CHARLOTTE

Charlotte City Council

Budget Committee

Meeting Summary for July 9, 2012

COMMITTEE AGENDA TOPICS

I. **Subject:** **Review Out-of-School-Time Partner funding levels and sources**
Action: None

II. **Subject:** **Discuss opportunities to educate citizens on the budget as part of the Budget Public Hearing**
Action: Recommendation that the City Manager's Recommended Budget presentation be scheduled for the first Monday in May at 7:00 p.m. (unanimous)

COMMITTEE INFORMATION

Present: CM Barnes, CM Fallon, CM Mayfield
Absent: CM Dulin
Absent until noted: CM Kinsey
Staff present: Harrington, Warshauer, Hershberger, McCoy, Davison, Mumford, Lopez, McMillan, Hagemann, Greer, and Gaskins
Time: 12:00 p.m. to 2:00 p.m.

ATTACHMENTS

1. Summary of Funding Levels

DISCUSSION HIGHLIGHTS

Committee Discussion:

Council member Barnes welcomed everyone to the meeting and asked those in attendance to introduce themselves.

Mr. Barnes said we have two items on the agenda today and there are some issues that fall in each of these items that I will address. The first item is a Review of Out-of-School-Time Partner funding levels and sources and the second item is a discussion of opportunities to educate our citizens on the budget and that essentially extends from a concern I had about the 2012 Budget wherein I believe that we should have had Mr. Harrington and Mr. Walton present their budget to the community the same way they presented it to the Council, perhaps on some scaled down level. That is something that the Mayor would like to reconsider, especially that tax increases are being contemplated. We will start with the first item and keep moving.

I. Review Out-of-School-Time Partner funding levels and sources

Randy Harrington said Tom Warshauer from Neighborhood and Business Services is here to answer any questions you may have. As you recall in the past budget process there was a parallel process related to the Out of School Time Partner and funding process and the second page provides a summary of those out of School Time Partners and the funding amounts they have received over the past five budget cycles and you will see the final column provides a review of the percent of their funding provided by the City and down below on the bottom half of the table gives a display there of the percentage breakdown funding sources. One thing I will note there and I know you have been aware of this from the federal levels that the federal funding has been reducing since about 2004 and the last couple years it has been adjustable as well and you see there has been some shift of the composition of the CDBG funding as well as the City component innovative housing total that is funding through your Pay as You Go Program. As we can see how it has shifted over the past few budget cycles. I wanted to point that out to you.

Barnes: I appreciate that and I want to clarify one thing as I heard you saying that as the CDBG funding has decreased that the City's use of capital reserves has increased?

Harrington: The use of our Pay as You Go Innovative Housing component which...

Barnes: I mentioned that because it was 24% and I believe that is related to one program.

Harrington: Yes, that was a one-time this past year. We want to provide you with questions around the funding levels because I had particular questions about this myself.

Mayfield: I'm looking at the date for the year we started funding and looking at the percentages. Do we have whether or not that percentage had increased or decreased over these fiscal years considering how long. I have a concern about any funding that is more than 50% that the City is responsible for when we have some programs that we have been funding since the late 70's.

Harrington: I don't have that information on me right now but I think we can pull that.

Warshauer: We can pull it more specifically, but it has been fairly consistent for a period of time for most all of our contractors.

Mayfield: So for an organization, if we've been funding greater than 50% we pretty much had been funding that from inception?

Warshauer: Right. The percentages of their budget do not change.

Fallon: I had a problem with Greater Enrichment and that was, it gets federal and state money. The county didn't give them any money this time. From all the paper work that I read they were told a couple years ago that they had to start diversifying and getting other money and they haven't. They come in at the highest per pupil with the least return. That bothers me and it bothers me also that we went into that 16%, the money that was over the interest. That is bothersome because I think Greg you had told me that the bond people wanted us to have about 78% in there and you would be building it up. It is a bad precedent to start to take money out of that.

Barnes: Thank you for saying that and in all candor I think the purpose of today's meeting is for the elected to discuss our preference with respect to how we handle outside partners because what you just indicated and what Ms. Mayfield just indicated are concerns that I have heard from the majority of Council and the Mayor. Your points are very well taken and I believe that our purpose is to decide whether we want to make recommendations to the Council and Mayor to change the way we are conducting business and part of that could be in fact limiting the percentage of a group's funding that comes from the City and limiting the actual dollar amount that the City would give to any one organization. Is that your understanding?

Harrington: That's part of the question that I think the Council had. Just for clarification, there are two tracks … one track in the Budget Committee which is looking at funding sources and the total level of funding and then the Economic Committee is talking about the selection process and criteria used for that. Just to make you aware of the two different processes and the two different charges relative to the particular topic that each committee is looking at.

Fallon: That is my concern – what are we paying for and are we getting the return or the bang for the buck we are supposed to get and do other agencies do a better job. We are funding this one 81%.

Barnes: I would say I think a lot of what you are speaking to now is what the

Economic Development Committee will be considering.

Fallon: I also was concerned with the fact that the county wouldn't give them anything.

Barnes: Right.

Mayfield: So question regarding the Budget Committee because Tom, I believe in ED I asked for the paper work that was created that was looking at changing our model that went out to all of these vendors to let them know that we were moving to a new process as far as how their applications were being graded. Can we get a copy of that on the Budget Committee as well because I want to know exactly what went out to our potential partners because as a general rule we don't add on new partners? We continue to fund the current or existing partners we have so I want to know exactly what went out to the community to let them know that we are going to be changing our process and advise them of the scoring system and how we are going to be doing that because I never saw a copy of it. I just heard and asked if something went out and I know that something went out from staff, but I want to make sure that I have a copy of (recording not audible) it in my records because we are going to have to do it again. We need to make sure that the language in it is very clear that moving forward, however it lands, and that is where it lands.

Barnes: To be clear Mr. Warshauer I believe that actually went out over 18 months ago.

Warshauer: A year ago the Council asked us to do an RFP so that was public information that you all wanted an RFP for the first time to evaluate the programs and to award the funding that was going to be paid for the quality programs.

Barnes: Was that in May?

Warshauer: That was in May 2011.

Barnes: The reason I raise that issue is because that was before Ms. Mayfield got (recording not audible) and you are absolutely right that we set out very clear expectations and I think all of these knew.

Warshauer: All of these knew in May that there was going to be an RFP. That was not quiet information to anyone and when we developed the RFP we [recording not audible] the community to bring in people that [recording not audible] to develop the criteria supporting the RFP so [recording not audible] would know what is going on with that. Then the RFP went out to everyone we could send it to and we got a lot of people to respond that wanted to apply for funding for this program. We can get you a copy of the RFP and the information that we sent out so people can see what we were doing. It wasn't a surprise to anyone that we were embarking on a new program. This goes back to pretty consistent funding for the last five years, but some of these programs have been receiving substantial amount of money for 20 or 30 years. So whenever it happens, you are never quite really prepared for changes even though you know they are coming. One of our goals with you all is to set expectations with you and with all the vendors that are out there and whether they want to participate any more so they all know what you are looking for as a Council and what you are going to value. If you value lower participation in terms of the

percentage of funding that you are willing to do for an agency, we want to know that. We want to know where you all want to be so the vendors who are partners will also know what the expectations are.

Barnes: Regardless of what we do as a Committee or a Council, any group would have the right to petition us for more money and any member of Council has a right to ask us to give someone more money?

Warshauer: They always have the opportunity to ask you for funds, but the most desirable outcome would be for people to be really clear about what you wanted to fund so that people weren't wasting time presenting applications if they were not going to be evaluated consistently.

Fallon: Would we be taking on anybody new?

Warshauer: Well, you could. We had 17 different applicants. There are a lot of people out there, both non-profits and for profits that are providing after school and out of school time services that have great programs so you could also say we are not interested in new partnerships. That is the call you all have to help us make with the community around what you want to do. There are some great new programs, there is great new energy in this field and our understanding with the RFP last year was that you all wanted to be funding the best programs. If that is what you want to do that might be entertaining new programs because there are some new programs that are very good.

Fallon: Last year the county did an evaluation. I was there and it was very interesting. They had all the different people that they fund for after school and other things and they evaluated them above the line and below the line and the ones that didn't have the return were below the line as much as they expected and the ones that they fund that did and what they did was they started cutting out the ones below the line because there was no return for the money that really would verify the fact that they should be there. It was a very good evaluation. It was very easy to understand and you could see why.

