

The City Council of the City of Charlotte, North Carolina convened for the Manager's proposed FY2022 Budget Presentation on Monday, May 3, 2021 at 5:04 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Councilmembers present were Dimple Ajmera, Tariq Bokhari, Ed Driggs, Larken Egleston, Julie Eiselt, Malcolm Graham, Renee Johnson, Matt Newton, Greg Phipps, Victoria Watlington, and Braxton Winston II.

* * * * *

Mayor Lyles said it is Monday and we would ordinarily be having a Business Meeting or a Zoning Meeting on this Monday, but this is always a meeting that we actually dedicate all of our time and attention to one item and that is the City Manager's proposed FY2022 Budget. The budget plan is actually the allocation of all of the resources that come into the City's treasury and how it goes out and the Manager works with the City Council throughout the year to listen and look at our policies and our directions to create a budget. This is the time that he gets our full attention absolutely the ability to spend time just on this presentation and I think in some ways it reflects, not just the City Council's but the Manager's idea, of how this organization operates, how it is managed and how do we take care of our employees.

* * * * *

ITEM 1: CITY MANAGER'S RECOMMENDED BUDGET PRESENTATION

Marcus Jones, City Manager said it is an interesting setup tonight; I was walking in and Mr. Graham said pay attention to that corner of the room, so I will pay attention to what is happening in that corner. It is great to be before you and it is always difficult to do a budget presentation to a Mayor who at one point served as the Budget Director. We are convinced that there are a lot of things that as we go through this that she has been through once or twice in her career.

I think you for having us here tonight; as I go back in time the last time that we had a budget presentation I believe I was in Room 280 by myself making a presentation to you because we were at the beginning of the pandemic, but I go back to April 13th when we have to give you a budget update and that was coming off the heels of one of the best City Council Annual Strategy Meetings I had ever been a part of and that would have been January 2020. At that point time, we talked about all the great concepts that we could work on in an administration as a team and we talked about the 2040 Plan and what has now become the Transformation of Mobility Network as well as the Corridors of Opportunity and then all of a sudden the pandemic hits and it became almost an either/or. Could we stop doing those things and just focus on keeping our employees safe as well as providing core services. We realized over the course of the last year that we were able to do both. We were able to continue to work on those very visionary projects as well as keep our employees safe and maybe just as important provide exceptional core services to our community. I am proud of what the Council has done as well as what the team has been able to do in a very difficult time.

We had no idea how long this would last and we started off last year with a budget that talked about resilience and recovery, and for us, we believe that this is an extension of the FY2021 budget, so we look at this as resilience and recovery volume two with a bigger focus on the recovery aspect. Ultimately what we are going to talk about with you tonight is what this budget really is about. It is about people, places, and our future. It is also about leveraging resources and so you will see throughout this budget presentation what we've been able to do with stimulus funds, what we've been able to do with some of our partners in the private sector as well as in the philanthropic sector. So, let's go back in time to the May timeframe of 2020 when COVID 19 brought the economy to a halt. I think there are two keys in this graph, and one is that the City's peak unemployment was higher than the national peak by about .06 of a point, but the City's recovery is faster than the national recovery as we have the most up to date. The national recovery unemployment rate at 6.2% and Charlotte's at 5.9%.

During that period of time, the nation lost 22.4 million jobs and we are still down 8.4 million jobs as of March 2021. In the Charlotte MSA (Metropolitan Statistical Area), they lost over 160,000 jobs; 60% of these job losses were in the leisure and hospitality industry. That is food services, arts, entertainment, and recreation, but since May we've been able to add back more than 113,000 of those 160,000 jobs lost or about 70%. We were averaging about 10,000 jobs a month since May 2020, but we are still down almost 47,000 jobs. So, there is work to do on the jobs front and that is another thing that you will see in this budget. It would not be fair to have a discussion about where we are going in FY22 without having a little bit of a recap of where we've been with the Federal CARES ACT (Coronavirus Aid, Relief, and Economic Security) funding to date. As you can see the total of the CARES funding to date, that is not including the [inaudible] funds is \$366 million, and when you take out the CATS (Charlotte Area Transit System) allocation and the Aviation allocation, and even what we have from CDBG (Community Development Block Grant) and ESG (Emergency Solution Grant) funds, for the most part, we've been focusing on at \$154.5 million and we started off, or at least my ask was if we could allocate that equally between city operations and community support. But as we continue down this path with the great work of our Finance Team and our Budget Team and all of the Department Heads, we were able to allocate more of these funds to the community as opposed to what we would have for city operations. One thing I will do before I move on from this slide is that the CDBG funds and the ESG funds that are not wrapped up in the \$154 million, it is important to note that you have been able through your approval to impact areas that sometimes you don't think the City is impacting and that is homelessness. You have been able to provide one year of housing for 75 of the individuals you were in the North End encampment as well as providing funds for the Salvation Army expansion, rental relief, mortgage relief, security deposits, just a lot of good work has happened because of these stimulus funds.

