

AGENDA

Meeting Type:	WORKSHOP.
Date:	06/03/1996

City of Charlotte, City Clerk's Office



Mayor Patrick McCrory Mayor Pro Tem Al Rousso

<i>Charles Baker</i>	<i>Don Reid</i>
<i>Patrick Cannon</i>	<i>Ella Butler Scarborough</i>
<i>Malachi Greene</i>	<i>Tim Sellers</i>
<i>Mike Jackson</i>	<i>Sara Spencer</i>
<i>Nasif Rashad Majeed</i>	<i>Lynn Wheeler</i>

Council Agenda

CITY COUNCIL MEETING
Monday, June 3, 1996

5:00 p.m.	Dinner
5:30 p.m.	Budget Decisions

Meeting Agenda
Monday, June 3, 1996
TABLE OF CONTENTS

<u>Item No.</u>		<u>Page No.</u>	<u>Attachment No.</u>
General Fund			
1.	Increase Employee Parking Fees to 80% of Market	1	1
2.	Savings from Multi-Family Bin and Recyclables Collection	2	
3.	Privatize Additional Quadrants of Residential Garbage, Yard Waste, Recycling and Bulky Item Collection	2	
4.	Reduce Solid Waste Fee	3	2
5.	Reduce Arts and Science Council Contribution	3	
6.	Fund Billy Graham Crusade Traffic Control	3	3
7.	Fund NAACP Convention Security	4	4
8.	Consider Council Salaries	4	5
Transit Fund			
9.	Increase Bus Fares	5	
10.	Eliminate Bus Advertising Contract	7	
11.	Eliminate EZ Rider Expansion	8	

<u>Item No.</u>		<u>Page No.</u>	<u>Attachment No.</u>
CMUD			
12.	Privatize Meter Reading	9	6
 Capital Investment Plan			
13.	Transfer Coliseum Authority Fund Balance	10	
14.	Eliminate Seventh Street Median Project	10	
15.	Reduce Neighborhood Reinvestment	11	
 Storm Water			
16.	Reduce Storm Water Fee Increase	13	7

Consider amendments to the recommended FY97 Operating Budget and FY97-2001 Capital Investment Plan. The proposed amendments will be considered by Fund and then by revenue changes, expenditure decreases and expenditure increases.

General Fund

REVENUE CHANGE

- | | |
|--|-----------------|
| 1. Employee Parking Fees (Reid) | \$31,891 |
|--|-----------------|

Recommendation by Councilmember Reid to raise employee parking fees to 80% of market. Before the deck was opened, all City employees had surface parking available to them at no cost. The decision at that time was the parking deck was an enhancement of the parking facilities and therefore, the rate should be established at an amount equal to the difference between surrounding surface parking and comparable deck parking. Employees pay \$20 per month for the deck, which was set two years ago as the difference between the cost of surface parking in the area (\$40) and market value for comparable deck parking (\$65).

A report describing the original agreement with the County concerning funding for the construction of the deck is attached. There are restrictions on the use of parking deck revenue. It may only be used for operations and maintenance costs directly related to the deck and is specifically prohibited from use for debt service or other government purposes. Any "profit" from the deck must either be held in reserve for operating and maintenance costs of the deck or must be shared with the County in the ratio of 39.6% County, 60.4% City. Once the appropriate portion of the operating excess is returned to the County, the retained revenue become unrestricted. Excess operating revenue can only be determined after the close of a fiscal year.

Based on the average monthly cost of the deck located directly behind the CMGC parking deck, the calculation would be:

Monthly comparable fee	\$80.00
80% =	\$64.00
less: fringe benefit (50%)	\$40.00
Employee share	\$24.00

Current employee cost: \$20.00;
 An increase in fees would generate \$52,800 in new revenue; the City share would total \$31,891.

Fees will also be applicable to employees parking in the new Charlotte-Mecklenburg Police Headquarters parking deck when it is opened in August.

Attachment 1

Amend motion to change City employees 18870 of market price for parking Reid Jackson
VOTE FAILS 7-4
FOR Jackson Reid Jallen Wheeler

EXPENDITURE DECREASE

- 2. **Savings from Multi-Family Bin and Recyclables Collection Service** \$ (409,500)

NO VOTE

On May 13, 1996, following presentation of the Manager's recommended budget, City Council approved a change in the multi-family bin and recycling service. The ratio of residential units to a bulk container increased from 20:1 to 30:1. This change in bin collection service will save an estimated \$409,500 in FY97.

