

The City Council of the City of Charlotte, North Carolina convened for their Annual Retreat on Wednesday, February 1, 2012 at 3:45 p.m. at Carolina Inn, Pinehurst, North Carolina with Mayor Anthony Foxx presiding. Council members present were John Autry, Michael Barnes, Patrick Cannon, Warren Cooksey, Andy Dulin, Claire Fallon, David Howard, Patsy Kinsey, James Mitchell and Beth Pickering.

City staff present were Curt Walton, Ron Kimble, Eric Campbell, Julie Burch, Ruffin Hall, Carol Jennings, Randy Harrington, Greg Gaskins, Danny Pleasant, Dana Fenton, Alban Burney, Kimberly Oliver, Kim McMillan, Tracy Montross, Bob Hagemann, Jeff Stovall and Stephanie Kelly.

Due to recording difficulties portions of this meeting is summarized rather than verbatim.

Mayor Foxx welcomed everyone and said it is great to be here in Pinehurst and great to have everyone here. Actually to the day, February 1st, we were having a City Council Retreat last year at Johnson C. Smith and we got word that we got the Democratic Convention and we went into closed session and made a decision that I think was right and historic in accepting that opportunity for our city. Now after we've caught the bus we're sort of in mid-stream in the process and this next couple of days is going to be about how we can capitalize on this opportunity for our city. I want to applaud those of you who were there at that time and those of you who are here now on work that we've done so far and the work that we have ahead. It is really a pivotal point in the City's history and it is an opportunity that no other City Council has ever had in the history of our City and I think we're going to have to do a good job on it.

Also this Retreat is about how we do our business and how we set priorities. I want to say a special word of acknowledgement to Curt Walton and his staff for helping put this together. You have done a great job helping with the agenda and we really appreciate you. When I think about what we can leave here with, I'm hoping that in addition to issues and upping through how we can maximize the opportunities for Charlotte through the Democratic Convention. I also hope we can leave here with an improved set of relationships with our team. It is an incredible tough job that you do, that I do and staff does. This year I think it is going to be particularly tough for us because there are going to be external things happening with various campaigns and everything with the talk that has been around us, it is going to make it harder for us to focus and to do the work we need to do. I hope during the next couple of days we end up with a real resolve to make this, not only a great year for Charlotte, but perhaps to make our City proud by the way we do our business.

Mike Whitehead, said some of you have heard this before, but I wanted to revisit a couple of things. One thing I want to bring in ... because this is how we started our Retreat last year. If you've been for the past three years you will know that Nicholas and I started and this is our third retreat with you. There is some follow-up that we want to bring from that first Retreat up in Tryon. We were at a little place in Tryon that had a cozy environment and then back at Johnson C. Smith last year and now here we are this year. From our interviews with you and conversations with you all there has been some significant progress just in terms of how you all work together. A lot of things have happened and we've got some momentum going here and of course we needed that momentum going into this amazing year that we have in front of us. We also brought this up because we recognize that this is how this represents the biases that sometimes we have when we are speaking to people. Those of you who have never seen this before, we brought this up because we said that for the most part, we look at each other sometimes not how they really are, but we look through our filters of how they are because as human beings we all have biases. If you find out someone is from New Jersey the first time you meet them, you may ask them how they have a pre-conceived notion about people from New Jersey. Because of pre-conceived notions, so we are going to use this to represent preconceived notions and prejudices and biases that we have sometimes, we all have them, and we see people through that. If you are a strong Democrat and you have a Republican in front of you, you have a filter about what a Republican is and the Republican has a filter of what a Democrat is. What we talked about last time is that at least being able to be aware that we have these things and notice them and put them aside and have a conversation, knowing that we are all human. We are going to see these biases occur during our conversation and we will ask you to be sensitive to them and it may be just a filter I have or it may be just preconceived notions that I have. The

purpose of this Retreat is to create alignment, full engagement, collaboration and accountability around the key areas of importance to our city. Those words were specific and intentional so let's look at each one. If there is not alignment this thing doesn't really work. There has to be debate in order for there to be alignment, and freedom of expression in order for there to be alignment, or else you get wobbly. That is the whole purpose of the word alignment. If you car is out of alignment you get some issues and it gets wobbly and doesn't work as well. The other word we have is full engagement and we hope that you will actually do that in this room. There is an intention behind everybody at this table being mixed regarding staff and Council and there is a reason why Anthony's name tag says Anthony and not Mayor Foxx. That is out of no disrespect for Mayor Foxx, it is really that this needs to be a collaborative conversation about what is best for our City and not get too caught up on the titles during the Retreat. Obviously, we want to honor and be professional about the titles but at this Retreat we hope that you will let your hair down and that the conversations are open and engaging. The last one is collaboration and we talked a lot about that last time and the ability to work together and even when we disagree with each other and we know that there will be disagreement on issues as we go through the next 3 ½ days and those agreements can be openly discussed in a manner that is effective. The accountability piece speaks for itself so I'll go to the last bullet, to operate as a high performance team. Most of you know that our background, we work mostly with corporations, executive teams cultured to get them to produce results in a high performance level and we do that from creating trust, alignment, accountability and candied communication. If you are going to be a high performance team you got to have some real straight dialogue with each other. You have to get below the surface and not just the political, so we are inviting you into a non-political conversation even though we know that there is politics in the room. We also know that once the media walks in the door there will be more politics in the room. They have their own interesting agenda, but we will ask you to do the best you can to be as candied as you can, yes knowing there is politics in the room. Our citizens don't really care too much about the politics in the room. Our citizens care about a great City and hopefully we can speak candidly about having a great City.

If we just go through this Retreat by default, the default is on the left hand side so by default is a programs automatic setting on operating systems. Left to its own devices, how would this Retreat go. If we don't envision anything different then how does it go? Left on its own devices, this thing can drift. We do not want it to drift, so that is human nature. I talked to you last time about my own personal relationship with my wife, and I told you I've been married 24 years and if I let it go it is just going to drift and we'll wake up one day not being close to one another, and then it will separate. We are going to call intentional deliberate behaviors guided by purpose, fueled by commitment and integrity. Guided by purpose, fueled by commitment and integrity. What is the purpose of this group? Let's remember why we're here. Let's remember that we are here for the citizens and have this be the most incredible city in America. That is our purpose. All the other stuff, someone said it is the majoring in the minor and I thought that was interesting. When people start bickering about little things instead of majoring in the minor. I hope as we go through this that you might catch yourself majoring in the minor. Let's this be an intentional 2 ½ days and obviously that is important to us. We are going to ask you to get outside your comfort zone, speak up to those you don't normally talk to. For those of you who talk a lot, maybe you want to listen more. Just look and see what would make the biggest difference for this Retreat incredibly valuable.

The Desired Outcomes – Let's start with this first one, an increased level of effective communication and trust within this leadership body, particularly new council members. You have a level of communication right now, the question is, given the DNC, given the Vision of Charlotte in the future, do we have the right level of trust and communication, particularly within this body of people right here. Can we increase that in 2 ½ days and say that we went from a 5 to an 8 and move the needle. That is one of the outcomes we want to get accomplished. Some of that just happens naturally as we start to get to know each other and talk a little bit. Be real attentive to Claire, John, LaWana and Beth, very attentive to the fact that they are here, brand new, trying to absorb this. I talked to Beth on the phone and there is so much coming at her at one time and I'm sure you have all had that experience. How do we make this something that they feel integrated and whole in this process? Number 2, Alignment and commitment to what it will take to insure DNC success for our city. Whether it is the DNC or the Super Bowl, if we had an event coming up like that or the Republican National Convention, if any city had an event

coming up like this, it would be foolish for this group not to align around it and you've got two days to focus on something like that. We want to be sure that there is complete alignment and commitment about how to make that thing the most successful thing it can be.

The third, Alignment of key priorities for the upcoming year which is obviously a standard commitment that you make every year at the Retreat as that is definitely a part of the Retreat. Staff will participate fully as equal partners in the process of developing ideas and strategy. This something you all talked about last year and I think you had some real movement in that area last year, even the structure of the seating is different now. In the past Council actually sat together and the staff sat on the outside. Most of the Retreat is centered around Council and there was a strong commitment made last year to get to know one another and work together instead of having some sort of separation. That has changed and do you think that has been useful? The last one was a deeper understanding of current economic environment and budgetary process.

Those are five outcomes that we want by 12:00 on Friday be able to come back to and say did we accomplish the things that we came here to accomplish. Nicholas and I will be clearly focused on Friday for those outcomes. That is how we determine whether we were successful of the outcomes that you said you really wanted. There are a couple things that came up in the survey and things I would like for you to think about. These are other items that came from the survey we may be able to touch on and hopefully they will come organically. The first one was identifying an existing service that the City can stop providing in order to increase funding for other existing services. The second thing that came up, adopt a budget with no property tax increase. Agreement that the 2013 budget not contain property tax increase. Adoption of new format for existing area plans. Build relationships of trust and respect between Mayor, Council members and staff. We're not asking people to feel good all the time about each other, but we ask you to be truthful and honest with one another. Sometimes that rubs the wrong way and Nicholas will talk about what happens when you get rubbed the wrong way as that can happen sometimes. Last is better understanding of my colleagues, better communication, better appreciation of my colleagues. This came a lot from the new folks too, if you really want to get to know you, don't wait for them to come talk to you, look for an opportunity to introduce yourself to them and see what occurs.

Nicholas Beamon said sometimes when you are having a conversation with somebody and they say something and all of a sudden you start to have a little reaction. That hit the wrong way or you might start to feel anger and that gets in the way of what happens next in the conversation. You all remember 6th grade science, somebody should have apologized before the volcano. What was the ingredient for the lava in 6th grade science volcano experience? Vinegar and baking soda. Sometimes when we are walking around with baking soda in us all day and when we hear a point of view that is not consistent with ours, we call that vinegar. So one of the things we want to look at over the next couple days is when does my baking soda start to fizz up because somebody poured a little vinegar on there and am I responsible if my baking soda gets bubbly and start to erupt a little bit? Is it vinegar or is it me and my baking soda? We want to look at it. Over the next couple days there may come a time where somebody is going to say something that stirs your baking soda up. I want you to look at that and answer the question, what thoughts are in my baking soda, what is all the action? It is exclusively that their position is different from mine or is it some kind of core value that they have brought up again, or is it some issue that I've had with this person? If you start to feel something going on, look at that. The mark of a first grade intelligence is being able to hold two opposing thoughts in your head and at the same time and still be able to function. When we have particular thoughts and we have opposing thoughts what do we normally do? When you hear something that is in opposition of your point of view, you don't have to react to it, you can respond to it, but you don't have to get all upset about it.

Mr. Whitehead said it might be useful to just say I think my baking soda is stirring a little bit and the humor will lighten it up a little bit. It is better than just having an eruption and sometimes you can have a little candied conversation when people are concerned about an eruption. That is not what we want. We want you to take responsibility for the baking soda that you've got and assume that it is not the other person that is doing it. To make that helpful a little bit, let's look at George Washington's rules of civility and decent behavior. It was interesting back in the day so let's see if we can apply it as we go through this process today. Undertake not what you cannot

perform but be careful to keep your promise. Let your discourse with men and business be short but not prohibited. Let your conversation be without malice or envy for it is a sign of a tractable and commendable nature and in all cases of passion admit reason to govern. When another speaks be attentive yourself and disturb not the audience. Treat with men at fit times about business and whisper not in the company of others. I'm going to ask you to consider adopting those for the next few days and I'd like for you to look at them for a second and then if you would be willing to adopt those for the next 2 ½ days would you actually raise your hand to agree with that.

Councilmember Dulin said I'm with you about 75%.

Mr. Whitehead said do you want to tell us which one you will not agree with?

Mr. Dulin said no, I'm still studying them.

Councilmember Barnes said I'll be happy to tell you my issue. Let your discourse with men and business be short and comprehensive. That really means nothing to me in this job or my real job because very little of what I do is short. As a general principle I agree with all of that and in fact I'm probably not the only person here who is trying to translate all this stuff, but some of that is fine but I wouldn't consider for example number 5, treat with men at fit times about business and whisper not in the company of others.

Mr. Beamon said in simple language no gossip.

Mr. Barnes said a room full of elected officials and their staff, you can be certain that we are gossiping about something.

Mr. Whitehead said that is actually the point because that is usually what happens, we are just inviting you into a different conversation for 2 ½ days.

Mr. Barnes said I'm not saying gossip in a negative way, I'm just suggesting that we will have conversation about things related to staff with each other that may be considered gossip but it is not intended to be negative.

Mr. Whitehead said that is the spirit of it. That is the essence of what we are asking you to agree to, not really the word for word part of it.

Councilmember Cooksey said I would not interrupt whispering in the company of others is not gossip, and would add a corollary to item 4, if you are going to be attentive don't have side conversation. That to me is what whispering in the company of others is. If the point of this is for us all to be engaged and all hit one through five, it doesn't really happen if suddenly I lean over to Greg and say something that nobody else hears.

Mr. Beamon said do you all remember at the meeting last year, the national conversation taking place simply around politics? The country was in a conversation about civility, harsh, heavy rhetoric, particularly in politics. We started this two years ago and I want to commend you all for continuing to work on this and by observation of you on this, you all work hard to try to maintain civility in your conversations in your dealings with each other. That is to be commended as well as it needs to be reaffirmed. That is part of why you all have been able to accomplish the things you've been able to accomplish so the spirit of this is what Mike and I really want to invite you into. Let's have important conversation, let's have detailed conversation and let's have spirited conversation but also let's maintain not only here, but when we get back, maintain the civility that allows us to ...

Councilmember Cannon said I would hope that we could get our arms around letting our thoughts be our own, to put blinders on because I know that sometimes we can be influenced by others and I would hope that it would be our own genuine thoughts rather than the blind leading the blind. As we are discussing these issues that we need to make sure that we are being honest about what our thoughts might be rather than the idea of somebody else.

Mr. Whitehead said you actually made some agreements about how you were going to practice doing something. Just notice what you agreed to last time and seeing if you made any improvement from where you started from. We ask you what would make it work better and you said if people were on time that would make things work more efficiently. You said inform staff if you expect to arrive late or not attend. If you couldn't possibly be on time every single time, but you would inform people ahead of time out of respect for their time. Be mindful of frequency of interruptions to ask questions. Members shall not attribute motive when making comments from the dais. Maintain decorum, focusing on the topic, not the individual. Compare your group with other leadership bodies and notice how professional you are with one another. We are talking about something that is not even broken and talking about how to have a level of performance. Be on time, don't repeat other comments already expressed. Start every conversation, knowing we all want what is best for our community, mutual respect from the beginning. Handle personal conflicts privately away from the media and public. Confine discussion to the issues, not question motives. Identify clear priorities of the City Manager and stick with them. Honest and direct and diplomatically deliver feedback by having constructive conversation. Work toward securing achievable goals. This is for staff as staff has a separate one. (1) The climate we choose to operate in is based on the honest and mutual respect. Though we may disagree with policy objectives and are mutually accountable, standing together with the things that are working well or not. (2) Operating in a positive candied tone, and seek to make decisions with as much of the full story as possible, sharing information both ways in as timely a manner as possible. (3) Strive to interact with each other as frequently as possible while respecting each other's time restraints and consistently building higher levels of trust. striving to have meaningful and productive conversation. (4) Willing to step outside our comfort zone to be more creative. (5) Seek win/win solutions realizing that sometimes there are not perfect answers. (6) Supporting and encourage risk taking to solved problems. Staff can look back and see how much movement have we made. It is not about engaging in support, but have you made improvements in that area.

This last piece, we went over with you last time our research on High Performance Teams and what makes that team really perform at the highest levels and be more proficient. (1) Were you able to admit weakness, concerns and mistakes without fear of retribution? Can this body actually stand up to staff and say I think I made a mistake on that or is staff able to say I think I made a mistake on that and I own my own mistake. That is exactly what we are coaching executives on all day is to let the ego down and acknowledge that we don't have all the answers and sometimes we mess up. The ability to say I had it wrong. That is one characteristic of a high performance team. (2) Able to engage in constructive debate without being guarded. (3) Full commitment and buying into decisions and directions. Once you've argued and debated, at some point you've got to say I don't agree with you, but we are going to go with this. (4) Able to coach one another without concern for it being taken personally. You have to have respect for each other to pull each other to the side and say I think your baking soda is stirring up right here. Don't go into the meeting with that baking soda like that because if you do it will cause a volcanic eruption and that is not good for anybody. (5) Able to put the teams collective goals first instead of your own ego or your own ego or their own division. (6) Able to see the bigger strategic picture and not get caught up in the optic view of your area.

We want to stop here and set the context for how do we have a constructive meeting if we don't have certain ground rules and agreements on how we are going to operate together. We want to give you about five minutes to respond to anything that you've heard so far.

Mr. Dulin said do you have any of those goals, it's not in our agenda anywhere and I've been trying to following, but it would be nice to either keep them up so we can talk about them. You asked us to sign those, but you didn't get 100% of us to sign them.

Councilmember Cooksey said the definition you have listed there as a high performance team, it is going to be very rare for a political body to be high performance because we are going to maintain our appearance and stand even if we've lost. So putting the teams collective goals first is not what a political body is about.

Mr. Whitehead said the essence of the spirit of it.

Mr. Cooksey said where we've talked about, to evaluate the performance of a political body as you've done before and done even today, you have to really separate the process for the end result. We are here to remain and keep our differences about the end result so we are not always going to put the collective goal first if we are not willing to give up some of the individual strong feelings we have about certain things. But if our process about getting there is respectful and airs out everything that is about as far as we get on high performance. If there has been a divided vote and we have a few, don't expect everyone around Council to go out in the community and advocate what the winning proposition was. I'll at best explain it, but I will never say I changed my mind because I lost a vote.

Mr. Barnes said what we discussed was the fact that under the operating agreement a number of those issues were raised by people who are no longer on the Council. We are not certain that they still apply, at least not with the intent that they might have applied two years ago. Generally speaking to the point you made earlier Mike, about the way this body operates as opposed to some other bodies, we work hard to be civil, even when we strongly disagree with each other and generally it is when people are going outside the boundaries of where I consider to be decency that things become a bit more ... so generally speaking I think that we will continue to operate in a fashion and to Warren's point even if the collective goal isn't embrace by each one of us individually, I think even when we disagree we try to figure how to do what is best for the majority of the people in our city. That leads you to what you described and it is intentional the way we conduct ourselves. We don't want to appear to be a dysfunctional body so in that process you have to say okay, I may disagree with that but I'm not going to call her names and say nasty things about her in that process.

Mr. Whitehead said with the four new people coming on board, the four of you who are new, obviously, everyone is interested in how your personality will play into this and how intentional will you play by the rules of the game or will it be different. We want to do an exercise like we did last year, including all of our four new council members. It will help you see just the way people communicate, the way people like to listen and the way people like to assert themselves. Having the new people come in you will really appreciate this and this is a very quick study with all your fellow Councilmembers and staff, right?

