AGENDA

Meeting Type:	Workshop
Date:	06-16-1993

City of Charlotte, City Clerk's Office

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#1

Budget Issue: **Transit Fare Increase**

Budget Information: **Not included in Manager's Recommended Budget;**

Discussed increases of regular fare from 80¢ to $1.00 and express fare from $1.15 to $1.50

Background/Pertinent Information

- At April 26th Council meeting Council approved not increasing fares, based on recommendation from staff regarding the potential impact to the effort in Raleigh to increase the Motor Vehicle Tax.
- Detailed minutes provided on page 240 of Budget handouts

Discussion Notes:

Council Straw Vote: **Change** **No Change**

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#2

Budget Issue: **Additional Police Officers**

Budget Information: **Hiring costs per officer are estimated as follows:**

Hire Date	Cost Estimate
September 1, 1993	$43,147
January 1, 1994	$32,389
July 1, 1994	$49,978
January 1, 1995	$33,115
Full Year FY95 Cost	$37,198

Background/Pertinent Information

- Issues impacting police administration during FY94 include:

  - consolidation with County Police
  - building a new police headquarters
  - getting up to and keeping full strength on existing allocations.

- Unfunded Police services include:

  - Neighborhood police office space $200,000
  - Bicycles for Bike Patrols 27,500
  - Neighborhood activity programs (Community Police initiated) 5,000

- See Issue page on page 317 of Budget handouts.

Continued Issue #2
Additional Police Officers

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
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#3

Budget Issue: **Funding of Gateways Interdiction Program, formerly grant funded**

Budget Information: **Additional funding for six police officers not included in Manager's Recommended Budget**

Background/Pertinent Information

- Two year State-funded Grant expires June 30, 1993; grants are for demonstration programs; grant awards are made annually.
- Program considered successful by Police Chief; existing Interdiction Program staff will continue gateways interdiction efforts; no additional funds for Program requested.
- Cost of adding six police officers is $308,000 (Year 1); $223,999 (Year 2).
- FY94 Grant anticipated to be received from Governor's Crime Commission was on June 14th Agenda; will provide for additional surveillance equipment and advanced drug enforcement training. Grant totals $47,505.

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
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#4

Budget Issue: **CityPage**

Budget Information: **FY94 & FY95 - $43,200 per year**

Background/Pertinent Information

- Begun in FY91 to display city information to citizens and to save advertising dollars. Part of the original appropriation transferring department advertising dollars citywide.
- Display of legal notices in CityPage does not meet the legal advertisement requirement but is more citizen-friendly than the classified pages
- Reaches 192,000 households or an estimated 400,000 citizens
- The annual cost for 24 placements of CityPage is about 25 cents a year per household.
- Discussed by Council's Regionalism Committee on May 17, 1993. Handouts from that presentation were given out as Handout pages 284-286.

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#5

Budget Issue: **Public Information and Printing**

Budget Information:	**FY94 - $1,658,690**	**FY95 - $1,692,518**
Chargeback for print shop operations for which the money is actually budgeted in individual departments	(422,694)	(429,310)
Chargeback for copier services for which the money is actually budgeted in individual departments	(334,480)	(334,680)
City Council, Department, and general public information via news releases, brochures, etc.	572,988	590,933
Televise City Council Meetings and public announcements on Government Access Channel 32	328,528	337,595
TOTAL	901,516	928,528

Background/Pertinent Information

- Mission: To initiate external public information programs to educate and inform citizens about City programs and services; provide communications support to City departments; and, conduct internal communications programs for the workforce.

- The Department's total budget, excluding departmental chargebacks, will increase by $4,728 in FY94 and by $38,556 in FY95 over the FY93 budget. However, after departmental chargebacks, the Department's budget decreases by $25,986 in FY94 and by $810 in FY95 over the FY93 budget.

Continued Issue #5
Public Information and Printing

- The Channel 32 budget includes about $20,000 in revenue from the County for televising the Board of Commissioners meetings and the Board of Education has inquired about a similar arrangement.

- Discussed by Council's Regionalism Committee on May 17, 1993. Handouts from that presentation were handed out as Handout pages 284-286

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#6

Budget Issue: **Cable Franchise Oversight Service**

Budget Information: **FY94 - $102,165; FY95 - $106,813 (Each figure includes a $25,000 contribution from the County for administering its cable oversight function). Two staff members.**

Background/Pertinent Information

- Created in 1988 for three reasons
  - In response to federal regulations enacted in 1984 preventing cities from canceling franchise agreements without extensive performance documentation
  - To protect the city's interest in the franchise revenue
  - To resolve citizen complaints against the cable franchises
- Discussed by the Council's Regionalism Committee on May 17, 1993 and notes from that presentation were handed out as Handout pages 253-255
- Since 1988, the Division has produced a total savings and additional revenues of $1,276,336 and an annual recurring savings/additional revenues of $336,942.
- New 1993 federal cable regulations encourage cities to employ staff trained in cable oversight because cities must be FCC-certified in cable oversight in order to regulate their cable operator's charges for basic service, installations, additional outlets and remote converters and to monitor their operator's adherence to new federal customer service and technical requirements.

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#7

Budget Issue: **Addition of Transportation Public Service Division Staff**

Budget Information: **Not included in Manager's Recommended Budget;**

Proposed additions cost $112,033

Background/Pertinent Information

- Transportation Committee Recommended the Addition of 3 Positions to address workload increases in public, Council, and Manager inquiries and programs such as street lighting, road hazards, multiway stops, and sidewalk repair.
- Reference Transportation Committee materials and minutes of May 12, 1993 meeting.
- Cost of $112,033 includes personnel costs, supplies and computers

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#8

Budget Issue: **Revise Street Lighting Standards to Reduce Electricity Requirements**

Budget Information: **Increase Included in Manager's Recommended Budget for Increased Electricity Costs and Increased Number of Street Lights**

Background/Pertinent Information

- Transportation Committee asked Staff to research possibility of reducing lighting standards to save on electricity costs.
- Status report included in June 11th Council-Manager Memo; information will be available later in fiscal year to use for basis of decision regarding any future change.
- Manager's Recommended Budget includes an additional $154,107 in FY94 and $766,702 in FY95.

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#9

Budget Issue: **Exempt Churches from Paying Stormwater Fees**

Budget Information: **The FY94 and FY95 Budgets assume receipt of approximately $350,000 each year in Stormwater Revenue from fees paid by Churches.**

Background/Pertinent Information

- The City Attorney cautions that if Council decides to exclude any of the current entities being charged a Stormwater Fee from paying them in the future, then the exclusion should be made on a "rational basis justifying differential treatment."

- The total amount of revenue estimated to be received from Stormwater Fees is $7,645,038 in FY94 and $10,062,790 in FY95.

- To recover the revenue loss from the exemption would require a monthly increase from $2.60 to $2.68 for a single family residence and $35.82 to $37.16 for a non-single family residence.

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#10

Budget Issue: **Centralina Council of Governments**

Budget Information: **FY94 Proposed $71,810**
FY95 Proposed $71,810

Background/Pertinent Information

- Appropriation provides funding for the City's annual membership
- Rate for membership dues is 17¢ per capita.
- The agency's FY94 goal is to become a more pro-active and useful agency for members and the region by providing relevant planning information and technical support service
- A presentation was made by the COG at the Council meeting on June 14, 1993
- The total budget is $1,994,882; revenues for services are $1,606,484; the City funds 4% of general funds.

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#11

Budget Issue: **Carolinas Partnership**

Budget Information: **FY94 Proposed $150,000**
FY95 Proposed $150,000

Background/Pertinent Information

- Funding provides for the City's share of developing a marketing strategy for the Charlotte region.
- The purpose of the agency is to create a cohesive region that is prepared to compete successfully in the global economy of today and the future.
- Total agency budget is $1.6 million.
- A presentation on this program was made on June 9th.

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#12

Budget Issue: **Carolinas Transportation Compact**

Budget Information: **FY94 Proposed $18,000**
FY95 Proposed $18,000

Background/Pertinent Information

- The agency is a regional transportation planning organization designed to serve the Charlotte, NC - SC Metro region.
- The City's cost of funding the program is a 50/50 split with Mecklenburg County The total contract amount is $36,450.
- The County is taking straw votes on this program
- The total budget is $225,000.

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#13

Budget Issue: Longevity Payments

Budget Information:

	FY94	FY95
General Fund	$1,156,982	$1,214,831
Other Funds	$ 211,701	$ 222,286
Totals	$1,368,683	$1,437,117

Background/Pertinent Information

- Longevity payments are made to employees who were employed by the City prior to July 6, 1983.
- Approximately 1,700 employees are scheduled to receive longevity payments in FY94 and FY95.
- Longevity is addressed on pages 11-12 of the FY94 Pay and Benefits Report.

Discussion Notes:

Council Straw Vote: Change No Change

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#14

Budget Issue: **Solid Waste Services - Sanitation**

Budget Information:

	FY94 Proposed	**$19,076,339 (Includes Public Service and 53% of Administration)**
	FY95 Proposed	**$19,989,662**

Background/Pertinent Information

- During the Public Services Committee process, the Manager's Office and Solid Waste Staff presented the Committee with several options for changes to the present backyard and curbside mix as a way to achieve savings.

- The Committee and the full Council took action to allow Solid Waste Services to implement a pilot study to determine the feasibility of changing to once-a-week or twice-a-week curbside container collection.

- If once-a-week curbside container collection was approved for FY94, a savings of $1 4 million is estimated for FY95.

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#15

Budget Issue: **Employee Health Insurance Option**

Budget Information: **Option #1 will save approximately $575,000 in FY94 and $1,030,000 in FY95.**

Option #2 will save approximately $810,000 in FY94 and $1,050,000 in FY95.

Background/Pertinent Information

- Option #1 would shift 5% of individual coverage in FY94 and an additional 5% in FY95
- Option #2 would shift 10% of individual coverage in FY94
- Task Force recommended that 50% of any savings be dedicated to employee incentive pay.

$406,000

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#16

Budget Issue: Neighborhood Matching Grants Program

Budget Information: FY94 $1,039,000 (see note)
FY95 $500,000

Note: FY94 is composed of a new appropriation of $500,000 and of a projected carryover of $539,000 from FY93.

Background/Pertinent Information

- FY93 Council initiative modeled after a similar program in Seattle, Washington
- Awards grants up to $25,000 to neighborhood-based organizations to do projects that will make their neighborhoods better places to live, work, play and shop
- Requires a 1:1 match in labor, cash, or supplies from the neighborhood-based organization (the one exception is a 2:1 City:organization match for neighborhood organizing projects).
- Targeted to low and moderate income neighborhoods.

Discussion Notes:

Council Straw Vote: Change No Change

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#17

Budget Issue: **Business Corridor Revitalization**

Budget Information: **$1.0 million in FY94 & FY95**

Background/Pertinent Information

- Revitalization program to improve blighted appearance and poor economic health of five of Charlotte's major business corridors: Wilkinson Boulevard, Beatties Ford Road/Five Points, Plaza-Central Business District, South Boulevard/South Tryon Street, North Tryon Street

- Project goal is to encourage private investment along corridor, restoring economic vitality.

- Project includes street tree planting, landscaping and median construction, utility line relocation, decorative lighting, pavers, and reconstruction of deteriorating curbs, gutters and sidewalks.

- $4 8 million in Street Bonds has been previously appropriated to the project. Expenditures have totalled over $2 million.

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#18

Budget Issue: **Light Rail Right-of-Way Protection**

Budget Information: **$400,000 recommended in FY94 & FY95**

Background/Pertinent Information

- Project provides funds to purchase or lease existing rail rights-of-way for use as commuter lines as they become available through abandonment or joint use agreements
- November, 1991, Council approved a municipal agreement with the State that requires the City to pay 40% and the State to pay 60% of existing rail right-of-way to be purchased from this account
- Land between Cedar Street and I-77 (Cedar Yard) has been the only purchase to date
- Total expenditures from this account are $722,007--Current balance is $202,897
- Additional rail rights-of-way have not been identified for purchase--FY94 & FY95 appropriations will make funds available when rights-of-way are identified

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#19

Budget Issue: **Increase Street Resurfacing Funding to Enable an Average 12-Year Paving Cycle**

Budget Information: **Not included in Manager's Recommended Budget;**

Proposed increase costs $1.2 million

Background/Pertinent Information

- Transportation Committee recommended the return to a 12-Year Average Paving Cycle
- If approved, recommend funding from Powell Bill Fund Balance.
- Powell Bill Fund Balance, projected to be $7.6 million at June 30, 1993, has grown over the last fiscal year due a projected $2 million personnel savings from rightsized positions and vacancies.
- Recommend maintaining a reserve level of $2 5 million for the shared funding of the General Fund's Street Maintenance personnel costs; draw down of $1 2 million for increased street resurfacing schedule to be re-evaluated annually.

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
Issue Summary
June 16, 1993

Operating Budget

	Issue	Change	Amount
1.	Transit Fare		
2.	Additional Police Officers		
3.	Grant for Drug Interdiction		
4.	CityPage		
5.	Public Information & Printing		
6.	Cable Oversight Service		
7	CDOT Staff		
8.	Street Lighting Standards		
9.	Exempt Churches from Storm Water Fee		
10.	COG Membership Fee		
11.	Carolinas Partnership Contract		
12.	Carolinas Transportation Compact		
13.	Longevity		
14.	Garbage Service Collection Method		
15.	Employee Health Insurance		

Capital Improvement Program Budget

	Issue	Change	Amount
16	Neighborhood Grants Fund Status		
17.	Business Corridor Project		
18	Light Rail Right of Way Funding		

Powell Bill Fund

19.	12 Year Street Resurfacing Issue		

Budget
6/16/93

MEMORANDUM

TO: Mayor and City Council Members

FROM: Vi Alexander for O Wendell White

DATE: June 14, 1993

SUBJECT: Council Straw Votes - Issues and Decisions

The last scheduled Budget Workshop for the FY94-FY95 discussions will occur on Wednesday June 16, 1993. We have prepared and attached the information you requested on the various issues outlined by Council. We hope you find the format helpful and request that any questions or additions to these issues be addressed prior to the Workshop if possible to allow full discussion by the Council on the 16th. Please contact Vi Alexander or Curt Walton at 336-2306 if you have any questions.

kwl

Attachment

The City Council of the City of Charlotte, North Carolina convened for a Budget Workshop on Wednesday, June 16, 1993 at 5 05 p m in the Meeting Chamber Conference Room of the Charlotte-Mecklenburg Government Center, with Mayor Richard Vinroot presiding Councilmembers present were Stan Campbell, Dan Clodfelter, Ann Hammond, Pat McCrory, Nasif Majeed, Tom Mangum, Hoyle Martin, Don Reid, Ella Scarborough, and Lynn Wheeler

Absent: None

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CHILDREN'S SERVICES NETWORK REQUEST

Mayor Richard Vinroot opened the meeting by recognizing Mayor Protem Ann Hammond to speak about support of the Children's Services Network

Mayor Protem Ann Hammond stated because there had been questions about the Children's Services Network and she wanted to bring the Council up to date on what the Network has been doing She reminded Council that the City, County, School Board, the Chamber and the United Way got together along with the community workers three years ago when Marcus Grier was tragically killed to try to figure out what to do about the rise of crime, violence, and drugs in the schools, as well as the abuse and neglect of children Ms Hammond stated she served on that committee, and they saw a string of service providers come through telling us what they did It was mind boggling

Ms Hammond stated what the Task Force ended up doing, with Council's and County Commission's concurrence, was to engage a management consultant to make some sense out of the service provision for children in Charlotte-Mecklenburg They did an inventory and came up with almost 1200 different services for children in this County alone Although there are very many people working in this area, there is no overall mission for children in Mecklenburg County and no continuum of services Children often couldn't get help unless they were in crisis situations There was a fear that dollars were being spent without clearly understanding whether the needs of children were being adequately met Council has supported the Network for two years while we have sought with the other providers to create a system of working together rather than turf guarding They have been aiming toward the day when they could establish a clear mission and hire the right person to be the Director to provide support and assistance to the organizations in the community helping children, to streamline a data collection process so that the services and the outcome may be tracked, to provide technical assistance to the agencies and to report back to the community Our goal is to make the most effective use of limited public dollars Ms Hammond then introduced Frank Spencer, who was selected as Executive Director after a very thorough search

Frank Spencer, Children's Services Network Director spoke to Council about his approach to where the service is heading Philosophically, the CSN is going to try to focus on elements of prevention rather than intervention He is going to attempt to pull all the elements together and develop a scenario of what the program ought to look like Everyone will agree it is not working the way it is now and needs a more focused approach There will be four primary efforts in this approach One is the tracking of data, improving the effectiveness of service delivery, efficiency and finally, identifying a broad based approach and other funding sources

Councilmember Hoyle Martin asked how Mr Spencer will deal with the fact that there are 1200 service agencies with different boards and philosophies if the philosophies happen to differ

Mr Spencer said that his approach is going to be a collaborative approach He sees himself as a facilitator with no direct budget or organizational authority If a board wants to go its own direction, it can, however, in his discussions with hundreds of people in the last month, there is a real sense of coordination The people who are doing this work are doing it for the kids, he has seen very little turf guarding He feels through a consensus building process, significant priorities will emerge

Councilmember Martin asked if Mr Spencer thinks, realistically, that 1200 agencies are needed to provide for needs of children

Mr Spencer replied he thinks while it may be impossible to get your arms around the whole 1200, to really effect and be a significant agent for change is attainable

Councilmember Pat McCrory said if this moves forward, he feels there are three things Council should look for One is there needs to be measurement standards for the agencies providing services, the efficiency aspect is inadequate and there needs to be more of a sharing of resources between the 1200 agencies

Councilmember Martin asked if tracking had been used, would it have been possible to prevent the murder of Marcus Grier

Ms Hammond said they never tried to track whether something have been done somewhere along the line to prevent that particular tragedy from happening She said the 1200 range from the Mecklenburg County Department of Social Services to the pre-school care program in the smallest church, so these are not all organizations accountable to government or United Way We don't want to drive them out of business, but to have them agree that it is in the best interest of the children to work together

Councilmember McCrory said he thought it would be important for the CSN to be successful to hold them accountable for measurable results and if Council sees an agency that is not functioning or duplicating services, Council or other elected officials should cut off their funding.

Councilmember Ella Scarborough said in this field, the harvest is plentiful but the laborers are few She wants to be sure CSN will take advantage of the data bases already in place by Success by Six and Teen Health Connection versus creating a new base She does hope the duplication of efforts will be eliminated

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$3.4 MILLION REFUND FROM COUNTY

City Manager Wendell White reported to Council that the County had that day made a decision to implement a garbage fee of $37/year for disposal on residential units and a fee based on tonnage for commercial properties This will impact our budget by $3 4 million He asked Council to keep that in perspective but not to let it interfere with tonight's decisions The budget on the table calls for a tax increase the second year to handle environmental issues Obviously we have not reviewed the total impact of this yet, but his reaction is that Council should leave this budget intact and allow staff to do some evaluation and consider that we take a portion and put it into the capital program so that when we go to the voters this fall on the required environmental issues, that we would have a second year budget with no tax increase

Councilmember Don Reid asked if the negative impact of the County's tax increase as it affects the sales tax been factored into the budget? Every cent the County raises their taxes, the City loses about $370,000 from the State

Richard Martin, Finance Director answered no Not knowing what amount they would raise their taxes, we did not factor it in

Councilmember Reid said his point was that this is bad news for '95
Mr White said that is a good point, and is sort of what he was saying By the time you begin

to work on your second year budget, he will have a much stronger idea as to what the revenue forecasts are

Councilmember Scarborough asked if this meant the citizens were being doubly charged

brf

Mayor Vinroot said that is correct

Ms Scarborough said she is not willing to do it then

Mayor Vinroot said Council is not to make a decision tonight, they have two weeks to decide

Budget Director Viola Alexander said multi family and single-family will be charged the same amount, $37 per household unit

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GARBAGE COLLECTION SERVICE/PRIVATIZATION

Mr White said two decisions need to be made separately Decide whether you want to go to rollout, if so, make that policy decision apart from privatization

Wayman Pearson, Director of Solid Waste Services gave a presentation on collection service as it relates to roll out service, and said they could be ready to do a pilot program in early spring, fiscal year '94

Dave Cooke, Internal Consulting spoke to Council about privatization and how it fits into the roll out program

Mr Martin said he felt it would be best for the City to go with roll out ourselves the first year, then maybe get an RFP after we get a feel for it

Councilmember Tom Mangum said he had a concern in the RFP process and dealing with people who have unions

Councilmember Stan Campbell asked what would happen if a City department bid on a contract and then went over budget? In the private sector, they just absorb the loss Where would the money come from?

Mr Cooke said you would have to go through the process and isolate something like a CIP account which Mr Pearson would use to draw from There are ways to set up assurances that you would not be taking funds from other areas to bail them out

Councilmember Nasiff Majeed asked Mr Pearson if he was talking about four quadrants if privatization takes place

Mr Pearson said that would be a Council decision

Mayor Vinroot said he hopes Council will make a garbage decision tonight It makes some sense to go slow but at least get into the posture of attempting to privatize some portion of it It does not mean the private sector would get the work, it only means subject that portion to bids Mr Pearson may win it all

Mr Reid said if the City goes ahead and retrofits the equipment and buys cans for the whole City, then we are possibly negating any possible savings that a private contractor might have with regard to equipment, cans or anything else when we go to privatize That doesn't make any sense at all If we're going to honestly try to privatize, then we ought to take advantage of the switch

Mr Cooke said that would have to be included in the RPF when you decide to privatize the service It has a lot to do with what areas you decide to put up for bid If it's a quadrant, then that's going to dictate how you establish the issue on containers and equipment Then you're only talking about a fraction for both of those issues Mr Cooke then walked Council through the "what if" scenario if the City is divided into quadrants

Mr Reid said if the City is allowed to bid without considering the cost of retrofitting and garbage cans, then obviously no private company is going to win that battle To suggest that all private companies must use either the same equipment or the same cans is the wrong way to approach it There a lot of ways to solve this problem If somebody can come up with a way that is better or cheaper, we would like that, too

Mr Cooke talked about the committee's findings on how to compare costs for the public and private sector

Mr McCrory asked from a bidding process, where are the cost differentials?

Ms Hammond said the RFP would have to be put together very carefully so that there is a level playing field and the City does not have the advantage of having already counted the cost of its equipment If we do experiment with one quadrant or one fifth, couldn't we hold off on the retrofitting of a fourth of the trucks until we have the bids

Mr White said that would be possible

Councilmember Dan Clodfelter said we can avoid the issue Mr Reid has brought up , and it is a legitimate concern, by simply sticking to Mr Pearson's original schedule and making the decisions in the right sequence

Ms Hammond said she would also add in 1987, Council tried to make a change in collection to meet an artificial deadline, moved too quickly and botched it terribly Mr Pearson has heard about that, and he wants to take the time to be sure the transition is properly planned

Mayor Vinroot said if we do make such a dramatic change, we want to be sure it works and that the service is at the highest level There are two sides to this, the cost side and the service side

Mr Majeed asked what would be the length of the contract?

Mr Cooke said Phoenix is 7, Newark is 5, and Houston is 3 with 3 one year extensions There are one year contracts

[Motion by Councilmember Mangum, seconded by Councilmember Hammond, to proceed]
[with once a week roll out service]

YEAS: Campbell, Clodfelter, Hammond, McCrory, Majeed, Mangum, Martin, Patterson, Reid, and Scarborough

NAYS: Wheeler

Mr Pearson reminded Council that he will still need nine months to implement the pilot project

Ms Wheeler said she represented the district that was the most adamantly opposed to eliminating back yard pickup She voted for it because the Mayor's Memo stated "Garbage for Guns" and that's very important in my district My vote is contingent on using the savings for public safety efforts

[Motion by Councilmember Hammond, seconded by Councilmember Martin, to direct the]
[*Manager and staff to bring back a detailed plan for privatization* Carried unanimously]

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NEIGHBORHOOD MATCHING GRANTS PROGRAM STATUS

Ms Alexander said this would require a new appropriation of half a million dollars

brf

[Motion by Councilmember Mangum, seconded by Councilmember Clodfelter, to allocate]
[$113,000 from the Neighborhood Matching Grants Program to the street light program]
[to fund three positions]

Assistant City Manager Del Borgsdorf explained the grant program to Council

The vote was taken and carried as follows

YEAS: Campbell, McCrory, Martin, Mangum, Reid and Wheeler

NAYS: Clodfelter, Hammond, Majeed, Patterson, Scarborough

[Motion by Councilmember Reid, seconded by Councilmember McCrory, to keep the]
[same amount as last year in the Matching Grants Account]

The vote was taken and failed as follows

YEAS: Mangum, Campbell, Reid, McCrory and Wheeler

NAYS: Clodfelter, Hammond, Majeed, Martin, Patterson, & Scarborough

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BUSINESS CORRIDOR PROJECT

[Motion by Councilmember Paterson, seconded by Councilmember Hammond, to leave the]
[project amount as is]

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LIGHT RAIL RIGHT OF WAY FUNDING

[Motion by Councilmember Patterson, seconded by Councilmember Hammond, to include]
[funding for fiscal years '96, '97, and '98]

[Substitute motion by Councilmember Reid, seconded by Councilmember McCrory, to]
[eliminate funding for '96, '97, and '98]

Vote on the substitute motion was taken and failed as follows

YEAS: Reid and McCrory

NAYS: Campbell, Clodfelter, Hammond, Majeed, Mangum, Martin, Patterson, Scarborough and Wheeler

Vote on the original motion was taken and carried as follows

YEAS: Campbell, Hammond, Majeed, Mangum, Martin, Patterson, Scarborough and Wheeler

NAYS: McCrory, Clodfelter and Reid

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EMPLOYEE HEALTH INSURANCE

[Motion by Councilmember Majeed, seconded by Councilmember Scarborough to return]
[to the Manager's recommendation with a 10% cost to the single employee and 80%]
[co-payment]

brf

Mr Wilder stated that under the Manager's recommendation, dependent coverage would remain at the present 31% cost to employees

The vote was taken and carried as follows

YEAS: Clodfelter, Hammond, Majeed, Mangum, Martin, Patterson and Scarborough
NAYS: Campbell, McCrory, Reid, Wheeler

Mr White stated that this would be revisited each year

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RETIREE HEALTH INSURANCE

Councilmember Martin stated he was excused from this item

Deputy City Manager Pam Syfert stated staff had been working with the May 10th decision, but Council came back at the last meeting with the Task Force with a modified proposal The original recommendation approved on May 10th, called for the beginning of splitting off of the retirees from the actives from the calculated rates What staff recommended to Council as a modified proposal that the Task Force agreed with the last time, is we postpone that for approximately three years and see what happens at the national level on health insurance, and what happens because of our cost savings on the point-of-service The other issue was on the defined contribution rate for retirees A suggestion that was agreed upon by the Task Force was to have a defined contribution rate, but have a "grandfathered" clause, and staff has not yet worked out the details of who would be "grandfathered" and how that would work

Mayor Vinroot asked if Council needs to make a decision confirming those two points

[Motion was made by Councilmember Majeed, seconded by Councilmember Clodfelter to]
[grandfather current retirees]

Ms Syfert said Council should talk about this more The intent of the Task Force recommendation was only to grandfather those folks in who are currently eligible right now for retirement, prior to January 1, 1994 But that would be the only grandfathering The idea behind that was with this change you may start losing more people to retirement before January 1, 1994, because of that So the grandfathering issue only applies to people who are currently eligible prior to January 1, 1994

Mayor Vinroot stated the first issue to deal with is the 3-year deferral issue

[Motion by Councilmember Clodfelter, seconded by Councilmember Patterson to defer]
[the decision on separation of rates for retired employees for three years]

Councilmember Scarborough asked what that means

Mr Clodfelter stated it means we do nothing for three years It does not mean we start in three years, it means we do not decide it for three years until we see the experience under the point-of-service plan

Ms Scarborough asked Mr White what that does in reference to his recommendation on retirees

Mr White stated that was in harmony with where the staff recommendation

The vote was taken and carried unanimously to defer a decision on separation of rates for retirees for three years

brf

[Motion by Councilmember Wheeler, seconded by Councilmember Mangum to grand-]
[father current retirees and all persons eligible for retirement up to January 1, 1994]

Mr Clodfelter asked Mr Wilder to walk through what this motion does

Mr Wilder stated defined contribution sets the limit If we implement a defined contribution effective January 1, 1994, anyone who is presently eligible or will become eligible for retirement in that window of time, would be grandfathered in and can retire now or at some future point We still need to define whether that is January 1, 1994 Anyone retiring after the end of that time line would come under the defined contribution The reason the Task Force agreed with it is we may have some critical categories, the Public Safety area for example, who could walk right now That could put a real impact on Community Based Policing for example

Ms Patterson gave an example Let's say if you are eligible for retirement before January 1, 1994, even if you do not retire, you will maintain the current deal on retiree health insurance

Mr Wilder said correct

Ms Patterson said if you are not eligible before January 1, 1994, we will have a defined contribution approach

Mr Wilder again said correct

Mr Clodfelter stated this is where we cap the escalator that Mr Reid mentioned earlier on the growing cost of retiree health insurance He feels this legitimately addresses this concern

Mr Reid stated this just gives us the option, it does not say we will do it

Mr Clodfelter stated it was his impression that is what we are doing He directed the question to Mr Wilder it was his understanding any employee that becomes eligible for retirement after January 1, 1994, is under a defined contribution system

Mr Wilder stated that is correct

Mr Clodfelter stated he reads that motion as yes we are doing it

Ms Scarborough asked Mr Wilder if an employee reaches 32 years April 1, 1994, will we say to that employee, because this is effective January 1, 1994, you are not eligible

Mr Wilder stated under that scenario, that is correct

Ms Hammond asked what is the retirement eligibility

Mr Wilder stated 30 years, age 60 with 25 years, or age 65 with 20 years Maybe it will help to say if an employee becomes eligible to retire regardless of whether it is 30 years or age 60 with 25 years, after January 1, 1994 If they have 30 years prior to January 1, 1994, they could retire under the current arrangement But if they obtain the eligibility subsequent to January 1, 1994, they would fall under the defined contribution plan

Ms Hammond asked if the 65 with 20 years or any other eligibility combination falls in this plan also

Ms Syfert suggested rather than trying to find out what the grandfathering would mean, if Council votes to start defined contribution, but grandfather, staff would need to come back to Council with the retirement categories and how that grandfathering would work, and let Council approve the specific grandfathering in a separate action

Ms Hammond stated she was not sure she knew what the defined contribution really is at this point

brf

Mr McCrory stated there has to be a line somewhere, and some people are going to miss it by one day There will be some people in luck and some out of luck no matter where you draw the line

Ms Syfert stated if Council would give staff the flexibility to take the concept and depart somewhat from the Task Force report, they would work this out and come back to Council with a proposal on the defined contribution as well as the grandfathering based on what our workforce looks like

Mr Vinroot asked if it was O K with the motion maker to add Ms Syfert's proposal

Mr Mangum stated in regard to Mr McCrory's comment, we had that same thing happen three or four years ago when a few Firefighters that fell in there and came back to Council because their benefits were messed up

The vote was taken and carried unanimously

* * * * * * * *

LONGEVITY PAYMENTS

Mayor Vinroot suggested the money set aside for longevity payments be put into an incentive program

Ms Alexander suggested Council wait until next year when the incentive program is more fully developed

Councilmember Clodfelter said the task force had suggested a buy-out and he thinks that is sensible Although he favors making a change, he wants to know exactly what the exchange is before a change is made

Council agreed that they would wait until the incentive program is developed before changing longevity

Councilmember Martin said he hoped the employees themselves would be able to have a lot of input into what is done Some of them feel the City made a commitment to them when they came to work and it is morally wrong to take it away from them now

