AGENDA

Meeting Type:	SPECIAL
Date:	06/09/1994
	BUDGET WORKSHOP

City of Charlotte, City Clerk's Office

City of Charlotte
FY95 Budget Workshop
FY95-99 Capital Improvement Program
June 9, 1994
5:00 p.m.

5:00	Overview of Process and Schedule	Vi Alexander
5:15	Water and Sewer CIP	Doug Bean
5:45	Dinner	
6:00	Storm Water CIP	Jim Schumacher
6:30	Environmental Capital Projects	Clark Readling
7:00	Council Questions/Issues	Mayor/Council
	• Housing	
8:00	Adjourn	

MEMORANDUM

TO: County Commissioner Ann Schrader

FROM: O. Wendell White, City Manager

DATE: June 9, 1994

SUBJECT: *Information to Mayor and City Council*

In your information insert sent to the Mayor and City Council on June 8, the attachment to my memo of April 27 was omitted from the package. It is attached.

Attachment

Copy: Mayor and City Council

MEMORANDUM

TO: Wendell White
City Manager

FROM: Vi Alexander
Budget Director

DATE: April 27, 1994

SUBJECT: Police Tax Equity and Other Shared Agreements

As you requested, following is my perspective on the issues related to Police Tax Equity, the Community Safety Plan and several other city/county shared agreements that the County has raised.

First, police tax equity. As a general statement, the tax equity agreement is one of the most cumbersome documents with which my office has ever worked. Similarly, several of the sections are illogical and unrealistic. Despite these difficulties, we were working in good faith with the County Budget Office. We were using the first year as a learning process, which I thought was understood and agreed to by both sides. Concerns or problems could have been voiced at any time and we would have addressed those concerns.

Specifically, let me address the relevant sections of the agreement:

> By January 1 of each year the County and the Towns are to be notified and be provided with descriptions of 1) any proposed changes to existing police services, 2) county-wide services, and 3) a preliminary estimate of costs for police services.
>
> This is probably the most unrealistic section of the agreement. Less than six months into any fiscal year, no jurisdiction can tell another what the cost of services is for the next fiscal year. Particularly when the costing involves agreement with 8 units of government.

We did not comply with this requirement. This action is something I believe the Police Department must be responsible for, with impetus provided by the Budget Office. This past January, we were 3 months into Police consolidation, were 3 months from naming a Police Chief, and the County was openly discussing ending the police tax equity agreement. Any one of these situations would have made consensus with the towns difficult. The existence of all three situations made the task impossible.

Police is still negotiating with the towns. Providing police services "a la carte" is a new approach for Police, so defining services, isolating their costs and accommodating varying levels of service operationally are taking some time. As we knew, this year would be a learning process. The first lesson learned is that January for this type of information is not achievable.

<u>The City is to determine the cost of the Suburban Division for inclusions in the Tax equity model.</u>

We complied with this request. We began exchanging information with the County Budget Office as it began to be available in February. The information was formally communicated on March 30 between Budget Offices.

However, my office has been told informally by County staff that the County's obligation for the Community Safety Plan will not be recommended as a betterment in their budget because we did not notify them in January of its cost. As you know, had Jerry Fox been able to attend any of the meetings our office scheduled on January 19th, February 3rd and March 29th for you to meet with Mr. Fox and Mr. Murphy, then the County would have known in great detail what was included in the Community Safety Plan. A County representative came only to the last of those meetings. In addition, the County received a draft copy of the Plan on January 14th and another on February 4th. A third copy was sent jointly by the Mayor, the Chairman of the County Board and the Chairman of the School Board in March. Proper notice was given relative to the Community Safety Plan

<u>On or before April 15, the City Manager will notify the County of the funds necessary to meet Police Tax Equity.</u>

We complied with this requirement by providing the tax equity costs on April 15, 1994. An Assistant County Manager has stated that these numbers were wrong. From his perspective, perhaps he is right for two reasons:

1. We gave the county two scenarios one with the upcoming University Park annexation assessed property valuations included and one without After review of agreement, the agreement states to include values as of January 1 of the current year. Therefore, annexation is irrelevant as currently written.

   That does not mean it makes sense. The City taxpayer will not get a rebate for an area with approximately $500 million in assessed valuation that the City taxpayer will be providing police services to as of June 30, 1994.

