AGENDA

Meeting Type:	BUSINESS
Date.	06/08/1995

City of Charlotte, City Clerk's Office

CHARLOTTE

Mayor Richard Vinroot | *Mayor Pro Tem Patrick McCrory*

Charles Baker
Stan Campbell
Patrick D Cannon
Mike Jackson
Nasif Rashad Majeed
Hovie H Martin
Don D Reid
Ella Butler Scarborough
Sara Spencer
Lynn M Wheeler

Council Agenda

CITY COUNCIL MEETING
Thursday, June 8, 1995

6:00 p.m. — **Conference Center**

6:30 p.m. — **Meeting Chamber**

- Invocation
- Pledge of Allegiance
- Citizens Hearing

7:00 p.m. — **Formal Business Meeting**

CITY COUNCIL AGENDA
Thursday, June 8, 1995
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Item No.

CONSENT ITEMS

1 Consent agenda items 7 through 10 may be considered in one motion except those items removed by a Councilmember Items are removed by notifying the City Clerk before the meeting

Staff Resource Julie Burch

POLICY

2 Budget Adoption

Action Approve 1995-1996 Appropriations and Tax Levy Ordinance, the Capital Investment Plan Resolution for Fiscal Years 1996-2000, the FY97 Operating Budget Resolution, the FY96 Pay and Benefits Resolution and other items related to annual budget adoption.

Scarborough, Nayed, Wheeler, and Reid - App. budget as recommended

Staff Resources Listed under each section

Policy As required by State law, the City of Charlotte adopts an annual appropriations and tax levy ordinance and considers related actions prior to June 30 of each fiscal year

ask staff to bring back a motion to approve budget, ① complete detailed council comm. analysis of various fund balances where they are and how much, ② Detailed analysis of existing debt authorized and issued and when to be paid off; review future next year's budget process + fund a Road Bond Package for 1996 (FY97) hopefully w/o a tax increase

Explanation of Request: Council is requested to adopt the following actions

A The 1995-1996 Appropriations and Tax Levy Ordinance (Vi Alexander) Ord. #1 304-X BK 46, P 381-394

B A Resolution Approving the Capital Investment Plan for Fiscal Years 1996-2000 (Vi Alexander) Res. #2 BK 33, P 277

C A Resolution in Support of the FY97 Operating Budget (Vi Alexander) Res. #3 BK 33, P 278

Subst. 1 - Jackson/Reid - App. Budget with full transit fare increase
YES - McCrory, Reid, Jackson

Subst. 2 - Jackson/Reid - Transfer 1 cent of current property tax levy to infrastructure + make necessary cuts to fund that.
YES - Jackson & Reid

B+E

Item No

D The FY96 Pay Resolution and Decisions (Bill Wilder) Res #4 BK 33, 279-80

E City/County Interlocal Agreement Amendments (Vi Alexander) P

F A Resolution Addressing the Auditorium/Coliseum/Convention Center Net Profits (Richard Martin) Res. #5 BK 33, 281 P

G Arts and Outside Agencies (Vi Alexander)

H Municipal Service Districts Contracts (Vi Alexander)

I Innovative Housing Contracts (Gene Shipman)

J Job Training Contracts (Gene Shipman)

K Human Services Contracts (Gene Shipman)

A The 1995-1996 Appropriations and Tax Levy Ordinance

Budget Overview

- On May 22, 1995, the City Manager presented the recommended FY96 and FY97 operating budgets and the FY96-2000 Capital Investment Plan to the Mayor and City Council The Mayor and City Council held 4 work sessions, as well as the required public hearing, prior to this Council Action

- As tentatively approved on June 6, 1995 by straw vote, the Council endorsed the following budget scenario

  - No tax increase,

- A Water and Sewer rate increase of 4 63%,
- Transfer of 1/4¢ from the operating budget to the capital budget, and
- Completion of the 1988 Transportation Bond funds

Tax Levy

- The Property Tax Levy for FY96 is a total of 42 8¢ per $100 of assessed valuation, the same as FY95 The FY96 assessed value is an estimated $29,408,320,326, with an estimated collection rate of 98% The distribution of the tax levy is as follows

