AGENDA

Meeting Type:	W
Date:	03/01/1993
SUBJECT	

City of Charlotte, City Clerk's Office

MOTION FOR EXECUTIVE SESSION

I move that the City Council hold an executive session upon the conclusion of this meeting to confer with the City Attorney about a matter of potential litigation involving the City as permitted by G.S. § 143-318.11(a)(4).

CITY COUNCIL
WORKSHOP AGENDA
March 1, 1993

5:00 Dinner

5:10 Approval of the minutes of January 4 Workshop, January 11 Citizens Hearings, Dinner Briefing and Meeting, January 13 Legislative Breakfast Meeting, January 19 Dinner Briefing and Zoning Meeting

5:15 Rightsizing Presentation

6:30 Council Approval of Rightsizing Agenda Items

1. AS400 Conversion to LAN
2. Deletion of Positions from the Table of Organization
3. Budget Ordinance to transfer the Rightsizing Savings

7:00 Presentation by Mayor's Task Forces

1. Organization
2. Compensation
3. Privatization

COUNCIL WORKSHOP AGENDA ITEM SUMMARY

TOPIC: Rightsizing

KEY POINTS (Issues, Cost, Change in Policy):

City Manager and staff will present to City Council the results of their Rightsizing Program. The Rightsizing Program was presented to Council in February 1992. The City Council approved the Rightsizing Program with a goal of eliminating 200 positions from the City payroll by February 1993.

In June 1992, City Council increased the rightsizing goal to 250 positions in order to partially fund 50 new police officers in addition to the 50 police officers recommended by the City Manager.

OPTIONS:

COUNCIL DECISION OR DIRECTION REQUESTED:

1. Approval of the AS400 conversion to a Local Area Network (LAN)
2. Approval of a budget ordinance deleting 272.50 positions from the Table of Organization
3. Approval of a budget ordinance to transfer $5.1 million in rightsizing savings

ATTACHMENTS:

Requests for Council Action for:

1. AS400 conversion to LAN
2. Deletion of 272.50 positions from the Table of Organization
3. Budget ordinance to transfer $5.1 million in rightsizing savings

3522-X
B 41
P 440

Council will receive a printed Rightsizing Report at the Workshop.

Recommend approval of: (a) conversion to Local Area Network (LAN) office automation platform, and (b) contract to purchase 85 LAN workstations.

City Manager's Office

Explanation of Request

Council is requested to approve the conversion from the "AS-400" office automation platform to the local area network platform. The conversion pays for itself in less than 24 months based on the following assumptions and information.

	Yr. 1	Yrs. 2-3
*Cost of Hardware and Software	$560,000	28,000
*Conversion Support	50,000	0
*Charges for Communications	14,130	28,390
Total Cost	624,130	56,390

As a comparison, the annual lease of the AS-400 system totals approximately $104,000 in year one and $44,000 in years two and three. However, a key assumption is that the conversion allows for the elimination of clerical employees.

With the elimination of 10 positions ($275,000), the conversion pays for itself in less than 24 months. (During the past year, 60 clerical/administrative positions have been eliminated as part of Rightsizing. Many of those eliminations are dependent on departments acquiring this LAN technology.)

	Yr. 1	Yr. 2	Yr. 3
Conversion to LAN	$624,130	$ 42,390	$ 42,390
Stay with AS-400	379,000	319,000	319,000

To begin the conversion, Council is also requested to approve the purchase of 85 LAN workstations from Gateway 2000 for $131,070. (Bid information is attached.) This cost is included in the $624,130.

Approval of this purchase will allow the City sufficient time to order and acquire the workstations to meet the conversion target of July 1, 1993. In April, Council will be requested to approve the remaining purchases to complete the conversion. The cost of these remaining purchases is included in the $624,130.

Source of Funding

As part of the Rightsizing plan, Council approved $1 million in the FY93 Budget to promote technology improvements to meet Rightsizing goals.

BACKGROUND: At the July 1992 Council Workshop on Rightsizing, staff presented an overview of the City's automation plan. The plan outlined the transition from the City's current office automation platform to a local area network platform. Also presented were the goals of automation and technology in meeting Rightsizing objectives.