2. We calculated the cost of police services to the municipalities differently than the County did last year. Again, this does not mean it was wrong, just different. The basic difference was that we distributed costs as they were distributed in the prior year, which we understood to be based on the cost of actual services provided; however, the County calculated the costs last year as a function of assessed value. We believe our method makes as much sense and it is our prerogative to do it that way as administrators of the agreement. But in the interest of the county's time constraints and working relationships, we changed our methodology.

   I do not believe that Mr Chapin qualified his remarks with these explanations.

The second lesson learned is that April 15th is too late for the County to incorporate tax equity funding obligations into its budget and that adjustments of any type by the elected boards of any of the 7 municipalities cannot be factored into the police tax equity equation. This is another flaw in the agreement in that it makes the manager's recommendation, and not the elected officials, the final arrangement until the next fiscal year.

And finally, I need to make you aware of a general City approach to handling the Interlocal agreements that may need to change in the future. In the past, we have taken the budget requests for the County-administered program at face value; that is, we have assumed that the information is prepared in good faith and budgeted the costs as requested. Conversely for City-administered programs, we have been asked to provide actual expenditures for the current year and, at times, line item detail for the upcoming year. Because of revenue constraints, the County is requesting more detail than in prior years but very late in this process. The result may be just a numbers game and not a real discussion of the merits of any of the budget or programmatic information.

The last two weeks have been frustrating because I believe points are being raised that do not address the real issues; however, I am comfortable with the relationship between the two Budget Offices and am sure that the Police Tax Equity agreement can be satisfactorily resolved. I understand from the Deputy City Manager that as issues were raised in the joint Manager's staff meeting that a recommendation has been made to work cooperatively on a revised Police Tax Equity agreement.

I do not want the budget issues to be the poster child for the lack of city/county cooperation. We have had a good working relationship with the County budget staff for years. There is a difference because of the County's budget situation this year; however, other examples, such as the parking issues and the lack of interest in and response to the community safety plan are much more of a problem. We can work together laterally.

I am ready to address this and other issues differently if it is more productive or if you request these matters to be handled in a different way.

CHARLOTTE-MECKLENBURG

UTILITY DEPARTMENT

NOVEMBER 1994

PROPOSED BONDS

Proposed November 1994 Bond Program
Charlotte-Mecklenburg Utility Department
June 9, 1994

I. Introduction

II. Principles of CMUD Master Plan

III. Wastewater Master Planning

IV. Wastewater Treatment
- Long Range Study
- Bond Projects
- Results of Bond Projects

V. Wastewater Collection
- Facility Study
- *Bond Projects*
- Other Bond Projects
- Results of Bond Projects

VI. Wastewater Bond Projects Map and Listing

VII. Water Master Planning
- Graph - Existing and Projected Water Demand
- Water Distribution System Study
- Bond Projects - Water Treatment
- Graph - Results of Bond Projects
- Bond Projects - Water Distribution
- Other Bond Projects
- Results of Bond Projects

VIII. Water Bond Project Map and Listing

IX. Street Main Extension Program
- Bond Projects
- Map - Street Main Extensions
- Results of Bond Projects

X. Water Reuse Project
- Demonstration Project
- *Advantages of Water Reuse*

XI. Inter-Local Agreements

XII. Conclusion

PRINCIPLES OF CMUD MASTER PLAN

- ***IDENTIFY IMPROVEMENTS AND UPGRADES TO EXISTING SYSTEMS TO MAINTAIN SERVICE LEVEL***

- ***EXPAND EXISTING FACILITIES TO MEET GROWTH PROJECTIONS***

- ***IDENTIFY NEW FACILITIES IN GROWTH AREAS***

- ***MEET LEGAL AND REGULATORY REQUIREMENTS***

WASTEWATER MASTER PLANNING

- ***WASTEWATER TREATMENT FACILITIES***
  - ***1993 LONG RANGE PLAN***
  - ***1994 CATAWBA REGIONAL WASTEWATER STUDY***

- ***SANITARY SEWER COLLECTION SYSTEM***
  - ***1994 SANITARY SEWER FACILITY STUDY***

LONG RANGE PLAN

- ***STUDY OF IRWIN, SUGAR, AND McALPINE CREEK BASINS***

- ***RECOMMENDATIONS FOR EXPANSIONS TO THE YEAR 2015***

BOND PROJECTS

♦ *WASTEWATER TREATMENT PLANT EXPANSION*

(McALPINE WASTEWATER MANAGEMENT FACILITY EXPANSION TO 64 MGD)

