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MAYOR TIM KELLER

Albuquerque, New Mexico

MAYOR LEVAR STONEY

Richmond, Virginia

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WESSEL: [00:00:00] All right. So welcome back. It's been a long day, but a good one so far. And I think it will be even better after this hour. And we one of the things that we tried to do when we teamed up with Rich Ryffel and Dan Bergstresser, who had started the Municipal Finance Conference, was to make sure that we remember that the point of all this, at least from my point of view, is not to make more money for the municipal bond industry, but to improve public policy. It's an uphill battle, I know, but still. And so I'm really pleased to have Mayor Tim Keller on my left as the mayor of Albuquerque and Levar Stoney, who's the mayor of Richmond, Virginia. A few words about each of these cities. Albuquerque is about 565,000 people, and it's growing. It's 38% white, non-Hispanic and nearly 50% Hispanic. It's a very small black population. Both places have poverty rates about 16, 20% the norm. Both of them have the norm in America. Most of them have very low unemployment rates at the moment. Albuquerque, Tim Keller's budget is \$1.4 billion, but that doesn't include the public schools or the water, which is handled separately. And some of the patches of Albuquerque, for historical reasons, are serviced by the county like their little donut holes, he was telling me earlier. The city has 5800 employees. Richmond is smaller, 225,000 people. It hasn't been growing. It's 45% black and 41% white. Non-Hispanic Mayor Stoney's budget is much bigger, \$3 billion because that includes the water system and the schools. You have an airport that's not in your budget. Mayor Tony Wright, you have an airport. It is in your budget funding and does bonding. And in case you want to do a little business while we're here. Richmond has 4000 city employees and of course, the cost of living is different in that two parts of the country. So I want to introduce first Mayor Stoney and ask him a couple of questions. And then Mayor Keller. Mayor Stoney was born on Long Island, but he grew up in Hampton Roads, Virginia. I hope I haven't cause you any political problems.

STONEY: [00:02:30] No, no, no.

WESSEL: [00:02:31] He was raised, he was raised by his grandfather, who was a high school school custodian and his grandmother. I read, Mayor Stoney, that you were the first in your family to graduate from high school.

STONEY: [00:02:45] Yes.

WESSEL: [00:02:46] Is that right? Wow. He went to James Madison University. He worked for Governor Mark Warner. And he's been in Democratic politics for in Virginia for most of his adult life. He was the secretary of the state or they call it the secretary of the commonwealth in Virginia. He was elected mayor of Richmond in 2016. He took office the next year at age 35, the youngest person ever to be mayor of Richmond. And he was reelected, reelected in 2020. But unlike Albuquerque, Richmond requires it, only, you're only allowed to serve two terms as mayor. So his term is up, and it's widely speculated that he is thinking of running for governor of Virginia in 2025. I think both of you have nonpartisan elections, but both of you are Democrats. And Mayor Stoney is the president of the Democratic Mayors Association. So, Stoney, why did you decide that going from state government to be a mayor was a good move? If it was? And what do you find the most challenging about being a mayor like the city of Richmond?

STONEY: [00:03:55] Well, first, Dave, I got to say first, thank you to the Brookings Institution for hosting this this panel. But also, I got a bone to pick with you as well. Richmond is growing. You said Richmond wasn't growing.

WESSEL: [00:04:08] The population is growing?

STONEY: [00:04:09] Population is growing. You know, we're at roughly 230,000 now.

WESSEL: [00:04:14] Okay. I stand corrected.

STONEY: [00:04:17] I always say this, right now. If you look at the recent census, Richmond, the metro Richmond and the city of Richmond is growing. Northern Virginia, Hampton Roads not growing. So we're the only metro area that's growing.

WESSEL: [00:04:30] Growing slowly, I'll say.

STONEY: [00:04:31] Growing slowly, correct. Well, that's just like the state as well. But anyway, I was formerly the secretary of the commonwealth. I served about two and a half years in state government. Why did I choose to go to the state government? Go from state government to local government? Well, at the end of day, I spent a lot of my time as a resident of the city of Richmond, and I'm one of those folks who I'm going to have a comment or an opinion about where I live. And for many years I had a complaint about the trash being picked up. Why aren't the sidewalks paved? Why aren't all the roads paved? A friend of mine came to me and said, Well, you have a lot to say about the city. You should consider running for for mayor. And I said, for mayor, Why would I run for mayor? And I was like, Well, either you're going to be in the arena or the decisions are made locally, or you're going to sit on the sidelines and complain and whine. And I chose to jump in the arena. And I'll admit it is a far more challenging than state government, because in state government, you know who's with you and who's against you. Normally you know that because of the jerseys they wear blue Jersey, red Jersey, Right. You know who when you're whooping votes for a project, for a particular initiative, you know who to talk to first. But in local government or roughly all of the same party, a gradient of Democrat on my city council, it's a little bit harder to say this person is wearing that jersey. This person is wearing that jersey. So the challenges are everything is neighborhood by neighborhood, community by community, block by block. And that can be a little bit more difficult in a community that has 230,000 people and people you see when you're dining people, you see when you're pumping the gas, people you see when you're in the grocery store. I think that's the challenging part about local government is that you are amongst the people that you covered in state government. You're just a little bit further away. You have a little bit distance between yourself and the 8.6 million people who live in the commonwealth of Virginia versus the 230,000 people who live right there in your community.

WESSEL: [00:06:39] It's interesting you say that. I before I came to Brookings, I was a newspaper reporter, and I've always told people that the difference between being a local newspaper reporter and working for a national paper is that you had to see the people you wrote about at the local government. You had a little bit more distance when you were national. Tim Keller is a native of

Albuquerque, his father was the founder of a savings bank. His mother was a public schoolteacher. He went to Notre Dame where he majored in art history. Go figure. Before before, before going into public service, he spent 15 years doing a variety of things, the most interesting of which is for three years, he was in Cambodia where he ran a company called Digital Divide Data, which provided technology to landmine victims and survivors in Cambodia. It's now doing work in Vietnam and Tanzania. And then he got an MBA from Harvard. And with that great MBA from Harvard, he decided to go into public service. You can draw your own conclusions about that. He's been he was in the state Senate. He was. And then he was the state auditor from 2015 to 2017. He's been the mayor of Albuquerque since December 2017. And as I said, you don't need, you're not term limited. So he's probably going to run for another term. And then we can talk later about his aspirations for higher office. You can draw your own conclusions after hearing him speak. But so you you did. You had two transitions. One, you went from the private sector to the public sector, and then you went from being at the state government level, both in the legislature and the executive branch to being the mayor. Why? And what the same question is asked. Mayor Stoney, what's the challenging part of that?

