

AGENDA

Meeting Type:	SPECIAL
Date:	05/21/1996
	BUDGET WORKSHOP

City of Charlotte, City Clerk's Office

REVISED AGENDA

City of Charlotte FY97 Budget Workshop Agenda

May 21st, 1996
Room 267 at 5:00 p.m.

RECEIVED
MAY 22 1996

OFFICE OF CITY CLERK

The objectives of this meeting are . . .

To provide an overview of the Manager's recommended operating budget and to review the major changes within it from last year's resolution.

- | | | |
|----|---|--------------|
| 1. | Opening Comments 5:00 | Vi Alexander |
| | DINNER BREAK | |
| 2. | Review of the Executive Summary 5:10 | Vi Alexander |
| 3. | General Fund Revenue Changes 5:40
Police Tax Equity
Solid Waste Fee | Curt Walton |
| 4. | Technology 6:00 | Dave Cooke |
| 5. | Employee Compensation 6:30 | Bill Wilder |

Meeting Preparation Materials

- ▶ Preliminary FY97 Operating Plan - Executive Summary
- ▶ Pay Plan
- ▶ Technology Issue Paper from Business Support Services on May 16th (FY97 Budget Workshop Information handout pages 43-45)

Budget staff is available to discuss the budget at your convenience, please call 336-2306.

FY97 Workshop Information
Handout on May 21st, 1996

Table of Contents

Questions and Answers from Previous FY97 Budget Workshops Page 47-53

Questions and Answers from Previous FY97 Budget Workshops

Handout for May 21st

Q7. Why is Neighborhood Reinvestment being proposed for funding at the level of \$32 million? What are the specific recommendations? (Mike Jackson)

A. Council's May 23 Budget Workshop will include a presentation on Neighborhood Reinvestment.

Q8. Why is the Seventh Street Boulevard Median project a high priority? (Don Reid)

A. This project was discussed at two different CWAC committee meetings, January 22 and April 29; and at two City Council meetings, January 29 and May 13. While none of these meetings resulted in a definitive vote to fund the Seventh Street Boulevard project, there was sufficient indication of Council support for the project (see detailed summary below) to include it in the CIP. To not provide for this project in the CIP would mean that the project would stand alone and would not compete with the other capital projects during budget deliberations.

At the January 22 CWAC committee meeting, a review of the entire First Ward Master Plan was conducted. The Housing Authority was also there and wanted to know if the City was going to approve funding for the Seventh Street Boulevard project because if the City did, it meant some changes in design and set back requirements for some of the Housing Authority property that was going to face onto 7th Street. The tone of the committee discussion was that it was a good idea but they wanted to have more information about the project, know specific cost estimates, etc.

However, the Housing Authority felt that there was enough agreement on the Council Committee to proceed with the design changes that the Seventh Street Boulevard would require before going on with their projects.

Subsequently, the full Council discussed the agenda item on January 29, 1996 to "...work with the Housing Authority to investigate costs and develop the most cost-effective approach for Seventh Street improvements..." This agenda item passed unanimously.

On April 29, the CWAC committee met to review and recommend approval of the consolidated plan for Community Development Block Grant/HOME grant funds for FY97. The plan includes a proposal to use CDBG funds for infrastructure improvements. The specific reference in this discussion was to use CDBG funds for the Seventh Street improvements. This action enables these funds to be an option for

the Seventh Street project. Without including this infrastructure component in the plan, CDBG funds would not be able to be used for the Seventh Street project.

On May 13, 1996, the full Council approved the recommendation from the CWAC committee to adopt the FY97 Consolidated Action Plan for the use of CDBG/HOME/Emergency Shelter Grants.

All of these actions led to the inclusion of Seventh Street Boulevard in the FY97-2001 CIP.

Q9. Why was the Stonewall Street Bridge torn down? (Don Reid)

- A. The location of the bridge and railroad track extended onto the footprint of the convention center. Leaving the track and bridge in tact would have impacted the efficient and functional layout of convention center meeting rooms, exhibit halls and service area.

Q10. Storm Water program - will we be caught up after five years? (Charles Baker)

- A. All storm water projects will not be caught up in five years. However, one of the three kinds of projects, repairs to existing storm drains, is projected to be caught up in six years if the program is expanded as proposed. This would meet the City Council's original goal of eliminating the backlog of these type repairs within ten years of beginning the program (1993 - 2002).