$29,628,000

SANITARY SEWER FACILITY STUDY

- ***IDENTIFICATION OF INFLOW/INFILTRATION SOURCES***
- ***IDENTIFY IMPROVEMENTS TO REDUCE OR ELIMINATE OVERFLOWS***
- ***DEVELOP COMPUTER MODEL AND FIELD ANALYSIS TOOLS FOR THE SYSTEM***
- ***DEVELOP A MASTER PLAN***

BOND PROJECTS

- ***MAJOR INTERCEPTOR/FACILITY IMPROVEMENTS $7,600,400***
  - ***PHASE I***
  - ***FLOW EQUALIZATION FACILITIES***
  - ***REPLACE OLD INADEQUATE LINES***

- ***SANITARY SEWER EVALUATION STUDY (SSES) $1,610,000***
  - ***PHASE II***

- ***SANITARY SEWER REHABILITATION $4,000,000***
  - ***PHASE II***

OTHER WASTEWATER BOND PROJECTS

Walker Branch Extension to Steele Creek Road	*$785,000*
Steele Creek Outfall-Brown Grier Road to Shopton Road	*$645,000*
Irvins Creek Tributary to Wilgrove-Mint Hill Road	*$520,000*
Six Mile Creek Outfall, Lift Station, and Force Main	*$5,048,000*
Six Mile Creek Outfall from Providence Road	*$304,000*
Steele Creek Outfall from Westinghouse Blvd. to Lift Station	*$557,000*
Walker Branch Outfall - Phase II	*$84,000*
Torrence Creek Tributary #1 Outfall	*$1,007,960*
North Tributary Caldwell Creek	*$553,000*
McDowell Creek Trunk - Gilead Rd. N. Hwy. 73	*$141,400*
Outfall from Back Creek Lift Station to Back Creek Church Road	*$106,000*
1995 Annexation	*$7,500,000*

RESULTS OF BOND PROJECTS

- ***MEET IMMEDIATE NEEDS IDENTIFIED IN MASTER PLAN TO INCREASE PIPE CAPACITY***
- ***REDUCTION OR ELIMINATION OF WET WEATHER OVERFLOWS***
- ***PROVIDE SERVICE TO NEW AND EXPANDING AREAS***

PROPOSED NOVEMBER-1994
BONDS PROJECT LIST

	SEWER PROJECTS	**COST**
1.	Treatment Plant Expansion	$29,628,800
2.	Major Interceptor/Facility Improvement	$7,600,400
3.	Sewer Lines Relocation	$1,139,200
4.	Sanitary Sewer Evaluation	$1,610,000
5.	Sanitary Sewer Rehabilitation	$4,000,000
6.	Street Main Extensions	$6,000,000
7.	Walker Branch Extension to Steele Creek Road	$785,000
8.	Steele Creek Outfall-Brown Grier Road to Shopton Road	$645,000
9.	Irvins Creek Tributary to Wilgrove - Mint Hill Road	$520,000
10.	Six Mile Creek Outfall, Lift Station, Force Main	$5,048,000
11.	Six Mile Creek Outfall from Providence Road	$304,000
12.	Steele Creek Outfall from Westinghouse Blvd. to Lift Station	$557,000
13.	Walker Branch Outfall - Phase II	$84,000
14.	Torrence Chapel Tributary #1 Outfall	$1,007,000
15.	North Tributary Caldwell Creek	$553,000
16.	McDowell Creek Trunk - Gilead Road North Hwy. 73	$141,000
17.	Outfall from Back Creek Lift Station to Back Creek Church Road	$106,000
18.	'95 Annexation	$7,500,000
	TOTAL	**$67,229,400**

WATER MASTER PLANNING

- ***MEET PROJECTED GROWTH AND DEMAND***

- ***IDENTIFY NECESSARY IMPROVEMENTS FOR EXISTING SYSTEM***

- ***MEET REGULATORY REQUIREMENTS***

- ***MAINTAIN TOOLS FOR ONGOING ANALYSIS AND PLANNING***

WATER DISTRIBUTION SYSTEM STUDY

- ***WATER TREATMENT PLANTS AND DISTRIBUTION SYSTEM***
- ***HYDRAULICS AND WATER QUALITY***
- ***UPDATE COMPUTER MODELING TOOLS***

