

The City Council of the City of Charlotte, North Carolina convened for a Workshop and Citizens Forum on Monday, May 5, 2014, at 5:12 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Dan Clodfelter presiding. Councilmembers present were Al Austin, John Autry, Michael Barnes, Edmund Driggs, David Howard, Patsy Kinsey, Vi Lyles, LaWana Mayfield, Greg Phipps and Kenny Smith.

Absent: Councilmember Claire Fallon

Mayor Clodfelter said before we start the Agenda I want to recognize we've got a visitor with us tonight, Steve Rao, who is on the Town Council in Morrisville. We're glad to have you with us tonight. Are you going to be with us all evening?

Steve Rao, City of Morrisville said no I've got to leave a little early but thank you Mayor and Council, it's a pleasure to be here. I bring you greetings from the Research Triangle. It's great to be in the State of Charlotte. It's a beautiful city and it's an honor to be here. I'm a friend of Councilman Autry and I was here on business today and wanted to come and visit with you.

ETHICS ISSUE

Mayor Clodfelter said we'll start off then with a report from the Governance and Accountability Committee.

Councilmember Howard said good evening colleagues. I only heard half of you. It's going to be a long night if we don't start talking to each other. First thing that you should know is that the committee took the charge seriously of looking at what we thought we should recommend about the current situation. There is no other reason to be looking at this right now other than the fact of what has recently transpired with our former Mayor over the last month or so. One of the things that I wanted to say up front is that we started the conversation from, at least I started my remarks, when we were talking about it, that we should be careful not to let this process paint every one of us in a bad light. There is no reason to think that this goes beyond one person and we should approach it from that standpoint until we know otherwise; that's the first thing. One of things we didn't want to do was overshoot on this one and start going down rabbit traps that had nothing to do with this particular investigation. The investigation as I understand it so far has been about allegations made about rezoning, about permitting and about undue influence. Those are the things that we dealt with when we were talking about it as a committee. Before we jump into what the recommendations are and you have that in your write up; I thought it would be good to go back a little bit and talk about the history of where we are with our Ethics Policy at this point. As a few of you already know; I think it's only Michael and Patsy that go back a couple years ago, we dealt with some issues where we had to deal with our Ethics Policy as it related to harassment. We made a lot of updates; as a matter of fact, we changed a lot of the policy then. Before we get into what the recommendations are I was hoping Mayor that we give Bob a few minutes to talk about from whence we've come and where we are and then we can go to the recommendations.

City Attorney Bob Hagemann said I provided you a memo and some documents in your packet that I'd like to walk through briefly. In the 2009 Legislative Session, the General Assembly passed a bill, Session Law 2009-403 and it essentially required two things; it required every governing board of a local government, including the City Council, to have an ethics code that addressed at least five listed subject matters. Second, it imposed an ethics training requirement on all local elected officials. You're required by law to take two hours of ethics training within twelve months of being elected or appointed and that law took effect at the end of 2010. The code had to have been adopted by then and the ethics training requirement kicked in by then. In the spring of 2010, then Mayor Fox appointed an ad hoc committee of Council and charged it with reviewing the then current ethics ordinance and recommending whatever changes were necessary and appropriate in light of the new legal requirement. Shortly before that committee began to meet, the University of North Carolina-School of Government issued what they called a Model Code of Ethics and widely distributed it across the state. It made sense; my recollection is it made sense to the committee members at that time to take a look at the Model Code and ultimately they thought it was an attractive model, and the committee recommended, and the full Council adopted an ethics code that is largely based on the Model Code developed by the School

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of Government. The changes I considered to be relatively insignificant. One example of something that was taken out were references to quasi-judicial proceedings because unlike some local governing bodies you don't exercise that function. You leave that to the Board of Adjustment and the Planning Commission, so we took out those references and a couple of other relatively minor things were left out. Significantly, the Council did decide to carry forward some things that were in the old Charlotte Code that were not in the model code. One of which is your annual disclosure requirement; by February 1st I believe of each year, each of you is required to file with the City Clerk disclosure of interests in companies and real estate, to again bring that out in a public light. Second, a provision from your old ordinance dealing with investigations, receiving complaints, conducting investigations and ultimately the possibility that the Council as a body might censure one of the members for what the body would have deemed to be unethical conduct. That is what is in place. I don't have statistics but my instinct tells me the vast majority of municipalities and counties in North Carolina probably adopted something very similar to the model code offered by the School of Government and if that is the case your code is very, very consistent with at least what I would call or describe as the modern practice in North Carolina based on that recommendation from the School of Government.

Mr. Howard said any questions for Bob?

Mayor Clodfelter said how similar Bob is the disclosure form that's filed here locally to the State of Economic Interest that's used by the State Ethics Commission?

Mr. Hagemann said Mayor I've not done a side by side comparison so I can't say for sure. Our form requires disclosure of ownership interest in businesses and real estate holdings other than principal residence and that's both for the member and his or her spouse.

Mr. Howard said there are a couple of us that are on State sanctioned boards; Vi and I, me be the alternate on the MPO, Michael you were on one at one point and those very long forms that we have to do is nowhere close to what we have to do. The one at the State is a lot longer.

Mayor Clodfelter said it's a lot longer. Are there topics that it covers; I mean I've been filling that one out so I know, are there topics that are not covered in the local statement?

Mr. Howard said the one that we fill out as City Council is a one pager but it asks for similar things; companies you have interest in, real estate you have interest in, boards you sit on and that's probably the extent. The one on the State seemed to go to the same thing but it's just a lot longer; they ask it three different ways.

Councilmember Smith said where did the County's code derive from and I know we have some differences that I feel are pretty big and ones that I would like to see us to move towards consideration. Where did they derive their code from?

Mr. Hagemann said they largely adopted the Model Code as well. They either carried forward or added. I'm not sure of the timing. A couple of other more specific provisions for example; they had some discussion several years ago about the appropriateness of accepting tickets for the CIAA Tournament and they wrote a specific rule directed at sporting event tickets from facilities or events that the County provides financial support for. You all know that that was a subject that came up about a month and half or so ago. Virtually everything in our code they also have but they layered off on top of it a couple of specific prohibitions and that's the one that I recall, that comes to my mind. The other thing I'll say to you is ethics codes come in a variety of different forms. Probably the main categories are what I would call as prescriptive and the other being aspirational. Prescriptive codes tend to say thou shall not, thou shall not, thou shall not in attempts to draw some lines. Aspirational codes talk more in terms of what folks governed by an ethics code should aspire to be; talking about and that's what the Model Code is an aspirational code, acting with impartiality, avoiding the appearance of impropriety; aspirational and more subjective frankly. I've had this conversation with some professors at the School of Government and they readily concede that many of the things in the Model Code, the standards are very, very subjective and compliance can in many cases be in the eye of the beholder.

Councilmember Autry said Mr. Hagemann what about electives serving on boards and commissions that receive money from the City.

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Mr. Hagemann said you're governed not just by the Code of Ethics; there are several State statutes that I would describe as being directed at ethical issues. There is the voting statute that you all are familiar with about not voting on matters involving your own financial interests, there's a slightly different variation of that that applies to zoning votes, there's a contracting statute that prohibits, and this statute applies not just to elected officials but others throughout the organization involved in the contracting process, of being involved in the making or administering of a contract in which you will derive a direct and substantial benefit; there's other tests. It's not just your code, there's other laws out there that govern your conduct; all of our conduct. In terms of you serving, one of you serving on a Board that receives funding, you need to look at whether or not there is in fact a conflict. There also is a principal that's in play in Charlotte that when you're appointed by this body to go sit on another board, if that's how you got there, there is not a conflict, you're there representing this body. I would have to look at this specific board that you have in mind and look at the specific transaction based on the unique facts to determine whether or not participating in a vote might be unethical or a conflict.

Mr. Autry said if there is an allegation of impropriety, who is responsible for looking into that?

Mr. Hagemann said it depends on what the standard is. Your Code of Ethics gives a role to me and frankly the Council does want to go down this road; I would like to revisit that, but it does call upon me to be the one to investigate and I just do not think it is appropriate. I think it is very appropriate for me to give you guidance and advice. I do not think it is appropriate for me to investigate one of my bosses; but the Code of Ethics does give that role to the City Attorney. If a complaint is filed it is entirely in the Council's discretion as to whether or not to ask for any kind of inquiry or investigation. You are not required to do it. It's in your discretion.

Mayor Clodfelter said we did a lot of things in the 2006 rewrite of the State Ethics Legislation that may or may not have been good but one of the things I think that was a unquestioned good was establishing independent ethics function to help folks navigate and discuss compliance and answer questions in a confidential manner and give reliable answers that they could act on. Just having a go to person who, like Bob said, doesn't work for you, but can independently answer questions and give you advice; that was probably one of the best things we did.

Mr. Howard said the approach here was to acknowledge that we probably need to go through an educational process, a reeducation process with Council about what the policies are. In front of you you have the memo from Bob, you have a copy of the bill that the Mayor was just referring to then you have more detailed copy of our policies. We were supposed to come here today with some broad reaching recommendation about what to do about policies; we thought we'd start with some low hanging fruit and then my goal would be after we get through these is to do an individual conversation with every one of you all to talk about what your take on this is. I'll be honest with you, just in passing I've heard everything from throw the baby out with the bath water to we shouldn't feel guilty and start changing all of our rules like we did something wrong, which is kind of how I feel. We need to be really careful about the fact that, I'm not sure that any policy that we have now or anything that I've read that anybody else is doing would have prevented what we've read allegedly happened. Let's just be careful about not going on a dragnet and just pulling everything in and being careful about that. I am asking for some caution.

There are four things that come to mind; the first one those issues being rezoning, permitting and undue influence is to look at the permitting and rezoning process as opposed to asking a new body to be formed around that, there is already, as you, know as a part of the streamlining permitting process that we started about a month and a half ago, there's an internal effort looking at that right now. So what we're recommending is that we add to that charge that they look at checks and balances as well when they come back with recommendations. They were already looking at streamlining the process. Now they'll look beyond that so we're adding to their charge. Again, not to start something separate since we are already looking at permitting anyway. We thought it would be confusing to have a review of streamlining the permit process and looking at checks and balances in a vacuum away from each other. The Manager thought that we could pull both of those processes together. The next one is something that the City Manager spoke about some time ago and that's an employee hotline. That being the undue influence part that if for some reason an employee feels like there's something going on they need to report, Ron recommended, he's going to put that in place under the administration of the City Internal Auditor; and again, no time table on that but I'd like for the Council to recommend

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that, to endorse that, to support that so he can move forward with that with some expediency. As a part of that process we also wanted to make sure that Staff was reeducated and it was reemphasized with them that there is a process that if they feel like something is being done wrong there is a hierarchy they can go through to make sure that they report that. The last thing is that again I want to make sure that I talk to each Councilmember to get some feeling from each of you guys about how you feel about how you think we should proceed with our Ethics Policy and actually it should be Staff and Ethics Policy. The last thing is we also asked the City Attorney to review our ethics training. Right now we have to do ethics training every two years at the beginning of our terms. We used to do that with the School of Government and then we have to do, it's actually not an annual review we just have to fill out the forms every year. He is going to look at if there is a way to strengthen that. He's just going to look at it again to see if there is anything with the form, anything with how often we have to do training, anything he would recommend along that line. The only thing that's not on here, Mr. Manager, maybe it's because you're going to do it on your own, it was actually the idea of talking to our financial partners about the bid process for contracts. Anything on that one?

City Manager Ron Carlee said we will do that.

Mr. Howard said is that underway already?

Mr. Carlee said yes we will do that independent of this just to make sure. We'll collect what their purchasing processes are and do an analysis of them and see if there's anything that is of concern to us.

Councilmember Barnes said Mr. Howard with regard to the permitting and rezoning piece could you explain to us what the committee would envision happening there?

Mr. Howard said it's really what I just said a second ago, the fact that a couple of allegations that we read in the FBI complaint had to do with rezoning and permitting. Not understanding what that is, what it's not, all we have to go on is what we read. The idea of doing a separate review of just those functions while a conversation was going on with streamlining, the process didn't make a lot of sense. All we're doing is actually asking to do both. We potentially played around with just asking a separate body to look at the checks and balances as it relates to both. Now we're asking, the committee is looking at streamlining to look at ways to make it simpler while they're looking at ways that maybe there's undue influence coming into the zoning and permitting process.