General Operations	33 05¢
Debt Payments	5 75¢
Pay-As-You-Go Capital	3 00¢
Storm Water	1 00¢

Changes to the Operating Budget

- The total General Fund budget is $218,348,933 Following is a list of the changes to the Manager's Recommended Budget

  - No change in transit fares with revenues ($700,000) anticipated from fare increases to come from Public Transit Fund Balance

  - Restore funding ($263,975) to the General Fund Financial Partners in FY97, with funding to come from Solid Waste budget savings

B+E

- The six General Fund partners are to be referred to Council committees during FY96 to review conformance with Council goals and priorities The six partners are The Arts and Science Council, Carolinas Partnership, Sister Cities, Children's Services Network, United Family Services and The Youth Involvement Council

- A request to all organizations that the City holds membership in (such as the National league of Cities and the N C League of Municipalities) to review their operating costs consistent with our restructuring goals, including competition and lowering costs

- Target 10% of job training dollars for private sector on the job training Authorize the Mayor to enter into an agreement with Burke County for the City to receive unused JTPA funds from Burke County

- Referral of the non-system street paving policy to Council's Public Services Committee

B FY96-2000 Capital Investment Plan

- The property tax rate dedicated to the Municipal Debt Service Fund is increased by ¼ ¢ to support issuance of the remaining environmental bonds approved by the voters in November 1993

- The addition of $800,000 available from Convention Center refinancing savings for improved College Street lighting is included in the Capital Investment Plan

BYE

Resolution BK 1 pg on this agenda pg # 1 (Item c)

FY-96 +

C A Resolution in Support of the FY97 Operating Budget

- The Manager's Recommended Budget includes recommendations for the next two years of operating budgets The first year, FY96, is listed in Section A of this action

- A Resolution is adopted at the beginning of each two-year budget to approve the second year of the two-year plan The Resolution approves the FY97 Operating Plan as recommended by the City Manager and as amended by Council on June 6th Adoption of the FY97 Plan does not appropriate funds

B+E

D Employee Pay and Benefits Resolution

The FY96 Pay and Benefits Report includes the following

- The Broadbanding Pay system is recommended for a 4% total increase for each Key Business Unit, including a 3 7% merit increase budget and a 0 3% career development increase budget Merit increases range from 0% to 8% based on market position and performance level but must average no more than 3 7% in the Business Unit

- The Public Safety Pay Plan is recommended for a 3% increase in all steps for uniformed Police and Fire employees Funding is also included for a 5% step increase if employees are not at maximum pay

B+E

- The budget includes freezing the longevity pay program for employees hired prior to July, 1983 at the December 1995 dollar payout amount to increase the City's ability to be competitive as well as other changes to reduce future costs in this area

- There is no recommended change in medical insurance premiums for employees or retirees A 10 2% increase is recommended for dental insurance

- Recommended change in stop loss insurance level from $150,000 to $200,000 and elimination of individual stop loss coverage for Medicare eligible retirees

- Recommended discontinuation of group life insurance for employees disabled on or after July 1,1995

E. City/County Interlocal Agreement Amendments

- City and County staff have agreed to the following amendments to the interlocal agreement for joint programs The recommended budgets of the City and County Manager reflect the amendments as agreed by staff The County Commission approved the amendments

The amendments are

1 City Customer Service Center
In October 1992, the City Manager created the Customer Service Center It provides a central source of information and first contact for citizens This change eliminated the old Action Line format which the County funded with the City on a 50 50 basis

B+E

The Staff recommendation is to eliminate the current Action Line section and replace it with a statement that the County will fund 26% of the City's Customer Service Division's personnel, telephone, and data processing expenditures required to conduct County business The 26% is the ratio of City to County calls in the Customer Service Center The net change to the budget is an additional $21,456 dollars in revenue to the City from Mecklenburg County

2 County Elections Office
The Staff recommends eliminating the current Elections section of the Interlocal Agreement (which is based on voting machine rental fees, registered voter ratios and actual ballot-questions costs) and replace it with a 40% City to 60% County funding formula for the Mecklenburg County Elections Department There is no impact on the average budgeted costs Annual budgets will not vary as greatly from year-to-year as they do now depending on whether or not there is a Council or bond election This will be a simpler agreement to administer

