this very report, which we all have had and still have, it states based on Employee B she and I were walking through the hotel casino, just the two of us, she claimed. We supposedly passed a store in this hotel that displayed pornographic magazines. While passing the alleged explicit materials, according to Employee B, I made a sexual, explicit comment to her. First of all, I was never in the company of Employee B along during this entire trip. Further, if either of you were to pick up the phone right now and call the casino in the hotel that is adjacent to this event in Reno in this convention center not one would tell you that they have any such pornography, magazines, photos, or any such material in these hotels. As I stated then and I state now this never happened there or anywhere else in any other sort of time. Had the City leaders who knew this allegation that was made against me in 2006, four years ago in Reno, had just questioned me, then they could have followed up with the questions posed to this hotel. They could have tracked down the witness, anything to get the facts, and we would not be here tonight discussing this. I am telling you Employee B's claims never happened. It never happened.

With regard to Employees C and D in this report, how am I expected to respond to something when neither of these employees ever said to anyone what I supposedly said. My name, my character has all been questioned for that one thing – substance. Employee D did state in this report that had substance is that she did not recall the allegations and inappropriate comments that Employee A claimed I made and claimed Employee D witnessed. In fact, Employee D was supposed to witness two comments. She clearly made it clear that I never stated those things. As I have always told you even when it was first told to me, I had never made such comments.

I will say now as I have said before and I will come to say at no time have I ever made any sexual explicit comments and subtle sexual comments, any sexual gestures, or any sexual contact or any physical contact with any of these employees listed in this report or to any other individual in the work of professional environment. There is also an Employee F, as you all have read, and it is listed in this report as F. Investigators go back 22 years to find Employee F in an attempt to make someone claim seems about anything of a sexual inappropriate nature against me. They still got it wrong. In 1988, I was 24 years old. I was a cadet at the Charlotte Police Academy. I had a conversation where it took place before me and other cadets. I was asked did I threaten the cadet, and this is how it goes. My termination had absolutely nothing to do with sexual harassment. Was I questioned whether or not I ever had or been involved in a group luncheon with other folks that may have had those conversations or any kind of talk, yes. I was charged with threatening a cadet. With regards to all this entire investigation, Mr. Mayor, I was charged because that cadet stepped on my feet twice, and she asked me, "What are you going to do about it?" But this was not unusual behavior for her, and my response to her that I was very firm, "Do not do it again." Somehow or another it all turns into I threatened her. I was also cited for driving my parents' car on this particular day because my car was in the shop where I was cited for having an outdated tag and a sticker. They called the Police Department, and the police officer came on Police Academy property, cited me, and written me with a ticket. That ticket was later dismissed by the District Attorney's Office because I displayed later proof that my father had insurance on his vehicle and a registered tag.

Mr. Foxx, with regards to all this, the entire investigation, I do think that, Mayor Foxx, if any City leader should have ignored any claim of sexual harassment made by any City employee,

absolutely not. I just take this issue with the manner in which it was handled. I am a firm believer that any claim of sexual harassment should be taken very seriously, but I also believe that any time a person is named as an accused in a claim that a claim had been noted in writing and filed, particularly a claim as damaging as sexual harassment. The person accused has a right to know that such a claim exists – the law affords this right. I also want to address the moment last week during the release of this report where Mayor Foxx compassionately spoke of his four-year-old daughter, then looked at Councilmember Dulin and acknowledged his 12-year-old son. Mayor Foxx expressed how difficult it has been for him to look at his daughter, and Council member explained to his son about these sexual harassment allegations. Well, in hearing this, Mayor, words, it was as though my 11-year-old daughter did not matter and she did not count in this process.

Perhaps if I had been considered that these were claims against me, nothing based on fact, not evidence but claims, we would have a different outcome. None of us would have to have gone through this or these conversations with our children. As I have stated why these claims should be taken seriously, I mean that by having the allegations reviewed in detail I mean that by asking questions on both side, I mean that by conducting a thorough and fair investigation. Also the process should include the notion that the accused just might be innocent to those claims. So, to Mayor Foxx, I get the father-daughter connection, the emotional ties. For me, this process that I have been dragged through actually having to explain to my 11-year-old daughter about the untruths, the half-truths, of making the front page of *The Charlotte Observer* for the last six weeks. I have to assure her, my daughter, that the real truth will be revealed as she endures the whispers about her father.