* * * * * * *

ADDITIONAL POLICE OFFICERS

Councilmember Reid said he had been advocating more police officers to reduce crime and the budget for '94 and '95 called for no additional officers Mr Reid presented a report on the 100 officers authorized for hire Under his proposal, no officers would be hired for the first half of the coming year but beginning in January of 1994, fund 50 officers and authorize 100 for the next year He feels police officers and firefighters deserve hazardous duty pay This would take $7 9 million for '94 and $12 4 million for '95 Mr Reid would take the $1 4 million from the Coliseum contingency set aside for possible deficits at the new Convention Center, and next year, $2 0 million more which Steve Camp had indicated to him he could raise at the Coliseum

Mr Reid continued, the second thing on his list is there are 131 vacant positions in the general fund for 1994 Assuming these savings are about $30,000\year, if we froze those we could $3 6 million for both '94 and '95 The third category is privatization We need to set a reasonable figure and attain to reach that through privatization Another thing we have to look at is funding for the arts He looked at some of the salaries for the Charlotte symphony and the only person he knows who makes more than the Director is the School Board Chairman It's a question of whether we should help fund those salaries How can we fund that kind of activity and not hire more police officers? He also feels CityFair needs to be sold, office supplies can be bought

much cheaply, raise transit fares by 25% If you adopt all his savings, he would have enough to eliminate the one cent property tax increase

[Motion by Councilmember Reid, seconded by Councilmember Wheeler, to add 50 sworn]
[police officers to the budget for FY-94 and 100 officers for FY-95]

Mr White said it is true that we are not up to strength, but he thinks the efforts should be concentrated on getting the officers authorized in place Also, with the merger of the two departments, he thinks the entire County will be benefitted, although he can't say how today Both departments need some breathing room in order to make the transition After we get past the consolidation efforts, he thinks there will be plenty of time to revisit this issue and determine where the priorities should be

Councilmember Majeed suggested officers who work at night receive hazardous duty pay

Councilmember Hammond appreciates the intent of what Mr Reid is saying, there is clearly a need to work on public safety What she would like to see Council do is to honor the Chief's request that we not give him a target that he cannot adequately reach this year and that we work on balancing out those components in making a safe community This is such a complex problem and we need to revisit the whole public safety services area

Councilmember McCrory said he was not prepared to vote tonight, but Mr Reid's intent is good He thinks the number of officers needed should come from the Chief, maybe they need additional bicycles, cars or other resources to prevent crime He does feel the savings from the backyard pickup be transferred to public safety

Councilmember Scarborough said she thinks there needs to be a shift deferential in the Police Department She wants to ask the Chief what his needs are before voting on funding

Councilmember Martin said there is no way to measure how many police officers are needed He doesn't think murders would be prevented with a police officer on every doorstep

Councilmember Patterson said she is a big fan of neighborhood policing, and in communities where it is in place, crime has actually gone down There is more than just one piece involved in fighting crime, it involves environment as well Just as important a component to her is providing jobs and job training and role models

Councilmember Wheeler said she was supporting Mr Reid because she believes the two pronged approach of intervention and prevention is best as well as the deterrent of police on the street She withdrew her vote on rollout garbage because she thought Council was going to allocate the savings to public safety

Councilmember Clodfelter reiterated that this is a high priority with all of Council and urged the City Manager to use the same push and innovation that he has on past efforts to this problem, and to take a hard look at the things Mr Reid has recommended He wants the Manager to come back with a strong, effective plan

Mr White said he considers that one of his primary responsibilities and reminded them that he brought to the table the concept of community based policing, and staff brought forward the City within a City concept

Councilmember McCrory said he is concerned that there are no allocated resources available now to be used when they're needed later on

Mr White said he did not see a pressing need for that

Councilmember Mangum said with all that has been said tonight,the one thing that is striking him is if the Police Chief felt there was a need to have these police officers in the pipeline, why is he not asking for them?

brf

Deputy City Manager Pam Syfert said that staff wanted to come back and go over the time process involved in hiring new officers and ways to get people on board

[Substitute motion by Councilmember McCrory, seconded by Councilmember Wheeler, to]
[transfer funds from garbage savings to public safety]

The vote on the substitute motion was taken and recorded as follows

YEAS: McCrory, Wheeler, Reid, Campbell
NAYS: Clodfelter, Hammond, Patterson, Majeed, Martin, Mangum, Patterson and Scarborough

The vote was taken on the original motion and recorded as follows

YEAS: Reid, Wheeler
NAYS: Campbell, Clodfelter, Hammond, Patterson, Majeed, McCrory, Mangum, Martin, Patterson and Scarborough

COUNCIL TOOK A FIVE MINUTE BREAK AT 8:35 AND RECONVENED AT 8:40

* * * * * * *

GRANT FOR DRUG INTERDICTION

[Motion by Councilmember Campbell, seconded by Councilmember Scarborough, to ap-]
[prove the grant for drug interdiction Motion carried unanimously]

* * * * * * *

CITYPAGE

[Motion by Councilmember Reid, seconded by Councilmember Campbell, to cut the size]
[of CityPage in half]

The vote was taken and recorded as follows

YEAS: Reid, Campbell, Mangum, McCrory, Wheeler, Majeed
NAYS: Hammond, Martin, Patterson, Clodfelter, Scarborough

* * * * * * *

PUBLIC INFORMATION AND PRINTING

There being no motion to change, the item stays as is

* * * * * * *

CABLE FRANCHISE OVERSIGHT SERVICE

There being no motion to change, the item stays as is

* * * * * * *

CDOT STAFF

This item was handled earlier in the meeting

* * * * * * *

brf

STREET LIGHTING STANDARDS

The question having been answered, the item stays as is

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COG MEMBERSHIP

[Motion by Councilmember Campbell, seconded by Councilmember Reid, that membership]
[in COG be abandoned]

Ms Hammond said that we are deep into regionalism, and COG is the traditional voice and technical support for the region We probably do not get as much out of it as we would like because we have such an expert staff, but if we're going to be a player in the region, you need to understand how much COG means to some of the rural counties around us If we back out, it will be a real blow to regionalism

Mr Clodfelter said it would be the Great State of Mecklenburg mentality all over again

Mr Majeed asked how much overlay there is Maybe the same thing could be done with other organizations

Mr Martin said we don t seem to have much respect for COG and we have the resources to do things that small counties don't Consequently, they tend to focus their energies on smaller areas and he has to tell them to be more aggressive in getting involved with Charlotte Mecklenburg

The vote was taken on the deletion of COG and was recorded as follows

YEAS: *Majeed, McCrory, Campbell, Reid*
NAYS: Clodfelter, Hammond, Mangum, Martin, Patterson, Scarborough, and Wheeler

* * * * * * *

CAROLINAS PARTNERSHIP CONTRACT

[Motion by Councilmember Reid, seconded by Councilmember Scarborough, to not]
[support the Carolinas Partnership]

The vote was recorded as follows

YEAS: Reid and Scarborough
NAYS: Campbell, Clodfelter, Hammond, McCrory, Majeed, Martin, Mangum, Patterson, Reid and Wheeler

* * * * * * *

CAROLINAS TRANSPORTATION COMPACT

[Motion by Councilmember Scarborough, seconded by Councilmember Martin, to]
[delete funding for the Carolinas Transportation Compact Carried unanimously]

* * * * * * *

EXEMPT CHURCHES FROM STORMWATER FEES

[Motion by Councilmember Scarborough, seconded by Councilmember Reid, to exempt]
[churches from stormwater fees]

brf

Mr Martin said if Council deletes churches it will open a Pandora's box Private schools and daycares will come after us and we'll have to shift that burden to the taxpayers

Ms Hammond said in eight years on Council, the worst offender for dumping water off a parking lot onto their downhill neighbors was a church The characteristics that cause water to be a problem are prevalent with any large building, churches included

The vote was taken on the motion and recorded as follows

YEAS: Reid and Scarborough
NAYS: Campbell, Clodfelter, Hammond, McCrory, Mangum, Martin, Majeed, Patterson and Wheeler

* * * * * * *

RESURFACING

[Motion by Councilmember Wheeler, seconded by Councilmember Mangum to approve]
[the recommendation for resurfacing Carried unanimously]

* * * * * * *

TRANSIT FARE INCREASE

[Motion by Councilmember McCrory, seconded by Councilmember Mangum, to bring]
[back after legislation by the State]

The Mayor advised this motion did not have to have a vote

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SPECIALIZED TRANSIT SERVICE

Ms Alexander said the Transportation Committee met Monday and discussed continuing the STS expansion as planned This is not in the budget but there is a fund balance that can be used

There was no motion on this item

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STOP THE KILLING CAMPAIGN

[Motion by Councilmember Majeed, seconded by Councilmember Scarborough, to fund]
[Reverend James Barnett's request for Stop the Killing]

[Substitute motion by Councilmember Mangum, seconded by Councilmember Reid, to]
[identify what was programmed last year and come back to Council]

The vote for the substitute motion was recorded as follows

YEAS: Campbell, Clodfelter, Mangum, Reid, McCrory, Patterson
NAYS: Majeed, Scarborough, Hammond, Martin, Wheeler

* * * * * * *

ARTS AND SCIENCE COUNCIL, PROJECT REACH

[Motion by Councilmember Patterson, seconded by Councilmember Martin, to add the]
[matching money for Project Reach]

brf

Mr Reid asked if this was for arts education in the schools

Helena Tidwell, Arts and Science Council explained how the funds would be used

Mr McCrory said he personally felt this was a County function, and he questions where the $100,000 would come from

[Substitute motion by Councilmember Campbell, seconded by Councilmember Clodfelter]
[to wait until the County takes action Carried unanimously]

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CRISIS ASSISTANCE REQUEST

[Motion by Councilmember Campbell, seconded by Hammond, and carried unanimously]
[to award $4,600 increase to Crisis Assistance Energy Fund]

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FINAL FOUR REQUEST

Councilmember Patterson suggested that Steve Luquire look to the Coliseum Authority for funding

* * * * * * *

[Motion by Councilmember Mangum, seconded by Councilmember Patterson, to adjourn]
[at 9 25 p m Carried unanimously]

Brenda R Freeze, City Clerk

Length of Meeting 4 hours, 20 minutes
Minutes Completed August 2, 1993

brf

MEMORANDUM

TO: All City Council Members

FROM: Richard Vinroot, Mayor

DATE: June 16, 1993

RE: Dependent Health Insurance Coverage Costs

A lot of "sound and fury" has occurred as a consequence of the Compensation Task Force's fairly simple recommendation that the City should "readjust cost sharing with employees, requiring (City) employees to pay 10% of . . single employee coverage, and phase in to employees paying 50% of family (*i e*, dependent) coverage cost." Various employees have attacked that recommendation as being unfair, not based on accurate data, etc., and some have even questioned the integrity of the task force itself (one claiming they "lied" and "hid the truth" from us, among other things), *ad nauseum*. My analysis satisfies me that the task force's recommendation is both fair and sound, and that we should stick with it.

Here are my reasons:

1. According to the task force the City's health insurance costs have been increasing at 30% per year. That compares unfavorably to a national average of about 15% and a local average of 9-10%. In other words, our health costs are way out of line.

2. According to Bill Wilder, our private sector peers (County, Schools, State, et al.) charge their employees, on the average, 50% of their individual and dependent coverage, combined (see attached chart). Until now, we've charged our employees nothing for their own coverage, and only 30% for their dependents. Again, we are low and out of line.

3. A City employee asked me what our law firm charges its employees for dependent coverage. The answer is 100% (at $206/month), twice what the task force suggests we should "phase in" for City employees.

4. Under our present system, of the 10 government surveyed by the task force, the cost of dependent health coverage <u>to our City employees</u> is the lowest by far ($107/month vs. an average of $180/month for the other 9, ranging from $126/month to $249/month). Similarly, the cost <u>to the City</u> for such coverage was the second highest ($241/month vs. an average of $171/month for the other 9, ranging from $119/month to $248/month). Simply put, the City puts a lot more and our employees a lot less into their dependent health

coverage than the other government employers in our area. That's probably why our costs have skyrocketed, and I don't think it's fair to our taxpayers

5. Chip Harris, one of the City employees who has spoken with us and appeared to me to be trying to analyze all of this rationally (many of the most vocal have not, in my opinion) pointed out that the current City employee contribution toward dependent coverage is 31% (I think 30% is more accurate) whereas the national government employer average is 37%. Chip also says the regional government employer average is 34%, and as noted above Bill Wilder says that locally, that average is even higher, at 50%.

6 Finally, I did a little research of my own, and I am also attaching it for your reference. According to the December 1992 survey of the Bureau of National Affairs in Washington ("BNA"), only 30% of employers nationally required employee contributions to health insurance costs in 1983, but by 1992, that percentage rose to 61%. With regard to dependent coverage, 22% of "nonbusiness" employers (*e g* governments, like Charlotte) require their employees to pay 100% (as does my law firm), only 31% require no contributions, and the rest (47%) are somewhere in between. Accordingly, BNA points out that the "trends" are that most workers "have experienced recent increases in their premium contributions" and "23% . . . increased employees share of the premium for dependent coverage during 1989-91."

<u>Conclusion</u>. I suggest we go to 37% - the national average - now, and review the situation annually hereafter. My strong belief is that what will happen is this: Inevitably and in short order we will "phase in" to 50%, exactly as the task force recommended. That suits me fine.

From Bill Weldon

EMPLOYEE COST FOR EMPLOYEE AND FAMILY COVERAGE
(PERCENTAGE OF TOTAL PREMIUM)

1992 SURVEY

	PRIVATE SECTOR				PUBLIC SECTOR	
	Company A	Plan 1	46%	1,2	Mecklenburg County	47%
		Plan 2	36%			
		Plan 3	21%	1,2	Mecklenburg Schools	60%
	Company B		38%	1,2	City of Columbia	61%
1	Company C		23%	1	City of Raleigh	52%
	Company D		14%	1,2	Wake County	58%
	Company E		15%		Forsyth County	39%
	Company F		22%	2	Guilford County	47%
	Company G		14%	1,2	State of N.C.	60%
1	Company H		18%		Virginia Beach	37%
1	Company I		14%		City of Richmond	43%
	AVERAGE		23%	2	City of Norfolk	66%
					Federal Reserve	25%
				1,2	CPCC	60%
					AVERAGE	50%

1 - No contribution for individual coverage.
2 - Employee pays 100% of dependent coverage.

NOTE: The trend in the private sector appears to be that companies have shifted costs to employees for individual coverage but have not shifted costs as much for dependent coverage.

The trend in the public sector appears to be that costs have not been shifted to employees for individual coverage but they have shifted more costs for dependent coverage.

Health and Dental Benefits

Personnel Policies Forum Survey No. 149
December 1992

The Bureau of National Affairs, Inc., Washington, D.C

highlights

- ***Health care benefits*** are provided to full time workers and their dependents in all of the surveyed organizations Part time staff receive health care coverage in only 49 percent of firms with part time work forces (Details page 4)

- ***Self-funded health benefit programs*** are about twice as common as indemnity plans provided through private insurance companies Health maintenance organizations or preferred provider networks are available in nearly two thirds of responding firms Self funded plans and managed care systems have become much more prevalent during the past decade (Details page 4)

- ***Employee contributions*** toward the costs of health care coverage are required by 61 percent of responding companies In 1983 about three out of 10 surveyed employers required premium contributions from full time workers A substantial proportion of respondents reported recent increases in employee contributions for coverage (Details page 5)

- ***Deductibles and co-payments*** are required under the vast majority of employers health benefit plans Many firms have raised employee deductibles in recent years while relatively few companies increased the co payment percentage paid by employees (Details pages 7 11)

- ***Health care cost containment initiatives*** have been implemented by virtually all of the surveyed organizations More than three quarters of respondents (77 percent) reported that cost control measures had been taken within the past two years (Details page 14)

- ***Cost-sharing measures,*** such as raising premium contributions increasing deductibles or boosting co-payment maximums were reported by more than eight out of 10 survey respondents (85 percent) Most firms have employed other cost containment strategies as well including pre-admission certifications second opinion policies employee education benefits coordination changes in administrators flexible benefit plans and case management (Details pages 14 18)

- ***Dental benefits*** are offered by 84 percent of the surveyed employers all of which extend coverage to full time employees dependents Only 37 percent of companies with part time workers extend dental coverage to those employees (Details page 19)

- ***The costs of dental coverage*** are shared between the company and full time employees in 40 percent of the firms with dental benefit plans Ten percent collect the entire dental premium from full time workers (Details page 20)

- ***Levels of coverage for dental care*** often vary with the type of dental services received Employers dental plans usuall pay all or most costs of preventive care and restora ve procedures but typically offer lower levels of coverage for major dental work (e g caps root canals) and orthodontia (Details page 23)

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Some respondents for companies with self funded plans noted that their firms purchase stop-loss insurance from a commercial insurance carrier to guard against unusually high individual or aggregate health care claims Other self insured organizations rely on insurance companies as third party administrators to handle administrative functions only (e g claim processing) Several self insured firms contract with a commercial carrier for both stop loss insurance and administrative tasks

Managed Care

Managed care or alternative delivery systems have become much more prevalent over the past 10 to 15 years Nearly two thirds of the surveyed employers (65 percent) currently offer their workers the option of receiving health care through a health maintenance organization (HMO) or preferred provider organization (PPO) Managed care programs have yet to replace more traditional health care plans however 90 percent of firms with HMO or PPO options also offer indemnity insurance or self funded plans

Employees at more than half the responding firms (56 percent) can choose to enroll in an HMO up sharply from less than one third of respondents to a 1983 *PPF* survey and fewer than one out of five *PPF* employers surveyed in 1978 HMOs typically provide inpatient and outpatient care as well as the services of physicians surgeons and other health care professionals The HMO rather than the employer or an insurance company assumes the financial risk of providing medical care and health services Employees who enroll in HMOs must seek health care from HMO providers, typically in exchange for nominal or no co payments The increase in the prevalence of HMOs may be partially attributable to the Health Maintenance Organization Act of 1973, which requires employers with more than 25 employees to offer a federally qualified HMO if properly approached by an HMO

Manufacturing companies and small establishments are least inclined to offer an HMO option to employees Workers in less than half of manufacturing firms (44 percent) can receive health care services through an HMO compared with 64 percent of non manufacturing businesses and 56 percent of non business establishments Two-thirds of large companies (66 percent) offer HMOs while 48 percent of small firms provide this alternative to employees

Health care services are available through a preferred provider organization (PPO) in 31 percent of the surveyed organizations PPOs are set up by employers insurance carriers third party administrators or providers themselves to furnish health care services at discounted fees PPOs typically offer a wider choice of physicians and hospitals than HMOs PPO arrangements often are used in conjunction with conventional insurance programs (e g self funded or indemnity plans) thereby allowing employees to select preferred providers for some treatments and non preferred providers for other procedures PPO plans encourage the use of preferred providers by offering higher levels of coverage (e g lower deductibles and co-payments) for services performed by network physicians and hospitals

Like HMOs PPOs appear to be somewhat more common among large firms (36 percent) than in small companies (26 percent) as Table 2 shows About one third of non manufacturing businesses (35 percent) offer PPOs slightly higher than the percentages of manufacturing companies (28 percent) and non business establishments (25 percent) with this alternative

Twenty two percent of the employers offer both HMO and PPO options most of which also have self funded or indemnity insurance plans As noted above few companies (7 percent of all firms) have established health maintenance or preferred provider organizations as employees *only* means of receiving health care In these few cases the HMO or PPO makes arrangements with providers outside their network to pay for health care services that cannot be performed by network physicians and specialists

Recent Trends

The movement toward self funded health care plans has continued in recent years as seven responding firms switched to self insurance during 1989 91 The percentage of companies with self insured health care plans rose slightly during the two-year period (from 60 percent to 64 percent) while the proportion with indemnity insurance plans declined (33 percent to 29 percent) One small Northeastern utility found that self funding did not reduce costs and recently switched back to private insurance

PPO arrangements have become more common recently while the growth of HMOs may be waning The percentage of employers with PPOs rose from 22 percent to 31 percent during 1989 91 as 14 companies added PPO options while just two firms dropped PPOs Six organizations added HMO enrollment to their employees health care options but four firms discontinued HMO services Nevertheless HMOs remain far more common today than in 1983 or 1978 when the last two *PPF* surveys on health benefit plans were conducted

Costs of Coverage

Employers who pay the full cost of their workers health insurance coverage have become much more scarce over the past decade Less than four out of 10 *PPF* employers (39 percent) provide health care coverage at no cost to individual full time employees down sharply from about about seven out of 10 firms responding to the 1983 *PPF* survey on health benefits Many responding employers raised or began requiring premium contributions from employees during 1989 91 (See Recent Trends below)

(*Note* The term *premium* in this report refers to payments made to fund health care coverage including those made under self insured HMO or PPO plans The reader should not assume that premium is used in reference to indemnity insurance plans only)

Although most employees bear a portion of the costs of their own health insurance coverage few pay a larger

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share than their employers. Only 1 percent of the surveyed firms require that more than half of coverage costs be paid by the employee, as Table 3 shows. One third of the firms collect up to one quarter of coverage costs from workers, and employees contribute 26 to 50 percent of the premium in 14 percent of the surveyed organizations. A small Northeastern retail company has the highest employee contribution toward the cost of individual coverage—75 percent.

Thirteen percent of respondents reported other means of determining full time workers' contributions for health care coverage. At a few firms, employees pay part of a premium for other services in addition to health care. For example, a large Northeastern utility requires full time employees bear 21 percent of the costs of their health care, dental care, prescription drug, and vision care coverage combined. Other employers have contribution requirements that vary with length of service or job classification. Workers at a small North Central real estate company pay half of the health insurance premium during their first two years with the firm, but only 10 percent of coverage costs in subsequent years. Contributions vary with the coverage options chosen in a number of companies, including some with flexible benefit plans. A few respondents reported monetary amounts but did not indicate the proportion of coverage costs paid by employees.

Employees in non manufacturing firms often bear greater shares of the health insurance premium than their counterparts in other industry sectors, while workers in non-business establishments are the most likely to receive health insurance coverage at no cost. Only 29 percent of non manufacturing firms pay the full cost of their full time employees' health coverage, compared with 44 percent of manufacturing firms and 53 percent of the surveyed non business organizations. As Table 3 shows, 27 percent of non manufacturing firms require that more than a quarter of the premium be paid by the covered employee, while very few manufacturing firms (7 percent) and non business establishments (6 percent) collect more than 25 percent of coverage costs from workers. Companies with union represented employees (49 percent) are somewhat more likely than non union firms (34 percent) to pay the full cost of an individual employee's health insurance coverage.

Part time Workers

While far less likely to be eligible for health care benefits than their full time colleagues, part time workers who are covered by their employers' health care plans usually are subject to the same contribution requirements as full time staff. In 77 percent of the companies that enroll both full time and part time workers in their health care plans, contribution requirements are identical for the two employee groups. Thirteen percent require a larger proportion of the premium from part-time employees than from full time workers. (Comparisons could not be drawn for the remaining firms because of non response or incomplete data.) At a small North Central insurance firm, the proportion of the premium paid by part-time employees varies with the number of hours worked.

Table 3
Employee Contributions for Health Care Coverage

	Percent of Companies					
	All Companies	By Industry			By Size	
		Mfg	Non Mfg	Non Bus	Large	Small
Individual coverage	(137)	(39)	(66)	(32)	(64)	(73)
Employer pays full cost	39%	44%	29%	53%	36%	41%
Employee contribution						
• Up to 25%	33	33	36	25	33	30
• 26% to 50%	14	3	24	6	13	15
• 51% to 75%	1	–	3	–	2	1
• Varies/other*	13	21	8	16	17	10
Dependent coverage	(137)	(39)	(66)	(32)	(64)	(73)
Employer pays full cost	18%	21%	11%	31%	20%	16%
Employee contribution						
• Up to 25%	36	49	36	19	36	36
• 26% to 50%	17	8	27	5	14	19
• 51% to 75%	3	–	5	3	2	4
• 100%	10	5	8	22	14	7
• Varies/other*	16	18	14	19	14	18

* Includes respondents reporting monetary amounts or different contribution requirements for various employee groups.
Note: Percentages are based on the number of employers that provide health care coverage to full time employees and their dependents as shown by the rows of numbers in parentheses.

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As the findings cited above suggest fewer employers pay the full cost of coverage for part time workers than for full time staff Only 27 percent of companies that cover part time employees pay the entire premium for their coverage As noted earlier 39 percent of all surveyed firms provide health care coverage at no cost to full time workers

Dependent Coverage

While all of the respondin employers offer health care coverage for full time workers dependents employees often pay more for dependent coverage than for their own health insurance While about half of the company plans (49 percent) require the same proportional contribution for both individual and dependent coverage nearly as many (41 percent) charge employees a higher percentage of the premium for enrolling dependents in the plan (Eight percent provided insufficient information to make a comparison and three respondents reported that workers pay a lower rate for dependent coverage than for their own health insurance) As Table 3 shows only 18 percent of employers offer dependent coverage at no cost to full time workers while 39 percent require no employee contributions for individual coverage

Non contributory coverage for dependents is substantially less common than in 1983 when more than one third of *PPF* employers paid the entire dependent health insurance premium on behalf of full-time workers Furthermore about half of *PPF* companies surveyed in 1978 provided no-cost coverage for employees families Although workers are more likely to pay a share of dependent coverage costs than in the past only 10 percent of firms require full time employees to bear the entire cost of health care coverage for their families virtually unchanged from 1983

In more than one third of the surveyed companies (36 percent) employees pay up to one quarter of the premium for dependent coverage As Table 3 shows about one out of five firms (17 percent) collect 26 percent to 50 percent of coverage costs from workers, while just four companies (3 percent) pass more than half of dependent coverage costs to the work force

Contribution requirements for family coverage tend toward the extremes in non business organizations While they are most inclined to absorb the full cost of dependent coverage (31 percent) non-business employers also are the most likely to make workers pay the entire premium (22 percent) About seven out of 10 manufacturing firms (69 percent) collect no more than one fourth of dependent coverage costs from workers compared with about half of non manufacturing companies (47 percent) and non business establishments (50 percent)

Twenty two respondents (16 percent) did not indicate a proportion of dependent coverage costs paid by employees but instead provided monetary figures or an explanation of contribution requirements for dependent coverage At several firms payments toward the premium are based on the number of dependents enrolled in the health care plan Length of service determines an employee s share of dependent coverage costs in a few organizations For example workers at a small Southern service firm pay the full premium for dependent health care coverage during their first two years on the job 7 percent in their third year and 50 percent in subsequent years with the company A small Southern manufacturing firm imposes separate charges for spouses and children A several companies some of which have flexible benefit plans an employee s share of the premium depends on the level of health care coverage purchased by the worker

Dependent Coverage for Part time Employees

Almost three fourths of employers that offer health care coverage for part time workers dependents (7 percent) have identical contribution requirements for full time and part time staff Seventeen percent charge part time employees more for dependent health care coverage and 10 percent provided insufficient information to draw a comparison

Of the firms with health care coverage for part time workers dependents only 10 percent do not require any employee contributions for coverage and 23 percent pass all dependent coverage costs to part time employees (As noted earlier 18 percent provide non contributory coverage for families of full time workers and none require full time staff to pay the entire premium for dependent coverage)

Recent Trends

Workers in many of the surveyed companies have experienced recent increases in their premium contributions During 1989 91 18 percent of the firms increased or began requiring premium contributions for individual employees health care coverage The percentage of employers with non-contributory health care coverage for full time staff fell from 49 percent in 1989 to 39 percent in 1991 Recent hikes in worker contributions have been most common among manufacturing firms Forty four percent of manufacturers had no contribution requirements for individual coverage in 1991 down sharply from 62 percent just two years earlier Declines in the prevalence of free coverage have been less pronounced among non manufacturing firms (from 35 percent to 29 percent) and non business establishments (63 percent to 53 percent)

Nearly one out of four employers (23 percent) increased employees share of the premium for dependent coverage during 1989 91 two thirds of these companies also raised employee contributions for individual coverage As a result 18 percent of companies paid the entire premium for dependent coverage in 1991 down from 27 percent in 1989

Deductibles

Most workers enrolled in employer provided health care plans must pay a specified amount in actual expenditures for medical care each year—that is meet an annual deductible More than nine out of 10 employers

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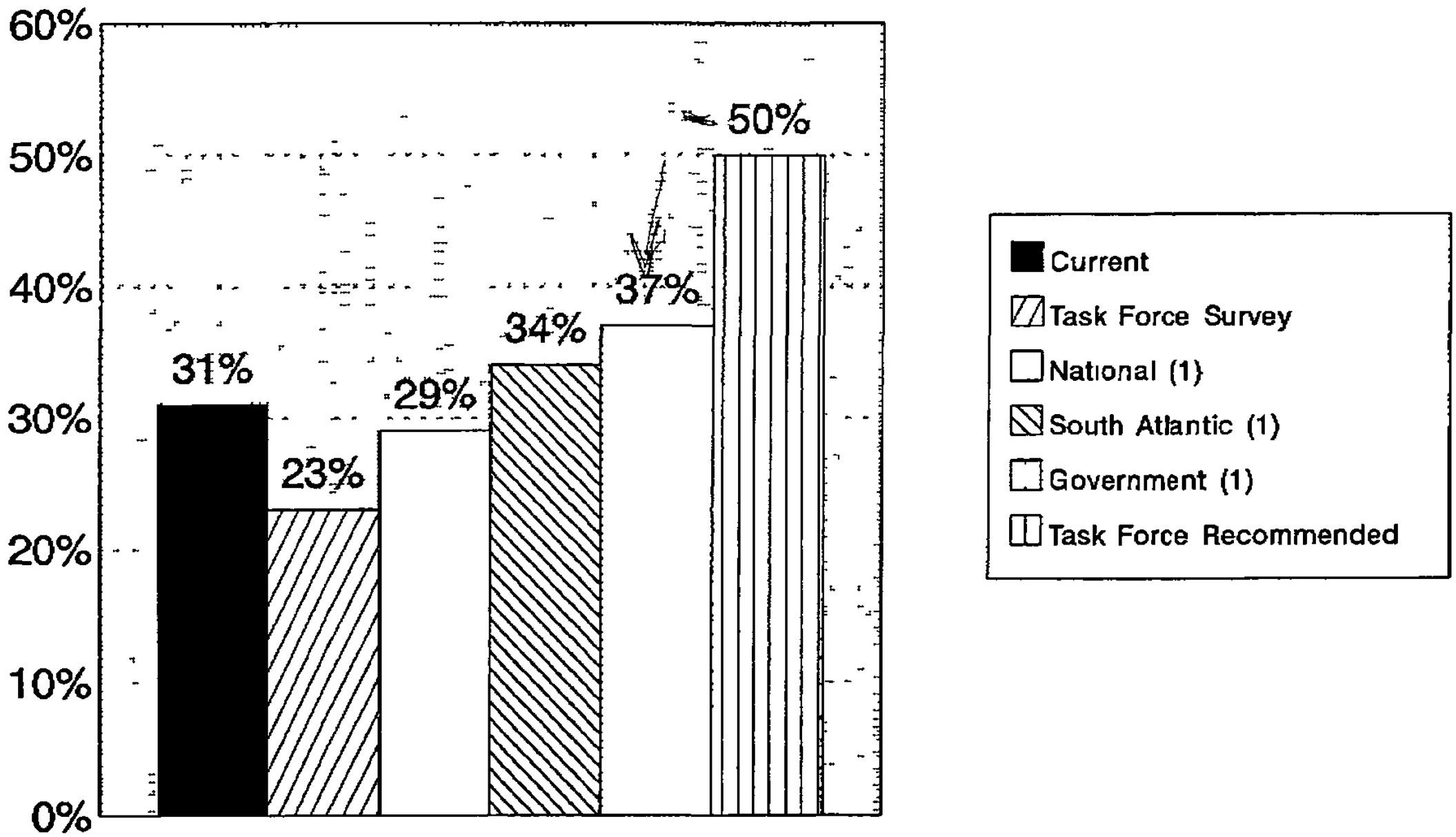
How Much Should We Pay?