Mr. Barnes said what I'm asking you though is if you talk to going back to the previous City Attorney, talk about how we function in the rezoning process if a developer or developer's representative contacts us we meet with them, we sometimes, especially with partners, spend more time disagreeing than agreeing but we sometimes agree, sometimes disagree and then we advocate either here or sometimes in interacting with Staff on a particular petition. My question is, and you probably don't have an answer to this because the committee hasn't fully worked through it, but at some point you start cutting off what the district reps and other elected officials are able to advocate for or against in the whole process.

Mr. Howard said that's the dragnet problem that I'm worried about us going too far.

Mr. Barnes said I am too.

Mr. Howard said well we all are. That's why I wanted us to take a breath before we went beyond where we are today because you're right, again, there's not a lot in our policies that can be written that could've stopped what happened. As opposed to having us all feel like we've done something wrong and we're all guilty, it's just kind of maybe we need to, I don't want to use the term overstep, as much as just take our time and make sure we do this thoroughly and correctly. We're all concerned about that. The difference in what you just said and what we've read in the paper is that somebody has to be paid to do exactly what you just said when we all do it because we got elected to do it. I'm not sure policy will change that. I think because it happened we have to look at it whether we like it or not.

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Mr. Barnes said I don't disagree with that piece. I'm just saying that there's work that the general public expects us to do without payment but there is work that they expect us to do and I don't want us to be cut off from our ability to represent our people.

Mr. Howard said I totally agree. That's why we're kind of tiptoeing to make sure we get the right things.

Mr. Barnes said the second piece; the Mayor and I had had a conversation earlier about this employee hotline piece where either we had talked about the scenario where we could call for advice and since I've been on the Council I've either called Mack or Bob to get their advice. It might be even better to have a non-employee role, perhaps approaching the League about hiring someone or having someone on their staff to be available statewide which I think is a good idea.

Mr. Howard said I think that's a great idea too.

Mayor Clodfelter said I think the value of what we did in the State with the State Ethics Commission and the Staff there is not so much that it would have prevented what happened or is alleged to have happened. It didn't prevent or wouldn't have prevented what happened in the Speaker's Office in 2005 either but it keeps things top of mind and you know there is somebody you can call and you can say is this okay; somebody has asked me to do this or somebody has suggested this, is this okay or not; just having a person you can talk to about that often resolves a lot of grey areas. Generally, it's been very productive and very, very often used by members of the Executive Branch and by the Legislature.

Mr. Howard said in that situation Mayor I actually think it could have. If there was a staff member that felt uncomfortable with something that the former Mayor said or the former Speaker for that matter; we don't have the knowledge of whether or not that was ever the case because that was not in place before. In that situation I actually think that makes a lot of sense. It might actually have.

Mr. Smith said a, I appreciate you all taking this under consideration, putting hard work into it thus far. I agree with you on the not overreaching and taking a pragmatic approach to it so we don't jump in. I think we're on pace there. My thoughts and or concerns about all of our ethics code is more so we would not have stopped what allegedly happened and there is no you can't legislate criminal behavior if and where it happens and so I agree with you there too. I do think we need to take some strides to help restore trust with the public and part of that is to eliminate areas in which we get maybe special treatment that your average citizen doesn't get. I think there's a lot of folks and there's some discontentment with government officials in general in the public sector that we get tickets to ballgames, we get to go to some stuff that we tell ourselves is in an official capacity and your average citizen doesn't look at it like an official capacity. They look at it like hey there's Joe Blow person in government going out hob-knobbing and getting free tickets. I think there are some aspects of the County policy that we should take under serious consideration.

Mr. Howard said not to put anybody on the spot but from colleagues as well as people in the public, another spin on what you just said is the fact that we're away from our families, we're away from our jobs, we have to spend money on things other people don't, we're getting invited to everything and when we go to those things we walk ten feet and have to speak to everybody which is unfair to us and to our families and everybody else. At some point we're either giving the perception, we try to do a good job but again that's one of those things we should be more deliberate about talking through and not just jump on it because again to me the most important things are the things that were alleged than this. If we are going to do anything to rebuild trust it should be around the issues that are being presented. If we want to go beyond that after we deal with those issues Kenny; six votes can do anything on this body. I just want to make sure that we are getting at the things that matter and not going off on things before we deal with zoning and permitting and undue influence.

Mr. Smith said I just think we have an opportunity to show that we're not above the people and I would love to see Council embrace that and move down that path. I do appreciate the work that you're doing and I think we will have some constructive dialog. You and I have had very constructive dialogue thus far on this so I think we will have constructive dialogue.

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Councilmember Driggs said two things; for one, I haven't reached a level of personal comfort on this question of tickets and things like that yet. In the situation where there is probably the strongest case for having the City present because of a relationship with somebody is also the biggest question about the personal benefit, so a Panther's playoff game for example, I felt I didn't want to go and I was prepared to appear at some sort of an event and wave on behalf of the City but to actually go in and sit and watch the game struck me as being in the public eye possibly too chummy, too much of a perk; first point. Second thing was there are a lot of outside firms that do a hot line services, private companies use them all the time, I don't know what the practice is in the public sector but it does have the benefit of that total independence and they have a certain kind of expertise so that when a situation is brought to them they know which people to be notified and they are not managing that process as could be the case with somebody else.

Mr. Howard said it is my understanding Mayor that we're talking about an outside firm. We could talk all day about tickets. I hope we'll stay on what we have heard was what happened.

Councilmember Austin said David I do believe that you're taking the right approach in your committee, taking baby steps in your approach to this. I don't want the community to think we are on the take allegedly either. Kenny, in reference to tickets, I think the things that we do go to are in our official capacity. If I had to go to all of the things that we're invited to go to I would be broke and that would be another question about whether we need a raise or not as City Council so that we can attend all these different events. In the spirit of our capacity as districts reps we have to attend these events. I think it is important that we show up as part of what we do as civic leaders.

Mr. Howard said and again this is the exact reason why I want us to slow down because for the last ten minutes we have not talked about zoning, permitting or undue influence. That's the problem with this if you start being too broad. Let's deal with the issues that are at hand and as we get through those if there are other things then six votes can pull that back. I wanted to make sure we honed in on the things that are kind of apparent.

Mayor Clodfelter said I'd like to make a suggestion. I think you're on track. We've got three recommendations from your committee that we ought to act on tonight. I think though probably your committee ought to keep charge of these issues. What I'm hearing is there is some interest in discussing this issue of gifts and perks a little more in depth and I think that's a longer term discussion. I agree with you.

Mr. Howard said this is a first report. It is by no means the last report. In fact, I would think we're going to talk about it for some time to come. What I personally plan to do is call each one of you guys and get individual feelings. I will do that between now and my next committee meeting and then bring that report back to the committee for us to discuss. If for some reason I hear that there is strong sentiment from a majority I will put it on the table without question.

Councilmember Lyles said I think David said he would talk with each of us individually and get that list together and I appreciate that and I think that that works great.

Mayor Clodfelter said it is a very difficult thing to find the right balance on the perks issue. It's very difficult. We took the approach in the State in 2006 of saying absolutely nothing, zero, no cup of coffee, nothing and then wrote fifteen pages of exceptions which were really a nightmare. In default you end up with nothing because you can't remember all the rules. One of the interesting things that happened as a result of that very absolutist position was that legislators who were not reasonably well off no longer had access to information that they could get from organizations because they couldn't attend the organization's event and eat the meal. They couldn't learn about the issue. Yet those who were reasonably well off could continue to buy their own meals and continue the dialogue. It was a power shift in favor of the legislators who had a little more resources and against those that had less resources. Nobody intended that to be the outcome of ethics reform but it's one of the things that actually happened in practice. It's a very difficult issue to manage. It's very difficult. I think David's recommendation is exactly the right way to go; take the most important things first and then continue to noodle about the much more difficult issues.

Motion was made by Councilmember Lyles, seconded by Councilmember Austin, and carried unanimously to approve the Governance and Accountability Committee's recommendations regarding the review of the Code of Ethics.

Mayor Clodfelter said again, I think you're proceeding in a very good, deliberate fashion and Mr. Manager I understand you're going to be working with that committee on the permitting issues to keep the reporting going there.

CHARLOTTE LOCAL HISTORIC DISTRICT COMMISSION UPDATE

John Howard, Charlotte Historic District Commission said I'm going to talk about the Historic District Commission and what we're doing and how we're improving our processes. A little bit of background about myself; I've been at this job for about a year in June coming up. Before that I've been a City Employee for about 14 years in different departments in Planning and Neighborhood and Business Services so just a little bit of my history. I will talk a lot about some of our work that we do to get you better educated about what's going on today.

There are three basic preservation types that we have right now in Charlotte. One is our Local Historic Districts; that's the department that I manage; we also have National Register of Places and Districts and also Historic Landmark Commission which is a County run program; they look at individual structures and sites. Our department, we look at neighborhoods and the projects within neighborhoods. The Commission was started back in 1976 so it's coming up on forty years old. It's been around for a while. Fourth Ward was the reason behind getting historic districts. They were concerned about the condition of their neighborhood and thought that the Local Historic District overlay would be a good way to protect the character of that neighborhood.

The purpose of Historic Districts is really to preserve the unique character of a district or a neighborhood. There are nine items that we go by to critique projects within those districts and on the right is our policy and design guidelines manual that contains what those guidelines are. We look at things like size; the size of a project, scale, massing, windows and doors are what we call fenestration, the rhythm of a structure, setbacks, materials, context and landscaping. Not all projects will have all these nine criteria attached to it; some may just have one or two; new construction will have all nine and major additions. We currently have six local districts. I say currently because there is a lot of interest to either expand our current districts or add new districts. We have six right now; Fourth Ward is the first one, Plaza Midwood, Hermitage Court which is in Myers Park, Dilworth, Wilmore and Wesley Heights. We have about three thousand or so properties in those six districts and about 700 acres. Again, we do have people calling and asking how can I become a Local Historic District or a National Registered District. We will see either expansion of our program by having new neighborhoods come on line or potentially by having existing districts that want to expand.

The process for applying for a district is pretty straight forward. The neighborhoods contact us and staff works with them on the application process. We also issue a report on what could be a potential boundary with the State as well. We may create the first leg of that work but then the State Preservation Office in Raleigh they help us get the boundary down to where it should be. It is a rezoning process. After the research has been done it comes through us for rezoning, overlay. The critical part of that is education. The more work we do in the front end; which is really the hardest work to do; is getting in contact with property owners who may or may not be in that district. They may have lived somewhere else; getting them comfortable with the idea of having a district as well as the neighbors who may not expect the amount of work that has to be done when you're renovating a home in these districts. Ultimately, City Council approves or denies these districts.

As far as our Commission they are appointed by you all; by the Mayor and Council. We have twelve members on our Commission. I'm going to stop right here for a second. If I have anybody in the audience on the Commission I would like for you to introduce yourselves and state what you do on our board.

Introductions are made by Don Duffy, Dominick Ristaino, Tom Egan, Deborah Glennon, John Luke and Mattie Marshall.

Mr. John Howard said the work that they do is very demanding and we respect the fact that they volunteered to be on this commission because it is a lot of hard work, lots of long hours potentially and we appreciate everything that they do to help support our staff. The Commission basically establishes and provides us our policy and design guidelines. We apply that criteria when looking at projects, they approve applications for what we call a certificate of appropriateness; that's your proof that the project has met the guidelines and then you get your approval. They help us as well with education and outreach and they follow a quasi-judicial process; which means they have to have findings of facts; so it's not legislative this is quasi-judicial.

What goes into applying for a certificate of appropriateness? There are two kinds of projects that we look at. One you could call minor work; that's things like some types of building additions; fences, walls, patios and decks, windows, doors; kind of the small stuff that most homeowners do on a regular basis. We also have major work and that could be new construction, major additions, changes to original window and door openings, demolition requests and also garages and accessory buildings if they can be viewed from the public ground. If a project is not going taller or wider than the current structure or it's not on the corner then that can be staff approved. If it does exceed those parameters then it goes to our Commission for review.