F Auditorium/Coliseum/Convention Center Authority Net Profits

- A Resolution outlining the agreement between the Staffs of the City and the Authority to accomplish the following

  - Determine the net proceeds available to be transferred to the City,

- Determine how the Authority would report annually on the condition of its buildings,

- Determine if the city should cover an amount over 50% of the new Convention Center operating deficit, and

- Return to City Council with a formal agreement prior to September 1, 1995

G Arts and Outside Agencies

At the May 1 Workshop, Council received a review of all the financial partners including a description of their services, participants and efficiencies

During FY96, each of the financial partners will be referred to a Council Committee The Committee will review the partners and make recommendations for services and funding consistent with Council Focus Areas and priorities

1 Carolinas Partnership $150,000

FY96 Goals

a Develop and enhance a productive working relationship among the region's partners

b Develop and build internal readiness for economic development of the region's partners

c Attract, expand and retain national & international business investments in the region producing new jobs and increasing the economic base

2 Centralina Council of Governments $76,622

FY96 Goals

a Become a more useful agency for its members and region by providing relevant planning information and technical support services, entering new activities, and continuing all traditional activities

b Communicate the COG's activities as benefits for its members

c Focus COG's activities on law enforcement, water resources and solid waste management

3. Children's Services Network $50,000

FY96 Goals

a Develop specific implementation steps for recommendations on improving services for children age 0 - 5 years

b Obtain grant funding for the development of a Decision Support Database for children's services to bring fiscal and operational accountability to service delivery

c Monitor and continue to facilitate the implementation of existing community strategies for the reduction of teenage pregnancy and crimes committed by youth

Item No.

4. United Family Services (Victim's Assistance) $227,171

FY96 Goals

a Continue to provide crisis intervention and counseling to 2,500 victims, including children of sexual assault, sexual abuse, armed robbery, domestic violence, and families of homicide victims

b Begin a telephone support group for rape victims

c Help 800 domestic violence victims with protective orders, court preparation, accompaniment to court, and advocacy

d Assist the Assistant District Attorneys in preparing to prosecute domestic violence cases by providing photographs of injuries, organizing medical records and other evidence, and preparing clients for court

5 Arts & Science Council $2,174,580

FY96 Goals

a Finalize investment and management strategies to ensure appropriate stewardship of the $25 million cultural endowment raised during FY95

b Evaluate Tom Wolf's study of an arts education center and implement all community approved recommendations for restructuring

c Continue to look for financial and programmatic efficiencies in the cultural sector through the ASC's grants review process, technical assistance programs and independent task forces

d Continue administering the Public Art program and enhance community awareness of this program

6 Charlotte Convention and Visitors Bureau (CCVB) $1,678,935

FY96 Goals

a Continue New Charlotte Convention Center sales, conference sales and tourism sales,

b Continue New Charlotte Convention Center marketing, conference marketing and tourism marketing, and

c Continue to blend public relations efforts throughout all direct sales, marketing support and CCVB organizational efforts

H Municipal Service District Contracts

The Municipal Service Districts were created to promote investment in the central business area The two contracts covering the three districts have been funded since 1978 and 1984 respectively There is no change in the tax rates of any of the Districts

B+E

1 Charlotte Uptown Development Corporation (Municipal Service District 1)

Contains a 13% decrease primarily because the FY96 contract will not appropriate any fund balance

FY96 Contract Amount $452,700

2. Central Charlotte Division (Municipal Service Districts 2 and 3)

Contains a 21% decrease primarily because of a reduction in private marketing projects, no appropriation of fund balance, and no Chamber of Commerce contribution

FY96 Contract Amount $525,300

I **Innovative Housing Contracts**

For the remaining contracts in housing, job training and human services (items I, J, K), staff will work with appropriate Council Committees in the upcoming year to review partner activities in light of Council Focus Areas and priorities The desired mix of services will be determined, and a competitive process will be used to allocate available resources for FY97

- The Consolidated Plan approved by Council on May 8, 1995 establishes strategies to provide housing and supportive services for low-income people