Barnes: You all did that, right?

Warshauer: We had evaluation criteria and we support all the programs on the basis of those criteria. There were some programs that we felt the basis of the criteria that we are talking about so those are the ones that scored higher for us. We didn't have a below the line because our funding allocation system was we would fund 100% of your ask if you were ranked at the top and you fell below the line and there was some money left. If you really weren't eligible for funding we believe [recording not audible] of the ones that scored the highest received 100% of funding until it ran out. There are other ways of making allocations but that was the system we felt really was under your notion of less fund [recording not audible] If you want to be in a [recording not audible] program funding there are other ways you could decide what you want to fund.

Mayfield: How in the [recording not audible] do we want to be and above this. With this process the allocations were presented to us after the surveys had already gone out so are we saying now that we want as a committee to have a little more conversation on the front end before the allocation?

Barnes: I think that is what the B & E is doing.

Mayfield: Before the results so that we have a little more conversation around it as opposed to this last one.

Barnes: What I had been hoping that we would be able to do today is establish some methodology for determining the amount of money and funding we provide, for example if we tie it to the amount of CDBG money we get and a percentage of that being put in a pool for after school programming, over the last few years it has been $1.2 million or so, anticipating going up to $1.6 million for 2013, so do we want to establish a percentage or do we want to say it is $1.5 million or just some number and no organization would get more than 50% of its funding from the City and no more than $200,000. Do you see what we are trying to say? That way you would know and they would know because what happened this year would not have happened but for some of the after game activities that took place.

Fallon: I'll talk about the elephant in the room and that is political pressure you get from certain organizations. How are we going to handle that because it did come this way and I don't appreciate it? I really don't. It is not fair because you get it from community leaders and they swamp you with it. If the program isn't as deserving as others why should they get it?

Barnes: But there is nothing they can do about it.

Fallon: I know, but I'm just saying that is a problem.

Barnes: You will always have one of us who will say let's make an exception.

Harrington: Maybe a suggestion from a process standpoint, I think Mr. Barnes you are correct in terms of focusing on the total amounts at the aggregate level as opposed to looking at individual programs. It might be a more effective way to direct the committee to proceed.

Barnes: What has been the average over the last 10 years?

Harrington: This $1.24 and then of course the last one that one-time infusion.

Barnes: So the $1.24 has been going back for years.

Warshauer: A long time. I'd have to do some research to see how far back that is but it has been pretty consistent for an awful long time.

Mayfield: That doesn't account for the cost of inflation. I don't have a problem with us going up. I just want to make sure for me that we have the processes in place so collectively when we do put out a vote we have a little more strength to stand on that paper work.

Barnes: What would be your number?

Mayfield: For me that number would probably be around $1.4 million but not having those background figures from Tom to really look at the aggregate of what are the

needs because the biggest piece to my understanding, the reason we are doing this, is because we are filling in the gap in a lot of cases. The concern that I have is that the bulk of that gap is being relied upon from our office and I don't think that should be the case. They need to figure out how to diversify and we need to go ahead and make sure they clearly understand and if they need assistance then we have programs in place to help you and the organization to figure out how to partner and diversify your funding.

Barnes: Would you want to put a cap on the amount of cash any one entity received and a cap on the percentage of city funding that an organization much raise before getting City funding?

Mayfield: I would be comfortable with a cap on percentage, not necessarily that dollar figure because that percentage is based on that organization's budget. That percentage would change that dollar figure so I would go for a percentage but not necessarily a cap on the dollar figure, keeping in mind that we have a process in place of how do you get to that top score and try to figure out a way to not supersede that, but knowing that we are still going to have someone that may come back that is really passionate about a program and ask for us to additional.

Mumford: I want to make one point to you all. The CDBG number is a function of an administrative cap with CDBG so as the Community Development Grant Funds have gone down, the maximum amount of money that we could spend for this type activity. Most of the funding goes for housing related activities so that is a risk for us. If you pick a whole number and say we want to keep $1.4 million of funding, there is risk as Block Grant funding goes down, that the total amount we could possibly use goes down which would mean then to get to that $1.2 million or $1.4 million we would also have to put higher pay as you go innovating housing money. I just wanted to make sure you all were aware of the dynamics of that.

Barnes: That was why I was suggesting tying it to that CDBG.

Fallon: Is there a way to say that it can be taken from someplace else and added to, like we did this time?

Barnes: No, because we will always rob Peter to pay Paul.

Fallon: I just don't like it coming out of that fund. It bothers me.

Barnes: So the CDBG allotment has been the $1.24 for [recording not audible]

Mumford: Sorry, you are the budget guy.

Harrington: That is the total amount combined with CDBG and innovative housing. Right below that line of percentages, how that break up of $1.24 million.

Fallon: So what do you suggest Pat?

Mumford: I would suggest that we continue to follow a very well thought out process to determine who delivers quality services. That has been a really momentous shift of the Council and it has taken a long time to get there and I applaud you for supporting that. That does help us and it helps the community. I frankly think it helps these

providers be better. It forces them to do things and they know they are in competition for money so keeping us in the constraints of the RFP and the criteria and the work of the ED Committee I think is a very solid basis. Where we end up with the amount of money, it could be double this amount of money and I'm sure we could get enough people asking for funds to use that so it goes back to the intent of the Council and how the impact on Council would want to have of this kind of activity. At the end of the day no matter what the number is, we have limited resources to respond to the community needs.

Fallon: And being aware that the feds and the state are just going to keep cutting.

Mumford: Those are the indications we are getting. Obviously, there is no guarantee, but that is certainly what it looks like.

Fallon: So you are going to have to be working this out with less money probably, unless there is another source to find?

Mumford: Well, I might have one other thing, in our department we have, rather it is a curse or a blessing I'm not sure at the end of the day, but we have so many different sources of money. There is home, CDBG money, Innovative Housing money, grants, and all these things. We have the ability with that to have some flexibility to move so when CDBG goes down we can move with some innovative or maybe we need to get some capacity innovative housing we move CDBG money into that. It moves around.

Fallon: You mean it is not dedicated so it is fungible?

Mumford: It is somewhat fungible, but our ability to be creative is getting more and more difficult because every pot of money is reducing. If the Council wanted to fund at the same amount on going, I think what you would find is you are really challenged with general fund money and how much of that would you want going into operating these programs.

Fallon: Basically, you really can't have a figure because you don't know what it is going to be.

Barnes: No, and I'm looking for a motion here in a moment.

Mayfield: I make a motion that we look at percentage, but I still think we need more information from Tom so I need to know what these levels have been over the years and I need to see the actual application that goes out to our partners that they are submitting. There needs to be clearly in the wording of the application the fact or some kind of way that there is priority for community partnership or if you do not receive the dollar amount that you are requesting, how do you plan to meet, or how does that reduction in funding affect your program.

Barnes: I am wondering if that exceeds the scope of our referral.

Warshauer: It felt like you all wanted to set how much money do you want on the City's budget to go toward this program. Do you want it to be $1.2 million, $1.4 million, $1.5 million or a $1 million program and then in ED we would be talking around other issues and the different qualities and how we rate those. We have

valued people that have more partnerships from the partners that give you indications of better programs. If you all want to set an absolute we are not going to fund more than 50% of a program that is something we have to consider. We didn't have that in here. The program could be a great program that is fully supported by the City, that doesn't necessarily mean it is a bad program and that is one of the criteria that we look at. You could have an absolute in terms of the percentage that you want an agency to have. In terms of weaning from the City and encouraging them to look for outside funds, we are not the only funder in this space as well. We are an important funder, but we are the only funder in this space. That could be a criteria that you would want to make sure that people knew from you all up front. And the dollar max that you also talked about would be useful. You all don't want anyone to receive more than 200,000 more than 300,000 more than 400,000 in a given year in one agency, you want more people in this space and you want more people having access to City funds that is certainly legitimate. That is for you all to decide.

Barnes: So another way to put that could be that we would set a dollar amount, just stick with a historical one and say that $1.24 million and say that no one organization would get more than 10% of that amount. You notice it ranges from 2% to 100% from $70,000 to $605,000 and I've always thought that CMS had a very good after school programs and I've always been supportive of it and they historically have had some very good performance numbers. I've always wanted to give them more money, but they never ask for it. With that type of thinking in mind would there be a recommendation regarding the amount of money the Council sets aside for after school programming, the amount of money that any one entity gets, both as a percentage of its budget and the percentage of the pool or money that we dispatch?