I want to focus just a little bit on the \$155 million. The City operations which were about 41% of these funds, we were able to provide funds for first responder's salaries and premium pay as well as facility improvements and these facility improvements about \$25 million has to allow us to be able to one, come back into this building and create the safe environment for our employees. Also, it has allowed us to gain a better understanding of what it means to work remotely and how we can be just as efficient or effective in working remotely. As we look at the \$91 million in community support which is about 59% of these CARES Act funds just a lot of great things happened. Almost \$31 million was provided to 2,500 grants to access to capital; \$25 million in business support, that is \$7.7 million for 345 food and beverage grants; \$5.8 million related to hotel grants; \$3.5 million for workforce partner support and then the \$20 million for housing support. You were able to positively impact almost 6,000 households with rent, mortgage, and utility relief. So, as we go down the line we didn't just limit it to that; your approvals also helped our community with the digital divide; that is \$1.5 million that impacted 1,800 households with Wi-Fi as well as \$1 million for CMS (Charlotte Mecklenburg Schools) for hot spots and I-pads for the youth. Sometimes, what is lost is in this is that there was an approval for \$4 million for Arts and Artists, and in that \$4 million that impacted 12 large organizations, 30 medium organizations, and over 100 individual artists.

I would like to take a little bit of time and talk about our Arts and Culture. One of the things that came from the January 2021 Retreat was a discussion about Arts and Culture and buildings and facilities and early on it almost came across as this was an either/or and it is never been an either/or. This is an opportunity for this community to work together for an industry that has been so negatively impacted by COVID-19. So, the Mayor's charge to the Ad Hoc Committee and the hard work of an Ad Hoc Committee resulted in a plan that I provided to the Committee, and I will take a little bit of time to talk a little bit more tonight. That is actually using the private sector and the public sector to come together and to provide \$12 million annually for three years for Arts, Culture, and Artists. I would like to talk a little bit about the first \$12 million in year one. In year one the concept is to take basically those organizations that have been getting operational grants and pick the higher of the two years in terms of the grant total, whether it is FY20 or FY21, and for those roughly 37 organizations that are about \$6.2 million. Then, the concept is for all of the artists and the arts organizations, there are about 171 this year that received additional grants, for this money to match what was received during this year. In other

words, a half-million-dollar, you would take another half-million-dollar and match that, so at this point everybody is either a little bit better than they started or at least no worse than the best year of the two years, FY20 and FY21. Then over and above that there is \$800,000 that would be allocated to the ASC (Arts & Science Council) and that would have no restrictions and that is somewhat similar to the request that the ASC had in terms of their outside partner request that we received earlier this year. So, conceptually, that doesn't spend all of the first year of funding, but what it does do is, it gives us a time that I would say stabilize this industry as we are coming out of COVID (mild to severe respiratory infection caused by the coronavirus). In the next two years, that gives this community an opportunity to really come up with an Arts and Culture Plan that could be used for the next decade and the Arts and Culture Plan would include all of the entities that we work with now whether it is the creatives or whether it is the ASC or this new Arts and Culture Commissioner, but this would be a community plan that many great communities have done over time and Charlotte would do the same thing with one of the goals to be how would funding be allocated, but also what is a stable revenue stream in the future. So, it is really a three-year plan that is used or projected to get us into a better place than where we've been through the pandemic.

In working collaboratively, I think this is something that you will see a theme that is happening both in the City, the County, and the School System that we have almost \$700 million for the American Rescue Plan Act Funds. So, while you, and I appreciate that you approved receiving the first \$75 million last Monday, that is just the beginning and as we collaborate together and we've had the School Superintendent, the County Manager, and myself, we've all appointed individuals to work together in a group to see how we can better deploy this almost \$700 million that is coming to our jurisdiction over the course of this May half of the allocation and next May half of the allocation with the understanding that the funds would be utilized by December 2024.

So, we are built on resiliency and gain, talking about April 13th and we fast forward to tonight, one of the things that people have noticed is that we were able to get through FY20 and we are going through FY21 and we've been able to maintain our reserves, provide core services and without laying off any employees. We had a Charlotte Business Journal article back in February which talked about population growth and the diversified economy has kept our economy stable. We've maintained our AAA bond rating, the City's actions such as the hiring freeze and mitigation of discretionary spending and leveraging the CARES funds as I mentioned earlier has been important for us to be where we are today, and it underscores our financial management, our stability and our ability to manage through a crisis.

