AGENDA

Meeting Type:	W
Date.	04-02-1990
SUBJECT	

City of Charlotte, City Clerk's Office

File

CHARLOTTE.

MAYOR AND CITY COUNCIL WORKSHOP AGENDA

APRIL 2, 1990

MAYOR AND CITY COUNCIL
WORKSHOP AGENDA

APRIL 2, 1990

5:00 - 5:30	Executive Session	Henry Underhill
5:30 - 5:35	Schwartz Property Acquisition	Henry Underhill
5:35 - 5:45	Dinner	
5:45 - 7:45	FY91 Budget Discussion	Vi Alexander
	o Engineering - CIP Impact on Operating	Vi Alexander Jim Humphrey
	o CMUD - Operating Budget - CIP	 Vi Alexander Joe Stowe
	o Employment and Training	Vi Alexander
	o Non-Departmentals	Vi Alexander
	o Pay and Benefits	Bill Wilder
7:45 - 8:45	Storm Water Utility	Jim Schumacher

EXECUTIVE SESSION

MOTION

Recommend adoption of a motion to hold an executive session for the purpose of conferring with the City Attorney pursuant to the attorney-client privilege as permitted by the North Carolina Open Meetings Law.

SCHWARTZ PROPERTY ACQUISITION

Recommend taking the following actions with regard to the proposed NFL Football Stadium Project

(a) Authorize the acquisition from Elliott Schwartz of approximately 8 62 acres on Cedar Street at $10 per square foot for approximately $3 79 Million. This property will be used for practice fields during the NFL season and for public park and recreational purposes during the off season. The exact purchase price will be computed based on a survey of the parcel.

(b) Authorize the expenditure of up to $1 Million for the preparation of a clean up plan and for clean up costs of any environmental contamination on the 8.65 acre parcel and the adjoining 4.72 acre parcel which the City also has under option from Mr Schwartz

In the event the cost of preparing the clean up plan and the cost of clean up of both parcels exceeds $1 Million, the City has the right to terminate its contract to purchase unless the property owner agrees to reduce the purchase price by an amount equal to any sum in excess of $1 Million In addition, the City has the right to terminate the contract if the clean up costs exceed the purchase price of each individual parcel The clean up plan will be prepared assuming the use of this property to be football practice fields, park, playground, associated parking and other related uses

FY91 BUDGET DISCUSSION

ENGINEERING DEPARTMENT
CONSTRUCTION ADMINISTRATION
ISSUE PAPER

ISSUE: The Engineering Department has conducted an analysis comparing capital project schedules and resources needed to implement the $286 million Capital Program. The analysis indicates that sufficient personnel are not available to keep all capital projects on schedule. The road projects financed by bonds should remain on schedule; however, various programs such as parks, neighborhood improvements and smaller road projects are projected to be delayed by next fiscal year. To address this issue, two alternatives are under review.

CURRENT STATUS: **Construction Administration Alternatives Under Review:**

1. Hire staff to supervise outside resources

   - Additional Engineering staff (and office space) would be added over a three year period as available in the marketplace.

   - Due to the timeframe for hiring additional personnel and tight labor market, staff cannot be in place time to prevent delay of projects.

2. Hire Program Engineer to administer a portion of workload.

   - The Program Engineer would perform implementation services on some projects and supervise consultants providing implementation services on other projects.

   - The Program Engineer would be assigned projects or tasks which exceed the capabilities of in-house staff.

   - Engineering staff will be fully utilized and excess needs can be accommodated by the Program Engineer.

OBJECTIVES OF WORKSHOP

- UNDERSTAND WORKLOAD AND STAFFING SITUATION
- UNDERSTAND PHILOSOPHY FOR STAFFING
- OUTLINE PURSUIT OF PROGRAM ENGINEER FOR SHORT TERM NEEDS