Basically, this is just a flow chart of how we handle that process. The green part to the left that's the staff approval process and again those are more the minor works; more the common projects that we get. On the blue, that's the Historic Commission review process. Basically we are the gatekeeper for that process. All the applications that we get in we decide if it should be a staff approval or if it should be a Commission approval or a Commission review. For full Commission reviews staff reviews the application for completeness, we create the meeting agendas, we notify property owners, prepare the presentations of the applications and provide a staff analysis. The applicant then discusses the project details with the Commission and they then deliberate. They also hear public comments during the meeting and then they can issue a decision, whether it's a full approval; meaning it met all the guidelines, all the information was accurate and correct and they get their certificate immediately. Approval with conditions; that may mean there's some minor things left off that staff would approve. We have a denial which means that the project cannot come back for six months unless a major change has happened in their plans and then they can bring it back. Then we have a continuance; that's where a project may not have had all the information or there are questions about the project itself; it can be continued to a future meeting.

Essentially, we look at exterior work only. We don't look at interior work unless it impacts the outside of a building. These are the three things that a property owner will receive. After their project is approved we have a letter that's really the certificate of appropriateness; it's in the form of a letter right now but we're looking at different ways to change how that letter is formatted. They also get a placard; that's the second in the middle, it's 17 X 24 inches large, it's blue; it goes onto your project so that the public can see that it's been approved and it did meet our criteria and then we also have the plans themselves that we stamp after they are approved. This information also goes to our zoning enforcement staff except for the placard; they don't get that. They get the certificate and they get the plans that were approved.

Councilmember Mayfield said this right here is an example of what an approved project would be, so in the middle would be an example of what is approved and what's signed off on by the Commission and is this third one an example of what?

Mr. John Howard said the second box is the placard that gives the address of the property and the certificate number and the last slide, the last image on the right that's an example of the plans that we approved; building elevations essentially.

Ms. Mayfield said I might be jumping ahead; are you also going to address what happens if what's approved is not what is actually being constructed?

Mr. John Howard said yes, that's coming up. In terms of what happens after the project is approved. This is where we're having a lot of discussion about how do we improve that process. Basically, staff does not inspect a project unless there is a complaint or if the property owner

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wants to make a change to what he or she was approved for. The zoning enforcement staff responds and provides a recommendation back to staff. We talk about the level of incorrectness of that project and then the changes are reviewed by the Commission or by staff. We try to have another process where we're approving to respond to those changes more quickly.

Mr. Austin said in reference to number one; if a project is 90% complete and then you receive a complaint then what happens if it is not in compliance with the certificate of appropriateness?

Mr. John Howard said it depends; there are two different things that can happen. We can issue a notice of violation. Normally, those kinds of violations can be fixed. You have a stop work order; which if there's something egregious is happening then we stop the project and you can't do any more work on it at all. Depending on the level of a mistake in the plans we either issue a notice of violation or a complete stop work order. I'll give you an example of what a stop work order project could be; if you dig a foundation and it's not deep enough, before you pour those footings we need to get out there to make sure that the footings are placed in the right location or it could be a setback; they're setting their foundation if we find that is not where the certificate says it should be we can stop that project and then correct it before it goes too far.

Mr. Austin said if I've completed my house and I was supposed to only be thirty feet and I'm thirty-five feet then what happens?

Mr. John Howard said that is a good question because again we try to catch these things in the field as we go and we hope that we'd have caught that sooner than later. We could issue fines; we do have fine structure if you do have a violation but we're talking more about how do we prevent that from happening in the future. I'll get to that point in a second about solutions but one thing we're talking about is having a post application approval process because it's what we really don't have right now. Once we issue that certificate of appropriateness, we being staff, myself and my assistant; we don't track the project down and keep up with it. If a complaint comes in, again, it goes to our zoning enforcement staff and then we talk about what the right solution could be.

Ms. Lyles said this probably is something that you're going to get to. I think on the slide before this one and this one it indicates to me where we have a disconnect. Just think about this, if we were just building a regular sub-division and we only inspect it if there was a complaint; this is a commitment by I think all of us by adopting these rules that we're going to follow through on them. I look at this and I think why isn't it more parallel to what we would do for any other type of project. I just don't understand the concept behind unless there's a complaint. On the slide before this one what I don't understand is how you get people to come to an understanding of an agreement when you have this completed. In most cases there's some contract that says you and I agree that these things will happen and if these things don't happen there is a breach of this agreement. I don't know that we do the kind of work there that allows us to think about this in a way that brings integrity of the district to governance. That's one of the things that I think we've got to consider and figure out because if I have an agreement on something and the government's involved and we've created these districts it's got to have the integrity of process and action behind it in my opinion. I would just challenge us to think about that a little bit more.

Mr. John Howard said it would kind of depend on what we talk about on complaints. We do get applicants who actually come to us first while they're in the project and ask us 'hey we have a change we'd like to make on our project'. It is complaint driven and it's also if an owner wants to change something in his plans. Part of the decision making process again, going back to being quasi-judicial, is appeals. The decisions of the Commission or an approved plan, or even a denied plan can be appealed; that goes to our Zoning Board of Adjustment. To have that status you have to make sure you have standing; are you an aggrieved party, which could be a property owner or someone who's close to the project. That has to be proven by the Zoning Board of Adjustment process. Any appeal that's filed must be filed within sixty days of that certificate's issuance. There's a time that you have to get that appeal in and any appeal from the board decision will go to the next step up to the Superior of Court in Mecklenburg County.

Councilmember Kinsey said having lived through all of this Historic District stuff since I was on it originally it's much more difficult now with more districts. I've never known a house to be taken down or any kind of fine to be levied. Once it's up it's up. I've never known the ZBA to do anything other than to allow it to be that way. I think back to Ms. Lyles comments unless we do

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something and take this seriously there's no reason to have Historic Districts. You and I have talked so I know you know that. There's just no teeth in the ordinance.

Mr. John Howard said we are looking at other districts or other neighborhoods around the State and also comparable to Charlotte such as Nashville, Tennessee and Raleigh and looking at how they structure their enforcement process. We're talking with them and our preservation office as well about what's the right method. I think once we undergo the design guideline update process we'll get more into the details of what's an appropriate fee structure and how can we also even look at the review process a little differently within our own Commission right now.

To give you an idea about how much work comes in, from April last year to now we got almost 350 applications that we've processed and internally about 230 that we reviewed. Those do not go before the Commission; those are approved in-house or reviewed in-house. Going back to that slide that talked about patios, windows, doors and additions to the back of the home; those take up the bulk of our work but we also have to process applications for the next month every month. The wheel doesn't stop at all. We get e-mails every day for different requests, applications every day for requests just about. It's a continual project and as you can see in that big number, 18 were denied over the past year or so for one reason or another. Some also just fall through the cracks; they are either withdrawn or the applications get continued and never quite finished so we have a few of those that are outstanding as well.

Mayor Clodfelter said how many staff do you have now?

Mr. John Howard said two and a half. We have two and a half full-time equivalents; my assistant, Wanda Birmingham who keeps me positive every day; she's been there for 27 years and has been a tremendous resource for me and also for our Commission staff so I appreciate her work.

Mr. Austin said you're saying you've got 343 applications and that's between the two of you.

Mr. John Howard said yes.

Mr. Austin said how many more communities want to become Historic Districts?

Mr. John Howard said I would say between four to six areas requests that we're looking at and we have one that is asking for an expansion. Within that number; between four and six I think are really serious and they have the right attitude about preservation. Things come and go and it can take a while to even get the application process completed depending on the neighborhood's resources. Wilmore I think took a while to become a district because they had some fits and starts along the way but that was the last neighborhood to be designated back in 2010.

Mr. Austin said so you indicated that the Zoning Enforcement Officers; they go out and do the checking.

Mr. John Howard said sometimes we do if we can. We'll get a call sometimes that asks just come out and look at a project and they'll ask 'do you think this will be approved by staff or by Commission'; so we do sometimes meet with people at their projects. But a lot of times we don't have time to meet every applicant where they are. We do require them to come in and talk to us first and we've just changed one application item which is we're going to require applications for every project because some projects don't have to have a certificate; like if you're repairing your roof, you're doing some major, critical repair, you don't have to apply for a certificate for those projects. Now we are going to requiring that for everything. We're approving things as we go along. I always say that it's like living in a house that's undergoing a major renovation and you know what that's like; so this process one, doesn't stop and two, we're trying to fix things as we go along.

Mr. Austin said I know that Ben and his team are really, really good but I'm sure this is probably not at the top of their list of priorities in our districts and communities. It looks like you need some more staff.

Mr. John Howard said good segue, talking about Zoning Enforcement staff and I think they're here in the audience too. Ben Krise and Mark Fowler are here. They have nine inspectors for the whole city and four of those are assigned to Historic Districts but they are not dedicated to

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Historic Districts so they can rotate back and forth and do other projects or look at other enforcement issues. There is not an assigned Historic District enforcement person.

Ms. Lyles said my question might be best for Ron. How is this funded? How does this funding compare to other regulatory funding areas that we have in terms of is it treated comparably or not?

Mr. Carlee said generally I would say not. Fees are not attached to this process currently and so you don't have that funding stream to support the inspections. I would not say that's 100% on all the other inspection type activities that we do. It is more the norm and as Mr. Howard said part of what they are looking at are leading practices in other communities particularly in North Carolina to make an assessment as to what if anything we might want to do with regard to a fee structure as well as a more effective enforcement system.

Ms. Lyles said I agree with the best practices review but to me one of the other best practices is treating it as something that we've adopted and will enforce and treating it comparable to other permitting and zoning issues and how it's done. I'm trying to get a principal around what are we trying to do and if we're going to do whatever we decide to do to do it well.

Mr. Carlee said that I think is the policy issue that is before the Council. This is a project that started out relatively small and it's grown to be fairly significant at this point. You can see the volume of work and as in some other areas this is an opportunity for us to step back and recalibrate. What have we actually created? How do we want it to work? Can we actually effectively deliver on that which we're proposing that this program can actually do? On the enforcement side I think from the staff assessment at this point is pretty unambiguous that we do not think enforcement is as effective as it should be.

Ms. Mayfield said as we are counting down to the last few slides I want to go ahead and prep my colleagues that you're probably going to be hearing a request as we get ready to go into adds and deletes in our budget to look at if we're going to be serious about preserving historic districts that 2.5 is not the appropriate staff so I'm thinking based on a conversation we're going to be getting information on what an appropriate number would be to really make sure that we're adding the teeth as was mentioned by Councilmember Kinsey to make sure that we are preserving our historic districts moving forward because it's not a lot we can do about current projects but we have and I didn't see it in here John but I believe we have 18 projects right now that's floating out there right now so we really need to not wait any further and then another five years from now have this conversation again; really look at how we're going to support it now.

Mayor Clodfelter said I think you may be discussing it more during your budget sessions as I understand.

Mr. John Howard said as far as those programs issues, we're kind of talking about it as we went along in this presentation. Essentially, the first item, loss of structures, too many structures, there is concern about the overall condition of the districts and the impacts could include one, demolition, the total loss of a structure, or could be loss through an addition that then diminishes the historic character of the property itself. So there's two ways that a property can be diminished or affected. We are in a process of actually analyzing our current districts now. We have a survey that should be completed in the fall and they are analyzing the conditions of our historic districts. I think by the fall we'll have a report that talks about here are the structures that are lost and here are boundaries that could be amended based on that loss. I don't think it's going to be a huge change; as a matter of fact I think it's going to be an addition. They're going to recommend that now the 50 year mark has now hit us, it is 1964, now you have to analyze other parts of those districts for expansion. They don't have to do it. We're not going to make them do it, but it's a choice. That's just the data we're going to have to make that determination. Secondly, the guidelines do need to be updated and the great thing about what we're thinking about doing now is making a much more community wide conversation and not have it done in house. It'll be a public engagement process. We're going to have workshops and not only with the existing districts but the entire city who may want to become districts. This will be a great opportunity to have education from point A to point Z in that public input process. As far as a third one, talking about penalties and fees, I think that if we get the other parts done right; that is we're doing the project after it's been approved from step one of the foundation being laid and framing and finishing, window replacement, that we would probably not have to worry a whole lot about number three if we get that part right. As we talk about fees and fines and that kind of

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stuff I want to keep people in mind that education is the foundation for everything that we're doing. Without that and communication and talking to our partners then you're right it will fail.

