

The City Council of the City of Charlotte, North Carolina convened for Budget Workshop on Wednesday, May 26, 2021, at 12:11 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Councilmembers present were Tariq Bokhari, Ed Driggs, Larken Egleston, Julie Eiselt, Malcolm Graham, Matt Newton, Greg Phipps, Victoria Watlington, and Braxton Winston II.

ABSENT UNTIL NOTED: Councilmembers Dimple Ajmera and Renee Johnson.

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Mayor Lyles welcomed everyone to the May 26, 2021, Budget Workshop & Straw Votes Meeting and said this meeting is being held as a virtual meeting in accordance with all of the laws that we have to follow, especially around an electronic meeting. The requirements also include notice and access that are being met electronically as well. You can view this on our Government Channel, the City's Facebook Page, or the City's YouTube Page.

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Mayor Lyles said this meeting today is for the purpose and intent of voting on the amendments or adjustments to the City Manager's recommended 2022 budget that were proposed at the May 19th Budget Adjustment Meeting by the Mayor and Council and then to direct the Manager to prepare the documents and resolutions for the 2022 Budget Ordinance. This is a very serious effort to make sure that the Council is aware of what will be prepared and presented at a formal meeting of the Council.

Just a reminder for everyone the adjustments from the May 19th meeting that received at least five votes were reviewed and analyzed by the staff and we got the information on these changes and the staff's comments yesterday and we will have the Manager address the materials that were sent to us.

Today, based on the information that is received we will have further discussions of those proposed adjustments and vote to determine if any will be included as an actual adjustment to update the proposed 2022 Budget Ordinance which is a pretty extensive document that we will vote on at our June 14th Business Meeting. For the process, I proposed that we go through each proposed adjustment one by one to discuss it and to get any further clarifications needed, and then after those clarifications are presented then we will take a vote on proceeding. If you have six voted, then it moves forward as an update in the proposed budget document ordinance that comes from the Manager. Now, I would like to turn it over to the Manager to provide any additional information or comments that he might have.

Marcus Jones, City Manager said I will start off by saying the team appreciates the positive comments that were made last week as it relates to the budget and the budget process. What we've done is take in the questions that were proposed last week as well as the budget adjustments and provided you with additional information. After I turn it back over to you Mayor, the Budget Director, Ryan Bergman, will go through the process or the responses if there is any additional information that is needed. Basically, we have divided this into three areas, one being those five items that had dollars attached to them and this is the memo that you received yesterday. Four of those items again, we've priced out, and also as we mentioned last week there was \$150,000 in the undesignated balance and with that, there are sufficient funds to cover those four items.

We did have one item that was above that \$150,000 threshold, if you will, of the undesignated balance and that dealt with shift pay, shift differential and in the memo, we talked a little bit about how we would compare to some of our peer jurisdictions when it comes up to this shift differential. Councilmember Winston provided this particular adjustment and one of the things that we pointed out is that basically the shift differential is typically provided as an incentive for employees to work the second and third shifts. When we look at our peer cities typically that shift differential is somewhere between \$0.65 and \$1.60 per hour so as we go through that particular items I would like to put on

the table just from the beginning, this is something that we've looked at in the past and I would be very much open to having this being researched, analyzed and incorporated into next year's budget as an opportunity also. I'm not sure if that works with the Councilmember who actually made the adjustment, but I just want to put out there before you get started that we believe that a shift differential is something that should be a part of our compensation package. I will tell you a week of review is very difficult to come back with something to you that is substantial. The other thing I would say is I believe that going into FY2023 that I would recommend something North of that, but again we would have to do the analysis.

Lastly, we have two items that while we did not have a dollar attached to them, that is Items 6 and 7 so we've set these out in three different pieces and Mayor with that said I will turn it back over to you.

Councilmember Egleston said I just wondered if the Manager or whoever, have we made the information that is in front of us available online for folks to reference as we go through it?

Unknown said it will be immediately after this meeting.

Councilmember Winston said I thank Mr. Jones for that explanation, and I think this is a sufficient explanation. I would ask are we able to include in this budget that kind of forward-looking language that a shift differential is something that we should research and potentially include in the next budget cycle and if so I would like to make a motion to include that language in the budget and remove that \$0.25 per hour differential from consideration?

Ryan Bergman, Budget Director said Mr. Winston, we are able to point to that and insert it into the compensation and benefit recommendations that are in the back of the budget book, so yes.

Mayor Lyles said I want to clarify, Mr. Winston said in reference to \$0.25; I don't know that the compensation document ever references an amount that we –

Mr. Winston said I would remove a referral of #5 from consideration and include the language that Mr. Jones said about researching for future budget consideration.

Mayor Lyles said that would be an amendment to the compensation resolution that is included in the budget?

Mr. Winston said yes ma'am.

Mayor Lyles said I just want to make sure; we said that we would do this in order but if we will make a comment there about this recommendation that is being changed with the agreement of the person that made the motion as well as the Manager. So, that would be the compensation resolution that would be amended for the study. If you will just make a note of that on #5.

Councilmember Driggs said the document we have shows the request of \$140,000 against a \$150,000 available undesignated balance so if we commit virtually all of the undesignated balance are we going to limit ourselves, are we not have the flexibility to respond to situations or is it okay to adopt a budget that has no undesignated balance in it?

Mr. Bergman said what this pot really is, is an undesignated balance that we were bringing to City Council for budget adjustments. I think last year when we approved the budget, we only ended with about \$1,000 in that. So, to answer your question yes, we do feel we have the flexibility to address needs as they arise even if these funds are used.

Mr. Driggs said [inaudible]

Mayor Lyles said I'm going to suggest that, but we have to go through this a little bit more, a few more people want to speak.

Councilmember Ajmera arrived at 12:15 p.m.

Councilmember Ajmera said I just wanted clarification on Mr. Winston's motion. Mr. Winston, is this part of the compensation pay study, or is this just a separate item that you would like us to look at separately as part of our next year's budget?

Mr. Winston said in having had conversations with the Manager and from Mr. Bergman referenced it does seem like this will be appropriate a comprehensive pay strategy looking at it in the context of next year's budget and moving forward.

Ms. Ajmera said I support that I think we need to look at our comprehensive pay study and make adjustments accordingly, so I will be supporting Mr. Winston's motion.