In closing, let me make it clear. I take my position as a City Councilman very seriously. I take my fatherhood, my deaconhood, and my integrity, and my parents and my father and my grandparents very seriously. I was raised that way, and I will continue to be that way. As a Councilman, I have the upmost respect for the constituents as I do for every individual that my position allows me to take time to do and work with. At no time have I ever done or will do any of the things to jeopardize that. Throughout this agonized process despite the challenges, my wife and members of my church and my supporters as a Councilman as citizens and friends have remained steadfast in their belief in my innocence because they know me – because they know me. For that I am grateful, however, their support has not lessened the humiliation and the unfairness that I have faced throughout this process. From here, it is my intention as I go through this pain, and the pain must pass. My intention is to move forward and to continue to serve the citizens of this city, of my district, and my colleagues. Thank you.

Mayor Foxx said thank you, Mr. Turner. Comments from the Council.

Councilmember Barnes said I want to ask a question of the City Attorney. Mr. McCarley, Mr. Turner indicated that he had not been aware of the contents of that report until April 26th. Was that report ever shared with him or his attorney before that date?

Dewitt McCarley, City Attorney, said my understanding that on Saturday or Sunday, the weekend before the 26th, Mr. Turner and his attorney met with Valecia McDowell and Josh Lanning to go over the issues in it, and they were giving him an opportunity to respond back to what they were putting in the report. I was not present, so I can't give you the details, but that's my understanding.

Councilmember Barnes said did the report include his responses to the allegations at that time?

Mr. McCarley said, yes, sir.

Councilmember Burgess said, Mr. Mayor and Council members, as difficult as this is for us on the Council, for the staff, for the entire citizens of Charlotte, we have the opportunity to bring closure to this issue tonight. I asked the City Attorney to draft a resolution that the Council could consider, and I would like to distribute that now for your consideration.

Mr. McCarley said while Ms. Burgess distributes that I would like to give you one procedural comment about this. State law provides for excusing a member of the Council from a vote on

any matter that involves that member's personal conduct. My suggestion to you would be to excuse Mr. Turner from voting on this resolution.

Councilmember Burgess said does that need a motion?

Mr. McCarley said it would take a motion, yes.

Councilmember Burgess said given that is state law I'll make the motion.

[Motion was made by Councilmember Burgess and seconded by Councilmember Barnes to]
[excuse Councilmember Turner from voting on this resolution.]

Councilmember Dulin said I'm not going to support this.

Councilmember Barnes said that's not what the motion is about.

Mayor Foxx said the motion is about excusing Mr. Turner.

Councilmember Dulin said pardon me.

Mayor Foxx said any further discussion on this?

Councilmember Howard said just procedurally doesn't there need to be a motion – it's almost like an A and a B. You need to do a vote to vote. We haven't moved into a conversation to vote on anything yet, so shouldn't we take this motion first and then do that?

Mr. McCarley said either approach will be fine. Ms. Burgess has indicated that she plans to introduce –

The vote was taken on the motion to excuse Councilmember Turner and was recorded as unanimous.

Councilmember Burgess said I think you all have the resolution in front of you. The pertinent points are –

Councilmember Dulin said I would like to have the whole thing read into the record, please.

Councilmember Burgess said a resolution of censure by the Charlotte City Council of the City of Charlotte. Whereas, the Charlotte City Council authorized the hiring of an independent investigator to investigate whether complaint of conduct by a member of the City Council toward a female member of the City staff occurred, and, if so, whether the complaint of conduct constituted sexually harassing conduct as that term is defined and interpreted under Title 7 of the Civil Rights Act of 1964; and, whereas, Valecia McDowell, partner in the law firm of Moore and Van Allen, was engaged to conduct an independent investigation of this matter; and, whereas, that investigation is now complete and a report was delivered to the Charlotte City Council in open session on April 26, 2010; and, whereas, said investigation found that sexually inappropriate comments were made to a City employee by Councilmember Turner and such comments were sexually harassing; and, whereas, this Council condemns such behavior and finds it necessary to express the sense of the Council on this issue. Now, therefore, be it resolved – and there are two points here – that Councilmember Warren Turner is hereby censured for his conduct, and, two, that Councilmember Warren Turner is hereby directed to cease and desist such conduct and to comport himself in the future in a manner which is in compliance with Title 7 of the Civil Rights Act of 1964.