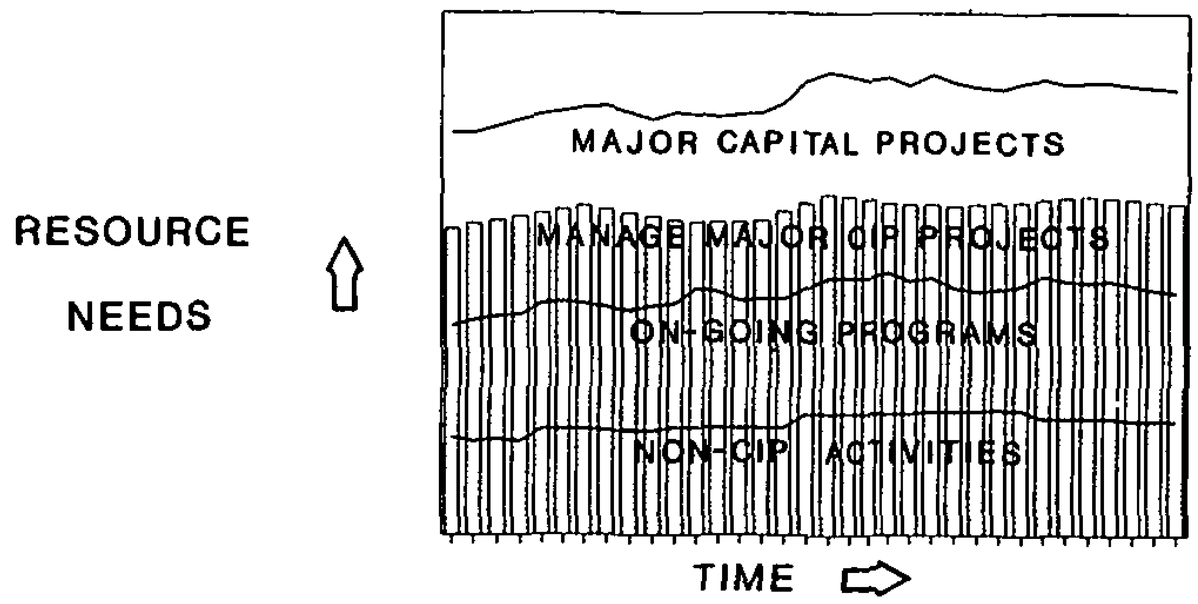
CHARLOTTE ENGINEERING DEPARTMENT

CURRENT SITUATION

- RELATIVELY STABLE NON-CIP WORKLOAD
- FLUCTUATION IN MAJOR CIP PROJECT WORKLOAD DUE TO BONDING CAPACITY
- SIGNIFICANT INCREASE IN ON-GOING PROGRAMS FUNDED THRU CIP
- MANAGEMENT STAFF TAXED BY THE NUMBER OF HIGH LEVEL DECISIONS RELATED TO OVERALL WORKLOAD

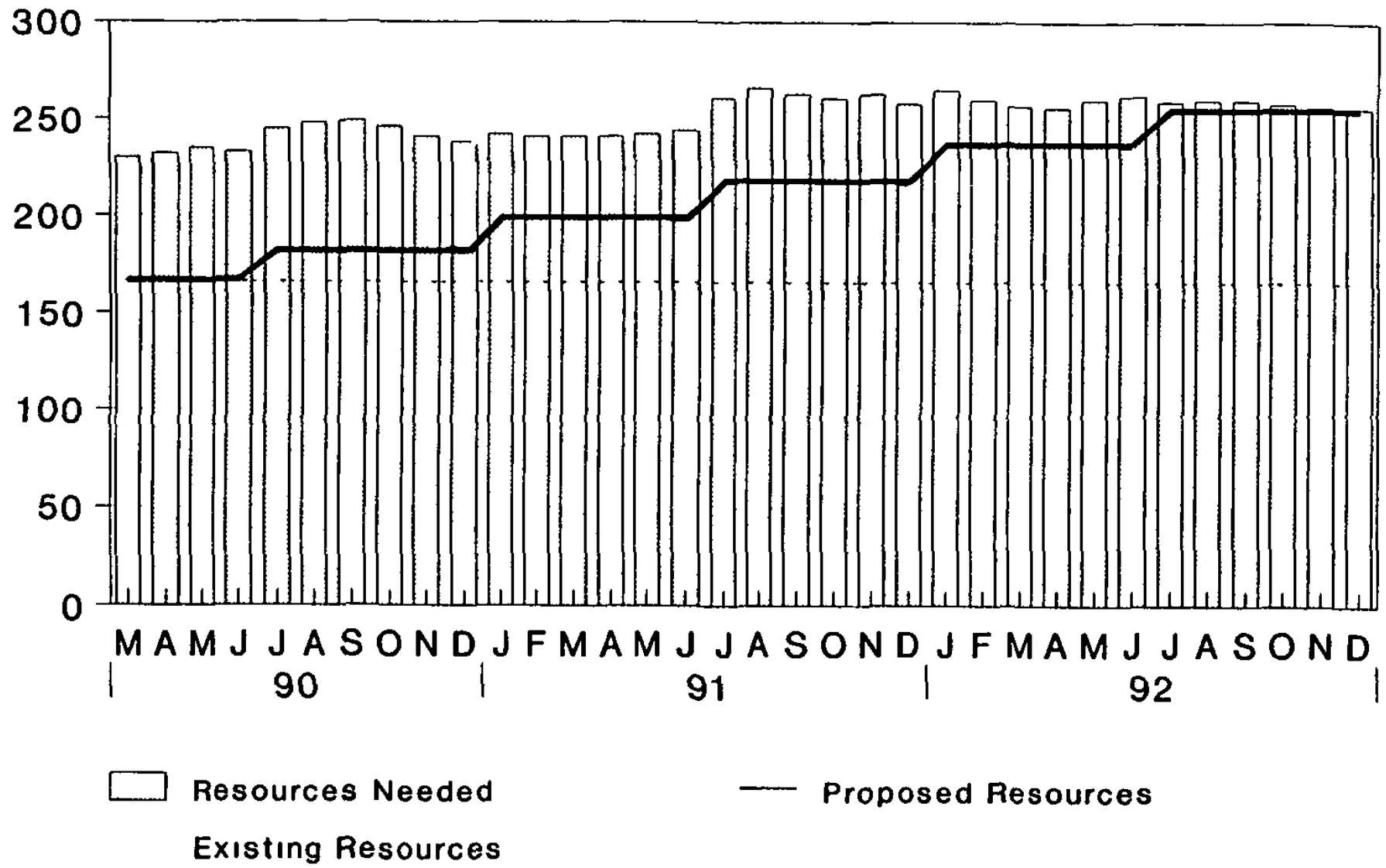
PHILOSOPHY FOR STAFFING

- HANDLE NON-CIP AND ON-GOING CIP WORKLOAD THRU IN-HOUSE STAFF
- MANAGE MAJOR CIP PROJECTS BEING IMPLEMENTED THRU CONSULTANTS