The expanded program also increases funding to the other two types of projects. Restoration of stream channels would begin in FY97 with a goal of improving some sixty miles of streams within fifteen years. These are streams that do not pose a risk of flooding to structures. The third category of projects, flood control, would see expanded funding that levels off at \$10 million per year in FY2000.

Q11. What is the status of the Underground Storage Tank Program? (Don Reid)

- A. The City has contracted with Professional Services Industries, Inc. (PSI) to provide a full range of environmental consulting, engineering and geotechnical services related to the management of the City's Underground Storage Tank (UST) Program. PSI manages the program to ensure that all state and federal regulations and deadlines are met. The current deadline for upgrading all tanks is December 22, 1998. Some of the services that PSI provides include:

- Testing and assessment of UST sites for soil and/or groundwater contamination from leaking tanks;
- Provide required regulatory reporting of confirmed releases;

- Perform required investigations and prepare required reports which include, but are not limited to Initial Site Checks, Initial Site Characterizations, Comprehensive Site Assessments, and Corrective Action Plans;
- Prepare plans and specifications for UST replacements and/or upgrades and remediation plans; and
- Construction Management of these upgrades, replacements, and remediation plans.

The City has approximately 180 tanks, of which:

- 90 tanks are complete (removed, replaced or upgraded to meet 1998 standards)
- 24 tanks currently under remediation
- 66 tanks scheduled for remediation

Tanks at the following facilities have been completed this year:

Sweden Road	Fire Station No. 21
Heavy Truck	McDowell Creek Water Treatment Plant
Fire Station No. 22	Landscape Management
Fire Station No. 13	

Tanks at the following sites are currently underway:

Transit Maintenance Center	McAlpine Creek Water Treatment Plant
Wastewater Collection	Street Maintenance
Fire Station No. 2	Discovery Place
Police Garage	

Groundwater remediation systems are currently in operation, being designed, or being constructed at the following sites:

Law Enforcement Center (in operation)
 Fire Station No. 12, McDowell Creek WTP, Transit Maintenance Ctr (being designed)
 Fire Station No. 9 (being constructed)

Groundwater remediation plans using natural means of cleanup that are pending state approval include:

Independence Arena	Elmwood Cemetery
Fire Station No. 26	Evergreen Cemetery

The program is on track to meet the December 22, 1998 deadline for upgrading its tanks, however, there will be continuing groundwater and soil cleanup work past this date.

Q12. What is the status of the York Road Methane Gas project? Is the golf course safe? Would it be better to install more ventilation pipes over the landfill? (Al Rousso)

Renaissance Park is operated by Mecklenburg County Parks and Recreation. Under the functional consolidation agreement, the City is responsible for monitoring and correcting problems associated with the landfill. The entire 350 acres of the landfill produces methane gas constantly. This gas normally filters up through the soil cover and dissipates harmlessly into the air. However, methane can collect in structures on the site or in voids in the soil, presenting a danger.

The golf course is currently closed to the public for repairs. The City added soil to areas that had experienced settlement, and the County's golf operator, American Golf, is reworking some holes, installing a new sprinkler system, and making other improvements.

Installing multiple vents is not considered practical for the park, as each vent serves only a limited area, perhaps up to a one hundred foot diameter around the vent. It would take well over two thousand vents for the property, and they would have to be located throughout the golf course, ballfields, and other areas of the park. These vents are a hazard in that they concentrate the gas at the vent to explosive levels and provide an "attractive nuisance." Vandals have previously set two vented wells on the property on fire, which have now been capped.

Earlier this year, methane gas was found in the golf clubhouse. The gas control system for the building was determined to have malfunctioned. A new system has been designed and is expected to be installed by July 1. Following the safety work and other golf course enhancements, American Golf plans to open the course for play in September.

Q13. How do airport parking rates compare with other airports? What is the impact of Airport parking prices on private sector parking providers? (Don Reid)

A. ■ The Airport operates four (4) public parking lots. They are:

Hourly Parking Lot (.75¢ half hour to \$8.00 maximum per day)	2,713 Spaces	\$8.00 (Max/day)
Daily Parking Lot (\$1.00 first hour/\$2.00 2-4 hours/\$3.00 4-8 hours/\$4.00 8-24 hours/maximum)	2,500 Spaces	\$4.00 (Max/day)
Remote/Long-Term	1,425 Spaces	\$2.75 (flat rate)
Satellite Parking	800 Spaces	\$2.75 (flat rate)

Our parking lot rates are relatively low when compared to other airports, but so are other rates and charges. Parking lot revenues are sufficient to cover expenses. We try

to provide the highest quality service at the lowest possible cost.

