

**Mayor Patrick L. McCrory**

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James Mitchell, Jr.  
Edwin B. Peacock III  
Warren F. Turner

## **CITY COUNCIL WORKSHOP**

**Tuesday, September 2, 2008**

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**Room 267**

- |                  |  |
|------------------|--|
| <b>5:00 p.m.</b> | <b>Dinner</b>  |
| <b>5:15 p.m.</b> | <b>Community Safety: Police Department Reorganization and Crime Reduction Goals</b>                                      |
| <b>5:45 p.m.</b> | <b>Housing &amp; Neighborhood Development: 2008 Quality of Life Study</b>  |
| <b>6:05 p.m.</b> | <b>Housing &amp; Neighborhood Development: Boulevard Homes Hope VI Revitalization Grant Application</b>                  |
| <b>6:35 p.m.</b> | <b>Environment: Privatization and Competition Advisory Committee Recommendation for East Zone Solid Waste Collection</b> |
| <b>7:00 p.m.</b> | <b>100<sup>th</sup> Annual North Carolina League of Municipalities Conference Update</b>                                 |
| <b>7:30 p.m.</b> | <b>Citizens' Forum<br/>Room 267</b>  |

# ***COUNCIL WORKSHOP AGENDA ITEM SUMMARY***

**TOPIC:** Police Department Reorganization and  
Crime Reduction Goals

**COUNCIL FOCUS AREA:** Community Safety

**RESOURCES:** Chief Rodney Monroe

**KEY POINTS:**

- The presentation will begin with an update on crime statistics in Charlotte.
- The department's reorganization, which will be effective September 6, is focused on crime reduction at the neighborhood level.
- A number of organizational changes are being made to support the department's crime reduction focus:
  - The Field Services Group (patrol) is being divided into two groups, Field Services North and South.
  - There will be an increased emphasis on the 39 Response Area Teams which will each be headed by a sergeant.
  - Each patrol division will have a Focused Mission Team that can be deployed to crime hot spots that would benefit from added police visibility and enforcement.
  - Each division will set its own traffic enforcement priorities and can use traffic enforcement as a crime reduction tool.
  - Each patrol division will interact with the international communities within its jurisdiction, providing a higher level of service and dealing with their crime and quality of life issues within the broader context of the community.
  - Increased emphasis will be placed on enforcement activities targeting gangs and getting guns off the streets.
  - Many "Assaults with a Deadly Weapon" cases will be investigated by a specialized unit which can make linkages between those cases and gang activity.

- All of the department's youth initiatives will be linked, enabling CMPD to actively partner with other agencies offering prevention services to youth.

**COUNCIL DECISION OR DIRECTION REQUESTED:**

The presentation is for information only. No Council action required.

**ATTACHMENTS:**

None.

# ***COUNCIL WORKSHOP AGENDA ITEM SUMMARY***

**TOPIC:** 2008 Neighborhood Quality of Life Study

**COUNCIL FOCUS AREA:** Housing and Neighborhood Development

**RESOURCES:** Dr. Owen Furuseth, UNC-Charlotte  
Stanley Watkins, Neighborhood Development

**KEY POINTS:**

- This item was originally scheduled on the July 28, 2008 Council Dinner Agenda, but was deferred due to time constraints.
- The Neighborhood Quality of Life Study, which analyzes quality of life variables in 173 Neighborhood Statistical Areas (NSA) within the City of Charlotte’s boundaries and sphere of influence, is published every two years.
- The study assesses 20 local neighborhood variables representing **Social, Crime, Physical** and **Economic** dimensions.
- Utilizing statistical analysis, each NSA is classified as **Stable, Transitioning or Challenged**. The study is a relative assessment that compares NSAs to each other, to the City as a whole and themselves over time.
- Below are the results of the 2008 Quality of Life Study rankings along with a comparison to the three previous studies.