Mumford: May I suggest before you start voting to give us some time to look at different ways to slice and dice this? Another thought in my mind was per student allocation limit. If you just have a flat rate, one organization may serve 30 students, one may serve 300 and the flat rate doesn't work. I will tell you there is another option. Innovative housing is the City's local match so you can work with some options here. You could say we basically put $600,000 per year in innovative housing throughout the course of history, but the thing that would fluctuate that would be the CDBG and you wouldn't go anymore beyond what that 15% administrative cap allows us to do. It gets a little dangerous because there are so many variables. If we had some time we could go through some of those especially with the criteria component. I don't want you all to try to figure all this out on the fly because the timing isn't such that we have to know that immediately.

Fallon: Randy, you had sent me the percentages of the federal and state and I don't know what I did with that. I put it someplace. That 81% became 100% with the state and federal.

Harrington: I believe so.

Fallon: Yea, I remember you send them to me and it was 100% and I don't know, other than that small they'd fall back to, 100% is a lot of money and if I remember the percentages you sent us, the breakdown, the per pupil was more than anybody else but they were serving less pupils than other people were with that money.

Staff member – comments inaudible

Warshauer: Some of them have stronger partnerships and higher cost per student but they need that to give more services to the students so a higher per student costs is not necessarily a bad thing. It could be that it could help.

Fallon: I'm just thinking possibly leaving it at that $1.2 million if you are going to lose because everybody is giving you less. You have to factor in that if you are going to get less so why raise the amount.

Councilmember Kinsey arrived at this point.

Barnes: Welcome Councilmember Kinsey

Kinsey: Thank you, did you tell them I was in another meeting.

Barnes: We did talk about that and I was going to read your comments for the record, but you are here now. Would you like to speak to your points, Ms. Kinsey?

Kinsey: If it is the appropriate time. I sent Michael and I copied all the Committee members and I didn't send one to Pat, I'm sorry. My comments, I believe we need some method of evaluating the agencies to which we give taxpayer's money. I don't believe that any agency should feel that they would automatically receive funding because they have received it in the past. I believe the City should make it very clear to the agencies that apply for funding, all the rules, regulations, etc. that apply to everyone submitting an application. Councilmembers should be made aware of this as well so we will have ammunition if an agency comes to us complaining, because they will. Resources are limited and to be perfectly honest, I don't believe the city should be funding these programs anyway, however until we decide to get out of the business, I believe that only the absolute best agencies should receive funding.

Barnes: I heard a suggestion from Mr. Mumford that we give him and his others time to review some potential methodologies and come back, means another meeting.

Mayfield: What about vacation?

Mumford: This year's funding is set so the timing is not such that we have to meet again next week to resolve his. I threw it out there to allow us to go through all these various options.

Kinsey: I know the funding is there, are we going to follow the same process for selecting?

Barnes: ED is working on that. Economic Developing is exploring the RFP process structure, and we are trying to figure out how to deal with the money.

Kinsey: Number four. We bring it up periodically – what is our core business and it is not after school care, but we are doing it now and it would be very, very difficult to get out of it and I know that.

Mayfield: What is the timing that we are looking at to get the information back? From what I'm hearing is two different things. Either/or dollar amount percentage or a dollar amount no greater than and no less than of percentage so I think that is what some different alternatives given either bringing back so that we make that final

decision we will have as much information as possible. How long do you think regarding the fact that we are going into summer time?

Warshauer: We can give you information about legacy program and how much we have been funding and what we did. We would like for you as early as we can to set the stage for how much money is going to be available from the City for these programs and if you are going to impose any kind of caps to let the agencies know. When you do an RFP they are beginning to plan their budgets and if you are going to reduce funds or set any kind of caps on the legacy programs you want them to have as much advance warning so they can look for alternatives. The more advanced knowledge that you are going to change the allocation process for some of these smaller agencies, or the one that are more relying on City funding, that you are going to change that, that is very helpful to them to be able to know.

Barnes: When is ED planning to finish their work?

Harrington: I guess the first meeting is scheduled next week. They are just starting on their conversations.

Fallon: Was there a reason the last four years that are recorded that it did not go above the $1.2 million?

Harrington: It has traditionally been the allocated funding level for those agencies so due to that reasoning we kept pretty much the same amount.

Fallon: Sustainability?

Warshauer: It is a fairly political allocation so we've been doing the mood map, so we kept the funding at the same place, but if you want to move to a place of allocating to the very best programs and encourage others to be able to entertain funding from the City, that will change. That is what we tried to do last year and you all helped [recording not audible] the more you all can decide what outcome you want and what you value then we can let the contractors know. If you want to make some changes we want to work with you the best we can.

Barnes: Should we then say Mr. Harrington that before the end of September the Committee will meet again, review their recommendations and information from Mr. Mumford and Mr. Warshauer and yourself?

Harrington: Right [recording not audible]

Warshauer: It's tight, but if you put out an RFP in October...

Barnes: Would you say the end of August would be better?

Warshauer: The earlier the better, but we recognize that the [recording not audible] situation at the end of September would be fine.

Harrington: The end of August would be fine.

Barnes: So before the end of August we will meet again and address the information that they will provide back to the responses to the questions.

Kinsey: How are we coordinating with the ED Committee? Is that just through staff?

Harrington: I'll be coordinating with Ron Kimble.

Kinsey: Okay, I could just see us doing this.

Harrington: Just to make sure I'm clear what I'm hearing from Committee members and we will have the second meeting to come back and talk about some options or methodologies for allocating the total amount and we will bring this back to you for your consideration and input. Is that correct?

Barnes: That is what I understand yes. Do you all agree? (All said yes)

II. Discuss opportunities to educate citizens on the budget as part of the Budget Public Hearing

Barnes: One of the reasons the second item I think needs to be on the agenda is that the Budget Committee's charge is somewhat limited and as a result we did not have an opportunity to engage in the way that I think we should have engaged in what was ultimately a [recording not audible] budget process. For example, I mentioned to the full Council and Mayor that it would have been useful if this committee had had an opportunity to vet the budget to some extent, if Mr. Harrington and Mr. Walton had presented their budget to the public the same way they presented it to us at that 4:00 p.m. meeting because I felt like the presentation that Mr. Harrington and Mr. Walton gave to us was very illuminating and very informative but that on the night of the public hearing the public just heard, okay you've got a capital plan, you've got an operating budget, here is your tax increase. There was a lot of bewilderment there and obviously there are people who will never agree to support a tax increase, both elected and non-elected, but to the extent that we can inform people and I think that is part of the job of this committee, we should do so. One of the things that I had mentioned to Mr. Harrington and wanted to talk to the Committee about was whether the committee should have a public meeting in the Chamber after the second or third Budget Retreat to go over the budget in a half-hour or one-hour meeting for the public, whoever wants to show up to discuss what is in the budget and whether we should have the Manager and the Budget Director present their budget to us and to the general public at the public hearing. The caveat is that this would only apply in years when we are going to raise taxes or when we are contemplating raising taxes.

Mayfield: So why not just make it part of the process if we are considering it without that caveat?

Barnes: The only reason I added the caveat about a tax increase is that in years where we have raised taxes, the budget process has been fairly fluid and straight forward and there hasn't been a lot of consternation among elected officials or the general public. I didn't want to commit people to spending more time on something that didn't [recording not audible] but if you all want to do that we could.

Mayfield: No, I was just wondering.

Kinsey: I think if we did that we would need to have a separate public hearing and not have it in the heart of a business meeting. I believe the public hearing is a part of

a business meeting isn't it? I think a separate meeting to explain the budget and have whoever wants to come speak is what we need to do.

Barnes: You mean a separate meeting with the full Council?

Kinsey: Yes.

Barnes: What I talked about was the Committee having a meeting and after the second or third budget retreat and presenting the basics of the budget to the public that day and that with respect to the public hearing we have back in May that Curt and Randy would actually give their presentation that night to the public and to us.

Kinsey: Yeah, okay that is what I mean. If we expect a large presentation and then people coming to speak it probably needs to be a separate meeting, maybe the first Monday, we have that Monday clear now. I just think if we try to do it during a business meeting unless there is absolutely nothing else on the agenda, it could make for a very, very long meeting.