The following contracts are funded annually from the City's Innovative Housing Fund

1 Crisis Assistance Ministry (Energy Assistance)

B+E

Contains no increase or change in performance objectives

FY96 Contract Amount $96,432

2 Crisis Assistance Ministry (Emergency Assistance)

Contains no increase or change in performance objectives

FY96 Contract Amount $100,000

3 Charlotte Housing Authority (Safe Neighborhood Awareness Program)

Contains no increase or change in performance objectives

FY96 Contract Amount $157,596

4 Charlotte Housing Authority (Family Self-Sufficiency)

Contains no increase or change in performance objectives

FY96 Contract Amount $350,000

5 Charlotte-Mecklenburg Housing Partnership (Home Ownership Counseling)

Contains no increase in funding
Contract increases the objective for eligible applicants from 40 to 50

FY96 Contract Amount $142,747

Item No.

6 Charlotte-Mecklenburg Housing Partnership (Affordable Housing)

Contains a change in performance objectives to produce 43 housing units (currently 50 units is the objective) through acquisition, rehabilitation and new construction in the CWAC area with emphasis in Genesis Park and Seversville Permits no carryover of unexpended FY95 funds $1 5 million of the new contract is from the Community Development Block Grant

FY96 Contract Amount $2,000,000

7 Family Housing Services
Contains no increase or change in performance objectives

FY96 Contract Amount $308,088

8 YWCA Scattered Sites Afterschool Enrichment Program
Contains no increase or change in performance objectives

FY96 Contract Amount $83,503

Contracts are attached

Funding Summary of Housing Contracts

Federal CD Block Grant	$1,500,000
Local-Innovative Housing Fund	$1,738,366
Total	$3,238,366

J Job Training Contracts

- On April 10, 1995, City Council approved the FY96 Job Training Plan The Plan's purpose is to increase the self-sufficiency of individuals through comprehensive job training, job development and support services Approval of these contracts will implement the child care support service and dislocated worker service portions of the Plan

The following contracts are funded annually from the federal JTPA grants, State Worker Trust and local money

1 Child Care Resources

The Child Care Resources contract has been funded since 1986 Subsidized child care enables economically disadvantaged individuals to participate in job training programs Without this support, many individuals would be denied the opportunity for training and subsequent employment

This contract contains a $25,000 decrease and six fewer child care slots

FY96 Contract Amount $357,405

2 Employment Security Commission

The Employment Security Commission contract has been funded since 1987 A portion of the JTPA grant is designated specifically for dislocated worker training and this contract fulfills that requirement

This contract contains a 16% increase and proportional increases in performance objectives

FY96 Contract Amount $474,609

B+E

Item No.

Contracts are attached

Funding Summary for Job Training Contracts:

Federal JTPA grant funds	$674,442
State Worker Trust funds	$ 50,364
Local funds	$107,208
Total	$832,014

K Human Services Contracts

- The Consolidated Plan approved by Council on May 8, 1995 identifies priorities for federal housing and community development resources including the Community Development Block Grant (CDBG) Human services contracts for Bethlehem Center, Inc and Gethsemane Enrichment Program are a part of projected FY96 CDBG activities

The following contracts for educational enrichment activities are funded annually under the human services component of the CDBG program HUD allows up to 15% of the CDBG funding to be used for public service purposes such as educational and enrichment programs

1 Gethsemane Enrichment Program
Contains no increase and no changes in performance objectives

The Gethsemane Enrichment Program contract continues an educational and enrichment program for 488 school-age children (grades K-6) from low-to-moderate income families in City Within A City census tracts

FY96 Contract Amount $486,149

BJE

2 Bethlehem Center
Contains no increase and no changes in performance objectives

The Bethlehem Center contract continues an education and enrichment program for 224 children and adolescents from low-to-moderate families in the Southside and West Boulevard neighborhoods

FY96 Contract Amount $158,825

- Both programs provide educational, social, cultural and recreational activities for school-age children They are designed to reinforce basic academic and social skills of school-age children with specialized instruction emphasizing remediation and cultural enrichment