KELLER: [00:08:27] Sure. Thank you. All right. Well, listen, it's it's also it's an honor to be here. So I want to thank everyone for hosting both Mayor Stoney and I and, of course, ran into some of you this morning. I've never had so much finance. I can't remember what all these words mean. You're throwing around pars and bits and coupons and everything. But I blame my former finance professor who is Dan Bergstresser. So I'm going to have to go to have to review some of that. And I feel I have to because, you know, whether he ran for mayor was because of Mark Funkhouser. And I was an avid reader of Governing magazine, so I really missed that one. But look, at the end of the day, the state legislature actually, I think Levar really, really sum this up. But state government to me is - it's, in New Mexico, it's also part time, so it's only two months a year. So state government is like this very, you know, sort of country pursuit where you take two months off and you go play state government and then, you know, you come back. And so when I was in the state Senate, that was that was its own unique thing. Depending on your career in which you sort of are interested in that may or may not fit. And then is state auditor. I really love the finance. I mean, I'll have to tell you, like that was a really cool part of that job and also being able to see every level of government because that's what the auditor does in New Mexico, is they audit every level, so local and state and so forth. But I realized, especially in that role, look, "mayoring" is a verb. I think that's also, you know, something all mayors will tell you. There is nothing like being the mayor of your hometown or of your town in general. And for me, what I mean by that is it is it is as stressful as you can ever imagine, because it literally is my kids and at a grocery store, I'm in line. They're crying. They want snacks and treats and like people are asking me about crime and homelessness and I'm trying to like just fine. Yeah, fine. Like my credit card to pay and get out of there, you know? But look, it is in your face. It actually reminds me, I think both of us played football and there either was a drill that we used to in high school called "bull in the ring," where you stand there and somebody calls out your name and you turn around, they like, tackle you. That's what every day is like being mayor. Like they just call you name, mayor! You turn around, boom, and you know.

STONEY: [00:10:45] So so say Oklahoma, more like it.

KELLER: [00:10:49] So That's right. That's the other name for that drill. So but in there right inherent in that I will just tell you is deep fulfillment. You know this this is a job where you go home every night exhausted but also grateful for the opportunity. And because it is daily, that's the other thing. You wake up the next day and you've got a chance to do it all over again. Better or worse doesn't matter. You're doing it again. And that's very different than the cycles where you have like sessions on and off sessions, Mayor, is just it's just one session for your whole term. Like it never ends. It doesn't. I go to church, believe it or not, on Sundays. Boom. I mean, in the communion line, I will get hit up for issues. And so anyway that's that's life is being mayor. But I think the fulfillment quotient, you can't beat it And I will tell you you know, at least at the state and government level, it's a very unique thing that that mayoring offers.

STONEY: [00:11:48] Can I say it's the hardest and the best job in the United States of America?

KELLER: [00:11:53] Yeah.

WESSEL: [00:11:55] All right. This is a municipal finance conference, so I feel obligated to ask you about the finances of your city and what I'm interested in, I'm going to start with you, Mayor Stoney. So it's been kind of an interesting period. We had a pandemic. There's a lot of work from home. The federal government pumped a lot of money into state and local governments in anticipation of your revenues falling off. The revenues didn't fall off. So I'm curious, what's the state of play now? And particularly when you look at the possibility we might have a recession, how are you factoring into that budget as you do your budgets going forward?

STONEY: [00:12:30] Well, you're absolutely correct. You know, we took precautions for possible down a downturn, economic downturn during the pandemic. And so I remember in March of 2020, I announced the most robust budget we had had to date and then had a turnaround maybe in February or maybe a month later and say we have to cut back on what I had announced before the July one start. And so I initially, you know, introduced a more a skinnier budget, I guess you can say. However, you know, Richmond, our tax base is built on real estate taxes and not income taxes. And so we didn't see a real you know, we saw a loss in emissions, taxes, sales taxes, things of that nature. But for the most part, we sort of stayed afloat and then we saw federal money sort of arrive on our shores and that sort of. Supplement right there allowed us to do some things that we will or would never be able to do in terms of really relieving our capital improvement plans. Right. We've had plans to build this or build that in the other community centers and in gymnasiums, things of that nature for years and years and years. We were able to offload some of those projects by using the American Rescue Plan Act, some of the Infrastructure Act dollars as well. And so it's actually allowed us to be in a better position than we were. But we've recovered compared to pre-pandemic levels. We've rebounded and all that revenue streams, whether it's in the sales tax or the meals tax or admissions tax. Now, the real estate tax, if all recovered to pre-pandemic levels and what we saw was an increase in valuation in assessments at the local level as well, like the Richmond market. The real estate market is it's warm. It's not as hot as it was in 2020, 20 21 and 2022. But boy, it is very, very difficult to buy a home in Richmond because of the lack of supply, but the demand is through the roof and what comes with a lot of demand, rising assessment rates. And so we've created budgets over the last couple of fiscal years that have allowed for us have surplus. You know, we're talking 30, \$40 billion in surplus. And luckily the city council has, through legislation, has said were those surpluses go after, you know, once the budget books close and they go to us being a more fiscally healthy city in terms of OPEB and things of that nature, which now at today we are at the highest credit ratings we've ever been in almost probably 40 years. My goal is before I leave in the next 18 months to get us to a triple A, which will be historic for the city of Richmond.

WESSEL: [00:15:22] What's happened to your payrolls? Did they shrink during the COVID or they keep growing or?

STONEY: [00:15:26] I made a commitment during COVID that I would not lay off or furlough any employees, and I didn't. And now there are localities, cities in the commonwealth that did. In Richmond, I did not furlough any employee. I didn't lay off any employees. What we did was we we adopted a more liberal of remote working plans for our residents and therefore workers.

WESSEL: [00:15:49] Did you fill the vacancies from attrition?. Do you have more people today than you did before the pandemic?

STONEY: [00:15:52] We have less people than we had in the pandemic. So here's the thing. There's a little trick, I guess, in municipal finance and budgeting as well, is that you keep these vacancies on your budget, right, that never get filled. And so I cut back on the vacancies. And so now we were roughly of a workforce of 4000 individuals when you include those vacancies. Now I cut it back to 3200.