As far as improvements; I'm not going to list every one of them. It's not about doom and gloom. We have made some success. We have changed some of our meeting processes; we've updated our submission guidelines for projects, so there's more information now than we've ever had before. We've got building details and notes and measurements, we use photographs and different types of ways to show the project in the context of the block that it's in. We are looking at improvements not just today but also moving forward into the future and again we're planning another survey contract for next year if we get the grant from the state. Looking at our schedule quickly, this spring we draft the RFP for the Design Guideline update process. We are evaluating our permit and enforcement process as we speak so any of your ideas that you may have will be very beneficial for us. In the summer we should begin the guideline update process; again, that will be a public meeting structure. In the fall we will conclude the Phase 1 Historic Resources Survey and I'll come back and report to you what those results were. We'll begin hopefully our Phase 2 which will look at areas that are not districts but could be. If you think about the Central District, all those properties that are in there, all those neighborhoods, we're going to figure out which ones have the best potential to become historic districts. Our consultant will help us with that process and the State Historic Preservation Office. By the winter hopefully we'll be complete if not close to complete with the Design Guideline update. I'm looking forward to that process because that will really help us get more information and feedback from the public so we can really craft a good set of rules to go by. That's the end of my presentation.

Ms. Kinsey said Mr. Howard I'm not clear on why we're hiring a consultant.

Mr. John Howard said let me clarify. With our current staff levels at 2.5, for us to try to manage a large public input process would be a huge burden and I don't think we could finish it within the next year or so, to be honest with you, and manage the day to day operations of processing the applications and getting ready for monthly meetings. I looked at it as far as could we do it in house; the answer is yes, but that time frame would be pretty long. Usually even having a third party do this kind of process it's more beneficial than staff leading it. I've talked to our friends in Greensboro, Winston Salem and Raleigh and they all agree that hiring a consultant to help manage that process with staff assistance, we'll be in the room the whole time with them, but to get somebody else to manage that project saves times and is much more effective, we think, than trying to do it in house.

Ms. Kinsey said so this consultant is just going to handle the public process. I don't quite understand that. It seems to me that it's taking an awful long time anyway if we're not going to be finished until the winter.

Mr. John Howard said it would be actually updating our Design Guideline manuals. We'll look for inconsistencies in the guidelines, any kind of things that are not clarified well, we can add graphics to kind of help the text; right now it's really text heavy and not graphic heavy. It's really kind of hard to judge a project if you don't know what it looks like for that criteria. Like massing, what does massing mean? We don't have any graphic that tells you what massing means or setbacks and contexts. We need to really kind of build a more comprehensive set of guidelines that explain the story better with more graphics that tie right back to the definitions and also even maybe redefine some items too. It's really kind of breaking down our current manual into little pieces and putting it back together again so that the Commission can have something they can really go by as well.

Ms. Kinsey said what do we have from the state in the way of guidelines? Do we have something there, a template, and then we build on that or are we starting from scratch?

Mr. John Howard said I don't think it has to be started from scratch. I think it's really again more of a reorganization of the document, reformatting, adding graphics, making it clear. I don't think it's a total tear down of the guidelines. I think you're really taking what you've got and making it easier to understand. We do have guidelines from other cities that we're looking at, mostly comparable cities; not just Raleigh but outside of North Carolina, so we've got a pretty good body of examples of what we want them to look like.

Ms. Kinsey said the State lets us just write our own guidelines?

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Mr. John Howard said yes. We'll be consulting with them along the way as well.

Ms. Lyles said I think that one of the concerns that I have is we've got some buckets of issues here. The first one is you've got a situation where we're not able to actually be effective on the ground with what we have and can we pay some attention to that so that we don't get further behind and we don't have these terribly difficult situations that are arising. What we're doing now; can we do it better? The next bucket is trying to make sure where we are going is right for the long term so I think it's almost two layers that we may not know. We need this because we need to get some simplification of the process and engagement but at the same time I don't think we can ignore 2.5 people reviewing almost 400 applications and Historic Commission meetings going on for six hours. We're going to wear everybody out. Even the staff, the citizens that serve so I think we need a two tier approach. Let's try to figure what we can do now, immediately, to help where we have these problems and then do what we need to do to make the process work long term. I don't think we can ignore what's going on right now.

Councilmember Phipps said I just want to know do we have any hard metrics to show, based on our perceived level of our staffing, that our historic district activities have suffered significantly as a result of that. Do we have any? I know we have metrics on the application process, how many we've approved and reviewed, but can we get some information on the impact on the level of staff and how that has impacted our ability to effectively administer the Historic District program?

Mr. John Howard said we're looking at other cities, looking at their staff structures and comparing that to ours and also their application intake. We're looking at that trying to figure out exactly where should we fall and also we've got surveyed comments from a year ago that dinged us pretty good. We have the information that, one, I think we all know that we're understaffed but as a matter of where do you put those staff person within the process, that has not quite been flushed out yet.

Mr. Phipps said I'm interested in specific examples of how the program has suffered as a result of 2.5 people that we have on board.

Mr. John Howard said we can work on that.

Mayor Clodfelter said John, how many staff does the Landmark's Commission have?

Mr. John Howard said I think they have 3; Dan Morrill, Stewart Gray and Mary Dominick.

Mayor Clodfelter said how many applications a year do they process? Do you know?

Mr. John Howard said I'm not sure. Their projects are a little bit different because they really deal with sites so their process is much more black and white than ours. They don't get nearly as many as we do. It's not even a comparison.

UPDATE OF MOBILE FOOD VENDORS TEXT AMENDMENT

Katrina Young, Planning Department said hopefully I'll be able to explain everything so that you'll understand what we're proposing. The purpose of this is actually to provide Council with an update on the process that we're using to modify regulations for mobile food vendors. We would at the end of this process also ask for Council action.

A little bit of background information; originally the Mobile Food Vendors Text Amendment was approved in 2008. This was after a lengthy process. We started in 2006 with the citizen advisory group. Some of the major issues that came from that citizen advisory group were that we didn't have a definition of mobile food vendors in our ordinance. We needed to determine the proximity to residential areas and the proximity of mobile food vendors to each other as well as operating hours. So again the process did go through Council; it went through the Community Safety Committee as well, which recommended approval and then the final approval was granted November of 2008. Just a review of the regulations, Planning Department received requests to review the regulations from mobile food vendors from other city departments as well as Center City Partners. We launched the process in January of 2014 and we formed a citizen advisory group that includes mobile food vendors, neighborhood leaders, residents and other businesses.

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As a part of the process we did focus on certain items. The focus of review was locations, hours of operating, the proximity to neighborhoods and any secondary impacts to the mobile food vendors. The highlights of the proposed changes are that we've grouped these by categories. First, we have permits; we've increased the number of locations per permit and the time. Currently they are allowed one permit per location and it's valid for 30 days. Every 30 days mobile food vendors currently have to obtain another permit and they can only stay on a site for 90 days and then they have to find another location. One of the recommendations is to extend the time period to a year, a calendar year, and on that permit they can use it for three locations. We see that it is a huge financial benefit. Also, on the locations, we've determined ways to allow food trucks to cluster. The clustering will be based on the lot size and there is a scale that would determine how many food trucks per lot. Once you get to an acre, the length and number of food trucks would be unlimited based on review from the Fire Department and buildings and other agencies for safety.

Mr. Howard said you're permitting me as a food vendor for 3 different locations; you do it from 30 days to a year.

Ms. Young said correct.

Mr. Howard said isn't that the same thing as permanent?

Ms. Young said you have to get one annually. After 365 days you have to get another permit. It could be permanent.

Mr. Howard said the only difference is that as opposed to doing it every 30 days which is taxing on them they get it for a whole year for 3 locations.

Ms. Young said correct.

Mr. Howard said alright. I just wanted to make sure.

Ms. Young said to extend the hours of operation, currently the hours are 8:00 a.m. to 9:00 p.m.; we are recommending that mobile food vendors if located less than 400 feet from residential have hours of 7:00 a.m. to 10:00 p.m. If they are more than that then they can stay open from 6:00 a.m. to midnight. This last category was separation; we reduced the separation from 400 feet to 20 feet between vendors on the same parcel. There's no separation for vendors on different parcels so they could be adjacent to each other with no separation. Reduced separation from the 400 feet for residential to 150 feet for a single family, youth and a single family district. We recommend creating a separation of 50 feet from eating, drinking or entertaining establishments. The caveat would be that if the eating, drinking and entertaining establishments within that 50 foot radius do not oppose mobile food vendors, then they would be allowed to locate closer than the 50 feet.

Mr. Austin said just a question for you on bullet number 2; what were the neighborhood leaders, the resident's response to the reduction in the distance from single family residential use for food vendors per day?

Ms. Young said we've received responses on both sides. We have had some residents' say that's good we want to be able to walk to the mobile food vendors, we like it, and we have had neighbors to say that they want to keep it at the 400 feet.

Mr. Austin said did they expand upon their reasoning why keeping it at the 400 feet?

Ms. Young said just concern about the secondary impacts; trash, noise, things that may be associated with the trucks.

Mr. Austin said do we have language in this proposal that speaks to trash and noise and those types of things or no?

Ms. Young said we do have language in the second handout that has the current regulations; some of those didn't change responsibility for trash and trash receptacles. The noise issue we did not address because we do have a noise ordinance already in effect that we used.

Mr. Barnes said Ms. Young I want to ask you a question about a parody and it has to do with the fact that with most of these large scale ordinance changes we tend to see things grow the scope,

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creep takes place, and so with something with this I don't know whether the Restaurant Association has been involved but I'm sure they will have some concerns about making sure the regulations match up if people are going to be able to park a mobile restaurant nearby. I quite candidly like the idea of the mobile food vendors because I think it's a good way to entrepreneurs to make a living and take food into the community. But I also want to make sure that we don't get six months, nine months into this and all of the sudden we are bombarded by McDonalds or some fast food establishment saying that they want some attention paid to their issues as well. Also, I'm thinking back when we passed this in 2008 and regarding that separation issue that Mr. Austin mentioned and at that time there was a lot of concern, particularly in District 5, about the proximity of the food trucks to neighborhoods and we were trying to address that so if we're going to be changing that ordinance significantly we need to remember think back to why we implemented the original ordinance and also consider the ramifications and consequences not only of the original ordinance both, the negative and the positive, but to whatever we may do here with respect to the mobile food vendors, the communities, the neighborhoods and the brick and mortar restaurants.

Ms. Young said yes, I totally agree. We too don't want to get to the end and have a lot of opposition; so we have reached out and we continue to reach out to get more resident participation on our mobile food vendors group as well as the brick and mortar restaurant businesses. We have received responses from both.

Mr. Howard said for me all of those make sense to me if number 4 is enacted unless it's a special permit for a special event. If that's not the case then I have real concerns about dropping 400 to 20 on the separation because what comes to mind to me then is who's regulating it. They park, they figure it out but I'm worried about safety. If for some reason they get real close and now they're crowded and now we have a situation where people trample over each other because we didn't space it good. I'm worried about the trash that comes from a concentration. Again, if it was a special event, special permit, it makes sense to me. Just ongoingly being able to operate that way is a little concerning to me. I find number 2 and number 3 to be interesting because in number 3 a business can say if they have a problem then you have to stay 50 feet away. With a homeowner I don't have that same right. That's a concern for me. I think going 400 feet to 150 feet is a little dramatic because now you know the volume, the decimal on your volume, at 400 feet away and being 250 feet closer to me is a big difference. The last one is I'm going to take the opposite spin on what Mr. Barnes said, it's not just them coming in and complaining to us about what their issues are, it's them going out of business now because they've invested in brick and mortar and these permits get to move around which was a concern when we talked about this a couple of years ago. The separation thing gives me some pause.

Ms. Young said understood. I will point out just for the 50 foot separation from restaurants now is not in effect; the current ordinance allows mobile food vendors to locate directly on the same parcel with a business, so this would allow some separation.