So, let's talk a little bit about operating efficiency. During the course of the last year we've had a change in General Fund Employees of a little over 100, so still providing this level of service, the core services with fewer employees, but we've been able to do some things that are extremely interesting as we've learned through this pandemic. We have actually approved more development approvals and we've been able to collect more residential garbage and more recycling and a lot of this has to do with the way that we've changed operations. As we start to think about updating our operations and workplace re-entry I can't think of the right word because many folks will say well, we never left, and we've been working every day. But as we start to reimagine how we are going to continue to deliver exceptional services, it is important to take into account some of the lessons we've learned. It shouldn't take a pandemic to force us to think about how to do things differently, but we are in this space and we are thinking about how to do things differently.

I am really appreciative of the work of our CIO, Renee Askew as she has pushed us and challenged us to think about the way we use technology better. Whether it is Solid Waste Services, or C-DOT (Charlotte Department of Transportation) or Water or Storm Water, we have been able to provide services, these key operating Departments without skipping a beat, keeping our employees safe and a lot of it has to do with improved technology. I will just give you one data point; when we start to think about a request for services through our mobile devices and the web, back in 2019 we had basically 85,000 requests. Those requests in 2020 went up by 24% and they flipped from the web to the mobile device and that is one of the things that we tried to push earlier is whether you call it C-

Click-Fix or just name it, but having that mobile device in front of you and utilizing it, we have gone four-fold in the use of the mobile device which again, gets us information quicker and gives us an opportunity to respond quickly.

In this budget, I will just tell you what I think the theme we have here. We are continuing to take care of our employees who have never really stopped working; we are maintaining core services; we are investing in the Council priorities and we are continuing our strong financial management. That is our AAA bond rating, no property tax increase, no use of fund balance and to continue to have a structurally balanced budget. We always strive to be the best place to work and depending on who you speak with or what research tank many people say that compensation is not the top issue. I'm not sure that I'm in that camp; compensation is extremely important; it is just one of the various issues that make our place a great place to work. So, we are continuing to provide training, we are continuing to provide upward mobility within the organization and those things do matter. With that said, we included in this budget a 3% merit increase for our salaried general employees and a 3% combined market and merit increase for hourly employees and we continue with what I think is the best deal in town All-Access Pass for \$33 annually. That is for all of the transit different offerings and that is something that typically costs \$1,400, so it is great to know that that is available for our employees and we've had more than 2,500 of those passes purchased.

We always talk about total take-home pay, so it is not just the salary. You can have your salary go up and then your healthcare costs can eat into that if not eat all of it so, we have not had medical premium increases for three straight years; this will be the fourth straight year that we will not have a premium increase, but what is different this year is not only will we not have a premium increase, but there will be a 5% reduction in all healthcare plan premiums in 2022. What that means is for one of our plans that is utilized by the most employees, about 68% of our employees, we call it Plan D for employee and family, that is a \$260 savings on annual basis. We also have for Plan E, for which we have 12 similarly employees, for an employee family, that is \$572 per year savings. Again, premiums not going up, but we are also reducing the premiums across the board by 5% as well as are reducing our deductible by \$250 for all healthcare plans. Again, totally take-home pay.

We also want to align our compensation with the cost of living. One of the things that we learned during this pandemic, we saw the need to invest in all of our employees, but also the concept of being able to live where you work. We took a look at Charlotte's medium-income household, so not for the region or the area, but just for the City of Charlotte and the City of Charlotte's median household income is \$63,483. So, as we started to look at this we said well, do all of our employees make 60% of that and that is not the case. So, to align compensation with the cost of living I am proposing in this budget that the lowest salary in the City is at least 60% of Charlotte's median household income which would mean that the lowest salary would be \$38,090. If we start to look over the last five years what has happened with our lowest-paid employees, that would result in a 35% increase from FY2018 when the lowest salary was \$28,260 to this proposal that would have the lowest salary at \$38,090 and as we start to think about this we believe it is just as important as we start to look at our employees and what the City can do for and with them. So, how many employees would this possibly impact? Well, almost 150 employees, 143 employees and we are talking about our street crew members at C-DOT, sanitation operators at Solid Waste, the Water Service Technicians and Laborers, Manhole Inspectors at Water and this minimum would be worth almost \$5,000, a \$4,810 increase from the minimum that we have currently and this would be a 14.5% increase in the minimum for the starting salary for the City. It is not just these employees; it is what we are doing across the board. So, our first responders, we've had a public safety pay plan in place for the last three years and what we were trying to do is get our Police and Fire to get to top pay faster and this will be the third year of the public safety pay plan for Fire and the second year of the public safety pay plan for Police was last year which got them to top out early and some of the issues that were related to recruitment and retention.