BOND PROJECTS
NEW/EXPANDED FACILITIES

- ***RAW WATER PUMP STATION UPGRADE $2,090,247***
  EXPANSION OF 22MGD TO CAPACITY OF 150MGD

- ***NORTH MECKLENBURG WATER TREATMENT PLANT $8,951,000***
  18MGD

- ***FRANKLIN WATER TREATMENT PLANT EXPANSION $33,000,000***
  EXPANSION OF 36MGD TO CAPACITY OF 132MGD

- ***NORTH MECKLENBURG ELEVATED STORAGE TANK $1,400,000***
  1.5MG

BOND PROJECTS
TRANSMISSION/DISTRIBUTION FACILITIES

- ***TRANSMISSION MAINS FOR N. MECKLENBURG WTP $3,950,000***
- ***NC 115 TO CORNELIUS $2,601,160***
- ***ASBURY CHAPEL ROAD $2,334,000***
- ***HUNTERSVILLE CONCORD ROAD $208,900***
- ***PROSPERITY CHURCH ROAD $53,000***
- ***PLEASANT PLAINS ROAD/McKEE ROAD $412,000***
- ***NC 73 DAVIDSON-CONCORD ROAD $715,000***

:

OTHER WATER BOND PROJECTS

NC 73 to County Line	*$715,000*
Hwy. 74 to County Line	*$350,000*
Monroe Road to County Line	*$94,000*
Catawba Street--NC 21 & NC 115	*$44,000*
1995 Annexation	*$3,350,000*
Acquistion of Private Systems	*$1,000,000*
Elevated Water Storage Rehabilitation	*$1,800,000*
Water Main Relocation	*$3,040,000*

RESULTS OF BOND PROJECTS

- ***MEET WATER DEMANDS UNTIL THE YEAR 2005***
- ***REHABILITATION OF EXISTING FACILITIES AND SYSTEM***
- ***IMPROVED DISTRIBUTION SYSTEM TO PROVIDE AND MAINTAIN SERVICE LEVELS***
- ***ABILITY TO PROVIDE WATER SERVICE TO CURRENTLY DEVELOPING AREAS***

NOVEMBER-1994
BONDS PROJECT LIST

	WATER PROJECT	**COST**
1.	Raw Water Pump Station Upgrade	$2,090,247
2.	North Mecklenburg Water Treatment Plant	$8,951,000
3.	Franklin Water Treatment Plant Expansion	$33,000,000
4.	North Mecklenburg Elevated Storage Tank	$1,400,000
5.	Elevated Storage Tank Rehab.	$1,800,000
6.	Water Main Relocations	$3,040,000
7.	Transmission Mains for North Meck Plant	$3,950,000
8.	Street Main Extension Program	$2,000,000
9.	Water Mains - NC 115 TO Cornelius	$2,601,160
10.	Asbury Chapel Road	$2,334,400
11.	Huntersville-Concord Road	$208,900
12.	Prosperity Church Road to Mallard Creek Church Road	$53,000
13.	Pleasant Plains Road/McKee Road to Weddington Road	$412,500
14.	NC 73 TO Davidson-Concord Road	$715,000
15.	Hwy 74 to County Line	$350,000
16.	Monroe Road to County Line	$94,000
17.	Catawba Street - NC 21 & NC 115	$44,000
18.	'95 Annexation	$3,350,000
19.	Acquisition of Private Systems	$1,000,000
20.	Water Reuse Project	$2,600,000
	TOTAL	**$69,993,707**

STREET MAIN EXTENSION PROGRAM

- ***EXTENSION OF WATER OR SEWER 1000' OR LESS TO RESIDENTIAL LOTS***

- ***RESULTS TO DATE***
  - ***APPROXIMATELY 379 NEW SEWER AND 709 NEW WATER CUSTOMERS***
  - ***APPROXIMATELY 263 SEWER AND 223 WATER PROJECTS COMPLETED***
  - ***APPROXIMATELY 550,000 FEET INSTALLED***
  - ***$7,352,065 SEWER $5,699,860 WATER***

- ***BOND PROJECTS - $6,000,000 SEWER $2,000,000 WATER***

RESULTS OF STREET MAIN EXTENSION PROGRAM BOND PROJECT

- ***PROVIDE WATER AND SEWER SERVICE TO RESIDENTS CURRENTLY NOT SERVED***

WATER REUSE PROJECT

- ***USE OF TREATED WASTEWATER FOR IRRIGATION AND LAWN WATERING***

- ***DEMONSTRATION PROJECT $2,600,000***
  - ***MCALPINE WASTEWATER MANAGEMENT FACILITY EFFLUENT***
  - ***BALLANTYNE DEVELOPMENT COMMON AREAS***
  - ***CRESCENT RESOURCES GOLF COURSE***