<b>Number of NSAs Rankings</b>	<b>2008 Study</b>	<b>2006 Study</b>	<b>2004 Study</b>	<b>2002 Study</b>	<b>% Change 2002 -2008</b>
<b>Stable</b>	90	89	92	100	- 10%
<b>Transitioning</b>	63	60	54	41	+54%
<b>Challenged</b>	20	24	27	32	-38%

- A spatial analysis shows Challenged NSAs, which have decreased, are primarily confined to the inner-city area. The growth of Transitioning NSAs was in eastern, northern and western portions of the city. Stable NSAs, which have increased slightly, are primarily in the southern and outlying suburban areas.
- As in the 2006 study, the new study provides an analysis of trends in NSA variables over the past six years. For the 173 NSAs, 78 are classified as trending up, 82 were no change and 13 are trending down in the 2008 study.

- The Neighborhood Quality of Life Study helps the City direct its resources and investments to areas of need as well as measures the results of interventions over time.
- Copies of the complete report were provided to Council for the scheduled briefing in July. Information on the 2008 Neighborhood Quality of Life Study can be found at <http://neighborhoods.charmeck.org>.

**COUNCIL DECISION OR DIRECTION REQUESTED:**

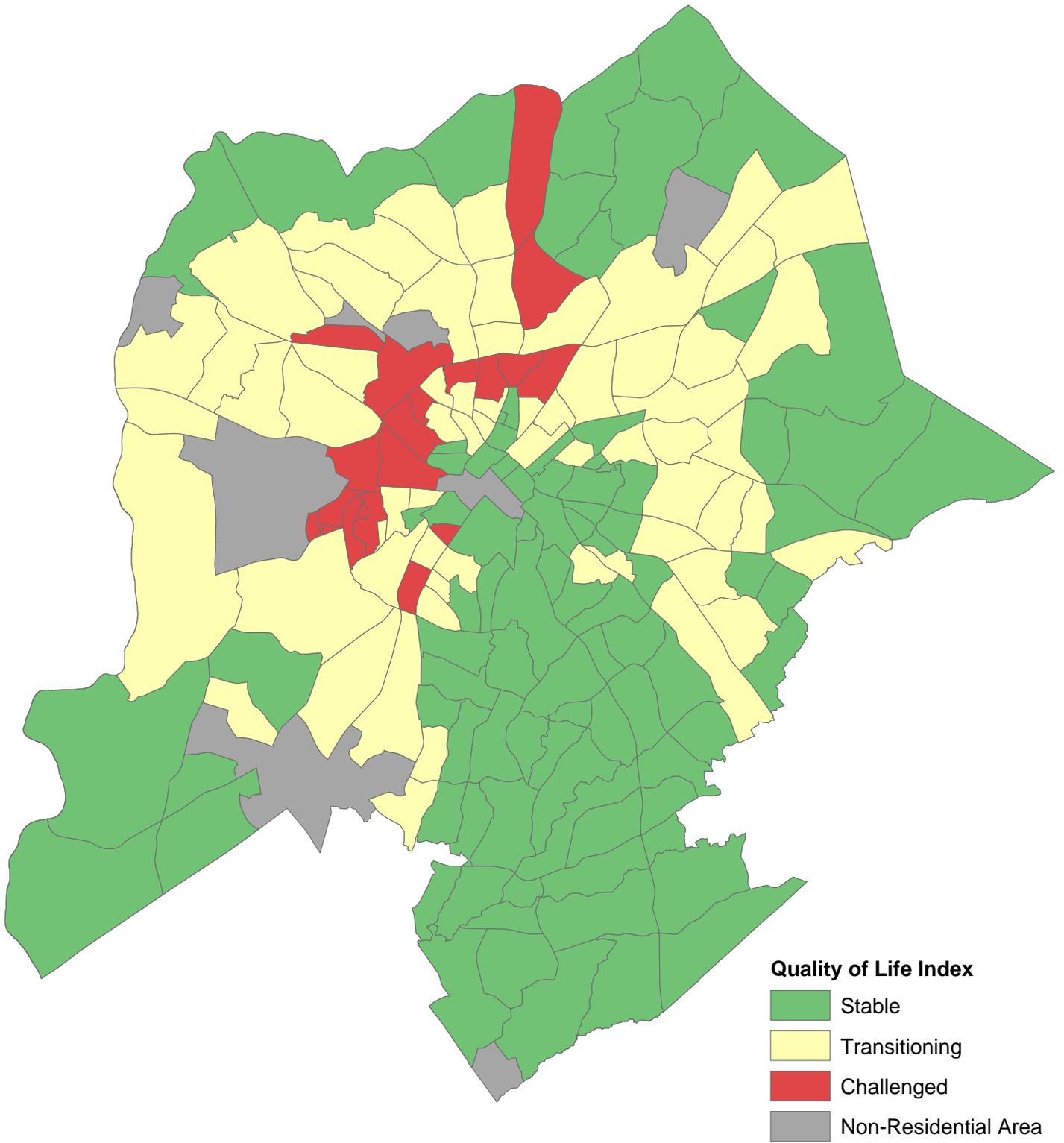
The 2008 Quality of Life Study is presented as an informational update to the City Council. In accordance with City Council's earlier direction during the budget review process, City staff will undertake a comprehensive review of the Neighborhood Quality of Life Study in FY09. The review will include an assessment of the geography, methodology, variables, and dissemination methods used for the study.