We topped out last year with Fire, we have year three to complete the plan and it will increase top pay for the Firefighter II, Firefighter Engineer, and Fire Captain, but it is more

than just that for Fire. We have a little bit over \$3 million also invested in Fire as it relates to getting their retirement contributions to equal that of Police. Two years ago, they were at three percent, Police were at five percent; we added one percent to Fire last year and this will be the second one percent to Fire as well as their employer contribution for Charlotte Firefighter's Retirement System which is our system. You may recall that for years State Statute dictates how much we would contribute; last year we were able to get that up to 14%; this year we add two percent more to get it up to 16% to make sure that we have a stable Fire Retirement System. The impact of this compensation since FY18 for these categories, Firefighter II, Fire Engineer, Fire Captain, Police Officer, Police Sergeant, the increases range from 15% to 21% again, helping us with recruitment and retention.

In terms of our internal pipelines, we also have career pathways within the City of Charlotte. In 2020 we hired 49 individuals, many of them with barriers to employment, but with a goal of having a pipeline of employees for us for some of the different positions that were in need of having a higher turnover. We graduated 43 of those individuals and all of them are placed in City jobs. Four have left us since that time, but the point being that we have created our own pipeline. COVID comes in and in FY21 we did not add any additional employees to that, but what we are doing in FY22 is trying to identify up to 50 additional individuals to come into our career pipeline.

All of that is important to let you know that we are remaining fiscally responsible. I appreciate the Council, I think we talked a little bit about a potential surplus back in the fall, and Council, you didn't spend it, and then we talked a little bit about it during the Annual Strategy Meeting back in January and we didn't spend it and so now that rolls over into the FY22 budget which gives us a great opportunity to continue to move along with Council's priorities. I do want to commend the team for being able to help produce the surplus in FY20 and from hiring freezes, reducing non-personnel costs as well as some of the funding we got from CARES to help us adjust for our first responder payments, we were able to produce this type of surplus.

So, what do we have for the FY22 budget? It is again, structurally balanced, no-layoff, we preserved core services and there is no use of stimulus funds in the General Fund. This budget at \$750.7 million is up 4.4% but again, it is structurally balanced, and it is not only structurally balanced for the FY22 budget, but it is also the same for the FY23 budget. So, that allows us to continue on with the priorities that you reaffirmed this past January and that is how do we finish the 2040 Plan, the Corridors of Opportunity, the Transformational Mobility Network, affordable housing, Hire Charlotte, or our job strategy and Arts and Cultural as I mentioned earlier. Also, as we apply a two-year lens to this it is one thing to balance the budget for the upcoming year, but you never want to put yourself in a position a year after that to have one-time gimmicks that put you in a hole in FY23. So, not only is FY22 structurally balanced with a salary increase; FY23, and we always start off with not adding a salary increase, it is structurally balanced, and it is growing at 2.4%.

Our Capital Program; we spent some time reinventing that. It was a major overhaul and again, very thankful for the team and for Phil Reiger for hanging in there during a very difficult time. So, we created this Department of General Services, we conducted the City's first capital needs assessment, we updated our debt assumptions based on historical data, we developed a Steady State Model and we developed a project planning program that we called Advanced Planning which has really put us in a position now to have a capital investment plan that I do believe can help us with our core services and our core infrastructure.

A little bit about this Capital Plan; if we start to look at this in terms of bond cycles when we had two previous bond cycles there were tax increase related to those so, in other words for 2006, 2008, 2010 that bond cycle to fund it there was a 2.67 property tax rate increase. The same concept happened once you got through that bond cycle bond cycles, 2014, 2016, 2018, and 2020 to get those started there was a 3.17 cent property tax increase. For the bond cycle that we are starting now in 2022, there is no property tax increase and it still puts us in a position as we went through the Budget Workshop to deal

with some of our core infrastructure needs. What you saw last in the Budget Workshop was what we called our Steady State which had our Certificates of Participation, which we call COPS which was \$14 million each year or \$28 million per bond cycle and \$198 million for bonds. Again, this budget, while we are talking about potentially populating these bond cycles, will be your FY23 budget where you will actually approve what goes into it, but it was very important to have a starting point and that is what you asked us back in January of 2020.

So, what has happened since the last Budget Workshop? We have been able to free up a little bit of additional debt capacity and that has a great deal to do with not moving forward with the Joint Communication Center. We talked about that a little bit last year and we talked a little bit about it this year, but as technology changes need changes and we have operational changes, we believe that tying up that much debt capacity for this project is not wise at this time. So, what are we able to do with freeing up that capacity? Well, we can complete the Cross Charlotte Trail, we can also support the Strategic Energy Action Plan and we can start to really dig into the Fire infrastructure plan that is out there.