WESSEL: [00:16:16] I see. Same question to you, Mayor Keller.

KELLER: [00:16:19] Some of the same. Some may maybe a little bit different. We the pandemic was amazing for us financially. I just want to let you know, it was great. You know, we just had so much federal funding coming in and our our tax base. It is, I think, all about like the mix of your revenue streams, right? We're heavy on sales tax, but we had just passed Internet sales tax before the pandemic and that saved us. And actually, you know, the details are sort of the nexus of that tax. You know, they actually had to go back and sort of tweak it differently because, you know, we had massive windfalls because we're the largest city in a rural state. So a lot of the internal like intrastate sellers are all in Albuquerque. And so we were catching sales tax coming in from out of state, but also sales tax going to rural cities outside of it. So that was great. And then -- yeah, I'll take that. So now it's kind of the opposite, though. I will tell you now we're we're very much flat, lean and thin. So the federal money dried up. Some of the rules around Internet taxing by the state have been tweaked, which frankly did make it a lot fairer probably for the rest of the state. But we also had these vacancies and this is all mayors know this. This is the secret sauce to budgeting is just unfilled vacancies. And of course, remember, if you don't cut that money, then you can just move it to whatever you want for one time spending. So it's a great move. But what's happened with us, we had to use this for reoccurring pay and it was the right thing to do. And it's something that I think that is coming to many recurring pay, many government entities we had to give. We had to do a pay equity adjustment for our women employees and at the end of the day it cost us \$40 million of reoccurring revenue and it's about 20 million. That was to catch up and then it's about 2010 to 20 going forward. So we had to use the vacancy savings to basically pay women what they should have been paid in the first place. But we acknowledge that we put that voters in courts for a long time, and we actually made a conscious decision to say that now that we're doing good budgetary like we need to do this now or else. Also a court is going to do it for us now that it has to do in some ways with our pay equity laws in New Mexico. But it was also frankly, it was just sort of a value call on my part to say that we need to do this. But as a result, we are we are completely flat. We have very few fluff of any kind left. In addition to having to pay increases for police and fire for attention. So look, in our city, the demographics too. Everyone is on a 20 year retirement plan. We're one of the few states left that have a I think it's a defined benefit plan. So it it's 20 years to get it. And so basically now there's a bulge of everyone hitting 20 years and they're all leaving, especially in police and fire. So we pay them to stay. So they get a retention bonus, which we also fund with our unpaid vacancies. So those two factors have really driven essentially a flat budget for the last two years.

WESSEL: [00:19:25] So the level of employees in Albuquerque?

KELLER: [00:19:28] So it's down a little bit because of actually staffing shortages. So, you know, we cannot hire bus drivers, refuse truck drivers. We're we're really having trouble because we brought Amazon into town like but they hired all our drivers, all our CDOs. So that's a huge problem with respect to like the bulk of the workforce. But we have it with architects and engineers. We have a lot of disparities in pay in private and public sector for professional jobs as well. So we're putting a lot in like our salaries have increased drastically over my administration and it's just to keep up with competition. But actually, all of New Mexico has a big workforce challenge when it comes to being able to provide a workforce. So we're bumping up against those pressures that don't even allow us still to fill all the vacancies that we that we want to fill.

STONE: [00:20:17] And David, can I add that we're doing so well now in Richmond that, you know, I think that the cost of investing in the human capital of the workforce should be the cost of doing business in a lot of our budgets across the country. Never recovered from the Great Recession. Right. And so we saw police officers, we saw firefighters complain regularly that we are not back to where we were even during the Great Recession. So what I had committed to, I was like, you will see a pay plan adjustment for me during my tenure as mayor every year. And when the pandemic happened, I had to like, pull it back and they were not happy. And it was a reelection year as well. However, I gave them double the next year. Right. And now the police officers and

firefighters are the highest paid in my metro region. And recently the last two years have given a 13% increase in salaries for all public employees as well. And we just also introduced collective bargaining as well.

KELLER: [00:21:16] Welcome to the team.

STONEY: [00:21:17] I know -

WESSEL: [00:21:20] I'm sure your successors going to love you for all of that.

STONEY: [00:21:23] The dog that caught the bus.

WESSEL: [00:21:25] So I want to ask you about three topics. I'll tell you what they are --

STONEY: [00:21:30] So I want to add one quick thing. Depending on what state you live, I think it's also to look at this preemption issue. And this is something that all the mayors are talking about. So when I was talking about sort of that tax nexus and where gross receipts tax, that's what we call it as is where sort of that nexus occurs. Look, the challenges to states are heavily tinkering with tax policy for cities all across the country. And you also see it in zoning and in housing. And you see it coming from both sides of the aisle. Right. So there's sort of a Republican preemption agenda, but there's also or a conservative one, I should say, and there's a progressive preemption agenda, too. And this is where you see there's like these and R's and then there's mayors and they just want to run their city. And so we're spending a lot of time trying to make sure that whatever is good for one particular, you know, State Department and so forth doesn't gut our police department. That is literally the debates that we're having because they don't look at it through that lens. They just look at the overall state picture. And in this case, they want to cut taxes because our state budgets high. So anyway, that's that's overlaying half of the budget.

WESSEL: [00:22:35] Just to follow up. What do you mean? What are they doing in preemption that affects your ability to hire cops?

STONEY: [00:22:39] So what they'll say is we want to lower gross receipts tax or for us, let's call it a sales tax. It's a sales tax that includes services. So that's what we call gross receipts, too. They'll see. We want to lower that. Well, that's 80% of our revenue. So it's only 20% roughly of the states. So they can lower it. And businesses are happy and it doesn't affect the state budget that much. But for us, it hugely affects us. And what's our largest single cost? Police and fire. So that's kind of I mean, this is literally I spent two months up in our round house with all my old friends trying to explain this to them. And luckily it actually, you know, sort of held true. But every year we're seeing these ideas happen where they disproportionately affect cities depending on your revenue mix.

WESSEL: [00:23:21] Well, fortunately, Virginia has a noninterventionist governor, so you don't have to worry about that.

STONEY: [00:23:27] All the sarcasm.

WESSEL: [00:23:29] So let's talk about housing. Both of you have mentioned housing. What how much can you do as a mayor to deal with the housing demand not exceeding the supply? What can you do? What can you do?