The City Manager requests that the study assessment be referred to the Housing and Neighborhood Development Committee for review and recommendations.

**ATTACHMENTS:**

Map of 2008 Neighborhood Quality of Life Study

# 2008 Quality of Life Index



# ***COUNCIL WORKSHOP AGENDA ITEM SUMMARY***

**TOPIC:** Boulevard Homes HOPE VI Revitalization Grant Application

**COUNCIL FOCUS AREA:** Housing & Neighborhood Development

**RESOURCES:** Charles Woodyard, Charlotte Housing Authority

**KEY POINTS:**

- HOPE VI is a federal grant program intended to demolish distressed public housing communities and replace them with thriving mixed-income, mixed-use communities.
- The Boulevard Homes site is a viable candidate for HOPE VI revitalization because it is functionally obsolete and located in a neighborhood with substantial crime and economic development issues.
- The Charlotte Housing Authority (CHA) is committed to one for one replacement of housing units. However, some units will be replaced outside of the Boulevard Homes site.
- Successful HOPE VI grants require partnership and commitment from the local jurisdiction and other community partners.
- CHA is pursuing partnerships with the Charlotte-Mecklenburg School System, Central Piedmont Community College, Mecklenburg County and private development entities.
- The HOPE VI application will not be successful without the City's partnership and commitment.
- HOPE VI grants cannot exceed \$20 million, and the application deadline will likely be late Summer or early Fall 2009. City capital funds would not need to be appropriated until 2010 or 2011. Preliminary planning has already begun. Council will see the results of these planning efforts during the workshop presentation.

**OPTIONS:**

1. Do nothing and rely on CHA to maintain the community with existing resources and potential rehab assistance from the Housing Trust Fund.
2. Wait until some unspecified future date to pursue HOPE VI funding.

3. Commit planning resources and capital funds during the 2009 application cycle to leverage with federal HOPE VI dollars in order to revitalize the Boulevard Homes Community sooner rather than later.

**COUNCIL DECISION OR DIRECTION REQUESTED:**

This briefing is to advise Council of the Housing Authority's plan to apply for a HOPE VI grant for the revitalization of Boulevard Homes. The Housing Authority is requesting a commitment of City staff resources to work on the planning process and a commitment to consider a capital contribution to the development once more specific details are determined.

**ATTACHMENTS:**

None.

# ***COUNCIL WORKSHOP AGENDA ITEM SUMMARY***

**TOPIC:** Privatization and Competition Advisory Committee  
Recommendation for East Zone Solid Waste  
Collection

**COUNCIL FOCUS AREA:** Environment

**RESOURCES:** Ed Pickett, PCAC Chair  
Rick Ward, PCAC Member  
David Elmore, PCAC Staff Liaison

**KEY POINTS:**

- Since 1994, City of Charlotte employees have competed directly with the private sector to provide residential solid waste services. Each managed competition project is conducted in accordance with the attached Council-approved policy for Privatization and Competition.
- The Privatization and Competition Advisory Committee (PCAC) appointed by the Mayor and City Council, encourages the provision of services through contracts with private sector companies whenever outsourcing would provide the lowest cost and most effective level of service delivery.
- Residential solid waste services in the East Zone includes; refuse collection, recycling, yard waste and bulky item pickup for 45,395 households with service beginning July 1, 2009.