- ***FEASIBILITY STUDY COMPLETED FEBRUARY 1994***

ADVANTAGES OF WATER REUSE SYSTEM WIDE

- ***BENEFICIAL USE OF TREATED WASTEWATER***
- ***REDUCES DISCHARGE TO RECEIVING STREAM AND THEREFORE ALLOWS FOR ADDTIONAL EXPANSIONS***
- ***MAY DELAY EXPANSIONS TO WATER TREATMENT FACILITIES***

INTER-LOCAL AGREEMENTS

- ***MINT HILL PROPOSED BOND REFERENDUM $10MIL (EST.)***
- ***MATTHEWS BOND PROGRAM $3.7MIL (EST.)***
- ***PROGRAMS CURRENTLY IN THE FIVE YEAR CIP***

CONCLUSION

THE PROPOSED 1994 BOND PROJECTS:

- ***ARE PART OF LONG RANGE MASTER PLANNING EFFORTS***

- ***ARE CONSISTENT WITH MASTER PLAN PRINCIPALS***

- ***RESULT IN IMPROVED UTILITY SERVICES***

ENVIRONMENTAL PROJECTS

York Road Landfill

Underground Storage Tank Program

Fire Training Academy

Statesville Ave. Landfill

$27 M in Environmental Bonds were approved in November 1993

York Road Landfill

Background

- The York Road Landfill operated from 1968 to 1986.
- The City was cited in 1984 for methane leaving our property.
- In 1992 the City signed an agreement with the State to assess the condition of the groundwater at the landfill.

Bond Information - Bonds were approved for:

- Construction of a methane control system along NC49.
- Provide monitoring & maintenance for the existing methane control systems.
- Groundwater Assessment.
- Clean-up of the groundwater if required.

Current Status

- Construction of the NC49 methane system is on hold pending completion of the widening of NC49 in the year 2000. Following the roadway widening the need for the methane system will be reassessed.
- Monitoring and maintenance of the existing methane control systems is ongoing.
- A contract for the next phase of groundwater assessment is now being prepared.
- Groundwater clean-up, if required, could begin in FY96.

Path Forward

- A $250,000 amendment for the next phase of the groundwater study will be submitted to Council for approval in June or July '94.

Underground Storage Tank Program

Background

- In 1988, the City's 157 tanks fell under federal regulations.

Bond Information - Bonds were approved for:

- Testing and monitoring City owned underground tanks for leaks
- Removing leaking tanks & installing new tanks when necessary
- Cleaning up contaminated soil and groundwater

Current Status

- Continuing to bring the City's tanks into compliance by removing, replacing, and upgrading

- Continuing to clean up contamination caused by leaking tanks. The state will provide reimbursement for a portion of the soil and groundwater contamination clean-up costs.

- 36 tanks complete (ie. removed, replaced, or upgraded to meet 1998 specifications)

- 41 tanks currently underway

- 80 tanks to be completed

Path Forward:

- The law requires that all tank replacements and upgrades be complete by December 1998

- Clean-up work will continue after December 1998

Fire Training Academy

Background

- The Academy began operations in 1976.
- In 1990 the State cited the City for groundwater contamination.
- Use of the Academy's live fire training facilities was suspended in 1990.
- In 1992 the City signed a legal agreement with the State that directs the clean-up.

Bond Information - Bonds were approved for removal, clean-up, and replacement of the contaminated fire pits.

Current Status

- A final clean-up plan is being prepared for the site.
- The contract for construction of new fire pits to replace the contaminated pits is being prepared.

Path Forward

- $250,000 in July '94 for construction of new fire pits.
- $500,000 in Fall 1994 for removal of the old fire pits, associated debris, and soil clean-up.
- Additional Council Actions can be identified following approval of the final clean-up plan. Groundwater clean-up, if required, could cost an estimated $4M.
- Final clean-up plan will be submitted to the State in July 1994.

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6/7/94

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Statesville Avenue Landfill

Background

- This site occupies approximately 140 acres and was used as an unregulated landfill from 1940 to 1970

- In 1992, City Council directed staff to proceed with a three phase clean-up of the site. To date, two of the three phases have been complete:

  - Installing a fence to secure the site

  - Removing the surface debris

Bond Information - Bonds were approved for:

- Studying the site to determine if further clean-up is required and to pay for the start of that clean-up if necessary.

Current Status

- Phase three, a characterization study of the site is underway

Path Forward

- Additional testing and sampling this year at an estimated cost of $900,000

- Control system for creek may need to be funded in early FY96