KELLER: [00:23:41] You know, housing our cities, you know, maybe to give you a visual, Right. We're a western city so that, so, you know, you might have heard of Route 66 or something like that. So, like, we're flat is the reason why I bring that up. Like we don't have a dense, you know, area of town. We have a downtown. It's the most dense area in a thousand square miles. And if you all it, you'd be like, it's a pretty small downtown. But, you know, it's like smarter than Bethesda to put it that way. So for us, we have a fundamental choice that is embedded in our zoning code. So I think the answer I would start with your housing question is like a lot of cities, right? We have

much more demand and supply. So the question is, where does that supply come from? And in a western city, it usually comes from sort of sprawl. That becomes a very difficult challenge for cities because of the stretching of public services and especially for the education system and so forth. So we're trying to change our zoning laws to actually grow in. Right. And so we had to this just past a month ago in Albuquerque, but we allowed Casitas, which are our word for Adus, we think we had 10,000 units by allowing Casitas for our grandparents and our adult children who won't leave because also as a western city, right, we all have backyards, I mean, for the most part. So like you can pull this off. And then we're also converting on Route 66. We have all these rundown hotels, but under the zoning code, you can't convert them to apartments. It's actually about like ovens literally, and sinks and like how many you have to have and what is an oven and what's not. So this was super controversial as a54 council vote, but we changed the zoning code for to be able to change those much more easily, essentially without having to go there permissive now. And the last thing is the buildings that we do have, like our sort of skyscrapers address like five or six stories tall. You know, we we can now convert those. We have plenty of commercial space downtown that's empty because after the pandemic, no one is working in offices like that. And we've got to convert those to apartments. And so for us, we've got a 30,000 or 30,000 unit, 22,000 unit housing deficit. The only way you can fix that for us is by changing literally the structure through zoning. It's too big, like building 100 unit supportive housing facility like that. That doesn't even scratch the surface right on a problem like that. So we'll see. This just passed a month ago, but it's the biggest change we've had in 30 years for housing.

STONEY: [00:26:09] Well, you know, as I disputed at the top about how we're a growing city. When you go to Richmond today, there are cranes in the sky, by the way, only 100 miles away from Richmond, from D.C. Catch it on a good day. It's an hour and 40 minutes down south, so you should check it out with you. Yeah, visit Richmond. But as a growing city, you know, the cats out the back for for Rich. And right now we have people moving into Richmond who formerly reside in Washington, D.C., who formerly reside in Northern Virginia. And they found out that Richmond's a little bit more affordable. And heck, I could actually work so I can still work remotely from downtown Richmond, which now has increased. We've seen a 45% increase in population in our downtown since 2010.

WESSEL: [00:26:53] Hmm.

STONEY: [00:26:53] And so we've got cranes in some of our fastest growing areas. I was just in an area last yesterday where there were new apartments coming, going up everywhere. And we just expanded what we do in terms of a business improvement district across the river to this actual neighborhood because of the growth. Here's the thing. When you're experiencing growth, the opposite of that is that the the the secret's out of the bag. People want to move in. Unfortunately, not enough supply, a lot of demand. And so we've been focusing on a couple of things. I'm a big believer in the abundance agenda, right. We want to create an abundance of quality homes, affordable homes for those who choose to live in the city of Richmond. And I believe in doing that. You have to do a couple of things. Number one, you have to make an investment. And that's what we're doing. We just I just proposed a \$50 million investment in affordable housing over the course of the next five years. So that's \$10 Million in affordable housing over the course of the next five years. Additionally, we looked at our zoning code where we're reversing some of the other code that disallowed for, I guess you could say, the missing middle in certain neighborhoods. We are a city of single family homes and we said we're going to look at it use adding to use. We've an ordinance coming on that next week next week. But we're also working to reverse some of the places that were industrial areas that were places you couldn't build residential and seven. So special use permit sort of approach one by one one offs. We're going to actually do a full overlay of just rezoning some of these areas additional. I'm a big believer that you've got to get your permitting correct as well, because the quicker you can fix permitting, they can get these units to market, the more the city will make more money. And also people can find places to live. We were taking about, I guess, about nine to sometimes 12 months it would take to get a a building permit in Richmond, which was something I heard from the business community regularly. Mayor, why does it take so long to get a permit to build? Bow tie, family housing. We took it from nine months now. It

takes less than two weeks to get a permit, which now we see more. The reason we're seeing more cranes in the sky because now folks are finding out there's not a premium to do business in the city of Richmond.

WESSEL: [00:29:10] So this \$50 million, \$10 million a year for five years of affordable housing. What is that? Are you building it? Are you doing public-private partnerships?

STONE: [00:29:22] Public-private partnerships where we essentially release a notice of funding availability. And we have developers, nonprofit developers, for profit developers who apply for this funding. We first we used \$20 million of the American Rescue Plan initially to do this, and we've created more than 2500 new affordable housing units in the city of Richmond. We're going to use 50 million to do the same and get hopefully 50 or 5000 affordable housing units right now in the city of Richmond. I guess you would say in the metro region, collectively, we have a 40,000 units shortage, 40,000 units shortage. So we know that we are just one part of the solution. We need the counties, Henrico County, Chesterfield County, Hanover County, to also focus on affordable housing as well.

WESSEL: [00:30:11] Hmm. Interesting. All right. The other thing you mentioned, this, Mayor Keller, that crime has been an issue in every city in America, yours included. How is this working out? What can you do about it? How much progress do you think you've made? What is the biggest challenge going forward?