CHARLOTTE ENGINEERING DEPARTMENT

WORKLOAD VS RESOURCES



CHARLOTTE ENGINEERING DEPARTMENT

SHORT RANGE PLAN
For FY 91 Operating Budget

JULY, 1990

- MOVE SOME CONSTRUCTION STAFF FROM MAJOR CAPITAL PROJECTS TO ON-GOING PROGRAMS TO SAVE MONEY
- ADD 15 ADD'L STAFF FOR ON-GOING PROGRAMS IN JULY
- HIRE CONSULTANTS TO PROVIDE SERVICES RELATED TO RESOURCES SHORTFALL
- HIRE PROGRAM ENGINEER TO MANAGE CONSULTANTS

JANUARY, 1991

- FURTHER REVIEW ORGANIZATIONAL STRUCTURE TO MANAGE ADDITIONAL STAFF
- REQUEST ADDITIONAL STAFF

CHARLOTTE ENGINEERING DEPARTMENT

LONG RANGE PLAN

- INCREASE STAFF TO ENGINEER PROGRAMS AND MANAGE CONSULTANTS

DEPARTMENT SUMMARY

Service Level Change Requests

1. CIVIL ENGINEER II (Construction)
2. CIVIL ENGINEER II (Design)
3. ENGINEERING ASSISTANT (Planning)
4. ADMINISTRATIVE OFFICER IV (Program Management)
5. ADMINISTRATIVE OFFICER I (Program Management)
6. ENGINEERING CLERK II (Construction)
7. CIVIL ENGINEER I (Construction)
8. CIVIL ENGINEER I (Design)
9. CIVIL ENGINEER I (Design)
10. CONSTRUCTION INSPECTOR (Construction)
11. CONSTRUCTION INSPECTOR (Construction)
12. OFFICE ASSISTANT IV (Real Estate)
13. REAL ESTATE AGENT I (Real Estate)
14. REAL ESTATE AGENT I (Real Estate)
15. CIVIL ENGINEER I (Public Service)

CHARLOTTE ENGINEERING DEPARTMENT

FY91 BUDGET DISCUSSION

CHARLOTTE/MECKLENBURG UTILITY DEPARTMENT

OPERATING BUDGET
CAPITAL IMPROVEMENT PROGRAM

FY91 BUDGET PLAN
WATER/SEWER FUND
CURRENT STATUS

Current FY91 Budget	$ 61.2 m

o Includes Service Level Changes:

- Water Service Technician for Customer Services	$31,010
- Two-person industrial/commercial meter maintenance crew. Costs are partially offset by additional revenue	70,903
- Engineering Assistant for surveying and right-of-way mapping	25,061
Total	$126,974

FY91 BUDGET PLAN
WATER/SEWER FUND

Current FY91 Budget		$ 61.2 m
Positive Adjustments		
Reduce Contribution to CIP	$(.5 m)	
Negative Adjustments		
Increased Costs	.7 m	
Service Additions Tentative OK	.5 m	
Revised Total		$61.9 m

ADJUSTMENTS

POSITIVE

<u>Reduced Contribution to CIP</u> Sufficient project balances exist in Fire Hydrant Installation, Lift Station Elimination and Aerial Crossing-Remove and Repair accounts to skip FY91 funding and continue the programs.	($500,000)

NEGATIVE

<u>Water Tapping Privilege Expense</u> Due to developer demand, the 50% City match for this account has been increased.	250,000
<u>Sewer Tapping Privilege Expense</u> Due to developer demand, the 50% City match for this account has been increased.	400,000
<u>Service Level Additions</u> 12 positions have been requested for the Engineering Division of CMUD.	434,882

- 5 positions to manage road projects
- 3 positions in Engineering Design
- 1 position in Contract Administration
- 1 position in Public Service to handle requests for extensions
- 2 positions to maintain system maps

WATER/SEWER FUND

FY91 RATE STUDY AND DEBT MODEL

At the March 12, 1990 workshop, Council requested a review of the Water/ Sewer Fund Rate Study and Debt Model. Staff anticipates that the Rate Study and Debt Model will be completed by April 18, 1990 and a written report will be sent to Council at that time.

These reports are not available for this workshop because the staff assigned to this project is also preparing for several upcoming bond sales as well as developing financing plans for the stadium land purchase.