- 3. **Privatize Additional Quadrants of Residential Garbage, Yard Waste, Recycling and Bulky Item Collection (Reid)** \$ (200,000)

Reid withdraw motion

Privatization of an additional quadrant is scheduled for discussion during the upcoming fiscal year. Estimates based on the current BFI contract and FY97 recommended budget for these services indicate a potential savings per quadrant of \$49,189.

No second
to Reid's
motion

4. **Reduce Solid Waste Fee (Reid)** \$(1,800,000)

The combined City/County Solid Waste Fee for FY97 is \$48, a \$10 increase over FY96. To hold the fee flat to pay for \$10 of disposal costs per household from general revenues rather than from the Solid Waste Fee, means \$1.8 million in existing costs would have to be reduced.

Attachment 2

5. **Reduce Arts and Science Council Contribution (Sellers)** \$ (217,458)

The recommended budget includes a contribution of \$2,174,580 to the Arts and Science Council. The suggested decrease is a 10% reduction from the recommended budget.

Motion to
reduce Arts
& Science Council
contribution by
10%
only 2 votes for
Fails 9-2
Sellers Reid

EXPENDITURE INCREASE

6. **Fund Billy Graham Crusade Traffic Control (Wheeler)** \$115,000

Request has been made by the Billy Graham Crusade organizers for the City to provide traffic control for the crusade. These costs would involve both Police and CDOT. There are 5 scheduled events over a four day period; each event requires 85 police officers, one telecommunicator and the helicopter at a cost of \$88,282.80. CDOT costs involve rental of cones and personnel at a cost of approximately \$5,000 per event for a total of \$25,000. Total request is \$115,000.

Motion to
Fund Billy
Graham
Crusade
Traffic Control
Wheeler
UNAN.

Attachment 3

7. Fund NAACP Security (Scarborough)

\$25,000

Request has been made by the NAACP Organizing Committee for the City to provide security during the convention. The security involves session security, VIP security, financial office security youth program security and a supervisor. Total cost is estimated at \$24,616.

Motion to Security Fund NAACP Convention Scarborough

*VOTE 2-3
3 NO Jackson
Aid
Sullivan*

Attachment 4

8. Consider Council Salaries (Greene)

(to be determined)

The last increase to Council salaries was approved in August 1987 and became effective as of December 1987. Current Council compensation is \$12,000.

State law requires that any adjustment to Council salaries occur during the regular budget approval process.

County Manager has included a 4% salary increase for the County Commissioners in the FY97 Recommended Budget. The County Commission compensation would increase from \$18,844 to \$19,598.

Attachment 5

NOTES:

*Greene / MAJed
Motion to raise to
Council Salary
\$20,000
Substitute - Spencer / Baker
to review as part of the next Committee
Budget vote on sub. 8-3 (PASSED)
3 NO Aie
MAY
Greene
Cannon*

APPROVED GENERAL FUND CHANGE \$

Transit Fund

REVENUE CHANGE

9. Increase Bus Fares (Jackson)

\$436,613

Increase transit fares over a period of three years to reach the 40 percent farebox recovery goal.

REVENUE AND PASSENGER ESTIMATES FOR ALTERNATIVE FARE INCREASES

	BASE	YEAR 1	YEAR 2	YEAR 3
	FY96			
Base Fare	\$0.80	\$0.90	\$1.00	\$1.10
Exp. Fare	\$1.15	\$1.25	\$1.50	\$1.50
Other Fare	Various	1.125 x Base	1.27 x Base	1.38 x Base
		(+12.5%)	(+27%)	(+38%)
Rider Change from Base Year		-415,513	-656,856	-739,826
Revenue Change from base year	- -	436,613	1,041,852	1,234,788
Farebox Rec. Ratio	33.75%	35.70%	39.08%	41.35%

Base and Express fares are raised to \$1.10 and \$1.50 over three years. Pass and other fares are adjusted by similar percentages.

Estimates of total changes in revenue and passengers are shown at each year. By the third year, sufficient revenue is realized to bring the system back to the 40 percent farebox recovery rate.