KELLER: [00:30:30] Well, the look, I want to lose sight of some big things like fentanyl, which is destroying America. There's there's that. And then there's also challenges around, you know, poverty, these underlying stressors, housing, things of this nature. But when you fast forward sort of up to sort of everyday public safety, Albuquerque's really leaned in hard on this notion of alternative response. So we're we actually took. So when you call 911, right, you get pleas or you get fire. We're all used to this. I think it was actually not that way until like the sixties when they added fire. And our belief, at least for Albuquerque, is that that is an inadequate emergency response for today's Albuquerque. So we actually created a cabinet level, brand new department that is called the Community Safety Department. And it's social workers and it's trained professionals and service providers. But this isn't a pilot program. This is actually something that is literally part of the 911 dispatch system. So they decide what the appropriate use is for a particular resource, whether it's police, fire or, in our case, the X Department. This department has taken now 60,000 calls that police and fire did not have to take. So behind this strategy for public safety, this is all about for us reducing the call volume burden into police. Right now, I mean, look, we had massive wait times when you would call 911 for a non-priority call 5 hours, 4 hours. And, you know, obviously no one in the community wants to have this. But it's it's because they're responding to priority one and two calls. And now these calls are going to this other department. So we see our response. We've shaved an hour off all our low priority response times because we're not sending officers to calls they shouldn't be going to in the first place. They're either not trained for it or what they are trained for is not needed in that situation. So whether it's mental health, behavioral health, down and out situations, medication issues, we're dispatching this alternative department. And their response time is a roughly about 38 minutes. So also somebody shows up so people like, oh, my gosh, somebody actually showed up. And so this is something that is, you know, over time having ripple effects throughout public safety, but also through public health

WESSEL: [00:32:50] So it's like the 911 operators kind of a triage and decides which way to send the call?

KELLER: [00:32:54] They are so they have like a decision tree. And it used to have two branches, right? They ask you those questions and it's like, police, fire. Well, first it's priority, then it's police or fire or both. Now it's priority, police, fire, and a third branch ACS.

WESSEL: [00:33:09] And what's the--?

KELLER: [00:33:11] All day, it's a \$15 million budget for first responders.

KELLER: [00:33:14] What is the personnel for this ACS thing?

KELLER: [00:33:15] So there's 100 responders. We hire mostly social workers or folks who've been through de-escalation training. We get a lot of sometimes folks who've been in and out of not necessarily in prison, but they've worked in the incarceration industry. Or they've worked in the public health industry. And they actually they interesting about hiring for this. We cannot find enough people. We hire every graduate out of these programs that come in. And it's the one area where like as soon as we posted it's filled and we have a regular academy and so forth that we graduate them from.

WESSEL: [00:33:47] So what about crime in Richmond? You had that terrible mass shooting and on graduation day. How much can you do about it? And do you think you're making progress?

STONEY: [00:33:57] Yeah. Well, you know, in Richmond, we're throwing the entire kitchen sink at the problem. Unfortunately, in Richmond, for decades, I think we've had a gun violence problem. And for some reason, even though we don't have a gun manufacturers based in the city of Richmond, or even gun shops in the city of, Richmond, guns find their way, unfortunately, into our lowest income areas. I wonder how that is the case. And so our approach to crime is twofold. We're going to be tough on. We're going to be tough on crime. I'm going to be tough on the root causes of crime. I'm going to be tough on crime. We're we're focused on investing in our police department right now. As I stated earlier, now our police officers are the leaders in our in our metro region. But we've also seen a shortage in police officers. I am slated for sworn officers of 750 sworn officers in Richmond. Now we're at 600. And so how do you supplement that lost of how do you replace that loss? Well, we've been focusing on more investment in technology. And so we are investing in what we call a real time crime center. We we won a grant for \$750,000 where this real time Crime Center will act, as, I guess you could say, air traffic control for our officers out in the field. Last year, we saw a 34% decrease in homicides. Today we have a 22% decrease in nonfatal shootings. We saw a 54% decrease in our hot spots and parts of our city of the east, in the Richmond, in south Richmond, using data, I think we find we are able to solve cases faster and also using technology. We can leave the Miss Jackson's in the Miss Jenkins, who unfortunately are who are, I guess, held hostage in some of the neighborhoods who have to be the eyewitnesses for some of these issues. Would you have the eye in the sky? They don't have to play that role on the stand as a witness and they can actually sleep better at night. We're going to be we can also be tough on the root causes of crime as well. We talked about housing. We talk. I'm proud that enrichment of increase funding for public education by 50%. But I also believe that you have to invest in our youth at an earlier age, and that means more afterschool programing. Right now in Richmond, there an after school program with access to an after school program for every elementary school or every middle schooler as well. But also we are funding organizations or at the grassroots grassroots levels as well, who understand that there might be a child whose family may have experienced gun violence and a child who lives in that type of family are more likely to actually follow through with gun violence themselves in the future.

WESSEL: [00:36:35] Hmm. Let me ask you each one more question before we turn to the audience. And I want to leave time for that. It's no secret that our society is incredibly polarized. We live it every day in Washington, and it's only gotten worse. And I wonder whether you see the same polarization between left and right, Democrat and Republican, black and white or Hispanic and white in your communities. And how serious a challenge is that? Do you want to start, Mayor Stoney?

STONEY: [00:37:03] Sure. I mean, polarization, I think, is pervasive and it's it's everywhere. I'm the, you know, Richmond was the former capital of the Confederacy. And when you talk about a polarizing issue that I dealt with was in 2020 when I directed the administration to remove every single Confederate monument in the city of Richmond. And today we stand Confederate

monument-free. And there were some people who said that the world was going to cave in. That Richmond would never be a destination. And it's been the opposite. We've gained population and we've gained, we've we've seen population growth, we've seen economic growth, we've seen cultural growth because of that move. However, there's going to be some people who are on the sidelines who say that it was the wrong thing to do. And what I'm seeing is whether on the left or the right that the inability to disagree, right. We all - Tim, we're not gonna always disagree on everything. And I think that's okay. I think the way that we expect democracy to work is that, yeah, you may have your disagreements. I may have my disagreements, whether it's within my party or with the opposite all across the aisle. But the way democracy is supposed to work is that we can get a room and we can actually hopefully churn out a compromise. Unfortunately, it's not working that way. And I think the polar, the polls on both side, whether it's the far left or the far right, are the ones deciding the direction, or at least the message of both of the parties. And my belief is that there is a better way. In Virginia, they talk about what we talk about, what we call the Virginia way. I think there's we can chart a better way. A better way to me is that we can get people in the room. And if you are unwilling to your if you have disagreements, that we can agree to disagree, but we can find a solution that actually is for the greater good.

WESSEL: [00:38:52] You think you've been able to do that in Richmond with your local?

STONEY: [00:38:55] Yes, I have. I feel like, you know, city councils are tough to deal with, right, because they are made up of individuals who come from neighborhoods and they can be you can have neighbors in their ears, homeowner's association, civic associations in their ears, and they can say, I'm stuck in this position. I cannot be moved. My first in my first term, I really ran into that. I ran into a city council that was unwilling to embrace development, unwilling to embrace growth. In my second term, though, I've gotten more economic development projects through the City Council than any mayor before me. We just were able to approve a \$2.4 billion project to build a new minor league baseball stadium, developed anchor development in downtown, which is going to be huge for our city. In the past, we could never do that because people would say, Remember 1975 when the city didn't make well on a good make, good on a deal that that didn't work out well. And I'm like, I wasn't even around in 1975, but we're still talking about this. And so I was able to find a better way with the city council and get a unanimous approval of such a project.