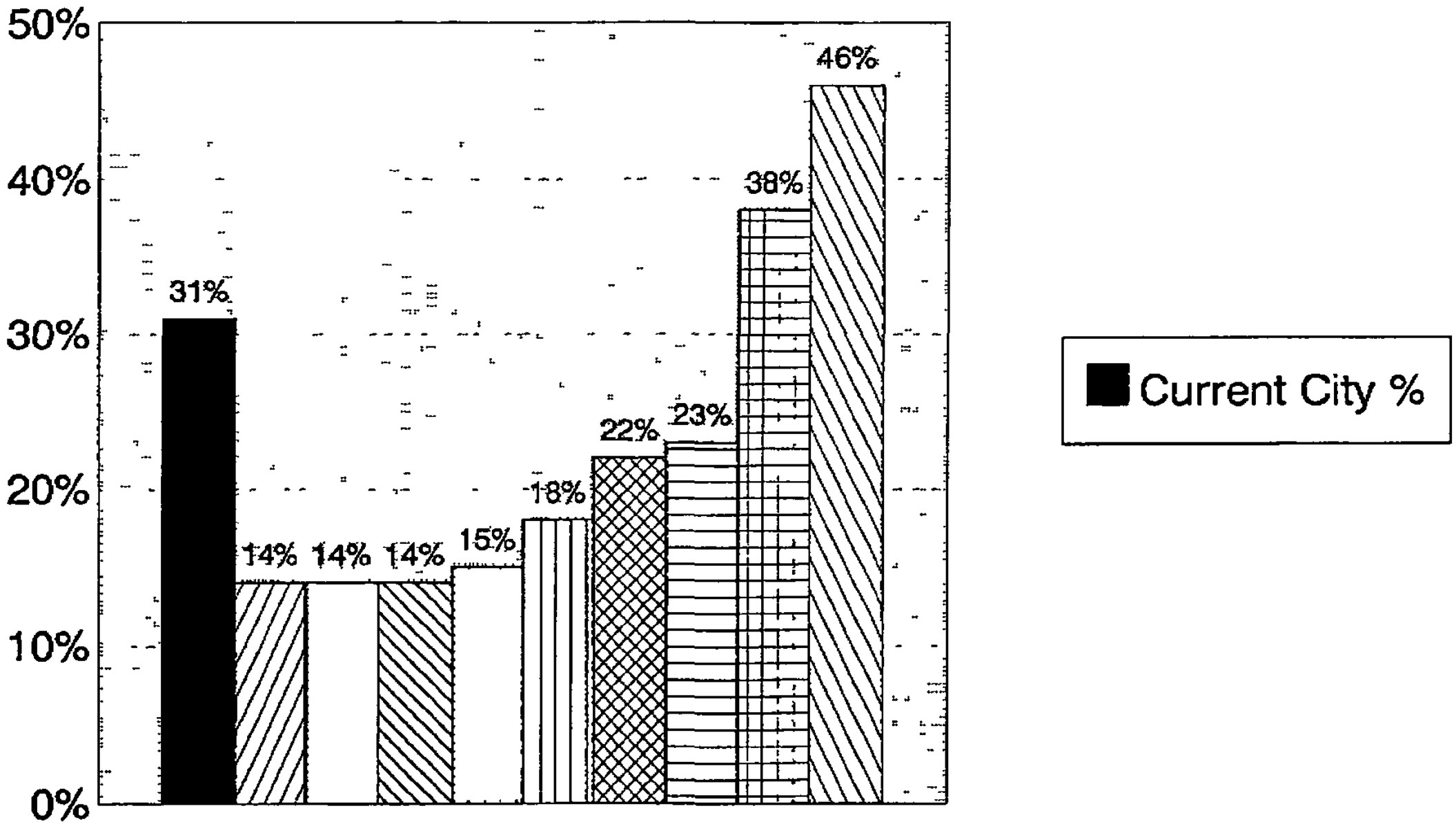
% of employee contribution for family coverage



(1) from 1992 benefits survey by Foster Higgins

How Much Do Others Pay?

% of employee contribution for family coverage



data on private sector companies as exhibited in Task Force report

To: City Council Members

WARREN O. DRYE (RET.)

15000 SHOPTON ROAD WEST
CHARLOTTE, NC 28278-7600
(704) 588-1251

June 4, 1993

RECEIVED
JUN 7 1993
CITY MANAGER'S OFFICE

Mr. Frank C. Barnes
President, CFEG
PO Box 472244
Charlotte, NC 28247

Re: Policy Statement May 25, 1993

Dear Frank:

The two recent policy statements to the elected officials, board of election members, the media and CFEG members disappoints me after having been very active for the past year.

The political positions are self explanatory, according to regulations regarding such activity.

The statement concerning taxation and spending while focusing on efficient city and county government, seems rather ambiguous.

How can you be concerned about taxation and spending and not be alarmed at some of the issues which ultimately dictate increased taxation and spending?

The issues are so numerous, that it is impossible to discuss them all at this time. Since the elected officials and the media concentrate heavily on the frivolous ones, let me illustrate one of each.

City garbage collection, whether once a week or twice a week, roll out, or back yard pick up, will impact taxes and spending. County residents outside the city limits of Charlotte or the other six incorporated towns, have always rolled it out for private pick up, or else hauled it off themselves. It should not be a difficult problem for the city officials to decide what to do!

The new county storm water drainage fee of $35.00 minimum per household, per year, will be used to maintain city drainage systems. There will not be one drop of rain water in the unincorporated area that will ever find its way into a city drainage system. Those of us who will not get by with the minimum can expect about $150.00 or more per year increase in taxes! Talk about tax inequity!!! The police and city

parks "so called" inequity, saved the average city resident less than $15.00 per year and increased residents outside the incorporated areas as much as $500.00 or more per year!! Now the unincorporated area will continue to pay for the law enforcement while giving up the level of service.

After the 1992 primary, CFEG members asked me to join them and become active in county issues. I have privately and openly in board meetings, made the statement that the issues CFEG addresses are primarily city orientated. Rhetoric at these meetings have proven this to be correct. Recently I discussed with a CFEG board member, the dichotomy between Senator Odom and Mayor Vinroot on the annexation bill now before the General Assembly. The answer to me was "Odom is looking out for citizens outside the city limits and not the city of Charlotte and I don't agree with him".

Plans for CFEG to expand into chapters or sub chapters to further enhance county interest. Under your stated policy, this will be no more effective than any other pyramid organization. It will do no more than focus on over taxation and spending and offer no serious involvement as to the cause and effect.

The concept of CFEG is a valid and potentially effective one, but continually talking about "no increase in taxes and spending" without addressing some of the decisions is not a very formidable one.]

I am convinced that my efforts of contribution to CFEG from a county perspective will be of little value to you in the future.

Sincerely,

Warren O. Drye

WOD/bd

cc: City Council Members
County Commissioners
Board of Elections Members
The Media

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50 - 50 1/8

B 100000 e 50

MEMORANDUM

June 16, 1993

TO: City Council Members, County Commissioners

FROM: Transit Liaison Committee
Councilmember Ella Scarborough
Councilmember Tom Mangum
County Commission Chair Parks Helms
County Commissioner Doug Booth

SUBJECT: Nominations for Transit Committee of 100

Both the City Council and County Commission have approved the Transportation/Transit Strategic Process and the proposed profile and charge to the Committee of 100.

The Commission asked that the profile of membership be amended to reflect representation from the trucking industry as well as the Chambers of Commerce from throughout the County, e.g. North Mecklenburg, Town of Matthews, etc. The attached profile reflects these changes; please use the profile as a guide for suggesting nominees to the Committee.

As you know, the Committee will be made up of 50 nominations from the County, with 10 of those from the Commission Chair, and 50 from the City, with 10 from the Mayor. The Mayor and Commission Chair will jointly appoint the Chair of the Committee of 100. After the Committee Chair is selected, the Chair and Liaison Committee will appoint a Steering Committee of approximately 12 people and also make the rest of the appointments to the Committee of 100 from the list of nominees you provide.

We request that you submit your nominations no later than Monday, June 28.

For each nominee, please submit name, address, phone number, category for which he or she is being nominated, and an indication of nominee's willingness to serve. Submit this information on the attached forms to:

Lynn Purnell, Senior Transportation Planner
Charlotte Department of Transportation
6th floor, Charlotte-Mecklenburg Government Center
336-3902

Contact Lynn Purnell if you need additional forms.

The Committee of 100 will serve a critical role in developing a consensus about the future of transportation/transit for our community and region.

We anticipate that the Committee of 100 will meet monthly at the start of the process, then quarterly throughout the remainder of the projected 16 month timetable. Members may also be asked to attend one or two other meetings as part of committee study groups on specific issues.

We are excited as we move forward on these important appointments. If you have any questions about the appointment process, please contact one of us or Boyd Cauble or Julie Burch at 336-2241.

cp
Attachments

c: Mayor Richard Vinroot
Wendell White
Jerry Fox

Young Audiences, Inc.

Project REACH

Project REACH is a new program of Young Audiences designed to extend its arts-in-education services and advocacy activities to communities that have a strong commitment to developing arts-in-education programs of the highest quality. YA will work with schools, school districts, and cultural organizations of all types -- performing arts producers, museums, local arts councils, performing arts centers, and others The primary goal of Project REACH is to help organizations implement, improve or expand their community's arts-in-education programs. As part of its commitment, YA will provide technical assistance services throughout a five-year affiliation period, and cash grants for each of the first three years at each site

Why is the program called Project REACH?

The program is called Project REACH (Realizing Excellence in the Arts for Children) in order to help convey its essential characteristics

- a focus on school-age children as the chief beneficiaries of the project
- an emphasis on excellence in the field of arts-in-education
- a commitment to providing broad arts education services to a wide range of communities and organizations rather than simply establishing YA chapters and programs

What are the guiding assumptions of Project REACH?

Project REACH is based on several guiding assumptions.

- that education is locally based and educational needs must be identified, addressed, and ultimately funded at the local level
- that many excellent program models exist in arts education but that information about them has been poorly disseminated
- that the most valuable role a national service organization in arts education can play is to provide ideas, guidance, training, standards, networks and seed funding to develop excellent programs
- that it takes at least five years to establish a quality arts-in-education program in a community

How will Project REACH work?

Project REACH will be a competitive program in which organizations and agencies apply to Young Audiences for a minimum five-year affiliation YA will choose up to five communities each year These will include a wide range of organizations in all parts of the country representing cities, suburban areas, rural sites, and regional centers

Each applicant will submit a detailed five-year arts-in-education plan and will have to demonstrate the capacity to provide a substantial local cash match to the program The plans may include some or all of the following:

- intensive training of local artists, performing groups, and arts organizations to work with school personnel
- the implementation of extensive residency programs
- the development of a community-wide, curricular-based arts-in-education program
- teacher training and curriculum development
- outside certification of local arts-in-education programs and artists
- planning and implementation of a model YA project such as Arts Card or Run for the Arts
- replication of any other proven arts-in-education program

YA services extended to Project REACH affiliates will include

- site visits by YA national staff
- consulting assistance from arts-in-education professionals, board members, volunteers, funders, and school representatives with appropriate experience and expertise in creating or supporting model arts-in-education programs
- assistance from other nationally recognized consultants deemed appropriate by the community and YA
- use of YA videotape training materials, resource library, and resource bank

- use of nationally produced arts-in-education public service announcements
- attendance at YA national conferences and Arts-In-Education Training Institute
- annual grant on a matching basis
- assistance with local fund raising and advocacy
- certification of program quality by nationally recognized experts

At the end of the five-year cycle, neither Young Audiences nor the community organizations will be under any obligation to continue the relationship. However, if an ongoing association seems appropriate, two options will be possible a) the organization may remain an affiliate member of Young Audiences or b) the organization may spin-off an independent 501(c)3 non-profit corporation dedicated exclusively to arts-in-education programming These organizations may or may not choose to be affiliated with Young Audiences

What conditions make a community a likely candidate for involvement in Project REACH?

Communities where most of the following conditions exist.

- strategic moment in the community for arts education development
- a community in which YA and Project REACH could make a significant difference
- strong local organization with which to affiliate
- local enthusiasm for an affiliation with YA
- strong interest in and commitment to arts education by key community leaders
- some evidence of community-wide planning in the arts and education
- strong financial capability
- no major local obstacles that would undermine the work of Project REACH

How will YA assure standards of excellence for Project REACH sites?

One of the most important aspects of Project REACH for many communities will be its ability to create and maintain standards of excellence. Applicant organizations will either be certified for program quality or will be required to submit detailed plans on how current programs will be upgraded through the project

The YA Certification Program is designed to create a systematic approach to preserving high quality program standards in the arts-in-education Certification visits are carried out by a team of arts education professionals of national reputation The certification process centers around the artistic and educational aspects of an arts-in-education program. Team members observe representative programs and confer with local board, staff, and advisors The certification visit is preceded by the subsmission of a self-evaluation that determines the foucs for the team's assessment

How will Project REACH work with other national arts-in-education programs who work with local community organizations?

Project REACH is designed to complement rather than compete with other national efforts (e g Lincoln Center Institute, The Kennedy Center, the Metropolitan Opera Guild) Since YA does not require a community organization to adopt a particular model, Project REACH can build on the good work of other national resources to the field and support these organization's efforts without duplicating their program services

June 16, 1993

Dear Council Member:

I am writing you to request that you vote for the Manager's Staff Compensation Task Force recommendation and not the Mayor's Task Force recommendation. I think that most City Employees recognize the need to change our health plan due to the rising costs of health care but consideration should be given to how our entire benefits and compensation plan compares to the private sector and not one piece of it at a time.

The private sector has many benefits such as profit sharing, matching 401(K) contribution and bonuses that City Employees do not have or will never be able to have.

If city employees begin contributing to single medical coverage, their total contribution will be greater than the average cost for people in the private sector. If you look at Exhibit D of the Mayor's Task Force Report and total the current city employee contribution, it totals $119.24. If you total the private sector contribution, it totals $120.67; the two seem very comparable. Even if you look at the single medical and family medical costs totaled, the city employee pays $106.71 and the private employee pays $102.01. Again very comparable.

I have been working for the City of Charlotte as an engineer at the Utility Department for eight years and have enjoyed it very much. As our benefits become less attractive, the opportunities outside the City's employment are becoming more and more attractive. There are a lot of talented people who work for the City that have helped to make Charlotte an exceptional city and have provided a high quality of services to the community.

Again, I hope that you will vote with the Manager's Staff Task Force recommendation and not the Mayor's.

Thank you.

Sincerely,

Jackie Townsend

Jacqueline A. Townsend, P.E.
Civil Engineer II
Charlotte-Mecklenburg Utility Department

June 15, 1993

Cyndee Patterson
Council Member At-Large

Dear Cyndee·

Please excuse the fact that this letter is "eleventh hour." I served one year in Internal Consulting through the rightsizing process and had numerous opportunities to witness the inner workings of Council I will admit that I was less than passionate about the proposed benefits changes earlier in the budget process My new assignment is in the Utility Department, and I wanted to share what that has done to my perspective

Personally, I am single with no dependents, I am in the Exempt Pay Plan, and I am just five years out of the private sector where we were forced to make some of the same decisions that face you Therefore, any insurance contribution required of me would have no major impact on my lifestyle nor do I feel that it is a cost I should not have to bear. That is not true, however, for the majority of our crews and other General Pay Plan employees (567/678 employees) Not to be overly dramatic, these are the ones who are out there in the hot sun and cold rain providing good customer service to our citizens, fixing main leaks and cleaning out the sewers

When I see how emotional they become about this issue (which is really just one manifestation of the perception that they are not appreciated), it makes me pause to empathize with them This is important to them and it will dramatically impact their families You and your fellow Council members call on us repeatedly to handle citizen complaints We may not get the "glory" of a Police Officer or a Firefighter, but we are part of the backbone of this City, whether we are handling a difficult situation or just improving the quality of life in Charlotte by the day-to-day nature of our work

It is somewhat unfortunate that Council has been taken to task when I know that you do recognize the good job that the vast majority of employees are doing You have two Mayor's Task Force recommendations before you, one from the Organization Task Force and one from the Compensation and Benefits Task Force I would urge you to take John Carrenti's words to heart about avoiding micromanaging and trusting the Manager Wendell White has a good staff You applauded our ability to bring a budget to the table with no tax increase The staff's benefits recommendations were not inconsistent with the Mayor's Task Force's They did not ask for a "free ride" for employees They recognized that we must adjust our approach to insurance while phasing in the "hit" to the take home pay

You have a tough job I could not hear citizens' requests without wanting to do something about the autistic group home or the spay-neuter vs euthanasia emphasis for Animal Control or most any other of the myriad matters that come before you

Neither should you have to be unfairly criticized by employees who make assumptions, except for the fact that they do feel strongly that we should have a voice, too. I have never been of the opinion that we were entitled to step increases, cost of living raises, etc But we are entitled to respect for what we as a group contribute to Charlotte

I urge you to support the Manager's benefits recommendations when you take your straw poll on the budget Thank you for your attention

Sincerely,

Linda Katsaduros

Linda Katsaduros
Administrative Officer II
Charlotte-Mecklenburg Utility Department

Cyndee,
Won't you reconsider running again? We can certainly use some wise heads to lead us

CITY OF CHARLOTTE
MAYOR'S OFFICE

MEMORANDUM

DATE: June 14, 1993

TO: City Councilmembers
O. Wendell White

FROM: Mayor Richard Vinroot

RE: Garbage for Guns, Part II

I hope we decide to go to curbside garbage collection immediately (which probably means about January 1, 1994, based on what the staff tells me will be required to implement this change). I also hope we will divert the savings to public safety (more police officers, etc.) Those decisions will presumably be made during our "straw vote" on the budget Wednesday night.

If and when we take these steps, I would also encourage us to consider "privatizing" some portion of the garbage collection process. We will be reviewing the final report of the Privatization Task Force very soon, and I assume that like the interim report, it will lean heavily on the value of introducing "competition" into public services. This can be accomplished by subjecting what we now do publicly to competition with the private sector, thus permitting the low bidder to do the work at least cost to the taxpayer whether the private sector bidder gets the work or not (and in many instances I suspect they won't because the public sector will be able to do it cheaper). This competition will keep costs down and prove to all concerned we're getting the most for our money.

My thought would be that when we begin curbside pickup, we submit to private bid some portion of the city and observe how the public and private costs and services compare over the first year or so. Thereafter, we can make better judgments about whether to privatize on a broader scale based on the more limited experience.

We received correspondence from Barney Lawson, a member of the Privatization Task Force, on this subject last week and a couple of months ago that indicate he has some expertise in this area. If so, I'd suggest Wendell and Wayman Pearson talk with Barney and take advantage of any ideas he may have.

mds

CITY OF CHARLOTTE
MAYOR'S OFFICE

MEMORANDUM

DATE: June 14, 1993

TO: City Councilmembers
O. Wendell White
Bob Pressley

FROM: Mayor Richard Vinroot

RE: Carolinas Transportation Compact/1993-94 Work Program

Enclosed is a memo with enclosures I received from Sonny Timmerman. Please give me any comments or suggestions you may have and I'll relate your concerns to the CTC board.

mds

Enc.

CAROLINAS TRANSPORTATION COMPACT
UNC Charlotte Urban Institute
Charlotte, North Carolina 28223

H E "Sonny Timmerman
Executive Director
704/547-2317

Memorandum

To: CTC Members

From: Sonny Timmerman Sonny

Date: June 11, 1993

Subject: Work Program

Attached is the Work Program for FY 1993-94 which you requested at the last CTC meeting I also included the Work Program for this year (FY 1992-93) for your comparison If you need any more information for your councils, please let me know

Carolinas Transportation Compact

SUMMARY OF
WORK PROGRAM FOR FISCAL YEAR 1993- 1994

INTRODUCTION

The work program will describe the activities undertaken to support the member governments of the CAROLINAS TRANSPORTATION COMPACT (CTC) The CTC is a regional transportation planning organization for the hub of the two Carolinas whose mission is to serve the local governments of the Charlotte, NC - SC Metro region, establish pro-active efforts to plan for adequate regional transportation facilities that will enhance quality of life and economic opportunity within the region, complement, strengthen and cooperate with the two states, MPOs and local governments in transportation planning, transportation delivery and management, and focus on regional, multi-county and bi-state transportation issues which transcend political and functional responsibilities

ADMINISTRATION

A-1 PROGRAM MANAGEMENT

Work Proposed The Executive Director and the staff of the CTC will manage the overall program, monitor expenditures, evaluate progress on individual work items, as well as set up and coordinate all meetings of the CTC and its committees The CTC staff and Urban Institute staff will handle all correspondence, newsletters, payments and other general administrative activities (includes University fees) Program management includes all general activities not included specifically in other areas of the work program.

REGIONAL PLANNING

B-1 HIGHWAYS

Work Proposed. The CTC will work with state and local governments to assist and plan for corridor improvements as necessary Specific corridors that may be studied are listed below

The two state transportation agencies have completed phase 1 of a feasibility study of the "Carolinas Parkway" This study included a review and identification of alternative corridors, and an evaluation of the corridors on the basis of travel service, economic considerations, environmental impacts, cost and relationship and impacts on currently programmed or planned highway projects. The CTC will work with the two states to help assess the need and local desires for such a facility should the states proceed with subsequent phases.

The state is considering a major upgrade of the NC 49 corridor from Charlotte to Raleigh. The CTC will work with and assist the state and local governments as requested.

The CTC may assist Cleveland County to evaluate select corridors The US 74 corridor, for example, is proposed to be improved to connect I-85 to I-26

York, Lancaster, Union and Gaston counties are proposed to be connected by improvements to NC 75, SC 122 Ext., SC 161 and US 321 The CTC has and will continue to assist the local governments in evaluating and promoting improvements to these corridors.

B-2 MASS TRANSPORTATION

Work Proposed A study of the feasibility of and organizational structure for a regional mass transportation system is underway This study focuses on the current and potential future demand for regional and inter-city mass transportation, the type of service, as well as the role transit plays both now and in the future in the regional movement of people and goods Results of this study show that some regional system is desired and needed.

The feasibility phase of the RTA study was completed in October 1992 A second phase was begun in the fall of 1992 to draft possible state legislation, obtain ideas and input from local governments

in the region and try to develop a consensus proposal from local governments The CTC will assist local governments and the state as requested on further efforts to plan for an RTA

The CTC has and will continue to assist local governments to plan and implement specific mass transit improvements One such corridor is the Rock Hill to Charlotte express bus service The CTC will assist as requested for any other specific routes or comprehensive services

B-3 PEDESTRIAN, BICYCLE AND TRANSPORTATION ENHANCEMENTS

Work Proposed. The CTC will assist the two states and local governments as requested to plan and implement any projects to support the movement of people by non-motorized means and in the preservation and protection of rail rights-of-way for future pedestrian, bicycle or transit use Any other types of transportation enhancements that are provided for under the Federal Intermodal Surface Transportation and Efficiency Act (ISTEA) will be supported as requested by state and local governments.

It is essential for local communities to plan now for the protection and preservation of existing rail corridors that may be abandoned These rail corridors could be used for transportation or other public use An assessment of all rail corridors will be made and evaluated for potential public use Work will continue on the legislative fronts to insure that state statutes are adequate for the needs of this region.

The CTC will assist the two states and local governments when requested to develop regional bicycle plans to facilitate the use of transportation corridors by bicycle riders. Coordination of the bikeways and pedestrian facilities with other modes of transportation will be promoted and planned.

B-4 REGIONAL TRANSPORTATION PLAN

Work Proposed. The "Vision Paper", describing the directions the Charlotte Metro Region may take over the next 50-75 years was published by the CTC and UNC Charlotte in January 1992, and in December of 1992 a "regional source book" developed by Michael Gallis and the City of Charlotte was published. Work has begun on a regional transportation and investment plan. Activities during FY 93-94 would center on coordinating with the two state transportation agencies, the MPOs and the COGs to set up the framework for the development of a regional transportation plan This would include the development of a regional transportation database and would be coordinated with work item C-2

ASSISTANCE TO LOCAL GOVERNMENTS

C-1 LOCAL ASSISTANCE AND SERVICE

Work Proposed Assistance will be provided to all member governments in their transportation related activities The CTC will encourage and attend periodic meetings with the staff of the MPOs to ensure coordination of transportation plans within the region The CTC will sponsor meetings of the committees of all MPOs in order to promote regional cooperation and goals The CTC will assist any government in the region, upon request, in conducting any transportation planning studies. This asssistance will be based on available staff and budget

C-2 LOCAL TECHNICAL TRANSPORTATION SUPPORT

Work Proposed Assistance will be provided to all MPOs and the states by sponsoring an effort to coordinate travel models The CTC would develop a regional travel model and a regional travel data base using computer programs that are as compatible as possible with those used by each MPO in its local forecasting The regional travel model could then provide travel estimates between MPO travel figures and insure that each local MPO model can be developed using the same regional travel estimates. This effort would improve the compatibility of travel forecasts by adjoining MPOs, provide useful transportation data for the states and should result in compatible plans and program recommendations. The CTC staff will assist the states and any MPO as requested.

Carolinas Transportation Compact

Funding Summary for the FY 93 - 94 Work Program

May 17, 1993

Work Item		Anticipated Funding Source	Estimated Task Expenditure
	ADMINISTRATION		
A-1	Program Management	CTC	$35,000
	REGIONAL PLANNING		
B-1	Highway Planning	CTC	$30,000
B-2	Mass Transportation	CTC	$20,000
		Other	$15,000
		NCDOT unkn	
		SCDHPT unkn.	
		S C (Exp Bus)	$40,000
		subtotal	$75,000
B-3	Pedestrian, Bicycle and Transportation Enhancements	CTC	$10,000
		Other	$20,000
		subtotal	$30,000
B-4	Regional Transportation Planning	CTC	$40,000
		State(s)	$45,000
		subtotal	$85,000
	ASSISTANCE TO LOCAL GOVERNMENTS		
C-1	Local Assistance & Service	CTC	$35,000
C-2	Local Technical Trans. Support	CTC	$20,000
		Other	$20,000
		State/MPO	$45,000
		subtotal	$85,000
	WORK PROGRAM TOTALS	CTC	$190,000
		All Others	$185,000
		TOTAL	$375,000

CAROLINAS TRANSPORTATION COMPACT

WORK PROGRAM SUMMARY FOR FISCAL YEAR 1992- 1993

INTRODUCTION

The work program will describe the activities undertaken to support the member governments of the CAROLINAS TRANSPORTATION COMPACT (CTC) The CTC is a regional transportation planning organization for the hub of the two Carolinas whose mission is to serve the local governments of the Charlotte, NC - SC Metro region, establish pro-active efforts to plan for adequate regional transportation facilities that will enhance quality of life and economic opportunity within the region, complement, strengthen and cooperate with the two states, MPOs and local governments in transportation planning, transportation delivery and management, and focus on regional, multi-county and bi-state transportation issues which transcend political and functional responsibilities

This work program is divided into three main sections These sections will focus on activities in the areas of (A) - Administration, (B) - Regional Planning, and (C) - Assistance to local and state governments Each section details the activities proposed, staffing and funding.

ADMINISTRATION

A-1 PROGRAM MANAGEMENT

Work Proposed - The Executive Director and the staff of the CTC will manage the overall program, monitor expenditures, evaluate progress on individual work items, as well as set up and coordinate all meetings of the CTC and its committees Other UNC- Charlotte staff and the Executive Director will handle all correspondence, newsletters, payments and other general administrative activities (includes University fees) Program management includes all general activities not included specifically in other areas of the work program

REGIONAL PLANNING

This area of the work program details the technical activities proposed and the studies to be done in support of the CTC's regional goals All transportation planning activities undertaken that require any CTC funds are described If other funds are involved, they are also shown so that the total magnitude of the work activity can be seen

B-1 HIGHWAYS - "CAROLINAS PARKWAY"

Work Proposed - A feasibility study of the "CAROLINAS PARKWAY" is underway in cooperation with the two state transportation agencies This study includes a review and identification of alternative corridors, and an evaluation of the corridors on the basis of (1) travel service, (2) economic considerations, (3) environmental impacts, (4) cost and (5) relationship and impacts on currently programmed or planned highway projects Any recommendations are to be published.

B-2 MASS TRANSPORTATION - RTA FEASIBILITY STUDY

Work Proposed - A study of the feasibility of and organizational structure for a regional mass transportation system is underway This study focuses on the current and potential future demand for regional and inter-city mass transportation, the type of service, as well as the role transit plays both now and in the future in the regional movement of people and goods Results of this study show that some regional system is desired and needed, and an evaluation of the type and scope of an organization to manage and set policy is underway

The feasibility phase of the RTA study should be completed in October 1992 If this feasibility study results in an acceptable authority for the region, it is anticipated that two additional phases may be

needed. The first would consist of assisting the states in implementing the desired RTA and carrying out necessary local functions until a governing body and funding is in place The second phase could be a technical assessment of travel patterns and transit demands This demand analysis would allow the RTA to "hit the ground running" when it is formed and funded by legislation

B-3 RAIL RIGHT-OF-WAY PRESERVATION

Work Proposed - It is essential for local communities to plan now for the protection and preservation of existing rail corridors that may be abandoned These rail corridors could be used for transportation or other public uses An assessment of all rail corridors will be made and evaluated for potential public uses after the first phase of the RTA Feasibility Study is completed Work will continue on the legislative fronts to insure that state statutes are adequate for the needs of this region

B-4 AIRPORTS

Work Proposed - The State of North Carolina has conducted a feasibility study for a "cargo airport-industrial complex" This "complex" is envisioned as a combination airport-manufacturing facility employing up to 30,000 people and requiring 10,000 - 15,000+ acres of land Several potential sites in the region served by the CTC have been analyzed for such a facility The CTC must continue to promote cargo sites in this region

B-5 REGIONAL TRANSPORTATION PLAN

Work Proposed - The "Vision Paper" describing the directions the Charlotte Metro Region may take over the next 50-75 years was published in January 1992 Work has begun on a regional transportation and investment plan Activities during FY 92-93 would center on coordinating with the two state transportation agencies, the MPOs and the COGs to set up the framework for the development of a regional transportation plan

ASSISTANCE TO LOCAL GOVERNMENTS

This section contains the work proposed to assist the member governments in their transportation activities

C-1 ASSISTANCE AND SERVICE

Work Proposed - Assistance will be provided to all member governments in their transportation related activities The CTC will encourage and host periodic meetings with the staff of the MPOs to ensure coordination of transportation plans within the region The CTC will sponsor meetings of the policy making committees of all MPOs in order to promote regional cooperation and goals The CTC will assist any government in the region, upon request, in conducting any transportation planning studies - based on available staff and budget.

C-2 LOCAL TRANSPORTATION SUPPORT

Work Proposed - Assistance will be provided to all MPOs by sponsoring an effort to coordinate travel models The CTC would develop a regional travel model and a regional travel data base using computer programs that are as compatible as possible with those used by each MPO in its local forecasting The regional travel model could then provide travel estimates "between" MPO travel figures and insure that each local MPO model can be developed using the same regional travel estimates This effort would improve the compatibility of travel forecasts by adjoining MPOs, provide useful transportation data and should in compatible plans and program recommendations

Carolinas Transportation Compact

Funding Summary for the FY 92 - 93 Work Program

	Work Item	Anticipated Funding Source	Estimated Task Expenditure
	ADMINISTRATION		
A-1	Program Management	CTC	$35,000
	REGIONAL PLANNING		
B-1	Highway Planning	CTC	$20,000
B-2	Mass Transportation	CTC	$40,000
		Other	$0
		NCDOT	$85,000
		SC	$15,000
		subtotal	$140,000
B-3	Rail Preservation	CTC	$10,000
		subtotal	$10,000
B-4	Airports	CTC	$5,000
		subtotal	$5,000
B-5	Regional Transportation Planning	CTC	$20,000
		subtotal	$20,000
	ASSISTANCE TO LOCAL GOVERNMENTS		
C-1	Local Assistance & Service	CTC	$35,000
C-2	Local Technical Trans Support	CTC	$20,000
		subtotal	$20,000
	WORK PROGRAM TOTALS	CTC	$185,000
		All Others	$100,000
		TOTAL	$285,000

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Pat

115-061493-Vinroot
June 16, 1993

Mayor Vinroot and members of City Council
City of Charlotte
CMGC
600 East Fourth Street
Charlotte, NC 28202

Dear Mayor and members of City Council.