- Both contracts are attached and both are funded with Federal Community Development Block Grant Funds ($644,974)

- Both programs have been in operation since 1976

3 Emergency Shelter Grant Contract

- The Stewart B McKinney Homeless Assistance Acts of 1987 and 1988 authorized the Emergency Shelter Grant (ESG) Program which provides funds to state and local governments to support programs targeted to homeless individuals and families

ESG funds may be used for the following eligible activities

- renovation of facilities for emergency shelter
- provision of essential services
- payment for maintenance, operations and insurance
- homeless prevention activities
- staff costs for operations

- The Consolidated Plan approved by Council on May 8, 1995 establishes strategies and services to promote self-sufficiency for homeless people

- The City's FY96 Emergency Shelter Grant (ESG) allocation is $175,000. This is a $45,000 increase over last year's allocation of $130,000 due to increased appropriation of ESG funds by Congress

- The City has contracted with the following agencies since 1987 FY96 allocation is distributed to these eligible agencies

Uptown Shelter/George Shinn Center	$60,712
Community Links/Travelers Aid Society	$14,000
Charlotte Emergency Housing	$34,865
Crisis Assistance Ministry/ Homeless Prevention Assistance	$ 38,500
Salvation Army/Women & Children Shelter	$26,923

- Only the Uptown Shelter/George Shinn Center contract is over $50,000 and thus requires Council approval It is attached The other four agencies' contracts will be executed by the City Manager and are on file in the Council Library No formal evaluation conducted in anticipation of competitive award of FY97 contracts

Attachments 1-8

3 Joint Capital Planning

Scarborough/Wheeler
Aff. A + B
Aff. Nesan

Action.

A Authorize the City Manager to (1) develop procedures for joint use of facilities and sites, and (2) develop capital project priorities for future bond referenda, and

B. Adopt a resolution to work with the County in developing policy statements and procedures for joint capital planning and joint use

Res. #6
Bk 33, p. 282

Staff Resource

Martin Cramton

Focus Area

Restructuring Government

Explanation of Request.

- Council's Restructuring Government Focus Area includes a proposed review of capital planning On March 6, 1995, Council received an outline and timetable for this activity, now called the *Community Infrastructure Review*

- This review (September-February 1996) is to determine capital needs of Council's focus areas and examine related funding issues

- This action would expand the review to (1) consider joint use procedures, i e the sharing of facilities and sites where feasible to reduce costs, and (2) develop a program of capital project priorities for future City bonds

Planning Comm

- The priority-setting process would be extended to include efforts to develop joint community priorities with the County and Schools, in order to make the best use of the community's resource capacity for funding capital projects

- While these initiatives are related to internal City actions, the County is doing similar work. On April 18, 1995, the County Commission adopted a resolution asking the cooperation of the City (as well as the school system, library, and other public bodies) specifically in efforts to plan and coordinate joint use opportunities

- The proposed resolution responds affirmatively to this request City staff would participate on a committee to "develop recommended policy statements and processes to implement a strong program of joint planning and joint use "

Attachment 9
Proposed Resolution
Background Summary
County Commission Resolution (April 18, 1995)

BUSINESS

4 Annexation Voting Districts

Action:	Assign the 1994 and 1995 annexation areas to the existing City Council Districts
Staff Resource.	Dick Black
Policy	Federal Voting Rights Act/State Annexation Laws
Explanation of Request	Areas annexed since the last City Council election must be assigned to an election district before the July filing date for Mayor and City Council

Four areas have been annexed since the last City Council election in November 1993

- University Research Park Area (June 30, 1994),
- IBM/YMCA Voluntary Annexation (November 14, 1994),
- U S 21/N C 115 Area (June 30, 1995), and
- Hembstead/Providence Plantation Area (June 30, 1995)

Each annexation area was assigned to the adjacent City Council District No shifting of precincts among districts is required The adding of the four areas to the adjacent districts does not increase the deviation between the largest and smallest above 10% and does not unduly dilute minority voting strengths

Attachment 10

Scarborough Carson
APP' urban

Planning Comm.