Barnes: I appreciate your point Ms. Kinsey. I was thinking about how that meeting played out that night and the list of speakers. What I was suggesting was that the meeting might actually be more streamlined if people get that information from staff on the same night they have signed up to speak. I think you actually have fewer people signing up, or at least the issue would be more refined as opposed to where we throw the budget out to the public and then people sign up to speak in protest, etc. because a lot of times they don't understand the strategies behind what we are trying to do. Obviously the 2012 budget was historic for a number of reasons and I think it may have gone over better with some people if we had provided that opportunity for them to actually see the slides. To see the same stuff we saw in Pinehurst but not for three hours, a 30-minute presentation. I appreciate your point and I was just trying how to not necessarily create another Council meeting, but to make the one meeting we do have more useful to the public.

Harrington: If I recall correctly, the handout at the public hearing is the agenda and of course the agenda is pretty packed with a lot of stuff, but one of the things that we've not done recently is having like a one-page summary that citizens walking into the public hearing, could get a one-page or two-page overview. That is something that certainly could be done and then the presentation piece at some time before supplemental hearings, the Council has requested or the Mayor has requested a brief recap of what was discussed before and that has occurred sometimes.

Fallon: To be fair to the public could it be published before so they would be able to see it if they did want to come down and speak? If you hand it to them that night, a lot of people won't know to come down. Also, is it possible that as a Council we could meet and discuss it first, beside what we did at Pinehurst? But have another meeting where we go over it?

Barnes: Well, we were supposed to have done that during the Retreats and we didn't.

Fallon: We didn't and it was confusing.

Harrington: One of the things that may help regarding your first point about getting it into the hands so to speak earlier than just at the meeting, we can certainly post

that on our website.

Fallon: Yeah, so that people who are interested would have the forewarned about what it was so they could research something that they were interested in and come down and sign up. If you hand it out that night you are just going to get the regulars who are coming because they have an ax to grind about something. You won't get people who understand that this is going to be a budget night.

Barnes: For example, and I mentioned this to Mr. Harrington earlier, if you had staff explain what the Airport investments briefly, explain the Blue Line investments briefly, explain the Streetcar investments briefly, explain the six Police Division Offices, explain the Joint Communication Center, explain the Whitehall and Prosperity, the Bojangles improvements, I think that people would have appreciated more what we are trying to do and looking back my concern is that it was almost a shotgun blast for the public and they saw a lot of stuff coming, got hit by it and didn't really know what to do with it. If you actually explain to people, it doesn't take more than a half-hour to do it, what each one of those elements in the budget were connected to, I think we might have gotten a different level of reception actually among the elected and among the general public. That is what I want to get to because we ask staff to do what they did in the CIP and unfortunately we weren't able to come together ourselves on it, but I think if we are able to better inform the public that we might have a chance to have a smoother process. And by the way, based upon the last discussion we had on June 25th, I think this may be coming back this month anyway.

Fallon: Because you could show them the interconnection and the intertwining of why and it wasn't presented that way.

Barnes: Well, it was. It was presented to us that way in Pinehurst and it was presented to us that way in the 4:00 p.m. meeting with Curt and Randy, but the public never saw what we saw. So there was that disconnect which we actually can fix.

Mayfield: Let's go back to 2006 which was the last time we had a tax increase. What has been the role of the Budget Committee is it not the responsibility of the Councilmembers to go out in either a town hall or a community meeting to make sure that the public is aware of what we are doing? How active has the Budget Committee been previously?

Barnes: I think it is, I didn't chair the Committee in 2006. I think it is the responsibility of each Councilmember to do that to the extent that he or she can. The problem is if I'm having a town hall meeting on the same night that Patsy is having one, Randy can't be in both places. You can't have the appropriate staff resources at each of the Town Halls, say you did three in one week, it is difficult to get all of them there the way you should so what I was speaking to was the idea of having a more centralized process that takes place here as opposed to among the Councilmembers which again would work but it becomes a bit more difficult when it comes to getting the staff resources together in one place. In 2006 there was a different political dynamic, a different Mayor and Council and there were some needs there that were viewed perhaps in a more critical way than what happened this year so that budget passed against no [recording not audible] as I recall.

Fallon: Different economy too.

Barnes: I appreciate what you are saying, do you see what I'm saying about having that happen here where they present so the public hears and see things with us?

Mayfield: I think what I'm hearing is that this is an and, not an or because that would be great to have, but we will have the responsibility of making sure that we understand it to get it out to the community as well.

Barnes: Our budgets aren't easy. They're not simple.

Mayfield: It is more like I said and Randy already knows because I kidnapped him for us to go practically line by line on the budget with all the questions. I just wanted to make sure that I had a better understanding because I agree with you; I think we are going to be looking at this sooner rather than later.

Fallon: I also think people are more aware because of the economy and more worried about paying more and they are more interested for the first time that I've seen what you are doing with the money we collect. In the past it hasn't been so. I don't know if they are more active or if they are more worried or whatever, but I think this economy has changed the way people think about money and what we spend it on.

Kinsey: We have the same people every year complaining and I don't care what we do we are always going to have those that come down to say no tax increase, or we don't want the money spent this way, so what we've got to realize is, we don't hear from those people who are saying we need this. We only hear from the people who say no, or don't and we've got to understand that and it takes a while to get used to that. That is what we are going to hear because that is who you hear from on everything, not just the budget.

Barnes: So would you want to deal with this issue that I raised about having the Budget Director and the Manager present to the public on the same night as the public hearing on the budget so the public has an opportunity to come see their recitation of the budget?

Fallon: As long as it is on the web first.

Barnes: And it would be.

Mayfield: It wasn't in the form of a motion but what Patsy said, making it a separate meeting so that we actually have enough time to have the conversation so it is not in, say it just happens to be a night when we have five other things on our agenda that evening, make it that Monday that we now have free so that will be the total focus. That is a discussion that might, here is the opportunity to come have staff present the budget.

Barnes: So then would we want to make it instead of having the budget presentation from the Manager at 4:00 p.m., have that first Monday meeting in May be the presentation to staff, to Council and the community at 7:00 p.m.?

Fallon: Wouldn't you have to call a special meeting?

Barnes: No, not if you do it now.

Harrington: I think that would have to be a special meeting because there is no currently Monday meeting scheduled. It may not be a special meeting, but it is part of the budget calendar process. Traditionally the budget has been presented to Council on the first Business Meeting so it is the second week in May and then you have your adjustments meeting, the straw votes meeting, the public hearing. If it was a special meeting, I know it is already a busy month with all the budget meetings going on, but we are happy to do whatever the Council wants.

Barnes: Are you suggesting then that we would not need to have that 4:00 p.m. budget presentation?

Mayfield: Maybe I heard something different because what I heard again was an "and" that we have the presentation but we have a meeting where the presentation is for the community.

Barnes: I tried not to create another meeting.

Mayfield: Because you want to do an "or" and I want to do an "and".

Barnes: This has become a full-time job and it does not have to be.

Mayfield: This is only one time that we are saying because of the importance.

Barnes: What would be the difference between having a 4:00 meeting with Curt and Randy and having the first Monday in May meeting with the public and Curt and Randy? They are both public meetings but in terms of one being advertised at the 7:00 p.m. budget presentation from the City Manager and Budget Director.

Mayfield: The difference would be that other one is the one that the community can sign up and be able to share.

Barnes: That is that first Monday.

Mayfield: Right, but that would be the difference. If I want the community to have the opportunity to talk, we still need to have our piece.

Barnes: I'm saying the Council at that 4:00 p.m. meeting.

Kinsey: We've already seen the budget that is a formality. Nobody pays any attention to that, not even the Council. I just think if you are doing a presentation it needs to be at night.

Barnes: I don't know what the first Monday in May of 2013 looks like.

Fallon: It is just will they have enough time to ask questions and have it explained to them without a special meeting? I think that 4:00 p.m. is too soon.

Barnes: How about May 1st as opposed to the First Monday? What we are seeing is that May 6, 2013 is a City Council meeting. Would we want to do it on May 1st of every year unless it falls on a Saturday or Sunday?

Kinsey: Why would we have a Council meeting on May 6th?

Everybody talking at once and nobody is listening!

Barnes: It would be May 6, 2013 for example Patsy.

Harrington: I think Ms. Kinsey is right. At that point I think the Council has heard most of the budget. There are some new things that do come out at that first presentation and if the format is set for public input there might be something on it that the Council could be hearing for the first time and so from a process standpoint I don't know if the Council would like to hear that first and then have the public dialogue. It doesn't matter, but just some things to think about from a process perspective.