WESSEL: [00:39:58] I see. So is everything peaceful and harmonious in Albuquerque?

KELLER: [00:40:03] Oh, it's just utopian. I mean. There is no city council. There's no politicians. No. So, you know we we have, I mean, look, I think to to maybe add some other flavors of this because because it is, I think, a universal issue, of course. But I think there's a couple of things. First off, you know, when I compare, like the state legislature to even our city council and sort of the dialog, there's these there's increasing mismatches between sort of words people say and how they vote and how they act individually. So I'll give you an example. In the state legislature, the discourse was actually pretty civil and still is. There are decorum, rules and things of this nature and people don't attack each other in public, in private, man, you're really at each other's throat. In city government, it's like the opposite, you know, We're all nice to each other, but, man, you put a mike in front of a councilor, and they're coming for the mayor, you know? So that's that's that's sort of an odd dynamic that I think is it's sort of like a distorted ripple of what we're seeing. Right. Because what drives that what drives you to be different in front of a microphone than you are like next to someone? Well, it's got to be things like social media and the need to stand up for X, Y and Z because there's tweets flying around and things like that, and then the mics are off and it's like, Oh, we're best friends again. It's like, what? Did you hear what you just said? You know? So that's been, I think, a really interesting dynamic that we're seeing now. I think fortunately, a little bit like maybe Mayor Sony, our voting is still actually all across the partizan board in a good way. I think we're actually having pretty good discussions and we have outcomes that are not tied to the party, even though it's a nonpartisan, you know, council. Everyone knows what the votes are and stuff. And so even for the things I do, people don't really see Partizan Vote outcomes, which is like a third outlier. Whereas if the state, you know, you almost always saw partizan outcomes in the end, even if you're nice on the microphone, you're still going to vote, you know, pretty much with your

team. So anyway, that's just a little bit different way to kind of slice it. But I would also mention, I think there's something about like the cycle of accountability that's very different now. It's like on one hand, in the criminal justice system, it takes too long. So you see like criminal like we've certainly seen with technology, you get like we now arrest you and you commit a homicide. When you shoot someone, we will find you and arrest you because we invested in all this technology. We could do that before. But the flipside is like on an individual basis, when there's disagreements, there's just no chance to actually prove out anything. So you might have ten ideas, but they're wrong before you finish talking about them, because you're the one who said them. Hmm. And so that is definitely the case now where, like, there is just no merit behind anything. It really is all about the messenger. And that's really unfortunate.

KELLER: [00:43:00] And can I can I add to echo what you said about, like, you know, the you know, there are friends in private, right? They want to hang out with you. They want to spend one on one time with you. But then you're like, hey, what was that all about? I heard you said that, you know, I'm a lame duck or something like that. I'm like, Oh, I didn't say that. You're like, Well, someone said it. I mean, I swear I was watching the city council meeting. You said this about the administration, and I'm like, Yeah, oh, yeah, I just did this for the cameras. Don't worry about it. I was like, Wow, how can we, you know, we're supposed to, you know, the people, the residents want us to work together. Right? They want us to come up with solutions. But oh, it does become very difficult when they make you out to be the villain. And I realized after a while there are some of my friends on city council who were like, Oh, the city government. And I'm like, Wait a minute, you are a part of the city government. But the residents respond really well to a a populist message that I am. You're a voice against city hall. And I'm just like, wait a minute, you'll receive a check from City Hall as well. How is this the case? But once you go into their neighborhoods, once you go into their communities and realize that you can they can see that you have some support in their neighborhoods and in their districts, things sort of change after that when they realize, oh, wait a minute, Miss So-and-so is supportive of the mayor as well. I might maybe I should work with the mayor instead of actually being a obstructionists.

WESSEL: [00:44:33] I can keep going, but. Alex, you have a question? All right.

AUDIENCE MEMBER: [00:44:43] Yes. I'm the time guy here.

WESSEL: [00:44:44] Timekeeper. Introduce yourself.

AUDIENCE MEMBER: [00:44:46] I'm Alex Connor. I'm a research assistant here at Brookings. I'd like to thank you both for coming in for a very lively discussion already. I'd like to direct this to Mayor Keller. So we know that the Colorado River is drying up very quickly and that your state government and the other ones are sort of negotiating with the feds to try to, you know, figure out how we're going to deal with this. So two part question. One, has your stake or excuse me, your local government been involved in that in those negotiations? And how do you expect that, you know, future lack of water resources in that area might affect your local budget there? I thank you.

KELLER: [00:45:19] Yeah, great, great question. Pure researcher. So, you know, I do I do have to just my for my community it's -- our river is the Rio Grande. Colorado is Phoenix. But that's okay. The question is very relevant to both. And so it is a huge issue for us. You know they say there's some phrase about like, you know, you know, gold is worth fighting for, but water is worth dying for. It's that kind of issue in the desert. So for us, we're doing a couple of things at the municipal level. Number one is controlling usage. So we now I mean, there's all sorts of interesting technology, a lot of it actually from areas in the Middle East that are it's all about like drip irrigation. I mean, some of these are pretty obvious, but it's a huge deal in the high desert because evaporation rates are so high. But we're also learning we made some mistakes like we zero escaped everyone's houses, you know, we made rocks and gravel and cactus and now our temperature went up like six degrees because we created a heat island effect and we lost our tree canopy. So now it's about planting the right trees that don't use a bunch of water, but that also provide shade. So we're planting 10,000 trees. You know, some of this is sort of very 1920s trying to sort of rebuild a city

that we accidentally destroyed. We were trying to save water. But the other one is we drink our river water now. So we used to drink water that was sort of stored below in the aquifer. And now that's our backup water and we drink it and we reuse it. And so now most of our parks and everything is gray water. You might all know what that means when we first roll that out, people were just appalled. You know, our parks are getting watered by our toilets. You know, it's obviously much more complicated than that. And there's science involved and so it's safe. I drink from the drinking fountain. It's all good. But I will tell you, we've really gotten past that in the West. Five years ago, that was a concern. Now everyone agrees water is really important. So that's primarily sort of what we're doing on the city. And but when you think of the city like we're the largest water user in the state of New Mexico, So that's why reducing use is really, really important. And we have all the stats, everything on this, but we have recharged our aquifer. I think our usage even the last few years is down like 22%, but it also is your showerheads that are all low flow, your toilets are low flow. You know, there's a lot of sort of back end technology that goes into everyday life. All your dishwasher, all of those things, all the appliances in our homes and our businesses are all changed, adjusted to water consumption now.