1. Eliminate positions through technology improvements.

2. Invest in technology which facilitates reducing layers of management, working in teams, and accomplishing work with fewer employees.

Office automation refers to the way "work gets done" within the organization. The City's office automation network provides for the transmission of correspondences electronically among and across the City, is used to coordinate calendars and schedules, and provides for the City's standard word processing function. The "official" office automation platform has been the "AS-400."

The "AS-400" has been used primarily by clerical employees and the functions are limited to those described above. Over the past few years, the City has invested in personal computers tied to local area networks. There now exists four local area networks, one in the CMGC, one at Old City Hall, one at CMUD, and one at the Airport.

The personal computers linked to a LAN not only provide improved office automation capabilities but provide the ability to use other business applications required in the day-to-day activities of the City. Personal computers are being used by professional staff, managers, and clerical employees.

During the past year, the Communications and Information Systems Department and a City-wide Technology Team have evaluated options to eliminate the redundancy of these parallel networks, and position the City to meet future Rightsizing and technology goals. Part of the evaluation process included input from technology consultants. These consultants support the City's recommendation to move to LAN-based office automation. Attached is a presentation outline of the decision making process.

February 24, 1993

Bid Item C for Agenda of March 1, 1993

I. Item: Computer Workstations User Dept.: CIS

II. Recommendation: By Purchasing Director and CIS Director that the low bid, Gateway 2000, North Sioux City, S.D., in the amount of $131,070.00, be accepted for award of Contract on a unit price basis.

III. Bid Summary:

Gateway 2000	N. Sioux City, N.D.	$131,070.00
Compu Add	Charlotte, N. C.	149,315.00
Copley System	Charlotte, N. C.	162,520.00
Dell Computer	Austin, Texas	189,255.00
Sears Business Center	Charlotte, N. C.	190,800.00
Cedalion Systems, Inc.	Charlotte, N. C.	198,936.45
Carolina Comp Stores	Charlotte, N. C.	254,755.00

IV. Invitation to bid sent to 71 companies.

V. Advertising On: 8/26/92 Bids Read: 9/15/92

A pre-bid conference was held on September 1, 1992.

VI. Justification: This proposed purchase is for furnishing microcomputers which will replace the AS/400 Workstations during the conversion to Word Processing on the LAN.

VII. Source of Funding: No commitment of funds are needed until actual purchase orders are issued. Establish annual contract on a unit price basis.

February 24, 1993

OTHER DATA:

VIII. M/WBE Status (if applicable): Six (6) of the vendors on the bid list are M/WBE's. However, no bids were received from either of them.

IX. Consequences if Action is Deferred: Will not be able to convert the City to a simple Word Processing/E.Mail System. Other departments will not be able to purchase additional microcomputers as needed.

X. Other Information: This request is for an annual contract with option to renew for an additional year at the same unit price bid, or decrease in bid should market prices change.