Councilmember Johnson arrived at 12:24 p.m.

Mayor Lyles said Councilmember Johnson has joined us and Ms. Johnson, what we are doing is we have three boxes of items to make an adjustment and Mr. Winston has revised his adjustment on the shift pay differential to compensation resolution for shift differential study in the upcoming FY2023 budget. The words that are being recorded will be more accurate but that is a quick summary of that just to catch everybody up.

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ITEM NO. II: CONSIDERATION OF ADJUSTMENTS FROM THE MAY 19, 2021 CITY COUNCIL BUDGET ADJUSTMENTS MEETING

Mayor Lyles said I'm going to recognize people for questions on each general item; the first items are items below the \$150,000 available undesignated balance and the adjustments are listed in the document and I will read them for the benefit of those that are watching us. The adjustment is for the Bengali Woman's Forum for \$10,000, Siloam School Restoration \$10,000, Tree Charlotte \$50,000, and Charlotte Mecklenburg Historic Landmarks Commission revolving fund of \$70,000. This would be an adjustment with those details for amendments for \$140,000 to add to the budget.

Motion was made by Councilmember Egleston, seconded by Councilmember Eiselt, to approve all four adjustments.

Ryan Bergman, Budget Director said the only thing I would add is that with each of these we did make sure they are eligible for funding. You have two financial partners in Bengali and Tree Charlotte who had submitted applications, we are good with those as far as from a process standpoint and a financial standpoint. Siloam School, we did partner within FY2018. As Councilmember Phipps mentioned, it is for the same concept and then the Charlotte Mecklenburg Historic Landmarks Commission, we funded that last year as well. It is actually kind of an intergovernmental transaction since Mecklenburg County is the financial source there. So, from a process standpoint, we are comfortable with all four.

Councilmember Driggs said just a brief clarification, I thought we were increasing funding for the Historic Landmarks Commission from \$35,000 to \$70,000. Is that not the case?

Mr. Bergman said yes sir, that is the case.

Mr. Driggs said so why did we have \$70,000 here use of available undesignated balance if we already have \$35,000?

Mr. Bergman said it was a one-time expenditure.

Mr. Driggs said it was a one-time last year, so we need to allocate the full amount.

Mr. Bergman said yes sir.

The vote was taken on the motion and recorded unanimously.

Mayor Lyles said the second item is items above the \$150,000 available undesignated balance. There has been a motion to include in the FY2022 Compensation Resolution the study of a shift differential for the City of Charlotte employees.

Motion was made by Councilmember Winston, seconded by Councilmember Driggs, and carried unanimously to include in the FY2022 Compensation Resolution the study of a shift differential for the City of Charlotte employees and remove reference to the \$0.25 per hour shift differential from consideration.

Mayor Lyles said the last items on our agenda are the items without a funding request because it is a question of how do we do this? I will call on the Manager to address Items 6 and 7. I think we have a correction again on how we look at the housing initiative.

Marcus Jones, City Manager said one thing that I wanted to do on the expansion of affordable housing initiatives, I don't think I did a good enough job last time, but I wanted to try it again. In the FY2022 proposed budget, there are dollars associated with affordable housing which are typical all throughout the budget, for instance, PAYGO (Pay-As-You-Go) and what we have done in terms of innovative housing. Over and above that are \$7 million that are related to the corridors for housing and \$7 million that are related to the corridors for jobs and economic development as well as in the calendar year 2022 bond there is another \$10 million associated with the Corridors of Opportunity. I want to come back to the \$7 million that is associated with housing related to the Corridors of Opportunity.

Unlike the \$10 million in the current budget that is related to the Corridors of Opportunity which we split between ED (Economic Development) and housing and placemaking, jump-start grants, and transit we put in \$14 million for workforce development and jobs and \$7 million for housing. We have not allocated any of those dollars so many of the ideas and concepts that came up last week are exceptional. Some of those ideas and concepts are in the packet that you received last night in terms of similar programs that we have. What we did was give you an overview of each one of those programs and it is a continuum from homelessness to being able to have homeownership.

What I would ask as you have that deliberation is that to have the opportunity to work with the Council whether it is the Great Neighborhoods Committee or just Team Charlotte to see what is the best allocation of that \$7 million for programs that work but we run out of funds from year to year or programs that we haven't thought about beforehand. I guess what I'm saying is that what occurred last week is very good, it is those types of discussions, I just didn't want to have you leave with the concept that there aren't additional funds for housing programs. One of the major things that will come out of that bucket is where we started off I guess three years ago with aging in place which is now more of just staying in a place which we are trying to develop a program on a pilot basis that will allow individuals to stay in their homes.

We heard you during the budget development process and that is why we set aside so much money in order to address some of these programs. I just wanted to be able to say that.

Mr. Bergman said just to put a little bit of context behind that, we pay for a lot of our housing investments out of PAYGO other than operating costs and other than the \$50 million affordable housing bonds of course. So, last year in PAYGO we had innovative housing dollars and we had money that was earmarked from the corridors bucket for housing and that totaled \$6.7 million. So, this year in this budget when you include the innovative housing bucket and the \$7 million in corridors you have \$10.2 million so you

actually have a pretty sizable increase which I think is what we were trying to explain last week that there is some flexibility in those funds for some of these programs and concepts as they get developed over the next few months. But we did actually skip one here, just for consistency, the next one was the Road to Hire concept that was voted on.

Mayor Lyles said Ryan, can we finish this one first and then come back to that because I think what Ms. Johnson's request was aside from the question of specific programs, her request was to have impactful, I believe was one of the words that she used, intentionality for affordable housing and I would like to suggest to do that. My suggestion would be that we actually talk about the Council vote on a motion to refer this item to the Great Neighborhoods Committee with an idea of how do we expedite and make an intentional impact in our communities with this \$10.2 million. Because what we really need to do is get that program underway and I know that we are talking July off but I'm sure that there are some folks that want to work and double up on June or July and I know that Ms. Johnson is on this Committee as well as the Chair of the Committee is here. I think we need to take an affirmative approach to this and say that we are going to have a recommendation that is impactful and expedites affordable housing programs over the summer. Ms. Johnson, did you hear that proposal; the Council would make that referral to the Great Neighborhoods Committee?