AUDIENCE MEMBER: [00:48:03] Good afternoon. I'm Erin Caddell. I work for Global Council, which is a public policy consulting firm here in D.C. Thank you both for that presentation and a great lively discussion. My question is about the level of federal funding that has been passed in recent years. We've had the American recovery plan, the bipartisan infrastructure law, and now the IRA. And for us in D.C., it's often hard to see how much of this has had an impact at the local level, much as this is probably mediated by your respective states. But you've referred to some of the the grants that you've received and want to get a sense of how efficiently you feel that that that funding is being distributed. And then this is going to play out over many more years to come. So just want to get a sense of and maybe this some some of this comes down to areas that you're not directly responsible for, such as schools, but from the areas that you that you see. How much of an impact has the let's call it the post COVID stimulus funding? Yes. And then how much do you think it will have, say, over the next the next five years or the remainder of your your terms or as far, far as you can?

WESSEL: [00:49:04] Mayor Stoney, do you want to start? You spoke some about this already.

STONEY: [00:49:07] Well, I don't want to speak for all my fellow mayors, but we love the American Rescue Plan.

KELLER: [00:49:13] That's right.

KELLER: [00:49:13] That's all right. We love the American Rescue Plan. And let me tell you why we love the American American Rescue Plan. That because compare to, I believe, the CARES Act, where if you were not a city above 500,000 people, you had to get your CARES Act dollars from the from the state. And if you are in a state where let's say the governor is of the opposite party, that was probably a little bit more difficult to receive dollars for the local level and for your recovery. In Richmond, we received \$155 million because we're an independent city and so we don't have a county structure over top of us, I guess you can say. And so we receive the county allocation and we received the city allocation. And on \$155 million, we were black, like I said, off load some of those infrastructure projects on to the American Rescue Plan that can all of our capital improvement plan and relieving some of our debt capacity as well. Now, for some of the other projects, what we have to apply for, whether it's the Infrastructure Act and things of that nature, some of the grants within the Inflation Reduction Act as well, it's a little bit more difficult, a little more time intensive for localities, but we have until, I think, 2026 to spend the the ARPA dollars. A lot of times people were like, well, we're not the those at the federal level. We're like, we're not seeing anything from the ARPA dollars just yet. Why? Because when you have over what, you know, 100 plus major cities at the same time trying to buy busses or try to buy the same thing from vendors, you're not going to see that right away. You're going to it's going to take a little time for the market to catch up with what the cities are requesting. And so hopefully, I think by 2026, after we've encumbered a number of these expenses, you're going to see some of these

tangible projects come out of the ground. We are hoping that we will be able to cut ribbons on community centers that were using the American Rescue Plan Act at the end of next year. So finding out of what we spent thus far, we spent probably more a little bit more than a third thus far. And a lot of times what we've done is we've utilized the the dollars from the federal government in terms of grants to small businesses, to nonprofits. Some of it's supplemented some of the work we've done with Parks and Recreation and what we're doing in Human Services. But obviously some of those dollars are starting to dry up. And then you're seeing some of our residents who are in need. A lot of the unfortunate COVID response is starting to expire in time out, and that's why you're seeing a need for some more residents when it comes to evictions and things of that nature or those who are depending upon.

WESSEL: [00:52:04] But you have two thirds of the money still to spend.

STONEY: [00:52:06] We still have two thirds of the money to spend but \$78 million of that was focused on capital.

WESSEL: [00:52:10] Capital. I see.

KELLER: [00:52:12] So first, just want to reiterate, I mean, as mayors like we believe we're better at spending money than any other form of government. And I take personal pride in spending money in our community. I mean, in a sense that, look, we blew through our era money in nine months. We've got dozens of little things that people care about, like drinking fountains and our parks. Again, we've got bathrooms in our parks. We have streetlights in historically underserved communities of color that had no streetlights in a sense, that they literally could even be safe or drive safe. We have thousands of new streetlights. We repave roads all over in our low income and underserved neighborhoods, and we use it a lot for housing vouchers. So for a while now, those those are sort of expiring. But for a while, we had thousands of people being housed with housing vouchers. So our our response was to spend it on what we could spend it on. Now, it was sort of the opposite, which was a lot of smaller stuff. And so we we very much viewed it as viewed as a sort of a a quick New Deal ish program where it was just going to like no one was on the streets, literally. So we paved them all. That's kind of what we were doing. The 10,000 trees that were planting, that was also what we used it for now is great as that was. And of course we use it as is a funding swap, by the way. So then we had surplus funding because we were going to spend our money on that anyway, right? But now we use that money to then pay for community centers and stuff that are sort of coming online. But we already met our federal obligation and you know, that money's all gone. So some good little financing there, I think got a credit our CFO for that. Now, the challenge, though, I will tell you, look, this funding, I think for America, it's great, no mistake. And for cities, it's great. The problem is how long it's taking, whether it's the supply chain challenges or I will just tell you, you know, I had a grant, which we're grateful for from an MDOT for this amazing Highline project for us. It's called the Rail Trail. It's like a \$100 million project, game changer for our city, transformational. And, you know, there's I've got this pluralism problem, I've got approvals from the state. I have to get I've got approvals from BNSF Railroad. I have to get I've got approvals from the county. I've got approvals from the flood control district. I got approvals from the Rio Grande Conservancy district and I've got approvals from EPA that I've got it from MDOT. And guess what? MDT, who gave us the money, just federalized the grant. I don't even know what that word means. I just found this out yesterday. But like, why are you federalizing something you just gave to us? So, you know, I think to me, the sort of bureaucratic DC wake up call is like, if you give us the money, get out of the way. Like just help us through this cycle time problem. Because if you add nine months of approval into all those layers, I mean, are we I don't even know who knows he's going to be governor, you know, have like all these projects. I mean, see you in 2030. That is the way this is being handled right now. And it's all our own fault. This isn't even like a partisan problem. It's just this really it's the definition of sort of red tape is what is ruining this whole program.