Mr. Beamon said there is a distinction I want to point out that there is a belief about what should be done. I very a very strong belief about this and it might be just an opinion about a particular issue, or a more philosophical, ideological belief. Then there is a bigger commitment to moving the City forward. If we just get stuck on the belief of the issue and we lock down there, it all fizzes up pretty quickly. Just a form of distinction, I have a belief, I share my belief and the other person has a different point from your belief, and now I've got to work with all of that to move the issue forward. Then there is the bigger picture and we sometimes call that compromise.

Councilmember Mitchell said Kim did an excellent job of coordinating all our thoughts so I'm just going to repeat what Kim has recorded for us. The first one that talked about being on time, I think the Chair of the Committee we heard very loud and clear that we need to be very sensitive when we start the meeting and respect the citizens who come into our meeting. I think all of us really tried to start getting there early. One positive, I think staff does an excellent job of preparing us. A lot of us have meeting briefs 30 minutes or an hour prior to the meeting and I think that makes us comfortable and kind of gives us a heads up on what questions to expect. Andy brought up a good one when we talked about civility and I think we vote took that I think we were all embarrassed. It was a church in Wilmore and it went down racial wise and I think we all stopped and it was the first time that we said WHOA, that is not the right picture that needs to be portrayed to our citizens. We work collectively as a Council not to do that.

Mr. Dulin said that happened so fast, we took that vote and Michael leaned over to me and said that was racial. I looked down the dais and said whoa and I didn't even realize it at the time. I just voted the way I wanted to vote and then right after that we were in Tryon and Council had that little pow-wow, it was just us, and we talked about it and we did a really good job of just getting in there, just us.

Mr. Mitchell said we asked staff to give us some feedback how can we make their job better at the table and I think one thing we need to kind of embrace is to allow staff to take risk and it is

the difference of them thinking can I get six votes to get something done or can I be creative to move the City to where we think the City and the Council would like to go. I think for us that is helpful and let's don't be so rigid with staff, let's continue to do what we usually do, tell staff get creative, bring something back, here is the objective we are trying to accomplish and let them work their magic. I think we focus almost too much on process and we should focus more on outcome. I think the citizens want to see the outcome and how we are moving the City and I do think sometimes we spend too much time on how do we get there. I think outcome is very important.

Mr. Beamon said process is a beautiful things, but does anybody really care how your flat screen TV is working.

Mr. Dulin said go to the sixth principle please – number 4, are we willing to go outside our comfort zones to be more creative. A glaring example of that for me, and I suspect I'll get some heads nodding because Council and with staff's help, us going outside our comfort zones for Chiquita. That was way outside everybody's comfort zone and even as recently as yesterday I was defending that expansion of what we did with what we normally do with Chiquita. I'm comfortable with that vote and I think we did the right thing but that was an opportunity for us to do what was right even though it was uncomfortable.

Mr. Beamon said to highlight that personal level in our interactions where we all have a certain comfortable that we normally will have. We want to still be comfortable and sometimes in our competition we know we need to have but we also believe that competition will be uncomfortable. If you think it will advance the relationship, build trust, advance what we are trying to do for the City, to get out of your comfort zone and have a conversation. The desire of a comfort zone is on the default side. Often times being on the intentional side is uncomfortable. The things that are most significant you've been out of your comfort zone.

Councilmember Fallon said Charlotte is a unique place and the civility and decency of everybody's work is so unusual, it is in the air. It's the tone that is set and it makes easier to work and staff is just wonderful.

Councilmember Mayfield said one of the other pieces that we looked at is where should we be focusing our efforts when we are looking at the big picture and looking at the City? It was great conversation and thought that came up is when we are balancing our goal as Council as well as the community goals as well as public and private, how all of that comes together and how can we as staff and Council really get together and focus on what some of the concerns and immediate needs are. We also discussed going back that years ago when Council had the discussion and we looked at what our top priorities were and to focus on regarding the City and is there possibly a time to rethink that process and look at it again even though it is a very uncomfortable process because we come in with our own interest and we have the pieces that we want to champion, what is really the best way now moving forward to really move the City forward and to move the leadership along staff?

Mayor Foxx said I'm reminded of the list we did at the last Retreat of all the things that we've gotten done. For those of you who were here, I'm very proud of the staff and the Council for steering us through that list. We are dealing with micro environment with the large companies that are not as focused on the city and we are trying to figure out how to deal with that. We are dealing with citizens that are much more sensitive around tax rate and I think one of the fundamental reasons why these principles are so important is because we're not doing static work with a dynamic element and what we need from the staff or what the staff needs from us and what we need to do together may be different today than it was 5 years ago or 10 years. We've got to constantly check in with each other on where that balance was struck.

Mr. Beamon said when I hear that kind of comment and I look at you and think about all the various functions, all the various functions, all the various roles and responsibilities, all the moving parts to have all this work and the thing that comes is symphony. If you've ever been in a band you now no matter how talented the individual musicians are, what has to occur for that to sound beautiful and really work. So we are constantly working on the symphony of others and how do you put all of this together. I appreciate you noting the civility and you know that even

before you came on and now that you are in, that is a big deal. Everywhere in our country people are saying politicians can't correspond, they can't get along, they talk to each other like they can't stand each other. You all have done that and the four new member are stepping into an existing culture. I want to acknowledge that and say let's kick it up a notch with respect to since we now have this culture, let's step up what we expect to be able to create together, staff and Council.

Mr. Whitehead said the whole part of this session, the context gets set for the most successful two days of discussion and content and work. Everybody has got something on their mind today and every time we open our mouth that is going to be in the background, everybody had got their concerns here. What we are looking for is how we set this up to relationship and have a strong relationship within this group of people for this is the leadership body of the City. Can this group have the core accountability, trust, respect, and intent, can this group really be pretty tight even though they disagree on a lot of things. That is a big piece of what we want to make sure we get right. If we have the relationship that allows us to go step three we're building a pyramid here, the step three part is now I can have some open, honest, direct communication with you. If I trust you at level two, I can speak straight with you. Mike, you and I have disagreed on some things, but we go back a ways and we've got a good relationship. I feel I can speak real straight with you and disagree with you. I feel like you can do the same with me, but that is only because I had to work through my own biases and perceptions. If you've got straight communication going on with people in your department then that allows you to then go into this phase of ideation. How do I start talking about new ideas, about new ways to do things in the City? You say well, let's look at the possibility of eliminating a program within the City, let's look at the City having consolidation issues. Let's bring these things up that are fairly controversial, but if I have level two really solid and level three, I can talk about those kinds of things. My baking soda doesn't get stirred up in that. Baking soda gets stirred up when you are down in the box and you have to work your way up. What happens after you have ideation? You have this idea and you're having this great conversation and it's forming new ways of doing things, you start to declare your vision, what comes next?

Mr. Howard said the actual work.

Mr. Whitehead said even before that. We've got these ideas out here, do we really align on these ideas? Many executive teams we work with miss that. So the person in charge says well, I think I heard everybody agreeing with me so are you all with me, and everybody nods their head. But they are not really aligned. That is a disloyal act by the way, to tell someone that you do when you don't. We missed this part and we want to make sure that as we go through this process in these 2 ½ days that you are able to work through all these documents. You can look and say where are in this process and once I've got alignment what is my next step. Even before action I've got to get to a strategic design. Now I can have a strategic plan for the City and now I can plan. It is hard to plan if I don't have everybody aligned or if I have relationship issues. If you've got relationship issues, people not trusting one another, you are not going to get up this chain. You'll get compliance at the very best, but you will not get commitment. There is a difference between compliance and commitment. After the strategic design, then I've got execution. That is when stuff starts happening, right? Here is what I request you do, here is what I promise to do and the last piece of this puzzle is now I got up to accountability acknowledging success and failure. Accountability is not a bad word. Let's look at what you all have accomplished this past year and let's say we're accountable for that. This group is accountable for an amazing year. This group has accomplished an amazing amount and I think it is because you've been successful, working your way up through this. As we go through these 2 ½ days what we are going to be focusing on mostly tonight is one, two, three, what we call below the line. How do you know each other? You've got to know each other. These are people in the room who care about making the City better. These are people committed who love this City and contrary to what the newspaper might print, we didn't get paid a lot of money to do this. In fact if you average out all the hours you've spent on this, including the fact that we did it free the first year, and spent three days away from our families and by the way \$10,000, \$5,000 a piece over the three days, not even the three days, but all the time we've spend on this, you've got to understand this isn't what we do for money, this typically would be we've be charging \$40,000 to do this for a corporation so we don't do this for money. We are not here for three days for that, we're here for three days because we are committed to this City. We are not going

anywhere. So let's get to know each other and enjoy each other's company. We've got work to do tomorrow, we've got to dig into issues, but tonight just put all that aside and focus upon the first three. The way we are going to invite you to do that is in honor of our guests, our new members, and those who haven't been here before, is to have a round of introduction and everybody gets a minute. In that minute we are going to obviously ask you to say who are, what position, what you do so everybody knows in the room, then we will ask you to say something that you are proud of, that you have accomplished this year in your job. The third thing is where did you grow up, what is your back ground and what was the defining moment in your life. It can be anything, it could be a person, it could be something that happened to you, it could have been a tragedy, it could have been a positive thing. Think about it, what was it that happened in my life that I could point to that helped define me as a person today. It may have been who influenced you to go into City government or it could be anything. Take the opportunity to be real for a second and not political and let people know who you are as a person.

Introductions

Mr. Whitehead asked Council members and staff to tell something about themselves, what their position is, where they are from, and the most defining moment in their life.

The meeting was recessed at 6:08 p.m.

February 2, 2012

The meeting reconvened at 8:27 a.m.

Mr. Beamon recognized additional staff members who joined them, Pat Mumford, Director of Neighborhood and Business Services, Debra Campbell, Director of Planning and Carolyn Flowers, Director of CATS.

Mr. Beamon recapped yesterday afternoon's activities on building trust, building commitment and relationships.

Macro Overview

City Manager, Curt Walton, said the Council Manager Relations Committee that Anthony reformed also became the Retreat Committee and they met several times and talked about how they would like for this Retreat to be different. I would like to make three points before I turn it over to Randy and Gregg. First, I think we have turned the corner. It has been a very slow turn, but we've turned the corner and started to see growth, even in things like sales tax. They are nowhere near where they were three or four years ago, but they are at least not going backwards. Property taxes seems to hold and grow slightly, so we've turned the corner and a lot of that credit goes to you two or three years ago when we presented you with 80 plus recommended reductions, most of which you accepted and that really changed our expenditure account. That has helped us stay within budget. The organization is going very, very well, even under those reduced budgets. The problems still remain on the revenue side, but I think we've turned the corner and really have started moving forward. The second point is on the operating budget. I think we have one considerable issue on the operating side. The numbers that Randy will show you today don't have compensation it them, but we are to the point of really needing to go back to a compensation plan. There are two pieces of that, Public Safety Plan which in the past was unsustainable financially. Rodney and Jon have appointed a group that have been working for a number of months and they have come up with a good plan that we will present to you in the Budget Retreat. It is something that we can support so I feel obligated to helping with that plan. Even though Police and Fire is the biggest part of our workforce, they can't roll without the mechanics. Our code enforcement plays a huge role for both the police and fire so it is revolving inside as well as public safety so that is the basic issue on the operating side.

The capital budget is by far our biggest issue and that we have no more debt capacity of any size, about a million dollars, so we have no more referendums scheduled. I think the 2010 was the last one we did and that is problematic on a number of different levels. The rating agencies are one, but also we are not in a position right now that we need to be in a growing community even

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if the economy continues to grow. How we address the capital program is very, very important this year. We talked about risk yesterday and that is something that staff is beginning to work through that process and we will present something to you at the Budget Retreats. We are looking at our work very differently and involving a lot more partners than we have in the past. That is by far the biggest budget issue we've got, is how we restore the capital program.

Revenues

Finance Director, Greg Gaskins said last night Randy reminded me that three years ago I started my remarks by asking if anyone knew why God had created economists and he reminded me that he still remembered that story, it was to make weather men look good. In your notebook, there is some great material that goes into much of the things we are going to discuss today. There is some good information on the Charlotte Forecast 2012 and it came from the Chamber work they do every year. Nothing has really changed and there is some great material in your book that goes into much of the things that we are going to discuss today. At the back of that I wanted to point out that there is some really good information on the Charlotte forecast for 2012 and the economy with some detailed information that came from the Chamber work that they do every year when they bring together a panel to come and talk about the National, the State and the local economy. The discussion this year I thought was very, very interesting for this reason. Last year, and I pointed this out last year because the conference is well timed with our retreat because it happens usually about 3 or 4 weeks before our retreat, but last year there were only two segments of the experts on that panel in terms of what they would project. There was a segment that was a little bit more optimistic and a segment that was a little bit more pessimistic. What happened is the pessimistic people were actually too much on target. As Curt was talking about, they are calling for growth at a smaller slower level than the more optimistic people were. This time at the retreat they were just following the middle. Last year I think the range was about 1.5% growth to about 3.3%. This year it more like 1.7% to 2.3% so you see how the range narrows. But the consensus last year and this year that we were continuing to grow as opposed to not growing. All indications we are seeing is that we are looking at slower growth. One of the economist that we looked at and we look at about 30 to 40 different economic reports and models, everything that we can get our hands on from the National side, but one had it broken down and I wrote the heading down for this presentation. We talked about the crisis in 2008, the banking crisis and what brought us down. We talked about the aftermath and the actual drop in the economy and ultimately not just our economy, but the world economy, and how the various governments tried to respond to that drop. We know in this country there was a major response in order to try to shorten the country by both the past administration and the current administration. Then the vast aftermath and crisis finally slowly turned around to the beginning of the recovery and then you had the slow recovery two and now we are in the slow recovery three. There is a difference, as he points out, in that in terms of many of the other dips. This dip was much deeper and much harder than what we had since the great depression. You expect it to come our slower, but there are also some other factors that are making this come out slower than we had. In the material, you see a little glimpse of that and it has to do with where it hit us and how it hit us, certainly how the whole real estate area was an area that was devastated and it has not come back near as fast. We can distinguish for a second Charlotte because we are fortunate not to be in the worst in terms of that but we were as super heated so therefore we didn't drop as much. Plus, what Curt pointed out is true and that is Charlotte has continued to grow. In spite of everything else there are new jobs being created here, the energy industry for example, is something that people are looking at and is probably going to grow faster than the rest of the economy. We are seeing some signs of life that maybe certain other people don't have, some advantages of being an area that would be a part of the country that is considered a hot area of the country that people will come to. If you follow the words that he was saying in his presentation, at the end of that what he says is there is a lot of tension in the economy and that is we have certain segments of our economy that have done very well. They have cut back, they have gotten more efficient, they have made a lot of money. There are a lot of corporations that have been sitting on a lot of money, but because of the high uncertainly factor they are not necessarily going out and hiring people. They are not going out and restarting the economy like they might and it is because of the sense of uncertainty. In the meantime they may be doing a lot straining internally to actually make the money they are making, but they are willing to do that because they are waiting to see when the economy will turn around. Most of the people are thinking that it is not going to happen this year, there is not going to be a big burst this year and I

thought it was interesting, it was uniform across the panel that they were not expecting it this year. There are some people who thought it ought to be this year, and there were some business people that thought it could be this year. They just did not expect it to be this year. That could mean another year of slow growth of what we basically have been seeing and what we saw for the past year. In terms of how that affects the state of North Carolina and the City of Charlotte in terms of revenue, for the state, they have a new unit in the state and David Baker is in charge of it and he is really responsible for all of the local taxes that are collected by the state. He was originally a sales tax individual but now he covers the utilities franchise tax, the business privilege license tax and he has overviewed all of that for the state. This is actually something the local governments in North Carolina requested and the Department of Revenue, after about 4 or 5 years of pretty strong complaints by us, decided to put David in charge of that. I have been in a couple of places where David has spoken and he is really dedicated to trying to address some of the concerns we had, particularly in the sales tax area. Some of you will know that there is a little bit of a black box determines the way sales tax is collected and we can ask if we could get into that a little bit and make that a better process for local government. David has said that he will work with us on this, but in terms of David's view of the state he also gave his assessment related to where state revenues are. They are fortunately almost on projection and there is a likelihood that as opposed to last year where there was a concern about whether they were going to achieve their objectives, which always concerns us because if they don't achieve theirs they could do something to us. It looks like a slow recovery is impacting the state revenues and as a result of that they are going to be about on projection. That is great news for us that they are going to be near or maybe slightly above their projection and that could make our situation better. That is where we are at the state level. That is a better picture than we had last year at this same time from the state. There will be a more formal forecast of state revenues that we will have before I present to you next in one of your retreats. We will have some better information from the state, but what we've got is very good. I personally had about a 30 minute conversation with David about a lot of these things and he was looking at a draft of what we will probably see and I feel pretty good about what David was saying about this.

There is one big issue and that is the property tax and reevaluation and the fact that there was a large appeals process regarding property tax. We of course knew that the tax office had projected that there were going to be a number of appeals and there were. They are working through that process. It is an unprecedentedly large number and since I have been here it is the largest number of appeals that has been in the appeals process. The news on that however, is pretty good. They are running at, or slightly above projections in terms of the amount of revenue that is coming out of that. That means that in the property tax area that and given the fact that growth is slightly above projection, that we are probably going to generate a little bit more property tax revenue than projected. We are not going to be below, but going to be slightly above. Let me mention one thing because every time we talk about this, this comes up and that is the issue about foreclosure. Foreclosures are up, work outs are up, problem properties are up. They are high and we are not experiencing a lot of loss from that. The reason is because all of those work outs and those foreclosures done this way, somebody is paying those taxes. Even though there are more of them the tax revenue that is coming to us is meeting or exceeding projection. That means we are going to have probably slightly more property tax revenue and we will know more exactly where we are going to be in about a month. It might be \$2 million and hopefully a little bit more, depending on how the appeals process goes. The appeals process has put them a little bit behind in some of the identification with new properties, but they are going to be catching up with that shortly. That is relatively good news, it fits with the slow growth mode and with the fact that our economy locally is growing slightly faster than the state and the nation. That is probably not a big surprise.

The same thing is true with sales tax. We are getting a little bit of growth in sales tax. We don't have the key numbers yet. We haven't received the information from the Christmas season. The information statewide was that the Retail Merchants Association said it was a good Christmas season. That may or may not translate into numbers for the black box situation, but sometimes the numbers we get don't necessarily reflect the projections. The projections are good and we will have that data and information. It looks like we will be at or slightly above projection, but maybe only slightly because we were actually projecting, based on last year's information that there would be growth in the sales tax. The good news in terms of that some of the other revenues are a little harder to project, we will meet projections on that or be slightly above.

From a revenue picture we are not exceptional and we don't have a lot of revenue, but when Randy goes over the numbers in a moment and shows you what the comparison is, they could be slightly better.