CHARLOTTE-MECKLENBURG UTILITY DEPARTMENT
CAPITAL IMPROVEMENT PROGRAM
ISSUE PAPER

ISSUE: Rapid growth and development in the region is driving growth in CMUD systems. Should CMUD's response to these demands be:

1) To continue to expand the system extending out as a regional facility to cope with growth?

2) To implement a limited growth policy by restricting expansions in the CMUD capital programs?

CURRENT STATUS: Attached is a statement of the general objectives of the Charlotte-Mecklenburg Utility Department and the priorities which are used to schedule workload. Using these established objectives and priorities has resulted in a rapidly expanding CIP.

Historically the rate structure has provided the funds to service the costs generated by the CIP. The proposed program will require substantial increases in the rates. Therefore, it may be an option to consider alternative revenues to offset some of the heavy front-end costs of the CIP.

The proposed CIP has been designed to meet the needs of our rapidly growing service area. The regional proposals will provide base service for existing as well as expanding areas. Without the proposed regional treatment facilities, there is a rapidly approaching limit to development because of the receiving streams lack of capacity to assimilate waste loadings.

The alternative to full funding of the CIP is to adopt a policy limiting public utilities to support new development.

CMUD
CAPITAL IMPROVEMENT PROGRAM
OBJECTIVES AND PRIORITIES

CMUD's broad objectives include the following:

1. To provide adequate water supply to protect and preserve public health and property through proper water treatment and distribution.

2. To protect public health, property, and the environment through proper wastewater collection and treatment.

3. To operate the Department in a manner that is totally self-supporting with no local tax support.

4. To comply with the requirements of EPA and State agencies.

5. To fairly administer policies and procedures of the City and CMUD to assure equitable handling of customers and potential customers.

To meet these objectives, CMUD has established priorities by which we organize our day-to-day operations and schedule projects in our CIP. These priorities are:

1. Providing adequate and quality service to our existing customers; to include on-going maintenance routine operation, and upgrades necessary to maintain quality of service.

2. Support to priority projects of other departments, i.e., roadway improvement projects.

3. Environmental protection concerns, including system and plant operations and health hazard situations.

4. Legal issues, i.e., annexation requirements and industrial waste concerns.

5. New connections/services on existing systems.

6. Expansion to system to support new development.

FY91 EMPLOYMENT AND TRAINING BUDGET
ISSUE PAPER

ISSUE: In order to provide Employment and Training services to all of the City and Charlotte Housing Authority housing programs, an additional 106 training slots are needed. The housing programs are: Community Development Program: CHAPP (25); Belmont Neighborhood (60); Relocation (80); and, Housing Authority Programs - Stepping Stone (100) and Gateway (100).

Should the General Fund contribution increase by $173,931 to fund these slots?

CURRENT STATUS: Federal employment and training revenues are projected to decrease by 17%, from $1.2 million in FY90 to $1.0 million in FY91. General Fund contribution was planned to increase by 4% from $695,000 in FY90 to $725,248 in FY91. Currently there are 290 occupational skills and basic education slots funded, of which 259 are expected to be available in FY91 for new clients.

The options are:

A. Provide additional funding for 106 slots to serve all housing program participants.

B. Provide no additional funding; serve all the City Housing programs, Charlotte Housing Authority participants and community will compete for remaining slots.

FY91 NON-DEPARTMENTAL BUDGETS
ISSUE PAPER

ISSUE: Several non-departmental agencies have requested funding in addition to what is currently recommended in the FY91 budget. Should additional funding be considered?

CURRENT STATUS: The attached list of non-departmental agencies shows the recommended funding level for FY91 and, a request for additional funds by the agency, where noted. The following agencies requested additional funding and the amount of the addition.

Carolinas Carrousel	$ 5,000
Festival In The Park	701
Sister Cities	5,000
Youth Involvement Council	2,500
United Family Services	7,514
Library	22,500
Cities in Schools	40,000

NON-DEPARTMENTAL ACCOUNTS
FY91 BUDGET

ORGANIZATION	FY91 REQUEST	FY91 BUDGET
Arts and Science Council Administered by the Arts and Science Council; provide grants to its affiliate organizations.		585,200
Nature Museum Provide funding to maintain the building, grounds and programs at the Nature Museum.		244,530
Carolinas' Carrousel The City's contribution to assist with the expenses of the Carrousel Parade. The FY91 request is for $5,000 or 100% more than the FY90 budget.	5,000	0
Festival in the Park The City's contribution for the annual Festival In The Park activities, as well as paying expenses for setting up the festival. The FY91 request is for an additional $701 or 5% more than the current FY91 plan.	16,055	15,354
Sister Cities Helps to finance an international cultural exchange program between Charlotte; Krefield, Germany; Arequipa, Peru and Baoding, China, as well as provide seed money for planning of other exchange programs. The FY91 request is for an additional $5,000 or 19% more than the current FY91 plan.	30,662	25,662
Afro-American Cultural Center Assists in defraying the operational expenses of the Afro-American Cultural Center.		35,000