Kinsey: Is the budget ready for public comment that early? Don't we change or it is possible to make changes after that?

Harrington: A couple points to that. It is earlier than what we typically do and of course we can address our budget development schedule. I guess the other question would be do we move up the adjustments meeting and the straw votes meetings because those could move up as well or is there more time space between those particular meetings and the initial roll out to the adjustments meeting.

Barnes: Could we take that 4:00 p.m. meeting with Randy and Curt and turn that into a 7:00 p.m. meeting? The same meeting, just move it up three hours.

Harrington: The first thing, I'd love that. The one challenge about the 4:00 p.m. meeting is that it is during the work day, people aren't going to be watching on their computer so it is a difficult time for people to initially see it and that does happen on the first Business Meeting of the month. So by moving it to 7:00 would satisfy the interest and try to get more visibility.

Barnes: Why was it at 4:00 then?

Harrington: I think it was because the presentation is about an hour long and so I don't know the history, but maybe there was an interest that you didn't have one topic block out a full hour of an evening meeting and that is why it was moved up earlier. I think that was part of the interest, but it can certainly be moved to another time and/or we could shorten our presentation a little bit.

Barnes: How long was your presentation this year?

Harrington: It is usually between 45 minutes and 50 minutes.

Kinsey: When did we have the public hearing?

Harrington: May 29th.

Kinsey: I'm just trying to figure out, can we push what we are talking about now, Council has already heard it and seen it, but could we push the public hearing and comment night to earlier in June. That is when we have the public hearing anyway.

Barnes: You want to push it into June?

Kinsey: I was thinking the first Monday in June, it's not that far away from May 29th, which is was this year. I'm just trying to figure out is much of the budget firm before we present it to the public.

Barnes: It was fairly firm at that 4:00 p.m. meeting.

Kinsey: How much did it change I guess is what we are saying?

Barnes: Other than what we did, it didn't change.

Harrington: I think we finalized the pay plan, etc. during the month of April so those are the last minute type things. There were a few appropriating things that we had to clean up and finish up in April that we were allowed as part of the May.

Barnes: I think it will be fine for you to say that at the beginning that there may be some minor details that will change, but here is the bulk of the budget, here is what the CIP looks like, here is what your operating budget will look like. In fact we could move it to 6:30 p.m. or whatever time you all want so we are wrapped up, because I don't want turn it into a midnight time for people either.

Harrington: Just for clarification, are you still talking about the second Monday night in May?

Barnes: Yes, whatever day it was that you and Curt make your presentation at 4:00 p.m. downstairs.

Harrington: That was the second Monday in May and that is when the budget is fully cooked.

Barnes: Did we meet that night?

Harrington: We did.

Barnes: But it wasn't about the budget.

Harrington: We had a regular meeting.

Mayfield: We had a presentation and then a regular Council meeting. That is the reason I was saying about this effort so that you did have that clear focus on the budget and not get it mixed up, but the other thing with the conversation that was just going on, something else I can see happening is, we are going to have a public hearing so that is when the community will come and speak, whereas when I mentioned it the first time I was basically was giving two opportunities for public hearing. We don't need to do that. They can hear it when we hear it, it is just we are moving our location into the dais so that more people can hear it. I agree with what you said about moving that 4:00 p.m. meeting to 7:00 and we can control it because we can put what is on the agenda that day so we can try to make sure it is not a heavy agenda.

Barnes: Right, and to the point Ms. Kinsey made, I think we could ask Curt to be

sensitive to the budget piece being moved to that night so the rest of the agenda doesn't trail off into more baseball stadiums and that kind of thing.

Harrington: I am sorry if this is confusing but one thing this past year if you recall we were scheduled to have the presentation on Monday, May 14th but because of the Inner City trip to London, we moved it to Wednesday, May 9th but that is the only time we've done that. It was a special meeting for the presentation.

Barnes: Back to the issue of using that first Monday in May of 2013, because there is no Council meeting scheduled we could satisfy both your concern about having people there and your concern about it being substantive meeting.

Gaskins: I just want to make one point about this date, as you know we don't know in some cases what the tax rate is on the first Monday. The reason is, in some cases where we are more concerned about the operating budget than we were this time, we are still trying to determine how much money we have and there are times when the first Monday in May or if it is very early in May we still don't have the tax rate pinned down yet. I'm just pointing out that there is a possibility that creates a problem for Curt's normal process because we are still in the process of determining the rate.

Barnes: So would you know by that last Monday in May?

Gaskins: Absolutely.

Barnes: So maybe we could do it that last Monday in May and do that budget meeting that I talked about downstairs on that first Monday in May.

Gaskins: it is generally around whatever the end of that first week in May is when we are settled on that tax rate. Sometimes it is better than others because the numbers have come together better from the Tax Office, but I just point out if it is earlier it might create a problem for us determining the correct amount.

Barnes: So there would be no issue Mr. Harrington about us doing our basis presentation to the public on that first Monday, the Committee, not the full Council, but the Committee?

Harrington: I think to Greg's point in those last couple weeks in April we are finalizing and whatnot so we could push close to that initial date line. If we had a meeting and we were not able to roll out everything so to speak, then we'd have to roll out a second set of new information and that may feel a little disjointed to the public in terms of having a two-part process and roll out.

Barnes: Yeah.

Fallon: I think you have to do more, but can't we do it June 6th? Won't everything be solidified by then?

Harrington: You mean May 6th?

Fallon: No, June 6th.

Harrington: By state law we have to present the budget to Council prior to June 1st.

Fallon: I'm talking about that special meeting.

Harrington: Oh, the special meeting can happen anytime after the budget is finished.

Barnes: I think we should stop going toward the end of June because I learned a hell of a lesson this year about trying to do a budget with 10 days to go.

Fallon: You have a budget but you are just presenting it to the public and explaining it to them.

Barnes: We do not, and we would not.

Fallon: Why not?

Barnes: Because of the way the Council functions. What I'm suggesting to you is if we have a budget presentation on the first Monday in June, we've got two or three more Mondays for people to monkey around with budget some more and ultimately wind up not having a budget.

Harrington: Not to muddy the water at all, but traditionally we have gone with the first Business Meeting. When Council did have its Monday Workshops as you recall a couple of times we did do the Manager's recommended budget presentation did occur on that first Monday in May.

Barnes: In May?

Harrington: Correct

Barnes: So I ask you again why can't we do that on May 6, 2013?

Harrington: I think you could.

Unidentified speaker: You mean the recommended budget presentation?

Barnes: The issue is would you all want that to be the 7:00 p.m. deal with the full Council and Mayor and the public, or the Committee and the public?

Kinsey: I think the public will want to speak to the entire Council.

Barnes: Okay, so are you suggesting that we will replace that May 29th meeting with this meeting with the full Council and Mayor the first Monday in May? The caveat is that there will be some tweaks.

Kinsey: Yeah.

Fallon: And we have the tax?

Barnes: We won't bring up the tax because people lose it when you start [recording not audible]

Kinsey: They don't understand.

Barnes: The public is smart but they don't dig down to that until they hear it.

Kinsey: I would like for Randy and Curt and maybe some others to talk about that and come back and say yes, it is doable.

Harrington: I can't speak for Curt, but my suspicion would be that his preference would be when he rolls out his budget he wants to roll it out to the full Council prior to rolling it out to the public. That goes to the Council first and it goes fully cooked with all the pieces to it.

Barnes: I'm trying to figure out if there is a way for us to get a vote on something today and have you guys come with something that we can make a recommendation to the full Council.

Harrington: Kind of like a timeline or draft series of meetings?

Barnes: I just think there should be a coupling of what we get from Curt and Randy with what the public gets at the end and they should have it earlier when taxes are being contemplated if Council is contemplating a tax increase. I don't know that you need to do this every year. If you want to you can, but when you are not contemplating an increase I don't think it is as pressing an issue. When you are contemplating an increase I think you should have a bit of a different process.

Fallon: And be open to the public?

Barnes: It always will be.

Mayfield: What is the motion?

Barnes: Is there a motion? Can we make one that will essentially say that for any year in which the Council is contemplating a tax increase that we will have a combined staff presentation and public hearing on the first Monday in May.