Let's start off with the Cross Charlotte Trail. In FY20 we fully funded segments one through nine, but we had two segments that were leftover; segment 10 which is Mallard Creek to Pavilion Boulevard is almost a mile and a half, and segment 11, Pavilion Boulevard to what I would say near the Cabarrus County Line, which is about seven tens of a mile. Segment 10 is estimated at being about \$9.5 million; Segment 11, \$11 million and it is going to take about five years to complete those last two segments which would have the entire Cross Charlotte Trail completed and that is one of the items that we are able to accomplish with freeing up that capacity.

But, also we are able to invest in our Strategic Energy Action Plan. In FY21 we were pleased to put \$3 million to our Strategic Energy Action Plan, \$2 million for infrastructure, and \$1 million for vehicles. FY22 we are almost doubling that and that includes \$4.75 million for building infrastructure and \$1 million for purchasing 22 electric vehicles. I think it is important to let you know those vehicles go across Departments so it is Police, Fire, C-DOT, General Services, it is Solid Waste and it is just good that we are able to make this investment in our Strategic Energy Action Plan, but it is also important that we are able to start to finish off some of the infill fire stations as well as have replacement fire stations. We believe this is close to \$40 million over a five-year period, but it gets us the infill station in Hidden Valley, but also Station 11 in District 1 and Station 30, the replacement station in District 3.

Let's talk a little bit about the bonds. So, we talked about the cost and what we were able to do with the freed-up capacity there, but there is still \$198 million per cycle. I will say again no tax increase, the Steady State and we are able to populate some of the major projects that are coming out of the advance planning fund. Again, the concept when we had the Bid Ideas, which I guess we said we wouldn't talk about again, but we had the Big Ideas we didn't have the discipline of getting some of these projects at 30% design so, the concept now is to get them to 30% design, get better numbers before we populate the CIP (Capital Investment Plan). So, with that said, four bond cycles at \$198 million per bond cycle is \$792 million and over those four bond cycles, we are able to construct two roads at the preliminary estimate of \$140 million, construct two intersections at the preliminary estimate of \$51 million and then have additional infrastructure investments at about \$400 million. So, if we start to think about those four projects, two roads, two intersections would eat up about 24% of the capacity, and then for the other infrastructure projects that would be about 51% of capacity.

What else would we be able to do? Well, we heard a lot during the budget discussions, Workshops were sidewalks. So, part of this budget for the CIP for 2022 bond would include \$50 million for sidewalks. That is three times as much as we had in the previous bond cycle and it is the most that we've ever had in a bond cycle. But also, what we are trying to do, and Liz Babson will be patient with us on this, is set aside 20% of it for suburban areas. A lot of times what we are finding is because of the way we are scoring it is very difficult for some of the suburban areas to score high enough to have sidewalks. But, by setting aside 20% of this \$50 million in the 2022 bond we believe that we can

make progress there. We will fully fund the bike program which asks for \$8 million per bond cycle, so we would double it from the last 2020 bond to \$4 million to \$8 million, and then we would double Vision Zero where we had \$2 million there in the 2020 bond, up to \$4 million now.

Then we have these targeted areas of congestion. In the last bond, we were able to do a combination of funds to have funding available for Steele Creek, South Charlotte, and the University Area because what we found is as we are waiting to construct roads and intersections we were losing some ground with some of these high congestion areas. So, there is \$10 million proposed for the 2022 bond to continue our work in these high congestion areas. Then also, there is \$50 million proposed in the 2022 bond to continue our progress with affordable housing. So, what I would say is as we have been discussing affordable housing it is also what else can we do with the \$50 million as opposed to the way that we've been deploying it over the past two bond cycles. I'm very appreciative for Mr. Baker for providing us with additional flexibility and one of the things that I think is important is that we go back to the Leading on Opportunities Report from March 2017 and the Task Force Strategy P was to increasing housing bond referendums from the current \$15 million every two-years up to \$50 million every two-years and maintain the significantly higher levels. I think as we start to think about going back for the first 16-years in the affordable housing in these bonds we had a total of \$100 million, that is over 16-years. Over the course of the last two bond cycles, we've matched that. If you include the 2022 bond cycle that would be \$150 million over six years and that still doesn't include what we got in the 2020 bond cycle from the private sector and the philanthropic community that more than matched the \$50 million. So, I believe we need to continue to be creative call on our partners again to help us with this because it has been a priority for the City.