Councilmember Johnson said that sounds great, but I'm not on the Committee.

Mayor Lyles said I thought you were on that Committee. Maybe you attend that Committee a lot, but I thought you were on the Committee.

Councilmember Graham said she is an honorary member.

Motion was made by Councilmember Graham, seconded by Councilmember Eiselt, to refer this matter to the Great Neighborhoods Committee for consideration.

Mr. Graham said thank you Madam Mayor and Mr. Manager and Budget Director for this report and I want to thank Councilmember Johnson as well as Councilmember Watlington for bringing some of these issues up to our attention. I think housing obviously, is a very important topic for the leadership around this table which is on there. I think it is very important for all of the Councilmembers around the dais and I think it is an important topic for our community. As we focus on the issues that we have today and the issues that we will inherit tomorrow or in June when we vote on the 2040 Plan and so the issues of stability of housing, displacement of housing, homeownership, it is really critical for our City.

I had the opportunity throughout the month of April going into May to have conversations with the staff and the Secretary of Housing and Urban Development, Marshall Fudge in reference to a program she was doing for me on another issue but it kept me in constant contact with her office for about two to three weeks, talking to her staff specifically and her directly on a number of occasions. It was never about the topic I wanted to talk about which was [inaudible], it was about what the City of Charlotte was doing in reference to housing and how Charlotte was the national model for what we were doing along with the housing scope and how her the staff and her organization as they came on board were looking at national models and Charlotte always came to the top of mind in terms of what we were doing across the housing scope.

Working with our staff over the last couple of years and talking with other colleagues in Dallas and Atlanta and DC about affordable housing, other Councilmembers asking what they were doing and one Councilmember said why are you calling me, just call on Pam. Ideally, we have one of the best Housing Directors in the country and her staff does an amazing job and as you look through all of these programs that we have and that we are implementing I think we have done a really, really, good job on the housing front. Do we have a lot more work to do? Definitely. I want to wait until the Manager comes back because I want to challenge him. I think you hear the challenge coming and left the room.

Mr. Jones said to give Pam a high five in the back.

Mr. Graham said yeah, we've got one of the best Housing Directors in the Country and I'm in Atlanta a lot and I talk to a lot of those folks, a lot of people in Charlotte, and I even told the Mayor when someone was giving me a hard time about what the Mayor of Atlanta was doing about raising \$50 million for affordable housing and I just listened and said well you know she kind of stole that concept from our Mayor and our Mayor actually doubled it by getting the private sector to do \$50 million too and so I'm not sure why you are complaining. People just don't really know what we are doing and to the extent, we are doing it; we are passing bonds. And Mr. Manager, I'm going to challenge you, there is no budget related to this right. I think we have a car that can go 150 miles per hour that we are only driving 100 miles per hour. I think over the next year on the housing front we are just going to step on the peddle and blow the engine up. I think the Mayor has talked a lot about developing on city-owned land and I think this is the cycle that we do it. I know Councilmember Winston and I and others have been talking about other types of developments whether they are tiny homes or container homes all require the usage of city-owned land in this development. I think it is now the time for us to really exceed what we are already doing and again 100 miles per hour, just break in all types of mileage. I think a lot of us really want to put this thing to the floor and this is a message that came from our COVID-19 (mild to severe respiratory infection caused by the coronavirus) Task Force in terms of what can we do more, how should we be looking at our Housing Trust dollars, can we use them differently? Why do we have all this city land just waiting for a right for development, when are we going to do it?

If we didn't have the staff in place or the political will around the table to do it I would back off, but I think we've got everything in place and so we just need you and your management team to push on that peddle and really over the next year and a half starting when the budget is adopted in June that affordable housing that we've got to make sure that not only people are talking about what we are doing, but I want people coming to Charlotte to see what we are doing. I'm not trying to lose any staff in the process because we've got a hell of a driver in that Department. But, I just think based on working with the group, working with you, understanding what the Mayor wants to do and I'm not speaking for her because she has said it a number of times, now is the time for us to really as we do this 2040 Plan and think about displacement, all the things that Ms. Wallington and my Vice-Chair has said over the last year, I think we are now ready for action on those fronts.

Mr. Egleston said as the Safe Communities Chair, I would like to remind people that the City of Charlotte does not endorse driving above the posted speed limit.

Councilmember Phipps said so this deferral is immediate, am I correct?

Mayor Lyles said if you vote for it, it is immediate. I think you may be able to pass this one right away.

Mr. Phipps said I'll just save my ideas for a referral to the Committee once it is approved so as not to prolong the meeting.

Mayor Lyles said this is my suggestion; the Committee has had a housing framework that talked about what we are trying to do and accomplish and I think almost any program can be reviewed under that framework as long as it contributes to the positive increase of work that we are doing in affordability for our housing program. We will get to that after the vote Mr. Phipps.

Councilmember Eiselt said I agree with everything that the Chair has said, and I had an opportunity to talk to Ms. Wideman about it. The down payment financing and why perhaps people were not accessing those funds, what has happened with the market conditions and whatnot and so I think there are some great ideas out there and she certainly knows a lot more than – when I proposed that I didn't understand the full context of what was happening in the market. I completely support the notion that we really kind of expedite this work and I absolutely support your comments about Ms. Wideman. We have an incredible asset. My only concern is that if she gets in the car and goes from 100

to 150, she pulls a Thelma and Louise and keeps going if she doesn't get the resources she needs. I think she is pretty overloaded right now with all of the great work so hopefully, the Manager's Office will be very conscious of what she needs to do that work.

Mr. Jones said I literally did go out and give Ms. Wideman a high five. What I would like to add to the conversation also is that this is the right time because we have this additional round of federal stimulus dollars. The City, The County, and the School System are working together, and I believe there is an opportunity for additional funds to go towards this which is a very important endeavor for the City.

Mayor Lyles said it would be great to have that kind of collaboration.