Q14. What is included in the recommended budget for the Success by Six program? (Ella Scarborough)

- A. The Success by Six program is recommended for funding in the FY97 budget at the FY96 level of \$40,000. The funds support a contract the City has directly with Success by Six. The contract includes a focus on child development and school readiness, on health care needs of parents and children and on family self-sufficiency.

The contract is supported with Innovative Housing funds.

Q15. What have the Water/Sewer rate increases been in past years? (Al Rousso)

- A. Annual Water/Sewer rate increases FY84 - FY97:

<u>Fiscal Year</u>	<u>Rate Increase</u>
FY84	0.00%
FY85	4.42%
FY86	11.19%
FY87	4.88%
FY88	4.76%
FY89	4.61%
FY90	5.43%
FY91	5.21%
FY92	7.34%
FY93	6.40%
FY94	5.14%
FY95	4.03%
FY96	4.63%
FY97 recommended	3.32%

Q16. What is the status of the Water/Sewer Main Extension program? What kind of participation are we getting? Is it being publicized? (Al Rousso)

- A. Since the beginning of the Street Main Extension program in June, 1992, there has been an average request rate of approximately 10 water and 10 sewer projects per month. Through March, 1996, more than 125 miles of water and sewer mains have been installed under the Street Main Extension program. In the past, workloads to deal with these requests have led to completion times approaching 9 months. In an effort to reduce these completion times, CMUD has been utilizing consulting engineers, in addition to in-house staff, for surveying and design of the street main extensions since 1993. This has helped to expedite the design phase of the projects. CMUD has also been innovative in bidding the construction of these projects. Contractors bid unit prices without plans before the projects are even designed. A single construction project may include 10-20 projects. This process decreases the time spent on

advertising, bidding and awarding construction contracts. As a result, recent completion times have been closer to the 6 month goal.

To publicize this program, when a request is made to extend street mains into an area, CMUD will place door hangers on all the residences in that area informing other residents of the program and the availability of the 10% discount on the cost if they request an extension while the crews are in their area.

Q17. Are there any recommended changes in the EZRider Program? (Ella Scarborough) What is the justification for the E-Z Rider program? (Don Reid) Please note this is a corrected version from the May 16th handout that includes some additional information.

- A.
- EZRider began in March 1994 to address requests from organizations such as the "Success by Six" and the Amay James/West Boulevard Task Force to provide low-cost neighborhood based van transportation in the "City-Within-A-City" area.
 - EZRider's purpose is to provide direct connections for North and West Charlotte residents to nearby work sites, shopping areas, human services agencies, and recreation centers. It is designed to make it faster and less expensive for those Charlotte citizens who do not have a car but who must make short-distance trips on a daily basis.
 - Elderly residents frequently use EZRider rather than pay for taxi service. Many young people ride the service to access activities at Johnston YMCA or one of Charlotte's recreational/neighborhood centers.
 - We permit the EZRider contractor to keep the 25¢ fare as an incentive to provide good customer service, which should result in higher ridership and as a way to reduce our administrative costs. In FY95, the contractor retained \$7600 in passenger fares. EZRider program cost for this period was \$335,000.
 - In 1993, Council approved a ridership standard for EZRider service of 8 passengers per hour. Three of the four routes have exceeded or been near the standard over the past year. Staff is continuing to work with North Charlotte residents and organizations to increase use of the Central Avenue route. Total annual ridership has averaged about 72,000 passengers.
 - EZRider North and West are recommended for continuation in the FY97 budget. City staff is working with representatives from the contractor and Johnston YMCA to re-route part of EZRider North service in response to citizen requests for access to new areas along Sugar Creek Road.

We have included a new service, EZRider Northwest, in the FY97 budget. The new shopping center located at Beatties Ford Road and LaSalle Street will be the focal point

of two routes serving areas along Rozzelles Ferry Road, Beatties Ford Road, LaSalle Street, Statesville Avenue, and Graham Street. Estimated annual cost of this service is \$200,000.

Police Tax Equity

- Issues:**
1. Implementation of Police Tax Equity in 1992 caused a decrease in the City tax rate of 9¢ and an increase in the County tax rate of 9¢.
 2. The end of Police Tax Equity means \$28.4 million in City revenue shifts from payments from Mecklenburg County back to City property taxes.