ORGANIZATION	FY91 REQUEST	FY91 BUDGET
Crisis Fuel Assistance Assist low income City residents in paying high energy costs during the winter season, and assists with water turn-on and turnoffs.		85,030
City Summer Jobs Provide funding for temporary City summer jobs for youths.		205,000
YWCA Scattered Sites Funds educational and recreational activities for residents at scattered site housing areas throughout the City.		40,476
Youth Involvement Council Provide funding towards the operating expenses of the Youth Involvement Council. Supported one-third from County contribution. FY91 request is for an additional $2,500 or 13% more than the current FY91 plan. The request is to have the County and City each fund half of the $45,000 requested. The FY91 plan called for the City to contribute $20,000 and the County $10,000.	45,000	30,000
United Family Services Assist in providing a victim assistance and rape crisis program. The FY91 request is for an additional $7,514 or 4% more than the current FY91 plan.	194,233	186,719
Senior Centers Assist in defraying the operational expenses of the Senior Centers program.		10,000
Crime Prevention Fund crime prevention activities in public housing projects.		142,903

ORGANIZATION	FY91 REQUEST	FY91 BUDGET
Library By legal requirements, the City's contribution is used to provide maintenance for the Charlotte-Mecklenburg Library. The FY91 request is for an additional $22,500 or 900% more than the current FY91 plan.	25,000	2,500
Citizens Safety Association Provides funding to supplement training programs, safety campaigns and promotions, operating materials and supplies.		2,000
Mayor's Committee on Employment of the Disabled The City's contribution provides funds for travel, meetings, operating costs and associated information distribution to improve the status of handicapped workers.		2,500
Convention and Visitor's Bureau Fund the Bureau's operating expenses for promoting tourism and conventions in the City. Based on projected collection of occupancy tax.		1,385,896
Cities in Schools Fund the expense of one full-time position to coordinate recreation activities for 6 Cities in Schools program sites.	40,000	0
Economic Development Marketing Provides the City's share for developing a marketing strategy for the community.		80,000
Federal Program Representation Provides funding for a local government liaison with the Federal and State government.		15,000

FY91 PAY/BENEFITS REVIEW

A written report will be handed out at the workshop.

STORM WATER UTILITY

Stormwater Management

Background

The City of Charlotte has a drainage system fraught with problems; over 4,000 complaints/inquiries concerning drainage are received each year. Over 1,000 flooding and erosion problems in citizens' backyards have been studied in detail. Actual repair or improvement of those situations occurred in less than ten percent of the cases. A comprehensive management approach is needed for stormwater:

- The existing drainage infrastructure is aging and deteriorating.
- Continuing development adds new pressures on the system.
- Regulations requiring the control of stormwater quality by local government are going into effect.

We are now at the end of a 5-year process to develop a long-range management plan for stormwater, which is illustrated in Chart 1 (attached). The process began with a study of our drainage policies in 1985 by the Water Resources Research Institute, a research arm of NC State University. That study concluded that our drainage regulations need updating and that a more comprehensive approach is needed. We invited the County to participate in a broader study, and in early 1988, jointly contracted with a consultant to make recommendations. The consultant concluded that drainage should be managed as a "system" meaning that local government should accept responsibility for the network of channels and culverts which make up the drainage system. The consultant recommended that current funding for drainage programs be supplemented by stormwater utility service charges, which would provide a stable, long-term revenue source. In 1989, the City Council and County Commission endorsed this expanded stormwater program and utility service charges.

Stormwater Needs and Utility Implementation

The activities associated with expanding our stormwater program are illustrated in Chart 2.

1. A technical manual representing common design standards and up-to-date design techniques is necessary in order for drainage facilities throughout Charlotte and Mecklenburg County to function as a "system." Preparation of this manual is included in the current consultant contract. A draft is now being circulated for public input.

2. Amendments to the Clean Water Act in 1987 require cities across the country to apply for a stormwater quality permit in 1991. Application requires extensive documentation of stormwater outfalls, drainage areas, land use, population densities, point source pollution, and analysis of stream flow samples. The City ultimately will be responsible for the development of controls

to reduce pollution caused by new and existing discharges into the stormwater system.

3. A new stormwater management ordinance is necessary reflecting the City's policy and program decisions associated with expanding the stormwater program. Preparation of this ordinance is included in the current consultant contract and is on hold pending program decisions.

4. Enabling legislation was adopted in 1989 to allow cities and counties to operate stormwater systems as an enterprise utility. The City Attorney's office feels some clarification to the legislation is necessary and is working towards clarifying amendments during the short session in 1990.

5. A detailed inventory of the drainage system is critical to making informed decisions regarding master planning, capital improvements, and maintenance programs. Because maintenance has always been left to individual property owners, there is virtually no information on the make up and condition of the drainage system. An inventory would collect data such as the size, material, condition, capacity, and age of drainage facilities. Part of this information is necessary to prepare the stormwater quality permit application.

6. In order to assess stormwater utility charges, detailed cost of service studies, rate structure analyses, a master account file, and a billing system would have to be developed. Decisions such as the level of service to be provided, long-range capital improvement goals, and staffing levels would be made during these studies.