**Background:**

- In 2002, the City held a Solid Waste competition for the West Zone resulting in the award of a contract to Inland Service Corporation, with services beginning July 1, 2003. The original five-year contract with Inland Service Corporation has been extended through June 30, 2010 by using each of the two available option years included in the original contract.
- The North and South Zones for residential solid waste services are currently serviced by the City's Solid Waste Services Key Business Unit under current Memorandums of Understanding with the City.
- In 2004, the City issued a Request for Proposals for the East Zone resulting in a Memorandum of Understanding with the City's Solid Waste Services Key Business Unit to provide services beginning July 1, 2005.
- In September of 2007, the City's Internal Audit Division recommended the cancellation of the East Zone Memorandum of Understanding for failure to meet the agreed upon cost structure. The City Manager cancelled the Memorandum of Understanding.

- A managed competition Request for Proposals for the East Zone was issued in January of 2008 and proposals were received in May 2008.
- The City received four proposals in response to the Request for Proposals:
  - Allied Waste, Inc.
  - City of Charlotte Solid Waste Services KBU
  - Inland Service Corporation
  - Waste Pro USA, Inc.
- The evaluation team reviewed each proposal for financial capability, experience in providing similar services, customer references, cost during the initial five-year contract term, proposed method of performing services, staffing levels, proposed equipment, and agreement with the City's contract terms.
- After review of the four proposals, the evaluation team determined that Waste Pro USA, Inc. has the qualifications and capacity to perform all the required services and that the Waste Pro USA, Inc. proposal represented the lowest cost to the City.
  - Five year net present value difference of \$242,139 between Waste Pro and the next lowest proposer, the City of Charlotte Solid Waste Services KBU.
  - After including the City's Cost Elimination Plan (sale of equipment, employee impact, transition costs) the pricing difference between Waste Pro USA, Inc. and the City of Charlotte Solid Waste Services KBU is \$537,989 over the initial five-year contract term.
- Employee impact outlined in the City's cost elimination plan is estimated to be no more than twelve current employees. Waste Pro USA, Inc. has expressed interest in interviewing employees the City is unable to place within our organization.
- Conversion to single-stream recycling will begin on or before July 1, 2010 in the East Zone at no additional cost to the City.
- Contract monitoring will continue to be provided through the Solid Waste Services KBU as with all other residential collection zones.
- A new revised fuel clause tied to the monthly OPIS rate for diesel fuel was developed specifically for this managed competition RFP.
- Annexations can be added to the contract as needed during the term.
- If awarded, a detailed transition plan will be put into place and monitored by the City's Solid Waste Services KBU.
- Waste Pro USA, Inc. successfully began over 50 new municipal contracts in the past five years, with at least five projects similar to or larger than the East Zone.

**Recommendation:**

- The RFP Evaluation Team unanimously recommended award of the East Zone to Waste Pro USA, Inc. to the Privatization and Competition Advisory Committee.
- The Privatization and Competition Advisory Committee unanimously recommends award of the East Zone to Waste Pro USA, Inc. to City Council.

**COUNCIL DECISION OR DIRECTION REQUESTED:**

The Privatization and Competition Advisory Committee recommends that City Council authorize the City Manager to negotiate with Waste Pro USA, Inc. for a five-year contract with two possible one-year extensions. Council will be asked to consider this recommendation at the September 22<sup>nd</sup> Business Meeting.

**ATTACHMENTS:**

East Zone Managed Competition Background  
Map of Solid Waste Services East Zone  
Synopsis of Pricing and Proposal Assumptions  
Privatization and Competition Policy