Harrington: On the timing there, at that initial meeting I don't think we can do the presentation and a hearing at the same time. [Recording not audible] public input in that process. If we are having a public hearing, call a public hearing … comments were inaudible – (three people talking at once)

Hagemann: Your legal public hearing cannot be on the same night the Manager presents the budget. I would suggest considering this option is right now when the Manager presents a separate meeting it has never been a forum for the public to go and immediately start talking about the budget. If people haven't signed up to speak when Curt does the budget presentation it is not in the context of a regular Council meeting. It's been added to part of a regular Council meeting and your rules allow people to sign up to speak and what I suggest is we will have people sign up to speak on the budget right after Curt presents it, which is really a reaction without any time for them to digest it and think about it.

Barnes: Are you suggesting that as a simple input process? I'm trying to say this isn't the time for a 100 people to sign up.

Hagemann: My point is your current rules allow anybody to sign up for any item that is on the agenda. So if you built it into your second Monday meeting and part of that agenda is presentation of the Manager's budget, under your current rules, people can sign up to speak.

Fallon: Here we go again.

Hagemann: And that is not the whole public hearing. You are still going to have to have what you are familiar with, which is the normal public hearing at a later date.

Barnes: Now that takes me back to one of my original questions which was why can't we have Curt and Randy present on the same night of the public hearing? Well, you can't because of the separation [recording not audible] But, that is just the presentation and you can do that. They are just presenting on the budget and they went to public hearing on the budget. You can do that, right?

Hagemann: Sure

Barnes: I'm just trying to get that 4:00 p.m. thing to happen at night. That is all I'm trying to do.

Harrington: I think that would be fine. One of the things in the Manager's recommended budget piece, it is an opportunity for Council to receive the information and Councilmembers do ask questions, but it is really an opportunity to really have it all laid out to Council, let them take the budget and from there we go into a series of meetings about answering your questions and what not. If we had an initial meeting in May where the public was either invited or an opportunity to speak at the same time that the budget was just presented to Council, it may feel a little awkward and it goes back to the Council having the opportunity to hear it, digest it and not get into a Q and A back and forth public at that particular setting.

Barnes: Would there be any difference between that and having that first Monday meeting be with the Committee? Would those same rules apply?

Harrington: I will go back to my original, knowing Curt my suspicion is what he would say is that the budget is presented to the full Council [recording not audible] Comments inaudible

Barnes: Now, before that first meeting though, we've seen it at the last Retreat. By the time I get to May 1st I pretty much know what coming every year since I've been here.

Harrington: We try to go through the whole process to make Council is aware.

Kinsey: If we move the presentation by the Manager to the Council to a 7:00 p.m. meeting, they are all public meetings, and they can come down at 4:00 p.m., but no public hearing, simply a presentation and that is it. But it would be a special meeting. It would be the 4:00 moved to 6:30 or 7:00 on the first Monday or whatever night. I said originally the first Monday because I knew we had it available.

Hagemann: I think that is a legal option.

Barnes: Now how does that differ from what I've been saying for the last hour?

Kinsey: What I heard you say was for public input. This is nothing but just a presentation.

Barnes: But we've limited it to just a presentation and I thought you were saying anytime we have a meeting people sign up to speak.

Hagemann: The point I was making is that your rules say that anybody can come and speak to any item that are on your agenda. Technically your 4:00 meeting where Curt presents the budget for the first time is a meeting and I think technically people could sign up to speak. There has been an expectation and it is not part of a larger business meeting and all I'm asking you to consider is do you want, and you may change this, creating an opportunity that people take advantage of and try to address you before the public hearing and then address you again at the public hearing. You mentioned that this might only be in play if there is contemplation of a tax increase. Well, if that is set and these rules are triggered my prediction is that people will sign up to speak, even before they've heard what the actual proposal is.

Kinsey: Even if we say this is not a public hearing, it is for the budget presentation only?
Hagemann: Your rules don't contemplate that kind of meeting. We can tweak your rules so that people can't come to speak.

Barnes: And the reason we are saying that is because they will be able to sign up to speak at the public hearing.

Kinsey: Exactly.

Hagemann: There is good reason for doing it and it does make sense for people to react to something that they have just heard.

Barnes: Clearly, it is just to educate but for some reason folks don't like it anymore.

Fallon: Then they are held to the 15 people rule, right?

Kinsey: No. Not the public hearing.

Hagemann: That is the Citizens' forum. The statute literally says on a budget public hearing anybody who would like to speak can speak.

Barnes: I think where we are is a motion from me that I hope one of you will second that says for the first Monday in May, during any budget cycle when a tax increase is contemplated that we will have a public meeting for the purposes of presentation only the Manager's operating and capital budgets.

Fallon: Can I propose it as Michael said it?

Hagemann: That works but I have the observation if you want to hear it and think about the qualification of when a tax increase is contemplated, your meeting schedule is set as part of your action in December for the next fiscal year and somebody is going to have to make a decision as to whether or not a tax increase [recording not

audible]

Barnes: Interrupted Bob to say we can actually delete that because what will happen is we can always decide to cancel a meeting so delete the piece about when a tax increase is contemplated.

Hagemann: Then my question if I understand your conversation and where you trying to go is what would take the place of that meeting, when would the Manager present his budget? He still has to make a formal presentation of his budget. What will be the fall back time for him to do that?

Barnes: If it is cancelled then it would be at 4:00 p.m. on the night that it would normally take place.

Kinsey: Why not just do it normally? It is a matter of public record, the public needs to hear it, why not just do it anyway at 7:00 whether or not there is a tax contemplation?

Barnes: We can decide at the last Budget Retreat to cancel the 7:00 p.m. meeting on the first Monday in May.

Hagemann: You could, yes.

Barnes: You see what I'm saying? And we could be done with it in April.

Kinsey: No, the Manager still has to make his presentation to us.

Barnes: I'm saying that you would not have to worry about the first Monday in May because he would do his presentation at the end of May as he did this year if we decided at the end of April that we don't need to have that first Monday in May meeting.

Harrington: Obviously scheduled can be changed as we go through the budget process, but if we start changing schedules in April [recording not audible] it gets a little tough and maybe doing other adjustments in May. Let me see if I'm hearing what the Committee is talking about, is kind of what you are saying maybe just designating that first Monday of each May as the Manager's recommended evening presentation and then everything else just kind of flows off that, the public hearing the adjustments, and those pieces? It is designating a specific time on one evening for that presentation?

Barnes: Yes. Is the motion clear?

Fallon: You got it? You want to read it back to us?

Barnes: Of course Curt isn't here but I guess you will have something special to tell him.

Kinsey: Well, he can always say no.

Harrington: We have not established a calendar yet for the budget cycle process, so I think maybe the interpretation is, the committee is making a recommendation on

what the calendar should look like so we will build that into the calendar that Council will see in December and we will include that in it.

Barnes: That is what I'm suggesting. Do we need to hear the motion again, are we clear?

Harrington: As I understand it, have the first Monday in May for the Manager's budget presentation at 7:00 p.m.

Barnes: Yes and that way made by Ms. Fallon and seconded by Ms. Mayfield.

The vote was taken and recorded as unanimous.
Barnes: That will be reported to the full Council. Now are there any other issues under this education, the public process piece for the budget that we want to ask for Council authority on? I think that our charge is more limited than it should be.

Fallon: I just want to make sure it is on the web.

Kinsey: It always goes on when it is pretty well finalized.

Harrington: Ms. Fallon to your point, in particular for the public hearing, making sure that we have a one or two page summary that we have that up. It is probably a handout at the meeting.

Fallon: It is up on the web first so we can go through it and have their questions if they want to sign up to speak.

Harrington: Right.

Barnes: Are there any other issues about the charge of this committee that we want to ask the Council for permission on?

Mayfield: Mr. Chair, I want to hear clarification from you because I know you mentioned that it seems like we are limited, what would be your expectation of a budget committee in our authority?

Barnes: Let me give you an example of something that really has just been bothersome to me. I understood the basics of each major part of the CIP. The public did not and some of you didn't because you are new and just what you all said at the June 14th meeting. What I'm trying to figure out is there a way for the committee to vet the budget and either make recommendations to the full Council or provide some sort of feedback that would at least indicate that we've gone through the budget line by line to some extent, because we didn't do that. For example, I hate to bring up the streetcar, but there are issues for me pertaining to funding that we never ever got through and it is July 9th and I've been going through those issues since the beginning of June and we are beyond the budget now. There are issues there that are so important that I think should be considered, but we never got through them as a committee or as a Council unfortunately.

Mayfield: So you think that is something that the Budget Committee should have pulled out and for us to do what you are saying, what I'm hearing is something that you don't want and that is another meeting. If four of us or if the entire Committee

gets together then that is a public meeting.