Ref: The Manager's Budget for FY94 and FY95.

It is encouraging to see that the City Manager, with encouragement from the Democrats on Council, has finally seen the light that CFEG and I have been carrying in front of them for years Just a few months ago the Manager told us we might expect a nine cent tax increase Now we are down to no tax increase. I wonder where the difference is between his nine cents a few months ago and no increase now.

Nevertheless, I feel the budget presented to us does not fit with what I perceive the public wants and deserves This budget presented to us is balanced "on the backs of future crime victims." The Manager, in the budget, continues to fund, at the same or *higher levels, all sorts of items that were not high on the services assessment analysis.* I propose several changes in the budget which will keep the budget for next year at a level which will not cause a property tax increase and yet a budget which is sensitive to the needs and wants of our citizens Where are your priorities?

More sworn Police Officers to provide for more Community based police and investigators.

	FY 94	FY 95
Add an additional 150 Sworn Police Officers		
50 During Last Half FY 94	+$ 652,250	+$2,250,000
50 During First Half FY 95		+$1,218,750
50 During Last Half FY 95		+$ 652,250
Cost of more Police Officers	+$ 652,250	+$4,121,000
Provide for 10% Hazard Pay for Patrol Officers(1)	+$3,500,000	+$3,850,000
Misc Added cost of Community Based Policing(2)	+$ 580,000	+$1,000,000
Total Added cost of Anti-Crime Efforts	+$4,732,250	+$8,971,000

Equity for Firefighters	FY 94	FY 95
Provide 10% Hazard Pay for Firefighters on line(3)	+$3,250,000	+$3,500,000
Total Funds Needed for recommendations:	+$7,982,250	+$12,471,000

HERE IS WHERE THE MONEY COMES FROM:

	FY 94	FY 95
A. Coliseum Authority		
Steve Camp made the comment to the Privatization Task Force that he could increase the operating profit of the coliseum by $2,000,000 per year if he is directed to do so. Let's direct him to do so Then let's direct him to use $1,400,000 in FY 94 to pay part the Coliseum's bonded indebtedness and use the $2,000,000 in added operating operating profits in FY 95 to pay on their bonded indebtedness.(4)	-$1,400,000	-$2,000,000
Following are specific cuts recommended.		
B. Freeze all vacant positions		
As of June 1, 1993, according to the City's Position Control Report, there were 131 vacant positions in the General Fund not including vacancies in the Police Department or Fire Department. Freeze these positions for all of FY94. Assume the savings to be $30,000 per year including fringe benefits.	-$3,668,000	-$3,668,000
C. Privatization		
We currently have a Privatization Task Force looking at ways to reduce the cost of government. We have to privatize part of our government. Now is the time to set a goal for savings from our future privatization efforts (5)	-$ 500,000	-$2,000,000
D. Roll out garbage		-$1,500,000

E. Funding for the Arts	FY 94	FY 95
Beginning in FY 94 tell the Arts groups that we are going to treat them just like Hezikiah Alexander House. We are going to wean them off our dole at the rate of 20% per year for five years at which time they will be self sufficient.(6)	-$421,249	-$782,498

F. Support Businesses changes.(7)		
Support Businesses are, Mayor/Council, City Attorney, City Clerk, City Manager, Human Resources, Finance, Support Services, and Budget and Evaluation.		
Reduce each year by 10%	-$646,310	-$664,170

G. Miscellaneous Other Program changes		
Reduce the following items.		
6 Employee Training Program (8)	-$ 40,000	-$ 60,000
7 Management Development Program (9)		-$ 50,000
8 Contribution to Community Development (10)	-$ 308,760	-$ 341,495
12. Sell City Fair - Eliminate Garage Subsidy (11)	-$ 285,628	-$ 452,600
22. Office Supplies and Computer Supplies(12)	-$ 120,000	-$ 240,000
24. Motor Transport Inventory Purchases(13)	-$ 511,200	-$1,022,400
Implementation of revised Medical Plan Option #2.(50% of savings.)	-$405,000	-$525,000
Transit System Reduce contribution from General Fund by the amount generated by increasing fares by 25% which should generate a 15% increase in fares collected.(14)	-$882,282	-$901,950
Do not buy Right of Way for Light Rail	-$400,000	-$400,000

	FY 94	FY 95
Total of all changes to reach goal.	-$9,588,429	-$14,608,113

When we engaged Organization Consultants, Inc. to help us with a services assessment, I felt we would get back from them a product that would be of positive help to us. That is exactly what they gave us. Now it is time to change our emphasis to reflect what it is the citizens of Charlotte want.

The most important single item to them was Police. When the Manager presented this budget to us he should have put Police first.

We now have to change the mix of expenditures in the budget and still come up with a budget that has no property tax increase in it

If we direct the Manager to implement the changes I have recommended he will do it.

It is time for us to come to an answer to the question, "Do we want to do something about crime or not?" If the answer is yes, then we must fund 150 more sworn police over the next two years. Simultaneously we must do so with no tax increases.

I sincerely hope that you will join me in implementing a budget that is responsive to the needs of all of our citizens

Sincerely,

Don Reid

CC Wendell White
Media

Notes to Budget Changes:

(1) The turnover rate in the police department is not acceptable Although there may be a lot of reasons for these two problems, high personal risk and insufficient pay must have something to do with it Therefore let's provide for Hazard Duty Pay for those Police Officers who are out there on the line risking their lives for us.

(2) Community based policing has been effective in almost every community that it has been tried around the country and it has been successful here Let's direct the Manager to accelerate the implementation of community based policing here in Charlotte There must be added costs, not provided for in the budget, for acceleration of the expansion of the Community based policing concept. Also provides funds to add additional investigators.

(3) It seems fair to provide the same hazard duty pay to Firefighters on the line that

we provide line Police Officers.

(4) There are two ways to solve the problem of the Coliseum. We can direct the Authority to do whatever is necessary to increase their operating profit by $2,000,000 per year and direct them to use this additional income to pay off part of their bonds. The other alternative is to privatize the Coliseum. As long as the City owns the Coliseum we run the risk of George Shinn building his own Coliseum in South Carolina and moving the Hornets. We could pay off somewhere between $75,000,000 and $90,000,000 in G. O. Bonds from the proceeds of the sale of the Coliseum. This could reduce our annual expense for Bond payments by $6,000,000 per year.

(5) Privatization should be pursued in every area where we can reduce the costs of government while offering similar service to our citizens. I believe the Privatization Task Force will provide us with a plan that we can follow to significantly reduce the costs of our Government over the next two to four years This should be treated just like the Manager treated Rightsizing when he said that he didn't know where he would find the savings but he would find them

(6) It is my opinion that city government should not be in the business of subsidizing the arts. Providing for adequate police for those most subject to having a crime perpetrated on them is far more important than providing for the arts Therefore I suggest that we plan a phase out of our support of the Arts and Science Council over a five year period, 20% each year, beginning in FY 94 The Hezikiah Alexander House has been successful in shaking off the bureaucrats who wanted to control it and will survive in a better form than it was when the people now responsible for it wrested it away from government.

(7) The Organization Task Force told us that our government was top heavy. They told us that we had too much supervision and too many levels of supervision.

(8) This is something we simply have to reduce in magnitude, or perhaps all together. I recognize that we may have to have job specific training, however not this generalized training.

(9) We can't afford to subsidize two graduate students.

(10) We can spend millions and millions on Community Development. We can spend $31,000,000 on rehabilitation of Earle Village. However, nothing good will happen on this scene until we have made all of Charlotte a safe place to be. Alternately, reduce the pay as you go levy by 10% which would generate $369,000 We shouldn't be spending money on new housing until we have made all housing safe.

(11) We should get rid of City Fair and its Garage. We should sell it to anyone who comes up with a viable alternative for the space providing they take the parking garage with it. The parking garage loses over $30,000 per month It is probably the only parking garage in Charlotte that loses money.

(12) Office supplies are budgeted to be the same for FY 94 and FY 95 as they were for FY 93. Based on the presentation on Channel 36 and headcount reduction I propose we reduce this budget 10% in FY 94 and another 10% in FY 95. I understand that the law says we must get bids on office supplies just like other merchandise, nevertheless if after receiving these bids we can drive to Office Depot or Office Max and buy office supplies for 20% to 50% less than the low bid we received, I can not believe that the law would prevent us from doing so to save money for the taxpayers Secondly, if we have reduced the number of employees significantly and we freeze employment, not positions, at the current level the use of office supplies has to go down.

(13) The proposed budget for spare parts is the same for FY 94 and FY 95 as it was for FY 93. Typically motor pools, having run one myself in the service, will stock as many parts as money will allow. The actual use of spares is seldom calculated by a computer program as it should be. Nothing serious will happen if we reduce this budget by 10% in FY 94 and another 10% in FY 95. During the next two years the Manager could assign Dave Cook the responsibility of buying and setting up software to track the use of spares and accurately predict the required quantity of each spare needed on hand.

(14) At one time the Council voted to increase transit fares. I propose that we increase transit fares by 25%. I have made the assumption that this will increase the Transit System Operating Revenue, page 16 of the proposed budget, by 15% in FY94 and FY95. I took 15% of $5,881,879 in FY94 and $6,013,137 in FY95.

TIMELINES FOR ROLL-OUT AND PRIVATIZATION

June, 1993

Sept, 1993

Jan 1994

July, 1994

ROLLOUT

Council approval of roll-out collection

Council reviews & approves contracts for carts, trucks, retrofit of existing trucks

Design specifications for carts trucks, retrofit of existing trucks

Delivery of carts & trucks

Begin roll-out collection Spring, 1994

PRIVATIZATION

Council reviews & approves report & process recommended by Privatization Task Force

Council reviews & approves RFP

Council awards contract

Design Request for Proposal (RFP) for roll-out collection

Pre-bid Conference

Bids received

Evaluation of bids

Begin roll-out collection 3 to 6 months after approval of contract (based on assumptions concerning RFP)

PRIVATIZATION SCHEDULES

PHOENIX

June, 1992	Request for Proposal (RFP) Issued
July, 1992	Mandatory Pre-Bid Conference
October, 1992	Proposals submitted
January, 1993	Bid award
July, 1993	Begin service

Section 10 yrs

Elapsed time from RFP to start of contract: 12 months

NEWARK

October, 1986	RFP Issued
November, 1986	Pre-Bid Conference
December, 1986	Proposals submitted
January, 1987	Bid award
July, 1987	Begin service

Section new –

Elapsed time from RFP to start of contract: 9 months

HOUSTON

December, 1988	RFP Issued
January, 1989	Pre-Bid Conference
February, 1989	Proposals submitted
March, 1989	Bid award
July, 1989	Begin service

Full

Elapsed time from RFP to start of contract: 7 months

Budget Workshop
June 16, 1993

Agenda

5 00	Children's Services Network Presentation	Ann Hammond Frank Spencer
5:30	Garbage - Service Collection Method	Wayman Pearson
	Privatization	Dave Cooke
6:15	Dinner	
6 30	Budget Decisions	

1. **Capital Improvement Program**

Issue	
#16	Neighborhood Matching Grants Program Status NEW
#17	Business Corridor Project
#18	Light Rail Right-of-Way Funding

2. **Operating Budget**

A. All Funds

#15	Employee Health Insurance
#20	Retiree Health Insurance (attached) • Separate Experience Rating • Defined Benefit Coverage
#13	Longevity

B General Fund - Services

#2	Additional Police Officers
#3	Grant for Drug Interdiction
#4	CityPage
#5	Public Information & Printing
#6	Cable Franchise Oversight Service
#7	CDOT Staff
#8	Street Lighting Standards

	Issue	General Fund - Contracts
C.	#10	COG Membership Fee
	#11	Carolinas Partnership Contract
	#12	Carolinas Transportation Compact
D		Other Funds
	#9	Storm Water
	#19	Resurfacing
	#1	Transit Fare
	#21	Specialized Transit Service (attached)

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#20

Budget Issue: **Retiree Health Insurance Options**

Budget Information: **Not Included in Manager's Recommended Budget**

Background/Pertinent Information

Option A. Phase-in separation of retirees from employees to determine insurance rates

Option B. Implement "defined contribution" approach for employees retiring on or after January 1, 1994.

- The Mayor's Compensation Task Force has agreed to the City deferring the action related to separate ratings of retirees and active employees for the purpose of determining insurance premiums for a period of three years
- The Mayor's Compensation Task Force has agree that employees who are currently eligible to retire should be "grandfathered" so that the City will not experience the retirement of critical employees who would otherwise retire prior to January 1, 1994 in order to "beat" the deadline

Discussion Notes:

Council Straw Vote: **Change** **No Change**

FY94-FY95 Budget Discussion
Issue and Decision
June 16, 1993

#21

Budget Issue: **Expansion of STS Service**

Budget Information: **Not Included in Manager's Recommended Budget;**

FY94 Cost to City totals $310,050

Background/Pertinent Information

- FY96 ADA compliance plan suggests a 25% increase per year in vehicles and drivers, starting with FY94, adds an additional 15,080 service hours
- Operating costs include the addition of up to 5 full- time and 3 part- time drivers and 1 Scheduler/Operations Planner and the increase of contracted night and week-end service ($277,500)
- Capital costs include the City's 10% match for the purchase of up to 7 accessible vehicles ($32,550); capital costs with Federal and State grants total $325,500
- Current service is scheduled at 60,320 hours, with a budget of $1.9 million
- On April 5th, Council deferred discussion of the expansion until the Transit Vision Plan was better defined
- Transit Vision was reviewed at the June 14th Transportation Committee; Members recommended the STS Expansion be discussed at the FY94 Budget Hearings

Discussion Notes:

Council Straw Vote: **Change** **No Change**

Budget Workshop
June 16, 1993

Public Hearing Summary

Approximately 40 individuals address Council at the June 7th public hearing on the proposed FY94-FY95 Budget. The majority of those speaking addressed employee benefits related issues The following additional requests were made.

- Reverend James Barnette requested $30,000 for the Stop the Killing Program

- Helena Tidwell requested additional funding in the amount of $104,000, Arts and Science Council to subgrant to groups for art, math, and science education programs.

- Donna Savage and Tom West requested that staffing associated with tree maintenance be restored from rightsizing.

- Ed McMahan requested an increase of $4,600 in funding for Crisis Assistance Energy Fund.

- Steve Liquire requested $100,000 for the Final Four.

Statement Adding police officers is not the whole picture Need to develop a comprehensive strategy that addresses neighborhoods and self–sufficiency and better coordinates jobs and housing Isolates the crime problem from youth to correction

We see three areas of ~~disagreement~~ issues with adding more police officers

practical

statement of fact

status of filling 100 from last year →
consolidation
community policing → planning decentralization
age of force
rate of change
marquee crimes (Dilworth Hardware, 5 year–old girl) not a function of # of cops
courts/jail space
organization is out of ways to absorb any more add–ons

strategic

cwac
behavior modification of existing 1200 employees
manager's reorganization
prevent the crime, not solve it
last year was reaction –– possibly correct
now develop proactive strategy
may be better to take 2 million for two years and — it is a disservice to measure
pump it into the courts, regardless of state limitations
put it into CWAC generally or jobs specifically
give it to the county to expand the jail
may be better to wait and measure the effect of 100 HIRED officers

statistical

correlation does not indicate causality
police force relation to crime rate not apparent
If you believe correlation is there, then tie new allocations to reductions in the crime rate
police pay not an issue (110% of median by Task Force)
8 steps on the promotion ladder
measure neighborhoodss, not arrests

Option

deal with it in the second year
determine and adopt strategy before next budget presentation
fund it with

tax increase
garbage savings
reinstated state revenues
voluntary annexations
other fees

Introduction -

on Monday we worked on an issue paper on public safety and handed it out - addressing the issues
you also received on Monday a letter from Councilmember Reid

I want to start w/ rev sit,

① The issue has been framed as if crime will be solved by the # of police, as if you're not going to add police - you're not part of the solution but the problem - like the transit system

② The services assessment is your process to determine

③ The Mayor had presented a paper

PUBLIC SAFETY STRATEGY - FY94 AND FY95

- show cost of officers
- show services in impt
- Council's decision
- services assessment & choices
- new revenues/raise taxes

WHY ARE WE BRINGING THIS UP NOW?

- Mayor's letter "GARBAGE FOR GUNS" - or services
- PUBLIC SAFETY is COUNCIL'S #1 priority

- move more quickly - Mgr's B are [illegible] [illegible] follow

WHAT HAS HAPPENED SINCE 100 POSITIONS WERE ADDED IN FY93?

- Implemented community policing
- Status of 100 Officers added in FY93 (funded 50 July 1 and 50 January 1-as RIGHTSIZING positions were identified)
- 100 new positions to fill + 72 regular vacancies to fill (vacancy rate of 7%)
- 100 NEW RECRUITS have been hired; 55 start class June 23; expect 17 vacancies as of July 1
- It takes 3 APPLICANTS for every 1 RECRUIT hired
- It takes nearly 12 months to hire and train an officer
  - 3 to 4 months to process applications
  - 4 months classroom training
  - 3 months ride-along with training officer
- 52% of OFFICERS have less than 5 YEARS EXPERIENCE

- the 100 have not gotten in the field

FY94 (FIRST YEAR) STRATEGY

- last time at 100% strength several yrs
Brain drain for the dept

- Get a handle on remaining vacancies:
  - Set goal of 100% strength as soon as possible
  - OVERTIME/OVERHIRES to keep 100% strength
  - More/aggressive RECRUITING and classes

In discussion - this is going to be a major effort complex & complicated

- Implement CONSOLIDATION of COUNTY POLICE with CITY POLICE
  - criminal justice system: Jail, DA, judges,
- Implement ROLL-OUT GARBAGE, City-wide

- 170 officers
- county population
get ratio
- support staff to use is one of the first items

an example add civilians for crime scene work, put officers on the street

get recruitment process outline
included riding in car

16 wks class
10 in service
32

FY95 (SECOND YEAR) STRATEGY

- Identify STRATEGIES for what works for CHARLOTTE and look at data:

  - Averages for number of POLICE/1000 population;
  - CRIMES/1000 POPULATION;
  - Develop STRATEGIES to address specific problems in specific areas;
  - Reemphasize coordination of criminal justice system

- Take SAVINGS from roll-out GARBAGE change ($1.7 MILLION) and:

will need more police officers
25 stated -
2nd year savings -
+ ___ evaluate this with other efforts

-Use $1.2 MILLION to add 25 POLICE OFFICERS for COMMUNITY POLICING

-USE $500,000 to target specific strategies to specific NEIGHBORHOOD needs: more police; drug campaigns; job training; add evaluation component to be able to assess success of various strategies.

-Use dollars for specific test period (two years) and evaluate what works and what doesn't.

- Use COUNCIL PUBLIC SAFETY COMMITTEE as regular review panel; bring back plans, update progress and evaluation reports.

- renew ties w/ criminal justice system + drug treatment

<u>ATTACHMENTS</u>

Mayor's Letter
City Within A City-FY94 Work Program
Comparison of Charlotte Police Strength and Crime Rates - Issue Paper

(4) Crime statistics have decreased for a under of reasons
- different strategies
-

Prepared by Budget and Evaluation
June 7, 1993

M E M O R A N D U M

TO: City Councilmembers
O. Wendell White

FROM: Mayor Richard Vinroot

DATE: June 2, 1993

RE: "Garbage for Guns" (a sort of reverse "Guns for Butter," or whatever the Federal Government calls the idea of reducing military in favor of domestic spending)

As we begin our budget discussions tonight, and consider options to what Wendell has proposed for this year and next, I'd like to suggest the following: Let's scrap our current backyard garbage pickup service in favor of a curbside "rollout" system, and devote the roughly $5 million annual savings ($49 million over the next ten years) to public safety and other important needs.

I know that you voted last month to go through an experiment with one versus two rollout pickups per week in selected neighborhoods, but believe strongly that we're "going around our elbow to get to our wrist" in that process. As I said then, this is not complicated, so why don't we just get on with the obvious.

As consideration for this decision, which I know is not easy for you to make, I suggest that we apply the garbage collection savings to public safety and other pressing needs in whatever amounts are requested by the manager and determined by us and future councils to be appropriate. I say this because I'm confident this community values improved public safety more than backyard garbage pickup, and will be willing to forego the latter in exchange for the former.

My understanding is that the garbage savings from this decision will be about $1.7 million this fiscal year, and increase incrementally to $6.5+ million in 2003. Whether you will want to move this money to public safety this year is debatable on two grounds: First, we're still in the process of filling last year's "add 100 officers" decision with existing funding, and should probably complete that process before adding more slots to be filled. Second, we're now in the process of consolidating the City and County police forces, which takes effect October 1, and I believe we should complete that and see how the efficiencies of those combined forces affect services before adding personnel to either department. I suspect both chiefs would agree.

If we do this we'll accomplish two things: one, position the City to "rightsize" in a way that our current needs dictate, and two, facilitate Wendell's ability not only to avoid any tax increase this year, but next year and perhaps for many years as well. I believe the community will support and benefit from our efforts on both counts. I hope you agree, and will consider this as we proceed with our budget deliberations during the next 30 days.

C-151684

City Within A City

FY 94
Work Program
&
Budget Needs

June 4, 1993

City-Within-A-City
FY 94 Work Program and Budget Needs

SUMMARY

FY 94 PRIORITIES	*PROPOSED FY 94 BUDGET*	*ADDITIONAL REQUEST*
JOBS AND ECONOMIC DEVELOPMENT		
Strategies:		
1. Revitalize neighborhood commercial areas	$3,600,000	$2,600,000
2. Prepare prime industrial sites to help create jobs	2,544,925	1,000,000
3. Help overcome transportation obstacles and get to jobs	93,441	450,000
4. Create an Employment Center	0	0
NEIGHBORHOOD DEVELOPMENT		
Strategies:		
1. Create neighborhood-based work teams	173,606	45,000
2. Build neighborhood-based leadership skills	370,504	0
3. Help neighborhoods find locations for meetings	432,255	100,000
4. Help families reach homeownership	4,765,703	2,500,000
5. Improve neighborhood infrastructure	10,200,000	1,500,000
PUBLIC SAFETY		
Strategies:		
1. Find office space in neighborhoods for police officers	36,000	200,000
2. Purchase 25 new patrol bikes and equipment	0	37,500
3. Provide a fund for community police activities	9,426,675	5,000
SELF-SUFFICIENCY/SOCIAL SERVICES		
Strategy:		
1. Develop social services strategy with the County	1,114,385	0
Total	***$ 32,757,494***	***$ 8,437,500***

Note: Please refer to Pages 5-6 for detail and for a list of all City-Within-A-City budget programs.

JOBS AND ECONOMIC DEVELOPMENT

Strategy 1: Revitalize neighborhood commercial areas

Deteriorating commercial areas in the inner city cannot attract businesses to provide services and job opportunities to neighborhood residents, and existing small business owners often cannot afford improvements. This strategy would expand the scope of the City's successful but inadequately-funded corridor revitalization program (currently $6 million for five corridors) by:

- targeting infrastructure improvements to attract private investment (an additional $2 million)
- improving storefronts ($500,000 loan fund for signage and facade improvements)
- creating a "Business Center" to provide information on loans, marketing, and rehabilitation as well as management, technical, and training resources ($75,000 for staff positions)

Strategy 2: Prepare prime industrial sites to help create neighborhood jobs

Prepare the former landfill site at I-85 and I-77 for industrial development, creating light industrial or manufacturing jobs that pay decent wages and target jobs to residents in surrounding neighborhoods. Developers have expressed interest in this site, but cannot afford to address the environmental problems. This project could be coordinated and linked to the City's proposed $27 million environmental bond package. In addition, $1 million would be set aside for first year implementation to augment existing funds, a marketing plan would be developed for the area, job training would be re-structured, and technical assistance would be provided to potential business owners.

Strategy 3: Help persons overcome transportation obstacles and get to jobs

Expand existing transit services and develop alternative means of transportation to better link employment areas with low and moderate income neighborhoods – where *one of every five* households does not have a car. The proposed $450,000 for transit options includes $150,000 for neighborhood services and $300,000 for circumferential routes.

Strategy 4: Create an Employment Center

Negotiate with public job training and placement agencies --such as the State Employment Security Commission and City Employment and Training – to co-locate services in the same building.

Other Strategies

- Ease regulations on long-term job training programs
- Ease summer job regulations to increase placement opportunities
- Develop job internship and apprenticeship programs
- Create job opportunities for the chronic unemployed
- Create business sites and parks
- Develop strong business retention program
- Guarantee employers that City-Within-A-City residents are "trainable"
- Use General Fund money for employment needs
- Focus economic development strategy on growth industries
- Market City-Within-A-City as an economic development role model
- Promote creative use of publicly-owned properties

NEIGHBORHOOD DEVELOPMENT

Strategy 1: Create neighborhood-based work teams for service delivery

Assign staff resources to work with neighborhood residents in developing neighborhood-based service delivery systems for each targeted neighborhood. Establish employee work teams for targeted neighborhoods, similar to the successful interdepartmental teams created for Belmont and Genesis Park. Appropriate $45,000 to train work team members and neighborhood leaders.

Strategy 2: Build neighborhood-based leadership skills

Several neighborhood organizations and community development organizations lack the funding and/or skills to effectively manage positive change in their neighborhoods and business districts. The City should continue to fund the Neighborhood Matching Grants Program ($500,000 for one year) and promote its use for organizational development and training.

Strategy 3: Help neighborhoods find locations to meet

Neighborhood organizations need places to gather, socialize, and hold meetings, training sessions, and organizational seminars. Human service agencies could reach residents more effectively at neighborhood-based locations.

Use $100,000 to help staff locate meeting places in targeted neighborhoods for residents and for possible City use. This may be through joint use of existing facilities such as schools, churches, and neighborhood centers, or it could include helping organizations purchase or lease abandoned commercial and/or residential buildings. These multi-purpose community centers could provide meeting space and also house community police officers, social service counselors, and other community service agency workers.

Strategy 4: Help families reach homeownership

The majority of housing units in City-Within-A-City neighborhoods are renter-occupied, and many are substandard. This strategy calls for an additional $2.5 million in funding to expand and/or develop programs to enable the working poor to purchase homes, increase the supply of affordable housing, and enable residents to successfully transition from being renters to homeowners.

This additional funding could be used for such programs as (a) down payment assistance; (b) second mortgage assistance; (c) acquisition and lease-purchase; (d) financial and budget counseling; and (e) education and training.

Strategy 5: Improve neighborhood infrastructure

Allocate an additional $1.5 million to the City's Neighborhood Reinvestment Program to improve infrastructure in low and moderate income neighborhoods (a City survey estimates $265 million in capital needs for sidewalks, curbs, gutters, drainage, etc. in City-Within-A-City). Another $2 million from Storm Water Services Utility could be used for drainage improvements.

PUBLIC SAFETY

Strategy 1: Find office space in neighborhoods for police officers

Provide $200,000 to lease and upfit satellite office space in targeted neighborhoods that could be used by community police officers to carry out their mission. The space could be shared with other agencies (Employment and Training, Community Improvement, etc.) to enable the officers and service providers to better coordinate their work.

Strategy 2: Purchase 25 new patrol bikes and equipment

Patrol bikes are an effective tool in preventing crime. Police must depend primarily on donations to acquire bikes, and there are not enough bikes to meet neighborhood demands for bike patrol officers. This strategy would appropriate $37,500 to purchase 25 new bikes and equipment for community police officers.

Strategy 3: Provide a fund for community police activities

Set up a $5,000 discretionary fund for community-based police officers to use for resident recognition programs and other such activities in neighborhoods. Officers often use their own money to purchase plaques and certificates to recognize residents who successfully complete parenting or tutoring classes. They also occasionally use out of pocket money for permits or variances related to office space, for which there is no administrative fund.

Other Strategies:

- Improve neighborhood stability and security by expanding community policing and drug interdiction units
- Expand neighborhood-based efforts against drug use

SELF SUFFICIENCY / SOCIAL SERVICES

Strategy 1: Develop social services strategy with the County

The delivery of County human services – such as health and social services – is not coordinated with City-Within-A-City initiatives. City Staff resources should be assigned to work with County Staff in developing a coordinated strategy for social service delivery aimed at achieving self-sufficient individuals, families, and neighborhoods.

City-Within-A-City
FY 94 Work Program and Budget Needs

COMPREHENSIVE SUMMARY OF BUDGET PROGRAMS

Budget Program	Proposed FY 94 Budget	Additional Request
FY 94 PRIORITIES		
JOBS AND ECONOMIC DEVELOPMENT		
1. Revitalize neighborhood commercial areas		$ 2,600,000
PLN – Corridor Revitalization	$ 3,600,000	
2. Prepare prime industrial sites to help create jobs		1,000,000
CD – Development and Revitalization Fund	1,510,109	
CD – Economic Development Fund	1,034,816	
3. Help overcome transportation obstacles and get to jobs		450,000
E&T – Training Support Services (Transit)	93,441	
4. Create an Employment Center	0	0
NEIGHBORHOOD DEVELOPMENT		
1. Create neighborhood-based work teams	173,606	45,000
2. Build neighborhood-based leadership skills		0
NS – Neighborhood Leadership Training	370,504	
3. Help neighborhoods find locations for meetings		100,000
NS – City Services	182,252	
NS – Community Agency Services	247,003	
4. Help families reach homeownership		2,500,000
CD – Innovative Housing (minus CDHG Match)	3,566,314	
CDBG – Acquisition	412,964	
CDBG – Homeownership Downpayment Assistance	50,000	
CDHG – Acquisition and Disposition	300,000	
CDHG – Non-Profit Sponsored Housing	262,125	
CDHG – Home Purchase	174,300	
5. Improve neighborhood infrastructure		1,500,000
PLN – Neighborhood Reinvestment	8,050,000	
ENG – Sidewalk Program	2,150,000	
PUBLIC SAFETY		
1. Find office space in neighborhoods for police officers	36,000	200,000
2. Purchase 25 new patrol bikes and equipment	0	37,500
3. Provide fund for community police activities		5,000
CRC – Neighborhood Crime Prevention	75,402	
Police – Community Policing	9,351,273	

Budget Program	Proposed FY 94 Budget	Additional Request
FY 94 Priorities (continued)		
SELF-SUFFICIENCY/SOCIAL SERVICES		
1. Develop social services strategy with County		0
NS -- Self-Sufficiency Projects	469,411	
CDBG -- Public Services (Gethsemane, Bethlehem, St. Paul)	644,974	
FY 94 Priorities Sub-Total	*32,757,494*	*8,437,500*
OTHER PROGRAMS		
CD -- Low Income Housing and Job Development	552,139	
CD -- Emergency Shelter Grant	59,000	
CD -- Relocation of Displaced Persons	434,859	
E&T -- Participant Screening Process	109,760	
E&T -- Job Counseling Services	666 209	
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CRC -- Law Enforcement	244,747	
CD -- Housing Code Enforcement/In Rem	1,225,925	
CD -- Housing Rehabilitation	521,453	
CD -- In Rem Remedy	300,000	
CD -- Repairs to Public Housing Units	150,000	
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CDBG -- Relocation	668,236	
CDBG -- Selective Rehabilitation	1,808,753	
CDHG -- Selective Rehabilitation	211,075	
CDHG -- Rental Rehabilitation	300,000	
CDHG -- Tenant-Based Rental Assistance	500,000	
City-Within-A-City Non Department Account	110,000	
TOTAL (FY 94 PRIORITIES AND OTHER PROGRAMS)	**$ 45,124,124**	**$ 8,437,500**

Comparison of Charlotte Police Strength and Crime Rates

Issue Paper

DESCRIPTION

How do Charlotte police strength and crime rates compare to other Southern cities of population 250,000 or higher?

SOURCE DOCUMENT

Department of Justice, Federal Bureau of Investigation, Uniform Crime Report, 1991. (The 1991 is the most current edition available, 1992 report is due in September, 1993.)