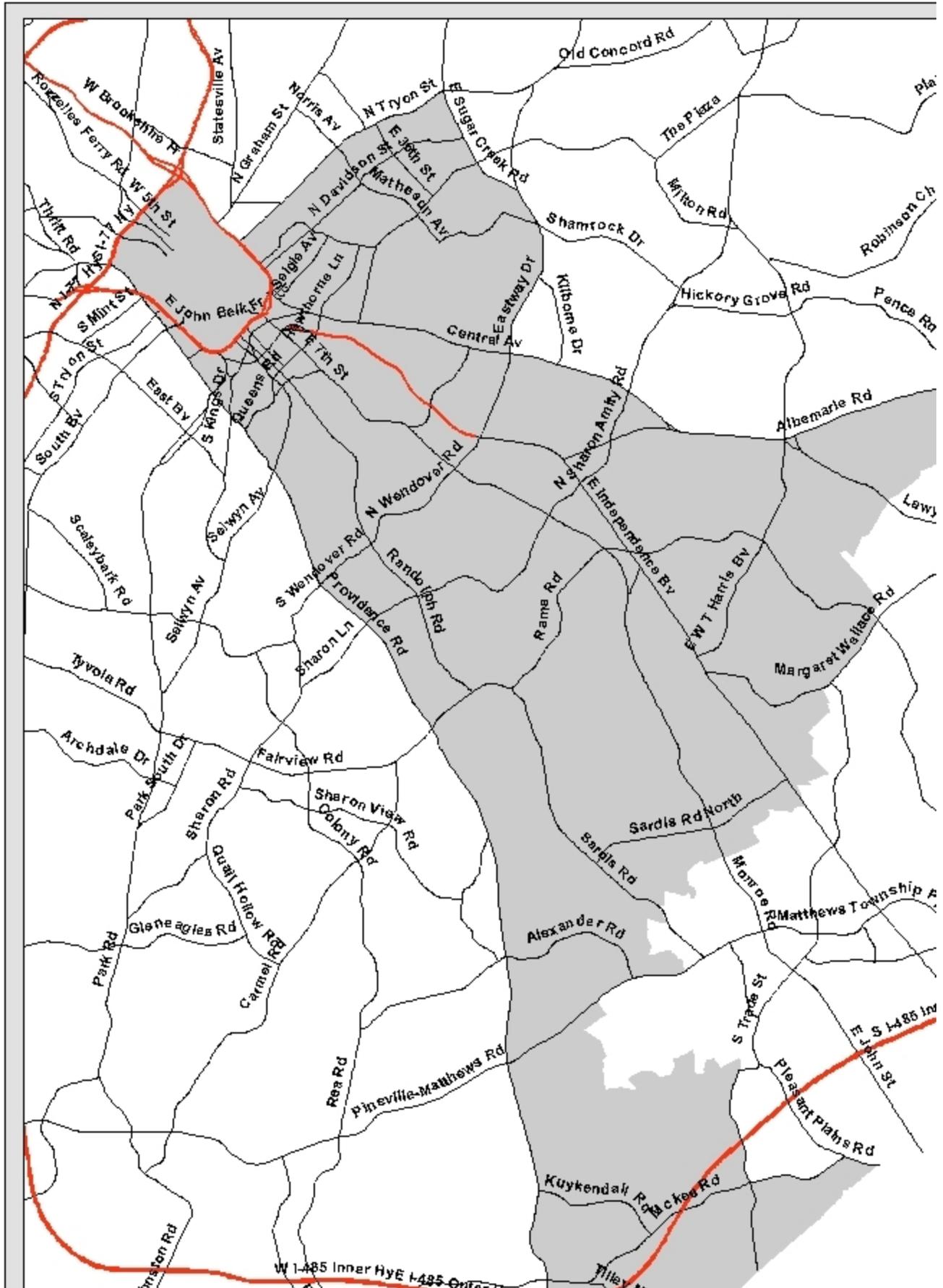
## **Solid Waste Services East Zone Managed Competition**

### Solicitation Information:

- The City issued a Request for Proposals in January of 2008 for the East Zone and proposals were received during May 2008.
- The Request for Proposals asked for more information about routes, trucks, and personnel than previous managed competition projects.
- The RFP Development Team developed a new fuel clause for the East Zone RFP tied to the monthly OPIS average.
- Pricing for the East Zone proposals was withheld from the RFP Evaluation Team until all other factors had been discussed and evaluated.
- The East Zone solicitation produced four respondents:
  - Allied Waste
  - City of Charlotte – Solid Waste Services Key Business Unit
  - Inland Service Corporation
  - Waste Pro USA, Inc.
- The voting members of the RFP Evaluation Team were comprised of:
  - Ed Pickett, PCAC Chair
  - Joel Ford, PCAC Member
  - Rick Ward PCAC Member
  - Ron Kimble, Deputy City Manager
  - Doug Bean, Charlotte-Mecklenburg Utilities Key Business Executive
- Additional staff support was provided to the RFP Evaluation Team by Business Support Services, Office of the City Attorney, Internal Audit, and Solid Waste Services.
- The RFP Evaluation Team invited the City's Solid Waste Services KBU, Inland Service Corporation, and Waste Pro USA, Inc. to give presentations during June, 2008.
- Site visits to the Waste Pro USA, Inc. facility in Tallahassee, Florida and to a private company in Stockbridge, Georgia were undertaken by City staff and PCAC members during June, 2008. The Stockbridge, Georgia site visit highlighted the use of the Curotto Can front-loader technology proposed by Waste Pro USA, Inc. which if approved, would be new to the Charlotte area.
- The City's Internal Audit Division reviewed each of the private company's financial information and found that all three of the companies appeared to be financially capable of performing the services.