Current (FY96) Status

Mecklenburg County Pays Tax Equity to:

Charlotte	\$28.4 million
Other Towns	\$11.6 million
Total	\$40.0 million

The Values of 1¢

The values of 1¢ in property tax are:

Charlotte	
1¢ generates	\$2.93 million
Mecklenburg County	
1¢ generates	\$4.22 million

Recommended (FY97)

Property Tax Changes are as follows:

Charlotte	9.70¢ increase
Mecklenburg County	9.46¢ decrease
Net Impact on City Residents	0.24¢ difference

Solid Waste Fee

FY97 Budget Workshop

May 21, 1996

Solid Waste Fee

Before 1994

- 1. Refuse collectors paid garbage disposal costs**
- 2. Disposal costs were recovered thru County Tipping Fees**
- 3. City received 170,000 free tons of garbage disposal**
- 4. City's disposal costs were \$2.2 million**

Solid Waste Fee

1994 - 1996

1. **Shift in disposal costs from garbage collectors to Mecklenburg County**

County Actions

City Actions

- | | |
|--|---|
| 2. Eliminated Tipping Fees | Reduced tax rate by 0.8¢ |
| 3. Charged Annual Solid Waste Fee, currently \$38 single family and \$23 multi-family | Continued to receive 170,000 free tons of disposal |

Solid Waste Fee

1997

1. Shift in disposal costs from Mecklenburg County to refuse collectors
2. Mecklenburg County reinstates Tipping Fees
 - Residential \$26.00/ Ton
 - Commercial \$31.66/ Ton
 - Yard Waste \$14.00/ Ton
3. Mecklenburg County reduces fee to \$10 countywide
4. 170,000 free tonnage agreement ends
5. City's projected disposal costs are \$6.2 million
6. Recommended Annual Solid Waste Fee

	<u>Single-Family</u>	<u>Multi-Family</u>
City	\$38	\$23
County	\$10	\$10
Total	\$48	\$33

7. Recommended to be included on the Tax Bill

"Solid Waste Fee \$48 / \$33"

Solid Waste Fee

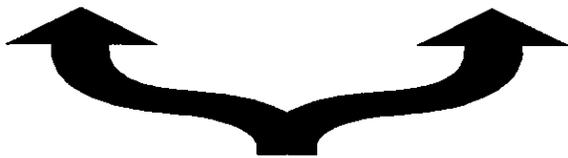
Why A Fee?

- 1. Enterprise Fund Potential**
- 2. Key to Reducing the Waste Stream**
- 3. The Cost of Disposal**

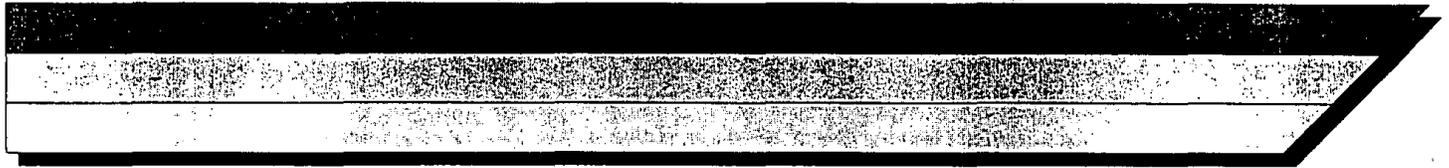
Solid Waste Fee

Fee Comparison

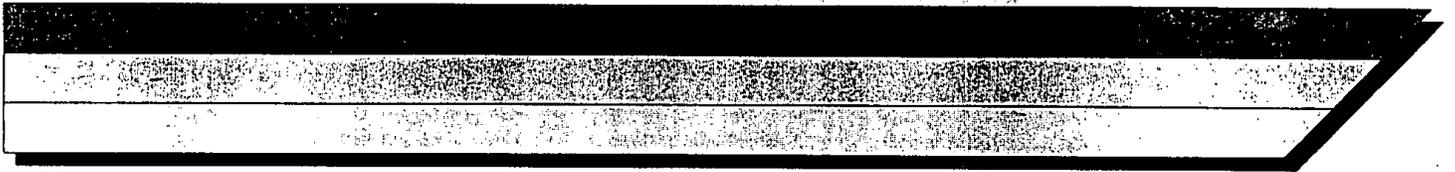
Housing Type	Units	\$38/23	\$28/13
Single Family	123,900	\$4.7 million	\$3.5 million
Multi-Family	69,000	\$1.5 million	\$900,000
Total Units	192,900	\$6.2 million	4.4 million