Item No

5 Sale of Prince-Holbrook Property

Action	Approve an offer by Duke Power to acquire surplus NFL property for $1,650,000
Staff Resource:	Boyd Cauble & Mac McCarley
Explanation of Request.	• At the May 22, 1995 Council meeting, Council approved a process outlining the procedure for selling approximately six acres of land designated for surface parking for the NFL Stadium • The property was initially acquired to help meet the City's obligation to Richardson Sports to provide 1,200 parking spaces for NFL events • After the property was acquired, the City began negotiations with Duke Power to build a 2,200 space parking deck which would satisfy the City's obligation to Richardson Sports and assist Duke Power in meeting part of their employee parking needs • As part of the City's agreement with Duke Power to build a parking garage, Richardson Sports proposed to buy from the City the Prince Holbrook property for additional surface parking to meet their requirements for skybox and club seat patrons • Richardson Sports agreed to pay the City not less than what the City had paid initially to acquire the Prince Holbrook property • The sale of the Prince-Holbrook property to Richardson Sports would help meet another City obligation to "assist Richardson Sports in obtaining an additional 1,500 parking spaces near the stadium "

Wheeler/Cannon
Expense Ella + Pat
Lunar.

Reid/Wheeler
app.
Lunar.

- Richardson Sports and Duke Power have reached agreement regarding the purchase of the Prince Holbrook property Duke is prepared to pay the City $1,650,000 for the property which would eventually replace employee parking currently located on the proposed "Cousins Entertainment Project" site which is two blocks north of the new NFL parking garage Duke also has agreed to allow Richardson Sports to use the Prince-Holbrook surface parking on NFL game days

- Duke Power has submitted their proposal to acquire the Prince-Holbrook property The City has advertised the property in the Mecklenburg Times for a ten day period Monday, June 5 was the deadline for receipt of additional offers

6. **Nominations to Charlotte-Mecklenburg Charter Commission**

Action	**Make nominations to Charlotte-Mecklenburg Charter Commission**
Explanation of Request.	On May 22, 1995 the Council approved a resolution to appoint a 25 member Charter Commission Appointments will be made as follows Charlotte City Council and Mecklenburg Board of County Commissioners each appoint 10 members The Mayor and Chairman of the County Commission jointly appoint five members including the chairman and vice-chairman City Council is scheduled to vote on these nominations at its meeting of June 26, 1995 The County Commission is expected to address the consolidation issue at its meeting on June 20, 1995

Leave nominations open until 6/26

The charge of the Charter Commission is to consider the merits of consolidation and how it will impact the community, include in the preliminary charter provisions requiring at least a $4,000,000 savings annually over a five year period, publicize the consolidation proposal, hold a series of public hearings, make any changes to the preliminary charter deemed appropriate, present any revisions to the City Council and Board of County Commissioners, and once those two bodies have approved the charter, call for a referendum on consolidation

Cannot vote on all consent if anything pulled urgent.

Introduction to CONSENT I and II

The consent portion of the agenda is divided into two sections Consent I and Consent II

Consent I consists of routine items that have been approved in the budget, are low bid, and have met MWBE criteria

Consent II consists of routine items that have also been approved in the budget, but may require additional explanation

Minority and Women Business Development Program (MWBD) Abbreviations
BBE - African American
ABE - Asian American
NBE - Native American
HBE - Hispanic
WBE - Non-Minority Women

CONSENT I

7 Alexander Street Neighborhood Center Renovations and Window Replacement — Neighborhood Development

Recommendation The Neighborhood Development Director recommends the low bid of $128,773 by American Eastern Builders, Inc , Charlotte, North Carolina

MWBD Status.	Amount	% of Project	Project Goals
BBE	$11,000	8 6%	11%
ABE	0	0%	1%
NBE	0	0%	1%
HBE	0	0%	0%
WBE	5,500	43%	9%

MWBD Compliance: Yes

Eos

Item No.