Ms. Kinsey said when we did the first ordinance a lot of it was because of crime and the police supported it because they saw a lot of crime around the food trucks at that time so have we talked to the Police, are they on board with this?

Ms. Young said yes, they are part of the stakeholder process. They are onboard with us as is the Health Department.

Mayor Clodfelter said Katrina, when does this come back next for discussion?

Ms. Young said our next citizen advisory group meeting is May 29th. Some of these that we're presenting today are a result of our last meeting which was last Tuesday so they actually haven't had an opportunity to discuss. Once we feel like we're comfortable at all levels from all perspectives then we will ask that it be sent to the Council's Safety Committee for a recommendation before we bring it to the full Council. Our action tonight is to ask for that approval.

Mayor Clodfelter said you need an action item from us tonight?

Ms. Young said we're asking if you would send it to the Public Safety Committee when we're ready.

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Mayor Clodfelter said unless there is some objection we'll send the text amendment to the Public Safety Committee.

Mr. Phipps said I have a clarifying question here. You said this would come before the Safety Committee after such time as the stakeholder group would've reached consensus on all the text language?

Ms. Young said whatever recommendation we want to take forward, we would like first, as part of the process, to educate some of our Councilmembers as well as get feedback before we take it to the full Council.

Mr. Phipps said this stakeholder process is it in its infancy, it just started? How many meetings have we had or how many do we contemplate going forward?

Ms. Young said we're hoping we only have one more meeting. We've had 3 and it started in January so we're hopeful that we're winding down to the end. We only have a couple of outstanding issues at this point.

Mayor Clodfelter said an important topic and maybe you might want to attend the workshop on the 29th of May if you're interested any further.

CITIZENS' FORUM

Water Bill Delinquency Fee

Dana Webster, 14021 Honeysuckle Ridge Drive, Matthews 28105 said first without being smart I'd like to thank my employees for all attending this evening. I'd like to speak to a charge that I discovered recently on my water bill from the Charlotte Mecklenburg Utilities. I first discovered from dealing with them that one may be allowed 4 extensions per year after which there will appear and listen to this amount a \$58 delinquency charge per month on your water bill. Let me add also that this is in addition to a late charge which is a percentage of the delinquent amount. I called them several times to remove this exorbitant and unjust charge. They refused. All they would tell me is that City Council approved that charge. I live with my wife and I live on social security and a very small part-time income. At times I find myself unable to stay current. I end up just paying the past due amount. Now with this \$58 charge added to the past due amount if you figure it out within 12 months minus the four months where they've allowed you an extension this adds up to \$464 a year that's going in some moron's pocket at Utilities and they don't earn it. It's predatory, it's unjust. How many pensioners or people who don't have time to come to City Council just pay up? I think it's interesting that once I had arranged to speak at City Council I received two separate calls from people high up in Utilities. They adjusted two delinquency charges for me; that's a \$116 and they explained how many shut offs and how expensive the shut off and restorals are for the utilities company each month. The fee they explained helps them cover that to which I responded isn't that what our reconnection fee is for to which they responded as though they were us a favor; we don't charge a reconnection fee to which I responded with a potential to hit up a paying customer \$464 a year I can see why you don't. Whether City Council specifically or conscientiously approved this particular fee or whether it was buried in a pro-forma session approving a proposition and they suspected that the utilities were acting in good faith I don't know. What I do know is that there is no way unless we have reached 1984 that this fee is just or moral. I've contacted some television people and I guess in closing I would say that this fee at best; no at worst, could be called thievery; at best it's a regressive tax because this hits the people who can't afford it and they are not going to get any help from this. It's not helping us at all. Corruption in government causes us to believe that this country is no longer for the people much less by the people. One can get the impression that it has been simply career politicians lining their pockets with sweet heart deals in order to prolong their term and that is exactly how I feel and I wonder when I think of our former Mayor and I think of some other situations that have gone on around here what in the heck you folks are up to?

Mayor Clodfelter said thank you sir. Mr. Manager, I assume we're going to get some response on this.

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City Manager Ron Carlee said yes sir. I'd be happy to give you a full report any time for any consideration as a part of the ledger process.

Mayor Clodfelter said let me say to everyone who's speaking tonight again we have to adhere to the time because we have to be downstairs at 7:00 p.m. I apologize, 3 minutes is short, and we will, if you've got an issue like Mr. Webster brought to us, we will be getting a full report on that and responding back to you tonight.

Prosperity Hucks Area Plan

Ed Gutledge, 1233 Eastfield Road 28078 said my name is Ed Gutledge and I want to thank the Mayor and the City Council for giving us the opportunity to speak with you tonight and to get right to the point we are strongly opposed to the multi-family portion of the development within the Prosperity Hucks Village Plan. This area is predominately a single-family, close knit community with pride in ownership throughout. A lot of folks move there, buy homes and they live in this area because of our lifestyle and our quality of schools. DOT is very proud of their I-485 Interchange and they claim that people come from far and near just to see it. This Interchange is the entrance to our neighborhoods which we want to be inviting to all who enter and to portray and reflect our lifestyle. Multi-family does not do that. This has been taunted as a Village since the beginning of this plan and we want a Village. We want a Village that offers jobs, goods and services, a place where neighbors can gather for shopping, dining and entertainment similar to the Birkdale Village. Thank you to Mr. Greg Phipps who has been graciously accommodated us and has played a key role in serving us as a community leader thus far but he says he's only one voice therefore we're meeting with you tonight to show that there are many voices that are opposed to multi-family. We're trying to work with the City Planners and hope to come up with a Village we can all be proud of. We know that ultimately the decision will be made by you guys and ladies. In light of the recent accusations against our previous Mayor it's obvious that outside forces have potential to solicit to those in power in order to sway their votes. We're glad that we have a group in front of us that are concerned about the citizens. We stand before you tonight as citizens, neighbors, tax payers and voters asking that you hear our plea and consider our mission to be yours also knowing that after the dust settles from all the development that we will still be there raising our families and with your support and patience this will be a community we can all be proud of. Thank you.

Reese Untz, 4902 Ridge Road 28269 said my name is Reese Untz. I live at 4902 Ridge Road. Right in front of my house they just built 350 apartments; right in front of my house. Supposed to be on that area plan or whatever. I got another 200 Ridge Road Villa on the other side and I got some vacant land behind me which is optimistic. That's property is being sold and they got a developer right now that came out there, talked to some of us. He wants to put retail and commercial which is what we want in our community. We're tired of multi-family. We want some retail and commercial. The developer wants to do that. On about 14 acres of it. He came down here to the planning people; talked to Kent Main. He says, oh no we don't want that, we want multi-purpose. We don't care what Kent Main wants or the planning people either. We're tired of that. It's our property. We're paying the taxes on it. We're going to decide what we want on some of our property; not this City planning people. We're tired of these people trying to tell us what we need. We want you people to understand that we're paying the taxes and we do not want multi-family. We want some retail and commercial. We got some areas in there in the core area of supposedly the Prosperity Village; we don't want know more apartments; we want some retail and commercial in there so it'll be a Village so won't have to drive 10 miles one direction or the other to find something to eat or something to buy or whatever. This multi-family thing that they say like Kent says 'well ya'll don't understand that it's not as bad as you think. Ha-ha.' Ha-ha what? Not as bad as we think. We know what it is. It's multi-family a grocery store with about 500 apartments. We're tired of that junk. We're telling you now that we live out there and we ain't going away and we're going to be down here every time something comes up if ya'll don't listen to what we want. If you got some people on that Planning Commission down there that so dead set on apartments or multi-family or whatever then you need to fire some of them and get somebody down there that's got some common sense. You got some of them on there that's all they think about is apartments and we're telling you we don't want no more of that. So ya'll need to understand that we ain't going away, we live out there, our neighborhood; I ain't moving. Ya'll start trying to put all these signs in there again every time they do something; something comes up we're going to be here. Ya'll need to understand that. We're asking ya'll's help. We want commercial and retail. No apartments. Everybody understand that? No apartments. We got a

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developer up there wanting to do it. He wants to do it right there right now. He wants to do it and planning says no we don't want to do that.

Janet Sirhan, 5834 Mantario Drive 28269 said good evening. My name is Janet Sirhan and I live in Highland Creek and we moved here from Hollywood, Florida in 2003 and we moved to get away from the congestion and the traffic. We know growth is necessary for any city to flourish but it should be controlled growth. It shouldn't be pushed or rushed into. The City said that up till now no one has really opposed the plan but when they presented the plan to us in 2009 at the board meeting it was nothing like it is now. I have a picture of what they presented and it was hardly any multi-family in there at that time. I've passed out some handouts to the members and I've got a packet that shows the January 2013 plan; its photo number 1 and you'll see that there's several big, open spaces that they were supposed to leave for us. Well, in the next photo; number 2; that's what they're presently proposing and it's crowded, it's crowded, it's overbuilt and there's no open green spaces. Photo 3 shows where they're proposing to build the apartment complexes. This in addition to having town houses with retail apartments above it in the Village Plan; nowhere has it been mentioned to provide services for the people living in this area. How about a police sub-station that we're going to badly need? How about a library? Even a senior recreation center. The nearest one is way up in the middle of Huntersville. The City has a vision of building all these apartments complexes and saying that people are going to be working right there and they can walk to work. In order for people to live in those apartments they have to already have jobs. Do you really think they're going to quit their present job so that they can walk to work? Nope, they're going to get in their cars and put more traffic on the road and drive to the jobs that they have now. The plan also mentioned to increase parcels from low density up to 22 DUA. Why is it necessary to increase what is already zoned as residential? It seems to me that the City is trying to squeeze in as many buildings as possible in a very small area. This strip along Prosperity Ridge Road is only a mile and a half and they are proposing 6 apartment complexes. That's outrageous and the School Board said there is only going to be 32 students per complex. First of all, I don't know how they know that. Second of all, I live in a residential area and I have 27 children on my block. I just hope that you take our concerns into consideration and we can come up with a plan together that is mutually a benefit to both of us. Thank you.

Patricia Hannum, 772Taymouth Lane 28269 said yes you did. Hi everyone and thank you for allowing us to be here. Unfortunately, we got tied up in streets that were one ways so we may be a little late but we're here. Anyhow, I'm speaking on behalf of grandmas, moms, families and experience. I was born and raised in Miami. Ten years ago moved up here for a better quality of life and I think that what's being proposed is really going to infringe on the lifestyle that we would like to live and also leave for our children. I also think that all of us working together which is a wonderful opportunity is the way to show our children and everyone else that everything can be achieved with proper respect, communication and everyone working together with an ultimate goal in mind. We have kind of like a sanctuary where we are and it's a place of a haven. It's a very restful, nice, esthetic pleasing. We would want to make sure also whatever is built would be architecturally pleasing in addition to perhaps adding like a labyrinth and making some money for the City by selling bricks but the bottom line is we are all here together to express to you our true concerns. We really would like to be able to work together. We have some great ideas. I came from an experience and living in Pembroke Pines when we had to accommodate 75,000 people west of I-75 in a four year period. We built schools, stadiums, in between the City and County, the school, the parents, PTA boards, everybody that collaborated together. We built a nice community. Now it's all concrete. We're gone but anyway I want to say thank you for allowing us this opportunity. I really am excited; I think everybody's got some different ideas. I'm hoping our big group will be able to form and make smaller groups and be able to make one big group and come back because like Mr. Gutledge and Mr. Untz said we're not going away. Thank you very much for letting me speak.