Councilmember Bokhari said I think this is great, I agree with everything that was said except the analogies of course, but I wholeheartedly support this as well and I would also challenge us all as we think about what does the next phase look like because we've done some groundbreaking stuff over the last many years. Pam Wideman, I echo that, the best, the absolute best to work with, knows her stuff front to back and is dedicated to it. I think our next chapter needs to not be though just upping dollars, I think there is a tendency for us to do that and say well \$50 million was last time, \$75 million was the max so in order to beat that we have to beat it with dollars. Sure, let's beat it with dollars, but let's also innovate a little bit. I think we've tested and trialed a few things that now we have some data on, Ms. Wideman knows those data points well and I think a lot of us work on things individually in this topic around the state around the community and I think it is time for us to unite all those things under one banner where possible.

There are two things that I've been working on, one is with our General Assembly, finding opportunities to innovate with funding there in different ways. The other one I'm most excited about is collaborating with the private sector folks here in the development community, but also with a bunch of partners in Wilmington, both the development community, private sector folks like Live Oak Bank, and others, and then this non-profit organization called Cape Fear Collective. I introduced them to our Charlotte folks like Mark Etherege who have been doing innovations with NOAH (Naturally Occurring Affordable Housing) and it is that entire model of for low profit that I think could be where we really revolutionize this next step because we can go out there and if the private sector invests in this and is treating it more like a bond than a stock, willing to get limited returns we can unlock massive amounts of money that can enable us to truly make a huge dent in the affordable housing crisis as we know it. So, my hope is that we look towards these groups, I'm talking to them right now about expanding it and creating a Carolina Collective where we throw all of these innovations, things we read about in the Fast Company article, things like that, and then we just unify. So, my hope is that that can be a challenge for us as well.

Councilmember Johnson said I just want to say thank you Pam Wideman for all the hard work you do and as most of you know the affordable housing crisis was a primary reason that I ran so it has been an honor to be a part of a group that is really making an impact on the problem. So, thank you for that referral Mayor, and I will support anything that is innovative. We talked about the shipping container and I know that is one of the things we spoke about last February I think of my first year or so. We have to be creative, there is a crisis. Tent City was a demonstration of the problem, it was a demonstration, but the problem is still there. I look forward to supporting anything that we can do to really push on the peddle and solve the problem. So, thank you and thank you to Chairman Graham for all the hard work you are doing with that Committee.

Mayor Lyles said I can't tell you how important this is to see the variety of efforts and the opportunities presented today.

The vote was taken on the motion to refer this matter to the Great Neighborhoods Committee and was recorded as unanimous.

Mayor Lyles said the next item is Road to Hire Pathways and the considered language doesn't fit in this small box here but on Page 5 of the handout you can see the language there that was considered.

Mr. Bergman said we did include Councilmember Bokhari's language with the exception we did cut of one thing and I want to want to make it clear. He also mentioned that his organization would not apply for any potential RFP (Request for Proposal) so please consider that to be a part of the motion. This one is a little bit different from the other budget adjustment that I mentioned so I just want to talk a little bit about how we got here and have a little bit more information from last week. Road to Hire is a 501C-3 organization and in September of last year, we did a modified financial partners application process as part of the CARES ACT (Coronavirus Aid, Relief, and Economic Security) Act the Economic Development Department did. Road to Hire was chosen for a \$250,000 program that would work in a similar fashion, but certainly not identical so when we were developing this year's budget, we essentially piggybacked off of that.

There is some uniqueness to this one in that they were a partner prior that we used and then additionally there is \$900,000 of County funds and a million dollars of private funds that would essentially work together. And then additionally this would be a summer program which could mean a delay in the process could jeopardize this summer. Then additionally we had it the way we did where it did not appear in the budget, but it did appear as a concept in the presentation with the idea that it would be a formal Council action before it was officially approved. That is just the background of how we to where we are now. Because it is services in the community with a non-profit, we do have flexibility from a procurement standpoint.

Mr. Bokhari said I said my piece about it last week. I will just reiterate to everyone as you see kind of how it is laid out here. Those bullet points that they put together really are the crux of the issue I have with this. The first one sitting that we gave them CARES Act money as part of that process last year, that isn't at all what I'm talking about. That was a group of people that came to apply for a grant for what they already basically do and then we saw their minimum criteria was met for grant and then awarded it to them. It was not diligence on the company, it was not an RFP process or anything like that and I think that is the problem. Right now, we are talking about doing something significant and with a significant amount of money that is very important to the community. An RFP process is the minimum we should be doing around that. County funds being sited being provided, as I come to understand it the County basically said if the City is in then we will be in on that too, so it is not like someone else did diligence and we can trust that, it was simply them saying okay we can do it together. Then in their commitment to doing something together stands no matter what and only sweetens so it is not like we lose that they have already committed to wanting to partner and I think that is good.

The third bullet, the application process could take from four weeks to two months and could prevent the program from this summer happening. To me that is the travesty of what is going on, that is the costs and it is terribly sad to me that we are in this position, but it is the cost of the process that has brought us to this point, unfortunately, and when you think about the fact that again almost a million dollars and what they do, also paired with the fact that right now we've got an Economic Development Department putting together the most comprehensive strategic employment plan that has ever been built of which this topic is a huge component. They have had zero opportunity to weigh in on this; this came from the Manager's Office, it never went through anyone in that Department as they are building something out right now, and that is why I have such a big problem with this. How does it connect to our broader programs, our broader strategy? It is just a one-off thing that we are now just starting to get little pieces of more information and again, I want to emphasize this is in no way me trying to gain Road to Hire as an inferior program, it is a great program. It is an absolutely great program, but there is a lot of great programs in town and we have an Economic Development Department that is putting together a comprehensive plan to approach all of this that hasn't even been brought into this at all. When you just glance at these numbers so, when you see the nearly a million bucks, what is in between the lines here is that 37% of the money is for overhead. At a glance as

someone who runs programs like that, that is a large overhead amount for us to be putting in of city taxpayer general fund dollars.

I just think that the cost of how this came out of the City Manager's Department without inclusion and with kind of disregard for the broader vision and what we are trying to do, that is the costs of potentially delaying what we could do this summer, but at the end of the day if we can make that million bucks impact a \$5 million outcome, impact five times the number of kids that need this help in different ways it might take a different form, it might take the same form, we owe it to ourselves to be good stewards of these dollars in a topic that is so important.

So, when I hear we didn't do diligence or the County is there or we could lose an opportunity this summer, those are all just excuses for why we got here in a flawed approach so let's do it right. Let's do an RFP, let's incorporate it into a strategic employment plan, and figure out how we can get the biggest bang for our buck going forward, and let's not do this again.