We will continue our corridor infrastructure, \$10 million there. So, if we go to the current year we had \$24.5 million for the Corridors of Opportunity, \$14.5 million was CIP related and the other \$10 million was coming from PAYGO (Pay-As-You-Go). We have made great progress on the CIP infrastructure piece, I think we are up to \$14 million of that \$14.5 million being allocated in one way or another whether it is intersection projects in our corridors or sidewalk projects, but we are well through that. So, having \$10 million more for the 2022 bond will be needed. But, then there is \$14 million that we have in the PAYGO, so we flipped it this year and instead of the majority of the funds being in the capital for infrastructure, the majority of the funds are in the PAYGO. So, what we do have, and I will flip to the current structure, for the \$10 million in FY21 we had \$5 million associated with economic development, \$2.5 million associated with housing, \$1.5 million associated with safety and placemaking. We had \$600,000 implementation and everything else was contingency. What we are finding is that as we move into FY2022 dividing these funds amongst jobs and economic development and housing and neighborhood stabilization, \$7 million and \$7 million and also trying to leverage this with the private sector support we believe is the right way going forward. Under the housing and neighborhood stabilization, we do have a pilot project that we are designed to implement in FY2022 that layers all of our existing programs, whether it is home rehab, tree repair or the Charlotte Water Pipeline Repair or single-family acquisition, how can we use these funds in such a way to help with anti-displacement and neighborhood stabilization?

So as we go through the six corridors, Beatties Ford Road, West Boulevard, I-85/Sugar Creek Road, Central Avenue/Albemarle Road, North Tryon Street, North Graham Street, Freedom Drive, and Wilkinson Boulevard, as you can see Beatties Ford Road and West Boulevard were so much ahead of the other corridors because they had Playbooks and it was easier to implement certain plans. Now we have the I-85/Sugar Creek Road and the Central Avenue/Albemarle Road Playbooks that are being developed and no Playbook is the same for each corridor and it always has community engagement. We will begin the North Tryon Street, North Graham Street, and Freedom Drive/Wilkinson Boulevard Playbooks as we move into FY2023. We learned a lot from the corridors, we will build upon our findings from the Corridors of Opportunity Employment Study and we believe there is an opportunity for us to create and fill good-paying jobs throughout the City and throughout the region. The key is that we will align the business recruitment,

retention, and expansion efforts with the talent that is developed. We learned a lot from the CARES funds and workforce development. For instance, one of the projects that we had was \$250,000 in CARES Act funds due to Business Support Thrive Program to Road to Hire for workforce training stipends. We believe there is a great opportunity here that the City can play a role also with the School System and the County as we support paid internships for juniors from Title 1 schools. Those Title 1 schools are also in our Corridors of Opportunity and we believe that this is a great pilot for us to move forward with. Three-hundred seventy students would start with a goal of 1,500 students by 2025 and those students would have an opportunity, based on their grades, to have a free college education as well as a job that is waiting for them at the end of the college education, all based on grades. We would love to be a part of that. We will also expand the small business continuum. We did an experiment a little over a year ago with what we called Amp Up Graduate School where we had professionals who worked with small businesses to help those small businesses thrive. We would like to partner, and this will continue this partnership with a quarter of a million dollars, and we already know that Atrium will match that quarter of a million dollars to help some of the businesses that are coming through our Amp Up Program.

Lastly, I would like to talk a bit about Safe Charlotte. We started off in January 2020 and we talked about Violence as a Public Safety Crisis. We made much progress with working with the County and coming up with a framework and that framework had programs, policies, and practices that were data-driven and we have a great collaboration. We meet a couple of times a month and there is much progress there, but as we were doing that we also realized that were things that we had to address as it related to policing. So, we started off with the Safe Communities Committee and ended up with the Safe Charlotte Plan. I want to talk a little bit about what has occurred in this current year, so getting it approved in October and being able to talk about this several months later I think shows a lot about what this team has been able to do.

So, we are working with United Way, RAND, IACP, UNC-Charlotte, and B-works to advance the Re-Imaging Policing recommendations and we are starting to get some of those recommendations in now which also is important is that we talked about getting grassroots organizations involved. We had a Safe Charlotte grant of \$1 million and the announcement went out Friday, 17 organizations, \$50,000 each. We had the capacity to do 20 organizations, but one thing I think is extremely important is that eight of these 17 organizations got Jump Start Grants and the JumpStart Grants are grants that we started off in the corridors and we are starting to see organizations build capacity. Our Violence Interrupter Program with Atrium as well as the Violence Interruption Place-Based with Mecklenburg County, we believe that those are relationships that are going to bear fruit. So, as we continue to Re-Imaging Policing we have those six recommendations and we are making progress with the six recommendations. We will continue to fund the non-profits in the FY22 budget with another million dollars that are on top of the million-dollar grant that I just mentioned. We have the RAND Corporation working with recommendations two, three, and four which deal with the civilian response for low-risk calls an external evaluation as well as the civilian response for certain mental health calls, as well as UNC-Charlotte, is helping us evaluate the Youth Programs and lastly, IACP is helping us analyze recruitment and residency incentives.