Barnes: But it would be done at the regularly scheduled Budget Committee meetings in the spring if our charge changes.

Fallon: Randy, I spoke to you about that, that when we'd done budgets we did by line by line, we talked about it and it was so much easier to understand and the funding of it and why. It takes more time and you've got to have an extended meeting and it would not be a short meeting, but it would be something that would be more understandable to everybody.

Barnes: Let me give you another example of what I'm talking about. Let's say somebody had a question about the $102 billion for the Blue Line and the Council and Mayor would say for the next Budget Committee meeting back in April or March, we want the Committee to provide details or something regarding how that money is going to be programmed, sources of funding, etc. it all comes from the tax. But we had an opportunity to say that is going to put 18 miles of sidewalks in NoDa, 20 miles of sidewalks in University City, it will provide 15,000 street trees and I'm making all of this up of course, but it will provide 2,000 street lights, do you get my point? Because we all saw the numbers, but we didn't really get a chance to look behind it. I think there is a lot behind it. Like in the streetcar, $72 million was for construction, $47 million was cost that was going to be use to buy the cars and also the maintenance facility was in the $72 million. With the six Police Division Offices, we don't need to do that. You have one in Cooksey's District, one in mine, one in your, that kind of thing so you didn't need that. Some of these projects, the Airport for example, people say you are spending a fortune on the intermodal, what is the purpose of the additional $43 million. We went through that and Ron Kimble talked about Garrison Road and you want to connect to the Garden State Parkway, but we didn't get a chance to really go through it and I don't know if this makes any sense or would make any sense to the full Council, but it seems to me that at some point, and maybe it could have happened at the Retreat, but it seems to me that at some point we should have said, okay what is this Cross Charlotte Trail going to do. I knew about it because Curt and I talked about it, but it never really bubbled up in any conversation. It didn't bubble up to the general public and I'm trying to figure out how to create some level of conversation where we can literally say in your District, Ms. Kinsey there will be 15 additional connections to the Greenway and in mine there is going to be an additional 10, in Dulin's there is going to be an additional 20, that kind of thing.

Kinsey: I think a lot of that detailed information isn't known before we have to approve the budget and they don't know where the connections are, just taking the Cross Country Trail, they are not going to know a lot of those. But I understand what you are saying. This year where we fell down was not doing that during our Budget Retreat and maybe that is where you as the Budget Chair, with the full Council, could have really guided us.

Barnes: And I would have, but the charge isn't there. That is what I'm trying say is changing the charge.

Kinsey: I understand, but I think you could have done it without the charge because you are the Budget Chair and you probably knew more about the budget than most of us, if not all of us. You could ask the right questions I guess is what I'm saying and

educated all of us. I don't know that Council would be ready to take our recommendation, I mean just because it has never been done, but I do think we screwed up during the Budget Retreat. Those of us who have been around for a while, but I had no idea that there were questions because no-one asked questions so I didn't have any idea there were things we needed to discuss.

Barnes: The point I'm making my friends is that we will be back in 7 months. Let's get it right this time. It is going to be more painful I know, but whether we agree or not, but I want to figure out if there is a way so that in the process you can say, you know what Barnes, I just can't get that communication center, I can't do the Whitehall thing. You say Barnes, I just can't do the Blue Line, that can't happen, and we know why as opposed to the way it happened this year, which was complete devolution of the process. Does that make sense? Again I appreciated and understood what the Cross Charlotte Trail was all about and liked it, still like it, but it became the sacrificial lamb for a whole host of reasons and I'm trying to figure out if there is a way for us to say, okay if you do that, and I don't know how much you all know about the connections that have been provided, but to the extent that you guys have provided data, that would help. Prosperity Church $30 million. I have a clue as to what that money is going to be for. I have a clue about the Whitehall, I have a clue about the budget and I know about what Bojangles was going to do and so I'm trying to figure out how to get everybody to the point where hopefully we talk more, but also arrive at a general consensus about each of the projects.

Fallon: You are toying about an explanation rather than a presentation.

Barnes: With respect to the changing of the charge potentially, yes.

Fallon: I think that is what is needed, an explanation. I just felt it was presented in a basket, approve it and that is it. That is not what I want to do.

Barnes: That is not a fault because we set that Pinehurst thing up specifically to address what ultimately happened, hoping that it wouldn't happen and it did. That presentation in Pinehurst was intended to avoid what ultimately happened.

Harrington: It was to help prepare Council on some ideas and concepts that were contemplated by staff and foreshadow some of the thought process that is going on.

Mayfield: So we are going to address this again. Do we have another Budget Retreat next year?

Kinsey: Oh yeah. Every year.

Mayfield: Where I saw where we failed to draw out and really have a conversation, okay, let's take out this and let's take out that. How is it is decided who is a part of the Retreat Committee to make sure that we really have real conversation this time at the Budget Retreat?
Barnes: That would require a change in our charge.

Mayfield: Would it? Or is that something separate?

Harrington: My interpretation would be no. The Mayor does appoint the Retreat Committee and members of the Budget Committee are on it. The charge does allow

the Committee to go into anything if the Council refers it and maybe as a suggestion, the Committee could be more active in terms of requesting items for Council to [recording not audible] so it is still within the charge, make those requests or those asks from the full Council to see if the full Council wants the Committee to go ahead and look at something. It would have first the Retreat and then a big question mark area and somebody from the Committee says I think this is one that warrants discussion in the committee and refers it and then we have a series of Budget Committee meetings and we just tag in on those agendas for the Committee to review and ask any particular questions or dive deeper.

Barnes: Were you speaking to the Budget Retreats or the Council Retreat Committee? The Pinehurst thing or the Budget Retreat across the hall?

Mayfield: The getaway.

Barnes: I wasn't part of that.

Mayfield: That is why I asked if that was two separate pieces because kind of way, there should be representation from the Budget Committee and I also think just for me personally there wasn't enough time at the Retreat. The Retreat was just overview where we said okay go think outside the box, bring us back something. That is what I thought the Retreat was but then when it came time for us to have the other conversation outside of the one meeting where we were supposed to throw up on the wall the things that we wanted to discuss more and unless you had 5 votes then it didn't stick to make it to the next meeting. There has to be some conversation between A and B, A being a conceptual and B being okay let's throw some things up to say what we want to take out. There wasn't a lot of conversation as a collector before getting to that place where I threw UNC up there, and I threw a couple other things, I didn't even touch operating. I didn't get that far into it, but we had that couple hours and now it is getting late we need to pretty much to wrap this thing up.

Kinsey: We had three budget meetings didn't we?

Mayfield: What I'm saying people didn't throw anything out.

Barnes: Remember the way it is structure, staff will come in and say here is what the operating budget will look like - silence. Here is what the CIP will look like – silence. The way those meetings are structured, are you suggesting that the actual Pinehurst deal should be comprised of all of the Committee Chairs?

Mayfield: I think that would be a great suggestion for it to be or if not the Chairs, which Patsy was on it, but it needs to be … but also there needs to be specific time allocated, like it was great having the [recording not audible] in and out moment, but it would have been more beneficial for me personally for me to be able to ask some of those questions that we are talking about now because when we come back to it this next year, we do have it. It's not going to be the conceptual. We have a budget so we can't ask that behind the scenes questions of okay what exactly is this $160 cover, this $30 million for Whitehall, what exactly does this stand for? We are talking about road and what does this really look like. That will be more beneficial so when I walk away and the community ask me, I know what answers I gave because of me sitting with Randy and going line by line, but I never had outside of some general conversation, you and I only had two or three conversations about two or

three things. We never had the larger conversation we needed to have. I am wondering if that is something moving forward, since we know this Committee, is this going to be a different committee or the same committee, make sure we have it on the front end and we need to have the real time to discuss the work. If that means not having the moderator and the [recording not audible] thing, then that is fine so we can get the real work done.

Barnes: Mr. Harrington if that makes sense to you, can you respond to it?

Harrington: I think so. I think what I'm hearing the committee members say is an opportunity to hear more detail and explanation about the projects as much as we can early in the process as opposed to later in the process as things are developed and ready to be released.

Barnes: Right, making the budget process more meaningful.

Fallon: You can't blame the Pinehurst thing – you had four new members who had never been through this process before and it is confusing when you walk in and you've done a budget before, but never done it this way. There was really no explanation of how and what and where and that is where we missed the boat I believe because it was confusing. It was something presented but not elucidated.