Councilmember. Egleston said I agree with Mr. Bokhari saying let's not go about this the same way again, I would hope that the Manager and staff would agree with that. I think there are valid points about how we could have done this better, and I agree with the idea that if we are working on a Comprehensive Workforce Development Strategy then anything going forward should reflect that strategy that we want to invest in. I guess my question, maybe it is hypothetical and one you may not directly answer, but my question to Mr. Bokhari would be if we were to try to redo this a better way from where we stand right now would we even potentially be able to put something forward this summer? I completely agree with you on everything going forward, I just wonder if the two options before us where we stand right now not disagreeing with the flaws and how we got here or do something this summer around workforce development or not do something this summer around workforce development and if those are our two options I will choose the former.

While also agreeing we need a better process the next time something like this comes around. If I believed that an RFP could yield a program quickly that could be implemented and invested in the summer I would be supportive of that, but I worry that it can't particularly because there are dollars coming from other partners that are allowing this to move forward. If Mr. Bokhari believes that trying to launch an RFP at this point in the process would even potentially be able to yield this summer because I hate to lose the opportunity we have this summer. I agree with him about this needs to be handled better next time.

Mayor Lyles said I think the question needs to go to the Manager because the RFP would have to come out of the management group.

Mr. Jones said I think the Budget Director laid out what the process was and what the thinking was around this. You had a process very similar Monday night where you put out almost a million dollars to a partner that we have partnered with before. I will say two things, one is that this wasn't done in a vacuum. The ED (Economic Development) Director is a part of the Manager's Office and sat at the table as we discussed this. And secondly, if this is an issue for the Council, pull it, just don't do it. I don't think we need to have a big debate about this, we've laid out why we did it or why it was proposed, but if that is problematic, don't do it.

Mr. Egleston said but the question I guess I proposed directly was if we said because of how we got here we are not going forward we would like to see an RFP, could that RFP potentially yield a similar program for us to support this summer?

Mr. Jones said I will turn it over to Ryan because I don't think this is what you would consider a typical RFP process that has been outlined. It is a process similar to what we do with financial partners which would be 30 to 60 days and if that is something that the Council would want us to move forward with, I'm not going to say that would destroy the program. If that is what gets the program going, I don't take issue with that.

Ms. Eiselt said I was really going to say what Mr. Egleston said that I totally support a different process in terms of how we do things, however, I don't want to lose the opportunity from the organization that we've just agreed is a good organization and successful. I don't want to lose that for this summer for students who are getting to the end of the school year. I would support a motion or a change to say yes, going forward augment the process with an RFP, but this year let's keep it in place and make sure these kids get the opportunity to do this.

Mr. Driggs said I think Mr. Bokhari makes some very valid points and I think we need to recognize the context here. We did not proceed with a \$1.5 million investment in an excellent program and decided to put that out for an RFP instead, what is the status of that?

Mr. Jones said what program?

Mr. Driggs said the program that was related to Mr. Bokhari's non-profit that we decided we would not proceed because of allegations about an undisclosed conflict. What happened with that, did we then go to the RFP, and have we seen an outcome?

Mr. Jones said it is what the Budget Director said earlier; there was a process, not what I would call an RFP, but a competitive process in which a number of organizations received funding including Road to Hire for about a quarter of a million dollars.

Mr. Driggs said so this is actually the same money in effect that was proposed. I'm kind of on the same page in terms of not wanting to compromise what is doubtless a good program and I also want to be clear, I don't think this is a rebuke of the Manager or how we got to this place, but I think there are some very fair questions being raised here that we ought to consider about clarity on how we go about these things, where the RFP is indicated, whether we consider it a financial partner process and consistency. So, I would be in favor of proceeding with this, but I am in agreement with Mr. Bokhari and troubled by some of the things that have happened in this space.

Councilmember. Ajmera said since we are talking about the process here with the RFP; I know we choose partners many times where we don't issue an RFP. In the case of ASC (Arts & Science Council) funding or arts and cultural funding we have Foundation for the Carolinas who is our partner in that process so, Mr. Manager did we ever issue an RFP in that process?

Mr. Jones said we did not. We worked with the Foundation for the Carolina previous to disburse over \$40 million in CARES funds.

Mr. Ajmera said right and that tells me that it is really based on their proven record of being equitable in their distribution of dollars. I'm trying to draw a comparison here, there are a lot of times where we have made an exception to not delay the program and the process and the progress that we want to see. I hear Mr. Bokhari's point in terms of the process and being transparent with the RFP, but if we are going to look at that we are going to look at every single partner that is out there including Foundation for the Carolinas.

Ms. Eiselt said I think we ought to recognize that there are times that we use an RFP and there are times we have a process. This isn't the same comparison, the Foundation is not getting this money, they have been asked to administer just like they did with our CARES Act money for the small business grants. That is a big difference. I would highlight a program that you brought up Ms. Ajmera, the Bengali Women, we could have said they should go through an RFP because a lot of people are doing things around hate crimes, but sometimes we say these are partners that have applied for this funding, they are valid, they are doing good work and like our financial partner program, they get the money if it is approved. So, we can't mix apples and oranges in terms of when an RFP is required for something like this which I agree with. I think the thing is, we do use both processes and they are both valid processes, but sometimes it is the Council's will to say do for an

RFP for a program like this then we consider that. It doesn't mean that the process isn't valid.

Ms. Ajmera said I wanted to respond to Ms. Eiselt's comment. I think it is not clear when we use the RFP and when we don't use the RFP when we make an exception and I feel that is where we need to have clear guidance and we need to [inaudible] direction to staff as to when Council would like to see the RFP and when we would not like to see an RFP where we just look at the track record. I think that is the debate, but I don't think we are going to solve it today, but I don't want to jeopardize those programs and so many summer participants are going to benefit from this program. So, I would like us to move forward with this and then figure out later the process for RFP and the process for non-RFP requests.

Mr. Phipps said if we don't allocate these funds from the City will the program still be able to go on with the County funding or their funding is not contingent on our funding, is that correct?