COMPARISON OF UNIFORMED POLICE STRENGTH / 1000 POPULATION

- There are 22 Southern cities of population 250,000 or more. New Orleans did not report police strength for 1991 and is not included in these calculations.
- There are 10 cities with police strength higher than Charlotte; there are 10 cities with police strength lower than Charlotte (see attachment A).

COMPARISON: POLICE/1000 POPULATION	
Average police/1000 for cities higher than Charlotte	2.81
Charlotte police/1000 (actual as of 10/1/91)	2.08
Average police/1000 for cities less than Charlotte	1.75
Average for all 21 "Southern Cities"	2.33
Charlotte - allocation as of 10/1/91	2.20
Charlotte - FY93 allocation	2.32

COMPARISON OF CRIME RATES / 1000 POPULATION

- Among the 22 Southern Cities, there are 6 cities with crime rates higher than Charlotte; 15 cities with crime rates lower than Charlotte (see attachment B).

- Crime rates varied from a high of 189.53/1000 population (Atlanta) to a low of 58.59/1000 population (Virginia Beach). Charlotte rate was 126.43/1000 population.

- Although all crimes are supposed to be reported consistently, (hence the term, "uniform crime report") there are individual differences in municipalities which can account for different levels of crime rates. For example, the "gas drive-off ordinance" could reduce Charlotte reported crime by 6% if enacted.

RELATIONSHIP OF POLICE STRENGTH TO CRIME RATES

- In the 10 cities that had a higher police strength than Charlotte, the average crime rate was also higher (129.602/1000 population or 2½% higher than Charlotte).

- In the 10 cities that had a lower concentration of police/1000 population than Charlotte, the average crime rate was lower (108.35/1000 population or 14% lower than Charlotte).

- Of the 6 cities that had a crime rate higher than Charlotte, the average police strength was 2.72 officers/1000 population, a 30% increase over Charlotte.

- Of the 14 cities that had a lower crime rate from Charlotte, the average police strength was 2.07 officers/1000 population, nearly equal the Charlotte strength.

- Using a regression analysis, there was no statistically significant relationship between the number of police officers/1000 population and the crime rate/1000 population among these 21 Southern Cities.

CONCLUSION

- The root causes of crime are complex and not fully understood.

- There are significant social, cultural, economic and educational problems to deal with.

- Since there is not a statistical relationship between the number of police and the number of crimes, adding more police will not necessarily reduce the incidence of crime.

Prepared by: Budget and Evaluation
June 2, 1993

Attachment A

Southern Cities, Population 250,000+
Sorted by Police Strength

Cities	Police/1000 pop	Crimes/1000 pop
Baltimore	3 87	113.71
Atlanta	3 81	189 53
Miami	2.91	183 94
Tampa	2 89	165 57
Dallas	2.78	150.66
Birmingham	2.69	125 86
Norfolk	2.55	92.42
Houston	2.45	108 24
Memphis	2.24	101.84
Louisville	2 22	64 25
Charlotte	2 08	126 43
Fort Worth	2.08	169 73
Nashville	1 95	86 65
Jacksonville	1.92	105 92
Baton Rouge	1 89	131.18
Austin	1.71	112 95
San Antonio	1 64	122 91
Virginia Beach	1.49	58 59
El Paso	1.46	96 3
Corpus Christi	1 45	104 43
Arlington	1.34	94.8

Attachment B

Southern Cities, Population 250,000+
Sorted by Crime Rates

Cities	Police/1000 pop	Crimes/1000 pop
Atlanta	3 8	189 53
Miami	2.91	183 94
Fort Worth	2.08	169.73
Tampa	2.89	165.57
Dallas	2.78	150 66
Baton Rouge	1.89	131.18
Charlotte	2 08	126 43
Birmingham	2 69	125 86
San Antonio	1.64	122 91
Baltimore	3.87	113 71
Austin	1.71	112 95
Houston	2.45	108 24
Jacksonville	1.92	105 92
Corpus Christi	1.45	104 43
Memphis	2 24	101.84
El Paso	1.46	96 3
Arlington	1.34	94 8
Norfolk	2 55	92 42
Nashville	1.95	86 65
Louisville	2.22	64 25
Virginia Beach	1.49	58 59

Issue to desk

- working on issue paper March
- Mgr's instructions - in Services Assessment
  to reduce payroll
  #
  get sized staff in business

- Budget for police is $ ____
  Police Officer cost

PUBLIC SAFETY STRATEGY - FY94 AND FY95

WHY ARE WE BRINGING THIS UP NOW?

- Mayor's letter "GARBAGE FOR GUNS"
- PUBLIC SAFETY is COUNCIL'S #1 priority

WHAT HAS HAPPENED SINCE 100 POSITIONS WERE ADDED IN FY93?

- Implemented community policing
- Status of 100 Officers added in FY93 (funded 50 July 1 and 50 January 1-as RIGHTSIZING positions were identified)
- 100 new positions to fill + 72 regular vacancies to fill (vacancy rate of 7%)
- 100 NEW RECRUITS have been hired; 55 start class June 23; expect 17 vacancies as of July 1
- It takes 3 APPLICANTS for every 1 RECRUIT hired
- It takes nearly 12 months to hire and train an officer
  - 3 to 4 months to process applications
  - 4 months classroom training
  - 3 months ride-along with training officer
- 52% of OFFICERS have less than 5 YEARS EXPERIENCE

FY94 (FIRST YEAR) STRATEGY

- Get a handle on remaining vacancies:
  - Set goal of 100% strength as soon as possible
  - OVERTIME/OVERHIRES to keep 100% strength
  - More/aggressive RECRUITING and classes
- Implement CONSOLIDATION of COUNTY POLICE with CITY POLICE
- Implement ROLL-OUT GARBAGE, City-wide

FY95 (SECOND YEAR) STRATEGY

- Identify STRATEGIES for what works for CHARLOTTE and look at data:

  - Averages for number of POLICE/1000 population,
  - CRIMES/1000 POPULATION;
  - Develop STRATEGIES to address specific problems in specific areas;

- Take SAVINGS from roll-out GARBAGE change ($1.7 MILLION) and:

  -Use $1.2 MILLION to add 25 POLICE OFFICERS for COMMUNITY POLICING

  -USE $500,000 to target specific strategies to specific NEIGHBORHOOD needs: more police; drug campaigns; job training; add evaluation component to be able to assess success of various strategies.

  -Use dollars for specific test period (two years) and evaluate what works and what doesn't

- Use COUNCIL PUBLIC SAFETY COMMITTEE as regular review panel, bring back plans, update progress and evaluation reports.

<u>ATTACHMENTS</u>

Mayor's Letter
City Within A City-FY94 Work Program
Comparison of Charlotte Police Strength and Crime Rates - Issue Paper

Prepared by Budget and Evaluation
June 7, 1993

M E M O R A N D U M

TO: City Councilmembers
O. Wendell White

FROM: Mayor Richard Vinroot

DATE: June 2, 1993

RE: "Garbage for Guns" (a sort of reverse "Guns for Butter," or whatever the Federal Government calls the idea of reducing military in favor of domestic spending)

As we begin our budget discussions tonight, and consider options to what Wendell has proposed for this year and next, I'd like to suggest the following: Let's scrap our current backyard garbage pickup service in favor of a curbside "rollout" system, and devote the roughly $5 million annual savings ($49 million over the next ten years) to public safety and other important needs.

I know that you voted last month to go through an experiment with one versus two rollout pickups per week in selected neighborhoods, but believe strongly that we're "going around our elbow to get to our wrist" in that process. As I said then, this is not complicated, so why don't we just get on with the obvious.

As consideration for this decision, which I know is not easy for you to make, I suggest that we apply the garbage collection savings to public safety and other pressing needs in whatever amounts are requested by the manager and determined by us and future councils to be appropriate. I say this because I'm confident this community values improved public safety more than backyard garbage pickup, and will be willing to forego the latter in exchange for the former.

My understanding is that the garbage savings from this decision will be about $1.7 million this fiscal year, and increase incrementally to $6.5+ million in 2003. Whether you will want to move this money to public safety this year is debatable on two grounds: First, we're still in the process of filling last year's "add 100 officers" decision with existing funding, and should probably complete that process before adding more slots to be filled. Second, we're now in the process of consolidating the City and County police forces, which takes effect October 1, and I believe we should complete that and see how the efficiencies of those combined forces affect services before adding personnel to either department. I suspect both chiefs would agree.

If we do this we'll accomplish two things: one, position the City to "rightsize" in a way that our current needs dictate, and two, facilitate Wendell's ability not only to avoid any tax increase this year, but next year and perhaps for many years as well. I believe the community will support and benefit from our efforts on both counts. I hope you agree, and will consider this as we proceed with our budget deliberations during the next 30 days.

C-151684

City Within A City

FY 94
Work Program
&
Budget Needs

June 4, 1993

City-Within-A-City
FY 94 Work Program and Budget Needs

SUMMARY

FY 94 PRIORITIES	*PROPOSED FY 94 BUDGET*	*ADDITIONAL REQUEST*
JOBS AND ECONOMIC DEVELOPMENT		
Strategies:		
1. Revitalize neighborhood commercial areas	$3,600,000	$2,600,000
2. Prepare prime industrial sites to help create jobs	2,544,925	1,000,000
3. Help overcome transportation obstacles and get to jobs	93,441	450,000
4. Create an Employment Center	0	0
NEIGHBORHOOD DEVELOPMENT		
Strategies:		
1. Create neighborhood-based work teams	173,606	45,000
2. Build neighborhood-based leadership skills	370,504	0
3. Help neighborhoods find locations for meetings	432,255	100,000
4. Help families reach homeownership	4,765,703	2,500,000
5. Improve neighborhood infrastructure	10,200,000	1,500,000
PUBLIC SAFETY		
Strategies:		
1. Find office space in neighborhoods for police officers	36,000	200,000
2. Purchase 25 new patrol bikes and equipment	0	37,500
3. Provide a fund for community police activities	9,426,675	5,000
SELF-SUFFICIENCY/SOCIAL SERVICES		
Strategy:		
1. Develop social services strategy with the County	1,114,385	0
Total	***$ 32,757,494***	***$ 8,437,500***

Note: Please refer to Pages 5-6 for detail and for a list of all City-Within-A-City budget programs.

JOBS AND ECONOMIC DEVELOPMENT

Strategy 1: Revitalize neighborhood commercial areas

Deteriorating commercial areas in the inner city cannot attract businesses to provide services and job opportunities to neighborhood residents, and existing small business owners often cannot afford improvements. This strategy would expand the scope of the City's successful but inadequately-funded corridor revitalization program (currently $6 million for five corridors) by:

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City-Within-A-City
FY 94 Work Program and Budget Needs

COMPREHENSIVE SUMMARY OF BUDGET PROGRAMS

Budget Program	Proposed FY 94 Budget	Additional Request
FY 94 PRIORITIES		
JOBS AND ECONOMIC DEVELOPMENT		
1. Revitalize neighborhood commercial areas		$ 2,600,000
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3. Help overcome transportation obstacles and get to jobs		450,000
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4. Create an Employment Center	0	0
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Budget Program	Proposed FY 94 Budget	Additional Request
FY 94 Priorities (continued)		
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1. Develop social services strategy with County		0
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E&T – Job Counseling Services	666 209	
E&T – Training Expenses	637,469	
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TOTAL (FY 94 PRIORITIES AND OTHER PROGRAMS)	**$ 45,124,124**	**$ 8,437,500**

Comparison of Charlotte Police Strength and Crime Rates

Issue Paper

DESCRIPTION

How do Charlotte police strength and crime rates compare to other Southern cities of population 250,000 or higher?

SOURCE DOCUMENT

Department of Justice, Federal Bureau of Investigation, Uniform Crime Report, 1991. (The 1991 is the most current edition available, 1992 report is due in September, 1993.)

COMPARISON OF UNIFORMED POLICE STRENGTH / 1000 POPULATION

- There are 22 Southern cities of population 250,000 or more. New Orleans did not report police strength for 1991 and is not included in these calculations.
- There are 10 cities with police strength higher than Charlotte; there are 10 cities with police strength lower than Charlotte (see attachment A).

COMPARISON: POLICE/1000 POPULATION	
Average police/1000 for cities higher than Charlotte	2.81
Charlotte police/1000 (actual as of 10/1/91)	2.08
Average police/1000 for cities less than Charlotte	1.75
Average for all 21 "Southern Cities"	2.33
Charlotte - allocation as of 10/1/91	2.20
Charlotte - FY93 allocation	2.32

COMPARISON OF CRIME RATES / 1000 POPULATION

- Among the 22 Southern Cities, there are 6 cities with crime rates higher than Charlotte; 15 cities with crime rates lower than Charlotte (see attachment B).

- Crime rates varied from a high of 189.53/1000 population (Atlanta) to a low of 58.59/1000 population (Virginia Beach). Charlotte rate was 126.43/1000 population.

- Although all crimes are supposed to be reported consistently, (hence the term, "uniform crime report") there are individual differences in municipalities which can account for different levels of crime rates. For example, the "gas drive-off ordinance" could reduce Charlotte reported crime by 6% if enacted.

RELATIONSHIP OF POLICE STRENGTH TO CRIME RATES

- In the 10 cities that had a higher police strength than Charlotte, the average crime rate was also higher (129.602/1000 population or 2½% higher than Charlotte).

- In the 10 cities that had a lower concentration of police/1000 population than Charlotte, the average crime rate was lower (108.35/1000 population or 14% lower than Charlotte).

- Of the 6 cities that had a crime rate higher than Charlotte, the average police strength was 2.72 officers/1000 population, a 30% increase over Charlotte.

- Of the 14 cities that had a lower crime rate from Charlotte, the average police strength was 2.07 officers/1000 population, nearly equal the Charlotte strength.

- Using a regression analysis, there was no statistically significant relationship between the number of police officers/1000 population and the crime rate/1000 population among these 21 Southern Cities.

CONCLUSION

- The root causes of crime are complex and not fully understood.

- There are significant social, cultural, economic and educational problems to deal with.

- Since there is not a statistical relationship between the number of police and the number of crimes, adding more police will not necessarily reduce the incidence of crime.

Prepared by: Budget and Evaluation
June 2, 1993

Attachment A

Southern Cities, Population 250,000+
Sorted by Police Strength

Cities	Police/1000 pop	Crimes/1000 pop
Baltimore	3 87	113.71
Atlanta	3 81	189 53
Miami	2.91	183 94
Tampa	2 89	165 57
Dallas	2.78	150 66
Birmingham	2 69	125.86
Norfolk	2 55	92 42
Houston	2 45	108 24
Memphis	2 24	101 84
Louisville	2 22	64 25
Charlotte	2 08	126 43
Fort Worth	2 08	169 73
Nashville	1 95	86 65
Jacksonville	1.92	105 92
Baton Rouge	1 89	131 18
Austin	1.71	112 95
San Antonio	1.64	122 91
Virginia Beach	1.49	58 59
El Paso	1 46	96 3
Corpus Christi	1 45	104 43
Arlington	1 34	94 8

Attachment B

Southern Cities, Population 250,000+
Sorted by Crime Rates

Cities	Police/1000 pop	Crimes/1000 pop
Atlanta	3 8	189 53
Miami	2 91	183 94
Fort Worth	2 08	169 73
Tampa	2 89	165 57
Dallas	2.78	150 66
Baton Rouge	1.89	131 18
Charlotte	2 08	126 43
Birmingham	2 69	125 86
San Antonio	1 64	122 91
Baltimore	3 87	113 71
Austin	1 71	112 95
Houston	2 45	108 24
Jacksonville	1.92	105 92
Corpus Christi	1 45	104 43
Memphis	2 24	101 84
El Paso	1 46	96 3
Arlington	1 34	94 8
Norfolk	2 55	92 42
Nashville	1 95	86 65
Louisville	2 22	64 25
Virginia Beach	1 49	58 59

AS A MANAGEMENT GROUP, THE CITY MANAGER'S OFFICE, THE POLICE CHIEF HAVE AGREED THAT THE DEPARTMENT NEEDS "BREATHING ROOM" -- THE ORGANIZATION WILL NEED TO:

- CONTINUE AT 100% STAFFING, NOT ALLOCATION

- IMPLEMENT OVERTIME AND OVERHIRES TO MAINTAIN FULL STRENGTH

- GET A LEC BUILT; DECIDE WHAT DECENTRALIZATION MEANS

- THE MAJOR MANAGEMENT PIECE IS THE CONSOLIDATION--CONSOLIDATION--COMPLEX, COMPLICATED

AN EXAMPLE:

- WE HAVE SUPPORT STAFF TO INTEGRATE; SPECIFICALLY--THE CITY USES CIVILIAN POSITIONS FOR CRIME SCENE SEARCH; THE COUNTY USES POLICE OFFICERS. NEXT YEAR, WE MAY HIRE CIVILIANS AND MOVE THE TRAINED OFFICER TO THE STREET--THAT'S MORE OFFICERS ON THE STREET.

THE NEXT ISSUE IS STATISTICAL ANALYSIS.

WITHOUT THE FULL STRENGTH; CRIME HAS DECREASED IN CHARLOTTE THIS YEAR FOR A NUMBER OF REASONS WITH THE CITY, COUNTY, AND JUSTICE SYSTEM IMPLEMENTING DIFFERENT STRATEGIES.

WE CONTINUE TO RECOGNIZE THE TOTAL COMMUNITY COMMITMENT ON PUBLIC SAFETY:

- A NEW JAIL TO HOUSE PRISONERS; ADDRESSING MR. MANGUM'S COMMENTS

- A COURT SYSTEM THAT IS CONTINUING TO CHALLENGE THE

- THE COUNTY'S PARTICIPATION IN PREVENTION; ALTERNATIVE SENTENCING

WE HAVE ALSO DONE TWO STATISTICAL COMPARISONS WITH 22 SOUTHERN CITIES:

THE AVERAGE FOR ALL SOUTHERN CITIES IS 2.33; AVERAGE FOR CHARLOTTE IS 2.32.

THE OTHER COMPARISON IS CRIME RATES. THERE IS NO STATISTICAL RELATIONSHIP BETWEEN CRIME AND STAFFING--A CORRELATION EXISTS BUT IT DOES NOT INDICATE CASUALTY.

ADDING POLICE OFFICERS WILL NOT NECESSARILY REDUCE THE INCIDENCE OF CRIME.

Service assessment

VIOLA ALEXANDER'S COMMENTS

FOR BUDGET MEETING

JUNE 9, 1993

ON MONDAY, WE PREPARED AN ISSUE PAPER ON PUBLIC SAFETY THAT ADDRESSED A STRATEGY FOR DEALING WITH PUBLIC SAFETY.

~~ON MONDAY, YOU ALSO RECEIVED A LETTER FROM COUNCILMEMBER [redacted].~~

I WANT TO PULL OUT THAT ISSUE PAPER AND WALK THROUGH IT.

IN CONTEXT, THE BUDGET IS BUILT ON THE SERVICES ASSESSMENT WITH COUNCIL DETERMINING WHAT SERVICES TO BE PROVIDED.

BUT THE MANAGER ALSO GAVE SEVERAL INTERNAL GOALS IN THE LAST 24 MONTHS:

- REDUCE THE PAYROLL
- REDUCE THE NUMBER OF POSITIONS

THE GOAL WAS TO GET SIZED TO TO LIVE WITHIN OUR REVENUES.

and we know of the 2nd year plan - and if the direction is an in past ~~is~~ our 1st goal will be to bring in the budget with no tax inc.

REVENUE GROWTH IS 0% THIS YEAR. THE GENERAL FUND BUDGET IS DOWN 2.6%.

THE BUDGET OBJECTIVES WERE 0% INCREASE IN ALL DEPARTMENT OPERATION EXPENSES.

HOWEVER, THE POLICE BUDGET IN MORE DETAIL:

- THERE IS NOT A REDUCTION IN THE NUMBER OF POLICE POSITIONS IN THIS BUDGET;

- THE REDUCTION IS IN ANIMAL CONTROL STAFFING WHICH HAS BEEN CONSOLIDATED INTO POLICE

- THE DRUG GRANT PROGRAM WITH THE SIX POLICE OFFICERS WILL BE CONTINUED WITH EXISTING STAFF

TO ADDRESS THE ISSUE OF ADDING POLICE OFFICERS, I WANT TO LOOK AT THREE AREAS:

1. - WHERE ARE WE NOW: THE MANAGING OF THE DEPARTMENT NEXT YEAR

2. - STATISTICAL RESEARCH

3. - THE SECOND YEAR PLAN--HOW TO ADDRESS CHARLOTTE'S CRIME PROBLEM

WHERE ARE WE NOW?

- WE ALLOCATED 100 POLICE OFFICERS; FUNDED 50 IN JULY 1992; AND THE BALANCE OF 50 AS RIGHTSIZED POSITIONS WERE TRADED

- IN THIS YEAR, 100 NEW POSITIONS TO FILL AND 72 REGULAR VACANCIES TO FILL

- AS OF JUNE 1993, WE EXPECT TO BE AT 98% OF THE ALLOCATED POSITIONS

BUT THOSE POSITIONS WILL NOT BE IN THE FIELD FOR 32 WEEKS

- RECRUITMENT INCLUDES PHYSICALS, PSYCHOLOGICAL TESTS, DRUG TESTS

- FOUR MONTHS MANDATED STATE TRAINING

- THREE MONTHS FIELD TRAINING

WHEN THESE OFFICERS ARE IN THE FIELD, 52% OF OUR OFFICERS WILL HAVE LESS THAN FIVE YEARS EXPERIENCE.

WE NEED TO STRATEGIZE ON WHAT WILL WORK FOR CHARLOTTE.

1. WE HAVE LAID OUT A PLAN

   THAT BEGINS IN THE SECOND YEAR AND ALLOWS US TIME TO STRUCTURE A PLAN THAT WORKS FOR CHARLOTTE.

2. REVIEW WHAT WORKS

   WITH COMMUNITY POLICING; ADD MORE OFFICERS IN THE SECOND YEAR FOR COMMUNITY POLICE.

3. DEFINE WHAT OTHER STRATEGIES SHOULD BE TESTED

   USE THE CRIME DATA TO IMPLEMENT THE WORK PROGRAM FOR CITY WITHIN A CITY

FOR EXAMPLE:

- EMPHASES ON JOBS, TRAINING -- SELF-SUFFICIENCY
- DISCRETIONARY FUNDING -- EMPOWERING TOOLS

RESPONSE TO DON REID LETTER OF JUNE 1, 1993

LETTER SAYS: "REDUCTION IN POLICE FORCE OVER NEXT TWO YEARS."

RESPONSE: HANDED OUT TO COUNCIL IN MONDAY, JUNE 7 "QUESTION AND ANSWERS"

The net decrease of 17.75 allocations in the Police Department (which also includes Animal Control) is not a decrease in sworn police officers. It is the result of:

1) Rightsizing: Animal Control- 4.25 positions
Police -14.5 civilian positions

2) Civilianization/Reorganization: 1 Sergeant reduced (reassignment of off-duty employment work to noise control position)

3) Grant expiration: six patrol officer allocations reduced

4) School Resource Officers: eight officers added

LETTER SAYS: "MANAGER TELL COUNCIL WHAT TO CUT FROM THE BUDGET TO PAY FOR ADDED POLICE".

RESPONSE: Purpose of Service Assessment Process was for Council and community to rank priority of services that the City provides.

Council committees reviewed 31 of these services and the only one they voted to consider changing was garbage collection.

Council role is to determine policy and that includes service levels.

LETTER SAYS: "100 APPLICANTS TO GET 1 PERSON TO SEND TO POLICE ACADEMY TRAINING".

RESPONSE: It takes 3 applicants for every 1 recruit who is offered a position in a recruit class, not 100 for 1 slot.

6/9/93

CHARLOTTE POLICE DEPARTMENT FAST FACTS

- City of Charlotte Sworn Officers:

FY 90	817
FY 91	817
FY 92	880
FY 93	979
FY 94	980

- Grants:

  Gateway Interdiction Grant ends June 30th, Program's success has prompted staff to continue Program with existing Interdiction staff

  June 14th agenda includes one year grant for FY94 for surveillance equipment and advanced drug enforcement training

- Cost to Add One Police Officer.

  1st Year. $51,341 2nd Year· $35,746

  Please note· This includes the cost of 1/3 of a police car due to car sharing

- Budget Changes

	Budget	Change ($)	Change (%)
FY 93	$52,920,649		
FY 94	$56,603,339	$3,682,690	+6 96%

Major Components of Increase

Personal Services	
Salaries and Fringe Benefits	$4,213,000
Separation Allowance	118,000
Full year cost of Criminal Justice System Support	36,000
Radio Channels·	800,000
Misc One Time Expenses	(1,484,000)

- Major purchases over the last three years·

Fingerprint System (AFIS)	$2,000,000
Mug Shot System	143,000
Surveillance Van	61,000
Smartnet II CAD Interface	51,000
Firearms Training System	63,000
Microspectrophotometer	143,000
Mobile Radios	500,000
Police Vehicles	3,600,000
Radio Tower	2,700,000

7/1/90 - current

CITY OF CHARLOTTE
DIVISION OF INSURANCE AND RISK MANAGEMENT
INTER-OFFICE COMMUNICATION

DATE: June 9, 1993

TO: Vi Alexander, Director
Budget & Evaluation Department

FROM: Dan Pliszka, Manager
Division of Insurance
& Risk Management

SUBJECT: Regulatory and Legal Definition of Hazardous or Safety Sensitive Positions

Per your request, I have researched the above captioned subject and found that there is no legal or regulatory definition of hazardous or safety sensitive jobs. However, attached for your information and use is a summary of the number of workers' compensation claims filed per department. That information, if we assume that it is an indicator of the degree of risk exposure in a department, may help you conclude which departments contain hazardous or safety sensitive jobs and ones that do not.

Even though the data may not support it, from my experience in risk management in various public agencies throughout the country, there are a number of jobs that I would classify as being hazardous and/or safety sensitive. Those job classifications are:

1) Police
2) Fire
3) Solid Waste Collection
4) Utilities Construction (especially deep cut trenching operations)
5) Water and Sewer Treatment and Purification (due to the potential exposure to chemicals)
6) Road Construction and Paving Operations
7) Heavy Equipment Operators
8) Building Maintenance Workers (especially those dealing with high voltage electricity and non-routine construction)
9) Tree Maintenance Technicians
10) Equipment Service and Heavy Equipment Repair Personnel

Of course, some of the above are my own subjective evaluation and could be open to discussion. As always, should you have questions or should you wish to discuss this matter further, please feel free to call me.

DJP/lm

Enclosure

Animal Control	68	
Attorney's Office	2	
Auditorium - Coliseum	100	
Community Development	5	
Community Relations	2	
Charlotte - Douglas Airport	174	
Customer Service	1	
DOT	320	#4
Employment & Training	7	
Engineering	52	
Finance	14	
Fire	293	#5
General Services	94	
Manager's Office	1	
Mint Museum	12	
MCS	1	
Neighborhood Centers	3	
~~Parks & Rec~~	~~241~~	Delete
Personnel	7	
Planning	3	
Performance Managment	1	
Police	714	#1
PS & SL	1	
Purchasing	2	
Solid Waste	602	#2
Utilities	472	#3
	3192	

REPORT# 06/09/93

CITY OF CHARLOTTE
WORKERS COMP BY DEPARTMENT
CITY ONLY

DEPARTMENT.DESC	COUNT	
06517	1	no dept listed - Customer Service
CANIMAL CONTROL	68	
CATTY-ATTY'S OF	1	2
CATTY-LEGAL	1	
CAUDIT-COL-CIVI	100	
CCOMM DEV - HOU	2	5
CCOMM DEV H COD	1	
CCOMM DEV RELOC	1	
CCOMM DEV-ADMIN	1	
CCOMMUNITY RELA	2	174
CDA AIR FL MAIN	35	
CDA AIRP POLICE	1	
CDA AIRPORT ADM	2	
CDA AVIA/OPERA	79	
CDA AVIA/SECUR.	42	
CDA AVIAT/ADMIN	15	
CDOT - ADMIN	2	320
CDOT - ELECTRO	1	
CDOT ENG/PUB SV	4	
CDOT FIN/MGMT	1	
CDOT PLNG/SYST	2	
CDOT SPEC TRANS	29	
CDOT ST. MAINT	50	
CDOT TRAFF OPER	13	
CDOT TRANS ADM	11	
CDOT TRANS DEPT	1	
CDOT-ST MNT-OPR	178	
CDOT-TRANS OPER	28	
CEMPLOY/TRAIN.	7	
CENG - RL EST	1	52
CENG ENG DEPT	37	
CENG ENG/PLAN	13	
CENG PUB SERV	1	
CFINANCE	2	14
CFINANCE ACCT	2	
CFINANCE ADMIN	1	
CFINANCE REV	3	
CFINANCE - DIRM	2	
CFINANCE WTR/SW	4	
CFIRE CHIEF OP	7	
CFIRE - ADMIN	15	
CFIRE - OPER	46	
CFIRE - PREVENT	9	
CFIRE AUTO MAIN	5	
CFIRE EMGY MGMT	2	

REPORT# 06/09/93

CITY OF CHARLOTTE
WORKERS COMP BY DEPARTMENT
CITY ONLY

DEPARTMENT.DESC	COUNT
CFIRE STAT OPER	62
CFIRE STAT. #1	11
CFIRE STAT. #2	9
CFIRE STAT. #3	5
CFIRE STAT. #4	8
CFIRE STAT. #5	6
CFIRE STAT. #6	4
CFIRE STAT. #7	3
CFIRE STAT. #8	6
CFIRE STAT. #9	1
CFIRE STAT. #10	7
CFIRE STAT. #11	9
CFIRE STAT. #12	3
CFIRE STAT. #13	5
CFIRE STAT. #14	3
CFIRE STAT. #15	3
CFIRE STAT. #16	12
CFIRE STAT. #17	8
CFIRE STAT. #18	7
CFIRE STAT. #19	8
CFIRE STAT. #20	2
CFIRE STAT. #21	5
CFIRE STAT. #22	3
CFIRE STAT. #23	2
CFIRE STAT. #24	1
CFIRE STAT. #25	2
CFIRE STAT. #26	5
CFIRE STAT. #27	2
CFIRE STAT. #28	3
CFIRE TRAINING	4
CGEN SVCS ADMIN	2
CGEN SVCS CENTR	41
CGEN SVCS CMGC	7
CGEN SVCS-EQUIP	34
CGEN SVCS-MAINT	1
CGEN SVCS-RADIO	9
CMANAGER'S OFF	1
CMINT MUSEUM	12
CMIS	1
CNEIGHBORHOOD C	3
CP&R - RANGERS	8
CP&R CEMETERY	4
CP&R OPERATIONS	137
CP&R PARK ADMIN	2
CP&R PARK OPER	36