[Motion was made by Councilmember Burgess and seconded by Councilmember Barnes to]
[adopt a resolution authorizing the censure of Councilmember Turner.]

Councilmember Barnes said one of the things I'm struggling with is the Employees A through F cannot respond to Mr. Turner's response, and I have heard attacks on staff, I have heard attacks on the Mayor, and no one is really in a position to respond to this. I find it hard to believe that all these employees are lying, and I'm speaking as the father of two one-year-old girls, and I

don't like anything that I have been hearing. I think this censure is not enough. I wish we could do more. Unfortunately, this is all we can do, but the fact of the matter is that it's implausible, in my opinion, that all these employees are lying, and after the reports that I heard on Friday, I struggle to find that would be the case. We need to move on from this, but there needs to be some accountability. At this point, as the Mayor Pro Tem indicates, we are essentially limited in what we can do unfortunately, but I will support the censure motion.

Councilmember Dulin said we are clearly divided on this, friend, and I'm not a trained lawyer, but it doesn't make sense to me for us to be jumping to this conclusion of his guilt. There has been no proof, there has been no trial, there has been no rebuttal from A through F. There is just a jump to conclusions by this Council. Now, look, I made a public statement last week that we owe it to our employees to give them a safe working environment. Dadburnit, I will fight anybody that disagrees with that, but I owe it to my colleague to give him the shadow, the presumption of innocence. I mean one of the most troubling things in this report, Mr. Manager, and previous Managers, on page 10 says what she fears could negatively impact her employment. "Employee C stated that she had not reported the sexual inappropriate comments to her supervisor or to the City Human Resources Department again because of her concern that such a report could negatively impact her employment." There is a problem there in this organization if that's the case. I'm sorry that woman didn't feel like she could say something and the other ladies, too. At the same time, this is way out ahead of yourselves, folks, in my opinion, and I cannot support it.

Mayor Foxx said, Mr. Turner, actually you are recused.

Councilmember Turner said it's from the vote.

Mr. McCarley said there is no law on this. There are no decided cases. It is your call as to whether being excused from the vote also means not participating in the discussion.

Mayor Foxx said, Mr. Turner, I am going to recognize you, but I would like to see if there are other Council members that would like to –

Councilmember Turner said and I respect that, sir.

Mayor Foxx said any other comments? Mr. Turner.

Councilmember Turner said I want to comment to my colleague, Mr. Barnes', comments. I have not attacked anyone. I addressed these allegations that were in the report. I attacked the report. I didn't attack anyone sir, and you have a right to believe or think what you like, but I addressed the report as it was given, and I only stated the facts of who knew it based on this report. I'm going to ask him a question based on a question that Mr. Barnes presented to the City Attorney –

Mayor Foxx said you can ask him a question by walking over and asking him a question, but this is – at this point, the Council has moved and seconded a motion. On any item that we would have before us here at the dais, we would not be allowing outside conversation about an item that is before us, so you are welcome to consult with your attorney and make whatever comments you like, but I'm not going to allow third parties to enter into this conversation at this point.

Councilmember Turner said Mr. Barnes asked Attorney McCarley a question with regards to, I think, Mr. Barnes, you asked him when did we get this document, and that is a question that involved Mr. McCarley, who said he was not there. I will speak to that. No, we did not. We were promised to see this document (tape change).

Councilmember Cannon said I just need some clarity. One, Mac, typically, and I, like Mr. Dulin, I am not a licensed attorney. I don't know the rules as you all might as attorneys, but if an investigation has come back with a report saying what it has suggested and then the accused comes back and makes their case off of what they have been accused of, is it not then appropriate for what has been laid out by the accused to be rebutted or addressed in a way that brings some clarity? In other words, if the prosecution is prosecuting someone, the defense attorney comes back and does what it's going to do, but then the prosecuting attorneys come back and give their spiel, and that's the last word, and that's it. I'm wondering if that is applicable in this case, and

so that's number one because it would be without us really knowing – you get what I'm saying. The other piece would be the resolution itself, does this speak to the report because it doesn't really – I don't know that this says what the report is suggesting.