The increase in the base fare of \$0.80, to \$1.10 represents an annual cost of about \$150 to the rider who uses the bus twice each weekday. Increased costs would be less for pass purchasers, reflecting the general discounts represented by pass prices.

Process to Increase Fares

Federal Transit Administration has approved the following **local process** which is used to provide public input on proposed fare changes:

1. 90 days before date of proposed change: Publish for public review and comment in local newspapers of general circulation.
2. Within 14 days after published notice, hold Public Hearing.
3. Comments received in response to publication or at Public Hearing are reviewed by Transit Advisory Committee (TAC).
4. At least 30 days before the change is to be effective, Council reviews, as appropriate, comments from public and TAC and makes final decision regarding fare change.
5. 30 days before change: Notice of change is posted on buses, shelters, Transportation Center

Motion to increase bus fares over a period of three years to reach the 40 percent recovery goal.
Vote to increase fares; ORIGINAL MOTION
7-4 FAILS
4 FOR - Reid - Jackson - Barker - Sellers
10
Regarding reducing fare.
(Rosso seconded and then voted AGAINST)
3 FOR
2 NO
2 FOR - Spencer
Sub. Motion to defer until the Committee P 10
Whe / Reid
Major's made its report
Wh / Rosso

EXPENDITURE DECREASE

10. Eliminate Bus Advertising Contract (Reid) (\$330,000)

The budget submitted for advertising of transportation alternatives (transit, carpool and vanpool) includes \$220,000 for media placement (radio, primarily) and \$110,000 for professional services to develop media spots, perform public relations activities, buy media, analyze target market, etc. Over the past 5 years, that budgeted amount has not increased while media costs have increased 200%.

Advertising of transportation opportunities is very important. It keeps these options in the forefront, it builds credibility, awareness, and understanding, and it contributes to developing a positive perception. Advertising is able to reach an ever-changing audience, those people with new transportation needs because of changes in jobs, marital status, residences, family, recreation, availability of cars, etc.

Awareness of Charlotte Transit and other alternatives is high, based upon an annual random sample research project, and advertising certainly contributes greatly to that high level of awareness. Without advertising, awareness and usage would be impacted.

Advertising is aimed at those who have transportation choices in order to try to further improve traffic and congestion, air quality, and quality of life in the area. Advertising is aimed at those who do not have choices, in order to make certain that they are fully informed of changes in service, new services, etc. that will affect their daily travel experience.

Motion to eliminate Bus Advertising Contract Reid/whe. \$ For Jose Reid whe Baker Seller Motion Falls 6-5

11. Eliminate EZ Rider Expansion (Reid)

(\$200,000)

Eliminate start-up of EZRider service in northwest area

In 1994, Barton-Aschman Associates, as part of their Review of Public Transportation services, proposed beginning a community-based transportation service in northwest Charlotte to provide access to shopping, recreation, social service, and medical services, plus connections to Charlotte Transit routes. The consultant recommended this area because it has the same demographic characteristics as the neighborhoods served by EZRider North and West.

Because funds had been shown for funding in the second year of the two-year budget (FY97), staff has been working with the Northwest Enterprise Board of Directors on a service plan for the area. Current plans are to begin service in August 1996. The focal point of the service will be the new shopping center at Beatties Ford and LaSalle, as well as the new library in this area.

NOTES:

*Motion to
eliminate
Expansion
Reid / Jack
Fails
5 For - back
w/ Reid
6-5
Jack Sellers*

APPROVED TRANSIT FUND CHANGE \$

CMUD

12. Privatize Meter Reading

Currently, the CMUD Competition Plan calls for competing for one-quarter of all residential water meter reading in FY97. This competition will encompass approximately 35,000 meters a month at an annual cost of approximately \$190,000. Specifications are currently being developed and Requests For Proposals will be issued in October 1996.

Duke Power was recently approached about a pilot project for joint meter reading. Unfortunately, the pilot did not go forward due to additional costs and internal policies at Duke Power that made this project very difficult to undertake.

Attachment 6

*No
action*

Sub. Motion to refer to E. D. Comm. Baker/Arusso 6-5

Motion to transfer \$3M of Col. Auth. Fund Balance to Reid/Arta 2 FOR

Capital Investment Plan

REVENUE CHANGE

- 13. Transfer Coliseum Authority Fund Balance (Reid) To be determined

In response to staff's request for information from the Coliseum Authority, the Authority staff responded that their new proposed budget will be delivered to Council Monday afternoon. Within that document is information related to the Authority's fund balance.