STONEY: [00:55:18] Ditto.

WESSEL: [00:55:21] Tim.

AUDIENCE MEMBER: [00:55:23] Tim Johnson from University of Illinois. Just echoing a earlier session today. I'm just wondering if climate mitigation investment is on the horizon in either of your agendas or if that's not at your level.

KELLER: [00:55:36] We started when I came in. And this is kind of funny because like the opposite ever to be like, we're going to be, you know, 100% renewable by 2070. And this was like, you know, all we have all these criteria, different levels of government, it's so far away. So we decided we were going to try and pick things that we could do in the short term. So we committed to 100% solar as a government. So our sort of net electricity bill is zero. So for us, that's been a key focus. And for that we're at we're at 92%. I think we're third in a race. I know Seattle slightly ahead of us. And it's a mix of all of these things. It's solar panels, but it's also sort of weatherization. There's a lot of that. There's we have a control system that monitors all the city buildings. Like I can crank up the heat like fire stations because it's all centralized so you can optimize it. We don't do that. Of course. It's just one of the things you could do as mayor.

WESSEL: [00:56:34] Poor guy, he's got to go back to go back to Albuquerque.

KELLER: [00:56:37] Where it's over 100 degrees. But we we've done a lot of that to optimize. So so there's that piece we're leaning heavily on. But the other piece is also around, of course, like electrification of our fleet. So transitioning to electric busses, electric cars, all of this but drastically slowed by the supply chain problems. And, you know, and also by cost, some of these technologies for like utility vehicles are just extremely high. So on the one hand, I believe every city can be sort of net neutral on the on the renewal, on their energy expense, on their electricity expense. But on the other hand, we just have a long ways to go with respect to availability of the technology and cost of the technology to really tackle climate change. But we have all the plans. I think in general, American cities are in a great place when it comes to the plans to do it. It's just how fast we can do it.

STONEY: [00:57:28] And I agree with Tim on that one. We have all the plans, but sometimes, you know, the dollars that we get from the federal government are going to run out. And so do we have a sustainable revenue stream for to continue to implement? The plan is what my worry is. And so are we are doing things. What my focus has been on more environmental justice in terms of like there are black and brown areas or red line communities who just don't have trees. As Tim said, they have not received the sort of investment that I think is necessary for them to to live, to see a lower cost in their electric bills and things of that nature. So that's been that to top of my priority list is like, how do we bring more trees, how do we bring more greenspace to areas that just haven't got in the past?

WESSEL: [00:58:17] In the back.

AUDIENCE MEMBER: [00:58:20] Hey, there are Emily Brock with the Government Finance Officers Association. I'm actually texting your CFO as we speak how amazing you're you're doing. And maybe we end this on a high note about how awesome your finance --

STONEY: [00:58:34] We didn't make any commitments today, that's a big deal.

AUDIENCE MEMBER: [00:58:36] Yeah, that's right. And your finance officers are fantastic people, truly. I did, I did was hoping to maybe get your thoughts though because I can't help but also note that your finance officers are suffering from a dearth of talent so that while maybe eliminating vacant roles is sort of a budget tool, it's actually a real concern for our finance departments across the country, especially those managing municipal finance. Wondering if maybe you could comment on that and give us your thoughts on how we might be able to relieve that that sort of a difficult human resource challenge we're currently presented with.

WESSEL: [00:59:15] If you can work ChatGPT into your answer.

STONEY: [00:59:22] Well, you know, I think it's necessary for for me that portfolio when it comes to finance, but also just the pillar agencies within my enterprise technology, human resources procurement, that has always been the the challenge for a city like Richmond. That's been the challenge where we could never keep top tier talent in those departments. And so you see us falling behind other localities, particularly suburban localities, for that. So I've been willing to, I guess you would say, pay the price for the top tier talent in technology in h.r. In procurement because you're only as good as you're only as strong as those departments are strong. Right? If you don't have a strong i.t. If you don't have a strong h.r department or a strong procuring department, you are going to have real problems. And i can give you some horror stories in the city. Richard's past. I will not reveal my dirty laundry here, but this is these are issues that i ran on as mayor, as a candidate in 2016. And i'm glad that we've come to find some solutions because we've invested in the talent in these areas. And so sometimes and there's a thing when you pay an individual to come work for you, you know, in terms of their salary, I think we have to see as municipal leaders and municipal executives that the cost of doing business is becoming more expensive. And some of that cost is paying top tier talent to come work with you. A lot of times we will say, you know what, let's go with the cheapest price on a cfo or a head of h.r. Or procurement and sometimes you get what you pay for. I tell mayors all the time who are coming in, you get what you pay for, and so spare that expense, make the investment and get the top tier talent in the door.

KELLER: [01:01:11] I would just add a couple of things. One is I'm always jealous our staff comes back from your conference and they just love it. And, you know, seriously, like I've heard it's a great time, so just want to plug GFOA, Someday I'll make the cut to go there. The, uh, so look, one just on the investment side. I mean, I think our CFO when I came in was making 80 grand. These are all public figures now. I think our CFO is at 180. And so that's just a reflection. That's the same for the staff. Like there was a gross under compensation for folks, especially in this area. But I want to add, I think the a key we're not the best at this, but I think a key for a lot of these positions, you've got to have career ladders in cities. You know, we really lost this and it should be it's like, you know, there's a little bit of a bump for seniority because, like, that's part of what the benefit of being in government. You need that experience that matters. You also need if you get your CFI, you get all those other series of letters that you guys offer, like you can get all these certifications, but that should come with a pay increase accordingly. And so creating a career ladder like within profession bands, this is what like Police and Fire are excellent at this and that's why they stay their whole career. Even if they're not promoted, they still find ways to advance and increase their compensation. We've got to do that across the professional industries as well. And that's that's something for us that's very new and we're just starting to work on it.

WESSEL: [01:02:37] So please join me in thanking both Mayor Stoney and Mayor Keller. And thank you. Thank you for the questions. And I'm sorry if we didn't get to all of them. The good news is we have drinks outside now. Yeah, I think they're in the room across the hall. And we're going to start early tomorrow at 8:30 with breakfast first around eight or 8:15. I hope to see at least some of you there tomorrow. You guys are excused. You don't have to come tomorrow, but you're welcome.