Mayor Foxx said those are two questions for Mac.

Councilmember Cannon said, yes, specifically in the fourth “whereas”.

Mr. McCarley said on your first question I have had enough conversations with Ms. McDowell after she finished the report and the presentation to you last Monday to guess that she would stand on the report as submitted. She would tell you that the material Mr. Turner presented to you tonight was basically a rebuttal of what's in that. She would tell you that what is in the report is her answer. The second question was about the fourth preamble – specifically what?

Councilmember Cannon said this would suggest that the investigation found that sexually inappropriate comments were made to a City employee, and such comments were sexually harassing. But we heard and we read that there appeared to be some level of physical contact – not just verbal, and this appears to address the verbal and not the physical, if, indeed, that was the case.

Mr. McCarley said if you remember the details of Ms. McDowell's report she was inconclusive on the third event, which was the touching. I have read this statement to her and asked is that an appropriate statement of what you believe your findings reported to the Council were, and she said yes. Basically it was standing on the strongest of the allegations. She has read this and said that is an appropriate finding in her mind.

Councilmember Cannon said on the verbal piece but inconclusive on the other.

Mr. McCarley said yes.

Councilmember Burgess said, Mr. Cannon, you said something about giving the accusers an opportunity to respond to this.

Councilmember Cannon said, no, no, not the accusers. I was only suggesting for – really it would be Ms. McDowell from Moore and Van Allen – not those mentioned by letter.

Councilmember Howard said I can tell you that when I decided to run last year this was not the kind of stuff I thought we would have to deal with especially not considering all the challenges this community is facing, especially not considering that we are talking about somebody that is not just a colleague but I consider to be a long-time friend. I'll be honest with you. I have gone back and forth on this. Even as I sit here now I go back and forth because we are asked to do something that goes beyond the scope of what I think we all decided we wanted to do when we ran, and that is somewhat serve as a jury and judge on this. I can tell you that, Mayor, I agree with you – tired of talking about it. I would like to move on. I can tell you that I have concerns for Councilmember Turner's family, and it goes beyond just his wife and his daughter, people I have gotten to know over the years. But I also very much take seriously the fact that I ran, and I'm kind of presented with an investigation that we took the time to spend money on. I was the one that raised my hand along with everybody else to support when we said we wanted to go forward with the investigation, and now I'm going to use my best judgment, and even as I make this statement, I'm still trying to figure that out when we vote on this, but I think more than anything that I wanted to go on the record that this is not something that I take lightly by any means, by any means, and that's all I have right now.

Councilmember Cooksey said we all want this to go away, and something nags at me and says the easiest way to make it go away is pass this and move on because we have two conflicting serious concerns here – the concerns of the work environment of the employees of the City of Charlotte, and we have concerns for the reputation of a long-time Council member. I, too, have gone back and forth over this. Where it comes down to me is that, in essence, to use a colorful metaphor, we saw a rock, and we're told that rock had been thrown through a window and asked an investigator was that rock thrown through a window, and the investigator came back and said

I can't tell if that rock was thrown through a window, but guess what was under that rock when I picked it up.

It unleashes this whole cascade of additional items that we now have to deal with that weren't part of the original inquiry, which leads to an interesting loop where the investigator hasn't presented us anything conclusive to suggest that the incident that started this began, and so we have nothing to go on on the original request, but now there are these other items that have been percolating for years apparently that also should have been addressed. So, I'm left with this choice. Do I vote yes for a resolution that will be in the permanent records of this Council and have a dramatic affect on the lives of numerous people connected to Councilmember Turner -- Councilmember Turner himself, his family, his friends, the City as a whole -- and do so mainly frankly out of concern for the message being sent for how our employees are treated in the City of Charlotte or do I vote no and say that I don't have enough at this stage to go as far as a resolution of censure, but I am on an ethics committee that is going to look at the ethics of this Council, that is going to recommend policy going forward that will address how Council members, both this Council and future Councils, conduct themselves when dealing with each other and with City staff and who knows what else we'll address when we get into that. So, given that, given that I can address my concerns about City employees through the ethics committee, I don't feel the need to easily vote yes on this resolution and consider that my closure to it, so I will be voting no.