So, in the FY2022 budget, we have \$3.2 million to begin implementing these programs. As I mentioned earlier \$1 million to continue with recommendation one with the grant, but also \$1.2 million to launch mental health civilian response for these low-risk mental health calls. You've heard about cahoots and some of the models across the country, we believe that we can design something that is specific for here in Charlotte as well as doubling the Community Policing Crisis Response Teams from six to 12 all by the end of this calendar year, and putting a quarter of a million dollars to support the Social Justice Data Initiative at UNC-Charlotte.

So, it has been a lot that we've been working on, not just the team, but the Council over the course of the last year and some of the highlights of this budget again is no property tax increase, it is structurally balanced, we have the employee salary increases, we have a minimum full-time salary of 60% of Charlotte's household median income for

employees, we are supporting the Energy Action Plan, but we are also doing all of those other things that you've asked of us and that is connecting our City and our region. So, it is not just Charlotte, it is beyond the borders of Charlotte and we will continue to work hard for you.

I think this is the point where I turn this budget over to you; it becomes your budget and what we do is try to answer your questions over time. There are a series of meetings after this meeting, but again, I want to thank our Budget Director Ryan Bergman, our CFO Kelly Flannery, and Team Charlotte that has helped put this together, and all of those Budgeteers that have been working remotely putting this together in a very, very strange environment. So, Mayor, Council it is your budget and we will answer any questions that you need for us to answer.

Mayor Lyles said first Mr. Jones, I think that all of us understand that we now are at a place as a city that we've really earned that opportunity to be the fifth fastest-growing, we've earned the opportunity to be the 15th largest city in this country because as you can see from the depth and breadth of the issues that you've raised in the budget, the things that we have to address, it is about building community and making a difference in the lives of our residents and you have really given us a budget today that has to be approved statutorily by July 1st, but you've given us this budget and you've said now it is yours. So, thank you very much for hearing from all of us, what we thought was important and what you believe is necessary and essential for the City to operate. I think all of us on the Council agree that you've got a terrific team and we are very, very grateful for the amount of work that you do. I think one of the hardest jobs in the world is listening and you guys have really listened well and accomplished a lot as we are doing this.

What I would like to do is we will have the budget calendar on our website, but there is a book, and I said to someone, I think it is about 300 pages. Am I right Ryan? That was a guess, 400 pages and so all of these 400 pages we will have the next six weeks to discuss and make a determination about this budget. The very first thing though is that there will be a link to the budget on our website, and it is not just the Council's deliberation, it is actually the community's deliberation. I think that everyone should distribute the material, the link, for the neighborhood associations, all of the advocacy groups that we work with, everyone should have the opportunity to participate in this because it carries the weight of taking all of the threads that build community together and so we want to make sure we post and use social media so that people can get this information. Then we will have a public hearing; I believe the public hearing on the 10th, but everyone come, the public access to all of the electronic means, Facebook, City YouTube site are available for all of the Budget Workshops that we will have and a discussion. We will try to organize them in a way that is orderly.

Councilmember Phipps said I was just wondering for those who have joined the meeting virtually, will we be getting our Budget Book tonight by courier?

Mayor Lyles said I'm sure you want to read it completely all tonight so we should rush it right now. Yes, you will get it tonight; they are the way and you should be having them momentarily. Maybe not momentarily, but you will get them tonight.

Councilmember Winston said just a couple of questions for context, slide 34, those two roads, two intersections; I would love to get an idea as to what kind of roads those are, just to put that into context and what kind of intersections. I imagine a certain that needs that type of investment. Slide 37, I would like to know what is the marginal impact over time of inflation on these Housing Trust Fund dollars? As we well know in Charlotte \$50 million bought three years ago doesn't buy the same thing today, so that is going to be an important thing to contextualize moving forward.

Mayor Lyles said I think it might be helpful too Ryan if you go through how you want to receive the budget questions as a Councilmember as well as the community. If you will go through the process that you use to get those questions to the right place and get the answers that would be great.

Ryan Bergman, Budget Director said I believe that we are setting up a few small meetings to go over clarification type questions and then like always if you want to go ahead and e-mail Marie something specific we will try to have an answer ready for those meetings or for your Budget Adjustments Meeting, which I believe is the 19th.

Mayor Lyles said I think that is when we will start with adjustments and seeing what people think about what they might want to see more of amending and any form or fashion.

Councilmember Eiselt said I just wanted to say thank you to the Manager and the staff for, not only presenting us with a budget balanced with no tax increase but on the surface before we've really had a chance to really dig into this there is a lot in here that fulfills promises to the community, like the Cross Charlotte Trail. Promises and concerns of the community, more money for sidewalks, money for Vision Zero and for addressing high congestion traffic areas, etc. So, thank you to the staff for all of your hard work and the Manager for presenting this. In this day and age right with this pandemic I don't think a year ago anyone would have anticipated that we would have been in this kind of shape and it is because of your expertise and financial management, so thank you to you all.