Today there is an article about some people in Cornelius complaining about the appeals process and what they are complaining about, particularly properties at the lake, they are complaining about the evaluation process and what happened. It is tough thing because 8 years is a long time and what you tend to get, particularly in an area like the lake is that they can be big moves related to all that property and if you didn't buy property until the fourth year of that might be hard to understand. It would also be hard to understand how your house is a shack and the one next to it is very nice has the same value. That happens if the land is actually more valuable than the property that is on it. There some factors like that that are peculiar to the lake properties, but it is an interesting article and it is generated by the tremendous number of appeals that we have in this process.

The other point that I want to mention is about the pension fund. There is some information in the hand-out that will give you the performance of our pension fund here in terms of how the performance is rated, one of the best in the country by 30% growth. They are actually achieving their targeted objectives in terms of revenue earnings. This is a well run plan, it is not a threatening plan and we are not having difficulties that many people have had where they promised benefits that they couldn't pay for. That has not been an issue in North Carolina. The fund is 99.96% funded and since 2006 it has never been less than 99.5% funded. That is virtually 100% funded. Even if you could go through the difficulties that we've had with the stock market negative earnings, it being at 99.5% you would have a pretty solid ... Those concerns are not near as severe here as other places. The number one reason that people got in trouble with those is, particularly in local funds, they made significant promises that they could not fund. For example in San Diego they made promises to Police and Firefighters and did not put any funding into place. That is where you get into trouble. North Carolina has not done that and they have done a good job of managing both the investments and equalizing the demand for what people want in terms of return.

If you look around at the local governments that we look at, the fact that this Council and Mayor and entire staff made the recommendations for cuts that Curt talked about, has put us in a better situation than other people in terms of having revenues sufficient to allow us to continue to operate and still not exceed basically our ability to fund it. From an overall standpoint we are in a pretty good position versus a lot of our peers in the State of North Carolina.

Councilmember Howard said you mentioned the state, where do we compare with where the state is now to where it was when the economy was better?

Mr. Gaskins said the state has yet to return to its peak in 2008. At this rate of growth they are probably very close to returning to that in terms of their revenues, etc. Probably in the next four years they will exceed it during that year if the growth stays the same. They are like everybody else, they had the dip and they are coming back up, but what you don't get is the growth that you missed. That is what we are missing.

Mr. Howard said you also said we are growing slow. Are there exceptions in parts of the country where it is actually growing faster than ours?

Mr. Gaskins said if you look at the attachment, there are winners and losers. There are certain segments, energy by the way is one of them that is projected to exceed 5% of growth and there are particular companies that have had tremendous ... so there are winners and there are losers. What is really not happening, you haven't seen that result in employment growth. There are a lot of theories out there and some of that being the type of jobs that are being created are not the kind of jobs where people who lost their jobs are not the same skills.

Mr. Howard said are there things we need to be focusing on in our community working to train people? Another thing is on the reevaluation and what influence do we have on that and have we had conversation about that not happening? I don't understand why the country waited 8 years.

Mr. Gaskins said we had worked with them on reducing it. It wasn't originally intended to be 8 years. The last thing that happened was that because of the downturn it wasn't a good time to do a reevaluation, but by the state law at the end of 8 years you had to do it, so the country did not have a choice.

Mr. Walton said it was supposed to be in 2008 or 2009.

Mr. Gaskins said if you are growing very fast you actually want to do it more often but because of the dip etc. that is the reason it didn't happen. We've had conversations with them and they were agreeing with us until the turndown.

Councilmember Cooksey said you talked about the pension issues, but earlier you talked about how Charlotte is in a great position compared with some other cities. To help flush that out do you happen to have an example of another city that is in a worst spot and what kind of things they are having to deal with and we're not?

Mr. Gaskins said there are lots of them.

Mr. Cooksey said I know, but pick one.

Mr. Gaskins said if you get more inside the state and I don't want to pick one, but outside there are many examples. One of the advantages we have that we talk about all the time is that we have fiscal policies and financial strength that other people don't have. In other words, we have the capability, and when markets were bad we actually had the capability to borrow, but in some places they couldn't even go to the market and borrow. That caused a lot of problems for them and in fact increased their costs. We are fortunate that we haven't had to do that. There are a lot of cities that have had to deal with that, Atlanta, Ga. Philadelphia, Pennsylvania and Boston, Massachusetts, San Diego, California. There are a lot of people that actually had to spend some of their money just on maintaining things. The other issue is, the list of things that we were able to reduce I don't think the citizens really saw the impact of that. There were things that we had to do to draw back and I don't think it affected our citizens and they never saw that.

Interim Budget Director, Randy Harrington, said I will give you just a little overview of where we are in FY12, the current budget. Last May in Curt's budget message, he mentioned that FY12 was the first time in four years that we went into it without an expectation of less revenue. I'm happy to say that condition or assumption has held true. We are stable with very slow growth, but it is encouraging. The FY12 budget is okay and right now we are projecting the revenues to be slightly ahead of what our original targets were. On the expenditure side we expect the expenditures to be about \$3.9 million below budget. With a \$532. million budget we are projecting to spend about 99.3% of the targeted budget. What that tell you is that it is tight but the majority of that savings of \$3.9 is contributed to savings. FY12 is okay and we are ready to focus on FY13. There is a little feeling that FY13 is going to feel somewhat like FY12 from the sense of stable and very slow growth. FY13 is the second year of your two-year budget and there is a plan on the table that you endorsed that is balanced. As we go through the budget process this spring we will continue to review for potential adjustments, changes, change in priorities and then incorporate those in the budget as we go through the budget process.

On the sales tax and property tax, Greg talked a little bit about this, the FY13 budget plan does include 4.5% assumption on growth in sales tax and on the property tax side it is at 1%. We are hoping that we will be able to get some more encouraging news on property tax side, but at this particular point we don't know yet. Some of the key assumptions and potential considerations for FY13, right now there is no pay plan for the City's compensation plan within the budget. That is one of the areas that we will be reviewing and will have a more detailed discussion at one of our retreats. The health insurance is projected at about a 5% increase. Again we will look at that to see if that assumption is correct as we go through the process.

Councilmember Barnes said regarding the health insurance increase, that would be an increase experienced by the City itself.

Mr. Harrington said and employees.

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Mr. Barnes said it will determine whether it is all employees or will it be 5% for the City and the employees?

Mr. Harrington said generally it has about a 50/50 cost share so the City would pick up a portion and the employees as well.

Mr. Barnes said as you look at the growth of healthcare cost have we thought about the work of North Carolina League of Municipalities to bring about some greater cost contingency? I raise the issue because if you consider the impact that the taxpayers pay for the City employees and you will have substantial impact on the quality of life and we've actually see it happen since I have been on Council that the cost has gone fairly high and I would like to know what we could do from a policy perspective and perhaps in Washington to actually begin to control healthcare costs..

Mr. Harrington said we've had a track record here in the City of being below national rates on the medical side and our HR Department has done a great job in containing those costs in our wellness programs and our bidding process so we have typically beat a lot of those national assumptions on growth. As far specific conversations with the League I'm not sure that I can particularly comment on that.

Mr. Walton said the League does General Liability and Worker's Comp. but I don't think they do healthcare. It is hard to do healthcare outside of the community because there is a distinction based on agreements with hospitals. As far as the federal healthcare if that is transitioning over the next several years for large employers, we're large employer and our cost went up, not drastically, but we are starting to see that in the current year as we move forward, it is not the 7 figures, it is 6 figures.

Mr. Barnes said I would like to hear your thoughts on the national healthcare regarding the co-pays.

Mr. Walton said I don't think our costs will sky rocket. Our medical inflation has been in double digits for years and we have bounced around between 3% and 5% each year and we make adjustments every year and the employees would say too drastic but I think it is what is necessary from a business perspective to make it work.

Councilmember Dulin said how long after an employee leaves our employment do they stay on our health insurance, or can they?

Mr. Walton said they can if they retire. If they retire and they've got the number of years, if you work for Charlotte more than 20 years you can stay on healthcare and pay for it. If you are terminated or resign you don't get it.

Mr. Dulin said when you leave you lose your health insurance or is there a gap for three months?

Mr. Walton said you can buy COBRA for 18 months and unless you chose to you wouldn't be just cut off.

Mr. Barnes said have we found the supplemental program help?

Mr. Walton said we survey employees about every other year on that and we basically offer them the opportunity to tell us what they would like to buy at full cost to them.

Mr. Harrington said on the operating budget, you've heard about the budget being tight and part of the reason for that in FY10 we carried forward \$6.5 million cuts in the general fund and the following year we had the series of departmental cuts and that made our \$7.7 million and you equate that to the equivalent of cutting 2 cents worth from the property tax rate.

Mr. Dulin said would you run that by me one more time?

Mr. Harrington said we had significant cuts to the general fund. In FY08 we had \$6.5 million of cuts and in FY11 we had a series of departmental cuts that trimmed another \$7.7 million. If you add those two together that equates to approximately the equivalent of 2 cents on the tax rate.

Mr. Harrington said the budget does include funding to pick up the police stimulus officers and that is about \$2.3 million in FY13 and that is in the budget. We have had some increase maintenance and repairs in the last few years has been up. Fuel costs, we are looking at those and some of you have probably heard some expectations of some higher sustained fuel costs in 2012.

Councilmember Cannon said where are we in that process of looking at sustainable types of fuels that may be out there?

Mr. Harrington said CATS and DSS regularly look at fuel contracts and the types of fuels and I think they are using some bios. That is an area that we constantly review.

Mr. Walton said the maintenance costs on preferential gas is high but the fuel source is cheap. The maintenance is high so there is a real market for that. You can more than wipe out the savings on fuel by the cost of maintenance.

CATS Director, Carolyn Flowers said there is substantial capital infrastructure in that plan to transition your fuel and also what you have in assets that you might have on one fuel type, you have to have dual fueling facilities and you also have to carry two sets of inventory for the equipment that you have while you transition. In the case of a bus the Federal Transit Administration says that we have to keep that bus for at least 12 years so if you look at it the life cycle transition is about 12 years to get to the new fueling with the capital upfront costs.

Mr. Cannon said so as expensive as the upfront cost may be on the front end.

Ms. Flowers said it takes you a little while to get to that fuel savings.

Mr. Dulin said I went over the list of expenditures by departments and all these folks have worked hard to cut these and with all due respects to the folks in the room, sort of flag Planning, Mayor and Council and City Manager with a question mark and didn't know there were additional savings. I know the savings would be sort of miniscule compared to what we are trying to do, but are there other cuts that we're looking at? It starts with police and goes down to non-departmental.

Mr. Harrington the non-departmental is kind of a catch all. For example, the capital improvement fund and a variety of others.

Mr. Dulin said so savings in the non-profit area would come out of the non-departmental?

Mr. Harrington said yes and as far as opportunities for additional savings, through the process over the last few years we've taken it down to below 4 and any additional cuts, we would be looking at service areas actual services, reducing or cutting, stopping, personnel and perhaps police and fire as well.

Mr. Barnes said I'm on page 6 of the report contained in the notebook and the issue I want to ask about is property tax growth and the third bullet after that, concern that people moving into the county are not registering their vehicles and I wanted to know if we had considered a PR campaign with the county to educate folks about registering these vehicles and also there is a system for penalizing people who do not register their vehicles beyond what is covered under the current state law. Under general fund expenditures on Page 7 there is an indication that we have currently approximately 265 funded positions that are vacant, 119 are in Police and 28 are in Fire and we project those to be filled. My question is whether the projection for filling those positions will be as a result of retirements or you talking about generating new revenue to fill the 119 Police and 28 in Fire?

Mr. Harrington said yes that would be the result of retirement and the turnover.

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Mr. Barnes said under the third paragraph regarding maintenance and repair expenses for motor vehicles, is there a way to incentivize employees to take better care of vehicles. I see a lot of city vehicles, police vehicles, CATS vehicles and others, Utilities vehicles being driven in such manner as to indicate that the driver recognizes that the vehicle is not his or hers and I'm wondering if we could incentivize them to take better care of those vehicles or improve the sense of ownership and responsibility of the vehicles. Also with regard to an item on Page 9, under expenses in the Utilities Department there is an indication that we saved \$1.7 million due to vacancies throughout the Utilities Department and over the years we've heard about some of the service deficiencies and I wonder if those 50 vacancies are causing serious service deficiencies. On Page 12 I wanted to know if the sales tax projections from FY12 to FY15 have a positive impact on the Blue Line Extension. If you look back at where we were in 05 and 06 and the projections at that time, I'm wondering if the projections going into 2015 put us at any better position than we would have been otherwise.

Ms. Flowers said it is like Mr. Gaskins said, you can't make up the gap and the gap for us was to get here. Our financial projections for the Blue Line include the escalation factors, growth factors. We have coordinated our financial plan along with Mr. Gaskins so that we are in alignment with the City projections in our financial plan.

Mr. Barnes said the same thing with the General Fund Expenditure Projections, under Police we see fairly healthy projections from 2012 to 2015 from \$201 million to \$211 million projected. The Mayor and Council budget stays the same \$1.5 million and the reason I highlighted that one was because as our city continues to grow the demands on Council and the Mayor continues to grow and I'm wondering whether we should consider additional resources to help do the job the Mayor and Council currently try to do and if \$1.5 million is realistic for the Council's budget. The Manager's budget increases from \$15.6 million to \$16.3 million and non-departmental expenditures goes from \$67.3 million in 2012 to \$74.8 million in 2015.

Mr. Harrington said one of the key drivers on that one would be electricity. The city's electricity cost, street lighting came in on that one and those rates were reviewed and were in the 5% or more increases.

Mr. Barnes said that is in non-departmental?

Mr. Harrington said yes, that is one of the larger items in non-departmental.

Mr. Barnes said let me make an official request from staff regarding the street light issues that we all talked about last year, whether Duke Energy has begun replacing the lamps in the 8,000 that are averaging \$80,000 per month. I would like to know whether Duke Energy is making any progress with respect to replacing those bulbs. I would like some feedback from the Manager regarding the expenditures in his office.

Mr. Harrington said on the police side and the stimulus officers in FY2013 we are picking up a partial year as we are picking up in September and that is about \$3.2 million. In FY14 we pick up the full cost of the stimulus officers which is about \$3.1 million. That is the city assuming cost associated with the grant officers.

Mr. Barnes said does that fit well with our ability to pay?

Mr. Harrington said yes, our projections in 2014 and 2015 we are currently projecting revenues to be greater than expenditures, however there are no compensations adjustment in this years.

Mr. Barnes said how can I get responses from the other issues?

Mr. Harrington said I will be happy to provide offline in terms of a report back.

Mr. Cannon said are we utilizing B20 bio-diesel right now?

Ms. Flowers said yes, bio-diesel.

Mr. Cannon said what about low sulfur?

Fire Chief Jon Hannan said for two years now the low sulfur.

Mr. Cannon said there is now an ultra low sulfur that burns much cleaner than the one that already exist. In the way of cost savings we might want to explore what might be out there relative to that it would also be equal performance wise.

Mr. Dulin said can you mix low and ultra low sulfur?

Mr. Cannon said I don't know the answer to that.

Councilmember Fallon said the Fire Department goes down in 2013.

Mr. Harrington said there is not a cut actually. What happened in FY12 we added some additional funding to replace some additional fire apparatus and that is just reflecting that one time cash infusion we put in there in FY12. There is no cut in their operating budget.

Mr. Harrington said Curt mentioned the Capital Budget and currently there is no funding identified for 2012. The debt capacity right now is estimated at \$5 million to \$7 range and obviously, that is not a level that is appropriate to go out for any type of capital program. Gregg mentioned a little bit about the State Budget and yes, appears to be getting better and at this particular point we are not anticipating adverse impacts from the state. However, we much keep an eye on some of those state shared revenues as the state collects it. CDBG and HOME, last year as you recall the federal government and congress approved some cuts in that area and we are anticipating some additional cuts going forward into next year. At this particular time it is possible that those cuts in FY13 could impact by up to \$1.2 million.

Next Steps in the budget process we have three retreats coming up, the first one is February 29th and then we have one in March and April. The Manager will present his recommended Budget on May 14th, the budget hearing on May 29th and before that we have adjustments meeting on May 16th and then straw votes meeting on May 30 and then by General Statute we have to approve the budget by June 30th.

Mayor Foxx said why don't we thank our staff for all the hard work they've done.

Mr. Beamon said are there any general comments from this discussion?

Mr. Autry said with concerns with my district along the Independence Area Plan there are certain parcels that are identified as public open space. How does the public acquire those open spaces and what bucket does that money come from to acquire them?

Mr. Walton said the first thing is we have to have a capital program. We have some residual money in the corridor account, but I don't think it will go anywhere near far enough to do that sort of thing so those sort of things are left pending if you don't have a capital program. If we do the Independence Area Plan would be a package of line items and it would describe all that we will be doing along those lines. Right now, unless you rearrange resources there is no funding to do that.

The meeting was recessed at 9:45 a.m. and reconvened at 10:03 a.m.

Economic Overview

Mayor Foxx gave a brief introduction to the video which will be shown to the group. He said when you are dance floor you don't necessarily see what each person is doing but when you get to the balcony you can see all of it. Part of what we are trying to do with this particular segment is at least provide a bit of the view from the balcony. It is one that the broader perspective of what we are looking at. We are at a time right now where the transitions are still happening and there are a couple of them that I want to particularly draw your attention to. The first one is that we are in an environment where I think regardless of what the next election does we are going to

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be seeing reductions in federal spending and that is going to push down and drive up a lot of the pressure at local levels. The question for us is what does that mean. If something like transit comes up I think we are pushing really hard on getting the Blue Line Extension done and trying to get pretty much through before those significant spending reductions happen at the federal level. There are cases like CDGB we just talked about where we do rely on that for some reason, housing and after school and other things. The other thing I want you to pay particular attention to is what is going on within organizations right now. Organizations like the City, organizations like our City government itself, what kind of demands are going to be placed on our workforce going forward? What kind of demands are our citizens going to have and how does that change City government, how will it change how we approach the way we do our business for the people we represent.

You all have received a book called "That Used to Be Us". Tom Friedman spoke to the US Conference of Mayors two weeks ago so we have invited Tom Friedman into the room. I think this is really important and I hope you will allow this presentation to come into your mind and we can talk about it later. At this time a video of Tom Friedman was shown.

Mayor Foxx said thank you for indulging in this exercise and I would ask that you take about five minutes and discuss what observations you have about the video.

Mr. Beamon said what are the insights that you had as you watched the presentation, or something that you heard at your table.

Ms. Fallon said it is not enough to do your job anymore, you have to do extra.

Mr. Dulin said at our table a couple of things hit us. We need to study our own history. The three things that he said was cut, raise revenue, obviously spending on infrastructure, and we really got touched by his analogy of the space shuttle and the power that is below. Our table thinks as that power grows and as we help that power grow that we are prepared to accept it.