Existing Engineering Department staff can administer all these activities through the remainder of this fiscal year. If the decision is made to proceed and implement the stormwater utility services in the fall of 1991, it would be necessary to add 2 to 3 management/administrative positions in an existing department or new agency to carry out the activities outlined above and prepare for full implementation of the utility in fall, 1991.

Organizational Structure

Since presentation of the consultant's report last spring, the Planning Liaison Committee and a citizen's group has been discussing the issue of how to organize a County-wide stormwater management program. Below is a brief discussion of options:

1. Planning Commission Model - The Planning Liaison Committee focused their discussion on the Planning Commission model. The Planning Commission structure was developed to serve as a joint resource for City and County government. A copy of the inter-local agreement that details the organization and its responsibilities is attached. The primary strength of this arrangement is that both City and County elected officials make

appointments to the Planning Commission and have input into the work program and performance of the Department staff. This type organization works well for the planning function where the development of long-term land use policies and goals is the primary responsibility. However, it is likely to be a cumbersome organization for the delivery of an operations and maintenance type service. The primary service of the stormwater utility will be the maintenance and improvement of the drainage system. For this type service, a direct chain of command through the City Manager to the City Council is most appropriate.

If the Planning Commission model is used for the stormwater utility, it should be managed on a day to day basis as a City Department (see chart 3). The drainage system frequently intersects the City street system as well as water and sewer lines owned and operated by the City. There is a significant need to manage the activities of the stormwater utility in coordination and concert with the infrastructure activity of CMUD, CDOT, and City Engineering. The drainage system is a basic element of the City's infrastructure and will always be a major concern of the City Manager and the City Council. For example, in neighborhoods that are in need of rehabilitation, it is necessary to upgrade drainage facilities before any money can wisely be spent on streets, curbs, sidewalks, trees, parks, etc.

The County Manager has proposed that the stormwater utility be organized in accordance with the Planning Commission model, but operated as a County Department (see Chart 4). Under this arrangement, coordination with Street and Utility activities and resolving conflicting goals would be more difficult.

2. Citizen's Group Recommendation - A citizen's group consisting of the County Drainage Advisory Board, and an ad hoc City citizen's committee considered various options for the utility organization at the request of the Planning Liaison Committee. The majority opinion of this group was to recommend a new County Department organized with a strong advisory board as illustrated in Chart 5. Note that in structure this is very similar to the Planning Commission model. The exact make-up of the advisory board or the responsibility of the Planning Liaison Committee was not determined.

3. CMUD Model - The Charlotte-Mecklenburg Utility Department is an example of a County-wide (regional) utility providing a direct service to citizens (see Chart 6). The activities of CMUD with respect to water and sanitary sewer are very similar to the program activities needed for stormwater, indicating a good opportunity to carry out these three functions through a single organization. The consultant recommends that the stormwater utility be a stand alone agency rather than being incorporated into the existing Utility Department. One of the key findings of the study is that stormwater management and flood control need the undivided attention of those in charge of

the program. Shifting stormwater management responsibilities into a situation in which drainage competes internally within its own management group would not address this problem.

A comprehensive review of the Utility Department's operating policies and procedures is just beginning. This review will provide valuable insight into operating a County-wide utility.

4. Consultant's Recommendation - The consultant's view was that a significant expansion of drainage activities now handled by both the City and County is needed. He recommended that this increase in service be implemented immediately through simply expanding both the City and County programs. The second major need, that of consolidating all activities into one agency, could occur at a later time. This plan is illustrated in Chart 7, with a Technical Coordinating Committee added to provide overall coordination.

City Council Action Steps

It is recommended City Council take the following steps to implement a stormwater utility and meet the stormwater management needs of the City of Charlotte:

1. Decide on an organizational structure.

2. Instruct the City Manager to proceed with implementation activities, i.e., system inventory, rate analysis and stormwater ordinance.

3. Award a contract for preparation of the EPA water quality permit. (Staff is preparing a Request for Proposal at this time and expects to negotiate a contract for award by Council in June.)

Prepared for: Charlotte City Council Workshop April 2, 1990.