Mr. Jones said Mr. Phipps, my understanding of this is that the City's funding is related to the summer program for the students and that includes operational costs as well as the stipends for the students. The County money is associated more so with I believe classroom instruction that is not necessarily the summer programming or the stipends in the operational costs. Also, as I hope I mentioned earlier, if there is an application process that can be done in a month, I'm not sure if that would be a problem or not. I'm not going to say definitively that that would stop the program, I just don't know.

Mr. Phipps said it sounds like our funding is really critical to the success of the program for this summer.

Mr. Bokhari said I would just say on one earlier item, yes, we have financial partners and we do things, but I think there is a threshold item too. There is a big difference between \$10,000 and almost a million and that is what we are talking about here. I want to reemphasize something I said a minute ago which is we have probably the most important work going on for the last five months or more out of the Economic Development Department staff on the Strategic Employment Plan. This is as comprehensive of an approach towards the economics of this City or more than the 2040 Comp Plan. So, this is something that there are entire segments of this work that focus on a cohesive connective strategy around the workforce, around pre-apprenticeship, around opportunities both in college and then going into the workforce.

There are pieces that have been under design for a long time that are ready to roll that again, attached to a broader theme aren't a single financial partner to say here is more money to keep doing the same thing that you are doing, only on a larger scale. So, there may be touchpoints in that plan and in that approach, but Road to Hire is the best option. My point is, and I just confirmed with Tracy, there are things that could be ready to roll if we make that emphasis and we take it very seriously, this summer that this money could use and this is part of our corridor money and the corridors could be the beneficiaries of this. I would hate to do one thing that isn't connected to our broader strategy when we have a strategic plan and an Economic Development Department ready to go on all this stuff and they can operate and operationalize something as soon as this summer already.

My motion simply asks to hand the keys to this over to the group that is doing the substantial work so that they can figure out how it connects into the broader strategy. An opportunity they have yet to have. I think that is reasonable.

Ms. Eiselt said I hear the Budget Department saying that can't do it, but Mr. Bokhari is saying the ED Department is saying they could. If it is housed in ED and ED feels they could do it why not do that? Could we have Ms. Dodson say whether or not she feels they could get this out the door?

Mayor Lyles said that is a slippery slope Ms. Eiselt and I'm going to say that because we don't hire the ED Director and you are asking her opinion when she is reporting to the

City Manager. You ask her opinion about things, but you are saying let me make a decision. This policy decision is around what I heard two people say; if you want to go in this direction I understand we all have a really strong relationship, but I think the question would best be addressed to the Manager because he is the person that we would hold responsible for whether or not it happens. We couldn't go to Ms. Dodson and say, she says yes, I can do it or not I can't. We can't hold her accountable for that, it is the Manager that is accountable, that is on the line. So, it is not that I don't trust the staff to be able to give us an opinion, but who are you going to hold accountable to deliver on those.

Ms. Eiselt said so, I will ask the Manager, can we get the dollars out the door this summer if we go through this new process that is proposed by Mr. Bokhari for the budget?

Mr. Jones said I will try to be as balanced as I can with this. You talked Monday night about the jobs plan or didn't talk about it and my understanding from Monday night's comments is that you were 60 days away from discussions about it. So, have we been talking about the jobs plan, absolutely? Have we been discussing how we could use stimulus funds absolutely? Both along with Economic Development, housing, even the digital divide so, there are programs that we have discussed, but not at the level that we are saying let's roll these out much like housing when we talked about it earlier. There are a bunch of programs and when we start to look at the programs what is working, what is oversubscribed, what can we better fund, but if you ask me do I have a series of programs to roll out to you today, I do not.

Mayor Lyles said I've heard a lot of this conversation and my view is that I've heard people say that we would like to have a better definition of when do we do things because it is an informal agreement or a more formal RFP process. I think that is clearly something that can be discussed because there are many programs that we do as they come about. Opportunities with the Y last year to make sure that every kid was fed, we didn't go out and do an FRP, they came to us and said here is a partnership that we would like. If you give us the money to do the food and these things we are going to get these things done and I think it if the Council wants to go through and make decisions about which one is an RFP or not that really is incumbent upon us to ask the Manager to give us a criterion and a policy by which to do it.

In the absence of that policy, I think it is a question of how do we do things and I'm very much aware that there are lots of programs out here, but no one has said that this program isn't an exceptional program and no one has said that we can't do more of these programs, in fact, we ought to be doing more. I just would say that there is some work that if the Council makes the decision that we want to have criteria by which the Manager follows state law; all of our architectural contracts are required by law to go through an RFP process, but we don't have to take the person that has the best plan or the lowest bid. There are lots of requirements that we can decide upon and if that is the policy the Council wants; we should adopt that.

I think it is very much one of these situations where the summer is here, we've got clearly the County saying this is something we will be willing to work with and the collaboration that we have to have with the County on many other initiatives, and I'm going to say this; yesterday, was it yesterday Mr. Egleston that we talked about the Alternative to Violence Program? We had a contract with a Beatties Ford Road Training Center to do the very same work. We didn't delay that we didn't go through an RFP process because it is an initiative of this Council to make sure that our summer is safe. Our summer is safer if kids have a place to go. Now we may not have done this the way that everybody wants to do it, but that is a change that we want to see and for the work on the ED Workforce Plan, I think that is an essential plan. But we built affordable housing before we had a housing framework too. Now, it is better as a result of that framework, but it didn't mean that we stopped doing what we were doing, and a lot of these things are like under \$100,000 or whatever. I keep hearing how much is the actual amount for the summer this summer Mr. Bergman, for Road to Hire?

Mr. Bergan said it is a little under \$900,000 for us.

Mayor Lyles said so about that and so if we are really thinking about this in a different way I would say that is fair, but to me I say summer, kids going out and having the opportunity to participate in a program and the lack of clarity around what the Council's policy is on this is on us to resolve, not to necessarily take away that right and opportunity for kids.