Mr. Cannon said the four problems that he outlined, we're not trying to toot our own horn, but we felt we were doing those things in Charlotte. One was vocalization and when you talk about what the Mayor has done in going over to China, the other outreach that is going on with the private sector and what may happen over seas in London, but just being about not so much outsourcing, but begin to in-source, that we have embraced that in the city. The second thing he made mention about technology and we are doing some things that relate to IT. Chronic deficits, Curt and his staff, the City Council have been doing an extraordinary job of keeping us out of deficits unlike other municipalities around the country. Obviously energy consumption and what it is we should be doing to make sure that we are priming ourselves as a place that could be consider energy capital. City staff is doing its own thing relative to energy related efforts. We feel like those are very good things pointed out in terms of the four problems, we think we can get our arms around it, but we can do more.

Mr. Howard said I am kind of worried about how we keep up with hyper speed of change.

Ms. Flowers said our table discussed a couple of things that he said and I think we are constrained by some of the regulations. We talked about the speed that they have structured in China, that is not the case in the United States because we have a regulatory structure that keeps us from doing that. It takes me 7 years to get the okay from the Federal government to build, whereas they, I have been to China and it is nobody has to worry about imminent domain. They don't constrain themselves with the regulations and structuring that we have. I think we also constrain ourselves here with our conservatism and that we have not taken advantage of finding ways to push data and to utilize all the data points that we have here.

Mr. Autry said we had a great discussion about Mr. Friedman's thoughts and we want the City to continue to progress but we don't always leverage in the most productive and influential manner.

Mr. Mumford said I'll speak to one part of this, the practical side of implementing that really high level of philosophy that he espoused. It takes a lot time for organizations to move people from the traditional routine work to non-routine work. To have people feel comfortable at being

creative and I think connected to creativity is allowing people to take risks. There is a non-routine component to the work and there is a non-routine component to overseeing the work as well. If we want to create an environment we make sure that as policy makers and leadership of this organization are comfortable with people being creative. The worst thing we can do is to tell folks you need to go out there and use your smarts, you are educated, make sure that you address this hyper connectivity and then somebody takes a calculated risks and do something differently, and it doesn't work out perfectly, and you beat them over the head. The key point to this is you cannot pull the switch and change a philosophical approach doing business that has been mired in sometimes decades of one approach. It is going to take some time and Mr. Friedman's point was we don't have much time. That is a difficult thing to reconcile.

Mr. Beamon said what I hear is a couple things. One is can we create a culture of innovation where innovation is valued, respected, acknowledged, etc. When you hear "that's not how we do it here" period. If the sentence is "that's not how we do it here, but let's hear your idea anyway." You are acknowledging and valuing innovation and risk taking versus your idea is not worth much.

Mayor Foxx said thanks for everyone's observation. We have a few at our table and they wrapped around much of what has been said. We pointed out that education does continue to be a challenge and nationally it may seem a little hopeless in some ways, but locally we've got some initiatives that are out there. One of our table mates mentioned leadership and the fact that the private sector seem to be more outwardly focused and not as inwardly focused on the city and that it may be incumbent upon the public sector to step up in ways that it hasn't done in the past. I was really struck by the fact that what Friedman was describing was the level of pressure that people are under. Citizens we represent are under an enormous pressure and how that changes the way that we interface with them, whether it is a telephone call or an e-mail or what we said in meetings. I think at times I have underestimated the amount the amount of work it takes to change one single thing in city government. I think the world is pushing us in the direction where we have to move a lot faster.

Statistical Snapshot of Charlotte

Mr. Walton said the Retreat Committee asked us to give you an overview of what we were seeing in Charlotte and how we plan this service delivery. This is our shot at doing that. Kim has handed out to you "Charlotte At a Glance" and in that you will see the different departments and some of their accomplishments and how they deliver services. He pointed out other things about Charlotte – It is the 17th largest city in the U.S. in total population. It ranks 6th nationally in the number of Fortune 500 companies headquarter here. It is the 2nd largest banking center in the nation, controlling more than \$2 trillion in assets. It has maintained its AAA bond rating for 38 consecutive years. It is important for us to think about the good things and I asked the Chamber for some slides so these are the companies that relocated or expanded in Charlotte in 2011. (This is in the PowerPoint "Statistical Snapshot of Charlotte" which is on file in the City Clerk's Office.) The number of jobs were 4,816. Even though the unemployment is still unacceptably high, the number is comparable. Investments shows one of the trends in that there is low capital investment. The energy capital is fairly new to us and it is easy to under estimate how big it really is.

Mr. Walton continued the PowerPoint on Charlotte Trends touching on What we Looked At; Charlotte as Emerging Immigrant Gateway, pointing out that in 1980 our foreign born residents were 2.7% and in 2010 it was 14.40%. North Carolina is the fastest growing immigrant population in the country. In conclusion he said what do these trends mean? How do we adjust to ensure sustainability and in my opinion it is not sustainable financially in the direction that we are headed right now and in 2020, 8 years from now, what does success look like. Public process just takes a long time. There is a lot of regulation and public input process takes a long time so what we do now is really going to impact in 2016, 2018 and 2020. What do we do to adjust to these trends, what do we do to change these trends? What kind of a city do we want to look like in 2020?

Mayor Foxx said looking at that map where there were consistent areas of red in the map and if we were to locate ourselves, i.e. the City and try to figure out what role, if any, we played in

contributing to that red, have we done something over the last 20 years that contributed to that problem and how did we get there? Aside from the external things is there something that we attribute cause to ourselves?

Mr. Walton said I don't know that we've done anything wrong, but I think the expectations are different now and the conditions require us to do different. The Neighborhood Improvement Program which we've had for about 15 years and we would fund \$1.5 million to \$2 million in neighborhoods for basic infrastructure and over the 15 years we've probably done 100 neighborhoods so we were focusing on the infrastructure which is the lowest common denominator. Now I think it has to be more transformative to that. When people from other cities do come to Charlotte and we take them to the bad neighborhood they keep waiting for us to get to the bad neighborhoods. Comparatively people aren't looking at our neighborhoods and saying, Oh my gosh, I don't want to go there. I think the bigger question now is how do we look at things more broadly. John mentioned this morning the Independence Area Plan which is a big area plan, but there it is probably time to invest into big plans rather than the small plans because it is going to make a bigger impact.

Debra Campbell, Director of Planning, said I don't think it is anything we have done to the community, but I do think we that we may not have done all that we could do from a local government service delivery perspective to coordinate service delivery. For example, the city is really good at building sidewalks and we will build a sidewalk and we will expect the neighborhood to be changed or we will rehab a house and expect the entire neighborhood to miraculously change. What we haven't done as good a job at is coordinating with the county or some other social service agency to say we want to rehabilitate. The human aspect of this community and not only rehab the house, but actually provide and even understand what are the issues inside of the house that needs to be addressed. Sometimes we get hung up on whose service is it or whose job is it to respond to that particular issue. I believe Curt is giving us direction about collaborate, cooperate, coordinate, leverage as much as you can with the community, which means the county, non-profits, whoever we can find to be our partner and respond to community issues.

Ms. Fallon said if you recall last year a man came before Council and said he was homeless, but he called his brother in Detroit and said, come here, they give you everything. The Observer had an article on January 1st, there was a girl from up north, no husband, single, 19 years old, coming to Charlotte, living with her sister with children and no husband, having a baby. Who takes care of that child, and where do you think she went, into those areas. I think there are a lot of people that think life is good down here and come here with no resources and going into those areas and then we have to take care of them.

Mr. Cannon said when we start talking about the level of investment and we need to look at some of the area neighborhoods, it feels like to me sometimes, and this is me personally, that the city is forcing things on the neighborhoods that they don't necessarily want. Sidewalks that are very wide with a planting strip and they are saying we are fine with just a typical sidewalk, but we have this grand idea in the city that we must go in there and transition it into something that is going to become that much more better than it already is or isn't. We can't assume that just because we put the infrastructure in that it is going to solve the problem or bring it up to the status that it should be. Mr. Friedman basically talks about getting back to the basics, not trying to reinvent the wheel and create something more. I'm worried that we are infringing on our constituents on investments when we could actually spend that money somewhere else.

Mr. Walton said I guess I respectfully disagree in that those are Council policies that took a whole lot of work and thought and things that are well thought out. Where we hear that the most is, unlike Park Road, is not a program like we would be talking about here because that was ... but in neighborhood improvement programs and in area plans we don't ever force them on the neighbors. They are the public input.

Mr. Cannon said in Councilmember Mitchell's District there is a prime example of what that has actually taken place. He knows better than I do because he's been engaged in it. They had meeting where those folks came together and talked about what the neighborhood wanted and all of a sudden they are calling because they are all upset because they had sidewalks and planting

strips that was not supposed to be a part of what they were to get. Yet the Engineer came back and said this is what it will be, other members of staff said this is what the plan called for and what they could expect, and yet that is not what happened. We took out trees, we ate up their real estate so that is one example where that has occurred.

Mr. Walton said let us get a report because it could very well be safety. In my opinion if we stick to the basics we will pay because I think we could just on our own momentum Charlotte became a very dynamic city during 1980, 1990, 2000 and 2010, it just sort of churned along and we did our part and everybody their part and we became something different in each of those decades. I think we are going to become something that we don't want to be in 2020 if we just stick to the basics. The private sector is not going to do it so there will be public/private partnerships which we can piggyback with, but they are not going to do what they did in the 80's and 90's and the early 2000's. In my opinion if we stick to the basics, in 2020 that last map will be almost all red.

Ms. Mayfield said Curt I'm going to ask you to back up a little bit with the idea of submitting to Council Fire and CMPD staying within the limits, is that something that we should govern? When I think about so many members that I have spoken to that at the end of the day cannot afford to live in Charlotte and they can't afford to live in the County which is why they live on the outskirts because of our taxes, our services, our fees. We may not raise taxes at a point, but we will continue with those fee increases. I was at a community meeting the other evening and the actual water usage for the individual was \$2.96. After all the fees there was a \$33.00 water bill. That is just not realistic when you are looking at the pay that people are receiving. Is that something that we should be governing, opposed to possibly looking at those that live in South Carolina, but work in North Carolina and figuring out a way to offset their costs that way.

Mr. Walton said we don't have the authority to do the latter. If we had the authority to do the latter, it wouldn't matter because if we had a payroll tax then it wouldn't matter, but we don't. I think the Chief has made a compelling point on the service delivery expected and I again respectfully disagree that people can afford to live in Charlotte because there is a lot of housing stock and we saw that the middle, the \$150,000 homes, is the biggest growing percentage of our housing market. Most of the other departments don't feel like they can do it operationally, but in my opinion, if you make your living off the city government you should live in the city, but that is just my opinion. That doesn't work in all cases.

Ms. Mayfield said looking back at the recession and where the red has grown, I didn't hear in that conversation the reality of what we have done over the years, when we go into a neighborhood to rehab that neighborhood, all the current residents that were living in that neighborhood during the time of transition, where they will move to since a lot of time if it was public housing or a partnership, we relocated them and how it was determined where they were going to be relocated to and whether or not they stay in that area or whether or not they had the opportunity to go into the new redevelopment. At times we had a small percentage that were identified to come back in, but the larger number that was moved were move into concentrated area so now we have that reality we are saying how we move forward and I hear that we might have a stock, but the reality is just because we build it doesn't mean they are necessarily going to come because as everyone knows there are so many other expenses around being a homeowner.

Mayor Foxx said this is my third out of town retreat, probably my sixth retreat and I don't think we've ever looked at our city this way before. I don't think we've really taken a hard look at some of these trends we are seeing in our city and really had a thoughtful conversation about what we can do about it. I want us to notice that because this is a conversation that people have at the barber shop, the beauty salon but we are not having it the way we need to have it. I think it is a great thing for the staff to bring this to us.

Mr. Pleasant said a lot of those trends came out of concerns the staff had working with Planning Department, C-DOT, Neighborhood and Business Services and others. From the Transportation perspective the land development patterns, housing, jobs and those sorts of things drive how we respond from the Transportation perspective. These trends are very important and kind of disturbing, but on the flip side of that the economic crisis we've had last half of the 2000's up through 2010 kind of disrupted the trend that started in the late 1990's and early 2000's and I

expect will begin to pick up again as the economy improves and that is, a new economy is emerging, what the next generation of people want. The next generation is more diverse, they are much more interested in living close and is a counter point to the kind of activity model that Tom Freidman talked about. I don't think we are growing apart, but I think there is a desire to grow closer together. There is a very strong growth with the new generation coming forward, the majority of those folks want to live close into town, so you are starting to see cities across the country densifying their corridors, we are densifying our corridors and if you look at that map of property values and prosperity, look very closely at the center city corridor and look very closely at the neighborhood immediately around it. You are seeing change already in the center city so what does that generation want? We have to supply to attract them and be more creative, intelligent, and bring that betterment to the community. They want walkable, they have high value on transit friendliness. They put a value on a very dirty word called density and call it impackness and they want that. They want to live close and be very convenient to all of that sort of thing. It is also being driven by the cost of transportation. Transportation has been the second largest expenditure per household, next to housing. I think those are trends that we need to listen to and watch very carefully in order to be prepared for the future. We do have a surplus of housing stock and the suburban areas are suffering more in declining housing values than maybe even the city. There are lots of large empty homes out in the suburbs and because the interest is starting to move toward compactness and density it may take a long time for that surplus to be absorbed. I think as you look at the future and new generations the trends from the past have left us in sort of a disturbing place as far as the city is concerned. I'm feeling fairly positive and optimistic that those trends could start to fill in some of those areas that are going to the pinks and reds and can come back in ten years when we look at it again it will look very good.

Mr. Whitehead said the conversation that we are in is a contextual one that shows a significant shift of ... around the world and how the impact approaches us. We are looking at the context of all of this and it is now shifting into a conversation about how do we position the city for the future.

The meeting was recessed at 12:15 p.m. for lunch and reconvened at 1:23 p.m.

Aviation Director Jerry Orr arrived.

Observations from the morning's discussion

Mr. Cooksey said I particularly appreciated hearing the Manager note about the distribution of property values on the map, the residential values and how half the city's residential values be in that concentrated area. What can we do to expand and increase median home values in the parts of the city not located in that wedge from uptown out to Ballantyne. I think that becomes a framing point for us to think about these neighborhoods development strategies, economic development strategies and what increases value outside of that wedge.

Mayor Foxx said one thing that has come up a couple of times is the fact that there is a lot of good stuff going on in the city that people don't know about and how we get the word out with all the various things we have available. I think we have to start asking ourselves the questions, are we getting our story out as much as we can.

Chief Hannan said we saw the home values with the commercial and industrial property values mitigate or balance that load across the city.

Mr. Walton said that is a good question and I should have addressed that. It doesn't change the map considerably except in southwest Charlotte, areas down in Westinghouse and to a degree of the University area. Everything else stays pretty much the same. It may even intensify a little bit with SouthPark, Arboretum and Blakeney but it doesn't change things a whole lot.

Mr. Beamon said one of the things I've notices is that there are a lot of great successes that have occurred over the course of the last couple years. How do we leverage the opportunities that we have for the future?

Positioning Ourselves For The Future

Mr. Walton said the Retreat Committee asked us to suggest how we make decisions at a staff level, also how do we implement policy, how we deal with the Focus Area Plans. I will go through the majority of this and will ask Pat Mumford to help at one point on how we implement your policies. He used the PowerPoint Positioning Ourselves for the Future for his presentation. (A hard copy is on file in the City Clerk's Office.)

In North Carolina local governments have unique powers that are specifically given to us. Anything outside of those specific powers we have to go to Raleigh. There are general statutes that outline the things that are the basic common denominators of City and County Government in North Carolina. Our responsibilities are the Airport, Civic facilities and that is everything from fire stations to cultural programs. One of our biggest and earliest was the original Charlotte Coliseum which is called the Charlotte Coliseum in 1955. Fire protection, law enforcement, land use regulations, water supply, public sewer and solid waste is the only thing that is a little bit different in Charlotte Mecklenburg. We collect and the county disposes, then streets and highways. We spend the bulk of our time and money on those basic services on the previous slide. There are components of each of those that may not be absolutely basic, but that is the common . . . things that we offer first over our history. Council's over the years have added other things that are important to you and beginning with the Arts and Science Council in the early 80's, public transportation, the bus system we took over from Duke Power in the 40's I believe, all the way down through code enforcement which you always put a large emphasis on and Landscape Management. The Storm Water Program, we didn't really have a program for the early 90's but as you know storm water is one of our biggest issues in Charlotte so we have covered a lot of territory in the last 18 years or so. Neighborhood Improvement Program and Business Retention Strategy all the way down to Community Policing. I think one of the most significant things a smart group of people did in the 70's and early 80's was to develop the sphere of influence in Mecklenburg County. It has kept the . . . from happening that we see in a lot of counties. As we evolved further the 2020 Transit Plan from 1998, Affordable Housing sustainability, single stream recycling, all of those come or evolved from the basic services and they are the basic indicator of the things that you and your predecessors have determined a quality city has these attributes.

As I talked about this morning, I think at this point we should think 2020, 8 more years and that is both the operating side to a degree, but particularly the capital side because it takes a while to implement the capital program. You have a myriad of plans and policies in place that I would think is the framework for what Charlotte 2020 would be. I think John mentioned the word aspirational this morning and I think that is absolutely on target, transformational too. I believe what I said this morning that if we don't do something strategic to intervene in some of those areas of town that aren't as good as some of the other areas of town from a property value perspective, than the result is going to be poor. The target industry sector which is put up there because some of you may not know that, energy, finance, healthcare, manufacturing, defense, motor sports, tourism and film and international firms. The policies are probably already there, it is a matter of implementing the policies and deciding the action steps that are under the broader category. I believe the budget is the single biggest catalyst for change. It can be change for increase or it can be change for decrease. Either is a change, but it is a catalyst and I think it is primary the policy document and that is a road map for the CIP, a 5-year window or longer and the operating budget generally is on a 2-year window.

We mentioned this morning that the private sector is not going to drive policy as much as it has in the past, but there are still some partnerships out there. There are partnerships with other public sector groups including organizations like United Way, DSS that we haven't partnered with in the past. The budget is not only a catalyst, it is a leverage opportunity for the partnership agreements. As a long-term impact that the staff has begun to work on the budget, we are basically looking a different parameters and looking at projects that have long-term impact and address the more specific issues. Poverty is an outcome it is not the thing that always implies the change. It is the result of something whether it is the unemployment which also could be a systemic issue, or underemployment so basically trying to get at the root policies of the problem over a longer period of time.

How do we implement your policies? These are the basic steps that we followed: City Mission to insure the delivery of quality public services and to promote the safety, health and quality of life of its residents. City Vision – to be a model of excellence and a platform for vital economic activity, partner with citizens and businesses to make this a community of choice for living, working and leisure activities. We wanted to kind of follow through one of the focus areas as we walk through this vision and focus area process. One of the changes that this retreat is illustrating is that we haven't spent a lot of time talking about the Focus Area Plans. In your book is the current year Focus Area Plan and it suggested the Focus Area Plan for 2013. Some of the Focus Area Plans have gotten very big and a little bit tactical. In my opinion they should be aspirational and communication instruments to the community to show that these five things are the most important areas that we are going to deal with as a City government and talk to them through those five plans what it is that we are all about, what it is that we are going to do.