Sarah Zdeb, 7329 Avonhurst Lane 28269 said as you can see we do have some really strong feelings about the current plan that we have for Prosperity Hucks. I'd like to spend my 3 minutes kind of taking you on a walk in your mind if that's okay. We have a vision; a vision to keep our community together, keep our community active, to keep them engaged in local businesses. We want the money to stay in Charlotte because currently we all go out to Concord at Concord Mills. We want the City of Charlotte and the County of Mecklenburg to receive the money that they well deserve. When we look around at other places in Mecklenburg County; The Shops at the University, we look at Birkdale but we don't want to hone too much on Birkdale. Birkdale is a

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very unique development but we also look at places like Davidson and Dilworth. They all have some really unique features and a lot of those features are what make their sense of community. They have the shops, the retail, the local mom and pop businesses as well as some chains. A lot of what makes that work in my opinion is building restrictions. My goal and my focus is to talk to you about things that we think might make it more esthetically pleasing and keeping it in line with Dilworth, with Davidson, with The Shops At The University; all of those places where people love to come and gather and spend their money. They have extra wide sidewalks, they have lots of stoplights with crosswalks so it's safe for families to park elsewhere and come in and walk their areas, they have varied building heights, mostly 90% brick or some other solid surface material, there's ample on street parking with additional parking in other areas, they appeal to local vendors such as boutique shops and food trucks because they can gather large people in smaller areas and still allow them to walk back out to their parking on the exterior. They usually have a lake area; a pond or some other water feature where people who whether they have children or pets or just want to simply take a walk can come and enjoy the same features. They have street grid designs; the best one of those is Dilworth; where they allow people to park on the outside and walk in or have the people in the community not have to get in their car at all. We are raising our children to understand that as citizens of the U.S. we have the right and the duty to speak out when there's something that we don't agree with so that's why we're here today. We thank you very much for your time.

Jobs in Charlotte

Eric Ortega, 5825 Old Concord Road 28213 said I'm with The Center for Community Transitions. I work as a program director there. I'm also the chairperson for Reentry Partners of Mecklenburg formerly known as Mecklenburg Opportunity For Reentry Network; a collaboration of private, non-profit and government agencies coming together to look at the issues of reentry, recidivism and employment. I'm not here to talk to today about jobs because I understand that the City has heard enough about jobs and the need for jobs. I know firsthand how dedicated the City Council is to making our city residents have every opportunity for employment and a better way of living. I applaud your efforts and have seen the progress. I want to take a moment to thank the City once again for banding the box, for giving opportunity to individuals who have multiple barriers to employment; the hope that they can also find employment and be productive members of our society. I'm here in support of a program that can continue the fight on unemployment for those with multiple barriers. The Wage Subsidy Program we're asking the City to look at does not replace the efforts already being in place by the community partners but seeks to enhance what is already there, to fill the gaps of what it means to support those individuals with multiple barriers. A holistic approach; we are looking at creating an opportunity for individuals not only to obtain a job but to maintain a job and work on a career; to provide for their families. We're talking about brothers, sisters, fathers and mothers; going back to work and being proud of who they are in the City of Charlotte. I would like to ask those in the audience who are here in support of this program or someone who's unemployed who can benefit from a wage subsidy program to please at this time and be recognized. Thank you. The goal of the program is to help long term unemployed workers and individuals with barriers to employment to get back to work. We believe this Wage Subsidy Program will enhance the existing programs that are currently in place for unemployed workers. There are core tenants in this program that directly address the existing gap in services as well as the need to more holistic approach in serving people with barriers. We're talking about mentorship. We're talking about providing individuals mentors, leadership skills, civic engagement, advocacy, having them become a part of our community; understand that they are not ostracized, they are no alienated. They are coming back to our communities; whether it be from poverty or from incarceration. They are coming back and they have a right to be part of our community and be productive in that process. The program takes this approach track record of getting back to work long term basis. A Wage Subsidy Program is a win-win situation for the job seeker, the employer and the City. The return on your investment is endless, not only in terms of. Man, I've talked too long.

Mayor Clodfelter said Mr. Ortega thank you. We had a couple of speakers on your program I think a week or so ago and I'm hoping that we were getting some materials in writing about the program and if we haven't would you be sure the Manager's Office gets the materials about the program.

Mr. Ortega said we definitely will. We look forward to our meeting.

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Homelessness and Unemployment

Jason Spearman, 6217 McIntyre Ridge Drive 28269 said I'm a North Carolina Certified Paralegal, a husband, a father, an ex-offender. When ex-offenders are released from prison they often have nowhere to go. Some have others that they can stay with but a large portion are left to live in homeless shelters or the streets. Upon being released from prison in 2002 I faced unemployment and a brief stint with homelessness. It was impossible to find a job. One week I honestly put in 60 job applications and received zero callbacks. I recall seeing the expressions on employers faces when they saw that little box checked yes where the application asked about criminal history. I've had applications torn up in my face despite the fact that I was very qualified for the position. I've been laughed at, degraded, refused by countless employers. I was also homeless. No one care that I made some mistakes in my life. No one cared about how long ago the crime was. All they saw was a felon. After months of this I was forced to take low paying, demeaning jobs; some of which did not even pay minimum wage. Why? Because I had to and also because I felt that I cannot do any better. I felt that I had to make a choice to either struggle and die in the streets or return to crime to make ends meet but I chose to continue to secure a productive future instead of doing wrong to support myself in the present. It was too easy to return to the streets and continue to do the things that sent me to prison in the first place. If it wasn't for my family and friends support I would've gone back through the revolving door creating more crimes, more victims and more of burden on you the taxpayers. I still struggle with employment and housing since prison despite becoming the first in my family to earn a college degree, despite becoming a State Bar Certified Paralegal, despite pursuing law school, despite volunteering in the community. I am still looked at as a criminal. Sometimes I like to think that I was a model citizen until my choices led to me to a path of destruction. I would still not have the choice to live and to work where I want to with my family. I will always struggle to remain on the straight and narrow and out of jail and prison. When given an opportunity and support, ex-offenders will choose the positive option. Council please consider the Housing and Employment Charlotte Program and any initiative designed to put people that have barriers in their lives back to work. I was fortunate but we need to help others to make the steps that I have made. Thank you for your time.

Prosperity Hucks Area Plan

Donnie Oehler, 4503 Ridge Road 28269 said well I'm talking about the multi-family. I'm Donnie Oehler. I'm setup as the President of the Mallard Creek Community Organization. We started about 20 years ago when Highland Creek came to get their permit for their development. I'm at 4503 there directly in front of this. I'm not in front of them because I was there first. That's a first class outfit and we went along with it. We didn't want them there but they had the money, they had the means and they had a first class outfit. I came down and spoke before Park Sims and all the commissioners that time and spoke for them and that's the way we operate out there. We got good community. We got a nice community. That's the reason those people came. We want to keep it that way. That's what we fighting for to keep respect and opportunity for everybody. We're afraid if we get multi-family; too much of it; it's going to end up like the University Area with a lot of crime and we don't need it. That's just the bottom line. I think the planners have worked with us because we had problems with the roads and they got all the names changed; named it after people that's been there a long time and that's the way it ought to be. It's a good community. Let's keep it that way. That's all we ask. Work with us. I think the planners will work with us and give us a chance.

Councilmember Barnes said with respect to this Prosperity Hucks Area Plan issue, several years ago when this was coming up, my vision for it was very much consistent with, Mr. Manager, with what the speakers have talked about. I have not had a chance to talk with Ms. Campbell about it lately; but, we didn't discuss a lot of apartment complexes in the area. It was more, as they indicated, consistent with the qualities of a Birkdale. As we go through the process I hope we can find some balance. I didn't intend for it to go this way and I'm sure you didn't either.

Councilmember Kinsey said when does this go to a hearing?

Planning Director Deborah Campbell said the plan was deferred in March for the public comment to enable us to work and meet with the citizens that you just heard from and about 200

plus more. We're in the process of doing that. In fact we have a meeting scheduled next week and then a couple of meeting following that to try to come to a better resolution. I hope though that you don't think that we have just recommended just multi-family development. What we need to do is to clarify in the plan the actual recommendations and maybe we didn't do as good a job of doing that.

Councilmember Howard said my concern with this reset, which is what it kind of sounds like, is that you went through a very extensive process already where citizens were involved.

Ms. Campbell said that's correct.

Mr. Howard said I would hope that they have bought into this because at some point they were engaged in the plan that was presented.

Ms. Campbell said this is a come one, come all. It is not we're just going to work with just a few number of people. It will be expanded.

Councilmember Kinsey said I think you're setting a precedent.

The meeting was recessed at 7:06 p.m. to move to the Council Chamber for the City Manager's Recommended Budget Presentation.

BUDGET PRESENTATION

The City Council of the City of Charlotte, North Carolina reconvened for the City Manager's Recommended Budget Presentation on Monday, May 5, 2014 at 7:15 p.m. in the Meeting Chamber of the Charlotte Mecklenburg Government Center with Mayor Daniel Clodfelter presiding. Councilmembers present were Al Austin, John Autry, Michael Barnes, Edmund Driggs, David Howard, Patsy Kinsey, Vi Lyles, LaWana Mayfield, Greg Phipps and Kenny Smith.

Absent: Councilmember Claire Fallon

INVOCATION AND PLEDGE

Councilmember Kenny Smith gave the Invocation and Mayor Clodfelter led the Council in the Pledge of Allegiance to the Flag.

CITY MANAGER'S RECOMMENDED BUDGET PRESENTATION

Mayor Clodfelter said the Charlotte City Council will be receiving a presentation from the City Manager on his recommended Operating Budget for Fiscal Year 2014-2015 as well as the recommended five-year Community Investment Plan from 2015-2019. The City Council has been receiving information and has been discussing budget issues in preparation for this evening over the last several months. The Council has discussed the budget at its retreat in January and has held so far three workshops to discuss budget matters since the retreat in January. After tonight the Council will take the opportunity to review the City Manager's recommendations and to make its own adjustments to the recommended budget. That process will continue over the next two months prior to the scheduled budget adoption date which is now targeted for June 9th. Let me outline for you what the schedule will be over the next two months and you may want to make note of these because there are plenty of opportunities here for public comment. On May 12th, that's next Monday night in this room at 7:00 p.m., we will hold a public hearing on the budget at which time citizens will be asked to comment and offered an opportunity to do so. On May 14th the Council will have a meeting in Room 267; that's upstairs on the second floor; Room 267 at 3:00 p.m. on May 14th to discuss and to deliberate about adjustments to the budget that they might want to consider. On May the 28th also again in Room 267 in this building at noon the Council will take some tentative straw votes on proposed changes to the Manager's recommended budget and then as I said on June the 9th in the Chamber here at 7:00 p.m. the Council is scheduled currently to vote to adopt the budget. With that schedule before us we're

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going to start the process and allow the City Manager to kick it off with his recommended budget.

City Manager Ron Carlee said as the Mayor outlined the budget that is presented tonight is the product of many hours of work, many hours by members of the City Council, providing guidance through a number of briefings throughout the earlier part of this year, of course many hours of work from the Budget staff and literally from every department of the City. I want to extend my special appreciation to Randy Harrington and the Budget staff and all of the agencies who have worked very hard as we have attempted to translate your guidance into your Fiscal Year 2015 Strategic Operating Plan. I'll begin the presentation tonight with some broad framing; talking first a little bit about what we're trying to achieve in the budget, the outcomes that we're trying to achieve, and then a little bit of overview into how our budget breaks down and then I'll hand it off to our Budget Director Randy Harrington and he will go deeper into the details of the recommendations that are before you.

At the end of the day what we're trying to do is not pass the budget but create a great community. A great community that we know from our recent citizen's survey is a place where in fact people do want to live, want to work and want to retire, want to raise a family, want to engage in business. We want the outcomes of our expenditure of revenues to support truly a global community that provides opportunity for all, great neighborhoods and as I like to say a fun place to be. We do that based on the City Council's policy framework around five policy areas. As you can see Economic Development, Global Competitiveness, Transportation Planning, Community Safety and Housing and Neighborhood Development and Environment which are not individual stove pipes they're all interconnected with one another. We take those focus areas and then the work is divided among the different departments of the City. We have general services agencies that are supported by general tax dollars and then we enterprise funds that are supported primarily with fees and charges of those some dedicated taxes as well. The oversight for all of those services as we seek to contribute to those five focus areas is provided by the governance structure which is the Mayor and Council and myself, City Attorney and City Clerk as your direct employees and then there's a set of support agencies that provide the back up to ensure that an organization of this size and complexity operates efficiently and effectively. Then within each of the five areas we actually have the delivery of services. Again, no one department is responsible for any one focus area. They're all integrated and different departments all contribute to our success be it in transportation or planning, or community safety, or any of those five areas. So we started developing our budget looking at where we want to be at the end and making sure that the budget that we put together is consistent with the Council's guidance on the Council's policies. We want to maintain the services to which we have committed and we want to do so in a way that provides a good value to our tax and rate payers and we also want to be transparent. We want people to be able to see where their tax money is going. The result, bottom line for this budget, is there is no recommended increase in the property tax, there is a \$1.73 a month increase proposed for the Water/ Sewer fees to maintain services and a \$0.24 per month increase in Storm Water to try to achieve objectives there; although, I will say in the area where there is significant pressure, probably as much as any other, is in the Storm Water area and the back log of requests that we have there. Overall, the actual increase cost of services across these three areas that affect literally everybody in Charlotte is a \$1.97 per month or about a 1.6% increase.