STRMWTR/JB.CP

STORMWATER POLICY DEVELOPMENT

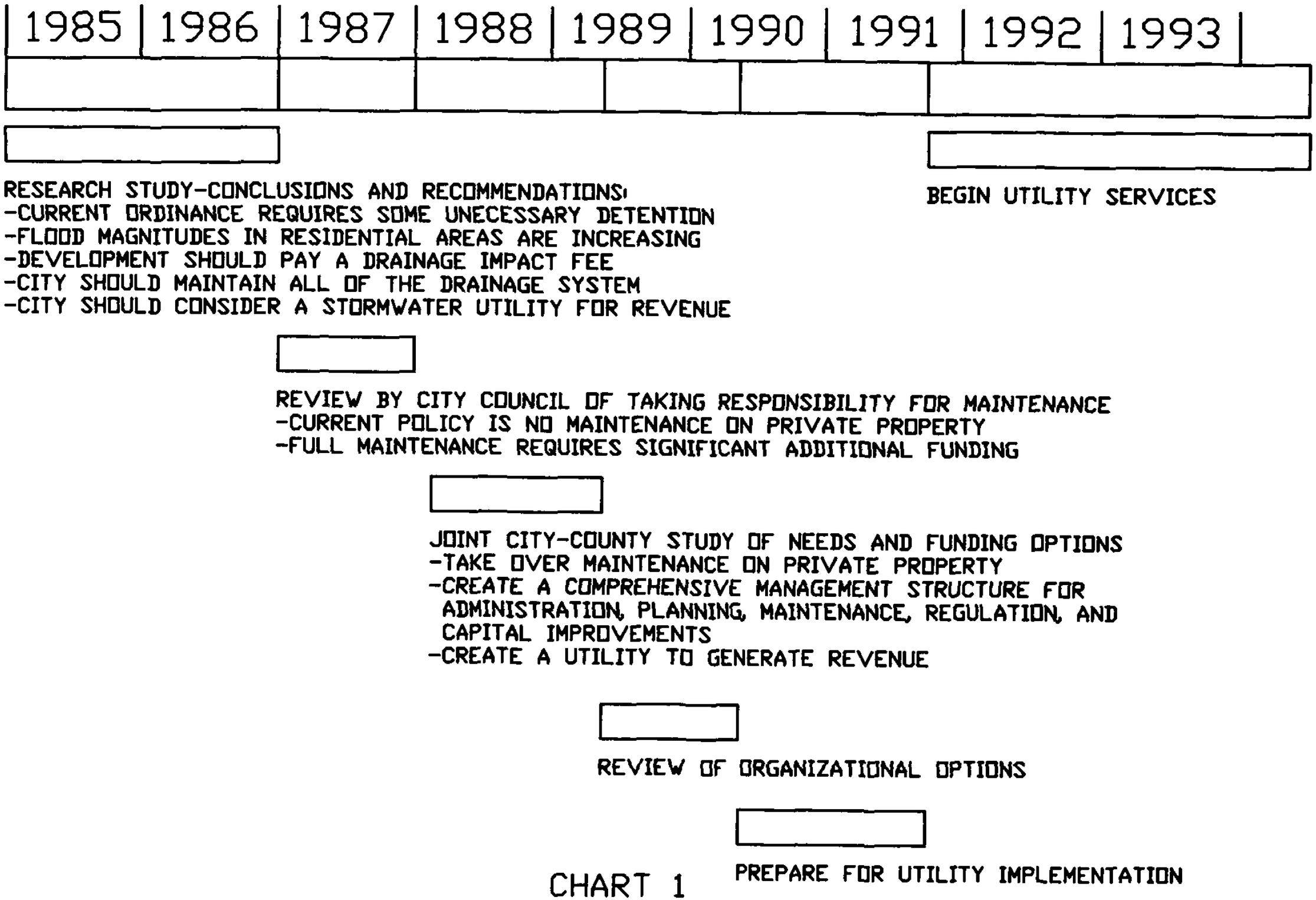


CHART 1

STORMWATER UTILITY IMPLEMENTATION