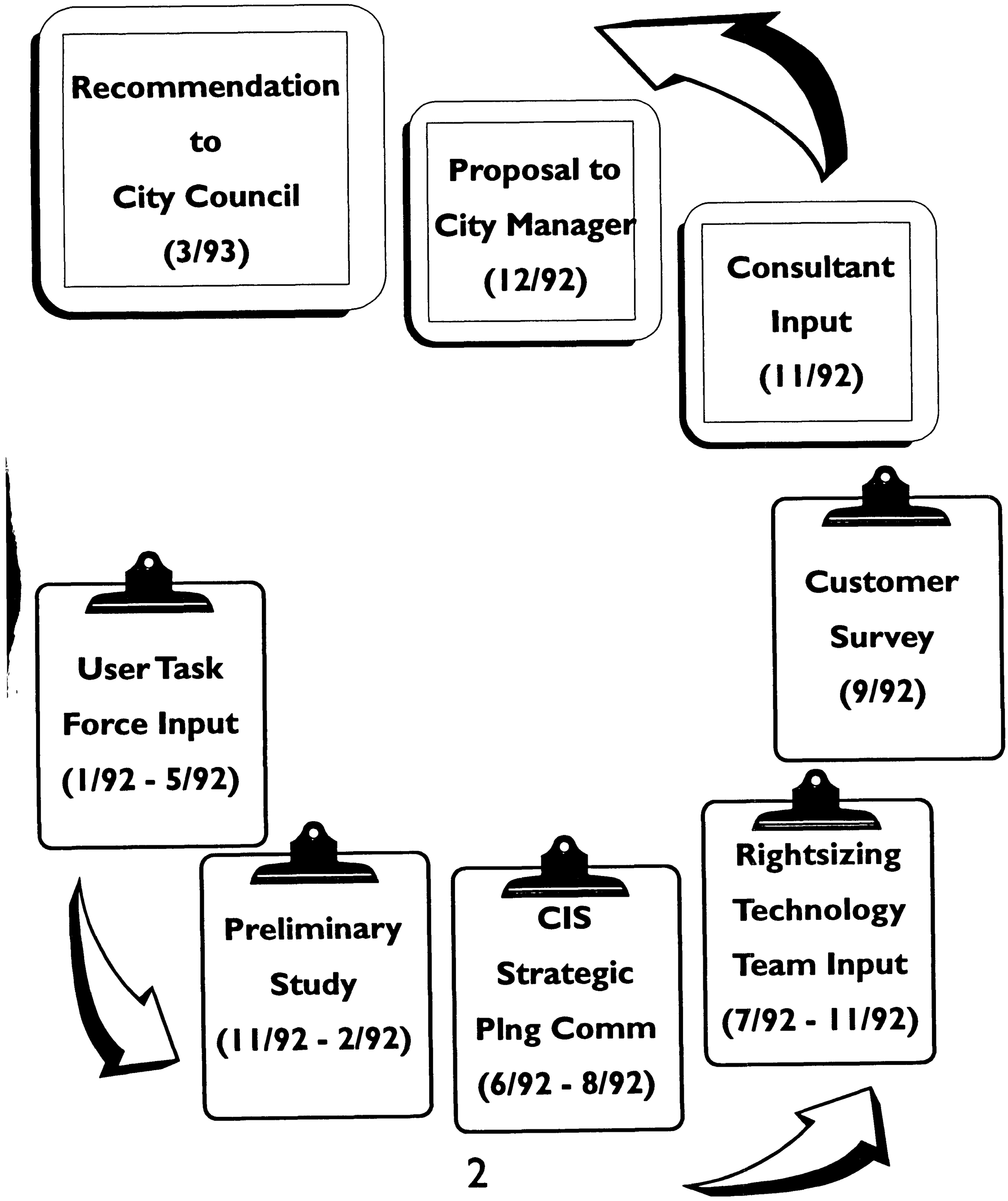
For further information on this item please contact Marian Lyon ext. 5669.

Approved by: _____
Assistant City Manager

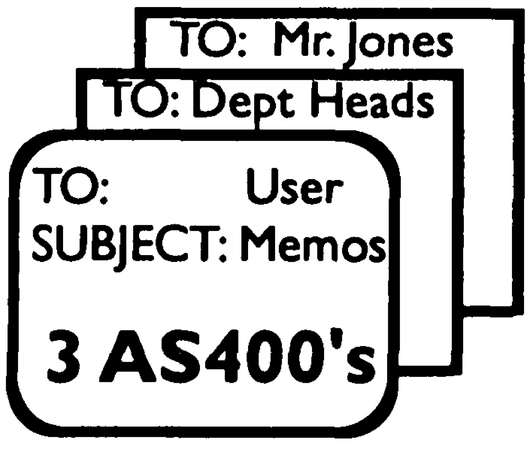
Presentation Outline

- Decision Making Process
- Current Situation
- Problems and Expectations
- Recommendations