Councilmember Winston said thank you Mayor for your comments because you kind of raised it up a level to the entire kind of I think procurement policy or procurement policies conversation. I guess my question would be to Mr. Bokhari, what if we did put in some type of note I guess sort of like we did on a previous item or even a referral to a Committee as we did in a previous item that the Council takes a comprehensive look or change of approaches to our procurement practices and policies? I hear what you are saying, and I hear what Mr. Bokhari is saying as we implement widespread programs like this, strategic jobs programs maybe are things that we need to consider differently around procurement. I know there have been other Councilmembers that have had other procurement priorities like figuring out how do we hire or do business with local businesses and local hires and whatnot. I know there are many limitations, but the practices that we provide policy conversation that we can have kind of spur it out. Of course, this is not the first time in the past 12-months that we've had this kind of critical conversation and there just seem like to be so many different procurement processes as well as kind of exceptions to rules or different interpretations of the law that maybe this is again a more appropriate larger conversation that is [inaudible] to action.

Mayor Lyles said Mr. Winston, I'm going to say that I think what you said is very informative around trying to frame what is the question and instead of the budget vote for us is supposed to be a number goes up or a number goes down. I would like to resolve that issue. I think when we are talking about the next steps maybe what we really could do to implement this is to actually get some information about what we currently do and where it is and then decide what is the question we are really trying to answer? I think we can review procurement and there are a lot of procurement laws and statutes and practices and I don't know if that is necessarily as broad as we need to go because the Council's authority around some of these and discretionary funds versus what is required from the state and I'm no lawyer and I'm trying not to be because there are too many [inaudible] in this room already. I would say let's do the budget thing and then can we just think about this and talk about it when we have our next Strategy Session or at some point when we are really looking at where to do you want to spend your time next year. That is kind of what I'm thinking because we are trying to take a break, not add one more thing to the list before we disintegrate.

The vote was taken on Adjustment #6 which is to augment the provision in the budget to provide \$890,000 to expand the Road to Hire Pathways to instead call for an RFP and diligence process by the Economic Development department to help underrepresented students gain access to workforce training and employment opportunities so that all organizations across the city have an opportunity to bid and maximize the outcomes of this investment and its impact on the Corridors of Opportunity. The result of the RFP process would be presented to Council per our standard process for approval in our Consent Agenda when ready given its size and magnitude.

The vote was recorded as follows:

YEAS: Councilmembers Bokhari, Driggs, and Johnson.

NAYS: Councilmembers Ajmera, Egleston, Eiselt, Graham, Newton, Phipps, Watlington, and Winston.

Mayor Lyles said that passes with no change to the current budget process, but more work to come, but more work to come.

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ITEM NO. III: CONSIDERATION OF MOTION DIRECTING THE CITY MANAGER TO PREPARE THE NECESSARY DOCUMENTS AND RESOLUTIONS FOR THE FY2022 BUDGET ORDINANCE

Motion was made by Councilmember Driggs, seconded by Councilmember Eiselt, to direct the City Manager to prepare the necessary documents and resolutions for the FY2022 Budget Ordinance.

Mayor Lyles said this is a motion to move the document forward, there will be a vote of whether or not you approve of the document at our next meeting, but my assumption is that this is kind of like the straw vote for that.

Councilmember Newton said I had a question for the City Manager, and it was in relationship to our arts funding conversation. I know we are talking about the funding in and of itself, but there has also been I guess a grander conversation or larger conversation about the three-year plan. I wanted to ask do we have a roadmap for that and is that something that is going to come in front of this Council for further consideration? I don't recall that we've actually approved the plan itself or if there are frankly specifics in the plan as is. I just wanted a little bit more of an update on all of that, what the future holds for that plan if it will come in front of us again and if there are specifics for the term of that plan that have been specifically defined?

Mayor Lyles said Mr. Newton, I don't know that is in direct relationship to the preparation of the documents for the Budget Ordinance so can we do this vote and then come back to your question for the Manager? We've got a motion on the floor so I would like to go ahead address the motion first.

Mr. Newton said sure, I didn't quite know when to raise that question, I just didn't want to lose the opportunity to ask that.

Mayor Lyle said I think the question is to the Manager about the process, but I don't know that that is a Council item for us to discuss; it might be a discussion between you and the Manager.

Mr. Newton this is something that I would like to ask publicly because I do have an impression after conversations we've had this week and certainly the ones –

Councilmember Driggs said Mr. Newton, you are out of order sir, we need to conduct this vote.

Mayor Lyles said he was addressing my question to him Mr. Driggs and so we will have this conversation after the vote on the motion that is on the floor.

Councilmember Johnson said you tell me if the motion is to move the budget forward if we have a question regarding the amount of the ASC, I feel this would be the appropriate time to ask the question before we move the budget forward.

Mayor Lyles said I'm not sure that I understand. Are you asking to change the amount; is it increasing or decreasing the amount in the budget to the arts funding?

Ms. Johnson said no it was regarding the structure of the funding.

Mayor Lyles said this is about preparing the budget documents, so it is about getting all the numbers right. The structure of it does not require discussion under this motion.

The vote was taken and recorded as unanimous.

Mayor Lyles said alright Mr. Jones and Mr. Bergman you have your authorization for our June 14th meeting, so thank you very much.

Now, it is not on our agenda for the budget session, but Mr. Newton has a question and I know that several Councilmembers have obligations beyond this so –

Mr. Newton said it is just so interconnected or interrelated with the budget conversation that we are having. I do think it is slightly grander in scope because we have, I think made decisions as a Council pertaining to arts and science funding. Having said that I think there is a lot of ambiguity obscurity that surrounds this three-year plan that we talk so much about. I just want to know when we will receive specifics on that and what the process on that is going to be moving forward, particularly if there is a timeline. Not just for myself, I think we've all had conversations with our arts community and it is really to set expectations for them and make sure that our artists, particularly our individual Creatives and small arts groups continue to be a part of this process moving forward.

Mayor Lyles said Mr. Jones, you have heard the question of what is the next steps after we adopt the budget on Arts and Culture.

Mr. Jones said Mr. Newton, I will try to recap the presentation I made last Wednesday about the funding for Arts and Culture and the timeline. I guess the key is maybe to go to the middle of that presentation. The key begins after the Council approves the straw vote which was today, what we have is an allocation of funds for not only the ASC which I believe is \$1.3 million would go to the ASC; \$800,000 for their operations and \$500,000 for those two Creative Groups that were outlined in the presentation, as well as the \$6.1 million to the 38 organizations that typically have received the funds and we, made that adjustment of \$150,000 for the Harvey Gantt Center. Those was the numbers and once that is all allocated the funds again go to the Foundations for the Carolinas to distribute checks. Okay, and then there is about \$4.5 million leftovers from that allocation. So, that is the beginning of year one, July 1st and let's say all of that occurs July 1st. Between now and July 1st with this approval or this nod that we received today we would hire an Arts and Cultural Officer, there is an advisory group that would be populated by the Council and the private sector and we would also have an Arts and Cultural Plan that the community works on over the course of the next year. I think I hit the high points on that.