We've been using the balanced score card for about 20 years. The top line just below Corporate Objectives are the things that we pay particular attention to. The Comprehensive Citizen Service is one of those things or outcome of the cultural change in organization so that we work corporately across the whole business. We the the focus area plan develops the strategy and then partner through our strategic operating plan fits well into the budget. We have in excess of 10,000 line items in our budget so it is literally a 500 page document. Those line items are built by the departments and reflected in a strategic plan and they hopefully yield the result that go with the focus area plans.

Mr. Mumford continued the PowerPoint presentation and said I've been in the seat of the Council members and we talk broadly about things and it gets a little bit complicated because of all the detail that is going on, but if you think this, I want to touch back to some of the things Thomas Friedman said. We have these real high level goals and policy goals that you all establish, but at the end of the day we have 6,000 people that are working hard every day and they need to feel a connection to those goals. There is a big difference in our minds that the focus area plans need to be aspirational, there needs to be outcome measures and not payday work plans for individuals, but there do need to be day to day work plans. Our department has two focus area plans that fall under our responsibility. All the areas in green are where Neighborhood and Business Services has some impact so you can see at the top although we are responsible directly for two focus areas, Housing and Neighborhood Development and Economic Development, we still through our work impact the Environmental Focus Area and Community Safety to some degree. You come down to the Corporate Scorecard and you can see we touch an awful lot of or most of those areas. The one in yellow are the ones that are predominantly economic development. We really are focused on how to get work done. The focus area are the what and to speak to the point that Thomas Friedman made, there is so much change in the world. We want to be able to continue to have that flexibility day to day to manage the work, yet manage it in the way that it gets back to the outcome measures that have been established.

If you look at the three yellow squares, Develop Collaborative Solutions, Expand Tax Base and Promote Economic Opportunity, we have developed measures on those things. There is a group of people in Neighborhood and Business Services that focuses on economic development. Every day we want to make sure that they know these are the high level outcomes we are looking for. There is a balance between these goals and the day to day stuff that happens. These are the areas in our ED Focus Area that wind in our balance scorecard. We have 17 measures in this year's balanced scorecard. Last year we had over 40 and I can guarantee you the 160 people in Neighborhood and Business Services, there wasn't one, including me that could have told you all 40 of them, and there is a problem with that. We realized that historically people are trying to put all of their daily work into the balanced scorecard so they could see themselves and we realized that is really not what this document is for. There are work plans for people to get to that detail so this is why we have these measures and we also have some initiatives that aren't in the focus area. At the end of the day we end up with performance plans for individuals that tie back to our strategic operating plan, which is a 40- page document, very detailed on how people are going to manage their day. At the end they see the connection with that to what you all have established as goals for this city. There has to be that fine balance between day to day operation, aspirational goals and somewhere in there giving people the flexibility on the ground to do the work and to make the call on how to do it better. I tell people if they are looking to me to give them all the answers, then they are going to be sadly mistaken. I'm not going to tell a Code

Enforcement Officer how to do their job best, but what I can do is explain how the work they do ties to improving the quality of life in our community, which you have established as a goal. The point to all of this was to help you see that the work you are doing here really is working. Everybody takes it seriously but you may not see that level of detail, and you probably don't want to see that level of detail, but it is happening.

Mr. Walton continued the PowerPoint and said I just want to be clear with you where we are. This morning we talked about 2003 to 2011, an 8-year window and now we have 8 years from 2012 to 2020. We as a staff believe that we are at a tipping point. Charlotte is a great place to live and a great place to work and will continue to be so for at least a while if we do nothing. I think the long-term trend if that 8 years is an indicator that long-term trend is unsustainable and probably not a place that we would be comfortable representing and saying this is what had. We don't want to sound gloomy, but it is just one of these points that we believe city government, local government can have a major impact on how Charlotte is going to look in 2020 and we are going to develop our budget along those lines. I don't want you to be surprised when we get to the Budget Retreat and the budget recommendations because that is the direction we are headed. We believe we are at a tipping point and believe now is the time to address that. If we ultimately decide to review the capital program we have to establish that in August. That is when we would have to call the referendum and then the referendum would be in November. Referring to the last slide In 2020, one question that should be there above how will we define success is are we on the right track because we work for you and implement what you want to be done, so how does this match your vision. If it does or it doesn't how are we going to measure success. How do we change those snapshot pictures we saw this morning of Charlotte becoming, in a lot of cases, a more red community? That is not in a Republican way, that is in a poverty way. When other cities come to visit in 2020 are they going to be looking at lessons learned of what not to do or lessons learned, they really did that great because that is what they come here now for. What do we want other cities to be looking towards us for in the next 8 years?

Mayor Foxx said I don't have many years of history of these retreats, but I do have a few, and the level of thinking about approach is hugely impressive to me. When I see that red on that what I wonder about is what were we thinking when this red started growing? Now we have an opportunity to work together to try to do something about it. As much as the tactical pieces that come out of this way of thinking are important, I think the approach is also important, which is engagement and trying to keep an ear to ground, figure what is going on in the community and respond to it through our budget. I'm very impressed with the way you are going.

Mr. Autry said we're talking about policy changes and direction, I think we should make policy decisions based on data, history data from modeling based on that history. What can we look to in making your best efforts and best practices to reflect on and helping us come to a policy decision?

Mr. Walton said we are approaching it from a return on investment perspective because there is a cost of doing something and there is a cost of not doing something. What we have talked about at the staff level is this is a jobs opportunity. We have never known exactly what verb to put in front of jobs. We don't create jobs, but we can certainly support jobs. We will be looking at what can we do that maybe hasn't been done before or at least not done before here, to transform. A lot of it is around the new world order or research and development, innovation, entrepreneurial ship and all of those things are relatively new to us and we will have to figure out how to quantify those, but part of what we would be looking at and bringing forward is cost and benefits and its return on investment.

Mr. Autry said are there any best practices proven that we can look to for direction?

Mr. Walton said I'm sure that there are, but I can't say that we are far enough along that I can point to one or two. We have seen trends in industry sectors like the ED area that were right on target two years ago. Things like amateur sports and things that are in those sectors, research and development and manufacturing, those are probably some of the best practices that we know of now that we can either look to other cities for economic impact.

Mr. Howard said what are we seeing in other cities that are coming out faster than us? I'm not asking you to be the economic experts on that, but it would be interesting to find out if Austin is coming out faster and what are they doing.

Mayor Foxx said one of the things that you will notice about those communities is that in many cases they have huge research institutions that are catalyst for entrepreneurial activity. What happens is where the research goes the venture capital goes. If you look at North Carolina the Research Triangle is attracting millions of dollars in research. The Charlotte area is attracting millions of dollars in research. We have a lot of money moving around through Charlotte but in terms of that small business entrepreneurial ship area, trying to capture some of the money is going to require more infrastructure. The challenge right now is that there is a certain amount of building that we have to do without knowing exactly what the outcome will be. We know that if education people they will be able to be creative, but we don't what they are going to create. It doesn't mean that we shouldn't do it, it just means that the outcomes are a little uncertain. I think part of what we have to be thinking about is how we help build people, whether it is workforce development or whatever.

Mr. Cooksey said while I appreciate the idea of seeking best practices and asking about other cities, that is the way we've always done things. What I heard is we can't do that. If we are going to rely on what other people have done then we've missed the message entirely. I want to go back to what Curt said about the balanced scorecard, we were the first local government to adopt that. Yes, let's look at other cities, but let's also talk about breaking out and figuring out what works for us.

Mayor Foxx said there are some innovative things that are going on in terms of workforce development and in terms of ... programs, etc. and I think part of our challenge on those is telling the story on what is going so that the community knows about it. There is probably more collaboration going on than is publically talked about and I think that would be useful. I do know that Project Lift has an element of trying to bring a charter like flexibility into the existing school system and maybe if we had some conversation around whether we should try to find a way to help support that effort.

Responding to a question from Ms. Fallon (which was inaudible) Mr. Mumford said we are working very closely with the schools, staff to staff and very thoughtfully trying to figure out what is the City's role in the schools. There are a lot of different touch points in the community and we are bringing those together to figure out if we can take a realistic approach, but I want to make sure you know it is not that we are getting into the school business. It is more of the other aspect that we support school initiatives.

The meeting was recessed at 2:15 p.m. and reconvened at 2:29 p.m.

After the break the group came back and went into groups for discussion on various questions.

The first question was what will success look like in 2020?

Mr. Barnes said what success will look like in 2020 from our perspective, we talked about a couple of things, one subjective and one objective. On the subjective side we had hoped that by 2020 the level of customer satisfaction in the community would be higher. The difficulty we were discussing is that there will always be one person who hates something you are doing and you can please some people easily. But as a corporate goal of the body, we believe that working towards creating a higher level of satisfaction among our citizens is a good thing. On the objective side we talked about this part of the snapshot that Curt presented and this map toward the back with all the pink and yellow concerning tax values in Charlotte and what we discussed is how do you turn the pink and yellow green or at least greener. We talked about having residential design standards and other planning tools that provide for a higher quality development, a more valuable development because if you consider the towns to the north and south Mecklenburg that is 66% of the property tax that is paid in the county. The rest of Charlotte pays that other third. If you add north and south Charlotte and parts of the towns the percentage he talked about is lower, but in aggregate a third of the property tax in the county is paid by everything outside of South Charlotte and south of the towns which is ridiculous. What

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we said is that by 2020 if you have a more balanced contribution of property tax from west Charlotte, northeast Charlotte and northwest Charlotte, in other words, Autry, Barnes, Mitchell and Mayfield Districts that the health of the city would be greater and we believe and hope that people's satisfaction with Charlotte would be greater. Right now there are people who feel like they are the only ones contributing to the paycheck. We are trying to figure out how you increase that contribution from other parts of the city and we think those may be some of those ways and there may be other things that Debra will be willing to mention later. Ultimately speaking we hope and believe that if we are able to focus more attention on the pink and yellow through that part of the city that we will have an even better city where people want to live, work and play. That is where we were in an 8-year period.

Ms. Fallon said I think that it will be a livable city, stable police and fire, growing business, rapid transit connecting all of Charlotte, money to keep our AAA rating for 20 more years, a magnet school, a public/private ... school in math and science in University City, low unemployment, , the safest city in America, the Blue Line to UNCC, the streetcar to JCSU, not just the second finance sector of the US but the energy be there for the US. Strong viable programs with services, not just products, grants to attract business and its workforce and we will be one of the best cities in the world to start a business. We have an arts community, we're not too big to navigate, maintain our tree canopy, promote walkability and we want to be a tourist destination because we have diverse neighborhoods.

Ms. Mayfield said looking at how we define success we had a lot of discussion around the table looking at of course our light rail extension to UNCC, really looking at transportation as a comprehensive model, looking at the number of people that are moving to Charlotte as opposed to those moving out of Charlotte because Charlotte is a model for our transportation locally and being able to come into the City with our Airport and other major sellers that make the City great. Have we met our current goals that we set and look at benchmarking. What makes Charlotte amazing and looking at the model that we have here, we talk a lot about not necessarily reinventing the wheel but strengthening what we've already done. We are a leader, but we have some room to tighten up. Economically, for the blue collar as well as white color and making sure we have diversified opportunities for our workforce and making Charlotte truly affordable to live in and looking at our tax base, quality of life, jobs and going back to the other model of looking at high poverty areas. By 2020 there will not be enough of that concentration of that red area in the section, because it is being spread throughout the entire city because we've seen the growth and we've diversified it where we all are really carrying our own share. Looking at our neighbors that have science as a leader, where we are looking at the environment and eco energy in Charlotte. Where does Charlotte fit in when we are bringing in the best of the best as far as college and education. Sustaining our quality of life so that regardless of what your educational background is you will have an opportunity to still be able to succeed. Defining Charlotte to be more desirable through our jobs training. What is the different between what we have to offer in Charlotte opposed to Raleigh when you look at how diversified we are with the arts, with education for us not to be number one. When we talk about affordable housing that is going to be what is affordable to you and what is affordable to me, but it is not going to be concentrated in one particular area so we can get rid of that red and green and have more pink throughout.

Mayor Foxx said these are words from the table. No neighborhood should see themselves as a "dumping ground", stronger middleclass neighborhood presence in the city, not so much red, better job of planning communities. Local government will be nimble enough to respond to changing circumstances rapidly. Doing a better job to market our infill opportunities, making sure people see the picture and invest in trying to help us grow our inner city into a stronger place, Wesley Heights, Wilmore and some of those communities. By 2020 Charlotte's economy will include a greater eco system for entrepreneurial ship and small business. We will have a lower than 5% unemployment rate, hopefully before 2020, and the Chicago Mercantile Exchange will become the Charlotte Mercantile Exchange.

Mr. Whitehead said the next question is how do we change the statistical snapshot.

Mr. Barnes said we talked about two and three but primarily three and we talked about ... with respect to point 2 and felt like we had covered a lot of that, but with regards to what other cities will learn from Charlotte, speaking broadly we said that they will learn how to complete a

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commuter and light rail system, they will learn how to revitalize distressed diverse areas like east Charlotte, they will learn how to reinvent a University Community like the area around UNCC, they will learn how to make a majority/minority school system work like the one we have now. They will also learn how to maintain civil and civilized government. We were talking about the fact that generally speaking the people who work for the City of Charlotte have a very different relationship with the elected officials. There are times obviously, where there may be an elected who doesn't care for a staff member or an elected doesn't care another elected, but generally speaking 90% of the time we all get along and respect each other and have very civilized relationships. We think that other cities and other locally elected bodies could learn something from some of the things that we try to do. They will learn again in 2020 how to maintain a safe large city with the police, fire and community relationships that we've established. Unfortunately Chief Monroe isn't here but the improvements that we've seen in public safety have been staggering. I literally in 2006 was contemplating leaving this city because things were getting way out of hand and it was scaring me and my wife, and I'm sure a lot of other folks who were dealing with some of the stuff that was happening were frightened but the achievements we've seen on CMPD side of things have been outstanding. The improvements with respect to the Fire Department and the way we utilize those assets that have been very impressive to us and we think other cities have learned from that. We also believe that other cities will learn how to maintain and grow an Airport asset. I learned a few moments ago that the intermodal deal will be done shortly in terms of signing the ink on the paper. Folks that think about it, if we are able to put together a successful intermodal yard there and continue to grow the air passenger service that Airport will continue to be world renowned for its ability to serve rail service, cargo, passenger service, etc. We think the cities will have a great opportunity to learn from what Charlotte does.

We also talked about something that is perhaps more for the dream stage, but I think we are going to figure a way to get to this. Debra talked about developers who come to her and talk about building something that has the Charleston influence or Baltimore influence and we talked about the idea of a Charlotte architecture. What sort of elements could you put on a house or a building that would easily identify it as that is a Charlotte style. I think primarily it would be residential flavor but to come up with a real Charlotte look. Those were generally the ideas we talked about in terms of what we believe other cities could learn and take away in terms of best practices from Charlotte.

Mr. Howard said a lot of this is for #3. Charlotte is a model for moving our mass transit system forward and using innovation and public/private partnerships. Charlotte is a model for providing the highest level of engagement between the general public and private sector using the ... model. Charlotte is a model for regional collaboration and cooperation using their own city regional model. Charlotte is a model for building social capital and being able to deal with social issues. Charlotte is a model for understanding and valuing our history and building on it. It is not just the physical, it is also our value system. That has a lot to do with people moving here from other places and not understanding how we got to the point where we are. Charlotte is a model for using code enforcement, law enforcement, matching grant programs and other services to help change perceptions and helping to bring market forces back. Charlotte is a model for establishing priorities and then concentrating resources to make them happen in a short period of time. Charlotte is known for taking advantage of the low interest rates that it had in 2012 to do big projects now. Charlotte is a model for keeping home grown talent in Charlotte. Charlotte is a model for supporting the entrepreneurial spirit.

Ms. Mayfield said for ours, the best practices looking back is civility in government, a radical change with the increased number of jobs in the community and how we were able to reduce our high numbers of unemployment and maximizing the use of our Airport, arts, recreation, schools, transportation, when you are looking at the models that we have in Charlotte our comprehensive workforce, safe and decent housing, looking at not only our post secondary education but diversified educational opportunities and truly affordable education. Looking at how our low unemployment rate would lead to lower taxes and how we were able to do that. Healthcare facilities and leading medical research, opening our medical school in the area. Maintaining our AAA rating and staying physically strong, the integrity of our local government, looking at our continued growth in our fire and water rescue training with swift water rescue. Looking at how we manage our major event management, i.e. the DNC, Olympics, Community relations, looking

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at the strength of our houses of faith, land use planning and really having that community buy in that supports it and how we turn around blighted areas through our public/private partnership.

Ms. Fallon said the best city in the world to start a business, hear about our success stories from citizens and people outside the City. Use council recognition to show the successes. Participate in more public venues to promote Charlotte. That would be for all of Council to go on face book and talk about what is happening and how well we are responding to things and the good things that are happening and what we are doing. Population growth, put attention on urban living uptown, create affordable housing. Change the dark red and yellow around the Blue Line for population growth. Population density is now less than it was in 1950. The transportation infrastructure has to catch up with population growth. That is our roads and our surface transportation.

Mr. Beamon said what do you notice after having that conversation with everybody? What is your experience of that?

Ms. Mayfield said I think we are on the same page. When you are listening to the tables we are all pretty much very similar and it seems like there is a lot of energy to really push forward and not be stuck in that "this is what we used to do". I'm hearing that a lot of people are ready to take this to the next level.

Mr. Beamon said what else do you notice?

Mr. Autry said willingness.

Mr. Pleasant said perhaps this session is beginning to show people that what is happening in our community doesn't need to just run free, that we as a leadership group can bring some intentionally to the outcome by 2020.

Mr. Walton said a great start to aspirational focus area plans.

Mr. Autry said one of the things that impressed me was the overall commitment. Everybody understands that if it is going to get done it is going to come from the folks in this room. The willingness to be creative, flexible and to appreciate different opinions but eventually come to the point where we are going to have to boil it down and put some action in place.

Mr. Whitehead said if you just look at that would you be proud to be associated with the group of people who are engaged in that mindset and is that the kind of mindset that would produce the transformation in 2020? I would say that is a very purposeful mindset and aspirational. I want to show you the pyramid again and notice the work you've been doing and how you've done it and how it has unfolded.

Mr. Fallon said the talent that is in this room is amazing. Concentrated in one place that everyone is on this same page to make this move forward instead of staying in the old pattern and in a rut. If we really mean it we can take this city to heights no-one has ever seen before.