293

94

REPORT# 06/09/93

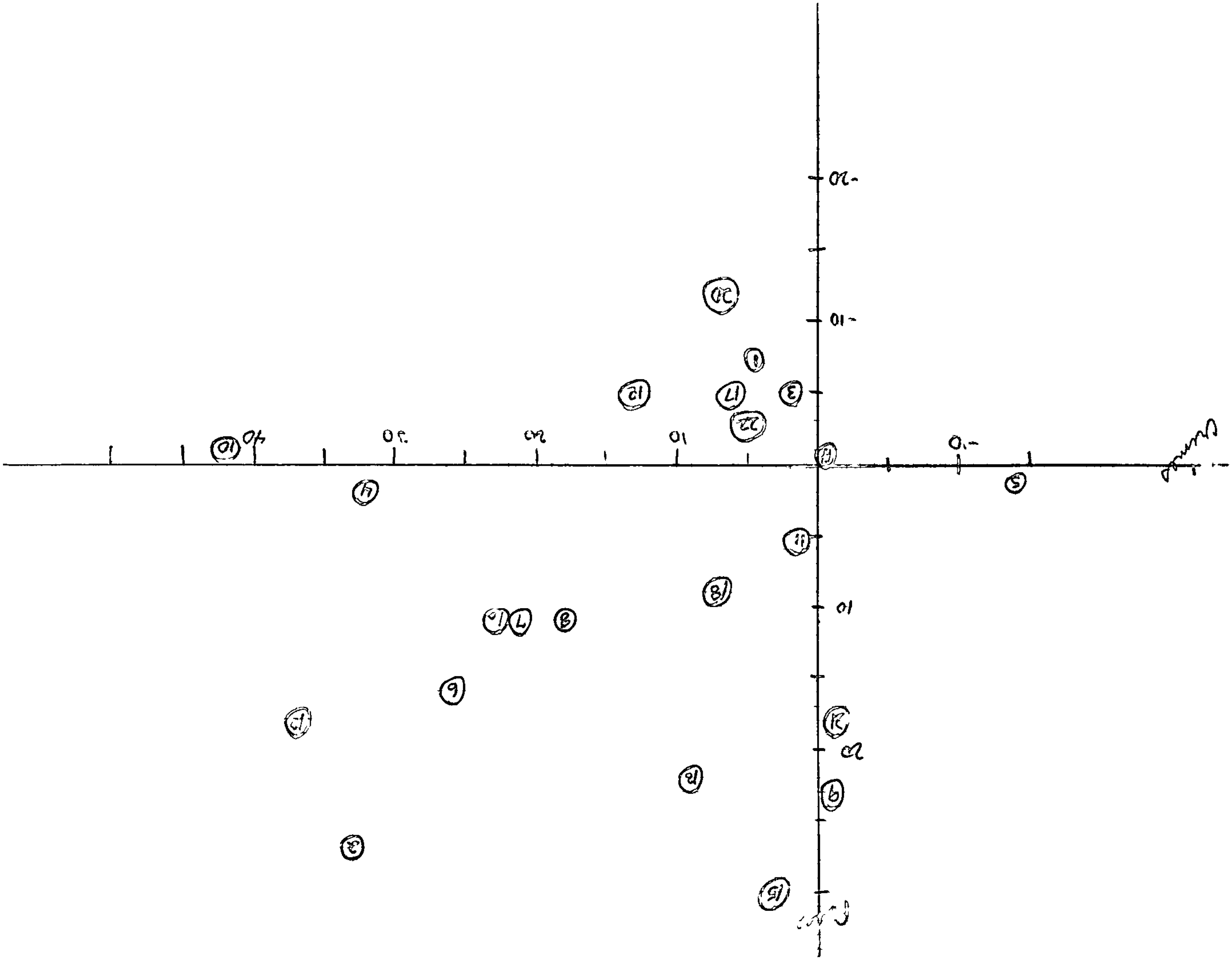
CITY OF CHARLOTTE
WORKERS COMP BY DEPARTMENT
CITY ONLY

DEPARTMENT.DESC	COUNT	
CP&R PARK REC	46	240
CP&R PK & REC	7	
CPERSONNEL	7	
CPLANNING	2	3
CPLANNING COMM	1	
CPLCY ADVIS-P.M	1	
CPOL - FIB	11	713
CPOL ADAM PATR	161	
CPOL ADMIN SVCS	2	
CPOL BAKER PATR	106	
CPOL CHARLIE P	153	
CPOL COMMUNICAT	3	
CPOL CRIME ANAL	2	
CPOL CRIME LAB	8	
CPOL DATA PROC	1	
CPOL OFC CHIEF	6	
CPOL PATROL DIV	182	
CPOL POL DEPT	1	
CPOL POL INVEST	3	
CPOL PROP CNTL	4	
CPOL RECORDS	7	
CPOL SPECIAL SV	14	
CPOL TRAIN BUR	8	
CPOL VICE-NARC	20	
CPOL YOUTH SVCS	9	
CPOL/DRUG TSK F	12	
CPS&I PUB SV/IN	1	
CPURCHASE/WHSE	2	
CSOL SANITATION	91	602
CSOL SOL WS ADM	3	
CSOL WASTE/SANI	395	
CSOL WST COMM I	3	
CSOL WST/ADMIN	1	
CSOL WST/BULKY	5	
CSOL WSTE/SPSV	104	
CUTIL CUST SVC	28	
CUTIL - ADMIN	5	
CUTIL - VEST	6	
CUTIL ADMIN-OTH	1	
CUTIL CATAWBA	1	
CUTIL CUST SVS	75	
CUTIL DAVIDSON	1	
CUTIL ENGINEER	28	
CUTIL FRANKLIN	7	
CUTIL INDUS WST	1	

REPORT# 06/09/93

CITY OF CHARLOTTE
WORKERS COMP BY DEPARTMENT
CITY ONLY

DEPARTMENT.DESC	COUNT		
CUTIL INSTRUMNT	4		
CUTIL IRWIN CRK	23		
CUTIL MALLRD CK	7		
CUTIL MCALPINE	22		
CUTIL SEWG LIFT	7		
CUTIL SUGAR CRK	14	472	
CUTIL UTIL DEPT	1		
CUTIL WASTEWTR	80		
CUTIL WSTW COLL	17		
CUTIL WSTW TRT	12		
CUTIL WTR DISTR	123		
CUTIL WTR TRTM	9		
MCMEDICAL EXAM.	1	CC00091	City Police
MCPARK & RECREATION	1	CC00741	City Parks & Rec
	3192		



Drug Grant

original purpose drug interdiction
at entry way

- Gov's Crime Comm
matched 25% ~~assets~~ assets forfeiture

2 yr grant - ends June 30
grant evaluated successfully
- plan to continue w/
interdiction staff

- next round for grants

EMPLOYEE HEALTH INSURANCE
ADDITIONAL OPTIONS FOR COST SHIFTING
(USING 50% OF COMBINED COVERAGE BEING PAID BY EMPLOYEES AS THE "TARGET" FOR EMPLOYEE CONTRIBUTION)

	SCENARIO	APPROXIMATE SAVINGS YEAR 1	YEAR 2
1	• Shift 5% of individual coverage in Year 1, additional 5% in Year 2 • Phase into 50% dependent target using fixed annual increases Increase employee cost of combined coverage in Year 1 from 31% to 35% if under 65, 25% increase in current rate if over age 65 Year 2 and after increase family rate by 20% until 50% target is achieved in 4-7 years (depending on medical inflation rate)	$575,000	$1,030,000
2	• Shift 10% of individual coverage in Year 1 • Phase into 50% dependent target using fixed annual increases Increase employee cost of combined coverage in Year 1 from 31% to 35% if under 65, 25% increase in current rate if over age 65 Year 2 and after increase family rate by 20% until 50% target is achieved in 4-7 years (depending on medical inflation rate) (This is the modified option recommended by the Mayor's Task Force)	$810,000	$1,150,000

Handouts

Housing Issue Paper	Nancy
contract evaluations	Nancy
housing asset analysis	Stephen
Environmental Issue	Phil
Statesville Ave Decision Pts	
Pay + Comp Report	Wilder
Performing Arts	Karen
ownership	
agreement - actuals	
Arts agreement	
Police Staffing	Nancy
cost of a cop	asst
Calendar + Agenda	Kimberly
~~Scoping~~	

How your tax dollar is spent	Manager's Proposed FY94 budget
Police	22 5 cents
Fire	14 cents
DOT,Transit	11 5 cents
Engineering, Public Facilities, Planning Storm Water	8 cents
Solid Waste	9 cents
Neighborhood Development	2 cents
Culture	1.5 cents
Debt/Pay–As–You–Go Capital Projects	23 cents
Other Services	2 5 cents
General Gov't	6 cents
	$ 1 00

CHARLOTTE

Memo

RECEIVED

MAY 17 1993

OFFICE OF BUDGET
AND EVALUATION

Julie Burch
Assistant City Manager

The effort consistent with this [redacted] should be [redacted] be added as a "staff report as part of budget." — does B&E concur w/ CBOT? (over)

Public Service Is Our Business

— Can this report be sent with other budget background material for workshops in next 2-3 weeks?

[illegible]

(Shri [illegible]
Transport Commissioner & Secretary
[illegible])

CHARLOTTE

Memo

sent 3/31
cp

Julie Burch
Assistant City Manager

Pam —

My thinking on this was to send now in memo for info. or maybe as info. during budget news — I think the report assignment sheet indicates the latter — & not take thru Committee. Julie

MEMORANDUM

MAR 23 1993

ITY MANAGER'S OFFICE

DATE: March 22, 1993

TO: Pam Syfert
Deputy City Manager

FROM: R. N. Pressley, Jr., Director
Department of Transportation

SUBJECT: Council Retreat Action Item B12

Attached is our response to the Council question from the retreat about privatizing the Ice and Snow Removal Program. In reading our memo, I think you will agree that there are compelling reasons for leaving the program as is.

Please advise as to how you would like to handle this issue with Council.

RNPjr:cl

Attachment

cc: Julie Burch

3/24

[redacted]

With some editing, what about sending this as an information item to Council?

Yes

get back with Bob & let him know you will be working w/Commitee on this item. Does need editing

Pam

MEMORANDUM

DATE: March 22, 1993

TO: O. Wendell White
City Manager

FROM: R. N. Pressley, Jr., Director
Department of Transportation

SUBJECT: Council Requested Investigation of Action Item B12:
Pay Contractors for Snow and Ice Removal

The Charlotte Department of Transportation Street Maintenance Division (SMD) plans and coordinates the City's snow and ice removal program. Street Maintenance employees assisted by Transportation Operations Division personnel are assigned to 12 hour day and night shifts for three different conditions defined by storm severity. The City's snow and ice removal program involves approximately 275 CDOT employees.

Below is a table of costs related to snow removal from 1989-1993:

Winter	Total Cost	Labor	Equipment	Materials
1992-93	105,287.44	61,444.10	13,311.02	30,532.32
1991-92	632.18	632.18	---	---
1990-91	30,487.10	29,057.53	1,318.00	111.57
1989-90	28,951.19	22,417.03	5,529.70	1,004.46

The above data shows that due to our mild climate the average cost for snow removal for the past four winters is $41,339.48. The majority of the expenses are associated with labor cost. Equipment costs remain low because Street Maintenance has all the necessary equipment for snow removal in-house: graders, dump trucks, do-all's, tandems, loaders, pick-up trucks, and radio communication. Equipment repair during snow and ice emergencies is not a problem because 9 Equipment Services employees remain on stand-by to assist the working departments.

For the most severe storm conditions, the Solid Waste Services Special Services Division and Charlotte-Mecklenburg Utility Department (CMUD) share staff and equipment with Street Maintenance. Special Services loans 30 employees and 15 standard dump trucks. CMUD loans 13 employees and 2 loaders and 4 tandems. To further supplement the City forces in only the most severe snow and ice conditions, each year the City already secures contracts to rent 12 motor graders and 5 loaders from four area contractors. The average rental cost is $90.00 per hour for each motor grader or loader and the company's operator. In contrast, the average cost per hour for a City employee to operate a motor grader or loader is $23.00. It should be noted that during snow, SMD employees are already paid for working an 8-hour day anyway. In most cases they cannot perform their regular duties of paving, patching, etc. when snow is on the streets. Therefore, it makes little sense to pay exorbitant amounts to private contractors to do what the City can do in-house.

If the snow and ice removal program was privatized, it would cause over 300 City employees from CDOT, Special Services, CMUD, and Equipment Services to remain idle during the snow and ice emergency. Currently, these employees are part of the emergency response program and must report to work even when City departments are "closed" because of inclement weather. They are not paid at an overtime rate for working on the ice and snow removal program until they actually work over 40 hours in a week's pay period. Thus, a privatized program would pay the contractor and the City employee.

A recent phone survey was conducted of cities in the Southeast that compare to Charlotte in size and climate. (see attachment) It was found that Memphis, Nashville, Norfolk, and Richmond all run in-house snow and ice removal programs. All of these cities had programs very similar in structure and size to Charlotte. However, unlike Charlotte, they do not employ local contractors under any circumstances because of the expense.

Finally, Street Maintenance's experience in the planning and implementation of a snow and ice removal program is intangible and cannot be surpassed by a local contractor. Street Maintenance employees have an excellent working knowledge of the City's street system. They are familiar with the various routes on the snow program and know of potential hazards or obstacles in the road that may not be visible when covered with snow (i.e. islands, markers, signs, etc.). Street Maintenance employees are informed when hired that participation in the emergency response program is a requirement for employment and failure to report to work during an emergency is cause for termination. Most Street Maintenance employees live in or around Charlotte, so they are able to be mobilized in a short length of time. In contrast, contractor's crews may be spread all over North and South Carolina and may not be available at an hour's notice.

The City's ice and snow removal program is implemented with relative ease and receives few complaints from citizens or the media. Because of Street Maintenance's experience, the snow and ice removal program operates very methodically and at a low cost.

RNPjr/DMN:dmn
Attachment

cc: Larry M. Johnson
Jan Kidder

COMPARISON OF SNOW PROGRAMS IN SOUTHEASTERN CITIES

CITY	# OF STREET MILES	CITY-RUN SNOW PROGRAM	# OF SPREADER ROUTES	# OF PLOWS	SUPPLEMENTAL USE OF LOCAL CONTRACTORS
CHARLOTTE	1600.00	YES	19.00	16.00	YES
MEMPHIS	2700.00	YES	23.00	3.00	NO
NASHVILLE	2100.00	YES	24.00	14.00	NO
NORFOLK	1800.00	YES	13.00	28.00	NO
RICHMOND	1000.00	YES	60.00	45.00	NO

Contract
valuation

enough -

schedule for
decision making
on Stateswell ave.

The City Council of the City of Charlotte, North Carolina convened for a Budget Workshop on Wednesday, June 16, 1993 at 5 05 p m in the Meeting Chamber Conference Room of the Charlotte-Mecklenburg Government Center, with Mayor Richard Vinroot presiding Councilmembers present were Stan Campbell, Dan Clodfelter, Ann Hammond, Pat McCrory, Nasif Majeed, Tom Mangum, Hoyle Martin, Don Reid, Ella Scarborough, and Lynn Wheeler

Absent: None

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CHILDREN'S SERVICES NETWORK REQUEST

Mayor Richard Vinroot opened the meeting by recognizing Mayor Protem Ann Hammond to speak about support of the Children s Services Network

Mayor Protem Ann Hammond stated because there had been questions about the Children's Services Network and she wanted to bring the Council up to date on what the Network has been doing She reminded Council that the City, County, School Board, the Chamber and the United Way got together along with the community workers three years ago when Marcus Grier was tragically killed to try to figure out what to do about the rise of crime, violence, and drugs in the schools, as well as the abuse and neglect of children Ms Hammond stated she served on that committee, and they saw a string of service providers come through telling us what they did It was mind boggling

Ms Hammond stated what the Task Force ended up doing, with Council's and County Commission's concurrence, was to engage a management consultant to make some sense out of the service provision for children in Charlotte-Mecklenburg They did an inventory and came up with almost 1200 different services for children in this County alone Although there are very many people working in this area, there is no overall mission for children in Mecklenburg County and no continuum of services Children often couldn't get help unless they were in crisis situations There was a fear that dollars were being spent without clearly understanding whether the needs of children were being adequately met Council has supported the Network for two years while we have sought with the other providers to create a system of working together rather than turf guarding They have been aiming toward the day when they could establish a clear mission and hire the right person to be the Director to provide support and assistance to the organizations in the community helping children, to streamline a data collection process so that the services and the outcome may be tracked, to provide technical assistance to the agencies and to report back to the community Our goal is to make the most effective use of limited public dollars Ms Hammond then introduced Frank Spencer, who was selected as Executive Director after a very thorough search

Frank Spencer, Children's Services Network Director spoke to Council about his approach to where the service is heading Philosophically, the CSN is going to try to focus on elements of prevention rather than intervention He is going to attempt to pull all the elements together and develop a scenario of what the program ought to look like Everyone will agree it is not working the way it is now and needs a more focused approach There will be four primary efforts in this approach One is the tracking of data, improving the effectiveness of service delivery, efficiency and finally, identifying a broad based approach and other funding sources

Councilmember Hoyle Martin asked how Mr Spencer will deal with the fact that there are 1200 service agencies with different boards and philosophies if the philosophies happen to differ

Mr Spencer said that his approach is going to be a collaborative approach He sees himself as a facilitator with no direct budget or organizational authority If a board wants to go its own direction, it can, however, in his discussions with hundreds of people in the last month, there is a real sense of coordination The people who are doing this work are doing it for the kids, he has seen very little turf guarding He feels through a consensus building process, significant priorities will emerge

Councilmember Martin asked if Mr Spencer thinks, realistically, that 1200 agencies are needed to provide for needs of children

Mr Spencer replied he thinks while it may be impossible to get your arms around the whole 1200, to really effect and be a significant agent for change is attainable

Councilmember Pat McCrory said if this moves forward, he feels there are three things Council should look for One is there needs to be measurement standards for the agencies providing services, the efficiency aspect is inadequate and there needs to be more of a sharing of resources between the 1200 agencies

Councilmember Martin asked if tracking had been used, would it have been possible to prevent the murder of Marcus Grier

Ms Hammond said they never tried to track whether something have been done somewhere along the line to prevent that particular tragedy from happening She said the 1200 range from the Mecklenburg County Department of Social Services to the pre school care program in the smallest church, so these are not all organizations accountable to government or United Way We don't want to drive them out of business, but to have them agree that it is in the best interest of the children to work together

Councilmember McCrory said he thought it would be important for the CSN to be successful to hold them accountable for measurable results and if Council sees an agency that is not functioning or duplicating services, Council or other elected officials should cut off their funding.

Councilmember Ella Scarborough said in this field, the harvest is plentiful but the laborers are few She wants to be sure CSN will take advantage of the data bases already in place by Success by Six and Teen Health Connection versus creating a new base She does hope the duplication of efforts will be eliminated

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$3.4 MILLION REFUND FROM COUNTY

City Manager Wendell White reported to Council that the County had that day made a decision to implement a garbage fee of $37/year for disposal on residential units and a fee based on tonnage for commercial properties This will impact our budget by $3 4 million He asked Council to keep that in perspective but not to let it interfere with tonight's decisions The budget on the table calls for a tax increase the second year to handle environmental issues Obviously we have not reviewed the total impact of this yet, but his reaction is that Council should leave this budget intact and allow staff to do some evaluation and consider that we take a portion and put it into the capital program so that when we go to the voters this fall on the required environmental issues that we would have a second year budget with no tax increase

Councilmember Don Reid asked if the negative impact of the County's tax increase as it affects the sales tax been factored into the budget? Every cent the County raises their taxes, the City loses about $370,000 from the State

Richard Martin, Finance Director answered no Not knowing what amount they would raise their taxes, we did not factor it in

Councilmember Reid said his point was that this is bad news for '95
Mr White said that is a good point, and is sort of what he was saying By the time you begin

to work on your second year budget, he will have a much stronger idea as to what the revenue forecasts are

Councilmember Scarborough asked if this meant the citizens were being doubly charged

brf

Mayor Vinroot said that is correct

Ms Scarborough said she is not willing to do it then

Mayor Vinroot said Council is not to make a decision tonight, they have two weeks to decide

Budget Director Viola Alexander said multi-family and single-family will be charged the same amount, $37 per household unit

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GARBAGE COLLECTION SERVICE/PRIVATIZATION

Mr White said two decisions need to be made separately Decide whether you want to go to rollout, if so, make that policy decision apart from privatization

Wayman Pearson, Director of Solid Waste Services gave a presentation on collection service as it relates to roll out service, and said they could be ready to do a pilot program in early spring, fiscal year '94

Dave Cooke, Internal Consulting spoke to Council about privatization and how it fits into the roll out program

Mr Martin said he felt it would be best for the City to go with roll out ourselves the first year, then maybe get an RFP after we get a feel for it

Councilmember Tom Mangum said he had a concern in the RFP process and dealing with people who have unions

Councilmember Stan Campbell asked what would happen if a City department bid on a contract and then went over budget? In the private sector, they just absorb the loss Where would the money come from?

Mr Cooke said you would have to go through the process and isolate something like a CIP account which Mr Pearson would use to draw from There are ways to set up assurances that you would not be taking funds from other areas to bail them out

Councilmember Nasiff Majeed asked Mr Pearson if he was talking about four quadrants if privatization takes place

Mr Pearson said that would be a Council decision

Mayor Vinroot said he hopes Council will make a garbage decision tonight It makes some sense to go slow but at least get into the posture of attempting to privatize some portion of it It does not mean the private sector would get the work, it only means subject that portion to bids Mr Pearson may win it all

Mr Reid said if the City goes ahead and retrofits the equipment and buys cans for the whole City, then we are possibly negating any possible savings that a private contractor might have with regard to equipment, cans or anything else when we go to privatize That doesn't make any sense at all If we're going to honestly try to privatize, then we ought to take advantage of the switch

Mr Cooke said that would have to be included in the RPF when you decide to privatize the service It has a lot to do with what areas you decide to put up for bid If it's a quadrant, then that's going to dictate how you establish the issue on containers and equipment Then you're only talking about a fraction for both of those issues Mr Cooke then walked Council through the "what if" scenario if the City is divided into quadrants

Mr Reid said if the City is allowed to bid without considering the cost of retrofitting and garbage cans, then obviously no private company is going to win that battle To suggest that all private companies must use either the same equipment or the same cans is the wrong way to approach it There a lot of ways to solve this problem If somebody can come up with a way that is better or cheaper, we would like that, too

Mr Cooke talked about the committee's findings on how to compare costs for the public and private sector

Mr McCrory asked from a bidding process, where are the cost differentials?

Ms Hammond said the RFP would have to be put together very carefully so that there is a level playing field and the City does not have the advantage of having already counted the cost of its equipment If we do experiment with one quadrant or one fifth, couldn't we hold off on the retrofitting of a fourth of the trucks until we have the bids

Mr White said that would be possible

Councilmember Dan Clodfelter said we can avoid the issue Mr Reid has brought up , and it is a legitimate concern, by simply sticking to Mr Pearson's original schedule and making the decisions in the right sequence

Ms Hammond said she would also add in 1987, Council tried to make a change in collection to meet an artificial deadline, moved too quickly and botched it terribly Mr Pearson has heard about that, and he wants to take the time to be sure the transition is properly planned

Mayor Vinroot said if we do make such a dramatic change, we want to be sure it works and that the service is at the highest level There are two sides to this, the cost side and the service side

Mr Majeed asked what would be the length of the contract?

Mr Cooke said Phoenix is 7, Newark is 5, and Houston is 3 with 3 one year extensions There are one year contracts

[Motion by Councilmember Mangum, seconded by Councilmember Hammond, to proceed]
[with once a week roll out service]

YEAS: Campbell, Clodfelter, Hammond, McCrory, Majeed, Mangum, Martin, Patterson, Reid, and Scarborough

NAYS: Wheeler

Mr Pearson reminded Council that he will still need nine months to implement the pilot project

Ms Wheeler said she represented the district that was the most adamantly opposed to *eliminating back yard pickup She voted for it because the Mayor's Memo stated "Garbage for* Guns" and that's very important in my district My vote is contingent on using the savings for public safety efforts

[Motion by Councilmember Hammond, seconded by Councilmember Martin, to direct the]
[Manager and staff to bring back a detailed plan for privatization Carried unanimously]

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NEIGHBORHOOD MATCHING GRANTS PROGRAM STATUS

Ms Alexander said this would require a new appropriation of half a million dollars

brf

[Motion by Councilmember Mangum, seconded by Councilmember Clodfelter, to allocate]
[$113,000 from the Neighborhood Matching Grants Program to the street light program]
[to fund three positions]

Assistant City Manager Del Borgsdorf explained the grant program to Council

The vote was taken and carried as follows

YEAS: Campbell, McCrory, Martin, Mangum, Reid and Wheeler

NAYS: Clodfelter, Hammond, Majeed, Patterson, Scarborough

[Motion by Councilmember Reid, seconded by Councilmember McCrory, to keep the]
[same amount as last year in the Matching Grants Account]

The vote was taken and failed as follows

YEAS: Mangum, Campbell, Reid, McCrory and Wheeler

NAYS: Clodfelter, Hammond, Majeed, Martin, Patterson, & Scarborough

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BUSINESS CORRIDOR PROJECT

[Motion by Councilmember Paterson, seconded by Councilmember Hammond, to leave the]
[project amount as is]

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LIGHT RAIL RIGHT OF WAY FUNDING

[Motion by Councilmember Patterson, seconded by Councilmember Hammond, to include]
[funding for fiscal years '96, '97, and '98]

[Substitute motion by Councilmember Reid, seconded by Councilmember McCrory, to]
[eliminate funding for '96, '97, and '98]

Vote on the substitute motion was taken and failed as follows

YEAS: Reid and McCrory

NAYS: Campbell, Clodfelter, Hammond, Majeed, Mangum, Martin, Patterson, Scarborough and Wheeler

Vote on the original motion was taken and carried as follows

YEAS: Campbell, Hammond, Majeed, Mangum, Martin, Patterson, Scarborough and Wheeler

NAYS: McCrory, Clodfelter and Reid

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EMPLOYEE HEALTH INSURANCE

[Motion by Councilmember Majeed, seconded by Councilmember Scarborough to return]
[to the Manager's recommendation with a 10% cost to the single employee and 80%]
[co-payment]

brf

Mr Wilder stated that under the Manager's recommendation, dependent coverage would remain at the present 31% cost to employees

The vote was taken and carried as follows

YEAS: Clodfelter, Hammond, Majeed, Mangum, Martin, Patterson and Scarborough
NAYS: Campbell, McCrory, Reid, Wheeler

Mr White stated that this would be revisited each year

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RETIREE HEALTH INSURANCE

Councilmember Martin stated he was excused from this item

Deputy City Manager Pam Syfert stated staff had been working with the May 10th decision, but Council came back at the last meeting with the Task Force with a modified proposal The original recommendation approved on May 10th, called for the beginning of splitting off of the retirees from the actives from the calculated rates What staff recommended to Council as a modified proposal that the Task Force agreed with the last time, is we postpone that for approximately three years and see what happens at the national level on health insurance, and what happens because of our cost savings on the point-of-service The other issue was on the defined contribution rate for retirees A suggestion that was agreed upon by the Task Force was to have a defined contribution rate, but have a "grandfathered" clause, and staff has not yet worked out the details of who would be "grandfathered" and how that would work

Mayor Vinroot asked if Council needs to make a decision confirming those two points

[Motion was made by Councilmember Majeed, seconded by Councilmember Clodfelter to]
[*grandfather current retirees*]

Ms Syfert said Council should talk about this more The intent of the Task Force recommendation was only to grandfather those folks in who are currently eligible right now for retirement, prior to January 1, 1994 But that would be the only grandfathering The idea behind that was with this change you may start losing more people to retirement before January 1, 1994, because of that So the grandfathering issue only applies to people who are currently eligible prior to January 1, 1994

Mayor Vinroot stated the first issue to deal with is the 3-year deferral issue

[Motion by Councilmember Clodfelter, seconded by Councilmember Patterson to defer]
[the decision on separation of rates for retired employees for three years]

Councilmember Scarborough asked what that means

Mr Clodfelter stated it means we do nothing for three years It does not mean we start in three years, it means we do not decide it for three years until we see the experience under the point-of-service plan

Ms Scarborough asked Mr White what that does in reference to his recommendation on retirees

Mr White stated that was in harmony with where the staff recommendation

The vote was taken and carried unanimously to defer a decision on separation of rates for retirees for three years

brf

[Motion by Councilmember Wheeler, seconded by Councilmember Mangum to grand-]
[father current retirees and all persons eligible for retirement up to January 1, 1994]

Mr Clodfelter asked Mr Wilder to walk through what this motion does

Mr Wilder stated defined contribution sets the limit If we implement a defined contribution effective January 1, 1994, anyone who is presently eligible or will become eligible for retirement in that window of time, would be grandfathered in and can retire now or at some future point We still need to define whether that is January 1, 1994 Anyone retiring after the end of that time line would come under the defined contribution The reason the Task Force agreed with it is we may have some critical categories, the Public Safety area for example, who could walk right now That could put a real impact on Community Based Policing for example

Ms Patterson gave an example Let s say if you are eligible for retirement before January 1, 1994, even if you do not retire, you will maintain the current deal on retiree health insurance

Mr Wilder said correct

Ms Patterson said if you are not eligible before January 1, 1994, we will have a defined contribution approach

Mr Wilder again said correct

Mr Clodfelter stated this is where we cap the escalator that Mr Reid mentioned earlier on the growing cost of retiree health insurance He feels this legitimately addresses this concern

Mr Reid stated this just gives us the option, it does not say we will do it

Mr Clodfelter stated it was his impression that is what we are doing He directed the question to Mr Wilder it was his understanding any employee that becomes eligible for retirement after January 1, 1994, is under a defined contribution system

Mr Wilder stated that is correct

Mr Clodfelter stated he reads that motion as yes we are doing it

Ms Scarborough asked Mr Wilder if an employee reaches 32 years April 1, 1994, will we say to that employee, because this is effective January 1, 1994, you are not eligible

Mr Wilder stated under that scenario, that is correct

Ms Hammond asked what is the retirement eligibility

Mr Wilder stated 30 years, age 60 with 25 years, or age 65 with 20 years Maybe it will help to say if an employee becomes eligible to retire regardless of whether it is 30 years or age 60 with 25 years, after January 1, 1994 If they have 30 years prior to January 1, 1994, they could retire under the current arrangement But if they obtain the eligibility subsequent to January 1, 1994, they would fall under the defined contribution plan

Ms Hammond asked if the 65 with 20 years or any other eligibility combination falls in this plan also

Ms Syfert suggested rather than trying to find out what the grandfathering would mean, if Council votes to start defined contribution, but grandfather, staff would need to come back to Council with the retirement categories and how that grandfathering would work, and let Council approve the specific grandfathering in a separate action

Ms Hammond stated she was not sure she knew what the defined contribution really is at this point

brf

Mr McCrory stated there has to be a line somewhere, and some people are going to miss it by one day There will be some people in luck and some out of luck no matter where you draw the line

Ms Syfert stated if Council would give staff the flexibility to take the concept and depart somewhat from the Task Force report, they would work this out and come back to Council with a proposal on the defined contribution as well as the grandfathering based on what our workforce looks like

Mr Vinroot asked if it was O K with the motion maker to add Ms Syfert's proposal

Mr Mangum stated in regard to Mr McCrory's comment, we had that same thing happen three or four years ago when a few Firefighters that fell in there and came back to Council because their benefits were messed up

The vote was taken and carried unanimously

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LONGEVITY PAYMENTS

Mayor Vinroot suggested the money set aside for longevity payments be put into an incentive program

Ms Alexander suggested Council wait until next year when the incentive program is more fully developed

Councilmember Clodfelter said the task force had suggested a buy-out and he thinks that is sensible Although he favors making a change, he wants to know exactly what the exchange is before a change is made

Council agreed that they would wait until the incentive program is developed before changing longevity

Councilmember Martin said he hoped the employees themselves would be able to have a lot of input into what is done Some of them feel the City made a commitment to them when they came to work and it is morally wrong to take it away from them now

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ADDITIONAL POLICE OFFICERS

Councilmember Reid said he had been advocating more police officers to reduce crime and the budget for '94 and '95 called for no additional officers Mr Reid presented a report on the 100 officers authorized for hire Under his proposal, no officers would be hired for the first half of the coming year but beginning in January of 1994, fund 50 officers and authorize 100 for the next year He feels police officers and firefighters deserve hazardous duty pay This would take $7 9 million for '94 and $12 4 million for '95 Mr Reid would take the $1 4 million from the Coliseum contingency set aside for possible deficits at the new Convention Center, and next year, $2 0 million more which Steve Camp had indicated to him he could raise at the Coliseum