DECISION MAKING PROCESS



CURRENT SITUATION



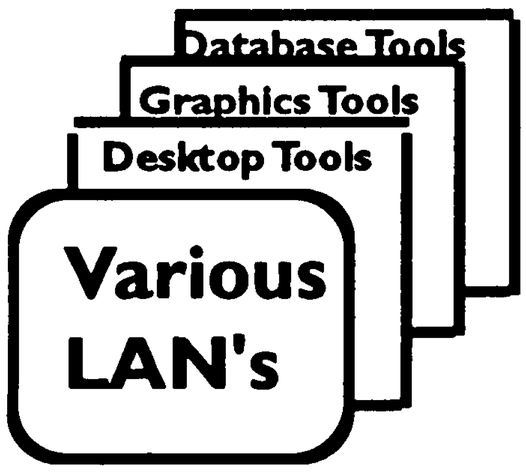
AS/400 Overview

Number of Systems	4
Number of Customers	348
Number of Terminals	142

Uses:

OfficeVision/400 is the Official Office Automation Software For the City of Charlotte

- Word Processing
- Electronic Mail
- Calendaring



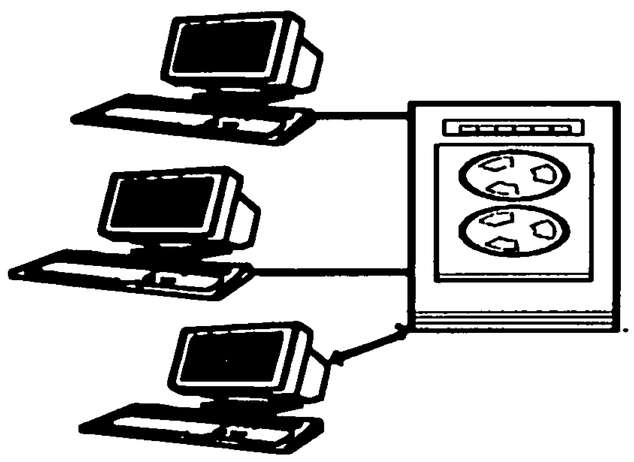
Local Area Networks (LAN) Overview

Number of Systems	45
Number of Customers	565
Number of Microcomputers	355

Uses:

- Access to the Mainframe is Available to LAN Attached Microcomputers
- The LAN is An Unofficial Office Automation Platform For the City of Charlotte
  - WordPerfect and WordPerfect Office
  - FoxPro
  - Lotus 1-2-3
  - Harvard Graphics
  - AutoCAD
  - Desktop Publishing