- The evaluation team members reviewed the proposals without knowledge of pricing, finding all service providers to be capable of performing the services based on their method of service delivery (staffing, equipment, and routes), overall experience and financial capability.
- Information provided to the evaluation team included:
  - RFP Proposals
  - References for each proposer
  - Written answers to clarification questions for those proposers invited to presentations
  - Internal Audit's opinion of the financial capability for each company to perform the services
  - Contract language provided in the RFP
  - Net present value of each proposal's cost to the City
  - Site visits by the PCAC members and City staff
  - Legal opinions issued by the City Attorney's Office and Waste Pro USA, Inc. on the use of the Curotto Can system in North Carolina
- Waste Pro USA, Inc. equipment meets the City's requirements.
  - Front loader technology – the Curotto Can system will provide greater flexibility in the type of loads that can be handled by a route driver reducing the need for some bulky item routes, and increase the speed at which refuse cans are emptied.
  - Larger trucks mean fewer trips to the landfill and more productivity for route drivers.

Solid Waste Services - East Zone Service Map  
September 22, 2008



Solid Waste Services - East Zone Managed Competition Project  
September 22, 2008

<b>Pricing</b>	<u>City Solid Waste Services KBU</u>	<u>Waste Pro USA, Inc.</u>	<u>Difference</u>
Sealed Bids (Present Values of 5 Years)	\$ 26,082,581.54	\$ 25,840,442.49	\$ 242,139.06
Less: Revenue From Equipment	-	\$ (461,135.00)	\$ 461,135.00
Plus: Employee Impact	-	\$ 165,851.00	\$ (165,851.00)
Plus: Transition Costs	<u>\$ 5,271.00</u>	<u>\$ 4,705.00</u>	<u>\$ 566.00</u>
<b>Net Expenses</b>	<b>\$ 26,087,852.54</b>	<b>\$ 25,549,863.49</b>	<b>\$ 537,989.06</b>
<b>Daily Routes by Service Type</b>			
	<b>City of Charlotte</b>	<b>Waste Pro</b>	
Refuse	12	10.86	
Refuse - Backdoor	0	0.14	
Recycling	11	8	
Yard Waste	8	4.94	
Bulky Items	3	2	
Recycling - Backyard Service	0	0.06	
<b>Households per Route by Service Type</b>			
	<b>City of Charlotte</b>	<b>Waste Pro</b>	
Refuse	689 to 815	815	
Refuse - Backdoor	0	10	
Recycling	675 to 897	1148	
Yard Waste	1031 to 1236	1827	
Bulky Items	On-Demand	4594	
Recycling - Backyard Service	0	10	
<b>Number of Employees per Route by Service Type</b>			
	<b>City of Charlotte</b>	<b>Waste Pro</b>	
Supervisory	2 - Supervisor & Team Leader	4	

Solid Waste Services - East Zone Managed Competition Project  
September 22, 2008

Refuse Collection	1.08	1		
Recycling	1	1		
Yard Waste	2	2		
Bulky Items	2	1		
Temporary	5 to cover all absences in all services	5 (extra for leaf season)		
Equipment Maintenance	0	3		
Total Employees per Route	1 or 2 depending on service type	2 on yard waste, 1 for all other		
Total Employees for All Routes	53	45 route personnel		
<b>Expected Employee Work Hours by Service Type</b>				
	<b>City of Charlotte</b>	<b>Waste Pro</b>		
Refuse Collection	47 per week	50 per week		
Recycling	46 per week	50 per week		
Yard Waste	40 per week + 350 hours of annual overtime for seasonal peaks	50 per week		
Bulky Items	45 per week	50 per week		
<b>Total Number of Trucks per Service Type</b>				
	<b>City of Charlotte</b>	<b>Waste Pro</b>		
Refuse Collection	12	12		
Recycling	11	9		
Yard Waste	8	6		
Bulky Items	3	2		
Backyard Service	0	Included Above		
Number of New Vehicles	0	29		
Number of Reserve Vehicles	6	3		
Number of Used Vehicles	41 (includes one pickup)	0		
Total Vehicles	41	32		