Councilmember Mitchell said this is just tough as Councilmember Howard mentioned because we are all elected to do public service work. We had a City Council Retreat and we built the whole retreat on relationships and working together, and now here we are faced with one of our own colleagues. I don't think there is anything we could do around this table that can get 11 people to raise their hand. We are in a tough situation, and I'm sure the public just like we want to move on. I was hoping, as you mentioned, Councilmember Cooksey, that somehow through the Ethics Review Committee that a solution could be provided that would move us forward in the future. I had a conversation with Mayor Pro Tem, and she mentioned about the censure resolution, and I struggled with that from the mere fact I say is there anything else we can do, are there any other options out there because I don't want us to send wrong message to the public as well as any of our colleagues who sit around this dais and do this work not out of money but labor of love. Colleagues, whatever statement we make today I wish we will be very cautious, very mindful, but more important this is going to stay with us for a long time. So if we want to rush to judgment, let's be very clear what judgment message we are sending.

As I came here with my mind made up, I'm not too sure my mind is made up now at twenty minutes to eight. All of us can feel the pain of having kids. I look around this table. Even Mr. Cooksey has adopted kids. He is a role model. We all are very sensitive to the impact it has on our kids, and being a father and having to tell your 11 year old that those allegations are not true and you appear in the paper, I think it cuts at all of us. I don't know what the perfect solution is today, but I say let's be very careful the decision we make that this is going to stay with us for a long time.

Councilmember Dulin said just want to make one more point, Mayor. We do have this ethics committee that is now going to look into it, and there still is no formal complaint. There has never been a formal complaint. Now, some things came out after the investigation started, but y'all this goes down in the history books tonight forever on all of our records regardless because we are going to be voting for it. That's a voting record right there, and we need to be careful. Please be careful because don't rush to judgment if you don't have to.

Councilmember Cannon said earlier I said I'm not a lawyer, but I do know this as a business owner, and it's within my own practice, and I have heard it repeatedly, so I'm going to take that it's really not understood, but when you have a policy dealing with sexual harassment there is an either/or. One can be in the way of a formal complaint filed. The other can simply be in the way of an allegation. If you, as an entity, don't move forward with addressing the matter whether it's a formal complaint or a simple allegation, you put yourself out there to be liable for something just in the midst of if it's just a simple allegation. That's enough to move it forward. I just wanted to make it clear that in any public or private company and/or corporation it's just typical to have policy written that way. In fact, the one that has been drafted accordingly right now has those two things in it because it's just standard, and I was just clearing that up.

Councilmember Dulin said and I agree. Tim Mayes, his statement in the report is I cannot sit on this, and I applaud him on that. He couldn't sit on that. It had to be moved when A or B came to say I don't want to make a big deal out of this, but this happened. He did the appropriate thing.

Councilmember Burgess said also even though the employee chose not to make a formal complaint Mr. Mayes did document the conversation with a note to the file, so we have documentation that the conversation took place and the content of the conversation.

Mayor Foxx said we need to get some closure to the conversation.

Councilmember Turner said I just want some clarity, if you could, and help on this. I was there, and I heard Mr. Mayes and I read this report. As I said before, and I'm not going to go much deeper into that, but there are still many inconsistencies even from what I have read in this report about what Mr. Mayes knew, but publicly he stated clearly he only knew of one incident, and that incident was in February and it was the comment of a mug. Now, all of a sudden we know everything, but that happened in 2008, which I had never heard of prior to that. Again, I have made my comments tonight, and I really hope that my colleagues have an open mind here and reread and understand what has been said.