8 Refund of Certain Taxes

Res #1

Action: Adopt a resolution authorizing the refund of certain taxes assessed through clerical or assessor error in the amount of $1,741 04

Attachment 11

Bk 33, p. 275-76

Finance

CONSENT II

9. Mint Hill Water/Sewer Bond Sale Contract

Action Approve contract with the Town of Mint Hill that provides for the receipt and management of bond proceeds as well as the payment of the debt service on Town Bonds used to finance extensions to the CMUD water/sewer system

Staff Resource: Ben Russell

Explanation of Request

- The 1984 Consolidation Agreement between Charlotte and Mint Hill provides for the City to own and operate the municipal water/sewer system

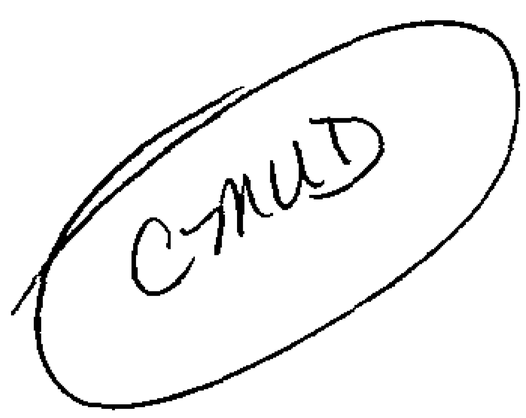
- This agreement allows the Town to utilize bonds for financing reimbursable extensions It requires the City to pay the Town's debt service cost in lieu of reimbursing the Town the construction cost over the usual 5 or 15 year period

- In November 1994, Mint Hill citizens approved issuance of $7 million in sewer bonds and $3 million in water bonds In June $4 5 million of these bonds are scheduled to be sold

- This contract provides the mechanics for implementing the 1984 Consolidation Agreement

  - The timing and amount of each bond sale must be jointly approved by the City Finance Director and the Town Finance Officer

    The City will not construct any facility if the costs are estimated to exceed the available bond proceeds



Funding: Town of Mint Hill Water/Sewer Bonds Debt Service will be repaid from system wide water/sewer rates

Background. The City has a similar agreement with the Town of Matthews for $6 6 million in General Obligation Bonds to finance improvements to the CMUD system in Matthews The City also has similar consolidation agreements with each of the other towns providing for City ownership and operation of the municipal water/sewer systems in those towns and allowing those towns to finance extensions with town bonds

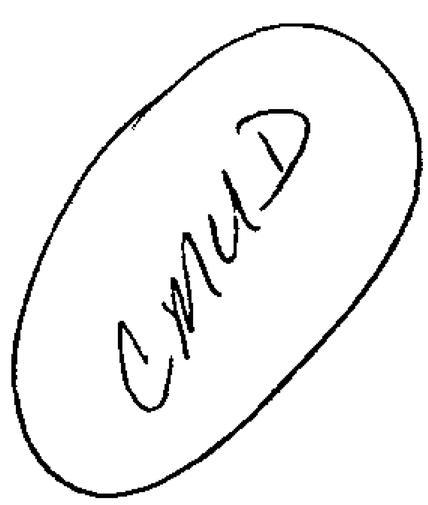
10 Matthews Sewer Bond Sale Contract

Action: **Approve contract with the Town of Matthews that provides for the receipt and management of bond proceeds as well as the payment of the debt service on Town Bonds used to finance extensions to the CMUD water/sewer system**

Staff Resource: Ben Russell

Explanation of Request

- The 1984 Consolidation Agreement between Charlotte and Matthews provides for the City to own and operate the municipal water/sewer system throughout the Town
- This Agreement allows the Town to utilize bonds for financing reimbursable extensions It requires the City to pay the Town's debt service cost in lieu of reimbursing the Town the construction cost over the usual 5 or 15 year period
- In November 1994, Matthews citizens approved issuance of $2 8 million in sewer bonds These bonds are scheduled to be sold in June 1995
- This contract provides the mechanics for implementing the 1984 Consolidation Agreement



- The timing and amount of each bond sale must be jointly approved by the City Finance Director and the Town Manager

- The City will not construct any facility if the costs are estimated to exceed the available bond proceeds

- The Town deposited $250,000 with the City for engineering services to begin design of this sewer project This deposit will be refunded to the Town from the bond proceeds

Funding Town of Matthews Sewer Bonds Debt Service will be repaid from system wide water/sewer rates