Mr. Whitehead said that is the sense of possibility that we started this whole thing off with. The title of the slide was "What's Possible" so that is where we are. If you look at where we started this conversation, people always come in with mental models and filters and we got past that. This group has actually been working together for a couple of years very purposefully to have relationships like this. That then allows you to create that kind of relationship you have now and you just said we have a shared intent. You can see that within the room. It doesn't mean that you all agree on everything. I'm sure there are some things you don't agree on, but generally speaking committing to the same vision in 2020. That does allow for the conversations we've been having, very straight forward and hopefully even after this conversation some very candied conversation about how we go about this. You are in a stage where you generate, develop and declare something, you just declared the future for 2020. Generally speaking you can say everybody is pretty interested in playing this game until 2020. We've got 8 years, let's produce this thing, right. It is always nice to have some big goal out in front of us to go accomplish. The next stage was alignment, agreement and commitment. You just said there seems to be an

alignment and agreement in the room for this vision of 2020 and the people that can make that happen are actually the people in the room. It is not the people outside the room. Those people outside the room are support, but the people in this room are the people who actually make that happen. We have alignment and commitment so the next couple stages obviously is strategic design, getting into the planning and how you actually do that and then executing it and then celebrating it. The thing I have noticed about you guys is that sometimes you forget to celebrate. I've been around you 2 or 3 years and you are really hard working people who get your heads down, check the box, go do the next thing, check that box and go do the next thing, and sometimes you never look up. Also very humble, not likely to toot your own horn, don't want to acknowledge or put the focus on you. You have done some amazing things and this city is an amazing place to live. As a citizen I'm proud to be a part of Charlotte. We love being a part of Charlotte and it is because of what you do every day.

Mr. Beamon said I want to congratulate you for your really good conversation about the future. It is a big deal. Tonight we are going to have a discussion with leveraging the convention and get an update on how that is going. Then tomorrow we will have a discussion on how do we fully leverage the convention for the future of the city. I want you to think about how many local bodies like yours are having a discussion like this around the country right now. Two, and you are one of them. Let's take full advantage.

Mayor Foxx said we have one adjustment for tomorrow. Don Fowler will be with us in the morning, along with Bob Morgan. Don is the former CEO of the Convention in Atlanta. He lives in South Carolina and has a good perspective on what the Convention did for Atlanta and how we might use some of their experience to further our own experience in the next year or so.

The meeting was recessed at 4:15 p.m.

February 3, 2012

The meeting reconvened at 8:37 a.m.

Mr. Whitehead said yesterday there was a lot of work done on declaring the future of 2020 and the power of that declaration of 2020 was that there was so much alignment in the room. We captured that by taking everything you said and put it in a document, that we will present to you, that basically summarized everything as a declaration of 2020. We are going to give you this document and ask you to take 5 minutes to absorb it and see what it is you created yesterday. After reading the document what are you left with, what is your experience of that?

Deputy City Manager, Ron Kimble said after we read it four of us looked at each other and said I didn't realize this wasn't us today until we got down to where it says low employment and then we realized that we had to look back up at the top and it said a Vision for 2020 which means we are doing well now, but we can get better. So good to great I think is the message.

Assistant City Manager, Ruffin Hall said my observations, one I think this is a much more vision oriented statement from yesterday's session than we've had at a lot of our retreats. There is a lot here to build on as a part of the future process but we didn't get bogged down in a lot of specific projects. That is a really refreshing strategic planning piece. The second observation is this is something that is very positive, very optimistic, very aspirational and I think that is a really refreshing perspective going forward. It is time to push forward, time to be positive and these things are within the community's grasp. It can be very difficult and there are challenges but this is something we can strive for.

Mr. Barnes said we felt blessed to live in a community where these things are possible. There are plenty of communities in North Carolina and the nation that can't even dream about doing things like this and it is wonderful to be in a community where you've got cities with the leadership today to make a lot of this possible.

Ms. Fallon said we see a lot of it already so it is going to be a continuum.

Mr. Whitehead said sit with that and digest that a little bit and you can decide if you want this to be a spirited agreement or declaration that you can come back to or whether you as a Council

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would like to do something with that. It is up to you, but that really does capture the essence of who you were yesterday. It is amazing to put it all together and see how powerful that was. I agree with you, there not many groups across the country probably doing that right now.

Mayor Foxx said it really a delight to have two great presenters with us today. Bob Morgan is with the Chamber of Commerce who is one of our most critical partners as we try to help this community together, the jobs recession that we are facing and they are doing such great work over there. Also Don Fowler and I met Don in December 2009. Susan Burgess got a meeting called together to talk about the Democratic Convention and she kept talking about Don Fowler and I said okay I must meet this Don Fowler. Don came in with an outline that was about 10 pages long and he walked through the selection process of the DNC and what happens once you actually get it. Don was the CEO with the Atlanta convention in 1988 and later became the Chair of the DNC in the mid 90's so he's been on the convention end and he's been on the DNC end and he knows how this works. I thought it would be useful to have Don share with us his observation, particular from Atlanta, before that Convention and how Atlanta may have used the Convention to catapult itself in a different category and maybe take some lessons from that. Without further ado Don Fowler.

Don Fowler, Chair of Democrat National Convention said I'm happy to be here. I grew up in Spartanburg and have spent practically all of my adult life in Columbia and those are two cities that look at Charlotte with a great deal of envy. Both of those cities have inferiority complexes when we look at Charlotte so I suspect you know that most places in both Carolinas look at you as a model of how to do things and how to accomplish things. Certainly what you have done in the last decade confirms that. The selection of Charlotte as the place for the Convention this year is confirmation that you are a city of great achievements, a city that has a great history and even brighter future. Mr. Mayor, I want to thank you for inviting me to this and want to tell you that you have one of the finest, if not the finest Mayor in America. When you are at home and you look at somebody every day you don't necessarily appreciate how good they really are until you get back and see what they do and how they do and you see what a great Mayor that you have here.

As the Mayor indicated I was the CEO of the 1988 Convention in Atlanta. My first convention was in 1968 in Chicago and nobody here is old enough to remember it, but that was a catastrophic convention that involved all of the passion and all of the emotions of Vietnam and the new generation as it was a catastrophe and we lost the election because of it. I have been to everyone since then and I've even been to a couple of Republican Conventions and all of them are wonderful experiences. If you are the least bit interested in politics the national convention is an overdose. All of the major players in your party, a lot of big-time international diplomats, all the great international crowd will be there and we'll expect you to be the host that will make them happy and it will provide them with things to do and places to go and expect you to show them what is really good about your city. I am not going to talk about the DNC side of this and what the National Committee has to do and how they have to put their programs together for the three or four days of the convention. That is other people's responsibility and we've got a couple who are working hard on that. What I want to do is talk to you about what kind of opportunity this offers for Charlotte.

You will have an opportunity this year to show off Charlotte, to put Charlotte on parade that is second to none in the world except maybe the Olympics. All the main media sources, all the main media operations throughout the world will be in Charlotte. Everybody from China to Africa to South America, to Europe, to Asia. There will be something on the order of 15,000 to 20,000 media people in Charlotte. These people will be there to see who the Democrats are going to nominate and that is a ... conclusion at this point so that is not going to be much of a big story, so they will be looking for stories. These people will have different perspectives. Some of them will be real hard nose, some of them will be interested in business, some of them will be interested in political process, some of them will tourists so there will be a whole multitude of people and there will be somewhere between 15,000 and 20,000 people who are directly involved in the media. There will also be in Charlotte a lot of big time business people. They will come because the President is going to be there and a lot of other important people are going to be there and they will come to talk to people about business deals, about things they want to do in the United States. They will have a wide variety of interest involving the companies, the

kind of industries, the kind of academic pursuits, the kind of research that they are doing. In short there will be literally thousands of people there looking for a deal of some kind. There will be thousands of media people there who will be looking to see what is good about Charlotte and some of them will be there to see what is bad about Charlotte. You know Charlotte is a southern city and we have a not too blessed tradition with respect to race and some other things and people will be there to look at that and try to resurrect that and paint some sort of picture about that, although I think it would be hard to do. We have an African President and we are going to have another one, but anyway there will be people who will come looking for good stuff and people looking for bad stuff. There will be business people there looking for a deal and looking for arrangements to expand their business. From your standpoint, which we are not trying to take over your job here, I think it would be entirely appropriate for you and other leaders in Charlotte and in the surrounding communities to have a plan where you identify the kinds of businesses, the kinds of industry, the kinds of institutions that you are interested in inviting to Charlotte and the kinds you are interested in exporting to someplace else. This is an activity that is separated from and completely different from what the people who are putting on the Convention look at. They have to raise money and they have to find facilities to do this, that and the other, but beneath that layer of just very intense activity, there will be multiple opportunities for you to find a place to put a new factory in Africa or Asia. To find a new educational institution in India that maybe UNCC could hook up with in some research or some joint effort.

Charlotte is a city of magnificent variety and vibrant and economic progress and you have potential to spread this and improve this in an expedient way. What you are going to have presented to you in a few weeks, late August or early September is a group of deal makers that you couldn't get together anywhere else in the world at any time except maybe at the Olympics. You have the opportunity to do this to exercise the initiative to find out who is coming and to identify those companies and those individuals who can help you do what you need and want to do for Charlotte. This process can operate and should operate completely beneath what goes on in the Convention and the politics of the Convention. This is a process that needs a strong leader, a creative leader and someone who has connection or a group who has connections all over the world. There will be people there from all over the world who will be looking for a good deal. It is an opportunity that comes along once in a life time. The Convention was in Atlanta in 1988. The Olympics were in Atlanta in 1996 and Mayor Young and Governor Harris, those who were principles in putting on the Convention were also very much involved in hosting people who made decisions about the Olympics. It is absolutely clear that the Olympic people were so impressed with what Atlanta did and how they did it that the Olympics came to Atlanta 1996 because of the way they put on the Convention in 1988. That is not a fairytale or something that somebody made up, it is literally true. That is the kind of opportunity that you get. In Chicago when President Clinton was re-nominated and I was the DNC Chair, Chicago is a different kind of place from Atlanta. It is bigger and it has been a monopoly a lot longer than Atlanta has. It didn't need the individuals specifically that Atlanta did, but they understood what the opportunity was. These are two examples of things that you can do. I'm not here to tell you how to do it or to go through a long list of one, two, three, but I would strongly suggest that you and others put together a committee that would look not toward Charlotte, but from Charlotte to the rest of the world and identify opportunities that might be out there that you are looking for. It might be to export some of your business to other places or import some business from other places to Charlotte.

To do this you need really top notch people who involve themselves in international business and specifically in internationally public relations. People who regularly deal in Asia, South America with businesses trying to attract businesses to various places in the United States or export business from the United States to other countries, companies that do this regularly and do it as a continuing profession. You probably have some of those in Charlotte, I don't know, but you need somebody with that kind of experience to guide you through this process because there are a lot of techniques of doing things, a lot of people whom you need to know, a lot of diplomatic concerns that cross the interest between the United States and other countries. Some people who do this for a living and who have a proven record of being able to do it. If you get somebody that is really good, they can help you mobilize Charlotte and all its resources so that you can send messages from Charlotte to the rest of the world. I am keenly aware of how much effort all of you in here and others have to put out to be the proper host for the convention. The kind of convention you have in Charlotte will determine in large part whether or not Barack

Obama gets re-elected and I'm a Democrat and I'm interested in that. If you should have a convention in Charlotte in September like we had in Chicago in 1968 Barack Obama won't be re-elected. If you have a convention that implies and promotes unity and progress and people working hard for America for their fellow citizens, you get a convention like that like we had in 1992 in New York, Obama will get re-elected. These conventions really do determine in large part whether the candidate of that party get re-elected. In 1992 when in all honesty Senior Bush should have been re-elected, that had a bad convention, primarily because of Pat Buchanan. He made a terrible speech and sent bad messages over the country and Bill Clinton won. The politics of this convention will go a long way toward determining Obama's fate, but I know how much of a burden that is, but from the standpoint of lasting value from the City of Charlotte, North Carolina and even for the corner of South Carolina over there, what you do in those two or three weeks will have a tremendous impact on your economic future and the potential that you can seize and build on for a decade or more. This is something that people frequently overlook, but I hope you don't and I'm sure you won't. This is a great opportunity for you and I certainly hope that you take advantage of it. It will be good, not only for Charlotte, but that whole circle of 100 miles with Charlotte as the center. My guess is it is an opportunity for all of those places.

Mayor Foxx said why don't we transition to Bob Morgan and perhaps you can double team your questions after that. We can't have a better Chamber President. Bob has done a tremendous job of helping us in this economy, trying to dig ourselves out of it. A lot of the announcements you know that the Chamber is very much involved in helping us recruit businesses and I want to say a special word of thanks to Bob for being such a great partner on this convention. He recognized right away the opportunity for the City of Charlotte and I look forward to hearing from him.

Bob Morgan, President of Charlotte Chamber of Commerce said it is good to be with all of you and it is fascinating to read your work from yesterday and some of what I will talk about might relate more to that and I'll try to bring it back to the Convention. I have never been to a political convention myself. I went to Denver about a year ago to try to learn from them and you hear about the momentum in the building and what we are seeing here on February 3rd is mind boggling if you think this far away from it. It is fun to be a part of the process and the Mayor mentioned Susan Burgess and her role, but I'm convinced that the Mayor and his relationship with the White House is as responsible as any other reason for why Charlotte is hosting it. I can't help but look at Warren Cooksey and remember 1998, one of the very young insurgents ran their own campaign to bring a convention to Charlotte and we made the list of 8 cities, trying to get the Republican Convention. The seed was planted and it is fun to see all come full circle and be part of it.

I get asked often by many of you and others, "why Charlotte" when a company comes. Every case is different, every company has their own issues that we are dealing with, but there are really three core issues that are in almost every case. The cost of living, the cost of doing business is 93% of the national average. That is a competitive advantage. We have a workforce that is large, it is growing and it is skilled. We have connectivity to the rest of the world through all of our transportation infrastructure, but most prominently through the Charlotte Douglas International Airport. You've heard the numbers, 20th biggest city with the 8th largest Airport. Incredible growth has taken place at that Airport in just the last three years at a time when air service is being challenged, and in many cases being constricted in major markets around the US. We talk about public/private partnerships and the critics when they are talking about Govco they lump the Chamber in with Govco, we're proud to be your partner. Mike Whitehead is somebody I've worked with personally. He does work with the Chamber senior staff and is doing a retreat for the entire Chamber staff in March. Kudos to you all for being wise enough to engage Mike and Nicholas and their team to help lead you through this retreat. The criticism that you are taking for being here in Pinehurst, tell the critics to go to hell. I would say that you are running a billion dollar business, shame on you if you are not taking the time to get away from the daily grind to come up and take a look at the big picture and the challenging opportunities that you have.

Some of our competitive advantages as it relates to City government, our property taxes are very competitive relative to major markets where companies tend to be coming from, particularly the northeast and the Midwest. User fees such as the ½ cent sales tax for transit provides additional resources for investment in infrastructure. You all know we've been a strong partner through

that whole history. Functional consolidation has been effective over the three decades and we think you continued to be pursued most especially related to permitting and land use functions. The AAA bond ratings of the City and County and even the State of North Carolina, less than a dozen other communities can claim those three AAA bond ratings. The strong record of public and private partnership, we could list numerous examples in the community where we all come together to make good things happen. We had a meeting last week with our counter parts in Raleigh and Greensboro and we are all concerned, there is a transition taking place in State government, there is a transition that has taken place in the Legislature and in some cases there is a lack of knowledge of what it takes to run a city like Charlotte. In some cases there is hostility to the urban cities like Charlotte that are the engines of North Carolina's economy. There is a huge need for us working together and the League of Municipalities as part of the conversation to educate legislators and other policy makers who affect what we do in Charlotte. What is the AAA bond rating, what does that mean, what goes into it? That is a great place to begin the conversation and we will working with you in the months and years ahead to try to do that. If you think I'm making this up, there are people who want to take away non-voted debt. Not a debate that we are unfamiliar with, we've been through the whole Cox debate. Some people would include revenue bonds in that and just imagine how would you run the Airport if every time you all and Jerry needed to issue revenue bonds you had to first go to the public and run the campaign. It would be a different world that we live in so a real need to educate to what some of those advantages are. Annexation could be a part of that and will be a part of that conversation as well.

Being from the Chamber of Commerce we have a bias toward growth. We think growth is not a questions of if it is going to happen, it is going to happen. The population in the Metro area today 1.8 million, we think it is going to be north of 4 million in 20 short years and that looks a lot like Seattle and Boston today and Atlanta is 5 million. We are 30 years or so behind Atlanta in terms of population size. The sectors that will drive the growth, financial services, manufacturing, energy, healthcare, headquarters, transportation and distribution and the growing cluster of what we call the creative industry. We think the population diversity has been dramatic in the last decade. The white population has grown by about 13%, the African American population by almost 50%, the Asian population by 80%, the Latino population by almost 150%. That diversity will only continue to grow and for us at the Chamber, we talk about diversity inclusiveness, we believe it is the right thing to do. We also believe it is imperative if we are going to relate to this market over the long run, we've got to understand what that diversity means because it is real and it is here. One of the things that we are cognizant of is that the number of Charlotteans who were born outside of the US is significant. The academics who define global cities, Charlotte is not considered global but we are considered globalizing. We are getting there and what that means is something that we all need to understand and how to keep that going. We learned in Seattle last year when they talked about being aggressively welcoming the people from the outside. We've not used that term aggressively welcoming before, but think there is a need to continue that.

Entrepreneurial development is a key priority of the Chamber in 2012. Our economy is more entrepreneurial than it is perceived to be. There is a book that is really driving this debate, The Coming Jobs War, which suggest that those regions around the world that are going to be successful going forward are going to be those that can attract, cultivate and develop entrepreneurials. London, Raleigh/Durham, Austin, Texas, Hong Kong, Singapore. Charlotte is not considered to be on that list, that is an opportunity. As we talk to entrepreneurials in Charlotte we think we have the element of what the book talks about as the entrepreneurial ego system that is needed. We don't connect the dots to that system as well as we should and we think again, that is the opportunity. How do we do that? A couple of priorities for us, recognizing and promote Charlotte's Entrepreneurial community more broadly, redeploy private and public resources to better serve entrepreneurs and small businesses and very specifically support and fund the work of the Charlotte Minority Development Initiative which is a partnership between the Chamber and the Carolinas Minority Supply and Development Council to try build capacity and accelerate the growth and economic impact of minority firms through their participation with majority firms on an ongoing basis. You may have seen this in the news yesterday and in the paper this morning. Last night David Darnell, of Bank of America and former Chamber Chair, 18 minority known firms are partnering with 20 majority firms who are sponsors, for a two-year program of capacity building. These minority firms when began

employed 1,000 people 9 months ago. Today they employ 1,250 people and they credit ... for being responsible for that growth of 250 people. Think about that – 250 jobs is a lot of jobs and a lot of impact, certainly for those individuals, but also for the community by any measure. We are 9 months into the program. An even bigger number, out of this program, two of our minority firms came together learned about the concept of joint venturing and they formed a joint venture to provide transportation services. They were introduced by David Darnell to a company in Texas. This company just landed a \$60 million contract. I would suggest to you that is moving the needle, 250 jobs, \$60 million in business and we are really not even a year into this program. It is a two-year program and there is a lot to be learned from that. How do we sustain that with folks in the minority firms, but how do we then take that same model and apply more broadly to entrepreneurs throughout the market and I would suggest it is a great opportunity for the public and private sectors to work together on that challenge.