Councilmember Newton said I do have some preliminary questions and as I dig more into the budget I will probably have some additional questions. From a preliminary standpoint, I have some questions pertaining to the Arts Plan. It would appear that we are looking at \$6 million worth of funding here and I'm not sure if that is the most we have ever placed towards Art, I would be surprised if it is. Yet, we do have a reduction in an appropriation to the Arts and Science Council and I have some questions pertaining to that. It is my understanding that the Arts and Science Council have obligations to deliver grants in July so, from the standpoint of us having continued conversation pertaining to our continuing to maybe over the next year to three years, I think traditionally we have supported them in three-year blocks. I think that would be very productive, particularly given the obligations they have, even if we were to move away and start to focus on legacy organizations in our own right. I am really thrilled to see some of the emphasis on infrastructure; I wanted to ask about the advanced planning program that were proposed to us about two months ago and our brief talks regarding the budget here. I don't know if I missed that in the presentation or if maybe it is embedded in the information that we received in a general sense tonight, but more specifically embedded in the budget, but I would like to hear more about that. We've had continual conversations about the possibility, if not the inevitability of not having elections this year; I didn't know how that might affect our bonds and if bonds that we would be considered within this budget would otherwise be on the ballot and how no elections would impact that. I just have those questions and I look forward to having them fielded by our staff in the coming weeks, so I just wanted to mention those. Frankly, if there is some guidance on that bond issues and our elections I would be really interested to hear that tonight if at all possible.

Mayor Lyles said I don't think that we have an answer on the election issue yet, so perhaps we can come back and Mr. Jones I actually think that the Arts presentation should be one of the very first ones that we do because just to make it clear how it works. We have a contract with the Arts and Science Council, they don't have an obligation, it is only the contract that we sign with them, but we need to understand more the steps in the process. I think we actually need to talk about it earlier because there has been lots of communication around the issues from the ASC's perspective and I know that this is coming up to us as a whole today and we need to make sure that all of us understand it equally as well from the perspective of the Ad Hoc Committee. I just wanted to make sure that advanced planning, you are going to talk with Mr. Newton about as well.

Councilmember Ajmera said Mr. Manager, I appreciate your presentation and certainly appreciate the balanced budget that you have presented to us aligning the priorities without any property tax increase. I appreciate the investment in our SEAP (Strategic Energy Action Plan) goals. I have a question on slide #6 and that could be part of our follow-up report. I just wanted to make sure the commitment that we are making to ASC, does that address for three years, and does that include operating budget which is \$800,000 [inaudible]

Mayor Lyles said I just want to remind everyone if you are in the group and there is a question the Budget staff distributes that same question and information to the full Council so everybody shares the information as we are moving forward through the process. I just want to say again our Budget Public Hearing will be on May 10th sometime probably around 6:00 or 6:30. We will begin our deeper dive into the budget after the meeting on May 19th with Budget Adjustments and then, as usual, the Council takes meetings to do that and then the budget adoption is planned for June 14th of this year. Those meetings will be on our calendar for approval next Monday, the 10th. Again, thank you to the entire team, it is truly I think an honor for each of us to serve the members of this team, actually to serve all the employees that work for us. We have the very best people and I was telling Rodney in Solid Waste that I ran into one of the Streetcar drivers this weekend, and it was delightful to talk to him, just to hi and to have that kind of conversation. People are proud to work here, and we should be proud of that fact for us. Mr. Jones, I think you have a lot to do with that, that line of communication openness.

Councilmember Driggs said I think everyone has heard about the Axios article in which I am quoted as saying some things that were pretty strident; I did say those things and I think it comes from a passion that we all feel for our work and I believe we all experience a sense of frustration at times. This was an occasion in which I vented; it was not my intention that it be public, I didn't expect that it would be. So, I want to apologize if any members of staff or my colleagues were offended by them, that was not my purpose. I sometimes make comments about how as a member of the minority party on Council, you can still be relevant if you have good ideas and I make a contrast between good ideas and bad ideas. It is not meant to reflect on people, it has more to do with just trying to do the right thing. I'm concerned about this now because I don't want a rift among us as we work to finalize this plan. I think we all have a goal of adopting a plan that is workable and good and achieves its purposes. I've been trying hard from my vantage point to push in that direction so, I hope we can continue to work together toward that end, and again, I apologize if any offense was caused.

* * * * *

ADJOURNMENT

The meeting was adjourned at 6:09 p.m.



Stephanie Bello, Deputy City Clerk,

Length of Meeting: 1 hour, 05 Minutes
Minutes Completed: June 3, 2021