Barnes: In Curt's defense and my own defense, each member has the ability and the right to pull staff aside and say look, what is this about.

Kinsey: I think we have to remember that the Retreat in February is not all [recording not audible] we don't have the budget yet so we can't go through it. That is where we sort of plan and staff brings to us ideas to plan.

Barnes: That is why I'm trying how to figure out how to make the Budget Retreats more meaningful.

Kinsey: Yeah, the one in February is totally separate and there is no explanation there, but the Budget Retreats have plenty of [recording not audible]

Barnes: When we get back to Charlotte, how do we make those more meaningful?

Kinsey: Well, some of us need to read our agenda before hand, but that also applies to regular Monday meetings.

Barnes: What I'm saying is when you have Ms. Brown comes in and talk about the pay changes. We spent more time talking about the Police and Fire payment plan than we did on $43 million and we spend how much money on races, $7 million and yet with respect to the $102 million for the street car… So I'm trying to figure out how do we make the Budget Retreat process more meaning? What can we say back to the full Council and the Mayor to say please give us the authority to do X from your perspective?

Harrington: We do have some time before our first retreat is going to kick back up so you have some time to brainstorm it and hear additional input and whatnot. Maybe that is a conversation at the annual Retreat in February. You know these retreats are coming up, what is going to be the most effective way that we organize them that is

going to be meaningful for Council and the Mayor to understand the projects and thinking process, etc. Maybe there is an opportunity there to have some additional dialogue. The other thing there are times when I feel like the presentations are [recording not audible] a long time and so does it work better for Council to have shorter presentations, maybe less detail in the presentations but then a greater responsibility or need then for Councilmembers to ask questions to help them drill into the areas that you all are most interested in. Or do we want the longer presentation that has the more detail?

Kinsey: You mean at the Budget Retreats?

Harrington: Yes, at the Budget Retreats, so there are a couple different styles on how we can do presentations or what will be most helpful. We are happy to do any suggestions you all have.

Fallon: If you have three budget meetings couldn't it be broken down, divide it by thirds and then you could ask questions there and have [recording not audible] and then you go to the next number of things and do that rather than everything at once during the three meetings?

Harrington: Do you mean like one topic per retreat or are you talking about [recording not audible]

Fallon: It could be more than one, but a certain number each so it would be broken down. Like you said the others are very long, this would make it shorter and easier.
Barnes: We do that now though because you have Cheryl Brown in one meeting and then we have the presentation about the CIP and we have three hours for these things.

Harrington: We do typically have three to five topics and those topics change from year to year depending on the key issues or the key priorities, so we don't have a set, we've got the financial thing, we've got the HR thing but to some degree 50% of the topics fluctuate because it based on need and interest in hot topics.

Fallon: I think what we really spent most of the time on was the steps for the Fire and Police and benefits.

Barnes: That was our mistake.

Mayfield: So we are taking responsibility on our [recording not audible] we are saying what we didn't do so what is the suggestion?

Barnes: I like the idea of us having that discussion at the Council Retreat but are there any requests that we want to make of the full Council today or as a result of this meeting regarding how we move into the budget going forward?

Mayfield: Clarification, we are going to address these same dollar figures in a couple of months so I think that is two different potential motions. A motion with some clarity on how do we go into the Retreat where having more discussion around this one and then moving forward how do any future budget connotations because again that away Retreat is that conceptual, this is what we would like to see happen, so it is not until much later, but this is all brand new territory because in the history I don't

think we've ever been here so we've got to address this particular piece so this particular piece I know, thinking about what you just mentioned and what Ms. Fallon mentioned, the energy that we place on certain parts, that amount of energy needs to be placed on the others and that really should be the focus of the Retreat, but the focus really needs to be breaking down what exactly is this paying for and what it consist of but moving forward with Budget Retreats and when it comes back to the three meetings, how to break those down in order for them to be the most beneficial.

Barnes: I agree and let me ask you this. Have we learned enough as a result of this process, not being worried about this?

Mayfield: I don't believe so and that is just my personal opinion because how much can you learn when this is the first time that you've addressed it? If this was a test, we failed it.

Barnes: But the 12 of us are going back into the same CIP in a few months. I don't think much will have changed in terms of what Curt would hope that we would consider.

Mayfield: More clarification.

Barnes: We do need more clarification and that is why I'm trying to get at. How do we go about getting the clarification that you and others need and want and what the public wants? Is there a way to do it?

Mayfield: That is why I was saying is it going to be the same committee of a new committee to make sure that there is a focus.

Barnes: The committee won't change.

Mayfield: Not our committee, the Retreat Committee.

Kinsey: That doesn't have anything to do with it. Not this upcoming Committee, it has nothing to do with it. I don't think you have to worry about that Retreat Committee and besides we are going to be in Charlotte this year probably. We don't go out of town but every other year.

Mayfield: That is why I'm asking. It is not about the location it is about what is going to be the subject. We are going to look at addressing this CIP again within the next few months so it is going to be at that Retreat so what I'm asking can we go ahead and agree to put the focus into that clarification piece that we are saying wasn't there this time around.

Barnes: Is there a motion that you could formulate for consideration? I want to people to say, you know what I don't like X [recording not audible] we lost a lot this year [recording not audible]

Mayfield: And because people weren't very clear as far as what was the part that they had a problem with and why they had that problem. That is what I'm trying to get to and make sure that this conversation is going to be beneficial enough where we actually get to the heart of it and be able to walk away with something, something that we can take back to our community and feel good about.

Fallon: I think I knew what I was not happy with and why.

Barnes: But you didn't express it.

Fallon: I did – it was private and maybe I should have done it in public.

Barnes: I don't want to re-litigate the whole process, I'm just trying to figure out if there is a way for us to make a [recording not audible] that would help Council help the public, help the Mayor as we move through the process. What I'm hearing probably, but at the Council Retreat. Is there nothing we can do to change or tweak the Budget Retreats that would make them more useful?

Kinsey: I think it is the Budget Retreats. I think the Council Retreat we need to leave alone.
Barnes: Tell me what you want us to do at the Budget Retreats.

Kinsey: Have people ask questions.

Barnes: But how do we create that environment?

Kinsey: You as the Chairman of the Budget Committee can ask questions. Like Randy suggested, we can ask that something be referred to the Budget Committee. That is within our power right now.

Fallon: I just think that this was a very unusual time. I don't think nothing that usual will happen again.

Barnes: It's going to be even weirder if it were to.

Kinsey: I have a 2:00 meeting so I'll have to go.

Barnes: Thank you for being here Ms. Kinsey. We are to wrap up. Actually this has helped in a lot of ways and thank you for being here. Mr. Harrington, what I'm hearing is that for the Budget Retreats themselves, one there is consideration of us actually breaking out major parts of the budget for each of the Retreats. There is a request that the Committee Chair actually create more conversation, which I will be happy to do. Is there anything that we need to go back and ask for authority that we can't do by way of referrals from the Retreats themselves, because we always have that Budget Committee meeting right before the Retreat?

Harrington: I just want to try to understand how that will look differently than what we do now?

Fallon: Perhaps the Budget Committee before could take the main things and focus on that. We focused on something that was very important to other people, but very little monetarily and maybe what we should do is take the bigger items first and work them out and understand them before we do the smaller items. That is where we ran into trouble. It was just backwards rather than the other way around.

Barnes: It was a couple years ago where under the former Mayor where the budget was almost vetoed over seventy grand. It was a $6 million budget and he opted not

to do it, but it was like $70,000 or $80,000 but the minutia can really kill you. The $40,000 or $50,000, it almost happened this year, but for the CIP I think it would have happened on the small amounts of money. But anyway I appreciate everybody's feedback and participation. I think actually Mr. Harrington, we have something to work with and you and I can talk further. I do want to see Mr. Gaskins get more involved during his part of the Retreats because the potential financial part to the City is not as [recording not audible] as it should be. There is a lot of stuff that you told us that people [recording not audible] and there is a train coming around the curve and that light and that sound and they don't believe it. There is a train coming and they act like it is a little Pinto so getting you engaged at those Retreats will be good.

Barnes: Motion to adjourn, Mayfield seconded.

Mayfield: So we have no meeting scheduled so we don't come back together until [recording not audible]

Barnes: We will meet before the end of August to deal with what we talked about earlier, but we are waiting for staff to get us that.

The meeting was adjourned at 2:00 p.m.