Mr Reid continued, the second thing on his list is there are 131 vacant positions in the general fund for 1994 Assuming these savings are about $30,000\year, if we froze those we could $3 6 million for both '94 and '95 The third category is privatization We need to set a reasonable figure and attain to reach that through privatization Another thing we have to look at is funding for the arts He looked at some of the salaries for the Charlotte symphony and the only person he knows who makes more than the Director is the School Board Chairman It's a question of whether we should help fund those salaries How can we fund that kind of activity and not hire more police officers? He also feels CityFair needs to be sold, office supplies can be bought

much cheaply, raise transit fares by 25% If you adopt all his savings, he would have enough to eliminate the one cent property tax increase

[Motion by Councilmember Reid, seconded by Councilmember Wheeler, to add 50 sworn]
[police officers to the budget for FY-94 and 100 officers for FY-95]

Mr White said it is true that we are not up to strength, but he thinks the efforts should be concentrated on getting the officers authorized in place Also, with the merger of the two departments, he thinks the entire County will be benefitted, although he can't say how today Both departments need some breathing room in order to make the transition After we get past the consolidation efforts, he thinks there will be plenty of time to revisit this issue and determine where the priorities should be

Councilmember Majeed suggested officers who work at night receive hazardous duty pay

Councilmember Hammond appreciates the intent of what Mr Reid is saying, there is clearly a need to work on public safety What she would like to see Council do is to honor the Chief's request that we not give him a target that he cannot adequately reach this year and that we work on balancing out those components in making a safe community This is such a complex problem and we need to revisit the whole public safety services area

Councilmember McCrory said he was not prepared to vote tonight, but Mr Reid's intent is good He thinks the number of officers needed should come from the Chief, maybe they need additional bicycles, cars or other resources to prevent crime He does feel the savings from the backyard pickup be transferred to public safety

Councilmember Scarborough said she thinks there needs to be a shift deferential in the Police Department She wants to ask the Chief what his needs are before voting on funding

Councilmember Martin said there is no way to measure how many police officers are needed He doesn't think murders would be prevented with a police officer on every doorstep

Councilmember Patterson said she is a big fan of neighborhood policing, and in communities where it is in place, crime has actually gone down There is more than just one piece involved in fighting crime, it involves environment as well Just as important a component to her is providing jobs and job training and role models

Councilmember Wheeler said she was supporting Mr Reid because she believes the two pronged approach of intervention and prevention is best as well as the deterrent of police on the street She withdrew her vote on rollout garbage because she thought Council was going to allocate the savings to public safety

Councilmember Clodfelter reiterated that this is a high priority with all of Council and urged the City Manager to use the same push and innovation that he has on past efforts to this problem, and to take a hard look at the things Mr Reid has recommended He wants the Manager to come back with a strong, effective plan

Mr White said he considers that one of his primary responsibilities and reminded them that he brought to the table the concept of community based policing, and staff brought forward the City within a City concept

Councilmember McCrory said he is concerned that there are no allocated resources available now to be used when they're needed later on

Mr White said he did not see a pressing need for that

Councilmember Mangum said with all that has been said tonight,the one thing that is striking him is if the Police Chief felt there was a need to have these police officers in the pipeline, why is he not asking for them?

brf

Deputy City Manager Pam Syfert said that staff wanted to come back and go over the time process involved in hiring new officers and ways to get people on board

[Substitute motion by Councilmember McCrory, seconded by Councilmember Wheeler, to]
[transfer funds from garbage savings to public safety]

The vote on the substitute motion was taken and recorded as follows

YEAS: McCrory, Wheeler, Reid, Campbell
NAYS: Clodfelter, Hammond, Patterson, Majeed, Martin, Mangum, Patterson and Scarborough

The vote was taken on the original motion and recorded as follows

YEAS: Reid, Wheeler
NAYS: Campbell, Clodfelter, Hammond, Patterson, Majeed, McCrory, Mangum Martin, Patterson and Scarborough

COUNCIL TOOK A FIVE MINUTE BREAK AT 8·35 AND RECONVENED AT 8:40

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GRANT FOR DRUG INTERDICTION

[Motion by Councilmember Campbell, seconded by Councilmember Scarborough, to ap-]
[prove the grant for drug interdiction Motion carried unanimously]

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CITYPAGE

[Motion by Councilmember Reid, seconded by Councilmember Campbell, to cut the size]
[of CityPage in half]

The vote was taken and recorded as follows

YEAS: Reid, Campbell, Mangum, McCrory, Wheeler, Majeed
NAYS: Hammond, Martin, Patterson, Clodfelter, Scarborough

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PUBLIC INFORMATION AND PRINTING

There being no motion to change, the item stays as is

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CABLE FRANCHISE OVERSIGHT SERVICE

There being no motion to change, the item stays as is

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CDOT STAFF

This item was handled earlier in the meeting

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brf

STREET LIGHTING STANDARDS

The question having been answered, the item stays as is

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COG MEMBERSHIP

[Motion by Councilmember Campbell, seconded by Councilmember Reid, that membership]
[in COG be abandoned]

Ms Hammond said that we are deep into regionalism, and COG is the traditional voice and technical support for the region We probably do not get as much out of it as we would like because we have such an expert staff, but if we're going to be a player in the region, you need to understand how much COG means to some of the rural counties around us If we back out, it will be a real blow to regionalism

Mr Clodfelter said it would be the Great State of Mecklenburg mentality all over again

Mr Majeed asked how much overlay there is Maybe the same thing could be done with other organizations

Mr Martin said we don't seem to have much respect for COG and we have the resources to do things that small counties don't Consequently, they tend to focus their energies on smaller areas and he has to tell them to be more aggressive in getting involved with Charlotte-Mecklenburg

The vote was taken on the deletion of COG and was recorded as follows

YEAS: Majeed, McCrory, Campbell, Reid
NAYS: Clodfelter, Hammond, Mangum, Martin, Patterson, Scarborough, and Wheeler

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CAROLINAS PARTNERSHIP CONTRACT

[Motion by Councilmember Reid, seconded by Councilmember Scarborough, to not]
[support the Carolinas Partnership]

The vote was recorded as follows

YEAS: Reid and Scarborough
NAYS: Campbell, Clodfelter, Hammond, McCrory, Majeed, Martin, Mangum, Patterson, Reid and Wheeler

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CAROLINAS TRANSPORTATION COMPACT

[Motion by Councilmember Scarborough, seconded by Councilmember Martin, to]
[delete funding for the Carolinas Transportation Compact Carried unanimously]

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EXEMPT CHURCHES FROM STORMWATER FEES

[Motion by Councilmember Scarborough, seconded by Councilmember Reid, to exempt]
[churches from stormwater fees]

brf

Mr Martin said if Council deletes churches it will open a Pandora's box Private schools and daycares will come after us and we'll have to shift that burden to the taxpayers

Ms Hammond said in eight years on Council, the worst offender for dumping water off a parking lot onto their downhill neighbors was a church The characteristics that cause water to be a problem are prevalent with any large building, churches included

The vote was taken on the motion and recorded as follows

YEAS: Reid and Scarborough
NAYS: Campbell, Clodfelter, Hammond, McCrory, Mangum, Martin, Majeed, Patterson and Wheeler

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RESURFACING

[Motion by Councilmember Wheeler, seconded by Councilmember Mangum to approve]
[the recommendation for resurfacing Carried unanimously]

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TRANSIT FARE INCREASE

[Motion by Councilmember McCrory, seconded by Councilmember Mangum, to bring]
[back after legislation by the State]

The Mayor advised this motion did not have to have a vote

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SPECIALIZED TRANSIT SERVICE

Ms Alexander said the Transportation Committee met Monday and discussed continuing the STS expansion as planned This is not in the budget but there is a fund balance that can be used

There was no motion on this item

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STOP THE KILLING CAMPAIGN

[Motion by Councilmember Majeed, seconded by Councilmember Scarborough, to fund]
[Reverend James Barnett's request for Stop the Killing]

[Substitute motion by Councilmember Mangum, seconded by Councilmember Reid, to]
[identify what was programmed last year and come back to Council]

The vote for the substitute motion was recorded as follows

YEAS: Campbell, Clodfelter, Mangum, Reid, McCrory, Patterson
NAYS: Majeed, Scarborough, Hammond, Martin, Wheeler

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ARTS AND SCIENCE COUNCIL, PROJECT REACH

[Motion by Councilmember Patterson, seconded by Councilmember Martin, to add the]
[matching money for Project Reach]

brf

Mr Reid asked if this was for arts education in the schools

Helena Tidwell, Arts and Science Council explained how the funds would be used

Mr McCrory said he personally felt this was a County function, and he questions where the $100,000 would come from

[Substitute motion by Councilmember Campbell, seconded by Councilmember Clodfelter]
[to wait until the County takes action Carried unanimously]

* * * * * * *

CRISIS ASSISTANCE REQUEST

[Motion by Councilmember Campbell, seconded by Hammond, and carried unanimously]
[to award $4,600 increase to Crisis Assistance Energy Fund]

* * * * * * *

FINAL FOUR REQUEST

Councilmember Patterson suggested that Steve Luquire look to the Coliseum Authority for funding

* * * * * * *

[Motion by Councilmember Mangum, seconded by Councilmember Patterson, to adjourn]
[at 9 25 p m Carried unanimously]

Brenda R Freeze, City Clerk

Length of Meeting 4 hours, 20 minutes
Minutes Completed August 2, 1993

brf

_____TITLE_____

FY94-FY95 Budget

Issue Paper

Description: This is the "long title" of the issue paper; describes briefly and in general the issues under consideration under this topic.

Decision Needed: This item clearly states the decision needed by Council concerning this topic. In most cases it will be funding decisions, but may include policy decisions also.

Background: This section should give relevant background information needed to frame the decision. Format should be concise and bullet points, not lengthly paragraph discussions. May reference attachments in this section to minimize length. May look somewhat like Council agenda item format.

1. What is relevant background info?
2. WHat recent Council actions have relevance to this issue? (reference state mandates, ordinances, resolutions, adopted plans, etc.)
3. What are financial constraints, available funding?
4. Staff resource person?

Options and Impacts: Offer options for Council to consider. Number the options and list both positive and negative impacts of each.

1. If applicable, * manager's recommended option.
2. This section may flow better in the Issue Paper if it comes immediately after the **Decision Needed** section. Use your judgement, for final placement in the Issue Paper.

V:
first draft. do this
what you had in mind

Issue papers

pay + comp report

performing arts

police staffing

Housing

Environmental

CO issue paper

CO grants - local

CO op } local $

cap } fed $

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Attachments

A. Merit Budgets - Charlotte Companies

B. Compensation Trend Data

C. Comparisons with Major North Carolina Cities and Mecklenburg County

D. Employment Practices - Charlotte Metropolitan Statistical Area

E. 1993 City of Charlotte Market Survey (A series of graphs E1 - E8)

F. Comparison of City Manager's Recommendations with the Recommendations of the Mayor's Compensation Task Force; Compensation Issues and Incentive Reward Issues

EXECUTIVE SUMMARY

The following highlights recommended changes in the City's pay and benefits programs for FY94.

Recommended Pay Philosophy

Allow good employees to achieve market rate for job and top performers to exceed market rate

Measure market competitiveness against median average actual in the recruitment area for job

Use incentives to reward employees for cost savings/increased value of services to taxpayers

Link pay decisions to performance management system; make pay decisions based on employee performance and market value of the employee's job

Objectives of the Recommended Pay Structure

Simplifies pay structures and job ranking system

Eliminates all automatic pay increases

Pays for performance and market value of job

Eliminates step structures (except for public safety jobs)

Decentralizes pay administration and holds managers accountable

Recommend Implementation of Broadbanding

Adopt broadband pay structure for implementation in August 1993

Establish a market target value (based on median) for all jobs

Revise the step plan for public safety employees

Recommended FY 94 Salary Increases

Recommended 4.5% merit budget based on analysis of proposed increases for Charlotte and other private and public employers

Needed to maintain City's current market position

Public safety employees with satisfactory or better performance will receive 4.5%

Longevity Pay Program

Alternatives for phasing out and/or eliminating the current longevity program are provided for Council's consideration

Incentives Program

Incentive plans will be developed and implementation begun by January 1, 1994

FY 94 Benefits Changes

Plan changes as approved by City Council on May 10, 1993 are shown on Page 13.

RECOMMENDED PAY PHILOSOPHY

A new pay system is recommended. The system will be based on specific principles that should serve as a guide for all pay decisions. These principles should support the goals of City Council and be communicated to all levels in the organization.

The recommended principles are as follows:

- The purpose of compensation for the City of Charlotte is to attract and retain the most qualified and motivated talent; to motivate and reward behaviors which are critical to success; and to support the short and long term business objectives and core values.

- Compensation is a reward for performance and not guaranteed; compensation will be driven by individual, team, business unit and organizational objectives.

- Base salaries should be competitive with the market average practice. Good employees should be able to achieve the market rate for their job; very high performers should be allowed to exceed market rate, based on their level of contribution.

- The measure of market competitiveness is defined as a pay rate which is within 5% of the median of the actual salaries paid for similar jobs within the geographical area where recruitment is conducted.

- Market competitiveness is based on comparison with comparable employers, depending on the geographical area where recruitment is typically conducted:

  Major Charlotte companies and other local companies with employees performing similar jobs

  Major cities in North Carolina (Durham, Greensboro, Raleigh, and Winston-Salem)

  All Southeastern cities with populations of 100,000 or greater

  National cities with populations between 175,000 and 675,000

- Compensation structures should support the City's need for a flexible and adaptable workforce.

- Incentives should be used to reward employees for cost savings or increased value of service to taxpayers.

- The compensation system should be linked with the City's performance management system. The role of performance management will be to support employee development and to serve as a communications tool with employees.

- Performance ratings will not automatically drive pay increases; pay will also be driven by the market value of the job.

The proposed philosophy will be reviewed with the Personnel and Finance Committee prior to approval by the full City Council.

OBJECTIVES OF THE RECOMMENDED PAY STRUCTURE

The recommended pay system recognizes the City's need for a new approach to salary structure and pay administration to support a more streamlined, flexible and people-oriented organization.

The new pay system will accomplish the following objectives:

- Support organizational change messages:
  - rightsizing
  - flattening
  - *broadening employee skills/competencies*

- Simplify the current pay structures and classification system.

- Eliminate automatic increases for all employees.

- Provide pay increases based on performance and on comparison with the market value of specific jobs.

- Eliminate steps for most City positions (all positions except those in the Public Safety Pay Plan are recommended to be included in the new pay system).

- Encourage team-based work and job enlargement; reward employees for developmental job changes and acquisition of additional relevant skills.

- Decentralize pay administration and hold key managers accountable for pay decisions and salary costs.

- Enable Human Resources staff to have sufficient time to better evaluate market competitiveness and internal pay practices and increase their role as consultants to the key businesses.

RECOMMEND IMPLEMENTATION OF BROADBANDING

The City's Human Resources Department has explored a variety of job evaluation and pay delivery systems and approaches. Primary considerations in this search was to select an approach which met the major recommendations of the Mayor's Compensation Task Force. In addition, we sought an approach which supported our new organization and its culture, accommodated rightsizing and delayering, provided greater flexibility for developmental and lateral moves by employees, and facilitated development of a non-managerial career track.

From our research, we have determined that a broadbanding system will meet these objectives and will provide an enhanced flexibility to pay-the-person and match pay levels with performance and contribution. Such a plan facilitates responsiveness, communications and decision making and supports the development of broadly skilled, rather than narrowly specialized, employees. Implementation of the plan, if approved, is scheduled for August, 1993.

While broadbanding is a relatively new approach to pay delivery, it is increasingly being used in a number of top U.S. companies, including Duke Power, General Electric, Data General, Monsanto, Levi Strauss and Northern Telecom.

What is broadbanding? Broadbanding collapses current grade structures into a few (5-10) wide bands (typically 100+ %) which include broad groupings of jobs. Employees may perform several different jobs within the same band, enhancing skills development. Supervisors and their direct reports may be in the same band. (See Chart "What Are Broadbands" on Page 7.)

The Mayor's Compensation Task Force recommended that in addition to implementing a new pay system, we also implement a quantifiable job evaluation system. Because a broadbanding system groups many different jobs into only a few bands, a quantifiable ranking of each job is not necessary for initial implementation. Additionally, it would take a longer period of time to implement a quantifiable job evaluation system, which would delay our implementing the new pay system.

Once employees have been placed into bands, we will evaluate the need for a quantifiable ranking system for on-going analysis of job changes. Evaluation will be completed during FY 94.

The following are the components of the recommended pay system:

- Establish a broadbanding system; preliminary work indicates that a structure of six bands which are 100% wide is consistent with the broadbanding structures used by other organizations.

- Use the median as the measure for market competitiveness; the median is defined as the middle of a list of salary data placed in numerical order.

- Establish a market target value for all positions within the bands.

- Eliminate automatic increases; grant increases on anniversary dates.

- Eliminate step increases for positions in the bands; all except sworn public safety positions will be included in the broadbanding system.

- Public Safety positions will continue with a step pay plan; the Police and Fire Departments along with Human Resources will work together to develop a revised step plan that is more consistent with the pay practices for other City employees.

WHAT ARE BROADBANDS?

Component	Traditional	Broadbands
Job Evaluation	Formal Evaluation Systems—Internal Equity Focused	General Guidelines—More Externally Focused
Number of Grades	15 to 30	5 to 10
Range Spreads	40% to 50%	100% or More
Market Data	Used to Develop Ranges	Used to Make Pay Decisions

RECOMMENDED FY 94 SALARY INCREASES

The FY 94 pay recommendations are based on analysis of the annual survey conducted by the Human Resources Department and on the projections and trends of Charlotte employers, other private organizations and cities of similar size in the southeast region and in the nation.

An analysis of pay data shows that the City is generally paying its employees at the market median for most jobs. An analysis of compensation trends indicates that numerous organizations with whom we compete are granting merit increases this year. Therefore, the recommended average salary increase amount is approximately equal to that projected by our competitors and is needed for the City to attract and retain a qualified workforce.

Attachments are provided at the end of this report which support the pay recommendation. The attachments include the following:

Attachment A - "Merit Budgets of Charlotte Companies" an analysis of data from 16 local companies which indicate that they are planning an average 4.6% for merit budgets

Attachment B - "Compensation Trend Data" data from various compensation sources which indicate merit increase budgets of approximately 4.5%

Attachment C - "Comparison with Major North Carolina Cities and Mecklenburg County" providing an overview of increases from FY 92 to proposed FY 94

Attachment D - "Employment Practices for the Charlotte Metropolitan Statistical Area" showing employment practice trends for 1992 and 1993

Attachment E - A series of graphs which illustrate the results of the Human Resources Department annual survey; showing a comparison with the 1992 data prepared by the Mayor's Compensation Task Force and charts showing Charlotte's average actual salaries compared to the market median for blue collar, clerical/administrative, exempt, fire, police, management and senior management jobs

With implementation of broadbanding the following is recommended:

- Recommend establishing departmental merit increase budgets and holding key business executives accountable for making pay decisions that do not exceed their salary budgets.

- Recommend a 4.5% merit increase budget; increases will range from 0% to 5.5%. As a transitional process for the first year, pay decisions will be based on a matrix guide, based on performance and current salary in relation to market value. (See chart, "Merit Increase Guidelines" on Page 10.)

- Additionally, the Mayor's Compensation Task Force recommended that this year's pay-for-performance guidelines include the opportunity for a few of the very highest level contributors to be allowed to earn merit increases up to 8%, subject to approval of the City Manager.

- Public safety employees with satisfactory performance will receive merit increases of 4.5%.

MERIT INCREASE GUIDELINES

Performance/Market Matrix

FY 94

Rating Levels	Below Market	At Market	Above Market
Consistently Exceeds Requirements	5 5%	5.5%	4 5%
Good Performance Which Meets & Periodically Exceeds Requirements	4 5%	4.5%	3 5%
Meets Basic Requirements	3 5%	3.5%	2 5%
Does Not Meet Basic Requirements	0%	0%	0%

NOTE:

1 At Market is defined as between 5% below and 5% above the Market Reference Point

2 The range of merit increases available for FY94 has been restricted due to the need for a transition into the new system

3 The very highest level contributors to the success of the organization may be recommended for merit increases up to 8%, subject to approval of the City Manager.

4 After initial implementation, more emphasis will be placed on performance than on the market in making pay decisions

LONGEVITY PAY PROGRAM

The Mayor's Compensation Task Force stated that the current longevity program is not performance driven and consideration should be given to a payout option to discontinue the growth of these dollars in future years.

BACKGROUND

The Personnel Rules for longevity state that employees hired prior to July 6, 1983 are eligible for 1% additional pay after 10 years of service, 2% after 15 years, 3% after 20 years and 4% after 25 years. Longevity pay was eliminated for employees hired after July 6, 1983 in order to fund a performance driven incentive program.

This year approximately 1700 employees are eligible for a longevity payment. The following is a breakdown of this employee group by pay plan:

General Pay Plan - 43%
Public Safety Pay Plan - 40%
Exempt Pay Plan - 13%
Management Pay Plan - 3%
Senior Management Pay Plan - 1%

According to the ICMA 1993 Municipal Yearbook, over 60% of reporting cities provide longevity pay for police and fire. Also, 90% of North Carolina cities with populations exceeding 25,000 provide longevity pay, including Durham, Greensboro, Raleigh and Winston-Salem, as well as Mecklenburg County.

In order to assist Council in determining whether this benefit should be continued, the following alternatives are provided:

(1) Freeze longevity payments at current percentages or convert to flat rate payments at current dollar rates.

This option would yield savings as the current program is phased out and would be the most acceptable to current longevity recipients.

(2) Phase out longevity payments at current dollar levels over a five year period; payments this year would be full payment (100%), then payments at 80%, 60%, 40& and 20% the following years.

This option would result in a drop in program costs each year and would be perceived as more fair than an immediate discontinuation of the program.

(3) Eliminate longevity through allowing employees who currently earn longevity to have the option to cash-in a maximum of two days of earned vacation leave each calendar year.

This option provides a much lower cost incentive for recognizing current long term employees.

(4) Eliminate longevity payments through a buy-out provision which would provide longevity recipients with a lump sum amount equal to two year's longevity payments at current percentages; thereafter, use longevity dollars to fund incentives for all employees.

While providing some compromise for current longevity recipients, this option would also provide sufficient time to design and implement an incentive plan for all employees.

EMPLOYEE INCENTIVES PROGRAM

- Incentive plans will be developed which will have a strategic focus and be linked to City business plans.

- The recommended approach will be based on cost savings or increased value of service. It is anticipated that 50% of "hard dollar" savings will be reserved for funding incentives.

- The Human Resources Department will develop a proposed approach and timeline to be submitted to the City Manager.

BENEFITS CHANGES

On May 10, 1993, Council approved recommendations of the Mayor's Compensation Task Force regarding the Employee Insurance Plan as follows:

PLAN CHANGES

- A Point of Service Plan will be implemented, and Provident Insurance Company will be the network manager.
- The plan will provide an 80% reimbursement level for hospital charges for employees/retirees in the network, and a 60% reimbursement level for those who elect not to be in the network.
- The plan will include four levels of coverage--employee only, employee and child(ren), employee and spouse, employee and family.
- Plan participants will have two options regarding deductibles, i.e., $200 or $400.
- Employees/retirees who elect the $200 deductible will begin paying a portion of the individual employee rate; those who elect the $400 deductible will not pay a portion of the individual rate.
- The City will begin phasing in additional cost shifting for employees with dependent coverage so that when the phase-in is completed, employees with this type of coverage will pay for 50% of their combined coverage.
- A separate rate structure will be established for retirees, and will be phased-in over a three year period.
- A defined contribution plan to establish the City's funding level for retirees will be implemented for those persons retiring after January 1, 1994.
- Employees will begin paying $2 per month for individual dental coverage.
- The accidental death and dismemberment benefit will be continued.
- A long term disability benefit for those with less than five years of service will be implemented.

IMPLEMENTATION

- By July 1, 1993, provide City Council with a plan to implement the changes to the insurance program, as recommended by the Mayor's Task Force.

- The Point of Service Plan will be implemented by September 1st. Cost shifting to employees and retirees will begin at that time.

FUNDING/COST IMPLICATIONS

- $3.7 million annualized savings to the City for Point of Service Plan with 80%/60% reimbursement.

- An additional $1.3 million annualized savings to the City will occur from cost shifting once the Task Force recommendations are fully implemented.

ATTACHMENTS

ATTACHMENT A

MERIT BUDGETS
CHARLOTTE COMPANIES

CHARLOTTE COMPANIES	1992 MERIT BUDGET	1993 MERIT BUDGET	% CHANGE IN WORKFORCE
COMPANY A	4.5%	4.5%	0%
COMPANY B	4%	4%	Not Available
COMPANY C	5%	4%	+16 6%
COMPANY D	5%	4.75%	+ 02%
COMPANY E	4%*	4%*	+13 9%
COMPANY F	5%	4%	0%
COMPANY G	5.5%	5.5%	−2 0%
COMPANY H	5.5%	5.5%	− 08%
COMPANY I	4 5% 4% if incentives	4.5% 4% if incentives	Not Available
COMPANY J	5%	5%	−1 2%
COMPANY K	5%	5%	+21%
COMPANY L	4%	4%	0%
COMPANY M	4 5%	4.5%	−4 4%
COMPANY N	4%	4%	+2 7%
COMPANY O	5%	5%	+2 4%
COMPANY P	5.5%	5.5%	0%
TOTAL	4.75%	4.6%	

* Total Increase Budget

COMPENSATION TREND DATA

SURVEY SOURCE	SURVEY SCOPE	TYPE OF INCREASE	MARKET	PERIOD	COMMENTS
Hewitt Associates	2006 organizations in US	salary budgets	4.7% – 4.2%	1992	
Towers Perrin	Charlotte	merit budgets	4.4% – 4.2%	1992	39 responses
City of Charlotte	Local survey	merit budgets	average 4.5%	1992	20 responses
American Compensation Assoc	3000 companies in US and Canada	merit budgets	4.8% – 4.6%	1993	South in line with national avg
Hewitt Associates	2006 organizations in US	salary budgets	4.8% – 4.3%	1993	
William Mercer, Inc	3000 companies in US 11.5 million workers	avg. 93 raises	5.0% – 4.7%	1993	same as 1992
Employers' Assoc.	Charlotte/Meck area	merit budgets	4.5% – 4.2%	1993	
Towers Perrin	National	merit budgets	4.7% – 4.4%	1993	2100 companies
City of Charlotte	Local Survey	merit budgets salary budgets	average 4.6% 4.0%	1993	14 responses 1 response
Bureau of Labor Statistics	Consumer Price Index	CPI	3.2%	1993	south

ATTACHMENT B

COMPARISON WITTH MAJOR NC CITIES AND MECKLENBURG COUNTY

YEAR	CHARLOTTE	RALEIGH	GREENSBORO	DURHAM	WINSTON–SALEM	MECK CO
FY 92 1991–92	5% or 2 5% step or 2 5% (if at maximum) PLUS 2 5% lump sum ($1000 cap) PLUS longevity to 4%	5% or 2 5% step PLUS longevity to 5%	3% or 4% merit PLUS 3–5% if below market PLUS longevity up to 7 5%	3 5% + $240 to base PLUS 2 5%, 5% or 7,5% step PLUS longevity up to $1500	2% – 4% if above market; 3% – 5% if below market PLUS longevity up to 7 5%	2% – 7% merit PLUS longevity up to 4 weeks pay
FY 93 1992–93	5% or 2.5% step or 2.5% lump sum (less longevity pay)	3 75% ATB 5% or 2 5% step PLUS longevity up to 4 5%	4% average merit PLUS longevity up to 7.5%	base increase of $820 or 1% + $550 PLUS 2.5%, 5% or 7,5% step PLUS longevity up to $1500	2% – 4% (above market) or 3% – 5% (below market) PLUS longevity up to 7.5%	1% – 2 5% merit PLUS longevity up to 4 weeks pay
FY94 1993–94 Proposed	2 5% – 5 5% merit (Avg 4 5% increase) 4 5% merit for police/fire	2 25% Across–the–board PLUS 5% or 2 5% step PLUS longevity up to 4 5% (lower amounts if hired after 6/30/93)	3% or 4% merit PLUS 3–5% for below market PLUS longevity up to 7 5%	3% Across–the–board PLUS 5% or 2 5% step PLUS longevity up to $1500	2% – 4% (above market) or 3% – 5% (below market) PLUS longevity up to 7 5%	Recommended 2% ATB PLUS 1% – 2 5% perf increase PLUS longevity up to 4 weeks pay

ATTACHMENT C

ATTACHMENT D

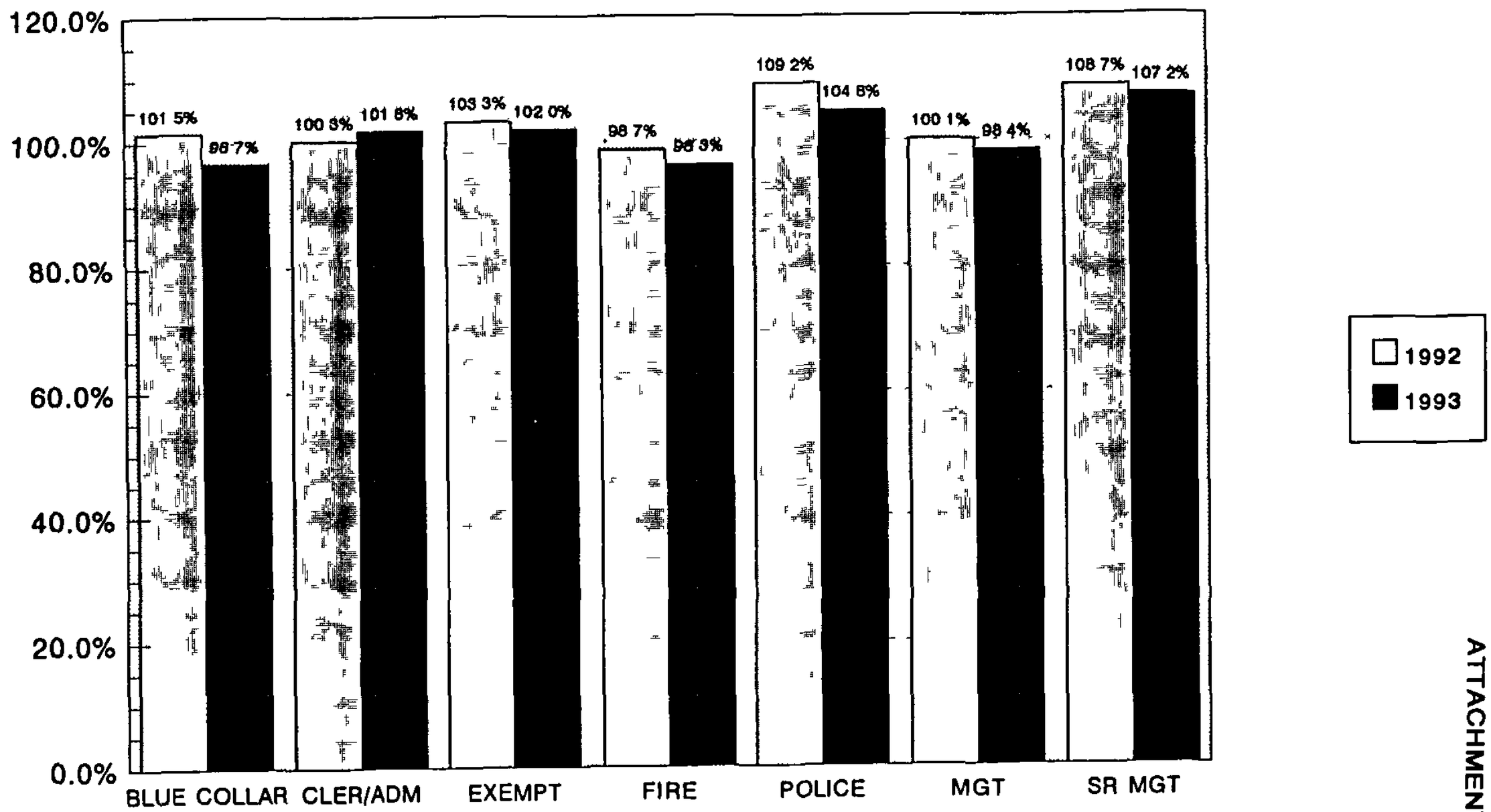
EMPLOYMENT PRACTICES
CHARLOTTE METROPOLITAN STATISTICAL AREA
1992 – 1993

UNEMPLOYMENT RATE *		
AREA	1992	1993
Mecklenburg County	5 2%	4 6%
Charlotte Metropolitan Area	5.8%	5.2%
North Carolina	6 4%	5.5%
United States	7.7%	7 3%