## **PRIVATIZATION/COMPETITION POLICY**

Approved October 25, 1993

### **SERVICES CONTRACTING**

#### **Policy Statement for Services Contracting**

The City Council will evaluate whether an individual City service should be considered a "public" or "private" service. If the Council determines that a service is a public service (involving a Citywide standard of service, determined and administered by the City and paid for by a tax or governmental levy) the following policy shall apply:

In evaluating the most efficient and effective way to provide public services, the City shall use a competitive process in which private service providers are encouraged to compete with City departments for the opportunity to provide such services, and in which the option of delivering services through public employees and departments must be justified through the competitive bidding process. The City shall encourage the provision of public services through contracts with private service providers, wherever this offers the lowest cost, most effective method of service delivery consistent with service level standards and other adopted City policies.

#### **Goals for Services Contracting**

1. The City Council wishes to provide the highest quality services at the lowest cost, whether provided by City forces or by the private sector.
2. Current contracts for services will be reviewed to ensure that existing private service providers are being held accountable and are providing effective and efficient services as specified by individual contracts. This review may result in placing a service out for competitive bidding again, with the City also submitting a bid for doing the work.
3. The City Council will systematically assess current City services to determine the appropriate level of service to be provided, whether by City forces or by contract with the private sector.
4. The City Council will assess the relationship of a service being considered for competition with other Council priorities and policies. Council will use this assessment to determine whether the services will be subject to competitive bid and in what amount, and to determine any special provisions which may need to be included in specifications to address other Council priorities and policies.

5. Efforts should be made to minimize the impact on current City employees affected by competition. Each competition recommendation should include an assessment of the effect on employees and recommendations for handling any negative impact.
6. The City Council will make an assessment of how to best provide a "level playing field" for the City and all potential private service providers. This assessment will include defining the public values of City services and how those values will be addressed in the bid process and specifications.

## **ASSET MANAGEMENT**

### **Policy Statement for Asset Management**

In seeking to maximize the City's return from its current and future asset portfolio, the City will aggressively manage these assets. Maximizing the City's return will include pursuing alternative ownership/management strategies which optimize the benefits of private ownership (tax revenue streams, and eliminating public costs associated with ownership) while meeting the City's public policy objectives.

### **Goals for Asset Management**

1. The City will evaluate various levels of asset privatization for all new capital projects as it plans, builds, or acquires additional public facilities and assets.
2. The City will manage and maximize its existing portfolio of assets by (in order of priority):
  - Selling or donating non-buildable parcels (land that is too small to meet the minimum building code requirements for the zoning on that parcel)
  - "Packaging" and marketing existing property for sale
  - "Packaging" existing property for current or future "public purpose" use
  - Reviewing alternative ownership/management options
3. The City Council will balance the benefits of the sale of any of its assets with other Council policies and goals.

# ***COUNCIL WORKSHOP AGENDA ITEM SUMMARY***

**TOPIC:** 100<sup>th</sup> Annual North Carolina League of Municipalities Conference Update

**RESOURCES:** Denise Foreman, Host Committee Chair  
Katie McCoy, Host Committee Vice-Chair

**KEY POINTS:**

- Charlotte will host the 100<sup>th</sup> Annual North Carolina League of Municipalities Annual Conference October 11 – 14, 2008.
- The Charlotte Host Committee has worked with NCLM Staff on conference plans including:
  - Centennial Gala Event
  - Historic Marker Unveiling
  - Spouse/Guest Program
  - Hospitality Charlotte-style
  - Golf Tournament
  - Green Conference Planning

**COUNCIL DECISION OR DIRECTION REQUESTED:**

No action requested. This presentation is for informational purposes only.

**ATTACHMENTS:**

None.