Mayor Foxx said we have got three issues. One is the allegations that were made and investigated by Ms. McDowell. The second is developing some policies that actually eliminate the vacuum in which we are dealing. We are dealing with a vacuum where there are some very serious absences of a roadmap for us as we go forward, and that I think is 95% of the issues that you have raised, Mr. Turner, and others have raised is due to the fact that we don't have a policy. So we are really literally dealing with this situation in isolation of a policy, and even if we were to adopt a policy, I doubt we could retroactively apply it to a situation that is already in front of us. So we are sort of stuck with what we have got, which is close to nothing.

The third issue is a culture issue. The fact that there haven't been "formal" complaints there are sort of two questions that raises for me, and I think the policy review by the ad hoc committee may get into this some. One of them is that if an employee files a formal or informal complaint against a Council member does that translate into some actionable step. In other words, if you are talking employee to employee, whole different situation. There is a whole list of things that happen. It's very, very clear how that gets dealt with, but I have some question as to whether a complaint can be formal against a City Council member given what we have got. That's a serious concern. The second concern is whether there is embedded within our organization some culture of reluctance to broach issues that are as serious as the issues that have come up in the last several months and how do we deal with that going forward. Again, I think it's something that may be addressed by the ad hoc committee to review the ethics policy, but that's a serious issue. Frankly, a lot of this stuff that has come out predated me as mayor, and I don't know what was known before or not. I don't know, but I do think some earlier point of acknowledgement of some of these issues should have been made, and I think it was a failure by the organization not to, but that is really not what we have in front of us right now.

What we have in front of us is a report that has apparently taken your perspective, Mr. Turner. There have been interviews of you, there have been interviews with City employees and others, and some conclusions have been made by the investigator, which is what we asked the investigator to do. So this body has to make some decisions about this particular situation. We have to deal with the policy issue, and depending on what our ethics review yields, I think we should really seriously look at some issues around culture. I don't know if it means bringing a consultant in or – I don't know what it means at this point. Whether it's sensitivity training or something, but it seems to me there are potentially some issues within the culture of the organization.

Having said that there have been a lot of things that have been said, and I'm going to try to take the high road, but suffice it to say that as I have said about 15 times so far that until I issued a warning to the Council there was absolutely no discussion of this issue and clearly there needed to be, and I'm not talking about the particular issue. I'm talking about just even the policy issue. There was nothing. So, Frank Sinatra says I'll take the blows.

Councilmember Howard said, Mac, this is a question I probably should have asked you before now. Given the fact that we commissioned an investigation, given the fact that this investigation now has findings, what kind of legal exposure does the City have to not act on the investigation?

Mr. McCarley said I don't believe your actions tonight will either increase or decrease any potential liability.

Councilmember Mitchell said, Mayor and Council, Councilmember Carter and I were just having conversation, and I guess I want to put this out on the table if Council thinks it's appropriate. Mayor, you mentioned about the culture, and I do think we need to send the right message that we respect our City employees, we want them to work in an environment they feel they are professional, and maybe instead of voting on this resolution tonight for the censure do we focus on language to address conduct between Council and City staff just to make sure our staff knows that we take seriously the allegations on how we treat you, and I think all of us around this table can be on board on making sure that staff knows that we appreciate them and we don't conduct ourselves professional.

Mayor Foxx said my personal opinion is that should be part of what the ethics policy review committee looks at. I don't think we are leaving that issue off the table tonight. We have had a lot of discussion about it, and I appreciate everyone's civil tone and trying to work through this. It's an incredibly difficult subject. It's an incredibly difficult issue, and none of us want to be sitting here dealing with it. At any rate, the question is on the table. There has been a motion and second on the censure, so I'm going to call it for a vote.

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

AYES: Councilmembers Barnes, Burgess, Carter

NAYS: Councilmembers Cannon, Cooksey, Dulin, Kinsey, Howard, Mitchell

EXCUSED: Councilmembers Peacock, Turner

Mayor Foxx said as I have said it's something, as far as I'm concerned, the Council has spoken. We have closed this issue out from our table, and we can move on to the issues we want to focus on including getting Charlotte back to work. Thank you very much.

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ADJOURNMENT

The meeting was adjourned at 9:03 p.m.

Melissa T. Johnson, Deputy City Clerk

Length of Meeting: 4 Hours, 45 Minutes
Minutes Completed: June 6, 2010