Education and workforce development is absolutely critical. We are thinking education in two ways now. Historically we've always appreciated that education is where we do the right thing and educate all human beings, it is where we develop workforce skills that server our employers. Education is important for those reasons to be sure. Education is also growing into an individual concert in its own right. Over 14,000 people in Mecklenburg County are employed by institutions of higher learning. We see that Wake Forest. Johnson & Wales and others, UNCC, Johnson C. Smith and Davidson and others who have been so long. Priority for us is to support the funding of growth of UNCC, particularly the PHD level research, support the funding of Central Piedmont as the institution that most directly works with employers in providing workforce development needs. What an incredible reference by the President last week to the work at Siemens, Central Piedmont and for just Charlotte to receive recognition in the State of Union Address and the best part of it all is not that Charlotte got its own stand alone message, did you all pick up that Raleigh was mentioned. Raleigh was mentioned and thrown in with Cleveland and Detroit. We support the Board of Education's selection of a Superintendent who will continue the public school reform efforts that had begun over the past five years and have been so dramatically recognized.

Healthcare employs more people than any other sector. The quality already has its competitive advantage for Charlotte. Elevated healthcare is an industry that is as important as banking and energy and growing an economy going forward, supporting efforts to grow the presence of UNC Chapel Hill School of Medicine in Charlotte and leveraging current healthcare assets to improve additional healthcare related firms.

Transportation is a major priority of ours, support the work of the North Carolina Turnpike Authority and getting the Monroe By-Pass built, the Garden Parkway, support efforts to integrate transportation and land use planning along Independence Boulevard, support efforts to fund high speed passenger rail, to build a new rail station in the center city, support the continued funding and implementation of the transit land use plan, most immediately to include the extension of the Blue Line to UNCC, support the funding of the new tower for the Charlotte Douglas International Airport and support the completion of the intermodal yard at the Airport. As it relates to center city development we support the effort to get on with the building of the new baseball stadium and go ahead and get that done so that we can move on.

As it relates to the Convention itself and the latest issues and opportunities that we see, we understand very well that the DNC is not the Chamber's, it is the City led by the Mayor and Jim Hodges. It is the job of the Host Committee to fill the obligations of the contract and is working with the DNC. We understand that. We knew our role was to be here and to support the Host Committee, to support the City to do whatever we need to do in the business community to make Charlotte successful. As Don said so well, a lot better be done for an '08 that Chicago in '68 and that is the challenge and that is the opportunity. We see a role of the Chamber of Commerce to use this unique opportunity to create job investment for Charlotte. Denver can point to companies that have landed where they met those companies through the hosting of the Convention in 2008. We are already reaching out to Fortune 1000 companies to say to them let us help you, you need all the services we've got at the Chamber, you need a list of companies that are here, you need us to help connect the dots to put you in touch with whoever you need to talk to, I work with the Host Committee and we've made that kind of a reach several months ago. Some of you may be involved in Madeline Albright's visit to Charlotte next week. We had the

opportunity to host her for breakfast Thursday morning, something that I was not aware, but you all may know, there is a Democrat group and a Republican group that has been existence for 25 years. Their purpose is to host foreign dignitaries at political conventions. John McCain is Chair of the Republican effort and Madeline Albright chairs the Democrat effort. She will be hosting 400 foreign dignitaries the week of the convention, approximately 100 of whom will be Ambassadors of their countries. Tremendous opportunity to talk about business and deals that can be done and just some numbers to help us understand the magnitude of the opportunities that are coming. Some of you may be aware that we have had in place and are in the second year of a National Public Relations Campaign effort, that Advantage Carolina funded for a partnership between the Charlotte Center City Partners and the Chamber of Commerce and the Charlotte Regional Partnership. This partnership between our three organizations, we started before the convention came, how do we generate free press for Charlotte nationally, globally, bring in members of the press from Germany and New York, Trade Publications to Charlotte for tours, go visit, call on editors and producers in the major media market to generate stories. We started that last year and that just opens up all kinds of opportunities and we have resources at the table, funded to help compliment and begin the work of the Host Committee and we are doing that as we go forward.

We are thinking at the Chamber of Commerce and the whole issue of Entrepreneurial development, we are hoping to be able to do something legacy like ourselves that will make a statement. The Charlotte Chamber has 3,300 members, 85% of them employ fewer than 100 people. What is the perception? The perception is that we represent three large employers in the center city and that is it. We want to make a statement in terms of our commitment to small businesses. We don't yet have the details to be able to share with you, but that is a legacy item that we are looking at. It is not a coincidence regarding this subject that our inner city visit this year will be to London. It is not a coincidence that we are preparing to host the DNC, London is preparing to host the Olympics in August and we want to learn more about how they landed the Olympics, what they are doing to prepare for it and what their legacy issues will be. There is a lot to learn from London, multi-culturalism, cultural, their rail and transportation system. London has laid it very well 2,000 years ago and we've got a little catching up to do there, but one of the best rail systems can be found anywhere and entrepreneurial development. London is very expensive for real estate and entrepreneurs are having a hard time securing real estate because of the high cost. London, it is not unlike a NoDa kind of area between the financial center and the Olympic Village, which is off to the east, and they said we the city will help keep real estate prices down as an incentive or inducement to encourage companies to come into this neighborhood. In 2007 they had 20 small start-up technology firms and today they over 600 that are there. There is a lot of to be learned from them and London is considered one of the best on the planet for entrepreneurial development. When I asked the folks from London who do you model yourselves after they said Austin, Hong Kong, Singapore and Raleigh/Durham. They didn't mention Charlotte so that is an opportunity for us. The Olympics is an interesting proposition and a lot of people would like to say that needs to be the legacy of our hosting the DNC. Certainly that is going to be part of the conversation and again London will be a great opportunity for us to learn more about what that means.

A final issue that I would leave with you is one that perhaps some of you might have heard that it is time for a new economic development strategic plan for our city, county and region. We did one of those in 1998 and 1999, called Advantage Carolina. The City was a major participant and investor in Advantage Carolina. It was a body of research that sliced and diced the economy to try to figure out what are the drivers of the economy. It then built initiatives around how we support and help those drivers to grow so the economy grows successfully. It was a fund raising campaign that raised close to \$15 million over a 5-year period that was extended to much more than five years. Advantage Carolina has basically spend down its dollars. There is a need for us to conduct, freshen up the research and do that strategic planning. We don't think 2012 with the convention coming, with the economy still having the uncertainty that it does, we think 2013 is likely the year to conduct another major Economic Development Strategic Plan and we will consider that as part of the Chamber's priority post convention in 2012.

Mr. Fowler said Bob mentioned all these diplomats who will be in Charlotte for that convention. To the people that are putting on that convention, those diplomats are a real pain because they demand a lot and they deserve a lot, but from the standpoint of Charlotte it is just like picking

vegetables in the richest garden you've ever seen. You want to go to India, you want to go to Japan, you want to go to South American or any of those, the foreign ministers or at least the Ambassadors to the United States will all be there and it is a golden opportunity to pick up people and to make sure that they get to know what the Charlotte message is. It is terribly important and a great opportunity.

Mr. Dulin said to that point Council has voted unanimously to host of course and to host some of these dignitaries, whether we do it as a group at the Government Center one night or a reception, but of course they are going to be busy and will have their own agendas, and the Host folks will have them covered I would imagine. There is really nothing like a one on one welcome from an elected official to another elected official or to an Ambassador, even if it is just a moment or two to welcome them and shake their hand and then let them go on their way. I'm one of the Republicans on the City Council, but that is the part of this convention that I'm interested in, is making sure that Charlotte looks good and making sure that we are a welcoming community for these folks. That is what I'm interested in learning about and where I can plug in and be helpful.

Mr. Morgan said to pick on that we'd like to see, for all the foreign businesses that we have and we have over 950 in the region, the majority of those are in Charlotte, we don't have a physical presence by any foreign governments and we've had two visits from members of the Costa Rica Cabinet recently and they are interested in the possibility of a physical presence and would love to have some professional diplomatic core in Charlotte to further the globalization of our city.

Mr. Cannon said Bob you made reference to the our reach of Fortune 1000 companies, but what I'd like to know is what type of plan, is there a plan or will there be a plan of some sort to make sure that we are taking advantage of potentially making some of these international companies a part of the fabric of the City of Charlotte. The one thing we don't want to do is to have a missed opportunity and here is a wondrous time to be able to take advantage of that opportunity. I'm interested in learning and understanding more about what the real plan is to be able to interest, attract and place some of these companies in the City of Charlotte to expand our tax base, to create more jobs, to be just about that program in the way of rather than being Charlotte USA, Charlotte International or Charlotte Global.

Mr. Morgan said I think that is a great point and I think Don challenged us in a pretty specific way. In addition to the foreign business people and government reps that are coming we have people in Charlotte who are a lot more global in their business than we realize and things like the London trip are – we are going to have people go to London with us who haven't gone with us to the domestic destinations we've gone to. These are people who regularly fly to Rome, London and other places. Ingersoll Rand is up in Davidson and we don't get credit for it, but basically the headquarters over 1,000 employees, but one of those global businesses that go over fine and here is an opportunity to engage in Michael Mott, the CEO. We've gotten numerous examples like that and what we are doing is clearing the calendar of those kinds of people to be available to meet with the folks from other countries, whether they are government or businesses as part of that plan. American Efird headquartered over in Mount Holly, they do business in countries I've never even heard of and they are on planes going to those countries on a regular basis. They are a great resource for us to help tell the story.

Mayor Foxx said I see a lot more of the international stuff from where I sit than I did as a Councilmember and you get these Ambassadors and these Counsel Generals who come in through our City and you realize that what happened in Atlanta in 1988, I firmly believe that Atlanta became a destination for Counsel Generals Offices partly as a result of that convention. When you think about it that is a point of access for companies that come into the south period. They go through Atlanta, they get their briefing from their Counsel General and they kind of move on, but if you are that first point of contact, that is a huge advantage to you. I think what Bob is talking about in terms of, I think that is a 20/20 vision for us is to begin building a case for Counsel Generals Offices and actually have several of them here by that time because that is the entry point for us.

Mr. Howard said it is not just attracting companies here, it is also helping our companies do business with people in other places. Another thing Don said was having a committee to look at some of the things he mentioned. I wonder if we are doing some of that already or is that

something that is going to the Host Committee or is that something that the Chamber is doing? That real intentional look at how we take advantage of it.

Dan Murrey said up until now we have certainly talked a lot about that. We've worked with Bob and his team talking about ways that we can include the local business community, but we've been having discussions about how do we represent Charlotte to the rest of the world, but specifically in the business context, Bob's group has been very helpful with that. One of the ways I think we're going to have to show that off going forward is to have a focal point is going to lead through one of our legacy areas. We envision the opportunity of the inclusive global economy to be a focal point where we can tell that story. I'm hopeful that we use that. We haven't had a chance since the announcement to sit down with Bob and his team to talk about that exposition opportunity but that is on the agenda to talk about it and really build extensions out of that. I think the opportunity there is to bring companies in, those local companies that are doing business internationally, that are doing business across the country, and bring in other people to see that while they are here. Certainly we will have an opportunity on Monday, but we envision also telling that story throughout the week. That can be not only a place to tell the story, but it can be a gathering place as well for some of those interactions to take place that you are talking about. I think there is a role to be played for an independent group, the Chamber and other affiliate groups and local CEOs to really make those connections that you are talking about. We've got the people in Charlotte to do that and it is just a matter of getting them together and focusing on that plan.

Mr. Howard said Steve did they do that in Boston?

Steve Kearney said we focused on that a little bit, but we mostly worked with our Chamber and other business leaders.

Ms. Mayfield said regarding the vendor directory and the creation of it, I wonder if that would be something that the Chamber would consider taking on and continuing to grow after the DNC.

Mr. Morgan said we would love for you to give us that opportunity and thank you for bringing that up. We think there is a lot of logic behind that. We will learn more in London. Olympics are different than the DNC. The Olympics you do hundreds of millions of dollars in new construction and what London is doing to create legacy for themselves is they get a directory of firms that they use to construct their Olympic village, but they are now promoting those same companies in that directory with Brazil and other future Olympic host cities. It is not a perfect analogy for us, but to keep the directory alive and going forward we think needs to be done and we would love the opportunity to help with that.

Mr. Murrey said I believe that UNCC is probably a much more substantial institution than a lot of people in the world believe it to be. China and India are building new universities almost weekly that are about the size of UNCC. I can see great opportunities for the people at UNCC and I know that is a another whole bureaucracy with state government and I understand all of that, but UNCC becoming a partner with one of the new universities in China or India or somewhere else to do research, to teach and to create new energy, new ideas and new theories about agriculture, about modern day manufacturing and a whole bunch of other things. That is the kind of resource that you have in Charlotte that a lot of places don't have and that is the kind of thing that in 10 years would be absolutely magic and be an entirely new center of education and economic development that nobody thought about yesterday. That is one example of the many resources that Charlotte has that you could leverage in contacts with people not only in other countries, but around the United States.

The meeting was recessed at 9:54 a.m. and reconvened at 10:27 a.m.

United Way Presentation to City of Charlotte

Mr. Walton said in a great coincidence of events the United Way of North Carolina is meeting here just across the hall from us and yesterday we talked about positioning ourselves for the future and I want to introduce Jane McIntyre in a minutes, but Jane was faced with one of those situations a couple years ago and has really done a tremendous job of steering the ship and

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United Way is such a foundational organization in our city that it was something that had to be done. We could not have a greater stronger United Way Organization and she has done that and I commend her for doing that to reestablish the credibility that United Way has had forever.

Mr. Walton said I also want to introduce Phyllis Heath who is a Budget Analyst in our Budget and Evaluation Department and she was the head of our employee campaign this year for United Way which is why Jane and those folks are here so I will turn it over to Jane.

Jane McIntyre, United Way Director, said thank you for those nice comments and I always get a little embarrassed because you know you never do anything alone. It takes a group and in case it took the whole community and tremendous volunteers. I'm very happy to tell you that Curt is my boss and some of you are Curt's boss but in this case he is one of my bosses and I am very proud to call him boss. He gives me great counsel and advise and I call him a number of times and say, tell me what you think. It is always when I'm uncertain what to do and I have to tell you, he gives me some incredibly thoughtful advise.

I am here to say thank you to all of you. You have supported United Way and you've been here in many different ways and I appreciate it and it makes a difference. So many of you are donors, but we want to talk about the City of Charlotte. The City of Charlotte received a very important award today at lunch time and it is the Spirit of North Carolina Award. Your employees gave incredibly generously this year. They had a great campaign that Phyllis led with 33 ambassadors, 33 representatives throughout the whole City team. They had some seriously healthy competition, but they are one of our top ten campaigns in the entire United Way Campaign. We have 1,000 workplace campaigns so that puts you right up there at the top in this community and all of you know that since 2009 you have less staff, but the staff gave more. When you look at your staff. I want you to remember how generously they give and how deeply they reach and how much fun they have along the way. I have said this to the City Council before and to the staff, but I am proud to be a Charlottean and I am really proud to be a partner with the City because the City has actually partnered with me and organizations I have been with for the last 12 years. We had a speaker yesterday and he talked about partnerships and I actually consider this a partnership and I consider it a partnership because we are included, we are asked, we are advised, we are there at the table and we share and I know the city staff and the City Council has always been so honest with me so I thank each of you.

Randy Welch will make the presentation and he is finishing the second year of volunteerism, he has been the Chair of the United Way of North Carolina Board, he has been supportive of our United Way, he works for Duke Energy so we are proud of him. Jim Morrison is the Executive Director of United Way of North Carolina, of which we are a member and Jim is also a greater supporter. I'm delighted they are here to present this award.

Jim Morrison, United Way Director of North Carolina, said it is just wonderful to have partners like Jane McIntyre and Curt Walton and his team and all of you throughout the state who contributed so wonderfully to the United Way. The City of Charlotte has always been that shining star and you've always done great things for the community and for your citizens and you contribute to United Way heavily and that is what I want to talk about today. It is an honor for me to be here and I appreciate the opportunity to be with you. We are quite fortunate to be holding our annual meetings together and that is a little unique opportunity and we want to take advantage of it today. Charlotte is held in high esteem across the state and your leadership impacts not only your citizens but you make impacts on the state and nationally as well. The United Way results that we have seen over the past year is a direct result of the work that you and your staff and your employees have done and we appreciate that. Charlotte is one of the viable communities that I think the entire state looks to for leadership and you have provided that over the years.

There are things that I want to share with you about your campaign and the impact that you've had and you may or may not be aware of that. Curt Walton has certainly set the standards high with his personal commitment to United Way as well as to the rest of our community. There was \$400,000 in the new year's campaign and it continues to be one of the top ten campaigns in the United Way of Central Carolinas. This year's workplace campaign gave the following: The total number of employee donors increased by 12% and that is despite the number of employees

decreased by 5%. That is remarkable leadership and we want to thank you for that. Your per capita giving increased by 6%, a 19% increase in leadership donors and we appreciate the number of leadership donors. Then you had an 8% increase in leadership ... as well. All of this could not have been achieved without the leadership of Curt Walton and also by identifying the right people to lead the City campaign, namely Campaign Chair Phyllis Heath and Co-Chair Dennis Marstall. The campaign committee consisted of 33 Ambassadors that represented 15 Key Business Units.

Mr. Morrison invited City Manager, Curt Walton and Mayor, Anthony Foxx to join him for the award presentation.

Mr. Walton said there is one thing that is unique about our campaign that we couldn't do without and that is the participation and the contribution of the Police and Fire because our organization is half public safety and there would be no way to do this if it weren't for public safety. That is one thing that is significantly different in Charlotte than it is for most cities across the country. I thank Jon and Rodney for their leadership and that has been there for many, many years so the continued leadership we appreciate very much.

Mayor Foxx said never has someone stood for recognition for doing absolutely nothing and that is where I am right now, but I do want to acknowledge our staff. Curt from the top down, this type of recognition doesn't happen without some real character in the organization and real compassion for our community. We are talking about employees who over the last several years really haven't seen huge increases in pay and yet they are giving at a level that puts them in the top ten across the state, so thank you very much, it really means a great deal to all of us to know that we serve with people who care that much about our community.

Wrap up and Next Steps

Mr. Whitehead said we have one final piece of work to do. After all we heard this morning from Bob and Don and last night from Steve, what are the take away from that? Last night we talked about Leveraging the Convention for our future. What are the commitments and actions we can take to maximize the opportunity that the Convention really is. That is a very important thing to this body. We felt a good way to do that would be just briefly at your tables to respond to those two questions, what insights did you receive from this conversation and then specifically what significant action do you think this group could take that would maximize the opportunity for this convention is. You do need to appoint a person to capture, appoint a humorist and appoint a spokes person at your table.