AS/400 and LAN
We Now Have Redundancy

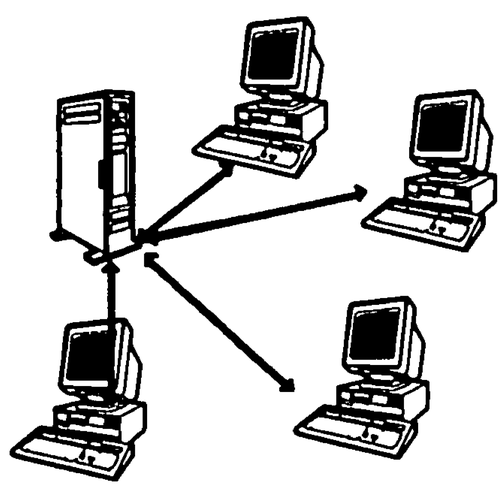


IBM AS/400

Word Processing

Electronic Mail

Calendaring



LAN

Word Processing

Database

Spreadsheet

Graphics

Electronic Mail

Calendaring

AS/400 and LAN
Originally Different Customers

IBM 5520

Clerical Staff

IBM AS/400

Clerical Staff

Stand-Alone PC

Professional Staff

LAN

Professional Staff

Clerical Staff

Problems Resulting From Parallel Systems

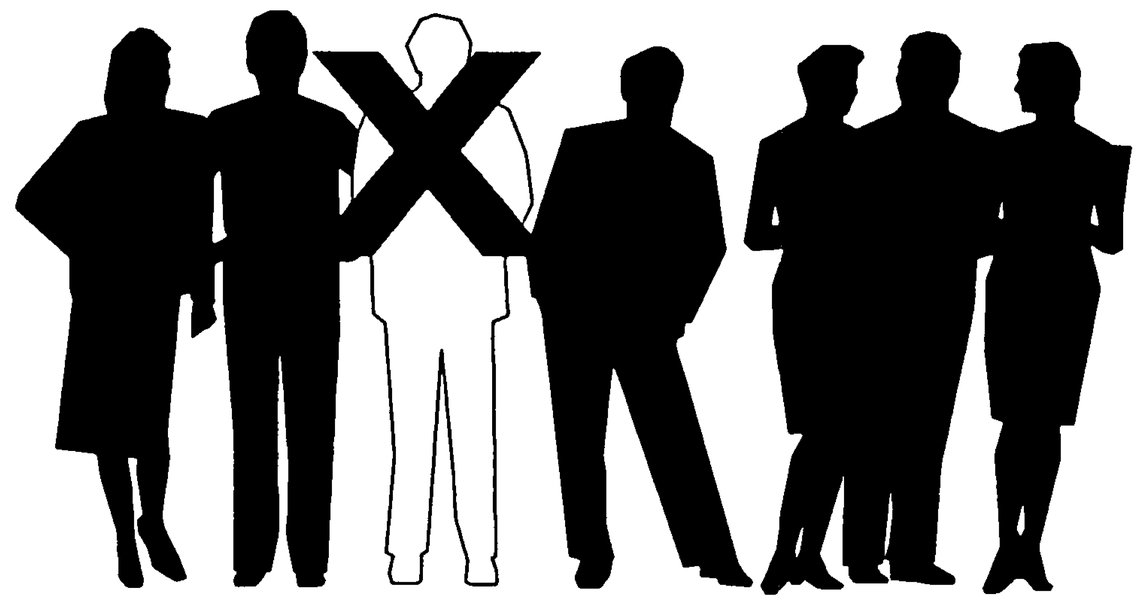
Since AS400 is the Primary Office Platform, Info Must Be Sent Through the Clerical Staff

Users Demand/Want the "Easy-to-Use" Desktop Tools Available on the LAN

Functions and Communication Links are Redundant (e.g., Word Processing, Calendaring, Electronic Mail, etc.,)

New Expectations From Office Automation

Eliminate Vacant Clerical Positions



Decrease Layers of Management by Providing New Paths of Communication

Create an Environment for Decentralized Decision Making By Providing Information at the Service Provider Level

Facilitate Decision Making With Access to All Information Through One Tool - the Local Area Network.

RECOMMENDATION

Move Office Automation To the LAN

Timeframe: July 1, 1993

Move Office Automation To the LAN

Benefits:

- Eliminate Vacant Clerical Positions
- Staff Communication Can Be Done More Directly
- No Redundancy in Office Automation Systems Which Decreases Costs
- Increased Access to "Easy-To-Use" Desktop Tools
- Foundation Built for Future Technology Innovations

Drawbacks:

- The Cost to Add a Local PC (for Office Automation Functions Only) is More Than the Cost to Add a Local AS/400 Terminal
- Remote Communications Costs are Higher
- Start-Up (i.e., One-Time) Costs

Consultant Recommendations

Concurred With CIS' Recommendation Based on Two Issues:

1. Office Automation is Only Effective When Applied Uniformly Across an Organization
2. Local Area Network Technology is the Most Appropriate Platform for Deployment of Office Automation

Consultants:

Tom Cox, Cox & Co.

John Coster, Gerry Woltman; Cedallion

Paige Reeder, Sharon Bowser; IBM

Lynn Phifer, Tom Walsh, Joel Weinbach; The Computer Group

Recommend elimination of 272.5 positions from the City's Table of Organization.

Budget and Evaluation

Background:
In February of 1992, the City Manager presented the Blueprint for Rightsizing to City council. That plan included the commitment to reduce 200 positions from the General Fund and from those funds that receive General Fund support. In addition, Council increased the rightsizing requirement by 50 positions in order to add 50 Police Officers in addition to the 50 recommended by the Manager.