Conceptually in year two and year three, there are no allocation of funds because we are waiting to get the Arts and Culture official onboard, get the advisory group assembled as well as have this Arts and Cultural Plan. Once again there are opportunities for Board Members of the ASC to be appointed on that group, there are opportunities for the ASC to absolutely positively be at the table as we go through what the Arts and Cultural Plan will be like which will describe what will happen in our community for the next decade. So, if the question is what happens in a year to and year three, we are getting out in front of a community-led Arts and Cultural Plan which should inform our community what allocation should look like in year two and year three. Does that help?

Mr. Newton said I guess the real focal point of my question is surrounding the concept of future meetings moving forward for community and artistic input. It sounds like what you are saying is that first things first we will have to get this official on board before a timeline can be created. Is that what you are saying Mr. Manager?

Mr. Jones said I'm trying to give a bit of a timeline by saying that over the course of the next weeks we should get the Arts and Cultural official onboard, establish this advisory group, start to affirm to do the Arts and Cultural Plan as well as the community input about what that plan should cover and things of that nature. To do the plan over the course of the next year and then that plan informs what the next decade is like. So, there is a timeline of getting things together as I think you alluded to, but then the timeline is more or less dictated by that Arts and Cultural Plan and what comes out of it.

Mr. Newton said it sounds a little bit loosey-goosey here in the short term. Having said that it sounds like there will be a much more definitive timeline here soon, in the next few weeks and so I just want to make sure that in this plan which I still think we are still trying to hammer out the specifics of, so I guess the question for me is would that be something that would come back in front of the Council and maybe that is question one. Question two, I just want to make sure that whatever is decided in that timeframe moving forward

where we have these meetings that that be clearly communicated to our arts community, more specifically individual Creative Artists and the small group artists. Often times I think the positive there is the ASC so the ASC as well so that they could be included in that conversation and not feel like they don't know what is going on.

Mr. Jones said that sounds great, yes.

Mr. Newton said my first question was is this something that will come back in front of the Council at a later date?

Mayor Lyles said I need to check on this because I think that the Ad Hoc Committee gave a presentation to the Council and I'm asking if the Council voted on it then? Does anybody recall? The Council as a whole has already voted on the Manager's proposal Mr. Newton.

Mr. Newton said thank you for that information and let's please keep our full artistic community involved and make sure they are a part of this process and can contribute input here in the immediate future after this short-term period decision making is completed.

Mayor Lyles said yes, thank you. I think all of us are really well aware of this change that is coming and the change that is going to be needed to continuous communication and some very hard work to be done, so thank you very much.

Mr. Winston said I just wanted to follow up on Mr. Jones who explained it quite fairly that those slides of that presentation or that explanation was mailed to the arts group that we've been meeting with, so they have all of that kind of general timeline. For the last point that was made, unless the Mayor feels otherwise, I do believe the Ad Hoc Committee is still effectively convened so it might be a good idea once some steps are taken maybe we could kind of talk about it before a Strategy Session from a Committee standpoint to get a kind of understanding and then have a deeper conversation as we move through the steps as a whole Council.

Ms. Ajmera said I agree with Mr. Newton and Madam Mayor around having continuous communication on the funding and the plan that is sustainable moving forward when it comes to Arts and Cultural funding. On a separate note also to follow-up on the discussion earlier on the RFP process and when it is required and when it is not required, Mr. Manager, if we could get a follow-up report on that as to when we do RFP and when we don't do an RFP and what are the exceptions, if this Council decides to create a policy around it there is clear guidance from you and your team so we don't end up having hour-long discussions on this during the budget session.

Mayor Lyles said I completely agree with the framework for this needs to be done and the questions. I think we always try to figure out what problem are we trying to solve, and the framework and background information will help us determine that and we will get a report from the Manager to do that.

Ms. Johnson said I want to piggyback off of what Mr. Newton was saying and thank you for the opportunity to meet with the ASC group. I have some questions from them specifically that they wanted answers to kind of on record is transparency and communication and just where [inaudible] some issues. I think we've all got the questions last night so, if I can just ask Manager Jones these questions this might be an issue for the Committee.

Mayor Lyles said Ms. Johnson I know we all got the questions including Mr. Jones, but I want to make sure that when we answer these questions and put them on the record, as they say, everything we do is on the record of course, but as I would say I think that takes some time to address and not just get the questions and reply them today. This wasn't on the agenda and I think that we can do this, but I just wonder about the appropriateness of asking for it today when he got them last night like most of us. Does that make sense Ms. Johnson?

Ms. Johnson said yes.

Mayor Lyles said I think it might be better to say that we need to address these questions and we will, well I don't think we have to, but if the Council chooses to do that then the Manager can prepare something and bring it to us and we can see the next steps forward. So much of this conversation has become about; I think I even got a slide that said this is a demand and I'm like okay. Maybe it is an inquiry, but I just think we ought to try to figure out and do this as a whole so that we are aware of what the Manager is saying and not asking to do it on the fly. That is probably not the appropriate term to use but you know what I mean.

Ms. Johnson said okay, that is fine, and it really is more clarification on the plan and the community input and the communication. If he could respond to the e-mail and to the ASC so they have that information that will be great, and maybe a future presentation so that anyone who doesn't have access to the e-mail will have that information as well.

Mayor Lyles said I think we will give it to the Council first. Okay, how about that.

Ms. Johnson said I look forward to the information.

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ITEM NO. IV: NEXT STEPS

The next steps were not addressed.

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ADJOURNMENT

Motion was made by Councilmember Egleston, seconded by Councilmember Driggs, and carried unanimously to adjourn the meeting.

The meeting was adjourned at 1:39 p.m.



Stephanie Bello, Deputy City Clerk

Length of Meeting: 1 Hour, 28 Minutes
Minutes Completed: July 30, 2021