What does the whole budget picture look like? We are a large city and thus we are a large organization and this budget is \$2.1 billion dollars, \$2.1 billion dollars. This is all of our funds. This includes the General Fund as well and the Enterprise Funds and you can see that in fact when you look at all of our operations, a substantial part of what we do actually is funded with fees and charges, some 36% of the overall total budget, with property taxes making up about 20% of that larger whole. Where does that money go? As you can see a lot of those resources that are fee drive as a part of that total \$2.1 billion dollar budget really go into Transportation and Planning. A large part of that is of course the operation of our transit system which is fee supported with a dedicated tax source. Likewise, a substantial, and then also as a part of that of great significance, is of course the Charlotte Douglas Airport. The environment includes Storm Water, Water and Sewer, Solid Waste and again these are supported by our fee structure. If you look at the next slide you can see how they break down those shows you in the focus areas. This shows you how they break down within the individual departments themselves with Aviation being the largest enterprise fund at \$441 million dollars but following closely behind by our

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CATS Transit System for the \$339 million and Water and Sewer at \$303 million. All three of those as well as Storm Water are apart from the General Fund and general tax dollars.

Usually when we talk about a city budget much of the discussion really does focus on the General Fund. This is the part of the budget that is supported by general tax dollars. Most predominately in North Carolina, and particularly in Charlotte, by the property tax which generates over 60% of the revenues for the General Fund followed closely there behind the sales tax at 15%. I will call special attention to what seems like a relatively small portion but is significant and that is the Business Privilege License Tax which is 3.5% of our General Fund budget or \$18.1 million dollars. This is the tax, the revenue source that is under intense discussion within the General Assembly and where we are at risk of having changes made that will have an adverse financial consequence on the City. Although it is premature to say exactly what may occur, when it may occur or what the actual impact would be; but I would identify that that is the area of probably greatest risk and uncertainty within our budget. Where does the General Fund go? Here you see a very different picture. In the total budget that includes all of the Enterprise Funds you see a very heavy emphasis on transportation and the environment. Our general tax dollars, our property taxes and our sales taxes, mostly go to Community Safety; 75% of the General Fund is Community Safety, most of which is Police and Fire. That's followed very closely behind Environment at 11% and then it's our Solid Waste Services and Recycling Services which are not fee supported but supported with general tax dollars and Transportation and Planning services.

It is impossible to talk about budgeting without talking positions. Most of the money does go into personnel. One of the things which we have done differently this year and this is part of an effort at transparency is to disclose the "temporary positions" that are part of the City's workforce. These are positions that have been around, many of them for many years, they're of a long term nature. Temporaries in some way form kind of an employee creep, that happens at the State government, it happens in many other local governments and in the past they've actually not be shown as positions within our budget. They've been shown in terms of the money that funds them but not the positions themselves. So we have disclosed all of those in this budget, both for the current year and for the future year and we have gone through and carefully analyzed those positions to determine which of them really are doing the work of full-time permanent positions and have recommended transitioning them from "temporary" to regular status. In any case with nominal costs because they in fact were here and doing the job already. We try to build this budget trying to fund only those things that were essential to maintain the services and commitments that were made and you'll see in the General Fund there are only seven positions, added positions that are recommended. The funds that are supported by fees and charges however, you will see some additional growth there intended specifically to address increased demand in those services. How does all of this play out in terms of the cost to taxpayers? I showed you what the increase was for our property taxes that are paid. On an average looking at the median home value; median home value means that half of homes are valued more, half of homes are valued less. It costs a typical homeowner at that level about \$1.94 per day. \$1.49 of that goes to the General Fund and it covers those community safety costs particularly Police and Fire, our transportation costs and our environmental programs, particularly Solid Waste and Recycling. On the community investment side, an area that Mr. Harrington will go into considerably more detail, it supports the investments to grow our City for the future, roads, sidewalks, pedestrian safety, neighborhood improvements and housing diversity. With that let me hand off to Mr. Harrington and he will go into more detail into specific recommendations that are contained within the recommended budget.

Budget and Evaluation Director Randy Harrington said Manager Carlee has provided you with a good overview of what's in the Manager's recommended budget. I'll take you into a little bit more detail contained within the rest of the recommendation. The overall General Fund budget is \$584.1 million, that's the gross budget, that's a 3.7% increase. Most of those adjustments in the budget are driven by inflation, contract escalations, investments in personnel and prior commitments. The Manager talked a little bit earlier about the structure of the City and in the General Fund there are fifteen departments, there are seven which you consider service departments, those highlighted on the left portion of the screen, there are five support departments and then three governance departments. The Manager also talked a little bit earlier on slide 12 where the resource allocation by focus area is in the General Fund, again, the emphasis on Community Safety, roughly 75% of those resources going to Police and Fire. If you look at the General Fund revenues from a net of transfers' perspective, meaning taking out any

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inter-fund transfers that come into or out of the General Fund, the revenues comprised primarily of property tax and sales taxes, you see there representing those two components roughly 78% of all revenue into the General Fund's budget. The growth in the General Fund equates to 3.6% and that \$20.6 million.

You see here on this table the allocation of where the growth occurs in the General Fund and you see primarily there on the property and sales tax. Obviously, those are two large components and those are the two components where you see the greatest level of growth from a dollar perspective. When you look at the expenditures in the General Fund, again looking at the net of transfers, roughly 78% goes to four departments, Police, Fire, Solid Waste and Transportation. Those four receive close to 80% of all General Fund resources. I mentioned in the revenues a couple slides back that the growth is \$20.6 million. Here this table shows where that \$20.6 is allocated to. The Manager mentioned a little bit earlier as well the focus on base budget adjustments, focusing on those core elements and services necessary to maintain existing service levels in the community. It's grouped by base budget adjustments to existing service levels as I mentioned primarily inflation in contract escalations, personnel and then sales tax transferred to the Pay-As-You-Go. This is an area where sales tax comes into the General Fund and by Council practice it shifts over into the Pay-As-You-Go fund so this reflects that growth as well that's being transferred over to the Pay-As-You-Go program consistent with prior practice. About \$11.2 million associated with base budget adjustments to continue existing service levels.

There's a pay plan for \$7.5 million. I'll talk about the details of that in just a couple of minutes and then some service enhancements or adjustments. The first primary one being the CityLynx Gold Line Phase I Operations which will begin operation in the spring of 2015. There's a Zoning Ordinance update and it also includes one position. The Zoning Ordinance update is an effort to modernize the City's current 20 year old Zoning Ordinance. We envision that to be approximately a four year process and this first year is an initial allocation to get that project underway. Then there are six additional positions and I'll highlight these here in the following slide. There are two in the Fire Department; there are two Battalion Chiefs to support the Airport and these Battalion Chiefs would cover Fire Station 17, 30 and 41 that service the Airport. The funding for these positions is provided by the Airport. There's also a Maintenance Coordinator associated with the new fire headquarters on North Graham and Statesville Avenue. That'll be coming online here in this next year and that position will help maintain that facility and coordinate their maintenance in adjacent facilities. In Neighborhood and Business Services there's one recommended position for a Code Process Specialist to address the 35% increase in permitting reviews related to signage and setback requirements. This position also includes a vehicle with it and it is 100% offset by fees. In the Planning Department, I mentioned the Zoning Ordinance update; this is a limited term temporary position for four years to coordinate the update of that particular plan. In the City Manager's Office, one Internal Auditor to audit Airport revenue contracts; again, funding for that provided by the Aviation Department, then in the Innovation and Technology, one Senior Software Developer. This is actually an existing contract position but converting it over into a regular status position. No additional funding for this just a reallocation, but to work on primarily our work order system. The last item to highlight these aren't new positions but to convert in the police department nine existing temporary police staff positions to regular status and add the associated funding with those particular positions.

We transition now into the Financial Partners. Financial Partners are community non-profits that City Council partners with to help deliver key initiatives or help support key priorities of City Council. In the General Fund there are no new partners being recommended; however, a couple of adjustments, one related to the Community Building Initiative, a \$1,000 increase to restore a 2% cut that was actually enacted back in FY2011, a 2% cut had been restored to some of the other financial partners and this year returning that back to this particular financial partner. In the Film Commission, the Film Commission promotes and recruits film and video projects to the City of Charlotte and the Charlotte region contingent upon the Film Commission moving from the Charlotte Regional Partnership to the Charlotte Regional Visitors Authority. We would reallocate \$75,000 of current funding from the Charlotte Regional Partnership to the CRVA and then allocate an additional funding reserve of \$75,000 for additional marketing and recruitment efforts related to video and film. Another area is the CIAA Basketball Tournament; currently the City and the County each contribute \$200,000 toward the CIAA Tournament. As you know that's an annual tournament; one of the largest events in our City that we host and so the recommendation includes an allocation of additional funding of \$100,000 pending the final negotiations among the City, the County, CRVA and the CIAA. Financial Partners that we

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consider our Neighborhood and Business Services partners; there are no changes to any of the housing and community development or crisis assistance partners or their funding levels. In the Out of School Time area, the selection process has been consistent with the Council adopted guidelines. The funding remains the same as last year at \$1.2 million and that would be allocated to the following financial partners: Greater Enrichment Program, Citizens Schools, which would be a new partner, Police Activities League, Youth Development Initiatives, which would be a new partner and then Above and Beyond Students.

Let me transition now into the Enterprise Funds, which as the Manager mentioned a little bit earlier; primarily their self-supported by user fees and in the case of CATS, the Public Transit Sales Tax gets allocated to that operation. In Aviation really the focus of this year's budget development was on recalibrating the resources to effectively manage the country's 6th largest airport and the 2nd largest hub for the world largest airline. There were 147 existing full-time temporary positions, primarily shuttle bus drivers that have been converted from temporary status to regular status following up from what the Manager had mentioned a little bit earlier. There are a series of positions that are associated with the a growing airport and the needs associated with operating an airport on a 24-7 basis and those include nine positions related to a dispatch call center to improve the coordination and responsiveness of safety and operation needs that occur on the airport premises on a daily basis. Six positions related to building maintenance, six in the area of financial management and business support and then two positions related to public affairs. One point I will be very clear about is that the airport will remain the lowest cost large hub airport in the U.S. with the Managers recommended budget. In CATS, the Charlotte Area Transit System, as you know operates the bus and light rail system for Charlotte and the region. In associated with growth in ridership and expansion of transportation options there are twelve new positions associated with the CityLynx Gold Line Phase I, there are four positions for maintaining and operating the light rail vehicles from the existing Blue Line, four positions to add additional capacity for the special transportation services. There's a \$0.20 fare increase recommendation that's consistent with the MTC approval and the transit financial policies.

Moving on to the Charlotte-Mecklenburg Utility Department which provides safe drinking water and treatment of waste water to the region, there are eighteen positions added in the recommended budget to respond to regulatory environment and increased water and sewer service demand. Water and sewer rates increased 3.1%, or \$1.73, per month for a typical user. In Storm Water Services to improve water quality and reduce flooding risks for all residents in Charlotte-Mecklenburg, there are five positions added for capital project planning and inspections, a rate increase of 3% for the typical customer, again that equates to \$0.24 per month, and that's as a result of larger and more frequent flood events that are straining current drainage system capacity in demand for service requests.