TOTAL EMPLOYMENT*		
	1992	1993
Total Employment (Nonagricultural Wage and Salary)	+ 2 4%	+ 1 5%
BY INDUSTRY		
Service Producing	+ 7,700	+ 12,300
Goods Producing	– 1,400	+ 1,100

* Data obtained from the Employment Security Commission of North Carolina, March 1992 and March 1993

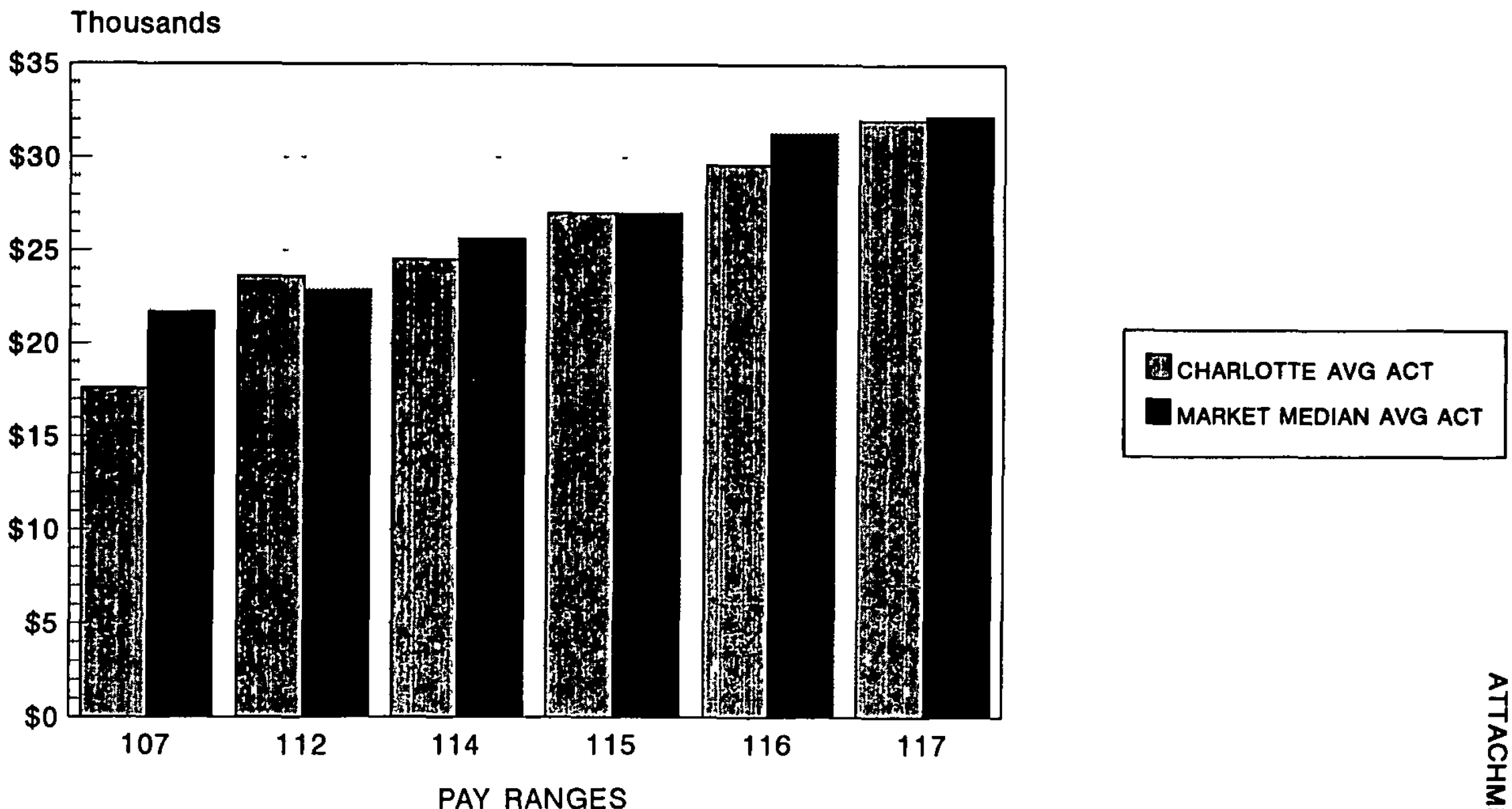
1993 CITY OF CHARLOTTE MARKET SURVEY
Pay Competitiveness 1992 - 1993



1992 data from analysis by Mayor's Compensation Task Force using Charlotte HRD data collected Jan 92
1993 survey conducted by City of Charlotte HRD Jan 93

ATTACHMENT E 1

1993 CITY OF CHARLOTTE MARKET SURVEY
Nonexempt Pay Competitiveness vs. Local Marketplace
Blue Collar/Technical Jobs



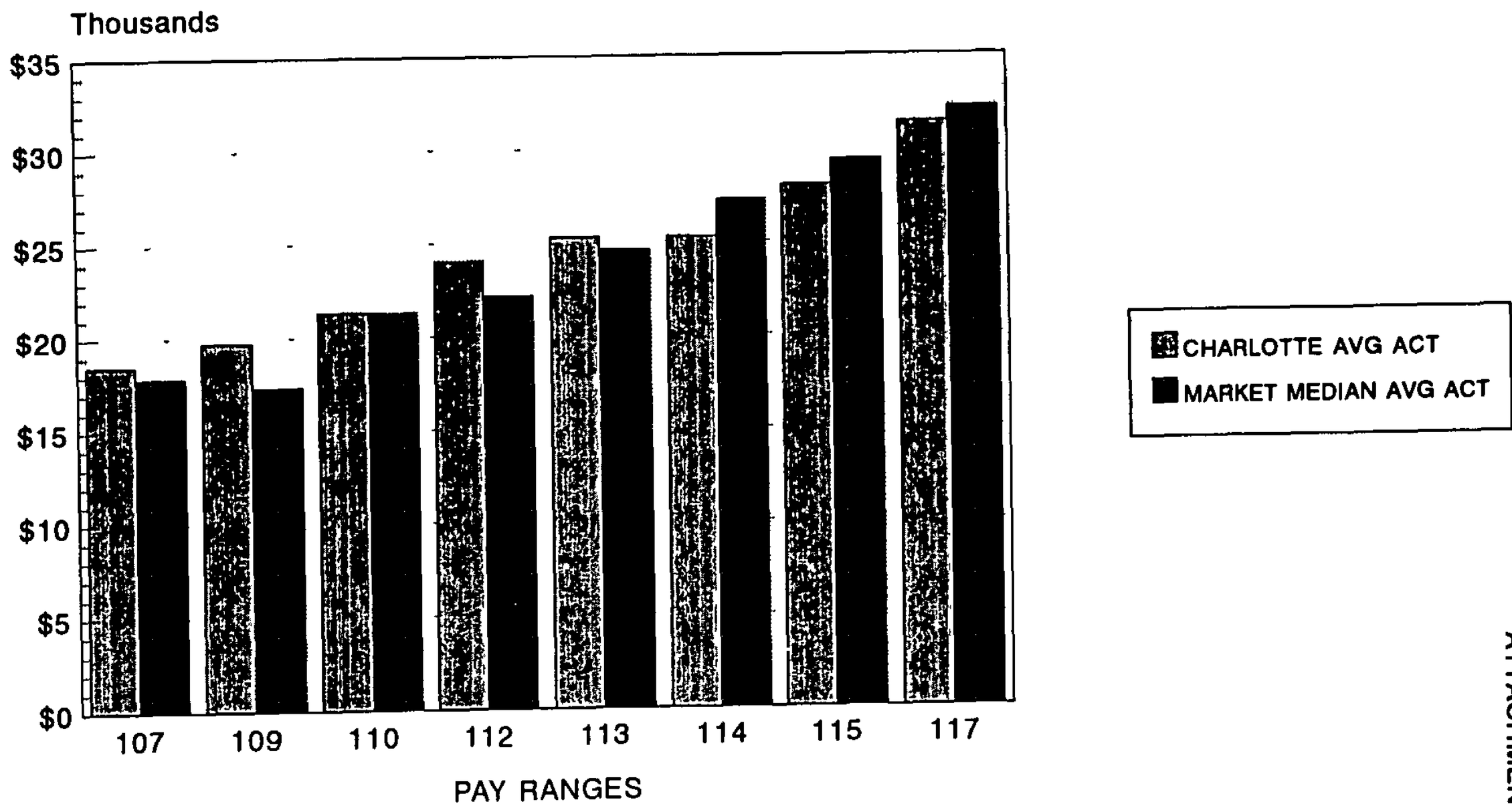
Survey conducted January 1993 by the City of Charlotte Human Resources Department

ATTACHMENT E 2

1993 CITY OF CHARLOTTE MARKET SURVEY

Nonexempt Pay Competitiveness vs. Local Marketplace

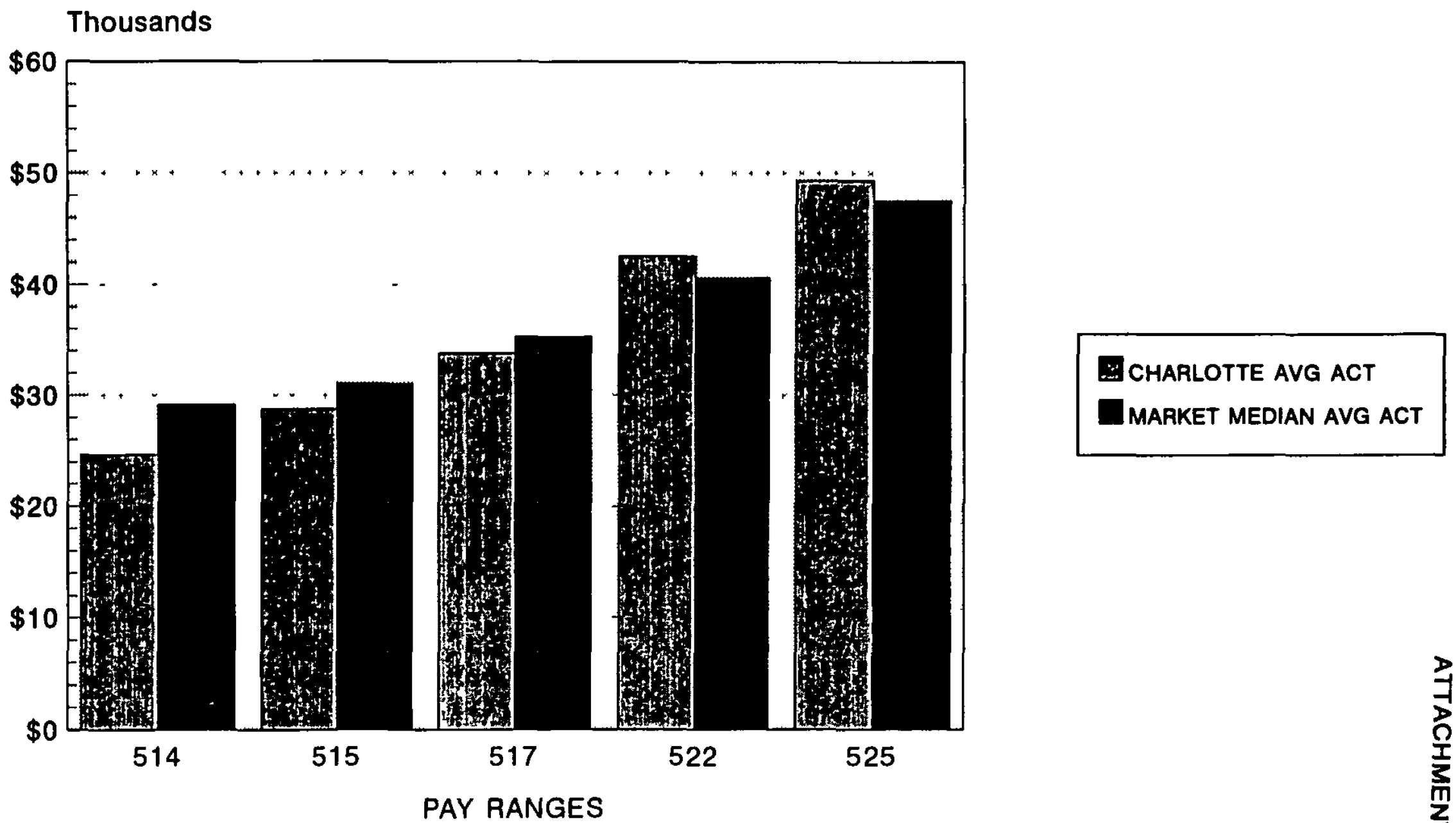
Clerical/Administrative Jobs



Survey conducted January 1993 by the City of Charlotte Human Resources Department

ATTACHMENT E 3

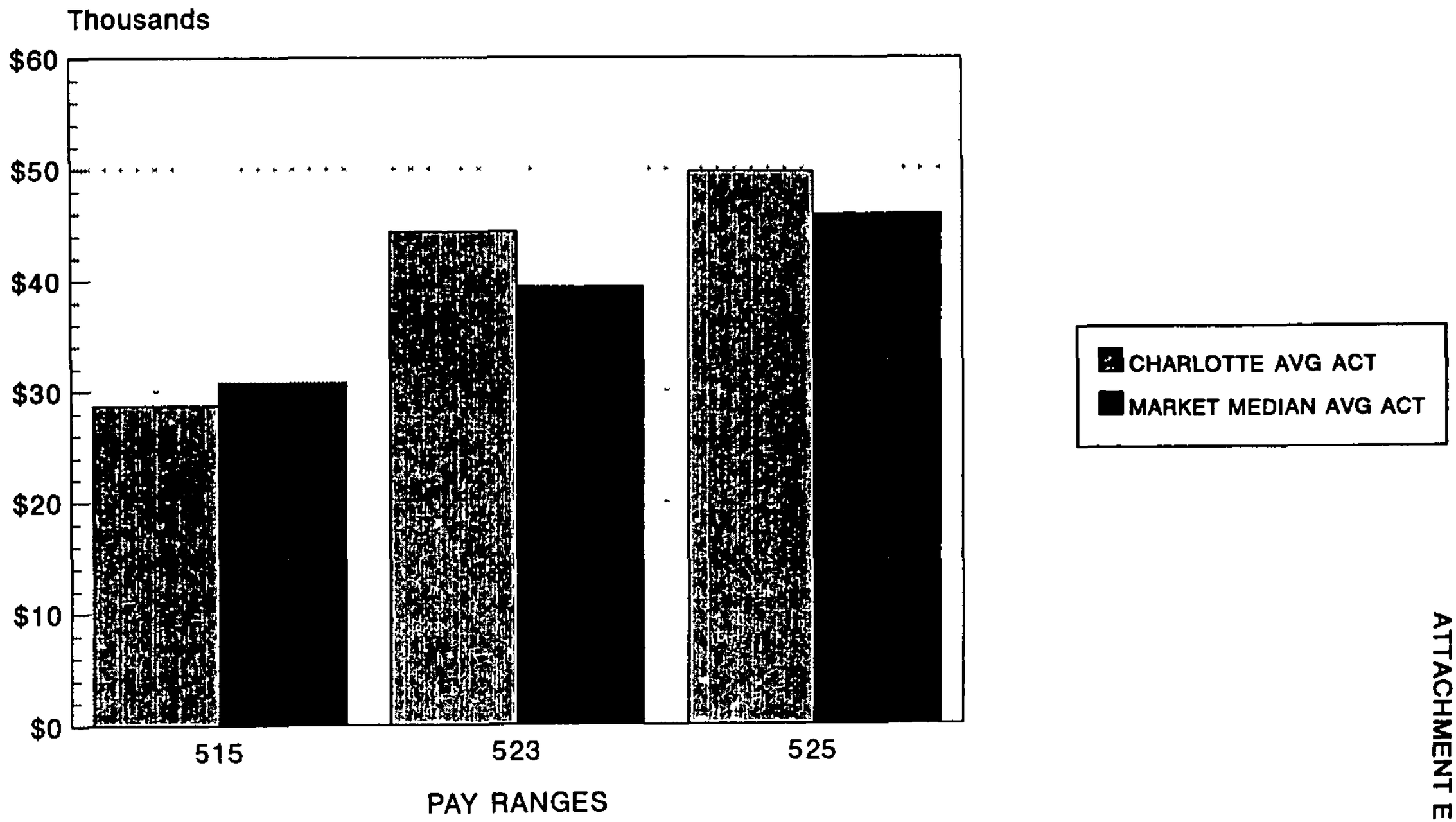
1993 CITY OF CHARLOTTE MARKET SURVEY
Fire Pay Competitiveness vs. National Marketplace



Survey conducted January 1993 by the City of Charlotte Human Resources Department

ATTACHMENT E 4

1993 CITY OF CHARLOTTE MARKET SURVEY
Police Pay Competitiveness vs. National Marketplace



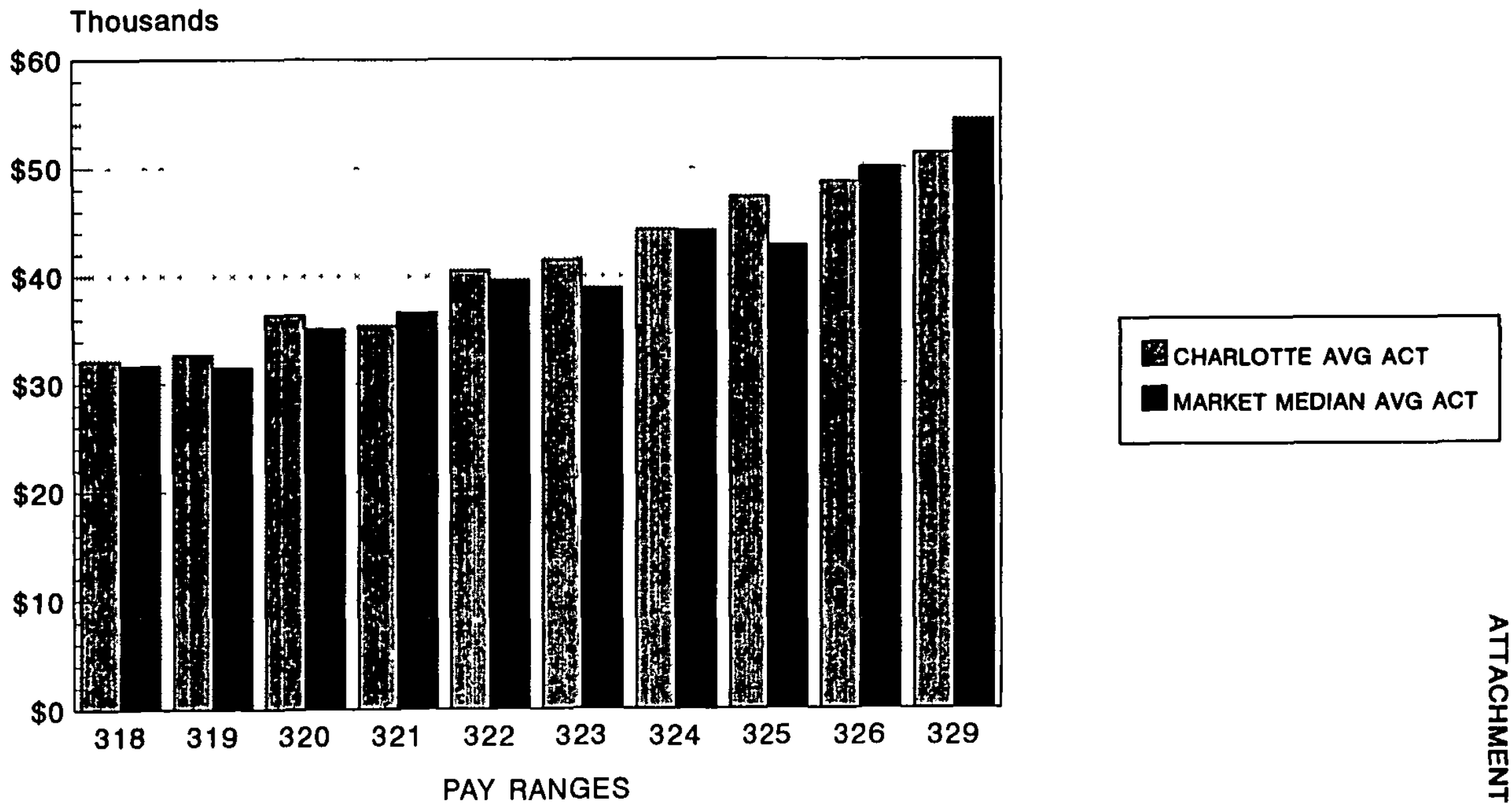
Survey conducted January 1993 by the City of Charlotte Human Resources Department.

ATTACHMENT E 5

1993 CITY OF CHARLOTTE MARKET SURVEY

Exempt Pay Competitiveness vs. Regional/National Marketplace

(300 Series)



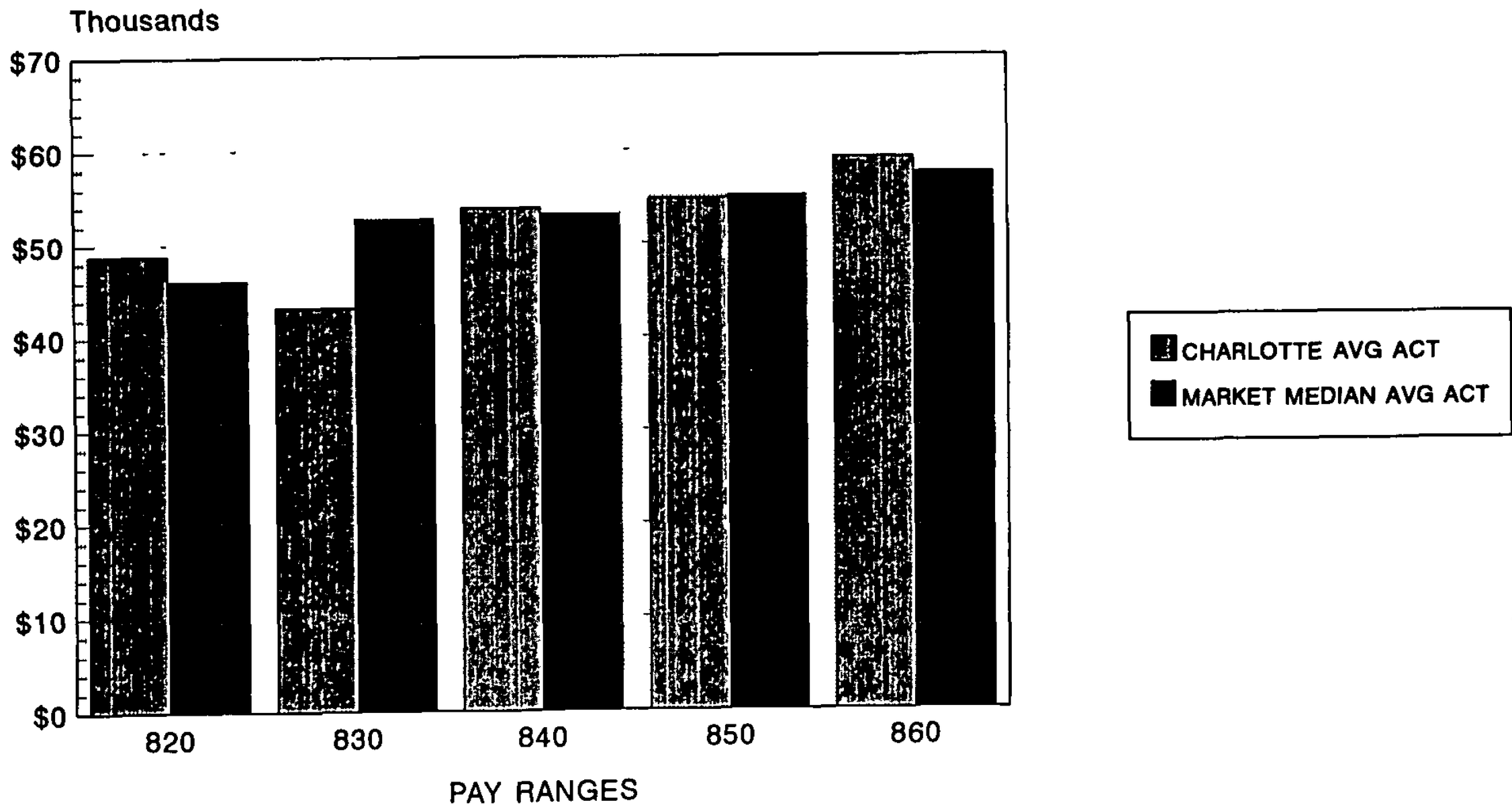
Survey conducted January 1993 by the City of Charlotte Human Resources Department.

ATTACHMENT E 6

1993 CITY OF CHARLOTTE MARKET SURVEY

Exempt Pay Competitiveness vs. National Marketplace

Management Jobs (800 Series)



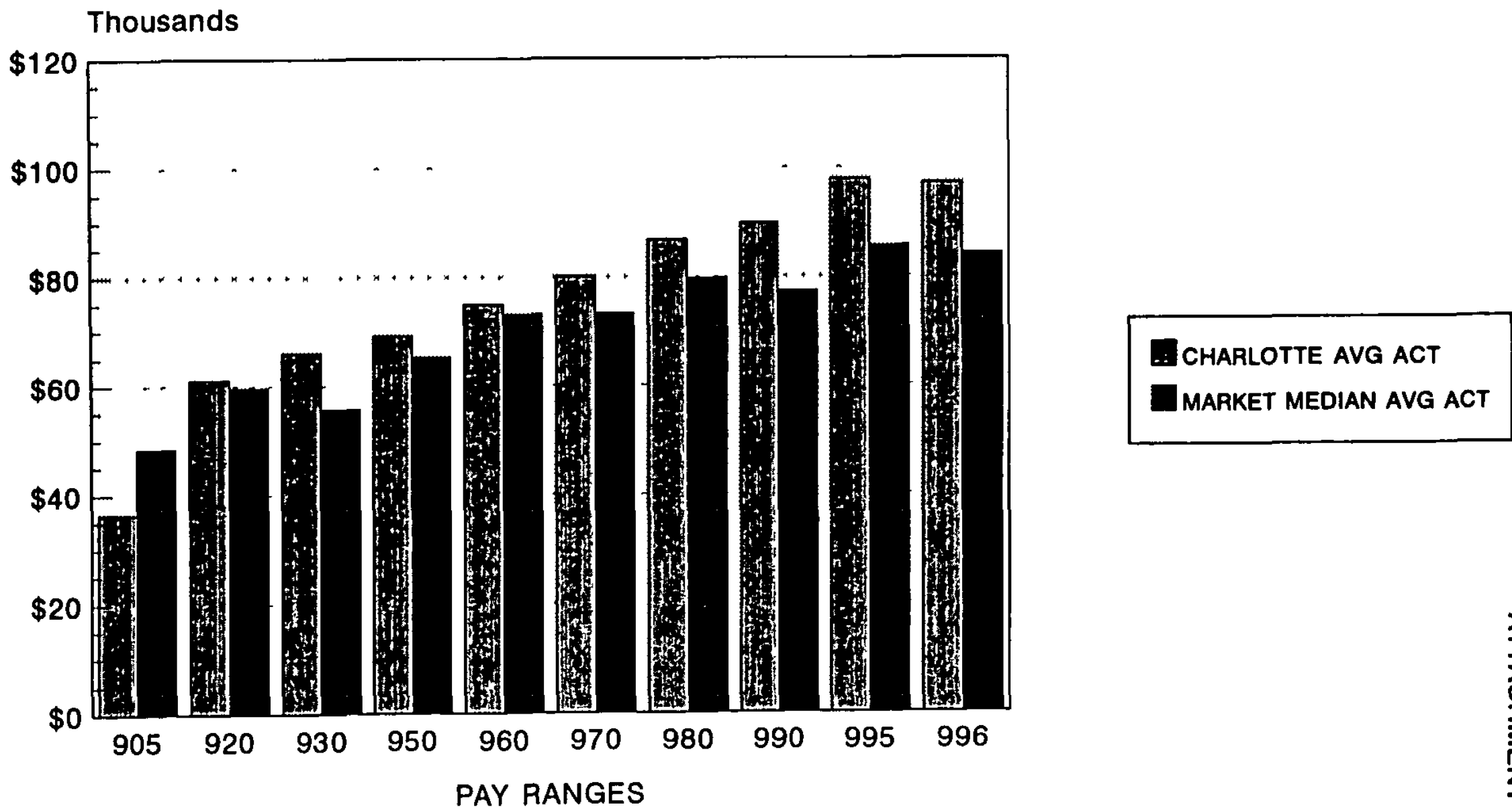
Survey conducted January 1993 by the City of Charlotte Human Resources Department

ATTACHMENT E 7

1993 CITY OF CHARLOTTE MARKET SURVEY

Exempt Pay Competitiveness vs. National Marketplace

Senior Management Jobs (900 Series)



Survey conducted January 1993 by the City of Charlotte Human Resources Department.

ATTACHMENT E 8

COMPENSATION ISSUES

MAYOR'S TASK FORCE RECOMMENDATIONS	CITY MANAGER RECOMMENDATIONS
1) Develop and communicate a compensation philosophy that guides decisions regarding pay	Agree that a compensation philosophy is needed, will develop a pay philosophy and have it approved by City Council The approved philosophy will be communicated to employees
2) Develop a job ranking methodology to replace current whole job slotting/evaluate all jobs Ranking system should be automated to more effectively use staff time	Implement a Broadbanding pay structure An automated job ranking method may be needed after the initial banding structure has been implemented Evaluation will be completed in FY 94
3) Simplify salary grade and range structure There are too many pay plans	Broadbanding will simplify the pay structure All positions execpt public safety will be included .
4) City Council should be given more information on competitiveness and market movement Strenghten pay data for private sector positions.	Broadbanding will reduce time spent on job classification. More time will be used to prepare graphic presentations for Council and to gather additional pay data.
5) Set pay policy against Median of the market.	Agree that Median is the appropriate measure Currently most positions are at market median.
6) No automatic increases, base pay on performance; omit step ranges for all except labor positions and public safety	Increases granted on anniversary dates, automatic increases eliminated Steps continued for Public Safety
7). Revise performance appraisal forms to be consistent with City core values Provide more training to managers, supervisors and employees	Improvements to the performance management system are being made By August, nonexempt employees will be evaluated against performance standards
8). City Council and employees should understand that pay for performance may be in opposition to perceived pay equity	While pay for performance may raise questions of equity, the ability to motivate and reward employees outweighs these concerns
9) Consider a payout to discontinue longevity pay	Options for discontinuing longevity pay have been prepared

ATTACHMENT F

INCENTIVE REWARDS ISSUES

MAYOR'S TASK FORCE RECOMMENDATIONS	CITY MANAGER RECOMMENDATIONS
1) The City should move forward with design and implementation of employee incentive plans	Agree that incentive plans would assist the City in accomplishing city objectives and business plans
2) Incentive plans should have a strategic focus and be linked to city business plans	Agree that a strategic focus is necessary, Human Resources is developing an action plan and time line This plan will serve as as resource for departments in the development of incentive plans Implementation will begin by January 1, 1994
3). Incentive plans should be self–funding, provide a reward for cost savings or increased value of service for taxpayers	The recommended approach will be based on cost savings or increased value, will be tailored to meet varying needs within the organization and may be team–based. It is anticipated that 50% of "hard dollar" savings will be reserved for funding incentives

ATTACHMENT F

CHARLOTTE

FY94 Pay & Benefits Report