City departments have submitted rightsizing plans to identify the 272.5 positions and to identify alternative service delivery plans to minimize the impact of the position reductions. In addition, the Manager's Reorganization has been defined to the extent that consolidated administrative functions for the new key businesses can be reduced. With this information now available, the City Manager has developed his final recommendations on the reduction of these 272.5 positions. The positions to be eliminated are distributed as follows:

Fund	Reductions
General	252.25
Water and Sewer	11.25
Airport	1
Community Development	7
Employment and Training	1
TOTAL	272.5

Request:
Council is requested to approve the Manager's recommendation to eliminate 272.5 positions from the City's Table of organization.

Ord. #1

Recommendation to transfer $5.1 million from General Fund, Community Development and Employment and Training Operating Budgets to satisfy the FY93 Rightsizing Obligation.

Budget and Evaluation

Background:
The FY93 Manager's Recommended operating budget included a $4.2 million rightsizing offset. The recommendation was to eliminate 200 positions prior to June 30, 1993. Because it was unknown at the time of the budget presentation where the 200 positions were funded, a rightsizing "offset" was placed in General Fund Non-Departmentals to help balance the budget through Rightsizing pending this action.

In the Budget deliberation process, Council increased the rightsizing offset from $4.2 million to $5 million to offset partially the addition of 50 police officers above and beyond the 50 officers included in the Manager's Recommended Budget.

Through freezing salary savings in departmental budgets plus by projecting salary savings beyond March 1, $5.1 is now projected to be available from departmental budgets.

Request:
Council is requested to approve the ordinance implementing the FY93 budget decision that sets aside $5.1 million in salary savings to balance the budget.

COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: Reports from the Mayor's Task Forces on Organization, Compensation and Productivity

KEY POINTS (Issues, Cost, Change in Policy):

In conjunction with the City's Rightsizng efforts, the Mayor appointed three Task Forces to review three related issues: Organizational Structure; Employee Compensation; and Privatization.

At the Workshop, the Chairman of each Task Force, will give a brief oral report to City Council. Council has scheduled a discussion of these reports for March 29, 1993.

OPTIONS:

COUNCIL DECISION OR DIRECTION REQUESTED:

No decision or direction requested at this time. Council has set a workshop for March 29, 1993 for an in-depth discussion of the Task Force Reports with the members of each Task Force.

ATTACHMENTS:

The Task Forces will provide Council copies of their reports at the Workshop.

Council Workshop 3/1/93

Mayor absent
Campbell ✓
Clodfelter absent
Hammond ✓
McCrory ✓
Majeed ✓
Marquis ✓
Martin ✓
Patterson ✓
Reid ✓
Scarborough ✓
Wheeler ✓

5:15

Hammond
Martin / Wheeler App. Minutes
Hammond Tues.
Martin
White - Started in Fall of 1990 with warning from R. Martin then fall told that tax revenues, then Spring of '91 State kept some of our revenues to balance their budget.

OWW

Did not think recovery would be so optimistic.

Now we are here for report on rightsizing.

The main leadership role for rightsizing has been Pam, with Dave Cook + his staff + all Dept. Heads

Pam Siffert - Overview of what we'll go over tonight

Dell Borgdorf

- Property Tax is the tax which Council can control
- New growth in '90's is nothing (erratic) compared to '80's.
- "Baby boomers" have moved through the economy + set up homes, not buying so much any more + so sales tax is down
- Debt Service up
- Fixed assets have doubled
- Revenues are flat

McCrory
Borgsdorf
McCrory
Borgsdorf
Alexander
Borgsdorf
McCrory
Borgsdorf
White
Reid
Borgsdorf
Reid
Borgsdorf
Vi Alexander - Double AAA Rating from Moody's & Standard & Poors for 17 years -
Hammond
Alexander
White
Hammond
Alexander - Sanitation 8% of workforce today
Local & have doubled with the shift in Federal Policy

Charlotte
(1) Kept general operations flat
(2)

Syfert - 1 year ago
- Can't cut workforce & continue to do work same way
- Blueprint for change taken to workforce