Let me transition now to the Community Investment Plan. This is focused around meeting the needs of a growing community. First what I'll do is I'll talk about the general Community Investment Plan and then I'll transition into a couple slides towards the end as it relates just to the enterprise funds and key expenditure recommendations associated with those business type services. As you recall in June of 2013 City Council adopted a new Community Investment Plan that focused on improving and enhancing three key areas. Those include liveability, getting around and job growth in our community. The overall plan is an \$816.4 million plan over the course of four bond referenda; 2014, 2016, 2018 and 2020. I will note that of that \$145.9 million, that 76% or roughly a \$111 million associated with the 2014 bond are related to transportation type projects, so roads, sidewalks, pedestrian safety, intersections, streetscapes, traffic signalization, those types of infrastructure investments. All the original projects in the adopted plan do move forward but there are three adjustments that are recommended. The first is related to the Prosperity Church Rd Northwest Arch and as you may recall Council actually approved an advance funding for this project in July of last year to better coincide and tie in with some of the construction elements that the State is doing associated with the I-485 and Prosperity Church Road Interchange; so this project is already underway. The recommendation is for the project costs to be repaid using existing savings from other completed transportation bond projects and then go ahead and remove this project from the list of bond projects that would be part of the 2014 referendum, so a reduction of \$5.2 million. Related to number 2, in replace of that \$5.2 million is a recommendation for a Neighborhood Transportation Program. This provides an opportunity for Council to address unanticipated or unique neighborhood mobility and traffic safety needs in our community. Again, I'll note that the adopted and the recommended plan both

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total \$816.4 million. Let me highlight these just a little bit more using this map. As you recall again the Prosperity Church Road, this would come off the plan and be replaced from a funding standpoint with the Neighborhood Transportation Program. The types of eligible uses for this funding again would be city wide and for traditional items such as traffic safety, state highway participation, minor roadway improvements, public safety participation, traffic calming and the City's bicycle program. A third and final recommended adjustment to the plan relates to the Cross Charlotte Trail. We're excited to recommend, in an effort to enhance the coordination with the County who we are partnering with in terms of extending the Cross Charlotte Trail across the Charlotte and Mecklenburg County, is to move \$5 million of the 2016 bond to the 2014 bond. This will reduce the 2016 bond by \$5 million but the total overall funding for the Cross Charlotte Trail will remain \$35 million just advancing \$5 million from the original plan to help tie in better with the County and some of their construction plans. This graphic highlights the overall plan; as you see the red lines in the boxes denote the County trail construction efforts in the red areas and the red designated trail segments. The yellow boxes and yellow lines along the trail depict the City supported segments. The \$5 million that's proposed would go toward three different things. One is some master planning and design for the entire trail and then two other components, one related to an area around Cordelia Park, some planning and design and construction, that's right up here, kind of on the northern side and part of the southern segment from Brandywine to Tyvola planning and design and land acquisition related to that area. It's an opportunity to better tie in with the construction timeline with the County. The next two slides, just to summarize, the debt funded components that are a part of the general Community Investment Plan. What voters would see in November 2014 is a program that on the ballot would be \$145.9 million; again, the 76% of that allocated towards transportation investments and then of course housing and neighborhood improvement. The other component of projects that are part of this 2014 cycle but that are not on the referendum are three projects that are facility projects; one related to the Joint Communication Center, the Bojangles Coliseum, Owens Area Redevelopment and then the Westover Police Station. Together those three total \$103.5 million. In this graphic, I talked in the previous slide just about the 2014 cycle and this depicts for you then the all four cycles and the allocation that is part of the recommended plan and again you see over the course of four cycles \$627 million allocated for bond referendum votes and with the vast majority of that for transportation projects.

Let me transition now to talking about the debt side of the Community Investment Plan to the cash funded from portion of the Community Investment Plan and that sees revenue from annual ongoing existing revenue sources. In this area the recommendation includes the \$2 million for the Away Home Program. This would fulfill \$4 million of the City's \$10 million commitment; that's in partnership of course as you recall with the Foundation for the Carolinas, Mecklenburg County and the private sector. As it relates to the Government Center, this is a 27 year old facility and one of the areas in the Pay-As-You-Go program as you recall is a heavy focus on maintenance of our existing infrastructure particularly our facilities and so this area would allocate \$1.9 million and a portion of that going to exterior re-caulking to prevent weather elements from degrading the exterior structure of the building; two of the six elevators would get refurbished in the proposal and then plaza waterproofing, which is an area that's over some of our HVAC mechanical equipment underneath the plaza area, as well as to prevent leaking that occurs in the basement area from heavy rain. There's also investment for facility improvements with the Americans with Disability Act, facility investments. These are to ensure that our older public facilities meet the Federal ADA requirements and that is proposed at \$800,000. Finally, from the Pay-As-You-Go program, Tree Charlotte; it would be a proposal of \$100,000 to help support their efforts at tree replanting and Charlotte's 50-50 goal of having a 50% tree canopy by 2050. This would provide funding for 1,000 additional tree plantings.

To summarize in the General Community Investment Plan, what were the available resources and then where did they go, I talked about specifics, but from a higher level you recall that back at your January retreat we talked about the available sources of debt capacity, project savings and then capital reserve; essentially savings that's above Council's 16% fund balance policy. The debt capacity, the Manager's not recommending any allocation of this capacity at this time. That would stay unallocated and available for future use. In the project savings using \$5.2 million to repay the Prosperity Church Road Northwest Arch advance funding for that project and then using capital reserves, the Pay-As-You-Go investments that I just mentioned on the previous slide and then the Zoning Ordinance update which I mentioned a little bit earlier. This would actually appropriate all the money for all four year for the Zoning Ordinance and just set it aside

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even though we have annual installments of that that Council will be adopting over the course of four years. Of that \$24.7 million that was available; \$11.1 million has been used leaving a remaining unallocated balance of \$13.6 million.

Now I'll transition into the Enterprise Funds, again, the Enterprise Funds, not funded from general tax dollars, but primarily from user fees, for their capital and operating programs. Just some real brief highlights in Aviation; \$1.3 million five year program; some examples are terminal expansions, air traffic control tower and existing runway rehabilitation. In CATS a \$1.2 million five year capital program and of course the LYNX Blue Line Extension is a part of that as well as bus replacements. In Storm Water an almost \$268 million program related primarily to major flood control projects, minor flood control maintenance and repairs and stream restoration. In Water and Sewer close to a \$610 million program really related around maintaining and expanding the existing infrastructure, of course, to respond to growth and demand and the age of the system, so water main extensions, water treatment plants and sewer line rehabilitation.

Now, I'll transition again and let me transition into Pay and Benefits. This is around investing in our employees. Prior compensation adjustments over the past five years have been below the market movement as a result of the challenging revenue environment that we faced. With the economy now improving the recommendation includes a 3% merit pool for general or broad banding employees in the City as well as a 1.5% public safety pay plan market adjustment and then the associated 2.5% or 5% steps in the public safety pay plan depending on their position in the step program. I'll also note that it's not part of this existing recommendation, but one of the components that the manager plans to bring back for Council's consideration that we're still evaluating, is a new field services pay plan. We anticipate proposing that during next year, the FY2015 year, for implementation and your consideration as part of the FY2016 budget. As far as benefits, the City's contribution toward overall group insurance, health and life insurance and the various components that comprise the overall benefits package, the City contribution would increase 2% in the recommendation and then in the medical plan we have two different types of plans; a basic plan and then a high plan and they provide different levels of benefit and coverage. In the range for those in the basic plan depending on the particular selection could be anywhere from a reduction of \$2.49 per pay to an increase of \$7.98. Those in the plus plan range from about \$2.73 to just under \$11 at \$10.97 and then a few adjustments related to the city's dental program.

Let me summarize. The bottom line, as the Manager mentioned earlier there is no change in the property tax rate in terms of the recommendation. As you recall the property tax is allocated to three components that's supporting the General Fund, a portion supporting your debt service program for Capital and Community Investments and then the Pay-As-You-Go program for ongoing typically capital maintenance projects. The homeowner costs is kept low and as was mentioned earlier the overall impact for a typical homeowner in the Charlotte city limits is a \$1.97 per month and that equates to about 1.6%. Next steps, we have the budget public hearing on May 12th then on May 14th City Council and the Mayor will have the Budget Adjustments meeting which is an opportunity for you to make any proposals for changes to the managers recommended budget. Any items that move on from that particular meeting will go into your Straw Votes meeting which is the opportunity to select any adjustments and any of those that move forward would be part of the budget ordinance for your consideration on June 9th. Where can citizens find additional information, of course our website, which we encourage our citizens, residents and other visitors to check out. We will have additional budget information at this location at <http://citybudget.charmeck.org>. Also in the Budget and Evaluation office citizens are certainly welcome and encouraged to call us for any particular information. We'll have copies made available at the City Clerk's office. I'll also point out that in your packet you do have some additional materials in your front and back flap in your three-ring binder with some additional information and some summary information that you may wish to use that summarizes the information. Last but not least, I always need to give a heartfelt thank you for all of those individuals who participate and are involved in the budget development process. Mayor and City Council it starts with you with the leadership that you provide and the guidance and I thank you very much for that. In particular I want to recognize the Budget Committee and the Chairman Mr. Phipps, Vice Chair Mr. Driggs and then Councilwoman Kinsey, Lyles and Mayfield for their great work on the Budget Committee and advice and questions and hard work throughout the spring. I really appreciate that and thank you very much. City Management, of course City Manager, Ron Carlee, a big heartfelt thank you to you and your leadership and guidance throughout this process and of course to your executive leadership team, Deputy City Manager

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and the Assistant City Managers do a great job with their leadership throughout the whole development process. Department Directors and budget contacts, I think I've used this phrase before, it certainly takes a large village and it's no exception with this effort. Department Directors we really appreciate and the staff along with the level of response for information and effort and quality of development in this process, so thank you very much for that. Corporate Communications and Marketing, as every year, do a great job helping us pull together all the information making sure it's clear and concise and understandable which is always one of our key preferences. In Human Resources and Finance, Cheryl Brown, the Human Resources Director, I've always appreciated her staff and the great work that they do and then the Finance Department, a great group of individuals. I particularly want to recognize Greg Gaskins who has you know will be retiring at the end of this fiscal year and Greg has been a great partner and somebody who I value the relationship very much so, to Greg thank you very much. Last but not least, and you can't see it on my paper, but I have a big smiley face next to Budget and Evaluation on my PowerPoint slides here. I'm humbled to be able to represent the Manager's recommendation but these are really the folks in the Budget and Evaluation Department who are the ones that do the heavy lifting, the hard work, work the long hours and the weekends, the really tough work to get us to this point. I'm indebted to their hard work and every year I'm always grateful and always amazed at their dedication and their commitment to the City and to you and to the Manager to having a great budget that reflects your preferences and desires. With that, that concludes the recommendation for the FY2015 Strategic Operating Plan and the FY2015-2019 Community Investment Plan.

Mr. Carlee said that concludes our recommendations. There's not a lot of new stuff here. What we're really trying to do is deliver on the prior commitments that have been made and I would say probably the most significant one of those is the decision before the Council on what to put before the voters this fall in bond referendum. That really kicks off the Community Investment Plan that you approved last year and begins to provide some significant enhancements all across the City.

Councilmember Phipps said I wanted to thank Budget Director Harrington and his staff for bringing us to this point, the City Manager for presenting a budget that doesn't have a tax rate increase and we appreciate the hard work and effort that went into this budget and we look forward to the next steps.

Mayor Clodfelter said Councilmembers with respect to questions, I know you got a zillion of them but the night will not encompass all the questions I'm sure you've got; so the Manager has suggested that if you've got questions that you'd like to get some answers to before we next convene to talk about this, if you can get them to the Manager's office or to Mr. Harrington's group by e-mail or in writing, then written answers can be compiled with all the backup information you may want and probably even more than you want, and circulated to all the Council. If that's acceptable we won't take the rest of the evening just doing Q & A on the fly. If that's agreeable?

Councilmember Autry said can we get electronic versions of all this?

Mr. Harrington said yes. We are preparing that as well. Thank you for that question. All this information is on our website and in an e-friendly format. We'd be happy to e-mail it out as well.

Mr. Carlee said if any Councilmembers want some additional individual briefings we're happy to do that for you as well. Just whatever is helpful to you as you prepare for the 14th meeting.

Motion was made by Councilmember Barnes, seconded by Councilmember Kinsey, and carried unanimously to adjourn the meeting.

The meeting was adjourned at 8:01 p.m.



Stephanie C. Kelly, MMC, NCCMC, City Clerk

Length of Meeting: 3 Hours and 16 minutes

Minutes Completed: May 30, 2014

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