Any transfer of Authority funding may be used only for payment of debt service related to the Coliseum. For FY97 that payment will be \$4.5 million (\$2.7 m principal and \$1.8 m interest).

If the Authority has any additional information to present, it will be distributed on Monday.

EXPENDITURE DECREASE

- 14. Eliminate Seventh Street Median Project (Reid) (\$1,500,000)

The creation of the boulevard on Seventh Street has been identified as one of the key investment strategies for the redevelopment of First Ward. Improvement of the Seventh Street corridor, one of the major through-traffic streets in First Ward, is a key component in the plan to change the overall image and desirability of First Ward.

In order to change the image of First Ward, and to facilitate its redevelopment, City Council has been asked to fund the construction of a planted boulevard on Seventh Street. The First Ward plan, Seventh Street boulevard and Community Development Block Grant consolidated plan were reviewed by the CWAC committee on January 22 and April 29. The full Council discussed the Seventh Street boulevard on January 29 and approved the CDBG consolidated plan on May 13.

Motion to eliminate 7th St. Median Reid/Baker Motion fails 9-2 vote Reid FOR

The Charlotte Housing Authority has revised its construction plans to accommodate the boulevard.

Savings: \$1.5 million in Community Development Block Grant funds.

15. Reduce Neighborhood Reinvestment (Mike Jackson) (\$22,000,000)

Since FY91, the City has invested \$2 million annually for neighborhood reinvestment projects. The source of funding of the \$2 million has been Pay-As-You-Go funding. The budget recommends a transfer of 1¢ from the Pay-As-You-Go Fund to the Debt Service Fund to leverage bond capacity for neighborhood reinvestment and roads.

The recommended budget increases the total amount available for neighborhood reinvestment over the next five years to \$32 million. This increase is based on the level of need identified in the Capital Needs Assessment (\$70 million) and the Capital Needs Advisory Committee recommendations for capital investment to "preserve the tax base" and that "funding should be identified for reinvestment in all neighborhoods".

Options

The following options have been developed to implement various objectives:

- A. Objective: Finance Neighborhood Reinvestment with \$10 million in Bonds
1. Over the next 4 years transfer ⅓¢ of the property tax in the storm water fund to the debt service fund.

Impact: Retain .68 cents in Storm Water, reducing average annual residential fee increases from the proposed 7.8% (\$3.13 monthly) to 5.9% (\$3.09 monthly).

Impact: Funding for neighborhood reinvestment would be bond financed at the current funding level of \$2 million annually, or \$10 million over the five year period.

B. Objective: Finance Neighborhood Reinvestment with \$8 million in Pay-As-You-Go

1. Substitute bonds for public safety projects and use cash for neighborhood reinvestment. Over the next 4 years transfer ¼¢ of the property tax in the storm water fund to the debt service fund.

Impact: Retain 76¢ in Storm Water, reducing residential fees from the proposed \$3.13 monthly to \$3.08 monthly.

Impact: Maintains expanded storm water capital program.

Bond financed projects:

Defensive Driving Range	750,000
Radio Communications Tower	3,708,800
Annexation Fire Stations	3,550,000
Total	\$8,008,800

Note: Staff reviewed all potential bond funded projects in the proposed CIP and recognizes that this option is \$2 million less than the proposed amendment. The eight million dollars is the maximum amount that could be funded from bonds.

NOTES:

*Jackson motion
for option B-
No second*

APPROVED CIP CHANGE

\$

Storm Water

NO MOTION

EXPENDITURE DECREASE

16. Reduce Storm Water Fee Increase (Reid)

Councilmember Reid suggested that savings realized through budgetary amendments could be used to decrease the storm water fee. Based on Council deliberation, staff will calculate in the budget ordinance any changes approved.

EXPENDITURE INCREASE

Councilmember Reid also suggested that the proposed storm water capital program could be further expanded through budgetary amendments. Based on Council deliberation, staff will calculate in the budget ordinance any changes approved.

Attachment 7

NOTES:

APPROVED STORM WATER CHANGE **\$**