Mangum
Syfert Tape 1, Side 2 6:10

Julie Burch - Reduction of 250
McCrory
Syfert
Reid
Syfert
Reid
Syfert
Reid
Alexander
Syfert
Wheeler
Alexander
Syfert

White	
Reid	
Patterson	
Reid	
Alexander	
White	
Patterson	
White	
Syfert	
Hammond	
Julie	
McCrary	
Burch	
Syfert	
White	
Scarborough	
Syfert	
Mangum	
White	
Mangum	
White	
Burch	
White	
Burch	
Martin	

Burch	
Hammond	
Alexander	$20,000 first year
McCrory	
Steger	
McCrory	
Martin	
Steger	
Martin	
Steger	
Martin	
Majeed	
Scarborough	
Reid	
Steger	
Alexander	
Reid	
Alexander	
Reid	
Seifert	
Steger	
Mangum	
Seifert	
McCrory	
J Burch	

McCrory
Burch
Martin
Siffert
Burch
Borgsdorf
Hammond
Scarborough
Hammond
White
McCrory
Alexander
Hammond
Borgsdorf
McCrory
Siffert
Martin
Hammond
Borgsdorf
Steger - Redefining external priorities
Martin
Steger
Burch
Patterson

Burch

Syfert

White

Patterson

Wheeler

Scarborough

Martin

White

Syfert — Brenda Page

McCrory — Joke — forget it

Syfert Tape 2, Side 1, 6:55 p.m

White

Scarborough

White

Hammond

White

Hammond

Dave Cook

Reid

Dave Cook - 4,024 includes

Martin

Cook

Martin

Cooke

Martin

Cooke

Martin

Cooke

Patterson

Cooke

Hammond

Cooke

Syfert

White - Where do we go from here?

Hammond-

Scarborough / Patt App LAN

Reed

White

Hammond

Morgan

McCrory

Hammond

McCrory

Syfert

McCrory

[redacted]

Morgan

Martin

White	
Martin	
Cooke	
Syfert	
Hammond VOTE-	Unan.
Scarborough	
Patterson / Wheeler	Excuse Sen
No - McCrory	
Patterson / Wheeler	App elimination of 272.5 positions
Reid	
Syfert	
Reed	
White	
Reid	
White	
Hammond	
Reid	
White	
Hammond	
Majeed	
Hammond	
Patterson	

Reid
Patterson
White - Tape 2, Side 2
Martin
Syfert
White
Martin
White
Campbell
White
O. Hammond
Campbell
Reid
Hammond
McCrory
Reid
McCrory
Patterson
Reid
Martin
Patterson
White
S
No Martin

Ord. to transfer

Patt / Wheeler App 8-1 Money

No Martin

Martin - Supported Wendell but wanted to hear reports first

Mayor's Task Force

① Organization

John Corente

① Key Businesses - 6

② Empowerment, Trust, Delegation

- Bus. Heads authority to obtain goods + service to operate
- 4 levels from bottom to City Mgr.
-

McCrory

John Corente

McCrory

John Corente

McCrory

Corente

Martin

Corente

Martin

Corenti

Martin

Patterson

Corenti

Patterson

Corenti

Mangum

Hammond

Majeed

Corenti

Majeed

Corenti

Reid

Corenti

Reid

Corenti

Hammond

White

Patterson - Meet once a month

White

Hammond - ask staff to give us a reality check on law - what can do what can't do

Corenti

Martin

Corenti

Hammond
McCrory
Patterson
Han
McCrory / Patterson Org. Chart
Changes
No - Reid, Wheeler
Hammond -
Compensation - Get to it on
3/29

Syfert -
Bobby Lowery - Working since
July Tape 3 Side 1
Landscaping & Tree Maint. 8:25
Competition

Hammond
Martin
Lowery
Martin
Margum
Lowery
Hammond
Margum
Lowery

Hammond
Wheeler - Rock Hill to Charlotte
bus line started today.
Hammond
Margum
Wheeler

Margum / Mar — App. Exec.
Unan. — Session

Margum / Martin — Adjourn
8:35