Mr. Autry said one of the things we took away last evening was to talk about how to look for the negative things and highlight our challenges. We felt one of the things we could do was be prepared for that and to take a critical eye to ourselves, look at our challenges and prepare ourselves in a way that we could speak affirmatively and aspirationally about those challenges and say yes, that is a challenge and that is something the City is working on. An example of how this could be addressed is what we did, turning around and using a success story to highlight how the City can deal with these kinds of challenges. It would probably be something that would be good to involve a lot of citizens with and to bring ourselves as a unified body so that people throughout the city are prepared to speak aspirationally about our own challenges and to counter those and to make a better light of it and try to turn the light up a little bit so it looks a little brighter than they are trying to portray.

Mr. Gaskins said I have a White House story. A long time my dad had a best friend, and the best friend encouraged him to support a young senator who had a tremendous upset and won North Carolina and won the country and my guest is John F. Kennedy. He went to the White House with Mr. Kennedy and I came home one day after shooting baskets with my buddy and the phone rang. I answered the phone and it said this is the White House calling and I knew that it was my buddy George had gotten his sister to call and so I said this is Jimmy Crack Corn and I Don't Care and I hung up. In a minute the phone and this thing came on and said Gregg this is Henry Hall Wilson and it is the White House, get your dad, and by the ay Gregg, from now on when the White House calls don't be a smart ass.

Mr. Barnes said we have five ideas, one is to maximize opportunities for foreign contacts with the dignitaries who will be here and in order to make Charlotte a destination for business development and also to take our businesses to other areas of the world. We also talked about the idea of seizing the establishment of the Counsel General Office in Charlotte. We also talked about the value and the potential for leveraging small minority business development with our businesses after the convention is over and how that could actually help us to support and establish parts of the middle class that have been diminished over the years. We looked at the DNC as an opportunity to showcase our city for establishing ourselves as a sight for future Olympic games. I would say 2020 or 2024. We also see the DNC as an opportunity to actually analyze how we provide services to the people in Charlotte and we look at it as an opportunity to determine how we might improve those services based upon the experience of visitors. We know there will be people who will criticize Charlotte and those who will compliment the city and there may be legitimate criticism so there is some chance that we might actually learn some lessons that will allow us to improve the way we provide services.

Mr. Mitchell said let me give you the feedback from our group. The first action item was use Monday to focus on Charlotte Business community, have a big kick off that Monday at the Speedway and work on some type of growth share or pamphlet that talks about our business community. Secondly, as we talk about amateur sports and developing a plan let's have that same mindset and let's develop a business plan for international and future events like the Olympics. Thirdly, Mr. Cooksey said we ought to be responsible for connecting the dots. Let's respond to request by asking the City to be ambassadors to welcome folks into our town and Jeff came up with a great phrase that we can use, he said global 100 for Charlotte. Moving Charlotte from just a national stage to an international stage, let's really take advantage of this opportunity. Some of the commitments and action, accelerate our color coding street signs, how do we demonstrate at a global level the best things Charlotte has to offer. Partner with technology companies to demonstrate state of art technologies. Best practices – do we use the Convention Center in terms of actually showcasing the best practices our city has to offer. Let's tell local businesses, remain open and be inclusive. This would be a great opportunity for you to get customers and showcase your talent.

Ms. Mayfield said we need to determine how we will engage the city and define our message. Speaking about the recent collaboration between Johnson C. Smith and the Charlotte School of Law and what we heard earlier today, UNCC and creating a collaboration of higher learning of all the institutions coming together looking at the possibility of a medical school and what would it look like with that collaboration between Johnson C. Smith and the Charlotte School of Law on the international stage with China and Taiwan and other areas and bringing that to the Charlotte area. What are our export opportunities and what is our message to the world? We know Charlotte has a nice climate, great workforce, great Airport, railroads, ground transportation. We have a new level of ambassadorship with the leadership of our Mayor and through him Council and staff. We don't see everything that the Mayor is doing, but some of the council members are starting to step up more so highlighting that as well. Facilitate entrepreneur development, enhance research capability, promote international outreach through higher education, collaboration and educating our staff of over 6,400 as ambassadors to insure that each interaction is going to be a positive one. Thanks to John we have our tag line that we created which is Southern Hospitality with a Business Mind. If you want a vacation you can go to Miami, Vegas or Orlando, but if you want to learn a business, come to Charlotte.

Mr. Hagemann said our group came up with three observations and then three action items. The observations are first, the opportunity is now, second, we are at the point of no return and third the future is bright, future in 8 months and beyond. Sort of a sub observation, we have proven ourselves in Charlotte with very successful public/private partnership but they have been mostly for capital projects. This is the unique opportunity to use what we've learned from working with our partners in the private sector on something that is not really capital, but will move the community forward in a way that is as significant as any of the capital projects we've built using the public/private partnership model. In terms of our action and commitments this sort of reinforces what some others have said. First, the vendor data base is a huge thing that cannot be lost once the convention goes away. We need to figure out a way to sustain it, maintain it, integrate it with our existing SBO, MWBE, City/County data bases and look at ways to leverage what we come out of the convention with that data base going forward. Second, we need to

capitalize on the experience of the convention. It is an opportunity to springboard our future convention and visitors efforts and programs by demonstrating successfully our capacity to host the DNC. There should be nothing other than possibly the Olympics that shouldn't be easy for us to demonstrate that we can accomplish successfully by bringing folks into our community. Finally, we need to focus and organize strategic effort, take advantage of all the national and international business leaders who are going to be in town as well as the ambassadors and governmental dignitaries and look for a way to really place Charlotte on the global map going forward.

Mr. Dulin said along those lines, it seems to be that we are all talking about these international folks coming in etc. which is fine but my guess is that same crowd will have worked Tampa two weeks before they come to Charlotte. They are somewhat non-political and I guess they would go and enjoy Tampa and then come to Charlotte so in that extent we might be competing with Tampa because they are going to be thinking the same thing we are.

Mr. Autry said I would think the normal protocol would be that the people you see on camera at the 6:00 show would be the people that were there, but the production team or the behind the camera team would probably two separate teams.

Mr. Dulin said I'm talking about the international folks, the ambassadors, etc. so we'd be competing against Tampa.

Mayor Foxx said that is not a competition.

Mr. Howard said this International Cabinet is involved with the whole diplomatic sector and we actually have a City Department that can help us out with that. We jointly appoint and partner with the Chamber a group to tell us how to engage the business sector. We could look for opportunities to add Sister Cities with economic development mindset with that going forward and have some opportunities to build some relationship with folks from other cities.

Mr. Whitehead this DNC thing is like a marathon and it is an 8-month marathon and I thought since my business partner has had some recent experience with a marathon that he could share something with you about what this might be like over the next 8 months.

Mr. Beamon said sometimes you say something and as soon as you say it, you go I can't believe I just said that. I can't believe I just promised I'd show, we do base courses as you all know and our courses are largely about people reinventing themselves and reinventing their company so in the spirit of that I said to a pretty big group I'm going to run a marathon this year. I've never run a marathon and the longest I've ever run was 13.1 mile, but the words were out there, then I began training and every time I would go out to do a run I would think I can't believe what I've committed to, but I just kept running and eventually I finished and it went well, was extremely hard, but if any of you have run a marathon you know that in the middle of the marathon you have some experience that is just fun for you. We are going to show you a little clip that is really a metaphor for what you all are going through both in the work you do and now creating the future for the city, but is also now an 8-month run marathon to get to the convention.

Mr. Whitehead said we get ready to complete in a few minutes, let's reflect a little bit on what got accomplished over the last three days. I'd like to give a few of you a moment to express a little bit of what you are walking out of here with after the past three days, particularly I would like to hear from the new Council members. One of our objections was to really be sure that you felt integrated into this process and this group.

Ms. Pickering said I want to thank everyone first of all. It has been a pleasure getting to know everyone and as a newcomer I feel much closer to each and every one of you. What is particularly enjoyed about this I loved that snapshot presentation yesterday, loved those big pictures, the red and green. That really said it all for me and show people what we really need to be focusing on. I appreciated your willingness to express your opinion where we need to take this city. Charlotte is a fantastic city and we are going to make it better.

Mr. Autry said this has just affirmed for me the idea I've had about how this city grows and why it is the city that it is today. The first ten years I spent in Charlotte I've had a great time making the city the butt of a lot of my jokes, but this is serious business. We all eat the fruit from trees that we didn't plant and it is certainly time now for us to get busy planting some trees for those that are going to be coming behind us. I'm thrilled and so happy to be a part of this.

Ms. Fallon said I'm in the place I want to be. I'm with the people that I want to be with.

Ms. Mayfield said I have had an absolutely amazing time. Like most people I have attended a lot of workshops but this has been really educational as well as the true meaning of building relationships. For all the staff, thank you for allowing me to ask questions and welcoming me and my other new members in. For the other council members thank you for taking the time out to talk us and giving us the opportunity to really get to know you over the last few days and share our ideas and to hear what your ideas are. Thanks to Mike and Nicholas for the facilitation because the first day of trying to figure out where do you fall and your numbers really helped me to see where we have a lot of similarities and help to build upon the relationships that we are starting. I'm really excited about what we are getting ready to do and I also recognize that I'm going to pushing forward the commitments that we are making. I'm taking them serious and I'm quite sure my fellow council members are taking those serious as well as staff. We have some really hard work ahead of us but I'm looking forward to us getting to is.

Mr. Whitehead said we want to review quickly what you said you wanted to accomplish. The first one you said was can we walk away from here with an increased level of effective communication and trust within this leadership body, particularly new council members. You said alignment and commitment to what it will take to insure the success of the DNC for our City. Alignment on key priorities for the upcoming year. Is everybody fairly clear about what the priorities are? Staff will participate more fully and equal partners in the process of developing ideas and strategies. Lastly, a deeper understanding of the current economic environment and the budgetary process. Those are the five primaries and obviously there were some other things that occurred. Just the fact that this group did align on a vision for 2020 and I believe that Kim and Tracy are working on a communication that goes out to the media or the community about what did get accomplished. People want to know what was accomplished and I think you can check that pretty affirmatively.

Mr. Whitehead said I do want to thank you for the trust that you've placed in us and viewing us as citizens. Sometimes I can get carried away about how much I care about this city and how much I care about some of you and I hope that you will accept the passion from where it is coming from. I do plan on living here a very long time and this is very important to me. This is not just a job, it is not just something we do, this is very important to me and I appreciate the trust you place in us to facilitate this wisdom that is already in the room.

Mr. Beamon said I couldn't finish without saying a really big, huge thank you. I have been in Charlotte for 23 years, my wife is here, I have a 12-year old, I have 9-year old and this is a really big deal to me. What you all do as a staff and as elected officials in this community is a big deal so I want to thank you. I'm so impressed by you and I want to thank you for what you do. You don't hear that enough and I could not sit here and be with you for three days without saying it, to sincerely thank you for what you do for this community and my family.

Mayor Foxx said I wanted to get back to some things we talked about the first night. Curt produced a document that shows what life would look like if we changed our meeting schedule around and we promised to come back to that. There may be other topics that you all want to discuss so I thought we would spend this last half hour getting into some of that. We never really got a reaction from people on that proposal so I would like to hear what your thoughts are.

Mr. Barnes said I am comfortable with the idea of eliminating the first Monday meeting, but I would like to see the number of awards and recognitions capped from a time perspective to five minutes or less and also I think that having 10 speakers, based on the average over the course of a year of five, having the number of speakers capped for the forum on that fourth Monday to 10 at 3 minutes each. Otherwise I thought it was a fine proposal. Certainly it is worth to me trying just like we are trying the lunch meeting.

Mayor Foxx said this is not a formal vote. How many are receptive to the proposal? Curt do you want to kind of massage it? Are there other comments on the idea?

Mr. Dulin said the last thing we all need is more meetings, but one of the things that helps me serve is the redundancy of our meetings. I like the fact that Mondays are pretty much my council day and it is work for the meeting to be produced, but the meeting has been produced all these years and that is what we have staff folks to do that. I like having the meeting on Monday and we know from the deferrals when we do zoning, we defer something but it doesn't go away, it just piles up on you. I like the informational meetings and I generally enjoy having dinner with my colleagues and staff and getting work done. I'd do what the crowd wants to do, but I would like to keep it.

Mr. Howard said remember from Andy's profile, he doesn't like change. Curt, I was wondering when you were looking at it have you looked at the economics of it? It seems like there is a lot of staff that has to stay around at night and it would be one meal that we wouldn't have to worry about. It seems like by putting the sessions an hour earlier it is part of the work flow day anyway and people would be there with us at night anyway. Essentially we are talking about some economics too and maybe some savings, even if it is small. Am I wrong on that?

Mr. Walton said no, you're right. There would be some from the meal perspective and the security perspective. Security is different when we have school board or county commission or council meetings so it would save one night. We can cost that for you before we come back, but it would save some.

Mr. Cooksey said given the numbers that we frequently do have, the ten spot for the 4th Monday fill sometimes with a waiting list. Given the comment about averaging five speakers, I'm comfortable with the 15 on the 4th Monday, but one thing we may consider is we have a provision in our rules that the Occupy folks misunderstood, that if a large number of people sign up to speak on an agenda item, people can yield time, but if there are more than four speakers they get limited to 10 minutes, and it is the Mayor's discretion to do that under our rules. With the 15, perhaps we could look at the idea of saying if multiple people sign up on a similar topic then they should have one spokesman talking about that topic. That way we are not limiting the number of people who want to speak to us in a month, but we also keep the time on camera when we have a business meeting focused on their topic, not their number saying the same thing. Just a thought about how to tweak that a little further.

Ms. Kinsey said I'm fine with giving it a try but I am concerned that we may be limiting information. It is very helpful to me to have the presentations from staff coming out of committee and giving us all a heads up before we take it for a vote. It is helpful to me when I'm not on the committee. If you are on the committee you know it, so I just want to make sure we don't limit that. Also I really think this will probably make us go longer on the nights we meet so you need to take that into consideration because you know at 10:00 we want a pizza.

Ms. Fallon said I worry about limiting to 10 and limiting citizens if we have more than 10. I don't want to shut anybody out because they only have one time when they can come to us. I also worry about what the citizens are going to say, that we are looking to cut some of the work they aren't doing to begin with.

Mayor Foxx said as I understand it, the proposal is to shift the time we would have spent on a workshop on Monday and spreading it over the 2nd and 4th Mondays. We would be starting at 4:00 instead of 5:00 on those two days and catching up that workshop time on those days. It looks like there is a general consensus to try it. I think looking at the number of speakers that maybe there is a way to consolidate speakers who are speaking on the same topic, so Bob and Curt you all can take a look at that.

Mr. Walton said some of our regulars sign up, pushing people to the waiting list and then they don't show up. We may want to consider if you signed up and taken a space that you are not boxed out for 6 months or 12 months like it is if you come and speak, but you are boxed out for a while because people get pushed to the waiting list and don't come because they don't think we will get to them.

Mr. Dulin said I've gotten a question about Airport security and police officers that we were going to hire, but are hired or not hired. Do we have any update on the police?

Mr. Walton said yes, you approved a number in the budget but I don't remember exactly what that was. We are implementing that plan.

Mr. Dulin said were they budgeted in this new budget?

Mr. Walton said they are budgeted in the current budget and we may have to rearrange employees versus temps and contract and that sort of thing, but that big number dollar wise and allocation wise is in this year's budget and that would carry forward.

Mr. Dulin said are those hired going to start now?

Mr. Walton said yes sir.

Mr. Dulin said Mr. Barnes, Mr. Cannon and I made a great trip down here the other day and Barnes and I particularly would like to have an opportunity to test one of the electric vehicles and I think it might elevate our leadership in that regard if Council members from time to time were able to check them out. We've got other employees driving them and we are an employee also so I don't know about the insurance part of it and the liability part of it. I'm as good a driver as some guy from Neighborhood Services or Engineering that are going to be driving one and I'd be able to report back to the constituents that the plug-in places are working, etc. I'd like to have more open dialogue rather than just being shut out of that conversation.

Ms. Pickering said I shared this with the Mayor and some of you, the biggest surprise to me as a newcomer to Council, I've been surprised and shocked and frankly disappointed in the fact that we never as a group seem to have an opportunity to discuss the base and hash out issues because of the opening meeting regulation. We have debating issues here and we have difficult votes as we all know. I'm anxious to know if anything can be done about that, but that is a surprise to me and I'm sure it would be a surprise to our constituents. They don't realize that we really don't have a time to sit down, all of us together and have some

Mr. Cooksey said the counter on that is to the extent possible while we maintain our core legality and civility, it is our obligation to the citizens for them to be able to see us have that conversation, which is why the open meetings law exist in the first place. A frequent comment I get each year when we do the budget is typically budget goes by in about 5 or 10 minutes when we do the vote. You are spending over \$1.1 billion and you didn't talk about it. I say, well we've been talking about it, we have had hours of retreats and budget hearings and straw votes and they were all open meetings but they weren't on camera. People watch us. We make jokes about the meeting and people watching, but people do watch us and we do enough votes where we just say motion, cast, done but nobody knows what we are talking about anyway. The more we push that discussion outside the camera the less accountable we are to the people who elected us.

Mayor Foxx said one of the reasons we started the lunch meeting was to try to talk with the relationships which is what I hear you talking about, not so much the issues, but the relationships and we will keep trying to work on that.

Mr. Howard said Beth you are still talking about the whole ordinance thing with the camping?

Ms. Pickering said I'm really not talking about that, but that was certainly one issue that I would have liked to have seen us ...

Mr. Howard said when we voted on that issue we asked questions. We all kind of knew where those ordinances were going ahead of time. That is probably why you didn't see a lot of conversation back and forth. I think Warren is right, the longer you are there you are going to be part of the conversations and you'll see why they go so fast.

Mr. Whitehead said the core of this group has been here for a few years. You have four new council members and part of the reason you all can get so much done is because you do have

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relationships so be intentional about bringing this new four in and getting them up to that level of relationship I think will be time well spent.

Mayor Foxx thanked the entire staff for their work on the Retreat. If you will remember that we are in a globally competitive environment and we are fighting for every job that we get and we're trying to create a community where people want to continue choosing to live, that means that we have some very tough decisions to make and decisions that may not make sense to people in this time, but will make sense over time. I want to applaud everybody for their courage and taking a risk with a different format this year, for the Council/Manager Relations Committee for really working with staff to partner on what I think was a ground breaking retreat for us. Let's hope that the spirit of the retreat carries through for the next 18 months because we've got a lot of work to do.

The meeting was adjourned at 11:56 a.m.

Stephanie C. Kelly, City Clerk

Length of Meeting: 12 hours, 23 minutes
Minutes Completed; March 17, 2012