\$1.8 million



INFORMATION TECHNOLOGY FUNDING



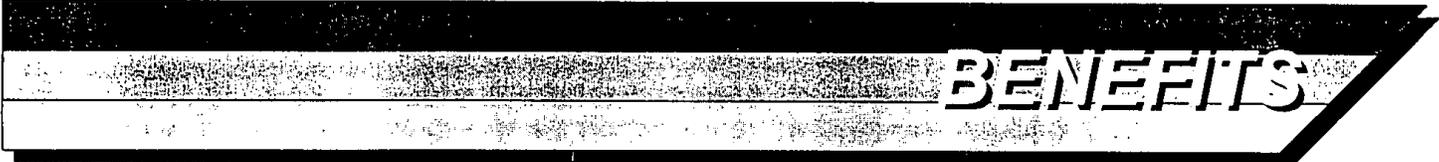
INFORMATION TECHNOLOGY FUNDING

INFORMATION TECHNOLOGY FUNDING

■ **BENEFITS**

■ **NEEDS**

■ **OUR PLANS TO MOVE FORWARD**



BENEFITS

- ***Long-term cost savings and cost avoidance***

- Increase productivity of employees using new technology*

- Improve processes by replacing labor with technology*

- Reduce or eliminate mainframe contract with the County*

- Eliminate duplicate databases and reduce associated staff*

- ***Eliminate Year 2000 problem***

- ***Improve customer service***

- Provide better access to information*

- Speed up approval processes*

5-YEAR INFORMATION TECHNOLOGY NEEDS

BUSINESS APPLICATIONS

<i>Knowledge-Based Community Policing</i>	<i>\$ 2,550,000</i>
<i>Police/Fire CAD</i>	<i>\$ 3,250,000</i>
<i>Land Development and Permitting System</i>	<i>\$ 500,000</i>
<i>Neighborhood-Based Problem Solving</i>	<i>\$ 500,000</i>
<i>Utility Billing System</i>	<i>(see note)</i>

NOTE: Funded by Storm Water and CMUD

5-YEAR INFORMATION TECHNOLOGY NEEDS

INTERNAL BUSINESS SYSTEMS

<i>Financial Systems</i>	<i>\$ 3,000,000</i>
<i>Human Resource System</i>	<i>\$ 350,000</i>
<i>Work Order System</i>	<i>\$ 1,000,000</i>
<i>Document Management System</i>	<i>\$ 1,310,000</i>

INFRASTRUCTURE

<i>Citywide Infrastructure Upgrade</i>	<i>\$ 8,700,000</i>
<i>CMPD Infrastructure</i>	<i>\$ 1,500,000</i>
<i>Additional Citywide Technology Needs</i>	<i>\$ 4,383,000</i>

TOTAL	\$27,043,000
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REPRESENTATIVE COST ANALYSIS

LAND DEVELOPMENT SYSTEM

■ ***Increase productivity of employees***

Allow inspectors to issue approvals or denials on site

» *Reduce need for clerical data entry*

■ ***Will consolidate six separate systems***

Urban Forestry, Fire Inspections, Permit Tracking, Fire Permits, Fire Plan Review, Real Estate

Eliminate redundant data entry, data maintenance, and application maintenance.

» *Minimize application maintenance costs*

» *Reduce data storage costs*

REPRESENTATIVE COST ANALYSIS

LAND DEVELOPMENT SYSTEM

- *Cost avoidance of \$47,000 for resolving Year 2000 problem*
- *Improve customer service*
 - Speed up permitting process for land developer*
 - » *Save land developer \$\$\$/time*

REPRESENTATIVE COST ANALYSIS

LAND DEVELOPMENT SYSTEM

■ Spend	\$500,000
■ Savings	
<i>Two staff persons</i>	\$ 90,000
<i>System maintenance costs</i>	\$ 25,000
TOTAL SAVINGS ANNUALLY	\$115,000
<i>One time - Year 2000</i>	\$ 47,000
■ Payback	
Year 1	\$162,000
Year 2	\$277,000
Year 3	\$392,000
Year 4	<u>\$507,000</u>
■ Other Benefits	
<i>Land developer \$\$\$</i>	\$???

MOVING FORWARD

- ***Executive Information Technology Team***

- Review*

- Prioritize*

- Recommend*

- ***City Council Restructuring Government Committee***

- Reviews recommendations*

- ***City Council***

- Final approval*