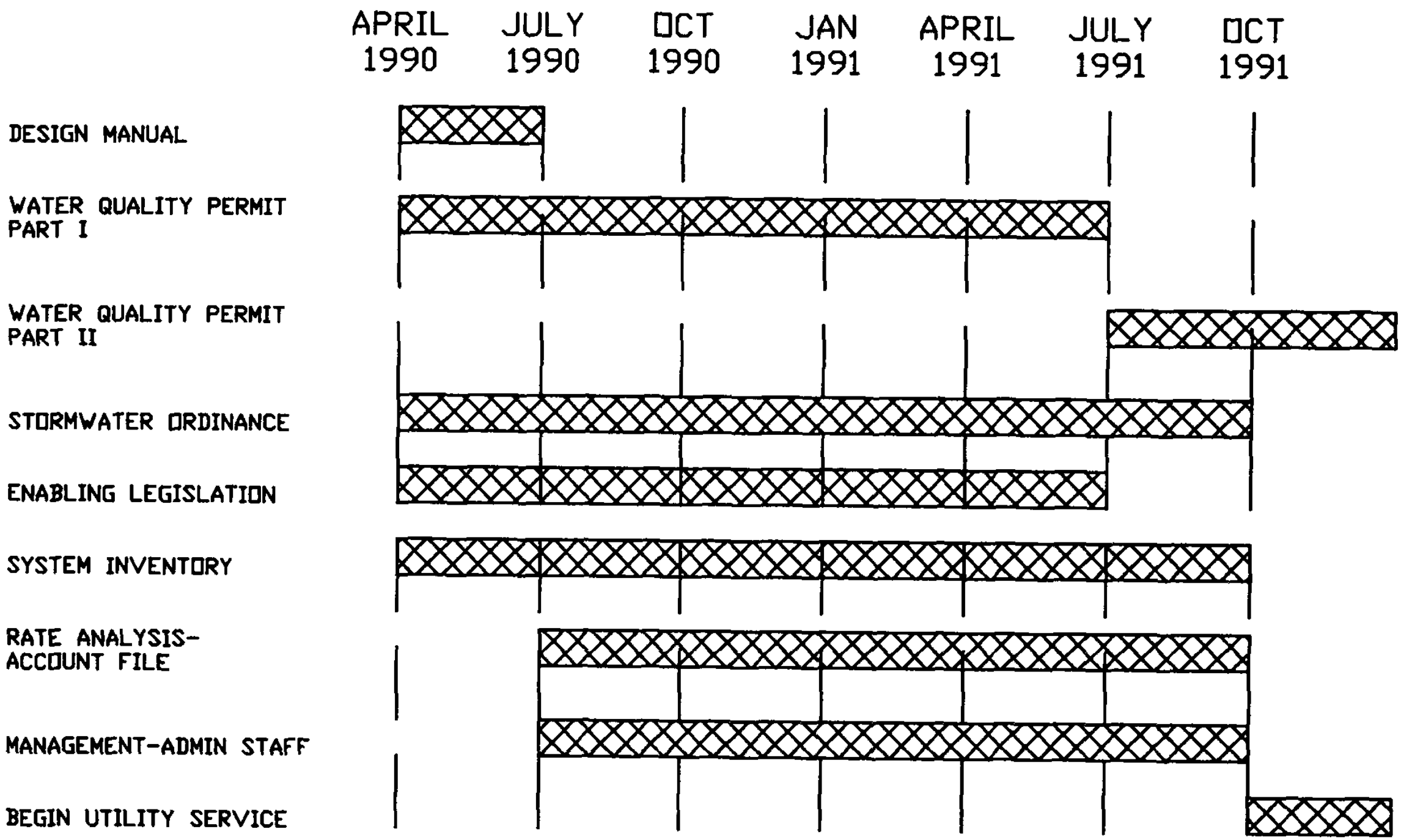


CHART 2

CONSULTANT'S RECOMMENDATION

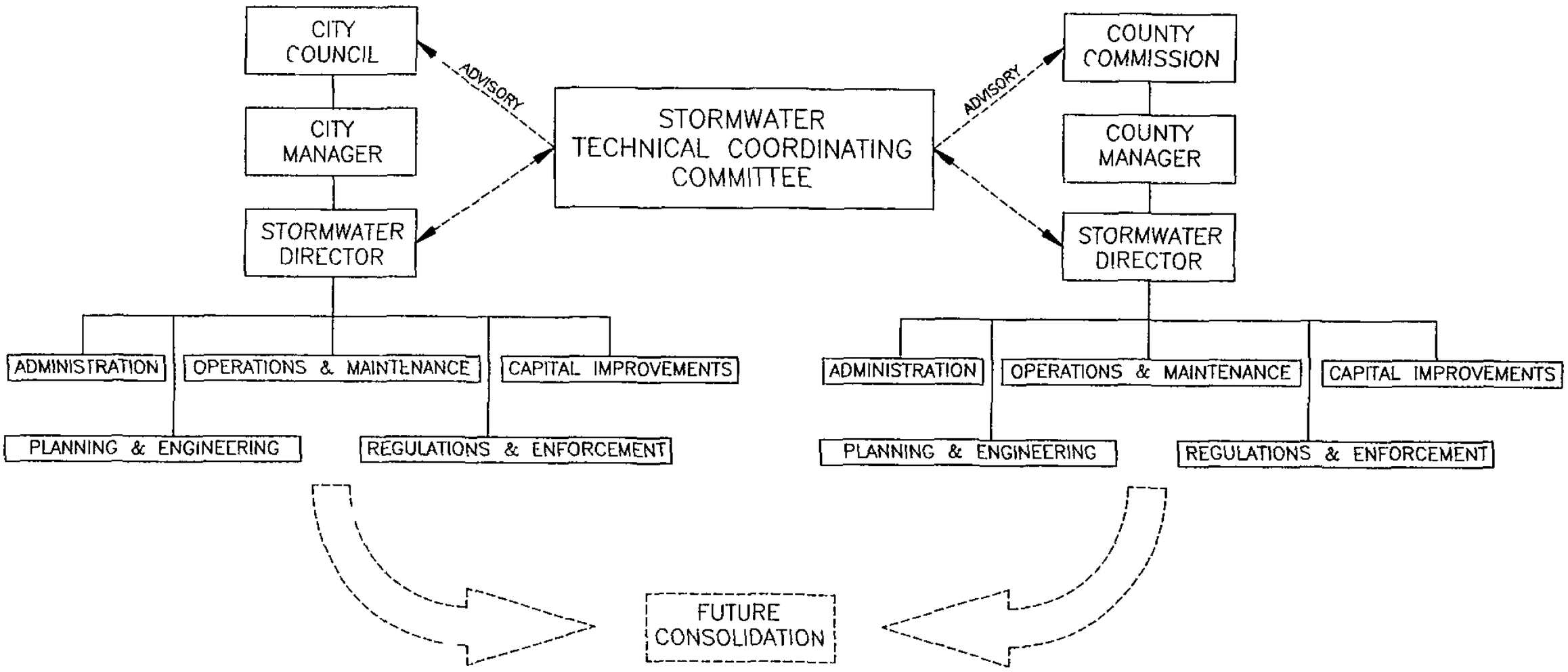


CHART 7